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PROCEEDINGS AND DEBATES OF THE 94th CONGRESS, FIRST SESSION

HOUSE OF REPRESENTATIVES—*Tuesday, July 15, 1975*

The House met at 12 o'clock noon.

Rev. Tom Thompson, minister, Parkway Cumberland Presbyterian Church, Nashville, Tenn., offered the following prayer:

O God Eternal, You have breathed into our faces Your holy breath and made us living souls. You have given us physical life; and, through the blood of Your only Son, Jesus, you have given us eternal life. Now as we invoke Your divine presence to be with us throughout this day, we are stripped naked, for we know that You see beyond the flesh into our hearts, minds, and lives. You know every hope we have for our Nation—every ambition, every goal, every desire; and so we pray that with divine and righteous wisdom, You would lead these Congressmen to make wholesome and beneficial decisions concerning the life and work of our great Nation. O God, guide them in the work of this day. We dedicate the work of this day to You. In the name of Jesus Christ, we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 66) entitled "An act to amend title VIII of the Public Health Service Act to revise and extend the programs of assistance under that title for nurse training and to revise and extend programs of health revenue sharing and health services."

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 565. An act to amend title 28, United States Code, to provide more effectively for bilingual proceedings in all district courts of the United States, and for other purposes; and

S. 1260. An act to authorize the Administrator of General Services to enter into multiyear leases through use of the automatic data processing fund without obligating the total anticipated payments to be made under such leases.

REV. MR. TOMMY THOMPSON

(Mr. JONES of Tennessee asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. JONES of Tennessee. Mr. Speaker, in the absence of my colleague, the Honorable RICHARD FULTON, it is my pleasure to present the Reverend Mr. Tommy Thompson, pastor of the Parkway Cumberland Presbyterian Church in Nashville, Tenn., who opened today's session with an especially appropriate prayer.

Mr. Thompson is a native of Gibson County, Tenn., and his parents are constituents of mine. He is a noted minister throughout the Cumberland Presbyterian Church, my own denomination, and it was an honor and a pleasure to have him offer our invocation today.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
July 15, 1975.

Hon. CARL ALBERT,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: This is to advise that I have received this date the Certificate of Election for the Honorable John G. Fary, who was duly elected Representative in Congress, Fifth Congressional District, Cook County, State of Illinois to fill the unexpired term caused by the death of the Honorable John C. Kluczynski, in a Special Election held on July 8, 1975.

With kind regards, I am,
Sincerely,

W. PAT JENNINGS,
Clerk, House of Representatives.

HON. JOHN G. FARY

The SPEAKER. Will the gentleman from Illinois (Mr. FARY) come to the well of the House and take the oath of office?

Mr. FARY appeared at the bar of the House and took the oath of office.

PERMISSION FOR SUBCOMMITTEE ON THE ENVIRONMENT AND THE ATMOSPHERE TO MEET TOMORROW

Mr. BROWN of California. Mr. Speaker, I ask unanimous consent that the Subcommittee on the Environment and the Atmosphere of the Committee on Science and Technology be permitted to meet tomorrow afternoon, Wednesday, July 16, 1975, despite the fact that the House will be in session.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

REPUBLICANS TO FARE NO BETTER AGAINST KING CAUCUS THAN THEY DID AGAINST KING COTTON

(Mr. DAVIS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DAVIS. Mr. Speaker, I take this time today to report to my colleague, the gentleman from Massachusetts (Mr. CONTE), who on yesterday, as head coach for the often forfeited Republican baseball team for 1975, accused us of being controlled by King Caucus. I would only say that the success of the Republican baseball team this year against King Caucus will be the equivalent of the coach's efforts yesterday against King Cotton. He shall fail dismally.

AN IRONIC DAY IN SPACE

(Mr. BAUMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BAUMAN. Mr. Speaker, we meet here today under what can only be called the most ironic of circumstances. As my colleagues are well aware, at great expense to the American taxpayer, an Apollo spacecraft will lift off to link up with the Soviet Soyuz module on Thursday, the first time such a Soviet-United States manned project has been undertaken. Except as a showpiece of détente for those who enjoy such things, this whole endeavor is of the most questionable nature.

How ironic this episode is. How tragically farcical. As we meet here today, no expense is saved in order that we make life comfortable for the visiting Soviet newsmen, scientists, and Communist officials who are at this moment fingering the aircraft, machinery, and people of Cape Canaveral hours before they are to watch the impending launch of the American craft.

In the sly, bland way our State Department explains such things, it tells us that we are giving the Communists the "red carpet treatment" in the spirit of the U.S. Bicentennial, the implication being that here is one more bridge we have built in order to further bilateral friendship and trust with our space partner. But on the other side of the world, the Soviet officials in charge of the

Soyuz project spare no effort in their successful attempt to ridicule us. Despite our own demonstration of trust in making our Nation's space center an "open house" for any Soviet official with a desire to come, our request that we be permitted to watch the Soviet launching from their space center was refused. Not only are our newsmen, scientists, and officials barred from seeing the Russian launch, but in keeping with a totalitarian closed society, our own Ambassador to the Soviet Union will be escorted to the U.S.S.R. site in an enclosed car, treating him like a potential spy who must be prevented from peeking through the limousine's black curtains and thus espying an occasional slavemaster or one of the many empty roads for which the automobile congestion-free Soviets are famous.

The Russian exile, Alexandr Solzhenitsyn, is probably the closest a human being can come to being an institution of courage and nobility in this day and age. He represents to oppressed peoples everywhere what once only the United States of America did represent, an international voice of freedom and hope. In the petty way we have officially treated him and the fawning fashion we demonstrated in our fumbling rush to appease the Soviets, we have insulted not only Solzhenitsyn but the captive peoples whose forced labor is neither appreciated nor acknowledged by either country in our joint day in space.

MAJORITY LEADER THOMAS P. O'NEILL, JR., SAYS PRESIDENT'S ECONOMIC POLICIES ARE THE SAME AS THE DISASTER OF 1973

(Mr. O'NEILL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. O'NEILL. Mr. Speaker, when I read about President Ford's economic policies, I have the feeling I have seen it all before—2 years ago, to be exact.

The President wants to drive up fuel prices, and he wants to commit the United States to another big Soviet grain sale before our crop is even harvested.

As everyone here remembers, it was the food and fuel shortages of 1973 that touched off rampant inflation throughout our economy. The ultimate result is where we are today, in a deep recession with the highest unemployment in 34 years.

The same administration team that was in control at the time of the economic disaster 2 years ago is still there today—the same presidential advisers who lobbied against energy conservation—the same Secretary of Agriculture who authored the great American food shortage.

The only difference today is that unemployment is twice as high as it was then, and a lot less people are able to afford another round of price increases.

If you think things cannot get worse, do not kid yourselves. If this same administration team follows through with the same policies of 2 years ago, we are going to have economic catastrophe on top of economic disaster. This administration seems to think that two economic collapses equal recovery.

PERMISSION FOR COMMITTEE ON RULES TO FILE CERTAIN PRIVILEGED REPORTS

Mr. PEPPER. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file certain privileged reports.

The **SPEAKER.** Is there objection to the request of the gentleman from Florida?

There was no objection.

PROVIDING FOR CONSIDERATION OF H.R. 7014, ENERGY CONSERVATION AND OIL POLICY ACT OF 1975

Mr. PEPPER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 599 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. Res. 599

Resolved, That upon the adoption of this resolution it shall be in order to move, clause 2(1)(6) of rule XI to the contrary notwithstanding, that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 7014) to increase domestic energy supplies and availability; to restrain energy demand; to prepare for energy emergencies; and for other purposes. After general debate, which shall be confined to the bill and shall continue not to exceed four hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Interstate and Foreign Commerce now printed in the bill as an original bill for the purpose of amendment under the five-minute rule, said substitute shall be read for amendment by titles instead of by sections, and all points of order against the consideration of said substitute for failure to comply with the provisions of section 401 of Public Law 93-344 are hereby waived. It shall be in order to consider, without the intervention of any point of order, the text of an amendment which is identical to the text of section 301 of H.R. 7014 as introduced and which was placed in the Congressional Record on Monday, July 14, 1975, by Representative Robert Krueger. At the conclusion of such consideration, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

CALL OF THE HOUSE

Mr. ASHBROOK. Mr. Speaker, I make the point of order that a quorum is not present.

The **SPEAKER.** Evidently a quorum is not present.

Mr. PEPPER. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 387]

Abdnor
Archer
AuCoin
Badillo
Baldus
Blanchard
Breaux
Burke, Calif.
Burke, Fla.
Carr
Cederberg
Chisholm
Conyers
Danielson
Dellums
Derrick
Diggs
Downey
Downing
Drinan
Edgar
English
Esch
Eshleman
Evans, Ind.
Flowers
Foley
Ford, Mich.
Forsythe
Frey
Fulton
Fuqua
Goodling
Gude
Hall
Hannaford
Harkin
Harsha
Hayes, Ind.
Hays, Ohio
Hébert
Hefner
Hightower
Holland
Hughes
Hyde
Jacobs
Jarman
Jenrette
Karth
Kasten
Kelly
Keys
Lent
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
McDade
McEwen
McHugh
McKinney
Mann
Matsunaga
Metcalfe
Milford
Mineta
Moffett
Mollohan
Moore
Moorhead, Pa.
Neal
Nix
Nolan
Patman, Tex.
Patterson, Calif.
Pike
Pressler
Richmond
Rinaldo
Risenhoover
Rodino
Satterfield
Scheuer
Schulze
Seiberling
Shipley
Shuster
Sisk
Skubitz
Stanton, James V.
Stuckey
Symington
Symms
Talcott
Teague
Thompson
Tsongas
Udall
Van Deerlin
Waxman
Whitten
Winn
Wydler
Young, Fla.
Zablocki

The **SPEAKER.** On this rollcall 328 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

HOUR OF MEETING FOR THE REMAINDER OF THE MONTH

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that when the House adjourns today that it adjourn to meet at 10 o'clock in the morning on the following days in July: Wednesday, the 16th; Thursday, the 17th; Friday, the 18th; and on the 21st, 22d, 23d, 24th and 25th; and on the 28th, 29th, 30th, and 31st; and that all committees may have permission to meet also at 10 o'clock in the morning; and that the House may adjourn at 6:30 each evening for the remainder of the month.

The **SPEAKER.** The Chair will advise the gentleman from Massachusetts that he cannot make that complete request by unanimous consent. He can make the convening time request but not the adjourning time request, and tomorrow the request should be to meet at 10:15 a.m.

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that tomorrow, Wednesday, July 16, the House meet at 10:15 a.m., and the remaining days we are in session during the month of July that we meet at 10 a.m., and that the committees have permission to meet at 10 a.m.

Without asking for unanimous consent that the House do so, I will inform the Members it is the intention of the leadership to close the sessions at 6:30 each evening.

Mr. BAUMAN. Mr. Speaker, reserving the right to object, is this request for only tomorrow?

Mr. O'NEILL No. The request would be for each day remaining in July. I checked with the leadership on the gentleman's side of the aisle and they realize we have a completely full schedule, which is already in the hands of the leadership on the gentleman's side of the aisle. We will have these bills: Food stamp, noise control, consumer products, drug abuse, USIA authorization, postal reorganization, pay of witnesses, fuel allocation, and President Ford's decontrol legislation, which all are must's before July 31.

Mr. KAZEN. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. Mr. Speaker, further reserving the right to object, I yield to the gentleman from Texas.

Mr. KAZEN. Mr. Speaker, I would like to ask the distinguished majority leader if this definitely means we would be working on Fridays until about 6:30 in the afternoon?

Mr. O'NEILL. It is my intention that we not work any evening after 6:30. On Friday, or on any other day, if we have completed the business before 6:30 p.m., we would adjourn. Our purpose is to control the time for the following 3 weeks in view of the fact that there is so much legislation that is urgent; and we have only 13 legislative days in which to finish this ambitious program. We want to be able to complete our work during reasonable hours, from 10 in the morning until 6:30 at night. I have already cleared this matter on the other side of the aisle.

Mr. KAZEN. I agree with the intention of the leadership that this should be done, but what I am objecting to is that if we get through at 2:30 or 3 o'clock in the afternoon, I suggest we put on something else and continue.

Mr. O'NEILL. I recall that the gentleman had that same complaint last week, and I am sure he found out, as we all find out, that when chairmen say they can complete a bill within a certain time that is not always accurate.

Mr. KAZEN. I think the leadership has made the point that we have a great deal of legislation to take up from now on.

Mr. O'NEILL. That is correct.

Mr. BROYHILL. Will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from North Carolina.

Mr. BROYHILL. Mr. Speaker, as I understand the majority leader is asking unanimous consent or asking permission for committees to meet at 10 o'clock when the House is in session. Do I understand that to say the committees cannot meet when we are in the 5-minute rule?

Mr. O'NEILL. No. It is my intention that the committees on their own could make that decision. We could grant them permission to meet and convene during this period of time.

Mr. BROYHILL. If the gentleman will continue to yield, it seems to me it would facilitate the business if the committees were to abide by the present rule and that is not to meet when we are in the 5-minute rule. Often we have amendments that come up and we do not know what they are. We are in the committee and they could make decisions much easier——

Mr. O'NEILL. We leave that to the judgment of the members of each committee and trust that they understand. We are trying to expedite matters, and if any committee attempts to prevent us from doing that, then we would take action; but we leave that to the judgment of the membership and the various committees.

This is an experimental situation, and in view of the fact that we do have so much legislation, we have about 8 or 10 pieces of legislation that will be ready for us at a later date when we come back, we are trying to fill out the program and expedite things as best we can. This has been checked with the leadership on the other side of the aisle.

The SPEAKER. The Chair wants to understand the request and I think the gentleman can reserve his right to object.

The request for tomorrow is to meet at 10:15 a.m.?

Mr. O'NEILL. The Speaker is right.

The SPEAKER. And the request for other days in July prior to the August recess is for 10 a.m.; is that correct?

Mr. O'NEILL. The Speaker is correct.

The SPEAKER. There is no limit on the hour of adjournment. The leadership cannot fix a firm limit, but efforts will be made to finish business around 6 or 6:30, however, during the last week it may be necessary to take such time as necessary to finish the program.

Mr. BAUMAN. Mr. Speaker, further reserving the right to object, I certainly have no objection to the first part of the majority leader's request to meet early each day in order to conduct our business; but it has been the experience of the few of us who stay here most of the day that it is almost impossible many times for Members who do not stay on the floor to know what they are voting on. They check with the whip system at the door and are told, "Vote yes" or "Vote no." There are rarely enough Members here to give proper consideration to the legislation. If the House wants to consider the request to allow committees to meet during sessions, I do not think that will produce much intelligent legislation on the floor.

Could the gentleman sever the first request and make a request on the second point?

Mr. O'NEILL. Mr. Speaker, I can alter the request by asking unanimous consent that the committees would have permission to meet until noon. Otherwise, they would have to ask special permission within the regular rules of the House.

Mr. Speaker, I make that in the form of a request.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

Mr. BAUMAN. To the request we come in session early?

Mr. O'NEILL. First of all, that we come in session early.

Second, that the committees may meet until 12 o'clock and after 12 o'clock the regular rules of the House prevail with respect to the standing committees.

Mr. BAUMAN. Mr. Speaker, further reserving the right to object, I think Members ought to be here whenever we are in session. Members can make individual requests for committees to sit if it is necessary for a given day. Such a request is rarely objected to, but for instance today we are debating a very important energy bill and under the proposed unanimous-consent request many Members would be gone from the floor.

Mr. MICHEL. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Illinois.

Mr. MICHEL. I would think in view of the majority leader's effort at compromise that by the time the quorum calls and the 1-minute speeches are over, and frankly to give them that opportunity to meet until noon would be acceptable, that the greater part of the time would surely be between noon and 6:30 when we adjourn.

I think that is a beautiful compromise. I would hope that the gentleman would withdraw his reservation of objection.

Mr. BAUMAN. The gentleman from Maryland, in a spirit of compromise, is overcome by the combined eloquence of the leadership on both sides of the aisle and withdraws his reservation of objection.

Mr. OTTINGER. Mr. Speaker, will the gentleman yield?

Mr. O'NEILL. I yield to the gentleman from New York.

Mr. OTTINGER. Mr. Speaker, I would hope that the leadership would not grant long periods of debate for many people. This is a waste of time. They speak to an empty House. Anybody who wants to get his remarks in the RECORD always submits them.

I think it is one of the greatest time wasters we have. We have a situation today with 4 hours of general debate on a bill, preventing us from being able to get into the substance of any legislation. I would hope that we could cut down on that in the future.

Mr. O'NEILL. I thank the gentleman for his views.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

CORRECTION OF POSITION OF INDEPENDENT PRODUCERS AND ROYALTY OWNERS ASSOCIATION

(Mr. ECKHARDT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ECKHARDT. Mr. Speaker, I do want to make a correction and an apology at the very first instance when many Members are on the House floor, or at least a good group is on the floor. The factsheet of the DSG had listed the

Independent Producers and Royalty Owners Association as being in favor of the Energy Conservation and Oil Policy Act. Since this factsheet comes out under my name, I want to make it quite clear that they are on the other side; that they are against.

The mistake was not intentional on my part and did not emanate from my office, but was a secretarial mistake at the printing level. I want it clearly understood that the organization is opposed to the bill.

PROVIDING FOR CONSIDERATION OF H.R. 7014, ENERGY CONSERVATION AND OIL POLICY ACT OF 1975

The SPEAKER. The gentleman from Florida (Mr. PEPPER) is recognized for 1 hour.

Mr. PEPPER. Mr. Speaker, I yield 30 minutes to the able gentleman from Tennessee (Mr. QUILLEN), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 599 provides for an open rule with 4 hours of general debate on H.R. 7014, the Energy Conservation and Oil Policy Act of 1975.

House Resolution 599 waives all points of order against clause 2(1)(6) of rule 11 of the Rules of the House—the 3-day rule. House Resolution 599 provides that it shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Interstate and Foreign Commerce now printed in the bill as an original bill for the purpose of amendment, and that the substitute shall be read for amendment by titles instead of by sections.

House Resolution 599 provides that all points of order against the consideration of the substitute are waived for failure to comply with the provisions of section 401 of Public Law 93-344—the Congressional Budget Act of 1974. Chairman ADAMS, of the Budget Committee, testified before the Rules Committee yesterday and has no objections to the waiver of the provisions of section 401.

House Resolution 599 provides that it shall be in order to consider, without the intervention of any point of order, the text of an amendment, offered by Mr. KRUEGER, printed in the CONGRESSIONAL RECORD of July 14, 1975.

H.R. 7014 is directed to the collective goals of increasing domestic supply, conserving and managing energy demand, and establishing standby programs for minimizing our vulnerability to major interruptions in the supply of petroleum imports.

Mr. Speaker, I urge the adoption of House Resolution 599 in order that we may discuss and debate H.R. 7014.

Mr. BAUMAN. Mr. Speaker, will the gentleman yield?

Mr. PEPPER. I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Speaker, is it my understanding that this rule waives certain provisions of the brand new, just enacted Budget Control Act, and it does so in a manner to permit any contracts made by the President of the United States to be backed up by the full faith and credit of the United States without the necessity of coming to the Congress for appropriations for those contracts. Is that the case?

What assurances does the House have, consistent with this statutory budget control limitation, that this bill will not be passed on the floor of the House allowing backdoor spending without the Congress having any future say about it?

Mr. PEPPER. In reply to the able gentleman, I am sure members of the Committee on Rules who are on the floor of the House at this time will correct me now if I am in error. In committee the point was raised that the language in the bill that would permit the Government of the United States to incur obligation in the purchase of oil from abroad would violate the contents of the provisions of the Budget Act. So the chairman of the committee, the gentleman from Washington (Mr. ADAMS) appeared and stated that he had no objection to the language that was in the bill, because he had been advised that the chairman of the appropriate committee that would handle the matter would offer an amendment on the floor to the effect that that obligation of the U.S. Government would not become binding until approved by the Committee on Appropriations, so that the conditional obligation would come before the review of the Committee on Appropriations. If I am in error, my colleagues on the Committee on Rules who are on the floor of the House I am sure will be kind enough to correct me.

So that the substance of the budget requirement is being met by the proposed obligation having to be approved by the Committee on Appropriations before it becomes a binding obligation to the Government.

Mr. BAUMAN. If the gentleman will yield further, I assume the gentleman is referring to the possibility that the gentleman from Michigan (Mr. DINGELL), who is the subcommittee chairman, will offer an amendment to this effect. I certainly do not doubt the gentleman's word of what transpired in the Committee on Rules. But it seems to me that we are once again placed in the position in which we have no absolute guarantee that the House will adopt such an amendment, and if it did not, we would be abrogating the Budget Control Act. While it is a small point, it could have a great fiscal effect, because under this bill the President is given the potential right to contract for millions and billions of dollars of obligation by his sole action. No President should have that power.

Mr. PEPPER. I assure the gentleman, of course, that is a technical possibility. But it is the same procedure that has been followed in other instances where the provisions in the bill were in obvious conflict with the Budget Committee law. There has not been a single instance where a commitment made to modify the bill so that it would conform with the budget requirements has not been made and allowed by the House, so I think the gentleman is really not justified in being overly concerned about that, because I am sure if the committee offers an amendment of that character that the House will accept the proposed amendment from the committee.

Mr. BAUMAN. If the gentleman will yield further, I thank the gentleman for his explanation, but perhaps the appropriate authorities of the Budget Committee or the Committee on Rules could send a circular around to the committee chairman of the House, explaining what the laws of the United States are and what necessary provisions should be contained in bills when they are drafted.

Mr. PEPPER. Undoubtedly that would simplify the situation.

Mr. BAUMAN. I doubt it.

Mr. QUILLEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in opposition to the rule and in opposition to the bill, H.R. 7014. I do so because I am absolutely committed to the goal of national self-sufficiency in energy. H.R. 7014 would push America in exactly the opposite direction. I urge Members on both sides of the aisle to pause and to consider the dire consequences which will result if this ill-advised and ill-conceived energy bill is actually enacted into law.

America demands a sensible and a workable national energy policy. Probably there is no other public question which so fundamentally affects our present and our future. And every day that we waste, every day that goes by, without this House addressing our energy situation in a responsible and rational manner, compounds the problem and causes further deterioration of an energy dilemma which is frightening and which is alarming in its present and in its future implications for this country. And I wish to go on record now that I believe very strongly that the entire approach on an energy policy which is contained in H.R. 7014 will have the result of furthering an already dangerous dependence on unreliable foreign sources of supply, and will place this country in great jeopardy.

Mr. Speaker, we have all been waiting these many months for the arrival of the energy bill from the Commerce Committee. Members will recall that when the energy bill of another committee came before us last month, that we were given assurances that the vital energy questions not addressed in that bill would be effectively dealt with in this bill. We were told to wait, and all would be well. We have waited, Mr. Speaker, and we now have before us an energy bill which is so bad, which is so controversial, and which is so inadequate and unattractive, that the author of the bill admitted before the Rules Committee that he could only support the bill with reservations. That is not much support for a bill which has been advertised as a solution to our energy problem. I congratulate the gentleman from Michigan for his candor, for I can appreciate the reasons for his reservations about this bill. I only wish that his reservations would have swayed him a little more persuasively than they seem to have done, because I have no quarrel with his reservations. Indeed, I am probably more comfortable with them than is the distinguished gentleman from Michigan.

Let us admit the truth, Mr. Speaker. This bill has failed to live up to its advance billing. This bill has generated an enormous amount of controversy. This bill has serious defects, and this bill's entire thrust is in the wrong direction. That is the reason why, Mr. Speaker, the Commerce Committee's key vote on this bill was recorded as 22 in favor and 21 against. Again, only yesterday in the Rules Committee, the key vote on the rule was 8 to 7. If I am not mistaken, that is an even weaker performance in committee than the Ways and Means Committee's energy bill, and we all recall the reception it received on the floor of the House. When that energy bill finally limped and dragged itself out of this Chamber, it was so altered, amended, and transmogrified, that I doubt if many Members could even recognize it. I noted some wispy apparition myself, but was not sure what it was. I am afraid we are all going to be treated to a similar spectacle with H.R. 7014—and for reasons just as legitimate and just as valid as on the previous occasion, and I would like to state what some of these valid objections are.

H.R. 7014 rolls back the artificial price controls on new oil, and freezes all domestic oil prices at a new, and in my judgment, unwise level. This will have an adverse effect on our domestic oil production. It will cause a greater dependence on foreign oil. It will have a negative effect on our balance of payments. And we will surely lose some American jobs as well.

After all these months, have we not yet learned that what this House needs to do is to provide incentives for the oil people to go out and produce more American oil? I had thought we had all learned that. But this bill does not do this. In fact, the bill's author declared before the Rules Committee that this bill provides no substantial incentives to increase domestic oil production. Moreover, it was further admitted that the bill is open to the charge that it will actually increase our dependence on unreliable foreign sources of supply.

Another provision in this bill limits gasoline production to 1973–74 levels, which is the equivalent of a mandated gasoline shortage, especially as we are coming out of the recession. This will inflict an injury on our weakened economy and again, will surely cause the loss of some American jobs. The American people were subjected to great hardship during the oil embargo, and I do not know of anyone who enjoyed the gas lines at the filling stations. And yet, H.R. 7014 could, in my judgment, recreate these gas lines by Government fiat. I will not be a party to that.

This bill contains authority for the Federal Government to be the exclusive purchaser of foreign oil. Unless I am mistaken, this provision has a familiar ring. It is, I believe, the very provision that was defeated on the floor of the House during the debate on the Ways and Means Committee's energy bill. It was voted down, because this House, in its wisdom did not want the Federal Government getting into this business and because it is not a workable concept. And yet, we find it again, dug up, raised from the dead and paraded once again before us. But I think that corpses are better left in their burial plots, undisturbed.

And not satisfied with all of this mischief that will make foreign oil suppliers richer and that will have Americans stranded again in lines to buy gasoline, this bill also contains a provision that will result in the Government Accounting Office entering the premises and auditing the books of gas station owners throughout the country. It is my understanding that this provision was adopted by the full committee after 1 or 2 minutes' debate. This is scant deliberation indeed, for a provision which would authorize the GAO to harass companies by going through all their records and operations. So more redtape, more bureaucratic expense—apparently for the purpose of duplicating the authorities of the FEA.

What kind of an energy bill is this—if it does not provide for an increase in our domestic oil production? What kind of an energy bill is this—if it means increasing our dependence on OPEC oil?

What kind of an energy bill is this—if it limits domestic oil production to 1973–74 levels?

What kind of an energy program is this—if it does not produce more energy for the American people?

I will tell Members what kind of an energy policy it is—it is a very bad and very dangerous kind of energy policy, and one we ought not support. By moving in the wrong direction H.R. 7014 is worse than no bill at all, and the House ought not to take it up.

Mr. Speaker, a sensible and rational and workable alternative to this fiasco before us does exist. I refer to the compromise oil decontrol plan announced yesterday by the President. The President's plan would gradually decontrol the price of old oil over a 30-month period. During that period, the President's plan provides for a price ceiling on uncontrolled oil equal to the price of uncontrolled oil in January of this year, plus the $2 per barrel import fee already in place. The President also called for the enactment of energy taxes including a windfall profits tax with plowback provisions to encourage, I repeat, to encourage increased domestic oil production. The President's plan also provides for an extension of the Emergency Petroleum Allocation Act to implement the decontrol plan.

Mr. Speaker, under the President's plan, oil imports will be reduced and domestic oil production will increase. Prices will increase gradually, but consumers will receive energy tax rebates. This is the kind of energy policy America desperately needs, and I urge its careful consideration by my colleagues.

Mr. Speaker, the hard-working men and women of this country are being hard pressed to buy the energy, and especially, the gasoline that they simply have to use. Most people in this country have to use their automobiles in order to get to work and then return home in the evening. Just 2 weeks ago, they were inflicted with yet another increase in the price of gasoline. This increase was not the fault of the gas station owners, or the distributors, or the jobbers. In fact all of them have tried, often to their own economic disadvantage, to keep the price of gasoline down. The recent increase in the price of gasoline was basically the result of decisions made by the major oil producers. This only indicates once again, that what we have to do in any energy policy that we adopt is to provide incentives for the major oil companies to discover and produce more American oil. That is the only way that we can stop these gasoline price increases, and that is what we must do. The overtaxed and inflation-ridden American people will applaud this action. And they will also applaud the energy tax rebates which are part of the President's program.

Mr. Speaker, this country needs decontrol, it needs a windfall profits tax on the oil companies, with a plowback provision to actively encourage the production of more domestic oil. Otherwise, the price of gasoline will go up and up. I will do everything in my power to see that gas prices go down or at least stop skyrocketing upward. The American people demand and deserve our support in this effort, and they will get that strong support from me.

Let us defer action on this energy fiasco before us. Let us consider again what we are doing. Let us move ahead in the right direction.

Mr. LATTA. Mr. Speaker, will the gentleman yield?

Mr. QUILLEN. I am happy to yield to my colleague, the gentleman from Ohio.

Mr. LATTA. Mr. Speaker, I want to commend the gentleman in the well on the statement he has just made, and add that I am going to oppose the rule and the bill.

Once again this House is about ready to waste 3 or 4 days of legislative time. It was admitted before the Committee on Rules by the honorable gentleman from Michigan, whose name happens to appear on this bill that, in its present form this bill does not have a chance of becoming law.

I do not believe we ought to be wasting 3 or 4 days debating legislation when those 3 or 4 days could be better spent on other legislation ready for debate and needed to be passed by this House which can become law.

It seems to me it is high time that the Congress of the United States and the administration get together on an energy bill which can become law and pass it, instead of going through the motions of legislating and accomplishing exactly nothing.

Mr. QUILLEN. I thank the gentleman from Ohio for his contribution.

Mr. BAUMAN. Mr. Speaker, will the gentleman yield?

Mr. QUILLEN. I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Speaker, I want to compliment the gentleman from Tennessee on his assessment of the proposed legislation. I also hope that the House will vote down the rule, and not waste all of this time debating a bill which amounts to nothing less than a horrible repeat of the unlamented ways and means "energy" legislation.

I think the gentleman from Ohio (Mr. Brown) is particularly correct in his prediction of a new energy crisis if this bill becomes law. He is particularly apt in his characterization of this bill as running completely counter to the necessity to increase oil and gas production in this country. That it will not do.

This bill, as I see it, cuts consumption and spreads out the shortages, but it does nothing at all, in my reading of this legislation, to increase production of oil and gas. It continues in effect the old two tier pricing system for oil which has discouraged the increase of domestic oil production in this country. It does not take into account the enormously increased cost of petroleum production in this country. Instead the bill enforces an artificial ceiling on those costs and ignores various factors which must be considered in any rational approach. That will not be allowed under this bill.

Mr. Speaker, I feel sure that if this legislation does go into effect, it will, within 2 years, produce an energy crisis that will be as bad as, or worse than, the Arab oil embargo of a year and a half ago. That is because the bill takes no account of the 4-percent annual increase in consumption of gasoline, for instance, that prevails in this country. Instead it arbitrarily sets future gasoline use at the 1973–74 levels, a totally unrealistic view.

Then to add insult to the taxpayer, the bill creates a completely new bureaucracy, a completely new GAO, to look over the shoulders of the oil industry. Admittedly the industry needs some watching, but I must really raise a question about a bureauracy of this magnitude.

So I can only compliment the gentleman from Tennessee (Mr. Quillen) and say that I hope his suggestion will prevail, that we will vote down the rule, and save this precious time. We should pass on to some other legislation that will help help the crisis, and not increase it. Until we return to the free market system of allocating our scarce resources, until we remove Government interference in the free enterprise system, we will never be able to solve the energy problem and provide petroleum products at reasonable prices. That is what the average citizen in the First District of Maryland waits, and this bill will not give that to anyone.

Mr. QUILLEN. I thank the gentleman.

Mr. Speaker, I now yield 10 minutes to the gentleman from Ohio (Mr. Brown).

Mr. BROWN of Ohio. Mr. Speaker, I intend to vote against the rule, because I recommended to the Committee on Rules yesterday that we defer consideration of this legislation until two other pieces of business which will come before the House within the next week or so are considered. The first is the President's proposal for the deregulation or decontrol of old oil which will provide for a 30-month plan of decontrol and the opportunity to get back to a market system of determining the value of oil in the United States. Coupled with it is what the President originally asked for—a return of funds to the people who are most impacted by higher gasoline prices in the form of a tax rebate plan, drawing its funds from the import duties and assisting the poor to better bear a higher price of gasoline, and also causing the encouragement of the production of oil in this country.

I might say that the Congress will have 5 days in which to work its will on the President's proposal. If it acts favorably upon the President's proposal in 5 days, then that proposal will become law. If it does act negatively, then that proposal will not become law.

There is a second proposal that will come before this body, and that is the conference on H.R. 4035 with S. 621. That piece of legislation, on which conference action was completed last week, proposes to extend the Emergency Petroleum Allocation Act beyond its scheduled termination date of August 31 of this year to December 31, and that is what gives us the authority for the price control of old oil in the first place.

Assuming that that passes this body, which I think it probably might, given the balance of the membership in this body, then the President would have 10 days to veto that legislation if the House and Senate are not willing to come to some compromise agreement on the pricing of oil.

Mr. ECKHARDT. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I will be glad to yield to the gentleman from Texas.

Mr. ECKHARDT. I wonder if the gentleman is at any time prepared to explain what the President's present proposal is.

Mr. BROWN of Ohio. I cannot at this moment because that proposal has not come before us. As I understand, the proposal will be submitted tomorrow, and it would be a little presumptuous for me to explain the proposal in advance of its being made, so I cannot do that. I will be glad to try to explain it to the gentleman as I understand it from what I have read in the press and from what I have read in the President's statement, but the proposal has not formally been made to this body as yet.

Mr. ECKHARDT. If the gentleman will further yield, I have tried to get it from the White House, and I have not been able to get it up to the present time.

Mr. BROWN of Ohio. I think the reason for that is very clearly that it has not been made formally.

Mr. ECKHARDT. I thank the gentleman.

Mr. BROWN of Ohio. As I understand from Mr. Zarb's testimony before our committee yesterday—I do not think the gentleman was there to hear it—they are trying to come up with figures in order to backstop the proposal, and when they have those figures completed, they will present the proposal formally, and I think that would be done tomorrow.

Mr. ECKHARDT. If the gentleman will yield further, of course, he knows that both he and I were before the Committee on Rules and that is the reason why I did not get the opportunity.

Mr. BROWN of Ohio. I am fully aware of that, and that is why I say that Mr. Zarb in his testimony said that.

This piece of legislation we have before us, H.R. 7014, could most profitably, I think, be deferred until we know what is going to happen to the President's compromise proposal before the Congress and what is going to happen to the extension of the Emergency Petroleum Allocation Act if this Congress should turn down the President's compromise proposal.

But let me tell the Members another very cogent reason why I think this consideration is a little premature. There are only about three things in this bill that are worthwhile at this moment.

The first thing is the standby authority which is given to the President to deal with energy emergencies such as another Arab oil embargo. Under H.R. 7014 the President would be authorized to prescribe energy conservation plans and/or gasoline rationing, and perhaps we should have that as a standby authority at the present time. The bill also provides a plan by which the Congress could veto such emergency plans to cope with the energy shortage.

The second time is a beginning of the oil reserve or energy reserve plan which is set up in order to cope with any shortages we might have, a storage system so that we could dip into that storage should our sources of foreign oil be cut off. That is probably necessary in case we have an embargo.

The third worthy point in this bill is the authority for the Federal Energy Administration to require petroleum-burning powerplants to convert to coal. We lost that authority as of June 30, 1975, and it should be extended. This bill extends that authority to January 1985.

But there are several things in this bill which are not worthy of consideration by the Congress at the present time. One of them unfortunately is authored by my good friend, the gentleman from Texas (Mr. Eckhardt), and it is a price rollback on the price of oil, new oil in particular. This provision will mean that we will have less domestic oil produced in the United States and become more dependent on foreign oil and more dependent on whatever the Arabs want to set as their oil price. I think that ought not to be the approach we take.

The second matter I find most burdensome has been alluded to by the gentleman from Maryland (Mr. Bauman), which is the part of the bill which calls for the super-snoops of the GAO to go into every aspect of the oil industry from the guy who goes out looking for oil to the fellow who sells it at the corner gasoline station and tell him how his books should be kept and audit those books on a continuing basis. My guess is there will be a great many service station owners and operators who will find that pretty offensive and not helpful to the oil industry. It can only add to the cost of oil from the finding of oil to the merchandising of oil and it can also only add to the taxpayers' cost because that kind of auditing is already called for in several other pieces of legislation, such as the Securities and Exchange Commission, the Federal Trade Commission, and the ICC which all have that authority now or versions of it.

The third thing which is the most unattractive is the mandated gasoline shortage. Many of my colleagues probably do not know that in this bill there is a shortage that can be equivalent to the shortage that the Arabs brought on us when they had the embargo. In this case it would be a shortage mandated by the Congress of the United States.

The American people do not deserve that kind of treatment from the Congress. It would be a real tragedy to make people stand in line and wait to buy gasoline when there is no shortage of gasoline. It makes no sense at all.

Mr. LATTA. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Ohio (Mr. Latta).

Mr. LATTA. Mr. Speaker, I think the gentleman is making a very thorough argument against this bill and this rule. I do not for the life of me understand how this provision got into the bill. Can the gentleman explain to me how that provision got into the bill and got out of the committee?

Mr. BROWN of Ohio. I cannot explain the logic that my adversaries devoted to it but I tried to suggest to them that if it was such a good idea, what we ought to have was a notice on each gasoline pump, a notice printed by the FEA saying that this opportunity to stand in line and wait for gasoline for 2 hours is brought to the consumer by the Congress and then have the picture and telephone number of the Congressmen who were responsible for this provision and voted for it added to that notice so every voter could know them and tell the Congressmen what the voters thought about that.

Now, they might get some calls from people that did not like the idea, so my suggestion was not welcomed with open arms.

Mr. LATTA. If the gentleman will yield further, certainly members of the committee are aware we have an increasing demand, an increasing population.

The SPEAKER. The time of the gentleman from Ohio has expired.

Mr. QUILLEN. Mr. Speaker, I yield the gentleman 2 additional minutes.

Mr. LATTA. Mr. Speaker, will the gentleman yield further?

Mr. BROWN of Ohio. I yield to the gentleman from Ohio.

Mr. LATTA. Mr. Speaker, we have an increasing population in this country and for the committee to come out with a regulation that notwithstanding the increased population, notwithstanding the increased demand for energy, we have to withhold and compress their demands to the figure the gentleman mentioned, the 1973–74 level, seems to be ridiculous on its face.

Mr. BROWN of Ohio. The growth in this country of gasoline consumption has been between 3.9 and 4 percent a year. This bill would mandate for the next 3 years that we keep the production level down to the 1973 and 1974 levels and this will result in those shortages. By 1977 we would have 500,000 barrels a day shortage of gasoline and that is as bad as the shortage during the Arab oil embargo.

Now in addition to that, the committee in its wisdom—and I use that word with some reservation—also said that the President could reduce production by 1 to 2 percent below that figure. That would just exacerbate the shortage and no method is provided in the bill for that shortage to be distributed around the country.

There is one other bad provision I want to get to, but first I will yield further to the gentleman from Ohio.

Mr. LATTA. Mr. Speaker, I want to commend the gentleman from Ohio for the leadership he has shown in this matter, particularly on this bill. I think the gentleman has hit the nail on the head many times in the Committee on Rules. I just wish that other members of the committee would have used the same wisdom and foresight that the gentleman has. If they had, I do not think we would have the problems we have in this bill.

Mr. BROWN of Ohio. I appreciate the gentleman's comments.

The SPEAKER. The time of the gentleman from Ohio has again expired.

Mr. QUILLEN. Mr. Speaker, I yield the gentleman an additional 2 minutes.

Mr. BROWN of Ohio. Mr. Speaker, neither of us should leave the impression that this bill came out of the Committee on Interstate and Foreign Commerce with a great deal of popular acclaim and enthusiasm. Actually, we had a vote of 21 to 21 on one of the major provisions in this bill, the pricing provision, with one vote of "present" and then that vote after a certain amount of discussion on another issue voted with the majority, 22 to 21, to include the provision on pricing; but there was a unanimous vote on the part of the minority against the bill and a number of votes on the Democratic side against the bill as it came out of the committee.

Now, in the Committee on Rules yesterday, the Committee on Rules voted only 8 to 7 to give a rule on this particular bill; so the bill is not exactly what we can call the most popular legislation that has ever reached the floor. As a matter of fact, I predict that this bill will meet about the same fate that the bill of the Committee on Ways and Means did. When it is all over, we will find a little bone and gristle around the hair, but that is all that will be left of the legislation

There is one other unpleasant part of the bill, that is the attempt by the Congress and the Government to mandate efficiency standards for automobiles, appliances, and factories. We mandated the standards for automobile efficiency right through 1985 without any idea what the situation will be in 1985 and nobody can tell us what the technology will be for the standards we mandate in that year.

As far as appliances, we just ask for mandatory labeling on appliances, but then we say if all appliances produced in the United States do not meet a 25-percent increase, the Federal Government will force them to do so. In other words, the Federal Government will design the appliances and, of course, we are well noted for our ability to do that.

Mr. PEPPER. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan (Mr. Dingell).

Mr. DINGELL. Mr. Speaker, the general debate will adequately cover an explanation of the bill that is before the House. It is not my purpose to do that at this time. I would like the House to know that I support the rule; it is fair and gives adequate time for exposition. Also, I would like the House to know that I support H.R. 7014, even though I have reservations about certain parts of that bill and even though certain of my suggestions were not adopted by the committee.

You should note that I am not requesting a rule which would in any way sterilize Members from the right to offer amendments to this bill. There is no requirement in the rule that amendments must be printed in the Record in order to be eligible for consideration. I do want my colleagues to know that this bill is a very complex one and will require intense work on the part of the House in order to be finished in any reasonable timespan and not to unduly inhibit the scheduling of other legislation by the leadership.

For that reason, as the matter goes forward, it may be necessary for me to seek to limit debate, first by unanimous consent and second by moving for a limitation of debate on amendments. I do want my colleagues to know that I will seek to do this in the fairest fashion possible so as not to unduly impinge upon the rights of the Members. But, I would like my colleagues to know that in the exercise of prudence, it would be wise of them to see to it that their amendments are prined in the Record so as to assure themselves the necessary 5 minutes for discussion.

I would like now, Mr. Speaker, to address myself to a number of matters of importance which are related to consideration of this bill. This is not the only energy matter that will be seen by the House of Representatives prior to adjournment. The conference report of H.R. 4035, extending the Emergency Petroleum Allocation Act of 1973, will be before this House before the end of this week. I would point out that this proposal is extremely important. The Allocation Act expires at midnight on August 31, and with that expiration the authority to allocate oil, and the authority to maintain price controls will go with it. Sudden decontrol would have devastating effects on the economy and employment and other matters of great concern to us during a time of economic downturn. These perils have been clearly documented by studies performed by the subcommittee staff already, and I would urge my colleagues not to let this act terminate prematurely.

These will probably be a veto of that legislation, and so my colleagues should be prepared to make the necessary judgments as to whether they will vote to override or not.

Members should also be aware that within the next day sor so—the President has indicated that he will submit for congressional review a proposal for decontrol of oil. This oil, which is presently fixed at $5.25, is to be permitted under the President's proposal to rise over a period of 30 months to a market price of about $12.50 or $13.50. under terms of the allocation, the Congress may prevent this from occurring if either House votes to disapprove the President's plan within 5 days following submission.

I will try to see to it that this matter is presented to the House in a timely fashion. My colleagues should know that a request will be made of the Rules Committee to place this matter on the floor of the House within the 5-day review period in order to give us the opportunity to determine whether to disapprove the proposal. I will try to see to it that the necessary economic information will be made available to my colleagues in the House to assist consideration of this matter.

I would point out that at the time the President announced this program, economic studies had not been completed to ascertain what the economic effect of this action was upon the economy, prices, employment, and so forth. Mr. Zarb was before the committee yesterday to assure us that those studies would be available shortly.

While that is going on, the subcommittee staff of the Committee on Energy and Power is making a necessary study utilizing the Wharton School model, the Data Resources, Inc., model, and other models including that of Chase Econometrics, to try and get some answers, so that the Members will have before them when they consider this matter adequate information with regard to what the effect of the President's action might be. We will only have 5 days here in the House and Senate to approve or disapprove that.

The SPEAKER. The time of the gentleman has expired.

Mr. PEPPER. Mr. Speaker, I yield 2 additional minutes to the gentleman from Michigan (Mr. DINGELL).

Mr. DINGELL. The last item which I would like to call your attention to relates to a matter which today is pending before the Senate. That proposal calls for a simple extension of the Emergency Petroleum Allocation Act. It is anticipated to be over here at any moment. If the President vetos H.R. 4035 and the Congress fails to override we may be compelled to act quickly on a simple extension of the Allocation Act. Let me emphasize that the expiration of the Emergency Petroleum Allocation Act means a severe, almost disastrous, effect upon the economy, with so many Americans unemployed. It also means that chaos will reign among independent marketers, independent refiners, and in the retail marketing portion of the petroleum industry. So I beg my colleagues not to let that statute expire.

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman.

Mr. BROWN of Ohio. I thank the gentleman for yielding.

Does the gentleman have any judgment as to when we might be getting H.R. 4035 for consideration by this body, the conference report?

Mr. DINGELL. This matter is in the hands of the leadership and not in the hands of this particular Member. But I would anticipate the probabilities are that we would have it Thursday.

Mr. BROWN of Ohio. If the gentleman will yield further, has the report been filed yet, does the gentleman know?

Mr. DINGELL. The report has been filed, but the Senate has the papers at this time and will have to act first.

Mr. PEPPER. Mr. Speaker, I yield such time as he may consume to the gentleman from New York (Mr. OTTINGER).

Mr. OTTINGER. Mr. Speaker, I applaud the efforts of our subcommittee chairman on the whole energy matter. I think the gentleman has done a splendid job.

Mr. PEPPER. Mr. Speaker, I yield such time as he may consume to the able gentleman from Texas (Mr. ECKHARDT).

Mr. ECKHARDT. Mr. Speaker, I should like to ask the distinguished gentleman from Florida, who has handled the rule so ably, concerning the special waiver that is contained on page 2 of the rule, in which it is stated:

> It shall be in order to consider, without the intervention of any point of order, the text of an amendment which is identical to the text of section 301 of H.R. 7014 as introduced and which was placed in the Congressional Record of Monday, July 14, 1975, by Representative Robert Krueger.

That, as I understand it, is what has been called the Krueger amendment, or the language of title III of the bill as it came out of the subcommittee; is that correct? I would like to ask why it was necesary to waive points of order with respect to that language.

Mr. PEPPER. I will say to the able gentleman that the Committee on Rules put a proviso in this rule waiving a point of order with respect to the Krueger amendment because the gentleman from Texas (Mr. KRUEGER) advised the committee that he had consulted the Parliamentarian and had been advised that there might be some question of the germaneness of his amendment due to the fact that it was contingent upon the enactment of some legislation at some future date.

Mr. ECKHARDT. I really do not ask this question in any critical vein with respect to the committee's acting, because I think, as this body knows, the major choice in our committee and subcommittee was the choice between the Krueger approach and that which ultimately came out in the bill; but I do want to rather elicit what the objection was and the nature of the amendment.

The Krueger provision, as I understand it, is one which does a somewhat unusual thing, perhaps a necessary thing, because of the jurisdictional limitations of the Committee on Interstate and Foreign Commerce. It really set up a process by which the price is controlled in relation to a hypothetical tax.

Mr. PEPPER. Mr. Speaker, if the gentleman will allow me, I will read what was submitted by the gentleman from Texas (Mr. KRUEGER) to the Committee on Rules as to the character of his amendment.

"My amendment," said the gentleman from Texas (Mr. KRUEGER), "would provide for an oil decontrol plan similar to the one now in the bill, yet it would specify that two taxes, rather than a price ceiling, would provide the mechanism for assuring restraints on oil industry profits and adequate consumer compensation."

The gentleman from Texas (Mr. KRUEGER) contemplates one potential tax in effect providing that new oil be decontrolled, and the other tax in effect providing that old oil be decontrolled.

Mr. ECKHARDT. But, Mr. Speaker, because of the limitations of the committee's jurisdiction, this was written in a contingent way with respect to something that might or might not occur?

Mr. PEPPER. The gentleman is correct.

Another statement made by the gentleman from Texas (Mr. KRUEGER) to the Rules Committee is as follows:

> In order for a 5-year decontrol plan to go into effect, the President must find in place two taxes "consonant with the policy of this act." One tax, an "inflation minimization tax," would apply to that old oil released from price controls. Another tax, a "production maximization tax," would apply to that oil currently uncontrolled.

Of course, the taxes contemplated would have to be imposed at a subsequent date. The amendment was predicated on enactment of a law at a future date. That is perhaps the reason why the Parliamentarian advised the gentleman from Texas (Mr. KRUEGER) that there was some question about the germaneness of his amendment and that it would be required of the Committee on Rules to waive a point of order in respect to that item.

Mr. ECKHARDT. In other words, in general under our rules we would not deal with legislation that is contingent upon a law or a prospective law which has not yet been passed and which may never be passed?

Mr. PEPPER. Without waiving a point of order.

Mr. ECKHARDT. So the point of order was waived for that reason?

Mr. PEPPER. The gentleman is correct.

Mr. ECKHARDT. Mr. Speaker, I thank the gentleman.

Mr. PEPPER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, let me add this in conclusion: There appears on pages 19 and 20 of the report of the committee on this bill the statement that the subcommittee devoted 28 meetings over 18 legislative days to the consideration of this bill, and thereafter the full committee held 13 meetings, many of them extending into evening sessions, in the consideration of the bill.

This is an open rule. Although there may be controversial elements in the bill, surely this important measure should be considered by the House. Therefore, I ask that the rule be approved.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. DEL CLAWSON. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 261, nays 78, answered "present" 1, not voting 94, as follows:

[Roll No. 388]

YEAS—261

Abzug
Adams
Addabbo
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Aspin
Barrett
Baucus
Beard, R.I.
Bedell
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blouin
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breckinridge
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Burke, Calif.
Burke, Mass.
Burlison, Mo.
Burton, Phillip
Butler
Byron
Carney
Carter
Chappell
Chisholm
Clausen, Don H.
Clay
Cleveland
Cohen
Collins, Ill.
Conable
Conlan
Conte
Conyers
Corman
Cornell
Cotter
D'Amours
Daniel, Dan
Daniels, N.J.
Davis
de la Garza
Delaney
Dent
Diggs
Dingell
Dodd
Drinan
Duncan, Oreg.
Duncan, Tenn.
du Pont
Early
Eckhardt
Edwards, Ala.
Edwards, Calif.
Eilberg
Emery
Erlenborn
Esch
Evans, Colo.
Evins, Tenn.
Fary
Fascell
Fish
Fisher
Flynt
Foley
Ford, Tenn.
Fountain
Fraser
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Grassley
Green
Gude
Hamilton
Harrington
Harris
Harsha
Hawkins
Hechler, W. Va.
Heckler, Mass.
Heinz
Helstoski
Henderson
Hicks
Hillis
Hinshaw
Holtzman
Horton
Howard
Howe
Hubbard
Hungate
Ichord
Jeffords
Johnson, Calif.
Johnson, Colo.
Jones, Ala.
Jones, N.C.
Jordan
Kastenmeier
Kazen
Koch
Krebs
Krueger
LaFalce
Landrum
Lehman
Litton
Long, La.
Long, Md.
McCloskey
McCormack
McFall
McKay
Macdonald
Maguire
Mazzoli
Meeds
Melcher
Meyner
Mezvinsky
Mikva
Miller, Calif.
Miller, Ohio
Mills
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moorhead, Pa.
Morgan
Mosher
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Natcher
Nedzi
Nowak
Oberstar
Obey
O'Hara
O'Neill
Ottinger
Patman, Tex.
Patten, N.J.
Pattison, N.Y.
Pepper
Perkins
Pettis
Peyser
Pike
Poage
Preyer
Price
Pritchard
Quie
Railsback
Randall
Rangel
Rees
Regula
Reuss
Rhodes
Riegle
Roberts
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Roybal
Ruppe
Russo
Ryan
St Germain
Santini
Sarasin
Sarbanes
Schroeder
Seiberling
Sharp
Shriver
Sikes
Simon
Skubitz
Slack
Smith, Iowa
Snyder
Solarz
Spellman
Spence
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Stephens
Stokes
Stratton
Studds
Sullivan
Taylor, N.C.
Thone
Thornton
Traxler
Ullman
Vander Jagt
Vander Veen
Vanik
Vigorito
Walsh
Wampler
Weaver
Whalen
White
Whitehurst
Whitten
Wilson, C. H.
Wirth
Wolff
Wright
Wylie
Yates
Yatron
Young, Ga.
Zeferetti

NAYS—78

Anderson, Ill.
Armstrong
Ashbrook
Bafalis
Bauman
Beard, Tenn.
Bell
Brinkley
Brown, Ohio
Broyhill
Buchanan
Burgener
Burleson, Tex.
Casey
Clancy
Clawson, Del
Cochran
Collins, Tex.
Coughlin
Crane
Daniel, R. W.
Derwinski
Devine
Dickinson
Fenwick
Findley
Frenzel
Gradison
Guyer
Hagedorn
Haley
Hammerschmidt
Hansen
Hastings
Holt
Hutchinson
Johnson, Pa.
Jones, Okla.
Jones, Tenn.
Kemp
Ketchum
Kindness
Lagomarsino
Latta
Lott
Lujan
McClory
McCollister
McDonald
Madigan
Mahon
Martin
Mathis
Michel
Moorhead, Calif.
Myers, Pa.
O'Brien
Passman
Pickle
Quillen
Robinson
Rousselot
Runnels
Satterfield
Schneebeli
Sebelius
Shuster
Smith, Nebr.
Steelman
Steiger, Ariz.
Steiger, Wis.
Taylor, Mo.
Treen
Waggonner
Wiggins
Wilson, Bob
Young, Alaska
Young, Tex.

ANSWERED "PRESENT"—1

Flood

NOT VOTING—94

Abdnor
Archer
Ashley
AuCoin
Badillo
Baldus
Blanchard
Breaux
Burke, Fla.
Burton, John
Carr
Cederberg
Danielson
Dellums
Derrick
Downey
Downing
Edgar
English
Eshleman
Evans, Ind.
Fithian
Florio
Flowers
Ford, Mich.
Forsythe
Frey
Fulton
Fuqua
Goodling
Hall
Hanley
Hannaford
Harkin
Hayes, Ind.
Hays, Ohio
Hébert
Hefner
Hightower
Holland
Hughes
Hyde
Jacobs
Jarman
Jenrette
Karth
Kasten
Kelly
Keys
Leggett
Lent
Levitas
Lloyd, Calif.
Lloyd, Tenn.
McDade
McEwen
McHugh
McKinney
Madden
Mann
Matsunaga
Metcalfe
Milford
Mineta
Moore
Neal
Nichols
Nix
Nolan
Patterson, Calif.
Pressler
Richmond
Rinaldo
Risenhoover
Rodino
Scheuer
Schulze
Shipley
Sisk
Stuckey
Symington
Symms
Talcott
Teague
Thompson
Tsongas
Udall
Van Deerlin
Waxman
Wilson, Tex.
Winn
Wydler
Young, Fla.
Zablocki

So the resolution was agreed to.

The Clerk announced the following pairs:

Mr. Thompson with Mr. Baldus.
Mr. Teague with Mr. Derrick.
Mr. Florio with Mr. Downey of New York.
Mr. Nix with Mr. Blanchard.
Mr. Rodino with Mr. Downing of Virginia.
Mr. Badillo with Mr. Edgar.
Mr. Danielson with Mr. English.
Mr. Jenrette with Mr. Eshleman.
Mr. Leggett with Mr. Fithian.
Mr. Fulton with Mr. Flowers.
Mr. Fuqua with Mr. Hall.
Mr. Matsunaga with Mr. Burke of Florida.
Mr. Mann with Mr. Hannaford.
Mr. Zablocki with Mr. Jacobs.
Mr. Sisk with Mr. Hughes.
Mr. Shipley with Mr. Jarman.
Mr. Hébert with Mr. Cederberg.
Mr. Hays of Ohio with Mr. Harkin.
Mr. Nichols with Mr. Kelly.
Mr. AuCoin with Mr. Forsythe.
Mr. Breaux with Mr. Hyde.
Mr. John L. Burton with Mrs. Keys.
Mr. Dellums with Mr. Carr.
Mr. Evans of Indiana with Mr. Lent.
Mr. Ford of Michigan with Mr. Levitas.
Mr. Karth with Mr. Frey.
Mr. Hayes of Indiana with Mrs. Lloyd of Tennessee.
Mr. Richmond with Mr. Hightower.
Mr. Symington with Mr. Dade.
Mr. Van Deerlin with Mr. Goodling.
Mr. Udall with Mr. Madden.
Mr. Waxman with Mr. McHugh.
Mr. Metcalfe with Mr. Lloyd of California.
Mr. Hanley with Mr. McKinney.
Mr. Holland with Mr. McEwen.
Mr. Ashley with Mr. Hefner.
Mr. Milford with Mr. Mineta.
Mr. Neal with Mr. Patterson of California.
Mr. Scheuer with Mr. Rinaldo.
Mr. Schulze with Mr. Moore.
Mr. Stuckey with Mr. Talcott.
Mr. Nolan with Mr. Symms.
Mr. Risenhoover with Mr. Pressler.
Mr. Tsongas with Mr. Charles Wilson of Texas.
Mr. Winn with Mr. Young of Florida.
Mr. Wydler with Mr. Archer.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERMISSION FOR COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT TO SIT DURING GENERAL DEBATE AND DURING 5-MINUTE RULE TOMORROW

Mr. FLYNT. Mr. Speaker, I ask unanimous consent that the Committee on Standards of Official Conduct may sit tomorrow during general debate and under the 5-minute rule.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

ENERGY CONSERVATION AND OIL POLICY ACT OF 1975

Mr. DINGELL. Mr. Speaker, I move that the House resolve itself into the

Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 7014) to increase domestic energy supplies and availability; to restrain energy demand; to prepare for energy emergencies; and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from Michigan.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 7014, with Mr. BOLLING in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule the gentleman from Michigan (Mr. DINGELL) will be recognized for 2 hours and the gentleman from Ohio (Mr. BROWN) will be recognized for 2 hours.

The Chair recognizes the gentleman from Michigan.

Mr. DINGELL. Mr. Chairman, I yield 10 minutes to the distinguished gentleman from West Virginia (Mr. STAGGERS), the chairman of the Interstate and Foreign Commerce Committee.

Mr. STAGGERS. Mr. Chairman, I wish to state at the start that I am wholeheartedly in favor of the bill H.R. 7014. A great deal of work has been done on this bill. There were 28 meetings of the subcommittee to work out the problems they had and there were many problems. We had 13 meetings of the full committee which extended over a period of about 3 weeks. The bill is the product of 5 months of continuous effort. I know of no bill that has come before the House that has had as extensive preparation as this bill. It was not done hurriedly. It was not done unanimously. It was done by the majority and I think this is the way a democracy works.

I hope we will have a friendly and worthwhile debate, one that will be enlightening and one that will not just throw innuendoes around, because I think there is so much in the bill which is essential to the good of America. I think the debate will finally show what drummer we in the United States are following. It will show whether we are following the needs of the people of America for a comprehensive sound energy program or whether we are following special interests and not looking ahead with vision as to what America needs and what she must have if we are to continue as a great nation. This debate will show whether we are going to let the OPEC nations dictate to this land what we are going to have in the way of oil and energy and what price we are going to pay for it.

I can remember in hearings 2 years ago when the oil developers of this country said that $5.25 a barrel was sufficient, and even with the new oil, it went up to $7.65. Today it has risen to $11, $12, and $13 a barrel. The retailer is not getting that money. The jobber is not getting that money. The distributor is not getting that money. Where is the money going?

Countless of billions of dollars are being taken out of the Members' pockets and my pocket, and the Members' constituents and my constituents. How are we going to explain, if we do not do something to protect the people of this country, that we voted against a bill which is trying to protect them and trying to be fair to America and trying to say to foreign nations, "You are not going to dominate this country."

I have heard a lot of rhetoric, "We can do this and we can not do that," but we can do it. America was never built on the fact that we cannot do. America was built on the fact that we can do, and we have done down through the years. As I said when I started out, it just depends on which drummer an individual is following, and I say we had better be following the drums of our own people and saying that we are trying to protect America and to help our people. I think this bill does much and has many things in it which are good for the land.

Mr. Chairman, I wish to state my wholehearted support of the bill H.R. 7014.

This Nation must accept the reality that energy resources are no longer abundant and that we must significantly alter our consumption habits and life's expectations. I am sure every Member of this body is impressed by the dimensions of the problems which confront us and the need to develop a comprehensive program for restoring our energy balance. That is the purpose of the legislation which the committee brings to the floor today.

As important as are our energy needs—and they are extremely important—we should not lose sight of the most immediate concern to this Nation—economic recovery.

Energy policy decisions must be tempered by our overriding responsibility to see to it that economic health is restored, that the jobless find work, and that inflationary pressures are diminished.

In this context, the committee rejects the President's proposal to use price as the singular means for obtaining conservation and maximizing domestic supply potential. The committee believes that increasing prices will not, in the short term, produce the desired conservation effect nor will they result in any significant addition to supply. Price increases of the magnitude proposed by the President will instead only result in greater hardship and shatter our current opportunity to turn this economy around.

The committee's bill seeks to restore reason to petroleum prices. The objective is to stabilize the pricing system through the next 4 to 5 years at levels which are within the bounds of the consumer's ability to pay and the producer's requirements to maximize investment in oil and gas production. We believe that the price ceilings established in this bill which range between $7.50 and $8.50 per barrel strike a proper balance between consumer and producer interests—a balance which the marketplace is unable to achieve because of the paralyzing influence of the OPEC cartel.

The question quite simply is whether this Nation is going to allow the OPEC nations to determine the prices charged the American consumer for basic energy needs or whether we in the Congress are going to assume the mantle of responsibility to intercede in a marketplace whose mechanisms are no longer working. It is an absurdity to speak of a return to free-market pricing. The market is not free as should be abundantly evidenced by the quadrupling of prices initiated by the OPEC cartel in only the last 2 years.

We may be limited in our ability to combat the influence of the cartel at the world market level. But there is no limit on our ability to impose a discipline on our own marketplace. Only when we are able to put our own house in order will we gain credibility in arguing for lower prices in the world market. And, only by rolling back prices in the domestic market to rational levels, will we remove the current incentives which the major oil companies have to keep the cartel going.

In short, the committee has rejected the President's program because it would damage an already weakened economy and would impose unacceptable consequences on the poor and the low income segments of our society. The committee bill, instead, seeks a more broadly focused policy which combines a number of programs designed to manage energy demand while additions to supply are obtained. I commend it to you and respectfully request your support.

Mr. BROWN of Ohio. Mr. Chairman, I yield 7 minutes to the gentleman from California (Mr. KETCHUM).

Mr. KETCHUM. Mr. Chairman, several weeks ago this House had before it H.R. 6068, the Energy Conservation and Conversion Act, as reported by the Committee on Ways and Means. At that time, I stated it was a terrible bill that created an artificial petroleum shortage without adding one drop of domestic oil to our markets. I honestly thought that bill was the height of absurdity, but the legislation now under consideration, H.R. 7014, has reached a new plateau of folly. By passing this bill, Congress will do more damage to the American people than all the embargoes the Arabs could dream up, and I warn my colleagues that the American people will not stand for it.

As I have said many times in this Chamber, the only sensible aim of an energy policy is to produce more energy. That is the yardstick with which to measure each and every "energy bill" that comes before us. The handiwork of the Interstate and Foreign Commerce Committee not only fails to encourage domestic production: it positively retards it. The bill reflects the perverse determination of the majority to exacerbate our energy shortage instead of curing it.

We must decontrol oil. The current slide in domestic production will only be reversed if we restore economic viability to exploration and drilling for oil. With the world market price for oil fluctuating between $11 and $14 a barrel, what producer in his right mind is going to pour his money into wells whose product brings him $5.25 a barrel? The reason for the decline in domestic oil is to be found in the self-destructive system of price controls, a system which is extended into the future by this bill.

By forcing a rollback in the price of presently uncontrolled oil to either $7.50 or $8.50 a barrel, this legislation drives a nail into the coffin of domestic production. This ceiling on the price of oil will have the same result on new oil that the $5.25 ceiling had on old oil: The producers who now get $11.28 a barrel will simply cap their wells. It will, for all practical purposes, drive the independents out of the market, and make offshore drilling an economic unreality.

When is this Congress going to wake up to the fact that price controls never work? Every single time we have imposed these artificial restraints on the free market, there has been a shortage of the controlled commodity, and resulting economic dislocations. When we talk about petroleum, we are talking about the lifeblood of our economy, and there is no room to repeat past mistakes. We need massive domestic production now. This bill, more than anything else we can do, makes that goal impossible.

Having insured that there will be no more growth in domestic petroleum production, the authors of H.R. 7014 move on to insure that all the worst features of the Arab oil embargo are visited upon the American people once again. The idea of mandating that no more gasoline can be sold than was sold during the embargo is so insane as to defy description. It totally ignores the growth in population, and in economic recovery that has occurred since 1973–74. It also totally discounts the correlation between petroleum use and economic growth. The committee report on this bill itself makes clear that the embargo caused a 7 percent decrease in the GNP. I can only assume that the sponsors of this bill think that was a good thing that needs reoccurrence, and that standing in line for hours waiting for gasoline stiffens character in our citizens.

I can assure you that the people in my district, and the people in every district in the country, will take another view. They need their automobiles to get to work, to shop, and to go to school. This bill defiantly states that they are simply not going to be allowed to get the gasoline necessary to pursue these vital activities, without spending hours of their time in long lines. The hypocrisy of stating, as the report does, that "the program must not be managed in a manner which would rely upon motorist harassment and long queues" is clear. It would require an administrator with talents not given to mortals to make the supply of gasoline mandated in this bill go around to our citizens without reliance on harassment and long queues. How this lunacy got as far as the floor of the House is beyond me, but it must stop here.

By making the Emergency Petroleum Allocation Act permanent, this bill locks us into a system of entitlements that has been a nightmare from its inception. The FEA has never taken a more destructive step than by forcing our refineries to indulge in payments to each other. The small independent refineries, now forced to pay $30 million per month for this program, are literally being driven out of business. The Emergency Petroleum Allocation Act should be allowed to die its disgraceful death in August.

There are many other objectionable features in H.R. 7014, such as the audit provision which brings the GAO into the lives of every small businessman who deals with petroleum. My colleagues who serve on the committee will call these to your attention.

What is clear is that this bill fails to meet the minimal standards of an energy policy. The Congress must wake up and do something to get the domestic petroleum industry moving, instead of wasting its time with self-destructive bills such as this. We must defeat this bill, and get to work.

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield?

Mr. KETCHUM. I yield to the gentleman from Texas.

Mr. ECKHARDT. I thank the gentleman for yielding.

Does the gentleman conceive of this bill setting an absolute ceiling of $8.50?

Mr. KETCHUM. No, I do not. As I indicated in my statement, I utilized the statement "between $7.50 and $8.50," or whatever else.

Mr. ECKHARDT. So it might go to $8.50?

Mr. KETCHUM. That is a possibility.

Mr. ECKHARDT. But it might go to $10?

Mr. KETCHUM. I doubt very seriously that it will go to $10, I say to the gentleman from Texas.

Mr. DINGELL. Mr. Chairman, I yield 5 minutes to the gentleman from Colorado (Mr. WIRTH).

Mr. WIRTH. Mr. Chairman, I rise in support of H.R. 7014. I think it is important to put this into the context of the energy issue in this country. I think most of us would probably agree that the energy situation is the most complex issue facing the country today; it reaches into every corner of our economic, social and political life. We in the Congress, on both sides of the aisle, and in agreement with the administration, have probably come to some agreement over the long-range energy goals that we are trying to reach in this country.

This agreement has been reached on three fronts: First we want to slow down the import of oil from abroad; second, we want to increase domestic production in the United States; and, third, we want to embark upon a very strong conservation program.

Having agreed upon these goals, though, great questions have arisen as to how we are going about reaching those goals.

We have heard from the President one proposal after another which suggest that the way in which we are going to reach those three goals is to raise the price of oil; and that the way we are going to solve our energy problems is to raise the price of oil.

Mr. Chairman, it seems to me that this pricing proposal is an immensely simplistic answer to the extraordinarily complicated problem.

Simply by raising the price of oil we are not going to accomplish our three goals. Rather, we are going to have to embark upon a whole series of programs that reflect the perplexities of our extraordinary energy requirements, programs that focus on such facets of the energy problems as: First, automobile standards; second, pricing; third, the strategic reserve; and fourth, industrial standards, and so on; many of the needed measures are found in H.R. 7014.

I think that those individuals who criticize this bill on the one simple premise that it does not do enough to raise the price are reflecting the same simplistic answers to this complex issue that we see coming down from the White House.

Mr. Chairman, I rise in support of this bill, having worked on it for 6 months. I look forward to the further debate on the bill. I am sure that not all of us agree on every single section of the bill. There is no question about the fact that there are some items in the bill that are more troublesome and more difficult than others, but I think this presents a foundation that is very sound in helping us to solve the country's energy problems or at least build a foundation to solve the country's energy problems.

Further, Mr. Chairman, H.R. 7014 is the fifth major and important piece of energy legislation which the House has considered this year. Like the strip mine bill, the Elk Hills bill, the ERDA authorizations bill, and the Ways and Means bill (H.R. 6860), this bill reflects many hours of testimony and research, good faith negotiations, compromise, and a careful job of drafting. More than any before it, however, this bill is a truly comprehensive bill which deals both with domestic and international conservation, with emergency allocation authorities, with the development of a national civilian strategic petroleum reserve to forestall such emergencies and deal with them if they arise.

The reserve will eventually contain up to 1 billion barrels of petroleum products. This reserve will be planned by the Federal Energy Administration and other executive agencies. Upon completion of a plan for the reserve the President shall report to the Congress, which will have authority to review and alter or approve that plan. Pending completion and approval of the plan the President is directed to create an early storage reserve of up to 150 million barrels of petroleum products to provide protection against near term interruptions of the national supply of petroleum products. I stress these features because they address the international aspects which lie at the heart of the immediate dangers we face in energy policy.

In addition, however, the bill provides us with a road to greater efficiencies in gasoline use and industrial prices without the harsh burden of immediate price increases which the President urged upon the Congress in January, and without the need for nationwide end use rationing of gasoline. Also incorporated into this bill are policies which will shift our reliance on oil and gas and allow us to make fuller use of the abundant coal reserves which constitute the most secure source of readily available and economically attractive energy we have.

My colleagues in the House should also

be aware that the legislation proposed today contains a sound basis for a future sharing of responsibility for energy policy by Congress and the Executive. In similar fashion the bill spells out a process which guarantees public input in energy decisions at the State and local level.

Mr. Chairman, H.R. 7014 represents another major step toward a national energy policy, and I urge its adoption by the House.

Finally, Mr. Chairman, at this time we are bringing before the full House the bill (H.R. 7014) which Mr. DINGELL introduced on May 15 at the direction of the Subcommittee on Energy and Power. The bill represents the product of 3½ months of hearings and markup by our subcommittee and by the full committee. In my view, it also represents a major step toward dealing with the energy problems which we are facing at the present moment and the problems which we will have to deal with in the next 10 years.

I would like to provide the Members of the House with a brief outline of the contents of the committee's bill, and, of course, I will be happy to respond to any questions the Members may have.

Title I of the bill contains a statement of purposes, findings, and definitions.

Part A of title II of the committee bill includes standby rationing and energy conservation plan authorities designed to permit the President to deal with future oil embargoes and similar emergencies, and international allocation and related authorities necessary to implement the international energy program agreed to by the United States last November. Exercise of these authorities is subject to the congressional review procedures spelled out in sections 751 and 752 of the bill.

Part B of title II authorizes creation of a petroleum storage system, a strategic reserve, of up to 1 billion barrels of petroleum to be available to insulate the Nation's economy from any interruptions in normal petroleum supplies. This program contemplates the immediate storage of up to 150 million barrels of petroleum in existing storage capacity.

Title III contains a crude oil pricing provision, probably the most controversial section of the bill. Oil prices for old oil are, over a period of time, decontrolled to a $7.50 price level. New oil prices are rolled back to the $7.50 per barrel level, with the exception—of $8.50—for some "hard to get" new oil. Over the long run, this $7.50 price can slowly rise.

This title also requires establishment of, and production at, maximum efficient rates of production. Due diligence requirements are imposed on all Federal oil, gas and coal leases, with lease forfeiture the penalty for noncompliance.

The President is authorized to allocate energy production materials during severe energy supply interruptions. The President is also authorized to restrict exportation of energy materials needed to develop domestic resources.

Part A of title IV contains a series of amendments to the Emergency Petroleum Allocation Act. The major amendments include the mandatory gasoline allocation savings program, a limitation on the President's authority for the Federal government to act as purchasing agent for imports of petroleum products.

Part B of title IV contains a voluntary program designed to maximize energy conservation and efficiency in energy consumption by the 2,000 largest manufacturing consumers of energy. Provisions establish a means by which the Federal Government may obtain information on progress being achieved in industrial energy consumption conservation. The bill requires large manufacturers to provide information on progress being made toward achieving their energy conservation targets but does not impose penalties for failure to achieve the targets.

Part A of title V imposes mandatory automobile fuel economy standards, beginning in model year 1978. Each manufacurter's and each importer's average fuel economy for all of his domestic production and imports in a model year must meet the following standards:

Model year:	*MPG*
1978	18.5
1979	19.5
1980	20.5
1985	28.0

Standards for model years 1981–84 are set administratively by the Secretary of Transportation. In addition, automobile fuel economy labeling is required.

Part B of title V establishes an energy efficiency labeling program for home appliances and other consumer products, and authorizes the National Bureau of Standards, in cases where labeling will not suffice, to prescribe energy efficiency standards for major applicances.

Finally, title VI of the bill extends the duration and scope of FEA's existing authority to require that powerplants and other installations use coal instead of oil or natural gas. In addition, FEA is given carefully circumscribed authority to prohibit powerplants from using natural gas as boiler fuel, and to require that new powerplants and new major fuel burning installations have the capability of using fuels other than natural gas.

Mr. BROWN of Ohio. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in opposition to H.R. 7014, the Energy Conservation and Oil Policy Act.

As noted previously, this bill is the product of almost a half-year of deliberations by the Committee on Interstate and Foreign Commerce and its Subcommittee on Energy and Power. I am embarrassed to say that it is a most faulty product indeed.

This bill should be known as the OPEC Act or the Oil Pricing and Energy Conservation Act, because it increases our reliance on foreign oil. It is worse than the bill that the Committee on Ways and Means reported out, because that bill at least attempted to conserve in the consumption of oil. That bill from the Committee on Ways and Means did not attempt to increase production. But this bill does not conserve consumption but rather encourages it in the pricing provisions and it does not encourage domestic production. Actually, because of the pricing provisions, it will discourage domestic production and thereby increase our reliance on foreign oil and grant to the OPEC nations the right to set the price of energy in this country.

There are a very few positive features in this bill. It creates standby authorities the President needs to satisfy the requirements of the international energy program, and it gives the United States the power to respond to IEP requirements should we have an energy embargo. It also creates a civilian petroleum reserve, which will help this country maintain some invulnerability from future petroleum supply interruptions, should those occur. That would give us a reserve to draw upon should somebody try to cut off the foreign oil, on which we are now almost 40-percent dependent.

It also extends the authority of the FEA to convert fuel plants from natural gas to coal. The rest of the bill, however, is a virtual disaster.

Mr. Chairman, the most serious defect in the bill is the pricing section, which can be termed as a huge indirect subsidy to the OPEC nations. The bill would actually, if we can image it, cause a rollback in the current price of uncontrolled, new, domestically produced oil, which would result in encouraging consumption in this country and severely reducing domestic production.

The United States is rapidly running out of cheap oil. We found the cheap oil in this country. The oil we find here in the future will be expensive.

Most of the future domestic development will be high-cost, offshore Outer Continental Shelf, Alaskan, or deep-drilled petroleum. In each of those instances the cost will be very much higher than it has been in the past, even without inflation factors.

The rollback provisions in the bill we have before us ignore the economic rule of supply and demand response to price incentives and the economic fact of rising costs of production.

Economist Robert Nathan has found the cost of finding, developing, and producing oil plus a minimum return on capital necessary to sustain exploration was, at the end of last year, more than $12.50 a barrel.

Without sufficient return to cover the spiraling costs, domestic production will continue a very rapid downward trend; and with unnecessary price reductions caused by the rollback provisions, wasteful consumption will continue to take place to fill the gap between this decreased production and increased demand. Massive additional importation of Arab and other foreign oil will be necessary, so that by the end of 1978, we will have paid more than $7 billion additional to the OPEC countries solely as a result of the price rollback contained in this bill.

We can either pay the OPEC countries $13 or more per barrel or pay our domestic producers a domestic free-market price which has consistently run from $1 to $3 per barrel below the OPEC-set world price.

Our Nation and its economy would be infinitely better served if that price were paid to U.S. oil companies and recycled through our economy to develop additional sources of energy rather than paying it to the OPEC countries.

I, for one, would rather see that money go to the Alaskans, the Alabamians, the Texans, and the people drilling offshore in the United States, than sending it to the Arabians.

During its several months of deliberation on the bill, the committee had a range of possible choices for methods of dealing with price controls on oil. We could have left the present price-control system in place, which has, however, caused a deep drop in domestic production, a drop of 1 million barrels a day in the past 2 years. The present system of $5.25 as the frozen price for oil in production in 1972 and a market price on new oil produced from fields opened after 1972 has created a two-tier pricing system which actually requires those companies which produce domestic oil in this country to pay money to those companies which get their oil from overseas.

That is no way, I submit, to encourage domestic oil production. Therefore, we had to change it. In the subcommittee a majority opted for ending the two-tier pricing system.

The bill, as reported out of the subcommittee on a 10-to-5 vote, contained a compromise which was the Krueger proposal, which combined decontrol with the windfall profits tax.

Unfortunately, the full committee replaced that reasonable proposal with the most unacceptable of all choices, the rollback, which, as I have indicated, can be termed the $7 billion OPEC subsidy.

The impact of decontrol on our economy has been vastly overstated in terms of its cost.

Federal Energy Administration computations show that the President's 30-month decontrol plan would result in an increase of only 7 cents per gallon of gasoline for the 30-month plan, or about 3 cents per gallon per year.

But perhaps more important than these figures is the fact that only under decontrol will producers in this country be encouraged to increase domestic supplies of oil. In fact, the disastrous economic effects feared by the prophets of doom who opposed decontrol schemes are more likely to result, if anything, from the rollback provisions because a rollback provision would tend to discourage domestic production and increase reliance on foreign oil.

The second defect in H.R. 7014 is the mandatory gasoline allocation savings program which would literally mandate an unnecessary gasoline shortage of the magnitude of the one created by the Arab oil embargo a couple of years ago. The bill would require that the President has to, at the very least, hold down gasoline production to the same level as that which was produced during the best months of the 1973–74 period. It would further require him to actually reduce our gasoline consumption to 2 percent less than that consumed in 1973 or 1974 unless he made findings that the extensive and detailed objectives of the Emergency Petroleum Allocation Act could not be attained. Even if the President is able to make this finding and only a reduction to 1973 and 1974 levels is required, the annual 4 percent growth in demand for gasoline which existed during the 10 years prior to the Arab oil embargo, and which is the result of population expansion and normal economic growth in this country, would cause this curtailment of supply to be equivalent, within 2 years, in 1977, to that of the worst days of the Arab oil embargo, and long gasoline lines will result because there is no plan in this bill for the distribution of that shortage.

It is one thing for the Arabs to do that to the consumers of the United States, and it is quite another thing for the Congress of the United States to mandate that kind of a shortage. I will not vote for that. I suggest to my colleagues that those who are proud of their accomplishment in getting that in the bill would want to tell their consumers that they were responsible for the shortage, and for their waiting in line, because there is no shortage existing now in gasoline.

Not satisfied with the gigantic subsidy of the OPEC nations, and with creating a situation where Americans will be lined up to purchase gasoline, the committee, in its infinite wisdom, opened up the books of each and every gasoline station in the United States to the General Accounting Office auditors—the supersnoop amendment.

The committee amendment added a nonsensical and offensive title VIII that would set up within the GAO an Office of Petroleum Auditing and Accounting to audit and collect data on all aspects of the petroleum industry.

While admittedly that information should be gathered, what I argue is that in many instances it is already being gathered. Anybody involved in any aspect of the industry, however, under this amendment or this part of H.R. 7014, including the small gasoline station operators, and the individual wildcatters, would be subject to having their books audited by the GAO, with the GAO setting the method by which they keep their books, their own personal accounting system.

I believe this to be an invasion of privacy of the worst sort, as well as an unnecessary addition to the already vast energy data gathering apparatus of the Federal Government. The FEA, under section 11 of the Energy Supply and Environmental Coordination Act, collects extensive data on reserves, imports, inventories, production, and many other matters. The SEC, the Federal Power Commission, the Department of the Interior, the Federal Trade Commission, the Department of Commerce, and the Interstate Commerce Commission are also all engaged in the energy information business. It goes without saying the duplicating efforts mandated by title VIII are a vast waste of time, manpower, and taxpayer dollars. This title does what we promise the people of this country every time we run that we will not do, and that is it increases the burden that the average small businessman has to carry in redtape and paperwork because of the Government telling him how to run his business.

Finally, the automobile and appliance fuel efficiency standards in this bill provide for considerable Federal Government involvement in the areas of product design, where the expertise of the Federal Government is questionable at best. The auto provisions mandate a 1985 fleet average fuel efficiency standard of 28 miles per gallon, a standard which cannot be substantiated by any proven technology and is a mere congressional guess.

Some of the other standards can be justified if we want to mandate every American in this country driving in a small automobile with limited weight, small engine size, limited capacity. But even with that, there is no known way to get to the 28-miles-per-gallon fuel efficiency level which we mandate by 1985. Why mandate a standard 10 years in advance, especially when no one knows its feasibility? In addition, the penalty for failure to meet the standards in any year could cost an automobile manufacturer $100 million per year just for missing the standard by 1 mile per gallon. The auto industry has enough economic and unemployment problems without the congressional imposition of such penalties.

If we want to cause more unemployment, I know of no better way to do it than this.

The appliance industry is also forced by this legislation to improve its products fuel efficiency from what it is today by 1980 by 25 percent. If we have already improved our fuel efficiency, we still have to improve it by 25 percent, and so the result is that the challenge is going to be much more difficult for those companies that have made an effort in the past, and that seems to be a little unfair. The impact is that if they do not improve their fuel efficiency by 25 percent, the Federal Government will step in and mandate the design of appliances. That is something for which the Federal Government does not, at least to my knowledge, have much of a reputation, and it will certainly cause the creation of an additional bureaucracy in the country as we bring into the Federal Government those people who think they know how every automatic washer, how every ice cream freezer, how every stove ought to be made in order to increase fuel efficiency.

The end result of these fuel efficiency provisions will be confusion and uncertainty in the industries affected, and more inefficient Federal meddling in private industry.

There are also many other problems with this bill. It grants authority to the Government to act as the exclusive purchasing agency for foreign oil. Not only is this provision not within the jurisdiction of the Committee on Commerce, but a similar section was stricken from the Committee on Ways and Means' bill by action on the floor of the House of Representatives, and yet we bring it back to the Members to give them an opportunity to vote again on that provision.

Also the bill contains a vast authority for FEA to get into the industrial energy conservation business by requiring specific and detailed reports from industry on their energy conservation efforts. I am a cosponsor of a bill to try to reduce paperwork for the average businessman in this country, and we have set up a commission to do that, and that commission is supposed to study ways to reduce paperwork for the average businessman so that he can spend a little time trying to make a profit so he can pay his taxes.

I would suggest that one way that that commission might start to reduce paperwork is to tell all the Members of Congress to vote against this silly provision in the bill.

This provision was never subject to hearings in the subcommittee's deliberations and is poorly drawn. It should be either stricken or subjected to substantial modification. Those amendments will be offered.

In conclusion this bill has a multitude of severe shortcomings that must be remedied if a sound energy policy is to be achieved by the Congress of the United States.

Many members of the committee, including myself, have attempted to reach a compromise in order to pass a just and effective energy bill. I am hopeful that the bill's many defects can be repaired on the House floor so we can continue that effort. It is my personal feeling the President of the United States has modified his position again and again to try to come to some agreement with the Congress so we can get a sound bill to encourage production of domestic oil in this country, to discourage consumption of oil, to reduce our reliance on foreign nations as a supply of oil, and to try to see that we can get through this crisis in which we find ourselves, where we are so dependent on other nations for the oil that it takes to run our oil-based economy. But the Congress has repeatedly said to the President, no, we will not accept your suggestion. We will come up with policies of our own. Yet we have failed to do so.

This bill represents another such failure. It is an embarrassment. It needs severe correction. If it is not corrected, it should be defeated altogether.

Mr. Chairman, I reserve the balance of my time.

Mr. DINGELL. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, the bill H.R. 7014 is a good bill. I have some reservations regarding specific parts of it. Consideration of this bill was marked by some rather vigorous meetings of both the subcommittee and the Committee on Interstate and Foreign Commerce. Occasionally even strong words passed between my colleagues and me and other members of the committee. But on the whole the product of that process is a good one.

The bill does save energy. The bill does move the congressional decisionmaking process forward.

I had the staff of the Energy and Power Subcommittee make a study of the energy savings to be achieved by the bill. My colleagues ought to know that the energy savings of this bill are significant. The emphasis of the bill in the transportation area has been to increase the efficiency of the private automobile. Under this legislation, increased automobile efficiency is expected to result in a net savings of 1 million barrels of gasoline per day by 1980, and 3 million barrels per day by 1985. A summary of the results of this study follows:

ANNUAL ENERGY SAVINGS TO BE ACHIEVED UNDER H.R. 7014 BY 1980

	Millions of barrels per day	Millions of barrels per year	Balance of trade[1] impact dollars (billions)
Transportation	1.1	401.5	6.8
Industry	3.0	1,131.5	19.2
Domestic	.14	52.14	.9
Total	4.24	1,585.14	26.9

[1] Calculated at $17 per barrel.

It has been said the automobile industry cannot achieve the standard set forth in the bill.

I come from an area where automobiles are produced and where employment in the automobile industry is a matter of grave concern. I have been told by representatives of the automobile industry that in fact the industry can meet the standard, they can meet it with difficulty, but they can meet it.

The automobile fuel efficiency standards included in the bill are substantially identical to the standard already considered and approved by the House during deliberation on the Ways and Means Committee's energy bill H.R. 6860.

In connection with industrial energy conservation, the bill targets of a 20-percent increase in industrial efficiency by 1981. This can be expected to conserve over 2 million oil equivalent barrels per day. Additional savings of another million barrels per day may be possible by virtue of the industrial process standards included in the bill.

The bill addresses domestic energy conservation through the mechanism of consumer appliance labeling requirements. The bill is estimated to achieve a 25-percent increase in the efficiency of consumer products by 1981. These savings will include savings in both home heating and central air-conditioning. Although there is obviously a delay in the realization of the full benefits of improvements in energy efficiency of appliances due to the phase-in of new, more efficient appliances into the appliance population it is estimated that a 10-percent relative reduction in domestc energy consumpton by 1980 is both realistic and attainable. This translates into savings of approximately 0.14 million barrels of oil per day.

The costs of the bill are relatively modest in terms of the benefits to be achieved. During the period 1976–80 the bill will cost about $3.8 billion. The majority of this cost, some $3.33 billion, results from the establishment of a national civilian strategic petroleum reserve. However, by reason of amendments offered to earlier legislation (H.R. 49) by my colleague and friend, the gentleman from Minnesota (Mr. FRASER) and I, this cost of this reserve will largely be taken care of by the proceeds of sales of oil authorized to be produced from the naval petroleum reserves under that bill. The remaining cumulative costs of the legislation for the period 1976–80 will, therefore, be only about $201 million. This is about 1 percent of the savings estimated to be realized in the Nation's balance of trade for the single year of 1980 as the result of the enactment of this bill.

Mr. Chairman, this bill has been the subject of lengthy deliberations by both the Subcommittee on Energy and Power and the Committee on Interstate and Foreign Commerce. The final product, as I have indicated already, is a good one. It is my hope that improvements in the bill will result from application of the combined wisdom of the House to the issues presented in the bill. I suspect there will be adequate opportunity for compromise here in the House, in the Senate, between the House and the Senate and, perhaps, if the administration so chooses, between the Congress and the administration.

The bill is directed toward attainment of the collective goals of increasing domestic energy supplies, reducing and managing the demand for energy and establishing standby programs to reduce the vulnerability of the United States to major interruptions in the supply of petroleum imports.

In brief, the bill would give the President a broad spectrum of management tools and enable him to assure that the vital needs of the Nation's economy would be met in the event of another oil embargo or other major interruption in energy supply. Extraordinary powers, subject to congressional review, have been included which would authorize the President to impose mandatory energy conservation plans and a gasoline rationing plan under narrowly defined circumstances. Provision has been made for the development of a strategic reserve of petroleum products.

The bill would apply price controls to the entirety of domestic crude oil production in an effort to restore elements of reason to a marketplace whose mechanisms are unable to counteract the influence of cartel pricing.

While I have some reservations regarding the pricing provisions, I would point out they do continue Federal controls over a market structure which is currently dominated by the OPEC cartel at a time when a removal of congressional controls over the pricing structure of the oil industry could bring disaster. Total decontrol would spell disaster, not only to the economy as a whole but also could bring disaster to large segments of the oil industry which are unable to stand the effects of sudden decontrol.

In considering the establishment of a comprehensive crude oil pricing policy, I urge my colleagues to abandon positions which are unfair to either producers or consumers because only by establishing a policy which is fair and equitable to both will we obtain the broad-based support needed. Only such a just and equitable policy will attain the dual goals of this legislation of promoting economic recovery and assuring increased domestic energy production.

The emergency petroleum allocation

act is extended and a mechanism provided to convert that act from a mandatory to a standby authority. A regulatory program is established designed to bring about measured savings in consumption of energy by improving the efficiency of the products we use and the automobiles we drive. A gasoline savings program is established which utilizes the allocation program to prevent growth in gasoline consumption over the next 3 years and to the extent practicable reduce existing consumption by an additional 2 to 4 percent. Discretionary authority is granted to the President to serve as the executive purchaser of record for the purchase of all petroleum products for import into the United States. This authority would not permit the President to engage in the business of production, transportation, refining, or marketing of petroleum products but would, through the mechanism of sealed bids, authorize a purchase system designed to shake the confidence of the OPEC cartel and thereby destroy its solidarity.

As I have already indicated mandatory fuel efficiency standards are established for automobiles over the course of the next decade. The standards are substantially the same as those which were adopted as an amendment to the Ways and Means energy bill, H.R. 6860, and include a 1985 automobile fuel efficiency standard of 28 miles per gallon. Programs regulating the energy efficiency labeling of consumer products, energy efficiency standards for those products, and the energy efficiency of industrial processes are included.

The bill establishes new programs and expands upon existing authorities so as to assure greater utilization of our abundant coal resources. Small coal producers are assisted in developing low-sulfur coal deposits through deep mining. Prohibitions are included to prevent the wasteful consumption of natural gas and petroleum.

Finally, the legislation would reinforce prior legislation designed to improve the data base upon which energy policy decisions are formulated.

In considering this legislation I urge my colleagues not to lose sight of the underlying goal of this comprehensive energy legislation, that is, to reduce the vulnerability of the United States to the economically disruptive impacts of an interruption of imported petroleum supply. This goal, however, must be tempered by the overriding obligation of the Congress to assure that economic health is restored. The cost of an energy policy designed to protect the domestic economy from the impacts of interruptions of petroleum import supplies cannot be so great as to further damage our already weakened economy and retard its recovery. While the President's program places reliance on increasing prices as the almost singular means for curtailing energy demand and maximizing supplies, this bill seeks a more broadly focused policy combining several programs designed to manage energy demand while obtaining additions to supply at the lowest cost to the economy. The course charted by this bill is admittedly more gradual than the unobtainable objectives of demand reduction of 1 million barrels per day by the end of 1975 and 2 million barrels per day by the end of 1977. However, because the policies embodied in this bill are not singularly reliant upon the price mechanism and are more broadly based, the bill provides more certainty in obtaining the demand and supply objectives necessary to reducing vulnerability to interruptions of petroleum import supplies.

It should be pointed out to my colleagues that the bill is a real effort to get this country back to a rationable, sensible use of energy.

A study of energy uses in Germany and Sweden, where the standard of living and the per capita gross national product are approximately as large as that of the United States reveals that those countries maintain their per capita gross national product and their high standard of living with only about 46 percent of the per capita energy use of the United States. So there is room for significant savings.

It is the intention of the committee, and I think the House, that we should utilize the conservation mechanism to help correct the Nation's energy problems rather than rely exclusively on the price mechanism, with its attendant regressive burdens.

Mr. DEVINE. Mr. Chairman, I yield 5 minutes to the gentleman from Texas (Mr. COLLINS).

Mr. COLLINS of Texas. Mr. Chairman, the bill that we are discussing today and will be amending later is not only one of the most important domestic bills that we have coming before us, but it also is probably the most important international legislation that we will have before us. In discussing oil, we are discussing not only domestic oil, but we are discussing foreign oil.

It was not many years ago that this country was entirely oil self-sufficient, which meant that we produced all the oil we needed right here within our own shores, but at that time America moved under control. This goes back to 1954 and the Phillips Oil case, and at that time we injected the Federal Government into gas controls. The more controls we have had in this country, the less oil we have produced. It is in direct correlation. Any time we get the bureaucrats involved in anything, we are bound to move fast in the downhill slide, and that is what we have done on energy.

We are celebrating in this country right now the Bicentennial. It represents 200 years of freedom and 200 years of independence. We go back to the days when we founded this country. We go back to the days and principles on which those patriots founded this country. As we discuss this oil bill, we stop to think, have we lost the principles of liberty and have we lost those principles of belief in our country that made America great?

Because, what we are suggesting here is what one should call the "pro-Arab bill," because the advocates of this bill are doing more than anyone could through industry, more than anyone could through treaties; more than anyone could ever vote or ever use to strengthen the influence of the Arab countries in the world. It is not just how OPEC affects this country, but it is the effect they have in the Middle East, because every time we send another dollar and another dollar and another dollar to the Arab countries, we are making that part of the world the richest, the most independent, the most overbearing part of the world.

Now, one would say, "Well, how does this concern me?" Who is the oil interest in America? Remember, the oil interests in America are the stockholders of the major oil companies in this country. The stockholders that own these major oil companies live in New York City; they are located in Chicago; they are citizens in Boston. They represent retirement funds; they are old people on pensions; they are school educational endowments. The stockholders of the oil companies represent America.

On the other side, we have the Arab countries which represent only the Arabs. We build up through this bill and through our past controls a system where we pay for the old oil within our country of $5.50 a barrel, and yet the Arabs have old oil over there, and we pay them $12 per barrel. There is no way in the world it makes commonsense, and it can lead to disaster for this country.

We cannot continue to drill and explore, or continue to develop at a low price base. The irony of it is that Arab oil over there is oil that was found by Americans, drilled by Americans, developed by Americans. We did everything to produce it, and now the Arabs in turn are coming back and selling us this oil we discovered at $12 a barrel. If America does not sit down and think this thing over, within 5 years our entire country will be dependent upon the Arab world. It is not just this country, it is all of Europe will also be dependent on the Arab bloc.

I would like to report to you something about gasoline prices, because we just sit here and watch these gasoline prices go up and say, "Look what happens to us, we are sitting here now and we are going to have an increase in gasoline." And, it is true. Gasoline today is around 58 cents a gallon, and if the free market prevails, we might be paying 75 cents a gallon for gasoline.

But, take the countries in this world today that are at the mercy of the Arab OPEC countries. The countries that are having to buy now because they have no self-sufficiency, no oil of their own, what are they paying for gasoline? I want to quote some of these to you because it is interesting. Here is what they are paying today in Vienna, Austria: They are paying $1.26 a gallon.

In Brussels, Belgium, they are paying $1.48; in Copenhagen, Denmark, they are paying $1.41 a gallon; in New Delhi, India, they are paying $1.62; in Paris, France, they are paying 1.22 a gallon; in London, England, they are paying $1.40; in Tokyo, Japan, they are paying $1.55; in Seoul, Korea, they are paying $1.48; in Stockholm, Sweden, they are paying $1.26; in Zurich, Switzerland, they are paying $1.37.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BROWN of Ohio. Mr. Chairman, I

yield 10 additional minutes to the gentleman from Texas (Mr. COLLINS).

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield?

Mr. COLLINS of Texas. I will be glad to yield to the gentleman for a question.

Mr. ECKHARDT. I thank the gentleman for yielding. The gentleman is aware, is he not, that the figures he is giving for those countries constitute about three-quarters of the amount involved as tax on gasoline in that country?

Mr. COLLINS of Texas. Many countries are using gasoline for what many politicians in this country would suggest that we use it for, which is a controlled unit for getting to the public indirectly, and I think the gentleman is right about excessive taxes. But the question is, what is the ultimate cost to the consumer?

Mr. ECKHARDT. I thank the gentleman.

Mr. COLLINS of Texas. The gentleman raised a very good point.

Mr. Chairman, I want to say, along this line, the gentleman is perhaps the best informed scholar on the other side on this issue.

It has been stated—if I may just digress for a minute—that taxes of all types on the oil industry are very, very high. They include not only income tax but excise tax, property tax, franchise tax, a very heavy tax per gallon at the pumps, both State and Federal, and also a severance tax. But let us add up every tax that is put on gasoline and on the oil industry, and then compare to how much the stockholder gets in the way of dividend. It has been shown for every dollar the stockholder gets that taxes total 11 dollars. So taxes are 11 to 1. So it is true that we have not yet quite taxed as high at the pump as other countries, but gasoline taxes are a very easy way to move in heavier on the consumer.

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield?

Mr. COLLINS of Texas. I yield to the gentleman.

Mr. ECKHARDT. I thank the gentleman for yielding. I would assume, from the gentleman's statement, that he would not go further on the types of taxes and include what is called the windfall profits tax?

Mr. COLLINS of Texas. That would be a very poor alternative, and I appreciate the gentleman's raising the question, which is, "What do oil companies do with their profits?" because the gentleman is asking, What does the oil industry do for the good of the country? The statistics show that from 1963 to 1974 the oil companies of this country made $75 billion in profit. In fact, we read in the headlines that all the oil companies make money, man, do they make money. They made $75 billion during that 11 years. But the headlines of the newspapers did not say that during those 11 years, the oil companies invested in drilling, in exploring and developing new oil, $111 billion. This is to say that the oil companies of this country invested 33 percent more than they made in the way of profit. I know of no industry in the history of the United States that has gone further than the American oil industry has gone in trying to utilize its own resources to develop and solve the energy needs of this country.

I wanted to quote some more prices. In Zurich, Switzerland, they pay $1.37 a gallon; Montevideo, Uruguay, $1.60; West Germany, $1.34.

But what I wanted to point out is, when people desire to pay less for gasoline, they go to compact cars. In this country, when refineries crack a barrel of crude oil, half of the barrel of crude oil goes for gasoline. But when they crack it at the refineries over in Europe, only 15 percent goes for gasoline. And the reason is that Europe has gone for compact cars. In other words, price itself serves as an inducement for conservation. And what some economists have recommended—I do not personally favor it, but heaven knows it works in practical economics—this high price of gasoline causes people to change over to compact cars and they burn much less gasoline.

But I want to remind you all of this. If they pay $1.40 a gallon in London, and they pay $1.55 a gallon in Tokyo and they pay $1.48 a gallon in Brussels, then I think 75 cents a gallon, which is what we are going to end up with in this country, which is about half of what they are paying in those countries, is pretty reasonable.

Now, to use this as an illustration, it gets back to that old question, "How is your mother-in-law?" and the answer, "Compared to what?"

I will tell the Members that this 75 cents is not good, but compared to any other place in the world, it certainly is a lot more preferable.

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield?

Mr. COLLINS of Texas. I yield to the gentleman from Texas.

Mr. ECKHARDT. Mr. Chairman, it seems to me that the gentleman is making an excellent argument on the proposition that the increase in the price of gasoline will not decrease use, because, as he is pointing out, prices are very high elsewhere and people are still driving automobiles. As a matter of fact, in most of Europe automobile driving has been on the increase, even though prices have gone up, and the same has been true of the United States.

How will we control use of gasoline or use of oil in this country merely by raising the price and letting the oil company keep that additional cost rather than letting the Government get it in taxes? How is that going to decrease use?

Mr. COLLINS of Texas. Mr. Chairman, let me go back to the actual result of what is happening in Europe today. As has been stated before, if 15 percent of the refinery output is going to gasoline, as compared to 50 percent in this country going for gasoline, that means that automobiles over there are usually the compacts and tend to get very high mileage on a gallon of gasoline because they are mostly the four-cylinder type cars.

What will happen here as we go to 75 cents a gallon is this: We are going to find more and more people going to compact cars. They are going to go to them voluntarily. We do not have to hit somebody over the head to tell them what is happening. When they see gasoline is a little higher than it was, they will go out and buy a compact car, one that gives them better mileage. We will see them going to the cars that are getting 24 and 25 miles a gallon, without the burden of some kind of severe and repressive legislation such as we have in this bill.

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield on that point?

Mr. COLLINS of Texas. I yield to the gentleman from Texas.

Mr. ECKHARDT. Mr. Chairman, suppose someone has a car now or a pickup truck which he uses to carry his family to the grocery store or to go to work or which he uses in a carpool. How in the world do we in a short period of time get him to go to a compact car unless he is more or less in the leisure class?

I assume the gentleman is talking about the long term; he is not talking about the short term, as I understand it.

Mr. COLLINS of Texas. Mr. Chairman, as the gentleman knows, since he comes from Texas, there was a day when this country was self-sufficient in oil. Now, according to statistics, we are about 30 percent or 35 percent dependent on imports.

What I am saying is that we cannot talk about a 3-month period or a 6-month period, but unless our country starts becoming more self-sufficient and starts becoming self-sufficient very, very quickly, we are going to be in great difficulty.

Mr. Chairman, I see sitting over here my colleague, the gentleman from Alaska (Mr. YOUNG). He is one of our colleagues who understands something about this, because his State is on the threshold of getting into the oil business, and I am sure he sees the problem that will come from the legislation proposed here, because, as I understand it, Alaska will be the new major source of our oil.

Mr. Chairman, will the gentleman from Alaska tell me this: What will be the impact of controls on future oil development in Alaska?

Mr. YOUNG of Alaska. Mr. Chairman, will the gentleman yield?

Mr. COLLINS of Texas. I yield to the gentleman from Alaska.

Mr. YOUNG of Alaska. Mr. Chairman, I would say that the way the bill is written, with the rollback provisions, this will preclude any future development of oil fields in the State of Alaska.

I know that we have a letter here from Sohio stating that if the price remains at $7.55 a barrel, they will not be able to deliver Prudhoe Bay oil at that cost, if that is what is included, not taking into consideration the transportation cost. The Prudhoe Bay oil, if delivered to the American market, which it will be, cannot be delivered at less than $11.50 a barrel, and I am speaking only specifically of Prudhoe Bay oil.

Mr. COLLINS of Texas. Mr. Chairman, let me go back for a moment. Is the gentleman saying that this price of $11.50 a barrel takes into consideration the fact that it is going to be delivered to the American market?

Mr. YOUNG of Alaska. Delivered to the American market. The figures I am using are 1973 figures, not 1975 figures, which I think serve as a disservice in this sense to the chairman of the committee.

That does not take into account the transportation costs or the costs of the pipeline that went from $900,000 to construct to $7 billion to construct according to the recent estimates. It does not take into consideration the deletion of the depletion allowances that we passed on the floor of this Congress; it does not take into consideration the development of any of the future fields that they think exist in Alaska in the areas of the Gulf of Alaska and in other areas, including Kotzebue Sound and Caribou and all those other fields.

Mr. Chairman, I am telling the Members—and I know my friend, the gentleman from Texas, understands this—that if the provisions of the rollback stay in this bill for new oil, we will not have future development in the far north.

Mr. BROWN of Ohio. Mr. Chairman, I would like to ask the gentleman from Texas (Mr. COLLINS) to yield to me so that I can ask a question of the gentleman from Alaska (Mr. YOUNG).

Mr. COLLINS of Texas. I am glad to yield to the gentleman from Ohio.

Mr. BROWN of Ohio. I want to ask this question: Since Standard Oil of Ohio is one of the big investors and since 25 percent of all of the gasoline used in Ohio comes from Standard Oil, but now comes from overseas, and presumably if they are successful up in Prudhoe Bay, it would come from domestic oil produced in Alaska, Ohioans would wind up paying for it one way or the other. Who pays for that pipeline that went from, as I think the figures were used, $900,000 to $7 billion?

The CHAIRMAN. The time of the gentleman from Texas (Mr. COLLINS) has expired.

Mr. BROWN of Ohio. Mr. Chairman, I yield 5 additional minutes to the gentleman from Texas (Mr. COLLINS).

Mr. BROWN of Ohio. If the gentleman will yield further, is it not true that somewhere along the line we have to pay for that kind of investment to get oil down here?

Mr. YOUNG of Alaska. If the gentleman will yield, the answer to the question is that the consumer pays for the cost of that pipeline in the State of Alaska.

I can assure the gentleman very frankly that the pipeline exceeded the expectation because of expenditures because of the delaying factor and because of the requirements by Congress in the construction. I do support those requirements, but it is an additional cost to Ohioans, who are going to pay for that fuel at the high cost that has been created.

Mr. BROWN of Ohio. I have one other question: Have any jobs been created by that? I understand that some of the steel that went into that pipeline was made in Ohio. I occurs to me that at least we are giving some jobs to some folks in Ohio. In other words, they may be paying a little bit higher for gasoline, but they are also producing some steel. If that stuff were being produced in Saudi Arabia, we would have to buy it from there.

I am sure that the Ohioans are going to profit from this even because of the extra cost that they have to pay, if the choice is between Alaska and Saudi Arabia with respect to where we would get that oil. We have to pay one way or another.

I would rather pay the Alaskans to build that pipeline with Ohio steel than pay the Arabians to dig holes in the ground and charge us extra for oil.

Mr. YOUNG of Alaska. If the gentleman will yield further, I cannot stress too much the necessity for future development and future exploratory work in frontier areas such as my State is. Let us not get locked into what the cost in the Prudhoe Bay area itself is. It is a field of relatively small size. The other field, such as the Colville field is a very viable area, 45 feet in depth versus the Prudhoe Bay area of 400 feet in depth.

If we want independence here and if we want this Nation to have the availability of fuel that is necessary to run this industrial giant, then Congress has to give us the latitude to do the exploration and development in the frontier areas.

Mr. COLLINS of Texas. Mr. Chairman, I thank the gentleman from Alaska (Mr. YOUNG).

The gentleman said that the original estimate was $900 million, as I remember, when the cost was mentioned; and he said today it will probably cost $7 billion. What happened? If they had not been in a free market where they could float with it, it would have been absolutely impossible.

Mr. YOUNG of Alaska. If the gentleman will yield, if they had been in a restricted market, the pipeline would not have been built with private money, the largest private industrial investment in the United States at this time.

Mr. BROWN of Ohio. If the gentleman will yield, if we had done the thing properly in Congress, we could have frozen the price of that pipeline.

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield?

Mr. COLLINS of Texas. I yield to the gentleman from Texas.

Mr. ECKHARDT. Mr. Chairman, the gentleman from Alaska (Mr. YOUNG) raises a very good point. However, I am sure that he must know that the limitation on price is a well-head price, so that Alaskan oil could be bought at the Port of Seattle at $11.50, insofar as the cost limitation of this bill is concened; but if the Prudhoe Bay oil can be produced at $7.55, this bill would permit about $1 or a 95-cent margin above that price. In addition to that, whatever its transportation costs are could be added to the price when that oil was delivered. I am sure the gentleman understands that.

Mr. YOUNG of Alaska. If the gentleman will yield, I understand that, and I agree with the concept with respect to Prudhoe Bay. I feel it is relatively inexpensive to produce because of the large capacity of the well. We are talking about 27,000 barrels a day out of one well, and when we get into the Gulf of Alaska, into the Colville field 25 miles west of Prudhoe Bay, then we will be able to get this oil at the $7.55 price or less.

There is no way that we can possibly afford the deletion of the depletion allowance, and I am speaking of the industry right now, going into new frontiers and developing those oilfields.

Mr. ECKHARDT. What does the gentleman from Alaska suggest that those figures to be at the wellhead, not at delivery?

Mr. YOUNG of Alaska. Again I do not know, only I am sure that one cannot produce at any other figure except $9 to $10 per barrel.

Mr. ECKHARDT. $9 to $10 a barrel?

Mr. YOUNG of Alaska. That is correct.

Mr. BROWN of Ohio. Mr. Chairman, if the gentleman will yield still further, we do not have to talk about Alaska as a problem area. We can talk about Alabama. In Alabama, where they are drilling wells 18,000 feet into the ground, almost 4 miles, I was told by the President of Union-76, the former Secretary of Transportation, that their cost at the deep well to get oil out is running about $10 per barrel. That is because they are in a relatively small pool.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. BROWN of Ohio. I yield the gentleman from Texas 2 additional minutes.

If the gentleman will yield further, that is the problem we find in Alaska, it is expensive, it is expensive in the deep wells, it is expensive out in Oklahoma, and in Alabama, and it is expensive on the Outer Continental Shelf.

I said facetiously that we could have frozen the price of the Alaskan pipeline, if we wanted some rollback on that $7 billion pipeline, to say it would cost $900,000. The result of that would be that we would not have the pipeline.

We tried that same logic in freezing the price of beef, which I understand is another product which has some background in Texas, and in which we are involved in a small way in Ohio, and the result when we froze the price of the beef was that we did not have any beef in the marketplace. That is the same thing we are trying to do in the domestic oilfield in this bill.

Mr. COLLINS of Texas. Mr. Chairman, I thank the gentleman from Ohio.

Mr. DINGELL. Mr. Chairman, I yield 5 minutes to the gentleman from Washington (Mr. ADAMS).

Mr. ADAMS. Mr. Chairman, I take this time today to talk briefly on the economic impacts of what will occur if H.R. 7014 is not passed, and the President's decontrol program is adopted.

I am in favor of the bill as it has been reported. I might indicate that the pricing provisions in this bill represent a compromise between $5.25 a barrel oil, and $11.50 a barrel of oil, or if you add on the $2 proposed by the Shah, plus the additional tariff, oil that could sell for $16 a barrel. What is being proposed as an alternative to this bill is rationing by price; in other words, if we do not pass this bill what will occur in the American economy is very similar to what occurred during the oil embargo in 1973. To those of us on the committee who have worked on his matter since 1973, the impact on the economy has been just as we predicted.

OPEC was created by the major American producers, as the gentleman before me stated. I is a monopoly. It is proposed that we tie the American production of oil right into this monopoly which, if it were domestically created, would be broken up by the antitrust laws. The proposal that is made on decontrol will have exactly this result. If decontrol is agreed to, it will have this effect on the economy: Unemployment will rise between 0.6 percent and 1 percent. Within a period of less than 1 year the gross national product will fall $16 billion. It will run through the economy at an inflationary rate between 2.4 and 3 percent.

The exact impact will depend on the amount and the rapidity at which oil prices increase and the other energy alternatives follow the price up.

I have heard arguments that setting a price on oil or rolling it back and not allowing it to rise would halt production or would lower production. And yet, we have not controlled new oil, we have not controlled new oil during the last year, and production has fallen.

I have circulated to my colleagues the testimony of the IPAA and others—testimony as current as February 1974—indicating that a price of oil in the range of $6.65 to $8.40 a barrel was ample to insure an adequate industry profit and U.S. energy self-sufficiency.

If we now decontrol oil prices, we would go to 75 cents a gallon for gas. I might state that when that happens, there is going to be a shift in the purchasing power of the consuming public of the United States of $33 billion from their other needs to the oil industry. And the oil industry does not need this additional money as much as the consumers of America need it.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. ADAMS. I would just finish my analysis, and then I will yield to the gentleman from Ohio, by stating that for every increase in the per-barrel price of approximately $1 we are going to have an increase in inflation and a decrease in the gross national product of about one-half of 1 percent. So if we want to create a depression and continue inflation for precisely the same reasons as happened in 1973–74—and the members of this committee tried to prevent it in that year; we said it was going to happen, and it happened right on schedule, and we are saying it to them again—do not pass this bill. We are pleading with the Members of the House to pass H.R. 7014 this time and not let it die as the bill died in 1974, because if we do not pass this bill, we are heading for a repeat of the economic disaster we have just experienced in 1973–74.

I now yield to the gentleman from Ohio.

Mr. BROWN of Ohio. I thank the gentleman for yielding.

I think it ought to be observed that the gentleman's predicate, if I understood it, calls for another $2-per-barrel increase by the OPEC nations. The $2-per-barrel increase, I believe, would account for somewhere between 5 and 8 cents of the price-per-gallon increase; is that correct?

The CHAIRMAN. The time of the gentleman has expired.

Mr. DINGELL. Mr. Chairman, I yield 2 additional minutes to the gentleman from Washington.

Mr. ADAMS. We can calculate the impact of per barrel increases on the price of gasoline mathematically. Out of 42 gallons, every dollar a barrel it goes up creates about 2½ cents a gallon increase in gasoline prices.

Mr. BROWN of Ohio. If the gentleman will yield further, so part of his predicate is the assumption that he makes, and it is not in the assumption that I make, in terms of decontrol that the Arabs are going to increase the price of oil another $2 a barrel. They are going to do that or they are not going to do that, depending on whether they think they can profit from doing that. Is that not correct?

Mr. ADAMS. They are going to increase the price based on whether or not they believe the United States can control its consumers. I heard the gentleman say earlier that we are not going to be in a position or should not be in the position of legislating control of consumption. Therefore, if we are not willing to deal with the problem of consumption, the Shah, who has predicted the $2 a barrel increase, will most assuredly lay it on.

Mr. BROWN of Ohio. If the gentleman will yield further, however, if the price goes up, there will be a reduction in consumption by the price mechanism.

Mr. ADAMS. Where has that been proven, until we reach about $1 a gallon? People have no choice about the amount of gas they need. The demand for transportation using gasoline by the average working person is very inelastic unless we establish an allocation system where he can have it at one price for providing a given amount of gas, say, 17,000 miles of driving at a fair price, which was in the Ways and Means' Committee energy bill. Otherwise we do not have an impact on consumption, because the average working person cannot reduce his driving needs when we do not have the alternative transportation system to meet them. So the price mechanism has not as yet reduced consumption.

Mr. BROWN of Ohio. I agree that we do not have the alternative systems for them, but I would say to the gentleman that there will be a reduction in consumption, because we had a reduction in consumption when we had the last price increase.

Let me also suggest to the gentleman that if the Shah of Iran or anybody else decides to raise the price that will have an impact on the American consumers' prices even if we freeze the prices, because we are now 40 percent dependent on their oil and we will be increasingly dependent under a frozen price system. We have been over the last 2 years and we will be increasingly dependent at an even faster rate if we try to roll the price back.

Mr. ADAMS. We are going to be dependent on that oil for the next 4 to 5 years.

Mr. BROWN of Ohio. That is correct.

Mr. ADAMS. Let me finish. If we do not go to a program of controlling the price to the consumer in the United States we are going to create a recession in this country even worse than the one we have experienced in 1973 and 1974. That is exactly what the pricing program in this bill is aimed at avoiding.

Mr. BROWN of Ohio. Mr. Chairman, I yield myself 1 minute to make one further point with reference to the presentation of the gentleman from Washington, for whom I have great respect. The gentleman omitted entirely from his presentation with reference to the economic costs the proposal in the President's program that this Congress has chosen to ignore for the last 6 months. That proposal would recycle back into the American economy through a rebate system to the poor, an assistance from that tariff tax to help them with the higher energy bills that they have to pay.

The fact that the Ways and Means Committee did not do anything about that is not the responsibility of the gentleman from Washington nor my responsibility, but had the Congress done it then the economic impact of the figures that the gentleman has presented would be reduced considerably. Furthermore, if we leave out of those figures the extra $2 put on by the Arabs we will not have the economic impact the gentleman is talking about.

Mr. ADAMS. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Washington.

Mr. ADAMS. Mr. Chairman, I hope then the gentleman supported the provision that was in the Ways and Means bill that provided if there was an increase in tax there would be a rebate to every family—two people—the equivalent of 17,000 miles of driving without tax. It had a provision in there for recycling back. The problem with the President's proposal on recycling is that the recycling provision has never been suggested or presented to any of us so that we saw it would do the job that this bill would do in terms of not having the price go up at all. The alternative is raise the price and rebate or maintain the price. The system in this bill is to maintain the price and phase it into the economy over the years. It seems to me that would be a reasonable way to proceed.

Mr. BROWN of Ohio. Mr. Chairman, I will have to try to recall that, but as I recall there was a provision with respect to the automobile which did not make much sense.

Mr. Chairman, I yield 6 minutes to the gentleman from North Carolina (Mr. MARTIN).

Mr. MARTIN. Mr. Chairman, here we go again over some well-irrigated and rather soggy ground.

A couple of years ago the distinguished committee which gave us this bill H.R. 7014 by a clear consensus of 22 to 21, then gave us what they ironically called the Energy Emergency Act. Had it not been vetoed it would have created a real energy emergency. The gentleman from Ohio (Mr. BROWN) has aptly characterized the oil policy and energy conservation bill as the OPEC Act because of its benefit to foreign treasuries.

Its principal feature then was a heralded price rollback for domestic crude. That is its principal feature today.

Its greatest virtue then was that the committee had spent a great deal of time studying the matter. That is it greatest virtue today.

It suffered then from the irony that a price rollback for domestic crude oil would have reduced prices at the pump for the immediate short term, but would have produced higher net retail prices over the intermediate and long term. The reduction in domestic production that would have followed would have required greater reliance on higher priced foreign crude, which would have resulted in higher, not lower, net retail prices. It suffers from that same irony today.

Let us consider the basic problem of the U.S. oil market. With the exception of the presently ending recession, the market is characterized by demand in excess of supply, and by demand rising faster than supply.

This bill encourages the demand component by rolling back prices and in the same way discourages domestic supply. Attempts to employ reasoning, as advocated by the distinguished chairman of the committee, forbid a conclusion that market equilibrium can be restored to balance by rising demand and falling supply. To the contrary, that will increase the gap between them, increase dependency on the OPEC countries and increase the likelihood of long lines at the gasoline pumps.

We are more dependent on foreign oil today than we were when the Arabs imposed their embargo in late 1973. It is not as evident today, because right now there is no embargo, but we are more dependent. As we come out of recession, the oil demand will increase. That increase is going to be made up by some imported oil, so that dependence will continue to grow. While we have moderated our wasteful use of oil partly due to the recession, production in this country is declining, forcing petroleum users to import greater quantities of high-priced oil.

This import dependence puts a tremendous burden on our balance of payments, which threatens our entire economy.

Now, we would think Congress would try to increase our own production so that we would not have to import so much. The recent energy tax bill that came out of the Committee on Ways and Means, on which I served and which passed the House, did nothing to encourage U.S. production. It just put a lid on imports: a ceiling which will amount to another self-imposed shortage. Earlier repeal of the oil depletion allowance will not encourage U.S. oil production. In fact, it has already led to canceled purchase orders for drilling rigs. So, now comes along the latest proposal to make matters worse.

The Commerce Committee bill is lacking in four important respects, as has been stated today: It discourages domestic oil production; it almost assures we will have long gas lines again; it will subject service station operators to unnecessary and harassing Government audits; and, it legislates technology which does not presently exist.

The bill's most serious defect is its extension and expansion of Government price controls and allocations for oil.

Extension of the emergency controls voted during the Arab oil embargo is unnecessary at this time. The controls have just created a complex bureaucratic tangle of regulations, rules, orders, exemptions, and appeals. They have had the effect of punishing refiners who traditionally invested in domestic petroleum. They have to pay part of the costs of competitors who import their oil, as the gentleman from California (Mr. KETCHUM) has discussed.

The most ill-conceived proposal covers the rollback of the prices of "new" oil. This is a crushing disincentive to new drilling and the use of costly new recovery techniques and it will discourage exploration of untapped but known oil reserves. We should be moving in the opposite direction, Mr. Chairman, toward decontrol. This bill rolls back prices of new oil where there is some potential for increasing our domestic supply and thus thwarts that, and then, oddly, deregulates slightly only the old oil wells.

To enforce conservation, the bill requires the President to hold gasoline consumption to 1973 levels. That fall of 1973 was when the embargo started, so this is just another plan guaranteed to recreate long gas lines by means of a self-imposed shortage. Next, it authorizes the President to propose, that is all, just propose rationing; but with a provision for Congress later to save the country from such foolishness. The audit provisions will harass the service station operators, as the gentleman from Ohio (Mr. BROWN) has detailed.

They will have to spend more time pumping paperwork up here to Washington and less time pumping gasoline to the constituents of the Members.

This bill also requires two novel, mutually contradictory steps: In one direction, it would develop on the one hand a plan for a civilian storage reserve, to set aside some fuel at Government expense. Then going in the other way, the bill would require industry to reduce their storage reserve and store air at their own expense. This is because the bill H.R. 7014 seeks to prohibit hoarding by requiring industries to draw down their inventories. So, it would require us to build new storage facilities and keep empty the ones we now have.

Mr. Chairman, I believe it would be the Nation's misfortune should enactment of this bill be the price we are forced to pay to educate this liberal Congress to the basic fundamentals of the law of supply and demand and the operation of our free market system.

Mr. Chairman, I thank the gentleman for yielding this time to me.

Mr. DINGELL. Mr. Chairman, I yield 15 minutes to the gentleman from Texas (Mr. ECKHARDT).

Mr. ECKHARDT. Mr. Chairman, it appears that the Members on the other side of the aisle have spent so much of their time inventing epithets and acronyms for this bill, that they have not had time to read it; or if they have, they have not understood precisely what the problem is and how the bill proceeds to meet that problem.

I think there are several things that must be understood at the outset in considering the problem that is before us. During all of the sixties, the price of oil in the United States was somewhere in the neighborhood of $3.20 to $3.35 per barrel. Of course, Western Europe was at that time getting Arab oil or foreign oil at the rate of from $1.50 to about $2.90. Actually, we protected the price of oil in this country by limiting its importation.

Before that time, government—in this case, State government—had protected the price of oil in the United States by what were called allowables, that is limitations of production to a certain number of days or to some percentage of what was conceived as the property's potential. In Texas this was done by the Texas Railroad Commission. Government has never been an enemy of oil; it has usually been an ally—been an ally in the tax field and been an ally with respect to production.

Now, I do not want to dwell long upon the past. I want to talk though a little about the recent past and what is happening to the price of oil at the present time. The solid line on the chart shows how the total cost of domestic oil, to persons purchasing at first purchase in the United States stood at about $11 billion in 1972.

What happened at that time? The average price of oil rose from about $3.40 in 1972 to about $3.90 in 1973 and then to a figure of around $7.35 toward the fall of 1974. The Members will note, therefore, that the cost of oil is going up very sharply along the solid line in the chart.

It thus went to approximately $22 billion per year total cost of oil to first purchasers in the United States during 1974.

What does this bill attempt to do? It attempts to stabilize that increase in cost of domestic oil, because that is the only way we can get a handle on the actual price of gasoline and other goods made from oil purchased by American consumers. I want to show the Members how the graph moves under the bill.

The continuation of the solid line shows the total price of domestic oil to purchasers in the United States if this bill goes into effect. It will be noted that it takes a slight dip from the 1974 level, but it begins to accelerate somewhat because, during that period of time, there becomes less and less oil controlled by the $5.25 ceiling, because this bill—as did the bill that came out of the subcommittee with the Krueger amendment, and as did the original committee bill—phases out old oil by providing a decline curve moving downward at the rate of 1 percent per month, effectively eliminating old oil after about 3 or 3½ years, as the remaining wells in these old fields become stripper wells and are, therefore, decontrolled.

So as there is less and less old oil in the mix, the price tends to move up toward the average ceiling of $7.50.

The $7.50 is itself flexible. It is flexible with respect to quality and grade. In order to achieve this average is to take as a benchmark the price of oil at the end of January of this year and then reduce the price of new oil by $3.82, so that there remains the distinction in price between oil of various grades and qualities.

Now, I want to show the Members what would happen if instead of passing this bill we simply extended the present allocation act, that is, continued to keep all oil from fields producing on May 15, 1972, at $5.25, without phasing it out under the decline curve and also without putting any limitation on the price of new oil.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield for a question?

Mr. ECKHARDT. I yield to the gentleman from Ohio.

Mr. SEIBERLING. I thank the gentleman for yielding.

Mr. Chairman, I am a little puzzled by the fact that the chart shows a green line starting in May 1974, and we are already past May 1975. The bill is not law yet, so how could it have any effect prior to May 1975?

Mr. ECKHARDT. Actually, we made assumptions of pricing and costs for the whole year in preparing this chart and spotted them on the vertical lines, then connected them to form the curve. To reflect the exact situation in an accurate curve it would have to be slipped up a bit, but it would not substantially change it, except to show this line from about this point on.

Mr. SEIBERLING. If the gentleman will yield further, in effect the gentleman's chart needs to be slid one frame to the left?

Mr. ECKHARDT. Perhaps that is correct as to the curve.

Now, let us look at the shaded area. The upper and lower bounds show the two different assumptions that we must make because we do not know precisely the average rate at which oilfields are declining. The lower border would indicate the price, assuming the average decline rate to be 4 percent per year; the upper line would indicate what would occur if the fields are declining at the rate of 12 percent a year.

I suspect that the real rate of decline is about halfway between, or about 8 percent. But we would get a considerable rise above the approximately $25 billion per year which would be the cost of domestic oil in 1980 under H.R. 7014. A continuation of present controls would read approximately $36 billion if the field decline is in the neighborhood of 8 percent per year.

And why does this occur?

Mr. Chairman, let me indicate this on the board. What is actually happening is that at the commencement of the period there is a large amount of old oil in the mix, twice as much, on the base line that I have drawn here, as new oil. The new oil is selling at something like $1.50 below the world price, let us say $12. The old oil is selling at $5.25.

So because this new oil is in relatively small amount, it is not affecting the average as much as it will be in 1980. In 1980 the $5.25 oil diminishes to a very small amount, and the amount of new oil in the mix increases to a very large amount, as I have indicated in the rectangles. The total area of those various rectangles indicates what happens as the price of oil goes up, even if we do not decontrol, even if we continue the present program.

Now, let me point out on this graph what happens if we do immediately decontrol. The dotted line shows this. That means, of course, that $5.25 oil goes on up and ultimately the entire mix reaches approximately the Arab price.

Mr. KRUEGER. Mr. Chairman, will the gentleman yield?

Mr. ECKHARDT. I yield to the gentleman from Texas.

Mr. KRUEGER. Mr. Chairman, I have two questions. One is this:

I am sure that the gentleman is aware that he is speaking here not in terms of constant dollars but, rather, in terms of inflated dollars, as we trace the various prices back through the late 1960's.

I am sure the gentleman is also aware that if we look, for example, at constant dollars, what we see is that in fact in the late 1960's we were at lower prices in constant dollars than in inflated dollars.

Mr. ECKHARDT. The gentleman is correct.

Mr. KRUEGER. At the same time, of course, the salary of a Congressman has gone from something like $12,500 to $42,500.

Mr. ECKHARDT. I would not wish to belabor that point with the gentleman, but, of course, he is right.

Mr. KRUEGER. Mr. Chairman, if the gentleman will yield further, it appears that he seems to refer to my proposal as a proposal of immediate decontrol.

Mr. ECKHARDT. No, sir. Mr. Chairman, I understand the difference. The line actually, therefore, does not go up precipitously, but ultimately it gets to a price of around $51 billion in 1980.

Mr. KRUEGER. Mr. Chairman, I will ask one further question, and then I will stop because I realize I am on the gentleman's time.

The gentleman's graph does not, however, indicate the amount returned to consumers through a tax rebate system, which is an inherent part of my proposal; is that correct? The gentleman's proposal leaves that out.

Mr. ECKHARDT. The gentleman is correct.

Mr. KRUEGER. Mr. Chairman, the gentleman would agree that the amount shown as the dollars paid for oil under my proposal does not reflect in fact the net cost to the consumer. It does not reflect what they pay out, but only what they do get back from the tax proopsal.

Mr. ECKHARDT. Whatever they do get back from the tax proposal, but I would think that it would be a very shortsighted oil company that would not hold most of the money and plow it back, so I assume the public is not going to get much of it.

Mr. KRUEGER. Mr. Chairman, if the gentleman will yield further, there are two tax proposals in my proposal, one which mandates a tax on the old oil and one which plows back funds only on new oil. So the oil company would have no alternative on the tax imposed on old oil.

Mr. ECKHARDT. The gentleman is correct. But, Mr. Chairman, at the end of 1980 there is virtually no old oil left. Whatever oil is coming out of old fields is not restricted by price, because it falls under the stripper well provision.

Mr. Chairman, I thank the gentleman for his contributions, because he is absolutely correct in his observations. However, if I may, I will continue, because I have a relatively short period of time available.

I would like to address the facts and the figures presented by the gentleman from Alaska (Mr. YOUNG). I think they are very helpful in explaining the way this bill works with respect to the $8.50 price, which is not a ceiling. Let me draw a vertical line and mark it $8.50, the average price for above the Arctic Circle oil.

Let us put $7.50 to the left of it on a vertical line and $9.50 to the right of it on another vertical line. If Prudhoe Bay oil can be produced at wellhead and that is the point where the bill regulates at $7.55, as the gentleman from Alaska suggests, that means that, since a quantity of oil in Alaska is being produced at this level, an additional quantity can be produced at some higher level to come out with an average figure of $8.50 because so long as the area within the shaded portion to the left of the $8.50 line is as great as the shaded portion to the right of it, one may increase price to any amount in this area until he has run out of credit from the other side of the line.

That means, to put it very simply, that if Prudhoe Bay oil can be produced for $7.55, an equal quantity of oil could be produced at $9.45; and as I understood the gentleman from Alaska, he said he felt that the other oil in Alaska was somewhere between $9 and $10 in production cost.

The CHAIRMAN. The time of the gentleman from Texas (Mr. ECKHARDT) has expired.

Mr. DINGELL. Mr. Chairman, I yield 2 additional minutes to the gentleman from Texas (Mr. ECKHARDT).

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. ECKHARDT. Yes; I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. Mr. Chairman, I would just say to the gentleman, if I understand his example, he is talking about averages. Therefore, am I right in assuming that if for every barrel one gets at the average of $8.50, the most expensive allowance that the gentleman makes for the average barrel, if there is a $10 barrel, we now have to find oil at $7? In other words, the gentleman has an average here that he is working with?

Mr. ECKHARDT. No; the gentleman is not correct.

Mr. BROWN of Ohio. It is not an average price?

Mr. ECKHARDT. It is an average price, but we do not have to find a barrel that is the same number of dollars below the $10 oil. One simply has to put as much oil in this pricing area below the $7.50 as is put above.

Mr. BROWN of Ohio. If the gentleman will yield further, the question I am trying to feel my way toward here is that all of the oil which we find in the future is likely to be much more expensive oil—and I think the gentleman would agree with me that that is the case—then where are we going to find new cheap oil to balance off the new very expensive oil?

Mr. ECKHARDT. May I say that I do not take the gentleman's assumption that all oil that is to be found will be more expensive than $7.50. Indeed, I think most of it will be at $7.50 or below for a considerable period of time.

Mr. Chairman, I read from the testimony of Mr. Yancey, the president of Ashland Oil Co., on July 11 before our committee. When he was asked by the gentleman from New York (Mr. Ottinger) whether the $7.50–$8.50 levels were enough to permit profitable recovery of new oil he said:

> I would say that at those levels it would be very profitable.

Or I could read from the testimony of Mr. George Mitchell, who is president of the Mitchell Energy and Development Co.

The CHAIRMAN. The time of the gentleman from Texas (Mr. Eckhardt) has again expired.

Mr. BROWN of Ohio. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, it is interesting to observe that Mr. Yancey is the president of Ashland Oil Co., which does business in my part of the country.

The Ashland Oil Co. is one of those companies that profits immensely from the supplies of oil in the system that we now have operating. It is one of the "get" companies because 93 percent of the oil it sells is imported oil.

The trouble is that Mr. Yancey is, therefore, I think, not one of the great authorities on oil production and possibly on what it costs to find new domestic oil, because they are not finding much new domestic oil at the Ashland Oil Co., and they are relying on foreign oil and are profiting from doing that under the present price control system of entitlements. Under the entitlements program, the companies in this land which have invested in finding domestic oil are obligated to pay money to Mr. Yancey's company so that he can make a profit.

His was one of the few companies last year that gained more profit where most of the companies did not.

Mr. Chairman, I yield 3 minutes to the gentleman from Missouri (Mr. Taylor).

Mr. TAYLOR of Missouri. Mr. Chairman, at this point I would like to address a question, if I might, to the distinguished chairman of the subcommittee, the gentleman from Michigan (Mr. Dingell).

Mr. Chairman, in this bill in section 203 it is mandated that the President under certain circumstances might institute a rationing program.

I just wondered if the committee in its deliberations set forth any priorities for public service areas for allocation of rationing under this bill?

Mr. DINGELL. Mr. Chairman, if the gentleman will yield, the matter of the fashion in which the President would draft his rationing system and allocation system under the circumstances of major restrictions and the availability of petroleum supplies, was one of the matters given attention to by the committee. It was the intention of the committee that we would try to keep essential services going so as to take care of certain hardships that would be reflected in our society to persons who were least able to meet them. One of those was to see that we did have adequate postal services—although I am not sure whether energy supply restrictions would hurt the postal service to the people of the United States any more than the present management of the post office has—but, in any event, we did contemplate that we would try to see that these persons would have enough oil to go about their appointed rounds, increasing the price of the postal service and increasing the amount of time in which the mail travels.

Mr. TAYLOR of Missouri. Mr. Chairman, I thank the gentleman very much for his explanation of this, and for making this a matter of record.

I think most of us do recognize that the Post Office Service does have some very serious problems, but I might add that during the voluntary system of fuel allocation in 1973 and 1974, the Postal Service did experience a great deal of difficulty. So I am very happy the subcommittee has addressed itself to this potential problem.

Mr. DINGELL. If the gentleman will yield further, I hope that I did no disrespect to the Postal Service. It is just that the Postal Service has done very little to earn the trust and affection of the people of the United States. But I do compliment the gentleman from Missouri on his comments, and it is our intention to take into consideration the needs of the Postal Service.

Mr. TAYLOR of Missouri. I thank the chairman of the subcommittee. In my judgment the importance of providing adequate fuel for the Postal Service in the event of allocation and/or rationing is a matter of great concern to all Americans.

Mr. DINGELL. Mr. Chairman, the gentleman from Texas (Mr. Eckhardt) has asked for an additional 1 minute, and I now yield that 1 minute to the gentleman.

Mr. ECKHARDT. Mr. Chairman, at the time that I was engaged in a colloquy with the gentleman from Ohio (Mr. Brown) I did not have time to complete my citation of authorities, because I did not intend to just cite one authority, hence I did not mean to cite only Mr. Yancey.

But, Mr. Chairman, I would also cite Mr. George Mitchell, president of Mitchell Energy and Development Corp., who appeared before our committee on March 12, 1975, and said he was going to guess that $7, $8, or $9—somewhere in that category—was the amount necessary to bring in new oil.

Also I would cite Mr. George McGhee, the director of the Mobil Oil Corp., at the "Energy Crisis and Its Domestic Impact" seminar which was sponsored by the Congressional Research Service on April 15, 1975, wherein he said he felt that anything above $7.50 was a demand price and not a price impelled by cost.

Then the Petroleum Independent of November 1973, quoted an unnamed Houston producer-geologist as saying:

> With new oil prices from $5.30 to $6 per barrel, there is incentive now to go looking for oil.

The CHAIRMAN. The time of the gentleman has expired.

Mr. DINGELL. Mr. Chairman, I yield 10 minutes to the gentleman from Texas (Mr. Krueger).

Mr. KRUEGER. Mr. Chairman, I appreciate the chance to speak on this very important matter because it is of immense importance to our Nation that we increase domestic production. As was indicated yesterday in the Committee on Rules, by the chairman of our subcommittee, by my colleague, the gentleman from Texas (Mr. Eckhardt) by the gentleman from Ohio (Mr. Brown) and indeed, admitted all around, this bill, in spite of its title, does nothing to increase domestic energy production. The fact of the matter is that we have fallen into our very difficult position with regard to energy because domestic production is substantially lower than domestic consumption. The only way that we will ever be able once again to gain some sort of leverage on price, and to lower the influence of the OPEC countries, is by lowering the share of our market which the OPEC countries provide. We can only do that by increasing domestic production once again.

According to figures provided by the Federal Energy Administration, the amendment which I will offer on oil pricing would have a significant impact on domestic production when compared with the production figures that would be anticipated as a result of the present provisions of the committee bill drawn by the gentleman from Texas (Mr. Eckhardt). By their projections, by 1980 we would be reduced to 53 percent of our present consumption, that is, only 53 percent of our consumption in 1980 would be met by domestic production under the Eckhardt version, whereas under the pricing provisions that I have, the figures would be upped to 66 percent. Anyone who favors increasing domestic production cannot favor the Eckhardt proposal.

There has been mention made here of a variety of authorities on oil, but no one has mentioned that every economist who appeared before the Subcommittee on Energy and Power testified in favor of some sort of deregulation, either phased deregulation or immediate deregulation. Dr. Otto Eckstein has said that he favors deregulation—a man who once chaired the President's Council of Economic Advisers when those of us who sit on this side of the aisle had a president in office. Mr. McEvoy, now on the President's Council of Economic Advisers, before he was appointed, testified before our committee in favor of deregulation; Charles Schultz, now of the Brookings Institution and formerly head of the OMB, testified in favor of deregulation. Indeed, economist after economist has said that the only way that we can return to some kind of sensible pricing policy in this country is by returning to a market economy in which the market, not the government, sets the price. It is the paradox in this country that having freed the price of gold and having pulled the last remnants of the Nixon price controls off of virtually everything else, we kept them on one commodity, that is, oil.

If I had been given 19 minutes, as my colleague, the gentleman from Texas, was given, instead of 10, I would be ready to yield. If I may count on some additional time, I would be happy to yield to my colleague who I believe is about ready to make a request.

Mr. ECKHARDT. Mr. Chairman, does the gentleman yield?

Mr. KRUEGER. I yield to the gentleman.

Mr. ECKHARDT. I thank the gentleman for yielding.

Does the gentleman believe that the OPEC price is an unregulated price? Does he believe it is fixed by the OPEC countries?

Mr. KRUEGER. It obviously is fixed by the OPEC countries, but it is immaterial with regard to whether they fix it or whether it is called unregulated. The problem for us is that our marginal barrel of oil at this time must come from overseas. That marginal barrel of oil comes from the OPEC countries, and the only way that we will ever have any chance of adjusting that price downward again is by getting domestic production back up to a level at which we can supply a substantial portion of this Nation's energy needs. As long as we were net exporters of energy, we had tremendous control and leverage over price, and in the past, when Arab nations tried to raise prices, they were unable to do so. It is only after this Nation lost its capacity to supply its own energy needs that we fell into the position of being subject to the OPEC countries.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. KRUEGER. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. I thank the gentleman for yielding.

I just want to make one point here, if I may. We talked about domestic price following the OPEC price. That just does not happen to be true. The two do not track exactly. Back in June 1974, the OPEC price, that is, the imported price in this country, was $13.06 a barrel.

The price for new oil in the United States was $9.95. That is $3.11 difference. In February the difference was $1.66 and in March it went up to $1.74. It is not necessarily a predictable fact that the domestic new oil or free market price is going to be the same as the foreign price. There has been a gap and that gap will vary anywhere from $1.50 up to over $3.

Mr. KRUEGER. Historically since the OPEC countries have had control it has been $1.35 to about $3.

We have a proposal in the bill for oil pricing which the Washington Post, that bastion of conservatism, has called a "disastrously bad idea." I am usually more courteous in my comments to my colleagues, and I would not call this a disastrously bad idea, but it is clearly an unfortunate idea which does not address the needs of the Nation. The oil pricing provision in the bill, which passed by a margin of 22 to 21 in the full committee, in effect would guarantee that New England and the importing States will be ever held hostage to an administratively imposed entitlements system.

Currently, at the rate of some $100 million a month, the producers of energy in this country pay the importers of energy in order to balance out, through a system called entitlements, the price of imported and domestic production. This system exists through administrative decision of the FEA and there is no legislation that establishes this entitlement system. Were this entitlement system to pass away, under the provisions of the present bill it would mean New England and the other importing States would pay immensely higher prices compared with other parts of the Nation and they would suffer a very, very substantial outflow of jobs. I think it is one of the worst things that could possibly happen to the New England States.

The gentleman from Texas (Mr. ECKHARDT) provided a chart that was a year out of date and I think the pricing provisions in this bill are at least 1 year out of date. The most recent Harris poll indicates public opinion by a margin of 46 to 31 percent favors decontrol of oil prices.

Mr. ECKHARDT. Mr. Chairman, the gentleman mentioned my name and my chart. Will he yield at this point?

Mr. KRUEGER. I yield to the gentleman from Texas (Mr. ECKHARDT).

Mr. ECKHARDT. Mr. Chairman, the chart is not out of date. It is up to date. The reason for that is that the figures are as of every day. We get a figure for 1974 and then one for 1975 and we have to move from one place to another on the graph.

That is the only reason for that disparity.

Mr. KRUEGER. I thank the gentleman for that correction. The chart is not out of date. It is simply in error.

The problem now is to pass something in this House that will make us something other than a debating society. We know, and it has been told us very clearly, that the President will oppose the present pricing provisions in the bill and will veto the bill if they remain. There may be those of us who enjoy the exercise of speaking to one another. We now have a salary of $42,500 a year, and it is a pleasant society, and we have comfortable leather chairs, and it is pleasant to stand—or sit—and debate. But that action does not address the energy needs of the Nation, and we are concerned with energy policy it makes sense for those on this side of the aisle to look to some of the traditions of the Congress in the time in which Rayburn, Johnson, and Eisenhower worked together—when there was a capacity in Congress to work with the Executive rather than just running against the Executive, and finding our legislation consistently vetoed.

Mr. REES. Mr. Chairman, will the gentleman yield?

Mr. KRUEGER. I yield to the gentleman from California.

Mr. REES. Mr. Chairman, I agree with the gentleman's remarks. I would like to point out this report on the President. It says that President Ford asks for a new oil ceiling which is essentially an $11.50 ceiling with $2 added for the domestic tax. It says he is also going to ask for a windfall tax and allocation extension.

It seems to me the White House has changed dramatically from the State of the Union address this last winter where they were going to deregulate like this. Now they are going to deregulate over a 2-year period.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. DINGELL. Mr. Chairman, I yield 2 additional minutes to the gentleman.

Mr. KRUEGER. Mr. Chairman, I believe that it is time to do something here that actually has a chance of becoming law. If we are to be lawmakers, rather than debaters, then we should pass something that has a chance of actually affecting the people of this Nation.

Now, in the brief time remaining to me, I would like to point out several aspects about my amendment. One is that, as my colleague from Texas indicated, there is, in fact, a rebate system built into my phased decontrol, which would require that that decontrol would exist only if there were in effect a windfall profits tax that would rebate money to consumers on a basis in inverse proportion to their income: those who earned less would be rebated most. Only with such a tax in place would there be phased deregulation in the price of old oil.

There is also in my amendment something which would require that profits in new oil be invested in exploration and drilling in this country so that the multinational corporations would no longer be induced to put all their investments overseas.

Now, the actual revenues received by major oil companies from old oil, under my provisions, are frankly less than they are in the Eckhardt version. Major companies today hold old oil in four times as large a measure as the independent producers do in this country. The fact that they hold so much more old oil than the independents do means that the Eckhardt provision, which would allow the majors to receive $7.50 a barrel for old oil, whereas under my proposal there is a tax provision——

The CHAIRMAN. The time of the gentleman from Texas has again expired.

Mr. DINGELL. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. BROWN of Ohio. Mr. Chairman, I also yield the gentleman 1 minute.

The CHAIRMAN. The gentleman from Texas is recognized for 2 additional minutes.

Mr. KRUEGER. Mr. Chairman, the major oil companies have four times as much old oil as the independents do and these are the companies that would under the committee version of the bill receive a windfall, because their revenues from domestic old oil production would be substantially greater under the Eckhardt version than they would under my own. My version gives the revenues to those who have new production, because it is in new production where the exploration expenses lie and rewards are required. That is where the expenses are. That is where the rewards should come.

Mr. Chairman, I appreciate the 2 additional minutes. I hope that in the interests of the country we will pass legislation that has a chance of becoming law, that genuinely can affect the American people and that can return us once again to some sort of control of our economic future.

Mr. BROWN of Ohio. Mr. Chairman, I yield 5 minutes to the gentleman from North Carolina (Mr. Broyhill).

Mr. BROYHILL. Mr. Chairman, this bill should be titled "The Long Gas Lines Act," because surely that is what will happen if this bill becomes law. Rather than increasing production, this bill will result in less production. Rather than decrease our dependence on imported oil, it will have to increase our dependence on foreign oil sources.

The only way we can decrease dependence on foreign oil is to increase domestic production.

H.R. 7014, as reported from committee, offers a pricing system that will not benefit consumers of this country and could reduce availability of petroleum products to consumers. It continues and expands regulation and control of the petroleum industry. This is a regulatory system that has already resulted in a maze of complex rules and regulations and a growing bureaucracy.

The consumers of America will not benefit from the shortages that are bound to result from a system like this.

The pricing system in this bill will be politically popular, but facing reality shows me that the pricing system in this bill ignores the fact that we are dependent on other countries for about 40 percent of our petroleum needs. Other nations of the world supply that volume of gas and oil to the United States. A few years ago we were self-sufficient. But today, we produce enough oil in this country to supply only about 60 percent of our domestic needs.

If we reduce imports, and we have to if we are to survive, we cannot continue to spend $25 billion or more with other countries for gas and oil. To continue to do so will put an intolerable drain on the dollar with the result of a strain on the economy and on the international value of the dollar. So, we must reduce imports and, if we do, we can ask, What will take its place? Domestic production provides for only 60 percent. Where are the incentives to increase domestic production?

The proponents of this bill somehow feel that this act will act as a magic wand to produce 40 percent of our petroleum needs in the weeks and months ahead.

I maintain that it will not accomplish that, but will result in shortages. Price rollbacks will result in less production, not more.

A price rollback sounds good, but commonsense shows it will not work. A price rollback ignores the hard but true facts that cost of producing oil is going up. Exploring for and drilling for new sources of oil on the Outer Continental Shelf is tremendously expensive. The Outer Continental Shelf is the only place where we may find large sources of new crude. Drilling platform costs run into the millions.

Another source, old oil from old oil wells, is also very expensive. The secondary and tertiary methods that are necessary to recover that old oil that will not come to the surface under traditional pumping methods, do not come cheap.

The distinguished and well-known economist, Robert Nathan, has estimated in his detailed study which was released recently that the average cost to bring in new oil in America is $12.73 per barrel based on 1974 costs and dollar values. This is the estimate of the cost of finding, developing, and producing oil, together with a minimum return on the operator's capital to sustain exploration.

What kind of decontrol am I talking about? I do not favor overnight decontrol. That would, under present circumstances, have a bad effect on the economy. We can decontrol over a longer period of time. Studies have shown that such a plan would result in only an upward movement of gasoline prices of only a few cents and this would be spread over a number of years. I favor a proposal such as I have introduced, to decontrol the industry over a period of 4 years, provided, however, that a taxing system is put in place to assure that the oil companies will not make windfall profits as a result of this action, and assurance that profits will, indeed, be plowed back into new exploration and drilling for new oil. The gentleman from Texas (Mr. Krueger) has indicated he will offer such an amendment to this bill, and I will support it.

The opponents of decontrol talk about increased costs. We should be concerned about this issue. But the proponents of H.R. 7014 ignore the increased costs to the consumers if we pass H.R. 7014. They ignore the increased costs that will be the result of shortages that will occur as a result of this unwise action. With no increased domestic production, we can have no result but shortages. Shortages always result in increased prices and economic chaos when allocation and rationing has to replace the free market system. That is what will happen if H.R. 7014 becomes law.

Mr. Chairman, H.R. 7014 as reported by the Interstate and Foreign Commerce Committee offers a pricing system that could prove disastrous to the Nation. Under the proposal, old oil would be "decontrolled" over a 4-year period at a rate of 1 percent per month of the total production of each well in May 1972. The price of old oil would not be permitted to increase above a new ceiling price of $7.50 per barrel from its present price of $5.25 per barrel. The price of uncontrolled new oil, now selling at about $12 per barrel would be rolled back to $7.50 or $8.50 per barrel.

In opting for this proposal the full committee narrowly rejected the pricing proposal submitted by the Subcommittee on Energy and Power that was proposed by Mr. Krueger. Under this plan:

First. Oil produced from a field producing in 1972, and currently produced in amounts less than or up to a decline adjustment factor—12 percent a year—would be priced as old oil and regulated at a ceiling price of $5.25 per barrel;

Second. Oil produced from a field in 1972, and currently produced in amounts greater than the decline adjustment factor, but less than the 1972 production level, would be sold at the market price. This oil would be subject to an inflation minimization tax equal to 90 percent of the difference between the market price and the base price of $5.75 per barrel. The base price would be increased at a rate of one-half percent per month. This will stimulate recovery from old oil fields and eliminate the two-tier pricing system. The tax, recycled to consumers, counters the adverse impact of a price increase on low- and middle-class consumers.

Third. Oil produced from properties that have been brought into production since 1972 and oil produced from properties that were producing in 1972 at levels in excess of 1972 production levels would continue to sell at the market price. A production maximization tax would apply to the difference between the market price and $7.50 per barrel at a rate of 90 percent. The producer is allowed a credit against this tax liability equal to the total of qualified exploration and production investments made by the producer. These taxation and exemption features will insure that the producer plows back his revenues into further exploration.

Fourth. Oil produced from properties where certified tertiary recovery is employed would be exempt from tax liability and tax ceilings to encourage the development of this energy source;

Fifth. No old oil is released from price control on the basis of new production from the same property. This eliminates the present category of "released" oil; and

Sixth. If the tax provisions to compensate consumers and channel investments are not enacted, the current pricing system continues.

The Krueger proposal is clearly the more sound approach to the pricing problem. This plan will maximize domestic production and conservation while protecting the low-income consumer and restricting oil company profits.

Domestic production is maximized under the Krueger proposal. Such activity is consonant with the goal of decreasing dependence on foreign oil. That is the goal of us all.

The committee version of price control would result in decreased production and continue an unfortunate trend that has been developing since the 1950's. Production will decrease because price rollbacks fail to consider the rising costs of oil production and places a penalty on the production of new domestic oil. A combination of these factors will have the result that our reserves will remain uneconomic to produce because the cost of oil production will outstrip the selling price.

The price rollback will stimulate consumption and discourage conservation efforts, compounding the problem of achieving an adequate domestic supply.

Adoption of the committee proposal will force the United States to pay $13 per barrel or more to the OPEC nations because new supplies will not be developed. As OPEC's share of the U.S. market increases, so does OPEC's ability to dictate prices and raise them at will. This means that as much as $75 billion would flow to OPEC treasuries over the next 3 years. This is the most alarming prospect the proposal presents. A price rollback would insure the Nation increased reliance on foreign imports. In turn, our economic vulnerability to OPEC price increases will be enhanced. Recent reports indicate OPEC may raise oil prices by $4 per barrel this fall. Should this occur, continued reliance on this oil would cause severe deterioration in the Nation's economic health.

The Krueger proposal is a workable remedy to this problem. Domestic market prices would be from $1 to $3 below those prices set by the OPEC nations. Additionally, the prices paid for the oil would be recycled through our economy rather than through a foreign economy. This proposal increases supply through production and tax incentives and will protect the consumer through the collection of tax receipts. The higher prices in the market will encourage conservation and reduce consumption. But the higher prices that could result will be phased in over a period of years.

The committee bill creates an arbitrary system of four different prices for oil. This multitiered system leaves much to be desired.

The present cost equalization program could be continued, but this will in effect subsidize the importing of foreign oil. We do not need this.

The present cost equalization program could be discontinued but this would destroy competitive viability and force the east coast to pay twice as much for their oil as the rest of the country.

The Krueger option would eliminate this problem by allowing the market to determine a competitive nationwide price.

The committee bill will continue to accentuate market distortions. Independent firms producing mostly new oil will be forced out of business, leaving only the large multinationals that produce mostly old oil. The Krueger proposal would promote competition among the producers of new oil.

The gradual decontrol under the Krueger plan will minimize hardship for the consumer. We must all realize that the cost of energy is going to increase. The committee plan fails to face up to this fact and attempts to postpone the inevitable. Such strategy will only increase the severity of the inevitable when it does come.

Mr. REES. Mr. Chairman, will the gentleman yield?

Mr. BROYHILL. I yield to the gentleman from California.

Mr. REES. Mr. Chairman, I thank the gentleman very much for yielding to me.

Mr. Chairman, as I remember, in the state of the Union address the President wanted immediate decontrol of old oil. He wanted immediate decontrol of the price of natural gas. He wanted substantial taxes, I think $2 a barrel, on all oil. At that time, I basically felt that it would have very severe inflationary impact on our economy, which at the time was bottoming out of a recession.

I feel, though, that with the plan that was proposed by the President, that he has come a gigantic step from the state of the Union address because now we are talking about a 30-month period of decontrol, which is approximately 3 percent increase a month in the price of old oil. We are also discussing here a definite cap of $13.50 and this of course will keep OPEC from doing what they have been doing, that is, by raising their price, also raising the price of domestic new oil.

I really do think that, tied into the proposal for a windfall profits tax, that this represents a reasonable compromise. I would hope—I am not a member of the committee, but as a Member of Congress I would hope that we might be able to negotiate a final package on this and not get into the situation that we got into on the jobs bill or on the housing bill.

Mr. BROYHILL. I thank the gentleman.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. BROYHILL. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. Mr. Chairman, I think what the gentleman from North Carolina says is quite true. The problem we have right now is that the President has taken the attitude that he is negotiating. Congress has taken the attitude that, "What is yours is negotiable, what is mine is mine."

They have not moved. As a matter of fact, in this legislation we go the other way. This committee started out with the attitude that we would not have immediate decontrols; as a matter of fact, we would not have any decontrol prices at all. We came out of the subcommittee with a reasonable decontrol proposal, that fathered by the gentleman from Texas (Mr. KRUEGER) and accepted by the chairman of the subcommittee and myself as ranking Member on the minority side, and we had the beginnings of a compromise agreement. But unfortunately in the full committee, by a 22-to-21 vote, which is sort of overwhelming, we went the other way. We rolled back the price and, in effect, said that we are not interested in compromise, we are interested in confrontation. And that is the tragedy of this piece of legislation.

The President comes with a further compromise proposal, setting a cap, and the things the gentleman has discussed, and I am not sure I read properly the leaderships position.

The CHAIRMAN. The time of the gentleman from North Carolina (Mr. BROYHILL) has expired.

Mr. BROWN of Ohio. Mr. Chairman, I yield 2 additional minutes to the gentleman from North Carolina.

Mr. Chairman, if the gentleman will yield further, I am not sure that I understand the leadership on the Democratic side in the House as to what their position is, but I have heard from the candidate, from the Senators——

Mr. REES. If the gentleman will yield, Mr. Chairman, which candidate is he referring to?

Mr. BROWN of Ohio. There are three or four who are candidates and who have spoken to the issue. Some of the other candidates have not spoken to the issue. And they all have their lances out and are ready to charge the windmill.

Mr. REES. I would hope that, since this program was just brought to us yesterday, and since the Democratic side has not yet really had time to react to it here, that we might react, perhaps, this week, and perhaps develop some areas of compromise which have not yet been developed.

Mr. BROWN of Ohio. If the gentleman will yield further, I might say that the gentleman from Colorado, the gentleman from Michigan, the gentleman from Texas and I, and others, have tried to work toward a compromise proposal here, but the forum keeps getting bigger and bigger, and there is a necessity to bring people in, who represent the leadership of this Congress; if we are to get an agreement between the administration and the Congress.

The President has given, has given, has given; the Congress has said no, no, no.

The CHAIRMAN. The time of the gentleman from North Carolina (Mr. BROYHILL) has expired.

Mr. DINGELL. Mr. Chairman, I yield 5 minutes to the gentleman from New York (Mr. OTTINGER).

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield?

Mr. OTTINGER. I yield to the gentleman from Texas.

Mr. ECKHARDT. Mr. Chairman, I thank the gentleman for yielding.

I merely wanted to point out the compromise that has been suggested here, $13.50 for domestic oil, is the OPEC price at the present time; and, as the distinguished gentleman from Ohio has pointed out, actually the domestic price of uncontrolled oil has normally run $11.50. I do not consider that a very great compromise.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield for a correction?

Mr. OTTINGER. Since my time is limited, if the gentleman will yield to me the time he consumes, I will be glad to yield to the gentleman.

Mr. BROWN of Ohio. Mr. Chairman, I will be delighted, because it takes only about 10 seconds to say that the President's proposal, this $11.50 price, was his January 31 price as a cap price, plus the $2 that were put on as a tariff on imported oil.

Mr. Chairman, I will yield the gentleman an additional 30 second of our time.

Mr. MAGUIRE. Mr. Chairman, will the gentleman yield?

Mr. OTTINGER. I yield to the gentleman.

Mr. MAGUIRE. Mr. Chairman, I thank the gentleman for yielding. The point the gentleman from Ohio just made is that the President is suggesting a cap which is the same as, or higher than, the price when this committee began to deliberate the issue earlier this year. That is no compromise.

Mr. OTTINGER. Mr. Chairman, what we are dealing with here is probably as important a piece of legislation as will be before the Congress. It has very momentous economic consequences for the country.

In my opinion, the current distress in the economy—the inflation we have experienced, and the unemployment we have experienced—are more attributable to the jumping of the price of oil arbitrarily by the oil companies by some 2½ times what prices were 2 years ago, in response to the OPEC quintupling of the international price—which really had very little to do with domestic prices here—than any other factors. Oil price increases have more to do with our economic distress than anything else.

If we were to go along with the President's proposals, even over a 30-month period as he has extended them, we would add such a burden on the economy as to be ruinous.

In my own district as one goes around he sees small businesses that are virtually on the verge of collapse, and the principal cause of their economic problems is the high cost of energy. For instance, in our area the electric bills and charges of the Consolidated Edison Co. of New York, both to families and to businesses, are just staggering. They are the highest in the country. If we were in effect to double those Con Ed bills through the automatic passthrough provision which allows them to pass through all increased prices of oil, that would result in many of these small concerns going out of business, if the President's proposals were to come into effect.

The consequence is that we would have vastly increased unemployment. We would have many more people out of work. By the President's own figures, every 1 percent of unemployment adds $16 billion of deficit to our national budget, and I think that would precipitate the kind of tragedy we had in the 1930's.

That is why any genuine compromise, as far as I am concerned, during this period of economic crisis, is going to have to curb the high price of oil and not send it up even higher; I think that would be completely ruinous to the economy.

The legislation we have for consideration before us maintains energy price stability. It does not roll back prices. It maintains the same average price for oil that we have had in recent months. The actual $7.50 average price provided for most oil is the price that prevailed at the beginning of this year.

Mr. Chairman, that is what we are trying to achieve. A lot of people say that if we keep this price as it is today, we are not going to get the production of new oil that this country needs. I say that is just nonsense. It is impossible to explain to me why the oil companies, companies that are and were among the most profitable businesses in the entire world, that 2 years ago were getting $3.40 a barrel are now saying that they will have to have $14 a barrel or they will not be able to find new oil. That is contrary to what they themselves have said in very recent periods.

Mr. C. John Miller, the president of the Independent Petroleum Association of America, on February 5, 1974, testified before the Committee on Ways and Means as follows:

The CHAIRMAN. The time of the gentleman from New York (Mr. OTTINGER) has expired.

Mr. DINGELL. Mr. Chairman, I yield 1 additional minute to the gentleman from New York (Mr. OTTINGER).

Mr. OTTINGER. Mr. Chairman, the testimony was as follows:

> Updating a study made by the IPAA in 1972, and using the 1973 price of natural gas (21.3 cents per Mcf), an average price of about $6.65 per barrel for crude oil (in constant 1973 dollars) for all domestic crude oil would be required over the long run to achieve 85 percent self-sufficiency in oil and gas by 1980 and $8.40 for 100 percent self-sufficiency, recognizing that today's critical shortages of domestic oil and the need for tremendous expansion of exploration and development may well require higher prices in the short run.

Mr. Chairman, that is precisely what the bill we are considering now in this Congress would provide. The oil companies' testimony just quoted indicates the price provided in our bill is sufficient to fund full production.

As a matter of fact, I would like to put this in the RECORD, although I guess I cannot read it now because of the lack of time. I must say that I do not understand what the shortage of time is. As I understand it, there is still another hour of general debate left.

At any rate, Secretary Simon has said that this is in the range of price that he thinks is adequate to get new production.

The Members may recall the motion by the gentleman from Texas (Mr. ECKHARDT) a year ago here in the House of Representatives.

The CHAIRMAN. The time of the gentleman from New York (Mr. OTTINGER) has expired.

Mr. DINGELL. Mr. Chairman, I yield 1 additional minute to the gentleman from New York.

Mr. OTTINGER. Mr. Chairman, I thank the gentleman for yielding.

Just a year ago we had a rollback to $7 a barrel. It was based on the motion of the gentleman from Texas (Mr. ECKHARDT) and the then President, President Nixon, vetoed it. The Wall Street Journal, which certainly is sympathetic to the oil companies, said in an editorial that President Nixon "is wrong in his purpose and wrong in his reasoning" in making this veto. The newspaper said:

> It is utterly inaccurate for Mr. Nixon to suggest that a reduction in the spectacularly high price of oil would deepen the current shortage and force us into gasoline rationing.

It went on to say:

> Seven dollars is a price beyond the wildest dreams of oil men at any time up until last fall. At that price, incidentally, exploration and production go forward at the industry's full capacity. Beyond that figure, higher prices do not increase production incentives enough to justify the cost to the consumer.

Mr. Chairman, that is really what we are talking about. Are we going to hand this country over to the oil companies? Are we, in the House of Representatives, going to increase the burden on our consumers, without any assurance of additional relief?

It seems to me that we ought to pass the bill as it is presently written. I think that it is a sound bill, and I hope that the committee and the House will support the legislation.

There are these essential considerations with respect to the country's energy policy: preserving the economic health of the country, assuring adequate energy supplies to fulfill that goal, conserving presently wasted energy, preventing a crippling transfer of assets to the oil-producing countries and preventing a windfall to the domestic and foreign oil cartel.

The administration says that the only way to achieve these objectives is by drastically increasing energy prices, albeit it now proposes a longer stretchout for achieving this than it initially proposed.

As indicated above, and a majority of the Commerce Committee reject the notion that the administration's price raising will achieve these goals and that more satisfactory alternatives are not available. Indeed, we believe that the actions of Congress as represented by the import quotas and conservation measures in the ways and means bill already passed by the House, together with the control, allocation, conservation, and strategic reserve provisions of this bill, present such an alternative.

I have spelled out above why I do not believe price increases beyond those reflected in this bill are required to obtain new production. The oil companies' association has said so; the Wall Street Journal said so just a year ago; Secretary Simon has said so. Any further increases in oil prices will just line the pockets of the oil barons.

The only way this bill could hurt production is if the oil companies conspire to withhold production intentionally to force higher prices. We will have to be vigilant to guard against such action, for several of the major oil company spokesmen have already issued bald threats along these lines. Vigorous prosecution of the antitrust laws will have to be pursued to prevent such a conspiracy. If this does not work, or is not pursued by the administration, more drastic action will have to be considered.

The President's proposal also assures no conservation, unless the increases in energy prices he proposes succeed in bringing the economy of the country to its knees. This is a grave danger, indeed. But assuming the increases just further damage the economy without destroying it, Americans are so dependent on energy and oil that there is a considerable chance they will pay the higher prices for their gasoline and oil without any significant reduction in consumption, thus continuing the current high volume of imports. Albeit further damaging the rest of the economy through withdrawal of such substantial sums from other markets to pay the increased oil prices.

If higher prices do not in fact achieve conservation, we will be faced with continued transfer of $25 billion a year to the OPEC countries, without any pressure to break the OPEC price as high import volumes continue.

Lastly, the President's program virtually assures a huge profit increase to the oil companies, above and beyond any profits needed as an incentive for production. If the testimony cited above indicating the $7.50–$8.50 average prices provided in the bill are sufficient to assure full production, then everything above that will be windfall.

The administration replies that windfalls will be recouped and returned to the public through a windfall profits tax and a redistribution formula. I am very doubtful about the feasibility and effectiveness of a windfall profits tax. At any rate, the President and his spokesmen have made clear that they will proceed with decontrol regardless of whether such a windfall profits tax has been passed, as indeed the President already imposed drastically inflationary tariffs of $2 per barrel on oil without having his much proclaimed redistribution formula in place. Certainly a windfall tax of the nature the gentleman from Texas (Mr. KRUEGER) proposes with a 100-percent plowback and a profitability limitation on it will raise no taxes at all to redistribute to consumers. The oil companies will assuredly escape such a tax altogether.

A much better alternative is provided by the congressional legislation already passed and the bill before you today. Import quotas will assure against any increased reliance on OPEC oil. Mandatory conservation measures and conservation incentives should help prevent shortages, but should any occur, the allocation powers provided to the President assure that he can spread the burdens of the shortfalls equitably. Prices are set so as to preserve a further adverse impact on the economy, but gradual decontrol of the price of old oil is provided, as well as gradual phaseout of the two-tier pricing system. The prices are high enough so that they should provide adequate incentive for full production. The oil companies are prevented from making a further killing.

All in all, I feel the commerce bill presents a good compromise. It provides for some price increases and gradual decontrol as well as mild quotas and some mandatory conservation. The one thing it does not do which the President wants is hand the oil companies a bonanza.

There are other important features of the commerce bill. Perhaps the most important is the GAO audit provision which for the first time will give the Federal Government the power to obtain independently the statistics it needs on oil production, resources, and prices. It is incredible that we have had to rely on the oil companies completely for this information, so vital to our security, in the past. The President says this provision is alone adequate reason for him to veto our bill—if he acts on that threat, he will certainly have shown his principal concern about energy is feathering the nest of his oil company friends rather than caring for the needs and concerns of the country. It just seems so patently obvious that to legislate responsibly, allocate responsibly, indeed act in any way responsibly with respect to oil, the Government needs to get full and accurate information independent of the source with the greatest economic stake in the subject.

The congressional energy program also contains the legislation of the Science and Technology Committee with respect to development of new energy resources. Some $4½ billion is provided, but in my view there is far too little money and emphasis placed on conservation and solar energy, far too much emphasis on nuclear, and there is not nearly enough attention paid to solving the environmental and safety hazards of nuclear expansion.

I would also like to see congressional legislation mandating the break up of the major oil companies. They have a stranglehold on the economy of this country and the other countries of the free world that is unconscionable and intolerable. Present antitrust laws are clearly inadequate to the task of ending their abuses. I have therefore joined the gentleman from Ohio (Mr. SEIBERLING) and others in introducing legislation mandating the end of both vertical and horizontal integration of these companies, requiring them to separate and divest their resource and refining assets, their transportation assets and their distribution assets vertically, and their coal and uranium assets horizontally. Controls really cannot be ended until there exists a truly competitive energy industry with adequate free market competition introduced to provide meaningful protection of the consumer. I should like to have seen this measure included as part of the bill, but have been assured by the committee that consideration will be given such legislation in this Congress.

The bill we have before us is not ideal from my point of view. The prices it allows are too high. Its conservation measures are too weak. But as the best compromise we could get from the administration forces which opposed all price limitations and conservation controls, I think it is adequate.

I hope it will be passed overwhelmingly.

Mr. BROWN of Ohio. Mr. Chairman, I yield such time as he may consume to the gentleman from Maryland (Mr. GUDE).

Mr. GUDE. Mr. Chairman, exactly 1 month ago the House debated at length what was billed as its major energy bill. Today we find ourselves back in the same spot debating another "major" energy bill. This one was apparently designed as a complement to the last one, though so much was removed from that that we might as well consider ourselves to be starting over. There is a great deal in this bill: Standby energy authority, including authority for a rationing program, strategic petroleum reserves, definitive oil price policy legislation, extension of the Emergency Petroleum Allocation Act with conservation-oriented amendments, and a long list of energy conservation and conversion provisions.

Much of this in my view has merit and much of it is not very controversial, but at this point I want to touch briefly on the two major points of controversy: The allocation program and the oil price section.

In regard to allocation, let me simply repeat what I said in debate on the last energy bill—allocation is the policy of those who believe our energy problems can be solved with no sacrifices by anybody. Allocation is the policy of reduction in supply at the pump to prescribed levels. It is the policy of long lines, short hours, harassed motorists and gas station attendants. It is the policy of first-come, first-served; a step backward to the winter of 1974. Proponents of allocation suggest that all the problems of the 1974 program can be solved the second time around, but nobody tells us how. Since the same agency and many of the same people who ran the present allocation program would administer a future program, I am not optimistic about its efficiency or equity, and I imagine others from urban areas who remember the winter of 1974 would share my reservations.

Despite my pessimism, I must also admit that it is clear this Congress is not going to pass anything stronger. All efforts at taxation were killed in debate over the last bill. This bill contains a provision requiring development of a standby rationing plan; another effort to pass the bullet from the Congress to the President for him to bite. I have on several previous occasions suggested my own proposal for a combined rationing tax system which would be an effective conservation program. My plan provided for a two-tier system of pricing with a basic allotment of gasoline at a low price with a significantly higher price for excess purchases. The plan was simplified administratively by charging the same price for all purchases at the pump and recording each purchase by special credit card. The consumer would then be billed by the State for the amount of the tax on excess purchases. Occupational needs and hardship cases would be provided for by additional allotments of tax at the regular price. Again, however, it is clear that Congress is not about to take any step of this magnitude.

The oil pricing section raises some fundamental questions about the structure of the oil industry in this country, the free market system in general, and the complexities of international oil marketing.

The President has proposed decontrol on the assumption that the free market mechanism is the most efficient allocator of resources and that decontrol is provided by the absence of just such a free market right now. As the committee report points out:

> We are at present confronted with a strong and effective cartel of oil-producing nations. Neither the world nor our domestic market is "free". The market price is not a function of consumer bargaining but a matter of agreement among the OPEC nations. The four-fold increase in crude oil prices experienced in the last two years should serve as stark witness to the absence of a "free" market.

In the absence of a worldwide free market, decontrol of domestic prices would produce only increases to world price levels at tremendous cost to consumers. The President himself has recognized the folly of immediate decontrol and recently proposed instead a phase-in over a period of several years. The basic premise, however, is still faulty: the domestic market will not be free if the world market continues its system of arbitrary pricing.

The committee bill proposes a restrained phase-in of decontrol of old oil—to $7.50 per barrel—coupled with a rollback of new oil prices to the same level—with certain exceptions for high production cost oil. The ultimate result will be one price for oil rather than two, increasing at an appropriate rate to take account of the inflation.

One argument for decontrol that has often been cited is the need to provide additional funds for exploration and production of new oil resources. Many figures have been offered on both sides of this controversy, both purporting to prove the need for additional funds for investment or the staggering profits of the oil companies. Rather than adding new figures to the already overcrowded list, let me suggest that this misses the point. It is clear that petroleum is a declining natural resource in this country, as well as elsewhere.

While we should, of course, continue its extraction, this fact alone should make it obvious to all that such a strategy will produce minimal—and diminishing returns while it will prolong our dependence on petroleum while we should be developing alternative, nonfossil fuel sources. Since any newly discovered petroleum reserves are inevitably a number of years away from production and use due to probable geographic inaccessibility, shortage of drilling equipment and other important elements of the production process, the development of alternative sources of energy is an equally viable strategy.

In short, decontrol will not only fail because of the absence of a free market, the objective of decontrol is in itself faulty. As the committee report also points out:

> The Administration's analyses demonstrate that higher price will not elicit marginal additions to supply of any truly significant amount in the next three to five years. And the measure of these marginal additions to supply cannot possibly justify the burden borne by the entire economy in the interim period.

Decontrol is a dead-end strategy which will not have the desired effects either on energy supply or the market mechanism, but which will cause tremendous damage to American consumers.

It is precisely this point of damage to American consumers that is most important. Our supplies of fossil fuels are finite; as the supply is inevitably reduced the price will inevitably rise. This is a fact which cannot be denied, and the corollary, that the search for new supplies of conventional fossil fuel energy sources is at best a short term stopgap measure, is also important. Obviously conservation will be a prime necessity and significant changes in life-style will be inevitable.

Nevertheless the American people cannot be expected to change their lifestyles overnight, nor can they be expected to change them over a prolonged period without the assurance that significant alternatives exist. For example, it is inadequate and unfair to simply stop people from driving their automobiles, unless you simultaneously provide them with other means of transportation, such as mass transit or carpools.

The strategy of decontrol, however, would serve only to intensify the pressures on already hardpressed consumers without providing any alternative sources of relief. If decontrol were accompanied by some kind of tax on oil company profits which would serve to recycle the funds back to consumers, thus reducing the impact of higher petroleum prices on citizens, then the proposal might have some merit. However, this bill does not contain any such excess profit tax proposal, and I would think that the Congress should be extremely reluctant to pass a decontrol measure with only the vague promise of an excess profits tax bill to come.

In summary then, where do we stand? Basically we are back to the beginning in a situation where there are valid arguments against almost every proposal that has been made. Allocation would be inequitable and haphazardly administered. Rationing would be an administrative nightmare, an expensive and unpopular proposition. Taxation has already been decisively rejected by the House, and there is some evidence to show that the demand elasticities for gasoline are such that the relatively small price increases contemplated by a tax would not be effective in significantly reducing demand. Decontrol is based in the false promise of a functioning free market, and it is subject to the same elasticity arguments that apply to taxation.

Decontrol with a rebate would probably prove impossible to administer, inasmuch as the rebates would have to be obtained directly from the oil companies who quite naturally would be reluctant to part with them. Taxation with a rebate has more promise since the rebate would come directly from Government revenues which had been created because of the tax but as I said previously, this approach has already been decisively rejected by the Congress. Apparently, our search for the perfect plan that will satisfy everyone while hurting no one has produced a stalemate.

Once again I will say that Congress must be prepared to admit that there is no perfect plan, that any plan has inherent in it certain inequities and certain administrative complications that cannot be finally and perfectly resolved but instead must be coped with as the plan is developed. Only when Congress realizes this state of imperfection will we be able to act in any decisive and meaningful manner.

Mr. DINGELL. Mr. Chairman, I yield 5 minutes to the gentleman from Virginia (Mr. FISHER).

Mr. FISHER. Mr. Chairman, I rise in general support of this bill, of its thrust and purpose.

Along with others, I have been fascinated by the discussion that has ensued. It has been of a high order. I am only sorry that more of our colleagues cannot listen to it, because it does bear on an exceedingly important question to the American economy and the American people for a long time to come.

What we are engaged in here, following the passage of a bill of the Committee on Ways and Means a few weeks ago, is an attempt to put into place some of the main elements of a national energy policy. We seem to be falling far short of what any one person would like, but still, it seems to me that we are, in our own stumbling way, succeeding in getting the main elements into some kind of place.

The House already has established a program of import quotas basic and essential to any national energy policy. The House already has passed legislation that encourages conservation of oil and energy, not as much and not as stringently as I and many others would like, but still something is in place.

Already we have passed a bill which puts in place a certain amount of effort to encourage new development and production, mainly through use of tax credits, rapid writeoffs, and the like. We have still remaining, waiting to be put in place, some treatment of price which mainly occupies us today in connection with this bill, a strategic reserve and some beginning system of better reporting and auditing what industry is doing.

Here are five main elements of an energy policy, and before we run our efforts down, depreciate them too much, or sit quiet while commentators and others run them down, we should remind everybody that some of these things are slowly getting into place in bill form, although not yet passed as legislation.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. FISHER. I yield to the gentleman from Michigan.

Mr. DINGELL. Mr. Chairman, I would like to commend my colleague, the gentleman from Virginia (Mr. FISHER) on the point the gentleman has raised, because it is very important. And, if I may restate it, the point the gentleman from Virginia is making, if I may repeat it, with the kind courtesy of the gentleman that, piece by piece, the House of Representatives and the Congress are building a national energy program. As the gentleman from Virginia pointed out, the Committee on Ways and Means came forward with a proposal which has been accepted by the Congress. Subsequently the Committee on Science and Technology and the Joint Committee on Atomic

Energy have come forward with their proposal, and that has been voted on. Now we are coming forward with other parts of a national energy policy, and there is yet more to be forthcoming, and when we have completed it, and by the time we have adjourned, this Congress will have created a national energy policy of which I am sure all of us can be proud.

Mr. FISHER. Mr. Chairman, I thank the gentleman from Michigan.

The bill today that we are considering will add a good deal more conservation to this slow putting in place of the national energy policy. It does propose a treatment of prices which will be the main subject of discussion, amendment and consideration, and a strategic reserve. Any one of these alone is significant, but all of them together begin to put the mosaic in place.

Mr. Chairman, I want to talk for a few minutes on the treatment of prices. Prices bear on each of the other main objectives, as I have characterized them, on quotas, conservation of energy, production, most of all, and the problem is to bring a treatment of prices into this proposal that will try to do several things, no one of which can it do to the maximum, because when you have an equation you cannot maximize more than one variable at once. So we are thrown into a compromise from the word "go." But the problem is to treat prices in such a way as to encourage production, restrain prices from going too high, and continue to support the checking of imports which is what is at the bottom of all of this, anyhow, and immediately we run into certain situations.

The CHAIRMAN. The time of the gentleman has expired.

Mr. DINGELL. I yield 2 additional minutes to the gentleman from Virginia.

Mr. FISHER. If we allow the prices to rise to whatever level they will, which the President would do, then a windfall profits tax becomes necessary along with some redistribution of the proceeds of it, and all kinds of administrative difficulties.

On the other hand, if we wish to avoid a windfall profits tax we simply have to put a lid on prices, or keep a lid on them, but the lid must not be so high as to victimize consumers, inflate the economy, or discourage economic recovery, and not so low as to make new investment in development unattractive or make strict allocations and some rationing inevitable or to force some rationing of the import quotas.

As if all of these are not complications enough, we have all manner of political considerations now coming into the picture.

I have stated some of the dilemmas that perhaps we can deal with. There is going to be a compromise no matter what. It is just a question of where we are going to compromise the thing out. I think I am coming to the conclusion as I listen to the debate somewhere between the proposal in the bill, I will call it the Eckhardt proposal, and the Krueger one. I am coming out in favor of a phased-in decontrol of old oil prices, say, over a 4-year period.

I am coming out in favor of a lid on new domestic oil, but probably not as low as the gentleman contemplates, but somewhat higher.

I am coming to the conclusion that we should work toward a simplified pricing system, let us say, a two-price system, a domestic price and an imported price.

The CHAIRMAN. The time of the gentleman has expired.

Mr. DINGELL. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. FISHER. It is something like the fellow with one sleeve rolled up and the other down, and we are in the process of rolling one down and the other up, but we do not know exactly at what level we want them to come out in a single price. In addition to the pricing difficulties, certainly I want to go full speed ahead with the conservation, with various measures to encourage new production, with the strategic reserve, with the reporting and auditing features. I hope very much that any compromise that we can work out in this House will fly with the Senate and will avoid a Presidential veto. Perhaps I have described a mission impossible, but I trust I have not because if we cannot do these things, we are surely going to end up with nothing or else just the lapsing of various controls or the extension of some of them, and we are going to fall short of putting these two or three more pieces into place that can make up the beginning anyway of a coherent national energy policy.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BROWN of Ohio. Mr. Chairman, I have no further requests for time at this moment, but one never knows who may be inspired by some comments of the gentleman from Michigan.

Mr. DINGELL. Mr. Chairman, I yield 2 minutes to the gentleman from Virginia (Mr. Harris).

Mr. HARRIS. Mr. Chairman, I would simply like to take a moment of time here to congratulate the committee for the work that they have done. I am bound to complete admiration for the job that my colleague, the gentlemen from Texas, has done, and my colleagues, the gentlemen from New Jersey, Indiana, New York and Connecticut, in working out a bill that does in fact come to grips with the issue in not only rational terms but in courageous terms. I do not think any of us should be confused about what the fight is today in the House of Representatives. The fight is whether or not we have the courage and the stamina to keep the major oil companies from further price gouging of the American consumer.

The idea that we are going to obtain conservation by $12- or $14- or $15- or $16- or $20-a-barrel oil in this country, with the concomitant increases in price with respect to coal and our other fuels, is not only an economic idiocy, it is the most ruthless way to treat the consumer in this period of recession and inflation.

So I would only rise to make a very simple point that this Congress has taken a real step forward when it brings to the floor a provision of the type that we have brought here, and say, yes, we will allow them to double the price to $7.50. If the oil is difficult or expensive to extract, we can even let them increase the price more, but we will not allow the major oil companies to increase their prices to whatever level they and OPEC—and where one begins, the other stops, I am not completely aware at this point—decree. I think we must as a Congress and as a nation get control of energy and the pricing of energy in this period.

I think H.R. 7014 does that. I think this Congress should adopt it without amendment, and I think we should fight to see that it becomes law.

Mr. Chairman, the Committee on Interstate and Foreign Commerce is to be commended on its bill H.R. 7014, which institutes a valuable energy conservation program without relying on the so-called price mechanism to cut consumption. This is the approach to fuel savings that this country has been waiting for. The Energy Conservation Oil Policy Act should be enacted this week in substantially its present form, and the House must act promptly to that end.

Conservation of petroleum, in ways which are not inflationary, is important to this nation in the long run. Of immediate and crucial importance, though, is President Ford's plan to unleash another round of petroleum price inflation and corporate profiteering by the big oil companies. H.R. 7014 must be enacted now to squash the President's plan to decontrol the price of oil.

ARE PRICE CONTROLS NECESSARY?

None of us like the idea of directing big business to set prices. I am a great believer in the ability of the competitive, free enterprise system to allocate adequate supplies of consumer goods at reasonable prices in the market place. It is competition which is lacking in the market place for oil today. In the absence of competition among major U.S. oil companies, and in the face of an international oil producer's cartel, we have enormous and artificial upward pressure on the price of oil.

Because of the mounting recession in 1974, we used less oil, coal, and natural gas than in 1973. Yet our payments for these fuels more than doubled from $30.7 billion in 1973 to $65.6 billion in 1974. Although these price increases were initiated by boosts in the price of foreign oil, most of the increase—$18.1 billion—was for higher domestic fuel costs. By contrast, domestic fuel cost rose by only $2.4 billion in 1973.

These increases have been responsible for one-third of the 22-percent rise in the cost-of-living index over the last 2 years. This unwarranted escalation in fuel prices has not resulted from higher costs for energy discovery, production, or development. Rather, in the absence of reasonable controls, the domestic price of fossil fuels has artificially swelled to parallel the OPEC administered price of $11.50 per barrel for crude oil. This should be compared with an average U.S. price of $3.40 per barrel just 2 years ago.

INDUSTRY STRUCTURE AND ENERGY PRICING

Administered and parallel prices are characteristic of monopolized or uncompetitive industry such as the U.S. petroleum industry. Over the past 50 years, the major oil companies have been the target of over 300 formal investigations by the Federal Trade Commission, and the target of 22 formal complaints for restraints of trade and anticompetitive practices. My information indicates that a formal complaint against the 10 major oil companies who control the Colonial Pipeline was drafted by the Justice Department in 1965, but was never pursued.

The major oil companies control: 84 percent of U.S. oil refining capacity; 72 percent of natural gas production and reserves; 30 percent of domestic coal reserves; 20 percent of domestic coal production; 50 percent of uranium reserves; and 25 percent of uranium mining capacity.

As the major oil companies extend their control over alternative sources of energy, the tendency will be for greater parallel pricing in the industry—always called incentive pricing—without regard to the actual cost of production. It is true that we must return to free enterprise with respect to the oil industry. However, the way to proceed in that regard is to restructure the industry along competitive lines, not to remove the price controls which function as a small check on additional monopoly power for the majors.

OIL PRICING AND THE COMMERCE BILL

The approach of the bill H.R. 7014, which incorporates the oil pricing language drafted by our colleague Mr. ECKHARDT, is an essential one for this country. H.R. 7014 would do away with the confusing and bureaucratic two-tier system for pricing old and new oil. It rolls back the uncontrolled new oil prices from the artificial OPEC price of $11 to $12 per barrel to a level of $7.50 per barrel. This is more than double the domestic price of oil just 2 years ago, and a very generous incentive price for crude oil. It provides that higher prices can be charged if actual costs can be shown to be higher for oil recovery. The question before us, then, is whether we allow oil prices to be set by the international oil companies on the basis of the rising OPEC price, or by the United States on the basis of production costs.

Obviously, removing all constraints on artificial oil price increases would bring some marginal oil "on stream," but how much, and at what cost to consumers? In fairness to the President, he hopes that decontrol and doubling or tripling energy prices would make alternative sources of fuel—oil shale, liquified coal, and so forth—economically feasible. Estimates are as high as $45 to $60 per barrel as the marginal cost of shale oil under such a proposal. There is literally no surer formula for a 1930's style depression than to raise fuel prices to that level.

We will hear many interesting arguments this week on the economic disruption which would accompany any sudden decontrol. This argument is really academic. Decontrol of crude oil prices is either justified, or it is not. I believe it is not.

President Ford, the oil companies, and the proponents of decontrol, have offered absolutely no economic justification for that policy. Neither have they shown what fields or how much oil if any would be released if price controls expired on August 31.

There has been convincing evidence compiled by Representative JOHN MOSS and the Commerce Subcommittee on Oversight and Investigations which indicates that price decontrol, beyond $7.50 per barrel, is not justified in economic terms. Beyond that incentive price, the actual constraints are not price, but the availability of equipment, skilled labor, and actual oil reserves.

The President's plan to impose $3 per barrel import duties and to decontrol the $5.25 "old" oil will cost consumers an additional $30 to $50 billion per year in direct costs and "ripple effect." This is verified by Mr. Lawrence Kumins of the Congressional Research Service, by former Budget Director Charles Schultze, now of the Brookings Institute, and by the staff of the Energy and Power Subcommittee.

I believe that the consumer cost of price decontrol is too great, and the marginal benefits are too slim, to justify decontrol of the price of domestic crude oil. I urge the adoption of H.R. 7014, with the important Eckhardt provisions on pricing.

The CHAIRMAN. The time of the gentleman has expired.

Mr. DINGELL. Mr. Chairman, I yield 3 minutes to the gentleman from Texas (Mr. PICKLE).

Mr. PICKLE. Mr. Chairman, I would like to discuss many aspects of this bill H.R. 7014 on the ground that if its purpose is indeed the goals of "increasing domestic supply, conserving and managing energy demand, and establishing standby programs for minimizing this Nation's vulnerability to major interruptions in the supply of petroleum imports," as the committee states on the first page of its report, then it has the right goals, but like "Wrong Way Corrigan," we are going about it in a way that will accomplish the opposite result.

The committee states the best way to correct what is too much profit in the oil and gas industry is to base such figures on cost estimates "made in the more reasoned atmosphere which existed prior to the embargo and the creation of the OPEC cartel."

Mr. Chairman, I submit that such a belief belongs in Disney World with Snow White and the Seven Dwarfs. First of all, the OPEC cartel is real, and I have failed to see the Congress or the President come up with any positive plan of action to diminish the economic power of the cartel. To act on figures before its creation is to write the answer before the question is asked. The abnormal is normal and we must accept that fact.

Second, we have seen a tremendous round of inflation since the embargo. Believe it or not, oil companies have to pay for inflation just like the rest of us. The cost of the pipe, the labor, the rig, the tires on the truck bringing equipment to the well site, the wrench on the well site, and all have gone up. To say we are going to make economic decisions based on conditions before these price increases is unjust and unfair.

I am going to give examples and I hope the Members will listen to some of them because I think they are meaningful examples of increases documented in my file.

One example is the Bradco Oil and Gas Co. in Houston, Tex., which has written of bidding on a well it proposed to drill. The cost of the bid is $400,000 over a similar well drilled in the same area 3 years ago. This is an example of the way prices have escalated.

Another example is the Delray Oil, Inc., in San Antonio, Tex., which compared drilling and completion costs for wells drilled in the Luling, Tex., area of Caldwell and Guadalupe Counties. The wells drilled were all at depths of 2,200–2,400 feet and all were drilled in essentially the same manner. There were 13 new wells drilled in 1974. In August 1972, the total cost for drilling and completing the Greenwood No. 16 well in Caldwell County to a depth of 2,275 feet was $28.822. In December 1974, the cost for drilling and completing the Greenwood No. 20 well to a depth of 2,243 feet was $53,000, an increase in cost of 84.6 percent.

Another example from this company was a well drilled in the Talpa area of Coleman County, Tex. In December 1972, the total cost for drilling and completing the B. Clayton No. 1 well to a depth of 3,904 feet was $43,275.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. DINGELL. I yield the gentleman from Texas 1 additional minute.

Mr. BROWN of Ohio. Mr. Chairman, since the minority has no further request for time I will be glad to yield the gentleman 3 additional minutes.

The CHAIRMAN. The gentleman from Texas is recognized for 4 additional minutes.

Mr. PICKLE. Mr. Chairman, I was giving an example of the Coleman County drilling of the B. Clayton No. 1 well to a depth of 3,904 feet which cost $43,275. In December 1974 the total cost of drilling and completing the Wayne Bennet No. 1 well to a depth of 3,870 feet was $70,920. Both wells were comparable in number of tests and completion manner, yet the percentage increase in cost was 63.9 percent.

A third example from this company was the drilling of C. H. Bynum No. 1 well to a depth of 4,100 feet, in the S. E. Moran area of Shackelford County, Tex., which cost $3.65 per foot in December 1972. The footage contract rate in January 1975, for drilling of the M. E. Gurney No. 2 well to a depth of 4,075 feet in the same area and an offset lease to the Bynum well, was $7 per foot. The percentage increase in cost was 91.7 percent. These are real case histories, this is what present drilling costs are today.

J. Lee Youngblood, of Dallas, Tex. says that costs of drilling wells in Oklahoma and Texas have increased by 23 percent from 1973 to 1974, 1 year, and again by 24 percent from 1974 to 1975, for each foot of hole drilled.

The American Quasar Petroleum Co., Fort Worth, compared costs in 1973 to 1974 in west Texas, comparing two deep wells in Ward County, the cost increase was $903,000, or 62 percent.

Now, I could go on. For example, comparing two 8,000-foot gas wells by the same company in Crockett County, the increase in approximately 18 months was $100,155 or 96.1 percent.

Dallas Production, Inc., cites figures from three wells that are typical examples of drilling operations in the Fort Worth Basin. In Denton County, Tex., the cost to casing point per foot increased from a well spudded in January 1972, to a well spudded in November 1974, by 191.49 percent. In Parker County, Tex., the cost to casing point per foot increased from a well spudded in July 1973, to a well spudded in March 1975, by 195.52 percent and the cost of a completed well per foot increased 254.28 percent. In Wise County, Tex., the cost to casing point per foot increases from a well spudded in June 1973, to a well spudded in February 1975, by 202.66 percent, and the costs of a completed well per foot increased by 181.76 percent.

A letter from Thomas G. Vessels is typical of many I have received. In 1970 Mr. Vessels drilled three gas wells in Colorado at an average cost of $10.70 per foot. Three wells drilled at almost the identical depth in 1972–73 cost $25.04 per foot. These figures represent an increase in cost of 234.04 percent per foot over this 5-year period.

An examination of the costs of drilling for oil during the same 5-year period reveals that Mr. Vessels' company experienced similar price increases. Three oil wells drilled in 1970—23,355 total feet—cost an average of $11.51 per foot. Three wells drilled in 1974–75—24,895 total feet—cost an average of $28.81 per foot. Comparing the figures from this 5-year period indicates that the Vessels company experienced cost increases totaling 250.3 percent.

Using 1973–74 as a base year, the Beaver Mesa Co. experienced an average cost per well of $91,243. Wells completed in early 1975 have been costing an average of $184,745. This represents an average increase of 202.4 percent.

The cost of drilling has almost doubled in every instance, sometimes a little bit more, sometimes a little bit less; but to maintain the attitude that the companies are just getting extra money and that their drilling costs are not high is not being realistic, is not being fair. So I hope the House realizes that these inflationary costs are increasing, that they are real and they ought to be considered in the general debate.

Now, I received good information from some of the people that have written to my office, voluntarily, I suppose, because I am on the Committee on Ways and Means and those come from Texas, the Texas Independent Producers Association, who are concerned with the costs.

The main thing we are concerned with is this. I think the proposal from the gentleman from San Antonio, Tex. (Mr. KRUEGER) is an appropriate proposal and compromise. I think we should have decontrol. I recognize that it must be, though, on a gradual basis and it must come over a period of time. I will accept that. I think, though, that Mr. KRUEGER has something we could live with and would increase production and that is all we are after. That is really what we are trying to achieve.

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield?

Mr. PICKLE. I yield to my colleague, the gentleman from Texas.

Mr. ECKHARDT. Mr. Chairman, the gentleman is correct. The cost of drilling has gone up, but the gentleman seems to be ignoring the fact that the price of oil from the winter of 1973 to the summer of 1974 doubled. If we continue to move at the OPEC price, it will not go up by the same increment, it will double again.

The CHAIRMAN. The time of the gentleman from Texas has again expired.

Mr. BROWN of Ohio. Mr. Chairman, I yield the gentleman 3 additional minutes.

Mr. PICKLE. Mr. Chairman, I accept that the price has gone up, but if we take the approach of the gentleman, we will roll the price back so we will not even be getting costs back at $7.50 a barrel.

Yes, price must be considered both as an inflationary aspect and the effect upon sales.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. PICKLE. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. Mr. Chairman, I want to observe that the example the gentleman is giving, the Texas examples, where we are talking about drilling 2,000 and 3,000 feet and the price has doubled, the gentleman is not talking about Alabama where drilling is at a 4-mile depth. The gentleman is not talking about Alaska where they are drilling in Prudhoe Bay against bad weather conditions and all the maintenance in bad weather conditions or on the Outer Continental Shelf, because we have not done any of that drilling to find if we have domestic oil in that area. Those costs are going to be a great deal higher.

Mr. PICKLE. Mr. Chairman, I accept the fact my examples were largely within my own State. What the gentleman has pointed out is correct.

Let me make one other observation. Since we have removed the depletion allowance we have found that there has been so much uncertainty that drilling has dropped off in many respects, at least drilling for the deep wells, which is ultimately our answer, has certainly dropped off because capital is not available. They cannot put that kind of money up.

One Member of the House told me after a trip part of the committee made to the gulf coast to look at a deep well offshore, they were shown what they were spending and what they hoped to get out of it. They were advised last week that that well turned out to be a dry hole—$3 million gone and lost.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. PICKLE. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. Mr. Chairman, I wish the gentleman would not get into discussing dry holes, because if he starts telling this Congress how much can be lost drilling dry holes, they will want the Federal Government to get into that business. I am reluctant to have the gentleman talk about that.

I would like to have the gentleman comment, however, because I think he is one of the authorities in the House on the oil business, on the question of secondary recovery of oil where we know where the oil is because we already have the oil in the ground and we are getting oil out of it; what are the costs of increasing production of existing wells, because that seems to be a very promising place for us to find additional oil.

Mr. PICKLE. It is not only promising, it has been ignored almost purposely. We know that by secondary and tertiary recovery, we can get another 20 to 25 percent in supplies in some instances. Now, that takes money and it is going to require an investment. Surely we have known that if we know that this oil exists and is not profitable to bring up, why not encourage our own companies to go out in the field where we know it is there and let them bring that oil to the surface. That ought to be provided for, but it is not.

Mr. BROWN of Ohio. I say that in secondary recovery, the cost can run as high as $5 a barrel to get the oil from a well in an old field, and if we have a $2 or $3 well which was drilled some years ago and add $5 to it, we are lifting costs and the other costs of drilling, the other costs of other things have gone up. It seems to me we would be hard pressed at $7.50 or $8.50 in some of those wells to get the additional oil out for the price that has been set.

Mr. PICKLE. If we do roll it back, then I think we must accept the fact that expenditures will not be made to obtain secondary and tertiary oil. The profit is simply not there, or at least it is not being accomplished under present conditions. I do not think it will unless we try to encourage it.

I am hoping that tomorrow we can adopt the Krueger amendment. I recognize the oil people themselves may not all be in agreement on that approach, the same as Members of the House, but it is a sensible approach and I think it is one that we ought to pursue.

Mr. DINGELL. Mr. Chairman, I yield such time as he may consume to the gentleman from Florida (Mr. BENNETT).

Mr. BENNETT. Mr. Chairman, I rise in support of this bill.

Mr. Chairman, I rise in support of H.R. 7014. A comprehensive energy bill is long overdue. Undoubtedly in the debate we will find places to improve the measure; and I am sure that even the primary sponsors would agree to that. The energy problems which beset our country are complex and controversial.

We should not act on this measure with primary consideration for what is good for us in Congress politically, but we should act solely on the basis of what we conceive to be best for our constituents. In most of our responsibilities here, there is no such conflict; but on this measure what we do and do rightly may not be popular.

We cannot legislate oil; and a long-term shortage of it seems inevitable. How best to meet this and other energy challenges will test our best thinking and our dedication to the public welfare. I feel confident we will act with statesmanship and measure up to our responsibilities on this measure.

Mr. DINGELL. Mr. Chairman, I yield 5 minutes to the gentleman from New Jersey (Mr. MAGUIRE).

Mr. MAGUIRE. Mr. Chairman, I want to address myself to a series of key questions which I think will be on the minds of many Members as they consider the important pricing section of this bill. I also want to compliment the chairman of the committee and all members of the committee for producing what I regard as a tough, comprehensive energy bill which we in this Congress can be proud of and should be willing to fight for.

Maximum production is the first key issue on everyone's mind. There has been no consistent case made by anyone, inside or outside the oil industry, that production will be increased if prices rise above roughly the $7 level; or alternatively, that any increments will be anything more than so slight as to be virtually meaningless.

Again and again the constraints on additional oil production have been shown to be personnel, equipment, the availability of the oil itself, not the price, once one goes beyond $7. Even industry spokesmen, if pressed, admit that this is the case. If perchance there are some additional drops of oil at higher prices, it is clear that by raising the price of all oil, including all the oil which costs $3 or $4 or $5 a barrel, up to $11 or $13 or $15 or $17 a barrel, the result will be that each additional barrel will cost $100, $150, or $200. That makes no economic sense whatsoever.

In addition, no investor in his right mind would invest in oil which came in at a price much higher than $7 or $8 because of the possibility that the OPEC countries might reduce the price and make it impossible for him to recoup his investment in that higher priced oil. It is instructive to note that the oil companies did not discover that they needed $11 or $13 or more for a barrel of oil until after OPEC more than quadrupled their price. Up to that time, the industry trade associations quoted figures ranging from $3.65 in 1975 to $6.69 by 1985 as the price that would yield maximum domestic production.

The second key issue is what conclusions are to be drawn from the decline in production of oil in this country in the last couple of years. Figures ranging from three-quarters of a million to a million barrels a day have been cited.

The fact of the matter is that the great proportion of that fall off in production has been in new oil, which is precisely the oil that has been free of regulation. That is the oil that has been at the top OPEC set price. It is that oil which has not kept up in production, whereas, on the other hand, the old oil, which has been controlled, has continued to be produced at optimum levels, far in excess of the average decline curve for the production of old oil.

This is very interesting, and it demonstrates that higher and higher prices for new oil do not guarantee increased production and, alternatively, that controlled prices for old oil still allow more than enough of a profit margin.

It took a dollar a barrel to find old oil, it takes a dollar and a half to get it out of the ground, and when oil sold for $3 a barrel a few years ago there was a dollar of pretax profit to the producer. That dollar of pretax profit is now $2.75 per barrel—nearly three times greater.

If we look at the production cost of new oil, we find that finding costs range on the average from approximately $2.50 for onshore oil, to about $3.50 for offshore oil, plus $1.50 per barrel lift cost. The result is, at an $11 total price, that there is approximately a $7 pretax profit for onshore, and a $6 pretax profit for offshore oil—six or seven times the average pretax profit several years ago.

If the price of oil goes to $15, that will be another $4 increase, with $11 and $10 per barrel pretax profits, respectively, for onshore and offshore oil compared with average pretax profits of $1 a barrel just 2 years ago.

These are the magnitudes we are talking about.

Nobody in this House knows precisely what oil prices should be. What we have to do is figure out what the range of reasonable magnitudes is, and act accordingly.

We hear about Prudhoe Bay, the North Sea, other supposedly high cost oil. The reports from the North Sea indicate the oil is coming in there at $4 or $5, in terms of a suitable price, or $6 at the very most. For offshore oil, according to a Project Independence report, there is no difference in the amount of oil we are expected to get from off the coast of California, off the gulf coast, or from the east coast Outer Continental Shelf, at $4 or $7 or $11.

The CHAIRMAN. The time of the gentleman from New Jersey (Mr. MAGUIRE) has expired.

Mr. DINGELL. Mr. Chairman, I yield 1 additional minute to the gentleman.

Mr. MAGUIRE. I thank the gentleman from Michigan (Mr. DINGELL). Prices quoted for Prudhoe Bay suggest a $6 or $7 price is adequate there. If it turns out that this or any other special source requires a higher price the committee proposal allows for that higher cost oil, even at $9 or $10 to be brought in on an averaging basis without making every barrel of oil we produce anywhere domestically subject to such extremely high prices.

Finally, the argument is made that we will be increasing our dependence on OPEC unless we allow our prices to rise to OPEC's outrageous arbitrary levels. That is true only if we fail to conserve our resources and if domestic prices beyond average ceilings of $7.50 and $8.50 would in fact significantly increase our domestic production. I have already suggested that that is a false argument. The oil companies themselves admit there is little we can do to halt the inevitable decline in our reserves. Moreover, we will be far better off, even if we do end up with a little more imported oil, if we maintain the current average of imported oil and domestic oil by restraining the domestic price. That is what this bill will accomplish.

We are talking about $36 billion to $50 billion a year in direct additional costs to consumers as a result of any of these alternative proposals.

The CHAIRMAN. The time of the gentleman from New Jersey (Mr. MAGUIRE) has again expired.

Mr. DINGELL. Mr. Chairman, I yield 1 additional minute to the gentleman.

Mr. MAGUIRE. We cannot underestimate the inflationary and recessionary impact of a proposal which will permit the price of domestic oil to double or triple once again. This is probably the single most important issue that this Congress will deal with in terms of total impact on the economy, and on the lives of our citizens.

Mr. Chairman, we must reject the administration's approach, we must reject the Krueger amendment, and we must reject any proposal in the guise of compromise with a price cap which accepts the arbitrary and artificial OPEC prices which were established a year ago.

Any so-called compromise which sets a cap in the range of $11.50 or $13.50 or $10.50 is not a responsible policy. It is a capitulation to shared monopoly pricing abroad and to oil industry pressures in the United States. I urge adoption of the committee bill, which sets forth a responsible, comprehensive, and coherent energy pricing policy.

Mr. BROWN of Ohio. Mr. Chairman, I yield myself 4 minutes.

I wish to discuss one of the points that was raised by my friend and colleague on the committee, the gentleman from New Jersey (Mr. MAGUIRE).

On page 81 in the Federal Energy Administration's Project Independence report of November 1974, there is a table numbered II-A called "The Summation of Unconstrained Regional Production Possibilities for Crude Oil, Natural Gas, in Millions of Barrels Per Day."

This contains two levels of consideration: an accelerated development level, and various prices are listed under that for the price per barrel; and another one, an accelerated dedevelopment level, with various prices under that for the price per barrel.

The price-per-barrel figures are $4, $7, and $11 in each instance.

Now, in 1974, under both examples, it does not make any difference what the price per barrel is; they estimated 10.5 million barrels per day.

One would think, that is strange that they do not accelerate the production if they raise the price.

But then when we get into 1977, there is a difference. When we get to 1980, there is a larger difference, and when we get to 1985, there is a much larger difference.

Mr. Chairman, I would submit to the gentleman from New Jersey that that might have suggested to him that there is another factor besides price, and that is time. It takes time to drill an oil well, from the beginning of finding the area where they think the well might be appropriately drilled to find oil and then getting that oil out of the ground and ready for production. And, in fact, it takes much more time if they are drilling that well up in Alaska or out in the

Outer Continental Shelf or down in Alabama where the oil is 4 miles deep, because just to drill the well may take 1½ to 2 years. So the result is that time becomes a function of this process.

The gentleman said that there is not much response to price. I would submit to the gentleman that in 1985 the difference between $4-a-barrel oil and $11-a-barrel oil, even under the business-as-usual basis, is something like 6.2 million barrels a day. This 6.2 million barrels a day is one-third of the present consumption in the United States, and 9.8 million barrels is estimated at $4 a barrel, and 15 million barrels per day on $11-a-barrel oil. There is no figure here for $13-a-barrel oil, but that is about a 60 percent increase, as I see it, on what would be produced if we did not raise the price.

If we want that kind of increase in domestic production, it is a function of price and time. We are not dealing just with today or tomorrow or next week; we are dealing with the fact that we are trying to become independent of those OPEC nations for our oil needs down the road and into the future so that our foreign policy and our economy and our domestic production can be independent of what other people try to do to us.

I think that we need to consider that when we think in terms of whether we are going to roll back the prices to some unrealistically low price.

Mr. Chairman, the day of the nickel hamburger in this country is over. If we set the price of a hamburger at a nickel, it will not be very long before we do not have any hamburgers.

Mr. DINGELL. Mr. Chairman, I yield 5 minutes to the gentleman from Connecticut (Mr. Moffett).

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield?

Mr. MOFFETT. I yield to the gentleman from Texas.

Mr. ECKHARDT. Mr. Chairman, I merely want to point out to the gentleman from Ohio (Mr. Brown) that even the North Slope oil indicates the same production at $7 per barrel as it does at $11 in 1988. I see no reason why we should move from $7 to $11 without any benefit.

Mr. MAGUIRE. Mr. Chairman, will the gentleman yield?

Mr. MOFFETT. I yield to the gentleman from New Jersey.

Mr. MAGUIRE. Mr. Chairman, I just want to point out that the same is true for offshore oil from California, for offshore oil in the gulf, and for projected offshore oil off the east coast. There is no difference whatever between the amount that Project Independence suggests would be recovered between 1980 and 1985 as among the different prices of $4, $7, and $11.

Mr. AMBRO. Mr. Chairman, will the gentleman yield?

Mr. MOFFETT. Yes, I yield to the gentleman from New York, a member of the committee. I appreciate the job he has done on this important legislation.

Mr. AMBRO. Mr. Chairman, I congratulate the committee. I support the bill.

Mr. Chairman, I would like to commend the committee for developing this excellent bill and especially thank my colleagues, Mr. Moffett and Mr. McGuire, for working so hard and so diligently for the most worthwhile and meaningful provisions of this bill.

It has been said by others before that this is an important piece of legislation. In my opinion it is more than that; it is the most significant piece of legislation to come before this Congress thus far and quite possibly this year.

It contains mandatory allocations which, I said during the debate on the gas tax provision in the ways and means bill, I stated in a number of Dear Colleague letters, and I said in numerous insertions in the Congressional Record, is the alternative to the gas tax.

It contains most importantly that which has come to be known as the Eckhardt provision to regulate old and new oil. On this provision turns the question of whether this Congress is the handmaiden of the major oil companies or has the courage to do that which this Nation cries out for us to do; namely, provide a program of energy disciplines to control rampant profiteering by a ruthless oil monopoly.

Which is the principal reason why I rise at this point. I believe the so-called Krueger amendment is one which obfuscates the situation, one which throws a monkey wrench at this vital provision, and one which has the net effect of turning our attention from an approach which could, with the passage of this bill, be fixed and in place for the benefit of the American consumer.

The Krueger amendment is based on assumptions, none of which we have any assurances will ever come to pass. The Krueger amendment asks us to substitute the Krueger approach which the author seeks to get implemented at some unknown time in the future, through a committee, the ways and means committee, which has given no commitment that they will accept the Krueger approach. How could they—they have never considered it, nor is it scheduled at this point in time, for consideration.

In other words, if the Krueger amendment passes we will have lost the Eckhardt provision, probably forever. If the Kreuger amendment passes we will have accepted two birds in the bush for one in the hand. And, on the merits, if the Krueger amendment passes, we will have once more moved, as a Congress, in the direction of big oil in exchange for euphemisms and ethereal promises, and away from policies which can provide this Nation with energy independence and relief from OPEC oppression.

I strongly urge my colleagues to support the committee bill as written and to reject both the Krueger amendment and all other vitiating amendments.

Mr. MOFFETT. Mr. Chairman, I rise in support of this bill as one who worked very hard on it and as one who is on the committee which reported this bill out.

This bill, Mr. Chairman, despite what has been said about it by some Members, is a compromise. It is a compromise that reflects the knowledge of the committee that we are dealing here with a very complicated situation. It is a compromise that reflects the fact that decontrolling oil is a very simple matter. But controling the price of oil is a very complicated matter; and that, in effect, is one of the major differences in approach between the decontrol proponents led by the President and the control proponents led by the committee in this Congress.

It is also important to note that the committee's compromise bill has not been met by a real compromise from the President. The decontrol advocates are doing nothing more than letting OPEC call the shots. While I have great respect for the people in this body who are working on this issue as decontrol advocates, it is amusing to hear them talk about energy independence when they are advocating a strategy that does nothing more than say that if OPEC decides they are going to charge $20 a barrel, then we are going to also charge $20 a barrel for our oil. Is that independence from OPEC?

Most notably, Mr. Chairman, the question of macroeconomic impact is one that the administration and the decontrol advocates have failed to analyze adequately.

I wish to point out the most recent Library of Congress study performed by two economists, Lawrence Kumins and Warren Farb, which uses a Data Resource Inc. model to evaluate the effect of the administration's plan. It discusses the impact on the rate of growth of real GNP and unemployment of various combinations of decontrol and an increase in OPEC prices. In any of the scenarios, however, total decontrol only serves to exacerbate an already serious economic situation.

We cannot address this problem as though we are not in a terrible economic recession, as though our people have not already suffered enough from high energy prices, or as though we were really talking about a 5-cent hamburger or a 5-cent ice cream cone. We are not talking about those things. We are talking about a public that has paid again and again and again and is faced with prices that are not cost-based, that are not logical, that are nothing more than prices that reflect the fact that we are being held hostage not only by OPEC but by the major oil companies.

Mr. Chairman, at the appropriate time in the House I shall ask unanimous consent that the study of the economists to which I referred be placed in the Record.

The study referred to follows:

[The Library of Congress, Congressional Research Service]

THE IMPACT OF CRUDE OIL PRICES ON THE U.S. ECONOMY

(By Warren E. Farb, Economist, and Lawrence Kumins, Analyst in Energy Economics)

Now that it is becoming increasingly evident that the U.S. economy is recovering from its worst post war recession it must gird itself for a new round of depressant shocks. This report will investigate the likely impact on the economy of those shocks that are likely to emanate from the energy sector of the economy. In particular the impact of an increase in the price of OPEC supplied crude oil, and an increase in the price of domestic crude resulting from the decontrol of "old oil."

In general either of these actions alone would tend to slow the incipient economic recovery and to slow and possibly stop the rate of decline in the unemployment rate. Moreover, the rate of inflation would be increased. The extent to which these dire effects are realized, however, depends on numerous factors. Obviously, most important is the size of the OPEC price rise and rate at which domestic crude oil is decontrolled. Also, of prime importance, however, is the accompanying monetary and fiscal policies, both of which can attenuate a major portion of the impact.

As a starting point in the analysis the Data Resources, Inc. (DRI) June 1975 quarterly forecast of the economy was used. This simulation assumes that OPEC prices will increase by 15 percent or $1.50 per barrel, and that domestic crude will be deregulated at the rate of 1.6 percent per month which would provide full deregulation only after five years.

SUDDEN DEREGULATION

The first CRS alternative to this control solution assumes sudden deregulation of all domestic crude oil as of September 1, 1975, coupled with a 15 percent increase in the price of OPEC crude. Assuming no fiscal or monetary policy changes it is estimated that this would lead to a decline in real GNP of more than 4 percent by the end of 1977 (see attached table labeled "DEREG & 15% OPEC"). This decline in production would be consistent with an unemployment rate more than 1.5 percentage points higher than the DRI control solution which assumes a more gradual deregulation. In absolute terms the unemployment rate would apparently not go below about 8.8 percent, in the absence of offsetting fiscal or monetary policies.

As would be expected from the sharp price increases in all crude oil prices occurring at the end of the third quarter of 1975, the inflationary impact is greatest in the beginning and then tapers off. The rate of increase in the CPI is expected to be greater than 8 percent in the fourth quarter compared with 5.4 percent in the DRI control. By the end of 1977 it is expected that the rate of increase in the CPI will have decreased to about 5.7 percent per year under the CRS assumptions and about 5.4 percent with the DRI assumptions. The same impact pattern can be observed in the WPI, however, at a substantially higher level. Since the greatest impact of crude oil price increases is on wholesale prices it is expected that the WPI would be the most sensitive measure of inflation to these types of shocks.

In any event by 1977 the rate of increase of the WPI is rapidly falling back toward 5 percent from a high of an annual rate of increase of more than 13 percent immediately following the price increases.

If monetary policy, which is primarily under control of the Federal Reserve Board, is allowed to accommodate the price increase the rate of real growth of GNP will not be as low as would otherwise be the case. In fact in 1976 real GNP would be likely to increase at a rate in excess of 5 percent per year compared with less than 3.5 percent if monetary policy is not accommodative (see "With Money" in following tables). The faster rate of growth in productivity would be accompanied by a steadily declining unemployment rate, declining to 7.8 percent by the end of 1977. This is nearly a full percentage point lower than without accommodation, but still higher than if deregulation is spread over five years as in the DRI control.

The cost of achieving the stronger economy is an increase in the rate of inflation. In terms of the CPI the added inflationary rate of increase would be somewhat higher almost immediately. With an expansionary monetary policy interest rates can be held down allowing purchasing power to keep pace with the inflation and thereby encouraging continued investment. While inflationary pressures would be more severe with accommodation it is unlikely that the annual rate would be as high as in the recent past. So long as unemployment remains high the probability of renewed general inflation throughout the economy at rates in excess of 10 percent per year are slight. Even in the case of the WPI it should be noted that while it is increasing at a rate of more than 12 percent per year in 1976, the rate of increase in one of its major components—petroleum and fuel products—is about 35 percent. As a result the GNP deflater, the most broadly based inflation measure, rises at about the same rate with and without accommodating monetary policy, but accommodation encourages a much greater level of real production.

NO CHANGE

The results labeled "No Change" of the attached tables (p. 13) are based on the assumption that domestic crude oil will continue to be regulated and that there will be no increase in OPEC prices. This leads to what can be viewed as the "best case" since it leads to the highest rates of growth in real GNP, the lowest unemployment rates, and the lowest rates of inflation. These results, however, do not take into consideration any political problems that may result from these assumtpions. The stronger performance of the economy given these assumptions can be traced to the higher levels of consumption that would be forthcoming, the higher level of investment, and the lower interest rates.

TWO YEAR PHASED DEREGULATION

A more realistic set of assumptions is that 1) OPEC prices increase by 15 percent, and 2) domestic crude oil is deregulated over a 2 year period. As would be expected this would lead to economic results "better" than if deregulation were more rapid, but "not as good" as slower or no deregulation.

The rate of growth of real GNP would be 7 percent in the first quarter of 1976, but would fall sharply as the cumulative impact of the increasing energy prices is felt. Consequently the unemployment rate would fall to about 8 percent by the end of 1976, but then level off, as inflation steadily increased toward an annual rate of about 7 percent. (The rate of increase in the WPI would peak at an annual rate of about 12 percent).

It is also likely, however, that because of the gradual impact of these assumed price increases monetary policy would be quite effective in attenuating the negative impacts. Instead of the sharp increases in reserve creation and money growth necessary under the sudden deregulation assumptions a more gradual increase would be called for. This would permit the monetary authorities more latitude in their actions and provide conditions.

Mr. DINGELL. Mr. Chairman, I have no further requests for time.

Mr. BROWN of Ohio. Mr. Chairman, I yield such time as he may consume to the gentleman from California (Mr. LAGOMARSINO).

Mr. LAGOMARSINO. Mr. Chairman, I rise in opposition to H.R. 7014. This bill is entitled "The Energy Conservation and Oil Policy Act." I submit it could be better titled "The Dry Pump Bill," because that, gentlemen, is what you are going to have if this nonpolicy is adopted.

The principal idea behind this bill seems to be that we should control the price of domestic oil while doing nothing about the price of oil imports. How this is going to help the consumer is beyond me. It will help the Arabs. In fact, the title of the bill, if you reverse the parts, comes out to OPEC, which is probably a better way to characterize it.

I think we should enact a substitute, the "Users and Savers Act," or USA. In other words, I would like to see realistic incentive pricing together with a windfall profits tax to prevent price gouging. That way the consumers would come out ahead, and the oil blackmailers would be beat at their own game.

The only thing the consumers are going to get out of H.R. 7014 is standing in line at the filling station.

Mr. BROWN of Ohio. Mr. Chairman, I have no further requests for time.

Mr. DINGELL. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. Pursuant to the rule, the Clerk will now read by title the substitute committee amendment printed in the reported bill as an original bill for the purpose of amendment.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as "Energy Conservation and Oil Policy Act of 1975".

Mr. DINGELL. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BOLLING, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 7014 to increase domestic energy supplies and availability; to restrain energy demand; to prepare for energy emergencies; and for other purposes, had come to no resolution thereon.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair would like to make a statement regarding tomorrow's business.

As those who have looked at the schedule know, we have a very heavy schedule for tomorrow, including two conference reports, finishing up one bill that was started, doing an appropriation bill, and coming back to the bill that we have had under discussion today. In view of that fact, the Chair will not entertain requests for 1-minute speeches, unless some emergency arises, but will entertain requests for unanimous consent, until after the business of the day has been completed.

CORRECTION OF RECORD ON THE HEALTH MANPOWER ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. RAILSBACK) is recognized for 5 minutes.

Mr. RAILSBACK. Mr. Speaker, on July 11, 1975, the House passed and sent to the Senate H.R. 5546, the Health Manpower Act. Unfortunately, due to prior commitments, I was unable to be present for the votes on amendments and final passage of the bill.

I had recently been contacted by several physicians in my district regarding their firm opposition to titles V and VIII of the measure. Subsequent to a thorough study of the provisions of each title and further discussions on the matter with area physicians, I felt that they were entirely justified in their belief that the capitation assistance provision and residency requirements did not serve the best interests of medical programs and the health care needs of the American people.

It was my intention, therefore, to support the Satterfield objection to the first committee amendment on payback of capitation grants as well as the Broyhill amendment to strike title VIII from the bill. Although I was correctly paired in favor of Mr. Broyhill's amendment, which was agreed to, I regret to note that I was mistakenly paired in favor of the first committee amendment. I would like to state for the record that I was opposed to the committee amendment and favored deletion of the capitation payback provisions of the bill since it requires that individual students pay the funds back to the Government. This means the imposition of a debt that the individual had no role in incurring. Also, the provision appears to violate the principle of equity since students from lower income families will obviously have a harder time paying back the debt than will students of substantial means.

Mr. Chairman, I felt it necessary to clarify this unfortunate error since my decision to be paired against final passage of the bill was based on my opposition to the first committee amendment.

BACK-TO-THE-SOIL: PART 6

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. Burke) is recognized for 5 minutes.

Mr. BURKE of Massachusetts. Mr. Speaker, on occasion, my "Bicentennial seed bill" has been questioned on the grounds that no grounds exist in our major cities which would be suitable for vegetable gardening. I am here to advise my colleagues that a pea grows in Brooklyn. In fact, thousands of peas, carrots, onions, cucumbers, cabbages, potatoes, tomatoes, radishes, and so forth, are springing up on the "East Side, the West Side, and All Around the Town." It is even possible that the "Big Apple" will be producing its own apple crop within the near future. Within the shadow of the Empire State Building, vacant lots have been turned into lush vegetable-producing plots which send shivers of jealousy through the residents of New York's neighboring State—the "Garden State," New Jersey.

Aside from producing large amounts of high-quality food at little expense, these gardens are producing community pride. Residents have found that their community gardens have been a focal point for turning the corner on deteriorating neighborhoods. The gardens have sparked a feeling of community identity and purpose which, in turn, has sparked renewed efforts to improve the community as a whole. This is a commendable achievement which few other urban programs can match at so low a cost.

Similar success is being recorded in the communities which surround the Nation's Capital. In Arlington, Va., where more than half of the residents are apartment dwellers, the back-to-the-soil movement has reached enormous proportions. In response, the Arlington County Board has made 225 plots of land available to its citizens.

This is triple the amount of plots made available last year, but is still insufficient to handle the ever-increasing demand. In Prince Georges County, Md., community gardeners are finding that a $9 investment can yield $240 worth of vitamin-rich, fresh vegetables. This year, Washington area governments will offer more than 4,000 plots of land for community gardeners, and even that will not meet the tremendous demand.

Mr. Speaker, there is no mystery behind the enormous growth of the back-to-the-soil movement. For the first time in their lives, city dwellers in the heart of New York can avoid high food costs. More importantly, for the first time in their lives, they are able to experience the taste of succulent, juicy ripe red tomatoes, which they, themselves, have grown. Residents of Arlington and Prince Georges Counties can escape their cramped apartments to work the soil, exercise in the sun and, at the expense of a little good earth under their fingernails, can be rewarded with bushels of fresh delicious food.

I wish to draw my colleagues' attention to the following articles from the New York Times, and the Washington Star-News, which I think they will find most enlightening. I might add that I shall again take the floor tomorrow to point out those reasons for which we should all be grateful for the outstanding efforts of community gardeners.

The articles follow:

[From the New York Times, June 21, 1975]

On City Lots: Tomato Plants Are Rising Out of the Ashes

(By Olive Evans)

A cabbage patch in the shadow of the Empire State Building . . . corn ripening on the Bowery . . . the fresh makings of salad, grown to the tune of police sirens. Community gardens are springing up in New York, hidden among tenements or flourishing where busy arteries intersect.

The people who work together to make wasted space productive are reaping the harvest: fresh vegetables at very little cost.

But before the harvest, there is the work. It usually begins on an earthless, debris-strewn lot, such as the one at the corner of Ninth Street and Avenue B. There, on a recent Saturday morning, seven adults and about 15 neighborhood children were picking and piling, dragging and heaving the bricks, broken bottles, cans and assorted by-products of consumer society.

Richard and Shirley Niebanck and their children, Markus, 13, and Adam, 9, had joined the clean-up. Mr. Niebanck, pro tem minister at Trinity Lutheran Church, explained that the church had made the lot available to the community.

"We're just delighted that the people are willing to do this," he said. "And we want to do what we can to help it along."

Passers-by were puzzled, surprised, even inspired.

"Can I come in and help?" a woman asked in Spanish.

But people in the area are accustomed to vacant lots.

"It's the problem in this area," said Faith Wright, coordinator of the project. "The blight of refuse dumps and rats. Four years ago there were four vacant lots between Avenue A and D, from 14th Street to Houston. Now there are over 100."

Michelle Rivas, 13, was the unofficial interpreter for the multiethnic rubble-clearers.

"I like to get into these activities to help the Lower East Side, because it's going to pieces if we don't do something. That's why we're here," she said.

The pick ax-and-wheelbarrow stage was a thing of the past for the organic Bowery-Houston Community Farm/Garden on East Houston Street and the Bowery, one gusty Sunday. The garden had been started a year before. There was lots of work to be done, repairing the compost bins and the fence, but things were growing.

"It's a doing and learning process," said Tony Antonellis. "For instance, the ants devoured my sweet peppers last year, but not my hot peppers. So I alternated hot peppers and sweet peppers, and I ended up with sweet, hot peppers and hot sweet peppers. So I finally got rid of the sweet peppers."

About 70 people are assigned by lottery, three or four to each of 32 plots.

"I have my window boxes, but it's not the same as this," said June Abrams, who lives on East 12th Street. She and her husband plan to buy property in the country. In the meantime, there's the Farm Garden.

"We come down here and we get outdoors. And it makes you feel good," she said. "We're very interested in the neighborhood and in trying to improve the environment."

Besides the enticement of "tomatoes that taste like tomatoes," community gardeners believe that growing things improve a city.

NO IDENTITY

"This is a marginal neighborhood," said James Addiss, an architect-historian who lives on Bleecker Street. "It has no identity, and this space gives it an identity and makes it productive. In this atmosphere of human destruction, this is a very nice kind of turnaround."

The turnaround may be short-lived. The city has given notice that, as part of its economy drive, it will terminate the garden's $1 a year lease as of July 31.

On the other side of town and to the north, is a neighborhood that has a very definite identity: the Chelsea of brownstone rows—some rundown, many refurbished—and a strongly Hispanic flavor.

It is an almost daily routine for Pam Larson and her two children, Kevin, 10, and Karin, 9, to work together on their plot in the People's Garden on 21st Street between Eighth and Ninth Avenues.

"Last summer, from the end of June on, I didn't buy anything for salad," Mrs. Larson said.

The garden's 12 plots are shared by 50 to 60 people, a class from P.S. 11, and a Girl Scout troop.

Children from the neighborhood sometimes try to climb the fence and help themselves. Lee Egli keeps an eye on them from her apartment across the street.

VANDALISM PROBLEM

Miss Egli said she believes that the best way to counteract possible vandalism is to involve the children.

"Practically every night I bring the kids in to work for two or three hours," she said. "They pull weeds and form a water brigade. They don't have to be asked. They do a good job."

Like many a city community garden, the People's Garden had a struggle with red tape in its beginnings last year. Now it's threatened with extinction: The city plans to blacktop the entire area to make a playground.

Further uptown there is a community garden whose future seems less tenuous. It is on Federal land, on Third Avenue between 31st and 32d Streets, and the post office planned for the site in the early nineteen-sixties has not materialized.

"The Federal people have been very cooperative and very nice," said Judith Bobker, of the National Conservation Recycling Corporation, a community group that operates the garden.

There is a view of the Empire State Building from Daisy Drive and also from Begonia Boulevard or, for that matter, from Cherry Blossom Lane, the paths among the 40 plots.

The cabbage patch is a showplace, because, it seems, plastic was put over the plants to keep them warm during the chilly spring.

As with many city activities, there is a waiting list to join.

"Everybody is hungry for this kind of thing," said Mary Ann Ekholm, a gardener who is a designer of lingerie and lives in the area. "It's very therapeutic."

The orange tufts of marigolds were popping up haphazardly in many plots. "To keep away the insects," Miss Ekholm explained. And eggshells were scattered about. "To take care of the slugs," she said.

Anne Stillwell, who works at New York University Medical Center, was turning the earth over in her plot.

"I think tomatoes were the main motivation," she said. "If I had had any idea how much work it would be, I wouldn't have started," she said. "But I did lose six pounds—right where I needed it."

Community gardening mixes people of different occupations, marital statuses and ages.

"Douglas the Great," reads a blue and yellow sign on the little fence on Douglas Arson's plot. Doug, a senior at Julia Richman High School, lives on 33d Street.

He has a technical problem with his plot, because it runs across the stairway that led to the cellar of the building that once stood there. Nevertheless, Doug's herbs (basil, rosemary, several kinds of mint), chives, carrots, onions, tomatoes—and marigolds—are coming along.

"I'm a vegetarian, so for me this has special meaning, he said. "And also it's fun and gives you something to do."

Robert Meyer, a second-year medical student as New York University, and his wife share a plot with another medical student. "This is my very first garden," he said. "I knew nothing about it."

He was asked his opinion, as a man of science, of the fumes from Third Avenue traffic that waft over the crops.

"My wife is a little dubious. She said that anything that grows on Third Avenue, there must be something funny about it," he said.

There are other problems in city community gardens: Voracious pigeons. Lettuce-addicted sparrows. Occasionally, a rat. And vandalism. But the garden at 32d Street has been lucky on that score. So far they've lost one marigold.

[From the Washington Star, Mar. 13, 1975]

$9 GROWING TO $240

(By Jody Beck)

With $9.30 worth of seeds, a small plot of land, lots of elbow grease, a strong back and a hoe, a gardener can grow $240.52 worth of vegetables by next fall.

Raising vegetables may be the gardener's "very own small miracle," as columnist James J. Kilpatrick once wrote, but the economics of gardening is probably what will double the number of backyard farmers this year.

"Most people don't realize how much work is involved in gardening and they are disappointed," said Daniel B. Greene, a conservation specialist for the Prince Georges division of the Maryland-National Capital Park and Planning Commission.

"But," he added, "it can be very rewarding." Green supplied the statistics on that much seed producing vegetables worth $240.52. He said it would take an experienced gardener to do that well.

Last year, Washington area governments made about 1,800 plots of unused land available to gardeners.

This year they will offer more than 4,000—and most garden programs have waiting lists.

More people are also gardening in back yards, and apartment dwellers will raise tomatoes in bushel baskets on the balcony.

It's too early to plant much—cabbage can go in March 15, potatoes on St. Patrick's Day and onions and radishes on April 1—but it isn't too early to think about the garden and begin preparing the soil.

To help get things get started, March 22 will be "Vegetable Day" in Montgomery County and "Veg-Day '75" in the District. Oxon Hill Farm will also have a special program.

Arlington will rent 200 plots of land this summer, up from 70 last year. Extension agent C. Francis Lay said that only 10 percent of last year's gardeners had dropped out of the program and that he had 250 requests for land. He said he would be happy to match up prospective gardeners to individuals owning unused land.

Lay said that between 50 and 60 percent of the gardeners in his program this year are neophytes. A Richmond horticulturalist tells of first-year gardeners who go to seed stores and ask for a pound of tomato seeds, a dozen cucumber plants and some potato seeds.

One pound of tomato seeds is enough to cover an acre, and most experts recommend starting tomatoes and many other vegetables from seedings instead of seeds. A typical garden offered by local governments measures 20 by 20 feet.

Help is available. The District's Martin Luther King Library has set up a special display of seed catalogues and gardening books which has proved very popular, according to a library spokeswoman.

Washington Technical Institute's extension service runs a telephone consulting service from 9 a.m. to noon weekdays.

Program director Willian B. Easley said the service averages about 50 or 60 calls each day. The number is 629–7777. Easley's office will also send a horticulturalist to gardening workshops. Services are offered to home gardeners and to those working on 1,000 plots at Ft. Lincoln.

Lay, who works for Virginia Polytechnic Institute and State University's extension service, is cooperating with his counterparts in Alexandria and Fairfax County in a garden-by-mail program that has 2,000 names on its mailing list. The second lesson goes out this week, and no new names are being added to the list.

Montgomery County—through the University of Maryland Extension Service—offered five four-week classes in growing and preserving food. More than 400 persons signed up for the courses, and another 400 were turned away.

Seed merchants have prepared themselves for a spring onslaught of customers. Glenn Sharpe, assistance manager of the Southern States Vienna Cooperative, Inc., said business was up 50 percent last year and that he expected a "tremendous" increase this year.

The store receives shipments of supplies in late January and usually begins to sell in earnest about now. But every weekend since January has been a hectic one for Southern States.

A spokesman for the Giant garden center in Rockville said he expected to double the store's $15,000 worth of gardening sales in last year's growing season.

Seed prices are up this year, but not as much as fertilizer prices went up last year. And shortages experienced last year shouldn't be as widespread this year. A spokesman for W. Atlee Burpee Co. in Philadelphia, the largest mail-order seller of seeds to individuals, said most of the increase in prices is due to inflation.

He said the company which distributes "several million" of its catalogues right after Christmas, expected to do 20 or 25 percent more business this year than last.

[From the Washington Star, Feb. 24, 1975]

GARDEN PLOTS TRIPLED WITHOUT EXPECTED FIGHT

Fifty determined gardeners showed up, ready to storm the Arlington County Board in defense of community garden plots, but found they didn't have to.

The County Board was on their side Saturday—without even hearing testimony, it tripled the 75 plots it rented out last year.

Not wanting to cut short its generosity there, the board asked its staff to search for private land, such as the Vepco right-of-way on Four-Mile Run, that might be turned over to gardeners.

Board member Everard Munsey, an outspoken opponent of Interstate Route 66, drew laughter when he suggested planting over the I–66 right-of-way in North Arlington.

"Under any conceivable set of circumstances, there isn't going to be any construction during this year's growing season," he said.

"Or next," interjected Thomas W. Richards, a fellow board member and I–66 opponent.

"Or ever, as far as I'm concerned," Munsey replied, adding that the highway question will be hung up in court at least a year even if the Secretary of Transportation approves the road.

Munsey also suggested the 118-acre Pentagon City tract, which stands vacant while its owners negotiate for a buyer who wants to develop it. But Board Chairman John W. Purdy noted that the tract is home to a lot of rabbits.

"Great, they could hunt and grow vegetables at the same time," Munsey joked.

"No, the rabbits will eat the lettuce," Purdy answered.

The board also raised the rent on the plots from $10 to $15. But Brian Van Linda, a medical student who did his first organic gardening last summer, said yesterday, "It's still a good buy. You get a lot of vegetables very cheap.

"I grew up right outside of New York City and you sort of get out of touch with how things grow," Van Linda said. "The community garden concept is really good because you have a dozen other people to tell you where to plant certain things, where to fertilize, where to get seeds and where to go for help. Without that, it can take you three or four years to learn."

Mary L. Smith, who organized the 13 plots at N. 10th and Nelson Streets for organic gardening, said saving money was a bigger factor than getting back to nature for most of those with whom she worked.

Arlington, which rented 20-by-30-foot plots for the first time last spring, was the last of the Washington area jurisdictions to join the "victory" garden bandwagon as inflation hoisted food prices. Mrs. Smith says the community plots are especially important in Arlington, where more than half the residents are apartment dwellers with little or no access to the land.

She used to rent a plot in Purcellville, an hour's drive from her home, but two years ago caught such a bad case of poison ivy on a strange farm that she had to quit.

"So I missed the 1973 season, and that's what made me decide 'I'm going to make Arlington County produce,'" she said.

In addition to Mrs. Smith's spot and another across Nelson Street, gardeners will be returning to the 3000 block of S. Glebe Road and 1600 block of Key Boulevard.

A total of 150 new plots will be available at S. Illinois and 5th Streets South, on Greenbriar Street behind Yorktown High School, and at the Fort Barnard water tower.

PERSONAL EXPLANATION

The SPEAKER. Under a previous order of the House, the gentleman from Minnesota (Mr. OBERSTAR) is recognized for 5 minutes.

Mr. OBERSTAR. Mr. Speaker, on Friday, July 11, I had to leave Washington on official business and necessarily missed record votes numbered rollcall 377 through rollcall 381. Had I been present, I would have voted as follows:

ROLLCALL NO. 377: "AYE"

House Resolution 584. The rule under which the bill H.R. 5546, the Health Manpower Act, was considered. Passed by a vote of 350 to 0.

ROLLCALL NO. 379: "AYE"

H.R. 5546. An amendment regarding the payback of capitation grants. Passed by a vote of 209 to 153.

ROLLCALL NO. 380: "NAY"

H.R. 5546. An amendment to strike title VIII, relating to medical residencies. Passed by a vote of 207 to 146.

ROLLCALL NO. 381: "AYE"

Final passage of H.R. 5546, the Health Manpower Act. Passed by a vote of 296 to 58.

SECURITIES AND EXCHANGE COMMISSION VIEWS ON MOSS AMENDMENT TO H.R. 7014

The SPEAKER. Under a previous order of the House, the gentleman from New York (Mr. MURPHY) is recognized for 10 minutes.

Mr. MURPHY of New York. Mr. Speaker, in response to my request, Mr. Ray Garrett, Jr., Chairman, Securities and Exchange Commission, provided me with the Commission's views on the amendment offered by Congressman JOHN E. Moss to the bill, H.R. 7014, "The Energy Conservation and Oil Policy Act of 1975." At the time this amendment was offered in the Interstate and Foreign Commerce Committee, the Commission had not been approached for their views on this very important amendment. I would like to submit these views for the RECORD as follows:

SECURITIES AND EXCHANGE COMMISSION,
Washington, D.C., July 11, 1975.

Hon. JOHN M. MURPHY,
House of Representatives,
Washington, D.C.

DEAR MR. MURPHY: This is in response to your letter of July 8, 1975 in which you asked for the Commission's views on Chairman Moss's amendment to H.R. 7014, "The Energy Conservation and Oil Policy Act of 1975." Because we believe that the amendment would be detrimental to the Commission's overall objectives and policies as they are currently exercised under Congressional mandate, and because we have considerable doubts about the feasibility of the approach adopted, we cannot support such an amendment.

The two aspects which give us the greatest concern are (1) the proposal that the General Accounting Office (GAO) engage in an audit of financial operations of certain companies in the petroleum industry and (2) that the GAO should be responsible for establishing and administering uniform accounting practices for such companies.

Our concerns about the GAO engaging in a financial auditing function of these companies are threefold. First, we believe that such audits would be extremely costly. Current financial audits performed on major integrated oil companies by public accountants cost in excess of one million dollars for each company and require personnel stationed throughout the world. Certainly the proposed GAO audits would require the appropriation of many millions of dollars of personnel and travel costs every year.

Secondly, we believe it should be recognized that such audits would constitute a significant duplication of effort since financial audits are already performed by public accountants. Audited financial information is publicly available for companies registered with the Commission, which includes all integrated oil companies. Although there have been occasional problems with public accountants in the performance of their public responsibilities, such instances have been relatively few compared to the thousands of audits which are performed yearly. Moreover, the Commission is constantly engaged in monitoring the activities of registrants and their public accountants. We believe that the work of public accountants has been generally adequate in assuring that reliable information is provided to the public and that there are effective controls over their work product.

The third and most significant concern is that the amendment constitutes a highly significant change in public-private sector relationships. Under the provisions of the Securities Act of 1933 and the Securities Exchange Act of 1934 Congress specifically entrusted independent public accountants with the task of auditing the financial statements of publicly-held companies registered with the Commission. This relationship has existed for over forty years and, as noted above, it has achieved its objectives. The amendment places this relationship in jeopardy by interjecting the government into the auditing process for companies in the private sector. We believe that this is highly undesirable. If the Congress feels the need for verification of the adequacy of independent audits it could authorize occasional investigations by GAO for this purpose.

The second aspect which concerns us in the introduction of the GAO into accounting standard setting. Apart from a small number of regulated industries, accounting practices and standards historically have been developed in the private sector. The Commission and other regulatory agencies in some instances have adopted standards so developed because they were found to be an improvement in the public reporting process. The Commission has worked closely with the accounting profession and business community in developing an accounting standard setting apparatus. Two years ago the Financial Accounting Standard Board (FASB) was created to improve the then existing apparatus. We believe that the FASB is working effectively in the interests and other users of financial statements. We are working in close cooperation with the Board. It is worth mentioning that a number of their recent or current projects will create greater standardization in the petroleum industry although they are not focused solely on that industry. Examples of such activities include the development of improved standards for lease accounting, business segment accounting, research and development accounting, and development stage company accounting. Although the Commission has occasionally been critical of the rate at which the private sector has developed standards, we believe strongly that the current standard setting apparatus is a good one and should not be upset. Because the FASB is a recently created organization, care must be taken that its credibility not be eroded. We believe that a new governmental effort to establish accounting standards at this time would seriously impair the effectiveness of the Board.

We agree that more standardization of accounting practices is needed in the petroleum industry, but this can and should be done through the existing apparatus. Accordingly, efforts to improve such practices should be directed toward having the private sector develop such improvements expeditiously. The Commission has undertaken and will continue to engage in efforts to improve disclosure by the petroleum industry. In fact, there are currently two SEC proposals outstanding designed to achieve improved disclosure of petroleum reserves and finding costs for such reserves. We believe that these proposal will hasten the adoption of improved accounting standards and will provide useful additional information until such time as better standards are adopted. Although it may be desirable to undertake steps to expedite such developments and we are prepared to do so, we believe that those proposed in the amendment would serve to imperil the entire accounting standard setting apparatus.

We hope that this brief overview will be helpful and we would be happy to discuss our views more fully with you at your convenience.

Sincerely,

RAY GARRETT, Jr.,
Chairman.

I intend to offer the following amendments on the floor of the House of Representatives to the bill, H.R. 7014 as reported:

Page 356, strike out line 6 and all that follows down through line 18 on page 365.

In section 203, "Gasoline Rationing", change (d) to (e) and insert a new subsection (d) as follows:

"(d) in promulgating a rule under subsection (a) of this section the President shall give consideration to the mobility requirements of private individuals purchasing gasoline at retail for non-commercial use who are (a) by reason of a permanent and physically handicapped incapacity or disability unable (without special facilities, planning or design) to utilize mass transportation vehicles, facilities and services; or (b) required to relocate family and household possessions for essential reasons of health or employment; or (c) personnel and dependents of personnel in the Armed Services of the United States traveling on military orders."

WHY DECONTROL OF OIL PRICES WOULD BE DISASTROUS FOR AMERICAN BUSINESS

(Mr. OBEY asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. OBEY. Mr. Speaker, many people are unaware of the economic consequences of the proposed decontrol of oil prices as advocated by the President. They do not realize that decontrol would not only be disastrous for the consumer, but for the businessman as well, and that with decontrol, we would not only lose control of the price of oil, but of the entire economy.

Back in January, Economist Charles Schultz pointed out that if we allowed our preoccupation with the energy crisis to weaken our resolve to get the country out of the recession, we would be making a serious mistake. I thought he was right then, and I think he is still right today.

I recently received a copy of a paper by the Air Transport Association entitled, "A Businessman's Briefing on H.R. 7014." This excellent analysis clearly shows how decontrol would hurt the business community. It points out that decontrol would allow domestic oil prices to rise to the OPEC–determined international price—a jump of 25 to 35 percent in the price of crude oil.

The ATA paper further states that such a price hike would place a direct additional burden of $20 to $30 billion on the economy—and that the ripple effect of this increase coupled with its impact on the price of other energy resources would bring the total price tag up to $81 billion. According to the ATA, the net result of this economic drain would be to reduce our growth rate by 2.7 percent, increase prices by 5.4 percent, and put an additional 760,000 workers on the unemployment roles—pushing the Federal deficit still higher.

The ATA paper also effectively refutes claims that decontrol will enhance national security, promote energy conservation or reduce the cost of Government regulation. In light of the timeliness and excellence of this paper, I ask that it be printed in the RECORD:

A BUSINESSMAN'S BRIEFING ON H.R. 7014

The House of Representatives will soon begin floor consideration of H.R. 7014—the Commerce Committee's Energy Conservation and Development Act. H.R. 7014 would immediately stabilize most domestic crude oil prices at the $7.50 level originally suggested by the Federal Energy Administration (FEA) in its massive Project Independence study. The bill would also provide for an additional $1 per barrel price incentive for costly production, a phasing out of "old oil" controls to establish a single pricing system, and inflation adjustment for crude oil prices after 1980. H.R. 7014 couples this price stabilization incentive strategy with a series of conservation measures aimed at stimulating more energy-efficient automobiles and capital investment.

The availability and cost of energy are critical to the nation's economy. The American Petroleum Institute told us long ago that a nation which runs on oil cannot afford to run out and its point was amply proved during the Arab oil embargo. The OPEC price explosion which accompanied the embargo also highlighted the sensitivity of our economy to the price of oil. Chase Econometrics, a highly respected independent group of analysts, in fact estimates that every one percent increase in price due to rising energy costs will reduce real growth by one-half of one percent and raise unemployment by 140,000 men and women.

Given the critical nature of the oil pricing decision now before the Congress, it is important that every business leader understand the dimensions of the energy problem and become active in urging a reasonable and prudent solution. Energy supply and pricing are too complex to be decided on the basis of abstract rhetoric or general preferences for or against controls. Indeed, oil pricing is so shot through with government control as a result of OPEC activities, federal leasing, taxing and research actions, and recent import fees, that the absence of direct pricing control by the federal government would not constitute "decontrol" but merely a change in controlling methods and agencies.

The purpose of this paper is to take a hard, practical look at the core facts related to H.R. 7014 and thus to explore the merits of the approach taken in that proposal.

I. ECONOMIC CONSEQUENCES OF "DECONTROL"

H.R. 7014 is the only existing alternative to a commitment to abolishing federal controls over crude oil prices. Without federal controls, domestic crude oil prices would quickly rise to OPEC established world levels since buyers would continue to bid up limited domestic supplies so long as those supplies are priced below import alternatives. Thus, the alternative to federal crude oil price controls is not a return to market pricing, but rather a tacit acceptance of whatever international price is set by the OPEC cartel plus any applicable import fees or tariffs.

FEA's latest crude oil pricing figures relate to the month of February 1975. In that month, average refiner acquisition cost of foreign crude oil (including a $1 additional import fee now raised to $2) was $13.01 per barrel; average domestic acquisition cost was $8.27 and the weighted average composite was $10.16. Taking into account the additional $1 import fee now imposed by the President and the consequent increase in domestic exempt prices, it is probable that the acquisition cost of foreign crude is now over $14 as opposed to an approximate composite figure of $10.50. Thus, removal of domestic price controls would result in an approximate $3.50 per barrel or 25 percent increase in crude oil prices. If, as now anticipated, OPEC increases its own cartel price level by $2 or more per barrel, the acquisition cost of foreign crude would go to at least $16 per barrel, and the overall increase to $5.50 or about 35 percent.

The United States used about 5.4 billion barrels of petroleum in 1974, a year partially affected by the embargo. Even assuming a continuation of that limited utilization, an increase of $3.50 per barrel of crude oil would impose almost a $19 billion burden on the economy. At $5.50 per barrel, the increased cost would amount to almost $30 billion.

In addition to the immediate effect of removal of controls on crude oil prices, similar price impacts would also register on coal, unregulated natural gas, and other domestic energy resources. Moreover, rising energy costs would cause "ripple" price increases for almost every other product. Taking these effects into account, the staff of the Joint Economic Committee has estimated the total impact of decontrol and a likely $4 increase in import prices over today's OPEC level ($2 OPEC increase, $2 fee) at $81 billion.

An $81 billion economic burden would have devastating consequences for national income, inflation and unemployment. The Joint Economic Committee staff estimates that growth would decline 2.7 percent and prices would increase 5.4 percent, while another 760,000 people were put out of work. Independent analyses performed by Chase Econometrics and the Wharton School for other congressional committees confirm these estimates.

Sectoral impact analyses also point up the potential consequences of handing over domestic oil pricing authority to OPEC. The airlines, for example, recently informed the Civil Aeronautics Board and the Congress that removal of controls would cost them over $1 billion and require grounding one of every five aircraft and furloughing one of every seven employees. Equally severe impacts could be felt in agriculture as feritlizer, gasoline and processing costs rise, in motor transportation, in plastics, petrochemicals and synthetic fabrics. Indeed, OPEC pricing for domestic oil could deal a staggering blow to an economy just now beginning to regain its balance.

Beyond even the short and medium run economic effects of removing oil price controls, the enromous transfer of resources to energy producers occasioned by such action raises real problems of investment distortion and risks of government intervention distasteful to all business. The Joint Economic Committee estimates, and other respected sources, would indicate that termination of controls would add at least $35 billion annually to the revenues of energy companies between now and 1985. In 1974, the gross revenues of the 28 leading oil companies had already reached $195 billion. Given normal inflation, these revenues might well reach $250 billion after the end of controls. To put this figure in perspective, it is useful to recall that the gross income tax revenues (corporate and personal) of the federal government were $158 billion in fiscal year 1974 and slightly less in fiscal year 1975.

An inordinate flow of revenue to oil companies would, as a practical matter, exempt them from the need to seek capital funds in market competition with other potential users. Particularly if a substantial portion of oil company revenues were earmarked for reinvestment under a tax "plowback," the absence of market choice might create a far less than optimum investment pattern.

Even more fundamentally, a massive revenue addition to the already swollen gross receipts of major oil companies would raise political questions with responses potentially disastrous for the business community. Oil companies have already been targeted for punitive tax measures, restrictions on investment opportunity and unnecessary vertical disintegration. As fear of their economic power becomes more pervasive, the potential for enacting punitive legislation increases and the risk of sweeping other business along correspondingly rises. Putting it bluntly, it is simply not in the interest of the business community to permit removal of controls to loose a torrent of "obscene profits," "giant multinational" populist complaints with attendant risks of anti-business legislation. On the other hand, it is almost impossible to avoid political adventurism of this kind when the budget of a single industry begins to approach that of the federal government.

On the whole, the risks of business of removing oil price controls are enormous in the short, medium and long run. Unless these risks are offset by substantial benefits not otherwise obtainable in the areas of domestic supply and conservation, they are unacceptable and must be rejected in favor of the kind of stabilization program contained in H.R. 7014.

II. ARGUMENTS FOR "DECONTROL"

A. Supply and national security considerations

If raising domestic oil prices to OPEC levels plus import fees would permit us to increase domestic production to the point where we were no longer dependent on imports or vulnerable to an embargo, total cost and even economic risk might become a secondary consideration to national security. Resource limitations, however, will not permit a realistic effort to achieve energy independence in an oil-dependent economy.

FEA reports that domestic demand for petroleum products is now running about 17 million barrels[1] per day with imports supplying about 6 million barrels per day. Despite earlier discussion of complete energy independence by 1980 or 1985, it is now universally acknowledged that the United States must depend on imported oil to maintain an adequate level of economic activity for the foreseeable future. In fact, Administrator Seamans of the Energy Resources and Development Administration (ERDA) quite recently told the Congress that oil imports would continue until at least 1955 under any reasonable price/research domestic policy.

Thus, regardless of the amount we are required to pay for domestic oil, we are faced with physical resource limitations which preclude energy independence absent a long range shift in the primary energy resource from oil to coal, nuclear and solar power. While higher domestic prices may marginally increase production from existing reserves and somewhat speed the rate of discovery,[2] there seems to be no way of avoiding the continuing international relations problem of obtaining adequate supplies of foreign crude oil without disastrous trade imbalances. In fact, the employment of substantial amounts of investment capital for oil exploration under the artificial stimulus of a windfall profits plowback might well retard investment in new technologies with far greater promise for future independence.

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[1] A barrel is 42 gallons.

In sum, since higher prices can call forth only limited additions to domestic supply, the American economy would be called upon to pay an enormous price for a limited benefit were domestic prices permitted to rise to OPEC levels. And even with these enormous burdens assumed, our own oil companies have candidly told us that the 6–7.5 million barrel per day import limit targeted by the House in H.R. 6860 would choke our economy. In short, OPEC prices for domestic oil can only marginally reduce our import supply dependence and cannot solve our national security problem.

B. Conservation considerations

It is frequently argued that high oil prices are required to produce meaningful reductions in energy consumption and induce businesmen and consumers to seek more energy efficient capital goods. And it is apparent that the increase in average crude oil costs from about $3.90 in May 1973 to over $10 in February 1975 has already limited total oil consumption and created added consumer interest in fuel efficiency. The policy problem, however, is to segregate meaningful conservation from reductions in consumption directly reducing the level of useful business activity.

Thus, for example, gasoline usage in automobiles decreased 4 percent in 1974 in sharp contrast to an average annual increase of about 5 percent in the preceding five years. At the same time, there was a marked shift to smaller vehicles which held almost 50% of the market in 1974. Similarly, the scheduled airlines reported that for the 12 month period ending September 1974, they were able to save almost 600 million gallons of jet fuel by intensive use of simulators and such operational efficiency measures as reducing inflight speed, shutting down engines on taxi operations and shut down holding at departure gates when delay was likely. Other industries have also made substantial strides in decreasing energy use without decreasing output and employment.

On the other hand, it is apparent that a significant portion of existing energy seving is already coming from reduction in economic activity. The world-wide recession in industrial countries is freely acknowledged as the cause of the current glut of crude oil in international markets. While further price increases could accelerate this type of consumption reduction, sound policy cannot be based on creating a permanent state of recession as a defense against the disruptions of the OPEC cartel.

Moreover, achieving conservation through changes in capital equipment will take time. A relatively complete turnover in the automobile fleet alone will require 8 years. Achieving technological breakthroughs in aircraft and other industrial capital equipment is a prerequisite to even approaching improved conservation which will then require enormous capital investment.

In short, the energy consciousness and cost incentive already caused by the embargo and related price explosion has tested the limits of conservation on the existing capital base and created a substantial pressure for improved capital equipment. Achieving "conservation" by immediate price escalations would achieve marginal results at maximum costs. For example, gasoline tax proposals have been aimed at 20–30 cent per gallon increases as the only method of substantially limiting consumption. A 20–30 cent per gallon increase across-the-board would, however, have a terrifying effect on all business activity with the recession impetus totally dwarfing any meaningful conservation.

In sum, we may have come as far as we can in using price to induce operational conservation, and we must take a hard look at the most efficient means of stimulating capital replacement with more energy efficient machinery.

C. Cost of regulation considerations

All businessmen are acutely aware of the costs of complying with federal regulation. These costs arise both from the administrative requirements of compliance (e.g., filings, monitoring, audits) and from deviations from optimum business options (e.g., supply diversion) caused by regulatory compliance.

The FEA regime has undoubtedly generated substantial regulatory costs. On the administrative side, these costs are largely amortized since the basic price control regime has been in place since September 1973 and reporting and accounting requirements have been imposed since 1971. On the substantive side, however FEA's efforts to depart from its basic mission of providing equity in crude oil pricing and passthrough by attempting to regulate competition within the oil industry through buy/sell programs, entitlement programs and mandated buyer/seller relationships has caused enormous and continuing dislocations.

Unfortunately, "decontrol" will not arrest the concerns which have caused onerous regulations designed to protect independent refiners and marketers. While "decontrol" would unify the cash sale price of all crude oil, it would have little impact on the cost of crude oil production. Thus, companies with their own crude resources would maintain relatively constant costs and arguably be placed at enormous advantage over independent refiners whose crude oil cash costs would jump immediately.[3] Similarly, as the market for refined products contracted, there would almost certainly be continuing complaints from independent marketers about the marketing operations of integrated companies.

The regulatory dislocations attributable to government efforts to balance competition within the oil industry are thus likely to outlive decontrol and persist until the government is prepared to accept the decision of the marketplace or find more direct means of subsidizing the independent sector. Taking the risks of decontrol to solve the regulatory cost problem is a losing gamble.

III. STRIKING THE BALANCE UNDER H.R. 7014

H.R. 7014 has been designed to avoid the excessive risks of decontrol while making constructive use of market incentives for increasing supply and effecting genuine conservation. In addition, H.R. 7014 directly attacks the problems of embargo vulnerability, excessive gasoline consumption and shifts to more energy efficient machinery.

Under H.R. 7014, domestic crude oil ceiling prices would gradually be unified at $7.50 per barrel with an additional $1.00 per barrel incentive for high cost recovery methods or recovery from remote locations. In about 1980, the $7.50 ceiling price would be permitted to rise at 8% per year to adjust for future inflation and to unify with the $8.50 price. There would be no fixed date for "decontrol" although ceiling prices would have no fixed limit and thus might eventually rise over OPEC prices if the OPEC cartel is tamed.

In addition to avoiding the massive economic risks of decontrol, H.R. 7014 would minimize the exposure of our economy to OPEC price increases. For example, using Joint Economic Committee figures, the direct cost of $2 per barrel OPEC increase after decontrol is $15.4 billion. With H.R. 7014, that cost would decrease to about $7.8 billion.[4] This approximate $7.5 billion saving would itself save 70,000 jobs and ¼ of 1 percent of our real growth.

Thus, the principal merit of H.R. 7014 is that it gives first priority to the needs of our economy. Under H.R. 7014, our domestic oil resources would be used to shield us against the designs of OPEC and to make us far less vulnerable to a form of economic warfare by price which has already crumbled the economies of Britain and Italy and now, according to President Ford, threatens the economies of all of Western Europe and Japan. If we permit OPEC to dictate the pricing of our own energy resources, our economic fate will be in their hands.

Moreover, the continuation of reasonable domestic energy prices has additional importance in pursuing the goal of eventual return to an eventual international free market in energy. The $7.50 per barrel price in H.R. 7014 matches FEA's own estimate of a reasonable longterm price for oil and would generate correspondingly sensible price structures for mineral lease rights and drilling equipment. Artificial inflation of crude oil prices to OPEC levels would drive up the costs of leasing and production and establish powerful vested interests in $16 per barrel pricing. Under these conditions, there would be no incentive for international purchasers (who are also domestic producers) to cut their own returns by breaking the OPEC prices. With reasonable domestic prices, however, there would be full incentive to minimize international prices to save carrying costs and stimulate demand. And we should not forget that it is our international oil companies with their enormous supply expertise and management ability which stand the best chance of restoring an international energy market.

H.R. 7014 makes equally good sense from a supply perspective. The $7.50 per barrel price ceiling is well above any cost of domestic production even without the $1 added incentive. H.R. 7014 also avoids any further taxation and thus establishes a profit incentive at reasonable prices which may equal or exceed the profit incentive at OPEC prices with a stiff windfall profits tax. We should not forget that exploration in Alaska was committed while the price of oil was less than $4 per barrel and that the enormously difficult exploration of the North Sea commenced in 1964 when international oil prices were less than $2 per barrel.

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[2] In its inflationary impact statement on decontrol, FEA estimated that decontrol plus a $1 import fee would produce an additional 49 million barrels of crude oil (4 days supply) by 1977. More recently, FEA has estimated total U.S. reserves at 38 billion barrels, and a Cornell University consulting study estimated the total crude oil reserve on the Atlantic Continental Shelf (the last unexplored domestic area) at under 5 billion barrels, or less than a one-year supply.

[3] Integrated refiners treat production and refining as separate profit centers and thus can claim to have no competitive advantage at refinery level regardless of crude oil profitability. Regardless of the merits of this contention, and they may be substantial, the political pressure to assist independents cannot be expected to abate with decontrol. It should not be forgotten that the original petroleum regulating authority was added to the Economic Stabilization Act to deal with the problems of independents and that the Emergency Petroleum Allocation Act is replete with this concern.

[4] The Joint Economic Committee staff estimated a $9.8 billion impact under existing regulations which tie the price of 20 percent of our domestic ("exempt") supplies to the OPEC plus import fee level. Since this relationship would be broken under H.R. 7014, there would be a further insulation of at least $2 per barrel for the 1 billion barrels of "exempt" oil we now utilize.

H.R. 7014 recognizes, as did FEA's Project Independence, that a $7.50 incentive may optimize investment in domestic energy production and exploration, particularly when the enormous added costs of marginal production increases stimulated by higher prices cannot produce even a semblance of energy independence. Indeed, H.R. 7014's direct approach to an embargo threat through creation of a substantial crude oil reserve seems a far less expensive and more effective counterforce from a national security perspective.

From a conservation standpoint, H.R. 7014 also strikes an intelligent balance. Stabilization of domestic prices would still preserve price increases already in place and the consequent incentives to conservation. Indeed, as OPEC prices continued to rise, their impact would continue to be felt and thus maintain pressure on operational conservation.

Equally important, H.R. 7014 directly limits increases in gasoline consumption, thus striking at the principal form of consumption not directly tied to the level of business activity. And H.R. 7014 invokes strong measures to produce gradual but important improvements in automobile and appliance energy efficiency. Conservation can never be painless but H.R. 7014 targets the pain in areas where the response can be a constructive attack on waste rather than a convulsive contraction of the basic business organism.

Finally, H.R. 7014 would put crude oil regulation on a longterm foundation thus avoiding the uncertainties and gyrations which compound regulatory cost problems and distort market behavior. It avoids, for example, the chaos which might ensue from a short phased decontrol with its enormous incentive to shut down domestic production in anticipation of a windfall. And by providing a longterm, domestically established, reasonable price for oil (the dominant energy resource), H.R. 7014 lays a foundation for market control of natural gas and other subsidiary energy resources.

All in all, H.R. 7014 deserves the support of the concerned business community. It is a program which avoids the intolerable economic risks of turning control of energy pricing completely over to OPEC while maintaining full scale incentives for our ultimate goal of restoring a free market in energy domestically and internationally.

"THE LETHAL SOCIETY"

(Mr. OTTINGER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. OTTINGER. Mr. Speaker, the Nobel laureate Dr. George Wald, gave a speech recently at a conference in Switzerland on "The Limits to Medicine."

In the current, mid-July issue of Not Man Apart, the publication of Friends of the Earth, Dr. Wald's remarks were printed as the lead article, entitled, "The Lethal Society." It is a chilling piece, and one which is invaluable for its breadth. I would like to commend the piece to the attention of my colleagues.

I should note that Friends of the Earth is an environmental organization of more than 23,000 members in this country and abroad, with foreign affiliates in England, France, Sweden, Germany, Holland, Yugoslavia, South Africa, Ireland, Australia and New Zealand of which I am proud to serve as Executive Vice President and a member of the Board of Directors.

The text of the Wald article follows:

THE LETHAL SOCIETY

(By George Wald)

I've had the strange feeling in this meeting, listening to the papers on the limits of medicine, that they seem to disregard what I think is our major trouble. That is that we are talking about the limits of medicine in a highly lethal society, and indeed one that is threatening to die, perhaps soon. And that makes a special set of problems.

Why do I say a highly lethal society? Well, because no society in human history has cultivated the technology of killing and destruction as has Western society under Christianity. It's a commentary on this that our Western world has been so shocked that India produced an atom bomb, a very small one by present standards. The shock was not in the atom bomb (we have lots of those, and big ones). The shock consisted in an atom bomb being produced in the wrong place, by the wrong kind of nation. A Third World country has no business producing an atom bomb. . . .

My own nation, the United States, is now making three hydrogen warheads per day. The Soviet Union keeps pace with us. You must think of the limits of medicine, and how to humanize medicine, against the background of the production in my country of three hydrogen warheads per day.

It is not only atomic bombs we need to fear. Nuclear power, that enticing thing, in all its present forms threatens our future as a civilization and as people. . . .

Every nuclear reactor of any type now at work produces as a by-product plutonium 239, probably the most toxic substance known. One milligram inhaled is enough to kill a person within hours by massive fibrosis of the lungs. One microgram is likely eventually to cause lung or bone cancer. Also, this is the most convenient material out of which to make fission bombs. The "trigger" quantity, the quantity of plutonium 239 with which one can make an atom bomb, is *two kilograms*. You could carry that amount perfectly safely in a brown paper grocery bag. A plutonium 239 bomb of the explosive force of the bomb that leveled Hiroshima and killed 100,000 persons would take six to seven kilograms. You'd have to put that in a shopping bag. . . .

THE WORKPLACE ENVIRONMENT

I have not yet heard spoken of in this meeting a terrible problem. It is the danger of the workplace, the problem for workers to stay alive while making a living. I have heard several times here the auto referred to as a big killer of healthy persons. In the United States, the workplaces are at least as big a killer. We register about 22,000 deaths by industrial accident every year and 2.2 million disabling accidents. But those statistics don't touch the slow killing: the black lung of the coal mines; the brown lung that is produced by exposure to the dust of cotton and hemp and flax in the textile mills; the silicosis, asbestosis, and uranium poisoning, and the large number and variety of cancers associated with these conditions. None of these chronic conditions rate in the statistics. And indeed, this kind of statistics is hard to come by, because the industry fights tooth and nail to keep them concealed. The reason is obvious. Every attempt to make the workplaces safer increases the cost of production; every alleged work injury represents an insurance or compensation cost. So it is in the interest of industry to conceal these disabilities. In the U.S., the only physicians who concern themselves with these disabilities, or who are available at the workplace, are almost without exception employed by the industry and make their reports to the industry, not to the workers.

AEROSOLS AND OZONE

The whole of humanity now suffers from a series of exceedingly threatening new developments, all coming to a head at about the same time, close to the year 2000. I am one of those scientists—and believe me, it is no pleasure—who, trying as we will, hoping as we do that something in our view of things is wrong, still find it very difficult to see how the human race is to get itself much past the year 2000. So there isn't much time.

Another worldwide threat has just hit us. I don't know whether all of you realize that the only thing that makes life possible on the surface of the Earth is the fact that after photosynthesis had put oxygen gas into our atmosphere, high up in the atmosphere a very thin layer of ozone formed. You might be surprised to know how thin that layer is. If all the ozone in our upper atmosphere were brought to what we call standard conditions—that is, zero degrees centigrade and atmospheric pressure—it would form a layer only three millimeters thick. That exceedingly delicate layer of ozone filters out of the sunlight reaching the Earth the short-wave radiation that would otherwise kill all forms of life. Before that ozone layer formed, life on Earth had to stay under water.

Now we are told that those aerosol spray cans that are so convenient—I used one this morning, we use them now for everything that can be sprayed—that the propellant in those spray cans is attacking the ozone layer. Those propellant gases—mixtures of chlorofluoromethanes, often with the cancerogenic vinyl chloride added—are now entering our atmosphere in ever-increasing quantities. As they rise gradually into the high atmosphere, short-wave radiation from the sun liberates their chlorine; that then initiates a catalytic chain reaction that destroys ozone. It is estimated that if we were to stop all use of spray cans now, we would already be destined to lose about 10 percent of the ozone layer. If we go on using aerosol spray cans much longer, we could lose it all.

That's an interesting possibility. For those spray cans now represent a $3-billion-a-year industry in the United States. Pit the future of life on the surface of Earth against the economic welfare of a $3-billion-a-year industry and where do you place your bets? Which is going to win out? I leave you to imagine. In any case, we are being told now not to act—that more research is needed. I'll come back to that dilemma shortly . . . .

THE JOLLY GREEN GIANT

Every few years one is told that Malthus was wrong: that he was "naive" in thinking that we might eventually overpopulate the globe relative to our food resources. The last event said to demonstrate that Malthus was wrong was the Green Revolution.

In fact, the Green Revolution has a terrible contradiction at its core. The biggest single event in the history of life on this planet was the development of photosynthesis. That made us independent of the accumulation of organic molecules upon which life depended from its origin until—through photosynthesis, using the energy of sunlight—life could make its own organic molecules. Well, the Green Revolution has reversed this development by making us dependent again upon fossil organic molecules. It is a poor bargain. The total energy consumed by US agriculture per year is equivalent to more than 30 billion gallons of gasoline. This represents more than five times the energy content of the food produced. The Green Revolution means that we use fossil fuels produced by early ages of photosynthesis to promote present-day photosynthesis.

The Green Revolution rests upon huge amounts of synthetic fertilizers and synthetic pesticides and herbicides, all produced with fossil fuels—with coal and oil. That worked as long as coal and oil were cheap. But they no longer are cheap; and with that, much of the Green Revolution, particularly for the Third World, has gone bankrupt. . . .

THE CULTIVATION OF "MARGINAL MEN"

Until recently, the intensifying food shortages in the world could be ascribed mainly to increase in population. To this a new element has been added, mainly within the last decade: a sudden large increase in the demand for meat—for beef and pork—in the developed nations. I was in Japan twice, six years apart, and was amazed by the change in Japanese dietary habits during that short period. This places an enormous burden upon the poorer and hungrier parts of the world, because making that meat strikes a very bad nutritional bargain. It takes about eight pounds of grain to make one pound of meat. The grain that might otherwise go to feeding a starving peasantry is instead fed to hogs and cattle to supply this enormously increased demand for meat in the affluent word. Dr. Georg Borgstrom has calculated that US livestock consume enough food materials to feed 1.3 billion persons and world livestock consume enough to feed 15 billion persons.

Another development greatly aggravates these troubles. Most of human work used to be done with human muscles; but now, increasingly, it is done by machines—even in agriculture. Agriculture is rapidly going over from farming to agri-business. In my own country, 51 percent of the vegetables, 85 per cent of the citrus fruits, 97 percent of the chickens, and 100 percent of the sugar cane are being produced by the same companies that make our aircraft, control our oil and coal, and run our transportation system. That kind of thing is happening all over the world. It is another aspect of the Green Revolution; and everywhere it is throwing people out of work. Unemployment is rising all over the world—and something much worse. It is not just that many persons are unemployed, which one thinks of as a temporary condition, but that there is no further use for them in the free-market economy. They are wanted neither as workers nor as consumers. They are not wanted at all. Their existence is looked on as an embarrassment—even as a potential threat, for they continue to demand food, clothing, and shelter. Even education. Robert MacNamara, in his report to the World Bank of September 21, 1970, referred to such superfluous persons as "marginal men." He estimated that there were then 500 million of them, that by 1980 there would be one billion, and by 1990, two billion. That would be close to half the world population. . . .

THE LIMITS OF RESEARCH

What are we to do? It is easy to say what is wrong, but how to make it right?

One kind of person has one answer all prepared. Research. If people are hungry, set up a well-funded project on hunger. If our world is coming to an end, set up a well-funded Project Apocalypse.

As a research person, I should like to say something about this. Research is a fine thing. We never know enough about anything. But research must not be allowed to become a trap, a means of endlessly putting off action. And that's the way it is frequently being exploited. That's the way it is with the big industrial diseases, with pollution, with tobacco smoking and cancer, and most recently with aerosol spray cans and the ozone layer. We are told that "all the facts are not yet in." How inane! All the facts are never in. Each of these situations changes as one studies it. So let's by all means have more research. But let us also act; let us do what is needed.

We already know enough to *begin* to cope with all the major problems that are now threatening human life and much of the rest of life on Earth. Our crisis is not a crisis of information; it is a crisis of decision, of policy.

Though we already know enough to begin to cope with all the major problems, I don't know one of those major problems that we could begin to cope with *while maximizing profits*. And I think that a society such as our own that puts the maximization of profits above all other considerations is thereby headed for destruction and is doomed. . . .

What we need is a reorganization of our society, a fundamental change in its direction, so as better to meet human needs, to fulfill human values, to humanize what is now increasingly alienating, to serve life rather than death. To fulfill short-term goals for an increasingly narrow power structure, we are devastating the Earth; and the business of killing—armaments—is now by far the world's biggest business. . . .

TOWARD A NON-LETHAL SOCIETY

As I try to think in terms of a reorganization of society, it seems to me increasingly clear that the really significant journey to make is not to the moon, but to China. One sees things going on in China that are altogether surprising to middle-class persons who have grown up in our society. . . . With famine in much of the Third World, no Chinese is expected to starve this year. You don't have to take that from the Chinese or from me. Twenty American agricultural experts went over as a delegation a couple of months ago, and they came out saying that China seems well supplied with food—that the hunger prevalent in other parts of the Third World is not afflicting the Chinese. Then they said something more that has a wonderfully ironic twist: that the Chinese are not producing agricultural experts, and that unless they begin quickly to produce agricultural experts, they'll soon be in trouble! . . .

The only solutions for the problems I have spoken of are *political*. They must come out in the form of political power exercised by an aroused people who insist on taking their lives back into their own hands.

What we fondly call the free world is composed almost entirely (in its Third World components) of military dictatorships. That phrase, the free world, used to trouble me until I finally realized what it meant. The free world consists of those nations that get their armaments *free* from the U.S.

In our free world—perhaps you feel differently in Switzerland—the governments are not masters. . . . Then who are the masters? I think that our so-called free world is now wholly controlled by such multinational super-enterprises as General Motors, Exxon, the Chase Manhattan Bank, ITT, Royal Dutch Shell, and British Petroleum. . . .

I don't know myself where to turn politically. We don't have a politics in the United States at present that promises to go in the direction I think our society needs to go. That's no accident. We now sell and buy political candidates in exactly the same way we sell and buy toothpaste and soap. The same advertising methods are used, and the same people are paying for it. . . .

Our present society seems to me to have the following structure. In control is a very small power elite, in which is concentrated more power and wealth than ever before in human history. At the other end of the social scale is a great, faceless mass of workers—increasingly urban, and hence increasingly dependent on their employment. In between is the middle class to which we ourselves belong. It includes all government officials, high and low, all military and police officials; professors, journalists and clergymen; physicians and lawyers. The role laid out for it is to mediate between the power elite and the working masses; to keep the system running, if possible smoothly, but to keep it running at all costs; to rationalize the system's contradictions; to foster its acceptance through education, indoctrination, and religious exhortation; to fragment and dilute any opposition, and in the event of serious challenge, to control or crush it.

Conceivably, such a system could work to social advantage. At times and places in the past, it may have done so. But in recent history, it has turned destructive. It is leading our society rapidly toward disaster. In an obsessive pursuit of short-term profit and power, it threatens to bring an end to the human enterprise. And our role as the middle class, the role for which we are designed, trained, employed, and paid, is to help that to happen—to do what we can to smooth the way to that disaster.

But do we have to accept that role? We have a choice. We can opt for life rather than death. Rather than serve the power elite in its present plunge toward destruction, we can turn the other way; we can *serve the people.*

INDEPENDENT CATTLEMEN'S ASSOCIATION POSITION ON LAND USE, MEAT IMPORT, AND BEEF RESEARCH LEGISLATION

(Mr. PATMAN asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PATMAN. Mr. Speaker, the Independent Cattlemen's Association of Texas is very new as organizations go, but it represents many cattlemen and has been extremely active in making the views of its members known on national issues.

Anyone who reads the newspapers is aware that cattlemen have, in recent months, been the victims of a full-fledged depression in the livestock industry—the result of surplus beef production here at home, massive imports of beef from abroad, and skyrocketing costs for feedgrain, equipment, services, and real estate taxes. Despite their difficulties, however, our cattlemen are highly independent businessmen who seek no subsidies or handouts. All they ask is a chance to compete fairly.

Mr. Speaker, cattlemen and their families continue to embody the strengths that have so long been associated with our democratic, free enterprise system. These hard working and self-reliant Americans deserve our respect and I hope that my colleagues will give careful consideration to the views expressed in the three Independent Cattlemen's Association Resolutions that follow on the issues of land use, meat imports, and beef research:

RESOLUTION

Whereas, The Congress presently has pending before it land use legislation; and,

Whereas, Many of the basic individual rights upon which this country was founded will be violated if such legislation is adopted; and

Whereas, The importance of this legislation cannot be overemphasized due to its effect on the continuation of private ownership of land; and

Whereas, There are great geographic differences amongst the various states and regions of these United States; and

Whereas, The matter of land use regulation is not a federal question; and

Whereas, There are many other pressing matters that the Congress should address to strengthen and improve the people's trust and confidence in our government and its leaders and improve domestic and international economic conditions which cannot be accomplished by enacting land use legislation which so many people unalterably oppose; now, therefore, be it

Resolved, That the Independent Cattlemen's Association of Texas, Inc. hereby unequivocally expresses its opposition to the enactment of federal land use legislation; and, be it further

Resolved, That a copy of this resolution be sent to each member of the Texas Congressional Delegation, and the officers and directors of this Association are hereby instructed to make the position of the Association known to all appropriate persons.

RESOLUTION

Whereas, More livestock both live and already slaughtered was imported in 1974 than any other single year; and

Whereas, The livestock producer in the United States has suffered almost irreparable economic consequences due to market fluctuations; and

Whereas, Processed imported livestock is received into the United States under conditions which do not meet health standards for domestic livestock; and

Whereas, The United States Department of Agriculture statistics of livestock imports and domestic inventories of livestock are not sufficiently accurate to rely upon; and

Whereas, The livestock market must be reestablished to let supply and demand operate and provide a fair return on investment to the producer or otherwise many small producers will be financially ruined, which will worsen an already faltering national economy; and

Whereas, The Congress now has pending HR 6118 and S. 595 which would place a 750,000,000 pound limitation on imported livestock and remove Presidential authority to waive the import limitations of the Act which the President has done in recent years; and

Whereas, This bill can help reestablish the livestock market; now, therefore, be it

Resolved, That the Independent Cattlemen's Association of Texas, Inc. hereby endorses HR 6118 and S. 595 and urges the passage of one of these bills by the Congress; and, be it further

Resolved, That copies of this resolution be sent to each of the members of the Texas Congressional Delegation, the President of the United States, the Speaker of the House, and the President Pro-tem of the Senate.

RESOLUTION

Whereas, The Federal Congress now has pending S. 722 and H.R. 3718, the Beef Research and Consumer Information Act, and

Whereas, the proposals expressed in the bill to bring about stability in the marketplace, better education of the producer and a better product for the consumer, are propositions with which this Association agrees, and

Whereas, worthy proposals are often destroyed by the actual meaning in the detail of legislation, and

Whereas, it is the judgment of the Independent Cattlemen's Association of Texas, Inc. that the legislation as originally drafted does not accomplish the purposes set out therein and in fact could create greater hardships and much misunderstanding amongst the beef producers and organizations representing the beef producers and the consumer, and

Whereas, our Association President, T. A. Cunningham, has previously testified against these bills in their initial form; now, therefore, be it

Resolved, By the House of Delegates of the Independent Cattlemen's Association of Texas, Inc. that it approves the testimony previously presented to the Congressional Committees and urges that S. 772 and H.R. 3718 in their initial form not be passed; and, be it further

Resolved, that a copy of this Resolution and the testimony of Association President, T. A. Cunningham, be furnished to each member of the Texas Congressional Delegation and other appropriate persons.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. Dellums (at the request of Mr. O'Neill), for today, on account of illness.

Mr. Hughes (at the request of Mr. O'Neill), for today, on account of official business.

Mr. Jenrette (at the request of Mr. O'Neill), for today, on account of official business.

Mr. Levitas (at the request of Mr. O'Neill), for today, on account of official business.

Mr. Steiger of Wisconsin (at the request of Mr. Rhodes), for 1 week, on account of selection as official U.S. representative at USIA exhibit in Moscow on Technology for the American Home.

Mr. Thompson (at the request of Mrs. Meyner), for today, on account of official business at Fort Dix.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Gradison) and to revise and extend their remarks and include extraneous matter:)

Mr. Kemp, for 15 minutes, on July 15, 1975.

Mr. Railsback, for 5 minutes, today.

(The following Members (at the request of Mr. Krueger) to revise and extend their remarks and include extraneous material:)

Mr. Gonzalez, for 5 minutes, today.

Mr. Koch, for 10 minutes, today.

Mr. Drinan, for 30 minutes, today.

Mr. Burke of Massachusetts, for 5 minutes, today.

Mr. Oberstar, for 5 minutes, today.

Mr. Murphy of New York, for 10 minutes, today.

Mr. Alexander, for 60 minutes, July 16, 1975.

Mr. Won Pat, for 60 minutes, July 21, 1975.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the Appendix of the Record, or to revise and extend remarks was granted to:

Mr. Obey, and to include extraneous matter notwithstanding the fact that it exceeds two pages of the Record and is estimated by the Public Printer to cost $643.50.

Mr. Moffett, and to include extraneous material in his remarks on H.R. 7014 in the Committee of the Whole today.

(The following Members (at the request of Mr. Gradison) and to include extraneous material:)

Mr. Peyser in 10 instances.

Mr. Martin.

Mr. Kemp in two instances.

Mr. Crane in two instances.

Mr. Steiger of Wisconsin in two instances.

Mr. Ashbrook in five instances.

Mr. Anderson of Illinois in two instances.

Mrs. Holt.

Mr. Derwinski in three instances.

Mr. Shuster.

Mr. Conte.

(The following Members (at the request of Mr. Krueger) and to include extraneous matter:)

Mr. Blanchard in two instances.

Mr. Gonzalez in three instances.

Mr. Anderson of California in three instances.

Mr. Fraser in two instances.

Mr. Roybal.

Mr. Helstoski.

Mrs. Sullivan.

Mr. Traxler.

Mr. Mazzoli.

Mr. Clay in 10 instances.

Mr. Andrews of North Carolina.

Mr. Santini in two instances.

Mr. Burke of Massachusetts.

Mr. Mottl.

Mr. Holland in two instances.

Mr. O'Hara.

Mr. Moakley.

Mr. Yatron.

Mr. Dingell in two instances.

Mr. McDonald of Georgia in six instances.

Mr. Nowak.

Mr. Steed.

Mr. Zeferetti.

Mr. Wirth.

Mrs. Schroeder.

Mr. Russo.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 565. An act to amend title 28, United States Code, to provide for effectively for bilingual proceedings in all district courts of the United States, and for other purposes; to the Committee on the Judiciary.

BILLS PRESENTED TO THE PRESIDENT

Mr. HAYS of Ohio, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, bills of the House of the following title:

H.R. 5709. To extend until September 30, 1977, the provisions of the Offshore Shrimp Fisheries Act of 1973 relating to the shrimp fishing agreement between the United States and Brazil, and for other purposes; and

H.R. 5710. To amend the Marine Protection, Research, and Sanctuaries Act of 1972 to authorize appropriations to carry out the provisions of such Act for fiscal year 1976 and for the transition period following such fiscal year, and for other purposes.

ADJOURNMENT

Mr. KRUEGER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock p.m.), under its previous order, the House adjourned until tomorrow, Wednesday, July 16, 1975, at 10:15 o'clock a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1398. A letter from the Acting Secretary of the Army, transmitting a draft of proposed legislation to amend section 6(d)(1) of the Military Selective Service Act (50 U.S.C. App. 456(d)(1)) to provide greater training flexibility for Reserve officers ordered to active duty for training for not more than 6 months by deleting the requirement that they be ordered to active duty for not less than 3 months; to the Committee on Armed Services.

1399. A letter from the Chairman and members, U.S. Commission on Civil Rights, transmitting a report evaluating the civil rights activities of Federal agencies with major responsibilities for insuring equal employment opportunity, pursuant to Public Law 85–315, as amended; to the Committee on the Judiciary.

1400. A letter from the Administrator of General Services, transmitting prospectuses proposing the extension of leases for space presently occupied at one location in Baltimore, Md., and two locations in Washington, D.C., pursuant to section 210(h)(1) of the Federal Property and Administrative Services Act of 1949, as amended; to the Committee on Public Works and Transportation.

Received From the Comptroller General

1401. A letter from the Comptroller General of the United States, transmitting a report on the examination of the financial statements of the National Credit Union Administration for fiscal year 1974; jointly, to the Committees on Government Operations, and Banking, Currency and Housing.

1402. A letter from the Comptroller General of the United States, transmitting a report on the need to reduce public expenditures for newly arrived immigrants and correct inequities in current immigration law; jointly, to the Committee on Government Operations, and the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ULLMAN: Committee on Ways and Means. House Concurrent Resolution 252. Concurrent resolution approving the extension of nondiscriminatory treatment to the products of the Socialist Republic of Romania (Rept. No. 94–359). Referred to the Committee of the Whole House on the State of the Union.

Mr. YOUNG of Texas: Committee on Rules. House Resolution 601. Resolution providing for the consideration of H.R. 5210. A bill to authorize certain construction at military installations, and for other purposes (Rept. No. 94–360). Referred to the House Calendar.

Mr. YOUNG of Georgia: Committee on Rules. House Resolution 602. Resolution providing for the consideration of H.R. 5328. A bill to authorize the Smithsonian Institution to plan museum support facilities (Rept. No. 94–361). Referred to the House Calendar.

Mr. YOUNG of Georgia: Committee on Rules. House Resolution 603. Resolution providing for the consideration of H.R. 6673. A bill to provide for the establishment of an American Folklife Center in the Library of Congress, and for other purposes (Rept. No. 94–362). Referred to the House Calendar.

REPORTED BILLS SEQUENTIALLY REFERRED

Under clause 5 of rule X, bills and reports were delivered to the Clerk for printing, and bills referred as follows:

Mr. FRASER: Committee on International Relations. H.R. 1287. A bill to amend the United Nations Participation Act of 1945 to halt the importation of Rhodesian chrome; with amendment, and referred to the Committee on Armed Services for the period ending July 26, 1975 (Rept. No. 94–263, Pt. I). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CLANCY:

H.R. 8642. A bill to authorize the issuance of gold commemorative coins bearing the seal or symbol of the American Revolution Bicentennial Administration; to the Committee on Banking, Currency and Housing.

By Mr. CONABLE:

H.R. 8643. A bill to authorize the home production of beer; to the Committee on Ways and Means.

By Mr. ROBERT W. DANIEL, JR. (for himself, Mr. Andrews of North Carolina, Mr. Broyhill, Mr. Butler, Mr. Dan Daniel, Mr. Downing of Virginia, Mr. Fountain, Mr. Hefner, Mr. Henderson, Mr. Jones of North Carolina, Mr. Preyer, Mr. Martin, Mr. Neal, Mr. Robinson, Mr. Rose, Mr. Satterfield, Mr. Taylor of North Carolina, Mr. Wampler, and Mr. Whitehurst):

H.R. 8644. A bill to provide that certain property owners shall be permitted access to their property through the Back Bay National Wildlife Refuge; to the Committee on Merchant Marine and Fisheries.

By Mr. FASCELL:

H.R. 8645. A bill to provide additional financial assistance for consumer education and market development programs pertaining to U.S. fisheries; to the Committee on Merchant Marine and Fisheries.

By Mr. FLORIO:

H.R. 8646. A bill to improve the reliability, safety, and energy efficiency of transportation and to reduce unemployment by providing funds for work in repairing, rehabilitating, and improving essential railroad roadbeds and facilities; to the Committee on Interstate and Foreign Commerce.

By Mr. FOLEY:

H.R. 8647. A bill to provide for rehabilitation of Conconully Dam and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 8648. A bill to amend title 39, United States Code, to provide that certain publications of institutions of higher education shall qualify for second-class mail rates; to the Committee on Post Office and Civil Service.

By Mr. HEINZ (for himself, Mr. Wirth, Mr. Esch, Mr. Roe, Mr. Conte, Mr. Ford of Tennessee, and Mr. Pattison of New York):

H.R. 8649. A bill to amend title XX of the Social Security Act to provide that no State shall be required to apply a means test, or limit benefits on the basis of federally prescribed income levels, in determining the individuals for whom education, transportation, recreation, socialization, or associated services may be provided thereunder, if such services are provided in a manner consistent with certain specified State programs; to the Committee on Ways and Means.

By Mr. BARRETT (for himself, Mr. Brown of Michigan, Mr. Reuss, Mr. Moorhead of Pennsylvania, Mr. Ford of Tennessee, Mrs. Spellman, Mr. AuCoin, Mr. Johnson of Pennsylvania, Mr. J. William Stanton, Mr. Wylie, and Mrs. Fenwick):

H.R. 8650. A bill to assist low-income persons in insulating their homes, to facilitate State and local adoption of energy conservation standards for new buildings, and to direct the Secretary of Housing and Urban Development to undertake research and to develop energy conservation performance standards; to the Committee on Banking, Currency and Housing.

By Mr. HINSHAW (for himself, Mr. Ketchum, Mr. Aspin, Mr. Carter, Mr. Roe, Mr. Pepper, Mr. Fish, Mr. Burke of Massachusetts, Mr. Harrington, Mr. Kindness, Mr. Moakley, Mr. Fulton, Mr. Stark, Mr. Esch, Mr. Carr, and Mr. Mitchell of Maryland):

H.R. 8651. A bill to provide that the U.S. Postal Service may not require the installation of mailboxes at the curb line of residential property in certain localities; to the Committee on Post Office and Civil Service.

By Mr. McCORMACK.

H.R. 8652. A bill to authorize the Secretary of the Army to delegate to the States certain functions with respect to the location and plans for structures, excavations, dredging, or fills in or on certain navigable and other waters of the United States; to the Committee on Public Works and Transportation.

By Mr. PATTISON of New York (for himself, Mr. Addabbo, Mr. Badillo, Mr. Biaggi, Ms. Chisholm, Mr. Downey of New York, Mr. Fish, Mr. Gilman, Mr. Kemp, Mr. Ketchum, Mr. Koch, Mr. Lent, Mr. McEwen, Mr. McHugh, Mr. Mitchell of New York, Mr. Murphy of New York, Mr. Peyser, Mr. Pike, Mr. Richmond, Mr. Stratton, Mr. Thone, Mr. Walsh, Mr. Whitehurst, and Mr. Zeferetti).

H.R. 8653. A bill to authorize the States to carry out certain functions of the Secretary of the Army and the Chief of Engineers on intrastate waters; to the Committee on Public Works and Transportation.

By Mr. ROONEY (by request):

H.R. 8654. A bill to provide for the improvement of the Nation's railroad system, and for other purposes; jointly to the Committees on Interstate and Foreign Commerce, and Ways and Means.

By Mr. ROYAL (for himself, Mr. Chappedd, Mr. Patterson of California, and Mr. Waxman):

H.R. 8655. A bill to authorize funds for assistance to local educational agencies for the education of Cambodian and Vietnamese refugees, and for other purposes; to the Committee on Education and Labor.

By Mr. St GERMAIN:

H.R. 8656. A bill to amend the Tariff Schedules of the United tSates in order to provide for the duty-free importation of loose glass prisms used in chandeliers; to the Committee on Ways and Means.

By Mr. SANTINI (for himself, Mr. Howe, Mr. Johnson of California, Mr. Roncalio, and Mr. Steiger of Arizona):

H.R. 8657. A bill to exempt range sheep industry mobile housing and temporary range cattle camps from regulations affecting permanent housing for agricultural workers; to the Committee on Education and Labor.

By Mr. YOUNG of Georgia (for himself, Mr. Haley, Mr. Udall, Mr. Phillip Burton, Mrs. Mink, Mr. Stephens, Mr. Vigorito, Mr. Melcher, Mr. Roncalio, Mr. Seiberling, Mr. Won Pat, Mr. de Lugo, Mr. Eckhardt, Mr. Santini, Mr. Tsongas, Mr. Howe, Mr. Weaver, Mr. Carr, Mr. Miller of California, Mr. Risenhoover, Mr. Lagomarsino, Mr. Flynt, and Mr. Mineta):

H.R. 8658. A bill to authorize the establishment of the Chattahoochee River National Recreation Area in the State of Georgia, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. ROGERS:

H.R. 8659. A bill to amend the Internal Revenue Code of 1954 to increase the amount of retirement income which may be taken into account for the retirement income credit to provide cost-of-living adjustments of such increased amount, and for other purposes; to the Committee on Ways and Means.

MEMORIALS

Under clause 4 of rule XXII,

232. The SPEAKER presented a memorial of the Legislature of the State of New York, relative to the "National Mass Transportation Act Amendments of 1975"; to the Comtee on Public Works and Transportation.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. FISHER introduced a bill (H.R. 8660) for the relief of Maria Daruni Sing, which was referred to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

171. The SPEAKER presented a petition of Joseph S. Daddona, mayor, Allentown, Pa., relative to Captive Nations Week; to the Committee on Post Office and Civil Service.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 7014

By Mr. CARNEY:

Page 179, line 25, after "(c)", insert "(1)".

Page 180, after line 7, insert the following:

(2) In promulgating rules under subsection (a) of this section, the President shall give consideration to the mobility requirements of individuals purchasing gasoline at retail for noncommercial use who—

(A) by reason of a permanent and physically handicapping incapacity or disability are unable (without special facilities, planning, or design) to utilize mass transportation vehicles, facilities, or services;

(B) are required to relocate family and household possessions for essential reasons of health or employment; or

(C) are personnel and dependents of personnel in the Armed Services of the United States traveling on military orders.

By Mr. COLLINS of Texas:

Page 223, strike out line 4 and all that follows down through line 26 on page 256, and subsequent sections accordingly.

By Mr. JONES of Oklahoma:

Strike out all from the beginning of line four, page 214, to the end of line three, page 233 (section 301 of the committee substitute), and insert in lieu thereof the following:

"CRUDE OIL PRICE REGULATION

"Sec. 8. (a) For the purposes of this section:

"(1) The term 'crude oil' means a mixture of hydrocarbons that existed in liquid phase in underground reservoirs and remains liquid at atmospheric pressure after passing through surface separating facilities, and lease condensate which is a natural gas liquid recovered in associated production by lease separators.

"(2) The term 'domestic crude oil' means crude oil produced in the United States.

"(3) The term 'producer' means a person who produces crude oil or any person who owns crude oil when it is produced.

"(4) The term 'property' means the right to produce domestic crude oil which arises from a lease or from a fee interest.

"(5) The term 'base period control volume' means—

"(A) the total number of barrels of domestic crude oil produced and sold from a property in the months of May through December 1972; divided by—

"(B) the number of months in which domestic crude oil was produced and sold during the months of May through December 1972 (excluding any month in which there occurred any shutdown in production from the property).

"(6) The term 'decline adjustment factor' means 1.2 per centum of the base period control volume of a property multiplied by the number of months for which there occurred production and sales of crude oil from such property beginning with May 1972, and ending with the current month of production.

"(7) The term 'adjusted base period control volume' means the base period control volume less the decline adjustment factor.

"(8) The term 'monthly production variance factor' means the current cumulative deficiency in base production control level crude petroleum, as defined in section 212.72 of title 10 of the Code of Federal Regulations (as in effect on April 30, 1975), for a property on the effective date of this section, plus the total number of barrels by which production and sales of crude oil after the effective date of this section has been less than the adjusted base period control volume for all months in which production and sale of domestic crude oil has been less than the adjusted base period control volume subsequent to the first month after the effective date of this section in which production and sale of domestic crude oil exceeded the adjusted base period control volume, minus the total number of barrels of domestic crude oil produced and sold in each prior month after the effective date of this section and prior to the current month of production which was in excess of the adjusted base period control volume for that month, but was not sold for a price in excess of the ceiling price established pursuant to subsection (b) of this section for sales made after the effective date of this section.

"(9) The term 'tertiary recovery techniques' means techniques which employ fluid, heat, or inert gas injection methods including miscible fluid displacement, microemulsion flooding, in situ combustion, cyclic steam injection, steam flooding, carbon dioxide injection, polymer flooding, caustic injection, and other chemical flooding designed to produce production in excess of that attributable to natural or artificially induced water or natural gas displacement.

"(10) The field price on a particular date for a particular grade of crude oil in a field is the highest posted price at 6 o'clock ante meridian, local time, on suc hdate for such grade of crude oil at such field; or if there was no such posted price for such grade of crude oil at that field, the related price for such grade of crude oil which is most similar in kind and quality at the nearest field for which prices were posted at such time and date.

"(b) (1) Domestic crude oil defined as old oil in 10 CFR 212.72 produced in excess of the adjusted base period control volume plus the monthly variance factor shall not be subject to the price control regulations affecting old oil in 10 CFR 212.73.

(2) Crude oil which is defined as "released crude petroleum", as defined in Section 212 10 CFR 72 (as in effect on April 30, 1975), as of the end of the month of the date of the enactment of this Act shall continue to be so defined, but beginning with the first day of the first full month after enactment of this Act, no additional production may come under this definition.

(3) Notwithstanding any other provision of this section, no price ceiling shall apply to any first sale by a producer of any domestic crude oil produced from a property which the President, on a property-by-property basis, upon petition, upon receipt of evidence of approval by a State regulatory agency responsible for approval of tertiary recovery projects, or upon his own motion, certifies as having made bona fide application of tertiary recovery techniques which application the President has or will significantly enhance production from such property.

(c) The General Accounting Office shall conduct a continuous study and analysis of, and report to the Congress by April 30, 1976, and thereafter of each successive year for a period of the next three successive years, on the effect of such pricing provisions on (1) economic conditions, (2) production of domestic crude oil and other energy sources, (3) demand for crude oil and refined petroleum products and other energy sources, (4) imports of crude oil, residual fuel oil, refined petroleum products, and other energy sources (including the effect on balance of payments of such imports), (5) profits of the petroleum industry, and (6) the investment activities of the petroleum industry."

(b) This section shall take effect on the first day of the first full month following the date of enactment of this Act.

By Mr. KRUEGER:

Amendment to title II: "Strike the last word."

Amendment to title III: "Strike the last word."

Amendment to title IV: "Strike the last word."

Amendment to title V: "Strike the last word."

Amendment to title VI: "Strike the last word."

Amendment to title VII: "Strike the last word."

Amendment to title VIII: "Strike the last word."

Proposed amendments to title I; title II; title III; title IV; title V; title VI; title VII; and title VIII of the bill H.R. 7014 or to any amendment to any title of the bill H.R. 7014:

Strike out the necessary number of words.

Strike out the requisite number of words.

Strike out the next to the last word.

Strike out the penultimate word.

Strike out the last word.

Strike out all from the beginning of line 1, page 333 to the end of line 12, page 336 (section 605 of the committee substitute), and redesignate the sections of title VI accordingly.

By Mr. MOORHEAD of California:

Page 246, strike out line 1 and all that follows down through line 14 and renumber the renumber the subsequent sections accordingly.

H.R. 8454

By Mr. RANGEL:

(An amendment in the nature of a substitute.)

On page 1, strike all after the enacting clause, and insert in lieu thereof the following:

"That the Congress reaffirms the present policy of the United States toward Turkey. In particular, the Congress recognizes that the arms embargo has resulted in a significant decrease in the drug traffic between that country and the United States.

"Sec. 2. (a) In order that the intentions of Congress and the purposes of earlier legislation may be carried out—

"(1) the President is directed to further suspend sales to the Government of Turkey under the provisions of subsection (a) of section 481 of the Foreign Assistance Act of 1961, as amended.

"(2) the President is requested to initiate discussions with the Government of Turkey to persuade it to devise a viable strategy for combatting the smuggling of Turkish opium and heroin into the United States.

"(b) The President is directed to submit to the Speaker of the House of Representatives and to the Foreign Relations and Appropriations Committees of the Senate within sixty days after the enactment of this Act a report on discussions conducted under subsection (a) (2)."

H.R. 8597

By Mr. STOKES:

Strike the following provision from the bill: Page 8, section 103, line 8 through line 19.

SENATE—*Tuesday, July 15, 1975*

(Legislative day of Thursday, July 10, 1975)

The Senate met at 9 a.m., on the expiration of the recess, and was called to order by Hon. RICHARD STONE, a Senator from the State of Florida.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

"My voice shalt Thou hear in the morning, O Lord; in the morning will I direct my prayer unto Thee, and will look up."—Psalm 5: 3.

Thanks be to Thee, O God, for the new day and the upward look—a look at the hills of history and the summits of divine revelation. Fix our focus on Sinai the mountain which gave the moral law. Keep our eyes upon the mountain of the Master's sermon. Set our gaze upon the mountain of redemption called Calvary. Lift our vision to the high monuments of man's progress. Help us to work as though each day was a mountain top experience. And forgive us if the still small voice is drowned by our much speaking. Move us to do the obvious while we wait for light on the mysterious. And help us always to obey that voice from the heights commanding "This is the way, walk ye in it."

Through Him who is the Way, the Truth and the Life. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., July 15, 1975.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. RICHARD STONE, a Senator from the State of Florida, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

Mr. STONE thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Journal of the proceedings of Monday, July 14, 1975, be approved.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees be authorized to meet during the session of the Senate today except during the debate on the Durkin-Wyman issue.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE SESSIONS OF THE FEDERAL ELECTION COMMISSION

Mr. MANSFIELD. Mr. President, some days ago I read in the press that the newly created Federal Election Commission, on its own initiative, had held, I believe, two secret or executive sessions. I had thought to write a letter to the Chairman, Mr. Curtis, protesting this secrecy, but on thinking the matter over I decided to speak publicly.

It would be my hope, Mr. President, that there would be no further executive or secret meetings on the part of the Federal Election Commission; and if there are, it will be my intention to offer an amendment to the law seeking to forbid such events and making open hearings mandatory.

The ACTING PRESIDENT pro tempore. Does the Senator from Michigan seek recognition?

Mr. GRIFFIN. No.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the period for the transaction of routine morning business occur prior to the recognition of the Senator from Missouri (Mr. SYMINGTON) under the order previously entered.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. Is there morning business?

NOMINATION OF DR. FORREST DAVID MATHEWS TO BE SECRETARY OF HEW

Mr. ALLEN. Mr. President, earlier this morning I appeared before the Committee on Finance and assisted, together with my distinguished senior colleague (Mr. SPARKMAN), in the presentation to the committee of Dr. Forrest David Mathews, the president of the University of Alabama, who is the President's nominee for Secretary of the Department of Health, Education, and Welfare.

I ask unanimous consent that the remarks that I made on that occasion be printed in the RECORD at this point.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

TESTIMONY OF SENATOR JAMES B. ALLEN

Mr. Chairman, and members of the committee, it is my privilege to appear before you today to assist in presenting Dr. Forrest David Mathews, of Alabama, and to endorse his nomination to be Secretary of the Department of Health, Education and Welfare.

I must, in truth, say that I have mixed feelings about this nomination. I very much regret to see Dr. Mathews leave Alabama because it needs him and his vast abilities. Nevertheless, I am pleased that President Ford has chosen—and chosen wisely—to nominate Dr. Mathews for this most important position. I am confident that the people of our Nation will be just as proud of Dr. Mathews, as we already are in Alabama.

You have before you the very exemplary record of this gifted young man. You know that he is engaged in a myriad of professional activities, which are as diverse as they are impressive. He is chairman of the Committee on Educational Opportunities for minority groups of the National Association of State Universities and Land-Grant Colleges. Dr. Mathews serves on the Executive Committee of the Southern Regional Educational Board; and the board of trustees of the Charles F. Kettering Foundation. He is also a member of the National Programming Council for Public Television and the Alabama Council on the Humanities.

In the non-educational area, Dr. Mathews is a member of the Alabama State Oil and Gas Board and currently is chairman of the board of directors of the Birmingham Branch of the Federal Reserve Bank of Atlanta.

The record before you reveals that Dr. Mathews received his undergraduate degree, along with a Phi Beta Kappa Key, in history and classical Greek from the University of Alabama in 1958 and his masters degree the following year. After serving as an infantry officer in the United States Army for two years, Dr. Mathews returned to his alma mater for two years before going to Columbia University where he received a doctorate in the history of American education. In 1965 Dr. Mathews returned to the University of Alabama to lecture in history, but devoted most of his time to administration and in 1969, at age 33, Dr. Mathews was chosen president of that great institution, the youngest man ever to hold the position. That year Dr. Mathews was named as one of the "ten most outstanding young men in the Nation," by the United States Jaycees.

Dr. Mathews' commitment to public service is no accident. He comes from a distinguished family in Alabama where service to one's fellow man has been a way of life. His father served as superintendent of schools of Clarke County, Alabama, and, as a young man, I was honored to serve in the Alabama State Legislature with his grandfather, D. C. Mathews, who also served as superintendent of the Clarke County school system.

Those who know and have worked with Dr. Mathews recognize in him a creative imagination combined with intelligence and common sense. They know of his outstanding leadership qualities and of his devoted commitment to the cause of better opportunities for all our citizens.

Although Dr. Mathews' first love is obviously education, he knows and cares about the wide range of difficult problems in the field of human resources where the Department of Health, Education and Welfare is concerned and involved. He cares about the problems of illiteracy, disease and about making our Nation, especially for the deprived and the handicapped and the disadvantaged, a happier and more rewarding place in which to work and live.

There is no doubt in my mind that Dr. Mathews possesses the experience and intellect needed to make the balanced judgments that the Department of Health, Education and Welfare both needs and deserves in its Secretary. I am confident that Dr. Mathews can go down in history as one of the greatest HEW Secretaries our country has ever had. His is a rare talent.

His mild outward manner, and his kindness and respect for others and their views and his southern courtesy should not be taken to mean that Dr. Mathews is by any means a softy or a pushover. He is a clear thinking man and a man who can make tough decisions.

Mr. Chairman, it is with singular pride that we commend and present to you one of Alabama's most distinguished and able sons, Dr. David Mathews.

ORDER FOR RECESS UNTIL 10 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 10 a.m. tomorrow.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Heiting, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore (Mr. Ford) laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

ENROLLED BILL SIGNED

At 10 a.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the Speaker has signed the following enrolled bills:

H.R. 5709. An act to extend until September 30, 1977, the provisions of the Offshore Shrimp Fisheries Act of 1973 relating to the shrimp fishing agreement between the United States and Brazil, and for other purposes; and

H.R. 5710. An act to amend the Marine Protection, Research, and Sanctuaries Act of 1972 to authorize appropriations to carry out the provisions of such act for the fiscal year 1976 and for the transition period following such fiscal year, and for other purposes.

The enrolled bills were subsequently signed by the Acting President pro tempore (Mr. Stone).

At 1:50 p.m., a message from the House of Representatives delivered by Mr. Berry announced that the House has passed the following bills in which it requests the concurrence of the Senate:

H.R. 5546. An act to amend the Public Health Service Act to revise and extend the programs of assistance under title VII for training in the health and allied health professions, to revise the National Health Service Corps program and the National Health Service Corps scholarship training program, and for other purposes; and

H.R. 8561. An act making appropriations for agriculture and related agencies programs for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The ACTING PRESIDENT pro tempore (Mr. Stone) laid before the Senate the following letters, which were referred as indicated:

Commonwealth of the Northern Mariana Islands

A communication from the President of the United States transmitting a proposed joint resolution which would provide congressional approval of the "Covenant To Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States of America" (with accompanying papers); to the Committee on Interior and Insular Affairs.

PETITIONS

Petitions were laid before the Senate and referred as indicated:

By the ACTING PRESIDENT pro tempore (Mr. Stone):

A petition seeking a redress of grievances from a citizen of Colorado; to the Committee on Government Operations.

A petition seeking a redress of grievances from a citizen of California; to the Committee on the Judiciary.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. MAGNUSON, from the Committee on Commerce, with amendments;

S. 354. A bill to regulate commerce by establishing a nationwide system to restore motor vehicle accident victims and by requiring no-fault motor vehicle insurance as a condition precedent to using a motor vehicle on public roadways (together with minority views) (Rept. No. 94–283).

HOUSE BILLS REFERRED

The following bills were read twice by their titles and referred as indicated:

H.R. 5546. An act to amend the Public Health Service Act to revise and extend the programs of assistance under title VII for training in the health and allied health professions, to revise the National Health Service Corps program and the National Health Service Corps scholarship training program, and for other purposes; to the Committee on Labor and Public Welfare.

H.R. 8561. An act making appropriations for Agriculture and Related Agencies programs for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes; to the Committee on Appropriations.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. TOWER (for himself, Mr. Buckley, Mr. Domenici, Mr. Garn, Mr. Hansen, Mr. Hugh Scott, and Mr. Thurmond):

S. 2104. A bill to establish a National Commission on Small Business in America. Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. TOWER:

S. 2105. A bill for the relief of Dr. Maria Corazon Fabian Trinidad. Referred to the Committee on the Judiciary.

By Mr. TOWER (for himself. Mr. Bartlett, Mr. Hruska, and Mr. Laxalt):

S. 2106. A bill to amend Title IX of the Education Amendments of 1972. Referred to the Committee on Labor and Public Welfare.

By Mr. PROXMIRE (for himself and Mr. Schweiker):

S. 2107. A bill to prevent the Food and Drug Administration from regulating safe vitamins and minerals as dangerous drugs. Referred to the Committee on Labor and Public Welfare.

By Mr. HUGH SCOTT (for himself and Mr. Thurmond):

S. 2108. A bill to provide for the payment of survivor annuities to widows of certain members of the uniformed services who died before the effective date of the Survivor Benefit Plan. Referred to the Committee on Armed Services.

By Mr. HANSEN:

S. 2109. A bill to amend the Internal Revenue Code to encourage development of processes to convert coal to low-pollutant synthetic fuels. Referred to the Committee on Finance.

By Mr. CHURCH (for himself and Mr. Bayh):

S. 2110. A bill to amend the Controlled Substances Act so as to make unlawful the robbery of a controlled substance from a registered pharmacy. Referred to the Committee on the Judiciary.

By Mr. CLARK (for himself, Mr. McGee, and Mr. Humphrey):

S. 2111. A bill to amend the United Nations Participation Act of 1945 to halt the importation of Rhodesian chrome. Referred to the Committee on Foreign Relations.

By Mr. CHILES:

S. 2112. A bill to authorize the Secretary of the Interior to conduct a study with respect to the feasibility of establishing the Bartram Trail as a national scenic trail. Referred to the Committee on Interior and Insular Affairs.

By Mr. HUGH SCOTT (for himself and Mr. Case):

S. 2113. A bill to establish in the State of New Jersey the Treasure Island National Historical Site. Referred to the Committee on Interior and Insular Affairs.

By Mr. STENNIS (for himself and Mr. Thurmond) (by request):

S. 2114. A bill to amend title 37, United States Code, relating to special pay for nuclear qualified officers, and for other purposes. Referred to the Committee on Armed Services.

S. 2115. A bill to amend chapter 39 of title 10, United States Code, to enable the President to authorize the involuntary order to active duty of Selected Reservists, for a limited period, whether or not a declaration of war or national emergency has been declared. Referred to the Committee on Armed Services.

S. 2116. A bill to amend chapter 5, title 37, United States Code, to extend the special pay provisions for veterinarians and optometrists. Referred to the Committee on Armed Services.

S. 2117. A bill to amend sections 5202 and 5232 of title 10, United States Code, relating to the appointment to the grades of general and lieutenant general of Marine Corps officers designated for appropriate higher commands or for performance of duties of great importance and responsibility. Referred to the Committee on Armed Services.

By Mr. FANNIN:

S. 2118. A bill to amend the Tariff Schedules of the United States to provide a temporary suspension of the duty on certain fig pastes. Referred to the Committee on Finance.

By Mr. FANNIN (for himself, Mr. Bartlett, Mr. Brock, Mr. Curtis, Mr. Dole, Mr. Eastland, Mr. Garn, Mr. Goldwater, Mr. Hansen, Mr. Hruska, Mr. Laxalt, Mr. Nunn, Mr. William L. Scott, Mr. Stevens, Mr. Thurmond, Mr. Tower, and Mr. Young):

S. 2119. A bill to amend the Communications Act of 1934 to provide that licenses for the operation of a broadcasting station shall be issued for a term of five years, and to establish orderly procedures for the consideration of applications for the renewal of such licenses, and for other purposes. Referred to the Committee on Commerce.

By Mr. MATHIAS (for himself, Mr. Brooke, and Mr. Percy):

S. 2120. A bill to amend the Internal Revenue Code of 1954 to encourage the conservation of gasoline by increasing the Federal excise tax on gasoline and to provide a tax credit which is refundable without regard to liability for an amount equal to the amount of increased tax which would be paid on 350 gallons of gasoline per person. Referred to the Committee on Finance.

By Mr. BARTLETT:

S. 2121. A bill to provide funds to hospitals in medically underserved rural areas to assist such facilities to qualify for physician residency programs. Referred to the Committee on Labor and Public Welfare.

By Mr. TUNNEY:

S. 2122. A bill to assure that any program for the rationing of gasoline to end-users shall take into account area and regional differences in the availability of public transportation, and for other purposes. Referred to the Committee on Banking, Housing and Urban Affairs.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. TOWER (for himself, Mr. Buckley, Mr. Domenici, Mr. Garn, Mr. Hansen, Mr. Hugh Scott, and Mr. Thurmond):

S. 2104. A bill to establish a National Commission on Small Business in America. Referred to the Committee on Banking, Housing and Urban Affairs.

Mr. TOWER. Mr. President, today my colleagues and I are introducing legislation to create a National Commission on Small Business in America which will make a comprehensive study and furnish substantive legislative recommendations to the President and the Congress with respect to the economic environment of small business. I emphasize that the Commission is a temporary body which expires no later than 2 years after the date of its enactment.

The Commission will consist of 11 members appointed by the President: Four individuals who are affiliated with small business concerns or who represent the interests of small businesses; three individuals who are affiliated with or represent financial institutions involved in the financing of business; three individuals who have expertise in tax, regulatory, legal, economic, or financial matters, at least one of whom is a member of the academic community; and one individual from the public at large who shall be the Chairman of the Commission. In addition, the Administrator of the Small Business Administration and the Director of the Office of Minority Business Enterprise will be advisory members of the Commission.

The purpose of the Commission will be to analyze the contribution that small business has made to the American economy and to make recommendations that will perpetuate and even improve that contribution. It will examine the Federal subsidy and assistance programs, the effects of Federal regulation, the tax structures as it relates to small business, and the ability of financial institutions to meet small business credit needs. In the process, the Commission will consider the advisability of establishing universal criteria for defining a small business.

There has been no equally comprehensive study of the problems and needs peculiar to the small business community since the coordinated research that was so influential in the passage of the Small Business Act. That effort was undertaken more than 22 years ago. It is essential that we assess the progress of the small business community since that time and identify obstructions to its further development.

Hardly a day goes by that the Congressional Record does not include comments by some Member reiterating the importance of a healthy small business community to the vitality of the Nation. Emphasis is invariably provided by statistics which prove that 97 percent of the Nation's businesses are small and that these are responsible for more than half of all private employment and about a third of the gross national product. However, statistics also show that there has been a steady rise in bankruptcies and a decline in new business incorporation in the last few years. The oft-repeated statement among small businessmen is that they are not thinking in terms of growth in the present economy, but in terms of survival.

Although small businesses possess an enviable flexibility and provide a preferred degree of personal service, their size is in many ways a severe handicap. It is more difficult for a small businessman to pass on price increases to customers he knows personally. It is more difficult for him to line up stable sources of supply when the economy is erratic. Increased minimum wages hit him hardest, as do occupational safety rules, environmental restrictions, and product safety regulations.

The small businessman has difficulty raising seed money, for where he typically borrows for a period of time extending between 12 months and 10 years, a larger corporation more often seeks credit on a 90-day basis. When a bank lends a large corporation, it looks at the company's balance sheet, assets and liabilities. For a small business, evidence of a steady cash flow is often insufficient, and a bank will seek additional security from company property down to the personal assets of the owners.

To be brief, the difficulties of the small businessman range from tax inequities to how frequently OSHA requires him to wash the cuspidor on his premises. Almost every department and agency in the Government makes some attempt to deal with his special problems. Every jurisdictional committee in Congress has held hearings this year on his difficulties from the subjects of fixed price Government contracts to the shortage in home canning equipment. The efforts and the widespread concern are all commendable. My concern, however, relates to the lack of coordination and the diffusion of attention. This approach is not unlike a quilting bee, with each seamstress working her own pattern independently. If they ever get together, there is no telling what the end product will look like or whether it will fit together well enough to keep anybody warm.

The national Commission on Small Business in America will simply examine all the influences, both good and bad, which affect small business today. Its survey will cover the existing tax structure and Federal regulations, assistance, and subsidy program; and it will determine a coherent direction for small business in the future. It will in no way detract from or postpone the ongoing activities in the Congress and in the regulatory agencies. It is my hope that these activities can in fact be expedited and additional proposals generated. It seems only appropriate that we should give close and sympathetic attention to a sector of the economy which has contributed so much to the high standard of living in America. It is also a timely effort on the eve of our national Bicentennial, and beyond this point, such a comprehensive examination may more frequently be termed "overdue."

Joining me in this effort are Senators Buckley, Domenici, Garn, Hansen, Hugh Scott, and Thurmond. I am hopeful that this measure will receive favorable action, Mr. President, and I ask unanimous consent that the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2104

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Commission on Small Business in America Act."

FINDINGS AND PURPOSE

Sec. 2. (a) On the eve of the Bicentennial Anniversary of the American Revolution, the Congress recognizes the enormous contribution which small business has made toward improving the economic well-being of all Americans for over 200 years.

(b) The Congress also recognizes that small business has the potential for making an equally large or larger contribution toward improving economic well-being both at home and abroad in years ahead.

(c) To insure that small business continues to have the opportunity to realize its full potential, it is the purpose of this Act to establish a National Commission on Small Business in America to make a study and furnish recommendations to the President and the Congress with respect to small business.

ESTABLISHMENT; MEMBERSHIP

Sec. 3. There is established the National Commission on Small Business in America (hereinafter referred to as the "Commission") which shall be an independent instrumentality of the United States. The Commission shall be composed of 11 members appointed by the President as follows:

(1) Four individuals who are affiliated with small business concerns or who represent the interests of small business;

(2) Three individuals who are affiliated with or who represent venture capital firms, small business investment companies, commercial banks, insurance companies, investment banking firms, or other comparable financial institutions involved in the financing of business;

(3) Three individuals who have expertise in tax, regulatory, legal, economic, or financial matters, at least one of whom is a member of the academic community; and

(4) One individual from the public at large who shall be appointed by and with the advice and consent of the Senate and who shall be the chairman of the Commission.

In addition, the Administrator of the Small Business Administration and the Director of the Office of Minority Business Enterprise shall be advisory members of the Commission, without a vote in any determination or decision of the Commission.

FUNCTION

Sec. 4. The functions of the Commission shall be—

(1) to examine the role of small business in the American economy and the contribution which small business can make in improving competition, encouraging economic and social mobility for all citizens, restraining inflation, spurring production, expanding employment opportunities, increasing productivity, promoting exports, stimulating innovation and entrepreneurship, and providing an avenue through which new and untested products and services can be brought to the marketplace;

(2) to assess the effectiveness of existing Federal subsidy and assistance programs for small businesses and the desirability of reducing the emphasis on such existing programs and increasing the emphasis on general assistance programs designed to benefit all small businesses;

(3) to measure the direct costs and other effects of government regulation on small businesses; and make legislative and nonlegislative proposals for eliminating excessive or unnecessary regulation of small businesses;

(4) to determine the impact of the tax structure on small businesses and make legislative and other proposals for altering the tax structure to enable all small businesses to realize their potential for contributing to the improvement of the Nation's economic well-being;

(5) to study the ability of financial markets and institutions to meet small business credit needs and determine the impact of government demands for credit on small businesses;

(6) to recommend specific measures for creating an environment in which all small businesses will have the opportunity to compete effectively and expand to their full potential, and to ascertain the common reasons, if any, for small business successes and failures; and

(7) to determine the desirability of developing a set of rational, objective criteria to be used to define small business, and to develop such criteria, if appropriate.

STAFF AND POWERS

Sec. 5. Subject to such rules and regulations as it may adopt, the Commission may—

(1) appoint and fix the compensation of an Executive Director at the rate provided for GS–18 of the General Schedule under section 5332 of title 5, United States Code, and such additional staff personnel as is deemed necessary, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to chapter 51, and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates but at rates not in excess of the lowest rate for GS–15 of the General Schedule;

(2) procure temporary and intermittent services to the same extent as is authorized by section 3109 of title 5, United States Code; and

(3) hold hearings and sit and act at such times and places, as it may deem advisable.

ASSISTANCE OF GOVERNMENT AGENCIES

Sec. 6. Each department, agency, and instrumentality of the Federal Government is authorized and directed to furnish to the Commission such reports and other information as the Commission deems necessary to carry out its functions under this Act.

COMPENSATION

Sec. 7. (a) A member of the Commission who is an officer or employee of the United States shall serve as a member of the Commission without additional compensation, but shall be entitled to reimbursement for travel, subsistence, and other necessary expenses incurred in the performance of his duties as a member of the Commission.

(b) A member of the Commission who is not otherwise an officer or employee of the United States shall be compensated at a rate equal to the per diem equivalent of the rate for GS–18 of the General Schedule for each day he is engaged in the performance of his duties as a member of the Commission, and shall also be reimbursed for travel, subsistence, and other necessary expenses incurred in the performance of his duties as a member of the Commission.

REPORTS

Sec. 8. The Commission may from time to time prepare and publish such reports as it deems appropriate. Not later than 2 years after the date of enactment of this Act, the Commission shall transmit to the Congress and the President a full report containing its findings and specific recommendations with respect to each of the functions referred to in section 3, including specific legislative proposals and recommendations for administrative or other action. Upon the submission of its final report, the Commission shall cease to exist.

AUTHORIZATION

Sec. 9. There are authorized to be appropriated such sums, as may be necessary to carry out the provisions of this Act. Any sums so appropriated shall remain available until expended.

By Mr. TOWER (for himself, Mr. Bartlett, Mr. Hruska, and Mr. Laxalt):

S. 2106. A bill to amend title IX of the Education Amendments of 1972. Referred to the Committee on Labor and Public Welfare.

Mr. TOWER. Mr. President, early in June, the Department of Health, Education, and Welfare promulgated its final regulations on title IX of the Education Amendments of 1972 relative to nondiscrimination on the basis of sex in education activities.

As my colleagues are well aware, there has been considerable dispute and controversy over these regulations, and the arguments pro and con are multifarious. Consequently, I have given a great deal of study to the regulations as a whole and most particularly to the impact that the regulations will have on revenue-producing sports.

Along with my distinguished colleagues Senators Bartlett, Hruska, and Laxalt, I am introducing today a bill to amend title IX with regard to revenue-producing intercollegiate athletics. This bill is similar to an amendment which I introduced last year to the Education Amendments of 1974 and which was accepted by the Senate, although it was subsequently dropped in conference. The bill is intended to apply to the allocation of income generated by revenue-producing sports and not, let me emphasize, to exempt all intercollegiate athletics from the title IX provisions.

I feel very strongly that women should be afforded equal access and opportunity in sports activities. The bill which I introduce today is prompted by this feeling and by my concern for intercollegiate athletics. At most colleges and universities today intercollegiate athletics are funded in whole or in part by moneys raised, for example, through sale of tickets to football or basketball games and through fundraising campaigns for general, scholarship, or other specific purposes. At some schools in many States, sports other than football or basketball are substantial revenue-producers. In whatever the case, though, the impairment of the financial base of the revenue-producing activity threatens not only the continued viability of that activity but the viabiliy of the entire athletic program.

The prospect of such impairment becomes especially significant at present when there is a most substantial and justified demand for upgrading women's athletic opportunities in our institutions of higher education. Although some progress has been, and is being, made to satisfy that demand, I think it must be recognized that efforts to date have fallen far short of attaining the optimum goal of equal opportunity—in the context of demonstrated interest—for men and women in intercollegiate athletics. That being the case, in the future new and greater demands will be made on the pool of athletic funds to finance expanded intercollegiate sports opportunities for women. Consequently, the women in our colleges and universities have as great a stake in a strong financial base for their individual school's sports programs as do the men.

It has been the apparent failure of our colleges and universities to provide equal athletic opportunities for women that has attracted the attention of the Department of Health, Education, and Welfare. The General Counsel's office at HEW contends, based on existing case law, interpretations under title VI of the Civil Rights Act of 1964 and the 14th amendment, as well as the language and legislative history of title IX, that, absent specific congressional or judicial indications to the contrary, athletics constitute an integral part of the education programs and activities of most schools and therefore must be covered by the title IX regulations. Furthermore, HEW has interpreted title IX of the Education Amendments of 1972 to provide it with the authority to promulgate rules governing sex discrimination in intercollegiate athletics.

Having reviewed both the language of title IX and the legislative history of this language, I am not convinced that HEW has the authority to promulgate rules applicable to intercollegiate sports under the aegis of title IX. However, I recognize the possibility, limited though I believe it to be, that a court might construe title IX to grant such authority to HEW. The purpose of our amendment, therefore, is to limit HEW's authority in such an event to aspects of intercollegiate sports programs other than the revenues produced by and used for individual sports activities. It is properly the responsibility of the Congress to determine what Federal efforts, if any, are necessary to ensure intercollegiate athletic opportunities for women. The Congress must accept this responsibility, for Congress has by far the better resources to define the problems, determine what progress is being made, and determine whether substantive legislation or the vestment of monitoring authority in the Department of Health, Education, and Welfare is the better course.

Grave concern has been expressed that the HEW regulations will undercut revenue-producing sports programs and damage the overall sports programs of education institutions. HEW, in its laudable zeal to guarantee equal athletic opportunities to women, is defeating its own purpose by promulgating rules which will damage the financial base of intercollegiate athletics.

The bill that I am proposing will, if enacted, prevent any such result. The bill will except only those sports which provide gross revenues and only to the extent that the revenues are necessary to support such revenue producing athletic activities. This, of course in no way grants to HEW the authority to dictate to a school how much it can spend on a revenue producing sport. If however a court should rule that HEW has the authority to promulgate rules affecting intercollegiate athletics HEW would be free under title IX to prescribe regulations for all but the very narrow class of revenue producing sports. Nonrevenue producing sports are usually financed by the surplus over that amount necessary to pay for the revenue-producing activity or activities and the Department of HEW would then be able to insist that that surplus be reasonably distributed to assure that equal opportunities are afforded women in intercollegiate sports.

As a general comment the measure that I am introducing contemplates two basic fact situations. The first situation is that in which a specific athletic activity produces a surplus of funds over what is spent to support that activity. In this case as mentioned previously such surplus would be subject to whatever valid regulations HEW should issue.

The second situation is that in which an athletic activity provides some revenue, but not enough to support it, and the deficit must be made up of withdrawals from a general athletic fund, student fees, or the like. In that case, I emphasize that only the "gross receipts" or "donations" raised by the sport are insulated by the amendment. Thus, if the men's tennis team raises a nickel in ticket sales or $5 in donations, only that nickel or $5 is protected. There are two basic reasons I believe such revenues should be protected: First, as a matter of fairness, moneys raised by a specific athletic endeavor on its own merits should be available to be spent on that endeavor; and second, more importantly, there are undoubtedly many cases in which revenues, either receipts or donations, would not be available to the school, but only for the activity. Those cases could be expected to be manifold, but very difficult to identify. They should be excepted as a class because if they are not, the revenue loss will have to be made up, presumptively, from within the institution's funds, indirectly injuring the whole athletic program including women's sports, or the activity will have to be discontinued.

I would like, finally to remind my colleagues that I was a cosponsor of title IX of the Education Amendments of 1972, which these HEW regulations are intended to implement. My cosponsorship of title IX reflects my personal commitment to the proposition that all citizens of this country be granted equal access to educational opportunities, regardless of sex as well as race, color and national origin. This commitment does not, however, encompass the massive disruptions of the education institutions and the financial burdens these institutions will be forced to shoulder that the inclusion of intercollegiate revenue producing athletics under the title IX regulations will precipitate. We have learned all too well in the past what deep-seated hostilities to Government that thoughtless, though well-intentioned, Federal polices can create. I, for one, do not believe that title IX provides the latitude for such policies; and, in order to insure that fact, I urge the immediate and favorable consideration of this bill.

I ask unanimous consent that the text of the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2106

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Section 901(a) of the Education Amendments of 1972 (P.L. 92-318) is amended by—

(1) striking out the word "and" at the end of paragraph (4) of such section; and

(2) striking out the period at the end of paragraph (5) and inserting in lieu thereof a semicolon and the word "and"; and

(3) adding at the end thereof the following new paragraph:

"(6) this section shall not apply to an intercollegiate athletic activity insofar as such activity provides to the institution gross receipts or donations required by such institution to support that activity."

By Mr. PROXMIRE (for himself and Mr. Schweiker):

S. 2107. A bill to prevent the Food and Drug Administration from regulating safe vitamins and minerals as dangerous drugs. Referred to the Committee on Labor and Public Welfare.

REVISION OF S. 1692—NEW DRAFT OF BILL TO PREVENT THE FOOD AND DRUG ADMINISTRATION FROM REGULATING SAFE VITAMINS AND MINERALS AS DANGEROUS DRUGS

Mr. PROXMIRE. Mr. President, on behalf of myself and the Senator from Pennsylvania (Mr. Schweiker), I introduce a bill to prevent the Food and Drug Administration from regulating safe vitamins and minerals as dangerous drugs.

This is the third vitamin bill we have introduced this year and I therefore wish to trace some of its history.

On February 3, 1973, the Senator from Pennsylvania and I introduced S. 548, a vitamin bill similar but not identical to the bill which passed the Senate last year by an 81-to-10 vote. Ultimately that bill was sponsored by a total of 39 Senators. I ask unanimous consent that the names of the sponsors of S. 548 appear at this point in the Record.

There being no objection, the list was ordered to be printed in the Record, as follows:

SPONSORS OF S. 548

Messrs. Proxmire, Schweiker, Abourezk, Allen, Buckley, Chiles, Church, Cranston, Dole, Domenici, Eastland, Fannin, Goldwater, Gravel, Hansen, Hartke, Helms, Hollings, and Humphrey.

Messrs. Inouye, Johnston, Leahy, Mansfield, McClellan, McClure, McGee, McGovern, Montoya, Moss, Nunn, Packwood, Pell, Randolph, Hugh Scott, William L. Scott, Sparkman, Stafford, Stevenson, and Thurmond.

Mr. PROXMIRE. It soon appeared that, while we could pass S. 548 in the Senate by the same overwhelming vote as last year, the House had very different ideas and a different version of the bill. We in the Senate were unwilling to accept that House bill in its existing form. Therefore, early in the year the Congressman from Florida (Mr. Rogers) proposed that our staffs work together to see if we could not write a bill which was acceptable to sponsors in both the House and the Senate.

After a period of long and detailed negotiations among our staffs we succeeded. On May 8, 1975, Senator Schweiker and I introduced S. 1692 which was the product of that negotiation. The fundamental agreement had two parts. The House essentially accepted our provisions which limited or prevented the Secretary of HEW and the Food and Drug Administration from establishing maximum limits on the potency of safe vitamins and minerals, or classifying safe vitamins and minerals as drugs, or limiting the combination or number of safe vitamins, minerals, or associated ingredients of food.

We in turn accepted a modified version of the House bill provisions which gave the FDA concurrent jurisdiction over the advertising of vitamins and minerals. That was the agreement.

Shortly we hope to act on the modified bill. However, since we introduced S. 1692 on May 8, 1975, there have been some additional changes and modifications which a very large number of those concerned with this dispute feel are extremely significant. Consequently, today the Senator from Pennsylvania and I are introducing this further revised version of the bill which shortly we expect to add as title III to the health and lung bill now in the Senate Labor and Public Welfare Committee.

I ask unanimous consent that the provisions of the bill, S. 2107 be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2107

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Section 1. (a) (1) Chapter IV of the Federal Food Drug, and Cosmetic Act is amended by adding after section 410 (21 U.S.C. 349) the following new section:

"VITAMINS AND MINERALS

"Sec. 411. (a) (1) Except as provided in paragraph (2)—

"(A) the Secretary may not establish maximum limits on the potency of any synthetic or natural vitamin or mineral within a food to which this section applies;

"(B) The Secretary may not classify any natural or synthetic vitamin or mineral (or combination thereof) as a drug solely because it exceeds the level of potency which the Secretary determines is nutritionally rational or useful.

"(C) the Secretary may not limit the combination or number of any synthetic or natural—

"(i) vitamin,

"(ii) mineral, or

"(iii) other ingredient of food,

within a food to which this section applies.

"(2) (A) Paragraph (1) does not limit the Secretary in the exercise of his authority under and in accordance with—

"(i) this chapter (other than this section) or chapter V, or

"(ii) any other provision of this Act except to the extent that the authority under such other provision is to be exercised to take an action specifically prohibited by subparagraph (A), (B), or (C) of such paragraph.

"(B) Paragraph (1) shall not apply in the case of a vitamin, mineral, or other ingredient of food represented for use by children or pregnant or lactating women. **For purposes of this subparagraph, the term 'children' means individuals who are under the age of twelve years.**

"(b) (1) A Food to which this section applies shall not be deemed under section 403 to be misbranded solely because its label bears, in accordance with section 403(i) (2), all the ingredients in the food or its advertising contains references to ingredients in the food which are not vitamins or minerals.

"(2) (A) The labeling for any food to which this section applies may not list its ingredients which are not vitamins or minerals (i) except as a part of a list of all the ingredients of such food, and (ii) unless such ingredients are listed in accordance with an applicable regulation promulgated under section 403(j). To the extent that compliance with clause (i) of this subparagraph is impracticable or results in deception or unfair competition, exemptions shall be established by regulations promulgated by the Secretary. Such clause does not impose any greater requirement respecting the listing of spices, flavorings, and colorings than is otherwise required by section 403.

"(B) Notwithstanding the provisions of subparagraph (b) (2) (A), the labeling and advertising for any food to which this section applies may not give prominence to or emphasize ingredients which are not—

"(i) vitamins,

"(ii) minerals, or

"(iii) represented as a source of vitamins or minerals.

"(c) (1) For purposes of subsections (a) and (b) of this section, the term 'food to which this section applies' means a food for humans which is a food for special dietary use—

"(A) which is or contains any natural or synthetic vitamin or mineral, and

(B) Which—

"(i) is intended for ingestion in tablet, capsule, or liquid form, or

"(ii) if not intended for ingestion in such a form, does not simulate or is not represented as conventional food.

"(2) For purposes of paragraph (1) (B) (i), a food shall be considered as intended for ingestion in liquid form only if it is formulated in a fluid carrier and it is intended for ingestion in daily quantities measured in drops or similar small units of measure."

(2) Section 201(f) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321(f)) is amended (A) by inserting "(1)" after "(f)", (B) by redesignating clauses (1), (2), and (3) as clauses (A), (B), and (C), respectively, and (C) by adding immediately after such section the following:

"(2) The term 'special dietary use' as applied to food used by man means a particular use for which a food purports or is represented to be used, including but not limited to the following:

"(A) Supplying a special dietary need that exists by reason of a physical, physiological, pathological, or other condition, including but not limited to the condition of disease, convalescence, pregnancy, lactation, infancy, allergic hypersensitivity to food, underweight, overweight, or the need to control the intake of sodium.

"(B) Supplying a vitamin, mineral, or other ingredient for use by man to supplement his diet by increasing the total dietary intake.

"(C) Supplying a special dietary need by reason of being a food for use as the sole item of the diet.".

(b) The Secretary of Health, Education, and Welfare shall amend any regulation promulgated under the Federal Food, Drug, and Cosmetic Act which is inconsistent with section 411 of such Act (as added by subsection (a)) and such amendments shall be promulgated in accordance with section 553 of title 5, United States Code.

ADVERTISING

Sec. 302. (a) (1) Section 403(a) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 343(a)) is amended (A) by inserting "(1)" after "If", and (B) by inserting before the period at the end a comma and the following: "or (2) in the case of a food to which section 411 applies, its advertising is false or misleading in a material respect or its labeling is in violation of section 411(b) (2)".

(2) (A) Section 201(n) of such Act is amended by inserting "or advertising" after "labeling" each time it occurs.

(B) Section 303 of such Act is amended by adding at the end the following new subsection:

"(d) No person shall be subject to the penalties of subsection (a) of this section for a violation of section 301 involving misbranded food if the violation exists solely because the food is misbranded under section 403(a) (2) because of its advertising, and no person shall be subject to the penalties of subsection (b) of this section for such a violation unless the violation is committed with the intent to defraud or mislead.".

(C) Section 304(a) of such Act (21 U.S.C. 334(a)) is amended by adding after paragraph (2) the following new paragraph:

"(3) (A) Except as provided in subparagraph (B), no libel for condemnation may be instituted under paragraph (1) or (2) against any food which—

"(i) is misbranded under section 403(a) (2) because of its advertising, and

"(ii) is being held for sale to the ultimate consumer in an establishment other than an establishment owned or operated by a manufacturer, packer, or distributor of the food.

"(B) A libel for condemnation may be instituted under paragraph (1) or (2) against a food described in subparagraph (A) if—

"(i) (I) the food's advertising which resulted in the food being misbranded under section 403(a) (2) was disseminated in the establishment in which the food is being held for sale to the ultimate consumer,

"(II) such advertising was disseminated by, or under the direction of, the owner or operator of such establishment, or

"(III) all or part of the cost of such advertising was paid by such owner or operator; and

"(ii) the owner or operator of such establishment used such advertising in the establishment to promote the sale of the food.".

(b) Chapter VII of such Act is amended by adding after section 706 (21 U.S.C. 376) the following new section:

"ADVERTISING OF CERTAIN FOODS

"Sec. 707. Before initiating any action under chapter III with respect to any food to which section 411 applies and which is deemed to be misbranded under section 403 (a) (2) because of its advertising, the Secretary shall consult with the Federal Trade Commission and, for the purpose of avoiding unnecessary duplication, coordinate such action with any action taken or proposed to be taken by the Commission under the Federal Trade Commission Act.".

(c) The amendments made by subsection (a) shall take effect one hundred and eighty days after the date of the enactment of this Act.

Mr. PROXMIRE. I also ask unanimous consent that the S. 1692 be printed at this point in the Record so that comparisons of their language may be made.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1692

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Section 1. (a) (1) Chapter IV of the Federal Food, Drug, and Cosmetic Act is amended by adding after section 410 (21 U.S.C. 349) the following new section:

"VITAMINS AND MINERALS

"Sec. 411. (a) (1) Except as provided in paragraph (2)—

"(A) the Secretary may not establish maximum limits on the potency of any synthetic or natural vitamin or mineral within a food to which this section applies;

"(B) the Secretary may not classify any vitamin or mineral as a drug on the basis of the potency of the vitamin or mineral or on any other basis other than the fact that—

"(i) the vitamin or mineral is represented (as determined by the Secretary by regulation) in its labeling for use in the diagnosis, cure, mitigation, treatment, or prevention of disease in man; or

"(ii) a condition (including toxicity) which—

"(I) is described in section 503(b)(1), and

"(II) requires that a drug be dispensed only upon prescription,

exists with respect to the vitamin or mineral; and

"(C) the Secretary may not limit the combination or number of any synthetic or natural—

"(i) vitamin,

"(ii) mineral, or

"(iii) other ingredient of food.

within a food to which this section applies.

"(2)(A) Paragraph (1) does not limit the Secretary in the exercise of his authority under and in accordance with—

"(i) section 402, 406, or 409, or chapter V, or

"(ii) any other provision of this Act except to the extent that the authority under such other provision is to be exercised to take an action specifically prohibited by subparagraph (A), (B), or (C) of such paragraph.

"(B) Paragraph (1) shall not apply in the case of a vitamin, mineral, or other ingredient of food which the Secretary determines by regulation is represented for use by children or pregnant or lactating women. For purposes of this subparagraph, the term 'children' means individuals who are under the age of twelve years.

"(b)(1) A food to which this section applies shall not be deemed under section 403 to be misbranded solely because its label bears, in accordance with section 403(i)(2), all the ingredients in the food.

"(2) The labeling for any food to which this section applies may not—

"(A) list its ingredients which are not vitamins or minerals (i) except as a part of a list of all the ingredients of such food, and (ii) unless such ingredients are listed in accordance with an applicable regulation promulgated under section 403(j), or

"(B) give prominence to or emphasize ingredients which are not vitamins or minerals.

"(c)(1) For purposes of subsections (a) and (b) of this section, the term 'food to which this section applies' means a food for humans which is a food for special dietary use—

"(A) which is or contains any natural or synthetic vitamin or mineral, and

"(B) which—

sented as conventional food (as defined by regulation is intended for ingestion in tablet, capsule, or liquid form, or

"(ii) if not intended for ingestion in such a form, does not simulate or is not represented as conventional food (as defined by the Secretary by regulation).

"(2) For purposes of paragraph (1)(B)(i), a food shall be considered as intended for ingestion in liquid form only if, as determined by the Secretary by regulation, it is formulated in a fluid carrier and it is intended for ingestion in daily quantities measured in drops or similar small units of measure."

(2) Section 201(f) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321(f)) is amended (A) by inserting "(1)" after "(f)", (B) by redesignating clauses (1), (2), and (3) as clauses (A), (B), and (C), respectively, and (C) by adding immediately after such section the following:

"(2) The term 'special dietary use' as applied to food used by man means a particular use for which a food purports or is represented to be used, including but not limited to the following:

"(A) Supplying a special dietary need that exists by reason of a physical, physiological, pathological, or other condition, including but not limited to the condition of disease, convalescence, pregnancy, lactation, infancy, allergic hypersensitivity to food, underweight, overweight, or the need to control the intake of sodium.

"(B) Supplying a vitamin, mineral, or other ingredient for use by man to supplement his diet by increasing the total dietary intake.

"(C) Supplying a special dietary need by reason of being a food for use as the sole item of the diet.".

(b) The Secretary of Health, Education, and Welfare shall amend any regulation promulgated under the Federal Food, Drug, and Cosmetic Act which is inconsistent with section 411 of such Act (as added by subsection (a)) and such amendments shall be promulgated in accordance with section 553 of title 5, United States Code.

Sec. 2. (a)(1) Section 403(a) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 343(a)) is amended (A) by inserting "(1)" after "If", and (B) by inserting before the period at the end a comma and the following: "or (2) in the case of a food to which section 411 applies, its advertising is false or misleading in a material respect or its labeling is in violation of section 411(b)(2)".

(2)(A) Section 201(n) of such Act is amended by inserting "or advertising" after "labeling" each time it occurs.

(B) Section 303 of such Act is amended by adding at the end the following new subsection:

"(d) No person shall be subject to the penalties of subsection (a) of this section for a violation of section 301 involving misbranded food if the violation exists solely because the food is misbranded under section 403(a)(2) because of its advertising, and no person shall be subject to the penalties of subsection (b) of this section for such a violation unless the violation is committed with the intent to defraud or mislead.".

(C) Section 304(a) of such Act (21 U.S.C. 334(a)) is amended by adding after paragraph (2) the following new paragraph:

"(3)(A) Except as provided in subparagraph (B), no libel for condemnation may be instituted under paragraph (1) or (2) against any food which—

"(i) is misbranded under section 403(a)(2) because of its advertising, and

"(ii) is being held for sale to the ultimate consumer in an establishment other than an establishment owned or operated by a manufacturer, packer, or distributor of the food.

"(B) A libel for condemnation may be instituted under paragraph (1) or (2) against a food described in subparagraph (A) if—

"(i)(I) the food's advertising which resulted in the food being misbranded under section 403(a)(2) was disseminated in the establishment in which the food is being held for sale to the ultimate consumer,

"(II) such advertising was disseminated by, or under the direction of, the owner or operator of such establishment, or

"(III) all or part of the cost of such advertising was paid by such owner or operator; and

"(ii) the owner or operator of such establishment used such advertising in the establishment to promote the sale of the food.".

(b) Chapter VII of such Act is amended by adding after section 706 (21 U.S.C. 376) the following new section:

"ADVERTISING OF CERTAIN FOODS

"Sec. 707. Before initiating any action under chapter III with respect to any food to which section 411 applies and which is deemed to be misbranded under section 403(a)(2) because of its advertising, the Secretary shall consult with the Federal Trade Commission and, for the purpose of avoiding unnecessary duplication, coordinate such action with any action taken or proposed to be taken by the Commission under the Federal Trade Commission Act.".

(c) The amendments made by subsection (a) shall take effect one hundred and eighty days after the date of the enactment of this Act.

Mr. PROXMIRE. Mr. President, I believe that shortly this bill will be passed in both the House and Senate and signed into law. It has overwhelming support in the Congress and among the public. While it is not a perfect bill and while it does not solve all the problems associated with the vitamin controversy, it does go a very long way to solving them and will provide stability to the manufacturers, the distributors, the retail stores including the small Mom-and-Pop vitamin stores, and to the consumer. They will know where they stand.

This has been a monumental struggle and I am delighted that we have now reached a consensus among almost all the groups who have been involved in this controversy.

By Mr. HUGH SCOTT (for himself and Mr. Thurmond):

S. 2108. A bill to provide for the payment of survivor annuities to widows of certain members of the uniformed services who died before the effective date of the survivor benefit plan. Referred to the Committee on Armed Services.

Mr. HUGH SCOTT. Mr. President, I am pleased to introduce today a bill to provide an annuity to widows of certain members of the uniformed services who died before the effective date of the survivor benefit plan.

Mr. President, the new survivor benefit plan created certain inequities for military career men who died prior to the date of enactment, except for a supplemental payment to those widows whose outside income is less than $1,400 a year. Widows who fall into this category may apply for supplemental payment in an amount which will bring their income up to the national poverty level for a single person, $2,100 a year, or $175 a month. The bill I am introducing today will provide equal survivor benefits for widows of career men who died before the new survivor benefit plan went into effect.

Mr. President, this bill is similar to legislation introduced by Congressman Bob Wilson, but with one significant difference: it has a minimum 20 years service requirement.

It is my hope that my colleagues will act favorably and quickly on this vital measure.

By Mr. CHURCH (for himself and Mr. Bayh):

S. 2110. A bill to amend the Controlled Substances Act so as to make unlawful the robbery of a controlled substance from a registered pharmacy. Referred to the Committee on the Judiciary.

PHARMACY ROBBERIES

Mr. CHURCH. Mr. President, today I am reintroducing my legislation to provide Federal criminal penalties for robberies of pharmacists involving substances under the Controlled Substances Act.

As President Ford stated in his recent crime message, with few exceptions, the crimes that most directly affect Americans can be effectively dealt with ultimately only at the local and State level. The Federal criminal code should be exemplary, but it must be the main responsibility of local and State officials to arrest and prosecute the perpetrators of most crimes of violence against citizens and property.

Nevertheless, study after study has shown that drugs are at the root of most violent crime. The Federal Government is already deeply involved in efforts to curb many accesses to drugs, as well as other means to eliminate drug abuse. But pharmacy robberies are an area in which Federal assistance is quite limited. In addition, pharmacy robberies have consequences beyond drug abuse and drug-related crimes.

The fact that pharmacies perform the service of dispensing drugs under the Controlled Substances Act does, of course, make them prime targets for drug crimes; but that service is also of vital importance to their communities. As more and more pharmacies are struck by violence and death, the number of pharmacies may well decrease. In any given area, the loss of a pharmacy is hard felt. As chairman of the Senate Aging Committee, I can attest to the special impact this situation has on the elderly; but clearly, it affects all of us.

My bill would permit prosecution under Federal law for pharmacy robberies involving controlled substances with a maximum penalty of a $5,000 fine and/or 10 years' imprisonment. Because of the availability of this option, local and State officials would be able to receive help from Federal drug and criminal investigatory authorities in their efforts to curb these crimes in their communities.

It is incumbent on the Federal Government to provide maximum assistance to local and State officials in alleviating this serious situation. I am delighted, therefore, that Senator Bayh, the chairman of the Subcommittee on Juvenile Delinquency, whose efforts in the crime fighting effort are so well known to all of us, has joined me in support of this legislation.

By Mr. CLARK (for himself, Mr. McGee, and Mr. Humphrey):

S. 2111. A bill to amend the United Nations Participation Act of 1945 to halt the importation of Rhodesian chrome. Referred to the Committee on Foreign Relations.

RHODESIAN SANCTIONS

Mr. CLARK. Mr. President, as chairman of the Subcommittee on African Affairs of the Foreign Relations Committe, I have just completed hearings on U.S. policy toward Rhodesia. Virtually all the public and Government witnesses agreed that the United States could contribute substantially to the chances of a peaceful transition to majority rule in that country by returning to full compliance with international economic sanctions.

On December 18, 1973, the Senate passed by a vote of 54 to 37 a bill to restore U.S. compliance with sanctions. Unfortunately for United States-Africa relations and for U.S. credibility in the United Nations, this bill was never acted on in the House. Last Wednesday, however, the House Committee on International Relations did report out a similar bill, strengthened by an amendment which would prevent sanctions-violating countries from exporting Rhodesian chrome to the United States in their steel mill products. In order to have an effect on Rhodesian negotiations, this legislation must be passed by Congress as soon as possible. I am introducing the bill that was reported out of the House committee so that the Senate can fully discuss this issue, both in committee hearings and in statements by both those who favor a return to sanctions and those who oppose it, and can act immediately on it once it has been passed by the House.

Mr. President, I ask unanimous consent that the bill to restore full U.S. compliance with sanctions be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2111

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 5(a) of the United Nations Participation Act of 1945 (22 U.S.C. 287c(a)) is amended by adding at the end thereof the following new sentence: "Section 10 of the Strategic and Critical Materials Stock Piling Act (60 Stat. 596; 50 U.S.C. 98–98h) shall not apply to prohibitions or regulations established under the authority of this section.".

Sec. 2. Section 5 of the United Nations Participation Act of 1945 (22 U.S.C. 287c) is amended by adding at the end thereof the following new subsection:

"(c)(1) During the period in which measures are applied against Southern Rhodesia under subsection (a) pursuant to Security Council Resolutions numbered 232 (adopted December 16, 1966) and numbered 253 (adopted May 29, 1968), a shipment of any steel mill product (as such product may be defined by the Secretary) containing chromium in any form may not be released from customs custody for entry into the United States if—

"(A) a certificate of origin with respect to such shipment has not been filed with the Secretary; or

"(B) in the case of a shipment with respect to which a certificate of origin has been filed with the Secretary, the Secretary determines that the information contained in such certificate does not adequately establish that the steel mill product in such shipment does not contain chromium in any form which is of Southern Rhodesian origin;

unless such release is authorized by the Secretary under paragraph (3) (B) or (C).

"(2) The Secretary shall prescribe regulations for carrying out this subsection.

"(3)(A) In carrying out this subsection, the Secretary may issue subpenas requiring the attendance and testimony of witnesses and the production of evidence. Any such subpena may, upon application by the Secretary, be enforced in a civil action in an appropriate United States district court.

"(B) The Secretary may exempt from the certification requirements of this subsection any shipment of a steel mill product containing chromium in any form which is in transit to the United States on the date of enactment of this subsection.

"(C) Under such circumstances as he deems appropriate, the Secretary may release from customs custody for entry into the United States, under such bond as he may require, any shipment of a steel mill product containing chromium in any form.

"(4) As used in this subsection—

"(A) the term 'certificate of origin' means such certificate as the Secretary may require, with respect to a shipment of any steel mill product containing chromium in any form, issued by the government (or by a designee of such government if the Secretary is satisfied that such designee is the highest available certifying authority) of the country in which such steel mill product was produced certifying that the steel mill product in such shipment contains no chromium in any form which is of Southern Rhodesian origin; and

"(B) the term 'Secretary' means the Secretary of the Treasury.".

Mr. CLARK. Mr. President, while the issues involved in this legislation will be fully debated later, I want to outline some of the reasons it is important that Congress act now to repeal the legislation which required that this country violate international economic sanctions.

First, our violation of sanctions has severely undermined the credibility of this country's commitment to the United Nations. The United States voted in the Security Council to impose these sanctions. It is the only country in the world that has since passed a law requiring that they be violated.

Second, this U.S. action has weakened the international effort to bring about a nonviolent resolution of the Rhodesia problem. In imposing sanctions, the United Nations determined that Rhodesia was a "threat to international peace and security." Sanctions are the most effective nonviolent pressure the world community can exert to bring about a peaceful resolution of conflict. All the witnesses agreed that the threat to international peace in Rhodesia is greater today than ever before, that the alternative to a peaceful transition to majority rule is a tragic war that would inevitably involve surrounding states.

Third, our violation of sanctions has damaged our relations with all the African nations. These countries are particularly sensitive to the continuation of colonialism and racial domination in Rhodesia. They correctly perceive this as not only a question of international peace, but also a question of the world community's willingness to take a stand on behalf of self-determination, human rights, and racial equality. As President Kaunda pointed out in his toast at the White House, the United States is looked to as a leading advocate of these principles. This country should be the first to support an international effort to further human rights in a peaceful way.

Finally, a significant effort is being made by several African nations to reach a negotiated settlement of this problem. Zambia, Tanzania, Mozambique, Botswana, and South Africa—countries in a position to know best the high cost of escalating violence in this area—have cooperated in this effort. A restoration of U.S. compliance with sanctions would be an important demonstration of support for countries which have put themselves in a difficult position for the cause of peace rather than war, for conciliation and compromise rather than unbending defense of their own views.

Mr. President, I ask unanimous consent that my opening statement at the hearings on Rhodesia and the testimonies of Ambassador Robert Good, Prof. Robert Rotberg, Mr. John Hutchinson, Assistant Secretary for African Affairs, Nathaniel Davis, and Assistant Secretary for International Organization Affairs William Buffum be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

OPENING STATEMENT FOR HEARINGS ON RHODESIA

One of the most critical challenges the United States faces today in its Southern Africa policy is whether it will play an effective and constructive role in the resolution of the Rhodesia problem.

The minority regime there—representing about 250,000 whites in a nation of almost 6 million blacks—until now has been able to survive in spite of tremendous international and internal pressure. It has not been recognized by any government in the world. It has been subject to United Nations economic sanctions. It has been under ever-increasing military pressure from nationalist movements within the country.

It is clear now, however, that the survival of this regime is only a matter of time. The independence of Mozambique makes it likely that that country, as well as Zambia will be used for staging areas for the nationalist movements. There is also a real possibility that Rhodesia will no longer be able to use Mozambique ports and transportation facilities for its trade. The liberation movements are now united, are militarily stronger than ever, and can look to the African nations and outside countries for even greater support because the wars in the Portuguese territories are over. South Africa, which has long supported Rhodesia economically and militarily, is putting greater pressure on Ian Smith to reach a negotiated settlement with the liberation movements. Apparently, South Africa's concern now is to avoid a major conflict in the area.

The question now is not whether majority rule will replace racial domination in Rhodesia. It is how soon and in what way this change will come about. It could be brought about peacefully, through a negotiated settlement between the Smith regime and the ANC.

Or it could come only after a long and bitter struggle resulting in tragedy for both whites and blacks. The efforts of the U.N. and the African nations to bring about a peaceful resolution of this conflict could finally pay off. Or the world community could discover how accurate it was in labeling Rhodesia a "threat to international peace and security" as a Rhodesian conflict grew to involve surrounding African nations and non-African states as well.

It is clear that the United States' interests lie in strongly supporting those who seek an early, peaceful transition to majority rule and racial justice in Rhodesia. This country's future relations not only with Zimbabwe but all the African states will be profoundly affected by the strength of U.S. commitment to human rights racial equality and self-determination in Rhodesia. U.S. economic relations with this rich country will be determined by whether we demonstrate now a genuine commitment to the well-being of all its people.

As Bishop Nuzorewa pointed out when he was here, "When we are deciding where to sell our chrome, we will first ask, 'who were our friends when we needed them most?' "

Unfortunately, United States actions in the past have not entirely reflected a commitment to human rights and peace in Rhodesia. While this country supported the imposition of sanctions against Rhodesia in the U.N., it is also the only country in the world that has passed a law requiring that those sanctions be violated. Today, under that law, the U.S. is importing large quantities of chrome and ferrochrome from Rhodesia.

In March, 1970, the United States cast its first veto in the history of the U.N. on extending sanctions against Rhodesia—an action that was unnecessary because Britain had already vetoed. It was seen as particularly significant by the African nations that the United States chose this issue on which to reverse its policy of never vetoing a resolution that had the strong support of the world community.

This country has also abstained on several security council resolutions urging all states to fully implement sanctions and has voted against several General Assembly resolutions reaffirming the inalienable right of the people of Zimbabwe to self-determination, freedom and independence.

Such actions have been viewed by the African states as a reflection of extreme insensitivity to their deep concern about racial oppression in Rhodesia. These actions have also undermined the credibility of this country's commitment to the United Nations and its vital role in encouraging the peaceful resolution of world problems. It is important now that the United States make a positive contribution to this international effort to bring peace and majority rule to Rhodesia, rather than simply vetoing, abstaining and violating sanctions.

The most important questions before us today are whether a peaceful transition to majority rule in Zimbabwe is still possible and what this country can do to help promote such a settlement.

This committee and Congress as a whole must determine what specific actions the United States can take to demonstrate clearly its commitment to human rights and racial equality for the people of Rhodesia.

The witnesses today are well qualified to outline what those actions should be as well as to evaluate the possibility of a peaceful settlement. We will want to explore with them the possible impact of various policy options open to the United States. Mr. Good, Mr. Rotberg and Mr. Hutchinson have all spent considerable time in Rhodesia and the neighboring African states and have devoted much time and thought to the question of what U.S. policy there should be.

STATEMENT ON RHODESIA BY ROBERT C. GOOD*

The purpose of my statement is to place recent events in perspective and to speculate in broad terms about forthcoming developments as these may affect or be affected by U.S. policy. Other commentators are much better positioned than I to present detailed statistical evidence and to estimate near term developments based on the most recent facts.

The least that we may say after the extraordinary turn of events of the last eight months is that at least, in the Rhodesian case, there is something to speculate about. For nine years following the illegal declaration of independence of the Rhodesian white minority government of Ian Smith, the situation was at impasse. It was characterized by the stubborn recalcitrance of Salisbury, a self-destructive devisiveness among Rhodesian African nationalist organizations, the unobtrusive but very real assistance of South Africa (not to mention Portgual) to the white minority regime in its rebellion, and repeated evidence of Britain's inability, regardless of which party was in power, to solve this lingering and vestigial colonial problem.

Suddenly last December—the result of backstage maneuvers that had been in progress for months—everything seemed to break loose at once. Mr. Smith released from detention or prison Rhodesian African nationalist leaders who had been in custody for more than a decade; the fueding Rhodesian African nationalist organizations agreed to coalesce and to stand down their guerrilla forces; both sides agreed in principle to attend a constitutional conference; and South Africa said it would withdraw the paramilitary units that had been assisting the Rhodesian forces contain guerrilla forays in the Zambesi valley. An added fillip to this heady concoction, Black African leaders urged upon British Foreign Secretary James Callaghan a leading British role in convening the prospective constitutional conference—the same British administration almost to a man that had previously brought us the extravaganzas on board HMS Tiger (1966) and HMS Fearless (1968), each producing settlement terms endorsed by the British government and roundly denounced by most African leaders as a "sell out." (While Harold Wilson was willing to "sell," Ian Smith as it turned out was unwilling to "buy" and the impasse continued.)

The turn of events in December was momentous. What had happened to cause the apparent dismantling of the barricades on all sides? The watershed event of course was the coup in Lisbon of April 25, 1974, from which flowed an astonishing reversal of almost five centuries of Portuguese colonial policy.

Guinea-Bissau and Mozambique have already become independent under Black leadership. Angola, with whatever attendant danger, will achieve its freedom on November 11—four hundred years after the advent of colonial rule in that region and ironically on the tenth anniversary of Ian Smith's rebellion.

A glance at the map indicates the geopolitical importance of these events, especially the independence of Mozambique under a movement which, barring only the case of Algeria, had staged Africa's most successful guerrilla war for freedom and which now controls Rhodesia's ingress and egress through Beira and Lourenzo Marques, as well as the flow of petroleum products from the important SONAREP refinery in the latter city.

Faced with the collapse of a white buffer zone, the South African government turned to the policy of "detente." It was the antidote to new dangers (racial confrontation) and the route to new relationships (Black Africa with Sotuh Africa). In Lusaka, the possibility of supping with the devil who now seemed to see Ian Smith as an intolerable obstacle to "detente" was eyed, however warily, with fascination. Perhaps there was a way after all of effecting a transition to majority rule in Rhodesia without recourse to escalating violence.

In the midst of such rapid change, it is important to reflect on some continuities. South Africa's policy of "detente" was a refinement of what for years has been called the "outward" policy, one fruit of which had actually been the establishment of diplomatic relations between the white supremacist government of South Africa and the Black African government of Malawi. More-

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over, South African economists had long been writing about the creation of a kind of South African-managed co-prosperity sphere encompassing Black and White controlled states in the southern third of the continent. Ten years ago Sotuh Africa advised against UDI and has favored a settlement ever since, letting it be known that it was not necessarily against a Black government in Salisbury provided it was not hostile to Pretoria.

President Kenneth Kaunda for his part has quietly tested the possibility of "dialogue" with South Africa for a number of years and has understood better than most African leaders the grim consequences of escalating racial conflict. Moreover, the preference of Black Africa for a negotiated settlement has been explicit ever since the eloquent Lusaka Manifesto of 1969. Equally important, the operative concept for most African leaders has never been immediate independence under majority rule for Rhodesia but rather NIBMAR, an acronym introduced by President Julius Nyerere in 1966 signifying "No independence [in Rhodesia] before majority rule." The interim period, according to Kaunda and Nyerere, might run as long as four to five years before actual majority rule with independence might be achieved. The present situation thus has significant links with the past.

What is fundamentally new, following the initiatives announced last December, is that after nine years we have at last correctly identified the primary actors and placed them in the proper juxtaposition. As important as their responsibilities no doubt remain, the primary actors include neither the United Kingdom nor the United Nations. The primary actors rather are the Smith regime and the Rhodesian African nationalists. The secondary actors of consequence are the South Africans and those African Presidents able to exercise the most influence over the Rhodesian African nationalists: Presidents Kaunda and Nyerere, together with Presidents Seretse Khama of Botswana and Samora Machel of Mozambique.

The scenario outlined in December was disarmingly simple. The Black Presidents would pressure the fractious African nationalists into a coalition and towards the negotiating table. At the same time, Prime Minister Vorster would elbow Ian Smith into meaningful negotiations. The process would be facilitated by the desire of both Pretoria and Lusaka to avoid stepped-up guerrilla activities and by the realization that Mozambique in the hands of FRELIMO was capable not only of vastly strengthening the sanctions squeeze on Rhodesia but opening a seven hundred mile boundary to guerrilla incursions, perhaps assisted by its own battle-tested freedom fighters.

Anyone familiar with the vagaries of the Rhodesian situation, however, would have known that in Southern Africa the shortest distance between two points is never a straight line. The coalition of nationalist movements keeps exploding in the hands of the African Presidents. Fratricidal conflict among Rhodesian African nationalists continues both inside Rhodesia and among the exiled nationalist groups. The fissures open not really along ideological lines and not exclusively along tribal lines, though the latter must not be discounted. They reflect also differences in tactics and these differences reflect the struggle for leadership which intensifies as the anticipated time of transition approaches. And Prime Minister Vorster continues to have as much trouble with the slippery Mr. Smith as do the African Presidents with their clients. Each excess of the feuding nationalists plays, as it always has, into Smith's hands. Vorster has virtually all the levers of crude power in his hands to bring the Rhodesian Front to heel, but cannot be seen to use these too openly without affording Smith the opportunity to appeal over his head to the South African white electorate, or himself to be contributing to and thus validating a program of international sanctions. Samora Machel, the new President of Mozambique, is also no free agent. He has inherited a parlous economy and the enormous task of turning Mozambique into a going concern politically as well as economically. And there are measurable prices to be paid for not maintaining correct relations with Pretoria at this stage.

Thus, the orchestration of events and the manipulation of actors present problems of exquisite delicacy. The dangers, consequently, are enormous.

What Vorster wants most is a negotiated transition to majority rule which he himself is perceived to have facilitated. What Vorster wants least is a transition to majority rule achieved as a direct result of successful international sanctions and, even worse, of guerrilla warfare. Yet to achieve the desired goal, the threat of the undesired one—even in measured degree its reality—must be operative. This suggests a further ripening process and the resulting ferment might either produce the desired mixture or explode the keg.

The last six months have borne out this thesis. Neither the African Presidents nor Mr. Vorster has been able to pressure the African National Congress or the Rhodesian Front into accepting the last viable fall-back position of the other. Indeed, substantive meetings have not even taken place. Meanwhile South African paramilitary units so far as we know remain in Rhodesia. There is no real ceasefire. And many political prisoners are still in custody. Though the primary actors have been identified and the dynamics of an ultimate solution are now clearer than ever before we must not underestimate the difficulties.

The problem today is what it has been from the outset. In a word, it is to effect a colonial transition in Rhodesia without an imperial arbiter. Never having deployed forces on the ground in Rhodesia, Britain has never exercised imperial authority. South Africa has become the surrogate for such authority. But under what circumstances can Vorster now get Smith to sign the instrument that obliges the regimen to self-destruct in three years? Or in five years? Or can provide guarantees of irreversibility to the Africans?

Vorster has called the alternative "too ghastly to contemplate," meaning presumably a rapid escalation of guerrilla warfare leading to an attempt at all-out military solution on both sides which could trigger a racial cataclysm well beyond Rhodesia's frontiers. He is right. It is ghastly indeed. The chief hope in the present situation is that Vorster's fears are shared by the African Presidents, creating the tenuous alliance of convenience between Pretoria and Lusaka. Outside this consensus stand certain Rhodesian African nationalists, principally ZANU which has spearheaded the most successful of the guerrilla incursions; and possibly—we do not know for sure one way or the other—Ian Smith himself.

Not inconceivably, Smith might feel that rapidly escalating violence might reverse the process of "detente"—in the realization of which continued white rule in Salisbury is the most serious stumbling block—and draw South Africa into a decisive confrontation with the guerrillas and more importantly with the countries giving them sanctuary. If that were to happen we would find ourselves in a brand new ball game.

How then does one get a negotiated settlement? I suggested before that the situation must ripen further. That means a continuation of more of the same, and possibly repeating the cycle of stepped up violence leading to renewed attempts at negotiations, perhaps several times over. How long this will take, I for one cannot predict. We have been imposing ill-conceived deadlines on events in Southern Africa for years. The only deadline no one thought to predict was the one that came in consequence of the unpredicted coup in Lisbon—independence for Portuguese Africa. In December and January, the conventional wisdom was that a settlement would be in hand prior to Mozambiquan independence. My instinct is that it could take another one to three years.

The following elements must remain or be brought into play. First, there must be a continuing liaison between Pretoria and Lusaka, between Prime Minister Vorster and the African Presidents. Second, the African Presidents must continue to pressure the Rhodesian African nationalists into a willingness, once the situation matures, to enter into a transitional arrangement which will involve under some international guarantee independence under majority rule within not more than four to five years. Third, Vorster must keep equivalent pressure on Smith and the Rhodesian Front. Fourth is the ingredient that is as dangerous as it is indispensable: Mozambique must gradually increase the sanctions squeeze and preparations must proceed apace to increase the effectiveness of African guerrilla forces.

The object of the latter moves of course is to erode further the structure of white power in Rhodesia by increasing the costs of moving exports and imports through the sanctions barrier and by increasing the difficulties of gaining access to the international money market and of recruiting expatriate skills, thus hastening the net exodus of whites from the country. As a result, the regime will become the more brittle as time goes on. The object equally is to demonstrate that the alternative "too ghastly to contemplate" can and will in time become a reality. As these developments proceed, Vorster's ability to place added pressure on Smith ought to achieve growing acceptance within the South African white electorate. His maneuverability in this respect is already far greater now than it was several years ago.

Britain's formal role in all of this remains as substantial as its real role remains negligible. It is the Parliament at Westminster that must finally validate independence normalizing Rhodesia's (by then Zimbabwe's) relations with the international community. But Britain's actual role in achieving a political transition can only be marginal and facilitative. We need, incidentally, no longer fear a British deal with Smith aimed at disengagement. The situation has moved beyond that. There can be no return to the status quo ante. In any event, the precedent of the Pearce Commission in 1971 with its finding against the settlement proposals of the Conservative Foreign Minister, Sir Alec Douglas-Home (a procedure for which the British government deserves more credit than it has received) obviates the danger of a "sell-out."

What about the United States? One hopes, almost wistfully, that the Byrd amendment can be repealed before there is majority rule in Rhodesia. It is in fact important that this be accomplished with dispatch. In company with the gradually expanding involvement of Mozambique in the sanctions campaign, it would send a significant signal to Salisbury at a psychologically important moment. The United States ought to be willing, as well, to join an international effort to compensate Mozambique for any loss of revenue involved in its sanctions against Rhodesia. Third, we should initiate immediately programs of humanitarian assistance to the Rhodesian African nationalists. Beyond this, there is little that we can do directly.

There is however much that we can do contextually, if I may put it that way—seeing Rhodesia in the larger context of Southern Africa. In general we must begin to understand, and give more consistent expression to that understanding, that the issues of Southern Africa are grave and may gravely affect American interests. I say this with such certainty, as I have said it before "because I believe that in this age of immediate communication and instant involvement, it is inconceivable that two great racial revolutions (in America and in Southern Africa) can climax at roughly the same point in history without finally each affecting, exciting, and probably aggravating the other. Exactly how this interaction will work itself out is I think unpredictable. But that there will be a significant interaction I would consider inevitable."

Testimony on Rhodesia

(By Robert I. Rotberg)

Mr. Chairman, Members of the sub-committee, I am grateful for this opportunity to appear before you and to testify about Rhodesia.

Rhodesia is a strategically located colony with great potential. Whether called Rhodesia or Zimbabwe, it has a valuable resource base and could, under favorable circumstances, serve once again as the fulcrum of a prosperous and progressive Southern Africa.

Mr. Chairman, within the last 15 months prospects for development and the resolution of conflict in Southern Africa have increased tenfold. You have already heard testimony on Angola and Mozambique and are aware of the dramatic alteration in the state of southern Africa since the coup d'état in Portugal in April 1974. We have seen Guiné and Mozambique attain independence. If the threat of civil war can be contained, Angola will follow in November.

These are significant milestones which resulted from the coup. Without Portugal's willingness to devolve responsibility after 500 years, independence would have been achieved much more painfully and laboriously, if at all. Certainly the transition would not have been accomplished peacefully.

South Africa has been directly affected by the events of the past 15 months. Although many observers would have predicted that South Africa, true to its foreign policy for the past two decades and the public statements of its leaders, would have tried covertly, and, if necessary, overtly to retard independence in Mozambique and Angola, in fact, South Africa reacted to the coup in Portugal with an attitude of positive neutrality and an unaccustomed posture of comparative complacency. Moreover, when South Africa could materially have assisted blacks and whites opposed to Frelimo in Moçambique, it studiously refrained from even the semblance of interference.

This was the face of the new, severely pragmatic, South Africa. For it, the most important need was and is stability in southern Africa. It sought—as part of its reaction to the Portuguese coup—to buy time (say 10 years) with space. It reckoned that the end of conflict in southern Africa would provide South Africa with an interval long enough to alter her own internal and quasi-internal policies (I refer to the homelands) regarding blacks. To have intervened in Mozambique or Angola would have forfeited the kinds of relations it sought and needs with black Africa and her newly independent or soon to be independent black neighbors. Also, conflict would have been escalated. And the likelihood of a spillover from such conflict into South Africa would have been made much more certain. South Africa, therefore—but not without serious debate within the ruling echelons of the National Party—refused to meddle in Mozambique and Angola for two reasons.

1. To do so was seen to be too risky.
2. From carefully calculated self-interest.

South Africa is no less aware than we here today must be of the strategic as well as the political significance of détente in southern Africa. In this respect the attitudes and interests of South Africa suddenly—but not surprisingly—coincide with the interests of black Africa, and especially with the Republic of Zambia.

With the end of Portugal in Africa, Zambia saw an unheralded opportunity—the first in nine years—to satisfy its own political and economic requirements for developmental time and cross-border stability. Thus South Africa and Zambia not only both appreciated the importance of stability in southern Africa, but also took the unusual step of talking together about it.

Both are and were aware that real stability in southern Africa is impossible without a resolution to the Rhodesian problem. Without a deescalation of conflict, stability in the region will prove unattainable. Hence, about ten months ago, South Africa and Zambia began working together, along with the transition regime in Moçambique and the governments of Tanzania and Botswana, to articulate and concert a viable policy about and for the future of Rhodesia.

I need not remind a Senatorial committee of Rhodesia's natural resources. You are all too familiar with its base metals and the American interest in the export of one of those raw materials. Rhodesia holds 86 percent of the free world's known reserves of high-quality chromium. It also mines significant quantities of copper, nickel, asbestos, gold, iron, and coal, and lesser quantities of forty other minerals. Obviously, under more auspicious economic conditions than currently obtain there, Rhodesia could greatly increase its production of these and other valuable minerals.

Rhodesia in pre-sanction days was a major producer of corn, sugar, and tobacco, and could be again. Short-staple cotton has also been grown with promising yields. Indeed, given the expert level of Rhodesia's farmers, if irrigated water supplies are available in sufficient acre-feet, there is no limit to the cropping potential of Rhodesia.

From the time of Rhodesia's unilateral declaration of independence to the present, her chrome, copper, gold, asbestos, tobacco, and maize have, despite sanctions, been exported via Moçambique and South Africa to China, Japan, the Soviet bloc states, Holland, Switzerland, and, as we know for chrome, to the United States. Corn has been sent to Zambia and, I presume, Zaire. Her imports, especially the gas and oil without which the colony would long ago have ground to a halt, also reaches Rhodesia via Moçambique and South Africa.

Rhodesia also served as a transport hub. Opening up its routes to the sea would restore a critical transportation link for Zambia, and ensure the export of copper and the import of machinery and consumer goods.

Since UDI, Rhodesia's light and medium manufacturing sectors have prospered in ways reminiscent of the 1950s. These two sectors could once again supply neighboring states with processed agricultural goods and manufactured commodities now typically imported either from South Africa or from overseas. Within a warfare-free southern Africa, a new Rhodesia (probably called Zimbabwe) could prosper as it did when—as the bambazonke of the Central African Federation—it supplied the bulk of the requirements of consumers in Zambia, Malawi, and southern Zaire.

Rhodesia has a population more highly educated than were the comparable populations in countries to the north at the moment of their own independence. It has an untapped potential for the growth of service industries for the region. It could also count upon visible earnings from a well-organized tourist sector. After all, few other African countries can boast ruins the equal of Zimbabwe and Inyanga, waterfalls as exciting as Victoria, or highlands as salubrious as the Eastern ones near Umtali. And few African countries have such highly developed infrastructures and well-arranged (when sanction-free) economies.

As developing nations go, Rhodesia is potentially rich and well-situated for progress. It also holds the very frightening potential for all-out racial war. Let us examine the population balance: there are 6 million Africans and 270–250,000 whites, plus a few thousand coloureds and Asians. Let us estimate that there are 50–65,000 white heads of families or others normally eligible to defend white rule in any total conflict. (I am aware that blacks now fight alongside whites in the Rhodesian armed forces. But this collaboration need not necessarily continue in all circumstances.) But if even one-third of that number were committed to battle (and support for battalions at war), what would happen to the local economy? And what would happen to the very way of life which whites cherish in Rhodesia? A siege economy could not be endured for long. Morale would sag. It would not take too many battlefield reverses or much urban sabotage to deplete the white ranks in the army and make it impossible to sustain war. Remember, too, that at least one-half of all the whites in Rhodesia have immigrated there since World War II. Unlike white South Africans, most white Rhodesians could, if they wished, return to relatives in Britain, Portugal, Greece, Cyprus, and South Africa. This is not to say that they will need to. There are more whites in Kenya and Zambia now than at the time of independence. They probably earn more per capita in real terms than they did then.

The prospects for an all-out racial war are enhanced by:

1. Frelimo's victory over the Portuguese in Mozambique.
2. The consequent availability of guerrilla camps and staging zones across the Rhodesian border in Mozambique as well as Zambia.
3. South Africa's refusal to continue its support of Rhodesia militarily (and probably economically) and its willingness to withdraw troops already there.
4. South Africa's clearly enunciated refusal to be sucked into the vortex of a Vietnam-like conflict in southern Africa. That is, it does South Africa's self-interest no good to engage in a war which cannot be won or which can only focus hostility toward it, and away from Rhodesia. Furthermore, should South Africa and Rhodesia somehow prove victorious, would the whites of South Africa want to swell their own black population with 6 million more? I think not. (The white population of South Africa is not yet 4 million.)
5. Zambia and Tanzania's decision to support the African National Council's liberation army if negotiations fail.
6. The promise of the British Commonwealth to back Mozambique if it ends traffic from Rhodesia to the sea, and otherwise tightens the economic noose.
7. The ability of the miliant black nations of Africa to focus their attention upon Rhodesia now that Guiné, Moçambique, and Angola have been liberated. (In this connection Zambia has apparently persuaded its fellow militants that South Africa means to cooperate in bringing about a peaceful conclusion to the Rhodesian situation, and that it is worthwhile avoiding hostility toward South Africa for the time being.)

It is true that there is dissension in the black Rhodesian camp. Despite the strenuous efforts of Samora Machel, Kenneth Kanda, Julius Nyerere, and Seretse Khama, the main opposing wings of the Rhodesian struggle—the Zimbabwe African Peoples Union (ZAPU) and the Zimbabwe African National Union (ZANU)—have not been united except in name and form. The African National Council (ANC) is an umbrella organization which successfully revived domestic dissent in 1971–72 and has tried to bring together the opposing ideologies and end conflicts over power that have existed between ZANU and ZAPU (latterly also Frolizi) since about 1962–63. There still remains a serious chance of fratricidal conflict among Rhodesian blacks on the Angolan model.

But it is equally true that the ANC's military wing is under the command of those ZANU forces which have already demonstrated their ability to fight a guerrilla war before and since the coup in Portugal. After years of faltering, the ZANU guerrillas opened up an important front in northeastern Rhodesia in late 1972 and have maintained pressure upon the army of Rhodesia since then. Their most well-publicized successes came in late 1973 and early 1974. If negotiations fail, their reorganized movement will have access to more arms and ammunition, better training, and better logistical support than before. They will also have the psychological advantage of Frelimo's success.

Without massive firepower, the government of Rhodesia could not and cannot defeat a concerted rural guerrilla effort backed by Zambia, Moçambique, Tanzania, etc. This is not to say that the guerrillas can win, either, but they have already demonstrated an ability to tie down a local defensive force indefinitely. They can again harass isolated areas. They may probably have the ability to do so to such an extent that a white exodus will begin. Any panic would surely mean the end of a credible defense force. And a further level of warfare could engulf the cities, which now are white redoubts.

No one—African, South African, Zambian, or Mocambiqan—wants Rhodesia engulfed by violence. Least of all do the Rhodesian whites want violence. But for twelve years the Rhodesian whites have resisted the transfer of power to blacks with surprising success.

Has Armageddon come? Encircled by unfriendly neighbors and with its transportation needs dependent upon them, Rhodesia seems finally to have run out of luck. But such an analysis rests on Moçambique's decision to cut the Rhodesian routes to Beira and Lourenço Marques(the colony's main outlet), Botswana's willingness to limit the use of the old main line to Bulawayo from the south, and South Africa's determination to do little to make the new single line link from Beit Bridge to Rutenga anything more than a thin, temporary expedient.

As in so many other matters, South Africa's attitude is crucial. It has pushed Ian Smith's government very far. Its efforts presumably were responsible for the release from prison of the leaders of ZANU and ZAPU, and for encouraging the Smith regime to agree to a ceasefire. But as you know, Mr. Chairman, the great expectations of December have been followed by the circumlocutions, evasions, and stallings of January through July. There has as yet been no constitutional conference, and much successful maneuvering on the part of the Smith government. The guerrilla war continues and several of the leaders of ZANU are unable to return to Rhodesia and/or under restraint in neighboring territories. It is not clear, pending the actions of Moçambique, how far South Africa can and will go in using its undoubted economic leverage to make the Smith government negotiate an end to the Rhodesian conflict and begin the hard and, for whites, painful task of transferring power to blacks.

There is no doubt that South Africa would prefer a comparatively rapid devolution of power to blacks, but it is not clear how far it is prepared to go (for domestic political reasons) in compelling such a result. Nor is it clear how much more time the black governments will give South Africa to bring whites and blacks fruitfully to the conference table. There is a tendency to think that the Smith government favors one over another of the three or four main liberationist political groups, and that it has been trying to wait until that group gains strength within the country before talking with blacks about the future. South Africa may be a party to this endeavor. So may Zambia. But it is not clear that such a strategy can provide more than temporary solace, or whether it may not lead to the kind of Angolan conflict which it is in everyone's interest to avoid.

Whatever the short-term outcome of these manipulations, maneuverings, and evasions, it is in the interest of all parties to negotiate a settlement and avoid conflict. Let me hedge this last, however. It may well be that it is not in ZANU's interest to avoid conflict now, given the distribution of power which could result from an immediate constitutional agreement. But if it is in ZANU's interest to maintain the war, so it must be in white Rhodesia's interest to settle.

The Prime Minister of Rhodesia has recently reiterated his oft-quoted statement that the colony will not be governed by blacks in his lifetime. But that is an unrealistic statement given the ability of his neighbors to strangle Rhodesia economically and fiscally, and the presumed ability of black states and states of the Eastern bloc to back a well-organized guerrilla movement almost indefinitely. It follows, I think, that it is best to do now what must be done evenually—that whites can obtain more security and better transition arrangements now rather than later. But are the whites of Rhodesia equipped to perceive their self-interest in the same way? I think so, and do not believe that pollyanna is talking. Indeed, I think, once Moçambique's attitude is clear and the priorities of South Africa are reiterated to Rhodesia, that we may see some rapid movement in this direction. Admittedly, a change in the leadership of the Rhodesian Front may first be required, but I am not prepared to say, either, that such is a necessary precondition. Self-interest, not altruism, and very little avoidance of conflict has always characterized the political perceptions of the white leadership in Rhodesia.

If the above premises are reasonable, then it follows that it is in the self-interest of this country to enhance those initiatives which would bring about a peaceful resolution of the Rhodesian question. As President Kaunda said in the White House in April, it is time for the United States to resume its leadership of the West in African Affairs. I submit that we can do so by supporting the Zambian and South African attempts to avoid conflict in southern Africa and by encouraging the present white government of Rhodesia to discuss the kinds of terms for a transfer of power which will make most sense for the future good of all of the inhabitants of that territory. We might even explore ways in which we could with African support assist in making the transition from white to black rule as successful as possible.

Statement of the Honorable Nathaniel Davis, Assistant Secretary of State for African Affairs

Mr. Chairman, Members of the Committee: I welcome this opportunity to meet with the Subcommittee again—this time for an exchange of views on the situation in Southern Rhodesia. Ambassador William B. Buffum, Assistant Secretary of State for International Organization Affairs, is here with me today.

As you know, Rhodesia is technically a self-governing British colony in revolt against the British Government. Its unilateral declaration of independence (UDI) of 1965 has not been formally recognized by any country. The regime of Ian Smith, representing less than 5% of the total Rhodesian population, has since 1965 taken steps to perpetuate white minority rule and to exclude the African majority from meaningful participation in the political and economic life of the country.

For the better part of ten years the Rhodesian problem has evaded every solution, despite repeated efforts of the British Government, supported by the United Nations, which imposed mandatory economic sanctions against Rhodesia in 1966 and 1968.

Since the accession of Mozambique to independence the situation in Southern Africa including Rhodesia has changed. As you know, Mozambique, a nation with a 700-mile common border with Rhodesia, became independent just two weeks ago.

The independence of Mozambique and the possibility of the closing of its borders to Rhodesian trade has placed additional pressure on the Smith regime. (It is estimated that some 80% of Rhodesian exports and imports go through Mozambique.) There are some indications of an increased perception within the minority regime that its present course can only lead to further violence and tragedy and that it would be preferable to enter into serious negotiations with representatives of the African majority on the future of Rhodesia. Leaders of the neighboring states of Zambia, Tanzania, Mozambique, Botswana and South Africa are seeking to exert influence toward the promotion of peaceful solution in Rhodesia. Preliminary talks between the Smith regime and the Rhodesian nationalists, who formally united in December under the African National Council, are continuing, despite deadlocks, interruptions, and procedural difficulties. The formal unification of Rhodesian nationalists is a significant development, encouraged by Presidents Kaunda, Seretse Khama, Nyerere, and Machel. The preliminary talks, which resulted from the December agreement in Lusaka, are designed to pave the way for a full-fledged constitutional conference.

Thus, there are some encouraging signs—including the fact that the United Kingdom sent an emissary to Salisbury late in June to discuss with the Smith regime and with Rhodesian nationalist leaders the timing and modalities of a possible constitutional conference.

Nonetheless, Mr. Chairman, I think it would be a mistake to be overly optimistic. A Rhodesian settlement is still far from accomplishment at this point and there is every likelihood that there will be a period of hard negotiations ahead.

The main lines of our policy toward Rhodesia have followed from the illegal Rhodesian UDI, based on minority rule. In brief, we do not recognize the Rhodesian regime's claim to independence; we continue to regard the British Crown as the lawful sovereign in Rhodesia; we support the UN and the UK in their efforts to influence the Rhodesian regime to negotiate a peaceful settlement based on the principles of self-determination and majority rule in Rhodesia. To this end we voted for and support the UN sanctions against Rhodesia. I might add, Mr. Chairman, that while our record of sanctions enforcement has been good, there is a major gap in this enforcement created by the Byrd Amendment, allowing the importation of chrome and certain other materials from Rhodesia. In addition to providing the regime in Salisbury with much needed foreign exchange, the Byrd Amendment has also provided moral and psychological support to that regime. I would like to stress again the Administration's support for legislation repealing the Byrd Amendment (HR 1287) currently being considered by the Congress. We are very encouraged by the progress of the repeal bill, voted out of the House International Relations Committee yesterday. Early repeal not only would enable the United States to comply fully with its international obligations, but, we hope, would add an important increment of influence on the Smith regime to move into serious negotiations regarding Rhodesia's future.

Mr. Chairman, we strongly support self-determination for the people of Rhodesia, and hope that current efforts to arrive at a settlement acceptable to the population of Rhodesia as a whole will be successful.

Testimony by William B. Buffum

Thank you Mr. Chairman, I am William Buffum Assistant Secretary of State for the Bureau of International Organizations. I should like to review briefly for this committee the nature of the United Nations' concerns with Rhodesia, and the United States position with regard to those concerns.

As you know the Ian Smith regime in Rhodesia unilaterally declared independence from Great Britain on November 11, 1965. Great Britain, interested in granting independence to a multi-racial state governed by majority rule, requested United Nations assistance in dealing with the Smith regime's persistent illegal claim to independence. The Security Council decided on November 12 and 20, 1965 to set in motion a program of voluntary economic sanctions directed at Southern Rhodesia at the request of the United Kingdom calling on all states to refrain from assisting the illegal Smith regime and to do their utmost to break all economic relations with it, including an embargo on oil and petroleum products.

Early in April 1966, attempts were made to circumvent the voluntary oil embargo. On the grounds that such action, specifically the arrival of the oil tanker Joanna V at the port of Beira, Mozambique, could lead to a collapse of the entire sanctions program against Southern Rhodesia, the United Kingdom urgently requested a meeting of the Security Council on April 7, 1966. The British submitted a resolution before the Security Council describing the situation in Southern Rhodesia as "a threat to peace and security" and it was adopted on April 9. The United States had participated in the voluntary sanctions if you wish I can supply this Committee with a brief chronology of United States actions taken during 1965 and 1966. The United Nations Security Council responded again to British requests for a meeting in December of 1966 and on December 16 again decided that the Rhodesian situation constituted a threat to the peace. The United States concurred in these Security Council findings because we believe that a United Nations policy of passivity in the face of the Rhodesian rebellion would sharpen existing tensions in the Southern half of Africa; encourage extremism on the part of both black and white communities in African states; and make possible exploitation of the situation by extremists of the left and right.

At the request of the United Kingdom, members of the United Nations Security Council concluded that selective mandatory sanctions should be applied against the Rhodesian regime. The prevailing hope was that the sanctions would induce the leaders in Rhodesia to agree to majority rule, a step which would clearly reduce the potential for violence in a very sensitive area of the African Continent. It was the first time that the Security Council had decided in favor of mandatory sanctions. While it was uncertain at the time what the actual effect of mandatory sanctions on the Smith regime might be, the United States support of this decision was based on the hope that the mandatory sanctions would assist the United Kingdom in its effort to create a more equitable political situation in the British territory.

The issue of sanctions is not without limits. In March of 1970, the United States first exercised its veto on a proposal to include further mandatory provisions to the effect that all states should sever all ties with the Smith regime, including means of transportation, postal service, and all forms of communication. The United States representative, Ambassador Yost, pointed out that his Government shared the desire to achieve an equitable solution to this problem, but that "the question arises whether these more extreme measures which have been suggested would be sufficiently supported by the international community, especially those most directly concerned, to make them in fact effective." He further pointed out that the United States has consistently attached great significance to the maintenance of communications even where relations were strained since we would view most seriously the prospect of leaving United States citizens anywhere in the world without the means to travel and communicate.

As to the United States actions pursuant to their Security Council decisions, on January 5, 1967 President Johnson issued Executive Order 11322 which implemented for the United States the Security Council's Resolution 232 of December 16, 1966.

The Security Council reconvened on the question of Southern Rhodesia, and on May 29, 1968 unanimously adopted Resolution 253 which reaffirmed the 1966 resolution, expanded the scope of the sanctions, and in addition, established a committee of the Security Council (commonly referred to as the Sanctions Committee) to monitor the implementation of the Sanctions.

The United States has been and is an active member of the Sanctions Committee, and we submit quarterly reports regarding trade (medical and educational materials are permitted) and investigations of possible violations. To date there are 237 cases of alleged sanctions violations, by various states. Thirty-three of those cases involve US importation of Rhodesian Chrome.

The status of the Byrd Amendment and its repeal are inextricably a part of US participation in the Sanctions Committee. In November, 1971 President Nixon signed into law the Military Procurement Authorization Act of which Section 503 was the Byrd Amendment. The Byrd Amendment permits the importation into the United States of certain strategic and critical materials including those from Rhodesia. A key item included in this category is chrome. This legislation had as a stated objective the lessening of United States dependence on the Soviet Union as a source of chromium imports. During the period before 1972, the United States had imported from the Soviet Union about one-half of its metallurgical-grade chromite. We imported virtually no chrome ore from Rhodesia from 1968 through 1971 inclusive, and no ferrochrome before 1972. Since 1972, our metallurgical grade chromite imports from Rhodesia have remained steady at approximately 10% of total US imports of this material.

However, imports of Rhodesian chromite seem to have replaced declining purchases from other countries rather than to have displaced imports from the Soviet Union. In general, importation of this material from areas other than Soviet Union have fallen while the Soviet Union has maintained its relative percentage of total US imports.

A few days after assuming the Presidency, President Ford stated his full commitment to the repeal of the Byrd Amendment. Secretary Kissinger has declared that he is personally convinced that the Byrd Amendment is "not essential to our national security, brings us no real economic advantages, and is costly to the national interest of the United States in and conduct of foreign relations." His statement is particularly pertinent to the US posture in the United Nations and the Security Council's Sanctions Committee. I hope that the Senate will see its way clear to repeal the Byrd Amendment.

In providing this brief review of United Nations concerns on the question of Rhodesia and the US position regarding those concerns, some questions may have occurred to you. I should be happy to try and answer them now or submit written responses for such questions later.

The United States, Rhodesia, and Southern Africa Supplementary Oral Testimony

I am grateful for the opportunity to speak briefly today about a maligned and neglected country whose future is related to ours. I have placed a formal statement in the record, and with your permission will add only a few supplementary and summary remarks. A colleague of yours has suggested that you might wish to hear additional testimony in executive session, and I will of course be glad to supply that.

Last year I paid two visits to Rhodesia for a total stay of nearly three months. I went in January, 1974 on my own account to study the prospects for a negotiated settlement in Rhodesia. During that time I was fortunate to meet with Prime Minister Ian Smith, with Bishop Abel Muzorewa—the President of the African National Council, and with a cross-section of African and European labor, business, political and community leaders.

In April, 1974 I went back to Rhodesia at the invitation of an officer of the African National Council. In subsequent discussions it was agreed that I would render what help I could to the ANC in its current negotiations and relations with the Rhodesian government, and in the event of an agreement would visit various African capitals and London and Washington to discuss the merits of the agreement and—a most vital question—the representativeness of the ANC.

On May 7, 1974, it was agreed between Mr. Smith and Bishop Muzorewa that certain constitutional proposals would be placed before the central committee of the ANC for its consideration. I received a copy of the proposals the following day, and for the next four weeks was privy to a number of discussions of the proposals by both African and European leaders. Later in the month I was asked on several occasions to relay certain suggestions or proposals between the African National Council and the Government, and I did so. I was thus a witness to the process of disintegration in will and trust and communication which killed any prospect for an agreement. On June 2, 1974, the central committee refused to accept the proposals and increased its own demands.

There has been speculation that the Rhodesian Government did not anticipate the consequences of the Lisbon coup in the raising of African expectations and demands, and that the African National Council failed to maintain its own internal communications and cohesion and finally bowed to the very real intimidation from outside Rhodesia.

I do not want to add to that speculation, but it should be known that there was a sad reality then that is still a reality; that is poorly appreciated abroad; and about which the United States is probably the only power which can do anything useful and corrective.

The reality is fear. The Europeans fear that they will eventually be swamped and oppressed and ejected and even liquidated by the Africans. The Africans fear that the Europeans will renege on an agreement once it has been ratified by the Parliament of the United Kingdom.

Both the Africans and the Europeans are apprehensive that any agreement they sign will not be respected at their borders and by the international community. They are well aware that most of the outside world is blind to the conditions for peaceful political and economic development in Rhodesia and essentially indifferent to the wishes of the Rhodesian people in the matter.

The Rhodesian predicament is serious, but the international—including the British and American—debate on Rhodesia is largely irrelevant. The necessity for the transition of

Rhodesia into a society of equality—in law and consideration and opportunity—is not open to practical doubt. But I personally doubt if any country in modern times has been preached at for so long and with such arrogant piety by so many nations so poorly qualified to censure or prescribe. I doubt if anything approaching recognition has been given to the European contribution to Rhodesian development and to the European right to survival and reward. I doubt if any sustained thought has been given abroad to the proposition that the African people in Rhodesia should choose their own destiny rather than have it thrust upon them from outside. The fact is that—until the recent and most praiseworthy initiative of Zambia and then Tanzania and Botswana to reinforce and maintain the representatives of the ANC—the pressure of international opinion and action on Rhodesia has been directed, not towards a negotiated agreement, but towards capitulation of war.

Rhodesia does not need any more intimidation. The issues of sanctions and the Byrd amendment are symbolically important to both sides, and I respect the legitimacy of their concern; but they are almost irrelevant to the problem of negotiating a responsible and stable agreement in the short time there is left before the negotiating table is deserted for the battlefield. It is not wise for the United States to expend still more energy and time and taxpayers' money on that idle, most infertile debate. As it is, enough destructive intimidation will probably be provided—unsolicited and free of charge, against both Africans and Europeans in Rhodesia—across the Mozambiquan border by professionals.

What Rhodesia needs is the confidence that a negotiated settlement will be respected by other countries and given a chance to work. It needs a sense of augury, the feeling that some nation with power to influence has a practical interest in the good faith administration of an agreement within Rhodesia. Only the United States can provide that confidence.

I asked Prime Minister Smith if he would welcome such help, and he said he would. I asked Bishop Muzorewa if he would welcome such help, and he said he would. I asked every African and European leader I met in Rhodesia if they would welcome such help, and they said they would.

It is not a matter of interfering in the internal affairs of another nation. It is simply and only a matter of providing good offices where they are needed and wanted. We have shown not the slightest interest in offering or providing such limited but crucial assistance.

Our stock and stolid policy seems to be that it is a British problem. So it is, to some extent. They must ratify any agreement, but they need help in persuading other nations to respect it. In any event, with Northern Ireland still on fire, they have no need for further troubles in Rhodesia. I know enough members of the government and parliament of the United Kingdom to suspect that they would be delighted with our assistance on Rhodesia, provided it was offered with the normal political and constitutional proprieties. They have accept 1776, but retain their sensivities.

Let me summarize here the suggestions I have made in my formal submission.

First, the stability of Southern Africa—with Rhodesia as the litmus test of our ability to contribute in welcome and useful ways—is of political and economic and strategic consequence to the United States.

Second, the probable result of current British, American and international policy towards Rhodesia will be a war between extremists rather than a negotiated settlement between reasonable men.

Third, the African national council should be encouraged to unify its structure and policy to justify its claim to be the prime representative of the African people in Rhodesia.

Fourth, we should declare now and firmly—in advance of further negotiations—that any agreement reached between the government and the council and ratified by the British parliament will be supported by us in the U.N. Security Council, in the U.N. General Assembly, and before the organization for African unity.

Fifth, the United States should make available any assistance—whether in mediation, in constitutional research, or in discussions on the economic future of Rhodesia within the regional development of Southern Africa—what may be requested.

Sixth, the president of the United States—as an augury of his interest in peace and fraternity in Southern Africa—should send an envoy to Rhodesia and to the rest of Southern Africa to study the means whereby the United States could contribute welcome help to the pursuit of political cooperation, regional economic development and racial justice in Southern Africa.

I am not aware of anything useful that the United States has done in Southern Africa in recent years. We have wasted a great deal of time on denunciations but have contributed nothing but banalities to conciliation. We have tolerated and even joined in the hypocrisies about Rhodesia by the worst of political and racist overlords, and have candoned the weakening of traditional international law and custom. We have properly declared ourselves for racial equality in Southern Africa, but have done nothing at all to gird its weak foundations.

This subcommittee will have rendered fine service to the United States and all the people of Southern Africa if it directs the attention of the president and the congress away from the ceremonies of censure and boycott towards the most urgent need for negotiation and settlement. In so doing it might provide us with the option of peace instead of the certainty of war.

John Hutchinson.

By Mr. CHILES:

S. 2112. A bill to authorize the Secretary of the Interior to conduct a study with respect to the feasibility of establishing the Bartram Trail as a national scenic trail. Referred to the Committee on Interior and Insular Affairs.

Mr. CHILES. Mr. President, today I am introducing a bill which would add the Bartram Trail to those areas listed in the National Trails System Act for study by the Secretary of the Interior, with a view toward possible designation as a national scenic trail. Passage of this bill would not necessarily result in the designation of the Bartram Trail as a National Scenic Trail but would require the Secretary of the Interior to prepare a report to Congress on the feasibility and desirability of so doing.

The National Trails System Act of 1968 authorized the establishment of two national scenic trails—the Appalachian Trail in the East and the Pacific Crest Trail in the West. In addition, studies for 14 other routes were authorized to determine if these trails should also be added to the national scenic trail system; and of the 14 routes, one is the El Camino Real Trail from St. Augustine to Fort Caroline National Memorial, a distance of about 30 miles along the southern border of the St. John's River. I believe it would be a shame if we included part of this famous trail and then left out the rest of the route followed by one of the most famous naturalists and explorers of colonial America—John Bartram.

John and William Bartram left Charleston, S.C., in late August 1766 heading for Florida which had come into British hands 2 years earlier. John Bartram's mission, as the newly appointed Royal Bontanist for all the American colonies, was to explore the newly acquired area and report on its condition. And for the next 2 years, he and his son traveled throughout the Southeast, collecting and describing minerals, soils, plants, and animals.

They traveled through what is now Jacksonville, Fla., before reaching St. Augustine. Then they explored the St. Johns River, traveling in part along what is now known as the El Camino Real Trail. In 1774–75, they returned to east Florida on a trip that also took them to parts of Georgia and southeastern Alabama, particularly the areas along the Tombigbee River and the area around what is now Mobile. Out of their travels came a far greater understanding of the wildlife and terrain of what was soon to become an important part of the United States.

John Bartram is remembered in history as the first native American botanist. Although he traveled far and wide in North America, no trip was more important than the two just mentioned. Since the days of John Bartram, millions of Americans have discovered what John and William Bartram went to such pains to see and record—that the north Florida, south and coastal Georgia, and southeast Alabama area is a region rich in natural beauty. The route they followed—the Bartram Trail—is well worth preserving from an environmenal as well as a historical standpoint. If we are to consider a 30-mile section of the Bartram Trail for inclusion within the National Scenic Trail System, I believe we should consider the possibility of the whole trail under the same protective umbrella. And it is for this purpose that I am introducing this bill today.

Mr. President, I ask unanimous consent to have the bill printed in the Record.

There being no objection, the bill was ordered to be printed in the Record as follows:

S. 2112

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (c) of section 5 of the National Trails System Act is amended by adding at the end thereof the following:

"(15) Bartram Trail, which extends from Mobile, Alabama, through the area of Montgomery, Alabama, to the Alabama and Georgia State border about due east of Montgomery, Alabama; continues through Georgia to the area of Savannah, Georgia, thence south to the Georgia and Florida State border; and terminates in the area of Manatee Springs, Florida, after passing through the area of Jacksonville, Florida, and south along the Saint Johns River to Lake George, and thence through the Alachua Savanna to the Suwannee River."

By Mr. HUGH SCOTT (for himself and Mr. Case):

S. 2113. A bill to establish in the State of New Jersey the Treasure Island National Historical Site. Referred to the Committee on Interior and Insular Affairs.

Mr. HUGH SCOTT. Mr. President, today I introduce a bill to establish in the State of New Jersey the Treasure Island National Historical Site.

Treasure Island, the oldest active Boy Scout camp in America, is located in the New Jersey waters of the Delaware River. Originally Marshall's Island, the camp began to accommodate Philadelphia area Scouts when it was founded in 1915 under the Order of the Arrow. As many of my colleagues may know from previous Scouting experience, this society is one of the largest Boy Scout organizations in America.

The island itself is a 50-acre, well-timbered tract of land which provides Scouts with many necessary functions: all-important in shaping boys into men, into the leaders of tomorrow.

As a former Scout, I can appreciate the invaluable services that the Scouting program provides, and I ask for consideration of this bill to establish the Treasure Island National Historical Site, and preserve what is literally a "Treasure Island."

By Mr. STENNIS (for himself and Mr. THURMOND) (by request):

S. 2114. A bill to amend title 37, United States Code, relating to special pay for nuclear qualified officers, and for other purposes. Referred to the Committee on Armed Services.

Mr. STENNIS. Mr. President, by request, for myself and the senior Senator from South Carolina (Mr. THURMOND), I introduce, for appropriate reference, a bill to amend title 37, United States Code, relating to special pay for nuclear qualified officers, and for other purposes.

I ask unanimous consent that a letter of transmittal requesting consideration of the legislation and explaining its purpose be printed in the RECORD following the listing of the bill.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF THE NAVY,
OFFICE OF THE SECRETARY,
Washington, D.C., June 6, 1975.

Hon. NELSON A. ROCKEFELLER,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: There is forwarded herewith a draft of proposed legislation "To amend title 37, United States Code, relating to special pay for nuclear qualified officers, and for other purposes."

This proposal is a part of the Department of Defense Legislative Program for the 94th Congress. The Office of Management and Budget advises that, from the standpoint of the Administration's program, there is no objection to the presentation of this proposal for the consideration of the Congress. The Department of the Navy has been designated as the representative of the Department of Defense for this legislation. It is recommended that this proposal be enacted by the Congress.

PURPOSE OF THE LEGISLATION

The purpose of the legislation is to provide a permanent career incentive pay for naval officers trained and qualified for duty in connection with the supervision, operation, and maintenance of naval nuclear propulsion plants. Adoption of a meaningful career incentive pay is necessary to insure the retention of sufficient qualified officer personnel to meet present and future manning requirements of the nuclear powered ships of the Navy. This incentive pay would replace the current temporary expedient of a $15,000 bonus for junior nuclear qualified officers who contractually agree to remain on active duty for one period of four years beyond completion of the minimum obligated service.

Less than 5% of all naval officers on active duty are trained and qualified for duty in connection with the supervision, operation, and maintenance of naval nuclear propulsion plants. The direct operational expertise and benefit of excellent Navy nuclear training which these some 2500 officers possess make them highly desirable as employment prospects for the greatly expanding civilian nuclear power industry.

During its early years, the Naval Nuclear Propulsion Program was very small and could rely on an adequate annual input of proven career dedicated officer volunteers with some years of previous experience in the conventional submarine or surface forces. The rapid expansion of the program incident to construction of the 41 ship POLARIS fleet resulted in a direct input of relatively large numbers of qualified newly commissioned ensigns into the program and since 1964, this has been the primary source of officer input. It should be noted, however, that the desired input goals for newly commissioned ensigns hvae never been met, and the consecutive annual input shortfalls have caused a serious restriction in sea-shore rotation opportunity for nuclear trained officers.

Simultaneously, the retention rate of these "direct-input" ensigns has been totally inadequate to meet the need for experienced officers in the expanding Naval Nuclear Propulsion Program. In July 1969 the Congress acted to grant a necessary Nuclear Submarine Officer Continuation Pay in the form of a $15,000 bonus for each junior nuclear qualified submarine officer who executed a written contract to remain on active duty beyond minimum obligated service for four years in support of the nuclear submarine service. In October 1972 the Congress again acted to extend the continuation pay concept to junior nuclear qualified officers who served beyond minimum obligated service in support of the aircraft carriers, cruisers, and frigates of the nuclear powered surface fleet. In both cases, the implementation of this special pay program significantly improved the temporary retention of junior nuclear qualified officers through the completion of their department head tour of duty at the ninth or tenth year of commissioned service.

These special continuation pays—in reality short-term officer retention bonuses—were enacted by the Congress as temporary stopgap measures. The Senate and House Armed Services Committee reports on the original 1969 bill firmly document the rationale that the "bonus" solution to the nuclear officer manning problem in Navy was considered a temporary expedient and enacted as such.

Navy has applied continuing efforts to improve the career attractiveness for nuclear qualified officers, including the temporary promotions to the grade of lieutenant commander for officers serving in the position of engineer officer on nuclear powered ships, reductions in the operating tempo of nuclear powered ships and increased recognition of the contributions of these officers to the operational readiness of the Navy. However, these efforts coupled with the temporary bonus expedient have not retained the required number of officers. Middle grade nuclear officers once retained by the existing special bonus pay are now leaving the naval service at the completion of the agreed-upon four year period, and in unacceptable numbers. Better than 30% of the officers who have just completed their bonus obligation at the nine year service point have resigned. In addition, the present bonus and its concomitant four year obligation have become substantially less attractive to junior officers who are just now completing their minimum obligated service; only 27% of the most recently eligible officers have opted for the bonus although they have had the opportunity to do so since June of 1974. Civilian nuclear industry offers both the junior and "post bonus" officer an increase in compensation for similar work at a less demanding and non-seagoing pace. For the post bonus officer, the civilian pay alternative is particularly attractive since it makes up a forced reduction in pay caused by loss of bonus payments and a possible concurrent loss of submarine pay. This problem of "post bonus" losses has become serious in view of the expanding need for capable executive officers and commanding officers in the nuclear fleet. The large number of post bonus resignations is undoubtedly reflected back to the junior officers as evidenced by their increasing reluctance to accept the bonus obligation.

Even under the current economic climate, civilian nuclear industry requirements for trained nuclear power managers, engineers, and operators are most significant. A recent survey conducted of all nuclear trained officers who have resigned within the last three years showed that 67% are currently employed by civilian nuclear industry with a rising trend to 79% nuclear industry employment by resignees in the last year.

A strong secondary reason for new Congressional action is the urgent necessity to improve the accession rate of qualified officers into the nuclear propulsion training program. Consistently inadequate annual input has caused an unreasonable demand to be placed upon the limited number of officers who do volunteer—the feedback from this further limits the annual input. A true and meaningful career incentive pay which compensates for the special demands of the program is vitally needed.

The requirements of the Navy Nuclear Propulsion Program for qualified officers are not unrealistically large—

550 per year to enter nuclear propulsion training (This goal has never been achieved, resulting in a significant increase in the required retention rate among junior officers reaching the end of their obligated service.),

150 per year retained beyond minimum obligated service,

90 per year to become executive officers, and

70 per year to command.

It is therefore proposed that the temporary and sharply focused Nuclear Officer Continuation Pay ($15,000 bonus) system now be replaced with a meaningful and permanently established Nuclear Career Incentive Pay. The proposed new incentive pay system is structured after the recently enacted Aviation Career Incentive Pay, with minor modifications as necessary for adjustment between dissimilarities in the two career patterns. The rate of pay should be based on length of service as a commissioned officer, but for warrant officers is a flat rate, slightly higher than they had received as proficiency pay while in enlisted status as nuclear propulsion plant operators. These proposed rates of incentive pay will provide the nuclear trained officer the required degree of economic indifference to the salary offers of civilian industry after he completes minmum obligated service and for the remainder of his career. In this regard, officers with six to eight years service experience who have resigned within the last three years have a median salary with nuclear industry of nearly $20,000 as compared to a regular military compensation for these officers without incentive pay of $17,950 and with the proposed incentive pay of $20,890.

Entitlement to the proposed Nuclear Career Incentive Pay would vest only in nuclear trained commissioned and warrant officers who maintain their qualification and technical proficiency for duty in connection with the supervision, operation, and maintenance of naval nuclear propulsion plants or those in nuclear training that directly leads to such qualification under the existing strict ERDA regulations and controls.

The proposed rates of Nuclear Career Incentive Pay are:

Monthly incentive pay:	*Years of service as commissioned officer other than warrant officer*
$100	4 or Less
150	Over 4
245	Over 5
225	Over 18
205	Over 20
185	Over 22
165	Over 24
0	Over 25

WARRANT OFFICERS—$200 PER MONTH

The proposal provides that the career incentive pay would be paid to qualified officers not restricted in the performance of duty without regard to their duty assignment during their first ten years of commissioned service. However, if at the end of, or at any time subsequent to, the tenth year of commissioned service, such an officer has been in an assignment for more than three consecutive years which does not involve the supervision, operation, or maintenance of naval nuclear propulsion plants, his entitlement to the career incentive pay is terminated until such time as he again is assigned to such nuclear duty and maintains his qualifications. The termination provisions would not apply to those nuclear qualified officers assigned to required periods of instruction or required qualifying shipboard tours of duty to prepare for assignment to a position of increased responsibility on a nuclear powered vessel. This provision assures that only officers who serve a significant portion of their career in nuclear powered ships receive this incentive pay on a continuous basis and also assures the individual officer of relative financial stability over his career. Incentive systems that offer higher rates of pay to these officers only while serving in nuclear billets have been considered; however, these systems result in considerable financial instability to the individual officer. Officers ordered ashore to important duties outside of the nuclear power field would face a forced reduction in pay of the same magnitude that the current post bonus officer is experiencing; that abrupt reduction is a major contributor to the 30 percent resignation rate of those officers.

The pay differential over the period of a naval career for nuclear trained officers provided by this incentive pay recognizes the value of these officers to the Navy. The cost of this special pay over the career of each nuclear trained officer retained under this proposal will be substantially less than the cost of training the required junior officers for replacement of the middle grade nuclear trained officer. In addition, in view of the consistent inability to meet the current accession goals, it is unlikely that further increased accessions could be met to make up for decreased middle grade officer retention. The total annual cost of this incentive pay proposal is very modest when compared to the capital investment involved in just one of the more than one hundred nuclear powered ships that are the responsibility of these officers to maintain and operate.

Implementation of the Nuclear Career Incentive Pay should preserve the option for junior officers currently on active duty to alternately elect to receive the Nuclear Officer Continuation Pay ($15,000 bonus) during the four year period immediately following their completion of minimum obligated service. Although the proposed nuclear incentive pay does provide a higher remuneration over a full career, it represents a short term reduction from the bonus equivalent of $312.50 per month during this critical four-year period. Accordingly, implementation of the Nuclear Career Incentive Pay proposal without the save-pay alternative would be recognized as a reduction in entitlement for officers just completing minimum obligated service, who have not received Nuclear Career Incentive Pay up to this point.

It is therefore recommended that the Nuclear Officer Continuation Pay enabling legislation (37 U.S.C. 312) be continued until September 30, 1980, to correspond with the new fiscal year ending date at which time all junior nuclear qualified officers reaching end of minimum obligated service will have had full advantage of Nuclear Career Incentive Pay. Without action, this legislative authority expires June 30, 1975.

Legislation creating the Nuclear Career Incentive Pay must stipulate that officers who alternately elect to receive Nuclear Officer Continuation Pay are excluded during the period of their active service agreement.

A member receiving Aviation Career Incentive Pay under section 301a of title 37, United States Code, would be precluded from also receiving Nuclear Career Incentive Pay under this proposal.

COST AND BUDGET DATA

Implementation of this proposed Nuclear Career Incentive Pay would affect about 2400 commissioned officers and 70 warrant officers. Projected per annum cost of Nuclear Career Incentive Pay over the next five years is shown in the following table:

Fiscal year 1976	4.9M
Fiscal year 1977	5.52M
Fiscal year 1978	5.86M
Fiscal year 1979	6.43M
Fiscal year 1980	6.82M

The increasing per annum cost is based on two assumptions: accession goals will be achieved over the next five years and the number of officers receiving the continuation pay bonus will decrease. Both of these factors will cause an increase in the number of officers eligible for the career incentive pay. Once inventory stability is achieved in the nuclear trained officer community, the per annum cost of this incentive pay would be 7.5M.

Sincerely yours,

J. William Middendorf II,
Secretary of the Navy.

By Mr. STENNIS (for himself and Mr. Thurmond) (by request):

S. 2115. A bill to amend chapter 39 of title 10, United States Code, to enable the President to authorize the involuntary order to active duty of selected reservists, for a limited period, whether or not a declaration of war or national emergency has been declared. Referred to the Committee on Armed Services.

Mr. STENNIS. Mr. President, by request, for myself and the senior Senator from South Carolina (Mr. Thurmond), I introduce, for appropriate reference, a bill to amend chapter 39 of title 10, United States Code, to enable the President to authorize the involuntary order to active duty of selected reservists, for a limited period, whether or not a declaration of war or national emergency has been declared.

I ask unanimous consent that a letter of transmittal requesting consideration of the legislation and explaining its purpose be printed in the Record following the listing of the bill.

There being no objection, the letter was ordered to be printed in the Record, as follows:

General Counsel of the
Department of Defense,
Washington, D.C., April 30, 1975.

Hon. Nelson Rockefeller,
President of the Senate,
Washington, D.C.

Dear Mr. President: Forwarded herewith is draft legislation "To amend chapter 39 of title 10, United States Code, to enable the President to authorize the involuntary order to active duty of Selected Reservists, for a limited period, whether or not a declaration of war or national emergency has been declared."

The Office of Management and Budget advises that, from the standpoint of the Administration's program, there is no objection to the presentation of this proposal for the consideration of the Congress. As a part of the Department of Defense Legislative Program for the 94th Congress, it is hereby submitted for enactment at the earliest possible time.

PURPOSE OF THE LEGISLATION

The purpose of the proposal is to amend the provisions of title 10, United States Code, in order to grant the President limited authority, when he determines that it is necessary to augment the active forces for operational missions, to order not more than 50,000 members of the Selected Reserve to active duty for not more than ninety days under conditions short of a declaration of war or national emergency as declared by either the President or the Congress. This proposal is identical to a proposal submitted to the 93d Congress and authority it would provide is being sought for availability on a continuing basis without reference to any particular situation.

This legislation is an important element in achieving greater reliance on Reserve Components for accomplishing the responsibilities of the Department of Defense. It is important that the President be able to augment the active forces with the Reserves for operational missions without having to declare a full-scale national emergency with all the attendant international and domestic implications this can have. Such authority could be used, for example, to augment our Strategic Airlift capability (and other areas as appropriate) in situations similar to that which occurred in the Middle East last year.

In the recent past, augmentation of the active forces on a limited scale has been accomplished under current authority by relying on individual volunteers from among the Reserves. The limitations of this approach are quite apparent, however, particularly in those situations which may require the activation of entire units. There needs to be firm assurance of Reserve availability for employment in crisis situations, short of national emergency, in order that active force commanders may place a high degree of reliance on the Guard and Reserves.

Another aspect of this legislative proposal is having the Guard and Reserve readily available under conditions that are not a national emergency or without a declaration of war. Such authority would demonstrate the swift response capability in our mobilization planning and woud serve as a deterrent to potential aggressors and as an encouragement as seen by or allies.

With respect to authority to order units of the Selected Reserve to active duty to test their readiness, current authority under section 672(b) of title 10, United States Code, while limited to 15 days, is considered adequate for this training purpose.

In order to avoid possible jurisdictional conflict with the States, the bill prohibits members or units of a Reserve Component from being ordered to active duty under proposed section 673(b) of title 10, United States Code, for the purpose of suppressing insurrection or civil disturbance, enforcing the laws of the United States or any State, or providing assistance in time of natural or man-made disaster, accident or catastrophe. These situations will continue to be met under authority provided in existing federal and state laws.

The authorities requested in this legislation will be used judiciously and will enable the Services to plan for broader application of the "Total Force Policy" in satisfying contemporary national defense requirements. The "Total Force Policy" dictates that all available forces, U.S. Active Forces, U.S. Guard and Reserve Forces, and the forces of our allies—would be considered in determining the Defense needs to meet future contingencies. Our national policy of greater reliance on the Guard and Reserve is resulting in missions being assigned to the Reserve forces that were previously the sole responsibility of the Active Force. In some cases the capability to perform certain missions will be primarily the responsibility of the Reserve Forces. In carrying out these missions, the volunteer potential of the Reserve Forces will continue to be fully exploited.

The bill also amends section 9(g) of the Military Selective Service Act in order to assure that any member who is ordered to active duty under proposed section 673(b) of title 10, United States Code, as added by the bill, would be entitled to reemployment rights upon release from that active duty, providing he meets the other requirements under the law for entitlement to reemployment rights.

The Department of Defense strongly recommends enactment.

COST AND BUDGET DATA

The enactment of this proposal would cause no increase in the budgetary requirements of the Department of Defense.

Sincerely,

Martin R. Hoffmann.

By Mr. STENNIS (for himself and Mr. Thurmond) (by request):

S. 2116. A bill to amend chapter 5, title 37, United States Code, to extend the special pay provisions for veterinarians and optometrists. Referred to the Committee on Armed Services.

Mr. STENNIS. Mr. President, by request, for myself and the senior Senator from South Carolina (Mr. Thurmond), I introduce, for appropriate reference, a bill to amend chapter 5, title 37, United States Code, to extend the special pay provisions for veterinarians and optometrists.

I ask unanimous consent that a letter of transmittal requesting consideration of the legislation and explaining its purpose be printed in the Record following the listing of the bill.

There being no objection, the letter was ordered to be printed in the Record, as follows:

General Counsel of the
Department of Defense,
Washington, D.C., May 28, 1975.

Hon. Nelson A. Rockefeller,
President of the Senate,
Washington, D.C.

Dear Mr. President: There is forwarded herewith a draft of proposed legislation, "To amend chapter 5, title 37, United States Code, to extend the special pay provisions for veterinarians and optometrists."

This proposal is a part of the Department of Defense Legislative Program for the 94th Congress, and the Office of Management and Budget advises that, from the standpoint of the Administration's program, there is no objection to the presentation of this proposal for the consideration of the Congress. It is recommended that this proposal be enacted by the Congress.

PURPOSE OF THE LEGISLATION

The purpose of the proposed legislation is to extend the $100 per month special pay provisions for veterinarians and optometrists. The provision would be effective 1 July 1975 which would insure that no officer would suffer a loss in pay. The provisions of special pay for veterinarians and optometrists will terminate 30 June 1975 for newly appointed officers in these corps if this law is not extended. The present special pay entitlement for veterinarians and optometrists should be extended through fiscal year 1977.

VETERINARIANS

Special pay of $100 per month was first provided for veterinary officers by Public Law 83–84 enacted 29 June 1953. The additional special pay was intended to minimize the differential between the military and civilian veterinarian's income and to provide monetary incentive to attract and retain veterinary officers. The amount of special pay for veterinarians has remained unchanged for 22 years despite the increasing disparity between the annual compensation of veterinarians of the uniformed services and their civilian contemporaries. Current data show that there is a disparity of between $8,000 and $10,000 per year in favor of the civilian veterinarian.

The National Research Council reports that there is a national shortage of veterinarians, and by 1980 this shortage will approximate 8,000. The increasing professional opportunities in the civilian sector, coupled with the income disparity, will make it increasingly difficult for the services to continue to attract and retain Doctors of Veterinary Medicine.

A previously projected severe shortage of military veterinarians has been administratively forestalled through a reduction in authorizations. Failure to continue special pay could create an undesired exodus of military veterinarians with concomitant untenable shortages.

OPTOMETRISTS

There is a shortage of military optometry officers at this time. Special pay is one of several factors that help attract and retain optometrists by making the military departments reasonably competitive in the market place for their skills. The Military Departments' authorizations for optometrists total 565. Actual strength as of 31 January 1975 was 485, which is only 86 percent of the authorization.

While the shortage of optometrists has not reached a critical level, it is real. The special pay entitlements helps attract and retain optometrists in the military service. Failure to continue this special pay entitlement through fiscal year 1977 could result in a critical shortage of optometrists within the military departments.

COST AND BUDGET DATA

The enactment of this legislation will result in no increase in budgetary requirements for the Department of Defense.

Sincerely,

Martin R. Hoffman.

By Mr. STENNIS (for himself and Mr. Thurmond) (by request):

S. 2117. A bill to amend sections 5202 and 5232 of title 10, United States Code, relating to the appointment to the grades of general and lieutenant general of Marine Corps officers designated for appropriate higher commands or for performance of duties of great importance and responsibility. Referred to the Committee on Armed Services.

Mr. STENNIS. Mr. President, by request, for myself and the senior Senator from South Carolina (Mr. Thurmond), I introduce, for appropriate reference, a bill to amend sections 5202 and 5232 of title 10, United States Code, relating to the appointment to the grades of general and lieutenant general of Marine Corps officers designated for appropriate higher commands or for performance of duties of geat importance and responsibility.

I ask unanimous consent that a letter of transmittal requesting consideration of the legislation and explaining its purpose be printed in the Record following the listing of the bill.

There being no objection, the letter was ordered to be printed in the Record, as follows:

Department of the Navy,
Washington, D.C., June 25, 1975.

Hon. Nelson A. Rockefeller,
President of the Senate,
Washington, D.C.

Dear Mr. President: There is forwarded herewith a draft of proposed legislation "To amend sections 5202 and 5232 of title 10, United States Code relating to the appointment to the grades of general and lieutenant general of Marine Corps officers designated for appropriate higher commands or for performance of duties of great importance and responsibility."

This proposal is a part of the Department of Defense legislative program for the 94th Congress. The Office of Management and Budget advises that from the standpoint of the Administration's program there is no objection to the presentation of this proposal for the consideration of the Cngress. The Department of the Navy has been designated as the representative of the Department of Defense for this legislation. It is recommended that this proposal be enacted by the Congress.

PURPOSE OF THE PROPOSED LEGISLATION

The purpose of the proposed legislation is to make statutory provision for the senior leadership needed by the Marine Corps in time of war or national emergency and also when the status of war or national emergency has been terminated. The proposed legislation relates to the appointment of Marine Corps officers to the grades of general and lieutenant general, including the officer appointed as Assistant Commandant of the Marine Corps.

EXISTING LAW

Under present law Marine Corps officers may serve in the grades of general and lieutenant general as follows:

GENERAL*

Commandant of the Marine Corps 10 USC 5201: Assistant Commandant—At the discretion of the President and provided the Marine Corps active duty strength exceeds 200,000 at the time of appointment. 10 USC 5202.

LIEUTENANT GENERAL

Not to exceed 2—10 USC 5232: In time of war or national emergency: 10% of the general officers. (This provision presently suspended under the authority of 10 USC 5234 and E.O. 11270).

When the National Emergency Proclamation of 1950 is terminated, the senior leadership of the Marine Corps could be limited to:

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*An officer of the armed services assigned as Chief of Staff to the President may have four star grade. This post has not been filled since World War II.

1 General—Commandant: (On the premise the Marine Corps active duty strength may then be less than 200,000 at the time an Assistant Commandant is appointed.)

2 Lieutenant Generals: Marine Corps Requirements.

The proposed legislation will not bring about any changes in the current command structure of the Marine Corps; nor is it designed to make the Marine Corps leadership more senior in grade or more numerous.

At present the Marine Corps senior leadership is as follows: 2 Generals—Commandant and Assistant Commandant; 7 Lieutenant Generals—6 in posts internal to the Marine Corps, 1 in Department of Defense assignment chargeable to the Marine Corps.

The Marine Corps anticipates, under foreseeable force levels, a continuing requirement for not more than 10 officers in the grades of general and lieutenant general. However, the draft bill does not employ this finite number but rather makes use of a percentage figure: the number of generals and lieutenant generals may not exceed 15% of the Marine Corps general officer prescribed strength.

This formula would, if computed on the basis of present strengths, authorize now a total of 10 3 and 4 star generals. If there should be future strength variations, the adjusted total would be established according to the percentage formula.

With the wind down of Southeast Asia operations, the Marine Corps has practiced coordinate personnel economy in its general officer grades. The following figures set out the Marine Corps ceilings established by the Officer Grade Limitation Act of 1954 (OGLA) (10 USC 5443) and by the Senate Armed Services Committee (SASC):

Marine Corps general officer strengths

End fiscal year:	*OGLA ceiling*	*SASC ceiling*	*USMC chargeable*
1969	81	75	75
1970	80	75	75
1971	75	75	74
1972	73	75	73
1973	72	75	70
1974	71	75	70
1975	71	75	69

The draft bill's purpose is to provide for the senior leadership of the Marine Corps both in time of war or national emergency and also in a time of peace and when the status of national emergency has been terminated. The peacetime law affecting this leadership (10 USC 5232) has not been operable since the beginning of the Korean War. The basic command structure of the Marine Corps has not changed substantially in 20 years except for certain general officer billets directly associated with the Vietnam effort, and they have now been deleted from the command structure of the Marine Corps. The actual total number of general officers on board is below the Senate Armed Services Committee ceiling and statutory (OGLA) authorizations. Short of a massive reduction in the strengths of the Marine Corps, no significant changes to the basic present command structure of the Marine Corps can now be foreseen.

Existing Law for Army, Air Force, and Navy: 0/10–0/9 Appointments.

Existing law relating to Army and Air Force appointments to general and lieutenant general is neither complex nor related to a national status of war or peace. For these services the authority is expressed in terms of a percentage formula. This formula provides that of the total number of generals on active duty, not more than 15% may be 3 and 4 star generals, and of that number, not more than 25% may be 4 star, including the Chiefs of Staff of the Army and Air Force. (10 USC 3066, 8066).

In the case of the Navy, not more than 15% of the number of line rear admirals may serve in 3 and 4 star grades; and of that 15% not more than 8 may be admirals. Except in war or national emergency, the number of 3 and 4 star admirals may not exceed 26, and of this number only 4 may be admirals. (10 USC 5231).

The Office of Vice Chief of Naval Operations is established by statute which authorizes the President to designate the Vice Chief as an officer who performs special or unusual duty or duty of great importance and responsibility. (10 USC 5085).

CHANGES TO BE ACCOMPLISHED BY THE PROPOSED LEGISLATION

The draft bill enclosed herewith would define the appointment to the office of Assistant Commandant of the Marine Corps in language comparable to the office of the Vice Chief of Naval Operations:

The Assistant Commandant would be appointed from officers on the active list of the Marine Corps.

The President would be authorized to designate the Assistant Commandant as an officer who performs duty of great importance and responsibility under section 5232 of title 10, U.S.C.

Appointment to this office by the President, with Senate Confirmation, could be either in the grade of general or lieutenant general. The statutory tie to the 200,000 strength figure of the Marine Corps would be deleted.

Appointment to the grades of general and lieutenant general would be made on the basis of foreseeable needs of the Marine Corps and would be in language and percentage generally comparable to the other services:

Not more than 15% of the Marine Corps general officers would be authorized to serve in the grades of general and lieutenant general. And of this number, not more than two, including the Commandant of the Marine Corps, could have the grade of general. However, an officer of the Marine Corps while serving as Chairman of the Joint Chiefs of Staff, if serving in the grade of general, would be in addition to such number. The language of the draft legislation in this particular would be similar to that of the Navy statute. (10 USC 5231(d)).

COST AND BUDGET DATA

The present total number of general officers of the Marine Corps on active duty would *not* be increased by this legislation. Further, the present total of generals and lieutenant generals of the Marine Corps on active duty would not be increased by this legislation. Its enactment would result in no increase in budgetary requirements of the Department of Defense.

Sincerely yours,

J. William Middendorf, II,
Secretary of the Navy.

By Mr. FANNIN (for himself, Mr. Bartlett, Mr. Brock, Mr. Curtis, Mr. Dole, Mr. Eastland, Mr. Garn, Mr. Goldwater, Mr. Hansen, Mr. Hruska, Mr. Laxalt, Mr. Nunn, Mr. William L. Scott, Mr. Stevens, Mr. Thurmond, Mr. Tower, and Mr. Young):

S. 2119. A bill to amend the Communications Act of 1934 to provide that licenses for the operation of a broadcasting station shall be issued for a term of 5 years, and to establish orderly procedures for the consideration of applications for the renewal of such licenses, and for other purposes. Referred to the Committtee on Commerce.

BROADCAST LICENSE RENEWAL ACT

Mr. FANNIN. Mr. President, on behalf of myself and Mr. Bartlett, Mr. Brock, Mr. Curtis, Mr. Dole, Mr. Eastland, Mr. Garn, Mr. Goldwater, Mr. Hansen, Mr. Hruska, Mr. Laxalt, Mr. Nunn, Mr. William Scott, Mr. Stevens, Mr. Thurmond, Mr. Tower, and Mr. Young, I am pleased to introduce a bill known as the Broadcast License Renewal Act, to amend the Communications Act of 1934, to provide that licenses for the operation of a broadcasting station shall be issued for a term of 5 years and to establish orderly procedures for the consideration of applications for the renewal of such licenses, and for other purposes.

Mr. President, as a proponent of regulatory reform, I find myself in agreement with those scholars, economists and Government experts who have been urging a full-scale review and reassessment of the Federal Government's system of regulation, with a view to eliminating obsolete and costly rules and regulations and unnecessary paperwork.

The job of Government should be to insure that regulation, when it is needed, is administered fairly and efficiently, and when it is not needed, is abolished. In my opinion, the Congress, as the deliberative and representative branch of Government, having the overall task of protecting the public's interest, and having passed the laws which created the agencies and established the administrative process, has the prime responsibility for instituting and implementing regulatory reform. Congress should examine the complicated scheme of existing rules and regulations, measure the costs against the benefits of such regulation, and change or repeal those statutes which are unduly costly or harmful, without sacrificing their principal objectives and social benefits.

Most regulation is undoubtedly well-intentioned, having been designed to protect public health, safety and welfare in some way. The problem is that regulation often has just the opposite effect of causing more harm than good. As a result, many businesses are being overregulated by Government agencies, to the cost and detriment of the consumers, and the public interest is not being properly served. In my view, broadcasting is one such overregulated business.

The Government's control and regulation of broadcasting is well established and is not in question here. The Federal Communications Commission has, since 1934, exercised exclusive jurisdiction over the broadcasting industry. It promulgates the rules and regulations governing the operation of our country's vast system of over 9,000 radio and television stations. Critics of the Commission have, however, found many of its policies and procedures wanting and in need of change. Some regulations, they contend, are ineffective, outmoded, and unduly restrictive and burdensome, while others are no longer necessary, and like the equal time and personal attack rules, should never have been adopted in the first place. Such rules, say the critics, should be done away with promptly. And so they urge that the scalpel of regulatory reform be applied to the FCC as to all other powerful, independent Federal agencies.

To this end, I have cosponsored legislation previously introduced by Senators Hruska and Proxmire to eliminate the so-called fairness doctrine and to guarantee to the electronic media the full first amendment rights now enjoyed by the printed press. The legislation which I am introducing today embodies a series of proposals aimed at further reform of the Government's regulations affecting our Nation's broadcast service.

Mr. President, the purpose of my bill is to improve the performance of broadcast licensees by increasing their responsiveness to the problems, needs and interests of their respective service areas and by promoting a greater degree of stability within the broadcasting industry.

To accomplish this purpose, my bill contains the following provisions:

First, it would provide for a standard license term for all broadcasting stations of 5 years.

Second, it would require the Federal Communications Commission to renew a station's license if it finds that the licensee's programing during the preceding license term has been responsive to the problems, needs and interests of the residents of its service area, as determined by ascertainment procedures prescribed by the Commission, and the operation of the station has not been characterized by serious deficiencies.

Third, it would clarify and simplify the FCC's rules, regulations and procedures affecting license renewal and reduce the amount of paperwork required of local broadcasters and competing applicants. The FCC would be required to examine and modify its own rules and regulations and then to report to the Congress concerning the measures it has adopted to improve its license renewal procedures, with recommendations for appropriate congressional action.

Mr. President, there is considerable interest and concern on the part of the broadcasting industry, the general public, and many legislators in a comprehensive reform of the regulatory process by which radio and television stations are renewed.

Since enactment of the Communications Act of 1934 establishing the Federal Communications Commission as the sole agency regulating all interstate radio and wire communications in this country, the policies underlying the licensing, relicensing and general regulation of radio and television broadcast stations has remained essentially unchanged. The test which the Commission now applies when granting either an application for initial broadcast authorization or an application for renewal of license, is the same as it applied 40 years ago; namely, whether the public interest, convenience or necessity is served thereby. However, in determining what constitutes the "public interest," the Commission's criteria have changed, especially in situations involving competing applicants and license renewal contests.

For over 30 years the policy of the FCC was to regularly and routinely grant license renewal to the existing licensee where it could show that its broadcast operation had been meritorious. During that period the broadcasting industry experienced tremendous growth, dynamic change and technological progress, nurtured in part by the Commission's consistent licensing policy which rewarded programing achievement and performance and recognized that a licensee's past service record was the most reliable indicator of future achievement performance and service.

Then in 1969, in the WDH case, the FCC denied that station's renewal application, and in complete disregard of the licensee's outstanding record of service to its community, awarded the license to a competing applicant with no prior broadcast experience. Since that controversial decision there has been a marked increase in competing applications filed on top of incumbent applicants seeking to take over or deny the renewal of those broadcasting station licenses.

The storm of protest arising out of the WHDH case has led to considerable criticism of the FCC's license renewal policies and to pressures for reform. Questions being raised by critics deserve to be answered. For example, if a broadcast licensee during his preceding term of license has done a creditable job of serving his community and of providing good programing attuned to the needs and interests of the residents of that community, then, the critics ask, why should not his station's license be renewed?

What assurance does the broadcaster have that when he expends considerable amounts of time, effort, and money to raise the quality of a station's programing and to improve its broadcast operation he will not after 3 years be suddenly forced to give up his license to the first competing applicant who makes the most impressive representations and biggest promises to the FCC? Why should a broadcast facility which has already demonstrated its ability to provide a needed program be arbitrarily denied an opportunity to continue that service? Why should the listening and viewing public be unfairly deprived of good service offered by an established licensee with a proven track record?

Despite the FCC's efforts to water down the WHDH decision and to reassure licensees that their licenses were not about to be given away to challengers and that the renewal process was not to be used to restructure the industry, neither the broadcasters, the courts nor the public has been satisfied with Commission policy. Today the situation facing broadcasters is one of uncertainty and instability bordering on panic. Such a desperate situation is not in the interest of the public or the broadcasting industry. It is to end this general confusion and unrest that my bill is being proposed.

This legislation is designed to provide meaningful definitive and workable standards by which the general public and competing applicants can properly measure and evaluate the performance of an incumbent broadcast licensee and judge the merits of his renewal application. If enacted this bill will place both the broadcasting industry and the listening and viewing public on reasonable notice of what is to be expected of broadcast licensees during their license terms. It will eliminate many of the unnecessary, costly and unduly complicated regulations covering the grant and renewal of broadcast licenses.

The changes I propose will simplify and clarify the FCC's license renewal procedures. They will reduce the volume of paperwork presently required of broadcasters seeking renewal of their station's licenses. They will extend the license period during which broadcasting stations may operate while shortening the period during which broadcast applications are filed, renewed, and granted or denied.

This legislation will restore a measure of stability and confidence in the license renewal process while reducing the delay, cost, and frustration involved in that process. As a result the FCC's procedures will become more efficient and less bureaucratic and the Commission, like the broadcasting industry, will be made to function and operate with greater attention to the public interest.

Over the years the license renewal process has become increasingly involved and complicated as a result of the Commission's changing requirements. License renewal has become a major undertaking for the average broadcaster who is hard-pressed to meet the burdensome reporting requirements. The time, effort, expense and personnel needed to compile the filings—indeed the fees the small operator must pay expensive lawyers to translate the rules, and to complete and file the documents—are excessive.

The amount of information now being required by the FCC in its renewal application is tremendous. Applications running several hundred pages are no longer unusual. One Oregon company that operates three small TV stations reported that its FCC license renewal application weighed 45 pounds. This situation has become ridiculous and intolerable. No wonder broadcasters in Arizona and in other States have been pleading with Congress to pass legislation to provide some relief from the endless paperwork and bureaucracy involved in license renewal.

The problems facing the local licensee are no less than the burdens of the FCC which must free its administrative personnel from normal regulatory duties to handle and review each renewal application. In addition, the more time, cost, and effort that the broadcaster must expend on license renewal the less he can afford to spend on news and public affairs programing and on improving the quality of his station's overall service to his community.

That is why I believe that the bill I am introducing will not only bring about long overdue reform in the FCC's license renewal process, but will also increase the licensee's responsiveness to his service area and hence promote better broadcating in the public interest throughout the Nation.

Mr. President, let me take a few moments to discuss in detail what this legislation would do, section by section.

First, section 2(a) of the bill would amend section 309 of the Communications Act by adding language directing the FCC to establish procedures for broadcast licensees to follow in order to ascertain the problems, needs, and interests of the local residents they are licensed to serve. The Commission would set forth these ascertainment procedures by rule, rather than on a case by case basis, thereby assuring that the explicit requirements would be followed by licensees.

Therefore the broadcaster would know, under this provision, that the FCC expects him to make a diligent, positive, and continuous effort to discover the problems, concerns, tastes, desires, and problems of the listeners and viewers within his service area and then to tailor his programing accordingly. But the control and content of that programing would still belong to the licensee as the Communications Act requires. The FCC would not attempt to influence or second guess the licensee's evaluation of the results of its ascertainment efforts or its choice of programs to be broadcast in response to those efforts. Decisions on what programing to offer or how best to serve the community are matters properly left to the good faith judgment of the licensee.

The bill also provides that different procedures may be prescribed for different categories of broadcasting stations. In other words, the FCC would examine differences between radio and television, commercial and noncommercial stations and consider such factors as market size, station size, and specialized formats aimed at particular audiences when prescribing the ascertainment standards.

It should be noted that the Commission is on record as favoring this approach which permits flexibility in its own procedures and would leave the licensees with discretion on how to be responsive to community problems, needs, and interests. The Commission has also expressed its approval for the phrase "problems, needs, and interests".

Second, section 2(b) would establish a license and renewal term not to exceed 5 years for all classes of broadcasting stations. Currently, under section 307(d) of the Communications Act, no broadcast station can be licensed for more than 3 years although other classes of radio stations, such as stations in the aviation, maritime, safety and special, citizens, industrial and amateur radio services may be granted licenses for 5-year terms. The maximum 3-year term for broadcast licenses has been in effect since the enactment of the Federal Radio Act of 1927.

In my opinion, a lengthening of the maximum license period from 3 to 5 years would serve the public interest. The 5-year term was specifically endorsed by FCC Chairman Richard Wiley in testimony last year before the Senate Committee on Commerce. In addition, an amendment offered last year to the House and Senate license renewal bills, increasing the license term to 5 years, was approved by a lopsided margin in each House. Such a provision has the overwhelming support of the Nation's broadcasters, including the Arizona Broadcasters Association, and the National Association of Broadcasters.

An increase in the maximum license term would have a positive effect on the renewal process. According to one estimate, the 5-year extension would reduce the number of renewal applications processed annually from approximately 2,700 applications a year to about 1,600. This would enable the Commission to review more thoroughly each application filed and to give closer and more expeditious consideration to applications raising question related to licensee's qualifications.

A longer license term would not diminish licensee responsibility to the public or accountability to the FCC's rules and regulations. There are already sufficient safeguards and procedures available to the Commission to insure that licensee responsibility and responsiveness is maintained. In fact, the term extension would permit a more thorough review of renewal applications.

AM, FM and TV broadcasters are being unfairly discriminated against by being limited to license terms of only 3 years. Other classes of radio stations operate under 5-year licenses. Both common carriers and cable systems have authorizations for 5-year terms. They, too, must operate to serve the public interest. The additional time would permit broadcasters to do a better job of program planning, staffing and modernization to improve their program service and station facilities. The increased stability that a longer term would give to licensee operation would contribute to the public good. In light of the outstanding record of broadcast licensees in serving their local communities—which is often as good or better than other communication services—I can see no compelling reason to continue to treat broadcasting stations any differently.

Of course, even if the standard term were increased to 5 years, the Commission would still have the authority to grant or renew licenses of stations in different classes for periods of shorter length if it believes such action would serve the public interest. The FCC would retain this flexibility under section 2(b) of the bill.

Third, the FCC would be directed at license renewal time to consider whether the licensee, during the preceding license term, had followed the applicable ascertainment procedures prescribed by the Commission. If it then determined that the licensee had been responsive in its program service to the problems, needs and interests of its service area and had conducted the operation of its station in a manner not characterized by serious technical or other deficiencies, the FCC would be required to renew the station's license.

Under this bill, as under existing law, the ultimate test for renewal of a broadcast license would continue to be whether the public interest would be served thereby. The standard for broadcast renewals would remain the public interest, including the necessary requirements of basic legal character, technical and financial qualifications. In addition, to warrant renewal the licensee must have complied with certain ascertainment procedures. The licensee must also be able to show that it has been responsive in its program service as a result of what it has ascertained.

In my opinion, a broadcast licensee should reasonably expect that if its past programing and public service record has been good, his station's license renewal application would be granted. In addition, the license renewal process should provide a stimulus for licensee performance which will meet the problems, needs and interests of the public served. Standards provided in this bill would accomplish both objectives. In addition, the public interest test would be made uniform so that the broadcast licensee, whether in a noncomparative situation or a comparative case, would be expected to meet the same standard of performance.

It is unrealistic to require that a licensee meet some indefinite standard or be held to some higher degree of performance if he is an incumbent who is challenged at license renewal. How is a licensee to know at the beginning of the license term whether some competing applicant is waiting in the wings? For the public interest to be served it is important only that a licensee, whether or not he is to be faced by a challenge or a petition to deny, be able to show at license renewal that his broadcast service has been responsive to the problems, needs and interests of his service area and is without serious deficiencies.

Fourth, the FCC would be directed not to require applicants to file any information previously furnished or not directly relevant to considerations affecting the grant or denial of the application. This provision would eliminate repeated and unnecessary filings and reduce the paperwork burden for both applicants and Commission personnel. Of course, the Commission may require of the applicant any new or additional facts it deems necessary to make its findings.

Fifth, section 3 and 6(b) of the bill would direct the FCC to promulgate rules establishing time limitations for petitions to deny. This provision is intended both to allow all interested parties a reasonable opportunity to file petitions to deny against the grant of an application and to prevent dilatory abuses of this procedural right. Although the Commission has already promulgated rules establishing filing periods, that is, a 4-month deadline prior to the expiration to deny in license renewal proceedings, this policy would be incorporated into the Communications Act by amending section 309(d).

Sixth, section 4 of this bill would provide that any appeal from a decision or order of the Commission granting or denying a construction permit or license for a broadcasting station, or any renewal, modification, transfer, assignment, disposition, or revocation thereof, must be taken to the U.S. court of appeals for the judicial circuit in which the broadcast station involved is or is proposed to be located. In addition, appeals from other Commission decisions or orders could be brought in either the court of appeals for the judicial circuit in which the appellate resides or has his principal place of business or the court of appeals from the District of Columbia circuit.

At present under section 402(b) of the Communications Act all of the above appeals must be taken to the U.S. Court of Appeals for the District of Columbia Circuit.

This amendment would relieve the District of Columbia circuit of the burden of hearing all appeals in these cases by spreading the appellate jurisdiction throughout the other 10 judicial circuits in the country. By transferring this workload to other circuits, the period of time required to make a final decision in a contested broadcast renewal application would be dramatically shortened. Furthermore, since broadcast authorization and renewal procedings usually involve parties residing in the communities to which the station involved is or is proposed to be located, it would be more convenient to the parties to an appeal if the appeal can be brought in the nearest judicial circuit.

Seventh, section 5 of the bill would require the FCC to conduct a study of its rules, regulations, and procedures relevant to the license renewal process, with the purpose of reducing, consolidating, or eliminating filings, documents, reports, and other administrative materials required of broadcast licensees, and then within a certain time period to report to the Congress on the changes it has made and recommendations for congressional legislation based on the study.

The FCC should be encouraged to thoroughly examine and reassess its existing requirements for license renewal and to eliminate those regulations applicable to broadcast licensees which no longer serve the public interest.

This weeding out process, in addition to the FCC's reregulation proceeding and annual reports to Congress, is consistent with the President's most recent recommendations for regulatory reform and with his marching orders to the Commissioners of the major independent regulatory agencies. It is understood that the FCC will carry out a continuing evaluation of its procedures and regulations with a view to eliminating those no longer deemed necessary.

Finally, section 6 of the bill would establish effective dates for the various provisions of the legislation.

Mr. President, enactment of comprehensive license renewal reform legislation is long overdue. It is unfortunate that the Congress failed to pass such legislation last year despite concerted efforts within and without the Congress and overwhelming approval of separate bills in both houses. The Broadcast License Renewal Act which I offer today contains many of the same provisions in those two bills as well as other proposals of importance to both local broadcasters and the public.

In my opinion, this bill, if enacted, will go a long way toward improving the FCC's license renewal process consistent with the public interest and in the spirit of regulatory reform.

I believe that this bill will serve as a worthwhile basis for reexamination of the Commission's licensing functions and for comprehensive review and reform of regulations affecting the broadcast media in America. I trust that the Congress will give prompt and careful consideration to this legislation.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2119

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Broadcast License Renewal Act."

ASCERTAINMENT; LICENSE RENEWAL PERIOD AND PROCEDURES

SEC. 2. (a) Section 309 of the Communications Act of 1934 is amended by adding at the end thereof the following new subsection:

"(i) The Commission shall by rule establish procedures to be followed by licensees of broadcasting stations for ascertaining the problems, needs and interests of the residents of their respective service areas for purposes of their broadcasting operations. Such rules may prescribe different procedures for different categories of broadcasting stations."

(b) Section 307(d) of such Act is amended to read as follows:

"(d) (1) Any license granted for the operation of any class of station shall be for a term not to exceed five years.

"(2) (A) Upon the expiration of any license, upon application therefor, a renewal of such license may be granted from time to time for a term not to exceed five years if the Commission finds that the public interest, convenience and necessity would be served thereby.

"(B) In determining if the public interest, convenience and necessity would be served by the renewal of a broadcast license, the Commission shall consider whether the licensee, during the preceding term of its license, followed applicable procedures prescribed by the Commission under section 309(i) for the ascertainment of the problems, needs and interests of the residents of its service area for purposes of its broadcast operations. The Commission shall grant such application for renewal if it finds that the licensee, during the preceding term of its license, (1) has been responsive in its program service to the problems, needs and interests of its service area, and (2) has conducted the operation of its station in a manner not characterized by serious technical or other deficiencies.

"(3) In order to expedite action on applications for renewal of broadcast licenses and to avoid needless expense to applicants for such renewals, the Commission shall not require any such applicant to file any information which previously has been furnished to the Commission or which is not directly relevant to the considerations that affect the grant or denial of such application, but the Commission may require of the applicant any new or additional facts it deems necessary to make its findings. Pending any hearing and final decision on such application and the disposition of any petition for rehearing pursuant to section 405, the Commission shall continue such license in effect.

"(4) Consistently with the foregoing provisions of this subsection, the Commission may by rule prescribe the period or periods for which licenses shall be granted and renewed for particular classes of stations; but the Commission may not adopt or follow any rules which could preclude it, in any case involving a station of a particular class, from granting or renewing a license for a shorter period than that prescribed for stations of such class if, in its judgment, the public interest, convenience, or necessity would be served by such action.

"(5) Any license granted or renewed for the operation of any class of station may be revoked as provided in section 312."

TIME LIMITATION APPLICABLE TO PETITIONS TO DENY

SEC. 3. (a) The first sentence of section 309 (d) (1) of the Communications Act of 1934 is amended to read as follows: "Any party in interest may file with the Commission, within such time periods as may be specified by the rules of the Commission, a petition to deny any application (whether as originally filed or amended) to which subsection (b) applies."

(b) The first sentence of section 309(d) (2) of such Act is amended by inserting after "pleadings filed" the following: "by the parties within the time periods specified by the rules of the Commission."

COURTS OF REVIEW

SEC. 4. Subsection (b) of section 402 of the Communications Act of 1934 is amended by striking out "to the United States Court of Appeals for the District of Columbia" and inserting in lieu thereof, "as provided in subsection (c)," and subsection (c) of such section is amended by inserting after "(c)" the following new sentence: "An appeal under subsection (b) from an order or decision of the Commission—

"(1) made on an application (other than one under section 325) involving a broadcast facility and described in paragraph (1), (2), (3), or (6) of subsection (b), or

"(2) described in paragraph (5) of such subsection modifying or revoking a construction permit or station license of a broadcast facility, shall be brought in the United States court of appeals for the circuit in which such broadcast facility is, or is proposed to be, located; and appeals under such subsection from any other order or decision of the Commission may be brought in the United States Court of Appeals for the Distirct of Columbia or the United States court of appeals for the circuit in which the person bringing the appeal resides or has his principal place of business.".

EXAMINATION AND ELIMINATION OF RULES, REGULATIONS, PROCEDURES AND PAPERWORK

SEC. 5. (a) The Federal Communications Commission shall conduct a study of its rules, regulations and procedures relevant to the broadcast license renewal process to determine which rules, regulations and procedures no longer serve the public interest and how the filings, supporting documents and other administrative materials and reports now required of each licensee by the Commission for renewal consideration can be reduced, consolidated or eliminated.

(b) The Federal Communications Commission shall, not later than six months after the date of enactment of this Act, complete this examination, and shall, not later than seven months after the date of enactment of this Act, report to the Committee on Commerce of the Senate and the Committee on Interstate and Foreign Commerce of the House of Representatives. The Commission shall include in its report any changes it has made in its rules, regulations and procedures and any recommendations for legislation by the Congress as a result of this study.

EFFECTIVE DATE

SEC. 6. (a) (1) Except as provided hereinafter in paragraph (2), section 5 and the amendments made by section 2 of this Act shall take effect on the date of enactment of this Act.

(2) The provisions of section 307(d)(2)(B) of the Communications Act of 1934 (as amended by section 2(b) of this Act) shall apply with respect to applications for renewal of broadcast licenses which are filed after rules prescribed by the Federal Communications Commission under section 309(i) of such Act (as amended by section 2(a) of this Act) have become effective.

(b) The Federal Communications Commission shall issue, within the ninety-day period beginning on the date of enactment of this Act, rules establishing time limits for the filing of petitions to deny under section 309 of the Communications Act of 1934. The amendments made by section 3 of this Act shall apply with respect to petitions to deny filed under section 309 after such rules have become effective.

(c) The amendment made by section 4 of this Act shall apply only with respect to appeals under section 402(b) of the Communications Act of 1934 from decisions and orders of the Federal Communications Commission made after the ninetieth day following the date of enactment of this Act.

By Mr. MATHIAS (for himself, Mr. Brooke, and Mr. Percy):

S. 2120. A bill to amend the Internal Revenue Code of 1954 to encourage the conservation of gasoline by increasing the Federal excise tax on gasoline and to provide a tax credit which is refundable without regard to liability for an amount equal to the amount of increased tax which would be paid on 350 gallons of gasoline per person. Referred to the Committee on Finance.

CONSERVING GASOLINE

Mr. MATHIAS. Mr. President, This morning Senator Brooke, Senator Percy and I appeared together before the Senate Finance Committee as that Committee considered H.R. 6860. We presented a common philosophy with regard to the need for a gas tax, an auto efficiency tax, and a petroleum product import tax.

Senator Brooke indicated that our gas tax legislation would be introduced during today's session and I now ask unanimous consent that the text of our legislation appear immediately following my remarks in the Record. We are preparing a detailed analysis of our gas tax proposal for the Finance Committee and when that is completed I will ask that it be printed in the Record as well.

This bill, taken together with S. 2046 introduced previously by Senator Percy and S. 1950 introduced previously by myself, makes a practical package of legislative proposals that will have a real impact on the energy problem· These are strong measures, but they are sound measures and I think they are appropriate to the serious character of the national problem that confronts us.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2120

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subpart A of part III of subchapter A of chapter 32 of the Internal Revenue Code of 1954 (relating to gasoline) is amended by redesignating section 4084 as 4085, and by inserting after section 4083 the following new section:

"Sec. 4084. Additional Tax on Gasoline

"(a) Initial Taxes.—In addition to the tax imposed by section 4081, there is imposed on gasoline sold by the producer or importer thereof, or by any producer of gasoline, a tax of—

"(1) 5 cents a gallon with respect to sales occurring after September 30, 1975, and before April 1, 1976,

"(2) 10 cents a gallon with respect to sales occurring after March 31, 1976, and before October 1, 1976, and

"(3) 15 cents a gallon with respect to sales occurring after September 30, 1976.

"(b) Additional Tax.—In addition to the tax imposed on gasoline by subsection (a) and by section 4081, there is imposed on gasoline sold by the producer or importer thereof, or by any other producer of gasoline, a tax of 2.5 cents a gallon with respect to sales occurring after September 30, 1977.".

(b)(1) Section 4082(d) of such Code (relating to definition of wholesale distributor) is amended by inserting "or section 4084" after "section 4081" where it appears in paragraph (2).

(2) Section 4083 of such Code (relating to exemption of sales to producer) is amended by inserting "or section 4084" after "section 4081".

(3) Section 4101 of such Code (relating to registration) is amended by striking out "section 4081 or section 4091" and inserting in lieu thereof "section 4081, section 4084, or section 4091".

(4) Section 4221(d)(6)(C) is amended by inserting "or section 4084" after "section 4081".

(5) Section 4226(a) of such Code (relating to floor stocks taxes) is amended to read as follows:

"(a) Additional Taxes on Gasoline.—

"(1) Section 4084(a) tax.—On gasoline subject to tax under section 4084(a) which, on January 1, 1976, July 1, 1976, or January 1, 1977, is held by a dealer for sale, there is hereby imposed a floor stocks tax at the rate of—

"(A) 5 cents a gallon with respect to such gasoline so held on January 1, 1976,

"(B) 10 cents a gallon with respect to such gasoline so held on July 1, 1976, and

"(C) 15 cents a gallon with respect to such gasoline so held on January 1, 1977.

"(2) Section 4084(b) tax.—On gasoline subject to tax under section 4084(b) which, on October 1, 1977, is held by a dealer for sale, there is hereby imposed a floor stocks tax at the rate of 2½ cents a gallon.

"(3) Exemptions.—The taxes imposed by paragraph (1) and paragraph (2) do not apply to gasoline in retail stocks held at the place where intended to be sold at retail, nor do they apply to gasoline held for sale by a producer or importer of gasoline.".

(c) The table of sections for such subpart A is amended by striking out the item relating to section 4084 and inserting in lieu thereof the following:

"Sec. 4084. Additional tax on gasoline.
"Sec. 4085. Cross references.".

Sec. 2. (a) Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to credits allowable) is amended by inserting immediately after section 44 the following new section:

"Sec. 44A. Excise Tax on Gasoline.

"(a) In General.—In the case of an individual there is allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the rate of tax applicable for the taxable year under section 4084(a) multiplied by 350.

"(b) Rules.—

"(1) Minimum age requirement.—No credit is allowed under subsection (a) to any taxpayer who, as of the close of the taxable year, is not more than 18 years of age.

"(2) Application to married individuals.—In the case of a husband and wife who file a joint return of tax under section 6013, the number "700" shall be substituted for the number "350" where it appears in subsection (a).

"(c) Reducation of Credit.—The amount of the credit allowed under subsection (a) shall be reduced (but not to an amount less than zero) by an amount which bears the same ratio to the maximum credit allowable under such subsection (determined without reference to this subsection) as the adjusted gross income of the taxpayer (the sum of the adjusted gross income of a husband and wife who file a joint return of tax under section 6013) which exceeds $10,000 bears to $40,000.".

(b) (1) Section 6401(b) of such Code (relating to excessive credits) is amended by—

(A) inserting after "43 (relating to earned income credit)," the following: "44A (relating to excise tax on gasoline),", and

(B) striking out "sections 31, 39, and 43" and inserting in lieu thereof the following: "sections 31, 39, 43, and 44A". (2) Section 6201(a)(4) of such Code (relating to assessment authority) is amended by—

(A) striking out "or 43" in the caption thereof and inserting in lieu thereof "43, or 44A", and

(B) striking out "or section 43 (relating to earned income)," and inserting in lieu thereof the following: "section 43 relating to earned income, or section 44A (relating to excise tax on gasoline),". (a) The table of sections for subpart A of part IV of subchapter A of chapter 1 of such Code is amended by striking out the item relating to section 45 and inserting in lieu thereof the following:

"Sec. 44A. Excise tax on gasoline.
"Sec. 45. Overpayments of tax.".

(d) The amendments made by this section apply to taxable years beginning after December 31, 1975.

By Mr. BARTLETT:

S. 2121. A bill to provide funds to hospitals in medically underserved rural areas to assist such facilities to qualify for physician residency programs. Referred to the Committee on Labor and Public Welfare.

Mr. BARTLETT. Mr. President, today I am introducing proposed legislation to direct the Secretary of HEW to provide up to $100,000 on a 70 to 30 matching basis to hospitals in medically underserved rural areas to assist them to upgrade their facilities so they may qualify for physician residency programs.

One of our serious problems in health care delivery is the drastic shortage of doctors in rural areas.

In the United States there is an average of one physician for 750 people. This favorable ratio is made possible only because of the top heavy number of doctors in urban areas at the expense of the smaller and rural communities.

For instance, in Oklahoma we have 1 doctor for every 1,000 persons. But in Tulsa and Oklahoma City, there is 1 doctor for every 500 persons. Unfortunately, the rural areas range from 1 to 1,200 to 1 to 6,000. This is inadequate, and it leaves rural Oklahoma with, at best, inadequate health services.

Oklahoma has taken the initiative in trying to solve its rural health care problem. While I was Governor, we established a rural medical scholarship fund to attract more doctors to the rural areas.

This program has been successful but is just one step in a long process.

One of the real deterrents to attracting and keeping doctors in rural areas is the lack of residency programs outside large cities. For instance, in Oklahoma there is only one residency program outside Oklahoma City and Tulsa.

The significance of the lack of rural residency programs is that statistics indicate that a doctor is likely to stay in the area in which he does his residency. As a matter of fact, statistics on a nationwide basis show that 75 percent of the doctors permanently locate where they performed their residency.

This year Oklahoma will graduate 170 doctors, yet only 86 residencies are available and these are in Oklahoma City and Tulsa. Obviously, almost half of our doctors are forced to leave Oklahoma; and the chances are they will never return to work.

The Oklahoma legislature enacted legislation this past session to help with this problem. Under the bill the State will pay up to $6,000 of a resident's cost to a hospital.

But additional assistance is needed, to enable many hospitals to qualify for residency programs and it must come from the Federal level.

A key problem in the lack of rural residency programs is the failure of a hospital to have all of the necessary facilities. For instance, a hospital may be in every way qualified with staff yet not have a cardiac unit; and thus they will be turned down on the program.

The bill I have proposed would authorize the Secretary of HEW to provide grants of up to $100,000 to a facility on a 70 to 30 matching basis to assist them in upgrading to meet residency requirements. I think it is important that a local entity be required to furnish 30 percent of the funds to prove their commitment to a project.

Mr. President, I am convinced that this legislation will be a significant step in assisting America's rural areas to upgrade their health service delivery systems. Americans living in rural areas have the same health needs as their urban counterparts, and we should assist them in achieving that parity.

By Mr. TUNNEY:

S. 2122. A bill to assure that any program for the rationing of gasoline to end-users shall take into account area and regional differences in the availability of public transportation, and for other purposes. Referred to the Committee on Banking, Housing and Urban Affairs.

FAIRNESS IN GASOLINE RATIONING ACT

Mr. TUNNEY. Mr. President, yesterday I introduced an amendment to the Emergency Petroleum Allocation Extension Act of 1975 to prevent the Federal Energy Administration from implementing a standby gasoline rationing plan which does not recognize regional and area differences in need. While parliamentary considerations forced the Senate to lay this amendment aside, there was broad agreement among the Members that legislation is needed to prevent the FEA from adopting an arbitrary and capricious task force proposal on the design of a standby gasoline rationing plan which would paralyze the economy of California and that of almost every State in the West, the South, and the Midwest.

I am opposed to gasoline rationing in the absence of absolute emergency conditions. But, when and if such conditions arise, we must be prepared with a fair and reasonable plan to distribute gasoline so that persons throughout America can get to and from their jobs.

Such a priority is basic to our economy and would be smothered under a blanket rationing scheme indiscriminately covering the country. Frank Zarb of the Energy Administration recently made known the existence of an FEA task force report proposing creation of an emergency rationing project under which every driver in the United States would be entitled to no more than 9 gallons of gasoline per week. This scheme would be disastrous for millions of Americans who live in areas with little or no public transportation and where ordinary driving distances are great. On the other hand, citizens elsewhere will be allotted more gasoline than they normally use. While we have heretofore been able to rely upon the good sense of the FEA to recognize regional differences in need for other petroleum products and we have heard of no proposals that citizens of Florida receive the same home heating oil rations as citizens of Alaska, the same is not true in the case of gasoline.

Mr. President, a 9 gallon per week gasoline ration would stifle the economy of California. Millions would be unable to get back and forth to work. At the same time, New York, Chicago, and other cities with advanced subway and bus systems would have sufficient gasoline. There is no assurance that a white market resale system would come anywhere near meeting the differential need for gasoline.

For these reasons, I am today introducing a bill which would require that no Federal rationing plan shall be carried out unless such plan takes area or regional differences in public transportation availability and in ordinary driving distances into account by providing differential gasoline rations based on these differences.

I ask unanimous consent that the text of this legislation be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2122

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding any other provision of law, no program or plan for the rationing or ordering of priorities among classes of end-users of gasoline and for the assignment to end-users of gasoline of rights, and evidences of such rights, entitling them to obtain gasoline in precedence to other classes of end-users not similarly entitled shall be carried out by the Administrator of the Federal Energy Administration or any other Federal officer or employee unless such program or plan takes into account area or regional differences, or both, in the availability of public transportation, and differences in ordinary and necessary driving distances, and provides differential gasoline rations based on such differences.

ADDITIONAL COSPONSORS OF BILLS AND RESOLUTIONS

S. 5

At the request of Mr. CHILES, the Senator from Maine (Mr. MUSKIE) was added as a cosponsor of S. 5, the Government in the Sunshine bill.

S. 1295

At the request of Mr. ROTH, the Senator from Arizona (Mr. FANNIN) was added as a cosponsor of S. 1295, a bill to limit the jurisdiction of the Supreme Court of the United States and any such inferior court as ordained and established by the Congress of the United States to enter any judgment, decree, or order, denying or restricting, as unconstitutional, the exercise of free religious expression or the saying of voluntary prayer in any public school or other public building.

S. 1359

At the request of Mr. MUSKIE, the Senator from New Jersey (Mr. WILLIAMS) was added as a cosponsor of S. 1359, a bill to coordinate State and local government budget-related actions with Federal Government efforts to stimulate economic recovery by establishing a system of emergency support grants to State and local governments.

S. 1617

At his own request, the Senator from Texas (Mr. TOWER) was added as a cosponsor of S. 1617, a bill to clarify the authority of the Secretary of Agriculture to control and eradicate plant pests.

S. 1633 AND S. 1634

At the request of Mr. MONDALE, the Senator from Minnesota (Mr. HUMPHREY) was added as a cosponsor of S. 1633, a bill to amend the Immigration and Nationality Act to eliminate the legal custody requirement and the requirement of residence and physical presence in the United States for the naturalization of children adopted by U.S. citizens; and S. 1634, a bill to amend the Immigration and Nationality Act to permit adoption of more than two children.

S. 1652

At the request of Mr. STONE, the Senator from Maryland (Mr. BEALL) was added as a cosponsor of S. 1652, a bill to amend the Internal Revenue Code of 1954 to provide that no interest is payable on income tax deficiencies in the case of returns prepared by the Internal Revenue Service until the expiration of 30 days after notice to the taxpayer of such deficiency.

S. 1883

At the request of Mr. HOLLINGS, the Senator from New Mexico (Mr. MONTOYA) was added as a cosponsor of S. 1883, a bill to conserve gasoline by directing the Secretary of Transportation to establish and enforce mandatory fuel economy performance standards for new automobiles and light duty trucks, to establish a research and development program leading to advanced automobile prototypes, and for other purposes.

S. 1925

At the request of Mr. Roth, the Senator from Minnesota (Mr. Humphrey), the Senator from Kansas (Mr. Dole), and the Senator from Maryland (Mr. Beall) were added as cosponsors of S. 1925, a bill to amend the Internal Revenue Code of 1954 to provide assistance to taxpayers.

S. 1989

At the request of Mr. Stone, the Senator from Rhode Island (Mr. Pell) was added as a cosponsor of S. 1989, a bill to direct the preparation and submission to the President of information to assist in negotiations with oil-producing countries.

S. 2006

At the request of Mr. Thurmond, the Senator from Tennessee (Mr. Brock), the Senator from Arizona (Mr. Fannin), and the Senator from Arkansas (Mr. Bumpers) were added as cosponsors of S. 2006, a bill to amend the Internal Revenue Code of 1954 to provide that members of reserve components of the Armed Forces who are not serving on active duty or as National Guard technicians may establish individual retirement accounts.

S. 2040

At the request of Mr. Abourezk, the Senator from California (Mr. Cranston) and the Senator from Michigan (Mr. Philip A. Hart) were added as cosponsors of S. 2040, the Judicial Salary Act of 1975.

SENATE RESOLUTION 175

At the request of Mr. Roth, the Senator from Michigan (Mr. Philip A. Hart) was added as a cosponsor of Senate Resolution 175, amending rule XLIV of the Standing Rules of the Senate to require that copies of confidential personal financial disclosure reports filed under such rule be furnished in response to subpenas issued in criminal cases.

SENATE RESOLUTION 199

At the request of Mr. Mondale, the Senator from California (Mr. Tunney) was added as a cosponsor of Senate Resolution 199, a resolution urging the President to seek an immediate international moratorium on the transfer to non-nuclear weapons countries of nuclear enrichment and reprocessing equipment and technology to permit time for the negotiation of more effective safeguards against the proliferation of nuclear weapons capability.

SENATE JOINT RESOLUTION 64

At the request of Mr. Roth, the Senator from Arizona (Mr. Fannin) was added as a cosponsor of Senate Joint Resolution 64, proposing an amendment to the Constitution.

SENATE JOINT RESOLUTION 81

At the request of Mr. Magnuson, the Senator from Minnesota (Mr. Humphrey) was added as a cosponsor of Senate Joint Resolution 81, a joint resolution to regulate commerce by prohibiting the importation into the United States of any fish or fish products by any foreign enterprise which engages in commercial whaling activities, and for other purposes.

AMENDMENTS SUBMITTED FOR PRINTING

COMPREHENSIVE NATIONAL ENERGY CONSERVATION ACT—H.R. 6860

AMENDMENT NO. 691

(Ordered to be printed and referred to the Committee on Finance.)

OIL DECONTROL TAX

Mr. DOLE. Mr. President, the amendment I submit to H.R. 6860, establishing an excess profits tax on the decontrol profit from domestic oil production, is designed to accompany a plan for the decontrol of "old" domestic oil prices. While the need for decontrol of domestic oil prices is apparent, so too is the need to prevent inordinately high profits for oil producers. The amendment I offer today preserves the economic incentive for the exploration and development of domestic reserves and, via a plowback provision, assures that large oil producer profits resulting from decontrol are employed in the search for new domestic petroleum.

ACCOMPANY DECONTROL PLAN

The administration is proposing decontrol of domestic oil prices over a 30-month period. A slower phaseout of "old" oil price controls has been proposed in the House. And, prior to a final resolution of the issue, other decontrol plans may be considered by the Congress. Whichever plan is ultimately agreed upon—and I hope some decontrol formula is enacted soon—the excess profits tax I am proposing will insure that the profits derived from decontrol are directed toward new domestic petroleum production.

The tax I propose will extend over a 60-month period from the commencement of oil price decontrol. Thus, although prices to the consumer will be decontrolled over a shorter period of time—30 months under the President's plan—"decontrol" for the producer will extend over 60 months due to the excess profits tax.

SUMMARY OF PROVISIONS

Basically, the amendment provides for a tax of 90 percent of the price per barrel above $5.25, the ceiling price on "old" oil under existing FEA price guidelines. Thus, a barrel of decontrolled oil selling at the market rate—roughly $13—would be subject to 90 percent taxation on the $7.75 decontrol profit. This tax could be substantially reduced if the oil producer "plowed back" the decontrol profit in exploration, development, and production of domestic energy resources. However, at least some additional revenue will be collected notwithstanding the plowback provision, since plowback provides a credit only to the extent of 90 percent of the decontrol profits tax liability.

I offer this excess profits tax with the hope that it will serve as a framework on which the Finance Committee can build. The need for decontrol of oil prices is evident. And, just as clearly, there is a need to avoid windfall profits for oil producers. The tax I am proposing in conjunction with a well-conceived decontrol formula will lead to increased exploration and production of domestic petroleum reserves.

Mr. President, I ask unanimous consent that the amendment be inserted in the Record at this point.

There being no objection, the amendment was ordered to be printed in the Record, as follows:

H.R. 6860

At the end of the Act insert the following new title:

TITLE V—OIL DEREGULATION TAX

Sec. 501. Deregulation profits tax; plowback credit.

(a) In General—

(1) Amendment of subtitle D.—Subtitle D of the Internal Revenue Code of 1954 (relating to miscellaneous excise taxes) as amended by this Act is amended by adding at the end thereof the following new chapter:

"Chapter 45—OIL DEREGULATION TAX ON DOMESTIC CRUDE OIL

"Sec. 4995. Imposition of tax.
"Sec. 4996. Amount of tax.
"Sec. 4997. Plowback credit against tax.
"Sec. 4998. Definitions and special rules.
"Sec. 4999. Records and information; regulations.

"Sec. 4995. Imposition of Tax.

"(a) Imposition of Tax.—There is hereby imposed on the deregulation profits from taxable domestic crude oil removed from the premises during each taxable period an excise tax as provided in this chapter.

"(b) By Whom Paid.—The tax imposed by this section shall be paid by the person entitled to the deduction under section 611 for depletion with respect to the crude oil.

"Sec. 4996. Amount of Tax.

"(a) In General.—The tax imposed by section 4981 shall be an amount equal to 90 percent of the deregulation profit from each taxable barrel of crude oil removed from the premises.

"(b) Fractional Part of Barrel.—In the case of a fraction of a barrel, the tax imposed by section 4981 shall be the like fraction of the amount of such tax imposed on a whole barrel.

"Sec. 4997. Plowback Credit Against Tax.

"(a) General Rule.—There shall be allowed to each person liable for the tax imposed by section 4981 for any taxable period, as a credit against such tax, an amount equal to such person's plowback investment for such taxable period.

"(b) Limitation.—The amount of the credit allowed under this subsection for a taxable period and for a recomputation period shall not exceed 90 percent of the taxpayer's liability for tax under section 4981 for such periods.

"(c) Plowback Investment.—For purposes of this chapter, a person's plowback investment for any taxable period in the excess of—

"(1) his qualified investment for such taxable period, over

"(2) his plowback threshold for such taxable period.

"(d) Recomputation of Tax and Credit on Cumulative Basis.—

"(1) In general.—In the case of each taxable period (hereinafter in this subsection referred to as 'current period') ending after December 31, 1975, the taxpayer's liability for the tax imposed by section 4981 and his credit under this section shall be recomputed by treating the current period and all prior taxable periods as one taxable period (hereinafter in ths subsection referred to as 'recomputation period').

"(2) Effect of recomputation.—If the sum of the taxpayer's net tax liability for the current period and for each prior taxable period exceeds his net tax liability for the recomputation period—

"(A) a portion of such excess (not greater than the amount by which the tax imposed by section 4981 for the current period is greater than the credit allowable by this section for the current period) shall be applied to, and shall reduce, the amount of the tax imposed by section 4981 for the current period, and

"(B) the remainder of such excess shall be treated as an overpayment of the tax imposed by section 4981 for the current period.

"(3) Net tax liability defined.—For purposes of this subsection, the term 'net tax liability' means, with respect to any taxable period, the excess (if any) of the amount of the tax imposed by section 4981 for such period (or, in the case of the recomputation period, would be imposed for such period) over the credit allowable by this section for such period.

"(4) Adjustment of net tax liability for prior adjustments under this subsection.—For purposes of this subsection, if for any taxable period before the current period the application of this subsection resulted in a reduction in tax liability or an overpayment of tax (or both) under paragraph (2), the excess referred to in paragraph (2) for the current period shall be reduced by an amount equal to the sum of all such reductions and overpayments.

"Sec. 499. Definitions and Special Rules.

"(a) Deregulation Profit.—

"(1) In general.—For purposes of this chapter, the term 'deregulation profit' means an amount equal to the excess of the removal price of the barrel of taxable crude oil over the sum of—

"(A) the base price for such barrel, and

"(B) the amount by which any severance tax imposed with respect to such barrel exceeds the severance tax which would have been imposed if the barrel of oil had been extracted and sold on December 1, 1973, at the ceiling price determined in the manner provided in regulations section 150.353 prescribed by the Cost of Living Council, as such regulations were in effect on such date, for domestic crude oil of the same grade and location;

"(2) 75 percent of net income limitation on deregulation profit.—The deregulation profit on any barrel of taxable crude oil shall not exceed 75 percent of the net income attributable to such barrel. For purposes of the preceding sentence, the net income attributable to a barrel shall be determined—

"(A) by taking the taxable income from the property (within the meaning of section 613(a)) for the taxable period, computed without an allowance for depletion and without any deduction for the tax imposed by section 4981, or for costs deductible under section 263(c) (other than those incurred in drilling a nonproductive well), and

"(B) by dividing such taxable income by the number of barrels of all crude oil produced from such property during such taxable period.

"(b) Removal Price.—For purposes of this chapter—

"(1) In General.—Except as otherwise provided in this chapter, the term 'removal price' means the amount for which the barrel of oil is sold.

"(2) Sales between related persons.—In the case of a sale between related persons (within the meaning of section 103(c)(6)(C)) the removal price shall be not less than the constructive sales price for purposes of determining gross income from the property under section 613.

"(3) Oil removed from premises before sale.—If crude oil is removed from the premises before it is sold, the removal price shall be the constructive sale price for purposes of determining gross income from the property under section 613.

"(4) Refining begun on premises.—If the manufacture or conversion of crude oil into refined products begins before such oil is removed from the premises—

"(A) such oil shall be treated as removed on the day such manufacture or conversion begins, and

"(B) the removal price shall be the constructive sales price for purposes of determining gross income from the property under section 613.

"(5) Meaning of terms.—As used in this subsection, the terms 'premises' and 'refined product' have the same meaning as when used for purposes of determining gross income from the property under section 613.

"(c) Base Price.—For purposes of this chapter, the term 'base price' means the ceiling price determined under section 212.73 of title 10 of the Code of Federal Regulations as prescribed by the Federal Energy Administration pursuant to the Emergency Petroleum Allocation Act of 1973, as such regulations are in effect on June 30, 1975.

"(d) Taxable Domestic Crude Oil.—

"(1) In general.— The term 'taxable domestic crude oil' means with respect to any property—

"(A) the number of barrels produced from such property and sold or removed from the premises during any month, reduced by

"(B) the sum of—

"(i) the number of such barrels for which the removal price is not greater than the base price, plus

"(ii) the amount by which the number of such barrels (not including any barrels taken into account under (i)) exceeds the adjusted base price control quantity for such month.

"(2) Base price control quantity.—For purposes of this subsection, the base price control quantity is the average monthly number of barrels from any property for the three-month period ending June 30, 1975, which, pursuant to sections 212.73 and 212.74 of title 10 of the Code of Federal Regulations, as then in effect, could not be sold at a price which is greater than the base price described in subsection (c). In the case of any property from which production does not occur for the entire three-month period, the average monthly production shall be determined pursuant to regulations prescribed by the Secretary or his delegate.

"(3) Adjusted base price control quantity.—For purposes of this subsection, the adjusted base price control quantity for any month is an amount equal to the base price control quantity reduced by an amount equal to 1⅔ percent of the base price control quantity multiplied by the number of calendar months in the period begining on the effective date for any law or regulation described in paragraph (2) and ending on the last day of such month.

"(e) Qualified Investment.—For purposes of this chapter, any person's qualified investment for any taxable period is the sum of the amounts incurred by such person during such taxable period (with respect to areas within the United States or a possession of the United States) for—

"(1) intangible drilling and development costs to which section 263(c) applies or geological and geophysical costs described in subsection (g)(7),

"(2) the construction, reconstruction, erection, or acquisition of the following items if the original use of such items begins with such person:

"(A) depreciable assets used for—

"(i) the exploration for or the development or production of oil or gas (including development or production from oil shale),

"(ii) converting oil shale, coal, or liquid hydrocarbons into oil or gas, and

"(iii) refining oil or gas (but not beyond the primary product stage), and

"(B) pipelines for gathering or transmitting oil or gas, and facilities (such as pumping stations) directly related to the use of such pipelines,

"(3) secondary or tertiary recovery of oil or gas, and

"(4) the acquisition of oil and gas leases, but the aggregate amount which may be taken into account under this paragraph for any taxable period shall not exceed one-third of the aggregate of the amounts which are taken into account by the taxpayer under paragraphs (1), (2), and (3) for such period.

"(f) Plowback Threshold.—

"(1) In general.—For purposes of this chapter, any person's plowback threshold for any taxable period is an amount equal to $3 multiplied by an amount equal to the sum of the lesser of—

"(A) the number of barrels of crude oil produced by such person during such period, or

"(B) the base price control quantity for each of such person's domestic oil-producing properties.

"(2) Limitation based on 75 percent of net income.—A person's plowback threshold for any taxable period shall not exceed the excess of—

"(A) 75 percent of his taxable income attributable to taxable crude oil from all oil-producing properties (within the meaning of section 613(a)) for the taxable period, computed without an allowance for depletion and without any deduction for the tax imposed by section 4981 or for costs deductible under section 263(c) (other than those incurred in drilling a nonproductive well), over

"(B) the amount of such person's liability for tax under section 4981.

"(g) Other Definitions.—For purposes of this chapter—

"(1) Crude oil.—The term 'crude oil' includes a natural gas liquid recovered from a gas well in lease separators or field facilities.

"(2) Domestic crude oil.—The term 'domestic crude oil' means crude oil produced from an oil or gas well located in the United States or in a possession of the United States.

"(3) Barrel.—The term 'barrel' means 42 United States gallons.

"(4) United States.—The term 'United States' has the meaning given to such term by paragraph (1) of section 638 (relating to Continental Shelf areas).

"(5) Possession of the United States.—The term 'possession of the United States' has the meaning given to such term by paragraph (2) of section 638.

"(6) Taxable period.—The term 'taxable period' means—

"(A) the period beginning on the first day of the first calendar month beginning after the date of the enactment of this chapter and ending at the close of December 31, 1975,

"(B) each calendar year beginning after December 31, 1975, and ending before January 1 of the calendar year described in subparagraph (C), and

"(C) the period beginning on January 1 of the calendar year in which ends the 60th calendar month after the date of enactment of this chapter and ending on the last day of such 60th calendar month.

"(7) Geological and geophysical costs.—The term 'geological and geophysical costs' means expenditures for ascertaining the existence, location, extent, or quality of any deposit of crude oil or natural gas.

"(h) Members of Affiliated Group Treated as One Person.—If two or more corporations are members of an affiliated group making a consolidated return with respect to the tax imposed by chapter 1 for a taxable year or years which include any entire taxable period, such corporations shall be treated as one person for purposes of the tax imposed by section 4981 for such taxable period and for purposes of the credit against such tax allowable under section 4983 for such period.

"(i) Exemption From Tax Where Tax-Exempt Organization Is Prohibited From Plowing Back.—The tax imposed by section 4981 shall not apply to any organization described in section 501(c)(3) which is exempt from tax under subtitle A, to any political subdivision of a State, or to any agency or instrumentality of a State, or political subdivision thereof, if under the applicable State or local law such organization, subdivision, agency, or instrumentality is not permitted (and was not on April 1, 1974, permitted) to pay or incur amounts for any of the purposes specified in subsection (e).

"Sec. 4999. Records and Information; Regulations.

"(a) Records and Information.—Each person liable for tax under section 4981, each partnership, trust, or estate producing domestic crude oil, each purchaser of domestic crude oil, and each operator of a well from which domestic crude oil was produced, shall keep such records, make such returns, and furnish such information with respect to such oil as the Secretary or his delegate may by regulations prescribe.

"(b) Regulations.—The Secretary or his delegate shall prescribe such regulations as may be necessary to carry out the purposes of this chapter.".

(2) Clerical amendment.—The table of chapters for subtitle D is amended by adding at the end thereof the following new item:

"Chapter 45. Deregulation profits tax on domestic crude oil.".

(b) Technical Amendments.—

(1) The first sentence of section 164(a) (relating to deduction for taxes) is amended by inserting after paragraph (5) the following new paragraph:

"(6) The net deregulation profits tax imposed by section 4981.".

(2) The first sentence of section 613(a) (relating to percentage depletion) is amended by striking out the period at the end thereof and inserting in lieu thereof the following: ", and (in the case of oil and gas wells) reducing such gross income by the amount of the tax imposed by section 4981 (relating to deregulation profits tax).".

(3)(A) Part II of subchapter B of chapter 1 (relating to items specifically included in gross income) is amended by adding at the end thereof the following new section:

"Sec. 85. Overpayments of Deregulation Profits Taxes.

"Gross income includes any amount treated as an overpayment of tax under section 4983(d)(2)(B) (relating to recomputation of deregulation profits tax and credit on cumulative basis).".

(B) The table of sections for such part II is amended by adding at the end thereof the following new item:

"Sec. 85. Overpayments of deregulation profits taxes.".

(c) Time for Filing Return of Deregulation Profits Tax.—

(1) Part V of subchapter A of chapter 61 (relating to time for filing returns and other documents) is amended by adding at the end thereof the following new section:

"Sec. 6077. Time for Filing Return of Deregulation Profits Tax.

"Each return of the tax imposed by section 4981 (relating to deregulation profits tax) for any taxable period (within the meaning of section 4984(g)(7)) shall be filed not later than the 15th day of the third month (15th day of the fourth month in the case of an individual) following the close of the taxable period.".

(2) The table of sections for such part V is amended by adding at the end thereof the following new item:

"Sec. 6077. Time for filing return of deregulation profits tax.".

(d) Certain Information Required To Be Furnished.—

(1) General rule.—Subpart B of part III subchapter A of chapter 61 (relating to information concerning transactions with other persons) is amended by adding at the end thereof the following new section:

"Sec. 6050A. Information Furnished by Purchaser and Operator Regarding Deregulation Profits Tax on Domestic Crude Oil.

"(a) Certain Information Furnished by Purchaser.—Under regulations prescribed by the Secretary or his delegate, the purchaser of domestic crude oil (as defined in section 4984(g)(2)) shall furnish to the person liable for tax under section 4981 with respect to such oil a monthly statement showing the following:

"(1) the amount of domestic crude oil purchased from such person during such month,

"(2) the amount of taxable domestic crude oil purchased from such person during such month,

"(3) the removal price of such taxable oil,

"(4) the base price with respect to such taxable oil,

"(5) the amount of such person's liability for tax under section 4981 with respect to such oil,

"(6) the severance tax liability with respect to such oil, and the severance tax liability which would have applied with respect to such oil under the rates in effect on December 1, 1973, and

"(7) such other information as may be required by regulations prescribed by the Secretary or his delegate.

"(b) Information Furnished By Operator.—Under regulations prescribed by the Secretary or his delegate, if the purchaser of domestic crude oil and the operator of the well from which such crude oil was produced make a joint election under this subsection, the monthly statement required to be furnished by the purchaser under subsection (a) shall be furnished by such operator.

"(c) Time For Filing Monthly Statement.—Each monthly statement required to be furnished under subsection (a) or (b) for any month shall be furnished before the first day of the second month which begins after the close of such month.

"(d) Certification Furnished By Operator.—Under regulations prescribed by the Secretary or his delegate, the operator of the well from which crude oil subject to the tax imposed under section 4981 was produced shall certify (at such time and in such manner as the Secretary or his delegate shall by regulations prescribe) to the purchaser the base price (within the meaning of section 4984(c)) and the base price control quantity (within the meaning of 4984(d)(2)) with respect to such crude oil. For purposes of section 6652(b) (relating to additions to tax for failure to file other returns) such certification shall be treated as a statement of a payment to another person.

"(e) Cross References.—

"(1) For additions to tax for failure to furnish information required under this section, see section 6652(b).

"(2) For penalty for willful failure to supply information required under this section, see section 7252.".

(2) Technical and conforming amendments.—

(A) Section 6652(a) is amended by striking out "or section 6051(d)" and inserting in lieu thereof the following: "section 6050A (relating to information regarding deregulation profits tax on domestic crude oil), or section 6051(d)".

(B) The table of sections for subpart B of part III of subchapter A of chapter 61 is amended by adding at the end thereof the following new item:

"Sec. 6050A. Information furnished by purchaser and operator regarding deregulation profits tax on domestic crude oil.".

(e) Criminal Penalty For Failure To Publish Certain Information.—

(1) In general.—Part II of subchapter A of chapter 75 (relating to penalties applicable to certain taxes) is amended by adding at the end thereof the following new section:

"Sec. 7242. Willful Failure To Furnish Certain Information Regarding Deregulation Profits Tax on Domestic Crude Oil

"Any person who is required under section 6050A (or regulations thereunder) to furnish any statement, information, or certification to any other person and who willfully fails to furnish such statement, information, or certification to any other person and who willfully fails to furnish such statement, information, or certification at the time or times required by law or regulations, shall, in addition to other penalties provided by law, be guilty of a misdemeanor and upon conviction thereof, shall be fined not more than $10,000, or imprisoned not more than 1 year, or both, together with the costs of prosecution.".

(2) Clerical amendment.—The table of sections for such part II is amended by adding at the end thereof the following new item:

"Sec. 7242. Willful failure to furnish certain information regarding deregulation profits tax on domestic crude oil.".

(f) Information Furnished by Partnerships, Trusts, and Estates.—

(1) Information to be furnished to partners and to beneficiaries of estates and trusts.—Subpart B of part III of subchapter A of chapter 61 is amended by adding at the end thereof the following new section:

"Sec. 6050B. Information To Be Furnished to Partners and Beneficiaries of Estates and Trusts

"(a) Requirement.—Under regulations prescribed by the Secretary or his delegate, each partnership, estate, and trust required to file a return pursuant to section 4985 for any taxable period shall furnish to each partner or beneficiary, as the case may be, a written statement showing the following:

"(1) the name of such partner or beneficiary,

"(2) information received by the partnership, trust, or estate pursuant to section 6050A,

"(3) the total amount of qualified investment made by such partnership, trust, or estate during such taxable period,

"(4) such partner's or beneficiary's distributive share of the items referred to in paragraphs (2) and (3), and

"(5) such other information as may be required by regulations prescribed by the Secretary or his delegate.

"(b) Time For Furnishing Written Statement.—Each written statement required to be furnished under this section with respect to any taxable period shall be furnished before the first day of the third month following the close of such period.".

(2) Clerical amendment.—The table of sections for such subpart B is amended by adding at the end thereof the following new item:

"Sec. 6050B. Information to be furnished to partners and to beneficiaries of estates and trusts.".

(g) EFFECTIVE DATE.—The amendment made by this section shall apply to crude oil produced after June 30, 1975.

(h) TERMINATION DATE.—The tax imposed by this amendment shall terminate at the close of 60 calendar months following the date of enactment.

PROHIBITION OF THE DRUG (DES)—S. 963

AMENDMENT NO. 692

(Ordered to be printed and to lie on the table.)

Mr. CURTIS (for himself, Mr. BELLMON, Mr. EASTLAND, Mr. HUDDLESTON, Mr. TOWER, and Mr. THURMOND) submitted an amendment intended to be proposed by them to the bill (S. 963) to amend the Federal Food, Drug, and Cosmetic Act to prohibit the administration of the drug Diethylstilbestrol—DES—to any animal intended for use as food, and for other purposes.

ADDITIONAL COSPONSORS OF AMENDMENTS

AMENDMENT NO. 680

At the request of Mr. BENTSEN, the Senator from South Dakota (Mr. McGOVERN) was added as a cosponsor of amendment No. 680, intended to be proposed to the bill (H.R. 6799), the Federal Rules of Criminal Procedure Amendments of 1975.

NOTICE OF NOMINATION HEARING

Mr. WILLIAMS. Mr. President, I wish to announce to Senators and other interested persons that a hearing on F. David Mathews, to be Secretary of the Department of Health, Education, and Welfare, will be held by the Committee on Labor and Public Welfare on Thursday, July 17, 1975. The hearing will begin at 9:30 a.m. in room 4232 Dirksen Senate Office Building. Interested persons who wish to testify or who wish to submit testimony to be included in the RECORD should contact Mr. Donald Elisburg, Room 4230, Dirksen Senate Office Building, (202) 224-7665.

ANNOUNCEMENT OF HEARINGS ON COUNCIL ON INTERNATIONAL ECONOMIC POLICY

Mr. STEVENSON. Mr. President, on Friday, July 18, the International Finance Subcommittee of the Committee on Banking, Housing and Urban Affairs will resume hearings on S. 1262, a bill to authorize appropriations for the Council on International Economic Policy. The hearings will begin at 9:30 a.m. in room 5302, Dirksen Senate Office Building, Washington, D.C. Interested persons should contact Stanley J. Marcuss, counsel to the subcommittee at 202/224-8813.

NOTICE OF HEARING RESCHEDULING

Mr. BURDICK. Mr. President, as chairman of the Judiciary Committee's Subcommittee on National Penitentiaries, I wish to announce a rescheduling of hearings for consideration of S. 1243, legislation providing for the relocation of Lorton Reformatory. The hearings will convene on July 24, at 10 a.m. in room 6202, Dirksen Senate Office Building.

Any person who wishes to testify or submit a statement for inclusion in the record of the hearings should communicate as soon as possible with the Subcommittee on National Penitentiaries, room A-404, Senate Annex, extension 224-5461.

ANNOUNCEMENT OF HEARINGS ON FOREIGN INVESTMENT AND ARAB BOYCOTT LEGISLATION

Mr. STEVENSON. Mr. President, on Tuesday and Wednesday, July 22 and 23, the International Finance Subcommittee of the Committee on Banking, Housing and Urban Affairs will hold hearings on foreign investment and Arab boycott legislation. Among the bills which will be considered are S. 425, S. 953, S. 995, and S. 1303. The hearings will begin at 10 a.m. in room 5302, Dirksen Senate Office Building, Washington, D.C. Interested persons should contact Stanley J. Marcuss, counsel to the subcommittee, at 202/224-8813.

ADDITIONAL STATEMENTS

BUDGET SCOREKEEPING REPORTS

Mr. MUSKIE. Mr. President, my colleagues have on their desks this morning for the first time two new tools for fiscal responsibility.

One is a scorekeeping report which will be published monthly by the Congressional Budget Office. It will review our legislative actions to date and compare them with the budget figures in the first concurrent resolution.

The second report—the Senate Budget Scorekeeping Report—will be produced weekly by the CBO specifically for the use of the Senate.

The Senate report is complementary to the monthly CBO report, but expands upon it in three very important ways:

First, it not only catalogs past spending action, but tries to anticipate spending bills that are coming down the road, so that each Senator can know, as he votes today, what other competing expenditures he may face tomorrow. This is a totally new concept in scorekeeping—one which I am extremely proud to make available to my colleagues and one which I believe will dramatically increase the chances for fiscal self-discipline which Congress sought when the new budget procedures were established.

Second, the weekly Senate report will cover authorizing legislation as well as spending until a subsequent appropriations bill has been passed. Nevertheless, it is my firm belief that we must apply the same standard of discipline to authorizing bills as we wish to apply to spending bills if we expect to achieve fiscal responsibility and a rational pattern of national priorities. Both restraint and hard priority choices must begin at the beginning, with authorizing bills.

Third, the Senate report will tell the Senate how each bill compares to each priority in the budget and how these separate priorities compare to the total Federal spending authorized in the congressional budget. These comparisons will be essential as we proceed with the long and difficult process we have begun through budget reform to redirect our national spending priorities.

Now, let me illustrate just how important this weekly report will be by calling the attention of my colleagues to a summary table on page 9.

First comes the concurrent resolution target—$367 billion in outlays.

Next, spending legislation on which action has been completed—either as a result of enactments in prior years or enactments this session—$210.5 billion.

Next, under section II-B, legislation which has passed the Senate or has been reported to the Senate but has not yet been enacted by both houses and signed into law—$5.7 billion.

Then, in addition to these amounts which will almost certainly be on the books, we must add a figure for other spending bills which we know will be before us. For this purpose, we have shown the President's spending request not yet reported in the Senate—$153.4 billion.

What do these figures show? They show that if all the legislation now on the books and on the horizon is enacted, we will be $2.6 billion over the concurrent resolution target adopted in May. That is a key figure. That is the figure that reminds us as we consider the President's requests and legislation now reported in the Senate that we will be over our target unless we exercise real restraint. That is the figure that keeps our feet to the fire.

But we cannot stop there. The truth is that there is still other spending legislation and authorizing legislation pending in our committees—legislation many of us now unaware of—which can drive that $2.6 billion figure much higher. We have attempted to identify such legislation. This is not an exact science to be sure, but throughout this report there are tables by functional category which list bills we know are pending and which taken together, we now believe, could drive us as much as $12.6 billion over our overall targets.

This figure appears at the bottom of table I.

So, Mr. President, we do not have money to spend. We have money to save, and I am convinced that this scorekeeping report will help us do it.

Let me call the attention of my colleagues to some other features of this report.

On page 7, there is a list of legislative highlights covering specific bills expected to be on the floor or reported in the week ahead.

Each of these bills then appears again in its appropriate function, tables for which begin on page 15. The first of these tables—table A—matches the one I have already described for the budget as a whole, but on a function-by-function basis. Subsequent tables enumerate additional legislation within that function which we must keep in mind as we vote.

It will take all of us time to learn to use this report. It undoubtedly can be improved, but for us, for the press, for the public, I believe it represents a major step toward a more orderly and responsible fiscal policy.

ERADICATION OF PESTS

Mr. TOWER. Mr. President, on Wednesday, the Committee on Agriculture and Forestry will consider S. 1617, a very good bill introduced by my colleague from Texas (Mr. BENTSEN).

I wish to request that my name be added as a sponsor of my colleague's bill, and I wholeheartedly support the aims of this legislation.

In Texas, we have a number of problems with the Mediterranean fruit fly, and with the fire ant, both of which pose considerable danger to Texas agriculture. This bill provides methods by which the Secretary of Agriculture can control and eradicate these pests, and eliminate this threat to our farm community.

I would hope that my distinguished colleague and the Agriculture Committee, however, would consider an addition to this measure which I feel is also vital to the effectiveness of the bill.

The potential damage to crops from pests such as the fruit fly and the fire ant are considerable, but it is also true that various pests cause considerable harm to livestock. I understand that the Department of Agriculture feels that the addition of livestock under the provisons of the bill would be a wise and prudent change.

To this end I have sent a letter to the chairman of the Committee on Agriculture, my distinguished friend from Georgia, asking his consideration of a proposed amendment to S. 1617. I would hope that the committee would consider this carefully during its deliberations on the bill, and include it in the final draft of the measure.

I think it is very important to remember the need for vigorous protection of our Nation's livestock from pests, and I think my amendment will effectuate that protection. I thank my distinguished friend and colleague from Texas for introducing this measure, and I appreciate his including me as a sponsor of S. 1617.

I ask unanimous consent that the aforementioned letter to the chairman of the Committee on Agriculture be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

WASHINGTON, D.C., *July 14, 1975.*

Hon. HERMAN E. TALMADGE,
Chairman, Committee on Agriculture and Forestry, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: I understand that on July 16, 1975, your committee will consider S. 1617, a bill to clarify the authority of the Secretary of Agriculture to control and eradicate plant pests. As a co-sponsor of this measure, I urge your favorable consideration.

I do believe, however, that we can always make a good bill better. To this end, I have had my staff prepare a proposed amendment, which is enclosed, would add livestock under provisions of S. 1617, so that the Secretary of Agriculture can act with vigor and dispatch to control and eradicate livestock pests. The threat of these pests is especially grave in my state of Texas, and because of the scope of livestock enterprise in Texas could have a considerable impact on the overall Texas economy. I hope you will favorably consider this amendment, and I understand that the Department of Agriculture supports its inclusion.

I am sorry that my schedule does not permit my personally testifying before the committee in consideration of S. 1617; however, I would appreciate it if my amendment and a copy of this letter were made a part of the record of your deliberations.

Thank you for your consideration, and for the great contributions you have made to Texas Agriculture. I believe that S. 1617 will be of considerable assistance to farmers and ranchers in Texas, if my amendment is effectuated.

Sincerely,

JOHN TOWER.

THE IMPORTANCE OF SCIENCE AND TECHNOLOGY TODAY IN CREATING JOBS THAT WILL BE NEEDED TOMORROW

Mr. BENTSEN. Mr. President, I wish to speak today on a subject of critical importance to the future health and stability of our Nation's economy.

Too often, mere mention of the phrase "science and technology" causes heads to nod and eyes to glaze over. It can be, and frequently is, among the most deadly, boring topics brought up for discussion.

Yet, science and technology has historically played a most important role in the economic growth and development of the United States and it will be a key factor in determining the strength of this country's economy in future years.

And during this, our deepest recession since the 1930's; with almost 9 million American breadwinners out of work, after our economy has shrunk by 8 percent since 1973, and after our productivity has declined sharply, it is a subject that must be brought up for discussion and debate and understanding and action.

Because of its importance, the Joint Economic Subcommittee on Economic Growth, which I chair, will hold hearings on science and technology July 15 and 16.

We begin our hearings on an auspicious occasion: The launching of the joint, United States-Soviet Apollo-Soyuz space flight, which represents a historic breakthrough in international cooperation on science and technology.

But, while there is a definite connection, Mr. President, our hearings will deal with the space program in only the most peripheral way.

Science and technology is a broad field, Mr. President, and our hearings will be concentrating on a much more down to Earth, though no less important, area than space research.

Our primary interests lie in neither the space sciences nor in military research and development, two areas of science and technology with which the American people are most familiar.

We will be exploring the field of civil technology innovation as it relates to business and industry, to economic growth and jobs.

By technological innovation, I refer to new products which lead to economic growth and to new production processes and equipment which, by improving productivity, also lead to growth.

In both instances, technological innovation translates into jobs. In many cases it also translates into a higher quality of life—the so-called "modern conveniences"—and into longer lifespans, with fewer illnesses.

Development of the pacemaker is a classic example of the benefits of technology.

Thirty-two years passed, from the time in 1928 when A. S. Hyman came up with the idea of providing electronic stimulation of the heart in treating heart block disorders to the time in 1960 when the first pacemaker was implemented in a human.

Mr. Hyman knew what he wanted to do, he knew how he wanted to do it, and throughout the 1930's he tried repeatedly to produce a stimulator. The best he could come up with was a spring-driven device which was too large and too limited to be truly effective.

The problem was a lack of technology to produce a device that was small enough and had a power source that would last long enough—virtually a lifetime. Invention of the transistor, in 1948, was a major breakthrough; as were development of a sealed, long-lasting battery, of silicone rubber polymers, of a workable epoxy and of special insulating material.

These technological innovations, and others, led to successful use of an external pacemaker to treat heart block in 1952; then to successful use of an external pacemaker with implanted electrodes in 1958 and, finally, to the first human implant of a pacemaker in 1960.

While anyone can understand and appreciate the benefits of science and technology in development of the pacemaker, Mr. President, a few Americans understand the critical role it plays in our economy.

Only recently have economists come to realize the importance of technological innovation for economic growth. There remains strong disagreement within the economic community as to the precise role it plays. And we are only now beginning to understand what can be done to facilitate technological innovation.

Mr. President, the Subcommittee on Economic Growth was established last year to study long-range economic problems, to seek ways to help Government anticipate and deal with these problems in advance—well before they explode as urgent crises.

I can think of no area of long-range economic concern that is more pressing than this little-understood area of technological innovation.

During the past decade, we have witnessed tremendous technological progress in the Western European countries and Japan that confronts many of our own industries with strong foreign competition, both here at home and among our foreign markets.

A report prepared for our hearings by Prof. Robert Gilpin, of Princeton University, notes that an economy can respond to technological competition in different ways.

An economy, he contends, can either move to stimulate its domestic growth and international competitiveness by vigorous support of research and development in commercial areas, or it can withdraw into itself, throwing up trade barriers around its threatened industries, live off its foreign investments, and reduce its rate of growth.

Professor Gilpin notes that, since the latter part of the last century, Great Britain has tended to follow the second course, living increasingly off its investments overseas and producing fewer and fewer goods itself.

Japan, however, since World War II, has followed the second course, seeking to expand its overseas trade and relying on a great emphasis on technological innovation in its successful efforts to compete on world trading markets.

Professor Gilpin says that the United States, unfortunately, has been following a strategy similar to that of Great Britain, particularly since 1958. He points out, Mr. President, that the strategy of investment followed by U.S. corporations is far more complex than what occurred in Great Britain, but the result is the same—an increasing tendency to favor protection of threatened industries over innovative moves into new and risky areas.

In other words, Mr. President, U.S. firms, over the past 15 years, have found it easier and safer to seek to expand by manufacturing and selling old products than to innovate and create new products.

I maintained, Mr. President, that this trend could have disastrous consequences for our economy if it is allowed to go unchecked.

And I find a direct correlation between this situation and our country's declining commitment to technological innovation.

After increasing at an annual rate of more than 12 percent from 1953 to 1964, total spending in the United States for research and development increased by just over 5 percent between 1964 and 1971.

It is interesting to note that at the same time, the U.S. position in foreign trading markets was deteriorating seriously, from a $6.1 billion trade surplus in 1965 to a $6 billion deficit in 1972.

There are many reasons for this situation. But part of the decline is due to lack of innovation.

Public attitudes toward science and technology, in general, began changing in the late 1960's and early 1970's. The Senate vote against the SST was a sign of a growing skepticism the American people had toward big technology.

At the same time, Mr. President, the Nixon administration in the early 1970's took some confused and contradictory steps to set research and development policy which have only served to compound the problem.

On the one hand, the administration spearheaded efforts to launch the new technological opportunities program which funneled hundreds of millions of dollars into risky technology development that should have rightfully been carried out by the private sector.

To date, at a cost of almost $3 billion, the TOPs program has produced only two major projects. One of them, the SST, was defeated in Congress, because of questions about its environmental effects and its demonstrated lack of commercial merits. The other, the nuclear breeder reactor, is only now reaching the demonstration plant stage.

And, at the time the White House was pushing TOPs as a means of funding civilian technology, it was also downgrading the importance of science and technology by abolishing the office of science adviser to the President.

This created a serious leadership gap with respect to science and technology at the highest levels of Government and has only added to the problems we face in this field today.

As of today, Mr. President, the United States has no national policy for research and development, or, more particularly, for encouraging the type of technological innovation that is needed to build and maintain a healthy, growing economy.

The research and development mechanism that developed in the United States in response to the Cold War has been undermined and, to a large degree, eliminated. Yet, no new system has been developed or adapted to meet the new set of emerging priorities: economic growth, environmental soundness, export competitiveness, and social welfare.

As one member of the academic community put it:

> It is fascinating to witness aerospace engineers and high powered theoretical physicists becoming interested in a fast moving field like sewage disposal.

All this is happening without any clear picture of what is needed, without any mechanism for encouraging or stimulating it.

To be sure, there have been some steps in this direction. Establishment of the Office of Technology Assessment and the Energy Research and Development Agency are certainly steps in the right direction.

But what has been done to date falls far short of the national program that is needed.

That, Mr. President, is what my subcommittee will be seeking to develop in the coming days, as we conduct these hearings on science and technology.

CANE POLE FISHING PROGRAM FOR INDOCHINESE CHILDREN IN PENNSYLVANIA

Mr. HUGH SCOTT. Mr. President, I take this opportunity to salute the Pennsylvania Fish Commission for sponsoring a cane pole fishing program for the Indochinese children housed at Fort Indiantown Gap, Pa.

For many years, the Fish Commission has administered a cane pole fishing program for children in urban areas, providing many happy hours of outdoor recreation for our children.

The Pennsylvania Fish Commission serves a unique role as guardian of the Commonwealth's aquatic resources: Pennsylvania is the only State which has a separate independent administrative body concerned exclusively with the management of its recreational and commercial fishing and boating.

The Fish Commission was established by the Pennsylvania General Assembly in 1866 to preserve the diminishing fish populations in the Commonwealth's rivers and streams.

The commission has performed an outstanding job, and I commend its members for the dedication to aquatic conservation which has characterized the commission since its creation over a century ago.

ONE HUNDRED AND FIFTIETH ANNIVERSARY OF NORWEGIAN EMIGRATION TO AMERICA

Mr. MAGNUSON. Mr. President, this year marks the 150th anniversary of the sailing of the first group of immigrants from Norway to the United States. The sloop *Restoration* sailed from Stavanger, Norway, on July 4, 1825, and arrived in New York a little more than 3 months later on October 9, 1825.

That first group of immigrants set off a wave of emigration from Norway that did not recede for 100 years. Norwegian Americans and other citizens of Scandinavian descent have made major contributions to the strength and welfare of our Nation.

A few days ago, on July 4, celebrations were held in Stavanger, Norway, and Seattle, Wash. to honor those first sons and daughters of Norway to come to America.

The address at the Seattle celebration was delivered by my friend and colleague of many years, Senator HENRY M. JACKSON. Mr. President, I ask unanimous consent that this speech—outlining as it does the contributions made by Norwegian immigrants—be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEMENT BY SENATOR JACKSON

I am delighted to respond on behalf of the Pacific Northwesterners of Norwegian heritage you are honoring today. To be one of those receiving your award is an additional honor.

But if Americans of Norwegian descent have contributed to so many aspects of American life, it is only because of the solid foundation our parents and grandparents built for us.

The first known Norwegian to settle in Washington State was Zakarias Martin Toftezen in 1849—on Whidbey Island. And living in Washington State today are direct descendants of the 53 courageous pioneers who sailed from Stavanger aboard the *Restauration* 150 years ago. The Norwegian immigrants who settled in Puget Sound were, for the most part, in the second stage of their apprenticeship as Americans. They had already learned the language and were prepared to give leadership in education, industry, and commerce.

They had settled first in the upper Middle West—Wisconsin, Minnesota, Illinois, North and South Dakota—and then followed the route of the pathfinders who went out beyond the Cascades into a land much like Norway itself. They found beautiful mountains with rich forests, seas to fish, and land to farm. And Puget Sound was like the fjords they had left behind. They built Stanwood, Poulsbo, Gig Harbor and Arlington, and they helped to launch a great new city—Seattle.

My father, Peter Jackson, born near Aure in Norway, went first to Minnesota, then to the smelters of Montana, and finally home to Everett in the late 1880's, just before Washington statehood. He was a policeman, a union leader, and a builder. My mother, Marine Andersen, was born in Alvenes, near Bodo, and they met and married here in Washington.

These new citizens took the leadership in city and county and in school board elections. They labored to build schools and they scrimped and saved to make sure their children would get an education—in secondary schools and in colleges and universities.

The Norwegian experience in America has been a deeply rewarding one. The characteristic Norwegian spirit of independence and perseverance, and the historic Norwegian love of freedom, were perfectly matched to the challenge of creating a new life in a new land.

I want to reflect on that heritage for a moment, for it is so relevant to the new challenges we and our children face today.

There is nothing American—or more Norwegian—than a concern for the oppressed and a willingness to come to the aid of the oppressed. America was a safe haven for those who left Norway in 1825. We must insure that it remains a safe haven for those who come to us today as refugees from tyranny.

As Americans of Norwegian descent, we understand that much remains to be done in America. For many Americans, equal opportunity and economic security are not yet realities. There are children in America whose full potential remains undeveloped because they are denied the chance for a quality education. There are older Americans who are still denied the decency and respect they have earned. We have inherited from our Norwegian forebears a deep sense of social justice, a sense which is part of America's civic culture.

I believe also that America's commitment to individual liberty has been immeasurably strengthened by the Norwegian love of freedom. The history of Norway is instructive for those who imagine that freedom and strength are separable. There are important lessons in Norway's splendid defense of its national freedom—and of the personal freedom of its citizens. We recall especially the dark days of the Second World War when the Norwegian resistance won the admiration of freedom-loving people the world over.

For America, a nation of immigrants, it is especially fitting that we remain committed to the free movement of people and ideas. As Alexandr Solzhenitsyn noted so sadly but eloquently in the Nobel address his government prevented him from delivering:

"The physically compressed, strained world is not allowed to blend spiritually; the molecules of knowledge and sympathy are not allowed to jump over from one half to the other."

Genuine peace and a truly stable international society can only result from a lowering of the artificial barriers that divide peoples of East and West.

And, today, as we rededicate the statue of Edvard Grieg that stands here in Governor's Grove, we are reminded of the Norwegian love of natural beauty which inspired so much of Grieg's music. I have always felt very deeply our obligation to preserve our natural heritage.

A century ago, Norway and the United States were distant indeed. The two lands were united principally by the family connections between those who settled here and those who remained in Europe. Today, Norway and the United States stand together in a great alliance of free peoples—an historic effort dedicated to the preservation of humane values, civil liberties, and social justice. The Atlantic Alliance is crucial to the world's hopes for a more peaceful world and the preservation of individual liberty. The fates of Norway and America are tied together and depend on the success of our common endeavors.

The discovery of vast oil reserves in the North Sea and Alaska—at a time when the financial institutions of the Western world are threatened by skyrocketing oil prices—has created new opportunities to build on this historic relationship. The new oil wealth of Norway need not undermine the quality of life of which Norwegians are so justly proud. Long-term planning and proper investments abroad can strengthen Western institutions and insure Norway's prosperity and stability for generations to come.

In closing, let me add just this:

The genius of America is its diversity. Our people have come from every continent on earth. Our culture has been enriched by many traditions. Our Norwegian heritage has contributed to the strength of America. It is our responsibility to insure that these values live on in our children—that we do as much for them as our parents and grandparents did for us.

U.S. POLICY AND KOREA

Mr. PHILIP A. HART. Mr. President, for reasons of geography and historical involvement, the United States, the Soviet Union, China, and Japan have strong interest in what happens on the Korean Peninsula.

For that reason, Korea is one of the areas which poses a serious threat to world peace. And there we are with thousands of U.S. troops deployed.

If we are to develop, as we should, a policy designed to meet rather than to respond to events, and if we are to develop public support for such a policy, we need to begin now to consider and debate our options.

Any debate should at least include these questions:

Is maintaining the line between North and South Korea vital to our national security? If it is, how far should we go to help South Korea defend that line, and what effect should the domestic policies of the Seoul government affect our commitment?

If South Korea is not vital to our interests, should we withdraw our troops now or later? Is it important how we end our military commitment to Seoul? And again, should our decision and timing be influenced by the internal policies of the South Korean Government?

In debating these questions, we should keep in mind a lesson of recent history. That is, policies aiding a representative government will fail in the long run because that government will lack the support of its people and because our citizens will not strongly support aid for such a government. Those lessons are applicable to South Korea to the extent the Seoul government pursues policies which foster widespread dissent among its people and distaste among our citizens.

In a recent Washington Post article, Prof. Edwin O. Reischauer, former Ambassador to Japan, discusses these questions and proposes a policy approach worthy of serious consideration.

Professor Reischauer argues that the defense of South Korea is not vital to American interests, but to avoid potentially "damaging shocks both in Korea and Japan" any withdrawal of U.S. military forces should be phased over several years. He would tie the rate of withdrawal to the performance of the Seoul government.

And finally, he suggests that in the long run, the four major powers whose interests overlap on the Korea Peninsula might find it in their interests to agree to "not allow disturbances in Korea to spill over to involve them in their relations with one another."

Admittedly, such an agreement will be hard to achieve, but it is one toward which we should begin to work now.

I ask unanimous consent that Professor Reischauer's article and an article by Don Oberdorfer be printed in the Record.

There being no objection, the articles were ordered to be printed in the Record, as follows:

[From the Washington Post, June 28, 1975]

Korea and Vietnam: The Nonparallels

(By Edwin O. Reischauer)

False analogies between Korea and Vietnam originally helped get us into a fundamentally worse situation in Vietnam. Let us not now reverse the process and panic over Korea because of analogies mistakenly drawn with Vietnam.

South Korea simply is not vulnerable at present to the two basic ills that destroyed South Vietnam—the uncertain loyalty of its people, and the resultant possibility for easy penetration and subversion by the North. At present it would require a massive external flow to overthrow the South, and there seems no sign of this happening.

Kim Il Sung, the northern dictator, is trying to take advantage of the sudden collapse in Vietnam to intimidate South Korea, but despite repeated cries of warning, the situation along the border in Korea is in actuality less menacing than at most times during the past two decades. Pyongyang does have more than twice the air strength of Seoul, but this advantage is offset by the presence of American air power in the South, while in ground forces the South outnumbers the North by about 600,000 men to 400,000, with reserves and paramilitary units that give an overall balance of 3 million to less than 2 million.

These figures reflect the facts that the South has more than twice the population of the North (in Vietnam it was the North that was the larger), and both regimes are as completely militarized as any in the world. Pyong-yang could not risk war without the strong support of China or the Soviet Union, and both of these seem much more eager to avoid a conflict in Korea than they were in the past.

This may sound reassuring, but it concerns only the false cries derived from mistaken analogies with Vietnam. Back of this, however, is a real danger that is escaping adequate attention, in part because of the red herring of Vietnam.

It is not an immediate crisis, but rather a situation that over a longer time span may produce conditions like those that proved fatal to South Vietnam. In other words, as ultimate, Vietnam-like debacle may be in the cards for us in Korea unless we start to do something about it soon.

The experiences of the Korean War made the South Koreans the most bitterly anti-Communist people in the world and therefore insured their loyalty to Seoul. But this shows signs of eroding.

There has always been much popular dissatisfaction with the government in South Korea. Despite rapid economic growth in recent years, the discrepancies in wealth were severe and seemed to be growing worse. Corruption in government and business—recently highlighted by the admission of a $4 million bribe to government authorities by the Gulf Oil Corp.—has always drawn much criticism. Except for a brief period in 1960–61 of ineffective Democratic government, Korea's democracy has always been imperfect and incomplete. Individual rights and freedoms were often curtailed.

But at the same time, there was enough individual liberty and democratic participation in government to make people feel that there was sufficient difference from the completely repressive regime of the North to make the South worth fighting to preserve.

This situation, however, has been changing of late. In October, 1972, President Park Chung Hee declared martial law and followed this with a new constitution, which, by giving him the right to appoint one-third of the membrs of Parliament, reduced that body and all electoral politics to a sham.

He followed this by Draconian measures seriously limiting individual freedoms, including those of political criticism and self-expression, and enforced these with brutal police controls. The opposition forces have been cowed into virtual silence, but hostility and tension run deep.

Especially among the city dwellers and the better educated, including the bulk of the influential Protestant and Catholic groups, there is a sense of desperation. Student activism may have been successfully repressed; but probably at the cost of creating secret student revolutionaries. Step 1 has been taken toward the making of a Vietnamese situation.

South Korea has recently suffered another blow, this one not of its own making. Korea's dazzling economic record of recent years was based on industrialization and world trade—an incipient replica of the Japanese economic miracle—and therefore the oil crisis that started in the autumn of 1973 delt Korean a serious blow.

It is particularly dependent on markets in and investments from Japan and the United States, and both these countries have themselves been in recessions. In addition, the picture of an increasingly repressive South Korean regime makes both Japanese and Americans more critical of conditions in Korea, more dubious about its future and less willing to invest there, thus adding to Korea's economic woes. A serious economic downturn could further erode South Korean loyalties.

The deterioration of the political situation in South Korean has also increased doubts about the American commitment to help defend the country. The post-Vietnam mood in the United States is reason enough for such doubts, but they are greatly increased by a picture of a dictatorial and cruelty repressive regimes in Seoul, which is repugnant to Americans.

The American commitment is hedged by the phrasing that "In case of an external armed attack" each nation "would act to meet the common danger in accordance with its constitutional processes." Still, the presence of about 40,000 American soldiers as a sort of trip-wire near the border has always made American involvement in a renewed Korean War seem almost automatic.

But this may well not be true, given the popular mood in the United States, as strengthened by the distasteful political actions of Park's government. In other words, the United States has made a commitment reinforced by a military presence that the American people would very possibly be unwilling to live up to. This is indeed a perilous position for the United States to be in.

Park or his successors have only two paths they can follow.

On the one hand, they can smother all political criticism and ruthlessly eradicate all sources of opposition. North Korea, North Vietnam and China itself shows the viability of this sort of regime in an East Asian setting though it may be much more difficult to create one on a rightist rather than a leftist ideological basis, as the experience of the Chinese Nationalists suggest. Of course, this road would ultimately lead to the forfeiture of the American military commitment, and probably much of Japanese and American economic support.

The other road would be a return toward a more open society with a growing role for democratic political institutions. High educational levels make such a course perfectly feasible in Korea, and in my judgment it would be by far the better bet, even in stark military terms.

But what should the United States do? The tendency is to sweep the problem under the rug—to leave things along and pretend the problem does not exist, counting on the improbability of war, at least in the near future, to see us safely through until some still unkown but, it is hoped, better situation develops later on.

In the very short run, this policy is understandable. The shock of the sudden collapse in Vietnam for Americans, Koreans and the world at large makes it wise to let the dust settle a bit before making any decisive new move in Korea. But such a do-nothing policy cannot be allowed to continue indefinitely, as South Korean loyalties wither and popular American distaste for Korean dictatorship grows.

The defense of South Korea, regardless of the nature of its systems, is not vital to American interests. A defense line in the straits between Japan and Korea has always made more military sense than one in the middle of the peninsula. Aside from our emotional involvement in the well-being of the brave and talented people of South Korea, our only major concern in the area is the adverse impact its fall to North Korea would have on Japan, a nation of very great importance to the United States.

A sudden collapse resulting in part from an American refusal to live up to its commitments might start a nervous Japan back on the road toward remilitarization, or might frighten it into a stance of much less cooperation with the United States on vital shared problems of economics and world order.

If, however, the United States had disengaged militarily from Korea by slow and well understood steps prior to a collapse the impact might be quite negligible.

Now is the time, while the Vietnam dust is settling, to start thinking through this problem. We should before long have a clear program to present to Park of measured withdrawals of American troops and reductions of military aid until both are entirely gone within a few years—unless the South Koreans find it possible in the meantime to change course again and start moving back to a freer, more democratic system that would better win the loyalties of their own people and the support of the American public.

To avoid damaging shocks both in Korea and Japan, such a program would have to be spread over several years. Although the crisis is not an immediate one, we must start very soon if we are to complete the maneuver before the situation does reach crisis proportions.

The present is also a good time to start forming a longer-range Korean strategy. Korea has all along been a more dangerous threat to world peace than Vietnam, not just because it is a larger and more effectively militarized country, but because of its more strategic location between three of the largest nations of the world—Japan, China and the Soviet Union—with the fourth, the United States, deeply involved in the peninsula for historical reasons.

The surrounding great powers should move toward an agreement to isolate this danger spot from other issues.

What is needed is a four-power agreement between the United States, the Soviet Union, China and Japan that they will not allow disturbances in Korea to spill over to involve them in their relations with one another.

The distrust and hostility between China and the Soviet Union stand in the way of such an agreement today, as does also the presence of American forces in the South. Such an agreement will not be easy to achieve but it is an obvious goal that the United States should be working toward now.

When achieved, it will not only neutralize one of the most dangerous trouble spots in the world, but may also take some of the tensions out of the situation in Korea itself. It could lead to agreed military limitations between the two Korean regimes, which would be an economic boon to both, and possibly might open the way for ultimate reunification, which is of course the dream of all Koreans.

[From the Washington Post, June 29, 1975]

KOREA: PROGRESS AND DANGER

(By Don Oberdorfer)

Aug. 11, 1953: We are now traveling the length of South Korea by troop train from the southern tip, the part of Pusan, to almost the farthest point therefrom, Inchon on the northwest coast not far from Seoul. The trip will take probably 16 hours, though it is not over 300 or 400 miles. The cars have wooden seats and our meals have been C rations and water. The best part about it is that we are getting to see Korea and get the feel of the country. Our first impressions at Pusan were miserable and pathetic. The dirtiest children I have ever seen evaded MPs around the train to try to beg from GIs on the train. One crawled around on his only leg—what had been his left one was off at the thigh. When the MP jeep went past him, he threw stones at it. When our train pulled out, several boys threw rocks at the train.

As we pulled out of Pusan we saw the unbelievable lean-to hovels along the railroad tracks where hundreds and perhaps thousands of people are packed into shacks made of anything that will stand up. These are the displaced persons of Korea and you could feel the bitterness and hostility in the air. Out of the city the picture is better. The Korean countryside is quite mountainous with villages in the little stretch of valleys *between the rugged, unadorned crags. The people till the soil and wash in muddy water holes. Many smile and wave from their fields in the villages. The only silent ones are the old papasans who look on and think to themselves.*

Seoul is in ruins as complete as anything I can imagine. There is hardly a permanent building standing within our sight—or to be more accurate, hardly a permanent building standing with four walls and a roof intact. The city is teeming with people, washing clothes in drainage ditches on the sides of the roads, squatting in the comfortable Oriental way, haggling and selling what they have . . . The devastation is terrible.

SEOUL.—My first impressions of Korea were those of a U.S. Army lieutenant who arrived two weeks after the 1953 armistice was signed and stayed for eight months in an artillery unit near the Demilitarized Zone, spending much time scribbling in the diary which is excerpted on this page. In 1966 I returned for a brief look at the country and my old U.S. unit, which I found on the same hillside where I had left it a dozen years before. Since August, 1972, I have made more than two dozen trips here as Washington Post correspondent in Northeast Asia.

Today Korea is headlined in the world press as rarely before in the 22 years since the armistice was signed. Yet it remains to Americans only a wartime memory or another little known Oriental country. For those who know it, Korea is a particularly fascinating and affecting place—a raw-boned, gutsy frontier country with garlic on its breath, where even the newsprint has a peculiar musky smell and the people are elbowing, clawing and—occassionally—politely bowing their way through a hazardous century. It is about as subtle as *kimchi*, the fiery pickled cabbage which is the national dish, and as sophisticated as a *taekwondo* (Korean karate) chop.

The war-torn South Korea of yesterday has given way to gleaming skyscrapers in the capital of Seoul, where I write this from a 16th-floor room of an elegant hotel and look out at several higher buildings around me. Today's Korea has 265 miles of expressways between Seoul and Pusan, 12 flights a day by domestic airliner and a streamline train which makes a trip in 4½ hours. The gross national product is the highest in East Asia outside of Japan and China. There is one radio per household, one television set for every five households and one telephone for every eight households.

The other afternoon I paid a call on President Park Chung Hee, the authoritarian and sometimes rough-and-ready ruler who took over in a military coup and perpetuated himself in office via martial law. He is a surprisingly small man, almost frail at close range. Playing gently with a toy-sized Chihuahua puppy in his presidential office, he said Seoul may well be attacked within the coming months by a large force of North Korean troops in a lightning attack across the DMZ only 25 miles away. Park asked me not to write the number of divisions which, he said, South Korean intelligence estimates might be used in such an attack on the capital. But it is larger than the total number in the North Korean army in June of 1950 when the war began. If war comes again, he said, South Korea will fight to the last man.

A few weeks from now I will be ending my service as a correspondent in this part of the world, and so this is a final attempt to sum up the past and the probable future in the turbulent "land of the morning calm." Summing up is difficult, for in the past three years alone I have witnessed many strange and unexpected things: The spontaneous embrace of North Korean and South Korean Red Cross delegates in reunion at the demarcation line, army tanks drawn up beside Seoul's "freedom monument" in enforcement of Park's martial law, the sudden lunge of a secret police goon at a Korean Catholic bishop who was denouncing political oppression, the explosive violence of an assassin firing at Park and killing his wife last August, the cool damp sides of a North Korean tunnel blasted from solid rock 50 yards beneath the Demilitarized Zone.

Though I have interviewed North Koreans in Tokyo and elsewhere, I have been unable to visit Pyongyang—no American news correspondent has been permitted in the North during my three years in Asia. Therefore, this report will necessarily focus in greater degree on the South than on the North.

STRATEGIC LOCATION

The place to begin is with the country, its history and its people for they—as in the case of Vietnam—are much underrated factors in the great power struggles swirling around them. Like Indochina, Korea is in relative terms a pimple on the mainland of Asia—but a very old one geologically and culturally. Because of its strategic location, Korea has been fought over many times. In the modern age, struggle for Korea was the cause of the first Sino-Japanese War (1894–5) and the Russo-Japanese War (1904–5) as well as the 1950–53 war involving the United States and China.

Despite its history of invasion, domination and enslavement, Korea has managed—almost miraculously—to maintain an independent, district and homogeneous culture which traces its roots back 24 centuries before the time of Jesus. Though ancient tribal groupings existed earlier, Korea was totally unified from 1392 A.D. until the U.S. and Soviet Union drew a "temporary" demarcation line at the 38th parallel in August, 1945, to accept the surrender of the defeated colonial Japanese. It is a curiosity of history that one of the two U.S. War Department colonels who drew the line was Dean Rusk.

Korea's homogeneity and its long struggle for sovereignty and independence form an important background factor in the present situation. Though many South Koreans abhor the regime in the North—and vice versa—the Koreans think of themselves as one people temporarily and unjustly divided by cruel circumstance. I can never forget the stunning moment when the rival Red Cross delegates embraced at Panmunjom in September, 1972, even though later they found little ground for agreement and their talks ended in deadlock.

It seems likely that Korea will be unstable, insecure and dangerous as long as the country remains divided. It follows that mere maintenance of the status quo is a dubious and perhaps impossible policy in the long run.

One Korean state has a "Communist" regime and the other a "democratic" regime, but both are *Korean* and there are striking mirror images. Their mutual tendencies to imitation seem to have been reinforced by personal contact during the recent and unsuccessful efforts at detente. Having isolated itself for many years, North Korea has recently seen the advantages in greater diplomatic and economic contacts with the world outside and is pursuing them along lines pioneered in Seoul. Meanwhile, South Korea's leaders have seen the advantages of national mobilization and control along Pyongyang lines and are moving in this direction.

After agreeing to constitutional limits on presidential authority in the 1960s, Park Chung Hee declared martial law in October, 1972, and instituted a new constitution which assures him unlimited power and tenure as president. Kim Il Sung, who already had unlimited power, announced a new constitution in December, 1972, giving him the title of "president" like Park.

Pyongyang built a 13-story building for its showcase Children's Palace; Seoul erected an 18-story building as a children's center. Pyongyang put up a 600-foot concrete television tower as a landmark in the city; Seoul erected a 774-foot concrete television and observation tower on the most prominent hill in town. South Korea built a showcase highway from Panmunjom to Seoul; North Korea built a showcase highway from Panmunjom to Pyongyang. A diplomat who has dealt recently with both states was stunned by some similarities of style and operation of their foreign offices. "There is the nice guy across the table, and in the next room and at the next appointment you meet the tough guy. You could change the names and the rhetoric and guess what is coming next."

The leadership circles of North and South Korea revolve around two interesting and authoritarian rulers. In some respects the patterns seem to be curious mirror images.

Kim Il Sung is a peasant son from the Pyongyang area. He was educated largely in Chinese schools in Manchuria and trained as a guerrilla fighter in the 1930s in the Northeast Anti-Japanese United Army (NAJUA). It is widely believed that he served for a time in the Soviet Army during World War II. In any case, the Russians facilitated and probably arranged his rise to power soon after their occupation of North Korea in 1945.

Most of the top-ranking figures in North Korea today are former colleagues of Kim's from NAJUA of about 40 years ago. The leader's son, Kim Jung Il, is considered the rising star within the leadership. The husband of the president's niece, Kim Byung Ha, is head of the powerful national security and political affairs bureau—in effect, the secret police.

PEASANT'S SON

Park Chung Hee of South Korea was born to a landless peasant near Taegu in the South and educated at local schools and a teachers college. Later he was trained in the Japanese Military Academy in Manchuria and served there in the early 1940s as a Japanese army lieutenant. He attended the second class of the post-war Korea Military Academy and later the U.S. Army artillery schools. Park was arrested, tortured and sentenced to death in connection with a Communist-tinged rebellion in the South in 1948 but managed to survive by cooperating with the authorities and was rehabilitated. He and a group of fellow officers seized power in a military coup in May, 1961, with the reluctant acquiescence of the United States.

Many of the most sensitive positions in South Korea are held by former coup colleagues or other long-time associates of Park. Kim Jong Pil, who is married to Park's niece, was an architect of the coup, later the organizer of the powerful KCIA (secret police) and is now prime minister. The national assembly speaker (and former prime minister), Chung Il Kwan, helped save Park from execution in 1948. Former KCIA chief Lee Hu Rak was the first spokesman for the coup. Park's chief of the presidential bodyguards, his predecessor in that job and the present mayor of Seoul were all close junior associates of Park in the coup days. The new deputy ambassador to the United Nations—named to the post as South Korea prepares to enter a critical debate this fall—is married to Park's daughter.

Having said all this, one must add that there are very important differences between the two Koreas as they presently exist. Three of these strike me as of particular importance:

South Korea begins with far more tolerance for individual choices than the rigid collectivism of the North, and at the moment is working back toward an authoritarian state. Freedoms which are unknown in the North—freedom of the press and private expression, freedom to move one's residence at will—are being eroded but they are far from snuffed out. And they remain the "right way" in the minds of large numbers of people.

South Korea has been a creature of the United States. The American connection, while by no means as benign as one might wish, has left a heritage that has proven difficult to eradicate.

The North has an ideology, which the South does not (unless it be the vague notion of betterment through economic growth). The North is also—in Korean terms—on the right side of the unification issue. Two years ago Park moved to an openly expressed "two Koreas" policy. This is realistic for the present and it is diplomatically expedient. But nationalism is a powerful force and Kim Il Sung is in better position to harness it.

The South is outward looking economically, highly involved in and dependent on external trade and foreign capital. The North has glorified self-reliance, though it may be in the early stages of a turn toward the outside.

With few natural resources and little historic industry, the South has become a factory on the Japanese model—taking in raw materials, processing them and selling to the world. Exports account for about 70 percent of its industrial manpower. The new five-year plan envisions foreign trade of about 80 percent of total GNP (compared to an impressive 65 percent now) and the vast sum of $2 billion per year in foreign capital pouring into the country. Thus South Korea must live in and with the world, with no chance to shut its gates to be again "the hermit kingdom" of traditional Korea. This extreme external involvement has meaning in every field—political, diplomatic and military as well as economic. The South Korean strategy offers great rewards if the world economy and its own management are sound—and eventual crisis if they are not.

As much of this implies, the armistice line at the DMZ and the regular—and—sterile meetings of the armistice commission drawn from both sides are among the few things which have remained frozen since the 1950–53 war. With fierce antagonisms and with the frontier remaining firmly in place, vital changes have been taking place on both sides.

GROWING PAINS

Economically the North started with a better base of industry and resources but has been outdistanced by the South in many respects—the cutoff of Soviet aid in the mid-'60's turned the North inward for a decade in search of self-reliance. Though her economy grew and the living standards of her people improved, the rate of change was slow. The emphasis was on heavy industry and military strength.

Recently, Pyongyang made a disastrous guess about world market prices for its metal exports, holding them off the market for price leaps—it turned out there was a big price decline due to worldwide recession. This caused an unprecedented and unexpected trade deficit in 1974 of about $500 million with non-Communist sources alone. There is also a large traded deficit with Russia. Worsened by the North's refusal to pay its bills or even show up to talk to creditors, Pyongyang's international credit standing has collapsed. At the moment, for example, it is reported to have a fleet of Swedish Volvos which have not been paid for, but no spare parts for them either. North Korea will have to work its way out of its present embarrassment—and probably will.

In the South the economic and social changes have been dramatic, if often uneven, from the villages to the burgeoning city of Seoul. Some of the U.S. war veterans coming back to Seoul last week could hardly believe this is the Korean they left.

The physical changes—mushrooming cities, gleaming expressways and other signs of modernization—are only part of the story. Since the end of the Korean War, life expectancy at birth has shot up from 50 years to 65 years—almost an additional year for every year that has passed. The number of primary school graduates has doubled, high school and college graduates have increased more than six times. The adult literacy rate of 92 per cent is one of the highest in the world.

Since the '50's—and particularly since Park took power in 1961—South Korea has entered a period of rapid and sustained economic growth on a different scale from most other developing nations. GNP growth of 10 per cent per year in real terms was the rule until the setback of the oil crisis. Total GNP in real terms has quadrupled since 1955, and exports have increased more than 40 times. U.S. aid, which sustained the South in the early post war years, is now paltry compared to the total economy. Today Korea makes steel supertankers, petrochemicals and electronics for sale to the world—and its plans are big. By 1981—only six years from now—it expects to export $2.4 billion in textiles and garments alone—more than its total GNP in 1961. Huge increases in production and export are planned for other industries, as well.

GNP per capita has shot up to $513, but due to inflation and low wage policies geared to export, South Korean workers took pay cuts in real terms mounting to 5 to 10 per cent last year. There was little protest—partly because protest is banned and the workers powerless, partly because people are still better off than they were a few years ago.

Still, the workers' pay scales and living standards are very low. A survey by the government-controlled Federation of Korean Trade Unions last year reported that more than 60 per cent of organized workers were paid less than 30,000 *won* monthly (about $60). A city family's minimum living cost was estimated at nearly 50,000 *won* ($100) in the same period. In a very large number of families, several people are working—just to get by. At the same time, a middle class is being built, a few are becoming very rich.

CONSTITUTION JETTISONED

Politically, South Korea has taken a turn toward authoritarianism under Park's 14-year rule. Park took power as a general in a military coup and reluctantly shifted to civilian clothes as an elected president with a limited term under strong American pressure. He extended his hold on the presidency from two terms to three terms by means of a disputed constitutional amendment. Even so, he would have had to step down this year had he not unilaterally—and probably illegally—jettisoned the constitution under martial law in late 1972. Now he is elected president by an easily-controlled council rather than by popular vote. And, while his present term under the new constitution will end in 1978, there is no reason why he cannot continue in office for as long as he wishes—and his strength permits.

With the constitutional limitation to which Park agreed in the 1960s, South Korea had the machinery to transfer power from one leader to another with order and legitimacy—and Park made noises about grooming a successor and stepping down. In 1972 he destroyed the means of passing power as well as the strength of the principal competing institution, the National Assembly. The political instability and recurrent upheavals of the past two years flow from this.

While his strength and some of his achievements are admired, Park is not a truly popular figure. There is no consensus in South Korea that he should be president forever—my guess is the consensus is quite the opposite—but under the present system the only way to oust him is by revolt, coup or assassination.

One wonders why an all-powerful leader has been accepted with so little known trouble in the North and so strongly resisted in the South. "Though it certainly wasn't perfect we had 25 years of open politics, while the North simply continued and expanded the oppression of the (pre-war) Japanese colonial system," one of my South Korean friends explained. Even Park gives lip-service to democracy, though he calls it "Korean-style democracy." It does not go down easily.

Ham Sok Hon, the white-bearded and respected senior freedom fighter, has been jailed by the Japanese, the Communists and the Rhee regime and shadowed and interrogated by Park's ubiquitous secret police. He sees little difference between them so far as tyranny is concerned and goes on fighting and speaking without respite.

Since independence from the colonial Japanese in 1945, two vivid experiences have deeply affected the thinking of South Koreans. One is the 1950 North Korean attack and the war which followed, an anti-Communist lesson which has never been forgotten. The other experience was the 1960 student revolution which led to the overthrow of President Syngman Rhee, who had grown tyrannical and unpopular. This national consciousness—almost a national myth—of student power explains why the campuses are perennially the focus of dissent and why a heavily-armed government so fears a few unarmed young men and women waving placards and shouting slogans in the streets.

Until the collapse in Vietnam gave sudden credibility to the North Korean threat, it seemed likely that Park and his growing list of domestic enemies—including large sections of the various churches as well as many students and intellectuals and much of the press—would interact with one another until the president or his apparatus finally went too far and Park was overthrown.

But Park has the upper hand for as long as the Northern threat seems truly pressing, and right now he is playing that hand fully to silence all competing voices and mobilize Korean society for the long haul.

But should threat of attack recede or North Korean military action be tried and fail, Park may well be faced again with an internal problem which will not go away. "I hate it," (the internal suppression and mobilization of today) an apolitical Korean said in conversation a few days ago, "but it is inevitable in these circumstances." When circumstances change, he will probably hate it more and accept it less.

Interaction with the North has worked in almost uncanny fashion for Park in recent years. His martial law constitution was accepted because hopes for detente were high at the time; Park sold his unchecked authority as the only way to negotiate with Kim Il Sung. When the detente faded, so did Park's support.

Last August Park's heavy-handed roundups and suppression had landed him in serious trouble at home and abroad, and Seoul seemed near to an internal explosion or a whispered coup. The bullets of an assassin, who has been linked to North Koreans living in Japan, bounced off Park's bulletproof lecturn but killed his wife. The political tension was released in the national mourning and Park was saved.

Again, early this year, he faced serious trouble when fearless former political prisoners told of torture in prison. Their words were trumpeted by the country's leading newspaper, which was then in open revolt against Park's secret police. But the fall of Indochina saved Park, making the threat from North Korea more credible than in years. Kim Il Sung helped by flying to Peking. Now Park's stern measures and possibly his continuance in power are buttressed by the threat of war rather than the possibility of peace.

Of politics in North Korea, virtually nothing is known. Kim Il Sung, "the great leader," has perhaps the greatest personality cult in history. But behind this, human beings—passionate, vivid Koreans—must somewhere exist, out of sight.

MILLIONS OF ARMED MEN

Militarily, both Koreas have been piling up armaments and increasing and modernizing their forces with characteristic industry and zeal for the past quarter century. Today the Korean peninsula is one of the most heavily armed areas of the world, bristling with powerful weaponry in the hands of more than 1 million men in regular armies on the two sides plus active and armed reserves of about 5 million more and mobilized defense corps of additional millions. This in a peninsula of about 50 million people in all—two thirds of them residing in the South.

South Korea's regular force is the third largest standing army in the non-Communist world, behind the United States and India. It is larger than that of France or West Germany and about twice as large as that of Egypt or Britain. North Korea's regular force almost matches the South's in manpower, but on a per capita basis the North is more heavily armed.

Should a second Korean civil war break out, it could make the first one seem like a game with toys even if direct participation of the three great powers could be avoided. The 1950–53 conflict was bloody enough—roughly 3 million Koreans of both sides were reported killed or missing, of a total population then of 30 million.

On June 25, 1950, according to military historians, North Korea had about 200,000 men in its regular forces including 10 army divisions armed with 550 howitzers, 242 tanks and a few lumbering airplanes. Today it is reported to have regular forces of 467,000 men, including 23 army divisions armed with 15,000 artillery pieces, Soviet Frog missiles, more than 1,000 tanks, 600 combat aircraft including 300 MIG fighter-bombers, helicopters, submarines, high-speed patrol boats armed with Styx missiles and much more.

North Korea is said to be manufacturing tanks and helicopters as well as naval craft and to be preparing to manufacture jet aircraft. It has extensive underground facilities designed to thwart an expected attack by U.S. tactical nuclear weapons. Commando units have recently been given parachute training for possible drops behind southern lines.

Twenty five years ago, South Korea was reported to have 105,000 men in its regular forces including 8 army divisions 91 howitzers, no tanks and a few light observation planes. Today it has a standing armed force of 625,000 men including 23 infantry divisions, 40 artillery battalions, 2,000 heavy guns up to 203 MM, Honest John surface-to-surface missiles, 1,000 tanks, 210 combat aircraft plus destroyers, minesweepers and patrol craft.

South Korea is manufacturing M–16 rifles, ammunition and military radios and preparing to produce high-speed patrol boats and jet aircraft with U.S. help. In 1974 it bought twice as much weaponry with its own foreign exchange ($169 million) than it actually received in U.S. military assistance grants. Given the development of the economy, some senior Koreans believe that within a few years the country will cease receiving U.S. military aid and may even begin paying part of the costs of U.S. troops stationed here, as is done now by West Germany. The end of aid and the beginning of payments presumably would reduce potential U.S. congressional leverage on the issues of human rights and repressing internal policies.

The 40,000 American troops remaining here are unimportant in the manpower scale when compared to the vast numbers of armed Koreans on two sides. Despite all the talk of rigorous infantry training, only about one-third of the Americans are combat forces. Most U.S. troops are assigned to logistical and headquarters duties. When I made an extensive tour of U.S. forces here two years ago, I found that many of them had little or nothing to do.

U.S. warplanes have a major role in compensating for North Korea's airpower advantage over the South, but this is to some extent a planned imbalance. The U.S., heavily committed to Seoul, maintains the imbalance in order to keep some control of the South Korean military situation.

The real importance of American troops is political and strategic. They are "tripwire"—a virtual guarantee that the U.S. will be quickly involved in any major Korean conflict. The extensive stockpile of U.S. nuclear weapons here—reported to number well into the hundreds, including bombs, artillery shells and buried nuclear land mines—are a clear and present threat against the North. But should they ever be used, the world would be plunged into its first "tactical nuclear war" which would greatly increase nuclear proliferation and bring dangers beyond imagination.

MUST WAR COME?

Given the nature of the Korean people, the two regimes and their economic and military strengths, what are the chances of armed conflict sometime within the next few years? A sensitive observer here would have to say that today the chances seem reasonably good. The situation is fluid. Koreans are unpredictable. Tension in Korea can be dangerous because Koreans, under certain circumstances, can be explosive people.

The "scientific methods of aerial observation" mentioned to me by Park are said to disclose a gradual forward repositioning and build-up of North Korean forces near the 38th parallel. This could be either for defensive or offensive purposes—but appears to be more likely offensive. Recently South Korea has reinforced and repositioned its military power in forward areas north of Seoul.

The possible lightning strike which worries Park and the U.S. command would require a lightning response. Korea is thus a hair-trigger from explosion at any time. It might all happen so fast, or by such contrivance, that the U.S. might for a long time be unable to learn who did what to whom.

While recognizing the dangers, reason impels one to believe that the worst will not occur. Kim Il Sung has built a showcase capital in Pyongyang with wide boulevards, attractive parks and amenities for the people. He is building his country's industry. He has much to protect and defend. To take the chance of losing it all within a few hours in order to gain a devastated South would seem irrational beyond the scale of human thought.

Park has even more to lose because Seoul is so very vulnerable. Park benefits internally from tension, but the real thing would be a disaster. Just as Kim Il Sung probably cannot fight a long war in the South without Soviet or Chinese help—and thus must have their concurrence—so—Park could not fight a long war in the North without the American logistical tail and U.S. acquiesence.

Korea is one of the world's danger spots because major strategic interests of the United States, China and the Soviet Union overlap in this peninsula. These powers have conflicting and even irreconcilable interests in many respects, but right now they seem to have a common interest in averting an outburst in Korean which could cost each of them more than it could gain.

American and other diplomats in Peking believe China told Kim II Sung on his recent visit to be cautious at least for the present. The Russians wouldn't even see Kim, and the fratenal Communist leader flew many hundred miles out of his way to avoid Soviet airspace on his way to Eastern Europe. But diplomats with contact in Pyongyang expect Kim to go to Moscow sometime within the next two months.

Over the middle distance the great powers may have less community of interest and also less influence on their heavily-armed Korean clients. And unless some solution or modus vivendi can be found, tension will persist and the dangers of accidental or deliberate explosion will wear away at the actuarial tables.

Until now the powers have given little priority to constructive discussion or even consideration of Korea, except for an occasional backroom dialogue and at least one accommodation with respect to the complex Korean question at the U.N. The priority for consideration may be upgraded now, but for a big power agreement on the long-term future in the peninsula seem slim.

When American withdrawal from Thailand, is completed a few months from now, South Korea will be the only U.S. military foothold on the mainland of Asia. In the wake of the Indochina collapse, the United States has redoubled its verbal commitments to Korea and substantially upgraded its threats of counterstrike should the North move. But a U.S. trip-wire posture involving two unpredictable Korean states, nuclear weapons, the fate of Japan and the strategic interests of China and the Soviet Union seems much too risky for permanent policy. About the best thing that can be said for it is that any sudden change could be even riskier.

South Korea is a creature of the United States to a greater degree than any faraway state in the world. Dean Rusk drew the line on the map. The U.S. kept the line intact by suppressing Korean leftists and installing a conservative separatist power in the immediate aftermath of World War II. The U.S. arranged to breathe legitimacy into the Southern regime through UN-supervised elections in the South only. The U.S. prevented the South from being annexed by Kim II Sung in 1960, at enormous cost all round. The U.S. brought the country back from rubble with economic aid, built its armed forces with military assistance and provided most of the markets and capital for Korea's economic takeoff.

That the U.S. has responsibilities in Korea and its people is evident. The question is how those responsibilities can be harmonized with Korea's past and future, with U.S. national interest and with what the American public will support over a long period of time. This question has hardly begun to be addressed here or in Washington.

In the meantime, the situation in Korea and by extension the peace of Asia and the world will continue to rest to a remarkable extent on Korean leaders who have their own interests and inclinations. Hang on to your hat. Korea is a land of surprises.

POSITION OF HEW ON S. 963, ADMINISTRATION OF DES TO ANIMALS

Mr. HUGH SCOTT. Mr. President, at the request of HEW, I ask unanimous consent to have printed in the RECORD a copy of a letter to me from Secretary Weinberger and a factsheet on S. 963, a bill to prohibit the administration of diethylstilbestrol—DES—to any animal intended for use as food and for other purposes.

There being no objection, the letter

and factsheet were ordered to be printed in the RECORD, as follows:

WASHINGTON, D.C., *July 11, 1975.*

HON. HUGH SCOTT,
Minority Leader, U.S. Senate, Washington, D.C.

DEAR HUGH: There is before the Senate, S. 963, as reported by the Committee on Labor and Public Welfare, a bill "To amend the Federal Food, Drug, and Cosmetic Act to prohibit the administration of the drug diethylstilbestrol (DES) to any animal intended for use as food, and for other purposes."

This Department has generally opposed the enactment of piecemeal legislation taking action on specific substances when broad statutory authority for administrative action already exists. However, in a letter to the Committee dated April 22, 1975, we did not object to those provisions of S. 963, as introduced, which prohibited the administration of DES to animals. The Committee bill revised the amendment to the Act which deals with the use of DES in animals. The original provision would have banned the administration of DES, i.e., provided a remedy against the farmer or feed-lot owner who administered DES to his livestock. As revised, the bill merely prohibits the introduction or delivery for introduction into interstate commerce of DES for purposes of administering the drug to animals. While this would merely provide a remedy against sellers of livestock products, the bill would not allow action to be taken against those administering DES to animals.

However, the Department strongly objected to the one-year moratorium on the use of DES as a postcoital contraceptive, proposed in S. 963 as introduced. We noted that this is a matter still under review within the Food and Drug Administration and involves a drug which currently satisfies the criteria for drug safety and efficacy for this use, prescribed in the Federal Food, Drug, and Cosmetic Act. The original bill would have thwarted FDA's efforts to put into effect a comprehensive set of requirements to enable the safe and effective use of DES for postcoital contraception. As we noted in our April 22 letter, even if the bill were enacted, DES would remain available on the market for use as replacement therapy in estrogen-deficient states and for treatment of certain cancers, and thus it is important that FDA continue to be able to require special packaging and labeling (including a patient leaflet containing sufficient warnings) to better assure proper use of DES in postcoital contraception.

Section 2 of the reported bill on the other hand, amends section 502 of the Federal Food, Drug, and Cosmetic Act to deem misbranded any drug containing DES unless its label bears a prescribed warning statement and unless certain other specified requirements are met. These labeling requirements would apply to all uses of DES. The proposed label warning requires a statement ("WARNING THIS DRUG MAY CAUSE CANCER") which is scientifically misleading and may unduly alarm patients since it does not require a brief statement of what is known of attendant risks of developing cancer. The additional requirements that the label state that "THIS DRUG MAY NOT BE USED AS A CONTRACEPTIVE AFTER SEXUAL INTERCOURSE . . ." would have to appear on all DES, wether or not the drug was intended for the use in postcoital contraception. As noted in our letter, DES can be used for several other purpose such as estrogen deficiency and for treatment of certain cancers.

In prescribing a specific labeling warning, the bill can be read as superseding the FDA's proposed patient leaflet for use of DES as a postcoital contraceptive, which would provide patients with much more detailed information, including some information not provided by label warnings prescribed in the bill. For example, the patient package insert provides the patient with information explaining that DES should not be taken if the patient is already pregnant, as such usage exposes the fetus to an unnecessary hazard.

This label warning suggests to patients that it is unlawful to use DES for postcoital contraception in cases other than rape or incest or comparable medical emergencies because of its wording "THIS DRUG MAY NOT BE TAKEN . . ." (emphasis added). The bill does not provide penalties for patients who use, nor physicians who prescribe it or pharmacists who dispense it, for ordinary cases of sexual intercourse not involving rape, incest or comparable medical emergency. Unless Congress intends to subject these individuals to possible criminal prosecution, there is nothing in S. 963 which would achieve the purpose of prohibiting the use of DES in such routine cases.

The bill would provide patients or their legal guardians to sign a written consent to use DES (for postcoital contraception or any other use). Such informed consent would have to be sent to FDA at least four times a year along with prescription scripts. The purpose of this reporting system is unclear. It is possible that this reporting system is designed more to discourage use of DES by applying an onerous paperwork burden on physicians than to increase the likelihood that the required informed consent forms are, in fact executed. Another possible intent is to enable the Agency to have access to signed copies of the consent forms and to obtain statistics on the incidence of the use of DES for postcoital contraception. If this is the case, these forms should include information on the circumstances under which the drug was prescribed. It should be noted that there is a potential for stigmatizing patients by categorizing the sexual incident which preceded the use of DES. Also, the implementation of a system making use of the statistics collected would require FDA to allocate limited resources from other programs.

We believe that the National Commission for the Protection of Human Subjects of Biomedical and Behavioral Research is an inappropriate body for addressing the substance of informed consent forms for therapeutic uses of DES.

The Department therefore strongly opposes enactment of section 2 of S. 963 which provides labeling requirements for DES.

Title II of S. 963 would statutorily establish the Food and Drug Administration (FDA); create the positions of FDA Commissioner, Deputy Commissioner, and General Counsel as Presidential appointees with the advice and consent of the Senate with five-year fixed terms, and vest specific statutory authority for carrying out the Federal Food, Drug, and Cosmetic Act in the FDA Commissioner rather than in the Secretary of HEW, who now delegates such authority to the Commissioner.

We view the practice of vesting authority at subordinate levels as inconsistent with the basic accountability of the Secretary of Health, Education, and Welfare for the effective administration and coordination of all programs within this Department. Although we believe that no useful purpose is served by establishing FDA in law, and by statutorily mandating a Presidential appointment with Senate confirmation of the FDA Commissioner, we would nevertheless not object to such provisions. However, we do oppose specifying the term of the appointment to be five years. The concept of a fixed term could create potential problems of the accountability of the FDA Commissioner to the Assistant Secretary for Health and the Secretary of HEW.

Similarly we oppose the establishment of the FDA Deputy Commissioner and General Counsel as Presidential appointments with Senate confirmation and five-year terms. The Presidential appointment of lesser officials, with resulting grade inflation, is unnecessary and undesirable. As we have already mentioned, such fixed terms would result in diminished internal accountability and responsibility among key agency officials. We also oppose the provision which would permit the establishment of twenty-five supergrade positions in the FDA as being inconsistent with the Department's responsibilities to manage the utilize of such positions in all of our programs.

We are advised by the Office of Management and Budget that there is no objection to the presentation of this report and that enactment of certain provisions in S. 963 as stated above would not be consistent with the Administration's objectives.

Sincerely,

——— ———,
Secretary.

HEW POSITION ON S. 963 AS REPORTED

Title I of S. 963 would ban the use of DES as an animal growth promotant and place some restrictions on its use as a postcoital contraceptive. Title II of S. 963 would establish the Food and Drug Administration (FDA) as an independent agency within the Department of Health, Education, and Welfare (HEW) and make the Commissioner, Deputy Commissioner, and the General Counsel Presidential appointments subject to Senate confirmation.

TITLE I

Concern about DES is understandable. It is a potent drug and its use should be carefully controlled.

DES in animal feed

The FDA has attempted to administratively ban the use of DES as a growth promotant in animals. The ban was overturned by the courts but only on procedural grounds. The FDA currently has sufficient authority to ban this use of DES, and it intends to pursue this action. We recognize, however, the intense interest of Congress in this matter and if the Congress decides that it should legislate this matter, DHEW would have no objections to prohibiting the administration of DES to animals. The reported bill, however, amended this provision to merely prohibit introduction of DES into interstate commerce and does not provide a remedy against farmers or feedlot owners.

DES as a postcoital contraceptive

The FDA, after careful consideration, has concluded that the use of DES as a postcoital contraceptive in emergencies is safe and effective. The FDA has established a rigorous control system including informed consent to assure that DES for this indication cannot be misused. There is no evidence to date which indicates any detectable risk of cancer to individuals taking the drug for this use. The FDA has sufficient authority to control the proper use of this drug, and we therefore oppose setting into legislation the mechanisms described in S. 963. We believe it is inappropriate for Congress to enact narrow legislation on a specific product. Such action can inhibit the present or future beneficial use of a drug and thus is not in the best interest of the public.

TITLE II

S. 963 would statutorily establish the Food and Drug Administration and make the Commissioner of FDA a Presidential appointee subject to Senate confirmation. Although we believe no useful purpose would be served by either provision, we do not object to these provisions.

However, the Department opposes those provisions of Title II which would establish the Deputy Commissioner and General Counsel of FDA as Presidential appointees. Such appointments of lesser administrative agency officials is unwise and could result in diminished internal accountability and responsibility among key FDA officials.

The Department opposes the provision that would statutorily provide 25 supergrade positions in FDA and the provision to set a fixed term for the Commissioner.

Title II would vest authority for carrying out the Federal Food, Drug and Cosmetic Act in the FDA Commissioner rather than the Secretary of HEW. We oppose this provision as inconsistent with the basic accountability of the Secretary to administer the programs of the Department.

HOUSING FOR THE ELDERLY

Mr. CLARK. Mr. President, housing is one of the major concerns of all older Americans—if only because it is their No. 1 cost. Many older people's homes have grown too old or too expensive to keep; apartments have deteriorated, and many stand in need of repairs.

It is estimated that as many as 6 million elderly people could be living in substandard housing right now, and in most parts of the country there are people on the waiting list for every existing unit of elderly housing. In January 1973, President Nixon placed a moratorium on all housing programs, failing to take account of the proven success of housing programs for the elderly. As a result, Congress approved the Housing and Community Development Act of 1974, including a revised section 202 housing program to enable eligible sponsors to build specially designed, subsidized housing for the elderly.

Under this program, the Secretary of Housing and Urban Development can borrow up to $800 million from the Treasury. This money, in turn, can be loaned to eligible sponsors of housing for the elderly or handicapped. Loans are to be made to sponsors at the prevailing Government interest rate, plus an additional amount to cover administrative expenses.

The legislative history on this particular housing program is very clear. However, there has been a lackluster performance by the administration in implementing the program. Final regulations for it still have not been published, and the regulations that were published in the Federal Register for public comment have not met with approval in Congress or within the national organizations representing older Americans.

Because of this, the Senate Special Committee on Aging has held 2 days of hearings, chaired by Senator Harrison Williams, the author of the new 202 program. Those hearings have provided a great deal of insight into the problems encountered in getting the 202 program implemented. And as a result of the hearings, the 202 housing program hopefully will be given the highest priority by the Secretary of Housing and Urban Development. Certainly, this kind of action is long overdue.

Mr. President, Barry Zigas—a writer with the Housing and Development Reporter—has written two articles about the controversy that has arisen over this elderly housing program. These articles appeared in the Washington Post on June 21 and June 28. They are very informative and, in my opinion, fairly and completely outline the difficulties between the Congress and the administration.

I ask unanimous consent that these two articles by Mr. Zigas be printed in the Record.

There being no objection, the articles were ordered to be printed in the Record, as follows:

Loans Creating Political Debate

(By Barry Zigas)

A major fight over national housing policy is brewing between Congress and the Ford Administration over implementation of a $215 million direct federal loan program designed to provide bargain financing to nonprofit sponsors of low-cost housing for the elderly and handicapped.

Proposed regulations issued by HUD to guide the Section 202 direct loan program have become the center of a growing controversy involving the agency, Congress and representatives of 13 million older Americans.

At issue is an administration attempt to circumscribe the Section 202 loan program's scope by changing it from a combination construction and permanent financing device to one which provides interim funding only. In addition, HUD is tying the program to participation in its new (and untested) Section 8 leased housing assistance program, enacted last August.

Potential users of the loans say that the changes are designed to sabotage a program which has never been favored by either this administration or its predecessor.

HUD, however, maintains that the program has been restructured to make it more, not less, usable by coordinating it with the new leasing program, which also relies on private financing for the construction of new, subsidized units.

The Section 202 debate is yet another engagement in a national battle between those who feel that America's low and moderate income housing needs are best met through federally-subsidized construction of new units and the administration, which remains convinced that such subsidies are wasteful. Instead of committing federal assistance to particular buildings the government argues that national housing policy should provide funds to people in the form of an allowance, or rent supplement, which they could use in any housing they choose.

The new Section 8 program is modeled on this theory and it is the basic reasoning behind the administration's present stance on Section 202.

The direct loan program was created in the Housing Act of 1959. It provided construction financing and 50-year permanent loans at 3 per cent interest to nonprofit and limited dividend sponsors of housing for low and moderate income elderly and handicapped consumers. In ten years, about 45,000 units of new housing were constructed with its assistance. In the same period, only one of the approximately 300 project loans was foreclosed, making the program the undisputed champion of federal housing programs from an underwriter's point of view. And 1,155 of these section 202 dwellings are in the Metropolitan Washington area in seven separate projects. Two are in the District, four in suburban Maryland and one in Reston, Va.

According to the National Capital Housing Authority, at least that many more could be filled tomorrow with eligible tenants. There are 2,256 single, elderly persons now on the public housing waiting list in D.C., as well as 50 elderly couples.

In 1969, however, the administration announced that the Section 202 program would be discontinued. Implementation of the new, Section 236 rental assistance program, HUD argued, made the older program obsolete.

Under Section 236 of the National Housing Act, enacted in 1968, lenders received direct federal payments on behalf of nonprofit and limited dividend borrowers. This reduced the debt services on project loans to between 1 and 3 per cent.

Another, and more basic reason for the administration's decision to phase out Section 202, however, was its opposition to the direct loan approach. While the costs of the Section 236 program were spread out over 40 years and paid in small increments which showed little year-to-year impact on the federal budget, the Section 202 program's direct loans represented an annual drain of significant proportions.

The program's supporters argued that whereas the debt service subsidies were nonrecoverable, the elderly housing loans were eventually returned to a revolving fund, with interest. The program's track record left little doubt that this contention was, in fact, true.

The administration, however, despite repeated congressional directives indicating continued support for the program, kept it on ice and forged ahead with the ill-fated interest subsidy approach.

In January, 1973, this program was halted, along with all other federal housing subsidy programs. President Nixon told Congress in September of that year that a major review of housing policy had concluded that the interest subsidy approach was extravagant, and inequitable, benefiting only a small slice of the population, and not even those most in need of the assistance.

Then-HUD Secretary James T. Lynn argued that the program was expensive, outdated and contrary to the administration's push for a new leased housing approach modeled with housing allowances.

While Lynn, who won a reputation of his smooth handling of Congress during this hectic period, won on nearly every other critical issue, he was defeated on Section 202. The combined Section 202.

To meet some of Lynn's objections, however, Congress in the Housing and Community Development Act of 1974 modified Section 202 so that the loans would be made not at 3 per cent interest, but at a rate equal to the prevailing cost of similar Treasury borrowings, plus some HUD-determined fee for administrative expenses.

In addition, Section 202 projects were made eligible for subsidy payments under the Section 8 leased housing program, enacted in the same legislation, providing a link between the construction and rental subsidy programs which Lynn had said was absolutely essential.

A total of $800 million in loan authority was authorized for the program.

Following enactment, however, Lynn put the Section 202 program on the back burner.

For Low-Cost Units—Sponsors Cool to Loan Plan

(By Barry Zigas)

Federal implementation of a direct, bargain loan plan for construction of low-cast housing for the elderly and handicapped has raised a storm of protest from the prospective borrowers it was supposed to benefit.

This constituency—mostly non-profit labor, church and service organizations interested in sponsoring housing—contends that changes by the Ford administration in the Section 202 direct loan program have rendered it all but useless.

The Department of Housing and Urban Development, meanwhile argues that the revised program has been altered to make it more equitable. It also has been modified to comply with the current government shift away from production subsidies tied to particular buildings toward a modified form of housing allowance.

The Section 202 program, originally authorized in the Housing Act of 1959, provided financing of up to 50 years at 3 per cent interest for housing for the low- and moderate-income elderly and handicapped.

Amended by last year's Housing and Community Development Act, the program now provides direct federal loans at a higher rate, equal to the cost of comparable Treasury borrowings, plus a HUD-determined fee for administration.

Under the administrative changes proposed by HUD, the loans would be available only for the construction phase of a project's development, and only in cases where private commitments of permanent financing had already been obtained, and where the new—and untested—Section 8 leased housing assistance program will be used to further subsidize the final units.

These new regulatory changes emerged in mid-May, five months after former HUD Sec. James T. Lynn announced to the National Association of Home Builders that he was ordering implementation of the program, whose extension in the 1974 housing act he had bitterly opposed.

His change of heart had been forced by the concerted lobbying of potential sponsors, who have had no direct loans since 1969, when the program was phased out in favor of the now-discredited Section 236 rental assistance program.

HUD's new course, steered by Sec. Carla A. Hills, may also be altered as the result of strong lobbying by groups that claim to represent between 12 and 13 million senior citizens.

John B. Martin, legislative consultant to the National Retired Teachers Association and the American Association of Retired Persons says the new HUD regulations "neither offer non-profit sponsors an adequate opportunity to build under the designed program, nor establish an administratively viable program that will provide quality housing for older Americans."

HUD had changed a hugely successful one-window direct loan program into a three-window operation that was hopelessly complicated and costly for nonprofit sponsors, Martin told the Senate Subcommittee on Housing for the Aged recently.

He and other witnesses testified that such limited-budget sponsors can't afford to prepare applications for Section 8 assistance, with their attendant architects' drawings and plans, although his had to be done to meet the requirements for Section 202 construction financing.

Even if they could, the witnesses said, permanent financing was all but unavailable because of the special provisions of the leasing program.

Under Section 8, HUD signs a contract to provide housing assistance payments on behalf of tenants for a period not exceeding 20 years when private financing is used. The funds are used to make up the difference between 15 to 25 per cent of the tenant's income, and a HUD-approved rent.

Most lenders, builders and nonprofit sponsors alike have charged, aren't willing to extend 40-year financing with only a 20-year assurance of federal subsidies.

A logical alternative is HUD-FHA multifamily mortgage insurance. But the witnesses pointed out that lenders are charging too many points these days for making federally-insured loans. The extra costs involved here would negate any value the combination Section 202/Section 8 program had to begin with, they said.

These complaints were echoed in comments submitted to HUD through public review of its proposed regulations. Most called for implementation of permanent lending under Section 202, and asked that processing of the applications be done by specialists at the regional office level, not in the area offices as proposed by HUD.

HUD, in an attempt to defuse the criticism, is considering lending low-cost seed money to potential sponsors for financing front-end costs.

The reaction from sponsors to this peace-offering was hostile. While saying that they welcome any additional help they can get, the sponsors are adamant about having some guarantees of low-cost permanent loans.

In their own compromise move, they have suggested that instead of making direct, 50-year loans as provided in the statute, HUD should agree to purchase HUD FHA-insured loans at par, or their original value, thereby finessing the whole issue of points charged by lenders. This could be accomplished through the Government National Mortgage Association (GNMA), a wholly-owned subsidiary corporation within HUD designed to provide such secondary market aid.

The administration, however, is balking at this, claiming it would be a "double dip" subsidy. The administration has opposed builder-developer demands for the same arrangement on regular Section 8 loans.

Resolution of the conflict may lie in Congress, and it is there that the program advocates have made their most impressive inroads.

Sen. Harrison Williams (D-N.J.), a long-time fan of Section 202, threw his support behind the sponsoring groups at the June 6 hearings of this subcommittee. He was joined by Indiana Democrat Vance Hartke and Sen. Charles R. Percy (R-Ill.).

In the House, meanwhile, Minority Leader John J. Rhodes wrote HUD Sec. Hills urging that the entire Section 202 program be implemented immediately. Siding with the sponsoring groups in a rare break with administration policy, Rhodes called on Hills to provide not only seed money through Section 106, but also permanent loans, either directly or through GNMA.

The House Appropriations subcommittee on HUD, meanwhile, has set aside $300 million for the program for the first year starting July 1.

Clearly, HUD is surrounded on all sides. As one program advocate said, "the bid folks are killing these congressmen with mail. It's not like the other subsidy programs, where critics can say they're all on welfare, or chiseling the government. After all, how can you be against old people who need housing?"

HUD argues that that's not really the issue, that Section 8 by itself will provide plenty of housing for the elderly at reasonable rents. But given the administration's dismal record over the last two years on promised subsidized housing production, the "old folks" aren't likely to be convinced.

And with an estimated need of more than 100,000 units per year, the sponsoring groups say the legislation is not really the right answer anyway. Even Hills has testified in Congress that Section 8 isn't likely to produce more than 40,000 new unit reservations this fiscal year, and not more than 90,000 new ones next year.

MSGR. CLEMENT J. BUSEMEYER

Mr. TAFT. Mr. President, it has come to my attention that Msgr. Clement J. Busemeyer, who has been the parish priest at St. Joseph Church, in Cincinnati, for many years, has just retired from that parish.

Father Busemeyer has been an outstanding citizen and leader of the community for many years, and he will be sorely missed by his parish and by the city.

I join with his many friends in congratulating him on his many years of able service and I ask unanimous consent that an article from the Cincinnati Enquirer of June 26, 1975, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PARISH BINGOED WHEN FATHER BUSEMEYER CAME TO STAY IN '46

(By Barb Zigli)

When the Rev. Clement J. Busemeyer arrived at St. Joseph Church in 1946, the parish was about $60,000 in debt.

Its school population was nearly all white, although the neighborhood, the West End, was nearly all black.

To solve the financial problems he started a bingo game which has been going strong ever since.

He also integrated the school. "I let the news out that we would accept colored children, and they came in droves," he recalled.

After almost 30 years at St. Joseph, Monsignor Busemeyer, 65, retired Friday.

"He doesn't make a lot of noise, but he's always in the background doing things for people," said Mrs. Zemrhue Stratton, a parishioner who was Monsignor Busemeyer's housekeeper for 15 years and a church volunteer for 25 years.

"He's devoted to the neighborhood people, whoever they've been," added Jim Shea, editor of the Catholic Telegraph. Monsignor Busemeyer was business manager of the paper before he was assigned to St. Joseph.

Mrs. Bertie Domineack, principal of St. Joseph School, agreed the white, aging priest gets along well with the West End community. During the riots in the 1960s, she said, the church and school were never touched.

"He's responsible for quite a few black children getting scholarships from the archdiocese (Roman Catholic Cincinnati Archdiocese)," she explained.

He also appointed Mrs. Domineack, formerly the parish secretary, to her post. "I'm the only black principal in the archdiocese. He was the first to do it," she said.

One of Monsignor Busemeyer's first moves when he was appointed church administrator in 1946 was to start a bingo game. "We started on a Monday night," he recalled. "We were partners in the one at St. Henry's, but that wasn't keeping us alive.

"Then we started another bingo on Saturday nights, and between the two, it soon enough got us out of debt. We've been going great guns ever since."

The money helps support the church and school. "My successor will have no financial problems," Monsignor Busemeyer said.

The church now runs one weekly bingo on Saturday nights, and it attracts 1300–1500 people and brings in about $6000 a night, he said.

About 15 years ago the city wanted to widen Linn Street, so the old St. Joseph Church had to be torn down. "They thought I'd maybe go for $200,000 (for the building), but with the windows from Germany and Austria, I got them up to $450,000," he said proudly.

"I asked what they were going to do with the stained-glass windows, and one of the men said, "Oh, we'll probably save the lead," Monsignor Busemeyer recalled. He was able to save the old windows to put in the new church, dedicated in 1963 at 745 Lincoln Park Dr.

Monsignor Busemeyer, who became pastor of St. Joseph Church in 1949, started a successful kindergarten program in September, 1946. Once a month the church has a program for old people—a meal, birthday recognitions, free bingo and gifts. "It's something that keeps you in touch with your neighborhood," he explained.

"The old people really love him," Mrs. Domineack said. "He's not as modern as some people might want it in the way he says Mass, but the old people like it."

"He has a great respect for them."

Monsignor Busemeyer said he seldom has a problem finding volunteers to help the church. "In suburban parishes you may have a hard time getting people to work for you. I don't have any trouble."

Friday he became "pastor emeritus." Taking over the parish are the Rev. Neil Keller, with the Rev. William Cross as assistant.

CAPTIVE NATIONS WEEK

Mr. BURDICK. Mr. President, as we all know, July 13–19 has been designated Captive Nations Week ever since President Eisenhower first proclaimed this observance in 1959. While in the past we have devoted much comment and serious thought to those patriots all around the world who fought for the noble cause of freedom and failed, I believe this year—our Nation's 200th year—it is also appropriate to use this occasion to contemplate, celebrate, and affirm those freedoms which we in the United States enjoy.

One needs only read the Declaration of Independence or the Gettysburg Address to rediscover the tingles in the spine which highlight our special brand of American patriotism. It is throughout our 200 years that our commitment to these high and noble ideals has grown providing not only greater personal freedoms here at home, but also inspirations for greater self-determination for developing nations all around this globe.

We must contemplate those nations which have been subjected to the tyranny of foreign domination over the years, but we must not avoid those peoples within our own Nation which also have yet to achieve full equality and freedom. It has always been America's unique strength to not only look outward and preach, but also to look inward and change. It is with this thought in mind that I commend Captive Nations Week to each and every American as a time for serious thought and prayer.

THE DISCOVERY RULE

Mr. ROTH. Mr. President, the House of Representatives recently completed action on its reform of the Federal Rules of Criminal Procedure by passing H.R. 6799. One of the rules amended was 16(a)(1)(E), the discovery rule. The amendment would require the Justice Department to provide the defense on request, 3 days prior to criminal trial, with a list of the names and addresses of the witnesses whom the Government plans to have testify against the defendant. Present procedure calls for judicial discretion in allowing criminal discovery.

I join the Justice Department in opposition to this proposal. Many witnesses, especially in cases pertaining to organized crime, would refuse to testify if they were denied the protection of anonimity before trial. Furthermore, in cases dealing with violent crime, particularly when the defendant is free on bail, witnesses feel the need for the insulation provided by the present discovery procedure. In Delaware alone, the U.S. attorney's office believes there have been several attempts at witness intimidation, through actual violence, or through threats against the safety of the witness, or the witness' family. I am informed that terrorization of witnesses is common practice when organized crime, or violent criminals have been able to ascertain in advance of trial the identity of the witnesses to testify against them.

No doubt the House believed that the denial of discovery until 3 days before trial would provide sufficient protection for witnesses. I fear it shall not. In the course of criminal litigation, continuances, or postponements of the trial are frequently granted for any number of legal and valid, though sometimes technical reasons. Once the defense, by taking advantage of the proposed new discovery process, has learned who will testify against it, a continuance, for whatever reason granted, would gain all the time needed for intimidation.

The Senate Judiciary Committee is currently considering various recommendations on the reform of the Rules of Criminal Procedure, and action by the full Senate is expected soon. For Congress to compel the Justice Department to hand over a list of the names and addresses of Government witnesses, thereby heightening the chance of witness intimidation, or worse, would be irresponsible. I will not lend my support to such an ill-considered plan.

A GREAT AMERICAN

Mr. MAGNUSON. Mr. President, I ask unanimous consent to have printed in the RECORD a story published in Spokane, Wash., in The Falls magazine, about a great American, a former Member of this body, C. C. Dill.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ALWAYS A DEMOCRAT—C. C. DILL

(By Paul Swift)

I was born down in Ohio. My father was a great Democrat. I was born in 1884, the year they elected the first Democratic president—Cleveland—since the days of Buchanan.

In those days the assessor took the population at the same time, in the fall. My father was over on the hillside husking corn (my mother told me the story). The assessor went over there and asked him how many hogs, horses, cows and so on. And he said, "I'm taking the census too; got any additions to the family?"

"Yes," my father told him, "I got a boy, born in September. Name's Clarence—Clarence Dill." "Hasn't he got a middle name?" the assessor asked. My father stood there a minute and then said, "Call him Cleveland! That'll give him 'C.C.' and he'll always be a Democrat."

Ninety-one years a member of the Democratic Party has got to be some sort of a record—and an active member at that. Clarence Cleveland Dill has known 12 and worked under five of the 14 presidents elected since that autumn he received his first cornfield baptism into politics. From 1914 to 1918 he served as U.S. Congressman from Spokane—counting Champ Clark, Sam Gompers and Uncle Joe Cannon as his friends. In 1922 he was elected U.S. Senator against heavy Republican opposition from every quarter.

Air and water became the political staples of his two terms in the Senate. As Chairman of the Commerce Committee in 1927 he wrestled with the newly emerging commercial uses of air: radio, telegraph and telephone. Dill wrote the nation's first Radio Law, because, as he puts it, "no one else was interested or knew anything about it." He also saw to it, in those early days of radio, that the Commission reserved a "proper number of channels for public use."

Referred to as "the radio expert of the Senate," Dill was ready by 1933 to take on more air: regulation of the American Telephone and Telegraph Company. He formulated the legislation creating the Federal Communications Commission. Opposing ATT executives and supporters, Dill fought the rate-fixing bill through the Senate and (with the help of friend Sam Rayburn) the House. Roosevelt promptly signed the bill.

Water, though, was Senator Dill's principal interest. The Columbia River, to be exact. Ever since the early 1900's, folks had contemplated irrigating the arid country spreading three million acres in north central Washington. The presence of one of the world's most powerful rivers winding its way through that rich but dry land seemed irresistibly suited to man's intervention.

Plans abounded. The Washington Water Power Company and the Spokane newspapers advocated a dam at Albeni Falls in the Pend Oreille River with a canal running from north of Spokane to the Columbia Basin. Rufus Woods, editor of the *Wenatche World*, agitated for a dam in the Columbia River itself at Grand Coulee.

Dill rapidly became interested in the Columbia Basin project and during his 1922 Senatorial campaign boasted himself as "the man to irrigate Columbia Basin lands and build the great Grand Coulee dam to produce low cost electricity for the whole Northwest." He later exacted a promise from then-Governor Roosevelt that if he were ever elected President he would see to it that the Grand Coulee Dam was built.

Dill worked diligently for Roosevelt's nomination and election and then pressed the President even more diligently for the dam. Hounded by Dill, Roosevelt finally ordered the WPA to allocate $63 million to start work on the dam.

Senator C. C. Dill returned to Spokane a hero—even in the six-column headlines of the *Spokesman-Review* which had fought him ever since he entered politics. 15–20,000 people surrounded the Great Northern station to greet "the Father of Coulee Dam" and to cheer the man they had only 15 years before ridiculed, branded a traitor and run out of office for his vote against the U.S. entering the Great War.

Dill retired from the Senate in 1934, his "work done." He opened up law offices in Washington, D.C. and Spokane, became a public utilities lawyer and expert and made a fortune in the process. Forty years later he still maintains a law office in downtown Spokane and still assiduously follows politics—especially Democratic politics.

Former Senator C. C. Dill would be the first to admit he feels darned good about himself, about his life. Talking with him and reading his autobiography, *Where Water Falls*, I felt I was hearing a political fairy tale . . . an Ohio plow-boy dreaming of "going to Congress," a college orator migrating to turn-of-the-century Spokane, a horseback Horatio Alger traveling from farm to farm begging votes, an uncompromising pacifist clear through World War One, "the handsomest man in the Senate" securing funds for the largest dam in the world, a power expert negotiating water uses between America and Canada, a rich lawyer with a mansion overlooking the city, and now a likable, biblically-calm nonagenarian looking back on his life as a mission fulfilled.

"Well, how are you doing today, Mr. Dill?" I said entering his office recently. He stood up and leaned over his crowded desk and smiled. He was wearing a modish, generous-cuffed suit. He paused and then looked straight at me through his Coke-bottle glasses. "Peaceful," he said, "Peaceful."

About the only regret I gathered Dill had about his long life was that he hadn't met and married Mabel Dickson sooner than he did—at 55 years of age. As much as he enjoyed talking about his career and his role in the development of the Pacific Northwest's natural resources, it was current politics that preoccupied him.

I was just at lunch listening to Brock Adams speak. He's part of this new movement in Congress, a man worth watching. He and Tom Foley, if they live, are going to have one of the big fights this state has ever seen for the democratic nomination for the Senate when Magnuson or Jackson is gone. Brock and Foley are both good men but they're just as different as two men can be.

Dill sat behind stacks of magazines and out-of-town newspapers (there's a tv on his desk, too, and an old-time portable radio on his window sill), and as he talked he slid various articles over the piles to me to read.

The country is in a valley of doubt now. This Ford is an honest man—and that's a great thing in place of Nixon—but I think he lacks imagination of a kind that is necessary in this situation. I don't have the answer and I've lived through depression before. I don't think anyone knows what's necessary.

Dill's health is surprisingly good, except for his failing eyesight. He also rambles a lot—pleasant ramblings, however, through a mind full of anecdotes, ideas, famous people and fishing tales. We talked about Mark Twain for 45 minutes—a favorite of both of ours.

Like Twain, I never have been much involved with organized religion. When I was 10 or 12 the Presbyterian Church did hire me to clean out the church on Sundays and after weekday revival meetings. And I did go to Ohio Wesleyan University—Methodist—but I was mainly there to study under Robert Fulton, the best teacher of public speaking in the United States at that time.

Have you ever read what they call "Jefferson's Bible?" It's worth the time. Jefferson took all the supernatural, the miracles, out of Christ's life; it's titled "The Life and Morals of Jesus of Nazareth." Jefferson was the greatest defender of religious freedom our country has known.

I asked FCC pioneer Dill his opinion of the present-day television industry in general and, in particular, the numerous newspaper-tv-radio monopolies in cities across the country.

The Commission and the courts have failed to do anything about the excessive advertising and violence on television. It will take congressional action. As for the media monopolies, commissions like the FCC depend on appointments. Members too troublesome to the big interests get offered other jobs too good to refuse. It's that simple. The abuses continue.

Take the Cowles family here in Spokane. They've driven out every paper ever in competition with them. I knew the original William Cowles. When I came to Spokane in 1908 I got my first job with the Review, writing editorials. Cowles later called me a radical, fought me and overdid it. In those days the paper stood for things; the Review doesn't stand for anything now.

Even when Dill spoke of his political enemies he revealed little bitterness. "I never personally had any differences with Cowles," he stated in regard to the publisher who adamantly opposed him clear until Coulee Dam appeared on the horizon.

A widower for six years now, Dill has an apartment in Browne's Addition, where he cultivates a garden overlooking the Spokane River. "My work's done now," he told me while we prepared to leave the office together. His housekeeper had called and was on her way to pick him up. He carefully placed his tall, broad-brimmed felt hat on his head and continued talking. "I have no fear of death," he stated resolutely. We turned out the lights and began walking down the hallway.

No, I do not fear death. I don't know what's on the other side but I'm curious enough not to fight it.

I'd just as soon go to sleep as live to 100 or so having strokes and endless operations. If I knew I were going to die tonight, I wouldn't pray otherwise. I'm ready.

Ready or not, Dill shows all signs of living for sometime longer. Despite his personal and physical losses, his spirit is young. "I look to the young people. We have many fine young people in government today. I'm optimistic."

Last October Dill established a $16,000 fund (to be increased at his death), the interest of which pays a cash prize every two years to the best high school public speaker in the 23 counties served by PUD. "The greatest need in this country is training boys and girls to speak clearly," he told me.

In these days of media-maneuvered politics and a steady diet of White House gobbledygook, I'd hesitate to dismiss that statement of Senator Dill's as a naive return to old-fashioned, door-to-door politics. I do not agree with everything Dill's said and done; but looking the "peaceful," strong old statesman in the eyes, I put in with him that a lot of what's "necessary" is to say what we mean and do what we say. Speak clearly. Clarence Cleveland Dill wouldn't have it any other way.

THEY TRY TO STEM A WORLD-WIDE SPURT OF—TORTURE

Mr. ABOUREZK. Mr. President, one is horrified by the many varieties of torture which are being inflicted throughout the world on political prisoners and even on innocent persons for no known reason except to strike fear into everyone. Some in the Senate have begun trying to bring this outbreak of torture to a halt by cutting off U.S. aid to countries who hold political prisoners, by closing the International Police Academy, and by helping individual political prisoners gain asylum.

It is Amnesty International, however, who has been responsible for bringing this torture epidemic to light—by observing and gathering evidence, by seeking publicity, and by stirring diplomatic protest to the employment of torture in so many countries.

Michael T. Malloy has written an article in the July 12, 1975, National Observer about Amnesty International's efforts to stem this practice of torture. I ask unanimous consent that Mr. Malloy's article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

They Try To Stem a World-Wide Spurt of . . . Torture

(By Michael T. Malloy)

After a while, they disconnected the wire from my finger and connected it to my ear. They immediately gave a high dose of electricity. My whole body and head shook in a terrible way. My front teeth started breaking. At the same time my torturers would hold a mirror to my face and say: "Look what is happening to your lovely green eyes. Soon you will not be able to see at all. You will lose your mind. You see, you have already started bleeding in your mouth". . . .

An epidemic of torture is loose in the world, according to what seems to be the only organization that tries to keep track of such things. Amnesty International in January reported allegations of torture covering the past decade from more than 60 countries, adding 2 nations and 22 more pages to an already thick Report on Torture that it published in 1973.

Amnesty International has about 50,000 members, mostly in Europe, who form small, local groups to "adopt" political prisoners from other countries and work for their release. The world headquarters in London assigns each group three prisoners, drawn equally from the Western, Communist, and nonaligned worlds in an effort to avoid politics. The roughly 2,000 groups, including more than 100 in the United States, have adopted 15,000 prisoners since Amnesty was founded by a group of British lawyers in 1961. About 7,500 of these have been freed, some at least in part through Amnesty's influence.

"It was while working for these prisoners that Amnesty became aware that torture was used in so many of these countries not as an isolated incident but as a matter of government policy," says Ginetta Sagan, who heads Amnesty's efforts in the Western United States. "Often, for every prisoner adopted, we learned of several people who been arrested at the same time, tortured, and released. The documentation on this grew so big that it led Amnesty to begin its Campaign to Abolish Torture."

. . . When they finished with electric shocks, they lifted me up to my feet and several of those I mentioned above started beating me with truncheons. After a while I felt dizzy and could not sleep very well. Then I fainted . . .

Amnesty is curiously alone in this effort. Although ready enough to denonunce torture when it's practiced in hostile countries, most nations—including the United States—look the other way when it involves allies. The United Nations General Assembly worried in a resolution last November about an "increase in the number of alarming reports on torture," but the U.N. is even less willing to rock the boat. The founding conference of the Campaign to Abolish Torture was scheduled at UNESCO House in Paris late in 1973. It had to find a new site at the last minute when UNESCO discovered that the conference meant to name countries using torture.

With Hitler and Stalin all too fresh in memory, one may dispute whether more people are being tortured now than before. But with radical terrorists plaguing more and more nations, there may be substance to the contention that more countries now use torture as a conscious tool of government, not merely to force information from captured dissidents but also to frighten the populace from following the dissidents' path.

"Sometimes people are picked up and tortured for no reason at all," contends the Rev. Fred Morris, a former Methodist missionary who was imprisoned for 17 days and tortured last autumn in Recife, Brazil. His captors variously accused him of being a Communist or in the CIA. "I had a student at the university, a girl who was picked up and tortured for three weeks, and the only possible reason was just that she was secretary of the student council. You see, that uncertainty is more effective than if they said, 'Everybody get in line or we are going to torture you.' "

. . . When I came to myself, I found out I was lying half-naked in a pool of dirty water. They tried to force me to stand up and run. At the same time they kept beating me with truncheons, kicking me, and pushing me up against the walls. They then held my hand and hit me with truncheons in my palms and on my hands, each one taking turns . . .

Against the nations that practice or quietly condone torture, Amnesty seems a puny adversary. It sends observers, gathers evidence, seeks publicity, and stirs diplomatic protests. But mostly it nags, nags, nags in a relentless letter-writing campaign by each group for its three prisoners. Writing letters to president, judges, jail wardens, and the prisoners themselves is one of the few concrete things such groups can do. Surprisingly, it can help.

"You never get a response back from Indonesia," says David Weissbrodt of an Amnesty group in Washington, D.C. "But an Indonesian ex-prisoner told us that everybody at the post office knows about it, the prisoners who sort the mail in the prisons also read our letters, and the prison officials all know someone is watching. He said it kept the guards and officials more aware that there were people out there who knew what they were doing and didn't approve. He said it was instrumental in improving their conditions?

ACTION AND REACTION

"You may think that hundreds of letters to the USSR without a reply can't be doing any good," a newly released Soviet political prisoner told Amnesty last winter. "But they are: They present a tremendous embarrassment, a threat to authorities. Only when you stop sending them do the thousands of political prisoners know the bad side of *detente*—when the pressure is off the USSR from outside, it goes on the so-called dissidents inside."

. . . As if all this was not enough, Umit Erdal attacked me and forced me to the ground. I fell on my face. He stood on my back and with the assistance of somebody else forced a truncheon into my anus . . .

Amnesty's research staff of 40 persons in London tries to make sure that prisoners are genuine political prisoners before assigning them to adoption groups. The groups in turn may try to get money to the victim's family, stir up a diplomatic protest, find a country that will offer him asylum, and so on. This opportunity to directly help a flesh-and-blood person has made Amnesty one of the world's fastest-growing civil-rights organizations. It has sections as far away as Nepal, and its U.S. groups tripled—from 35 to more than 100—in the past two years. There are more than 500 groups in West Germany, where Amnesty is so entrenched that an errant motorist may assign his fine to the organization.

A LEFTWARD TILT?

The names on Amnesty's U.S. letterhead range as far to the right as columnist William F. Buckley, Jr. But the membership is more heavily weighted with the kind of person who suspects that the U.S. Government is behind most right-wing torture regimes abroad. Conservatives, including Buckley, had complained before Saigon's fall that Amnesty protested torture by South Vietnam more than by North Vietnam.

Yet Amnesty campaigns vigorously for prisoners in Communist Europe and is largely responsible for telling the world about Russia's use of psychiatric hospitals as prisons and of psychiatric drugs as a form of torture. In trying to limit its allegations to those supported by evidence, however, Amnesty inevitably finds fewer adoptable prisoners in the most rigid dictatorships, where gathering evidence is practically impossible.

"Taiwan is so open that every time Chiang Kai-shek locks somebody up, we find out about it immediately," Amnesty's American legal counsel, Mark K. Benenson, said just before the Chinese leader died. "There may be 200 times as many prisoners in Communist China, but we don't know anything about them. Yet we can't drop the Taiwan prisoners for that reason.

"And most of the really terrible torture stories are coming out of right-wing dictatorships now," Benenson continues. "The Russians are more sophisticated than in Stalin's day. They just starve you to death now; they don't usually hurry you along with a terrific beating except sometimes with the religious dissenters in the Ukraine."

AVOIDING LOCAL CONFRONTATIONS

Benenson, a former U.S. chairman of Amnesty, passes the conservative litmus tests of standing up for the CIA and being a National Rifle Association member. "While there are a lot of left-leaning people in the organization, they know their biases and they make an effort to be straight," he says. "So it leans to the left until someone says, 'My God, we're leaning!' and then it gets jerked back."

. . . As I struggled to stand, he kept on saying: "You whore! See what else we will do to you. First tell us, how many people did you go to bed with? You won't be able to do it any more. We shall next destroy your womanhood" . . .

Besides drawing each group's prisoners from the East, West, and Third World, Amnesty steers away from politics by assigning only foreign prisoners to local groups, thereby avoiding confrontations between members and their governments. American members, for instance, had no voice in choosing the eight blacks and one imprisoned tax resister adopted by several foreign groups as American "prisoners of conscience" (but not as torture victims). This separation from local politics has enabled even a few Russians to dare to form an Amnesty group in Moscow, although several of them have been arrested recently.

TORTURE TERMED "UNTHINKABLE"

An Amnesty adoptee must be in prison for his beliefs, race, or religion, and must not have used or advocated violence. But Amnesty drops these rules to condemn all torture, terming torture as unthinkable as slavery. Its *Report on Torture* rejects the torturer's classic defense—"You have in your hands a man who has planted a bomb in this city and it will go off in four hours"—and warns instead: "History shows that torture is never limited to 'just once'; 'just once' becomes once again—becomes a practice and finally an institution." Ecuador, South Africa, Iran, Uruguay, Russia, Spain, South Vietnam, Tunisia, Brazil, Chile, Egypt, Argentina, the Philippines, Nepal, and Morocco are among the countries from which allegations of torture were reported in just four recent issues of Amnesty's monthly American newsletter or Mrs. Sagan's West Coast edition, Matchbox.

. . . They next made me lie on my back and tied my arms and legs to pegs. They attached an electric wire to the small toe of my right foot and another to the end of a truncheon. They tried to penetrate my feminine organ with the truncheon. As I resisted they hit my body and legs with a large ax handle. They soon succeeded in penetrating my sexual organ with the truncheon with the electric wire on, and passed current. I fainted . . .

Mrs. Sagan got into Amnesty in part because she was captured by the Gestapo and tortured in northern Italy in the last days of World War II. In separate interviews she and Morris both describe two kinds of persons among the torturers.

THE PSYCHOPATHIC TORTURER

"There is a group that obviously is psychopathic," says Morris. "You could tell they enjoyed the screams and the blood."

"The secret police would destroy the dossier of any psychopath in the region of Milan, especially sexual psychopaths, in exchange for their services as torturers," recalls Mrs. Sagan.

So the same threads run through testimony from different times and places. "The use of excrement, for example," says Mrs. Sagan. "Forcing inmates to . . . It's incredible! I saw it myself 30 years ago, and last week interviewing [victims from Chile and Brazil] the same thing was told. And the same things have been reported from Americans imprisoned in Mexico. That has to be a psychopathology of some kind."

CONCEPTS, NOT PEOPLE

But ultimately more dangerous than the sick torturers are the "normal" people whose ability to condone, order, or practice torture makes it all possible. "They are not necessarily bad people, but people who are afraid of disorder or economic insecurity or something," says Mrs. Sagan. "Little by little they come to believe that what the police are doing is good for the country, that anybody who does not agree with the government is a danger to their own personal security.

"They come to see people not as human beings but as an enemy. That's terribly important. They always say 'enemy of the state' and 'enemy of the people.' They are not kicking and burning and raping a person, they are raping an object, an enemy."

. . . A little later, the soldiers outside brought in a machine used for pumping air into people and said they would kill me. Then they untied me, brought me to my feet, and took me out of the room. With a leather strap they hanged me from my wrists onto a pipe in the corridor. As I hung half-naked, several people beat me with truncheons. I fainted again . . .

"The army officers who were responsible for my abduction and torture said the problems of Brazil were caused by international communism and recognized themselves as being on a war footing against it," Morris recalls. "I guess you'd call them superpatriots or McCarthyites. The problems they've had for 400 years in Brazil are caused by international communism, so all means are legitimate to stem the tide. 'War footing': They kept saying that."

THE "NORMAL" TORTURER

If torture can be practiced by "normal" and even idealistic people, then it can't be stopped by blaming bad men and wicked governments. It must be attacked as a threat that can erupt wherever political passions run high. And there is plenty of evidence of the "normal" person's potential to become a torturer:

Volunteers in a New Haven, Conn., learning experiment were asked to give small electric shocks to a second volunteer whenever he answered questions incorrectly. (The second volunteer was really an actor, the electric-shock button didn't work, and the experiment's real object was to test the button pusher's obedience to authority.) Most volunteers allowed the authoritative experimenter to goad them into giving what they thought were more and more dangerous electric shocks even after the actor began to scream and plead for mercy.

Stanford University students were screened for emotional normality and given roles as guards and prisoners in a mock jail. The two-week study was aborted after six days because it generated so much abuse and petty cruelty among the volunteers.

In one of the few torture cases that Amnesty reports from a European democracy, Belgian commandos—carried away by a NATO war game—tortured fellow Belgian soldiers from the "enemy" team with beatings and electric shock for 24 hours.

THE HIDDEN POTENTIAL

"If you are an authoritarian system, and convinced that it's for a just cause, and someone else will take the responsibility, I think normal people can be made to do it," Morris says of the torturers. "The guys who were giving the orders, like Major Maia, treated me very nicely after the real bloody part was over. He wanted to talk about the United States and practice his English, yet he was the guy giving the order for beating me and starving me and giving me electric shocks. If you met him in the street you could sit down and have a drink and a good conversation and you wouldn't detect any pathology."

. . . He beat me and threatened me. "Tonight I shall take you where your dead are. I shall have the corpses of all of you burnt. I will have you hanging from the ceiling and apply salt to your cut soles. . . . We kill whomever we want and bury him into a hole in the ground. Who would know if we did the same to you?" Extracted from the statement of Ayse Semra Eker of Turkey, as published in "Report on Torture."

A victim's will is crushed not just by pain but also by the despair that comes from being utterly alone and forgotten by everyone but the torturers. Mrs. Sagan knows that from her own experience; that's one reason she joined Amnesty and why she calls her newspaper Matchbox. As she sat in despair on her cell floor in 1945, the guard kicked the door open and threw in a loaf of bread along with the usual shower of abuse. Starving, she tore open the loaf and found a tiny matchbox containing the heart-lifting one-word message that others were working for her. It just said, "Courage!"

ANNOUNCEMENTS OF THE FEDERAL ELECTION COMMISSION

Mr. CANNON. Mr. President, I ask unanimous consent that certain announcements from the Federal Election Commission be printed in the Record.

There being no objection, the announcements were ordered to be printed in the Record, as follows:

Election Commission Restricts Corporate Services for Conventions

Washington, July 9.—The Federal Election Commission today limited the kinds of reduced-rate or free services that can be offered to the Democratic and Republican Parties by prospective host cities for the Parties' national presidential nominating conventions this year.

In an "Advisory Opinion" requested by both parties, the Commission ruled that reduced-rate or free services by corporations are prohibited by the legal ban against corporate contributions. The Commission cited Section 610 of the Criminal Code which bars any corporation, labor organization or national bank from making "a contribution or expenditure . . . in connection with any political convention . . . held to select candidates for any political office."

The Commission ruled that services offered by "local and state governmental agencies or municipal corporations" would be permitted, since those entities are not prohibited from making political contributions by Section 610, "provided that such facilities were not leased from corporations . . . for less than their fair market value." These municipal services would not be counted against the $2 million spending limit for national nominating conventions.

The Commission noted "two situations" where corporate activities would not be a violation of Section 610, and would be permitted, and also would not count against the statutory convention spending limit:

(1) where reduced-rates or free services were provided by a corporation as part of "an overall purchase transaction, if such reduction and/or facilities are offered in the ordinary course of business by the corporation to non-political conventions of corresponding size and duration." The Commission cited as an example the practice of hotels providing free rooms and meeting places as part of a large advance booking of paid rooms.

(2) a contribution by a local retail corporation to a local, non-profit civic association, business league, chamber of commerce, real estate board or board of trade, which is encouraging "that commerce which is necessarily entailed in the arrival of any major convention in the city where such local corporations are located," and so long as the contribution is made "in the reasonable expectation of a commensurate commercial return during the life of the convention."

Democratic Telethon Loan Guarantees Ruled "Contributions"

Washington, July 9.—The Federal Election Commission today ruled that any "loan or guarantee" to the Democratic National Committee's proposed national telethon would be considered a "contribution" subject to the contribution limit of the campaign financing act.

The law states that "no individual shall make contributions aggregating more than $25,000 in any calendar year."

The Commission said that the "contribution" of a guarantor or endorser of a Telethon loan would be reduced or eliminated as the loan is repaid.

In an Advisory Opinion issued this afternoon the Commission rejected a DNC proposal that there must be a "direct and substantial relationship between the transfer of money or other things of value and the furtherance of the candidacy of a particular individual or group of individuals" for a loan to be considered a "contribution". The Commission ruled instead that "ultimately the election of its designated candidates is the purpose of any transfer of money or other thing of value to an organized political party."

"To rule as you request, would lead logically to the conclusion that any contribution to an organized political party would not come within the statutory definition of contribution unless 'earmarked' for a particular candidate's campaign," the Commission wrote the DNC.

The Commission added, "The effect of such a ruling would be to disadvantage any third party candidacies which ordinarily coalesce primarily around the candidacy of a named candidate since such a party would not claim that contributions to it were for a purpose other than to influence the election of the party's candidate for federal office."

The Commission agreed in the Advisory Opinion to numerous technical proposals of the DNC relating to reporting and disclosure procedures of national telethon funds.

Highlights: Federal Elections—Federal Election Commission Publishes Two Advisory Opinions, National Nominating Conventions Democratic Party Telethon

FEDERAL ELECTION COMMISSION NOTICE 1975–12, ADVISORY OPINIONS

The Federal Election Commission announces the publication today of its first Advisory Opinions. Such opinions will issue from time to time in response to previously published Advisory Opinion Requests. The Commission's opinions are in response to questions raised by individuals holding Federal office, candidates for Federal office and political committees, with respect to whether any specific transaction or activity by such individual, candidate, or political committee would constitute a violation of the Federal Election Act of 1971, as amended, of Chapter 95 or Chapter 96 of Title 26 United States Code, or of Section 608, 610, 611, 613, 614, 615, 616, or 617 of Title 18 United States Code.

The Commission points out that these advisory opinions should be regarded as interim rulings which are subject to modification by future Commission regulations of general applicability. In the event that a holding in either opinion is altered by the Commission's regulations, the persons to whom the opinions were issued will be notified.

AO 1975–1: National political party conventions

This advisory opinion is rendered under 2 U.S.C. 437f in response to requests (for advisory opinions) submitted by the Democratic National Committee and the Republican National Committee (hereinafter the Committees) and published together as AOR 1975–1 in the June 24, 1975, Federal Register (40 FR 26660). Interested parties were given an opportunity to submit written comments relating to the requests.

The requests state that both Committees are in the process of selecting sites for Presidential nominating conventions to be held in the summer of 1976. In connection with the conventions, private and public (municipal) corporations in some of the cities which are potential sites have offered to the National Committees for no charge or at reduced charges:

(1) The use of an auditorium or convention center, construction and convention related services therein such as: construction of podiums; press tables; false floors; camera platforms; additional seating, lighting, electrical, air conditioning and loudspeaker systems; offices; office equipment; and decorations. Rent is to be waived during the construction period;

(2) Various transportation services, including the provision of buses and automobiles;

(3) Law enforcement services necessary to assure orderly conventions;

(4) Use of convention bureau personnel to provide central housing and reservation services;

(5) Rooms in hotels in proportion to the number of rooms actually booked by the conventions;

(6) Local transportation, accommodations and hospitality for committees of the Parties responsible for choosing the sites of the conventions; and

(7) Other similar convention related facilities and services.

In addition, various local and state governmental agencies have offered the use of municipal and state facilities or services in connection with the conventions for no charge or at reduced charges.

The Committees request an advisory opinion indicating:

(A) Whether these transactions would violate 18 U.S.C. Sec. 610, (B) whether they must be treated as involving expenditures for the purposes of 26 U.S.C. Sec. 9008(d) and (C) the Commission's certification and disbursement procedures under 26 U.S.C. Sec. 9008(e) and (g).

A. Whether the transactions would violate 18 U.S.C. Sec. 610.

Section 610, Title 18, United States Code, makes it unlawful for a corporation ". . . to make a contribution or expenditure in connection with any political convention or caucus held to select candidates for any political office . . ." As used in Section 610 ". . . the phrase 'contribution or expenditure' [includes] any direct or indirect payment, distribution, loan, advance, deposit, or gift of money, or any services, or anything of value . . . to any candidate, campaign committee, or political party or organization, in connection with any election, to any of the offices referred to in this section . . .".[*] 2 U.S.C. Sec. 591(a)(2) defines the term "election," as used in Section 610, as including "a convention or caucus of a political party held to nominate a candidate."

The Commission interprets the applicability of Section 610 as follows:

1. State or local governmental agencies and municipal corporations. It is the opinion of the Commission that any of the services, benefits or uses of property described in paragraphs numbered (1) through (7) above may be offered by state or local governmental agencies and municipal corporations without violating 18 U.S.C. Sec. 610. Section 610 prohibits only national banks, corporations and labor organizations from making contributions or expenditures in connection with political conventions. Thus, local or state governmental agencies or municipal corporations would not be prohibited from providing facilities or services to the Committees, provided that such facilities were not leased from corporations, national banks or labor organizations for less than their fair market value. The Commission would view with grave concern any evidence that any government or government instrumentality which makes such facilities available to a political committee, had received from any corporation, at a date proximate to the giving of such facilities, any substantial contribution of money, or the benefit of any ostensible business transaction which appears to have been out of the ordinary course of the corporation's business. Municipal corporations may not serve as conduits for contributions which a corporation may not make directly.

2. Private Corporations. It is the opinion of the Commission that, in general, private corporations are precluded by 18 U.S.C. Sec. 610 from donating or providing at less than fair market value any of the services, benefits or uses of property described in paragraphs (1) through (7) above. The Commission notes two situations, however, which in the Commission's opinion do not involve violations of Sec. 610.

(a) Where a corporation offers certain reductions in standard rates and/or gives to a national political convention the use of certain facilities without apparent charge, in return for the purchase by the convention of a certain minimum quantity of whatever product or service the corporation deals in, the rate reduction of offering of "free" facilities are not prohibited contributions under Sec. 610, but are rather details of an overall purchase transaction, if such reduction and/or facilities are offered in the ordinary course of business by the corporation to non-political conventions of corresponding size and duration. It is a widely known industry practice, for example, for hotels to offer reduced rates, some free rooms and free meeting space within the hotel in exchange for advance booking of large numbers of rooms. In the Commission's view, the rates, rooms and meeting spaces so provided do not, in general, involve prohibited contributions. The Commission may, of course, audit any hotel corporation's donations of space or reductions in rates in connection with the overall convention purchase of rooms to assure that such donations conform in kind and degree to those offered by such hotels in connection with any typical convention which purchases room space.

(b) Local corporations which are engaged at the retail level in the business of supplying consumer goods or services to the public may contribute funds to a local civic association, business league, chamber of commerce, real estate board or board of trade (1) not organized for profit and no part of the net earnings of which insures to the benefit of any private shareholder or individual, and (2) a principal objective of which must be the encouragement of that commerce which is necessarily entailed in the arrival of any major convention in the city where such local corporations are located. Such contributions must be made in the reasonable expectation of a commensurate commercial return during the life of the convention, as may be indicated by previous convention experience. In the view the Commission, a contribution so qualified has commercial characteristics sufficiently akin to the characteristics of a purchase transaction, as described above, as to fall outside the prohibition of Sec. 610. The Commission may, of course, conduct such investigations and audits as may be necessary to ensure that any such "contribution" in connection with a political convention conforms in degree to contributions made by the same corporation to such civic association or like organization in connection with other, non-political conventions of a similar size and duration.

In the Commission's opinion, no other corporate offering beyond those described in the foregoing two exceptions are permitted by 18 U.S.C. Sec. 610.

B. Whether the transactions involve expenditures under 26 U.S.C. Sec. 9008(d).

26 U.S.C. Sec. 9008(d)(1) provides that the national committee of a major party may not make expenditures with respect to a presidential nominating convention, which in the aggregate exceed $2 million. It is the view of the Commission that the transactions described under Part A of this opinion as falling outside of the scope of 18 U.S.C. Sec. 610 involve "expenditures," or "gratuities" which are not attributable to the $2 million limitation under which the committees operate.

C. The Commission's certification and disbursement procedures under 26 U.S.C. Sec. 9008(e) and (g).

Certification and disbursement procedures are in the process of being established by the Commission and will be the subject of a subsequent publication. Consequently, no opinion is expressed in this area at this time.

This advisory opinion is issued on an interim basis only pending the promulgation by the Commission of rules and regulations of general applicability. Any interpretation or ruling contained herein is to be construed as limited to the facts of the specific advisory opinion requests and should not be relied on as having any precedential significance except as it relates to those facts at the time of its issuance.

AO 1975–4: Democratic National Committee (Democratic Party Telethon)

The Federal Election Commission renders this advisory opinion under 2 U.S.C. 437f in response to a request submitted by a political committee. The request was made public by the Commission and published as AOR 1975–4 in the Federal Register on June 24, 1975 (40 FR 26663). Interested parties were given an opportunity to submit written comments relating to the request.

SHELDON S. COHEN, Esq.,
General Counsel,
Democratic National Committee.

DEAR MR. COHEN: Your letter of June 5, 1975, informed the Commission that on July 26 and 27, 1975, the Democratic National Committee ("DNC") will again sponsor a fundraising telethon for the benefit of the Democratic Party over the ABC television network. You further advised that the actual production of the telethon will be conducted by a Production Committee, organized under the California not-for-profit corporation law solely for the purpose of said production. Any amounts expended by the Production Committee will be reimbursed by the DNC out of the gross receipts of the telethon. Additionally, preliminary arrangements for both the production of the telethon and the disbursements of receipts have been worked out between the DNC and participating State Committees (as defined in your letter).

You have requested the Commission to rule on several aspects of the expenditure of funds and receipt of contributions in connection with this telethon. The remainder of this opinion will deal with those requests in the order in which they are raised in your letter.

1. You request a ruling that the endorsement or guarantee by any individual of all or a portion of any bank loan made to the DNC for purposes of financing the production of the telethon will not be treated as a "contribution" as defined in 18 U.S.C. § 591 (e)(1). You request a similar ruling that the guarantee by any individual of a bank loan made to a state central committee, either for use by the state central committee in financing its own telethon obligations, or to enable the state central committee to advance funds to a state telethon committee, will not constitute a contribution. For purposes of this advisory opinion the Commission will treat these requests as substantially equivalent.

It is the Commission's conclusion that a loan or endorsement as described above is a "contribution" as defined in 18 U.S.C. § 591 (e)(1) for purposes of the limitations contained in section 608 of Title 18 of the United States Code.

Section 591(e)(1) defines a contribution as "a gift, subscription, loan, advance, or deposit of money or anything of value, . . . made for the purpose of influencing the nomination for election, or election, of any person to Federal office . . ." etc. While the section excepts a bank loan made in the ordinary course of business, it includes an individual's guarantee or endorsement of such a loan.

In your request (and in your subsequent letter dated June 30, 1975), you contend that the described guarantee or endorsement is not a loan made for the purpose of influencing the election of a person for federal office, because there is no direct and substantial relationship between (1) the transfer of money or other things of value and (2) the furtherance of the candidacy of a particular individual, or group of individuals. The Commission does not agree with this contention. The language of the statute nowhere indicates that the purpose stated in section 591 (e) need be direct and substantial or even that it be a principal purpose of the transfer. Ultimately, the election of its designated candidates is the purpose of any transfer of money or other thing of value to an organized political party. To rule as you request would lead logically to the conclusion that any contribution to an organized political party would not come within the statutory definition of contribution unless "earmarked" for a particular candidate's campaign. The effect of such a ruling would be to disadvantage any third party candidacies which ordinarily coalesce primarily around the candidacy of a named candidate since such a party could not claim that contributions to it were for a purpose other than to influence the election of the party's candidate for Federal office. Neither the elimination of the ceiling for contributions to organized political parties nor the disadvantaging of third party efforts can justifiably be said to be within the intent of Congress in enacting the 1974 amendments.

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[*] The Commission notes that 18 U.S.C. 610 includes a definition for "contribution or expenditure" which is supplemental to the definitions in 18 U.S.C. 591. The relationship between the two definitions was addressed in *Ash* v. *Cort*, 496 F.2d 416, 424 (3rd Cir. 1974), rev'd on other grounds, 43 U.S.L.W. 4773 (1975).

"The definition given 'expenditure' in both sections traces back to the Federal Election Campaign Act of 1971. P.L. 92–225, Title II Secs. 201, 205 86 Stat. 3. The drafters clearly intended Sec. 591's definition to affect interpretation of Sec. 610, for they expressly provided that the definitions in Sec. 591 applied to use of those terms in Sec. 610. We note also that Sec. 591 indicates the 'meaning' of expenditures while Sec. 610 only indicates certain matters 'included' in that term. We therefore read Sec. 610 as supplementing rather than replacing Sec. 591's definition."

Furthermore, Section 101(f)(2) of the Federal Election Campaign Act Amendments of 1974, amended 18 U.S.C. 591 to make clear that the definitions therein could be modified in the substantive sections, to wit Section 610.

An analysis of the statutory language supports this reasoning. The word "person" is defined in section 591(g) to mean "an individual . . . or group of persons," while "candidate" is defined, in section 591(b) as "an individual who seeks nomination for election, or election, to Federal office . . . ." Had Congress wanted to restrict the purpose clause of section 591(e)(1) to particular candidacies it would have used the specifically defined word "candidate" instead of the more generally defined word "person". We believe this reasoning is further strengthened by the inclusion of the word "any" immediately preceding the word "person" in the purpose clause of section 591(e)(1). That indicates that Congress did not only have particular candidacies in mind but rather was focusing, in addition, on contributions made for the purpose of influencing the election to Federal office of a yet unnamed candidate or group of candidates, e.g., Democratic candidates for Federal office in the 1976 general election. Such would certainly be the end result of a contribution to the DNC no matter what its immediate use. For example, the use of the proceeds of the telethon to retire past debts would serve to strengthen the DNC's credit leading to further opportunities for bank loans, the use of the proceeds of which would be related to Federal elections. The Commission can find no distinction between the use of such contributions and the use of a guarantee or endorsement for the purpose of obtaining a loan to finance a telethon which will result in the receipt of such contributions.

Accordingly, it is the Commission's conclusion that the endorsements you describe constitute statutory contributions subject to the $25,000 limitation on individual contributions in 18 U.S.C. § 608(b)(3). To the extent that the primary loan remains unpaid, the endorsements shall be considered loans (and thus statutory contributions) from each guarantor or endorser in an amount equal to the proportion of the unpaid balance thereof that each guarantor or endorser bears to the total number of guarantors or endorsers.

2. You request a ruling that, since the telethon effort is a joint venture among the various state central and/or state telethon committees (as described in your letter), the provision of staff support from one committee to another and the general coordinating efforts of the DNC will not be treated as statutory contributions for purposes of either Title 2 or Title 18 of the United States Code.

Based on your description of the activities which will be undertaken by DNC staff members in conjunction with the staffs of the various State Committees, the Commission has concluded that such activities will not constitute a statutory contribution from the DNC to the various State Committees or from the State Committees to the DNC.

3. Your letter requests a ruling that the transfer of net telethon proceeds by a state telethon committee to a non-reporting state central committee will not affect the latter's non-reporting status.

The Commission agrees that the transfer of proceeds by a state telethon committee to a state central committee would not change the latter's status as a non-reporting committee provided, of course, that such funds are not intended to be spent, and, in fact, are not expended to influence the nomination or election of candidates to Federal office. We assume for purposes of this ruling that each state telethon committee will register as a political committee and will report all expenditures, receipts, and transfers in connection with its participation in the telethon.

4. The Commission agrees that, for purposes of the July 1975 telethon only, the Production Committee, which has registered as a political committee under 2 U.S.C. § 433, may be treated as an agent or subsidiary of the DNC and, thus, any of its transactions required to be reported under 2 U.S.C. § 434 may be reported by the DNC. This ruling is subject to the condition that the Production Committee maintain detailed records of its receipts and disbursements in accordance with 2 U.S.C. § 432 (c) and (d) and that such records will be preserved by the DNC. Moreover, the records must be available for audit upon request of the Commission.

5. The Commission agrees that all contributions made as a result of or in connection with the telethon should be considered as contributions to the DNC and reported as such in the report filed by the DNC. Consequently, a State Committee will not be required to report the receipt and transmission of a contribution payable to the DNC.

However, under 2 U.S.C. § 432(b) any State Committee and its agents receiving funds on behalf of the DNC must render a detailed account thereof to the DNC. Thus, it will be necessary for each State Committee to keep a detailed record of all such contributions as a part of its records subject to audit by the Commission.

In the case of a contribution which is made payable to a State Committee and then endorsed and transmitted to the DNC, the receipt and transmission must be reflected in the State Committee's report.

Finally, the Commission agrees that, where the DNC is in receipt of an individual's contribution which is earmarked for a particular committee or other recipient, the details as to identification of the contributor must be shown in reports of both the DNC and the recipient committee or other person.

6. You request a ruling that, in the case of states which have set up separate telethon committees, and in which the state central committee has made an initial advance to the state telethon committee to enable it to meet expenses, this loan transaction will not effect the status of the state central committee as a non-reporting committee.

The Commission does not agree and has concluded that, if a state central committee, which is presently a non-reporting committee, makes a loan to, or guarantees a loan for, a state telethon committee as described in your letter, such loan or guarantee will constitute an expenditure under 2 U.S.C. § 431(f) and, if in excess of $1,000 will cause the state central committee to become a "political committee" under 2 U.S.C. § 431(d) which must register with and report to the Commission.

This conclusion is based on the reasoning contained in the ruling under paragraph 1 above. To hold that a guarantee from an individual is a contribution but that a loan by the central committee of a state political party for the same purpose is not an expenditure would be inconsistent. Further, to deny that this kind of loan was made for the purpose of influencing a Federal election would, in the Commission's opinion, be detrimental to one of the principal purposes of the 1974 amendments, namely to make public all such contributions and expenditures. Finally, the Commission cautions any state central committee to avoid using funds contributed to it by a national bank corporation or labor organization for purposes of the loan transaction as described above.

7,8,9. The Commission agrees that the DNC and the various State Committees should report as described in your requests.

10. The Commission agrees with your contention that telethon expenses incurred by the DNC and by participating State Committees should not be counted against the applicable limitations for either the DNC or any State Committee under 18 U.S.C. § 608(b), (e) and (f).

This advisory opinion is issued on an interim basis only pending the promulgation by the Commission of rules and regulations of general applicability. Any interpretation or ruling contained herein is to be construed as limited solely to the facts of the specific advisory opinion requests and should not be relied on as having any precedential significance except as it relates to those facts at the time of its issuance.

THOMAS B. CURTIS,
Chairman for the Federal Election Commission.

ALEXANDR SOLZHENITSYN

Mr. FANNIN. Mr. President, everyone knows the dramatic story that has been Alexandr Solzhenitsyn's life—his work as a writer, his imprisonment by the Soviet Government because of his truthful writing, his refusal to submit to government pressure to follow the Communist line and his consequent harassment by his own country, and finally, his tortured decision to leave his homeland to make a new life in the West.

Mr. Solzhenitsyn's story is one of courage, determination, and belief in the right to pursue one's own definition of truth. His personal integrity, his ability to state his convictions and live accordingly, his refusal to quit the struggle against repression, have made him a symbol of freedom to men everywhere.

Mr. President, I was very pleased to have the opportunity today to meet Mr. Solzhenitsyn.

During this week, which is Captive Nations Week, it is especially appropriate that we pay tribute to Mr. Solzhenitsyn because he is a living example of an individual's ability to defy repression. He is a symbol to his countrymen and to all people suffering under the yoke of unbridled government control.

Recently he gave a very interesting and especially significant speech in Washington. He reminded us that the United States is the one country in the world which can stand up to repressive communism, and that if we do not help other countries resist aggression, there is no possible way that the other nations of the world can survive alone.

He pointed out that Communist governments will respect the United States only when we are firm in our dealings with them.

In his speech to the AFL-CIO, Mr. Solzhenitsyn said:

> The very ideology of communism, all of Lenin's teachings, is that anyone is a fool who doesn't take what's lying in front of him. If you can take it, take it. If you can attack, attack. But if there's a wall, then go back. And the Communist leaders respect only firmness and have contempt and laugh at persons who continually give in to them. Your people are saying, Power, without any

attempt at conciliation, will lead to world conflict. But I would say that power with continual subservience is no power at all.

Mr. Solzhenitsyn also warns us that there are dangers within our society:

> I would like to call upon America to be more careful with its trust and prevent those wise persons who are attempting to establish even finer degrees of justice and even finer legal shades of equality—some because of their distorted outlook, others because of their short-sightedness, and still others out of self-interest—from falsely using the struggle for peace and for social justice to lead you down a false road. Because they are trying to weaken you; they are trying to disarm your strong and magnificent country in the face of this fearful threat—one which has never been seen before in the history of the world . . .

Mr. President, Alexandr Solzhenitsyn is helping renew our faith in our free society. His testimony reminds us of the terrors of communism, socialism, and fascism, and the penalty our people will pay if we allow ourselves to fall victim to these ideologies.

He is telling us that if we do not regain confidence in democracy and rededicate ourselves to our own democratic principles, we can lose the freedoms we cherish.

I feel that Mr. Solzhenitsyn can spark our pride and conviction in the greatness of our democratic, free enterprise system. I feel he can warn us about atrocities and personal restrictions which can be so easily imposed but about which we know nothing firsthand.

GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, our country was founded on strong principles of liberty and concern for the rights of the individual. Our Constitution serves as the foundation for the preservation of these rights and the framework for assuring these rights to all Americans. In the same way, many of the treaties and international agreements which our country signs seek to further insure these basic human rights to all peoples.

From past history and documentation, it seems clear that for many years the United States was a leader in this effort. In fact, the United States was the prime mover behind the drafting of the Universal Declaration on Human Rights following World War II, as well as the specific human rights treaties designed to implement the high principles of the declaration. This is particularly true in the case of the Genocide Convention, the first of these human rights treaties. Its aim is simple: to guarantee all racial, religious, ethnic and cultural groups the right to live without fear of extermination. What could be more basic to our concepts of freedom and liberty?

Yet for some reason our dedication has faltered in recent years. This makes absolutely no sense. The United States should stand second to none in this vital area. The American people as well as those of other nations will hail our ratification of this convention as a concrete example of our rededication to human rights.

With such thoughts in mind, I urge the U.S. Senate to ratify the Genocide Convention without further delay.

THE RAMIFICATIONS OF NUCLEAR TECHNOLOGY PROLIFERATION

Mr. ABOUREZK. Mr. President, in a recent publication of the American Enterprise Institute for Public Policy Research, Robert Pranger and Dale Tahtinen have dramatically presented the possibilities of nuclear war in the Middle East. The authors have successfully documented: First, the extremely high probability that Israel possesses a number of nuclear warheads; second, the existence of weapons systems in the Middle East capable of delivering these warheads—including F–4 Phantom fighter/bombers. Furthermore, the Israeli Government has requested our Defense Department for delivery of the LTV Aerospace Lance surface-to-surface missile which was specifically designed to carry nuclear warheads, and the F–14 fighter/bomber which is also capable of delivering nuclear warheads. Third, the authors have presented a number of scenarios in which nuclear warheads might be used in a future Arab-Israeli conflict, and fourth, some proposals for American responses should either the Arabs or the Israelis use nuclear weapons in a future war.

What makes Messrs. Pranger and Tahtinen's warnings and opinions worth heeding is Secretary of Defense James Schlesinger's failure to respond to the question of whether or not the American nuclear umbrella extended to Israel—interviews on "Issues and Answers," ABC–TV, July 6, 1975—the Congress and the American people have a right to know if the American Government has contingency plans to use American nuclear warheads to defend Israel.

Messrs. Pranger and Tahtinen also conclude that just as the French licensing of the nuclear reactor at Dimona, Israel has led to Israeli acquisition of nuclear warheads and Canadian licensing of a nuclear reactor in India has produced a similar result, it is highly likely that nuclear warhead proliferation will ride the wave of the export of American nuclear reactors. Furthermore, the American export of weapons systems capable of delivering nuclear warheads, such as the F–14 and the Lance battlefield missile, increases the possibility that nuclear warheads will actually be used.

To emphasize the urgency of Congress putting a halt to the export of American nuclear reactors, technology and warhead delivery systems, I ask unanimous consent excerpts from the Pranger/Tahtinen study be printed in the RECORD as a case-study of what the proliferation of nuclear technology can lead to.

The views expressed below are those of the authors and do not necessarily reflect the views of the American Enterprise Institute.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

Excerpts From the Granger/Tahtinen Study

An examination of Table I reveals that a significant number of delivery systems available in Europe for nuclear war are also in the arsenals of the states most directly involved in the Arab-Israel conflict. Indeed, a key factor to keep in mind whenever nuclear systems are discussed is that there are certain types of weapons now in the Middle East conflict that were built *specifically as delivery systems for nuclear weapons.*

TABLE 1.—*NATO-WTO nuclear-capable delivery systems in the Middle East*

NATO

Ground-launched

Lance surface-to-surface missile [1]

WTO

Tactical aircraft

F-4 (Phanton)[2]

Sources: John W. R. Taylor, ed., *Jane's All the World's Aircraft 1974-75* (New York: Franklin Watts, Inc., 1974); R. T. Pretty and D. H. R. Archer, eds., *Jane's Weapon Systems 1972-73* (New York: McGraw-Hill, 1972); *The Military Balance 1974-75* (London: International Institute for Strategic Studies, 1974); Record, *U.S. Nuclear Weapons in Europe*, pp. 22, 24, 27, 39, 41; and Tahtinen, *The Arab-Israeli Military Balance since October 1973*, pp. 15–16.

Mystere IV–A

Ground-launched

Scud surface-to-surface missiles
Frog-7 surface-to-surface missiles
8-inch howitzer

Tactical aircraft

MiG-21 (Fishbed)
MiG-23 (Flogger)
Su-7 (Fitter)
II-28 (Beagle)
Tu-16 (Badger)

SURVIVAL SCENARIO

To begin with, we should again take note of a survival syndrome that seems constantly present in the Middle East. For Israel this is expressed as fear of another holocaust similar to that which engulfed over six million European Jews during World War II. A corollary to this fixation is the so-called "Masada complex," a state of mind in Israel that would resist national capitulation until the last defender. It is likely that both fear of the holocaust and the idea of a Masada-like resistance are still very strong in Israeli policymaking circles and public opinion, but there is also a certain amount of self-confidence, born out of victorious military campaigns, that has expressed itself in Prime Minister Rabin's defiance of the United States during

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[1] Pending delivery. A sales agreement between the United States and Israel is being held up by the current reassessment of American Middle East policy.

M–109 155-mm howitzer
M–110 8-inch howitzer

[2] Israel also has co-called "smart bombs," some varieties of which are nuclear capable and tremendously accurate. They are also highly effective in conventional modes. Yet it is most unlikely that the United States has provided any nuclear arming devices to Israel. This last consideration applies to all weapons itemized in this table: the U.S. and the U.S.S.R. have no doubt refrained from intentionally supplying the devices necessary to arm these systems for actual delivery of nuclear weapons. This technology, however, is not beyond the reach of Israel and, perhaps, some of the Arab states, and in case of emergency, the nuclear devices could be readily supplied and installed by the superpowers.

Kissinger's 1975 peace mission. While Israeli leaders have voiced objection to American policy in the past (as during the 1969–1971 period of the Rogers plans), it has not been so frankly asserted as during 1975 that Israel would carry out an "information struggle" regarding American presidential policy itself.[6] Not only Rabin's long tenure in America as Israel's ambassador but his *sabra* (native-born Israeli) background seem to make him less anxious about the holocaust. He knows Israel is stronger militarily than the Arabs, and as chief of staff during the 1967 war he played a major part in his country's most significant victory against its enemies.

From a security standjoint, however, the Six-Day War was in certain respects a poor bargain for Israel. The areas occupied in 1967 became a major focus for Arab anxieties about their own security. What residual holocaust fixation remained in Israel was thus mixed with new Arab fears for their own survival. This explosive mixture reached its most volatile state with the arrival of the first American F-4s in Israel during 1969 and Israel's subsequent deep-penetration raids into Egypt in 1970 with these Phantoms. October 1973 represented the almost inevitable Arab effort to gain some measure of military self-assurance for themselves, even though they were not victorious in any strict sense.[7]

Under present circumstances it is doubtful that survival anxieties are playing the kind of role in the Arab-Israeli conflict that they did until recently. Nonetheless, a new war in the Middle East would probably be interpreted by both sides as something of a final test—like two boxers struggling near the fifteenth round with a feeling that up to this point the match had been a draw. New peace initiatives after a fifth war would be slow in materializing. Israel might well annex the areas occupied in 1967. And the Arabs, sensing this, might become desperate. Fear for survival could then mount rapidly, among the Arabs because of possible Israeli annexation, and among the Israelis because they may think their enemies have given up hope of recovering their lost lands peacefully.

A new Arab-Israeli war, therefore, would be extremely dangerous in terms of the kinds of security anxieties it would release in the Middle East (to say nothing of outside anxiety over, among other things, another oil boycott). Under such circumstances, extreme measures involving nuclear or other unconventional weapons might be used in defense of real or imagined threats to national survival. Almost by definition the fifth Arab-Israeli war would be a sign of extreme bankruptcy on the part of the superpowers and international peacekeeping generally. And it is doubtful that regional combatants would listen to internal or external voices of restraint.

In a sense, nuclear war could erupt at any time in a fifth round of fighting between Israel and the Arab states because the enemy would be *figuratively*, if not literally, at the capital gates. Indeed, it would not take long before capital cities and other major population centers in the Middle East would be threatened with destruction, including those in Israel proper. At what point survival might become an issue, thus bringing the survival scenario into play, is anyone's guess, except for those in very high policy-making circles. Here, imagination might prove even stronger than reality; or better put, reality would merge with fantasy.

INTERDICTION SCENARIO

It should be recalled that certain tactical nuclear weapons in Europe can be used either to destroy large numbers of an enemy's approaching forces on the frontline or to strike behind lines against rail points, airfields, and so on. Whether used in shorter- or longer-range modes, however, such unconventional arms are designed to slow down or stop a superior conventional attack. Such an attack might come as a surprise or involve a powerful offensive (or counter-offensive) breakthrough, against which retreating forces would have to use some kind of extremely powerful interdiction to turn the tide or at least moderate it.

Middle Eastern wars have seen both surprise attacks and sudden breakthroughs. With the short distances involved and an expected increase in the numbers of tanks and other equipment likely to be used in a new round of fighting,[8] it may prove necessary for either side to mount an effective interdiction campaign. While one can imagine using conventional means for this, one lesson of the October 1973 War is especially important for the next war, should it occur: equipment and personnel losses were rapid and high, and in a war involving the use of more of everything, attrition should be worse.[9] Even if the superpowers could (or would) mount equipment airlifts on the 1973 scale, this would hardly replenish forces that are larger than they were then.[10] And some doubt may be expressed that even a 1973-style resupply effort would materialize. Whatever the size of an outside assistance effort, attrition would be more rapid than in 1973, given the likelihood that even better sophisticated weaponry is now deployed.[11]

Under these conditions, unconventional options might quickly become attractive if war should erupt again. Given the presence of various kinds of equipment with devices for protection against CBR attack, both sides must expect CBR warfare to be within the capabilities of their enemies. Perhaps the Arabs and Israelis are only imagining things, expecting as usual the worst possible behavior from their opponents. But this expectation would only drive each all the harder to develop its own unconventional options against the possibility that the other might take the initiative. Hence, it is somewhat meaningless to pledge that one's own nation will not be the first to use nuclear weapons (both Rabin and Sadat have so vowed), since all such promises, even if serious in the first place, would evaporate in desperate circumstances. The dictum of Clausewitz, quoted earlier, bears repeating: "In war more than anywhere else in the world, things happen differently to what we had expected, and look differently when near, to what they did at a distance."[12] Neither Egyptians nor Israelis have promised, in any case, *not* to develop unconventional options, whatever their good intentions "at a distance."

One military breakthrough occurred during the October 1973 War that, if the U.S. and the U.S.S.R. had not intervened, might have led Egypt to at least consider more desperate measures if the counter-offensive had continued. This was the Israeli crossing of the Suez Canal in a move to take Suez city. This move would not only have gained Israel more occupied territory, it would have sealed the fate of Egypt's Third Army on the Canal's east bank. Militarily and politically, Egypt could never have accepted these developments. Israeli leaders have subsequently said that American and Russian intervention "saved" Egypt's force in the newly gained narrow Sinai beachhead, and Sadat has stated that he would simply have cut Israel's invading force to ribbons with other conventional forces if he had no other choice.[13] What really would have happened is open to conjecture, but as noted earlier, American military experts were amazed at how much Egyptian equipment had sophisticated CBR protective devices, and one can imagine how Israel's competent forces were outfitted.

In fact, one can say that all of the past four Arab-Israeli wars have shown some form of surprise attack and/or breakthrough which proved decisive to their outcomes. Another round of fighting would no doubt bring other tactical shocks of enormous significance. But this time there may be more desperation in the air, thus providing ground for exaggerated responses to enemy moves that may or may not be purely tactical but could be interpreted in this environment as strategically threatening.

PREEMPTION SCENARIO

A preemptive move by Israel or the Arab states—what is now called by some "preventive war"—would likely occur when intelligence indicates that an opponent may well strike first, leaving little chance for repulsing the enemy by conventional means. This feeling of inferiority could dictate a preemptive move to prevent such an attack or weaken it. A feeling of inferiority could result for one of two reasons: (1) fear that one is ill-equipped to stand and fight in the first place, or (2) the fear that one is under-supplied for a long war once started.[14]

Preemption was used brilliantly by Israel's air force in the Six-Day War, in the context of a pervasive holocaust syndrome among Israel's policy-making elite on the eve of that conflict.[15] Controversy raged in Israel after the October 1973 War over why its leadership was surprised by Egypt and Syria, apparently on the assumption that with advance warning Israeli defense forces could have struck first.[16] There is little doubt that the Arab states would do likewise if they expected a surprise Israeli attack, although to date this has not been a preferred Arab strategy.[17]

In a sense, of couse, all preemptive or preventive war is a form of surprise attack. Sympathetic analysts of Israel's foreign policy have taken pains to demonstrate that Nasser's closing of the Straits of Tiran in 1967 and his successful effort to remove the United Nations Expeditionary Force from the Sinai were, in essence, acts of war, so that Israel's devastating preemption against Egypt's air force was retaliation, not surprise attack.[18] The effects of a preemptive strike, however, are the same as a surprise attack and will be so treated by the country attacked; both are designed to catch an enemy "by surprise." This might lead to the conclusion that since this will be the final round of fighting and one is already losing after the first shots, one had better take drastic interdictive action against the preemptor. Of course, the preemptor will probably calculate in advance that the attack will be greeted in this way, and so it will be important that the preemptive attack be so surprising and devastating that no retaliation can be mounted. Any preemptive strike against airfields in today's Middle East with the purpose of producing the same complete effect achieved by Israel against Egypt's air force in the 1967 war, would require enormous explosive power to destroy the kind of sheltering that now protects aircraft on the ground, even if one's attack plan could solve the wide-dispersal, quick-alert, and antiaircraft protection afforded today's Middle East air forces. Using nuclear weapons preemptively, out of fear that one's opponent will attack first and one will somehow be left inferior or that one's enemy might retaliate with his own unconventional means would, for all practical purposes, constitute engaging in a surprise atomic attack.[19]

Any preemptive use of nuclear weapons would not only bring world condemnation but probably retaliation of some sort from one or both superpowers. If Israel were to stage a preemptive strike against the Arabs, the Soviet Union might take drastic action against Israel, with the United States (depending on the nature of the Soviet retaliation) moving in turn against the U.S.S.R. If the Arab states were similarly to attack Israel, the United States might take retaliatory steps, leading to a Russian reaction of some kind.

Footnotes at end of article.

Preemptive attack with nuclear weapons would surely be the most dangerous use of unconventional arms in the Middle East, with grave repercussions for both the region and the world. Unfortunately out-and-out surprise and preemption are favored modes of warfare in the interminable struggle between the Arabs and the Israelis.

FOOTNOTES

[6] See Prime Minister Yitzak Rabin: "If we take, for example, the majority of the U.S. public, I believe it will accept and understand Israel's position. Within the administration there are some officials who very much wanted an agreement, whether for Middle Eastern reasons or perhaps for reasons of the situation of the United States in other spheres and areas. . . . I do not think that in the information struggle we are at a disadvantage." Quoted in FBIS-MEA-75-65, 3 April 1975, p. N 4, interview with IDF radio panel, 2 April 1975. See also Rabin on the "two principal levels" of Israel's effort in the U.S.: (1) "a detailed and full-fledged information campaign aimed at the entire American public"; and (2) "the political one . . . to principal personalities of the administration both in the executive and legislative branches." At the second level, "the confrontation is over the content of the relations between the two countries, over the positions of the administration in every sphere, and here we have to demonstrate a firm stand in our position." Quoted in FBIS-MEA-75-77, 21 April 1975, p. N 1, interview with Dov Goldstein of *Ma'ariv*, no date.

[7] A provocative analysis of the October War from an Arab perspective, is found in Ghassan Tueni, "After October: Military Conflict and Political Changes in the Middle East, *Journal of Palestine Studies*, vol. 3, no. 4 (Summer 1974), pp. 114–130.

[8] On the point of a more extensive war (though not necessarily tactics) in the next round, both Egyptian and Israeli chiefs of Staff Lieutenant General Muhammad Ali Fahmi, 22 February 1975, as reported in FBIS-MEA-75-37, 24 February 1975, p. D 1; and interview with Israeli Defense Forces Chief of Staff Lieutenant General Mordechai Gur, 11 April 1975, as reported in FBIS-MEA-75-75, 17 April 1975, p. N 4. Also, Martin Van Creveld observes: "It is a safe guess that the [Israeli] artillery expansion since the [October] war, both quantitatively and qualitatively, dwarfs whatever has been done in other fields. It would seem that the IDF expects its artillery to be able to deal with the hordes of Arab infantrymen that posed such a deadly threat in the October War. To this end, the greatest emphasis is put on cooperation between armour, motorized and mechanized infantry, and artillery." "Arms and the Men," *Jerusalem Post*, 18 March 1975.

The foregoing opinions must be placed alongside a more optimistic assessment of the October 1973 War by two western analysts: "Possibly, this part of the Middle East has come to learn, with modern conventional weapons, the same lesson about *de facto* military parity creating stability that Europe once learned with nuclear weapons." Elizabeth Monroe and A. H. Farrar-Hockley, "The Arab-Israel War, October 1973 Background and Events," *Adelphi Papers* no. 111 (London: The International Institute for Strategic Studies, 1975), p. 35.

[9] See Ibid., pp. 32–35. Monroe and Farrar-Hockley think the tremendous loss of expensive offensive equipment to relatively inexpensive defensive arms may herald an era of defensive war in the Middle East at lower monetary costs—the era of the missile taking the place of airplanes and tanks. General Gur, in the interview cited in footnote 8 above, would take issue: "If in the last war some 2,000 tanks clashed in the Golan Heights, the number could be greater in the [next] war. . . . I envisage that the general outline of the war will be very similar."

[10] Tahtinen, *The Arab-Israeli Military Balance since October 1973*, p. 2.

[11] See statement of General Fahmi, cited in footnote 8 above: ". . . there has naturally been an advancement in the quality of arms and the methods of fighting [since October 1973]."

[12] See footnote 7, Chapter 2, above.

[13] Monroe and Farrar-Hockley tend to agree with Egyptian viewpoint, "The Arab-Israel War, October 1973 Background and Events," p. 30; Israeli experts, however, cite the 19 October 1973 speech by as-Sadat where he said, "I cabled President al-Asad [of Syria] to inform him that I did not want to bear the historical responsibility for the destruction of the people of Egypt and the liquidation of its armed forces. I therefore agreed to a cease-fire." For example, see *Der Spiegel* interview with Israeli Defense Minster Shim'on Peres in German, 26 May 1975, as reported in FBIS-MEA-75-105, 30 May 1975, p. N7.

[14] Prime Minister Rabin has said that he thinks the question of Israel using preventive war is hypothetical, because he is confident the required military assistance will continue for Israel. This was in response to an interview query about the linkage between preventive war and not receiving enough arms aid: "You said recently that if Israel has the arms it requires it will not need to initiate a preventive war." Interview with Dov Goldstein, quoted in FBIS-MEA-75-77, 21 April 1975, p. N 4.

[15] See Brecher, *Decision in Israel's Foreign Policy*, regarding Israeli psychology on the eve of the Six-Day War, pp. 333–335, 342–343. 343.

[16] See Terence Smith, "Israeli Study of '73 War Cites Command Failures," *New York Times*, 31 January 1975 (the so-called Agranat Commission 1,512-page final report submitted to the Government of Israel on 30 January 1975).

[17] Answering a question about Israel launching a preventive war (posed by Eric Rouleau and Jean-Paul Peroncel-Hugroz in a *Le Monde* interview of 20 January 1975), President Sadat said: "Yes, I am sure of [Israel's intention to launch a preventive war], because the leaders of the Jewish state are hoping thereby to resolve their formidable problems while satisfying the army, which is trying to secure a decisive victory capable of restoring to it the prestige it lost during the last armed conflict. Israeli soldiers did not draw any lesson from the ordeal they suffered. Nevertheless, they ought to be on their guard: *We are as capable as they of resorting to a preventive war if we deem it vital for our defense.*" Quoted in FBIS-MEA-75-16, 23 January 1975, p. D 5, emphasis added.

[18] See Brecher, *Decisions in Israel's Foreign Policy*, Chapter 7.

[19] Use of precision guided munitions (PGM) might provide more accurate conventional explosive power. So-called "smart bombs" may improve conventional capabilities, without necessarily being sufficient to destroy, on the ground, the much larger numbers of aircraft in the Middle East today. More to the point, certain PGM can be used in nuclear modes (see Table 1 above).

WHAT SHOULD BE THE AMERICAN RESPONSE TO NUCLEAR WAR IN THE MIDDLE EAST?: A FOUR-PART PLAN

Clearly, nuclear war in the Middle East poses a grave threat to the stability and peace of the world. It is only prudent, therefore, that the United States consider in advance its overall posture toward this issue. If such a war should actually occur, it is likely that the nuclear code separating the superpowers and all humankind from a terrible holocaust would itself fall victim. The superpowers may have to consider steps, therefore, to forestall the acceptability of atomic war among medium powers.

Any planned American response to atomic or any other form of unconventional war in the Middle East should take account of all four aspects of the problem previously discussed. First, attention should be paid to third-party use of these means of warfare within the context of the Soviet-American nuclear equilibrium and excluding alliance partners. Are the provisions for such usage adequate to prevent outbreak of unconventional hostilities among medium powers and, if not, is the nuclear code of good conduct between Moscow and Washington strong enough to withstand corrosive forces once medium powers use nuclear weapons?

Second, the matter of technological capability to build nuclear weaponry should be examined. Within existing safeguards, are there ways of rationing this technology? If, at specific levels of national development, scientific and engineering information spreads relentlessly, avoiding efforts to curb it, should the United States encourage this form of cultural exchange? Can progress in the development of nuclear weapons be slowed down, if not stopped entirely?

Third, what attitude should the nuclear superpowers take toward the supply of nuclear-capable military equipment to their respective clients in the Middle East? Within its current security assistance programs, does the United States have the means to tightly control the flow of such delivery systems to medium powers? Should controls be tightened, and, if so, how? What about the feasibility of unilateral and bilateral arms control measures undertaken by the U.S. and the U.S.S.R.?

Fourth, if in spite of every effort at preventing nuclear war in the Middle East it should nonetheless occur, what might be the American response? What kind of contingency planning is necessary for this possibility? Should there be cooperation with the Soviet Union to contain unconventional hostilities within a strictly localized setting? How could such war be stopped once started? What kind of peace-keeping machinery would be necessary in the wake of nuclear war? Should United Nations forces be properly equipped for such circumstances, or is such peacekeeping a job for the superpowers?

The four areas of (1) strategic provision for third-party nuclear war, (2) control of technology, (3) security assistance and arms control and (4) contingency planning for unconventional warfare, provide some framework for a possible plan for an American response to nuclear war in the Middle East. We will conclude by separately examining each of these elements in the plan.

STRATEGIC PROVISION FOR THIRD PARTY NUCLEAR WAR

The chief danger posed for American interests by nuclear war in the Middle East is the possible erosion and rupture in the U.S.-U.S.S.R. nuclear equilibrium. With this damage to a fragile set of conventions that at once unites and yet separates the awesome strategic forces of the United States and the Soviet Union would come a greater probability of nuclear war between the superpowers.

Within the context of this informal yet highly exacting code of mutual deterrence, the chief governing agreement on third-party nuclear use is the Agreement between the United States of America and the Union of Soviet Socialist Republics on the Prevention of Nuclear War signed by President Nixon and General Secretary Brezhnev on 22 June 1973. Possibly applicable to nuclear war in the Middle East is the following provision in Article IV of the agreement:

"If relations between countries not parties to this Agreement appear to involve the risk of nuclear war between the United States of America and the Union of Soviet Socialist Republics or between either Party and other countries, the United States and the Soviet Union, acting in accordance with the provisions of this Agreement, shall immediately enter into urgent consultations with each other and make every effort to avert this risk."[1]

What the two superpowers are pledged to do is to meld third-party usage into the crisis-management machinery established between Moscow and Washington to avert nuclear war with each other. In a sense, however, this may be too generous an interpretation. When asked about obligations under Article IV (at a news conference on 22 June 1973), Secretary of State Kissinger specifically ruled out an American role as an arbiter between the Russians and the Chinese:

"What Article IV provides is that if either of the countries contemplates nuclear war with any other country, or of course with the other nuclear country, it has an obligation to consult the other signatory with the purpose of avoiding the situation that would produce such a war.[2]"

Apparently, third-party use of nuclear weapons which may eventually bring the U.S. and the U.S.S.R. into their own atomic war is not covered by the above interpretation. Indeed, when asked about whether Articles IV and VI obliged the United States to press Israel to sign the NPT, Kissinger responded by refusing to speculate about—

"The implications of the agreement on the actions of other countries with respect to existing multilateral agreements. . . . We could not assume that this agreement imposes on the United States a particular additional obligation with respect to treaties whose obligations are already clear.[3]"

In essence, then, third-party use of nuclear weapons in the Middle East is poorly covered or not covered at all under the 1973 Nixon-Brezhnev agreement. In light of the Atherton idea of "flexibility" in the American position on the NPT with regard to supplying nuclear materials in the Middle East, however, it is not even clear that the United States really covers the Middle East under the rudimentary "obligations" of a multilateral treaty (see Chapter 2). It is doubtful, therefore, that any clear American or Soviet understandings exist, publicly at least, on how to behave in bilateral or multilateral terms, should atomic weapons be used in the Middle East.

The serious deficiency of inadequate coverage of third-party use in the nuclear equilibrium between the United States and the Soviet Union should be remedied by some emendation of the 1973 agreement or creation of some new understanding that would clarify the roles of the two superpowers toward a conflict where nuclear weapons were used by medium powers with potentially serious consequences for relations between Moscow and Washington, but where, in the war's early phases, neither superpower was directly involved. In turn, the extension of the nuclear umbrellas of the U.S. and the U.S.S.R. over medium powers wtih their own nuclear weapons potential should be carefully considered and generally avoided, except for alliance partners already integrated into the strategic balance.

CONTROL OF TECHNOLOGY

The discussion of laser isotope-enrichment of uranium in Chapter 2 demonstrates the difficulty of rationing the export of technology among nations with comparable scientific development. Similarly, the building of nuclear weapons is a technology available to scientifically advanced groups worldwide. Having granted in principle the transfer of technology among cultures of roughly similar scientific expertise, however, one need not extend the same parity in practice. Nuclear technology is notoriously expensive, so that nations with highly trained human resources but low gross national products are not likely to be investing in major atomic weapons programs without significant outside assistance. Hence, Canada found itself being misled by India's "peaceful" applications of atomic energy, or so the Canadians alleged after India exploded its first nuclear device in 1974. Most Middle Eastern countries, including all the parties directly involved in the Arab-Israeli conflict have annual incomes already over-committed to national defense for conventional arms. Of course, since there are few public facts about the structure of defense budgets in the Middle East, it is impossible to determine from open sources just how military funds are allocated and spent. No doubt any expenditures on nuclear weapons would be highly classified. Nevertheless, one can assume with some assurance that a sound nuclear weapons program for any Middle Eastern state will demand a good deal of outside assistance, ranging from the many exchange visits between citizens of superpowers and citizens of client states to the numerous subventions for defense that go under the heading of economic and military assistance programs.

In principle, then, technology will spread through cultures of relatively comparable scientific standing, but in practice the capabilities of such cultures for turning something like nuclear competence into an atomic arsenal are limited. As noted earlier, very few nations or groups would be hard-pressed to put crude fission bombs in some sort of homemade delivery system, but the distance from this essentially terrorist activity to sophisticated military competence is a long one.

The superpowers should reevaluate and constantly assess those exchange programs which might contribute to giving "free" nuclear weapons technology where otherwise it would be quite expensive. In addition, their security assistance programs should be examined from the standpoint of what areas of a national defense budget are being contributed to. In this connection, the United States and the Soviet Union should have a clear, detailed picture of the military budgets of their clients in the Middle East. Finally, the supply of nuclear materials and equipment should be carefully monitored under existing multilateral agreements, with little or no room for "flexibility" in applying NPT standards to the Middle East.

The Economist has, perhaps, put the matter in its clearest perspective:

"No legalistic quibbling should be allowed to obscure the fact that parties to the treaty are pledged to supply no nuclear materials or equipment to countries that have not accepted full NPT safeguards on all their nuclear activities. This pledge has been flouted—and negotiations now in progress suggest an intention to go on flouting it. Prominent among the offending suppliers have been Canada and the United States, which are parties to the NPT, and France, which is not a party but has formally promised to act as if it were one. Prominent among the current or prospective beneficiaries are Egypt, India, Iran, Israel, Japan and South Africa. The deals made between these partners are all, of course, said to be of a tremendously peaceful nature—and, of course, they all swell the flood of plutonium.[4]"

SECURITY ASSISTANCE AND ARMS CONTROL

The magnitude of attempting reappraisal and control of sophisticated delivery systems capable of carrying nuclear weapons is perhaps best illustrated by a note in *Aviation Week & Space Technology* of 28 April 1975 to the effect that—

"Israel is attempting to generate domestic political pressure in the U.S. to break the Ford Administration's hold on the sale of McDonnell Douglas F–15 fighters and LTV Aerospace Corp. Lance battlefield missiles. Congressional pressure both from Jewish ethnic groups and the aerospace industry is being sought. *Israeli officials last week pressed McDonnell Douglas to enlist its Washington lobby to obtain release of the F–15s but were refused by the company. . . .* Israelis believe that objections from the State and Defense departments to providing F–15s and Lances can be overruled in Congress.[5]"

Realistically, most security assistance decisions on the Middle East are a matter of timing rather than categorical refusal. The most famous "reappraisal of American arms policy toward the region—prior to the one now being undertaken by the Ford administration—occurred in early 1970 when the United States was trying to couple Israel's request for more A–4s and F–4s to the peace initiatives spearheaded by Secretary of State William P. Rogers.[6] The timing approach does not rule out a total embargo or even a partial one, but it is likely that any such steps would be considered too drastic by one superpower if the other did not follow suit. Under highly unusual circumstances, however, where one or another Middle Eastern state might deliberately thwart the cause of peace for its own aggrandizement, and to the detriment of one or the other of the nuclear giants, one might imagine such a unilateral arms embargo.

This study, however, has concentrated on realistic possibilities, and the unilateral embargo option, while feasible, is extreme for a number of reasons including the political one alluded to in the article quoted above. With reference to nuclear delivery systems, most security assistance policies will fall somewhere between promiscuity and continence. And it will be likely that any long-term controls on the supply of such systems will be better sustained as bilateral agreements between Moscow and Washington rather than as one-sided gestures.

Elsewhere, one of the authors of this study has recommended a scheme for arms control in the Middle East that incorporates both unilateral and bilateral measures by the United States and the Soviet Union.[7] In another publication, the co-authors have dealt with methods for understanding, strengthening, and limiting military assistance programs.[8] Drawing from these previous studies, the following recommendations for controlling the flow of nuclear delivery systems into the Middle East are made.

The United States can tighten its control procedures by regularizing high-level review, including presidential decision making, of all major items that might contribute to nuclear capable military equipment in the Middle East. This review would encompass artillery as well as surface-to-surface missiles, aircraft, and maritime systems (see Chapter 3). In addition, on a unilateral basis, the intelligence community should be assigned to monitor all such equipment now in the Middle East, even that which appears entirely devoted to conventional use.

As a bilateral measure with the Soviet Union, the United States should propose an agreement of finite duration that would prohibit introduction into the Middle East of any launch vehicle that has not been totally stripped of special devices for use with nuclear ordnance. In addition, both superpowers should watch closely technological exchanges (including technical manuals and briefings) that might yield valuable information on how to construct nuclear arming devices for certain systems. Ordinance, such as "smart bombs" that could be converted to tactical nuclear use, should also be carefully controlled through bilateral agreements.[9]

CONTINGENCY PLANNING FOR UNCONVENTIONAL WARFARE

We noted at the end of the preceding chapter that a nuclear scenario involving preemptive or preventive war would cause special strains on the U.S.–U.S.S.R. nuclear equilibrium. The other scenarios discussed above would also generate tremors between Mos-

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Footnotes at end of article.

cow and Washington. While a formal agreement, such as an amended Article IV in the 1973 Nixon-Brezhnev agreement on preventing nuclear war, would be highly desirable, there is probably no substitute for contigency planning by the superpowers for dealing with atomic war in the Middle East.

What should the United States do? From the standpoint of advance planning, there are probably two forms of appropriate American action, each related to a particular set of circumstances. At the outset of any nuclear war in the Middle East, the superpowers should work to contain the area of such fighting to the most restricted scope possible. This is another way of saying that a set of contingencies should involve isolating the combatants so that the effects of their warfare do not spread to wider regional populations and to the Soviet-American nuclear equilibrium.

A second group of contingencies has to do with stopping a nuclear war once it has started. While containing a Middle East nuclear war would involve United States and Soviet forces on the periphery in high alert status and yet in continuous contact with each other, ending such a war would require these same powers—separately, together, under the United Nations, or in some combination of these possibilities—to intervene, end the fighting, and move the parties back to prewar positions. A special kind of peacekeeping force will have to enter the picture, one equipped to handle defenses against tactical nuclear war and to administer medical and other programs in radioactive environments. It is likely that only American and Russian forces are equipped for this in any depth, which raises the issue of unilateral or bilateral peacekeeping units rather than the usual U.N. contingents, which do not include superpower units.[10] For contingency planning, therefore, the following steps are recommended.

The United States should prepare unilaterally and in consultation with the Soviet Union for possible nuclear war in the Middle East, the consultation being on an informal, low-key basis. Included in such preparation should be contingency planning for severely isolating the zone of atomic warfare and for terminating unconventional hostilities at the earliest possible date. Conflict termination would require full-scale preparation of an American peacekeeping force, perhaps in cooperation with a Russian one, capable of dealing with all aspects of an environment ravaged by nuclear weapons. Such destruction may be limited and involve but a few casualties, or it may cover an extensive area with many persons affected. Given the short distances in the Middle East, there is every likelihood that nuclear war, even if confined to the "battlefield," would quickly encompass large population centers and numerous noncombatants. Without the suggested contingency planning, however, nuclear war in the Middle East could well spread to world atomic war, a wildfire whose only containment would come when it devoured itself.

FOOTNOTES

[1] U.S. Department of State, *Department of State Bulletin*, vol. 69, no. 1778, 23 July 1973, pp. 160–161. Specifically excluded in Article VI(c) are "the obligations undertaken by either Party towards its allies or other countries in treaties, agreements, and other documents." This is an important clause, because its effect is that "third-party usage" will not be construed to mean the use of atomic weapons by alliance partners whose nuclear forces are integrated into the superpower nuclear equilibrium. The status of Middle East countries is murky; President Kennedy apparently assured Israel during 1962–1963 of *de facto* allied status (see footnote 3, Chapter 1); and a 1971 Treaty of Friendship remains in force between Egypt and the U.S.S.R.

[2] Kissinger, ibid., p. 147

[3] Ibid., p. 146. The question was coupled with a reference to a Flora Lewis article that contended that Kissinger "had taken a study by the Rand Corporation on how Israel could attack Egypt with an atomic bomb." Kissinger denied having seen such a study.

[4] "Nuclear Flat-Earth Thinking," p. 15. Elsewhere, Jozef Goldblat, of the Stockholm International Peace Institute, makes note of the following argument: "While a case could be made for some extension of the delay for the conclusion of the IAEA safeguards agreements by the parties to the NPT, in view of their formal commitment to non-proliferation, there is no excuse for doing so with respect to nonparties. In the light of these arguments, the recent accords on U.S. nuclear supplies to Egypt and Israel, neither of them party to the NPT or to IAEA safeguards agreements applying to all peaceful nuclear activities, appear as a breach of the NPT." He concludes by stating that the "fragility of the NPT" is mainly due to the fact that the parties, "especially the nuclear-weapon parties," have not fulfilled their commitments under the treaty. "The Indian Nuclear Test and the NPT," in Anne W. Marks, ed., *NPT: Paradoxes and Problems* (Washington, D.C.: The Arms Control Association and Carnegie Endowment for International Peace, 1975), pp. 35, 39–40. Quite obviously the U.S. Department of State does not agree with the idea that supply of nuclear materials to non-NPT states in the Middle East constitutes a breach of the NPT. Also, note Thomas O'Toole, "S. Africa Gets A-Bomb Type U.S. Uranium," *Washington Post*, 14 April 1975; and David Burnham, "New Curbs Urged on U.S. Nuclear Sales Abroad," *New York Times*, 24 April 1975 (with reference to recommendations by Rep. Les Aspin, D–Wis.).

[5] In "Washington Roundup," *Aviation Week & Space Technology*, vol. 102, no. 17 (28 April 1975), p. 15. See also Bernard Gwertzman, "75 Senators Back Israel's Aid Bids," *New York Times*, 22 May 1975. The number finally became seventy-six.

[6] See Brecher, *Decisions in Israel's Foreign Policy*, Chapter 8, and Robert J. Pranger, *American Policy for Peace in the Middle East 1969–1971: Problems of Principle, Maneuver and Time* (Washington, D.C.: American Enterprise Institute, 1971), pp. 23–28.

[7] Robert J. Pranger, *Towards Arms Control in the Middle East*, Middle East Problem Paper No. 9 (Washington, D.C.: The Middle East Institute, 1974).

[8] Robert J. Pranger and Dale R. Tahtinen, *Toward a Realistic Military Assistance Program* (Washington, D.C.: American Enterprise Institute, 1974), pp. 10–28.

[9] These prohibitions might also include visits to certain American military installations, laboratories, and private production facilities by official representatives and other citizens from medium powers. While such restrictions have been most often applied to persons from Communist countries, they might also include states with nuclear weapons potential—if it is not already too late.

[10] Over the past two years there have been suggestions from the Department of Defense that the use of nuclear weapons by third powers can somehow be countered by the United States under more flexible nuclear options of its own. Implicit in this approach is the belief of American defense planners that the United States can either deter such usage or actually fight wars against nuclear powers other than the U.S.S.R. and the P.R.C. Perhaps this has to do with problems of containing and terminating conflicts between medium powers involving atomic weaponry. The idea is unclear but interesting. See Secretary of Defense James R. Schlesinger, U.S. Department of Defense, *Annual Defense Department Report FY1975* (4 March 1974), pp. 28, 38; *Annual Defense Department Report FY 1976 and FY 197T* (5 February 1975), pp. II–2.

NEW JERSEY'S ELDERLY FACE COST-OF-LIVING SQUEEZE

Mr. WILLIAMS. Mr. President, the Senate Committee on Aging is documenting the major strains caused by inflation and recession upon our social security system.

On one hand, unemployment is reducing the number of workers who make the payroll tax contribution to social security.

On the other hand, rising living costs have caused a need to raise monthly benefits, as was the case this month when an 8-percent increase reached beneficiaries.

Thus, at a time when overall payments into social security are being reduced, outgo is increasing.

There is a clear need to deal with the financing problems caused by this situation, and fortunately—at hearings on "Future Directions in Social Security"—the committee has heard proposals for action to deal with immediate and long-range funding problems.

But, even while such proposals are considered, the Congress must remain sensitive to the day-in and day-out problems faced by older persons caught in the cost-of-living squeeze.

For this reason, committee members are conducting grassroots hearings to get firsthand information on what it is like to get along on social security benefits in today's marketplace. Such hearings had already been conducted by Senator TUNNEY in California and by Senator CLARK in Iowa when, a few weeks ago, I conducted one in Newark, N.J.

Much of the testimony, I must admit, was appalling. Older persons themselves told us of senior citizens who do not know how they are going to pay their next month's rent, of widows and others who cannot afford the carfare for medical care, of desperation caused by rising utility rates and high food prices, and of illnesses which are uncared for because medicare is limited and health care costs are going up.

Many of these problems are intense in Newark, but they also exist in smaller nearby communities and in some areas generally regarded as suburban. For example, the president of the Union County Senior Citizens Council described the high cost of shelter:

> In Union Township, as a result of a revaluation, home assessments brought some sharp increases in property taxes for some elderly on fixed income. One 84-year-old widow, with Social Security benefits of $148.40, must spend another $3.00 to file a protest because her taxes went up from $551 to $900 on a home purchased back in 1926.
>
> Another widow told me she must wait until the first of the month to have her leaky faucet fixed. Her taxes have been increased by over $200. Her gas bill is costing her $5 more each month and her electric bill has doubled to $16.00. Our Senior Citizens Housing Union Township has had its electric bill doubled mostly because of fuel adjustment, putting it $16,000 in the hole and increasing the basic rent from $112 to $120.

Undoubtedly, increased social security benefits can go part of the way in meeting such problems. It is clear, for example, that the present cost-of-living adjustment mechanism for social security and for the supplemental security income program is deficient. For that reason, I have joined with the committee chairman, Senator Church, in sponsoring legislation to make such payments twice a year, instead of once a year, when living costs go up by 3 percent. In addition, I am asking the Departments of Labor and Health, Education, and Welfare to investigate the desirability of a separate cost-of-living index which more realistically reflects actual spending patterns of the elderly.

I am pleased to report that Mrs. Vera Weinlandt, a New Jersey resident and a member of the American Association of Retired Persons National Legislative Council, gave emphatic support for that bill at the hearing.

I have also introduced a bill to provide Federal assurance that an 8-percent increase in social security should not result in reduced SSI benefits or loss of Medicaid, on a retroactive basis.

But social security cannot do it all. Mayor Kenneth A. Gibson of Newark made that clear when he called for a comprehensive national approach to senior service delivery nationally as well as locally. Essex County Freeholder Director Donald M. Payne said that Essex—with the largest number of senior citizens in any New Jersey county, 143,600, or 15 percent of total population—is paying special heed to health needs of these citizens. New Jersey Public Utilities Commissioner Joel Jacobson said that soaring costs of electricity and gas make it necessary to establish a "utility stamp" program patterned after the food stamp program. Mary Johnson, president of the National Council of Senior Citizens and director of a meals-on-wheels program in Jersey City said that her program, and other meals programs, need strong congressional support through the Older Americans Act and other Federal programs meant to meet service needs of the elderly. Jack Volosin, executive director of the New Jersey Senior Citizens Association, spoke in support of my legislation for an independent Social Security Administration.

Another positive action advocated by many witnesses was the opening up of Federal employment programs to older persons, not only mainstream and senior aides, but also the Comprehensive Employment Training Act.

One woman testified that she had worked as a domestic until she was 66 years old. Her doctor told her that she could not earn even those few dollars.

Then, as the witness described it:

> Well, at that particular time, I really and truly felt that the walls were caving in on me and then I talked to this particular friend of mine, and she said to me, "Why don't you go to the North Jersey Community Union? They are hiring there."
>
> First, before going for an interview, I first prayed to almighty God to give me just a little something to do to help myself. Then I went to North Jersey Community Union and I was accepted and I thanked God. My physical condition has become very good; my arthritis has become good, which I am so grateful for.
>
> I feel now that I have something to live for. I have something to look forward to. I have a goal to reach; and I am willing to do whatever I can, whenever and wherever I am called upon. It is a privilege to me to go out and lend a hand. When I can help somebody else, then I know my life is worthwhile.

Mr. President, that elderly witness—as did so many older persons who testified at our hearing—put the issues clearly into perspective. Her work with the community union's health program had given her a new lease on life. She was helping herself perhaps even more than those she helped.

I wish that I could have the entire hearing record reprinted in the Congressional Record; it is significant and often heartwarming.

Instead, however, I will ask unanimous consent to have printed in the Record articles from the Newark Star-Ledger and the New York Times, the witness list, and my opening statement.

There being no objection, the material was ordered to be printed in the Record, as follows:

Witness List for a Hearing on "Future Directions in Social Security: Impact of the Cost-of-Living Upon Older Americans" Before the U.S. Senate Special Committee on Aging—June 30, 1975

I. Opening statement—the Honorable Harrison A. Williams, Jr.

II. The Honorable Kenneth Gibson—Mayor, City of Newark. Accompanied by: Robert Strand, Director, Newark Office of Elderly Affairs; Rev. Kelmo Porter, Executive Director, Newark "Golden Age Project".

III. James Pennestri—Director, New Jersey Division of Aging.

IV. Newark Panel of Elders: Mrs. Mary Howard, (61 Mercer Street, Apt. 5C); Mr. Virgilio Lopez, (891 Broadway); Mrs. Nellie Grier, (738 Hunterdon Street); Mr. James Vasselli, (300 Delavan Avenue).

V. Panel on Health Issues: Hon. Donald M. Payne, Member, Essex Board of Freeholders; Otto Neurath, M.D., Professor of Medicine, New Jersey College of Medicine and Dentistry; Alice Ganster, R.N., North Jersey Community Union; Mrs. Jessie Porter, (39 Fabyan Place).

VI. Dr. Sylvia Herz—State Board of Psychological Examiners.

VII. Joel Jacobson—Commissioner, New Jersey Department of Public Utilities.

VIII. Herbert Bienstock—Assistant Regional Director for Labor Statistics, N.Y.C., U.S. Department of Labor.

IX. Panel on Food Costs: Mrs. Mary Johnson, Director, Jersey City Meals on Wheels Project. Accompanied by: Mrs. Flossie Simpson, (105 Virginia Venue, Jersey City); Mrs. Jenice Rankins, Nutrition Director, City of Newark; Mrs. Amelia Garrison, (69 Lincoln Street, Newark).

X. Mrs. Vera Weinlandt—Member, National Legislative Council, American Association of Retired Persons.

XI. Hon. William Hart—Mayor of East Orange, New Jersey.

XII. Jack Volosin—Executive Director, New Jersey Council of Senior Citizens.

XIII. Panel on Employment: Ramon Iglesias, (363 Grove Street, Jersey City); Mrs. Emma Bremer, (221 Jackson Street, Hoboken); Joseph L. Weinberg, Executive Director, Jewish Vocational Service of Metropolitan New Jersey, East Orange.

XIV. Panel From Nearby Counties: Mrs. Evelyn Frank, President, Union Country Senior Citizens Council. Accompanied by: Richard Fox, Plainfield Housing Authority; Anthony Anzalone, Chairman, Committee on Transportation for Senior Citizens, Central Bergen Chapter, Red Cross; Mrs. Hattie Edwards, 717 Catherine Street; Mrs. Nancy Bear, Social Worker, Strawberry Hill Senior Citizen Center, Middlesex County, New Jersey.

Opening Statement by the Honorable Harrison A. Williams, Jr.

Our witness list is long, and time is limited. And so this statement shall be brief.

First, I'd like to say that we are in Newark this morning to hear directly from as many older persons as possible and from those who work directly with the elderly. We're looking for the kind of testimony we don't always receive in Washington, D.C.

There, this Committee has heard from experts who have discussed the Social Security system in national terms. For example, in March we heard from persons who discussed the impact of inflation and recession upon Social Security benefits. Their message was clear: Social Security is not going broke, even though the demands caused by today's high prices and a work force hit hard by unemployment are severe.

Such testimony is valuable, but it doesn't tell us what is happening to individual people.

And so, the Committee on Aging has since conducted three field hearings, two in California and one in Iowa, on the impact of the high cost-of-living upon the elderly.

The Committee has received heart-rending testimony documenting harsh facts of life facing older Americans during these troubled economic times.

The first fact is that Social Security benefits are still generally inadequate. Even with the 8 percent increase due in three days, the average benefit for a retired workers will be only $200. For a couple it will be $341. And for a widow, only $193.

That eight percent—which was opposed by the Ford Administration, by the way, on the grounds that 5 percent was enough—does not bring Social Security up to the actual overall cost-of-living increase within recent years. From October 1972 to March 1975 prices rose by about 25 percent. But the Social Security increases since October 1972, including the new eight percent, will come to only 20 percent.

But the second economic fact of life I want to mention is that the *overall* increase in the cost-of-living doesn't really measure the cost increases faced by older persons. This is so because the elderly spend proportionately more of their incomes for items which are rising in cost more extremely than the other items in the index. I'm referring to housing—and that includes utilities—transportation, health care, and food. In short, I believe that the general cost-of-living index must be replaced; and I have introduced a bill calling for a special index for arriving at Social Security and Supplemental Security Income adjustments. That same bill also calls for cost-of-living increases whenever warranted during a 6-month period, instead of having to wait for a full year, as we do now.

There is a third fact of life which I'll mention before hearing from the witnesses. And that is it does little good to raise Social Security income by a few dollars a month if they are wiped away by needless drains on that income. Let's say, for example, that a doctor who has served a community for years and years decides one day to retire. Older persons who had depended upon him may now find that they have to travel miles to get health treatment, if indeed such care is available at any distance. A taxi may be the only way to reach medical help, and a taxi may be completely out of financial reach. Or let's say that the Ford Administration were to be successful in increasing charges to the consumer under Medicare, as it proposed early this year. Here again, there would be a new drain on retirement income.

I don't think we can expect the Social

Security system to pay for all the inadequacies of our transportation systems, our health care resources, and the social services needed by so many older persons. We need positive programs, under the Older Americans Act and under other auspices, to deal with those problems. I've called upon several witnesses today to give us information on such programs, and I will also ask for details about employment opportunities in the later years. After all, many persons near or beyond age 65 want to continue working, but quite often are denied the oportunity.

Finally, I would like to say that last week I introduced a bill to provide Federal assurance that an 8 percent increase in Social Security should *not* result in reduced SSI payments or loss of Medicaid. That bill, of course, cannot be passed within the next three days. But it can be made retroactive, and I intend to push for early Congressional consideration of this pass-along bill.

And now our first witness, the Mayor of Newark, Kenneth Gibson.

[From the Newark (N.J.) Star-Ledger, July 1, 1975]

JERSEY ELDERLY CITE "BLIGHT, NEGLECT"

(By Roger Witherspoon)

New Jersey's elderly are faced with rising costs, dwindling financial reserves, lack of government support and a pervasive fear that they are unwanted, witnesses told a U.S. Senate committee yesterday.

Government and labor officials and scores of senior citizens also told the special U.S. Senate Committee on Aging yesterday in Newark that existing federal and state income programs are inadequate to meet the needs of the elderly, particularly in the north Jersey-New York area.

"The needs of our elderly population are far greater than any other group in this country," Newark Mayor Kenneth Gibson testified. "Aged residents of urban areas suffer the worst of blight and neglect.

"While discussions, conventions and special news features focus and refocus on the despair of the American elderly poor, remedies too often revert to mere rhetoric."

The situation was put even more graphically by Mrs. Nellie Grier of Newark, director of the Friendly Fuld Golden Age Center in the city, who declared:

"High prices have hurt the seniors so much that all they have left is a few pennies to bury themselves. Many of them just don't have any money left at all.

"Old people live in places in this city where the rooms are so small you've got to go in forward and back out.

"And many of us are alone. The elderly do not need to live altogether alone. It's not right. And the elderly are hungry. They need food but can not buy any.

"The elderly need transportation. The transportation here is so bad. I want you to see an 85-year-old man struggling to push a food cart up the hill.

"We are completely shut in. We are completely cut off. The government owes the elderly a lot more than they are giving."

The hearing, in the Newark City Council chambers, was conducted by Sen. Harrison A. Williams Jr. (D–N.J.) as part of an extensive committee project to determine the effectiveness of the existing Social Security and Supplemental Security Income programs.

The committee has been holding hearings around the country, Williams said, "to find on a personal level what the rising cost of living has meant to the elderly living under these programs." Another hearing will be held in Toms River in September.

Mrs. Mary Howard, 75, of Newark, who is blind in one eye and confined to a wheelchair, said the programs conducted by the Golden Age Center and similar institutions "are so great for us senior citizens, for there is no other way for us to get around."

"They pick us up, take us on shopping trips, take us to doctors, talk to us, feed us," she said. "It is a wonderful thing, and you can't let it die."

Not all of those who testified were elderly. Dr. Syvia Herz, a psychologist and sociologist from South Orange and a member of the advisory council to the Essex County Senior Citizens Commission, said there is a need for a "reordering of priorities" so that the elderly get the attention they deserve.

"According to the dictionary," she said, "senior means superior, higher, more advanced in rank of office—and that's what our senior citizens are.

"They are senior in experience, knowledge and wisdom and can and are making a great contribution to our society. Our sick society has made castaways of our elders, and they have to beg to get a meal to eat, to get money for health services and day care centers and are a disenfranchised group placed in a subservient position by our youth-oriented culture.

"It was the senior citizens who built these United States of America and they who produced the lawyers, the doctors, the constructors and builders of this great nation.

"At age 65 and older, senior citizens are very productive and should not be automatically retired."

Joel Jackobson, a member of the Public Utilities Commission, urged Williams to sponsor legislation "to ease the burden of the senior citizens and others on low fixed incomes who find the current necessary and reqquired utility rates too burdensome to assume."

Jacobson said "energy stamps" should be provided to be used in paying soaring utility rates, since the PUC lacks the authority to discriminate in its rates and charge more to those who can best afford to pay.

Williams said at the end of the session that the outreach type of program "is working miracles for the people they reach."

"The problem is they do not reach enough," he said. "We need to expand this type of service to meet the needs of all the senior citizens."

[From the New York Times, July 1, 1975]

WILLIAMS LISTENS TO PLEAS BY AGED—GREATER FEDERAL AID SOUGHT FOR THOSE BEING SQUEEZED BY RISING LIVING COSTS

(By Walter H. Waggoner)

Newark, June 30.—United States Senator Harrison A. Williams Jr., ranking member of a special Senate committee on the aging, heard officeholders and the elderly plead today for greater Federal assistance to those squeezed between fixed incomes of pensions and Social Security and the rising cost of living.

Nellie Grier, a 75-year-old widow from Newark's predominantly black Central Ward and director of a neighborhood group for the elderly, told a cheering audience of about 200 in Newark's City Council Chamber that "senior citizens are very, very important."

Praised by Senator Williams, Democrat of New Jersey the only member of the committee present, for her "sharp" presentation, Mrs. Grier described the privations that the elderly poor suffer in living conditions and transportation, and she added:

"Many of them are able to hold decent jobs, but they are shut out from these jobs only because of their age."

"PATCHWORK OF COMPROMISE"

A few minutes earlier, Newark's Mayor, Kenneth A. Gibson, called for a program to "reform, restructure and reorganize the dominant and necessary Federal efforts to provide services to senior citizens."

"Most of the present Federal programs, commendable as they are," he said, "are a patchwork of compromise and accommodation. They do not reflect well-rounded comprehensive efforts in which immediate and future needs are represented in a balanced program."

Senator Williams's meeting in Newark, where unemployment is high and its elderly residents are a severe drain on the city's limited resources, occurred on the same day that the full Senate Committee on Aging issued a 393-page report critical of the Ford Administration's program for dealing with the problems of the poor and elderly.

"PERSISTENT EFFORT" SEEN

In a preface to the report, the committee's chairman, Frank Church, Democrat of Idaho, accused the Ford Administration of carrying out a "strategy for cutbacks" in programs for the aging, and he declared:

"The elderly are faced by . . . a determined and persistent effort by the present Administration to cut back on programs essential for the well-being of our senior population."

In the opening statement at the hearing today, which, has followed two others, in California and in Iowa, Senator Williams said the committee was seeking "the kind of testimony we don't always receive in Washington, D.C."

The New Jersey Democrat said the committee had been assured by Washington officials that "Social Security is not going broke," but that such testimony, while valuable, "doesn't tell us what is happening to individual people."

In addition to Mrs. Grier, among those individuals testifying today was Virgilio Lopez, who told how three Newark residents, all over 63 years of age and with incomes ranging from $125 to $185 a month, had to pay $125 a month rent for accommodations in the same "old three-story house," sharing cooking and bathing facilities.

BIENSTOCK SPEAKS

The broader view, in which individual hardships were translated into statistics, were presented by Herbert Bienstock, assistant regional director for the United States Department of Labor's Bureau of Labor Statistics Middle Atlantic Regional Office.

"There are indications," he said, "that the inflation of recent years has impacted the elderly in the New York-Northeastern New Jersey area more sharply than in other areas or groups."

The cost of living for retired couples in this area, he said, was "sharply above the national average in 1973." He defined the retired couple as a husband 65 years or over, and his wife, and being self-supporting in an urban area.

Mayor Gibson, however, said that an examination of the statistics on the increasing elderly population and "the deprived economic condition of most elderly Americans" indicated that "the ability for a majority of senior citizens to become self-sufficient, with the most far-reaching of Social Security legislations, is very limited."

"This is not to imply that Congress should not legislate maximum benefits," he continued. "However, such an examination does point to the realization that our elderly must have and should have the assistance of their Government to lead comfortable and wholesome lives."

ANYBODY CAN GET INTO OIL

Mr. ABOUREZK. Mr. President, Jimmy Breslin's column in the July 14, 1975 Washington Star presents a provocative reflection of the soul and mind of our country today. I ask unanimous consent that it be printed in the Record.

There being no objection, the column was ordered to be printed in the Record, as follows:

Anybody Can Get Into Oil

(By Jimmy Breslin)

Sometimes in this city everything becomes so close that a glimpse may be had of the condition of the soul of the country.

In the morning in the rain, John Swearingen, chairman of the board of Standard Oil Company of Indiana, came out of his limousine with his wife, daughter and chauffeur and into a television studio on Connecticut Avenue. Swearingen sat on the set waiting for the show to begin. His daughter and chauffeur were in a viewing room. His wife, blue sweater, white pants, large diamond, moved between the set and a control room, where the cameras, in tests, had her husband's face on rows of screens.

"Those chins," she said. He had his head tilted down and flesh bunched up to form a couple of chins.

"Weight shows up something fierce on television," somebody said to her.

"I know. We can't do anything about it. We're so happy, we gained five pounds."

She walked over to the set and smoothed her husband's grey hair. She stepped away, crouched down and began coaching him.

"Sit back," she said.

He sat back a little more in the chair.

"Sit back more. You'll be comfortable."

He sat back.

They cleared the set a minute before the show was to start and she came into the viewing room. A small gold whistle was around her neck.

"Is it a real whistle?" she was asked.

She put the whistle in her mouth and made it give a high-pitch sound, but not a sound high enough to summon any help.

"I only blow it during the hockey games," she said. Blow the whistle for the Chicago Black Hawks.

Of course, she couldn't know about the other sport. Blow the whistle on the street to get the police.

Ralph Nader was on the show with Swearingen. Swearingen's wife frowned. "Look how this Nader is; he stays that way to be sympathetic."

"Your husband looks all right," one of the television people said.

"Fat cat," she said.

The show, ABC's "Issues and Answers" was a sort of debate between Nader and Swearingen. It is impossible to have a debate with an oil man such as Swearingen. In the middle of the gas shortage last year, a partial discovery showed Standard Oil of Indiana's profits were up a few hundred percent. Swearingen announced then that he felt the profit was perfectly proper. Nobody yelled. On this television show he said he wanted competition, the price system, to control the price of oil. When it was pointed out to him that major oil companies go on joint ventures, rather than compete with each other, Swearingen said that, why, there was no conspiracy; we do have joint ventures, but that's very well known. Around the country, people listened and slept.

The sponsor of the television show was the oil company Exxon, whose representatives in Italy gave $86,000 or so to the Communist party. A total of $46 million in political contributions in Italy over a nine-year period. What, you must wonder, do oil companies give in bribes to major politicians in Washington?

When the show ended, Nader and Swearingen stayed on the set and talked. Mrs. Swearingen said she was trying to write a book about corporate wives.

"What would it say?" she was asked.

"How we help our husbands."

"What would be one way to show how you help?"

"Well, I'm here today, being a helpmate. Here on this show. And I really should be getting ready for my golf match on Tuesday."

"By playing golf today."

Her husband was arguing with Nader about the tremendous burden of costs and taxes major oil companies must carry.

"When was the last time one of the big oil companies lost any money?" Swearingen was asked.

"Oh, back in the '30s maybe."

"Then oil sounds like a good business."

"You can get into it, anybody can get into it," he said.

Ten minutes after this, in the middle of a $1.25 cab ride to an office for work, we had the cab stop at three-story brick apartments at 1418 First Street, in the Southwest section of Washington. Curtis Niler, who is 17, was inside a ground floor apartment with his family. Niler was first seen, during this visit to this city, in June, on the last day of high school. He was walking around Cardozo High School and he said he was supposed to get a job for the summer.

"I fill out papers, they say, 'I have to find somethin' for you. I'll call you.' "

"What do you do if you don't get a job?"

"Just sit around, you know."

Yesterday afternoon, Curtis Niler sat in his kitchen, staring at the rain.

"Supposed to get somethin', but I don't have nothin' yet," he said.

"Do you look?"

"Go out in the daytime lookin'. Cost money."

"How much money do you take with you?"

"Fifty cent."

"What kind of a job are you looking for?"

"Clean up."

"And you can't get that?"

"One place I got a chance. OIC. Call Opportunities Industrial Center. They train you for a job. I think maybe I can get on that."

"Training? But then you have go back to school right away."

"Not goin' to school no more."

"Then until you get this OIC, what do you do?"

"Nothin'."

"Well, like, what do you do at night?"

"Walkin' the street."

His mother sat on a couch in the living room, drinking soda and staring at television. The green walls were smudged with children's handmarks.

"He been lookin', so far ain't nothin' happenin'," she said. A black kerchief was wrapped around her head. There is a large protrusion over her right eye.

"She had a brain abscess," another woman in the room said. "She been in the hospital two, three years. Had a bone taken out of her head. The kids, they was in a foster home."

"I hope somethin' happens," the mother said, staring at the television. In the kitchen her son sat motionless and looked out the window at the rain.

The hallway outside the apartment door was filled with young kids listening to radios. Sit in the halls and write on the walls. In another doorway, tall youth, about 17, big arms and a thick neck, watched the rain. "Nothin' to do today," he said. "Can't go out and rob somebody, you too conspicuous alone in the rain."

On First Street in Washington, D.C., in the country of the United States, they don't know what everybody in the other Washington, in the circle of government of the United States, knows: That you can go into oil; anybody can go into oil.

ANTIRECESSION AID TO STATE AND LOCAL GOVERNMENTS

Mr. **WILLIAMS**. Mr. President, I am pleased to join in cosponsoring S. 1359, the Intergovernmental Antirecession Act.

This bill offers a creative approach to the fiscal crisis of our State and local governments by authorizing emergency antirecession grants on the basis of both need and the ability of these governments to meet these problems themselves.

SYNOPSIS OF LEGISLATION

The funds available under this program would be divided into two categories. One-third of the funds would go to State governments and two-thirds of the funds would go to local governments. The formula for the distribution to both State and local governments would take into account both unemployment and taxes raised by each recipient government with unemployment given double weight. Unemployment would provide a measure of the impact of the recession on a particular government. The level of taxes raised would provide a measure of the size of operations of that particular government and their attempt to meet the fiscal crisis themselves. State and local governments whose unemployment rate drops below 6 percent would not receive assistance under this program.

Once the national rate of unemployment rises to 6 percent, S. 1359 would authorize $125,000,000 plus $62,500,000 multiplied by the number of one-half percentage points by which the rate of seasonally adjusted national unemployment exceeded 6 percent. These funds would be used for the maintenance of basic services customarily provided to persons within the jurisdiction of the recipient State and local governments. It is important to give these governments as much flexibility as possible in spending these funds so that this assistance can be used to complement other Federal programs to stimulate the economy.

IMPACT ON THE ECONOMY

In recent years, the State and local government sector of our economy has become increasingly important, both as an employer and a provider of goods and services. Since 1967, this sector has grown 28 percent, a growth rate significantly above the 14.8 percent rate for the remainder of the economy. In the same period, State and local governments' purchases of goods and services have increased as a percentage of gross national product, from 11.3 percent to 13.7 percent in 1974. If we are to achieve recovery from the second worst depression in this century, we cannot ignore the contribution to economic well-being which must be made by our State and local governments.

The current fiscal crisis faced by our State and local governments not only seriously endangers the adequate provision of vital community services, but also acts as a drag on the economy as a whole. Rising unemployment has resulted in a serious loss of tax revenues and, as a result, State and local governments have gone from a combined surplus of $4 billion in 1972, the year revenue sharing was enacted, to a combined deficit of $7.9 billion last year. In a recent study of 48 States conducted by the Joint Economic Committee, 35 were found to have specific constitutional provisions forbidding deficit spending. Thus, the tremendous revenue loss suffered by these governments must, in most cases, be recaptured by increases in their taxes.

EFFECT ON NEW JERSEY

In my home State of New Jersey, expenditures will have to be cut by over $400 million, a cutback of 15 percent from a budget of $2.8 billion, to meet the constitutional requirements of a balanced budget. The alternative to this drastic cutback in State services is to raise New Jersey's taxes which already rank among the highest in the Nation. Throughout the country, State and local governments are being forced to take drastic budgetary measures because of the recession-induced decline in tax revenues and increases in demand for basic local services. Our States and cities are forced to reduce services and increase taxes and have raised an additional $8 billion. Yet, they still face massive deficits this year.

While the Federal Government is trying to speed up economic recovery by cutting taxes, our State and local governments are delaying the impact of that effort by raising their own taxes. While the Federal Government is trying to create new jobs through public service employment, State and local governments are forced to neutralize that goal by cutting back on job-producing capital projects and by laying off regular employees, only to replace them with public service employees.

COMPARISON WITH REVENUE SHARING

Revenue sharing provides Federal assistance to virtually every unit of government in the country. Intergovernmental assistance on the other hand, as represented by S. 1359, is selectively targeted to only those States and local governments hardest hit by recession and who have attempted to raise the revenue to meet the need themselves. Intergovernmental antirecession assistance is based on the same Federalist principles as revenue sharing and represents the emergency response required by our severe recession.

CONCLUSION

Intergovernmental assistance is an antirecession program only and Federal funds will phase out as the Nation's unemployment rate falls below 6 percent. Such countercyclical programs are the best response to recessions because they are automatically activated as the crisis begins. This approach eliminates the time lag between the crisis and the legislative response.

S. 1359 should not be considered a substitute for any categorical program, but rather as a temporary State and local assistance measure. As chairman of the Senate Labor and Public Welfare Committee, I feel intergovernmental antirecession assistance is needed to reduce the reliance of State and local governments upon budgetary actions which run counter to national economic policy. Our economic policies can have little meaning if our cities and States continue to face financial decline and decay.

"WAS IT A RESCUE MISSION OR AN EXCUSE FOR REPRISAL?"

Mr. ABOUREZK. Mr. President, the *Mayaguez* incident has left us with many haunting, unanswered questions.

It is time we reconsidered this tragic incident. Let us look again and seek answers to the questions of what actually happened and why. The July 2, 1975 issue of New Times carried a story, which first appeared in Resist, that provides great insight into the *Mayaguez* incident. Mr. President, I ask unanimous consent that this article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

The "Mayaguez" Incident Reconsidered: Was It a Rescue Mission or an Excuse for Reprisal?

The official White House line on the Mayaguez affair is that President Ford ordered Marines, warships, fighter-bombers and helicopters into combat in Cambodia solely to recover the captured U.S. cargo ship and its 39 crew members.

White House press secretary Ron Nessen stated May 16 that the president "firmly rejects" speculation that the United States welcomed the crisis. Nessen said the decision to use force "was based 100 percent and entirely on a single consideration—to get the crew and the ship back."

But rescue was only part of the story. Ford, Secretary of State Kissinger and other members of the National Security Council also clearly saw the incident as an opportunity to reassert American power in Southeast Asia. The New York Times reported as early as May 13—the day after the Mayaguez was captured—that "High ranking sources familiar with military strategy and planning said privately that the seizure of the vessel might provide the test of American determination in Southeast Asia that . . . the United States has been seeking since the collapse of the allied governments in South Vietnam and Cambodia."

The Associated Press, the New York Times and Time all described Kissinger as determined from the start to take advantage of the Mayaguez incident to deliver "a sharp, decisive blow" to the new leftist government in Cambodia. In effect, Kissinger wanted reprisal raids—a punitive military attack, not a mere rescue mission.

Kissinger's advocacy of military force reportedly clashed with Defense Secretary Schlesinger's cautionary advice against overreaction. Schlesinger is said to have advised the minimum use of force necessary to get back the ship and the crew, while Kissinger favored massive retaliation to draw the line in Asia.

Kissinger's view won out in the National Security Council and Ford sent in the Marines, Air Force and Navy to recover the Mayaguez, teach the Cambodians a lesson, and prove to the world what the Ford administration in the post-Vietnam war era was not weak and indecisive. To underline this point, the administration was apparently even considering using B–52 bombers, according to a "top United States official" (presumably Kissinger himself) quoted in the New York Times on May 17.

The White House, despite high U.S. casualty figures, was euphoric about the Mayaguez recovery mission. Congress, for the most part, was also jubilant, as even old-time antiwar critics gave qualified support to the Marine operation. What's more, early polls—before complete casualty figures were released—showed that the American public overwhelmingly approved of Ford's handling of the situation.

But the Mayaguez affair has raised disturbing and unanswered questions that might yet make the Mayaguez recovery a Pyrrhic victory.

1. Why was the Mayaguez in waters claimed by Cambodia? Ford called the Cambodian seizure of the merchant ship "an act of piracy" on the "high seas." Yet, the ship was captured only eight miles off Poulo Wai, a small island claimed by Cambodia. And although the U.S. recognizes only a three-mile offshore territorial limit, Washington has long been aware that Cambodia like some 40 other nations, asserts a 12-mile limit. This was the case even under the U.S.-backed Lon Nol regime.

The State Department and the CIA knew that the small Cambodian navy was aggressively defending its maritime zone (for good reason, as the Cambodian communique about the incident described the U.S. backed and organized spy and espionage missions that had been taking place since the fall of the Lon Nol regime off the coast of Cambodia) firing on a South Korean ship on May 3, and seizing a Panamanian freighter May 7 and detaining it for 36 hours.

Yet the U.S. intelligence agencies did not warn American ships to steer clear of these dangerous and sharply contested waters.

2. Why was the capture of the Mayaguez treated as a crisis? The U.S. and many other governments frequently seize the commercial ships of other countries. The settlement of these seizures are, according to experts in international law, routinely handled through diplomatic channels or courts. For instance, Ecuador, which claims a 200-mile fishing limit, has repeatedly arrested U.S. tuna ships, often jailing the crew, confiscating the cargo and imposing stiff fines. The U.S. opposed these seizures, but has never intervened militarily to secure the release of a ship captured by Ecuador.

Only five days after the capture of the Mayaguez, the U.S. Coast Guard seized the Polish fishing trawler Kalmar off the northern California coast for allegedly operating within the 12-mile fishing limit claimed by the U.S. The case is now before a San Francisco court.

Jordan Paust, co-chairperson of the American Bar Association's committee on international law and use of force, referred to similar legal precedents in calling Ford's response to the Mayaguez capture hasty and illegal. Paust said Ford's statements about piracy and seizure on the "high seas" were "ludicrous and contrary to consistent views of legal advisers in our own State Department."

3. Did the administration exhaust peaceful means to obtain the release of the crew? The State Department said it first pursued diplomatic efforts to recover the Mayaguez, but Prince Norodom Sihanouk stated May 22 on a visit to North Korea that neither he nor the Royal Cambodian Government of National Union (GRUNK) was ever informed of diplomatic steps by the United States to secure the release of the American freighter.

Kissinger himself confirmed at a news conference May 16 the Cambodian accusation that U.S. aircraft began harassing Cambodian patrol boats within 12 hours of the seizure of the Mayaguez. And U.S. planes had already sunk at least three Cambodian vessels before Washington asked the United Nations May 14 for help in settling the conflict.

It is also unclear why Ford did not halt the Marine operation on the operation of May 14 when Phnom Penh radio began broadcasting news that it would release the Mayaguez.

4. Why did U.S. planes bomb Cambodia after the crew of the merchant ship was safely aboard the USS Wilson? The first

bombing raid on the Cambodian mainland destroyed 17 planes at Ream, an airfield near the port city of Sihanoukville (Kompong Som). The second raid—whose disclosure was delayed by the Pentagon—hit a fuel depot and a railroad yard on the outskirts of the city.

The Pentagon claimed the second raid was to protect the Marines fighting on Tang Island, 30 miles away, but did not explain how the Cambodians could have interfered with the withdrawal of the Marines, since their tiny air force had been destroyed by the first bombing raid.

Nevertheless, Ford maintained in an interview published May 21 in the New York Daily News that there was "no punitive element" in the bombing.

It is interesting to note that one Marine source told the Los Angeles Times May 19 that headaches, concussions and loss of hearing suffered by some Marines "might have resulted from the dropping on Tang Island of a 15,000 pound bomb—the largest nonnuclear weapon in the U.S. arsenal."

5. Why did the Cambodians capture the Mayaguez? Hu Nim, the Cambodian Minister of Information, broadcast an explanation May 15 saying the Mayaguez has entered Cambodian waters at a time when the new government is deeply suspicious of foreign naval-activity, claiming to have captured recently several espionage ships in the Gulf of Thailand.

The official described one incident in which a Cambodian ship intercepted a boat off Koh Prins and found seven Thai crew members aboard with rifles, plastic explosives, grenades, mines and U.S. built telecommunications equipment. Hu Nim said that the crew members admitted they had been trained by the CIA in Thailand and that their mission was to hook up with agents who stayed behind in Cambodia after the collapse of the Lon Nol regime.

Finally, there is the issue of media manipulation on the part of the White House in regard to U.S. casualties. White House press secretary Ron Nessen denied May 19 that there was any news management in the delay in announcing U.S. casualties incurred in the Mayaguez incident. A reporter asked Nessen: "We received the good news of the success of the mission immediately and the bad news days later. Does this suggest news management?"

Shifting casualty figures
(May 15–20)

Day	Dead	Missing	Wounded
Thursday	1	0	0
Friday	1	13	22
Sunday	5	16	70-80
Monday	5	16	49
Tuesday	15	3	50

And on May 21, it was revealed that a helicopter crash in Thailand, killing 23 servicemen, was related to the *Mayaguez* operation. The helicopter was carrying Marines to the U.S. base at Utapao for possible use in the military assault on Tang Island. That meant a total of 38 American deaths. No one at the Pentagon is saying how many Cambodians died.

THE BARD OF FEDERAL HILL

Mr. PELL. Mr. President, today is a particularly happy day in the life of a wonderful Rhode Islander who has devoted his life to entertaining and bringing joy to his fellow men.

I refer to Antonio Victorio Marrocco, better known as Tony Monaleek, who today celebrates his 80th birthday.

Tony was born at the corner of Cedar and Crout Streets on Federal Hill in Providence and has spent his life in this vibrant Italo-American neighborhood—the center of the proud Italo-American culture in my State.

In recent years he has become the chronicler of the rich and fascinating history of Federal Hill. Every week in "The Echo," a Rhode Island weekly newspaper that is known as "The Italo-American Voice of Rhode Island," a regular feature is Tony's column, "The Federal Hill Story."

Over the years Tony has recounted in glowing detail the history of the families, the churches, the schools, the shops, the street corners that have made Federal Hill the lively neighborhood that it is.

Tony would be the first to protest that he is not a schooled historian. He is far more than any academic historian can be—he is a chronicler of the streets, a man with a vivid and exact memory and a colorful writing style that brings the Federal Hill of the past to life for readers of the Echo. I know that I am joined by thousands of Rhode Islanders who wish Tony and his wonderful wife Angelina many, many more happy years and thank him for all he has done to brighten our lives.

Happy birthday, good old Monaleek.

FAIR TRADE LAWS

Mr. ROTH. Mr. President, I have cosponsored legislation to abolish all fair trade laws. Specifically, this bill would repeal the Federal laws which have exempted individual States from the antitrust laws and allowed them to enact fair trade laws.

Fair trade laws were enacted years ago during the Depression to protect small retailers from price-cutting practices of larger retailers, but the net effect of these laws has been to increase consumer prices, reduce competition, and protect inefficient businesses.

The fair trade laws allow a manufacturer to sign an agreement with a retailer setting a minimum price at which his product can be sold. This agreement prevents a retailer from reducing the price and offering discounts to the consumer.

In Delaware, the fair trade law permits a manufacturer to sign a single fair trade agreement with only one retailer and then force every other retailer in the State to abide by that agreement.

According to Justice Department estimates, these laws increase prices on fair-traded items between 18 and 27 percent, and the economic report of the President has estimated that fair trade laws cost the American consumer $2.1 billion a year.

This Federal legislation banning fair trade laws would apply to all commodities except alcoholic beverages. Under the 21st amendment to the Constitution, the individual States have exclusive jurisdiction over all matters involving alcoholic beverages, including the conditions or terms under which liquor can or cannot be sold. This means that this Federal legislation will not preempt in any way the Delaware General Assembly's decision whether or not to exclude alcoholic beverages from their fair trade repeal legislation.

The fair trade laws are a perfect example of the Government's practice of enacting well-intentioned legislation that was designed to help consumers but that ultimately led to higher consumer prices. It is another indication of how Government overregulation has contributed to the economic problem we are experiencing today. These fair trade laws have resulted in higher consumer prices and reduced competition, and I believe that it is time to repeal these laws.

YOUTH CONSERVATION CORPS FUNDS RELEASED

Mr. ABOUREZK. Mr. President, I am gratified that the administration late last week released the money for the summer operation of the Youth Conservation Corps. Obviously, the passage of Senate Resolution 205, disapproving the deferral of their funds, left them little choice in the matter. By approving the resolution last week, the Congress was providing direct jobs to thousands of young people in every State in the country who would otherwise be out of work.

It is my understanding that this was the first the new budget law was used to declare an unreported deferral. Not only did passage of Senate Resolution 205 reaffirm the Congress commitment to an excellent and worthwhile program, it reasserted the constitutional authority of the legislative branch over the power of the purse.

The Senate should be commended for its swift action in assuring our youth these summer jobs and for creating this added stimulus to our economy. I would like to add my personal note of thanks to the cosponsors of Senate Resolution 205: Senators CHURCH, FORD, HUMPHREY, JACKSON, JAVITS, MCGEE, MCGOVERN, MCINTYRE, and especially to the majority and minority leadership for clearing the way to immediate consideration of this timely legislation.

The Senate action was a vote of confidence in an excellent program and an important reaffirmation of the principles of the Impoundment Control Act.

THE MANSFIELD AMENDMENT TO SENATE RESOLUTION 166—THE NEW HAMPSHIRE ELECTION DISPUTE

Mr. CLARK. Mr. President, it is widely known that this body has spent a considerable amount of time in the past month debating the New Hampshire Senate election dispute. In my opinion, no evidence has yet been presented to indicate that we are unable to meet our constitutional responsibility and to decide this case on the facts. However, we are faced with a classic "Mexican-standoff." Even though we have voted several times to hear and decide this disputed election, a minority of the Members has refused to let that happen. Surely, by now every Member of the Senate has had ample opportunity to hear and study the well-reasoned debate on most of the 35 issues and ballots before us. Nevertheless, we find ourselves at an impasse.

In order to break this impasse, the distinguished majority leader has made what I believe to be an eminently fair compromise. It involves probably the most crucial issue—the so-called skip-candidate ballots. I have already voted once in support of the Wyman position on this question because I felt is would be unfair to treat skip-Wyman ballots differently than skip-Durkin ballots even though Mr. Wyman failed to protest the skip-Durkin ballots during the recount conducted by Secretary of State of New Hampshire. With the Mansfield compromise there can be no question that both candidates would receive equal treatment in this regard.

Mr. President, if this proposal is passed, 13 of the 27 disputed ballots and 2 of the 8 disputed issues would be settled, and the Senate could dispense with the remaining ballots and issues very quickly.

Senator Mansfield deserves our congratulations for working out this eminently fair approach, and I urge my colleagues to support it.

I ask unanimous consent that two recent editorials from the Washington Post on this subject be printed in the Record.

There being no objection, the articles were ordered to be printed in the Record, as follows:

[From the Washington Post, July 8, 1975]

Resolving the New Hampshire Case

The Senate's first priority this week should be to find a sensible and expeditious way to finish its review of the extremely close New Hampshire Senate race between Republican Louis C. Wyman and Democrat John Durkin. The wrangling over this tangled case has already gone on for far too long. Other important business is beginning to back up. The Senate looks increasingly petty and partisan. And the people of New Hampshire have been denied one senator for more than six months.

The Constitution gives the Senate final authority to judge such election contests. To reach a decision at all, the Senate will have to vote cloture and impose strict limits on future debate. To reach a decision that will be generally acceptable as fair, the Democrats who dominate the Senate will have to agree to inquire further into some of the Republicans' complaints about possible missing ballots and the like. The most substantial of these issues involves the so-called "single skip" ballots, those on which the voter cast a straight party-line vote, then indicated by additional marks that he wanted to vote for every candidate of that party *except* the Senate candidate. Mr. Durkin's forces have protested eight such "skip Wyman" ballots, which they argue should be tallied as "no votes". Mr. Wyman's supporters maintain that if those ballots are to be thrown out, the Senate should go back through about 180,000 ballots and retrieve and reject what they describe as "hundreds" of "skip-Durkin" ballots that, according to the GOP, have been counted as Durkin votes.

So far the Senate Democrats have opposed any such search. Now, however, Majority Leader Mike Mansfield and others are preparing to offer a plan under which the General Accounting Office, as a neutral agent, would search the ballot boxes for additional "single skip" votes. Any that do turn up would be thrown out. Obviously if Mr. Wyman is right about the numbers, this would mean a large and probably decisive deduction from Mr. Durkin's count. Whatever the outcome, this approach would resolve about 15 of the 35 questions now tying up the Senate. Moreover, if such a plan garners a few more votes for cloture, the Senate would finally be able to limit future argument.

The first instinct of most Republicans may be to oppose the Mansfield plan because it does not deal with all of the GOP's protests about alleged quirks in the count. That should not be a serious stumbling block. A GAO audit of the ballots could certainly be enlarged to cover additional points—if both parties are really interested in settling the case. The Democrats' initiative is the most constructive effort on this front in weeks. By their response, the Senate Republicans will show whether they really want to settle this election through a serious inquiry—or perpetuate a stalemate in which nobody wins.

The New Hampshire Election Mess

Instead of moving smartly toward a resolution of the New Hampsire election case, the Senate ended another week of bitter debate almost as frustrated and fogbound as before. The Democrats made a major overture toward breaking the deadlock, but the Republicans brusquely rejected it. Three more cloture attempts fell short. Both sides did manage to agree to vote Tuesday on one point involving a possible recount in 10 precincts. But as the Senate suspended its inconclusive arguing and started to take up energy bills, the people of New Hampshire were still short a senator.

There may be plenty of reasons, but there is no excuse for the Senate's inability to settle the Wyman-Durkin case. Each day of squabbling merely strengthens the nationwide impression that the Senate cannot decide who won the contest last November, and that the best approach would be to hold a new election in the state. That is what the Republicans have advocated all along, and their strategy has been self-fulfilling to a point. As long as 40 senators refuse to end debate, the fight will—as they predict—go on and on.

A new election is not, however, the fairest or most desirable remedy. Last November's outcome was obviously very close, and some ballots are very hard to judge. But it has not been shown that, on the merits, the necessary judgments are impossible. A new election would not be a rerun in any real sense; it would not tell us what New Hampshire's voters were trying to say last November. It would be an entirely new election, under different circumstances with, no doubt, different issues and a different turnout. Moreover, even that drastic step might not give New Hampshire another senator any time soon. The state's new special-election law is likely to face legal challenges that could run on for months. Finally, it is always conceivable that the same procedural flaws that started all the trouble could infect a new election too—and might even bring the results back to the Senate again.

All told, it is far wiser and constitutionally more correct to finish the Senate review and decide as quickly and judiciously as possible which candidate, Mr. Wyman or Mr. Durkin, got more valid votes last November. For all its bickering, the Rules Committee has already dealt with most of the contested ballots and has narrowed the issues to quite manageable scope. A way to proceed from here is not hard to prescribe. In our view, the Senate should first set firm deadlines for all future debate and votes, then proceed to vote on whether the so-called "skip-candidate" ballots ought to be counted or not. The General Accounting Office, as an impartial auditor, should be directed to go back through all the ballots and audit not only the "skip-candidate" votes but also the 15 precincts in which counting irregularities or missing votes have been alleged by Mr Wyman's camp. Meanwhile the Senate should be voting on the other ballots and issues that the Rules Committee was unable to resolve. GAO should then combine its own audit, the Rules Committee's tally and the Senate's judgments and produce a final count. Whoever wins would then be seated.

It is easy—almost embarrassingly easy—for disinterested observers to recommend such a course. The problem is that few senators, at the moment, are disinterested. The contest has become a test of partisan power, loyalty and stamina. The Democrats are reluctant to concede that they erred in trying to limit the inquiry too much. Many Republicans, no doubt, are tired of the obstructionist strategy of their leadership but do not want to be the first to jump ship by voting for cloture. Yet more and more senators on both sides ought to be growing tired of the games and increasingly ashamed of the spectacle their maneuvering has produced. Such general unhappiness could be a useful force by causing a resurgence of institutional pride and common sense. Those are the elements that must be mobilized to bring this unhappy stalemate to a fair and expeditious end.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. If there is no further morning business, morning business is closed.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Missouri is recognized not to exceed 9:30 a.m.

Mr. SYMINGTON. Mr. President, I ask unanimous consent that that time be extended if needed.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senator from Missouri be allowed his full 15 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

THE NUCLEAR SAFEGUARDS DELUSION

Mr. SYMINGTON. Mr. President, accompanied by staff members George W. Ashworth of the Senate Committee on Foreign Relations, David A. Raymond of the Senate Committee on Armed Services , and Gen. Albion W. Knight, Jr. of the Joint Committee on Atomic Energy, I visited Vienna and Geneva June 29 through July 3 during the Senate recess.

On this trip, we explored a number of questions concerning recent developments in the strategic arms race, including the spread of capability to make nuclear weapons in presently nonnuclear states. Those related areas can only become increasingly important to our own security as well as the rest of the world.

In Vienna, we held extended talks with officials of the International Atomic Energy Agency—IAEA. This Agency is considered the principal "safeguards" instrument of the Non-Proliferation Treaty to insure that nuclear technology is not diverted to weapons development.

Unfortunately, the position of U.S. Permanent Representative to the IAEA has been vacant for some months; and in light of recent developments, let us hope this does not reflect any loss of interest in the vital work this Agency was set up to perform.

In Vienna, we also met with United States and foreign delegates to the talks on Mutual Balanced Force Reductions—MBFR. The U.S. delegation is ably led by the Honorable Stanley Resor.

When we arrived in Geneva, a new round of the strategic arms limitation talks—SALT—was just getting underway, this after many postponements; and we held discussions with members of the U.S. negotiating team headed by the Honorable U. Alexis Johnson.

Based upon our deliberations at IAEA, MBFR, and SALT, it is increasingly apparent that the control of nuclear proliferation and related aspects of arms limitation not only is loose, but is slipping. It appears that the prospects for meaningful arms control have become increasingly doubtful.

The more I read the papers on this subject, the more I am impressed that what we are talking about is form, not substance.

The discussions held in Vienna with officials of the IAEA were of special interest in light of the multibillion dollar nuclear "deal" which had just been concluded between the Governments of West Germany and Brazil. Earlier we were informed that this arrangement was first offered to the United States but rejected by this Government because we would not allow the export of a complete fuel cycle—including enrichment and reprocessing facilities—which could be used to make nuclear weapons.

Now West Germany, however, a country which has both signed and ratified the Non-proliferation Treaty—and thereby committed itself "not in any way to assist" another state to manufacture nuclear weapons—has agreed to transfer to Brazil—a country which has not even signed, let alone ratified, this treaty—all the material, equipment and technology needed to establish and operate a full nuclear weapons fuel cycle.

This agreement marks the first sale of a complete fuel cycle to any nation. Note that in this case, the recipient nation is in the Western Hemisphere and possesses extensive uranium deposits.

The German-Brazil "deal" will enable Brazil to produce nuclear weapons for its own possible use as well as for sale to other countries, including Germany.

Questioning of this dangerous arrangement is reinforced by divergent testimony presented to the Senate Foreign Relations Committee by people high in the State Department as against statements released by the West German Government. Last month State testified that the United States protested the deal, tried to stop it, but could not succeed. Later during that same month, however, the Chancellor of West Germany, Helmut Schmidt, stated at a news conference in Bonn that the American Government "has not expressed a word of criticism to us."

In any case, and regardless of who is responsible, for the first time a country which has refused to either sign or ratify the Non-Proliferation Treaty now has been able to purchase a complete nuclear fuel cycle which can be used for a weapons development program.

This demonstrates that the countries which are capable of supplying nuclear technology have been either unable or unwilling to reach a significant agreement among themselves with respect to the transfer of this technology to nonnuclear states. More than that, it is becoming increasingly clear that commercial interests now prevail over consideration of nuclear weapons control. This sale by West Germany to Brazil confirms that fact.

Despite the IAEA inspection system, which over recent years people had been led to believe would check the spread of nuclear weapons, today that agency actually furnishes no safeguards to check any such spread. During our visit to the IAEA, we found that this agency does little more than monitor roughly the flow of nuclear materials. It has no power of either prevention or enforcement.

In this regard, the following conclusion of the Acheson-Lilienthal report of 1946 would appear to still hold true today: "A system of inspection superimposed on an otherwise uncontrolled exploitation of atomic energy by national governments **will not be an adequate** safeguard."

Any enforcement of sanctions in the case of safeguard violations detected by the IAEA—that is, diversion of nuclear fuel from peaceful to weapons-development purposes—would appear to be the responsibility of the United Nations. As a congressional representative on the U.S. Delegation to the last U.N. session, however, I found the possibility would be remote indeed that the U.N. would enforce sanctions against a country which obtained nuclear weapons.

Turning to the subject of the present SALT negotiations, our visit to Geneva confirmed that progress in SALT has been slow and tortuous. Summed up, the two parties have not yet achieved any meaningful control over the nuclear arms race; and the pace of new weapons technology, as illustrated by the so-called "cruise missile," along with additional precision-guided vehicles, seems to be outstripping efforts to curb the arms race.

A great scientist once characterized the nuclear picture of the 1950's as "two scorpions in a bottle."

Today there are six scorpions in that bottle, and we now know that soon there will be many more; so it is becoming increasingly apparent that what any two countries may decide will not necessarily be decisive, no matter how many nuclear weapons they may possess.

Any country which possesses nuclear weapons could provide a grave threat to virtually any other country, a condition which implies future danger to all nations.

In this nuclear age, while the spread of atomic weapons continues unchecked, the assurance of any nation that it would not seek nuclear weapons—or would only seek nuclear explosive devices for "peaceful purposes"—may only reflect its current public attitude. But, as Lord Palmerston once observed regarding the behavior of nations,

> We have no eternal allies, we have no perpetual enemies. Our interests are eternal and perpetual and those interests it is our duty to follow.

In this connection, consider that 30 years ago our two chief enemies in war were Germany and Japan, and two of our strongest allies were the Soviet Union and China; therefore any nation would be foolish to consider present alinements and present appearances of mutual goals to be a permanent state.

In any case, the nuclear genie is now out of control, and the number of scorpions continues to grow.

The Subcommittee on Arms Control, International Organizations and Security Agreements of the Senate Foreign Relations Committee, which I chair, will resume hearings on nonproliferation this Friday, at which time we will receive testimony from the Honorable Dwight Porter, director of International Government Affairs of the Westinghouse Electric Corp., and former Permanent Representative to the International Atomic Energy Agency in Vienna.

It was reported in the press that Brazil had originally approached the Westinghouse Corp. for the nuclear arrangement it was finally able to receive from West Germany.

I would estimate that since World War II we have probably put over $200 billion into the defense of West Germany which, of course, means also the defense of Europe; and yet they accepted the arrangement which this Nation refused to give the Brazilians, and in doing so they have set up a nuclear power in the Western Hemisphere.

Our hearings will examine various aspects of this arrangement.

We shall also examine broadly new developments in the commercial nuclear field, such as the Common Market's reported turn to the Soviet Union for enriched uranium which it has in the past purchased almost exclusively from the United States.

Finally, Mr. President, I ask unanimous consent that two articles which have illuminated recent developments in the nuclear field be printed in the RECORD. The first, from the Wall Street Journal of July 2, entitled, "Nuclear-Plant Growth Arousing Global Fears of Spreading Weapons"; and the second article from the New York Times of July 6, and is entitled, "Europeans Turning to Soviet Uranium."

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

UNCHAINED ATOM?—NUCLEAR PLANT GROWTH AROUSING GLOBAL FEARS OF SPREADING WEAPONS

(By Bowen Northrup)

LONDON.—A few days ago diplomats from eight countries held a meeting here that was so secret they declined to give details of the meeting's schedule, what was discussed or even the names of those attending. One breach of the tight security and some of the participants would have pulled out.

That isn't to be risked, because the diplomats were meeting on a subject that desperately requires harmony of purpose: regulating the spread of nuclear power technology that would ultimately lead to the spread of atomic weapons.

The diplomats represented the eight countries that have nuclear technology to export: the U.S., the Soviet Union, Britain, France, Canada, West Germany, Japan and Italy. Their goal is to set up firm ground rules for the strict control of all nuclear technology and materials sold to other nations.

The issue has quite suddenly come to a head because of West Germany's agreement, signed in Bonn last week, to sell Brazil a nuclear "package" that is one of the biggest transactions of the nuclear age. It's worth at least $4 billion and perhaps double that. As part of the package, over the next 15 years the Germans will be selling the Brazilians not only power plants but also the know-how for making their own nuclear fuel, either from uranium or plutonium. Unfortunately this same fuel technology can also be turned away from the peaceful atom of nuclear power to the deadly atom of nuclear weaponry.

AN URGENT ISSUE

It's even more unfortunate that Brazil, like several other nuclear aspirants, hasn't signed the Nuclear Nonproliferation Treaty by which non-nuclear nations are prohibited from making nuclear explosives and agree to submit to international inspection of nuclear facilities. "The proliferation of nuclear weapons is now a more urgent issue than at any time in the past decade," says John Maddox, a British scholar at the International Institute for Strategic Studies in London.

Nuclear technology is hardly a mystery any more. Nuclear plants are available from a number of manufacturers; the processes for turning uranium into nuclear fuel are well known and the chemical extraction of plutonium from used nuclear fuel is almost basic technology. Put together as a package they would give a developing nation a degree of energy independence that the forces of nationalism are coming to demand.

The critical question is will these countries use this technology for energy or weapons production? And will the companies that sell them the technology take steps to ensure its peaceful use?

There are 426 reactors planned or operating in 38 nations outside the U.S. Frank Barnaby, director of the International Peace Research Institute in Stockholm, says: "Any spread of nuclear technology is serious without a corresponding indication that countries will give up that part of their sovereignty that is required to put the technology under international control."

SOUTH KOREAN WARNING

That indication simply isn't there with many of nuclear energy's new customers. France, for example, is discussing the building of a massive, multibillion-dollar nuclear fuel factory in Iran. Neither country has signed the nonproliferation treaty. Neither has Argentina, which is buying nuclear plants from Canada.

South Korea, which has signed the treaty, is also buying plants from Canada and is rumored to be negotiating for a French plutonium-processing plant. Recently, despite the treaty, President Park Chung Hee warned that South Korea might have to develop its own arsenal of nuclear weapons if the U.S. nuclear umbrella fails.

The danger that power-plant sales can indeed lead to the development of nuclear explosives was clearly demonstrated last year when India set off a device made from plutonium extracted from a research reactor supplied by Canada. India said the device was developed only for peaceful purposes.

The concern of the nuclear superpowers, the U.S. and the Soviet Union, is that the manufacturers of nuclear equipment might be a little too eager to sell their technology. European companies particularly need the business because they have limited domestic markets. Mr. Maddox says there is a major threat posed by "the degree to which the commercial interests of the nuclear industry will erode the (nonproliferation) treaty."

Some U.S. nuclear sources believe that West Germany made certain concessions to the Brazilians over the future control of its technology in order to win the massive contract. "It's too bad that the West Germans are willing to give away this technology so easily," says Jarvis Cotton, manager of international marketing for Westinghouse Electric.

A CHILL IN WASHINGTON

Perhaps his bitterness can be excused because originally the Brazilians went to Westinghouse for the contract. The Brazilian government was seeking as many as eight nuclear power plants from Westinghouse plus U.S. government export licenses for nuclear-fuel and plutonium-processing technology.

The problem is that most of the non-Communist world's nuclear fuel or enriched uranium as it's called, is made in three massive U.S. government-owned plants that were originally built for the weapons program. Washington is only now planning for the transfer of this technology to U.S. industry and is firmly opposed to its exportation. There is also opposition to the spread of plutonium-processing technology.

"For the Brazilians it was simple, for us it was complicated," says Mr. Cotton. "At some critical stage the U.S. government took a position that was considered negative by the Brazilians and they (the Brazilians) turned the whole process off." Mr. Cotton doesn't know precisely what offended the Brazilians: "I only know that a chill developed."

Washington's stiff attitude to selling nuclear technology in a package recently was expressed by Sen. John Sparkman, chairman of the Senate Foreign Relations Committee, who called the situation "appalling." It's known that Washington has expressed its displeasure to Bonn over the transaction.

The West Germans privately dismiss all this talk as commercial sour grapes. They have negotiated safeguards with the Brazilians in conjunction with the International Atomic Energy agency in Vienna that in some respects "go beyond" the nonproliferation treaty, says an official in Bonn.

A SCRAMBLE FOR BUSINESS

The Germans make another point. "Other countries would have sold them (the Brazilians) the system if West Germany hadn't," according to the Bonn official.

This scramble for business, warns Mr. Cotton, is going to put the five U.S. reactor manufacturers at a disadvantage if Washington continues to take a "hard line" position.

There are, he says, between 50 and 75 million-kilowatt nuclear plants coming up for bids around the world, over the next five years or so. Some of these, he says, will only go to those companies that can offer package deals of nuclear plants plus uranium and plutonium technology.

That is why the eight nations that export nuclear technology are meeting in London. They are desperately trying to set up a code before the nuclear-sales race gets out of hand.

"The problem is the treaties and inspection techniques," says A. L. Natwick an international specialist at General Electric. An official of another company says one obvious goal for the eight nations is to "bring France into the system of backing adequate safeguards." Another goal is to agree to controls on the transfer of technology and know-how as well as equipment and materials.

Even with these stringent controls, Mr. Maddox, the British scholar, warns that the Brazilians could comply with the letter of the agreement but build their own weapons-producing installation through a long-term "parallel imitative effort." The German transaction, he declares "will obviously make it easier for Brazil at some future stage to build an unsafeguarded device."

PLENTY OF URANIUM

A look at the West German technology that's to be exported shows how this might be done. First the nuclear plants themselves will be built by Kraftwerk Union AG, a joint venture of Siemens and AEG-Telefunken. The company has firm commitments for two 1.3-million-kilowatt power stations, and the Brazilians have taken an option for six more.

Brazil, which is generally a resource poor nation, does have abundant deposits of uranium (and, indeed, part of the agreement calls for Brazil to export uranium to West Germany as partial payment). But to turn the uranium into fuel for the nuclear plants, Brazil must build a plant to enrich the metal.

Kraftwerk Union's so-called light-water reactors use uranium fuel in which the fissionable isotope uranium-235, which is only 0.7% of natural uranium, is increased to about 5%. In the U.S. this is done by "filtering" gasified uranium through miles of tubing. Another process, being developed both by the U.S. and a West German-Dutch-British consortium, concentrates the uranium-235 by whirling the gasified uranium in a certifuge.

The only totally West German technology available for export is the "jet nozzle" process, which since 1970 has been under development by the STEAG combine in Essen. STEAG will build its first pilot plant in Brazil by 1981 and will follow this with a commercial plant. The process requires enormous amounts of electricity, which Brazil could provide with hydroelectric power.

A MAN-MADE FUEL

This doesn't mean that Brazil will then have the stuff of bombs, because nuclear devices need almost solid uranium-235. But, nuclear experts say, the nozzle technique could be adapted for producing bomb-grade uranium.

There is another source of weapons material: plutonium. This "man-made" radioactive metal is a by-product of the nuclear reaction inside the reactor. But it can only be obtained by removing the used uranium fuel from the reactor and running it through a chemical extraction plant.

Because plutonium is an ideal fuel for nuclear reactors and, of course, means that less uranium has to be used, it's expected that plutonium plants are going to provide a brisk business for manufacturers some time in the future. (At present there are only a handful of commercial plutonium plants around the world and none operating in the U.S.)

This means that plutonium is likely to be plentiful. The Stockholm peace research institute believes the situation is already dangerously advanced. It calculates that by 1983, 80 tons of bomb-grade plutonium will be "available." Of this, one-third will be in the hands of nations that haven't signed the nonproliferation treaty—or enough to make about 50 bombs of "nominal" size.

There's also a problem with plutonium plants that needs to be tackled by the exporting countries. Engineers call it "material unaccounted for," or the plutonium that gets "lost" in a plant's intricate system of pipes or that sticks to fuel cannisters. It can amount to 3% to 5% of a plant's plutonium production, and Mr. Maddox believes these safeguards are unsatisfactory.

Clearly Bonn is hoping that such problems will be resolved by the time the reprocessing plant is delivered to Brazil six years or so from now. And to those who are nervous about the prospect, a Bonn official emphasizes. "There will be no export licenses issued unless complete safeguards are assured."

[From the New York Times, July 6, 1975]

EUROPEANS TURNING TO SOVIET URANIUM

(By William M. Drozdiak)

BRUSSELS.—The European Economic Community, which traditionally has purchased enriched uranium almost exclusively from the United States, is turning increasingly to the Soviet Union to fuel its nuclear-power plants—at least through the 1970's, while Europe develops her own production capacity.

Not only has burgeoning world demand strained American production capacity to the limit, but also the Russians are selling the fuel at lower prices and with fewer transport problems.

The main reason for the escalating demand for nuclear power is the quadrupling in oil prices that has occurred since 1973. Nuclear power is the cheapest alternative to oil for production of electricity.

The Common Market countries, to cut their reliance on oil imports to 40 per cent from 65 per cent of annual energy needs over the next 10 years, plan to triple energy production from nuclear power plants by 1980, but their own nuclear-fuel industries are not expected to reach maturity until the end of the decade. Therefore imports will be needed.

Should delays in the European fuel development occur, dependence on Russian nuclear fuel would be prolonged, and some question whether the Soviet Union would then try to exert political pressures through its dominant supply role.

Common Market energy officials, however, dismiss such a scenario. But one European diplomat mused: "Relying on the Arabs and Russians at the same time for our fuel supplies is not my idea of a secure energy posture."

Echoing the opinion of most observers, an E.E.C. energy official sees the purchase of Russian nuclear fuel as a simple business deal.

"We want to diversify our fuel sources, and the Russians provide one possibility. They, in turn, need to earn money to pay for Western machinery."

He added a caveat, though, reminiscent of the pre-détente era:

"We hope to avoid buying too much of their enriched uranium. After all, one must not tempt the devil."

The nine E.E.C., members still get most of their nuclear fuel from the United States, with less than 20 per cent coming from the Soviet Union, but the American share is expected to drop to 25 per cent in 10 years. In 1977, dependence on Russian enriched uranium will shoot up to more than 60 per cent, according to E.E.C. energy-supply officials. They expect to import 3.2 million units of separative work from the Soviet Union that year and 1.7 million units from the United States, although the figures are subject to change.

The American fuel sells for $42.10 per enriched unit, and the price will rise to $53.35 per unit after Aug. 20. The Russians use the American price as a reference and discount theirs by 3 to 5 per cent depending on the size of the order.

More important than price is the question of availability of the fuel. By Congressional act, the United States cannot pledge nuclear fuel deliveries above existing production levels.

In June 1974, the United States had to stop accepting new long-term contracts to enrich uranium because the three enrichment plants run by the Energy Research and Development Administration were fully committed through the early 1980's.

As a result, European overtures to the Russians have been greeted with tacit approval by United States authorities.

This spring Washington even granted permission to ship American uranium to the Soviet Union for processing into nuclear fuel destined for West German power plants. Using hydroelectric power from a giant dam near Lake Baikal, the Soviet enrichment plant is believed to produce annually as much nuclear fuel as each of the three American facilities.

Soviet output of enriched—that is, fissionable—uranium is estimated at 10 million units of separative work annually, about half of 17 to 20 million units a year.

United States output, however, is expected to rise to 27 million units by 1980 and President Ford has said he will ask for legislation to authorize the production and sale of enriched uranium by private industry, thereby further expanding production capacity. At present there is a Government monopoly on such work. Europeans also expect to produce the fuel by that time, and they anticipate cutting Soviet imports to less than 2 million units by 1979.

The Russians started churning out enriched uranium for utilities abroad in 1971, when they signed a contract with the French to supply the Fessenheim power plant with a small amount of nuclear fuel.

Bigger enrichment deals followed with a growing list of nations, including West Germany, Britain, Belgium, Italy and Japan, and the Soviet Union seems eager to expand this trade.

Once supply contracts have been signed, the Europeans say they encounter no delivery problems with the Soviet fuel, in contrast to recurrent troubles over American shipments.

The latest dispute between the United States and the Common Market over nuclear-fuel deliveries occurred in April, when the United States Nuclear Regulatory Commission stopped issuing export licenses for all nuclear materials while it completed a full review of transport safeguards.

Common Market energy officials sent a vigorous protest to the State Department deploring the lack of consultation before the commission's move, which raised in their eyes, "serious concern over the security of nuclear fuel supplies from the United States."."

American officials replied that public outcry over the discovery of a shipment of nuclear material through regular commercial channels in March provoked an urgent investigation before the Europeans could be informed.

The shipment in question—200 pounds of plutonium, a highly toxic, radioactive extract from spent uranium— was being flown from an Italian nuclear plant to the Westinghouse processing plant near Pittsburgh, through Kennedy Airport, where it was discovered.

In theory 200 pounds of plutonium would be sufficient to produce nine nuclear weapons with yields equal to that of the bomb dropped on Nagasaki during World War II, or a force of about 20,000 tons of T.N.T.

After the explanation, Common Market energy officials were more understanding of the toughened United States stance on nuclear controls.

"We obviously realize that you can't move this dangerous stuff around like sacks of potatoes," commented one official here later.

But like the Arab oil embargo in 1973, the recent controversy made it clear to many Europeans how vulnerable they are to the whims of outside fuel suppliers.

Consequently, the matter has evoked more strident European calls for expediting self-reliance in nuclear-fuel production—a goal that remains distant partly because of European differences over which of two processes to use.

Directors of the Anglo-Dutch-West German nuclear consortium, Urenco, have called on the nine Common Market countries to increase financing to speed the development of European uranium enrichment plants. The consortium was formed in 1970 to develop jointly the centrifugal force method of enrichment.

Experts had been divided over the merits of that method of enrichment and the traditional gas diffusion process, used in Western technology since the Manhattan Project in 1945. Consequently a rival consortium, Eurodif, was formed by France, Italy, Spain and Belgium to build gas-diffusion enrichment plants.

In January, Iran lent Eurodif $1 billion and announced that she would share in the costs of a new Eurodif plant being constructed at Tricastin in southern France.

Until the oil crisis struck, it appeared that the two consortia would be fighting each other to corner what was, at that time, a relatively small market for nuclear fuel.

But now, booming world demand and the eroding American enriched-uranium monopoly have widened the future market and induced both groups to increase their original investment plans.

While Urenco could bring new capacity on stream in four years, the Eurodif system would take six to eight years. And a new gas diffusion factory costs at least $2.5 billion, plus $1 billion to finance the three thermal-power stations required for the plant's own energy needs.

Nor are costs and processing differences the only deterrents to expediting the move away from dependency on imports.

The wave of nuclear protests that swept the United States a few years ago has also reached Europe, and more people are becoming hostile to the spread of nuclear installations.

Last year, massive public opposition forced the French Government to abandon plans to build the Chinon nuclear-powered electricity station in the Loire Valley, and construction of the Whyl Nuclear Power Plant near Freiburg, West Germany, was halted by massive public opposition earlier this year.

Faced with such obstacles, the European nuclear-energy program will not achieve self-sufficiency for at least several more years community experts say. In the meantime the Soviet Union has found a lucrative source of hard currency.

DETERMINATION OF SENATE ELECTION OF NEW HAMPSHIRE

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now resume consideration of the unfinished business, Senate Resolution 166, with time thereon to be limited to 2 hours. The clerk will report.

The assistant legislative clerk read as follows:

> A resolution (S. Res. 166) relating to the determination of the contested election for a seat in the United States Senate from the State of New Hampshire.

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now proceed to the consideration of division 2, with the time to be equally divided and controlled by the Senator from Oregon (Mr. HATFIELD) and the Senator from Nevada (Mr. CANNON) until the hour of 10:30 a.m.

The Senator from West Virginia is recognized.

Mr. ROBERT C. BYRD. No, I just wanted to be sure that the vote would still occur at 10:30 a.m. and that the time thus consumed out of the 1 hour, which began at 9:30, will be equally charged against both sides.

The ACTING PRESIDENT pro tempore. That is correct.

Mr. ROBERT C. BYRD. I thank the Chair.

The ACTING PRESIDENT pro tempore. Who yields time?

Mr. CANNON. Mr. President, I suggest the absence of a quorum, and I ask that the time be charged equally to both sides.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HATFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. ALLEN). Without objection, it is so ordered.

Who yields time?

Mr. HATFIELD. Mr. President, I inquire of the Chair as to the time situation at the moment.

The PRESIDING OFFICER. Each side has 20 minutes.

Mr. HATFIELD. I thank the Chair.

Mr. President, I yield myself 10 minutes of the 20 minutes that I have for my side.

Mr. President, yesterday the discussion centered around a number of points. One was that Mr. Wyman's protests were not made in a timely fashion.

Mr. President, it is my purpose today to both document what I understand to be the case for Mr. Wyman's request to recount the 10 voting precincts enumerated in issue No. 1 and to correct what I believe to be numerous misstatements, although undoubtedly inadvertent, concerning the state of the record.

Initially, it is important for the Senate to understand exactly what a "precinct protest" is. A precinct protest is a protest lodged by one side or another—or both—to the count of an entire voting precinct. It consists of a request to merely open up the box and merely count the paper. All of the judgmental calls have been removed through the protest process at the recount and are among the 3,500 ballots that went before the ballot law commission and the Rules Committee. The ballots remaining in the box are clearly ballots for either Wyman, Durkin, Chimento, or no one. All that is requested is to physically count them.

The number of ballots involved in each of the 10 precincts protested by Wyman are as follows:

1. Gorham (Wyman protest)	1028
2. Bedford (Wyman and Durkin protest)	1950
3. Claremont, ward 2 (Wyman protest)	1812
4. Concord, ward 1 (Wyman protest)	1009
5. Gilford (Wyman protest)	1406
6. Hanover (Wyman protest)	2074
7. Newmarket (Wyman protest)	1307
8. Pelham (Wyman protest)	1613
9. Salem (Wyman and Durkin protest)	5607
10. Somersworth, ward 1 (Wyman protest)	588
	18,394

Except for Salem, which has five boxes, the ballots from each of the other eight protested precincts are probably contained in one or two boxes per precinct. The whole process of retallying these boxes would take no more than 3 or 4 working days.

Why were precinct protests taken?

The recount itself was conducted in an atmosphere of tremendous confusion. All of the boxes were opened and counted in one insufficiently large room in the State House. Each side had observers, friends, relatives and well-wishers who, along with the press, crowded into the room around the counting tables. This created a great deal of noise and commotion, which was not conducive to an orderly proceeding. Additionally, the long hours, often from 9 a.m. until 11 p.m., placed a great deal of stress upon the secretary of state's personnel who were in charge of the recount.

At the beginning of the recount, Mr. Durkin was represented by Tom Downs of Michigan. Downs had apparently instructed the Durkin checkers to protest everything that moved. Consequently, they began to protest all ballots marked with a checkmark and all absentee ballots, despite the fact that these were perfectly good ballots under New Hampshire law. As a defensive measure, Wyman people responded in kind. The result was that hundreds of ballots were being protested and piled by the secretary of state's personnel into numerous special categories. This only added to the confusion already existing.

I quote here from the testimony of one of Mr. Wyman's attorneys, Dort Bigg, before the ballot law commission on December 7, 1974 concerning the situation during the recount.

> A. I was personally present through the, virtually, entire process, with the exception of momentary absences from the room. I was present from the opening moment through to the end of the proceeding of the initial stage of the recount in Portsmouth. . . .
>
> Q. And, generally, the hours during which that phase of the process was conducted, when did it start in the morning, when did we get done at night?
>
> A. We started at 9 o'clock in the morning, or as close to it as we could gather everyone, and the proceedings normally went into a recess of approximately an hour at lunchtime, approximately an hour at dinnertime, and we ran variously from as late as 9 o'clock—or, as early as 9 o'clock to as late as 11:00 or 11:30 on some occasions.
>
> Q. In this process, in the Council Chambers, how many teams of workers were there working for the Secretary in processing the ballots?
>
> A. I don't think I ever counted them. I would estimate something like 12 to 15.
>
> Q. Teams?
>
> A. Teams, that is correct.
>
> Q. Of two persons each?
>
> A. For the Secretary of State.
>
> Q. And their work on the ballots was observed in what manner by representatives of the candidates?
>
> A. Seated opposite the representatives of the Secretary of State, with each team was one representative from Mr. Wyman's team, one from Mr. Durkin's team and, initially, there were a few representatives for Mr. Chimento. There were also wandering observers who stood behind the counters in some instances. There was no pattern to that—it was sort of haphazard.
>
> Q. As the two members of the Secretary's team handled the ballots what, generally, did they do, what was the process on their part?
>
> A. First the Secretary of State, or his Deputy, opened the ballot box, normally under the eyes of representatives of each of the major candidates. The ballots were then physically removed from the box and an organization, or sorting process was undertaken by the representatives of the Secretary of State. In some instances all of the ballots had been folded up and had to be unfolded and arranged. In other instances they were merely arranged and put in an order to count expeditiously. At one stage of the proceeding, I think it was the first day, the Secretary of State's representatives, upon being advised of a general protest by the Durkin people of all ballots which were marked with anything other than an X, and all absentee ballots, undertook, in the first instance, to physically segregate those displaying them to the representatives of the candidates.
>
> Q. This is at the counting table?
>
> A. That is at the counting table, that is correct.
>
> Q. Now, at this point, when the Durkin forces indicated a general protest to all absentees and all ballots marked in any manner other than with an X in the square, what did the Wyman forces do so far as protests are concerned?
>
> A. By way of protective reaction, I directed all of the Wyman representatives to similarly protest all absentee ballots for Durkin and all ballots for Durkin which were marked with anything other than an X. . . .
>
> Q. What was the method there of being sure that the candidates' representatives saw the ballots that were of concern to him?
>
> A. As the Secretary of State and his Deputy went through the protested ballots, and ballots counted for neither candidate, he ruled how they should be counted, and he placed before the adversely affected party that ballot, at the time he made the ruling and, at that time, the legal representative had the opportunity to log a formal protest, in which case that individual specific ballot was, again, physically segregated, a pink sheet such as we have seen attached to the protested ballots here was affixed to it by a staple, the Secretary of State or his Deputy marked on the pink sheet for whom he had ruled the ballot, by whom it was protested, and then those sheets, those ballots with the pink sheet attached, were taken under—well, not under guard, but in the presence of a representative of each party to the Xerox room, they were Xeroxed, and copies were made available to those who required them.
>
> Q. All right. Now, when the Durkin forces lodged their general protest against all absentee ballots, with the result that the Wyman forces did the same, and when the Durkin forces lodged their general protest against all ballots marked other than with an X in the squares, and the Wyman forces took the same protective action, what was the result insofar as the taking of protested ballots over for checking by the Secretary of State, what was it?
>
> A. On the first day, the original counters did not count ballots which fell into these two categories. And, what immediately followed was a terrible bottleneck, in which the Secretary of State and his Deputy were forced to do the bulk of the counting. So, at the end of the first day, it was finally agreed that instead of physically separating those ballots which fell into the two general protest categories, that is ballots marked with other than an X, and absentee ballots, with the understanding that both sides had a general protest to all of the ballots falling in these general categories.
>
> Q. In numbers, in those two categories, what was it, a matter of 10, hundreds, or thousands?
>
> A. Thousands.
>
> Q. But, your understanding was that there was a general protest by both sides that reached all of these ballots?
>
> A. That is absolutely correct. I met with Mr. Millimet, in the presence of the Secretary of State, and we discussed it and reached an agreement on it. It was the only

reasonable way of proceeding, and I think we would still be up there counting ballots if we still had that bottleneck.

As a practical matter, the precinct protests of each side concern those precincts where the protesting side lost a substantial number of votes. I ask unanimous consent that the following tabulation of the change of votes in the 10 precincts protested by Mr. Wyman from election night totals to the recount totals be printed in the Record. For the record, I wish to note that those totals range from a gross change of 18 votes in Concord, ward 1, to 173 votes in Claremont, ward 2, from the the election night totals to the recount totals.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit 1.)

Mr. HATFIELD. Although only a net of 365 votes changed from the election night totals—from a plus 355 for Wyman to a plus 10 for Durkin—the gross changes from the election night votes to the recount votes are much higher. As between Wyman and Durkin, a total of 2,762 votes were either added or subtracted from their election night figures as a result of the recount. I ask unanimous consent to have printed in the Record a complete tabulation of the changes for each of the two contestants between their election night figures and the recount figures, indicating the gross change of 2,762 votes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit 2.)

Mr. HATFIELD. The Wyman precinct protests were lodged when his floor general, attorney Dort Bigg, was advised by the lay checkers that they disagreed with the count made by the secretary of state's personnel, when there was a substantial and unusual change in the Wyman totals, or when there was some special problem which arose from the count. An example of the latter was the town of Salem. The Salem ballots were contained in five separate boxes. Amidst a great deal of confusion, the Salem ballots were all spread out on the tables for recounting. Wyman gained 64 votes and Durkin gained 89, resulting in a net gain in Salem of 25 votes for Durkin. Both sides registered a precinct protest in Salem because of their dissatisfaction with the counting process.

It has been brought to my attention that the town of Salem was involved in a second recount on November 29 and 30, 2 days after the completion of the U.S. Senate recount and prior to the commencement of the ballot law commission proceedings in the U.S. Senate race. This was a recount of the Governor's Councilor, district 3, race. Apparently, the recount of the town of Salem caused some difficulty there as it had in the U.S. Senate race because the notation on the Secretary of state's official tally sheet from the councilor recount states "changed by review by lawyers by both sides." This is a further indication of the potential inaccuracy of the Salem totals.

In addition to the town of Salem, two other precincts among the 10 precincts protested by Mr. Wyman and encompassed by Issue No. 1 were also recounted in the Governor's Councilor race. I ask unanimous consent at this time to have printed in the Record a comparison of the number of ballots tallied in the U.S. Senate race and in the Governor's Councilor race in those three precincts as a result of the respective recounts conducted by the same secretary of state. In Newmarket, the councilor recount showed one more ballot being cast than was reflected in the Senate recount. In Salem, five more ballots are recorded in the councilor race than were totaled in the Senate recount and in Somersworth, ward 1, one more ballot is reflected in the Councilor's recount over the Senate recount. Again, these discrepancies cause one to suspect the accuracy of the secretary of state's recount.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit 3.)

Mr. HATFIELD. Another example of a special problem is the town of Bedford. When Bedford was recounted, it was learned that a box of ballots was missing. Upon investigation, it was determined that a second box of ballots had erroneously not been forwarded to the secretary of state and was still in the custody of the town clerk. This caused a great deal of confusion and Mr. Durkin's representatives immediately lodged a protest to Bedford. The second box was retrieved by the State police and recounted separately and the results added to those from the first box. The result was a net loss of 82 votes for Wyman. Wyman representatives therefore also lodged a protest to Bedford.

In the town of Gorham, Mr. Wyman lost 98 votes in the recount. A precinct protest was lodged. The election officials from Gorham were called as witnesses before the ballot law commission because their very careful election night records and practice indicated that their election night totals were correct. It was believed that a box which had previously been thought to contain only the constitutional question ballots actually contained the ballots which represented the loss of Mr. Wyman's votes and which might not have been recounted by the secretary of state. The ballot law commission agreed merely to open that box. Only constitutional question ballots were found in the box; no regular ballots were found. The regular ballots from the town of Gorham were not thereafter retallied and have never been retallied to the present date. Consequently, the significant change from the election night totals to the recount totals and the discrepancy from the careful processes of the Gorham officials in counting ballots have never been explained.

It has been suggested by some that no evidence has been presented to justify the proposition that there is error in the count in the 10 precincts protested by Mr. Wyman. I ask unanimous consent that a tabulation reflecting the discrepancies between the number of voters checked off as voting on the checklist and the number of ballots tallied in the U.S. Senate recount be printed in the Record. This tabulation reflects a discrepancy of up to 54 additional votes in Claremont, ward 2, being tallied as opposed to voters having been checked off on the checklist.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit 4.)

Mr. HATFIELD. I also ask unanimous consent that a tabulation comparing the number of ballots distributed by the secretary of state to the election officials in the 10 precincts prior to the election to the number of unused ballots returned after the election plus the number of ballots tallied at the election, as recounted, be printed in the Record. It should be noted that the figures for the number of ballots distributed are not accurate to the digit because they are calculated by weight, but that the figures are the official secretary of state totals. In each of the 10 precincts there were more ballots cast at the election, according to the recount figures, plus unused ballots returned that there were ballots distributed prior to the election. This is further indication that the secretary of state's recount figures are suspect.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit 5.)

Mr. HATFIELD. It has been suggested by Mr. Cannon that the protests by Mr. Wyman's representatives in the 10 precincts in question were not made in timely fashion. Mr. Cannon has even indicated that the protests were made after the recount was over. This is not true.

I wish to read from the testimony of Mr. Wyman's attorney at the recount, Dort Bigg, concerning the manner and time which he lodged Mr. Wyman's precinct protests.

Q. Were there any instances, Mr. Bigg, in which protests were lodged against all of the ballots from individual precincts?

A. There were.

Q. How did that come about?

A. I can't recall the first instance in which that occurred. *It was one of the Durkin representatives who did lodge a general protest against an entire voting precinct.* I believe it was Mr. Millimet, I cannot recall the specific Town or Ward where it occurred. But, he did so by orally informing the Secretary of State, or his Deputy, that he wished to lodge a protest against an entire Ward or Town. My recollection is that the first time that occurred was the first time there was a major discrepancy that turned up in the counting, which was adverse to the Durkin interests.

Q. You heard the protest being lodged by Mr. Millimet?

A. I heard it.

Q. Whether it was the first one or not—

A. I heard it only by the happenstance that I was in the presence. There was no particular effort made to communicate that protest to me, or to any particular representative of the Wyman forces. It was a personal communication from the Durkin representative to the Secretary of State or his Deputy.

Q. And, did either the Secretary or his Deputy indicate that any more formal action would be necessary in order to preserve that protest?

A. Not to my knowledge, not to me.

Q. From that point on, whenever there was a major discrepancy between the vote as being returned from the precincts and the vote as found at the recount, which was adverse to Mr. Wyman's interest, what did you do?

A. Each time there was a change in the recount over the election night figures, which I considered to be substantial and which I

> felt was adverse to the Wyman interest, I informed whoever was handy, either Mr. Kelley or Mr. Stark, of our wish to lodge a protest on behalf of the Wyman interests to the entire Ward or Town.
>
> *Q. Was there any indication given to you on those instances that anything more than your verbal protest was required in order to preserve Mr. Wyman's rights in those instances?*
>
> A. *There was not* ....
>
> Q. Did you make precinct objections, that is against the entire ballot, from Gorham, Gilford, Hanover, a Claremont Ward, and a number of other Wards that you specified in your letter of appeal of November 27?
>
> A. My letter of appeal was drawn based upon the notes that I had made of specific protests that I had lodged during the course of the recount. I find it difficult to recall each and every Ward and Town to which a specific protest was lodged, at this time, but if it is in my letter, it is from my notes as to a specific protest which I had made.

The letter of Attorney Bigg recording Mr. Wyman's precinct protests was not prepared after the recount was over. On the morning of November 27—prior to the conclusion of the recount and the announcement of those results—Attorney Bigg telephoned the secretary of state and reiterated his precinct protests and received adverse rulings thereon from the secretary of state.

Again, I quote from testimony of Mr. Bigg before the ballot law commission.

> Q. Now, on the next morning, the Wednesday morning, what, if anything, did you do with regard to attempting to further document your protests?
>
> A. I placed a number of telephone calls—in fact I spent the entire morning on the telephone talking to the Attorney General, the Secretary of State, and the Deputy Secretary of State.
>
> Q. What was the purpose of these calls?
>
> A. I was attempting to persuade the Secretary of State, either individually or through the Attorney General, to defer the announcement of a winner pending further work on the various areas of specific protests which I had made. And, amongst those were the Nashua absentee ballots situation, a situation in Gorham, the counting of write-in ballots in Exeter, and the other items, the other areas where I had made specific protests.
>
> Q. Did you also bring up the void ballot counting?
>
> A. I did indeed, I brought that up specifically. I was concerned that some of these protests might fall into a jurisdictional hiatus, or void, in that, under my reading of the Statute, the Ballot Law Commission would consider only rulings of the Secretary of State and, therefore, I sought specific rulings of the Secretary of State on each of these specific protests so that we would have—so that the Ballot Law Commission would have jurisdiction to review them. And, I sat there on the telephone with my notes in hand, and when it became apparent, when I was informed that they were not going to defer the announcement of a purported winner, I said, all right, I talked to Mr. Stark, he and Mr. Rudman were on the phone to me, in the same telephone conversation, but not at the same time, the telephone was passed to Mr. Stark and I said, all right, now I want rulings on each of these, so that I can take them to the Ballot Law Commission, and *I reviewed everything that is in my letter.*
>
> Q. Of November 27?
>
> A. Of November 27, that is correct.
>
> Q. Did you get adverse rulings as to your contentions in each instance?
>
> A. I did indeed.
>
> Q. By telephone?
>
> A. By telephone.

If there is any question concerning whether or not protests to entire precincts were registered by either or both sides during the recount, I ask unanimous consent that the affidavit of the secretary of state, Robert L. Stark, attesting to that fact be printed in the RECORD at this time. This affidavit appears on page 1344 of the committee hearings and should dispel any question that any Member of this body has concerning whether or not Mr. Wyman's protests were timely lodged. Indeed, Mr. Durkin's own counsel has upon several occasions indicated that the Durkin forces also lodged precinct protests during the recount and at one time even the figure of 46 specific precincts has been mentioned.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit 6.)

Mr. HATFIELD. To the extent that any suggestion has been made—which it was in the "Durkin Position" portion of the committee report—that precinct protests are required to be in writing, I wish to quote from the New Hampshire statute, chapter 59, section 96 concerning recounts:

> At the time and place so appointed and notified, the ballots shall be counted by the secretary of state and such assistants as he may require. The various candidates, their counsel and assistants shall have the right to inspect the ballots and participate in such recount under such suitable rules as the secretary of state may adopt. Each candidate or his counsel shall have the right to protest the counting of or failure to count any ballot. The secretary of state shall thereupon rule on said *ballot* and shall attach thereto a memorandum setting forth the name of the candidate making the protest and the ruling thereon.

It may be noted that the wording of the statute applies solely to protests of individual ballots. The statute in no way addresses itself to precinct protests, except to say that the parties may participate in the recount under "such suitable rules as the Secretary of State may adopt." The Secretary of State has adopted no such rules concerning precinct protests and one certainly cannot affix a writing or memorandum to a precinct as he can to a ballot.

At no time, including in his testimony before the ballot law commission did the Secretary indicate that he requested or required a writing with respect to precinct protests. In fact, he testified in response to a question by Attorney Millimet, Mr. Durkin's counsel:

> Q Did you make a record of requests of that nature?
>
> A No I didn't.

Even Attorney Millimet, in response to a question by the chairman of the ballot law commission as to whether or not he felt, in behalf of Mr. Durkin, that all protests were required to be written stated as follows:

> Now I haven't quite said that, and I would like the record to be as clear as possible. What I have said is that the determination of whether the ballots, which do not meet the statutory standards, should be counted, is not for this Commission. That is for the U.S. Senate, and no one else.

Now, with respect to the question of waiver, it is certainly clear that Mr. Wyman brought his 10 precinct protests to the ballot law commission through his letter of appeal of November 27 by Attorney Bigg. Although Attorney Stanley Brown—who has been quoted ad nauseum by Mr. CANNON—only initially offered 4 of the 10 protested precincts to the commission—Gilford, Bedford, Somersworth, Ward 1, and Gorham—that was done by Mr. Brown to test the jurisdictional limits of the commission.

It became perfectly clear during the course of the commission's process that the ballot law commission indeed had no jurisdiction to retally entire precincts. On December 5, the day after the commission proceedings commenced, the chairman of the ballot law commission preliminarily stated concerning the precinct protests that:

> I have, personally, some difficulty with this request also, because of the scope of the Statute.

This preliminary indication of the commission's position regarding its own jurisdiction was later confirmed by specific rulings.

For example, on December 11, 1974, Attorney Brown requested in behalf of Mr. Wyman that the constitutional question ballots from the town of Gorham, which is the subject of one of the 10 precinct protests, be recounted to compare that count with the secretary of state's count of the recount of the regular ballots. The commission denied the request, Chairman Snow stating in explanation that:

> It seems to me this one is outside the scope of the protested ballot, and clearly is outside of it, and, therefore, I am inclined to vote in the negative on this issue.

Likewise, Commissioner Rudman stated in explanation:

> We are not here to recount the recount. To follow this logic to the end we ought to recount the whole recount, because I am sure there are probably other errors made. All I am saying is, I think you are right, evidence for the Senate should be collected and preserved.

In light of the obvious indications that the ballot law commission did not consider requests to retally entire precincts would be within its jurisdiction, Attorney Brown did indeed on December 20 withdraw from the commission his request to consider Mr. Wyman's precinct protests. This was not a waiver of any rights vis-a-vis the U.S. Senate. The language chosen by Mr. Brown to the effect that he "withdrew" and "was not pressing" these protests was not accidental. No mention is made of waivers.

Throughout the ballot law commission proceedings, both sides withdrew or did not ask for rulings on many ballots and issues. That is why 3,500 protested ballots went to the commission, but the commission was only requested to and in fact ruled upon 400 of those ballots. The parties did not intend to and did not in fact waive their protests on the remaining ballots.

A review of the ballot law commission transcript reveals a record replete with such withdrawals and failures to ask for rulings by counsel for both contestants. On some occasions, the withdrawals were acccompanied by a specific reservation of rights vis-a-vis the Senate and sometimes they were not. But, both parties were at all times aware that the Senate had plenary power and that all rights were reserved for presentation to the Senate. This fact and the fact that protests were not waived with respect to the Senate before the ballot law commission was implicitly recognized by the Rules Committee in its determination to permit a review of the entire 3,500 ballots that went before the commission and not just those that were specifically ruled upon by the commission.

The position of Mr. Durkin with respect to the limitation upon review of this election in the U.S. Senate is totally at odds with the position taken by him and his counsel in New Hampshire. For example, his counsel, Attorney Millimet, stated on December 27 before the Hillsboro County Superior Court concerning the protests that Mr. Wyman had taken to that court—and which were later ruled to be outside its jurisdiction:

> And our position has always been that the exclusive procedure for determining all of these questions is to go through the Ballot Law Commission. You count the ballots, and if you are dissatisfied and it is a non-legislative office, you go to the State Superior Court. If it's legislative, you go to the legislative body.

With respect specifically to precinct protests, the very same Attorney Millimet stated before the ballot law commission as follows:

> What I would like to say on doing this with 46 other Towns [Durkin precinct protests] is that if that is to be done there is only one place it can legitimately be done, that is in the Senate. This Commission's power is limited, and I stated so many times, to 68:42, counting and checking the ballots which were marked protested. And, that beyond that point, *in an election involving candidates for legislative body, only the legislative body can do it*. . . . The fairest thing we can do to the U.S. Senate is to not disturb any more processes, or any ballots, than we have to do, because they have the final authority as to deciding what legal effect is to be given to the facts, and they have the final authority to determine the facts, and every time we open a box, every time we disturb the record, we expose it to further hazard, no matter how hard we try to avoid it. I object to doing it.

Despite Attorney Millimet's protestations, however, it was Mr. Durkin who actually requested and received the only rulings before the ballot law commission with respect to its jurisdiction over precinct protests. In the towns of Conway and Salem, the latter of which is also one of Mr. Wyman's precinct protests, Mr. Durkin had lodged precinct protests at the recount. On December 23, the commission specifically refused to recount both Salem and Conway. In explaining his vote on the Salem matter, Commissioner Rudman stated:

> In the absence of some testimony that there is error plainly on the face of the tally sheet, I don't think that the Statute authorizes us to recount the recount.

In the face of the clear record concerning the ballot law commission's own opinion regarding its lack of jurisdiction to retally any entire precinct, as opposed to reviewing individual ballots, any suggestion of waiver on the part of Mr. Wyman is ludicrous. One cannot waive anything before a body that has no jurisdiction to consider it. As the chairman of the ballot law commission testified on January 9, before the Subcommittee on Privileges and Elections:

> The Commission consistently refused during this hearing to consider and rule upon issues which can be broadly described as "voting irregularities." We did this basically for two reasons. The first, and the most important, was that *there was no specific statutory authority which, in our opinion, allowed us to do it in the enabling statute*. Second, the same statutory section which prescribed authority, we thought specifically gave the parties a proper recourse for voting irregularities within the New Hampshire Superior Court. *Or, failing that, before this body, the United States Senate.*

Mr. Snow went on to enumerate the "voting irregularities" which were deemed beyond the commission's jurisdiction. Included in his recitation was the statement, "We refused the request to recount all ballots in the town of Salem." Thus spaketh the chairman of the ballot law commission.

Regardless of the jurisdictional situation, the record establishes that Mr. Wyman's representatives in fact did not waive their protests, but merely withdrew them for consideration by the U.S. Senate in the event that the election contest was referred here. Nothing more clearly indicates that no such waiver was intended or contemplated than the fact that Mr. Wyman's precinct protests were reiterated by Attorney Brown in Mr. Wyman's very first presentation to the U.S. Senate during the January 9, 1975 hearings before the Subcommittee on Privileges and Elections where Mr. Brown stated "and I see, and I suggest to this august Senate, that if you are going into it to review of the election return, that sensibly you should recount those precincts, because the rights to have them recounted were preserved."

Throughout the "Durkin position" portion of the committee report, there is continued mention of a waiver by Mr. Wyman of his precinct protests by an alleged failure by him to exhaust his State remedies, by applying to the New Hampshire Attorney General for a recount of these precincts. I do not recall this argument being made on the floor and I think I may know why. Because the New Hampshire attorney general has no authority to conduct recounts. I ask unanimous consent to have printed in the Record the letter of Attorney General Rudman of June 6, 1975, to the committee clarifying this matter.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit 7.)

Mr. HATFIELD. It ought to be clear from the above that Mr. Wyman not only has not waived his precinct protests, but indeed has raised them at every available opportunity—in each case only to be met by Mr. Durkin with an argument as to why they should not be considered.

But let us for a moment forget the legalities of timely protest and waiver and talk a little about due process and basic fair play.

The Rules Committee has already established the precedent of considering new protests that were not raised in New Hampshire and were only made before the Senate—but this was in favor of Mr. Durkin. Among the ballots reviewed by the Rules Committee are ballots which were never protested in New Hampshire by Wyman or Durkin, but by the third candidate, Mr. Chimento. I read from the transcript of the proceedings before the Riddick panel:

> Mr. Van Loan. I think the record should reflect that this was protested by Mr. Chimento and not protested by Mr. Durkin at the recount and is now protested by Mr. Durkin.
>
> Mr. Brown. Can we do that?
>
> Mr. Duffy. What?
>
> Mr. Brown. Now protest a ballot not protested at a prior level?
>
> Mr. Meara. It was protested at a prior level by Mr. Chimento.

Likewise, on other occasions Mr. Durkin's representatives were permitted to lodge completely new protests before the Rules Committee on ballots that had been protested in New Hampshire for different reasons. In one instance, a Wyman ballot which had been protested in New Hampshire because it had been marked for Wyman with a checkmark rather than an X was discovered to also have a mark in Mr. Chimento's box. Although both contestants had stipulated that ballots marked with a check were good ballots, Mr. Durkin was allowed to adopt a new protest to this ballot on the basis of the Chimento mark. The committee voted that ballot as a no vote and Mr. Wyman therefore lost one vote.

If Mr. Durkin has been permitted to raise wholly novel protests before the Senate, Mr. Wyman ought at least to be able to have protests which he made in New Hampshire—and which have never been acted upon by anybody on the merits—considered here in the Senate.

With respect to that red herring, ballot security, I should perhaps begin and end with Attorney General Rudman's explicit letter to the committee of June 6, 1975. In that letter Mr. Rudman stated:

> As I noted in my remarks to the press and in subsequent converations with members of your staff, I am completely satisfied that those ballots housed at the Armory were in the same condition when they were handed over to the officers of the United States Senate staff on February 10, 1975, as when they were placed into the storage area at the Armory. I continue to be distressed that various individuals have seen fit to make unfounded and baseless allegations concerning these ballots. *I challenge anyone to show one ballot that has in any way been altered or destroyed because of the method of storage employed by New Hampshire officials.* I submit that this cannot be done because these ballots, as I noted earlier, have been carefully and dutifully maintained in their original state.

I ask unanimous consent that the letter be printed in the Record in full.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit 8.)

Mr. HATFIELD. If the Senate does not honor Mr. Wyman's protests, what are we to do? Are we to deny the requests of Professor Ford and the New Hampshire secretary of state? Do we burn the ballots so that no one will know the truth. Or are we to turn over the ballots and be second guessed by history.

Why not take the sensible, the reasonable, the fair approach. Count the ballots. Let the truth shine forth. As the last editorial holdout for a new election, the Washington Post, stated in its most recent pronouncement of July 14, an impartial arbiter should go back through all the ballots and audit "the 15 precincts in which counting errors or missing votes have been alleged by Mr. Wyman's camp." Perhaps the Post is trying to tell the majority something. Perhaps this is Custer's last stand. Perhaps if you deny this, you will stand alone—naked in your greed, condemned by all—even your friends.

As to how the minority feels about this matter, I harken the majority to the words of the first great Republican: "Let us have faith that right makes might, and in that faith let us to the end dare to do our duty as we understand it."

As did Mr. Rudman, I defy anyone to offer any evidence that these ballots have been tampered with. Who did it? Mr. Wyman? Or was it Mr. Durkin? The mere asking of the question ought to suggest to any fair man the answer.

It has been suggested that the problem is presented by the fact that the 180,000 ballots in the basement of the Senate Office Building were subjected to other recounts. That is true. The secretary of state did conduct recounts in 13 other local races.

But these recounts were all completed in 2 days—November 29 and 30—prior to the ballots being removed to the supposedly insecure National Guard Armory and prior even to the ballot law commission hearings in the Senate race which began on December 4. Furthermore, these other recounts concerned not only the 180,000 ballots in question now, but also the 3,500 ballots which were subsequently reviewed by the ballot law commission in the Senate race and about which no questions of security have been raised.

Finally, the 13 additional recounts about which we read so much in the "Durkin position" were not even statewide recounts, but were just for several State representatives and one Governor's councilor. Of Mr. Wyman's 10 protested precincts, only 4 were recounted in other races: Pelham, Claremont, Ward 2, Salem, and Somersworth, Ward 1. The other 6 were never touched.

Now, this question of ballot insecurity is not just a red herring. It is an attempt to confuse and mislead the Senate. The 180,000 ballots in question were only in the National Guard Armory for approximately 1 month. The ballots were removed from the State House to the Armory around December 30, 1974. They were picked up by the Senate team, under the command of Senator PELL, on February 10 and transported to Washington. Since the first week in February, these ballots have remained under 24-hour guard, with a Republican and a Democratic lock, in room 2B of the Russell Senate Office Building.

If these ballots are so defective, why on Earth are we spending so much money to guard them? Perhaps it is because they hold secrets that some dare not reveal. Certainly, the expense and manpower which has been devoted to their present security is hardly to be justified if they were rendered unclean by previous insecurity. Can it be that these ballots have a story to tell that some wish not to be told?

If the Senate cares about who won the election, technicalities of waiver, et cetera, should not be particularly relevant. For example, both Mr. Wyman and Mr. Durkin made precinct protests to Salem and Bedford. This is a two-vote election. If either party has made a good faith protest to the accuracy of the count where only two votes separate the contestants, the protest ought reasonably to be considered.

Since the election is being reviewed for claims by Mr. Durkin not involving fraud or corruption, but which only allege error, the claims of Mr. Wyman alleging error ought also be reviewed.

Since the Senate is exercising its plenary power to review an election absent a charge of fraud or corruption, it should do so in behalf of the electorate of New Hampshire and not one or both of the contestants. The question, therefore, is whether there is doubt about the accuracy of the result, not whether one of the contestants made a particular tactical maneuver.

The Hatfield motion as adopted by the Rules Committee and Senate Resolution 166, as amended by the Griffin motion of June 18, both state that consideration shall be given to any protest raised by either party, at any stage of the proceedings. That Mr. Wyman made protest to these 10 precincts is apparent. That these protests have been prosecuted before the Senate is equally apparent. Under the resolutions of both the Rules Committee and the Senate, these protests ought to be honored.

The role of the Senate is not to determine who had the more facile lawyer or who used the more careful language. If we are to judge the elections of our Members, we ought to be trying to find out who won.

Who cares who waived what? A serious and substantial allegation has been made by Mr. Wyman that counting errors exist in these 10 precincts. If he is correct, the base from which we are working—which is plus two for Wyman—is a bed of sand. Does not anybody care? Especially when it is so easy to find out. Open the boxes and count the paper.

Well, if the U.S. Senate does not care who won, apparently others do. On the last day of the committee hearings, Mr. GRIFFIN read into the record a telegram which had been received by Mr. HATFIELD. It was from a Prof. Merriam C. Ford of the University of New Hampshire requesting all of the paper ballots for "research, review, and historical preservation." No reply has apparently been made by the committee to Professor Ford.

Likewise, on June 25, 1975, the New Hampshire Governor and Council unanimously resolved to direct the secretary of state, at the conclusion of the Senate review of the New Hampshire election, to request the return of the ballots and to "publicly recount any precincts not recounted by the U.S. Senate in order that the people of New Hampshire have the knowledge that all protests by either candidate were reviewed and publicly declared." I ask unanimous consent that a copy of the resolution be printed into the RECORD.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit 9.)

Mr. HATFIELD. Now, Mr. President, I think it is amply clear that at no time were the legitimacy of these protests by Mr. Wyman challenged or effectively quashed by any legal procedure or by the record of questions and answers and testimony by the parties to the case. I therefore believe that to raise this question that somehow Mr. Wyman's forces had abandoned their protest or they had not been lodged in a timely fashion is just not borne out by the record.

We heard it said that there were certain statements made which led to the implication or the conclusion by the chairman that somehow Mr. Wyman had waived his protest right over these 10 ballots. At no time did the attorney waive these rights. There is no place in the record where the word "waived" has been used to indicate that they were abandoning their protests. They found certain places where there had been rulings or there had been discussions as to the jurisdiction and that they did not press those points at that time. I think that is understandable. If it has been clearly indicated in some way through conversation, ruling or through record that certain protests were not going to be taken as jurisdiction of that agency or that body or that commission, or whatever it is, it is only logical that you do not pursue and press those points. Those points are not waived merely because you are not pressing them at the moment.

I think the record is very clear that they did not waive these rights, that they did not press. They withdrew from pressing those rights, but they certainly did not adandon them.

It is clear that from the very beginning there was discussion and there was much evidence that the final action on this contested election in New Hampshire would ultimately reach the U.S. Senate. We had not only the secretary of state and the ballot law commission but we had a Supreme Court case that very clearly indicated that certain items in protest would only be determined by the U.S. Senate. To try to interpret or try to apply a concept of waiver or of abandonment of those protests is just without foundation.

Again I raise this interesting point that was made yesterday about whether or not we have the security of the ballots.

The ACTING PRESIDENT pro tempore. The Senator's allotted 10 minutes have expired.

Mr. HATFIELD. I yield myself another minute.

Mr. President, I can only say, as it relates to the question of security of the ballots or the possibility that these ballots have been tampered with or have been in a situation where they could be tampered with, that that is raising a false issue. I think it is a diversionary tactic that bears no relation to the issue at hand because, again, I would emphasize that there was no question as to the integrity, or challenge of lack of security, on these ballots when Mr. MANSFIELD, the distinguished majority leader, or Mr. CRANSTON, the distinguished Senator from California, offered their so-called "compromise," which I reject as a compromise but at least it is called a compromise by their language, when they suggest that we go back into those 180,000 ballots and make a selection from them or review them.

The ACTING PRESIDENT pro tempore. The Senator's additional minute has expired.

Mr. HATFIELD. One more minute.

Therefore, it seems to me it does make a great deal of logic or sense to say that these are secure under one circumstance for one action, but not under another, when it comes to an action requested by the other side. That is selective application of the issue raised, and therefore I think the issue falls on that basis.

Of course, we have not had equal application of the New Hampshire law to both sides, we have not had equal application of justice to both sides, and we have not had equal application in responding to the protests of both sides; so I suggest we should not expect equal application here.

The ACTING PRESIDENT pro tempore. The Senator's additional minute has expired.

The exhibits follow:

EXHIBIT 1

Town	Gross change	Net Wyman loss
Gorham	104	−98
Bedford	19	−82
Claremont, ward 2	173	−173
Concord, ward 1	18	−18
Gilford	61	−61
Hanover	19	−19
Newmarket	31	−31
Pelham	36	−36
Salem	153	−25
Somersworth, ward 1	103	−99
Total	780	−642

EXHIBIT 2

Towns	Wyman			Durkin		
	Election night	Recount	Change	Election night	Recount	Change
Belknap County:						
Alton	581	580	−1	210	213	+3
Barnstead	330	333	+3	199	198	−1
Belmont	378	380	+2	393	394	+1
Center Harbor	133	132	−1	85	85	0
Gilford	762	761	−1	528	588	+60
Gilmanton	285	285	0	157	157	0
Laconia:						
Ward 1	400	399	−1	341	339	−2
Ward 2	251	253	+2	597	600	+3
Ward 3	159	160	+1	150	150	
Ward 4	332	332	0	349	348	−1
Ward 5	321	346	+25	466	479	+13
Ward 6	495	488	−7	467	473	+6
Meredith	814	821	+7		446	+1
New Hampton	216	223	+7	131	123	−8
Sanbornton	194	195	+1	181	182	+1
Tilton	392	392	0	329	330	+1
Total			59			101
Carroll County:						
Albany	58	58	0	23	23	0
Bartlett	261	262	+1	137	137	0
Brookfield	127	123	−4	27	28	+1
Chatham	20	20	0	12	12	0
Conway	883	954	+71	452	446	−6
Eaton	70	70	0	25	25	0
Effingham	98	103	+5	42	52	+10
Freedom	137	138	+1	52	50	−2
Hart's Location	10	10	0	4	4	0
Hale's Location						
Jackson	113	107	−6	81	82	+1
Madison	199	183	−16	59	59	0
Moultonborough	516	516	0	195	196	+1
Ossipee	420	414	−6	171	178	+7
Sandwich	276	274	−2	146	146	0
Tamworth	278	278	0	158	158	0
Tuftonboro	388	390	+2	110	111	+1
Wakefield	385	385	0	177	177	0
Wolfeboro	879	881	+2	330	328	−2
Total			116			31
heshire County:						
Alstead	153	153	0	154	153	−1
Chesterfield	244	247	+3	298	297	−1
Dublin	207	207	0	153	154	+1
Fitzwilliam	230	231	+1	155	154	−1
Gilsum	55	55	0	70	70	0
Harrisville	72	70	−2	12	121	−1
Hinsdale	265	259	−6	272	270	−2
Jaffrey	595	593	−2	442	443	+1
Keene:						
Ward 1	303	301	−2	680	682	+2
Ward 2	306	307	+1	599	604	+5
Ward 3	281	383	+102	545	591	−4
Ward 4	626	659	+33	902	923	+21
Ward 5	448	454	+6	778	800	+22
Marlborough	230	224	−6	258	257	−1
Marlow	75	75	0	52	52	0
Nelson	68	68	0	70	71	+1
Richmond	77	77	0	53	54	+1
Rindge	290	289	−1	199	199	0
Roxbury	20	20	0	31	31	0
Stoddard	80	82	+2	52	52	0
Sullivan	66	67	+1	92	92	0
Surry	65	65	0	98	98	0
Swanzey	460	463	+3	714	712	−2
Troy	122	123	+1	278	277	−1
Walpole	416	418	+2	466	484	−2
Westmoreland	167	161	−6	195	190	−5
Winchester	287	286	+1	339	338	−1
Total			+181			766
Coos County:						
Atkinson						
Bean's Grant						
Bean's Purchase						
Berlin:						
Ward 1	264	266	+2	820	818	−2
Ward 2	351	351	0	860	861	+1
Ward 3	529	531	+2	802	799	−3
Ward 4	151	150	−1	807	805	−2
Cambridge				1	1	0
Carroll	126	128	+2	78	79	+1
Chandler's Purchase						
Clarksville	26	27	+1	15	17	+2
Colebrook	323	322	−1	137	134	−3
Columbia	49	49	0	33	33	0
Crawford's Purchase						
Cutt's Grant						
Dalton	71	73	+2	47	46	[illegible]
Dix's Grant						
Dixville	11	11	0	5	5	0
Dummer	39	39	0	23	23	0
Errol	59	57	−2	31	31	0
Erving's Grant						
Gorham	479	378	−101	590	587	−3
Green's Grant						
Hadley's Purchase						
Jefferson	142	141	−1	78	76	−2
Kilkenny						
Lancaster	551	593	+42	308	314	+6
Low and Burbanks Grant						
Martin's location						
Milan	109	108	−1	99	99	0
Millsfield	3	3	0	1	1	0
Northumberland	380	379	−1	402	401	−1
Odell						
Pinkham's Grant				4	4	0
Pittsburg	169	169	0	55	55	0
Randolph	46	66	+20	33	54	+21
Sargent's Purchase						
Second College Grant						
Shelburne	48	48	0		26	
Stark	43	43	0	35	35	0
Stewartstown	111	114	+3	52	51	−1
Strafford	67	67	0	79	79	0
Success						
Thompson						
Wentworth's Location	9	10	+1	2	2	0
Whitefield	321	321	0	167	167	0
Total			183			49
Grafton County:						
Alexandria	81	80	−1	63	62	−1
Ashland	273	272	−1	157	156	−1
Bath	157	157	0	38	38	0
Benton	31	31	0	4	4	0
Bethlehem	299	297	−2	137	137	0
Bridgewater	91	91	0	64	64	0
Bristol	440	437	−3	130	129	−1
Campton	286	285	−1	106	107	+1
Canaan	208	208	0	203	208	+5
Dorchester	52	52	0	23	22	−1
([1])	33	33	0	37	37	0
Ellsworth	13	13	0	4	4	0
Enfield	284	285	+1	283	283	0
Franconia	141	141	0	131	131	0
Grafton	88	87	−1	43	42	−1
Hanover	680	677	−3	291	307	+16
Haverhill	648	647	−1	237	243	+6
Hebron	76	75	−1	36	36	0
Holderness	246	247	+1	110	110	0
Landaff	53	53	0	15	15	0

[1] Town not designated.

Towns	Wyman			Durkin		
	Election night	Recount	Change	Election night	Recount	Change
Grafton County—Continued						
Lebanon:						
Ward 1	331	331	0	460	448	−12
Ward 2	244	248	+4	418	418	0
Ward 3	409	411	+2	419	424	+5
Lincoln	209	209	0	82	82	0
Lisbon	253	253	0	86	86	+1
Livermore						
Littleton	1,225	1,226	+1	735	751	+16
Lyman	35	35	0	19	19	0
Lyme	190	192	+2	180	181	+1
Monroe	128	128	0	40	39	−1
Orange	31	31	0	25	25	0
Orford	212	209	−3	128	129	+1
Piermont	109	109	0	56	57	+1
Plymouth	638	636	−2	387	389	+2
Rumney	216	212	−4	84	87	+3
Sugar Hill	89	89	0	62	62	0
Thornton	166	165	−1	47	48	+1
Warren	162	162	0	34	34	0
Waterville Valley	47	48	+1	20	20	0
Wentworth	114	114	0	28	28	0
Woodstock	255	155	−100	70	73	+3
Total			136			80
Hillsborough County:						
Amherst	1,155	1,151	−4	710	716	+6
Antrim	314	310	−4	134	133	−1
Bedford	1,471	1,467	−4	829	907	+78
Bennington	134	132	−2	71	72	+1
Brookline	252	251	−1	159	158	−1
Deering	117	117	0	64	64	0
Francestown	158	158	0	101	100	−1
Goffstown	1,645	1,639	−6	1,466	1,465	−1
Greenfield	137	137	0	77	77	0
Greenville	177	176	−1	226	220	−6
Hancock	303	313	+10	171	165	−6
Hillsborough	495	493	−2	212	212	0
Hollis	651	670	+19	507	479	−28
Hudson	1,099	1,097	−2	1,748	1,761	+13
Litchfield	179	179	0	195	195	0
Lyndeborough	169	170	+1	76	74	−2
Manchester:						
Ward 1	1,830	1,831	+1	1,251	1,250	−1
Ward 2	1,434	1,432	−2	1,231	1,233	+2
Ward 3	832	832	0	1,065	1,068	+3
Ward 4	906	908	+2	1,080	1,079	−1
Ward 5	727	762	+35	899	937	+38
Ward 6	1,246	1,245	−1	1,322	1,322	0
Ward 7	920	920	0	1,128	1,128	0
Ward 8	1,022	1,022	0	1,159	1,162	+3
Ward 9	981	981	0	1,232	1,232	0
Ward 10	1,144	1,144	0	1,296	1,297	+1
Ward 11	740	740	0	885	985	+100
Ward 12	1,086	1,080	−6	1,335	1,335	0
Mason	94	94	0	60	60	0
Merrimack	1,142	1,143	+1	1,385	1,382	−3
Milford	1,180	1,179	−1	933	936	+3
Mont Vernon	170	170	0	114	114	0
Nashua:						
Ward 1	731	731	0	1,048	1,049	+1
Ward 2	994	995	+1	934	936	+2
Ward 3	541	541	0	851	856	+5
Ward 4	246	249	+3	860	894	+34
Ward 5	356	356	0	974	974	0
Ward 6	535	535	0	1,258	1,259	+1
Ward 7	376	377	+1	1,116	1,116	0
Ward 8	806	806	0	1,108	1,108	0
Ward 9	455	453	−2	761	760	−1
New Boston	246	278	+32	194	197	+3
New Ipswich	255	259	+4	189	188	−1
Pelham	615	596	−19	863	880	+17
Peterborough	940	934	−6	599	602	+3
Sharon	32	32	0	20	20	0
Temple	154	155	+1	69	70	+1
Weare	420	416	−4	238	240	+2
Wilton	430	430	0	261	267	+6
Windsor	24	24	0	8	8	0
Total			178			376
Merrimack County:						
Allenstown	315	318	+3	82	816	−6
Andover	209	217	+8	237	238	+1
Boscawen	298	301	−3	286	291	+5
Bow	617	619	+2	619	618	−1
Bradford	238	238	0	119	119	0
Canterbury	175	175	0	179	179	0
Chichester	211	211	0	160	160	0
Concord:						
Ward 1	457	449	−8	524	534	+10
Ward 2	613	609	−4	761	757	−4
Ward 3	484	492	+8	447	440	−7
Ward 4	453	452	−1	585	584	−1
Ward 5	347	345	−2	418	415	−3
Ward 6	331	323	−8	553	561	+8
Ward 7	700	706	+6	816	817	+1
Ward 8	672	676	+4	691	694	+3
Danbury	105	105	0	55	55	0
Dunbarton	215	215	0	182	184	+2
Epsom	328	326	−2	229	227	−2
Franklin:						
Ward 1	251	251	0	348	348	+1
Ward 2	259	257	−2	455	452	−3
Ward 3	338	336	−2	368	369	+1
Henniker	355	355	0	252	252	0
Hill	94	95	+1	32	34	+2
Hooksett	995	991	−4	900	889	−1
Hopkinton	781	777	−4	569	572	+3
Loudon	255	255	0	231	229	−2
Newbury	161	160	−1	106	106	0
New London	373	738	+1	339	329	−10
Northfield	251	252	+1	259	262	+3
Pembroke	689	687	−2	919	917	−2
Pittsfield	424	423	−1	252	250	−2
Salisbury	105	105	0	84	85	+1
Sutton	144	154	+10	132	133	+1
Warner	319	321	+2	239	240	+1
Webster	127	127	0	121	121	0
Wilmot	109	109	0	63	63	0
Total			90			87
Rockingham County:						
Atkinson	440	443	+3	246	246	0
Auburn	289	287	−2	291	289	−2
Brentwood	249	249	0	141	141	0
Candia	414	412	−2	235	233	−2
Chester	351	348	−3	145	145	0
Danville	199	199	0	63	65	+2
Deerfield	310	311	+1	177	171	−6
Derry	1,694	1,688	−6	1,135	1,112	−23
East Kingston	126	126	0	91	91	0
Epping	453	452	−1	313	314	+1
Exeter	1,634	1,630	−4	1,249	1,249	0
Fremont	244	245	+1	113	114	+1
Greenland	385	385	0	354	356	+2
Hampstead	600	601	+1	304	307	+3
Hampton	1,477	1,482	+5	1,400	1,398	−2
Hampton Falls	312	313	+1	174	174	0
Kensington	174	201	+27	152	174	+22
Kingston	651	651	0	323	322	−1
Londonderry	866	876	+10	754	755	+1
New Castle	141	241	+100	186	187	+1
Newfields	128	130	+2	85	87	+2
Newington	146	146	0	126	127	+1
Newmarket	469	442	−27	800	804	+4
Newton	316	315	−1	154	154	0
North Hampton	568	564	−4	475	477	+2
Northwood	330	370	+40	185	186	+1
Nottingham	209	205	−4	155	156	+1
Plaistow	682	683	+1	354	355	+1
Portsmouth:						
Ward 1	397	397	0	680	681	+1
Ward 2	500	500	0	655	655	0
Ward 3	279	279	0	372	369	−3
Ward 4	503	500	−3	599	607	+8
Ward 5	379	380	+1	556	558	+2
Ward 6	166	166	0	340	340	0
Raymond	683	680	−3	403	406	+3
Rye	830	835	+5	790	791	+1
Salem	2,108	2,172	+64	2,700	2,789	+89
Sandown	321	234	+3	105	105	0
Seabrook	649	653	+4	528	515	−13
South Hampton	140	139	−1	122	123	+1
Stratham	353	349	−4	245	246	+1
Windham	535	535	0	428	428	0
Total			334			203
Strafford County:						
Barrington	338	339	+1	342	342	0
Dover:						
Ward 1	449	448	−1	687	690	+3
Ward 2	315	317	+2	672	682	+10
Ward 3	411	413	+2	675	673	−2
Ward 4	430	427	−3	623	624	+1
Ward 5	547	547	0	769	760	−9
Ward 6	347	347	0	449	452	+3
Durham	697	712	+15	1,222	1,245	+23
Farmington	597	598	+1	477	475	−2
Lee	226	225	−1	285	285	0
Madbury	100	100	0	119	119	0
Middleton	47	47	0	39	40	+1
Milton	301	301	0	243	242	−1
New Durham	159	158	−1	68	68	0
Rochester:						
Ward 1	424	425	+1	376	377	+1
Ward 2	584	589	+5	480	485	+5
Ward 3	388	388	0	500	491	−9
Ward 4	557	554	−3	721	722	+1
Ward 5	482	484	+2	477	473	−4
Rollinsford	219	221	+2	362	350	−12
Somersworth:						
Ward 1	243	245	+2	231	332	+101
Ward 2	156	153	−3	297	300	+3
Ward 3	150	148	−2	301	298	−3
Ward 4	217	216	−1	390	395	+5
Ward 5	148	147	−1	344	343	−1
Strafford	223	223	0	160	160	0
Total			49			200

EXHIBIT 2—Continued

Towns	Wyman Election night	Wyman Recount	Wyman Change	Durkin Election night	Durkin Recount	Durkin Change
Sullivan County:						
Acworth	85	85	0	64	64	0
Charlestown	377	375	−2	406	406	0
Claremont:						
Ward 1	288	297	+9	589	598	+9
Ward 2	806	656	−150	1,051	1,074	+23
Ward 3	222	224	+2	774	772	−2
Cornish	197	197	0	206	206	0
Croydon	49	49	0	55	55	0
Goshen	78	79	+1	85	85	0
Grantham	64	64	0	48	47	−1
Langdon	55	56	+1	34	34	0
Lemester	114	113	−1	67	67	0
Newport	818	815	−5	996	979	−17
Plainfield	158	160	+2	219	218	−1
Springfield	87	86	−1	47	47	0
Sunapee	467	467	0	302	298	−4
Unity	43	43	0	95	95	0
Washington	100	98	−2	42	42	0
Total			176			57

EXHIBIT 3

COMPARISON OF TOTAL BALLOTS TALLIED IN SENATE RECOUNT AND IN GOVERNOR'S COUNCILOR (DISTRICT 3) RECOUNT IN PRECINCTS COVERED BY WYMAN'S PRECINCT PROTESTS

	Senate	Councilor	Difference
Newmarket	1,307	1,308	+1
Salem	5,607	5,612	+5
Somersworth 1	588	589	+1

EXHIBIT 4

PRECINCT PROTESTS—CHECKLIST/BALLOT COMPARISON

	Checklist	Ballots	Difference
Gorham	1,001	1,028	+27
Bedford	2,432	2,451	+19
Somersworth 1	573	588	+15
Claremont 2	1,749	1,803	+54
Concord 1	1,004	1,009	+5
Hanover	2,053	2,074	+21
Newmarket	1,302	1,307	+5
Pelham	1,610	1,613	+3
Salem	5,607	5,607	-----------
Gilford	1,405	1,406	+1

EXHIBIT 5

PRECINCT PROTESTS—UNUSED BALLOTS PLUS BALLOTS TALLIED/BALLOTS DISTRIBUTED COMPARISON

	Distributed	Tallied	Plus unused	Total	Difference
Gorham	2,340	1,028	1,334	2,362	+22
Bedford	4,260	2,451	1,888	4,339	+79
Somersworth 1	960	588	393	981	+21
Claremont 2	4,080	1,803	2,365	4,168	+88
Concord 1	2,040	1,009	1,074	2,083	+43
Hanover	5,400	2,074	3,570	5,644	+244
Newmarket	2,820	1,307	1,550	2,857	+37
Pelham	3,960	1,613	2,368	3,981	+21
Salem	13,380	5,607	7,883	13,490	+110
Gilford	2,940	1,406	1,612	3,018	+78

EXHIBIT 6

April 21, 1975.

AFFIDAVIT

I am Robert L. Stark, Secretary of State of New Hampshire.

During the recount of the New Hampshire U.S. Senate election ballots in November, 1974, precinct challenges were taken verbally by both contestants. As indicated in Attorney Bigg's letter of November 27th there were demands of that nature from both sides during the counting of the ballots.

My response to all such requests was uniformly in the negative or we would never have been able to get through the recount. I would not recount a precinct on an allegation that the tally sheet was incorrect or for any other reason and I do not recall having recounted any precinct a second time in my conduct of the recount of the Nov. 5th Senatorial election no matter which side protested the precinct.

ROBERT L. STARK,
Secretary of State.

Subscribed and sworn to before me, this 21st day of April, 1975.

[SEAL] CATHERINE HARDY,
Justice of the Peace.

My commission expires May 18, 1978.

EXHIBIT 7

THE STATE OF NEW HAMPSHIRE,
Concord, June 6, 1975.

Hon. ROBERT P. GRIFFIN,
U.S. Senate, Committee on Rules and Administration, Room 125, Russell Senate Office Building, Washington, D.C.

DEAR SENATOR GRIFFIN: I am in receipt of your telegram of June 5, 1975 in which you have requested the opinion of this office as to the scope of New Hampshire RSA 7:6-c (supp). It is my understanding that the United States Senate, and particularly the Committee on Rules and Administration which you are a member, is considering the Wyman-Durkin election contest and as part of your consideration, you are concerned with New Hampshire election laws.

RSA 7:6-c (supp) states, in pertinent part, that ". . . the attorney general may in his discretion, conduct investigations to determine whether any violations of the election laws has occurred and may prosecute anyone responsible for such a violation . . ." It is the opinion of this office that this statute confers on the Attorney General the authority to investigate and prosecute election law violations. It does not allow the Attorney General, on his own motion, to compel a recount to invalidate an election, or in any way alter the results of an election. The purpose of this statute is solely for the prosecution of election law violations.

I trust the above is responsive to your inquiry. I will be most willing to provide whatever further assistance or cooperation within my authority to you in this matter. In order that all parties interested in the outcome of this matter may be fully apprised, I have taken the liberty of sending copies of this letter as indicated below.

Sincerely,

WARREN B. RUDMAN,
Attorney General.

EXHIBIT 8

THE STATE OF NEW HAMPSHIRE,
Concord, June 6, 1975.

Hon. HOWARD W. CANNON,
Chairman, U.S. Senate Committee on Rules and Administration, Russell Senate Office Building, Washington, D.C.

Re November 5, 1974 United States Senate Election.

DEAR SENATOR CANNON: I have been informed that various remarks that I have made to the press concerning the security of those ballots which did not come before the Ballot Law Commission for that body's review have been misinterpreted and have been used as a basis for an argument that these ballots should not be reviewed. I am writing to you at this time so that I might set any fears that you or any member of the Committee might have to rest concerning the security and integrity of these ballots.

As you know, those ballots that were the subject of the hearing before the Ballot Law Commission were kept in a locked vault in the New Hampshire State Police Headquarters. There were approximately 3,500 ballots in this category. The remaining ballots from the general election were placed in a locked equipment garage at the New Hampshire National Guard Armory in Concord. At the time these ballots were placed at their respective locations, it was unclear as to which ballots you would be considering. Subsequently, all ballots were turned over to the Senate.

It is true that the ballots at the National Guard Armory were not held in a vault. Quite simply, as is apparent from the vast number of the same, there was no vault large enough to hold all these ballots. However, this should not lead you or anyone to the erroneous conclusion that the integrity of these ballots has in any way been compromised. In fact, quite the opposite is true.

As I noted in my remarks to the press and in subsequent conversations with members of your staff, I am completely satisfied that those ballots housed at the Armory were in the same condition when they were handed over to the officers of the United States Senate staff on February 10, 1975, as when they were placed into the storage area at the Armory. I continue to be distressed that various individuals have seen fit to make unfounded and baseless allegations concerning these ballots. I challenge anyone to show one ballot that has in any way been altered or destroyed because of the method of storage employed by New Hampshire officials. I submit that this cannot be done because these ballots, as I noted earlier, have been carefully and dutifully maintained in their original state.

So that I might make myself completely clear on this subject, let me state again my position concerning these ballots. It is my belief that the method of storage of these ballots should in no way mitigate against their review by you or your Committee. It is becoming tedious to have to explain a method of storage that was agreed upon by all parties in this matter prior to its use. At all times during the storage of these ballots, they were available for inspection by anyone interested in this matter, although no one bothered to take advantage of this opportunity. I confess that they were not locked behind special doors. However, this does not mean that these ballots are now somehow different than they wer prior to going into storage. If someone is arguing that because these ballots were stored as they were, they cannot now be reviewed by you, I regard that argument as without basis in fact and not worthy of your consideration.

As you may gather, I feel most strongly about this. I have written to you at this time so as to answer any argument of this sort. I realize that your task in this matter is a difficult one and I do not wish to make it any more difficult than is necessary. However, this sort of specious argument does not contribute to the resolution of this election, a resolution which has already been too long in coming. I stand ready to provide you with any further information or assistance.

Sincerely,

WARREN B. RUDMAN, *Attorney General.*

EXHIBIT 9

THE STATE OF NEW HAMPSHIRE RESOLUTION

Whereas, the State of New Hampshire held an election in November of 1974 for a seat in the United States Senate; and

Whereas, after many delays and the passage of nearly seven months the United States Senate has failed to settle the dispute that arose from that election; and

Whereas, it now appears that numerous protests of certain tallies of votes by the Secretary of State will not be heard by the United States Senate; and

Whereas, those protests were not heard before the State Ballot Law Commission or before the courts of this State because both of those bodies believe that only the United States Senate had jurisdiction to examine those protests;

Now, therefore, regardless of the outcome of the election dispute now pending before the United States Senate and in the interests of all of the people of the State of New Hampshire, the Governor and the Honorable Council adopt the following resolution:

Resolved, That the Secretary of State is hereby directed to make the following request to the President of the United States Senate:

The State of New Hampshire requests that when the United States Senate has concluded its deliberations pertaining to the United States Senate election held in New Hampshire in November of 1974, the said Senate return to the Secretary of State all ballots, absentee ballots, absentee ballot applications, checklists, tally sheets and any other papers or documents that were delivered by the State to the United States Senate; and be it further

Resolved, That when the Secretary of State receives said documents and papers he is publicly to recount any precincts not recounted by the United States Senate in order that the people of the State of New Hampshire have the knowledge that all protests by either candidate were reviewed and publicly declared.

Mr. CANNON. Mr. President, I want to point out some of the weaknesses of the argument of my distinguished colleague from Oregon.

First, on the point that he is raising that there should be a recount, there has been absolutely no evidence offered at any time, before the Rules Committee or otherwise, to support the bald assertion that the secretary of state's tally sheet is inaccurate, which is what they claim here. There has been no evidence at all, either before the Rules Committee or elsewhere, in support of that proposition.

Let me explain to the Senate what actually transpired in this recount.

On election night, at the count itself, the parties simply have watchers there if they so desire, and the counters count and announce the results, or turn the results in and they are announced.

On the recount, the parties each have watchers there who have the opportunity to examine the ballots and to tally the ballots, to have them counted, and to make any objections they want at that time. And under New Hampshire law, if an objection is made, a protest slip is attached to the ballot by the secretary of state, and he records the action that he takes and the protest by either one of the parties, or by both if it happens to be by both.

So the point is that the parties themselves had watchers there and were very carefully, through those checkers or watchers, insuring the accuracy of the count.

But the first time there was any question as to the accuracy of the counts on these precincts, other than my colleague's statement that it was made orally during the recount—and it may have been, I do not know—but the first written record of it was in Dort Bigg's letter of November 27, which was the day after the recount had been concluded, and was at a time when Mr. Wyman knew that he had been declared the loser, that he had lost by 10 votes as a result of the recount, and that is when the Dort Bigg letter came in.

And it listed the 10 precincts in which they were contesting the accuracy of the count.

My distinguished colleague has gone to great lengths to say that there was no waiver as such by Mr. Wyman's lawyer.

I do not know what he would define as a waiver. I do know that earlier yesterday he was criticizing lawyerish language, but a waiver is a waiver any way one wants to describe it. When a lawyer says, "I do not wish to pursue these protests," that certainly constitutes a waiver.

One can dress it up any way one wants, either by lawyer language or nonlawyer language, and it still constitutes a waiver.

Furthermore, Mr. President, Mr. Wyman had the legal position of being able to appeal to either the Attorney General or the New Hampshire Supreme Court to look into the matter, if he complained about something going wrong in these precincts, under RSA 7:6–C and he did not do that. This was in an interim period of November 27 when he filed the Dort Bigg's letter up to the time of December 4.

What happened on December 4? December 4 was the time that Mr. Brown waived his request, and I say "waived" advisedly, to recount or to go into the count of the 6 precincts of the 10 that had been mentioned.

I again, Mr. President, refer to Mr. Brown's "precise language."

Mind you, Mr. President, this was on December 4 at the hearing before the ballot law commission, and is reflected in their transcript. It is after the Dort Bigg letter of November 27 had been filed that, "said we protest these 10 precincts," among other things.

Then, this is Mr. Brown:

> We request that this Commission completely review all of the ballots, used and unused, together with the other relevant election documents, of Gorham, Bedford, Gilford and Somersworth Ward 1, unless we can be afforded an opportunity to review certain of these documents to satisfy ourselves that less than a full review is necessary in order that justice be done.
>
> Chairman SNOW. Give us those again. Gorham and Gilford I got—what were the other two?
>
> Mr. BROWN. Gorham, Bedford, Gilford and Somersworth Ward 1.

Those are all quotes, Mr. President. Now I am saying that those four were four of the 10 that were listed in the Dort Bigg's letter—

> Chairman SNOW. Okay.
>
> Mr. BROWN.——

These are Mr. Brown's words, his precise words. The Senator is quibbling about whether there is a waiver—

> Mr. BROWN. The Commission will recall that in Mr. Bigg's appeal notice we listed several others. We don't intend to pursue the others.

That is Mr. Brown's language. If that does not constitute a waiver, it may not in ordinary language to the Senator from Oregon, as he criticized lawyerish language yesterday, but Mr. Brown is an outstanding lawyer, who appeared before the Rules Committee for weeks and weeks during the process of the proceedings in this matter. This is what Mr. Brown says:

> We don't intend to pursue the others.

They have never answered that question other than to say, "oh, they did not wave it, this does not constitute a waiver." My goodness. We have to take language at what it means to the ordinary person, and if that is not a waiver I am very sadly mistaken.

Again I want to quote from Mr. Brown:

> What is involved here with these four precincts is that responsible election officials and voters in each of these precincts are insistent to us that their original counts were valid and the counting errors occurred here during the recount. Logically, logically, this may actually be true. It is just as possible that people of good will working hard counting ballots can make an error in the State House as at the Town Hall. We, therefore, because of special circumstances in each of four precincts, wish a further review.

Does that imply, Mr. President, that they wished a further review with respect to the six precincts that he said he did not intend to pursue?

The ACTING PRESIDENT pro tempore. The Senator's 10 minutes have expired.

Mr. CANNON. Five minutes more.

Of course, it does not raise any such implication.

Mr. Brown went on:

> With the exception of four precincts that I mentioned—we don't anticipate having to go outside of the envelopes in which Mr. Stark and Mr. Kelley segregated out the ballots that are subject to protest, by all parties.

Mr. President, that related to the ballots, the 3,500 so-called, that were protested by one or the other or both of the parties and were separated to go to the ballot law commission.

My distinguished colleagues from Oregon has suggested here that they knew what the ruling was going to be, and therefore this was one of the reasons why they did not press this matter at that time before the ballot law commission. This happened: The first statement there happened on December 4. He referred to the Supreme Court. I would point out that the Supreme Court did not rule on that matter until January 6. So they must have been clairvoyant at least if that was what they based their failure to press those other protests on.

He suggested that it was because they knew how the ballot law commission was going to rule. The ballot law commission did not rule on that matter until December 23, so this occurred after Mr. Brown's waiver on all 10 of the precincts. So this suggestion that they knew how the ballot law commission was going to rule or that the Supreme Court had said that this could only be decided by the Senate is a lot of poppycock.

Mr. President, going to December 20—we have been talking about December 4, and the December 4 meeting was where Mr. Brown waivered any protests as to the six precincts—and here is what happened on December 20.

December 20, this was the statement that was made:

> Taking into consideration all of the issues having to do with recounts in Lancaster, Meredith, Goffstown, Merrimack, Seabrook; the absentee vote in Amherst, absentee vote situation in Nashua; Manchester voting machine situation. With respect to Goffstown, the only issue there is the American Party possible double vote, which we haven't ruled on, and which we'll rule on. I've been advised of that, and that's correct for the record.
>
> In addition to all your other objections which have been continuing, that we have no authority to do what we are doing, that we have gone beyond the scope of the statute in considering what we have considered—

And this is Mr. Millimet, Mr. Durkin's attorney:

> Well, I haven't said that about most of the proceedings, may it please the Chairman, but you apprehended my views on the issues that you enumerated.
>
> Chairman Snow. I mean, what I'm saying is I don't think you need to state it again.
>
> Mr. Millimet. Yes. It's in the record, we understand that.

Now Mr. Brown, again, and this is December 20, it is before the ballot law commission had made any ruling on this subject, they had not even ruled on the salient protest of Mr. Durkin which incidentally Mr. Durkin has waived and never raised here to the Senate.

> Mr. Brown. So far as the precinct recount requests—and I had four of them——
>
> Chairman Snow. Gilford, Bedford, Somersworth Ward 1 in Gorham.
>
> Mr. Millimet. You didn't mention Somersworth.
>
> Chairman Snow. I was going to ask you about it.
>
> Mr. Brown. I am not pressing on any of those. . . .

I would like to ask my distinguished colleague does that sound like a waiver, technically it is a waiver if he wants to get lawyerish language maybe, that is not a waiver. He just says he is not pressing on any of them. That is all. He is abandoning them. Maybe abandonment is a better word for me to use than waiver. And he goes on:

> . . . but I may have some live testimony with regard to the Somersworth situation, depending upon how my brother's case develops, and I withdraw the request for the precinct reviews.

There is a clear withdrawal. We have an abandonment. We have a withdrawal. We do not have the precise use of the word waiver.

So I hope my colleague will respond to that.

And Chairman Snow then says——

The ACTING PRESIDENT pro tempore. The Senator's 5 minutes are up.

Mr. CANNON. Two minutes, Mr. President.

The chairman so says:

> Gilford, Bedford, Somersworth Ward 1, and Gorham.
>
> Mr. Brown. Yes.

This is Mr. Brown, the very fine lawyer for Mr. Wyman, who had not raised the issues because they were raised by Mr. Bigg's letter of November 27, but had presented this case to the ballot law commission; first waived the six of them, second, waived the other four.

Chairman Snow said to his members:

> Did you get that?

Commissioner Rudman, who was the Attorney General:

> Yes, I did.
>
> Commissioner Crowley. I got it.

Now, Mr. President, I do not know whether we want to call it a waiver, an abandonment, a withdrawal, whatever fancy term we want to use, but he was satisfied on those 10 precincts. I submit, Mr. President, that without any charge, any allegation of anything having gone wrong, to just come in now and say we want to go on a fishing expedition and go out and recount 10 precincts again, which had been thoroughly considered by his attorneys before the ballot law commission, I submit, is absurd.

Mr. President, I reserve the remainder of my time.

Mr. HATFIELD. Mr. President, I believe I have 5 minutes.

The ACTING PRESIDENT pro tempore. That is correct.

Mr. HATFIELD. I yield myself 2 minutes.

Mr. President, I find myself again in that interesting position of having to try to interpret lawyer language. I think the only thing that has been abandoned here in this discussion is the distinguished chairman's abandonment of the legal language and the legal training that he has. He has refused to recognize even a common thing called the dictionary, which says that a waiver is a legal act, is "the act of intentionally relinquishing or abandoning a known right, claim, or privilege."

Mr. Brown is a distinguished lawyer. He knows what a waiver is. If he had wanted a waiver, he would have used the word, "waiver." Even the ballot law commission says, we issue this certificate of declaration mindful of the legal recourse to either or both parties as set forth in section 2.

The distinguished chairman says if Mr. Wyman had wanted to appeal, he could have appealed to the attorney general. Again, he is abandoning his legal training and background, because very clearly, in the document before the committee, the very thing the chairman quoted, RSA 7:6–C, the attorney general states:

> The attorney general may in his discretion, conduct investigations to determine whether any violation of the election laws has occurred and may prosecute anyone responsible for such a violation. . ." It is the opinion of this office that this statute confers on the Attorney General the authority to investigate and prosecute election law violations. It does not allow the Attorney General, on his own motion, to compel a recount to invalidate an election, or in any way alter the results of an election. The purpose of this statute is solely for the prosecution of election law violations.

No violation has been charged. Here we are, Mr. President, throwing sand up, throwing dust up to obscure the case. All I can say is he has at no time abandoned or waived his rights.

The ACTING PRESIDENT pro tempore. The Senator's 2 minutes have expired.

Mr. HATFIELD. I yield 2 minutes to the Senator from Tennessee.

Mr. BROCK. Mr. President, I do not care what the word "waiver" means; I do not know whether anybody waived anything here. We are trying to settle an election. I do not know what Mr. Durkin has to hide. I do not know why in the dickens we cannot go in and count 10 precincts, tabulate them; they are there, already stacked.

It does not mean a tinker's dam to me whether a lawyer said this or that. I want to know who won this election. That is all this question is about. It will take 1 day for two or three GAO auditors to do a physical count of these stacks of ballots. Then we have an answer that lays this whole question to rest and nobody can hassle anybody about it any more.

What are we trying to do here? Are we going to try to hassle about legal terms or are we going to try to settle an election? Are we going to worry about technicalities or are we going to worry about the integrity of the Senate of the United States and the Constitution of the United States or the right of the people of New Hampshire to have a vote in the Senate? That is the question.

When they did a recount, these 10 precincts had a variance in the recount of 780 votes, of which 642 were taken from Mr. Wyman. There are only two votes splitting these people. That is a 4 percent margin of error in the recount and the election was determined by one one-thousandth of 1 percent.

It is a charade, it is a ridiculous charade to talk about anything other than what we are trying to accomplish. That is to determine who won the New Hampshire seat.

I do not care about waivers; I do not care about lawyers; I do not care about their language. I care about the integrity of this body. I cannot believe that the Senate would not at least allow us to recount 10 precincts that were protested. Every single Durkin protest has been accepted by the committee. Why not this Wyman protest? All he is asking is to retabulate to find out if there were mathematical errors.

The ACTING PRESIDENT pro tempore. The Senator's 2 minutes have expired.

Mr. HATFIELD. I yield a minute to the Senator from Kansas.

Mr. DOLE. Mr. President, I share the concern just expressed by the distinguished Senator from Tennessee. I do not think we should be too concerned about the legal niceties of waiver. It has been my view and has been my understanding in the past several weeks that we are trying to determine fairly in this body, if we can, who won the election in the State of New Hampshire. We can spend a great deal of time arguing the legal niceties and what may have been said by this attorney or what may not have been said by some other attorney. As I understand it, and I have spoken frequently with reference to the contest, because I want to understand what is going on, it is my firm belief that if we are to determine who won the election in the State of New Hampshire, that is the only question that we have before us.

The ACTING PRESIDENT pro tempore. All the time of the Senator from Oregon has expired.

Mr. CANNON. Mr. President, the Senator is absolutely right. What we are trying to do here is determine who won the election. The attorney general of the State of New Hampshire stated it correctly—and he is a member of the ballot law commission—when he said that the answer lies in those approximately 400 protested ballots that the parties protested for one reason or another on the particular count, as to whether it should have been a no-vote, as to whether it should have been a vote for one or a vote for the other.

That is the whole contest here that is involved: the ballots themselves that were really protested by these parties. These extraneous issues are a lot of red herrings dragged across the trail. It has been continued throughout this entire process. But the attorney general said it exactly right when he said:

> I think it is absurd to talk about going beyond those roughly 400 protested ballots that both of the parties protested and took to the ballot law commission.

True, they had protested 3,500-odd at the time of the recount, because they filed a lot of defensive protests and they knew that a lot of those protests were not good, not valid. So when they went to the ballot law commission, they narrowed it down to about 400 that they presented to the commission and they said:

> Here are the matters that you have to determine.

We have heard a lot about the committee having considered all of Mr. Durkin's protests. Mr. Durkin did not present any protests to the committee except the markings on those precise ballots. He said:

> I do not agree with the rulings that happened on some of those 400-odd ballots.

Those were the issues that were presented to the committee to rule on. We actually took over 900 ballots, because when the parties went through the 3,500 again, they came out with over 900 ballots that they wanted to bring to the committee for a decision. We have ruled on all but 27 of them right here. The reason we could not rule on that 27 is because we ended up in a tie vote on the committee.

That is where the whole story lies with respect to this election: In deciding those 27 ballots, putting them in the ballot box, having the General Accounting Office come in and tabulate those ballots and apply the results to the results of the ballot law commission, either adding to one or taking away or adding to the other or taking away. That will give us the results of this election. It will do it expeditiously and it will do it without running into a lot of these red herrings that are dragged across the trail to try to confuse the issue and to try to get it referred back to New Hampshire again, for a new election.

We voted on that matter a few times—eight to be precise. We voted on the subject of declaring a vacancy and returning it to New Hampshire in one form or another eight times. Yet, this is the first time that we are going to vote on one of the issues in the resolution. We have not yet voted on one of the ballots, which are really the key to this whole election, those 27 tie ballots, plus the other ballots that are in the box.

I say again, I have not the slightest idea of who is ahead in this, because we viewed most of those ballots in a masked condition and we did not know whom we were voting for.

I think if we would have been able to do it on these particular ones we probably would not have had any tie votes here either. But, Mr. President, so far we have had 28 rollcall votes in this matter; we have had 26 live quorums, 6 cloture votes, 8 votes to return the matter back to New Hampshire in one form or another, and we still have not voted on one solitary ballot.

ADDITIONAL STATEMENTS ON DIVISION 2

Mr. TAFT. Mr. President, I would like to take a few minutes to address issue No. 1 which is presently before the Senate for determination. Mr. Wyman has made certain precinct protests in which he objected to the count of 10 voting precincts. What is Mr. Wyman asking that is so difficult to honor? He merely asks us to open up the ballot boxes which are located here in Washington and to physically count the pieces of paper therein. It is important to note that there are no judgmental calls necessary in his request, all of the judgmental calls have been removed through the protest process at the recount before the New Hampshire secretary of state. The judgmental ballots are among the 3,500 ballots that went before the ballot law commission and the Rules Committee. Thus, the ballots remaining in the box are clear calls for Wyman, Durkin, Chimento, or none. All that is requested, and I believe should be granted, is to separate them into piles and to physically recount them. I think the Senate would be completely remiss in its responsibilities if it did not honor the Wyman request.

How many ballots are we talking about? The number of ballots involved in each of the 10 precincts protested by Wyman are as follows:

1. Gorham (Wyman protest)	1028
2. Bedford (Wyman and Durkin protest)	1950
3. Claremont, Ward 2 (Wyman protest)	1812
4. Concord, Ward 1 (Wyman protest)	1009
5. Gilford (Wyman protest)	1406
6. Hanover (Wyman protest)	2074
7. Newmarket (Wyman protest)	1307
8. Pelham (Wyman protest)	1613
9. Salem (Wyman and Durkin protest)	5607
10. Somersworth, Ward 1 (Wyman protest)	588
Total	18, 394

Except for the Salem Precinct, which has five boxes, the ballots from each of the other protested precincts are probably contained in one or two boxes per precinct. The whole process of retallying these boxes should take no more than 2 or 3 days which I believe anyone will agree cannot unduly prolong or burden the Senate investigation.

As I understand it, the recount which was conducted by the New Hampshire secretary of state was done in an atmosphere of tremendous confusion. All of the boxes were opened and counted in one insufficiently large room in the New Hampshire State House. Each side had observers, relatives, friends, and well-wishers who, along with the press, crowded into the room around the counting table. It probably resembled a typical House-Senate conference, only worse. Undoubtedly, this created a great deal of noise and commotion, which was not conducive to an orderly proceeding. Additionally, the long hours ensuing during the counting placed a great deal of stress upon the secretary of state's personnel who were in charge of the recount.

At the beginning of the recount, Mr. Durkin was represented by Tom Downs of Michigan. Downs had apparently instructed the Durkin checkers to protest everything that moved. Consequently, they began to protest all ballots marked with a checkmark and all absentee ballots, despite the fact that these were perfectly good ballots under New Hampshire law. As a defensive measure, Wyman people responded in kind. The result was that hundreds of ballots were being protested and piled by the secretary of state's personnel into numerous special categories. This only added to the confusion already existing.

As a practical matter, the precinct protests of each side concern these precincts where the protesting side lost a substantial number of votes. Although only a net of 365 votes changed from the election night totals—from a plus 355 for Wyman to a plus 10 for Durkin—the gross figures are much higher. As between Wyman and Durkin, a total of 2,477 votes were either added or subtracted from their election night figures as a result of the recount.

The Wyman precinct protests were

lodged when his floor general, Attorney Dort Bigg, was advised by Wyman's lay checkers that they disagreed with the count made by the secretary of state's personnel, when there was a substantial and unusual change in the Wyman totals, or when there was some special problem which arose from the count. An example of the latter was the town of Salem. The Salem ballots were contained in five separate boxes. Amidst a great deal of confusion, the Salem ballots were all spread out on the tables for recounting. Wyman gained 64 votes and Durkin gained 89, resulting in a net gain in Salem of 25 votes for Durkin. Both sides registered a precinct protest in Salem, because of their dissatisfaction with the counting process.

Another example of a special problem is the town of Bedford. When Bedford was recounted, it was learned that a box of ballots was missing. Upon investigation, it was determined that a second box of ballots had erroneously not been forwarded to the secretary of state and was still in the custody of the town clerk. This caused a great deal of confusion and Mr. Durkin's representatives immediately lodged a protest to Bedford. The second box was retrieved by the State police and recounted separately and the results added to those from the first box. The result was a net loss of 82 votes for Wyman. Wyman representatives therefore also lodged a protest to Bedford.

Personal contact was made by Mr. Wyman's attorney, Eugene Van Loan, with the moderator of Bedford, who is the chief local election official. The moderator explained his election night counting procedure and was completely unable to account for such a large discrepancy in the count.

In the town of Gorham, Mr. Wyman lost 98 votes in the recount. A precinct protest was lodged. The election officials from Gorham were called as witnesses before the ballot law commission because their very careful election night records and practice indicated that their election night totals were correct. It was believed that a box which had previously been thought to contain only the constitutional question ballots actually contained the ballots which represented the loss of Mr. Wyman's votes and which might not have been recounted by the secretary of state. The ballot law commission agreed merely to open the box. Only constitutional question ballots were found in the box; no regular ballots were found. The commission thereafter denied all requests to retally any of the ballots as being outside its statutory jurisdiction.

The Senate has determined that it will find out which candidate won this election. Therefore, technicalities of waiver, et cetera, if they are urged by Durkin forces should not be particularly relevant. For example, both Mr. Wyman and Mr. Durkin made precinct protests to Salem and Bedford. This is a two-vote election. If either party has made a good faith protest to the accuracy of the count where only two votes separate the contestants, the protest ought reasonably to be considered.

Since the election is being reviewed for claims by Mr. Durkin not involving fraud or corruption, but which only allege error, the claims of Mr. Wyman alleging error ought also to be reviewed.

Since the Senate is exercising its plenary power to review an election absent a charge of fraud or corruption, it should do so in behalf of the electorate of New Hampshire and not one or both of the contestants. The question, therefore, is whether there is doubt about the accuracy of the result, not whether one of the contestants made a particular tactical maneuver.

The Hatfield motion as adopted by the Rules Committee and Senate Resolution 166, as amended by the Griffin motion of June 18, both state that consideration shall be given to any protest raised by either party, at any stage of the proceedings.

As I understand it, the Rules Committee has already established the precedent in Mr. Durkin's behalf that new protests which had never been made by a contestant before; that is, not just waived—will be permitted and honored. This involves the making of protests by Mr. Durkin's people of ballots which had previously only been protested by Chimento and the changing by Mr. Durkin's people of the nature of their protests from one type of protest to another.

This being the case and in the context of our mandate to arrive at the facts underlying the election, I urge my colleagues to vote yes as to issue 1. To fail to honor this simple request in an election this close will subject the Senate to justifiable criticism which is bound to linger long after either Mr. Wyman or Mr. Durkin is seated in this body.

Mr. McINTYRE. Mr. President, I support Mr. Wyman's appeal on this issue despite two major reservations.

It does appear that by his lack of action at the time of the secretary of state's recount Mr. Wyman has technically waived his appeal on the count of the precincts in question. The importance of this whole matter is such, however, that I do not feel an appeal should be dismissed purely on a technicality. Therefore, I feel that I must personally support the granting of this request.

There are two very bothersome problems, however, Mr. President. The first is the fact that there is no evidence whatsoever to support the allegation that the count was incorrect in these precincts other than human error. And it would appear that during the secretary of state's recount every effort was made to minimize the possibility of such error.

Second, I am concerned with the security of these ballots, especially in light of the January 31 statement of New Hampshire's attorney general:

> We have never been concerned about tight security on those ballots. The key to the election is in the 3,500 protested ballots not the others. No one was concerned about those ballots until it became politically convenient.

I would urge the committee to pay the utmost attention to this security issue and report to the full Senate any indication that the ballots have been improperly handled.

Though I have these two reservations, Mr. President, I shall support this request.

The ACTING PRESIDENT pro tempore. All time has expired.

Under the previous order, the hour of 10:30 a.m. having arrived, the Senate will now proceed to vote on the passage of division 2.

The question is on agreeing to division 2, paragraph (1) putting lines 7 through 12 into the resolution.

The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HUGH SCOTT. Regular order, Mr. President.

The ACTING PRESIDENT pro tempore. The Senate will be in order. The Senators will take their seats.

The legislative clerk resumed and concluded the call of the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. Bayh), the Senator from Mississippi (Mr. Eastland), the Senator from Indiana (Mr. Hartke), the Senator from Minnesota (Mr. Humphrey), and the Senator from Montana (Mr. Metcalf) are necessarily absent.

I further announce that the Senator from Ohio (Mr. Glenn) is absent on official business.

I further announce that, if present and voting, the Senator from Minnesota (Mr. Humphrey) would vote "nay."

The result was announced—yeas 44, nays 49, as follows:

[Rollcall Vote No. 278 Leg.]

YEAS—44

Allen
Baker
Bartlett
Beall
Bellmon
Brock
Brooke
Buckley
Byrd, Harry F., Jr.
Case
Curtis
Dole
Domenici
Fannin
Fong
Garn
Goldwater
Griffin
Hansen
Hatfield
Helms
Hruska
Javits
Laxalt
Long
Mathias
McClure
McIntyre
Nunn
Packwood
Pearson
Percy
Roth
Schweiker
Scott, William L.
Stafford
Stennis
Stevens
Taft
Talmadge
Thurmond
Tower
Weicker
Young

NAYS—49

Abourezk
Bentsen
Biden
Bumpers
Burdick
Byrd, Robert C.
Cannon
Chiles
Church
Clark
Cranston
Culver
Eagleton
Ford
Gravel
Hart, Gary W.
Hart, Philip A.
Haskell
Hathaway
Hollings
Huddleston
Inouye
Jackson
Johnston
Kennedy
Leahy
Magnuson
Mansfield
McClellan
McGee
McGovern
Mondale
Montoya
Morgan
Moss
Muskie
Nelson
Pastore
Pell
Proxmire
Randolph
Ribicoff
Scott, Hugh
Sparkman
Stevenson
Stone
Symington
Tunney
Williams

NOT VOTING—6

Bayh
Eastland
Glenn
Hartke
Humphrey
Metcalf

So Division 2, paragraph (1), lines 7 through 12, was rejected.

Mr. HUGH SCOTT. Mr. President, I move to reconsider the vote by which Division 2 was rejected.

Mr. CANNON. Mr. President, I move to lay that motion on the table.

Mr. HUGH SCOTT. I demand the yeas and nays.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the motion to lay on the table.

Mr. HANSEN. The yeas and nays have been requested, Mr. President.

The ACTING PRESIDENT pro tempore. Is there a sufficient second?

There is a sufficient second.

The yeas and nays was ordered.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

The ACTING PRESIDENT pro tempore. The Senators will kindly cease conversing so that the Senate will be in order. Those Senators not seated will please take their seats.

Mr. HUGH SCOTT. Regular order, Mr. President.

The ACTING PRESIDENT pro tempore. Regular order has been called for. The clerk will resume.

The assistant legislative clerk resumed and concluded the call of the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Mississippi (Mr. EASTLAND), the Senator from Indiana (Mr. HARTKE), the Senator from Minnesota (Mr. HUMPHREY), and the Senator from Montana (Mr. SYMINGTON) are necessarily absent.

I further announce that the Senator from Ohio (Mr. GLENN) and the Senator from North Carolina (Mr. MORGAN) are absent on official business.

I further announce that if present and voting, the Senator from Minnesota (Mr. HUMPHREY) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. BELLMON) is necessarily absent.

The result was announced—yeas 45, nays 46, as follows:

[Rollcall Vote No. 279 Leg.]

YEAS—45

Abourezk
Bentsen
Bumpers
Burdick
Byrd, Robert C.
Cannon
Church
Clark
Cranston
Culver
Eagleton
Ford
Gravel
Hart, Gary W.
Hart, Philip A.
Haskell
Hathaway
Hollings
Huddleston
Inouye
Jackson
Johnston
Kennedy
Leahy
Long
Magnuson
Mansfield
McGee
McGovern
Metcalf
Mondale
Montoya
Moss
Muskie
Nelson
Pastore
Pell
Proxmire
Randolph
Ribicoff
Sparkman
Stevenson
Stone
Tunney
Williams

NAYS—46

Allen
Baker
Bartlett
Beall
Biden
Brock
Brooke
Buckley
Byrd, Harry F., Jr.
Case
Chiles
Curtis
Dole
Domenici
Fannin
Fong
Garn
Goldwater
Griffin
Hansen
Hatfield
Helms
Hruska
Javits
Laxalt
Mathias
McClellan
McClure
McIntyre
Nunn
Packwood
Pearson
Percy
Roth
Schweiker
Scott, Hugh
Scott, William L.
Stafford
Stennis
Stevens
Taft
Talmadge
Thurmond
Tower
Weicker
Young

NOT VOTING—8

Bayh
Bellmon
Eastland
Glenn
Hartke
Humphrey
Morgan
Symington

So the motion to lay on the table was rejected.

The PRESIDING OFFICER (Mr. CLARK). The question now recurs on agreeing to the motion to reconsider the vote by which Division 2 of issue 1 was rejected.

Mr. HUGH SCOTT. Mr. President, I demand the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to reconsider the vote by which Division 2 of issue 1 was rejected. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Mississippi (Mr. EASTLAND), the Senator from Indiana (Mr. HARTKE), and the Senator from Minnesota (Mr. HUMPHREY) are necessarily absent.

I further announce that the Senator from Ohio (Mr. GLENN) and the Senator from North Carolina (Mr. MORGAN) are absent on official business.

I further announce that, if present and voting, the Senator from Minnesota (Mr. HUMPHREY) would vote "nay."

Mr. GRIFFIN. I announce that the Senator from Arizona (Mr. GOLDWATER) is absent on official business.

The result was announced—yeas 45, nays 47, as follows:

[Rollcall Vote No. 280 Leg.]

YEAS—45

Allen
Baker
Bartlett
Beall
Bellmon
Brock
Brooke
Buckley
Byrd, Harry F., Jr.
Case
Chiles
Curtis
Dole
Domenici
Fannin
Fong
Garn
Griffin
Hansen
Hatfield
Helms
Hruska
Javits
Laxalt
Mathias
McClellan
McClure
McIntyre
Nunn
Packwood
Pearson
Percy
Roth
Schweiker
Scott, Hugh
Scott, William L.
Stafford
Stennis
Stevens
Taft
Talmadge
Thurmond
Tower
Weicker
Young

NAYS—47

Abourezk
Bentsen
Biden
Bumpers
Burdick
Byrd, Robert C.
Cannon
Church
Clark
Cranston
Culver
Eagleton
Ford
Gravel
Hart, Gary W.
Hart, Philip A.
Haskell
Hathaway
Hollings
Huddleston
Inouye
Jackson
Johnston
Kennedy
Leahy
Long
Magnuson
Mansfield
McGee
McGovern
Metcalf
Mondale
Montoya
Moss
Muskie
Nelson
Pastore
Pell
Proxmire
Randolph
Ribicoff
Sparkman
Stevenson
Stone
Symington
Tunney
Williams

NOT VOTING—7

Bayh
Eastland
Glenn
Goldwater
Hartke
Humphrey
Morgan

So the motion to reconsider was rejected.

Mr. MANSFIELD. I would hope that this would indicate to the Senate that there is no steamroller in operation. The Senate has had a chance to face up to its difficulty in this matter, and I would like at this time to pose a unanimous-consent request for the rest of the bill if the distinguished Republican leader or the ranking Republican member on the committee would be willing to consider it.

Mr. HATFIELD. We will consider it.

Mr. HUGH SCOTT. We will consider anything.

Mr. MANSFIELD. Mr. President, I ask unanimous consent there be a 1-hour time limitation on each of the remaining issues from now on so that we can dispose of the 35 or 36 or 37 issues remaining.

The PRESIDING OFFICER. Is there objection?

Mr. HUGH SCOTT. Mr. President, reserving the right to object, I think we ought to take these one at a time.

The Washington Post of yesterday made a suggestion, which seems to some of us to have a certain amount of merit. Among other things, they proposed that the Senate count those 10 precincts which the Senate has now refused even to consider to count. It was not even willing to vote on counting them up or down. It was merely voting on whether or not it would shape a resolution for the consideration of the Senate.

Mr. MANSFIELD. Mr. President, will the Senator yield there?

Mr. HUGH SCOTT. Yes.

Mr. MANSFIELD. Perhaps the idea that we take the issues one at a time has merit to it.

I ask unanimous consent that there be a 1-hour time limitation on the Cranston-Mansfield amendment and that the vote occur tomorrow.

The PRESIDING OFFICER. Is there objection?

Mr. GRIFFIN. Mr. President, I reserve the right to object.

Supplementing what the distinguished minority leader has already said, it seems to me that this vote, that was just taken, is particularly tragic in terms of the prospects of any kind of a compromise being worked out.

The Washington Post on yesterday indicated that they were not yet ready to recommend that there be a new election and then proceeded to set forth the elements of a fair compromise.

The Senate unfortunately has just rejected, although by a close vote, the first major item that would be necessary to that compromise.

It is this Senator's opinion, and I speak only for myself, that a compromise is impossible and the only alternative is to send this matter back to New Hampshire. It is the view of this Senator that that is the answer that we will ultimately have to arrive at.

So I do object to the request that is now pending.

The PRESIDING OFFICER. Objection is heard.

Mr. CRANSTON. Mr. President, I just make one point.

A compromise was offered by Senator MANSFIELD and Senator LONG——

Mr. ROBERT C. BYRD. Mr. President, under the regular order the vote is to occur on the passage of the energy bill.

I ask unanimous consent that the Senator from California may have—how much time?

Mr. CRANSTON. I would just like to have 1 minute.

Mr. ROBERT C. BYRD. One minute, and that the distinguished Republican leader have 1 minute.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. CRANSTON. The closeness of the three votes we have just had with all Republicans voting one way and with Democrats on this side of the aisle divided on this issue, indicates that there is not a rampant majority overriding ruthlessly a helpless minority. There were deep concerns on this side on this issue, as there have been deep concerns upon other issues. The closeness of this vote indicates there will be other close decisions if we are allowed to have other votes.

There is a strong desire on the part of many Senators, if not all Senators, on this side to look at each issue as it comes, to compromise where compromise is possible, to vote with the other side wherever that is possible within one's conscience on these issues. I think that should be noted in terms of the very close vote that just occurred.

Mr. HUGH SCOTT. Mr. President, I continue to say that there are issues on which we should consider possible stipulation, possible compromise. This clearly was one of them. This and the next one are the ones made by the Washington Post.

It is no wonder that the majority wants to steamroller us, not only on this issue but on the next one as soon as they can get to it, because that knocks out the one possible proposal of compromise that might have had some merit here that we could have gone into.

In answer to the charge that there was no steamroller, indeed there was. This issue passed, just before the announcement of the vote, by a majority, I believe, of three votes. Then four votes were changed. Of course, I would never, ever, refer to how they were changed, but four votes were changed.

Mr. SYMINGTON. Will the Senator yield?

SEVERAL SENATORS. Regular order, Mr. President.

The PRESIDING OFFICER. The Senator's minute has expired.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Mr. Symington have 1 minute.

Mr. MOSS. Mr. President, reserving the right to object.

Mr. HUDDLESTON. I object.

The PRESIDING OFFICER. Objection is heard.

EMERGENCY PETROLEUM ALLOCATION EXTENSION ACT OF 1975

The Senate resumed the consideration of the bill (S. 1849) to extend the Emergency Petroleum Allocation Act.

The PRESIDING OFFICER. The Senate will now proceed to vote on S. 1849, which the clerk will state.

The assistant legislative clerk read as follows:

> A bill (S. 1849) to extend the Emergency Petroleum Allocation Act.

The PRESIDING OFFICER. The question is, Shall the bill, as amended, pass? The clerk will call the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Mississippi (Mr. EASTLAND), the Senator from Indiana (Mr. HARTKE), the Senator from Minnesota (Mr. HUMPHREY), and the Senator from Montana (Mr. METCALF) are necessarily absent.

I further announce that the Senator from Ohio (Mr. GLENN), and the Senator from North Carolina (Mr. MORGAN) are absent on official business.

I further announce that, if present and voting, the Senator from Ohio (Mr. GLENN), the Senator from North Carolina (Mr. MORGAN), and the Senator from Minnesota (Mr. HUMPHREY) would each vote "yea."

Mr. GRIFFIN. I announce that the Senator from Arizona (Mr. GOLDWATER) is absent on official business.

I further announce that, if present and voting, the Senator from Arizona (Mr. GOLDWATER) would vote "nay."

The result was announced—yeas 62, nays 29, as follows:

[Rollcall Vote No. 281 Leg.]

YEAS—62

Abourezk
Allen
Beall
Bentsen
Biden
Brooke
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cranston
Culver
Eagleton
Ford
Hart, Gary W.
Hart, Philip A.
Haskell
Hathaway
Hollings
Huddleston
Inouye
Jackson
Javits
Johnston
Kennedy
Leahy
Magnuson
Mansfield
Mathias
McClellan
McGovern
McIntyre
Mondale
Montoya
Moss
Muskie
Nelson
Nunn
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Sparkman
Stafford
Stennis
Stevenson
Stone
Symington
Talmadge
Tunney
Weicker
Williams

NAYS—29

Baker
Bartlett
Bellmon
Brock
Buckley
Curtis
Dole
Domenici
Fannin
Fong
Garn
Gravel
Griffin
Hansen
Hatfield
Helms
Hruska
Laxalt
Long
McClure
McGee
Packwood
Scott, Hugh
Scott, William L.
Stevens
Taft
Thurmond
Tower
Young

NOT VOTING—8

Bayh
Eastland
Glenn
Goldwater
Hartke
Humphrey
Metcalf
Morgan

So the bill (S. 1849), as amended, was passed as follows:

S. 1849

An act to extend the Emergency Petroleum Allocation Act

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I

SHORT TITLE

SEC. 101. This title may be cited as the "Emergency Petroleum Allocation Extension Act of 1975".

EXTENSION OF MANDATORY ALLOCATION PROGRAM

SEC. 102. Section 4(g) (1) of the Emergency Petroleum Allocation Act of 1973 is amended by striking out "August 31, 1975," wherever it appears and inserting in lieu thereof "March 1, 1976,".

TITLE II

SEC. 201. This title may be cited as the "Coal Conversion Extension Act of 1975".

SEC. 202. Section 2(f) (1) of the Energy Supply and Environmental Coordination Act of 1974 is amended by striking "June 30, 1975" and inserting "December 31, 1976".

SEC. 203. Section 11(c) (2) of the Energy Supply and Environmental Coordination Act of 1974 is amended by adding the following new subparagraph:

"(E) Price trends and related developments for coal and for other major energy sources which are not subject to direct price regulation at any level by the United States Government. As soon as practicable after the date of enactment of this subparagraph and at such times thereafter as he deems appropriate, the Federal Energy Administrator, after consultation with such other persons and agencies as he deems appropriate, shall provide an assessment of the relationship between price trends and related developments for energy sources covered by this subparagraph and energy policies, including any recommendations he may have in connection with such assessment.".

Mr. JACKSON. Mr. President, I move to reconsider the vote by which the bill, as amended, was passed.

Mr. MANSFIELD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make technical and clerical corrections in the engrossment of S. 1849.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS ON S. 1849

EXTENSION OF EMERGENCY PETROLEUM ALLOCATION ACT

Mr. MOSS. Mr. President, I rise in support of S. 1849, extension of the Emergency Petroleum Allocation Act. Passage of the bill is vital to protect consumers from unjustifiable oil company price increases, to preserve the positive trends we have seen recently in the inflation rate, and to prevent a new explosion of job layoffs in industry.

At the outset, I want to make clear that our ultimate goal must be to restore free markets in energy. Free markets are unquestionably a more efficient allocator of economic resources and a more effective protection against unfair prices than Government regulation can ever be. It is equally clear, however, that there is not a free market in oil in the United States today. The price of oil, left unregulated by the Federal Government, is pegged to the monopoly price set by the OPEC cartel. That price is now around $13.40 per barrel, and every indication points to at least another $2 per barrel increase in the fall when the OPEC oil ministers again meet.

If the Emergency Petroleum Allocation Act is not extended, the Government's authority to control oil price increases will lapse on August 31. There will quickly follow a series of petroleum price increases which would be disastrous for the consumer, the farmer, business and the economy as a whole. At present, about 40 percent of our domestically produced oil sells at the OPEC level, $13.40. The end of price controls will mean a rise in the other 60 percent from its present price of $5.25 per barrel to the $13.40 monopoly level. That will mean increases in the price of gasoline which will make the 4 cents rise of July 4 seem like peanuts. And gasoline price hikes are only the beginning.

The price of food will skyrocket, because agriculture—as every farmer knows—is energy-intensive, and fertilizer is made from petroleum products.

Home heating and electric utility bills will continue to skyrocket upward—up nearly 25 percent this past year.

The cost of all goods and services will inflate because of increased transportation and material costs.

The President has belatedly recognized that instant decontrol of oil prices is a prescription for economic disaster. I am glad to see him now supporting an extension of the EPAA. But the administration still has a long way to go before its policy of surrendering control over U.S. energy prices to the Arab monopolists and opting to ration energy by wealth begins to acquire the outlines of a sensible course of action.

DETERMINATION OF SENATE ELECTION IN NEW HAMPSHIRE

The PRESIDING OFFICER. Under the previous order, the Senate will now continue with the consideration of Senate Resolution 166, which the clerk will report.

The assistant legislative clerk read as follows:

> A resolution (S. Res. 166) relating to the determination of the contested election for a seat in the United States Senate from the State of New Hampshire.

The PRESIDING OFFICER. The question is on issue No. (2), division No. 3, lines 1 through 5 on page 2. The pending amendments to this question are the amendment of the Senator from California inserting language and the amendment of the Senator from Montana to the amendment of the Senator from California.

Mr. ROBERT C. BYRD. Mr. President, the pending question then is on the adoption of the amendment by Mr. MANSFIELD to the amendment by Mr. CRANSTON?

The PRESIDING OFFICER. That is correct.

Mr. ROBERT C. BYRD. Mr. President, I have listened with great interest to references to the Washington Post editorial. I note that the following passage occurs in that editorial, and I read it:

> A way to proceed from here is not hard to prescribe. In our view, the Senate should first set firm deadlines for all future debate and votes—

now that can be done by unanimous consent or by cloture.

> —then proceed to vote on whether the so-called "skip-candidate" ballots ought to be counted or not.

I would ask unanimous consent, in the spirit of the passage that I have read from that editorial, that there be 2 hours of debate on that amendment tomorrow morning after the two leaders or their designees have been recognized, the time to be divided and controlled by Mr. CANNON and Mr. HATFIELD, and that a vote then proceed on the amendment, with a tabling motion in order.

Mr. HANSEN. Mr. President, reserving the right to object, let me observe that—and I do not know what a steamroller is, I am a dirt farmer myself—I must say that any time you are able to switch votes, as was done earlier on the first vote here today, it seems to me that although I do not claim to understand how a steamroller really works, it occurred to me that the objective that was achieved of being able to switch the votes, as was done at the last minute, would bear some reasonable similarity to a steamroller.

As a consequence, I quite agree with the distinguished minority whip that really, the only way this issue is going to be resolved is to send it back to the State of New Hampshire.

I would further observe, Mr. President, that I have no doubt but what we will have to vote on cloture several more times. I think it will be interesting to future historians to read the RECORD and observe how 61 or fewer than that but, anyway, a majority party, can persist in trying to impose its will on a minority despite the overwhelming conviction around the country that the only proper, decent, and fair way to resolve the issue, is not to try to steal the seat here in the Senate but rather to let the people of New Hampshire decide that issue.

Accordingly, I object.

The PRESIDING OFFICER. Objection is heard.

Mr. ROBERT C. BYRD. Mr. President, reference has been made to stealing a seat. I do not think it is any more proper to accuse the Senate of attempting to steal a New Hampshire Senate seat than it would be to accuse the New Hampshire ballot law commission of having stolen the seat last fall.

Mr. MANSFIELD. Mr. President, the Constitution of the United States of America, article I, section 5, states:

> Each House shall be the judge of the elections, returns, and qualifications of its own members. . .

Mr. HANSEN. Mr. President, let me observe that, that issue, that particular portion of the Constitution which has been read and reread and interpreted by more people than there are constitutional authorities, I dare say, I do not think it can be contended successfully, at least to the satisfaction of most Americans, that the framers of the Constitution and those who ratified it ever intended that the Congress of the United States was to usurp the rights of the States in determining who had won an election absent any charge of fraud or wrongdoing.

Accordingly, I do not subscribe to the very broad interpretation that is now being impliedly made with respect to this provision of the Constitution.

I point out again that if we are to assume that any time some disgruntled unsuccessful candidate for election happens to be a member of the majority party in the Senate, it is a very simple matter for him to appeal to the Senate, and if we are to succumb, as many hope we might here, to that sort of protest, then I would say that we are opening up a Pandora's box. We are vitiating the concept of the States' rights of the State of New Hampshire or any other State to determine, within the legal framework of its own laws, who won an election. That seems to be the issue here.

I just cannot believe we are going to enhance the public's opinion of our understanding of the Constitution if we go through the charade we have been indulging in here for some time. I do not feel at all that when you review this and consider the fact that the State of New Hampshire has set up legal procedures that are to be followed in the case of an election and, indeed, they have been followed——

The PRESIDING OFFICER. The Senate will please be in order. Senators will please take their seats.

The Senator from Wyoming.

Mr. HANSEN. When they have been followed, there has been a strict adherence to New Hampshire law with due respect to rulings by the Supreme Court of the State of New Hampshire. On that basis, the sequence in that, in trying to judge what the outcome of that election was, as I understand it, was, first, that Mr. Wyman had won by a rather goodly number of votes, I think some 350 or approximately that number.

Then Mr. Durkin appealed to the secretary of state and following the count by that officer, the results that were obtained unofficially in the State of New Hampshire were reversed and Mr. Durkin was declared the winner by 10 votes.

Then, further appeal to the administrative procedures that are provided in determining and resolving the outcome of a contested election.

Very properly, Mr. Wyman appealed to the ballot law review commission and on that basis a further recount was made and Mr. Wyman was declared the winner by two votes.

That final, legislatively provided for appeal procedure then was duly certificated by the Governor of the State of New Hampshire, and Mr. Wyman was declared the winner by two votes.

I make the point, Mr. President, that it makes little difference insofar as the average person around the country is concerned whether he had won by 2 votes or 200 or 2,000. The fact is that according to New Hampshire law, which I think should rule in governing in this respect, Mr. Wyman was declared the winner. His election was duly certificated to the Senate of the United States. Mr. Durkin, understandably being unhappy, was losing the election, as indeed, I submit he did, appealed to the Senate.

He appealed to the Senate because he knew, as we all know, that the Democrats have a larger number in this body than is represented by those of us who adhere to the Republican label.

As a consequence, we now have had I do not know how many cloture votes. We will undoubtedly have more, because as long as the majority party in the Senate wants to ask for cloture, we will continue to vote on cloture.

But I note that there has not been any deviation in the issue insofar as Members' voting goes, and I suspect, in due time, even the overwhelming number of Democrats, as spoken for, as they are, by the leadership here, will conclude it might make good political sense to let the people of New Hampshire rather than the Democrats and the Republicans, divided as they are in the Senate of the United States, decide that issue.

Mr. GRIFFIN. Will the Senator yield?

Mr. HANSEN. Without losing my right to the floor——

Mr. ROBERT C. BYRD. Mr. President, do I not have the floor? I had the floor and yielded to Mr. MANSFIELD who read from the Constitution, then the distinguished Senator from Wyoming responded.

Mr. HANSEN. I asked for recognition, Mr. President.

Mr. ROBERT C. BYRD. I had the floor, I never gave it up.

The PRESIDING OFFICER. It is the Chair's understanding that I recognized the Senator from Montana on his own.

Mr. ROBERT C. BYRD. Well, the Senator from Montana asked me to yield. I had not sat down. I had just completed speaking.

Mr. HANSEN. Well, I certainly recognize——

The PRESIDING OFFICER. The Chair's recollection is that I recognized the——

Mr. HANSEN. Mr. President, I did not realize he was trying to hold the floor.

Mr. ROBERT C. BYRD. I am not attempting to hold the floor.

Mr. HANSEN. Very well.

The PRESIDING OFFICER. It is the Chair's understanding that I recognized the Senator from Montana separately and the Senator from Wyoming separately.

Mr. GRIFFIN. Will the Senator from Wyoming yield?

Mr. HANSEN. Without losing my right to the floor to the Senator.

Mr. ROBERT C. BYRD. Now who is trying to hold the floor?

Mr. HANSEN. The Senator from Wyoming makes no bones about it. He is very happy to be recognized and he does intend to hold the floor until he finishes whatever statements he makes.

The PRESIDING OFFICER. Is there objection to the Senator from Wyoming's unanimous-consent agreement to yield the floor without losing it?

Mr. CANNON. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. WILLIAM L. SCOTT. Will the Senator yield for a question?

Mr. HANSEN. Only for a question, without losing my right to the floor.

Mr. WILLIAM L. SCOTT. Would it be the opinion of the distinguished Senator from Wyoming that the Senate could fulfill its constitutional responsibility to be the judge of the election and qualifications of its own Members, by referring this matter back to the people of New Hampshire because of the various matters, the closeness of the vote, the changes from one side to the other, as it went through the various processes within the State of New Hampshire? Would not the Senate in the distinguished Senator's views be fulfilling its constitutional responsibility in doing that?

Mr. HANSEN. I agree completely with my good friend from Virginia.

As I interpret the Constitution of the United States and this issue, I think the Senate, indeed, would be doing honor to itself and improve its image in the opinion of most Americans if it were to do precisely that.

Mr. WILLIAM L. SCOTT. Would not the Senate be fulfilling its constitutional responsibility if it said that the final decision of the State of New Hampshire in certifying Mr. Wyman as the Senator-elect from the State of New Hampshire by two votes was proper. If we followed the decision of the State of New Hampshire and seated Mr. Wyman, would that not be a fulfillment of the responsibility of the Senate? Do we not, in fact, have two reasonable alternatives, either to seat Mr. Wyman in accordance with the decision of the people of New Hampshire and their elected officials, or to refer the matter back because of the closeness of the race? Would the Senator care to comment?

Mr. HANSEN. The answer of the Senator from Wyoming to the interrogatory is, yes. I think it would.

As a matter of fact, I have spoken previously, observing that these are the two options we have, either we can recognize the legitimate, legal actions of the sovereign State of New Hampshire in saying as, indeed, it has said to the Senate of the United States, we have elected Louis Wyman to represent New Hampshire in the Senate of the United States.

That is the one option. So far, we have refused to take that position.

I have contended that if we refuse to take that position, then the other alternative that will be acceptable, so I am told, to the people of New Hampshire and, indeed, will be sanctioned and approved by an overwhelming majority of Americans in every State, not only New Hampshire but in the other 49 as well, and which has received overwhelming endorsement in most of the important major dailies in the United States which have chosen to speak on the issue, we would be doing what they have called for, and that is, if we choose not to seat Mr. Wyman despite the fact that he has been duly certificated as having won that election, as being entitled in every respect to a seat in the U.S. Senate, a privilege or a right which has so far been denied him by the action of the majority party here in this instance. If we do not want to do that, then I think we can send the election back to New Hampshire and let them say once again who they would like to have represent that State in the Senate of the United States.

Mr. President, I stand in support of the proposition to declare the Senate seat from New Hampshire vacant, and for this issue to be sent back to the State of New Hampshire for a new election.

After many hours of debate, it is increasingly clear to me and many of my colleagues that the determination must be made by the people of New Hampshire, the people whom this Senator will represent.

If this matter is not sent back to New Hampshire, what will be the results? I submit that they are the following: First, protracted debate in this body, bringing the lawmaking process almost to a standstill. Second, the Senate could, by some means, count the votes, when this matter is surely the responsibility of the State of New Hampshire. Third, the Senate will come under increasing attack by those in America who feel that this election is the responsibility of the State and people of New Hampshire.

If this matter is sent back to New Hampshire for a new election, the Senate will not be abrogating its responsibility set forth in article I, section 5, of the U.S. Constitution—to be the judge of the elections, returns, and qualifications of its own Members.

Rather, this body, by its action, gives recognition and respect to the fact that the States should conduct their own elections, and the Senate should exercise its constitutional authority only in the most exceptional cases.

The point is that the State of New Hampshire is best equipped to conduct an election and certify to the Senate the winner of that election. For the Senate to declare a winner not only usurps the authority of the sovereign State of New Hampshire, but sets a dangerous precedent affecting the successful functioning of this body in legislative affairs. What is to prevent future contests in this body from bringing the process of lawmaking to a grinding stop?

I support the resolution to send this matter back to the State of New Hampshire to be resolved by the people and the election machinery of that State.

The PRESIDING OFFICER. The 2 hours for debate on Senate Resolution 166 have expired.

AUTOMOBILE FUEL ECONOMY AND RESEARCH AND DEVELOPMENT ACT OF 1975

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of S. 1883, which the clerk will state.

The assistant legislative clerk read as follows:

A bill (S. 1883) to conserve gasoline by directing the Secretary of Transportation to establish and enforce mandatory fuel economy performance standards for new automobiles and light duty trucks, to establish a research and development program leading to advanced automobile prototypes, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

The PRESIDING OFFICER. On this bill, there is a 4-hour time limit, the time to be equally divided between the Senator from Washington and the Senator from Kansas.

Who yields time?

ORDER FOR RECOGNITION OF SENATOR TAFT TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I yield myself—on behalf of the majority manager of the bill—2 minutes.

Mr. President, I ask unanimous consent that tomorrow, after the two leaders or their designees have been recognized under the standing order, Mr. TAFT be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. Is there objection?

Mr. GRIFFIN. Reserving the right to object, what was the request?

Mr. ROBERT C. BYRD. I withdraw the request.

Mr. DOMENICI. I wish to present a unanimous-consent request on staffing.

The PRESIDING OFFICER. Who yields time?

Mr. ROBERT C. BYRD. I yield.

PRIVILEGE OF THE FLOOR—S. 1883

Mr. DOMENICI. Mr. President, I ask unanimous consent that Bratt Pringle and Frank Gorman of my staff be granted floor privileges during the debate on the pending business.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. GRIFFIN. Mr. President, how is the time controlled?

The PRESIDING OFFICER. By the Senator from Washington and the Senator from Kansas, a 4-hour time agreement, the time to be equally divided.

Mr. GRIFFIN. Mr. President, on behalf of the Senator from Kansas (Mr. Pearson) I yield myself 2 minutes.

I want to say to the distinguished majority whip that I am sorry. I did not hear the request. Otherwise, I am sure it would be all right.

Mr. ROBERT C. BYRD. The request that Mr. Taft, who sits on the Senator's side of the aisle, have 15 minutes in the morning after the two leaders are recognized.

Mr. GRIFFIN. I am certain the distinguished majority whip knows and realizes that I would not object. I wish he would resubmit the request or I shall do so. I apologize for the fact that I did not hear the request.

Mr. ROBERT C. BYRD. The Senator owes me no apology.

I repeat the request, Mr. President.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Now, Mr. President, I make various unanimous-consent requests which have been previously cleared on both sides of the aisle.

TIME LIMITATION AGREEMENT—S. 1513

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at such time as S. 1513, a bill to extend the Appalachian Regional Development Act of 1965, is made the pending business before the Senate, there be a time limitation of 2 hours on the bill, to be equally divided between Mr. Randolph and Mr. Baker; that there be a time limitation on any amendment of ½ hour; a time limitation on any debatable motion or appeal or point of order in the event the Chair submits such point of order to the Senate for its discussion of 20 minutes, and that the agreement be in the usual form.

The PRESIDING OFFICER. Is there objection? If not, it is so ordered.

The text of the unanimous-consent agreement is as follows:

Ordered, That during the consideration of S. 1513 (Order No. 272), a bill to extend the Appalachian Regional Development Act of 1965, debate on any amendment shall be limited to 30 minutes, to be equally divided and controlled by the mover of such and the manager of the bill, and that debate on any debatable motion, appeal, or point of order which is submitted or on which the Chair entertains debate shall be limited to 20 minutes, to be equally divided and controlled by the mover of such and the manager of the bill: Provided, That in the event the manager of the bill is in favor of such amendment, debatable motion, appeal, or point of order, the time in opposition thereto shall be controlled by the Minority Leader or his designee: Provided further, That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of the final passage of the said bill, debate shall be limited to 2 hours, to be equally divided and controlled, respectively, by the Senator from West Virginia (Mr. Randolph) and the Senator from Tennessee (Mr. Baker): Provided, That the said Senators, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, debatable motion, appeal, or point of order.

TIME LIMITATION AGREEMENT—S. 586

Mr. ROBERT C. BYRD. Now, Mr. President, I ask unanimous consent that with respect to S. 586, a bill to amend the Coastal Zone Management Act of 1972, there be a time limitation of 2 hours, to be equally divided between Mr. Hollings and Mr. Stevens; that there be a time limitation of 1 hour on any amendment; a time limitation on debatable motions or appeals or points of order of 20 minutes, and that the agreement be in the usual form.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The text of the unanimous consent agreement is as follows:

Ordered, That during the consideration of S. 586 (Order No. 271), a bill to amend the Coastal Zone Management Act of 1972 to authorize and assist the Coastal States to study, plan for, manage, and control the impact of energy resource development and production which affects the Coastal Zone, and for other purposes, debate on any amendment shall be limited to 1 hour, to be equally divided and controlled by the mover of such and the manager of the bill, and that debate on any debatable motion, appeal, or point of order which is submitted or on which the Chair entertains debate shall be limited to 20 minutes, to be equally divided and controlled by the mover of such and the manager of the bill: Provided, That in the event the manager of the bill is in favor of such amendment, debatable motion, appeal, or point of order, the time in opposition thereto shall be controlled by the Minority Leader or his designee: Provided further, That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of the final passage of the said bill, debate shall be limited to 2 hours, to be equally divided and controlled, respectively, by the Senator from South Carolina (Mr. Hollings) and the Senator from Alaska (Mr. Stevens): Provided, That the said Senators, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, debatable motion, appeal, or point of order.

TIME LIMITATION AGREEMENT—H.R. 6799

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that with respect to H.R. 6799, an act to approve certain of the proposed amendments to the Federal Rules of Criminal Procedure, there be a time limitation of 1 hour, to be equally divided between Mr. McClellan and Mr. Hruska; that there be a time limitation on any amendment, debatable motion or appeal of 30 minutes, and the same with respect to points of order if submitted to the Senate, and that the agreement be in the usual form.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The text of the unanimous-consent agreement is as follows:

Ordered, That during the consideration of H.R. 6799 (Order No. 270), an act to approve certain of the proposed amendments to the Federal Rules of Criminal Procedure, to amend certain of them, and to make certain additional amendments to those rules, debate on any amendment, debatable motion, appeal, or point of order which is submitted or on which the Chair entertains debate shall be limited to 30 minutes, to be equally divided and controlled by the mover of such and the manager of the bill: *Provided*, That in the event the manager of the bill is in favor of such amendment, debatable motion, appeal, or point of order, the time in opposition thereto shall be controlled by the Minority Leader or his designee: *Provided further*, That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of the final passage of the said bill, debate shall be limited to 1 hour, to be equally divided and controlled, respectively, by the Senator from Arkansas (Mr. McClellan) and the Senator from Nebraska (Mr. Hruska): *Provided*, That the said Senators, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, debatable motion, appeal, or point of order.

ORDER FOR CONSIDERATION OF CONFERENCE REPORT—H.R. 4035

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that with respect to a conference report on H.R. 4035—and this has been cleared with Mr. Fannin and Mr. Jackson—the conference report be called up at 1 p.m. tomorrow, and that a vote on the conference report occur no later than 3 p.m.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

TIME LIMITATION AGREEMENT—S. 644

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that with respect to S. 644, a bill to amend the Consumer Products Safety Act, there be a time limitation of 2 hours, to be divided between Mr. Moss and Mr. Pearson; a time limitation on an amendment by Mr. Buckley of 2 hours; a time limitation on any other amendment, debatable motion or appeal or point of order if submitted to the Senate of ½ hour, and that the agreement be in the usual form.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The text of the unanimous consent agreement is as follows:

Ordered, That during the consideration of S. 64 (Order No. 247), a bill to amend the Consumer Product Safety Act to improve the Consumer Product Safety Commission, to authorize new appropriations, and for other purposes, debate on any amendment (except an amendment to be offered by the Senator from New York (Mr. Buckley) on which there shall be 2 hours), debatable motion, appeal, or point of order which is submitted or on which the Chair entertains debate shall be limited to 30 minutes, to be equally divided and controlled by the mover of such and the manager of the bill: *Provided,* That in the event the manager of the bill is in favor of such amendment, debatable motion, appeal, or point of order, the time in opposition thereto shall be controlled by the Minority Leader or his designee: *Provided further,* That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of the final passage of the said bill, debate shall be limited to 2 hours, to be equally divided and controlled, respectively, by the Senator from Utah (Mr. Moss) and the Senator from Kansas (Mr. Pearson): *Provided,* That the said Senators, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, debatable motion, appeal, or point of order.

TIME LIMITATION AGREEMENT—S. 1281

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that in respect of S. 1281, a bill to improve public understanding of the role of depository institutions in home financing, there be a time limitation of 2 hours, to be equally divided between Mr. Tower and Mr. Proxmire, a time limitation on any amendment of 1 hour, a time limitation on any debatable motion or appeal or point of order submitted to the Senate of 20 minutes, and the agreement to be in the usual form.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The text of the unanimous consent agreement is as follows:

Ordered, That during the consideration of S. 1281 (Order No. 182), a bill to improve public understanding of the role of depository institutions in home financing, debate on any amendment shall be limited to 1 hour, to be equally divided and controlled by the mover of such and the manager of the bill, and that debate on any debatable motion, appeal, or point of order which is submitted or on which the Chair entertains debate shall be limited to 20 minutes, to be equally divided and controlled by the mover of such and the manager of the bill: Provided, That in the event the manager of the bill is in favor of any such amendment, debatable motion, appeal, or point of order, the time in opposition thereto shall be controlled by the Minority Leader or his designee: Provided further, That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of the final passage of the said bill, debate shall be limited to 2 hours, to be equally divided and controlled, respectively, by the Senator from Wisconsin (Mr. Proxmire) and the Senator from Texas (Mr. Tower): Provided, That the said Senators, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, debatable motion, appeal, or point of order.

Mr. ROBERT C. BYRD. Mr. President, I believe that completes the unanimous-consent requests that I would like to propound at this time. I thank the distinguished Republican whip and all the Senators.

The PRESIDING OFFICER. Who yields time?

Mr. GRIFFIN. Mr. President, I yield such time as he may require to the Senator from New Mexico.

AUTOMOBILE FUEL ECONOMY AND RESEARCH AND DEVELOPMENT ACT OF 1975

The Senate continued with the consideration of the bill (S. 1883) to conserve gasoline by directing the Secretary of Transportation to establish and enforce mandatory fuel economy performance standards for new automobiles and light duty trucks, to establish a research and development program leading to advanced automobile prototypes, and for other purposes.

Mr. DOMENICI. Mr. President, I have pending an amendment, No. 590, on S. 1883. I ask unanimous consent that it be in order to ask for the yeas and nays at this time.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. DOMENICI. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Who yields time?

Mr. GRIFFIN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. GRIFFIN. Is the Pastore rule still in effect?

The PRESIDING OFFICER. Yes, it is.

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that Charles Lacy of my staff be granted the privileges of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HOLLINGS. Mr. President, I ask unanimous consent that the following staff personnel be granted the privileges of the floor: Michael Brownlee, David Clanton, David Freeman, Allan Hoffman, Dan Jaffe, Arthur Pankopf, Michael Pertschuk, Lynn Sutcliffe, and Mary Jo Manning.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HOLLINGS. Mr. President, as we open debate on S. 1883, the Automobile Fuel Economy and Research and Development Act of 1975, the Congress is faced with a basic and quite simple question: Are we really serious about energy conservation?

Is the United States finally ready to take meaningful steps to limit its oil consumption, or will we be content to drain our own oil reserves faster than we can find what little is left and to become more and more dependent on the OPEC cartel.

The United States is a nation that relies heavily on petroleum, consuming more than 17 million barrels a day, or half as much as the rest of the world combined.

At present, 6 million barrels are imported daily, and domestic production is still going down, not up.

Our entire economy is at the mercy of the OPEC cartel and if they raise prices by $4 per barrel in September, as has been strongly hinted at, the additional inflationary drain would be another $8 billion for the imported oil, and more than $30 billion if the President gets his way and eliminates price controls.

The fiscal drain on the American economy created by high-priced oil imports and the resulting outflow of U.S. dollars is a prime cause of inflation in this country.

This drain has contributed to the highest rate of inflation in decades, helped tip us into the present recession, and is now interfering with the recovery from that recession.

These pressures are felt by many other nations as well. Unless we begin to conserve energy, we cannot ever overcome the economic monsters of inflation and recession.

A significant and growing fraction of these imports, 22.7 percent in the first quarter of this year, is from the Arab nations. Increasing our dependence on the Middle East for oil, which seems inevitable if current consumption patterns persist, is an open invitation for the Arabs to use oil as a political weapon. We have already experienced one embargo, and not-so-veiled threats of a second embargo have been raised by some Arab spokesmen.

While the debate over many aspects of national energy policy continues, there is agreement that energy conservation must be a key element of that policy. The reasons are obvious. By saving energy, we can save the country from many of the most basic and troublesome problems afflicting us at home and abroad. And it has a much needed impact upon present consumption of conventional fuels, helping bridge the span to alternate energy sources of the future. The issue is thus not whether to save energy, but how to do it most effectively. The automobile, of which there are more than 100 million registered in the United States, stands out as the single largest end-user of petroleum, accounting for nearly 40 percent of present consumption, or more than 6.5 million barrels of oil each and every day.

One way to try to save gasoline is to tax it. The House of Representatives has rejected that approach, and I agree with their action. The time to achieve savings in fuel economy is when the cars are built. It is too late after the consumer has purchased his car. With the present state of public transportation, he often has no choice but to pay the tax and drive. Instead of a tax and a hope that fuel consumption would decline, this bill assures that fuel economy is built into all new cars and that is the simplest and fairest way to be sure that savings will be achieved.

Automobiles have been, and will remain, an important element in our national life. But it is also clear that we cannot continue guzzling fuel as usual. No area requires more careful attention than the automobile. Mr. John R. Quarles, Deputy Administrator of the Environmental Protection Agency, accurately described the situation when he stated:

> If we are unwilling to face up to the problem of the automobile, we might as well forget about the goal of energy conservation.

Facing up to the problem of the automobile means, at the very least, providing the technological base now for mass producing cleaner, safer, and more fuel efficient cars in the 1980's and beyond. In this context it is important to note that the President recommended only $10 million for automobile research and development in fiscal year 1976 within ERDA. This contrasts sharply with the $38 million budgeted for NASA to reduce the fuel consumption of aircraft. Aircraft presently use less than one seventh of the liquid fuels that automobiles use.

The President's energy program, in general, stands in sharp contrast to the carefully drawn congressional energy program prepared under the capable leadership of our distinguished colleague from Rhode Island, Senator Pastore, and our distinguished colleague from the House of Representatives, Congressman Jim Wright of Texas. This program very properly rejects the fundamental premise of the President's program that the only way to achieve energy conservation is to deliberately raise the price of all petroleum products to all Americans by heavy indiscriminate additions in taxation. Additional tariffs on oil imports are not sure to reduce imports, but will surely make imports more costly to American consumers.

At a time when the most urgent national need is to revive the Nation's economy and put Americans back to work, the President's tariff program would further burden the economy and make economic recovery even more lengthy and difficult. S. 1883 addresses the challenge laid down by our present situation by calling for mandatory fuel economy performance standards for new automobiles and new light duty trucks and by calling for an extensive Federal research and development effort designed to develop production prototypes of low-polluting, energy efficient automobiles that also meet presently required safety and damageability standards. It is also in complete accord with the congressional energy program's specific recommendations for achieving meaningful energy conservation in the transportation sector, and could be the single most important piece of energy conservation legislation to come before the Senate this year. In the following remarks, I will briefly discuss the fuel economy standards portion of S. 1883, and leave discussion of the automotive research and development title to my colleague from California, Senator Tunney.

Under title I, the Secretary of Transportation is directed to establish yearly minimum fuel economy performance standards, applicable to each manufacturer's production of new automobiles or new light duty trucks, as appropriate. The standards would apply to model years 1977 through 1985.

Standards for automobiles would be set to achieve an industrywide average new car fuel economy of at least 21 miles per gallon in model year 1980, and at least 28 miles per gallon in model year 1985. These goals could be modified by the Secretary, subject only to a resolution of disapproval by either House.

Light duty trucks would not be subject to the fuel economy improvement goals set for automobiles, but would be subject to minimum average fuel economy performance standards set for each model year at the maximum feasible level by the Secretary.

Compliance would be determined by the EPA Administrator who is responsible for measuring the fuel economy of individual model types. Of course, if, as usual, manufacturers make changes to their vehicles during the model year which affect fuel economy, undated fuel economy figures would be used by the EPA Administrator in determining a manufacturer's fleet average fuel economy.

If a manufacturer failed to meet the required average fuel economy standard, the manufacturer would be liable for civil penalties, which could be waived or modified under certain well-defined circumstances. A manufacturer could also recoup any penalty that is paid through the achievement of superior fuel economy performance in subsequent years.

A fuel economy labeling program for new cars and new light duty trucks would also be required.

The approach of S. 1883 was adopted for several reasons. First, mandatory fuel economy standards will provide a greater degree of certainty with regard to fuel savings than any other policy currently being assessed. At a time when U.S. oil imports are approaching 40 percent of consumption, such certainty is essential. S. 1883 also leaves maximum flexibility to a manufacturer to meet the fuel economy standards. This will result in a more diverse product mix and wide consumer choice.

Finally, let me address a question that is central to the need for this legislation: Could not the fuel economy improvements required by this bill be achieved via voluntary action by the automobile industry? The President has called for such a voluntary program but, unfortunately, the President's program has several deficiencies:

It calls for only a 40 percent fuel economy improvement in model year 1980 relative to 1974, reducing the fuel savings that could be attained through S. 1883. This reduction would amount to 55 million barrels in 1980 and to at least 100 million barrels in 1985.

The President's program would unnecessarily freeze automobile emission standards for the next 5 years. This freeze would ostensibly be imposed in order to meet the fuel economy improvement target. Technical data available to the committee clearly refutes the need for such a freeze.

The so-called agreements provided to the President by the automakers are highly qualified, and legally unenforceable.

The voluntary approach thus offers at best a lower level of fuel savings in exchange for a higher level of pollution. In fact, there is no basis for believing Congress will freeze automobile emission standards, and therefore the voluntary approach does not represent any commitment at all by the industry.

There is little in the automobile industry's record to inspire confidence in a voluntary approach. There is also concern that the automobile industry may see economic disincentives in pursuing a voluntary program too diligently. This is because, historically, the biggest and least fuel efficient cars have been associated with the largest profits. As summarized in an article which appeared in the Consumer Guide 1974 Car Preview:

> Like the other automakers, Ford is anxious to keep sales of its big cars at peak level. Big cars are where the money is made.

Thus, while there has been some movement toward better mileage, whether it will be given a high enough priority year after year, lies at the heart of the need for this legislation. This concern was cited by several witnesses before the committee, including people with intimate knowledge of the automobile industry, such as Leonard Woodcock, president of the United Auto Workers. In his presentation to the committee he stated:

> For too many years the UAW has pointed out that the big three auto companies have followed a marketing strategy based on cars that are too large, too expensive, and use too much fuel. We urged that policy be changed.
>
> However, these manufacturers preferred to pursue short-term profit maximization, and paid little attention to the real needs of the American public, including environmental and conservation considerations. Occasionally, short-term goals have resulted in emphasis on fuel economy, especially by producing smaller cars, and the present concern over gas consumption may have precipitated such a period.
>
> In the past, such activities have been short-lived—the "small cars" get progressively bigger and heavier, the only reduction is in fuel economy, so that now we cannot rely upon mere assurances, or voluntary commitments, from these companies. Federal fuel economy requirements are needed in order to assure that national fuel conservation goals will be met.

It was for these reasons that the Commerce Committee voted 11 to 5 to favorably report this bill to the Senate. I now ask the Senate to take the next important step in transforming this bill into a major underpinning of our national energy program.

Mr. President, I ask unanimous consent to have printed in the Record a letter from the United Auto Workers approving this particular measure. This letter from the UAW, the chief representative of employees of the automobile industry in America, is dated June 30, 1975, and is signed by Jack Beidler, the legislative director.

There being no objection, the letter was ordered to be printed in the Record, as follows:

International Union, United
Automobile, Aerospace & Agricultural Implement Workers
of America—UAW,

Washington, D.C., June 30, 1975.

Dear Senator: As part of our national effort to reduce energy consumption, the UAW has long recognized the importance of achieving greater fuel efficiency in motor vehicles. As we have testified repeatedly this year before congressional committees, we believe this can be accomplished most effectively and equitably through a federal program mandating fuel efficiency standards, backed up by civil penalties for failure to comply with the standards.

The Committee on Commerce has reported S. 1883 which, if enacted, would provide such a federal program to encourage the production of more fuel-efficient automobiles in this country. The Committee bill calls for an improvement of 50 percent in average fuel efficiency by 1980 and 100 percent by 1985 over the average of 14 miles per gallon in 1974. This would result in an average of at least 21 miles per gallon for new passenger automobiles manufactured for sale in, or imported into, this country by 1980. Five years later, the figure would be 28 miles per gallon.

The Commerce Committee bill contains a second title which would create an automotive research and development program within the Department of Transportation to develop prototypes of advanced automobiles with high fuel efficiency and emissions, safety and other features meeting federal standards. This too would be a federal initiative strongly endorsed by the UAW.

We believe the Commerce Committee bill deserves your enthusiastic support. We hope you will vote for it and against weakening amendments when it is taken up by the full Senate. On behalf of the UAW, I wish to thank you for your consideration of our position on this important national issue.

Sincerely,

JACK BEIDLER,
Legislative Director.

Mr. HOLLINGS. I also ask unanimous consent to have printed in the RECORD a letter in support of the measure from Congress Watch, dated June 17, 1975, and signed by Joan Claybrook.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

PUBLIC CITIZEN,
June 17, 1975.

DEAR SENATOR: The Senate will soon vote on S. 1883—the Automobile Fuel Economy and Research and Development Act of 1975. This important legislation defines the Senate's initial role in establishing auto economy standards and develops a research and development program to produce technological innovations for future improvements. We urge your support for this legislation.

Automobiles consume over one-third of all petroleum used in America. In 1974 General Motors cars averaged 12.2 MPG. In 1975, in the face of the energy crisis and sagging auto sales, they achieved a 15.7 MPG average or a 28% improvement over 1974, thus demonstrating that significant increases in efficiency are possible on short order.

In 1975 Volkswagen achieved an average of over 26 MPG and imports generally captured 20% of the total domestic car market. In 1973 auto imports were valued at $6.5 billion while export of U.S. autos accounted for only $1.8 billion. Fuel economy is a major factor in the difference.

S. 1883 mandates improved auto fuel efficiency. It establishes an industry-wide standard of 21 MPG in 1980 and 28 MPG in 1985. The joint EPA/DOT report of October 1974 indicates that this goal is technologically and financially achievable. Other reports with similar findings include the "Automobile Emission Control—The Technical Status and Outlook as of December 1974", EPA, January 1975; "Potential New Car Fuel Economy", FEA, November 1974.

Although the bill's standards will require minor retooling and design changes, these costs are more than offset by the program's resultant fuel conservation. The EPA/DOT study indicates that the capital requirements for necessary technological and design changes to meet the 1980 standard may run from 50 to 200 million dollars over each of the next five years. This is at maximum less than 10% of current annual rates of capital expenditure of the motor industry.

The savings resulting from the 1980 standard will be 800,000 barrels of gasoline per day. This conservation would reduce by $9 million per day* the energy price drain from the economy—a senseless drain into the pockets of OPEC for its price-inflated oil. These savings also could help alleviate the demand pressure for petroleum products in other areas of the market place. Therefore, the fuel efficiency standards will produce far greater savings for the national economy than the relatively minor investment.

The EPA/DOT report indicates that the 1980 standards are achievable with a variety of industry action: adjustment in the emission control system, change in sales mix to more efficient models, reduction of aerodynamic drag, better transmissions including overdrive, change in rear axle ratios, improvement in air/fuel metering and reduction in engine size and vehicle weight.

Mandatory improvements in fuel economy will result in gasoline conservation and reduced air pollution due to reduced fuel consumption. Improved fuel efficiency by American auto manufacturers may well also result in stemming the tide of imports and offer the potential of increased auto exports.

For all of these reasons we urge you to support this important legislation, S. 1883.

Sincerely,

JOAN CLAYBROOK.

Mr. HOLLINGS. I yield to the distinguished Senator from Michigan.

Mr. GRIFFIN. Mr. President, I shall be interested in reading the letter from the spokesman for the United Auto Workers.

I do know that the testimony of Mr. Leonard Woodcock before the Commerce Committee was to the effect that any effort to impose mandatory fuel economy standards should be related to action that Congress would take with respect to emission controls.

It is ridiculous to have the Senate considering a bill that would require a certain standard of fuel economy for automobiles without also deciding at the same time what is going to be done about the emission standards. Is it reasonable or logical to go ahead and pass this bill which would arbitrarily impose a fuel economy standard accompanied by very severe civil penalties for violation—without knowing what Congress is going to do with regard to emisson standards?

That is what we are asked to do. I submit that the Senate cannot do that unless we do not really care about the automobile industry and its workers. Eighteen percent of the workers in the automobile industry are still out of work, and I submit that at least part of this problem is the result of some of the unfortunate and unwise regulations that Congress has passed heretofore.

I yield to the Senator from Wyoming.

Mr. HANSEN. Mr. President, I am a member of the Committee on Finance. Last week we had appearing before that committee representatives of three of the major automobile manufacturers: the president, as I recall, of General Motors; the vice president or executive vice president, I think, for Ford Motors; and a vice president in charge of engineering from Chrysler.

Those three gentlemen all testified that the key point, the key consideration, in the mileage that a car gets is related directly to the weight of the automobile. Without exception, they said that all of the tests that have been conducted by EPA disclose—and I quote this, now, essentially from what Mr. Estes, the president of General Motors said—that without exception, their cars had ranked first or among the first when tested in comparison with foreign cars on every test that was by weight.

He said:

> Our problem is not one of being able to compete with foreign cars. If we want to make the cars smaller, if we want to ignore what the American people want to buy, we can get fuel economy. All we have got to do is strip away everything, take off all of the weight, and our engine can presently compete.

I make the point that what we are talking about, if we want to insist upon better mileage performance, is to have the Congress of the United States dictate, through legislative policy, to the American people the kind of cars they are going to buy.

The second point I want to make is that Mr. Woodcock testified this morning before the Finance Committee. I was on hand when he testified. I read his statement, and I know what he said.

On the one hand, he says that he thinks the Congress of the United States should mandate efficiency in cars—in other words, how many miles per gallon they are going to get. That was on page 2 of his testimony.

On page 3 of his testimony, he says he thinks the American public ought to have the right to decide the kind of a car they want to buy. If a family can afford only one car—and many families can afford only one car, and they may be having a hard time paying for one car—if they decide, in their good judgment, that that car ought to be a station wagon, he says he thinks they ought to have that right.

Mr. GRIFFIN. What if it is a family that has five members, and they cannot ride in a small car, and they can afford only one?

Mr. HANSEN. I think that is exactly the point Mr. Woodcock was addressing when he said he thinks the people who fit in that category ought to have the right to buy a station wagon or a heavier car.

I just do not think we can do it both ways. I do not think we can say, on the one hand, we are going to insist that these cars have a certain miles-per-gallon capacity, and on the other, extend, as I believe we should, to the American public the right to decide the kind of car they want to own.

I thank my friend from Michigan for yielding.

Mr. GRIFFIN. I thank the Senator from Wyoming for his contributions.

Mr. President, we have heard a lot in recent months about the great concern for the consumer. I suggest it is rather ironic that the Senate is turning to the consideration of legislation that will inevitably lead to higher car prices and quite possibly more unemployment—particularly in an industry, which has contributed, along with the housing industry, to the recession that we have recently experienced.

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*This figure is calculated based on a price per barrel of $11.50, the average import price today.

Unless there is improvement in these industries, the rest of the economy is not likely to respond as all of us would hope. The passage of this bill, especially in the form that it is presented to the Senate, puts the cart before the horse. Any reference or determination as to what the automobile emission standards are going to be in the period ahead, is going to be a step backward.

Maybe it has been good politics—although I question whether it still is—to drag out the familiar dragon, the automobile, at regular intervals and go through some kind of a ritual of slaying.

This became popular a few years ago when Mr. Nader received a good deal of publicity, and apparently there are those who believe that it is still good politics.

But let me say that the automobile industry is not just important to the State of Michigan, or to the workers in the State of Michigan, which I have the honor to represent. It is too often overlooked that the automobile industry directly or indirectly provides one out of every seven jobs in the United States. That is not just in the State of Michigan, but thoughout the United States, one out of every seven jobs is dependent directly or indirectly on the automobile industry. Every State and every community is adversely affected when the Congress takes unwise action that damages the automobile industry and the workers that rely on it.

Unfortunately, the timing of this bill could not be worse. The automobile industry and its workers have been suffering disproportionately from the current recession, and the unemployment rate in the automobile industry is roughly twice the national average. Even though auto sales have improved somewhat in recent weeks, they are still below depressed 1974 levels.

Even more disturbing, I suggest, is the fact that imports are continuing to capture a growing percentage of the market.

I am very concerned that one of the effects of enactment of this legislation is to encourage even greater sales here in the United States of imported automobiles in the period immediately ahead. That certainly should not be the direction that we would want to go.

In the face of all this, the need right now with respect to the automobile industry is not for more Government regulation but for less. I think it is interesting that the automobile industry and its workers are not seeking any special subsidy. They are not asking for handouts or some special tax break. All they are asking is for less Government regulation, for an opportunity to recover. Instead of having the opportunity to recover, they are met with legislation such as this.

Existing Federal safety, emission, and bumper standards have already added somewhere between $400 and $700, depending on the particular car, to the price that people now pay for their new automobile. The President's Energy Resources Council estimates that emission standards now scheduled for 1978 cars will further boost the price of new cars by $230 to $270 per car.

But increased costs are not the only problem with the 1978 emission standards. They will also reduce fuel economy by an estimated 7 to 17 percent, which translates into an energy loss of approximately 200,000 to 400,000 barrels of oil per day in 1980.

To balance the twin objectives of clean air and better fuel economy, President Ford has proposed and obtained a commitment from the U.S. auto industry to voluntarily improve fuel economy by 40 percent between now and 1980. But that is coupled with a 5-year moratorium on emission standards which this bill completely ignores. It is important to understand and emphasize that President Ford is not suggesting any kind of a rollback with respect to emission standards. He is only suggesting that we do not go any further for a period of 5 years so that we can achieve even greater energy conservation.

If the pending bill were to transform the President's voluntary program into mandatory legislation, I think it would at least be defensible. But it would be unnecessary because there are strong market pressures from foreign competition which is pushing U.S. automakers toward greater fuel efficiency.

More economical U.S.-made cars are being rushed from the drawing board onto the production line. We do not need this legislation for that to happen. It is happening right now.

Unfortunately, the pending bill ignores this trend and market pressures altogether. It goes much further than is technically or economically feasible.

Indeed, this bill requires that by 1985 there be a 100-percent improvement in fuel efficiency. The committee report itself says this:

> That any fuel economy standard for 1985 must be somewhat speculative at this point.

Those words are quoted out of the committee report. Notwithstanding this uncertainty, the bill would impose very severe civil penalties for violation of fuel economy standards.

These enormous civil penalties would mean, for example, that if General Motors were to fall short of meeting these standards by a mile per gallon, it could be subject to a penalty of up to half a billion dollars, based on a normal sales year. Chrysler, which lost $94 million in the first quarter of this year, could be hit with civil penalties under this bill up to $150 million in the event it failed by a mile per gallon to meet these standards.

In comparison, the estimated cost of converting a plant from large to small car production is about $100 million. So one can readily see that we are legislating some very drastic and questionable civil penalties, not only on General Motors but also on other segments of the automobile industry which are experiencing serious economic setbacks.

These stiff standards and penalties could produce some very, very unfortunate consequences in terms of the economy of the country as a whole. Compliance with the standards will have to depend on a sales mix of large and small cars in a given model year. In a sense, the manufacturer has to try to anticipate how many people will buy small cars and how many people will buy medium- and large-sized cars. If there is a mistake in trying to anticipate what the public will buy, the consequences are likely to be severe in terms of higher costs and more unemployment.

It seems to me quite unnecessary, quite unreasonable, in the difficult economic climate that we have today to put this kind of legislation on the back of an industry that is already struggling. To successfully achieve a 28-mile per gallon industrywide fuel economy average can mean sacrificing the legitimate needs of many Americans for larger cars, such as station wagons. The Senator from Wyoming has already made this point.

As much as some would like to have the automobile declared nonessential—and I sometimes wonder if that is not the objective of some in this body—for large families, including 20 percent of the American families, large cars are a necessity, not a luxury. We still have not, by law, imposed birth control or limited families to three or four, and there are families that include four and five children. There is just no way that a large family can get along with one of these very, very small cars. As long as this is the case, and 20 percent of the American families fall into that category, some of the cars that are going to be built and purchased are going to be medium and larger sized cars. And naturally, since fuel economy is related to weight, they are not going to get the same mileage.

Mr. President, while I strongly believe in the importance and the need for encouraging greater fuel economy with respect to automobiles, I believe this is very unwise legislation to enact at this time, particularly when it ignores altogether the absolute importance of auto emission standards. There is just no rational way that Congress can impose mandatory fuel economy standards and ignore what are going to be the standards as far as auto emissions are concerned. Under those circumstances, it seems to me that the Senate, in its wisdom, should reject this bill, or at least lay it on the table for the immediate future.

I am glad to yield to the distinguished Senator from Idaho.

Mr. McCLURE. Mr. President, I rise in opposition to this bill, which clearly discriminates against those sections of the Nation like Idaho that have invested heavily in tourism. Besides those workers directly employed at producing automobiles, this bill will most surely injure those people who depend on tourism for their living.

In effect this bill mandates a massive conversion to small, subcompact cars. The 1985 standard of 28 miles per gallon, beyond any doubt, will require manufacturers to drop certain models like standard station wagons and produce primarily cars weighing around 2,500 pounds. These cars simply cannot satisfy the recreational and vacation needs of many American families.

A subcompact cannot tow a boat, a minicar cannot pull a camper, two- or four-passenger vehicles cannot comfortably carry an average-sized American family on a vacation. In short, the automobile we are mandating the automakers to make available to the car buying public will simply not satisfy all of the transportation expectations of many Americans.

Washington, by substituting its preferences for those of the American consumer will severely limit the uses of the average automobile and seriously disrupt the tourist industry.

Everyone, including the auto industry, wants the fuel economy of automobiles to be improved. The rising price of gasoline makes it imperative that motor vehicles have the capability of traveling farther on a gallon of gasoline.

The auto companies realize this economic fact. They are scrambling to build, advertise and sell the most fuel-efficient vehicles possible. Together, they are investing some $5.5 billion to improve the fuel economy performance of their automobile products. They are spending these huge sums of private capital because they understand the consumer's message: fuel economy is an important consideration in the purchase of a new car.

Not all American car owners make uniform demands on their automobile. The traveling salesman may need a larger car than the urban commuter. A large family wants and requires a larger car than the newly married, childless couple. Mandatory fuel economy standards, arbitrarily set by a Government bureaucracy, cannot satisfy this wide variety of consumer needs and wants.

The auto companies must be allowed enough flexibility to satisfy all of these consumer requirements. Right now, half of all the American cars produced and sold are full-size sedans or station wagons. This bill, if fully implemented, will make those models collector's items. We cannot legislate consumer preferences, especially when the target for regulation is a marketable feature of the automobile, which safety and emissions control standards are not.

Let us not put the auto companies in another legislative straitjacket. If we allow them to meet the consumer's demand, which includes fuel economy considerations, we will achieve substantial energy savings without disrupting the Nation's economy and aggravating unemployment.

While it may be argued that this bill is only prospective, that it does not apply now—it applies only in 1980 and again in 1985, with standards then imposed—I think there is no one who can really argue that any expectation that a 100-percent increase in fuel economy mandates anything other than a 4-cylinder 2,400-pound automobile. There is no assurance on the part of anyone who is sponsoring this legislation that the American consumers, in preference to buying such an automobile, will not simply hold onto other cars that more adequately meet their transportation requirements.

Will it then be the response of Government that the people who own older automobiles must turn them in? Will we remove them from the highway by some kind of legislative fiat? If we do not do that, if we do not interfere with the right of the individual family to own the kind of automobile that they want, or to continue to own the one that they already own, will we not then see a buyer resistance that reduces the total output of Detroit? If that occurs, of course, there will be a massive increase or a massive shift of employment. I was going to say a massive increase in unemployment, but there perhaps might be a shift of employment away from the production of automobiles into some other line of production.

I think those uncertainties, and the certainty that we cannot answer those questions, indicate that we should not pass this kind of legislation at this time.

Mr. WILLIAM L. SCOTT. Will the gentleman yield?

Mr. McCLURE. I am happy to yield to the Senator from Virginia.

Mr. WILLIAM L. SCOTT. Mr. President, I appreciate the Senator's yielding. He serves on the Senate Public Works Committee as I used to do. I wonder if the distinguished Senator would tell us the status of any legislation that would freeze the auto emission standards at their present level since that does appear to be very pertinent to the proposal that is now before us.

Some years ago I spoke with some of the officers of the auto industry and they told us they could design and build engines that would provide greater fuel efficiency. The officials thought, if given sufficient time, they would be able to do this. Perhaps the Senator could tell us the status of clean air proposals regarding automobiles in his committee.

Mr. McCLURE. I would say to the Senator from Virginia that the committee is now engaged in markup of the Clean Air Act amendments. We had 1 hour of markup this morning; we expect to have another hour, at least, tomorrow morning. We are starting at 8 o'clock each morning on those markup sessions, but it is too early to tell exactly what will come out of the deliberations of the committee.

I might just add that the things we are looking at are primarily the identifying pollutants of HC, CO, and NO_x, and we have spent most of our time so far discussing the question of NO_x; whether we will make a change in that emission level is yet to be decided.

But associated with those pollutants is the question of sulfate and sulfuric acid mists which have emerged only recently as an acknowledged problem. While the committee in its report on this legislation has tried to indicate that no real problem exists, it certainly is a real problem we are going to have to address, and the fact that it is created primarily by the addition of the catalyst-equipped automobile, which became necessary in order to be able to get some kind of fuel economy on automobiles with the emission standards that were then set up in statute, only indicates further the need for caution in mandating future levels of fuel economy when we are still trying desperately to do something about the emissions of present automobiles, but recognizing that there is a fuel penalty in each of those decisions we make.

Mr. WILLIAM L. SCOTT. The distinguished Senator from Michigan a few minutes ago spoke about a voluntary agreement between the auto industry and the President whereby they would be able to achieve greater fuel economy, and they promised to do this. But it was conditioned upon a 5-year freeze of the present emission standards, and he emphasized it was not a rollback but a freeze at the present levels to encourage development of cleaner burning and fuel-efficient engines.

I wonder if it would be wise for any action to be taken on this bill or for this measure to be recommitted to the committee until some decision is made with regard to auto emission standards.

Mr. McCLURE. Well, Mr. President, if the Senator will yield, I will attempt to answer that question, and will do so in this way: Certainly what is done on the emissions controls will affect what can be done in terms of mileage efficiency of automobiles.

We have already seen, as we attempted to remove these pollutants, there was only one way we could do that without an unacceptable damage to mileage, and that was by going the route of catalyst-equipped automobiles. There are other technologies that show promise, but they are not on the production line.

As we move into more and more catalyst-equipped automobiles, we must recognize that we have now created a sulfate and sulfuric acid mist problem that did not exist before, and if we are going to solve that problem then we must move into some other things that also show promise of a fuel penalty. We are talking about the question of the level, permissible, of NO_x emissions, and one of the solutions being suggested that would move towards the statutory levels of NO_x emissions is to add a second or perhaps a third catalyst to the one that already exists on automobiles. But all of the experts would indicate to us that if we do that there is a further fuel penalty involved which would make it more impossible for the industry to meet mileage requirements that are set forth in this bill.

The agreement that may have been reached between the President and the auto industry to attempt to reach a 40-percent increase in gas mileage also presupposes an extension of the current levels of emission standards, ones that are currently in effect, not the statutory ones that will come into effect, and those decisions have not yet been made.

Each of them bears upon the question of whether or not there will be the possibility for the kind of increases in gas mileage that are called for in this legislation.

Mr. WILLIAM L. SCOTT. It would seem to me, Mr. President, that as we impose more and more controls on business generally and on the automobile industry in particular, we create new problems.

The distinguished Senator from Idaho has spoken about new problems being created by the acid mist he speaks of arising out of an effort to control the auto emissions standards.

I am just thinking if we accomplish the same thing on a voluntary basis or by negotiating, as the President is attempting to do, and get commitments from the auto industry rather than just passing a law saying there shall be certain standards observed as of a certain date, I doubt that we know what is possible for the auto industry to achieve by a certain date and still retain the automobile as it is today, as the principal means of travel for the vast majority of the people of the country, to travel with their families from place to place on business and pleasure.

Would the Senator care to comment on this?

Mr. McCLURE. Mr. President, if the Senator will yield further, I, indeed, would because I think the very difficulty of predictability of what happens is one of the reasons for caution in this entire field. I was one of several people who tried to indicate at the time we were moving in the direction of the catalyst-equipped automobile that certainly the catalyst was going to create a sulfate and sulfuric acid problem. That was brushed aside by people who wanted the catalyst-equipped automobile to be put on the market as being an irrelevant discussion, so speculative that we did not need to consider it.

Now that the catalyst-equipped automobile is on the market they are coming forward and saying, "Now, this is a problem."

I suggest that what we are creating here is another predictable kind of situation in which people will come back in and say, "Now you have to alter the law because we cannot do what we set out to do."

I am in favor of increasing the gasoline mileage of automobiles. I think, perhaps, a 40-percent increase under certain standards is a reasonably attainable goal. From all the evidence I have seen we could do that. We could still probably market a 6-cylinder automobile and some 8-cylinder cars, V-8's, that could meet that standard. But there is no way, absolutely no way, that anybody can point to that you can have a 100-percent increase in automobile gas mileage with the kind of emission standards we are talking about without going to a 4-cylinder subcompact automobile.

If anybody has an answer that will indicate that my statement is wrong I would like to see it because I have read as much as I know how to read; I have sampled a great variety of literature; I have listened to hour after hour of testimony and that, to me, emerges as a crystal-clear fact.

Are we prepared in the Senate today to say to the people of this country that the only kind of automobile they can own after 1985 is a 4-cylinder subcompact? I would suggest that the people of this country would want us to consider that very seriously before we take that kind of step and mandate that kind of automobile performance standard that has no more latitude than what I have just suggested.

Mr. WILLIAM L. SCOTT. Mr. President, of course, all of us are concerned about clean air, the quality of the Nation's air. But, I believe, we must think about the health of the American economy. I am concerned about the number of foreign-made automobiles purchased by the citizens of this country today. I am advised the percentage of the automobiles being purchased in this country that are manufactured abroad is at an alltime high; and it is my understanding that our domestic automobile industry is in serious economic difficulty.

I believe that as far as we are reasonably able we should permit the automobile industry to make substantial progress toward a recovery.

I just doubt that this proposal that we have before us today is a wise one. I have reservations about the Congress requiring that, as of a certain date, the automobile shall be able to use only a certain number of miles to a gallon of gas.

In my opinion we should free the automobile industry and business generally of as much Government control as possible. This country has achieved the status that other nations envy because we have had the free enterprise system; and if we substitute Government control for that freedom we have enjoyed over the years we may not long be the envy of the world.

Mr. PHILIP A. HART. Mr. President, will the Senator yield?

Mr. GRIFFIN. I yield such time as may be required to the senior Senator from Michigan.

Mr. PHILIP A. HART. Mr. President, I ask unanimous consent that during the discussion and disposition of this legislation Miss Katherine Schirmer be granted privilege of the floor.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Who yields time?

Mr. GRIFFIN. Mr. President, I yield such time as he may require to the Senator from Arizona.

The ACTING PRESIDENT pro tempore. The Senator from Arizona.

Mr. FANNIN. I thank the Senator from Michigan.

Mr. President, I am opposed to this bill and very concerned about the stipulations in the bill. I believe it will adversely affect the citizens of Arizona. Although my State does not contain an automotive assembly plant, we do employ over 25,000 people in the sales and servicing of motor vehicles. As the standards in this bill force auto manufacturers to build smaller and smaller cars until they reach the 28 miles per gallon required in 1985, I am convinced that new car sales in my State will decline appreciably. My belief is supported by the recent testimony of the auto manufacturers before the Senate Committee on Finance and by reports from the U.S. Department of Transportation pertaining to the sales of motor vehicles all over this Nation.

Mr. President, I am very proud that in this great country of ours people have the right to determine what particular investment they will make in a motor vehicle in accordance with their needs.

We have certain needs as far as a motor vehicle is concerned in my State of Arizona that do not exist in many States of the Nation. Although we have a perfect climate most of the year, we do have a period in the summertime when the mercury climbs up in the 110° to to 115° bracket. At that time, the temperature in a car could be up in the 130° to 140° bracket. So this is something that must be taken into consideration in purchasing a car.

A salesman that is traveling in the warmer areas of my State—and some of the areas, as I say, are quite warm in the summertime—needs to have refrigeration, he needs to have a car that is adequately powered to carry that refrigeration load and also to carry the size car that will permit him the comfort of travel.

If not, he will be, as he was in the days before refrigeration, arriving at his destination in a very uncomfortable position where his clothes look as if he had been out taking a sweat bath or had been sleeping in his clothes because they would be in such discomposure.

This is something that is very important because we have people that arrive on schedule and ready to appear before an audience, ready to appear before the people they are dealing with, and this is of vital consequence to them.

Then we have many variations of climate in my State. We have the plateau areas, down in the desert country where the extreme heat exists that I am talking about. We also have the next plateau where it is hilly and mountainous where they require a car with greater power to travel through those areas.

Many of the ranchers live in areas where they do have extreme conditions to contend with as far as the slopes are concerned, requiring additional horsepower, and of course will use additional fuel.

But as far as the fuel utilization in that type of car, if they have a car that is underpowered, they would have it in low gear so much of the time that probably the actual consumption of fuel would be greater than if the engine happened to be powered with a motor of proper size to carry that vehicle load.

Then, too, there are so many places in my State where workers live in areas not quite adjacent to their place of employment and they have car pooling. It is pretty difficult to have car pooling when we have the compact cars that make it uncomfortable to have over three or four passengers. This could be a distinct disadvantage.

Then we have, when we start to talk about employment, in addition to those persons employed directly by the auto industry, many Arizonans employed in the tourism industry. Many families vacation in our beautiful State towing travel trailers and camping trailers.

Some Members have spoken out about a particular State where this is a great factor. These people need full-size cars for safety to be able to handle that particular unit that they happen to be towing.

I know there are many cases where accidents have happened from the whip of the trailer or some vehicle being towed.

Thousands of other families visit Arizona each year after traveling hundreds of miles in the comfort of their automobiles that are air-conditioned and are equipped so that they can travel at long distances without great discomfort.

They would not be as inclined to vacation in our southwestern State if they were forced to travel in the cramped space of four-passenger subcompact cars with little luggage space.

Where would they put the luggage in many of these cars? If they put it on top, it creates a great hazard, and still there is not space for it anyplace else.

Also, Mr. President, approximately 117-000 Arizona families contain five or more members. That is 26 percent of all our families. These families need family-size sedans and station wagons. And they should not have to pay heavy taxes or fines whether those taxes be levied directly on the car buyer or on auto manufacturer and passed on to the consumer.

Mr. President, as I have stated, we in Arizona also have a particular requirement for auto air-conditioning due to our warm climate.

I want to emphasize that because it is something that is vital, even in trucks, but since we are not discussing the truck unit I will not comment on that, but this is something that I am afraid if they start setting the standards it will soon affect the smaller truck vehicles and we could see a great step backward for the people that are operating those vehicles.

We have, of course, many workers who are employed, fully employed, on sales and work where they are traveling long distances, as I have explained, and if they have to travel in a smaller compact car without refrigeration, they are going to be up against a very serious problem.

We have as much right to air-conditioning in our cars as we have to air-conditioning in our homes and offices and as much need for air-conditioning as people in some of our northern States have for car heaters. I know that air-conditioning causes a loss in fuel economy, about 6 percent average according to the DOT. That loss is heavier in smaller cars in many cases because of overloading. In fact many of the smaller cars which now meet or come close to meeting the standards of this bill are not adequately powered to run air-conditioners.

When the citizens of Arizona make their decision to purchase a new car, they take many important factors into consideration: Passenger carrying capacity, gasoline prices, towing ability, safety, fuel economy, vehicle price and others. They do not need the Congress in Washington to tell them what kind or size of cars they must drive in Arizona. That is something that we have always been proud about, as I stated at the beginning of my statement, self-determination. The American people certainly do not like to be dictated to, especially to the type of cars that they will be able to purchase.

Like people all over America, the car buyers of Arizona are demanding more efficient cars. This is something that I think we should all work toward.

I happen to have been in the business of selling propane gas at one time, and had a great deal to do with the conversion of cars to make them more efficient where they would burn propane gas. Not only did it help from the standpoint of the efficiency of the car, but it certainly helped as far as the emissions were concerned. Certainly, there is not enough propane gas available to take care of our needs. There is a greater shortage of propane gas than there is of gasoline, so a conversion to that fuel is not practical.

Any auto manufacturer who does not respond to the demand for car efficiency and for changes that are demanded by the general public will lose sales. It is the free market system that is providing and will continue to provide optimum balance between transportation and energy conservation.

Mr. President, when we talk about the foreign cars and talk about our manufacturers here in this country, I think we should realize that over the years our manufacturers have worked at a great disadvantage. Still, what is happening? The car manufacturers are paying taxes in this country, they are employing people in great numbers, in addition to their sales people and the ones who service the cars around the Nation because they also service and sell foreign cars, but the foreign cars are coming into our country at very low tariffs, at a disadvantage to our own manufacturers. They are coming in at 3 and 3.5 percent tariff and flooding our markets, running as high as 30 percent or more of the car sales in this country. In some States they even exceed 40 percent.

When we try to get cars into their countries, we run up against a barrier of either nontariff charges or high tariff charges. The average tariff in the European Economic Community is around 10 percent. But then they have other nontariff barriers that bring it up considerably.

We talk about the number of cars coming in from Japan and look at the quid pro quo with Japan and we realize how unfair it has been to this country.

Just a few years ago when American Motors especially was trying to sell their small car and trying to get sales in Japan, they had a small car but they could not get it into a competitive position because not only did they have a 17.5-percent tariff in those years, they had nontariff barriers that brought it up to around 60 percent. So the American car shipped into Japan was going in there with a 60-percent penalty or more, whereas the Japanese car was coming into the United States at that particular time was on a 4.5-percent tariff which has gone down a half percent a year for some time and has held at around 3 or 3.5 percent.

So, Mr. President, I urge my colleagues to consider just what is involved in this legislation. If this bill is passed, we are voting for a measure that is adverse to the best interest of the consumers of this country. We are not benefiting the consumers. We are working a hardship on the consumers. We are taking away from them the freedom of choice. We are dictating to them as to what they will do as far as their purse is concerned.

Mr. President, I believe this is a very unfair position for the Congress to take. That is, not giving the people the right of self-determination.

Mr. President, I hope we can defeat this particular bill.

I yield the floor.

The ACTING PRESIDENT pro tempore. The bill is open to amendment.

Mr. HOLLINGS. Mr. President, I am awaiting the return to the Chamber of my distinguished colleague from California. I understand that the distinguished Senator from New Mexico is ready to submit his amendment concerning research and development. The Senator from California is handling that section of our bill.

Just by way of comment, we have heard discussed here everything from the problems of large families, to the problems of tourism. It all began to be somewhat ridiculous when we started talking about killing the auto industry dragon, and finally we have heard the constitutional argument that this bill is against the right of self-determination.

I do not know how we can get more ridiculous in a discussion of this particular measure.

Everyone who is familiar with this bill knows that each of these stated concerns has a reasonable answer. For one thing, large families are certainly provided for in S. 1883. The automobile sales mix assumed in the October 1974 fuel economy study by the Department of Transportation and the Environmental Protection Agency is consistent with the number of large cars that will be required by large families and for towing purposes.

I can also tell you what has hurt tourism, because I come from a tourism State. Tourism has been hurt because the price of travel has gone up.

Now, I am not talking about those of us who will be traveling in jet planes, but I am talking about the ordinary tourists who really mean business to the State of South Carolina and the State of Arizona. If there is conservation, therefore, making gasoline available for automobile travel, and the cost of travel is reduced through the use of fuel efficient cars, then tourism will be promoted.

The distinguished Senator from Wyoming was talking about hearing Leonard Woodcock of the United Auto Workers say that on the one hand we should have this bill and on the other hand the family should have a choice. There is nothing contradictory in this bill. This bill actually expands our freedom of choice. We are trying to enlarge the choices available to Americans by going to the fuel economy car. It is conceivable that nobody will have the choice of owning an automobile if the price of automobile travel continues to go up. They will not be able to afford one. There will be those without cars and those with cars. So we are really trying to get everybody a car within reason because the gasoline belongs to the people of America.

What does the distinguished Mr. Woodcock say? Quoting Mr. Woodcock before the committee let me read exactly what he said, about jobs:

> For too many years the United Auto Workers has pointed out that the big three auto companies have followed a marketing strategy based on cars that are too large, too expensive, and use too much fuel. We urged that policy be changed.

He says, in the past tense:

> We urged that policy be changed.
>
> However, these manufacturers preferred to pursue short-term profit maximization, and paid little attention to the real needs of the American public, including environmental and conservation considerations. Occasionally, short-term goals have resulted in greater emphasis on fuel economy, especially by producing smaller cars, and the present concern over gas consumption may have precipitated such a period.
>
> In the past, such activities have been short-lived—the "small" cars get progressively bigger and heavier, the only reduction is in fuel economy, so that now we cannot rely upon mere assurances, or voluntary commitments, from these companies.

Here is the chief representative of the automobile makers of America, in Arizona, in Detroit, in South Carolina, wherever they are.

Finally, he says:

> Federal fuel economy requirements are needed in order to assure that national fuel conservation goals will be met.

He said that in support of this bill. What do the Environmental Protection Agency and the Department of Transportation studies show? From reading the introductory language, they seem to say, "Oh, it is going to wreck the industry, and sales, and everything else."

On the contrary, reading from that particular report:

> The effect of potential fuel economy improvements would likely be to increase sales to levels slightly above the basic trend, or at worst leave the trend essentially unchanged. It is not expected that sales will decline because of mandated fuel economy requirements based on cost estimates used in this report.

They go right on down the line, and they say it is not only going to increase sales. The distinguished Senator from Arizona is on the Committee on Finance, and has been concerned with balance of payments, and yet the study says it is going to improve our balance of payments position, and achieve the goal. This is a bill for which the gentlemen on the other side ought to be leading the way. This is the first measure, really, to reach the floor, to bring about a change in the way of life in America through energy conservation. And we have got to do it.

You cannot do it voluntarily. The automobile companies are in business to make money, and the credo there is, the bigger the car the bigger the profit. There is no doubt about that. We have consumer reports, the testimony of witnesses, and everything else.

They do a little bit to compete with that foreign manufacturer, but that much and no more. They do not have a national problem in their book. They do not have an energy crisis. They have a profits problem.

If I am chairman of the board of General Motors, I will do as much as I can to make the biggest profits I can, and I do not blame the distinguished chairmen of the board of General Motors, Ford, and Chrysler. Because the bigger the car, the bigger the profits. The more accessories, the bigger the profits.

Mr. President, a similar measure just passed the House overwhelmingly. They took many features of our bill. They tried the excise tax, and rebates, until they found the rebates were really rewarding the foreign manufacturers, and the excise taxes could be considered, as they have been discussed by the Senator from Michigan, an even greater burden on the industry. We eliminated those things in the Senate bill. The House Members tried their level best to go the price route, and were rejected by a majority of their own colleagues. They finally picked up our own Senate bill, and that is practically what has been passed on the House side.

We hear, "Oh, this is going to take away jobs."

Mr. President, it is going to create jobs, by getting them off of dead center.

A lot of the automakers have not realized the crisis. They think they have a right to do anything they want, that we have an unlimited supply in America, disregarding the Geological Survey that says we have only 30 years of oil left in the good old United States of America, and only 15 or 20 more years of natural gas.

Under the sky is the limit criterion, they are right. In that case, if we had a free market—which we do not have—I could buy my right of self-determination, free marketplace, and all of those other slogans that apply to constitutional matters; but not to the energy crisis.

But we are in an energy crisis. And here is the President, he has had two-thirds of his program—$2 out of the $3 per barrel tariff—and how much gasoline did he save? Zero. Because the automobile is fundamental to America. The administration has not saved 1 gallon of gasoline.

We had an energy crisis, and we conserved a little more last year, but now he says, "They have a Democratic Congress over there that is puzzled and confused; join with me and the sheiks, and all the rest of the people wrecking this economy. That will get me by November of next year, then we will get the British Prime Minister, because he has had experience in this field, and we will be way down the road to becoming another Great Britain."

That is what they are asking for. They do not say to raise it a dollar or two dollars, like President Ford says, and hopes. We hear all of this about closing stations, and 55-mile-an-hour speed limits, and all that stuff.

That all sounds good on paper. But we say get the car where it is manufactured, and by 1985 we will save 2 million barrels per day. By 1977 we will save 285,000 barrels a day.

They have a big debate going on over in the Armed Services Committee about the Elk Hills Naval Petroleum Reserve. Mr. President, there is the equivalent of the Elk Hills production, right in this bill. We will, in a realistic fashion, save that 285,000 barrels a day by 1977. With some of the other conservation measures the distinguished Presiding Officer and others have mentioned, we will save another 2 million barrels, and then it will make sense to talk about a Project Independence.

I was with President Ford in November, when he said, "Under no circumstances can we afford any further increases in prices." I was with President Ford on December 31, when he vetoed the cargo preference bill, and said 12 cents a barrel would be inflationary and wreck the economy.

And then on January 12, after having said 12 cents might have been inflationary in December—he must have slipped on the slopes or something—because by January 12 he was racing CARL ALBERT to get on TV to announce the $3 duty.

They have got 2 of the 3 dollars, and where is the conservation? None. Zero. It is pust political talk.

The trouble is, the media do not understand the program. They do not understand it is one of two alternatives, price controls or regulation. Not like the OSHA regulations; I agree, we have too many regulations of that kind. I am on the side of trying to cut out the blooming regulations.

But we tried it voluntarily, and everybody agrees now it is just against their pocketbooks. We leave the flexibility and freedom in here, where they can choose the sales materials, the marketing procedures, and the advertising programs; we do not restrict them to anything. And when it gets to emission control, we give flexibility again. Because we have no way of determining what the oxides of nitrogen, standard will be. We now have a 3.1 grams per mile requirement that goes in 1978 to 0.4 grams per mile and it could be changed again by the Committee on Public Works and my distinguished friend from New Mexico.

But whatever it is we want something realistic, and we left that open-ended. We have not put any cart before the horse. We have left that horse totally free to run. We have to run in America. We have to move and we have to start moving on conservation.

As to the first blooming conservation bill we get in the Chamber they say, "No, not now; wait 5 years." What kind of program is that? The first real conservation bill they say, "No, not now; wait 5 years," and bring out the fanciful arguments about the right of self-determination.

One of the significant portions of the bill, if not more important because that is going to direct the way in research and development was contained in a bill sponsored by the distinguished Senator from California. He has led the way, and we joined in the particular bill.

I am glad to yield to him at this time.

Mr. TUNNEY. Mr. President, I thank the distinguished Senator from South Carolina for yielding to me. He has explained to the Senate today about as well as I have ever heard the importance of the section of the bill which provides for greater energy efficiency in an automobile by 1980 and 1985.

The one thing that I have not been able to understand is why the administration feels that they can rely on the voluntary assurances of the automobile industry that by 1980 they are going to have 40 percent greater energy efficiency. They say through their spokesman, who came before our committee, they can rely on the automobile industry because they are "honorable men," and that is a direct quote.

Unfortunately, as my distinguished friend has pointed out so clearly, for years the automobile industry has felt that the best way that to maximize profits was to build a car that was lower, longer, wider, and more expensive. They loaded down these cars with all the energy consumptive add-ons, which would make their 10 or 15 percent profit substantially more on a car that is worth say $7,000 than on a car that is worth $4,000 or $3,000.

I congratulate the Senator from South Carolina for the tremendous leadership that he has shown in this area. It has not been easy. There has been a major lobbying effort against this measure of which I am very proud to have been a cosponsor.

But I will spend the rest of the time in my opening statement to address another problem, which this bill confronts, and which I think is very important. This is the R. & D. package, where we hope to develop an advanced automotive system.

It is clear that for too long in this country we have relied on the so-called unfettered free enterprise system to develop the kind of automobile which is going to be, first, protective of our health, with low emission standards; second, energy efficient; third, adaptable to an intermodal, a pattern of transportation; and, fourth, a safe automobile, which is not going to allow as many as 50,000 people a year to be killed.

There is no greater advocate than I of the free enterprise system, particularly when we have true competition. But in the automobile industry, we do not have true competition. Approximately 15 percent of the GNP of our Nation indirectly and directly is attached to the automobile industry. General Motors has about 50 percent of that, and that means approximately 7 percent of GNP directly or indirectly can be attributed to one company.

There is no question in my mind that the reason that the automobile companies have been so slavish in following one another is because they have been able to divide the profits up and have not had to face true competition for design improvements, efficiency, and low emission standards which are so desirable to the general public but which do not necessarily, at least in the short term, add to the profits of the companies.

The companies had, as the leaders in management of their corporations, men who were highly skilled engineers, and they were very good marketers, but they did not have the daring entrepreneurs such as existed when the automobile industry first got started. They were not willing to take chances. They basically were terribly conservative.

Where has it led us? Where it has led us to is that the National Academy of Science came out with a report last year that said 15,000 people die every year from air pollution, and the number one contributor to air pollution is the automobile; and this situation is getting worse every year.

Where it has led us is to a situation where we are now, in many parts of the country, completely dependent upon the automobile, and those automobiles, in some instances, get 8 miles to a gallon. We now are importing 40 percent of our oil from overseas. Our foreign policy objectives are, in many instances, being thwarted by sheiks and sultans who own the oil.

So, our basic national security is threatened. When one considers that nearly 40 percent of the oil that is consumed in this country is consumed by the automobile, one realizes how important it is that we have a limited Government intervention in order to protect the free enterprise system of this country.

If we do not have a limited Government intervention to create the kind of energy efficiencies that are contained in this bill, then, in my view, at some future point we are going to have massive Government intervention; for I daresay, if we have another boycott and it should last for any sustained period of time, we are going to have a tremendous push in this country for the Government to start taking over basic industries. The automobile industry is an industry where I think there would be a demand for a very substantial Government intervention. That is something I do not want to see happen.

Unfortunately, it seems to me that the automobile industry has behaved in the last few years like lemmings heading toward a cliff. They do not understand, in my view, what is good for them. In this case, what is good for them is to put the kind of R. & D. money forward, to develop an advanced automotive pollution system as an alternative to the internal combustion engine. If all the automobile companies were doing this research, I am sure by this time we would already have that kind of system available. But we do not have it available because they have put their R. & D. dollars into a catalytic converter device which is basically designed to protect, to save, to perpetuate the internal combustion engine. It has been a tremendous waste of money. I said so, I might say, before the catalytic converter device regulations were promulgated by the Environmental Protection Agency last year. I thought it was a great mistake then, and I think it is a great mistake now.

What we need is substantial R. & D. money directed at the problem of developing an alternative to the internal combustion engine. We are not just talking about the engine; we are talking about safety features as well. We are talking about energy efficiency. We are talking about low emission standards. We are talking about making that system adaptable to different modes of transportation.

In other words, what we hope to do in this bill is to give to the Department of Transportation an opportunity to focus moneys in a critical amount to the problem of solving vehicular travel in this country between now and the end of the century.

I point out that there is substantial support for the position of Federal dollars going into this R. & D. effort from a number of different agencies at the Federal level, universities, and private study groups. For instance, the FEA stated in its Novmeber 6, 1974, report entitled "The Federal Government Role in Automotive Research and Development."

> . . . the integration of the national objectives of energy efficiency, alternatives to petroleum, and minimum environmental impact into a coherent long-term program in R&D requires prospectives and responsibilities well beyond those of the private automobile companies, whose objectives are rooted in the marketplace.

Mr. Fred Secrest, executive vice president of the Ford Motor Co., stated in committee hearings that I chaired in March of this year:

> We are spending all of the money we can raise on R&D for alternative engines. I have no objection to a Government research program. . . . I would support it, yes.

There are other agencies as well that have indicated that they are supportive of this effort. Dixy Lee Ray indicated that she felt a substantial amount of money, running in terms of hundreds of millions of dollars, ought to be made available for this kind of R. & D. effort.

Dixy Lee Ray, who is the past chairman of the Atomic Energy Commission, in a report to President Nixon entitled "The Nation's Energy Future," stated that funding for advanced propulsion systems should be $53 million in fiscal year 1975 and a total of $300 million for fiscal years 1975 through 1979.

An MIT study, which evaluated the automobile industry programs to develop alternative engines, concluded that while new automotive developments may hold promise of long term contributions to pollution abatement and fuel savings, there is clearly a divergence of industry and public interests.

This divergence is reflected in the fact that the automobile company investments into alternative powerplant are and have been steadily decreasing since 1970. For example, Ford Motor Co. spent $32 million for this purpose in 1973 and only $19 million in 1975.

It is clear that we do need a substantial R. & D. program. The question is, where should this program rest? Should it rest with ERDA or should it rest with the Department of Transportation? I think that it is clear that it ought to rest with the Department of Transportation, although ERDA ought to continue to do its research into energy efficiency. We have provisions in this legislation which make it very clear that ERDA's R. & D. effort is to be protected and it cannot be duplicated by the Department of Transportation.

What we are talking about with an advanced automotive system is an entire package. We are talking about safety as well as energy efficiency. We are talking about low emission standards as well as energy efficiency. We are talking about being able to use that vehicle in an intermodal sense.

For instance, some futurists suspect that it will not be too long before we will be hooking up cars on freeways to a central energy system which will move that car along, evenly spaced between other cars, and then, when it is time to get off that freeway, they will be able to direct the car off an egress route. These cars will then utilize their own powerplant capability to drive on side roads.

We know that today, one of the most popular railroad rides in the country is to take your car, put it on the train in Washington, D.C., have it transported to Florida and then take the car off the train and be able to drive in Florida. There is no question in my mind that we are going to see more of such programs. I expect that we will see a good deal of it across country, people being prepared to sit in a train during the main ride of a thousand, 2,000, 3,000 miles and then, when they get to their destination, taking their car off and be able to drive it around the countryside.

What we are envisioning in this proposal today is a Department of Transportation R. & D. effort that is not just limited to energy, although energy is important. It is directed toward the entire automobile system in order to make it more compatible with the needs of our society as we move toward the end of this century. By the end of this century we are going to be running out of oil, we are going to be desperately needful of basic raw materials. So we need to have the kind of R. & D. program that is envisioned in this legislation to conserve our energy and natural resources.

We held many days of hearings on this legislation. Initially, the program was lodged in the Environmental Protection Agency because it was directed toward auto emissions. Then this so-called advanced automotive propulsion systems program was switched over to ERDA, where it is now.

I wish to say, particularly to my friend from New Mexico, who plans to offer an amendment soon, that in no way are we taking away from ERDA their responsibilities as they relate to energy R. & D. We have language in the bill that protects ERDA's R. & D. program and protects it very clearly.

In section 605 of title II, it is stated:

> The Secretary shall not make contracts, grants or obligation guarantees for, conduct or accelerate, any research and development which may duplicate, in whole or in substantial part, any project (1) that has been sponsored by the Administrator, under the Federal Nonnuclear Energy Research and Development Act of 1974 (42 U.S.C. 5901) or any other Federal law; or (2) that will be or is likely to be so sponsored within the reasonably foreseeable future.

That is what I call total protection for ERDA.

ERDA is a fine agency. I serve on the Joint Atomic Energy Committee. I have gone over their budget. I think that they are doing a good job. I am very pleased that, at least, we have centralized in one agency all of the R. & D. efforts for energy in this country. It was long overdue. I think that the work that ERDA does has been, so far, worthy of the trust that many of us placed in it when we approved the Agency.

But let us not give ERDA the responsibility of developing an advanced automotive system. I cannot think of anything that would weaken the effectiveness of the Agency quicker than to have to take over a major responsibility that has been given already to another department, the Department of Transportation.

Mr. DOMENICI. Will the Senator yield?

Mr. TUNNEY. I shall in a minute.

I also point out that the moneys being made available under this legislation to the Department of Transportation can be contracted out to ERDA, to the Environmental Protection Agency, to any other public agency or private contractor, for the purpose of developing this advanced propulsion system. ERDA, undoubtedly, will receive a substantial amount of this money under a protocol arrangement that will be entered into by the Department of Transportation and ERDA. Such arrangements are common among Federal agencies and there is no reason why it cannot go on in the area of automotive research and development.

I yield to my friend from New Mexico.

Mr. DOMENICI. I call up my amendment at this time, unless the Senator has something else in mind.

Mr. TUNNEY. I yield the floor at this time for that purpose.

AMENDMENT NO. 590

Mr. DOMENICI. Mr. President, I call up my amendment No. 590 and ask that it be considered.

The ACTING PRESIDENT pro tempore. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. DOMENICI. I ask unanimous consent that further reading of the amendment be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The amendment is as follows:

On page 24, beginning with line 5, strike out all through the end of the bill and insert in lieu thereof the following:

TITLE II—RESEARCH AND DEVELOPMENT

SEC. 201. This title may be cited as the "Automotive Transport Research and Development Act of 1975".

SEC. 202. The Motor Vehicle Information and Cost Savings Act (15 U.S.C. 1901 et seq.), as amended by title I of this Act, is further amended by adding at the end thereof the following new title:

"TITLE VI—RESEARCH AND DEVELOPMENT

"SHORT TITLE

"SEC. 601. This title may be cited as the 'Automotive Transport Research and Development Act'.

"FINDINGS AND PURPOSES

"SEC. 602. (a) FINDINGS.—The Congress finds that—

"(1) Existing automobiles, on the average, fall short of meeting the long-term goals of the Nation with respect to safety, environmental protection, and energy conservation.

"(2) Advanced alternatives to existing automobiles could, with sufficient research and development effort, meet these long-term goals, and have the potential to be mass produced at reasonable cost. Such advanced automobiles could be operated with significantly less adverse environmental impact and fuel consumption than existing automobiles, while meeting all of the other requirements of Federal law.

"(3) Insufficient resources are being devoted, both by the Federal Government and by the private sector, to research and development of advanced automobiles and automobile components.

"(4) An expanded research and development effort by the Federal Government into advanced automobiles and automobile components would complement and stimulate corresponding efforts by the private sector and would encourage automobile manufacturers to consider seriously the substitution of such advanced alternatives for existing automobiles and automobile components.

"(5) The Nation's energy, safety, and environmental problems are urgent, and therefore advanced automobiles and automobile components should be developed, tested, and prepared for manufacture within the shortest practicable time.

"(b) PURPOSES.—It is therefore the purpose of the Congress in this title—

"(1) to develop ground propulsion systems which are energy conserving, have clean emission characteristics, and are capable of being produced in large numbers at reasonable mass production per unit costs, such systems to meet or better all air quality standards set by or under the Clean Air Act;

"(2) to develop alternative energy sources for use in ground propulsion systems; and

"(3) to preserve, enhance, and facilitate competition in research, development, and production of existing and alternative automobiles and automobile components.

"DEFINITIONS

SEC. 603. As used in this title, the term—

"(1) 'Administrator' means the Administrator of the Energy Research and Development Administration;

"(2) 'developer' means any person engaged in whole or in part in research or other efforts directed toward the development of production prototypes of an advanced automobile or automobiles;

"(3) 'fuel' means any energy source capable of propelling an automobile;

"(4) 'fuel economy' refers to the average number of miles traveled in representative driving conditions by an automobile per gallon of fuel consumed, as determined by the Administrator of the Environmental Protection Agency, in accordance with test procedures established by rule. Such procedures shall require that fuel economy tests be conducted in conjunction with emissions tests mandated by section 206 of the Clean Air Act (42 U.S.C. 1857f–5);

"(5) 'ground propulsion systems' means the engine, transmission, or drive, and associated controls, necessary to power automobiles, trucks, trains, buses, and selected light marine vehicles;

"(6) 'production prototype' means an automobile which is in its final stage of development and which is capable of being placed into production, for sale at retail, in quantities exceeding 10,000 automobiles per year;

"(7) 'reliability' refers to the average time and distance over which normal automobile operation can be expected without repair or replacement of parts, and to the ease of diagnosis and repair of an automobile and of its systems and parts which fail during use or which are damaged in an accident; and

"(8) 'safety' refers to the performance of an automobile or automobile equipment in such a manner that the public is protected against unreasonable risk or accident and against unreasonable risk of death or bodily injury in case of an accident.

"DIVISION OF ADVANCED PROTOTYPES AND GROUND PROPULSION SYSTEMS

"Sec. 604. (a) There is established within the Energy Research and the Development Administration a Division of Advanced Prototypes and Ground Propulsion Systems and the Administrator shall carry out his functions pursuant to this title, through such Division.

"(b) The Administrator shall carry out a program of research, development, and demonstration of ground propulsion systems, including alternative energy sources for use therein, so as to contribute, among others, to the following objectives—

"(1) the improvement and verifying of ground propulsion systems with emphasis on efficiency, performance, and usefulness;

"(2) the development of energy conserving ground propulsion systems;

"(3) the development of ground propulsion systems with clean emission characteristics, economical per unit cost, and low per mile energy consumption; and

"(4) the most effective utilization in such program of the scientific and engineering resources of the United States already in existence, with close cooperation among all interested agencies of the United States in order to avoid unnecessary duplication and waste of effort, facilities, and equipment.

"(c) In carrying out his functions under this section, the Administrator shall evaluate and make a continuing comparative assessment of all ground propulsion systems presently in use, or in a conceptual or development stage.

"(d) The Administrator is authorized to enter into contracts and other agreements or arrangements, and to make such grants, as he may determine necessary and appropriate in carrying out his functions under this section. The Administrator shall, in carrying out such functions, utilize, to the maximum extent, the resources and cooperation of the private sector.

"(e) The Administrator, shall establish an advisory board for the purposes, among others, of encouraging the private sector to participate in the research, development, and demonstration carried out pursuant to this section, and to advise with and make recommendations to the Administrator on legislation, policies, administration, research, and other matters affecting this section.

"(f) The Administrator shall consult and cooperate with the heads of other Federal agencies with respect to their respective duties and responsibilities which relate to this title, and the Administrator and such heads of other agencies shall coordinate their respective activities in areas of shared concern, to the extent practicable, in order that the duties and responsibilities of all may be performed in a way that will lead to the accomplishment of the policy of this title in the shortest time and in the most efficient and cost-effective manner possible.

"(g) There is authorized to be appropriated for the purposes of this section and not to exceed $20,000,000 for the fiscal year ending June 30, 1976, not to exceed $40,000,000 for the fiscal year ending June 30, 1977, and not to exceed $75,000,000 for each of the three succeeding fiscal years.

"ASSISTANCE IN THE DEVELOPMENT OF PRODUCTION PROTOTYPES OF ADVANCED AUTOMOBILES

"Sec. 605. (a) (1) The Administrator shall provide funds, by contract, to initiate, continue, supplement, and maintain research and development programs or activities which, in the Administrator's judgment, appear likely to lead or contribute to the development, in production prototype form, of an advanced automobile or advanced automobiles.

"(2) The Administrator is authorized to make such contracts with any Federal agency, laboratory, university, nonprofit organization, industrial organization, public or private agency, institution, organization, corporation, partnership, or individual.

"(b) The Administrator, in the exercise of duties and responsibilities under this section and section 606, shall consult with the Administrator of the Environmental Protection Agency and shall establish procedures for periodic consultation with representatives of science, industry, and such other groups as may have special expertise in the areas of automobile research, development, and technology. The Administrator may establish an advisory panel or panels to review and to make recommendations with respect to applications for funding under this section and guarantees under section 606.

"(c) Each contract under this section shall be made in accordance with such rules and regulations as the Administrator shall prescribe in accordance with the provisions of this section and of section 602 of this title. Each application for funding shall be made in writing in such form and with such content and other submissions as the Administrator shall require.

"(d) There is authorized to be appropriated not to exceed $50,000,000 to carry out the provisions of this section.

"OBLIGATION GUARANTEES

"Sec. 606. (a) (1) The Administrator is authorized, in accordance with the provisions of this section and such rules and regulations as he shall prescribe, to guarantee, and to make commitments to guarantee, the payment of interest on, and the principal balance of, loans and other obligations, if the obligation involved is, or will be, entered into in order to initiate, continue, supplement, and maintain research and development programs or activities which, in the Administrator's judgment, appear likely to lead to the development, in production prototype form, and to the availability, of an advanced automobile or advanced automobiles. Each application for such an obligation guarantee shall be made in writing to the Administrator in such form and with such content and other submissions as the Administrator shall require, in order reasonably to protect the interests of the United States. Each guarantee and commitment to guarantee shall be extended in such form, under such terms and conditions, and pursuant to such regulations as the Administrator deems appropriate. Each guarantee and commitment to guarantee shall inure to the benefit of the holder of the obligation to which such guarantee or commitment applies. The Administrator is authorized to approve any modification of any provision of a guarantee or a commitment to guarantee such an obligation, including the rate of interest, time of payment of interest or principal, security, or any other terms or conditions, upon a finding by the Administrator that such modification is equitable, not prejudicial to the interests of the United States, and has been consented to by the holder of such obligation.

"(2) The Administrator is authorized to so guarantee and to make such commitments to any Federal agency, laboratory, university, nonprofit organization, industrial organization, public or private agency, institution, organization, corporation, partnership, or individual.

"(b) No obligation shall be guaranteed by the Administrator under subsection (a) of this section unless the Administrator finds that no other reasonable means of financing or refinancing is reasonably available to the applicant.

"(c) (1) The Administrator shall charge and collect such amounts as the Administrator may deem reasonable for the investigation of the applications for the guarantee of an obligation, for the appraisal of properties offered as security for such a guarantee, or for the issuance of commitments to guarantee.

"(2) The Administrator shall set a premium charge of not more than 1 percent per year for a loan or other obligation guaranteed under this section.

"(d) No guarantee or commitment to guarantee an obligation entered into by the Administrator shall be terminated, canceled, or otherwise revoked, except in accordance with reasonable terms and conditions prescribed by the Administrator. Such a guarantee or commitment to guarantee shall be conclusive evidence that the underlying obligation is in compliance with the provisions of this section and that such obligation has been approved and is legal as to principal, interest, and other terms. Such a guarantee or commitment shall be valid and incontestable in the hands of a holder as of the date when the Administrator entered into the contract of guarantee or commitment to guarantee, except as to fraud, duress, mutual mistake of fact, or material misrepresentation by or involving such holder.

"(e) (1) If there is a default in any payment by the obligor of interest or principal due under an obligation guaranteed by the Administrator under this section, and such default has continued for 60 days, the holder of such obligation shall have the right to demand payment by the Administrator of such unpaid amount. Within such period as may be specified in the guarantee or related agreements, but not later than 45 days from the date of such demand, the Administrator shall promptly pay to such obligee the unpaid inteerst on, and unpaid principal of, the obligation guaranteed by the Administrator as to which the obligor has defaulted, unless the Administrator finds that there was no default by the obligor in the payment of interest or principal or that such default has been remedied.

"(2) If a payment is made by the Administrator under paragraph (1) of this subsection, the Administrator shall have all rights specified in the guarantee or related agreements with respect to any security which the Administrator held with respect to the guarantee of such obligation, including, but not limited to, the authority to complete, maintain, operate, lease, sell or otherwise dispose of any property acquired pursuant to such guarantee or related agreements.

"(3) If there is a default under any guarantee or commitment to guarantee an obligation, the Administrator shall notify the Attorney General who shall take such action against the obligor or any other parties liable thereunder as is necessary to protect the interests of the United States. The holder of such obligation shall make available to the United States all records and evidence necessary to prosecute any such suit.

"(f) There are authorized to be appropriated to the Administrator such sums as are necessary, not to exceed $25,000,000 to pay the interest on, and the principal balance of, any obligation guaranteed by the Administrator as to which the obligor has defaulted: *Provided*, That the outstanding indebtedness guaranteed under this section shall not exceed $25,000,000.

"TESTING OF PRODUCTION PROTOTYPES

"SEC. 607. (a) The Administrator of the Environmental Protection Agency shall test, or cause to be tested, in a facility subject to Environmental Protection Agency supervision, each production prototype of an automobile developed in whole or in part with Federal financial assistance under this title, or any ground propulsion system referred to the Environmental Protection Agency for such purpose by the Administrator, to determine whether such production prototype or system complies with any exhaust emission standards or any other requirements promulgated or reasonably expected to be promulgated under any provision of the Clean Air Act (42 U.S.C. 1857 et seq.), the Noise Control Act of 1972 (42 U.S.C. 4901), or any other provision of Federal law administered by the Administrator of the Environmental Protection Agency. In conjunction with any test for compliance with exhaust emission standards under this section, the Administrator of the Environmental Protection Agency shall also conduct tests in conjunction with the Administrator to determine the fuel economy of such prototype automobile.

"(b) The Administrator shall test, or shall cause to be tested in a facility subject to supervision by the Administrator, all production prototypes of advanced automobiles developed with assistance pursuant to this title. Such tests shall be conducted, according to testing procedures to be developed by the Administrator, to determine whether each such automobile complies with any standards promulgated as of the date of such testing or reasonably expected to be promulgated prior to the sale at retail of such automobile, under any provision of the National Traffic and Motor Vehicle Safety Act of 1966 (15 U.S.C. 1381), the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 1901 et seq.), the Automobile Information Disclosure Act (15 U.S.C. 1232), and any other statute enacted by Congress and applicable to automobiles.

"(c) The Administrator of the Environmental Protection Agency and the Administrator may at the request of a developer and payment of costs test any production prototype or ground propulsion system pursuant to the provisions of this section. Such tests by the Administrator of the Environmental Protection Agency may also be provided for determination of future compliance with provisions of law referred to in subsection (a).

"(d) The Administrator of the Environmental Protection Agency is authorized during the 5-year period following the date of enactment of this title to evaluate and assess technology which he feels will lead to the meeting of automobile emission standards pursuant to the Clean Air Act and fuel economy standards pursuant to this Act.

"(e) There is authorized to be appropriated not to exceed $20,000,000 to carry out the provisions of subsection (d) of this section. Such amount shall be equally divided over the 5-year program provided for in such subsection.

"RECORDS, AUDIT, AND EXAMINATION

"SEC. 608. (a) Each recipient of financial assistance or guarantees under this title, whether in the form of grants, subgrants, contracts, subcontracts, obligation guarantees, or other arrangements, shall keep such records as the Administrator shall prescribe, including records which fully disclose the amount and disposition by such recipient of the proceeds of such assistance, the total cost of the project or undertaking in connection with which such assistance was given or used, the amount of that portion of such total cost which was supplied by other sources, and such other records as will facilitate an effective audit.

"(b) The Administrator and the Comptroller General of the United States, or any of their duly authorized representatives shall, until the expiration of 3 years after completion of the project or undertaking referred to in subsection (a) of this section, have access for the purpose of audit and examination to any books, documents, papers, and records of such receipts which in the opinion of the Administrator or the Comptroller General may be related or pertinent to the grants, subgrants, contracts, subcontracts, obligation guarantees, or other arrangements referred to in such subsection.

"REPORTS

"SEC. 609. (a) On or before July 1 of each year, the Administrator shall submit to Congress an annual report of activities under this title. Such report shall include, but need not be limited to—

"(1) an account of the state of automobile research and development in the United States;

"(2) the number and amount of grants made and of obligations guaranteed;

"(3) the progress made in developing production prototypes of alternate ground propulsion systems within the shortest practicable time after the date of enactment of this title;

"(4) suggestions for improvements in advanced automobile research and development, including recommendations for legislation; and

"(5) the progress made by the private sector in implementing alternate ground propulsion systems in future production prototypes.

"(b) On or before July 1 of each year the Administrator of the Environmental Protection Agency shall submit to Congress an annual report of activities under this title. Such report shall include, but need not be limited to—

"(1) an account of the state of the automobile industry in meeting the emission standards pursuant to the Clean Air Act and the fuel economy standards pursuant to this Act;

"(2) the development of new or improved technology that has the capability to meet such emission standards;

"(3) the failure of the automobile industry to fully utilize existing technology for future production; and

"(4) the need for Government research and development in certain areas dealing with such emission standards.

"(c) Reports pursuant to this section shall be made directly to Congress without submission to or clearance of any other Federal agency.

"(d) There is authorized to be appropriated not to exceed $1,000,000 in each fiscal year to carry out the provisions of this section.

"GOVERNMENT PROCUREMENT

"SEC. 610. At any time the Administrator informs the Administrator of General Services that a production prototype has been tested pursuant to section 607 and found to meet all the requirements under such section the Administrator of General Services shall prescribe such regulations as are necessary to require all Federal agencies to procure and to use such prototype to the maximum extent feasible. Such Administrator shall also provide technical specifications and other information with respect to such prototypes. Such Administrator, and all other appropriate officers of the United States, shall take all steps which are necessary or appropriate to comply with and to implement such regulations, with respect to all federally owned motor vehicles, by the earliest practicable date.

"RELATIONSHIP TO ANTITRUST LAWS

"SEC. 611. (a) Nothing in this title shall be deemed to convey to any person any immunity from civil or criminal liability, or to create any defenses to actions, under the antitrust laws.

"(b) As used in this section, the term 'antitrust laws' means the Act of July 2, 1890 (15 U.S.C. 1 et seq.), as amended; the Act of October 15, 1914 (15 U.S.C. 12 et seq.) as amended; the Federal Trade Commission Act (15 U.S.C. 41 et seq.) sections 73 and 74 of the Act of August 27, 1894 (15 U.S.C. 8 and 9), as amended; and the Act of June 19, 1936, ch. 592 (15 U.S.S. 13, 13a, and 212), as amended.".

Mr. DOMENICI. First, I say to the distinguished Senator from California that, with respect to many of the concepts that he has expressed here today and the concept of a substantial American investment in research and development as it affects new, alternate, improved sources of ground transportation and individual mobility, he and I are not too far apart. I am reminded that the President of the United States asked a group of our most distinguished scientists to meet under the leadership of Dixy Lee Ray to bring together a national format in terms of where we ought to be putting research money and what American thrust ought to be forthcoming because of the apparent energy shortage in America and the need to move in new directions.

While the Senator from California has most aptly described her contention in that report which, indeed, for some reason has not been followed through by the executive, that very distinguished group recommended that for at least 3 successive years, starting this year—we are already a year late—that the United States of America ought to be spending $100 million a year in research and development moving toward the improvement of automobile engines, alternate sources of fuel, in fact total new concepts and designs for automobility.

Where the Senator and I disagree is not that that is indeed needed in the United States, but where should it be done.

I would remind the Senate and the distinguished Senator from California that for about 18 months the Congress grappled with the idea of setting up one Energy Research and Development Administration. We finally accomplished that when we created ERDA.

I remind the Senator from California that on August 15, 1974, on the floor of the Senate, as appears in the RECORD, the distinguished Senator from California introduced a very detailed statement. It was introduced by Senator MAGNUSON in behalf of the distinguished Senator from California and the distinguished Senator from Michigan (Mr. PHILIP A. HART).

It went into detail in August of 1974 on the problem we have confronting us here today. In that statement, which preceded an amendment to ERDA, the distinguished Senator from California and the distinguished Senator from Michigan, and many others, proposed precisely that ERDA have the exact responsibility that the Senator from California is urging go to the Department of Transportation today.

If the Senator would care to check the RECORD, it was offered as an amendment to make it more specific that ERDA should have research and development expertise in-house developed by them to move in the direction of advanced propulsion systems and new technology for new prototype automobiles for the United States for the future.

I remind the Senator that we voted on that; that it passed unanimously; that the Senator from California voted for that, very specifically that it would be in ERDA.

When that ERDA bill went to conference what came out, since it was a brand-new agency, was a general thrust to ERDA to begin research and development in the field of automobility and new modes of transportation and, perhaps, the conferees at that time thought it was enough to give them a general charge and that it was enough to direct them to take the programs that EPA was doing, which were in the field, and move them over to ERDA, which they have done, and they left out the specific direction that is found in my bill today which has nothing to do with the first portion that Senator HOLLINGS argued about, but merely with the research and development part.

I would generally follow both in money and in thrust the ideas of the Senator from California. But it appears to me that there is no greater energy research subject matter than research into new kinds of automobility and conservation and pollution control. It appears to me that the Senator's argument that we ought to put this into the Department of Transportation—and I hope he will respond to this—makes no more sense than if we would come down here tomorrow and say:

> We are dragging our feet a little bit on solar energy, so let us take it out of ERDA, where we put it, and let us create within Interior another department to handle solar energy.

It makes no more sense than to say:

> ERDA has such a big job that maybe we should not have given them coal research and development, which we gave them as part of a total American energy and research and development package. Let us take it away from them now and put it back in Interior.

I do not believe the Senator from California would dispute that my motives are no different from his excepting that I would like very much to have a comprehensive ongoing American policy that meshes with everything else.

Since ERDA was created for that purpose, after tremendous effort by a number of committees of Congress, from Government Operations to Interior to the Joint Committee on Atomic Energy, and charged with this responsibility, where there is language in it that it is theirs, we have even moved from EPA responsibilities on advanced propulsion that were in EPA, and they are now in ERDA.

They are not enough when you add all of them up. There is $17 million between DOT and ERDA with its new responsibilities taken from EPA.

But now to say since we have a new and exciting mission-oriented task, and the framework we created after all this effort under the heading of ERDA, we should take away from it and give over to the Department of Transportation the research and development in this effort seems to me to be ignoring many things.

The distinguished Senator from California is much aware that the laboratory capacity that was formerly that of the Atomic Energy Agency, some in his State, some in my State, some in Alabama and some in Tennessee, those great national laboratories are already involved in some of the work he is talking about. Livermore and Sandia Base, now under the umbrella of ERDA, are looking at the internal combustion engine to find out many of the things that we did not know. Livermore and Sandia, under an agreement with ERDA, are involved in a total look at how we can save money by changing the chamber, the gas chamber, that combusts in an internal combustion engine.

This is not the Department of Transportation. This is the great capacity of the in-house laboratories already operated by ERDA under their umbrella, and it is the desire of the Senator from New Mexico that very specifically ERDA be told:

> We want you to spend substantial amounts of money building an in-house capacity, taking those laboratories that we have got to do advanced prototype work on the concept of improving automobility, improving engines that move Americans by car.

It appears to me there is no question but that in an orderly process, which we worked so hard to build into ERDA, it belongs there.

I have not lowered the amount of money suggested. I do not know if they can spend that either the Senator or I wish to authorize in an orderly manner, but they are involved in alternate fuels, which are related to the prototype and innovative automobility. They are involved in metals work, which is one of the things everyone says must be worked on to produce a new and exciting concept in terms of automobility. They are involved in the metallurgy that will go into the engines in the future.

So it appears to me today the issue is a very simple one. If everyone wants the U.S. Government to follow the recommendations of its best scientists—and I assume that is a given fact—then the issue is, do we want ERDA, the National Energy Research and Development entity, to take that cause and run with it and cooperate with other agencies, or do we want to take away from it that which we worked so hard to build into it, one of the major functions in terms of future energy needs of this country.

As the Senator well knows, other than my amendment is a little bit stronger on in-house capacity, is, perhaps, a little bit stronger in the NSF approach to more grants to institutions, which is close enough to where the administrator, whoever he may be, may do it in the same way in terms of dollars, I have added one other ingredient to mine which I do not think the Senator objects to, and that has to do with giving EPA a little bit stronger mission and a little bit more money and a little bit stronger mandate to report every year on auto emission technology.

I discussed this with the Senator from California before, and I put it in my amendment because after months of hearings, as I expressed to him, in the Public Works Committee we are constantly getting black and white on what catalysts will do and what they will not do, what the dual catalyst will do, and what the triple catalyst will do, and it appears to me that EPA either does not have enough mandate or enough money or enough of an annual mandate to report not only to OMB, because in my amendment I say report to Congress and OMB as to their findings on the technology and the art of cleaning up the automobile engine in terms of the practical, the feasible, as to what we can do.

That is a separate and distinct part and perhaps depending upon how the amendment goes, I can nonetheless get it into an appropriate law, and I am convinced it is a must if we are going to add any objectivity to the next 3 or 4 years of dispute in the Congress, in particular with reference to nitrous oxide as it is emitted from the internal combustion engine.

So, in summary, what I have done has in no way altered the first part of this bill which has to do with conservation in terms of the fleet, the average conservation mandated and discussed by the distinguished Senator from South Carolina, but have taken the section that has to do with R. & D. and, basically, I have increased the Government's role by establishing within ERDA a Division of Advanced Prototype in Greater Propulsion System, directly in ERDA, not within the Department of Transportation, which would develop the capacity to lead or contribute in the production of improved or new automotive systems.

I increased the technology assessment capacity of EPA within EPA's framework to evaluate technological developments designed to employ future fuel and emission standards, and that one is over 5 years, $20 million, with a report directly to Congress each year and to the executive.

In each of these instances, as to both entities, I required an annual report.

In conclusion, I would like to have printed in the RECORD an excerpt from the ERDA authorization hearings in the House. The reason I chose them is because James Kane was asked by the distinguished chairman of that subcommittee, Mr. McCormack, some very precise questions about ERDA's role in this area of advanced technology.

We will find in appendix B in CRS, pages 31 through 35 of part 1 of the February 18, 1975, hearings, a series of questions and answers that I think are right in point.

Mr. President, I ask unanimous consent that these entire questions and answers be made part of the RECORD at this point and then I shall just refer to one or two of them.

There being no objection, the questions and answers were ordered to be printed in the RECORD, as follows:

APPENDIX B

The following questions relating to ERDA's role in automotive research and development were asked during ERDA's authorization hearings:

Question 14. What level of funding (by year) would be required to put the Government in the position of providing the early R&D work necessary for development of the next generation of highly efficient low emission automobiles, and to prepare for the period toward the end of this century when natural petroleum will probably not be available as a major fuel for transportation?

Answer. The level needed is dependent on policy options which are being analyzed by the ERDA management. Essentially the decisions concern the extent of the Federal Government effort in the development of hardware. If the Federal Government were to concentrate on long term basic and applied research, budgets up to the current level would appear sufficient. Currently, the AAPS program also includes work in the Advanced Development Phase (ADP) wherein engineering prototypes of new type engines are tested in vehicles in laboratories and on the road. Hardware thus demonstrated would still not be available for immediate production, rather, some continued development by industry would be required before production decisions would be practical. If it is determined that the ERDA APPS effort should continue through the ADP, a budget of up to $100 million yearly could be requested. I should emphasize that this number represents a personal judgment, one that is not based on careful study. It is also not intended to be our official position of this agency.

Question 24. (a) The auto companies have committed themselves to improving fuel consumption by 40 percent by 1980. In the light of this short term commitment, and the general economic conditions in the auto sector, what portion of the private R&D work will be devoted to long term R&D directed to alternatives to petroleum based automotive transportation?

(b). Do you have an estimate of the magnitude of the total effort which will be needed in the long term R&D?

Answer. (a) We are aware of the current economic condition of the U.S. auto industry. We anticipate that the preponderance of the industrial effort will be devoted to the near term with very little emphasis on the middle term and essentially no work on long term R&D directed to alternatives to petroleum based automotive transportation. We intend to fully review and evaluate industry plans for R&D and to seek industry consultation in the formulation of the ERDA automotive energy R&D plan.

(b). Not at this time. These data will appear in our comprehensive agency plan.

Question 25. If the Federal Government accepts responsibility for leadership in developing the long term R&D program:

(a). Is AAPS program structured to meet this challenge?

(b). Will an in-house capability be required?

(c). How do you propose to develop a general plan? How will you coordinate with DOT and FEA?

(d). How do you propose to insure technology transfer to the private sector, and assure private involvement in all aspects of the program?

(e). How will you optimize the twin needs for fuel efficiency and emission control in the program?

Answer (a). The AAPS program as it stands today is not structured to meet this challenge in the long term. The program was structured to be short term in nature starting off with the President's definition of AAPS goal (Message on Environment February 1970) "to demonstrate within five years. . . ." We are fortunate to have the AAPS program in the ERDA because the experienced personnel will form the nucleus for ERDA's task of developing long range programs.

(b). Our current thinking is that a strong in-house capability including laboratory backup will be essential to a viable Federal program.

(c). Prior to submittal of the comprehensive ERDA plan our staff will be in consultation with management of the U.S. auto industry, the Society of Automotive Engineers and the technical advisory committee to the AAPS program (members from industry, universities and government agencies) to formulate R&D plans in this area. The DOT, EPA, NASA and FEA among others are actively represented on this committee.

(d). Technology transfer from the ERDA program to industry is a process which must be worked on continually at each step in the development program. Several approaches are planned to facilitate this process including: dissemination of information generated periodically in a timely manner (past Contractor Coordination Meetings held every 6 months); contracting directly with the automobile industry and suppliers as well as industry with small high technology firms and universities; cost sharing of projects with industry; and, perhaps most important of all—provide an invigorating climate within the program, with contractors and with would-be contractors, to support creative ideas wherever the source. This serves as an insurance for a successful technical program which in itself fosters the technology transfer process.

(e). For the conventional internal combustion engine the conditions where minimum exhaust emissions are achievable are not compatible with maximum fuel economy. It is a fact for this type engine and for most heat engines employing intermittent combustion processes that these two important parameters are coupled. In recent years, use of exhaust after treatment to reduce emissions has been popular with the industry because this is one step in the direction of decoupling the two parameters, i.e., the engine is tuned for good fuel economy and the aftertreatment makes up for the emissions which result. New engine systems that will be studied and developed in the ERDA program (to obtain new information) will be those which are inherently clean in emissions and which offer very high potential for efficient energy conversion.

Question 26. If the Federal Government accepts no substantial role for automotive R&D:

(a). How will it assure the public that private industry does the necessary amounts and kinds of R&D?

(b). How will it assure itself of what the R&D issues and potentials are without its own independent efforts?

(c). How will private industry be stimulated to perform the necessary kinds and amounts of basic research in such areas as combustion, high temperature materials, combustion products, electrochemistry, etc., which must be done to underwrite the long term technology development?

Answer. If a substantial Federal role is not taken there is no straightforward way in which the ERDA could ensure that private industry would commit the needed R&D efforts, including the basic research necessary to underwrite the long-term technology development.

Question 38. How do you see the role of the Government in automotive R&D? How do you view the Federal role separating into work on transportation for the period when petroleum is no longer available as a major source of fuel for automobiles, and that for work which will delay that time?

Answer. The basic role of the ERDA automotive energy R&D is to develop technological alternatives to conventional propulsion systems and ultimately to develop independence from fuels derived from petroleum. These developments are intended to serve several important purposes:

They will motivate industry, universities and individuals to pursue work on complementary programs and on the development of new energy efficient concepts which otherwise may not surface. In this sense the ERDA will serve as a catalyst.

They will provide a base of knowledge available to all (public, congress and Federal policymakers) regarding what can and cannot be accomplished with the alternatives.

They will provide a credible source of information in a highly controversial area which is currently lacking such a source.

Since the primary ERDA role is to develop alternative technology, it follows that this role would tend to be best fulfilled by focusing more on alternatives that industry is not working on. Traditionally, the U.S. auto industry has emphasized short range research having low-risk and a high potential for early payoff. As a result, we expect the industry to concentrate more on finding ways to decrease production cost and on short-term fixes to conventional propulsion and vehicular systems and on near term alternative engines to achieve fuel economy improvements.

Industry has the capability in these areas and we do not anticipate appreciable new information need be generated by the ERDA. We expect in the short term, ERDA will focus on two main areas as a background for planning the R&D. We will assess the tradeoffs between fuel economy, emissions and safety and will concentrate on developing energy saving technologies which could be introduced by industry into the marketplace by 1985 but which industry is not likely to develop on its own. An example of such technologies would be the application of the Rankine cycle to utilize waste heat in the exhaust from Diesel trucks with potential improvement in fuel economy of about 20 percent.

At present we believe that the bulk of the ERDA work will focus on middle term developments related to alternative propulsion systems and alternative fuels which could be introduced into the marketplace between 1985 and 2000. The long term (beyond 2000) efforts directed toward the development of alternatives to petroleum based automotive transportation will be at a reduced level initially, but will increase as the program progresses.

Question 39. What are the overall national goals in automotive R&D in the mid- and long term (i.e., 1985–2000)? What portions of these goals should be addressed by private industry and what by the Government programs?

Answer. The ultimate goal of the automobile energy R&D program should be to develop the technologies necessary to eliminate the dependence of highway vehicles (autos, buses and trucks) on petroleum as the energy source. To achieve this goal several important objectives must be achieved along the way. First and foremost is to "stretch-out" the available supply of petroleum by using fuel much more efficiently in the future than in the past. This "stretch-out" gives us more time to work on developing permanent solutions to the problem.

The "stretch-out" can be accomplished in several ways. One is through use of regulatory means. The ERDA can provide data to support this method. A second way is to improve the energy efficiency of conventional vehicular systems. The ERDA will pursue development of hardware to improve the energy efficiency of the conventional spark ignition and Diesel engines in areas that would otherwise not be covered. The third way to "stretch-out" the available supply of fuel is to utilize non-petroleum base fuels as a substitute for gasoline and distillates. The ERDA is planning to study the problems involved in utilization of fuels such as methanol, methanol/gasoline blends, fuel from coal and shale and hydrogen. A fourth way is to develop alternative propulsion systems to replace conventional systems if shown to be significantly more efficient, cleaner burning, conservative of materials, etc., while efficiently burning any type of fuel.

While these means are being developed to "stretch-out" the time when alternative sources will be needed, the necessary R&D on these alternatives will be underway by the ERDA. This latter effort is summarized below.

A basic premise in one of our planning approaches is that in the long run the U.S. will have a highly developed electrical economy where the energy sources for the electricity derive from fossil fuels, nuclear, solar or geothermal sources. If this future develops, ways must be found to make a viable option, the utilization of electrical energy as the basic energy source for highway vehicles. It follows that on-board energy storage such as batteries, thermal storage, mechanical devices (flywheels) etc., will be needed. These on-board sources would be recharged by the basic electric source.

In response to the second part of the question we are currently addressing the subject of industry/government participation in each time phase of the program. Our recommendations in this matter will appear in our response to Congress as mandated in Public Law 93–577.

Question 40. Does ERDA have a role to play in demonstrations relative to new forms of personal transportation?

Answer. The ERDA is responsible for performing research and development that will contribute to the development of the technologies necessary to have an energy efficient personal transportation system. I consider demonstrations of these technologies in the form of prototype systems hardware to be an integral part of ERDA responsibilities and a necessary function in carrying out the ERDA role of generating new information in this area. Please note this is my personal view of ERDA's role. The question of the breadth and depth of the government responsibility and authority in demonstrating technologies and their applications is currently under review.

Question 41. What policies do you have relative to working across the interfaces to EPA, DOT and FEA in automotive R&D, and in what areas does ERDA have the lead? Can you analyze how ERDA's programs will impact in these other agencies?

Answer. The ERDA should lead in developing and demonstrating new technologies related to improving energy efficiency and in eliminating the dependence on petroleum for highway vehicles. In addition, the ERDA can assist in determining the impacts on fuel economy that results from decisions by other agencies; for example, on emissions and highway and vehicle safety standards. Our approach to the interfaces with EPA, DOT and FEA and alike will be to make maximum use of the task force approach whenever possible.

Question 42. What is the ERDA thinking regarding the desirability of an in-house laboratory to spark the Government program? How would you go about deciding how to constitute such a lab from among present ERDA and NASA competence already available?

Answer. There is a firm need for an in-house lab and analytical capability in automotive energy R&D. This capability would provide an independent check on contractor work and would explore new and alternative approaches to problem solving technologies not being covered externally.

We intend to review fully the technical and management capabilities of the NASA, our own Energy Research Centers and National Laboratories in this important area. We are in the process of making decisions on how we might best apply these capabilities to meeting program requirements. Since specific programmatic requirements are still in the development stage, we will feel it would be premature at this time to specify final organizational and geographical characteristics.

Question 43. (a). How will you involve the private sector in planning the overall national program which will address the national goals (as distinct from the narrower Federal goals).

(b) What role will the universities and small high technology companies play in the total National program?

Answer. (a) Our staff intends to review the drafts of the program plan with management of the U.S. auto industry and with key staff of the Society of Automotive Engineers prior to submittal to Congress. These consultations will be made early enough in the planning process to permit the consideration of non-Federal plans as they may influence the overall plan in terms of emphasis, specific program areas and funding.

(b) We expect the universities to play a key role in the program by conducting basic research in areas such as combustion, materials, heat transfer and physical chemistry. The small technology companies will participate through the contract mechanism in proposing and exploring new concepts for propulsion systems or components.

Question 44. Can you, or will you, make an estimate of the overall National investment which will be required for automotive R&D between now and 1990? How will you involve the private sector in analyzing these requirements and assuming their share of them?

Answer. It is premature to provide the cost estimate at this time because the program has not been defined in depth as yet. Better definition will result from planning now underway. We will review our preliminary plans with management of the U.S. auto industry, and with a committee from the Society of Automotive Engineers. These reviews will be used to strengthen the plan and to achieve the proper funding split before final submittal of our plan in July.

Question 45. End use conservation has been the object of a recent American Physical Society study. Many areas where the scientific approach of the modern sophisticated scientist could help are identified. One of these was a new attention to the thermodynamic principles for fuel handling built around the second law, and the concept of availability of work. Others were opportunities for improving automobile performance by looking carefully at the visco-elastic properties of rubber, and opportunities for developing windows which have new heat handling properties.

Answer. We are aware of the APS program of summer studies, especially the one which emphasized the concept of useful work, rather than energy. This same point has been made in articles by Charles Berg and by a group from Thermo Electron Corporation. We will certainly make use of the results of studies such as those done by APS.

Question 46. Many other areas for involvement of sophisticated science exist, but it will be necessary first to identify these, and to bring them to the research community. Can you identify the principal such areas, as related to conservation, in which basic science may be expected to interface to low technology as it does now to high technology?

Answer. There are a large number of areas in conservation—not necessarily end-use conservation, where basic science advances are essential. The following list is meant to exemplify, and is not meant in any way to be complete.

(1) Advances in superconductivity, especially new materials will affect our transmission and storage programs directly.

(2) Advances in understanding catalysis are necessary for low-temperature fuel cells and practical electrolysis processes. Substitutes for precious metals as catalysts/electrodes must be found.

(3) Improvements in absorption-cycle heat pumps would make solar cooling more straightforward and would greatly increase the usefulness of low grade thermal energy for space heating.

(4) An improved understanding of the fracture and deformation process in polymer fibers, such as DuPont's Kevlar, might greatly increase the capability of flywheels to store energy.

(5) Advances in predictive modelling of combustion, with experimental normalization and verification by laser diagnostic methods would let us explore in detail combustion processes in real situations.

(6) The use of gas turbines in small vehicles may not be practical unless rare and costly superalloys can be replaced by ceramics. Materials development and accurate methods for the prediction of cyclic thermal stress loading are required for a mass produced ceramic turbine.

Question 50. In your testimony, the importance of interagency cooperation was stressed—e.g., FEA+ERDA. Please submit a list of specific areas where cooperative efforts are definitely planned or underway.

Answer. The Agency with which we expect to have the most interaction is FEA. The following require close cooperation to avoid duplication of effort: Conservation in Buildings; conservation in industrial process; and conservation in transportation systems.

Representatives of ERDA have also held discussions with representatives of the following agencies: DOT–related to mutual areas of interest in transportation. NBS—related to conservation in residences. HUD–related to conservation in residences.

Mr. DOMENICI. Mr. Kane was asked by Mr. McCormack to answer certain of these questions.

The first question was:

Question 25. If the Federal Government accepts responsibility for leadership in developing the long term R&D program:

(a). Is AAP'S program structured to meet this challenge?

(b). Will an in-house capability be required?

(c). How do you propose to develop a general plan? How will you coordinate with DOT and FEA?

(d). How do you propose to insure technology transfer to the private sector, and assure private involvement in all aspects of the program?

(e). How will you optimize the twin needs for fuel efficiency and emission control in the program?

Answer (a). The AAPS program as it stands today is not structured to meet this challenge in the long term. The program was structured to the short term in nature starting off with the President's definition of AAPS goal (Message on Environment February 1970) "to demonstrate within five years. . . ." We are fortunate to have the AAPS program in the ERDA because the experienced personnel will form the nucleus for ERDA's task of developing long range programs.

(b). Our current thinking is that a strong in-house capability including laboratory backup will be essential to a viable Federal program.

(c) Prior to submittal of the comprehensive ERDA plan our staff will be in consultation with management of the U.S. auto industry, the Society of Automotive Engineers and the technical advisory committee to the AAPs program (members from industry, universities and government agencies) to formulate R&D plans in this area. The DOT EPA, NASA and FEA among others are actively represented on this committee.

(d). Technology transfer from the ERDA program to industry is a process which must be worked on continually.

And they go on to discuss it.

Question 26. If the Federal Government accepts no substantial role for automotive R&D:

(o). How will it assure the public that private industry does the necessary amounts and kinds of R&D?

And that is answered:

Answer. If a substantial Federal role is not taken there is no straight-forward way in which the ERDA could ensure that private industry would commit the needed R&D efforts, including the basic research necessary to underwrite the long-term technology development.

I do not want to read the remaining ones, but I can say to my distinguished friend from California that throughout these questions and answers by the man in charge of the program at ERDA, it was almost implicit that ERDA is beginning to put in place an R. & D. program of exactly the type we are mandating by legislation today, and that once they get it created as ERDA, it did not even enter their mind we would take a major R. & D. effort of this type and splinter it off and put it into the Department of Transportation, any more than we would put it in FEA or EPA.

So I conclude by saying that while the Senator and I agree on what we should do, I honestly believe that the total in-house capacity that ERDA has, with all the labs under its control, that we have a far better chance of doing this quicker, cheaper, with far more scientific expertise in their control than that which DOT now has. I am aware of what they have. I think the Senator has basically discussed this. They are in the area of mileage efficiency, safety, and a few others, principally at the Massachusetts lab, but they do not begin to compare with the capacity ERDA has to meet this new and exciting challenge which I commend the distinguished Senator for initiating.

I reserve the remainder of my time.

The ACTING PRESIDENT pro tempore. The Senator from California.

Mr. TUNNEY. Mr. President, I certainly appreciate the interest that my friend from New Mexico has shown in this legislation.

On many occasions, he has consulted with me on an informal basis to make improvements in the legislation, and I have no doubt that his goals are the same as mine in wanting to have an advanced automotive automobile which achieves all the things that I have indicated that our legislation is designed to achieve.

The only problem is that we have a difference of opinion as to how we get there and I hope my friend will not hold it against me if I say that I think our way, the committee's way, is better.

I would like to address just one point that he made about the effort that Senator MAGNUSON, Senator HART, and myself made last year to get a program somewhat similar to this program attached to the ERDA bill.

I think we have to look at the history of the legislation to understand why we did that.

In December of 1973, Congress passed a comprehensive energy bill which contained as a part of that legislation a research and development effort to develop an alternative to the internal combustion engine.

The major package went from the Senate back over to the House of Representatives and was referred to the House Interstate and Foreign Commerce Committee.

And here it stayed. They were not able to get any action whatsoever on the overall package or the individual parts.

As the Congress wore on, it was clear to Senator MAGNUSON, Senator HART and to me that the only way we could get any effort in the effort to develop a clean energy efficient alternative to the internal combustion engine, would be to attach it to a vehicle which was sure to pass the Congress. We would not have preferred to do that, but we felt it was the best that we could hope for. So when the Federal Non-Nuclear Energy Research and Development bill came up, which we all knew was going to pass and become law, we attached that amendment, unfortunately the amendment was dropped in conference.

This year we had an extensive opportunity to spend some time studying the matter. We held days of hearings. We consulted with experts from the various agencies and the universities, from academia, as well as people in the industry. The committee decided that the best approach is the one contained in this bill.

The approach used is to give the Department of Transportation the major responsibility, as I indicated earlier, but in no way do we inhibit, curtail, derogate or impede the activities of ERDA in the field of energy research and development.

I wish to quote from the bill itself, section 605. It says:

"SEC. 605. The Secretary shall not make contracts, grants or obligation guarantees for, or conduct or accelerate, any research and development which may duplicate, in whole or in substantial part, any project (1) that has been sponsored by the Administrator, under the Federal Nonnuclear Energy Research and Development Act of 1974 (42 U.S.C. 5901) or any other Federal law; or (2) that will be or is likely to be so sponsored within the reasonably foreseeable future.

We are giving ERDA everything it could want, which is energy R. & D. We just do not want ERDA to get into the field of transportation. They have no expertise in the field of transportation. We have a Department of Transportation that is supposedly doing that. If it is not doing it adequately, then it is up to us in our oversight to make sure that they are doing it correctly.

I cannot think of any way to destroy a research and development agency designed to find efficiencies for energy, new sources of energy, than to give them the entire automobile transportation mess of this country.

The Senator knows as well as I do that that would create a diffusion of focus and it would result in the kind of internecine warfare between the agencies, the Department of Transportation and ERDA, that would stymie this whole legislative purpose.

I would point out that ERDA is totally protected.

I also want to point out that in the legislation of the committee we provide for the development of an advanced automobile system, and then we define what an advanced automobile system is. It is one which is propelled by fuel. It is a personal use transportation vehicle propelled by fuel which is energy efficient, which is safe, which is damage resistant and environmentally sound. Then we go on and list a lot of things—that it has to operate safely and to the extent practical is capable of intermodal adaptability.

Then we say that at a minimum the advanced automobile system must be capable of being produced, distributed, operated and disposed of in compliance with any requirement of the Federal law including, but not limited to, requirements with respect to fuel economy, exhaust emissions, noise control, safety and damage resistance.

Should all of that be transferred into ERDA? It doesn't make sense. There is no reason that ERDA ought to have all of that and they should not want it.

I might point out to my very able friend from New Mexico that he in his amendment does not even require the development of advanced automobile systems. The Senator, in his amendment refers to ground propulsion systems and defines it to mean the engine, transmission, or drive, and associated controls necessary to power automobiles, trucks, planes, buses and selected vehicles, but he does not get to such things as exhaust emission problems, safety, and so on.

What we are talking about is a total package, a total package in which ERDA plays a very major role, which is to develop energy efficient systems for this advanced automobile.

I also might say that the Senator's amendment cuts back on the loan guarantee program from the $175 million, we have in our bill, to $25 million. I think the loan guarantee is an excellent way to proceed. If we like the free enterprise system, and I believe everyone here does—everyone who has talked to this bill so far has—we would like to see private enterprise have an opportunity to borrow some money and do the work and then pay the money back if they hit pay dirt and are able to develop the technology. They ought to be able to pay it back.

I might say when I first got started in this legislation, which was 3½ years ago, I was in favor of having EPA do the job because mainly I was focusing at that time on achieving the emission standards that had been adopted in the Clean Air Act of 1970. I thought we ought to have a Federal R. & D. program to do it. It seemed to me that the Environmental Protection Agency would be the proper agency to do it.

I have subsequently changed my mind for a variety of reasons: One, it seemed to me that just the emission standards portion of the legislation that I had talked to earlier was not adequate for what we needed in the way of an advanced automotive system for the future. Clean air was important, but energy efficiency was important, safety was important and all of these other things were important, too. That is why we began to change our focus in the Environmental Subcommittee of the Commerce Committee away from EPA, away from just ERDA, to the Department of Transportation, which has been given the major responsibility for the transportation system of this country.

I recognize the Senator's good will in this effort. I certainly in no way want to detract from the energy and the intelligence that the Senator has applied to this problem. But I would have to respectfully disagree with the approach that the Senator uses. I think with this amendment the Senator truncates the efforts that are being made by the Commerce Committee in developing an advanced automobile system. I think the Senator hurts ERDA. As one who feels that ERDA is an excellent agency that is really applying itself in a very vigorous fashion to the R. & D. needs of energy in this country, I must say that there is no better way, as a practical matter to destroy the functions of that agency than to give them the whole transportation mess of this country as it relates to automobile systems.

So I would respectfully ask my colleagues to reject this amendment, however well-intentioned. It just does not do the job. As a matter of fact, it probably will hurt us in a national effort to get the job done.

The ACTING PRESIDENT pro tempore. Who yields time?

Mr. DOMENICI. I wish to respond for a moment. Have the yeas and nays been ordered, Mr. President?

The ACTING PRESIDENT pro tempore. The yeas and nays have been ordered.

Mr. DOMENICI. I say to my distinguished friend from California that the one point that he has made that my bill does not specifically call for the creation of a prototype with all the definitions that he has in it within 4 years should not be taken to mean that my bill does not permit it but, rather, that I honestly do not believe it is going to be done in any event by anyone, DOT, AEC, ERDA, or all combined. I think the Senator's bill does not say it will either, because we cannot ask for the impossible. Rather, it says that is the goal of the mission.

I think one can find that same kind of mission within the scientific charge that is in my bill.

Mr. TUNNEY. Mr. President, will the Senator yield on that point?

Mr. DOMENICI. I am delighted to yield.

Mr. TUNNEY. Initially we did have a target date of 4 years, which had to be achieved, but it became obvious that much as we would want to have a goal set, with a time period to achieve that goal, it was quite ridiculous to mandate that technological breakthrough had to be achieved by a date certain.

So what we did in the legislation this year, and I now quote from section 602 on page 25, was say that the desire of Congress was to achieve these production practicable time consistent with appro-prototypes of advanced automobiles within 4 years from the date of enactment of the title, or within the shortest priate research and development techniques.

The point of adding that was that we realized it would be, perhaps, impossible to do it in 4 years, and we were therefore giving the agency an escape clause that they would have to achieve the goal of advanced automobiles within the earliest practicable time.

The thing that is important about establishing a goal, and I think the Senator would agree with this, is that we would never have gotten to the moon if we had not had a goal of doing it in the decade of the 1960's. In all planning, you have to have a management target, and a time frame within which to achieve that target.

I am not a scientist, but I know you also have to have what they call critical mass spending. For example, you can spend $20 million a year on research and development and never achieve a technological breakthrough, where sometimes you can spend $100 million a year for 3 years and achieve a breakthrough. That is why we have a rather substantial amount of money being made available—$175 million in contracts and grants, and $175 million in loan guarantees, or a total of $350 million to be used over 4 years, to achieve that goal.

I think that is what we need, and I think it is not fair to characterize this bill as saying, "You have to meet the goal within 4 years, or somehow you fail to meet your national responsibility."

We say, "You have to do it in 4 years if you can, and if not, in the shortest practicable time in order to achieve a breakthrough."

Mr. DOMENICI. Mr. President, I am prepared to yield back the remainder of my time, if the Senator from California is prepared to yield back his.

Mr. TUNNEY. I yield back the remainder of my time.

The PRESIDING OFFICER (Mr. SCHWEIKER). All remaining time having been yielded back, the question is on agreeing to the amendment (No. 590) of the Senator from New Mexico (Mr. DOMENICI).

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Mississippi (Mr. EASTLAND), the Senator from Indiana (Mr. HARTKE), and the Senator from Minnesota (Mr. HUMPHREY) are necessarily absent.

I further announce that the Senator from Arkansas (Mr. BUMPERS), the Senator from Kentucky (Mr. FORD), the Senator from Ohio (Mr. GLENN), the Senator from Colorado (Mr. HART), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Louisiana (Mr. JOHNSTON), the Senator from New Jersey (Mr. LEAHY), the Senator from North Carolina (Mr. MORGAN), and the Senator from Utah (Mr. MOSS) are absent on official business.

I further announce that, if present and voting, the Senator from Minnesota (Mr. HUMPHREY) and the Senator from Vermont (Mr. LEAHY) would each vote "nay."

Mr. GRIFFIN. I announce that the Senator from Nevada (Mr. LAXALT) is necessarily absent.

I also announce that the Senator from Arizona (Mr. GOLDWATER) is absent on official business.

The result was announced—yeas 37, nays 47, as follows:

[Rollcall Vote No. 282 Leg.]

YEAS—37

Abourezk
Bartlett
Beall
Bellmon
Biden
Brock
Buckley
Chiles
Church
Curtis
Dole
Domenici
Fannin
Fong
Garn
Gravel
Hansen
Helms
Hruska
Javits
McClellan
McClure
Montoya
Muskie
Nunn
Packwood
Percy
Randolph
Roth
Schweiker
Scott, William L.
Stafford
Taft
Thurmond
Tower
Weicker
Young

NAYS—47

Allen
Baker
Bentsen
Brooke
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Clark
Cranston
Culver
Eagleton
Griffin
Hart, Philip A.
Haskell
Hatfield
Hathaway
Hollings
Inouye
Jackson
Kennedy
Long
Magnuson
Mansfield
Mathias
McGee
McGovern
McIntyre
Metcalf
Mondale
Nelson
Pastore
Pearson
Pell
Proxmire
Ribicoff
Scott, Hugh
Sparkman
Stennis
Stevens
Stevenson
Stone
Symington
Talmadge
Tunney
Williams

NOT VOTING—15

Bayh
Bumpers
Eastland
Ford
Glenn
Goldwater
Hart, Gary W.
Hartke
Huddleston
Humphrey
Johnston
Laxalt
Leahy
Morgan
Moss

So Mr. DOMENICI's amendment (No. 590) was rejected.

Mr. HOLLINGS. Mr. President, I move to reconsider the vote by which the Senate rejected the amendment.

Mr. HATHAWAY. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. CANNON. Will the Senator yield to me briefly?

Mr. HOLLINGS. I yield to the Senator from Nevada.

CONTINUATION THROUGH JULY 31, 1975 OF AUTHORITY FOR COMMITTEES TO PAY COMPENSATION AND MAKE EXPENDITURES FOR INQUIRIES AND INVESTIGATIONS

Mr. CANNON. Mr. President, I send to the desk a resolution and ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated by title.

The legislative clerk read as follows:

A resolution (S. Res. 207) continuing through July 31, 1975, the authority of Senate committees to pay compensation and make expenditures for inquiries and investigations, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. CANNON. Mr. President, the continuing resolution will expire today. The Committee on Rules has been tied up on other matters. We have been considering money resolutions, but we will not have them all concluded today. This will simply extend the time to July 31. It does nothing else but extend the operating time of the resolution to July 31.

Mr. HATFIELD. Mr. President, I wish to say that as ranking minority member of the Committee on Rules, I concur with the request of the chairman of the committee.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 207) was agreed to, as follows:

S. RES. 207

Resolved, That Senate Resolution 111, Ninety-fourth Congress, agreed to March 17 (legislative day, March 12, 1975, as amended, is further amended by striking out "July 15, 1975, each place it appears therein and inserting in lieu thereof "July 31, 1975".

UNANIMOUS CONSENT AGREEMENT—S. RES. 166

Mr. CANNON. Mr. President, I ask unanimous consent that after the final vote has been cast on each part of the resolution, as it has been divided, the Secretary of the Senate shall be authorized to revise the language of that part of the resolution so as to indicate or reflect the decision of the Senate by its vote.

Mr. HATFIELD. Mr. President, I wish the record to show that again, as the ranking member of the minority of the Committee on Rules and in consultation with the chairman, this has the concurrence of the minority to correct a parliamentary matter.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRIFFIN. I have some concerns—while the time agreements have already been entered into, and I think that any notice about Thursday would certainly be helpful, I have some concerns—about taking more than 1 day at a time. I wonder, perhaps, if we can get agreement on the schedule for tomorrow and maybe the leadership on that side would indicate what they intend to do on Thursday and Friday, and I do not think there will be any difficulty.

Mr. ROBERT C. BYRD. Very well.

Mr. HATFIELD. Mr. President, reserving the right to object, will the Senator yield?

Mr. ROBERT C. BYRD. Yes.

Mr. HATFIELD. I am sure the Senator intended to include S. 166 on Thursday. According to my hearing and that of the clerk it was not included in the statement of the distinguished majority whip.

ORDER FOR CONSIDERATION OF CERTAIN LEGISLATION TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that tomorrow after the two leaders or their designees have been recognized under the standing order or in the alternative, after any 15-minute orders have been consummated that may be entered in the meantime, the Senate proceed to the consideration of Senate Resolution 166 for not to exceed 2 hours, after which the Senate then proceed, if the hour is not yet 1 p.m., to the consideration of S. 586, a bill to amend the Coastal Zoning Management Act of 1972; that at the hour of 1 p.m. that measure, S. 586, be temporarily laid aside, and that the Senate then proceed to the consideration of the conference report at 1 p.m. on H.R. 4035; that time for debate and action on that conference report be limited to not to exceed 2 hours; that after the disposition the conference report on H.R. 4035 the Senate resume consideration of S. 586, a bill to amend the Coastal Zone Management Act of 1972; and that a call for the regular order not be in order tomorrow afternoon while the Senate is considering S. 586 and the conference report on H.R. 4035.

Mr. WEICKER. Mr. President, reserving the right to object, and I am not quite certain as to what my position will be, I repeat the request that I made or the suggestion I made earlier or last week that in order to attempt to see whether there are common grounds of reconciliation on the New Hampshire matter, Senate Resolution 166 be put back on the calendar as the pending business. We are giving the illusion of progress to the American people by this 2-hour-a-day routine, and, very frankly, there is no progress, I think, which is well known by each Senator on the floor; that the sides are just as much in concrete today as they were last week, and I really do not particularly care to participate in that kind of a charade.

I can understand why we should get the rest of the business done, and that is why I say I am perfectly satisfied to see it go back on the calendar, to arrive at such an agreement for a short period of time, and then do all the rest of the business before us, so that outside of the public spotlight the various proponents of the positions involved here can have an opportunity to get together. But I do not think I really care to be a part of the 2-hour-a-day charade on New Hampshire, and I think that is exactly what is being proposed, not by the distinguished majority whip, but rather by agreement on both sides.

So I repeat my suggestion. Would there be merit, at least through the remainder of this week, not to afford any time to New Hampshire in public but rather let us afford that to the other legislative issues before the Senate and have the various ranking members, members of the leadership, get together on New Hampshire in quiet and, perhaps, we might see whether or not we could resolve some of the differences which certainly obviously we have got to resolve after this morning?

Mr. ROBERT C. BYRD. Well, Mr. President, I think there is something to be said for temporarily laying the New Hampshire matter aside for a day or so. But I believe the Senate can make just as much progress on other measures because time agreements have been entered into with respect to those other measures while, at the same time, it can be debating and hoping for some progress on the New Hampshire election dispute. So I would hope that the distinguished Senator would not interpose an objection to this request.

Mr. WEICKER. Let me put it this way because I know the distinguished ranking minority member of the committee (Mr. HATFIELD) has given considerable thought to the request that is being propounded for tomorrow. I do not want to jump in at the last minute and in any way interfere with that.

Let me just say this then at this time. I will not object to the unanimous-consent request for tomorrow, but I put the Senate on notice that is the last time that I will not object. Let us either get to New Hampshire and do it, or let us set it aside and get to the rest of the business while we get our positions into an area where there is a possibility of compromise. This business is just a charade, and it does not make any sense, and the American public does not understand it when all of a sudden they are going to find out 4 months from now that we are just as much in concrete as we were before. So I will not object to the request for tomorrow. On the other hand, I want to put the Senate on notice that I will object to such requests afterward.

Mr. ROBERT C. BYRD. Mr. President, I hope the distinguished Senator will at least consider withholding such a feet-in-concrete statement of position. The Senate is making progress, and it is making progress on two tracks, and such progress is being made, after consultation between the leadership on both sides of the aisle. The leadership on the side of the distinguished Senator from Connecticut has been working with the leadership on this side of the aisle in an effort to move energy bills and other very important legislation along while, at the same time, keeping before the Senate the New Hampshire election dispute.

The distinguished Senator from Connecticut is certainly within his rights to object to any unanimous-consent request, and I do not question that. But I would hope he would at least consider withdrawing the statement that he will flatly oppose any further unanimous-consent request of this kind. He can still make such objections, but I hope he will let the leadership on both sides of the aisle continue to have some flexibility in the leadership's effort to carry out its duty to move legislation ahead.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

REQUEST FOR CONSIDERATION OF H.R. 6799 ON THURSDAY

Mr. ROBERT C. BYRD. Mr. President, a request I shall now make goes beyond what the distinguished Republican whip had suggested. The distinguished Senator from Arkansas (Mr. McCLELLAN) had hoped to be able to proceed with H.R. 6799, an act to approve certain proposed amendments to the Federal Rules of Criminal Procedure, on Thursday.

In an effort to accommodate the wishes of Mr. McCLELLAN which, as I understand it, accord with the wishes of Mr. HRUSKA—I am told Mr. HRUSKA has no objection—I ask unanimous consent that on Thursday, after the two leaders or their designees have been recognized under the standing order, there be not to exceed 2 hours for debate on the New Hampshire election dispute, after which the Senate proceed to the consideration of H.R. 6799. This would conform to the request by the distinguished Senator from Arkansas (Mr. McCLELLAN).

Mr. GRIFFIN. Mr. President, reserving the right to object, and I will object, not only on the grounds indicated to protect the Senator from Connecticut (Mr. WEICKER), who is here to protect himself, but also because I feel I would not like to see us get locked in beyond tomorrow, until other Senators have had an opportunity to consider this question. But I do appreciate the information as to what the majority would like to do on Thursday. I hope it can be worked out.

Mr. ROBERT C. BYRD. Will the distinguished Senator from Connecticut——

Mr. GRIFFIN. But I shall object for the time being.

Mr. ROBERT C. BYRD. Mr. President, I would like to see if I might get some understanding as to just what the problem is here.

Mr. GRIFFIN. Well, I will object anyway, if the Senator can talk the Senator from Connecticut in, because I told the majority whip, as I indicated before, at this time at least for this unanimous-consent with respect to the schedule on Thursday.

Obviously, the majority has a great deal of flexibility as to what they can do, but I would respectfully request that we wait until tomorrow before we get to the schedule.

Mr. ROBERT C. BYRD. Very well. I have no intention of pursuing the request, but what I would like to do is get some understanding, if I may, as to just what the majority leadership is being set up for here.

Is there an objection to operating on a two-track system, or what is the objection?

There are other ways of proceeding to keep the legislative process moving without resorting to unanimous-consent requests and I am, for one, not ready for the majority leadership to surrender its leadership to any Senator in fulfilling its responsibility to schedule legislation and get on with the work of the Senate as much as possible.

It is our duty as the leadership here, properly constituted, to move the legislation along. I, for one, am not going to get down on bended knees and with hat in hand to keep the legislative process moving.

If it is the desire of certain Senators to prevent a two-track system from operating, I would like to know it. That is all I want to know.

Mr. GRIFFIN. The majority whip seems to be quite exercised.

Mr. ROBERT C. BYRD. The majority whip is not exercised at all; not at all.

Mr. GRIFFIN. He ought to keep in mind there has been a good deal of agreement here on time limits on a number of bills, which I think are in keeping with what the majority leader and the whip are trying to do.

The only thing I am trying to say is that a unanimous-consent agreement involves the consent of all 100 Members of the U.S. Senate and there is some difference of opinion on my side. I regret it, but that is the case. We are not all agreed on what we should do in the particular situation.

I am not in a position at this point to say there is no objection.

Mr. ROBERT C. BYRD. Well, I am not making any request.

May I say to the distinguished Republican whip, he knows very well that I cleared this entire set of requests with him prior to submitting it.

Mr. GRIFFIN. The time agreements.

Mr. ROBERT C. BYRD. Now I have been cut off at the pass, midway, and I am not blaming the Republican whip for that, except now he says we ought not proceed beyond tomorrow, whereas earlier he indicated to me it would be all right to proceed with all of the bills on which agreements have been reached.

Mr. GRIFFIN. Perhaps there was some——

Mr. ROBERT C. BYRD. I am not blaming the Republican whip because we cannot get beyond tomorrow, but the distinguished Senator from Connecticut has indicated that after this request he would interpose an objection to any further unanimous-consent requests that would entail a two-track system.

That is all I want to know. Is the threat being made here that the Senate will not proceed after tomorrow on a two-track system?

If such a threat is being made, may I say that the Senate does not have to depend on unanimous-consent requests in order to move to two tracks.

All I want to know is what to expect. Then we will act accordingly on this side of the aisle.

I have not yet seen the rulebook written that allows one Senator or a handful of Senators, to prevent the Senate indefinitely from moving from one measure to another. Motions may be debated, but unanimous-consent requests are not the only vehicles for taking up business.

Mr. WEICKER. Well, I remind the distinguished Senator from West Virginia that I recommended that we just temporarily, for the rest of the week—and I had a very simple request, not all complicated—move around the issue of New Hampshire. A very simple request. Why not for several days set New Hampshire aside rather than go through the charade and the rhetoric on the floor and do all the rest of the business being referred to by the distinguished Senator from West Virginia.

It was merely a suggestion. I in no wise—not that I could, I am not part of the leadership, I am only one Senator speaking out and I feel just as the Senator does that these matters should be attended to—what I am saying, which is the truth of the matter, that the exercise we are going through now, this 2-hours-a-day routine, and trying to move all this legislation around it, and these unanimous-consent requests, makes absolutely no sense at all, as a practical matter, and the distinguished Senator from West Virginia knows that as well as I do.

Mr. ROBERT C. BYRD. No, no, the Senator is speaking for himself.

Mr. WEICKER. All right, I will speak for myself.

The fact is that there has been no accommodation. The rollover that took place in the well of this Chamber today on issue No. 1 makes it very clear that the element of partisanship is still present to such a great degree that this issue cannot be resolved on the basis of logic, fact, fairness, or anything else.

I am suggesting that a little cooling off would not be a bad thing and might enable us when we come back after several days to dispose of the New Hampshire matter in a real way, rather than an illusory way, which is what is going on now.

That was all that was suggested by the Senator from Connecticut.

Mr. ROBERT C. BYRD. Well, in propounding requests for two tracks, I was merely reflecting what I thought was an understanding that met with the approval of the ranking minority member of the Rules Committee and the Republican leader (Mr. HUGH SCOTT).

I discussed this with the Republican leader and with Mr. HATFIELD prior even to discussing it with the distinguished Republican whip, so I was merely proceeding on the basis of an understanding that I thought had been reached.

I am perfectly willing to leave the matter stay where it is at the moment, and I yield to the distinguished majority leader.

Mr. MANSFIELD. Mr. President, may I say that I fully support what the distinguished assistant majority leader just said.

If we are going to operate in this body, the leadership has to understand that any individual Senator by exercising tremendous power, which he has, and objecting to a unanimous-consent request, can undercut the leadership on both sides temporarily.

Mr. ROBERT C. BYRD. For awhile.

Mr. MANSFIELD. Temporarily.

May I say that when the leadership on both sides of the aisle were elected by the Members of their party in conference, that it was done so on the basis of certain confidence in them and on the basis of the possibility that we would exercise mature judgment and would not undertake to undercut any Senator on either side of the aisle.

The relationship between the Republican and Democratic leadership has been excellent. There has been understanding. We have always tried to put our cards on the table and the Republican leadership has done the same.

So I would point out that in response to the suggestion made by the distinguished Senator from Connecticut, who is vitally interested in the issue, of course, all the way from the beginning, that any conversations or meetings between the joint leadership could take place just as easily with 2 hours devoted to S. 166 as with having it withdrawn from consideration for a couple of days.

However, in this way, perhaps, we could undertake two measures at the same time.

I repeat, there is nothing to prevent the joint leadership from meeting to discuss what the distinguished Senator from Connecticut had in mind and there is the possibility always that as we go along some grievance, some settlement at some point of some votes can be had on the basis of amendments offered to the legislation pending.

I would hope that the distinguished Senator from Connecticut, who has a pretty strong temper at times, would give heed to the position in which the leadership finds itself and remember that this was not done on a haphazard or an impetuous basis, but only after consultation with the manager, the ranking Republican member of the committee, the Republican leader, and the assistant Republican leader, as well.

We do have a difficult schedule ahead of us, as has been indicated. We would like to take up as much energy legislation as possible this month. There are other pieces of legislation in the offing not yet on the calendar. It is going to take all that the Senate can do to face up to the legislative schedule which will be confronted for the remaining 2½ weeks of this month.

I would hope that the distinguished Senator from Connecticut who is a reasonable man and a fair man most of the time, when he is not too mad, will understand the situation in which the leadership does find itself.

Mr. GRIFFIN. Mr. President, if I could be recognized, it serves no useful purpose to go on and on except that I just want to remind the distinguished majority leader and majority whip that, whereas there had been objection to committees sitting while the New Hampshire election contest was being considered in the Senate, that position has been waived or set aside so that other business can be taken up.

There have been time agreements entered into with respect to a number of pieces of somewhat controversial legislation. There is every indication of cooperation on this side of the aisle so the Senate can get to other items of business.

One of the staff people has put in front of me the fact that 102 bills have been passed by the Senate since we have been debating the New Hampshire contest. So we have accomplished quite a few other things.

It is not unusual to only get unanimous consent for a schedule that proceeds for 1 day in the future. That is quite the normal situation around here.

I think we can work it out. That is what I want to say.

Mr. ROBERT C. BYRD. Mr. President, I am very well satisfied with the turn of events. I was not exercised at all about the rejection of my request which would have extended the two-track program beyond tomorrow. The one thing that did excite me a little bit was what I thought was intended, on the part of Mr. WEICKER, to be an admonition to the leadership that beyond tomorrow we could not expect to get any further unanimous-consent requests to operate on a two-track basis. I may have misunderstood the distinguished Senator. I am willing to leave things as they are now and hope that by tomorrow we can look toward Thursday and operate in a way that will promote the good interest of the Senate and see us get on with action not only with respect to New Hampshire but other measures on the calendar as well.

AUTOMOBILE FUEL ECONOMY AND RESEARCH AND DEVELOPMENT ACT OF 1975

The Senate continued with the consideration of the bill (S. 1883) to conserve gasoline by directing the Secretary of Transportation to establish and enforce mandatory fuel economy performance standards for new automobiles and light duty trucks, to establish a research and development program leading to advanced automobile prototypes, and for other purposes.

Mr. HOLLINGS. Mr. President, the senior Senator from West Virginia has been very indulgent.

We have a little housekeeping amendment. The bill on the desk at the present time calls for an 180-day study of the 55-mile-per-hour speed limit. I have an amendment to delete that. I ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. HOLLINGS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 22, beginning on line 9, strike section 510(a) and insert in lieu thereof:

"SEC. 510. (a) Within 180 days after the date of enactment of this title, the Secretary shall prepare and submit to the Congress and the President a comprehensive report setting forth findings and containing conclusions and recommendations with respect to speed limiting devices known as governors. Such report shall include, but not be limited to, an examination of the feasibility, practicality, safety, and associated energy savings of a requirement that manufacturers install on all new automobiles, new light duty trucks, and other new motor vehicles devices that would make it impossible to operate such vehicles at speeds in excess of the national maximum speed limit for any sustained period of time."

Mr. HOLLINGS. Mr. President, it has recently come to my attention that the Senate Public Works Committee, under the capable leadership of Senator RANDOLPH, is planning to hold hearings this summer on the 55-mile per hour national speed limit. In light of this, the 180-day study of the speed limit called for in S. 1883 appears superfluous and I therefore offer an amendment to delete this study from the bill. My amendment would retain the study of speed-limiting devices known as governors, and would extend the study to other devices and vehicle modifications which would have the effect of inhibiting the use of motor vehicles at speeds in excess of the national maximum speed limit.

I am glad to yield to the Senator from West Virginia.

Mr. RANDOLPH. Mr. President, I appreciate the opportunity for a brief colloquy on the subject matter. The able Senator from South Carolina (Mr. HOLLINGS) has appropriately called attention to the act of the Commerce Committee in connection with the recognition—and it is that—of the 55 mile-per-hour-speed-limit as a fuel conservation technique. He correctly observes that the Committee on Public Works will consider this matter in hearings within the next few weeks and that the speed limit study required in section 510 of the pending bill is, therefore, unnecessary.

The national maximum speed limit has been in effect, Mr. President, for more than 18 months. Its effectiveness in saving both fuel and lives will be examined by our Subcommittee on Transportation in hearings on the Federal Aid Highway Act of 1975.

The fuel conservation benefits of slower driving are easily discernible. The Federal Energy Administration estimates that 125,000 barrels a day would be saved if there were universal compliance with the 55 mile-per-hour-speed-limit, approximately 3 percent of our total national energy consumption.

I want to say the 125,000 barrels, of course, is barrels of gasoline.

There is some doubt—it has been raised as a doubt—about the speed limit's effectiveness in reducing the highway deaths. But authoritative studies indicate that more than half of the reduction in the death toll last year was attributable to slower driving speeds.

I regret that in recent months the traffic death rate has begun to climb above last year's record, although the number of persons dying on highways is still less than in 1973. This, Mr. President, may be the result of more driving because of diminished fears of fuel shortages. But it may also be a consequence of motorists ignoring the speed restriction.

Mr. President, the key to the success of the 55-mile-per-hour speed limit lies in the observance by motorists and the enforcement by police authorities. Members of the Committee on Public Works will carefully review, I say to the manager of this bill, all aspects of the national speed limit in the hearings that have been mentioned. I am confident that our inquiries will produce the type of information sought by the provision Senator HOLLINGS now proposes to delete from the pending measure.

Mr. HOLLINGS. Mr. President, in concurring with the remarks of the distinguished chairman of our Public Works Committee, I commend him and his committee for their leadership on this 55-mile-per-hour score. He not only introduced it originally but at the beginning of this year, in February, had on both sides of the aisle a unanimous resolution relative to conservation with a keynote of limitation at 55 miles per hour for the speed of automobiles. This has not only saved many, many lives but in our estimation from our study and in our presentation of this particular measure were it really uniformly enforced across the land would grow into at least 1 million barrels per day by the next 2 or 3 years if we only had that conservation measure being enforced. I think we will begin to gain that credibility and thrust and weight, you might say, in this particular endeavor of automobile fuel economy as we add this measure to the statute books, as we follow the distinguished Senator from West Virginia and his Public Works Committee in the fine work they are doing.

I am ready to yield back——

Mr. RANDOLPH. This final comment, if my colleague will yield.

Mr. HOLLINGS. Yes.

Mr. RANDOLPH. There must be a continuing conservation crusade, not only in this matter but across a broad front, because we can within this country have conservation measures like the one the distinguished Senator is now addressing himself to and has given to us his thinking on the subject; and in many, many other aspects of our national life great savings can be made, and frankly we can diminish the need for the importation of petroleum from overseas.

Mr. HATHAWAY. Mr. President, I am glad to see that this bill requires the Department of Transportation to look at the possibility of putting governors or other kinds of speed inhibiting devices on vehicles. Although this was previously considered by the Department when they issued a proposed rule for governors on vehicles, the Department subsequently withdrew that proposal. Since that time, however, the 55 mile per hour speed limit has been established along with new awareness, of both the energy and safety consequences of excessive speed. I hope that the Department will take a thorough and fresh look at this idea in their report in light of these changed conditions and report fully to Congress on both governors and other devices which would inhibit violations of the speed limits, such as mandatory buzzer or light systems.

Mr. HOLLINGS. Mr. President, I am ready to yield back the remainder of my time.

Mr. HATFIELD. Mr. President, I call up an amendment.

Mr. HOLLINGS. Mr. President, before the Senator calls up his amendment, can we yield back the time and adopt this amendment?

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from South Carolina.

The amendment was agreed to.

Mr. HOLLINGS. Mr. President, I ask unanimous consent that the name of the Senator from New Mexico (Mr. MONTOYA) be added as a cosponsor of S. 1883.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HOLLINGS. I yield to the Senator from Oregon.

Mr. HATFIELD. Mr. President, I call up an amendment which I have at the desk, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Oregon (Mr. HATFIELD) proposes an amendment as follows:

On page 5, line 8, strike out "and".

On page 5, line 14, strike out—

Mr. HATFIELD. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFICER. Without objection, it is so ordered.

Mr. HATFIELD's amendment is as follows:

On page 5, line 8, strike out "and".

On page 5, line 14, strike out "." at the end thereof and insert in lieu thereof "; and".

On page 5, between lines 14 and 15, insert the following new paragraph:

"(12) 'retrofit device' means any component, equipment, or other device that is designed to be installed in a motor vehicle (as an addition to, as a replacement for, or through alteration or modification of, any existing component equipment, or other device) for the purpose of prolonging the useful life of lubricating oils, increasing the fuel economy and/or improving the exhaust emissions of such vehicle.".

On page 12, between lines 15 and 16, insert the following new section:

"RETROFIT DEVICES

"SEC. 505. (a) DUTIES OF THE ADMINISTRATOR.—(1) Within 120 days after the date of enactment of this title, the Administrator shall promulgate procedures by rule in accordance with section 553 of title 5, United States Code, for evaluating and confirming fuel economy representations of retrofit devices.

"(2) The Administrator, in accordance with procedures established under paragraph (1) of this subsection, shall test, or cause to be tested, as expeditiously as possible after the date of enactment of this title, all retrofit devices being marketed as to which representations are made concerning increased fuel economy.

"(3)(A) The Administrator, in accordance with procedures established under paragraph (1) of this subsection, shall test, or cause to be tested, prototypes of retrofit devices for which a written description has been submitted to the Administrator, and which show potential for increasing fuel economy, and other devices for which the Administrator determines testing is necessary. Procedures for testing such prototype devices may include a requirement for preliminary testing by a qualified independent testing laboratory: *Provided*, That if the Administrator finds that a prototype device for which a written description has been submitted does not show potential for increasing fuel economy, the Administrator shall state in writing, in a timely fashion the reasons for such finding.

"(B) The developer of such prototype device may subsequently request reconsideration of the Administrator's finding under subparagraph (A) upon submission of independent laboratory test results which appear to confirm the developer's representations concerning improved fuel economy. The Administrator may then test such device in accordance with procedures established under paragraph (1) of this subsection, make a new finding that such device does not show potential for increasing fuel economy with reasons stated in writing, or report the independent laboratory test results in accordance with the requirements of subsection (d) of this section.

"(4) Each device qualifying for testing under paragraphs (2) and (3) of this subsection shall be tested to determine whether such device changes, and the extent of such change, fuel economy and exhaust emissions of a motor vehicle by comparison with an otherwise identical motor vehicle in which such device is not installed.

"(b) REPORTING OF RESULTS.—The Administrator shall publish in the Federal Register a summary of all test data and the result of all tests conducted under this section, together with the Administrator's conclusions as to (1) the effect of such device on fuel economy; (2) the effect of such device on exhaust emissions; and (3) any other information which the Administrator determines to be relevant in evaluating such device. Such results shall also be submitted to the Secretary and the Federal Trade Commission. The Federal Trade Commission shall analyze such data and other information and take appropriate action whenever it shall determine that any retrofit device has been falsely advertised or represented in a manner that violates the Federal Trade Commission Act (U.S.C. 4 et seq.).

(c) DEMONSTRATION.—There shall be established within the Environmental Protection Agency a program to demonstrate the potential for fuel savings when existing motor vehicles are equipped with retrofit devices. Such program shall demonstrate such potential on a range of vehicles representative of the current automotive fleet.".

On page 12, line 18 strike out "505" and insert in lieu thereof "506".

On page 15, line 16, strike out "506" and insert in lieu thereof "507".

On page 17, line 4, strike out "507" and insert in lieu thereof "508".

On page 17, line 16, strike out "508" and insert in lieu thereof "509".

On page 22, line 2, strike out "509" and insesrt in lieu thereof "510".

On page 22, line 9, strike out "510" and insert in lieu thereof "511".

On page 23, line 21, strike out "511" and insert in lieu thereof "512": (a) SECRETARY.—"

On page 24, line 4, strike out " "." at the end thereof.

On page 24, between lines 4 and 5, insert the following new subsection:

"(b) ADMINISTRATOR.—There are authorized to be appropriated to the Administrator for carrying out the provisions of this title funds not to exceed $300,000 for the fiscal year ending June 30, 1976; not to exceed $150,000 for the transitional quarter ending September 30, 1976; not to exceed $2,000,000 for the fiscal year ending September 30, 1977; and not to exceed $2,000,000 for the fiscal year ending September 30, 1978.".

Mr. HATFIELD. For the benefit of the Members present, my proposed amendment embodies the text of printed amendment No. 600 offered on June 20 by myself and the senior Senator from Idaho and the junior Senator from Washington. The proposed amendment contains perfecting language of a technical nature to amendment 600.

This amendment to S. 1883 is intended to close an important gap in Federal vehicle research and development programs directed toward the development of fuel efficient vehicles. On May 5, the Subcommittee on Energy Research and Water Resources of the Senate Interior and Insular Affairs Committee, of which I happen to be a member, took testimony regarding automotive research and development efforts. As the hearing progressed, it became evident that present and potential research programs hold great promise for the development of energy efficient vehicles.

Unfortunately, almost all existing efforts are directed toward new vehicle economy and those who can afford new vehicles. Almost nothing is being done to assist those who cannot afford new vehicles. Additionally, little appreciation is given to the enormous fuel savings that might be achieved should fuel saving technologies or devices be successfully applied to existing vehicles.

The proposed amendment directs the Administrator of the Environmental Protection Agency to undertake a program for the testing, evaluation, and demonstration of existing or prototype devices which may be used for increasing the fuel economy of existing vehicles. The test results of the device evaluated would be published in the Federal Register. Ultimately, vehicles combining various proven devices would be used to demonstrate the potential for improving the fuel economy of existing vehicles.

That is all the amendment proposes.

Mr. President, I wish to compliment the strong and thoughtful efforts by members of the Commerce Committee in their consideration of S. 1883. I would also single out as well the efforts of the committee staff and in particular Mr. Alan Hoffman, of the professional staff, for their assistance in the preparation of this amendment.

Mr. President, I ask unanimous consent that a brief statement by the Senator from Washington (Mr. Jackson) in support of this amendment be printed in the Record.

The PRESIDING OFFICER. Without objection, it is so ordered.

Statement of Senator Jackson

AMENDMENT TO S. 1883

This amendment to the Automobile Fuel Economy and Research and Development Act of 1975 is intended to remedy an important deficiency in Federal programs aimed at alleviating the fuels and energy shortages facing our nation. Admittedly there are existing programs to develop fuel efficient vehicles. I know first hand that the Congress for eight years and more has been concerned, first, with the creation of non-polluting vehicles, and then belatedly, as the energy crisis became front page news, fuel efficient vehicles. The results are not encouraging when today, the consumer is faced with a composite mileage for American vehicles of about 15.9 miles per gallon for 1975 models. True, there are now new cars on the market—American made—that achieve over thirty miles per gallon on the highway, but this is a small consolation for the citizen who cannot afford the luxury of economy.

Outside of the developmental programs for increased mileage for new cars, the Administration's plan to encourage fuel conservation is to raise the price of fuel at the pump to such an extent that it hurts. We all know who this will effect the most. That segment of the population that can least afford it. People who have to spend a disproportionate share of their incomes on fuels and energy to begin with. Not only will moderate income citizens be saddled with the lion's share of the costs involved, but they are the least able to pay the increased costs. There are, or will be, fuel efficient vehicles available but again, the people able to pay inflated prices for new cars in order to take advantage of their economy of operation will be those least affected by high priced gasoline and inflation in general.

An economy car costs almost three thousand dollars—this coupled with high interest rates put them out of the reach of that portion of the population which needs economy most. The nation will have economy cars. economy for those who can afford it.

Many people for years to come will be stuck with vehicles that were designed for an era of cheap fuels. They can't afford a new car because of high prices and they can't afford the old car because of high fuel costs. Chances are they will make do with what they have which will have a negative effect on fuel consumption.

The life cycle of an automobile is about eight to ten years, from delivery to the consumer until final delivery to the scrap yard, abandonment, or what have you. High interest rates, high costs, and unemployment slow down new car sales thereby prolonging the period of replacement of the fuel inefficient vehicle. Even if we were able to double the efficiency of new cars tomorrow, it would be years before a significant impact was made on total fuel consumed.

So far, all of our efforts are aimed at helping those who can afford a new car and penalizing those who can't. Nothing is being done to help those who, for economic reasons, have to buy used cars or keep the ones they have. The amendment offered by the Senior Senator from Idaho, the Senior Senator from Oregon and myself, hopefully, will provide some relief. It is a straightforward measure and self-explanatory.

I must acknowledge the assistance and advise of Walter M. Mayer of Sante Fe, New Mexico, in the compilation of the data which led to the drafting of this amendment. To my knowledge, he is one of the few people who have fully grasped the potential impact which could be made by improving the efficiency of existing motor vehicles. And without any personal gain, he has collected the background information to bring the potential to the notice of government.

Mr. HOLLINGS. Mr. President, on behalf of the manager of the bill, we welcome this amendment.

It will provide consumers with the information needed to evaluate fuel economy claims of currently marketed automobile retrofit devices, and will encourage the development of new devices. This amendment will also encourage drivers to improve the fuel economy of existing vehicles, and is thus a natural complement to S. 1883.

I commend the Senator from Oregon and his cosponsors of the amendment. We are willing to accept it, and yield back the remainder of our time.

Mr. HATFIELD. I thank the Senator. Did the Senator ask for a vote on this amendment?

Mr. HOLLINGS. I yield back the remainder of my time, and I ask for a voice vote on the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Oregon.

The amendment was agreed to.

Mr. HOLLINGS. Mr. President, I call up my labeling amendment, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from South Carolina (Mr. Hollings) proposes an amendment as follows: On page 15, on line 15, strike sections 506(a), (b), and (c), an insert in lieu thereof the following.

Mr. HOLLINGS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. Hollings' amendment is as follows:

On page 15 beginning on line 15, strike sections 506 (a), (b), and (c) and insert in lieu thereof:

"LABELING, ADVERTISING AND DISCLOSURE

"Sec. 506. (a) Labeling.—(1) Beginning not later than 180 days after the date of enactment of this title, each manufacturer shall cause to be affixed to, and each dealer shall cause to be maintained on, each new automobile and new light duty truck, in a prominent place, a Motor Vehicle Energy Guide prepared and issued by such manufacturer.

(2) The format of such Motor Vehicle Energy Guide shall be determined by the Federal Trade Commission, by rule pursuant to section 553 of title 5, United States Code, after consultation with the Secretary, the Administrator, and the Administrator of the Federal Energy Administration. Such Motor Vehicle Energy Guide shall set forth, in clear and understandable language and form, detailed information with respect to:

(A) the fuel economy for such automobile or light duty truck, as appropriate, as determined pursuant to this title;

(B) the estimated annual fuel cost associated with the operation of such automobile or light duty truck, as appropriate, as determined in accordance with subsection (b) of this section.

(C) the manner in which such estimated annual fuel cost was determined including the time period upon which such estimate is based, the suggestions as to how such estimate could be refined to take account of the personal driving circumstances of a prospective purchaser;

(D) a range of fuel economy performance of automobiles or light duty trucks, as appropriate, so as to facilitate comparison shopping; and

(E) any other aspects of automobile or light duty truck operation deemed appropriate by the Federal Trade Commission.

(3) Posting of the fuel economy information required by paragraph (2) of this subsection shall not be construed to constitute, directly or indirectly, a warranty as to fuel economy performance. Nothing in this section shall be deemed to prohibit a manufacturer or dealer from representing orally or in writing that the information required to be provided or disclosed by this section is based on representative driving conditions as determined by the Administrator.

(b) Computation of Estimated Annual Fuel Costs.—

(1) Each manufacturer of a new automobile or new light duty truck shall determine the estimated annual fuel cost of such automobile or light duty truck in accordance with instructions to be issued by the Administrator. Such determinations may, at the discretion of the Administrator, include a range of estimated annual fuel costs to reflect geographical or other differences in usage patterns or energy costs. Commencing not later than 90 days after the date of promulgation of fuel economy testing procedures in accordance with this title, estimated annual fuel cost data shall be included as part of the material shipped with each such automobile or light duty truck by a manufacturer to a dealer.

(2) If a range of estimated annual fuel costs is provided to dealers in accordance with paragraph (1) of this subsection, each dealer involved shall select the estimated annual operating cost that is applicable in accordance with instructions to be issued

by the Administrator and included with the material shipped to the dealers under paragraph (1).

(c) Advertising.—The Federal Trade Commission shall, by rule pursuant to section 553 of title 5, United States Code, identify the categories and types of advertisements for new automobiles and new light duty trucks which it shall direct to contain the information which is required under subsection (a) (2) of this section, to the extent prescribed by it. In accordance with rules to be established by the Commission, if any such advertisement displays the purchase price or fuel economy characteristics of a new automobile or light duty truck, the Commission may require such advertisement to include a statement as to the estimated annual fuel cost or the fuel economy of such automobile or light duty truck, whichever is appropriate. If the Administrator directs that the estimated annual fuel costs shall be determined separately for different geographic regions of the Nation, advertising covering more than one such region shall include national average values with respect to estimated annual fuel costs.

(b) Booklet.—Within 6 months after the date of enactment of this title, and annually thereafter, a booklet which compiles the automobile and light duty truck fuel economy information provided to, or developed by the Administrator under this title for a given model year shall be published by the Administrator in a public document to be placed on sale at the Government Printing Office. Such booklet shall present such information in a clear, concise, and objective manner, and the Administrator shall take steps to encourage the widest possible distribution of such booklet and any revision thereof: Provided, that nothing in this section may be construed to require the compilation of lists which compare the estimated annual fuel costs of automobiles by model or manufacturer's name.

(e) Disclosure.—Beginning 180 days after the date of enactment of this title, it shall be unlawful for any dealer to sell, or offer for sale in commerce, any new automobile or new light duty truck, unless the estimated annual fuel cost of such automobile or light duty truck, is disclosed by such dealer prior to any such sale. Such disclosure shall appear on the same label, tag, direct-mail statement, or any other place on which the purchase price or acquisition cost of such automobile or light duty truck is stated, in accordance with rules to be established by the Federal Trade Commission. Any such disclosure requirement in this subsection shall be considered to be fulfilled if the dealer obtains a written statement from the purchaser that such purchaser has read the relevant Motor Vehicle Energy Guide. Mail-order literature, catalogs, brochures, and other media communications that are received in more than one geographic region that contain automobile or light duty truck price or acquisition cost data may include national average values with respect to estimated annual fuel costs."

On page 16 line 20, strike "(d)" and insert in lieu thereof "(f)".

On page 17, lines 9 and 10, strike the words "and advertising" and insert in lieu thereof ", advertising and disclosure".

On page 17, line 11, strike the word "and", and insert in lieu thereof: "Any such failure shall be an unfair and deceptive act or practice under section 5 of the Federal Trade Commission Act. Any person that fails to comply with any labeling, advertising, or disclosure, requirement mandated or authorized under section 506 shall be subject to a civil action under section 5(m) (1) (A) and section 19 of the Federal Trade Commission Act; and"

On page 18, line 12, strike the word "paragraph" and insert in lieu thereof: "paragraphs (3) and".

The PRESIDING OFFICER. Who yields time?

Mr. HOLLINGS. I yield myself such time as may be necessary.

Mr. President, addressing our distinguished colleague on the other side of the aisle helping to manage this measure, this is really to conform this particular measure with the labeling bill reported out by the Committee on Commerce and passed, I believe, by the Senate last Friday.

This amendment clarifies and extends the labeling and advertising section of S. 1883, and conforms it with the corresponding section of the proposed Energy Labeling and Disclosure Act. This act was reported favorably by the Commerce Committee on June 12, and passed by the Senate on July 11. Under this amendment, each new automobile and new light duty truck would have attached a manufacturer prepared motor vehicle energy guide, which would set forth, clearly and understandably, information on fuel economy and estimated annual fuel costs.

The amendment would also require disclosure of estimated annual fuel costs by a dealer to a prospective automobile purchaser prior to the completion of any purchase.

This truth-in-energy approach, which is also applied in the Energy Labeling and Disclosure Act to devices other than automobiles, will provide consumers with information necessary to intelligent purchase decisions, and will foster increased energy conservation. It has been accepted by the Republican manager of this bill, and I strongly urge its adoption.

Mr. President, I yield back the remainder of my time.

Mr. GRIFFIN. I yield back the time on this side.

The PRESIDING OFFICER. All remaining time having been yielded back, the question is on agreeing to the amendment offered by the Senator from South Carolina.

The amendment was agreed to.

Mr. HOLLINGS. Mr. President, I now call up the electric vehicle amendment I have at the desk, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

On page 23, between lines 19 and 20, insert the following paragraph:

"(c) (1) Within 180 days after the date of enactment of this title, the Secretary shall prepare and submit to the Congress and the President a comprehensive report setting forth findings and containing conclusions and recommendations with respect to whether or not electric vehicles and other vehicles not consuming fuel (as defined in section 503 of this title) should be covered by this title. Such report shall include, but not be limited to, an examination of the extent to which such vehicles should be included under the provisions of this title, the manner in which energy requirements of such vehicles may be compared with that of fuel consuming vehicles, the extent to which inclusion of such vehicles would stimulate their production and introduction into commerce, and any recommendations for legislative action.

"(2) As used in this subsection the term 'electric vehicle' means a vehicle powered primarily by an electric motor drawing current from rechargeable batteries, fuel cells, or other portable sources of electrical current."

Mr. HOLLINGS. Mr. President, I have checked this matter also with the minority side.

This amendment recognizes that vehicles powered primarily by electric motors drawing current from rechargeable batteries, fuel cells, or other portable sources of electrical current, while not of great significance today, may soon become much more important.

The amendment calls for a 180-day study to clarify the issues that would be raised by the introduction of such vehicles into the fleet in reasonable numbers, including whether or not such vehicles should be included under the provisions of title I of S. 1883.

This approach guarantees that Congress will have, on a timely basis, informed minds before considering legislation affecting such vehicles.

I urge the adoption of the amendment, and I am glad to yield back the remainder of my time.

Mr. GRIFFIN. Mr. President, I yield back the time on this side.

The PRESIDING OFFICER (Mr. Stevens). All remaining time having been yielded back, the question is on agreeing to the amendment of the Senator from South Carolina.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. GRIFFIN. Mr. President, I yield to the very patient Senator from Nebraska (Mr. Curtis).

Mr. CURTIS. I thank my distinguished friend.

Mr. President, I take this occasion not only to speak in reference to this bill, but to our energy policy generally.

If the Congress of the United States continues along the path it has charted, we are locking in and making permanent the depression that we now have upon us.

It does not take near the labor force, nor our productive capacity, to provide the necessities of life. We have become so efficient that to provide the bare necessities will not produce an economy that gives everyone employment. It is when we have money to spend for things beyond: For instance, one of the fastest growing industries has been the boat industry. Travel through most any of the States, and one will see in the back yards and near the garages boats where families hook them onto their cars, and they go off, enjoy the great country that we have, and they go fishing.

Mr. President, if our solution to the energy problems consists of putting automobile manufacturers and others in a straitjacket and, by compulsion, forces the whole country to small cars, there will be no more boats pulled, and there will be few campers pulled. It will affect the tourist business.

Mr. President, there is an alternative answer. The answer to our energy problem is not for us to retreat from activity. The right alternative consists of several facets.

First, we should encourage the search for and the discovery and production of more petroleum. Congress so far has gone in the opposite direction.

Second, Mr. President, we should have a national policy that provides disincentives for businesses and individuals to use petroleum when there is a substitute.

A sizable portion, maybe up to 40 percent, of our electricity is made by burning petroleum. There is no reason in the world why that should not all be coal. The idea of imposing restrictions upon American industry to produce something that will not meet the needs of America is not the answer.

Mr. President, in addition to encouraging the production of more oil, in addition to a policy that would encourage substitutes for petroleum, such as coal, for producing electricity, we should move forward with a program of synthetic gasoline.

It was my privilege to visit the Union of South Africa this spring. There I learned that that nation, which is rich in many things, is not rich in oil: it has gold, its diamonds, its coal, and many other things. But instead of becoming dependent totally upon offshore production, that country has perfected a way to produce gasoline for motor cars out of coal. When they first started, it was uneconomical. But with the improved technology and the increase in the price of petroleum products, they are now making their gasoline from coal and it is competitive. Their present facilities will provide about 15 to 17 percent of their gasoline requirements.

They are in the process of doubling their facilities and, in spite of the growth of their industry, they are going to produce 25 percent of their gasoline needs.

These are some of the things we should be doing here.

Mr. President, we can compel the production of only the very small cars. It will not hurt the idle rich who jet here, there, and elsewhere, and then hire a car. It is middle America that wants a full-size family car so the whole family can go on a vacation, so they have the power to pull a boat and to pull a camper, and do these other things.

Tourism is an important industry in most every State. It employs a great many people. It brings purchasing power in from the outside. There are some States that are totally dependent on tourism for their major industry.

Mr. President, I realize that a law compelling the production of only smaller cars will not necessarily stop all of that. It will stop some of it.

What I am saying is, if we take a defeatist attitude in reference to our energy problems, we are going to have the depression stay on. Our present depression is largely one related to energy.

Why is it that there is just severe unemployment in Detroit and like centers of the automobile industry?

Sales have slowed up because the people are afraid that tomorrow gasoline will be rationed or they will not be able to get it.

Mr. President, there is another point that I think the Senate ought to consider, and that is that we can accomplish more under a voluntary system than under a compulsion. The Committee on Finance began hearings this week on the energy bill sent over to us from the House of Representatives. We received assurances from the Secretary of the Treasury, the Federal Energy Administration, and from three of the major auto manufacturers that their voluntary program to improve full economy is working. Pick up any magazine and one will see the claims and assertions as to what their new cars can make.

We should do that under the voluntary system. Then we will preserve a fair measure of the full-sized cars, and we will not be doing something that hampers our entire economy.

Mr. President, the conversion and the reversal of these trends costs money. The information that we received was that General Motors is spending $3 billion and Ford is spending $2 billion to increase fuel economy in future models. This places a severe strain on capital requirements. One other manufacturer even mentioned the possibility that some form of Government assistance might be necessary.

The bill before us does not assist in the economy effort. It does just the opposite. It will put the industry in a straitjacket.

According to the terms of the bill, if some manufacturer misses the mark a small amount, the penalty amounts to a sizable sum running into the hundreds of millions of dollars.

Such fines are certain to aggravate the capital requirements of these companies and hamper progress toward better, more efficient cars.

Mr. President, in the tax rebate bill, we took away part of the existing incentives to produce more oil. In the Congress resistance to decontrol, we are discouraging the production of petroleum in this country. Can we find a businessman anywhere or anyone knowledgeable of American business who will dispute the fact that price controls discourage production?

It is time for Congress to take steps to encourage the production of petroleum. It is time that Congress directed its efforts toward policies that will bring about a conversion of our electrical energy-producing industry from petroleum to coal. Mr. President, it is time that we built our own plants for making gasoline out of coal.

If we are going to have full employment in America, we are going to have to expend energy. Full employment means that our trucks run on the highways, that our farm machines operate, that we have ample fertilizer, that our airplane lines are not curtailed, that the buses run.

Full employment means that industries like boat building and selling and servicing of boats, the tourist industry, and all of these other things must run full blast if we are to have full employment in this country. We cannot reach full employment by being defeatist and carrying on procedures here which lessen our supplies of energy in this country.

Mr. President, the State of Nebraska is largely a rural State. Yet the individuals engaged in the manufacture, sale, and servicing of motor vehicles and automotive parts represent 27,000 people—with their families, no doubt, 100,000 people. This legislation moves in the wrong direction. I shall vote against it. I hope that the Congress of the United States will take the steps necessary to give us more energy and take the steps necessary to persuade those activities which do not require petroleum not to use it.

Mr. President, I yield the floor.

I suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time is the quorum to be called?

Mr. CURTIS. I ask unanimous consent that it be charged to both sides.

The PRESIDING OFFICER. Is there objection? The Chair hears none.

Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. GRIFFIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRIFFIN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

On page 5, line 17, strike "July 1, 1975" and insert in lieu thereof "January 1, 1976", and at line 22, strike "1977" and insert in lieu thereof "1978".

On page 6, line 14, strike "August 1, 1975" and insert in lieu thereof "March 1, 1976"; and at line 20, strike "1977" and insert in lieu thereof "1978".

On page 7, line 19, strike "1976" and insert in lieu thereof "1977".

On page 8, line 11, strike the comma and everything thereafter through line 14 and insert in lieu thereof a period.

Mr. GRIFFIN. Mr. President, as an indication of how unrealistic this legislation is as it would apply to the automobile industry, there is likely to be only 6 to 8 months' leadtime for the standards as they would apply to the 1977 model year. UAW President Leonard Woodcock—whose support for this legislation has been referred to several times—indicated in his statement of support that he thought there should be 3 years of leadtime for the automobile industry to meet standards of this kind. I also did not know whether the distinguished floor manager was prepared to offer some modification or not, but this bill, as it comes before the Senate would require the promulgation of standards applicable to the 1977 model year by July 1 of 1975, a date that has already passed.

The amendment at the desk provides that that date for the promulgation of regulations applicable to the 1977 models would be January 1, 1976. It would also extend the leadtime so that the bill would apply to 1978 models rather than to 1977 models, because the automobile industry is already tooling up and getting ready to produce 1977 models.

This is an aspect that is not adequately understood. It is not adequately understood by those in Congress who try to be automotive engineers and who do not know very much about making automobiles, what is really involved in making engineering changes of the kind that this legislation would mandate. Frankly, the legislation will be far from acceptable to this Senator with this change, but I think that it will be interesting to see what the reaction is to this very reasonable proposal that might make the legislation just a little bit more practical and reasonable. I hope that the manager of the bill will accept it. If not, I shall have to ask for a rollcall vote.

Mr. President, I reserve the remainder of my time.

Mr. **HOLLINGS**. Mr. President, we would have to oppose the amendment, and we certainly join the distinguished Senator's request for the yeas and the nays.

My answer to this is out of the very voice and lips of the distinguished Senator from Michigan, which is really one of the things that have nonplussed me from the very beginning in trying to handle this bill. It is either a monster, a terrible thing, that we are trying to visit on the automobile industry or in the next breath we hear, "Don't worry about it. You don't need a law."

Now, of course, the Senator is correct with respect to the design of the car. But the marketing and production schedules have not been set. There is full flexibility to alter those which is our means of complying with the 1977 standards.

With respect to the July 1 date, we would have to update that if we could get this bill passed and agreed upon, and I see no reason why not, since it has been passed on the House side, and possibly signed by our President the first part of August, and we would have to take and make a technical amendment and change July 1 to September 15 or even October 1. But the point is in all of its advertising and what we want to do now is to get in tandem with the automobile industry and keep the momentum going in this direction and not delay it for a year.

We hear from our distinguished colleagues on the other side of the aisle—I think it is an expression that haunts everyone on this side of the aisle—"bite the bullet, bite the bullet." Every time I look around we are going to "bite the bullet." That means cut out the delaying over here in Congress, cut out all this debating, cut out the evasion and avoidance, and let us get on with an energy program.

Then when we come to this saying, "Let's delay it by 1 more year," and they think that is reasonable.

I would rather sing the tune that now is the time to give a message to the American public—crystal clear—that we intend to conserve in America energy as best we can and, specifically, with respect to the automobile we are going to start now in the 1977 model year which will not be a burden on this industry.

Just 2 weeks ago and this is the letter we put in the Record, from the UAW, signed by its legislative director, and I quote:

> We believe the Commerce Committee bill deserves your enthusiastic support. We hope you will vote for it and against weakening amendments when it is taken up by the full Senate.

Of course, we will have to vote against this weakening amendment.

I reserve the remainder of my time.

The **PRESIDING OFFICER** (Mr. Stevens). Who yields time?

Mr. **GRIFFIN**. Mr. President, I may offer another amendment which would provide that the Secretary of Transportation shall set fuel economy standards for aircraft to achieve a 25-percent improvement in the average fuel economy of aircraft by 1980. I will be interested in the reaction of the manager of the bill to that proposal.

I have to admit that I have a certain motive in offering this amendment—although I shall vote for it—to demonstrate the apparent fixation on the automobile industry despite the fact that fuel used by aircraft is also an important consideration in trying to achieve energy conservation.

I cannot help but observe and call the attention of the Senator and the country to the fact that time after time it is only the automobile industry that is regulated.

According to studies by the Department of Transportation and the Federal Energy Administration, aviation is the least energy-efficient form of transportation. In fact, in 1973, the Senate recognized the need to improve fuel efficiency of aircraft by requiring the Secretary to study the feasibility of improving aircraft fuel economy by 50 percent by 1984.

In the Commerce Committee's report to the bill the following explanation was given for that proposal:

> For example, the InterAgency Transportation Panel in its 1972 report concluded that significant improvement in the fuel economy of aircraft and vessels could be achieved and that improvement could even be made in trains which are, perhaps, the most energy-efficient means of transportation. Both recreational vessels and commercial aircraft are less efficient than automobiles on a passenger-miles per gallon basis.

In its Project Independence report, the Federal Energy Administration noted, and I quote:

> Air travel, though less than one-third as efficient as auto and about one-eighth as efficient as bus travel, accounts for a growing portion of transportation energy use—virtually all this increase at the expense of the more energy-efficient modes.

Mr. President, without this legislation President Ford has proposed, and the automobile industry has agreed to achieve, not a 25-percent improvement, as my amendment would provide for aircraft, but a 40-percent improvement in fuel efficiency for automobiles by 1980. But, no, that is not good enough. We have to have this legislation which mandates a 50-percent increase by 1980 and a 100-percent increase by 1985, even though the committee in its own report acknowledges that there is no basis whatsoever, except speculation, for mandating such a requirement by 1985.

What is going to happen, just as sure as we are standing here, is that we are going to increase the sales of foreign automobiles in this country. They are already absorbing 20 percent of the market at the present time. The unemployment in the automobile industry among its workers is at an all-time high, yet there is some kind of dogged determination just to continue to make things worse so long as the automobile industry and its workers are made the target.

I cannot, for the life of me understand, if the concern here is about conservation of fuel—and, of course, that is the reason for this bill—why are we not concerned about the fuel that is consumed in aircraft? Why we are not concerned about the fuel that is consumed in boats?

But no, there is no concern about that at all.

I know what the answer of the manager of the bill is going to be. He will refer to the fact that nearly 50 percent or more of the energy used in transportation is used in automobiles, and that is true. But there is 50 percent of it that is not used in automobiles and is used by other modes of transportation.

Obviously, we can only have one amendment pending at a time and I reserve the right to offer that amendment.

I do not know when the manager may want to proceed to vote on the amendment, but I would be ready at any time.

Mr. **HOLLINGS**. I would be glad to vote on the pending amendment right now.

Before I yield back the remainder of my time on that amendment, I might make a few comments about aircraft so that we will have the Record. Someone might read this Record.

Number 1, there is nothing punitive about the automobile proposal now before this body.

On the contrary, it is part and parcel of a comprehensive program, Mr. President, to effectuate conservation generally across the board.

Now, how do we do it? We passed the housing bill. We first came there and we are going to propose again a series of credits and loans to insulate some 40 million homes. We have got industrial conservation in the mandatory conservation bill that passed this Senate 6 weeks to 2 months ago, now on the House side.

Yes, that automobile consumes 40 percent of every barrel of oil consumed, leaving, as the distinguished Senator points out, the additional 60 percent, or remaining 60 percent, so we are going after that remaining 60 percent in every way we know how.

We go after it with respect to Government buildings, we go after it with respect to electrical appliances. We just passed the labeling bill last Friday. We take each one of these steps as we go down.

It so happens that the distinguished Senator, if he had wandered onto this particular measure from the Public Works Committee or the Foreign Relations Committee and did not know what was going on in the country or did not know what was going on in the committee, I could understand his comment.

But this is a ranking senior member

on our Aviation Subcommittee of Commerce where the distinguished presiding officer serves along with us all, and the Senator from Michigan at the time raised that particular point, that we ought to bring it up and let us move the committee's attention from automobiles over to airplanes. We said to the Senator that we would go after that. It would probably be a little more cautious. A car can run out of gas, pull to the side, but an airplane is something we cannot fool around with. We have got to be absolutely positive there.

But in serving on that committee we would be glad to set up hearings and determine exactly how much conservation—as has been pointed out in the early part of the debate, the President provided $38 million for research and development in NASA—to try to effectuate fuel economy in the aircraft industry.

I am also on that subcommittee and we will get our attention to them. But the point is that we are after the main target; seven times more in that automobile than in that aircraft, only one-seventh as large as the aircraft consumption of petroleum fuels; and so it is that we are back now down to the automobile and that is my reaction to it.

I think, as the distinguished Senator has been candid enough to point out, even adopt this amendment I will still not vote for the bill, but if I can confuse and compound and keep talking like, ipso facto, I come from automobile country, namely, Detroit, then I can somehow impart the idea that I am standing here for the worker, which I say is false, false, false.

The worker cannot be better represented by his own United Auto Workers. His United Auto Workers endorses this bill 100 percent. The word used is enthusiastically, and they ask we not have any weakening amendments.

Again, that is my reply, respectfully, to my distinguished friend, that this is one intended to confuse. The Senator is not really trying for jobs, he is not really trying for conservation, he is trying to take his own automobile manufacturers' position and impose it on the majority will of this body similarly as they tried over on the House side, and they voted almost 3 to 1 for this particular measure.

With that, I think enough has been said. We will have to oppose it when it comes up, in regard to the matter of delaying the whole program for another year for the 1978 models.

If we can get enough of our colleagues to get the yeas and nays, I would be willing to yield back the remainder of my time.

Mr. President, I suggest the absence of a quorum with the time equally divided between both sides.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HOLLINGS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HOLLINGS. Mr. President, it is now our intent to discuss several amendments, but first we want to get the yeas and nays on the pending Griffin amendment and the yeas and nays on passage. I ask first for the yeas and nays on the Griffin amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. HOLLINGS. I ask for the yeas and nays on passage.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. GRIFFIN. Mr. President, will the Senator yield to me?

Mr. HOLLINGS. I yield.

Mr. GRIFFIN. I ask unanimous consent, Mr. President, that it be in order at this time to ask for the yeas and nays on a motion I shall make to commit the bill to the Committee on Finance.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Michigan? Without objection, it is so ordered.

Mr. GRIFFIN. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. HOLLINGS. Now, Mr. President, I ask unanimous consent to momentarily set aside the Griffin amendment to submit an amendment on behalf of our colleague the Senator from Minnesota (Mr. HUMPHREY).

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HOLLINGS. I send to the desk the Humphrey amendment, and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from Minnesota (Mr. HUMPHREY) proposes an amendment, at the end of the bill, to add a new title.

Mr. HOLLINGS. I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUMPHREY'S amendment is as follows:

At the end of S. 1883, add the following new title:

Title III—AMENDMENTS TO TITLE III OF MOTOR VEHICLE INFORMATION AND COSTS SAVINGS ACT

Section 301. (a) EXTENSION OF STATE PROGRAMS.—Subsection (b) of section 303 of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 1963(b)) is amended by deleting "June 30, 1976" in the second sentence and by inserting in lieu thereof "September 30, 1977".

(b) Section 311 of such Act is amended to read as follows:

"FUEL EFFICIENCY

SEC. 311. (a) The Secretary shall establish one, and no more than three, new special motor vehicle diagnostic inspection demonstration project to assist in the research, rapid development, and evaluation of advanced inspection, analysis, and diagnostic equipment suitable for use by the States in high volume inspection facilities designed to assess the safety, noise, emissions, and fuel efficiency of motor vehicles. Such project shall perform the inspections of motor vehicles for the purpose of evaluating the conditions of parts, components, and repairs (1) required to comply with State and Federal safety, noise, and emissions standards and (2) in order to assist the vehicle owner in achieving the optimum fuel and maintenance economy.

"(b) The Secretary shall evaluate the existing diagnostic analysis and test equipment available for use in the small automotive repair establishments and report to the Congress within 18 months after enactment of this section, as to the scope of research and development required to make this equipment compatible with the most costly and complex State vehicle inspection and diagnostic equipment. The report shall assess the extent to which private industry can meet the needs of the small automotive repair shops for low cost test equipment which can be developed to comply with the Federal safety, noise, and emissions performance standards promulgated by the Secretary, the Administrator of the Environmental Protection Agency, and by State or local regulatory agencies, and it shall contain recommendations on legislation designed to promote the development of such low cost test equipment for small automotive repair shops.

"(c) The Secretary shall within 18 months after the date of enactment of this section prepare and submit to the Congress and the President a comprehensive report setting forth findings and containing conclusions and recommendations with respect to an inspection and other possible programs designed to maintain and improve the fuel economy of motor vehicles throughout their useful life. Such report shall include, but not be limited to, an examination of the technical, economic, and administrative feasibility of the inspection and other programs; the fuel and cost savings that might be achieved if such programs were instituted; whether such programs if instituted should be voluntary or mandatory; who should administer such programs; and any other factor bearing on the cost and effectiveness of such programs. It shall also contain recommendations on legislation designed to achieve improved fuel efficiency in existing vehicles with a vehicle inspection program and with other programs which the Secretary shall evaluate pursuant to this section.

"(d) In complying with the provisions of this section, the Secretary shall consult with the Administrator of the Environmental Protection Agency."

(c) Section 321 of such Act is amended to read as follows:

"There are hereby authorized to be appropriated to carry out the provisions of this title $5,000,000 for the fiscal year ending June 30, 1976; $1,500,000 for the fiscal year transition period from July 1, 1976, through September 30, 1976; $7,500,000 for the fiscal year ending September 30, 1977; and $7,500,000 for the fiscal year ending September 30, 1978, to be used for the purpose of implementing section 311; such sums to remain available until expended.".

Mr. HOLLINGS. Mr. President, this amendment is to establish not more than three motor vehicle diagnostic inspection demonstration projects. It was heretofore authorized, and similar legislation has already passed the U.S. Senate. The Senator from Minnesota is now proposing that not more than three of these diagnostic inspection demonstration projects be instituted:

STATEMENT OF SENATOR HUMPHREY

Energy conservation is essential if we hope to break the stranglehold that high energy prices have placed on our economy. Many suggestions on how to increase the level of energy conservation in general and gasoline conservation in particular have surfaced since the 1973 oil embargo.

The Automobile Fuel Economy and Research and Development Act of 1975 (S. 1883), is one approach for fostering ever lower rates of gasoline consumption. This bill does two things. It establishes mandatory fuel economy performance standards for new automobiles and new light duty trucks. And it calls for, and creates, an extensive Federal effort in automotive research and development to make the internal combustion engine as efficient as possible, and to design alternative auto engines.

While S. 1883 provides an effective way to put more efficient cars and trucks on the road, it can be expanded to include the problem of what to do with the 100 million cars already there. It is, for example, impossible to conserve the large amounts of gasoline necessary to achieve a modicum of energy independence unless the cars we already drive are maintained at peak efficiency.

The Vehicle Emission Check Committee, which is based in Rhode Island, recently reported that we could save 3.8 billion gallons of gasoline annually if all cars now being driven were tuned properly. The savings figure rises to 4.6 billion gallons annually if our nation's 20 million light trucks are also included. That's equal to some 250,000 barrels of oil a day.

The Champion Spark Plug Company pointed out last year that just as some cars are gross pollution emittors, others are gross fuel wasters. Champion found that one in every thirty cars is wasting anywhere from 20% to 35% of its fuel.

Time Magazine observed similarly that the average car owner could save 75 gallons of gasoline each year simply by keeping his engine in tune.

This enormous potential for reducing our gasoline consumption with better tuned autos must be evaluated. The provisions in the Fuel Efficiency Amendment to S. 1883 cosponsored by Senator Humphrey and Senator Moss will call upon the Secretary of Transportation to make that evaluation.

It proposes a plan to maximize the efficiency of cars already in operation. The amendment empowers the Secretary of Transportation to establish a research and development program to develop diagnostic equipment for use by States in high volume auto inspection facilities. The diagnostic equipment can be used to determine how well a car is tuned, thus indicating the operating efficiency of the auto.

The second part of the amendment directs the Secretary to determine the quality level of the existing equipment used for diagnosing automobile operating efficiency. In addition, he will assess the degree to which private industry can meet the needs of small auto repair shops for such diagnosing equipment, and to what degree Federal assistance is necessary.

These two parts of my amendment are identical to provisions of S. 1518, which we passed back on June 5th, with the backing of the Senate Commerce Committee.

The new part and third part of my amendment directs the Secretary to evaluate and report to Congress within 18 months on programs to improve the fuel efficiency of *existing* autos.

The report is to include conclusions and recommendations with respect to auto tune-up inspection programs. The report will assess whether it would be economically feasible, for example, to require State motor vehicle inspection sites to test for operating efficiency.

These provisions will allow us to determine whether and how we should seek to capture at least a part of the potential 4.6 billion gallons of gasoline, that could be saved annually if we maintained our cars at peak efficiency.

The Fuel Efficiency Amendment broadens the scope of the Automobile Fuel Economy Act and makes it a comprehensive piece of legislation. With this amendment, then, we can at least potentially expect gasoline consumption savings from all cars, not just the new ones.

The PRESIDING OFFICER. Who yields time?

Mr. GRIFFIN. Mr. President, I yield back the time on our side.

Mr. HOLLINGS. I yield back the remaining time, and urge the adoption of the amendment.

The PRESIDING OFFICER. All remaining time having been yielded back, the question is on agreeing to the amendment of the Senator from Minnesota (Mr. Humphrey).

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. HOLLINGS. Mr. President, I ask unanimous consent that the Senate now return to consideration of the Griffin amendment.

The PRESIDING OFFICER. The pending question is on agreeing to the amendment of the Senator from Michigan (Mr. Griffin). Who yields time?

Mr. HOLLINGS. Mr. President, this is the amendment that relates to the year in which fuel economy standards are first to become effective. We will then also have a vote with regard to recommitting the bill, and then, if we do not recommit, a vote on passage?

Mr. GRIFFIN. That is correct. There will be a short discussion, perhaps, on the motion to recommit after we vote on this amendment.

I yield back the remainder of the time on this side.

Mr. HOLLINGS. I yield back the remainder of our time.

The PRESIDING OFFICER (Mr. Stevens). All remaining time having been yielded back, the question is on agreeing to the amendment of the Senator from Michigan (Mr. Griffin). On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. Bayh), the Senator from Mississippi (Mr. Eastland), the Senator from Indiana (Mr. Hartke), and the Senator from Minnesota (Mr. Humphrey) are necessarily absent.

I further announce that the Senator from Arkansas (Mr. Bumpers), the Senator from Kentucky (Mr. Ford), the Senator from Ohio (Mr. Glenn), the Senator from Colorado (Mr. Hart), the Senator from Kentucky (Mr. Huddleston), the Senator from Louisiana (Mr. Johnston), the Senator from Vermont (Mr. Leahy), the Senator from Utah (Mr. Moss), and the Senator from North Carolina (Mr. Morgan) are absent on official business.

I further announce that, if present and voting, the Senator from Minnesota (Mr. Humphrey), and the Senator from Vermont (Mr. Leahy) would vote "nay."

Mr. GRIFFIN. I announce that the Senator from Texas (Mr. Tower) is necessarily absent.

I also announce that the Senator from Arizona (Mr. Goldwater) is absent on official business.

The result was announced—yeas 27, nays 57, as follows:

[Rollcall Vote No. 283 Leg.]

YEAS—27

Allen
Bartlett
Bellmon
Brock
Buckley
Byrd,
  Harry F., Jr.
Curtis
Dole
Fannin
Garn
Gravel
Griffin
Hansen
Hart, Philip A.
Helms
Hruska
Laxalt
McClure
Percy
Roth
Scott,
  William L.
Stafford
Stevens
Taft
Talmadge
Thurmond
Young

NAYS—57

Abourezk
Baker
Beall
Bentsen
Biden
Brooke
Burdick
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cranston
Culver
Domenici
Eagleton
Fong
Haskell
Hatfield
Hathaway
Hollings
Inouye
Jackson
Javits
Kennedy
Long
Magnuson
Mansfield
Mathias
McClellan
McGee
McGovern
McIntyre
Metcalf
Mondale
Montoya
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Proxmire
Randolph
Ribicoff
Schweiker
Scott, Hugh
Sparkman
Stennis
Stevenson
Stone
Symington
Tunney
Weicker
Williams

NOT VOTING—15

Bayh
Bumpers
Eastland
Ford
Glenn
Goldwater
Hart, Gary W.
Hartke
Huddleston
Humphrey
Johnston
Leahy
Morgan
Moss
Tower

So Mr. Griffin's amendment was rejected.

Mr. HOLLINGS. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. PASTORE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HOLLINGS. Mr. President, I think that my distinguished colleague now has a motion to commit the bill to the Committee on Finance. I am willing to yield back the remainder of my time. The yeas and nays have been ordered. We are ready to vote on that, unless he wants to debate it further.

Mr. GRIFFIN. Mr. President, I send a motion to the desk and ask that it be considered.

The PRESIDING OFFICER. The motion will be stated.

The legislative clerk read as follows:

Motion by Mr. Griffin to commit the bill, S. 1883, to the Committee on Finance.

Mr. GRIFFIN. Mr. President, one of the very confusing and unfortunate aspects of trying to pass judgment on this legislation is that it is so closely related and dependent on what other committees are doing with regard to similar legislation. I have already spoken at some length, and will not go on any further, about the relationship of fuel economy to auto emission standards. We are asked in this bill to set mandatory standards for fuel economy for automobiles without waiting to see what the Senate or Congress is going to do with regard to emission standards. In my mind, that is absolutely ridiculous.

Beyond that, the Committee on Finance, is holding hearings on a House-passed bill that contains provisions similar to those in this bill.

It seems to me that any sensible energy program has to be considered as a whole, as a package. I can understand that Senators want to do something about fuel economy, but it needs to be taken in context with other aspects of our energy program.

This motion does not kill the bill. It is not designed to kill the bill. If it does not prevail, those who are against the bill will have a chance to vote for or against it on final passage. I should think that many Senators would want to have the opportunity to have this bill considered by the Committee on Finance along with the other energy legislation that it is now considering. So I give the Senate this opportunity to refer this bill to the Committee on Finance for its consideration.

Mr. HOLLINGS. Mr. President, I shall speak very briefly, and then we will be prepared to vote.

We have to oppose committing the bill to the Committee on Finance. Quite to the point, when we first started, we had days of hearings in the previous Congress. Many of the automobile fuel economy bills contained the feature of rebates to award the gas saver and excise tax provisions for the gas guzzler. This bill has deleted both. There is no rebate provision, there is no excise tax provision. There is no provision with respect to the automobile fuel economy provisions now at the desk in S. 1883 subject to the jurisdiction of the Committee on Finance.

What occurred on the House side, as everybody knows, is that they tried to do just that. In the Committee on Ways and Means, under Mr. ULLMAN, they tried to include an excise tax. It was rejected.

Then they finally came along with their own Commerce Committee bill, because they were being accused of having a marshmallow. To give some substance to all of their work, they included a fuel economy provision. If the chairman of the Finance Committee and other members report out a tax on a gas guzzler, then it will be a proper subject for consideration by the Senate.

We had 11 days of hearings. It has been considered by the Senate completely. The chairman of the Committee on Finance voted for the reporting of this particular bill. I think we should go ahead now. I think it is only a delaying tactic to withhold what we have all been asking for as a beginning for a program within Congress on conservation.

I oppose the motion. I shall not move to table it. I will give the gentleman an up-and-down vote on his motion. I hope that we will vote "no."

Is the Senator willing to yield back the remainder of his time?

Mr. GRIFFIN. I yield to the Senator from Wyoming.

Mr. HANSEN. Mr. President, the Committee on Finance has been considering H.R. 6860, the energy bill from the House, for some time. That bill establishes a set of auto efficiency standards, which are 18.5 miles per gallon for the 1978 model year, 19.5 miles per gallon for 1979, 20.5 miles per gallon for 1980, and 28 miles per gallon for 1985 and thereafter. Companies must meet the standards—or pay the penalties, discussed below—on their U.S. and foreign car production separately, with domestic production defined to include Canada. The Secretary of Transportation is to establish standards for the years 1981–84, and the 1985 standard can be changed by the Secretary subject to a one-House congressional veto. The bill imposes on any manufacturer who fails to meet these standards a civil penalty of $50 per car for each mile per gallon by which the manufacturer's sales-weighted "harmonic" fleet average gas mileage is below the standard. This penalty is not deductible under the Federal income tax. The Secretary of Transportation is also to establish separate standards for light-duty trucks, multipurpose passenger vehicles, and vehicles manufactured by companies that manufacture fewer than 10,000 vehicles per year. The civil penalty rules described above are also to apply to vehicles failing to meet these standards. The Secretary of Transportation also is to reduce the mileage standards to the extent necessary to take account of any more stringent auto emissions standards that are imposed in the future. Any manufacturer that exceeds the mileage standards by more than 0.5 miles per gallon for any one model year may carry back or carry over this excess for 1 year (thereby reducing the mileage standard for the year to which the excess is carried).

It seems to me that encompassed in the consideration of different issues by that committee very well are some of the concerns that are reflected in the bill now before us. I do not argue at all with the distinguished Senator from South Carolina as to the jurisdiction of the Committee on Commerce in this regard.

Instead of taking up each of these issues piecemeal, it seems that there might be some merit in an overall comprehensive approach that I think undoubtedly would result if it were to be referred to the Committee on Finance.

I can assure my good friend from South Carolina that the chairman of that committee (Mr. LONG) understands full well the concerns of the Senator from South Carolina.

I think further, that I am able to say that the work that has been done by this committee will be most helpful in permitting the Committee on Finance to draft language and a bill that will address the overall issue. The merit in that approach, I think, is obvious.

We have had a splintering of jurisdiction so that each of us, each committee—with respect specifically to the Committee on Interior and Insular Affairs, we have had bill after bill addressing the same subject and the same issue. Rather than continue that sort of effort on a hit and run basis, as we have been doing, the idea of trying to put together a comprehensive package has great appeal to me.

Mr. HOLLINGS. May I ask the Senator from Wyoming, does he mean a comprehensive package on automobile fuel economy?

Mr. HANSEN. That is precisely one of the subjects that is being considered now by the Committee on Finance. We have had testimony from the heads of the three largest automobile manufacturers in the country to this specific point. We have had testimony from Leonard Woodcock, president of the UAW, on this specific point. It will be dealt with.

I have to say that it is being done. My answer is "Yes."

Mr. HOLLINGS. The Senator's answer is "Yes." This is the comprehensive treatment on automobile fuel economy. The witnesses he has named have not only testified but are endorsing this particular bill.

Mr. HANSEN. Let me say this: The criticism or the fault rather that I find in dealing with one facet of the energy crisis or of our response to the energy crisis is precisely this effort here on the floor. It is important, I do not minimize that at all. I would point out to my good friend from South Carolina that while the automobile does constitute a very important use of petroleum, it does, as a matter of fact, only use 13 percent of all of the petroleum we consume in the United States.

While I do not minimize at all the importance of it, I would say that when you consider that the big cars, the gas guzzlers, constitute a small percentage of those cars, and the possibility of effecting economies is a small percentage, the fact remains that that is only one little tip of the iceberg. There are many other considerations as well.

Mr. GRIFFIN. Mr. President, will the Senator from Wyoming yield for this reference?

Mr. HANSEN. I would be happy to.

Mr. GRIFFIN. The president of the UAW, Mr. Woodcock, did testify this morning before the Committee on Finance, as has already been suggested. He did testify to this point and, notwithstanding the repeated statements that the UAW supports this bill, I want to point out that Mr. Woodcock this morning said, and I quote:

> The fact is we need additional knowledge to determine appropriate emission and fuel efficiency goals for the 1980's, and I have advocated Government action requiring research and development for auto manufacturers' demonstrated improvements in their production capabilities in order to provide the technological basis for studying such standards. In that regard I question whether the establishment of a fuel efficiency standard for 1985 models is justifiable at this time.

I want to point out that this bill before us now requires and sets fuel efficiency standards for 1985. So it certainly cannot be said that Mr. Woodcock supports this bill as it is now written.

Mr. HANSEN. If I may just make one observation, and then I would be happy to yield to my good friend from Nebraska, I misspoke myself, Mr. President. I said the automobile consumed 13 percent of our petroleum supplies. I am in error. My good friend, the Senator from Tennessee (Mr. BROCK) has called my attention to the fact that the automobile consumed 30 percent. It consumes 13 percent of the total amount of energy that we use in the United States. But in terms of petroleum exclusively the figure should have been, and I thank my good friend from Tennessee, Mr. BROCK, for correcting the error that I made when I spoke on that point, it should be and it is 30 percent.

I am very happy to yield to the Senator from Nebraska.

Mr. **CURTIS**. It would be my hope that the Senator from South Carolina would agree to this motion to commit.

When we had a hearing this week, one member of the committee questioned at length the Treasury witnesses about the tax which deals with this same problem of cars that use a great deal of gasoline.

Within the last hour I received a "Dear Colleague" letter from a distinguished Senator on the other side of the aisle asking me to cosponsor or to join in a letter asking for cosponsors of a proposal that would use the tax method to identify cars that consume too much gasoline.

I am not critical of any committee for defending its jurisdiction. I am thinking of the people back home, and I am thinking of those people who have a responsibility in our industry and in our business world, of how they can comply with all the multiplicity of laws that we write in reference to energy.

If there is a desire not to refer this particular bill to the Finance Committee, I think that is all right. But, as an alternative, they should hold up the measure until the appropriate committee had an opportunity to explore the use of a tax disincentive to bring out these things.

I am not suggesting that I would favor what the Finance Committee would produce. I do not know what they would produce, but I do think we owe to the people of the country the duty of not passing a different energy bill here every week just to be passing something, just to have our input.

I believe the committee should cooperate on this, and so I hope the Senate will not take the step of passing their bill until the Finance Committee has had a chance to go into the tax angle of it.

Mr. **HOLLINGS**. Mr. President, the committee report is before each Member. On page 36 Senators will see referred there on motion to delete the rebates and penalty provisions the vote was 14 to nothing. We voted unanimously in Commerce to do away with rebates and penalty provisions. Had we retained any of those type provisions it could well have been within the jurisdiction of the Finance Committee.

Additionally, on that same page, of course, the distinguished Senator from Louisiana (Mr. Long), chairman of the Finance Committee, voted to report this bill favorably.

I do not want to inject this unnecessarily into this particular debate, but, obviously, everyone knowing the Senator from Louisiana, of his capability, and knowing of his keen sense of responsibility, if he thought we were doing this in piecemeal fashion he would have been the first to raise that particular point.

What would be piecemeal is taking a bill that the distinguished Senator from Wyoming does not contest is within our jurisdiction primarily, and taking a bill that is primarily within its jurisdiction, having had 11 days of hearings, having it considered by two Congresses, and having Congress generally berated for not dealing with conservation, and when it comes up saying, "No, not now, delay it."

Even the distinguished Senator from Michigan, who now makes a motion, had not even thought of that until a few minutes ago because he and I were talking pretty much during the day about the various amendments and various particular things to be considered.

Now it is true we have got a matter of insulating homes, we have got conservation within industries, we have got electrical appliances labeling that has passed; we have many other measures concerning coal and railroads, and all of these particular measures are going to have to be considered as they are reported by the different committees, by Public Works on emissions; as they are reported by Interior with respect to offshore drilling; as they are reported in the housing bill by Banking, Housing and Urban Affairs.

This deals in a comprehensive way on the one subject of automobile fuel economy and, as I have just reported, not a single Senator of our committee had in mind the inclusion of rebates or the inclusion of penalties.

We do not have any pending amendments that would say, "Let us amend the bill with respect to a penalty or a particular rebate."

If they report from the Finance Committee such a bill it would probably be within its jurisdiction and we would not be asking that it be referred over to Commerce. But this, in my opinion, is a delaying motion.

I would be glad to withhold the remainder of my time and yield to the Senator from Tennessee.

Mr. **BROCK**. Mr. President, I just wanted to say that I intend to support this amendment not so much because I am worried about jurisdiction, but I am so deeply frustrated by the inability of this Congress to deal with, in a comprehensive fashion with, a very comprehensive problem.

I do not know what it takes. It is true we have got a massive energy problem in sum total, and yet we continue to allow a fragmentation of jurisdiction, of coverage of interests, and of approaches, none of which has any relationship to the other.

I do not know that the Finance Committee has any special talent. I agree with the Senator from Wyoming, who has had the testimony. I do not believe we have any more competence than the Commerce Committee has to deal with it, but I do not think we can continue to defraud the American people by telling them we are coming up with energy bills when, in fact, those bills that are coming out are competing with each other. They are not complementary, they are not coherently drawn, they are not cogent, and they are not run through a fulcrum to synthesize a program that spreads across the vast bulk of this entire Nation of ours.

Each committee has its nice little jurisdiction and each committee is jealously guarding that jurisdiction to protect its turf.

I just cannot believe that we will refuse to come to grips with a fundamental problem regarding the Senate itself, and our lack of will, or ability, or something, to face up to a basic question as to our ability to function on a coherent, broad basis.

The Senator from Illinois and I have had legislation before this body for a year and a half now to study the committee system. We cannot even get that resolution passed to study the problem.

So, we continue to come up with bills like this that deal with one nibbling bit of the problem.

Sure, there are a lot of gasoline gallons involved, but we are dealing with it in the most backward, back-handed, incredible fashion that I have seen in my life.

We pass the list saying whether we have the technology to do it rather than understanding the marketplace has greater incentives than Congress, always has, always will.

We need to use the strength of the system rather than destroying it, but we do not do that. We say, well, this is in this jurisdiction, we have got jurisdiction in Finance, somebody else in Interior, somebody else in Agriculture, Banking, or whatever.

We have yet to face up to a fundamental question of whether or not we will, as a mandate the American people have given us to deal with the problem, that takes 200 million American citizens.

Mr. **DOMENICI**. Mr. President, will the Senator from South Carolina yield?

Mr. **HOLLINGS**. Yes, I yield such time as necessary.

Mr. **DOMENICI**. I shall not let the Senator down because I am not going to support my distinguished friend, but I want to tell him why and I want to, for the first time, express some views about what is happening to us.

If the Senator from Michigan had proposed that all energy matters before the U.S. Senate be deferred for a time certain, let us say 3 weeks, and that none come here until we have them all, at least all those that are pending, from Senator Randolph's coal conversion bill, to the bill we have in Public Works on the Clean Air Act, to this one, to the bill over before Finance, if we had them all here for 2 or 3 weeks—we have cliches in our country—if we have energy week in the Senate, or energy month in the Senate, and all these committees that have their bills, let them complete them and let the leadership tell them they are through with them by a certain date, and then let somebody write a master report relating one to the other, then let the distinguished Senator bring this one here and let us understand it in relationship to Senator Muskie's which will come here on clean air, and then that also involves coal conversion, so we would know what we are doing when we get to Senator Randolph's 1777 bill on coal conversion, and then we would get Senator Long's bill that comes here on Ways and Means, then it seems he would get my support.

But of all the bills that we have to consider as far as the first portion of this bill, it is rather innocuous standing on its own. It has got appropriate exceptions to take care of what we do in clean air.

But I rise in a sense of frustration also because it appears to me that every committee ought to be inquiring, before it brings these bills to the floor, what bills are pending in the other committees that are about to be reported out that have inconsistencies, that have another approach to solving the American energy problem.

But we are not doing that. We are from now until August 1 bent on a new kind of schedule. We are going to get every other energy bill here, but it is going to defy the 100 Members of this body, with the excellent staffs, to relate one to another for their own conflicting approaches.

There is still the nuclear issue to be considered versus coal. There is coal versus natural gas. There is the coal slurry. There is natural gas to be made out of coal. All competing, one with another, in the jurisdictional dominance of the various committees.

I do not rise to argue about the jurisdiction for perhaps that is the way we have to go at it for the time being, and I do not think we can have our committee to handle it all. I think that is Utopia. We cannot get it done in the middle of a crisis.

But it seems to me, whether I am but a voice crying in the wilderness, perhaps I will cry every day, but we are not going to get an energy policy in this Congress just because we decide we are off Wyman for awhile and every other day we will bring a new energy bill here, unless we figure out a procedure and we are smart enough to do it without destroying the committees, to bring a number of them here with some reports that relate one to another, some reports rendered perhaps by the Democratic side's Energy Policy Committee. Maybe we could appoint some, maybe they could review each bill as it relates one to another to give us one master report, if 8 or 10 bills come up, one after another, with one master study or one kind of super study that at least relates.

I can say to my distinguished friend from South Carolina that I do not think we are going to have enormous conflicts on this one. I think it is good it comes up today. But I can predict for the Senator that the Clean Air Act versus the Coal Conversion Act versus Senator PEARSON's 692, or his substitute to 692 on natural gas versus Senator LONG's bills in Ways and Means, there is going to be more conflict by the time they hit the desk of the President, even after conference, that he is going to be justified in vetoing them all.

We are going to find that in one instance we are hellbent to produce more natural gas. In another, we are not sure whether we ought to convert to coal. In another, nondegradation of clean air areas of our country. No one will know where we are by August 1.

I thank my distinguished friend for yielding a few moments of time.

Mr. HOLLINGS. I thank my distinguished friend from New Mexico (Mr. DOMENICI) on his very cogent and persuasive statement, and I agree also with the Senator from Tennessee (Mr. BROCK).

If we could refer this bill to the Finance Committee and solve what bothers these two gentlemen and also bothers me, I would be moving to do that.

There is no way. Sending this bill to the Finance Committee will not solve that problem.

Mr. DOLE. Mr. President, I favor the motion to recommit S. 1883, the Automobile Fuel Economy and Research and Development Act of 1975, to the Senate Committee on Finance.

That committee is currently holding hearings and will begin markup within the next few days on H.R. 6860, the Energy Conservation and Conversion Act of 1975. Title II of that legislation includes provisions which establish mandatory auto fuel standards almost identical to those contained in S. 1883. Since the need for comprehensive, integrated energy conservation legislation is apparent, it would seem wise to give the Finance Committee maximum flexibility in shaping a well-coordinated energy package.

The Finance Committee has already heard from several witnesses on the issue of auto fuel efficiency standards. In light of these facts, I would urge the Senate to defer action on isolated pieces of energy legislation so that the Finance Committee can consider auto fuel standards along with alternative energy conservation proposals.

Mr. HOLLINGS. I am glad to yield back the remainder of my time if the Senator from Michigan is.

Mr. GRIFFIN. I yield back my time.

The PRESIDING OFFICER. All time has expired or the time is yielded back. The question is on agreeing to the motion of the Senator from Michigan to commit. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Indiana (Mr. HARTKE), the Senator from Mississippi (Mr. EASTLAND), and the Senator from Minnesota (Mr. HUMPHREY) are necessarily absent.

I further announce that the Senator from Arkansas (Mr. BUMPERS), the Senator from Kentucky (Mr. FORD), the Senator from Ohio (Mr. GLENN), the Senator from Colorado (Mr. HART), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Louisiana (Mr. JOHNSTON), the Senator from Vermont (Mr. LEAHY), the Senator from North Carolina (Mr. MORGAN), and the Senator from Utah (Mr. MOSS) are absent on official business.

I further announce that, if present and voting, the Senator from Minnesota (Mr. HUMPHREY) and the Senator from Vermont (Mr. LEAHY) would vote "nay."

Mr. GRIFFIN. I announce that the Senator from Texas (Mr. TOWER) is necessarily absent.

I also announce that the Senator from Arizona (Mr. GOLDWATER) is absent on official business.

The result was announced—yeas 25, nays 59, as follows:

[Rollcall Vote No. 284 Leg.]

YEAS—25

Baker
Bartlett
Beall
Bellmon
Brock
Buckley
Curtis
Dole
Fannin
Fong
Garn
Gravel
Griffin
Hansen
Helms
Hruska
Laxalt
McClure
Packwood
Roth
Scott, William L.
Stafford
Stevens
Thurmond
Young

NAYS—59

Abourezk
Allen
Bentsen
Biden
Brooke
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cranston
Culver
Domenici
Eagleton
Hart, Philip A.
Haskell
Hatfield
Hathaway
Hollings
Inouye
Jackson
Javits
Kennedy
Long
Magnuson
Mansfield
Mathias
McClellan
McGee
McGovern
McIntyre
Metcalf
Mondale
Montoya
Muskie
Nelson
Nunn
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Schweiker
Scott, Hugh
Sparkman
Stennis
Stevenson
Stone
Symington
Taft
Talmadge
Tunney
Weicker
Williams

NOT VOTING—15

Bayh
Bumpers
Eastland
Ford
Glenn
Goldwater
Hart, Gary W.
Hartke
Huddleston
Humphrey
Johnston
Leahy
Morgan
Moss
Tower

So the motion to commit was rejected.

Mr. HOLLINGS. Mr. President, I move to reconsider the vote by which the motion to commit was rejected.

Mr. MANSFIELD. I move to lay the motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER (Mr. HATHAWAY). The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 1883) was orded to be engrossed for a third reading, and was read the third time.

ADDITIONAL STATEMENTS ON S. 1883

Mr. HANSEN. Mr. President, the bill that is before the Senate today, according to its sponsors, has been proposed as a measure to promote energy conservation.

Last Thursday we had a witness before the Senate Finance Committee, which is holding hearings on this same subject, who pointed out how little energy can be conserved by regulating the automobile. He said that all automobiles on the road use about 30 percent of all petroleum consumed. There are about 100 million cars on the road today and about 10 percent of these are new each year. Therefore, if 10 percent are new, the regulations proposed under S. 1883 would apply in the first year to those automobiles using only 3 percent of petroleum consumed. This witness indicated that the improvements on these cars which use only 3 percent of the fuel would be somewhere around 5 percent. We can see from this that the amount of petroleum that would be saved by this bill would be very small indeed. Furthermore, since the automobile consumes only 13 percent of all energy consumed in this country, the overall energy savings would be even less.

Now that we have looked at what the savings would be, let us look at what the costs of this legislation would be. In the first place, the requirements of this bill, which include a standard of 28 miles per gallon by 1985, would have a damaging effect on the tourism industry which is especially important to my State.

Why is this so? Cars which would average 28 miles per gallon—and this is on the EPA test procedure which combines city and rural driving—would not be the kind of cars families could use for vacation trips—for pulling campers and for comfortable, safe driving. It is my understanding from the hearings we have had in the Finance Committee that the kind of cars available to the American public under this bill would be the very small subcompact—a four passenger, low-powered car with little or no luggage carrying capacity.

There is a place for these small cars and again, in hearings underway in Finance Committee, manufacturers have indicated that they are planning to build these kinds of cars which will compete directly with the foreign imports. However, it is highly unlikely that these minicars will satisfy the needs of all Americans. For example, around 23 percent of all American families have five or more members. I do not think that the U.S. Congress wishes to make it impossible for families to travel together by, in effect, outlawing the cars they need for that purpose.

Another factor which must be considered is safety. While small cars perform well when properly used, it is a fact that they are not as safe as the larger vehicles. This is a simple matter of physics. In a report from the Department of Transportation to a subcommittee in the House in support of a 19.6 miles per gallon goal, that Department estimated that there would be "approximately 9 percent fewer fatalities in unbelted accident cases because the average car weight—at 19.6 miles per gallon—is 260 pounds more than the 3,400 pound average weight needed to attain 22.2 miles per gallon." This illustrates the importance of vehicle size to safety. I ask unanimous consent that a report on that study by DOT may be included at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. HANSEN. Mr. President, it appears to me that the Congress needs to study in much more depth the possible impact of this proposed law before adopting it. Several executive branch agencies and departments, including DOT, FEA, and EPA are currently engaged in an extensive study of automobile fuel efficiency requirements for the years ahead. This report is due at the beginning of next year. It would seem prudent for the Congress to defer its action on fuel economy regulations until the results of this study are available.

A delay in passing another set of complex, controversial regulations does not mean a delay in achieving better fuel efficiency in automobiles. I am sure every Member of this body is familiar with the intensive advertising by U.S. auto makers of new models on the basis of their improved fuel economy. Furthermore, the manufacturers have pledged to the President that they will improve overall fuel economy by 40 percent by 1980. Their customers are demanding this increased fuel efficiency and we should not attempt to interfere with the process with more and more regulations. I urge that S. 1883 not be approved.

Exhibit 1

The following material is supplied as requested to clarify the reasons why DOT chose 19.6 miles per gallon for the Voluntary Fuel Economy Program rather than the apparently feasible 22.2 miles per gallon discussed on page 36 and given in Figure 1 of the joint DOT/EPA report "Potential for Motor Vehicle Fuel Economy," October, 1974.

From the text, prior to page 36 of the Report, it is apparent that the emission standards for the quoted mileage are not assumed to be the statutory standards. The projections are based on standards of 1.5 grams per mile of HC, 15 grams per mile of CO and 3.1 grams per mile of NOx. These are the statutory standards for model year 1975.

On the question of whether the emission standards indicated in the footnote on pages 8 and 9 of the joint DOT/EPA report were assumed in arriving at the projections of Figure 1, the footnote was only informational. It was not a basis for the study and the report. The footnote was only added to indicate the regulatory situation at the time of the report. It was agreed at the outset that a range of emission standards would be investigated. The projections of Figure 1 are the maximum feasible limit.

The report also states that it is technically feasible by 1980 to make a maximum shift to a sales mix of 10 percent large-sized cars, 50 percent medium-sized cars, and 40 percent small-sized cars. The auto industry would, by that time, have the capacity to make such a shift. However, it was considered that consumer buyer preferences would not support that strong a shift to the smaller cars.

As a result, it was decided to set a goal of 40% yielding 19.6 miles per gallon for 1980 with emission standards of 0.9 grams per mile of HC, 9 grams per mile of CO, and 3.1 grams per mile of NOx, at the same time, planning for a fleet mix of 20 percent large cars, 45 percent medium cars and 35 percent small cars with the larger and medium cars significantly improved in fuel economy. It was felt that consumer buying preferences would support this mix.

This choice fleet mix also has the advantage of approximately 9 percent fewer fatalities in unbelted accident cases because the average car weight is 260 lbs. more than the 3,400 lb. average weight needed to attain 22.2 miles per gallon.

In conclusion, 19.6 miles per gallon was chosen as being more attainable primarily as a result of consumer preferences, but it has the additional advantage of improved safety and emission standards.

Mr. CRANSTON. Mr. President, I commend the Commerce Committee for reporting to the Senate an excellent measure to establish mandatory fuel economy performance standards for new cars and light duty trucks and to establish a research and development program in search of advanced automotive power systems.

I also commend my colleague from California (Mr. TUNNEY) for his contribution to this bill. Title II of S. 1883 is substantially the same as a bill he introduced over 2 years ago. It creates within the Department of Transportation an automotive research and development program to develop production prototypes of advanced automobiles which can achieve high fuel efficiency while complying with Federal emissions and safety standards.

Title I of S. 1883 adds a new title V to the Motor Vehicle Information and Cost Savings Act which would establish mandatory fuel economy standards to be enforced by the Department of Transportation. By 1980, the bill requires a 50-percent improvement in average fuel economy over 1974 models. A 100-percent improvement would be the goal in 1985. Mandatory fuel economy standards would also be established, at levels determined by the Secretary of Transportation, for light duty trucks.

The standards would apply to a manufacturer's average annual production, leaving to the manufacturer maximum flexibility in determining how to meet the standards. Civil penalties would be imposed on manufacturers who fail to achieve these standards, but such penalties could be waived or modified as determined by the Secretary of Transportation. A fuel economy labeling program for new cars and new light duty trucks would also be established by S. 1883.

Mr. President, the achievement of improved automotive fuel economy is a major cornerstone of a sensible national energy policy. The automobile is the single largest user of petroleum products, accounting for some 40 percent of total national consumption. Unless we can significantly reduce the energy requirements of new automobiles, we will be merely chasing our tails in pursuit of a solution to our energy problems.

In 1974, new cars averaged 14 miles per gallon. A 50-percent increase for new model cars in 1980 would bring this average up to 21 miles per gallon, and the 1985 goal of a 100-percent improvement would bring average miles per gallon up to 28.

Numerous Government and private studies have concluded that the goal of 21 miles per gallon for 1980 model year automobiles can be achieved without sacrificing our current statutory emission standards for hydrocarbons and carbon monoxide, and probably without a relaxation of our oxides of nitrogen standards. In fact, EPA has stated in its February 1975 report entitled, "Automobile Emission Control—The Technical Status and Outlook as of December 1974," that "there is no inherent relationship between exhaust emission standards and fuel economy." In short, Mr. President, given an adequate commitment on the part of the manufacturers to meet these moderate fuel economy standards, the bill's goal of 21 miles per gallon by 1980 can be achieved without sacrificing our clean air goals.

The 1985 goal of 28 miles per gallon is probably achievable, but such achievement is less certain than the 1980 standard. Accordingly, S. 1883 provides the Secretary of Transportation the authority to adjust the 1985 goal as late as 1982, provided Congress consents. Whether or not we are able to achieve this laudable goal by 1985, in my opinion, will depend in large part upon the success of the research and development program established under title II of S. 1883, as well as on the good faith efforts of the automobile manufacturers.

Mr. President, it is clearly in the national interest to reduce in the shortest possible time the energy requirements of new automobiles. That this can be achieved without any substantial sacrifice of our efforts to improve air quality is encouraging. I urge the Senate to pass this bill.

Mr. MUSKIE. Mr. President, I support the pending legislation to require auto manufacturers to improve motor vehicle fuel economy. I know of no alternative to a legislative mandate to the auto manufacturers. As chairman of the Subcommittee on Environmental Pollution, I have watched the auto industry delay, ignore, and defeat efforts to improve auto exhaust emissions. Only a statutory mandate has kept that industry on a course toward developing the clean car and even that mandate has been only partially successful.

Voluntary agreements with auto manufacturers have proved to be a poor substitute for a mandated public policy articulated in legislation and backed up by administrative and judicial processes.

Mr. President, much talk has occurred about the relationship between auto exhaust emissions and fuel economy. The auto industry would have us believe that dirty cars are efficient cars and that clean cars get poor fuel economy. And, there is a body of evidence that shows that the choices of technology to power cars and clean exhausts have had an adverse impact on efficiency.

But, it is false to say that fuel economy and clean air are incompatible. Given the proper choices of technology, the proper sizing of cars, the proper sizing of engines, the proper selection of options and advanced technological applications to component parts, this country can have a very clean and highly efficient personal transportation vehicle. The question is not whether the fuel economy and emissions are compatible technologically or economically, but whether or not our auto manufacturers will agree to make needed adjustments in the way they do business to provide the American consumer with that kind of car.

Mr. President, it may be that the past failures of our industry, combined with current energy shortages and competitive pressures from abroad, will make difficult, if not impossible, these adjustments on a time schedule which is acceptable to the American people.

The Subcommittee on Environmental Pollution has examined this question with some care. On the basis of the very best evidence that is available from the Environmental Protection Agency, the Department of Transportation, the Federal Energy Administration, and the National Academy of Sciences, I am satisfied that major fuel economy cars can be made while maintaining most, if not all, of our auto emission objectives.

The most important thing that we in the Congress must do is establish, at the earliest possible date, the requirements and timetables for both fuel economy and emissions so that the industry can gear its efforts to meet those societal demands.

Cognizant of this objective, the Subcommittee on Environmental Pollution has scheduled an exhausting series of clean air markup sessions to resolve clean air issues and to provide the certainty that is needed for those who relate environmental requirements to energy and economic needs.

Mr. President, we met today at 8 a.m. We will meet tomorrow and Thursday at 8 a.m. And, we will meet Wednesday in the evening after the Senate session. We will continue to meet morning and night until the subcommittee at least has completed a bill. We will hope to have a bill reported to the Senate before the August recess so that all committees working on related issues can make their decisions accordingly.

Mr. President, this is a difficult schedule but these are difficult times. We on the Subcommittee on Environmental Pollution are committed to it. We hope that our colleagues in the Senate will support us in our actions.

Mr. BUCKLEY. Mr. President, the additional views that the Senator from Michigan (Mr. GRIFFIN) introduced pointed to some of the fatal defects in the legislation that have not been corrected. There is no possible way that a manufacturer can determine the exact "mix" of product sales. Therefore, there is no way for an automobile manufacturer operating in entire good faith to avoid the possibility of punitive fines. This is an elementary factor of fair treatment. Accordingly, I shall vote against the bill.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Mississippi (Mr. EASTLAND), the Senator from Indiana (Mr. HARTKE), and the Senator from Minnesota (Mr. HUMPHREY) are necessarily absent.

I further announce that the Senator from Arkansas (Mr. BUMPERS), the Senator from Kentucky (Mr. FORD), the Senator from Ohio (Mr. GLENN), the Senator from Colorado (Mr. HART), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Louisiana (Mr. JOHNSTON), the Senator from Vermont (Mr. LEAHY), the Senator from North Carolina (Mr. MORGAN), and the Senator from Utah (Mr. MOSS) are absent on official business.

I further announce that, if present and voting, the Senator from Minnesota (Mr. HUMPHREY), the Senator from Vermont (Mr. LEAHY), and the Senator from North Carolina (Mr. MORGAN) would each vote "yea."

Mr. GRIFFIN. I announce that the Senator from Texas (Mr. TOWER) is necessarily absent.

I also announce that the Senator from Arizona (Mr. GOLDWATER) is absent on official business.

The result was announced—yeas 63, nays 21, as follows:

[Rollcall Vote No. 285 Leg.]

YEAS—63

Abourezk
Baker
Beall
Bentsen
Biden
Brooke
Burdick
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cranston
Culver
Domenici
Eagleton
Fong
Hart, Philip A.
Haskell
Hatfield
Hathaway
Hollings
Inouye
Jackson
Javits
Kennedy
Long
Magnuson
Mansfield
Mathias
McClellan
McGee
McGovern
McIntyre
Metcalf
Mondale
Montoya
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Stafford
Stennis
Stevens
Stevenson
Stone
Symington
Taft
Talmadge
Tunney
Weicker
Williams

NAYS—21

Allen
Bartlett
Bellmon
Brock
Buckley
Byrd, Harry F., Jr.
Curtis
Dole
Fannin
Garn
Gravel
Griffin
Hansen
Helms
Hruska
Laxalt
McClure
Scott, William L.
Sparkman
Thurmond
Young

NOT VOTING—15

Bayh
Bumpers
Eastland
Ford
Glenn
Goldwater
Hart, Gary W.
Hartke
Huddleston
Humphrey
Johnston
Leahy
Morgan
Moss
Tower

So the bill (S. 1883) was passed, as follows:

S. 1883

An Act to conserve gasoline by directing the Secretary of Transportation to establish and enforce mandatory fuel economy performance standards for new automobiles and light duty trucks, to establish a research and development program leading to advanced automobile prototypes, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—AUTOMOBILE FUEL ECONOMY

SEC. 101. This title may be cited as the "Automobile Fuel Economy Act of 1975".

SEC. 102. The Motor Vehicle Information and Cost Savings Act (15 U.S.C. 1901 et seq.) is amended by adding at the end thereof the following new title:

"TITLE V—FUEL ECONOMY

"SHORT TITLE

"SEC. 501. This title may be cited as the 'Automobile Fuel Economy Act'.

"DECLARATION OF POLICY

"SEC. 502. (a) FINDINGS.—The Congress finds that—

"(1) Automobiles are the single largest and most significant user of petroleum products.

"(2) The amount of fuel required for automobile and light duty truck transportation could be substantially reduced through technologically feasible improvements in automobile and light duty truck fuel economy.

"(b) PURPOSE.—It is therefore declared to be the purpose of the Congress in this title—

"(1) to assure, to the maximum extent practicable, that manufacturers of automobiles and light duty trucks reduce the amount of fuel consumed by new automobiles and light duty trucks per mile traveled without reducing standards for safety, damageability, or environmental quality; and

"(3) to increase the industrywide average fuel economy for new automobiles to achieve at least a 50-percent improvement in such average by model year 1980, and at least a 100-percent improvement in such average by model year 1985, over the model year 1974 industrywide average fuel economy level of 14 miles per gallon.

"DEFINITIONS

"SEC. 503. As used in this title, the term—

"(1) 'Administrator' means the Administrator of the Environmental Protection Agency;

"(2) 'automobile' means a four-wheeled vehicle propelled by fuel which is manufactured primarily for use on the public streets, roads, and highways, except any vehicle operated exclusively on a rail or rails, and which has as its primary intended function the transportation of not more than ten individuals. The term does not include any vehicle manufactured for export, and exported, from the United States;

"(3) 'average fuel economy' means an harmonic average of fuel economy weighted on the basis of automobiles manufactured, or light duty trucks manufactured, as appropriate. As used in this paragraph, 'harmonic average of fuel economy weighted on the basis of automobiles manufactured, or light duty trucks manufactured, as appropriate,' means the total number of automobiles or light duty trucks, as appropriate, manufactured for sale in the United States in a given model year by a manufacturer and its affiliates, divided by a sum of terms, each term of which is a fraction created by dividing the number of automobiles of a given model type produced in a given model year by the fuel economy measured for each particular model type, as determined by the Administrator;

"(4) 'dealer' means any person engaged in the business of selling new automobiles or new light duty trucks, as appropriate, to purchasers who buy for purposes other than resale;

"(5) 'fuel' means gasoline and diesel oil;

"(6) 'fuel economy' refers to the average number of miles traveled in representative driving conditions by an automobile or light duty truck per gallon of fuel consumed, as determined by the Administrator in accordance with test procedures established by rule. Such procedures shall require that fuel economy tests be conducted in conjunction with emissions tests mandated by section 206 of the Clean Air Act, as amended (42 U.S.C. 1857f–5);

"(7) 'light duty truck' means any motor vehicle rated at 6,000 pounds gross weight or less which (A) is designed primarily for purposes of transportation of property including a derivative of such a vehicle, or (B) has special features modifying such vehicle for predominant offstreet or off-highway operation and use. The term does not include any vehicle manufactured for export, and exported, from the United States:

"(8) 'manufacturer' means a manufacturer or an importer of automobiles or light duty trucks;

"(9) 'manufactured' includes imported;

"(10) 'model type' means a particular class of automobile or light duty truck, as defined by the Secretary in close consultation with the Administrator;

"(11) 'model year', with reference to any specific calendar year, means the manufacturer's annual production period (as determined by the Administrator) which includes January 1 of such calendar year. If the manufacturer has no annual production period, the term 'model year' shall mean the calendar year; and

"(12) 'retrofit device' means any component, equipment, or other device that is designed to be installed in a motor vehicle (as an addition to, as a replacement for, or through alteration or modification of, any existing component, equipment, or other device) for the purpose of prolonging the useful life of lubricating oils, increasing the fuel economy and/or improving the exhaust emissions of such vehicle.

"MINIMUM FUEL ECONOMY PERFORMANCE STANDARDS

"SEC. 504. (a) ESTABLISHMENT.—(1) Not later than July 1, 1975, the Secretary, in consultation with the Administrator and the Administrator of the Federal Energy Administration, shall establish, by rule pursuant to section 553 of title 5, United States Code, minimum average fuel economy performance standards for automobiles that are manufactured in each of the model years from 1977 through 1985. The standards, which shall be equally applicable to each manufacturer, shall be set for each such model year at a level which the Secretary determines is the maximum feasible such level and which is high enough to result, by model year 1980, in an industrywide average fuel economy level which represents at least a 50-percent improvement over the industrywide average fuel economy level for model year 1974. Such standards shall be set at a level which is high enough to result, by model year 1985, in an industrywide average fuel economy level which represents at least a 100-percent improvement over the industrywide average fuel economy for model year 1974. Such standards shall be designed in such a manner as to result in steady progress toward the achievement of such improvement goals for model years 1980 and 1985.

"(2) Not later than August 1, 1975, the Secretary, in consultation with the Administrator and the Administrator of the Federal Energy Administration, shall establish, by rule pursuant to section 553 of title 5, United States Code, minimum average fuel economy performance standards for light duty trucks that are manufactured in each of the model years from 1977 through 1985. The standards, which shall be equally applicable to each manufacturer, shall be set for each such model year at a level which the Secretary determines is the maximum feasible such level.

"(3) In establishing standards under this subsection the Secretary shall take into account the impact of other Federal standards applicable to automobiles and to light duty trucks, as appropriate.

"(4) The Secretary may, by rule promulgated pursuant to section 553 of title 5, United States Code, exempt from the requirements of standards promulgated under this subsection any manufacturer who manufactures not more than 10,000 automobiles per model year if (A) such automobiles are sold predominantly for commercial use; (B) such exemption will not significantly detract from the goals specified in paragraph (1) of this subsection; and (C) such exemption is necessary to avoid an unreasonable burden on such manufacturer. Whenever such an exemption is granted to a manufacturer, the Secretary shall simultaneously establish and promulgate for such manufacturer alternate standards which shall represent the maximum feasible level of fuel economy for such manufacturer for the term of such exemption.

"(5) The Secretary shall, not later than January 1 of each calendar year beginning in 1976, make a review of the standards which are applicable to future model years. The Secretary shall publish the results of each such review in the Federal Register. The review required to be made by January 1, 1979 shall include a comprehensive analysis of the program required by this title. Such analysis shall include an assessment of the ability of the Nation to meet the industrywide average fuel economy requirement for 1985, as specified in paragraph (1) of this subsection, and any legislative recommendations the Secretary might have for improving the program required by this title.

"(6) Any average fuel economy performance standard promulgated under this subsection and any amendment thereto which would change the fuel economy required in a given model year, shall be promulgated at least 18 months prior to the beginning of the model year with respect to which such standard or amendment is applicable, except that the standard applicable to model year 1977 shall be promulgated at least 12 months prior to the beginning of such model year.

"(b) AMENDMENT AND MODIFICATION.—(1) The Secretary may, from time to time, upon the basis of new information, amend, modify, or revise any average fuel economy performance standard established under subsection (a) of this section. No such amendment, modification, or revision is authorized if it would reduce such a standard below the minimum level necessary to meet the improvement goals for model years 1980 and 1985, as specified in subsection (a)(1) of this section, or as modified pursuant to paragraph (2) of this subsection.

"(2) If the Secretary finds—

"(A) in the course of the review required to be made by January 1, 1977 or prior thereto, that the improvement goal for model year 1980, as specified in subsection (a)(1) of this section; or

"(B) in the course of the review required to be made by January 1, 1979 or by January 1, 1982, that the improvement goal for model year 1985, as specified in subsection (a)(1) of this section;

cannot reasonably be attained or could reasonably be made more stringent, the Secretary is authorized to establish a modified goal at a level that represents the maximum feasible industrywide average fuel economy for model year 1980, or for model year 1985, as the case may be. Any such modified goal shall be established by rule pursuant to section 553 of title 5, United States Code, and shall not be subject to judicial review. A notice of the establishment of such a modified goal shall be promptly submitted to the Congress by the Secretary. Such a modified goal shall become effective and have the force and effect of law 60 days after the date of such submission, unless either House of Congress disapproves such modified goal by resolution of disapproval in accordance with section 1017 of Public Law 93–344 (31 U.S.C. 1407). If either House of Congress disapproves such modified goal, the Secretary may establish a new modified goal and submit a new notice or the Secretary may resubmit the same notice to the Congress, except that no such notice may be submitted—

"(i) later than June 30, 1977, with respect to the review required by January 1, 1977;

"(ii) later than June 30, 1979, with respect to the review required by January 1, 1979; and

"(iii) later than June 30, 1982, with respect to the review required by January 1, 1982.

"(c) COMPLIANCE.—Each manufacturer shall, after the date of enactment of this Act, comply with any applicable minimum average fuel economy performance standard. Compliance is to be determined by the Administrator, in accordance with test procedures to be established by the Administrator by rule pursuant to section 553 of title 5, United States Code, Nothing in this title shall be construed to require each individual automobile or light duty truck manufactured by a particular manufacturer to meet is in compliance if the average fuel economy performance standard; a manufacturer is in compliance if they average fuel economy of all automobiles or light duty trucks, as appropriate, manufactured by such manufacturer during a particular model year equals or exceeds such standard for such model year. The Administrator shall report the findings of compliance determinations to the Secretary.

"(d) JUDICIAL REVIEW.—(1) Any person who may be adversely affected by any rule promulgated under this section may, at any time prior to 60 days after such rule is promulgated, file a petition for judicial review of such rule, in the United States Court of Appeals for the District of Columbia or in the United States Court of Appeals for any circuit in which such person resides or maintains its principal place of business. A copy of the petition shall be forthwith transmitted by the clerk of such court to the Secretary or the Administrator, as the case may be. The Secretary or Administrator, as the case may be, shall thereupon cause to be filed in such court the record of the proceedings upon which the rule which is under review was based, as provided in section 2112 of title 28, United States Code. Upon the filing of such petition, the court shall have jurisdiction to review the rule in accordance with chapter 7 of title 5, United States Code, and to grant appropriate relief as provided in such chapter.

"(2) If the petitioner applies to the court in a proceeding under paragraph (1) of this subsection for leave to make additional submissions, and shows to the satisfaction of the court that such additional submissions are material and that there were reasonable grounds for the failure to make such submissions in the administrative proceeding, the court may order the Secretary or the Administrator, as the case may be, to provide additional opportunity to make such submissions. The Secretary, or the Administrator, as the case may be, may modify or set aside the rule involved or make a new rule by reason of the additional submissions and shall file any such modified or new rule with the return of such additional submissions. The court shall thereafter review such new or modified rule.

"(3) The judgment of the court affirming or setting aside, in whole or in part, any such rule shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification, as provided in section 1254 of title 28, United States Code.

"(4) Remedies under this subsection shall be in addition to, and not in lieu of, any other remedies provided by law.

"RETROFIT DEVICES

"Sec. 505. (a) Duties of the Administrator.—(1) Within 120 days after the date of enactment of this title, the Administrator shall promulgate procedures by rule in accordance with section 553 of title 5, United States Code, for evaluating and confirming fuel economy representations of retrofit devices.

"(2) The Administrator, in accordance with procedures established under paragraph (1) of this subsection, shall test, or cause to be tested, as expeditiously as possible after the date of enactment of this title, all retrofit devices being marketed as to which representations are made concerning increased fuel economy.

"(3) (A) The Administrator, in accordance with procedures established under paragraph (1) of this subsection, shall test, or cause to be tested, prototypes of retrofit devices for which a written description has been submitted to the Administrator, and which show potential for increasing fuel economy, and other devices for which the Administrator determines testing is necessary. Procedures for testing such prototype devices may include a requirement for preliminary testing by a qualified independent testing laboratory: *Provided,* That if the Administrator finds that a prototype device for which a written description has been submitted does not show potential for increasing fuel economy, the Administrator shall state in writing, in a timely fashion, the reasons for such finding.

"(B) The developer of such prototype device may subsequently request reconsideration of the Administrator's finding under subparagraph (A) upon submission of independent laboratory test results which appear to confirm the developer's representations concerning improved fuel economy. The Administrator may then test such device in accordance with procedures established under paragraph (1) of this subsection, make a new finding that such device does not show potential for increasing fuel economy with reasons stated in writing, or report the independent laboratory test results in accordance with the requirements of subsection (d) of this section.

"(4) Each device qualifying for testing under paragraphs (2) and (3) of this subsection shall be tested to determine whether such device changes, and the extent of such change, fuel economy and exhaust emissions of a motor vehicle by comparison with an otherwise identical motor vehicle in which such device is not installed.

"(b) Reporting of Results.—The Administrator shall publish in the Federal Register a summary of all test data and the result of all tests conducted under this section, together with the Administrator's conclusions as to (1) the effect of such device on fuel economy; (2) the effect of such device on exhaust emissions; and (3) any other information which the Administrator determines to be relevant in evaluating such device. Such results shall also be submitted to the Secretary and the Federal Trade Commission. The Federal Trade Commission shall analyze such data and other information and take appropriate action whenever it shall determine that any retrofit device has been falsely advertised or represented in a manner that violates the Federal Trade Commission Act (U.S.C. 4 et seq.).

"(c) Demonstration.—There shall be established within the Environmental Protection Agency a program to demonstrate the potential for fuel savings when existing motor vehicles are equipped with retrofit devices. Such program shall demonstrate such potential on a range of vehicles representative of the current automotive fleet.

"DUTIES AND POWERS OF THE SECRETARY AND THE ADMINISTRATOR

"Sec. 506. (a) General.—(1) For purposes of carrying out the provisions of this title, the Secretary or the Administrator, or their duly designated agents, may hold such hearings, take such testimony, sit and act at such times and places, administer such oaths, and require, by subpena or otherwise, the attendance and testimony of such witnesses and the production of such books, papers, correspondence, memorandums, contracts, agreements, or other records as the Secretary, the Administrator, or such agents deem advisable. The Secretary, the Administrator, or their duly designated agents, shall at all reasonable times have access to, and for the purpose of examination the right to copy, any documentary evidence of any person having materials or information relevant to any function of the Secretary or of the Administrator under this title. The Secretary or the Administrator is authorized to require, by general or special orders, any person to file, in such form as the Secretary or the Administrator may prescribe, reports or answers in writing on specific questions relating to any such function. Such reports and answers shall be made under oath or otherwise, and shall be filed with the Secretary or the Administrator within such reasonable period as the Secretary or the Administrator may prescribe.

(2) The district court of the United States for a judicial district in which an inquiry is carried on may, in the case of contumacy or refusal to obey a duly authorized subpena or order issued under paragraph (1) of this subsection, issue an order requiring compliance with such subpena or order. Any failure to obey such an order of the court may be punished by such court as a contempt thereof.

"(3) Witnesses summoned pursuant to this subsection shall be paid the same fees and mileage that are paid witnesses in the courts of the United States.

"(b) Inspection.—(1) Each manufacturer shall establish and maintain such records, make such reports, conduct such tests, and provide such material and information as the Secretary or the Administrator may reasonably require to carry out their duties under this title and under any rules promulgated pursuant to this title. A manufacturer shall make all of such items and information available, in accordance with such reasonable rules as the Secretary or the Administrator may prescribe. Upon the request of a duly designated agent of the Secretary or of the Administrator, a manufacturer shall permit such agent to inspect finished automobiles or light duty trucks and appropriate books, papers, records, and documents.

"(2) The district court of the United States for a judicial district in which an inspection is carried out or requested may, if a manufacturer refuses to accede to any reasonable requirement or request issued or made under paragraph (1) of this subsection, issue an order requiring compliance with such requirement or request. Any failure to obey such an order of the court may be punished by such court as a contempt thereof.

"(c) Public Disclosure of Information.—The Secretary or the Administrator shall disclose information obtained under this title to the public, except that any information which contains or relates to a trade secret or other confidential information referred to in section 1905 of title 18, United States Code, which if disclosed would result in significant competitive damage, shall not be disclosed to the public (other than to officers or employees concerned with carrying out this title), unless such information is relevant to any proceeding under this title. Nothing in this subsection shall authorize the withholding of information by the Secretary or the Administrator, or any officer or employee under their control, from any duly authorized committee of the Congess.

"(d) Representation.—Notwithstanding any other provisioin of law, the Secretary or the Administrator may direct their own attorneys to represent them in any civil action under or arising out of any provisions of this title.

"LABELING, ADVERTISING, AND DISCLOSURE

"Sec. 507. (a) Labeling.—(1) Beginning not later than 180 days after the date of enactment of this title, each manufacturer shall cause to be affixed to, and each dealer shall cause to be maintained on, each new automobile and new light duty truck, in a prominent place, a motor vehicle energy guide prepared and issued by such manufacturer.

"(2) The format of such motor vehicle energy guide shall be determined by the Federal Trade Commission, by rule pursuant to section 553 of title 5, United States Code, after consultation with the Secretary, the Administrator, and the Administrator of the Federal Energy Administration. Such motor vehicle energy guide shall set forth, in clear and understandable language and form, detailed information with respect to:

"(A) the fuel economy for such automobile or light duty truck, as appropriate, as determined pursuant to this title;

"(B) the estimated annual fuel cost associated with the operation of such automobile or light duty truck, as appropriate, as determined in accordance with subsection (b) of this section;

"(C) the manner in which such estimated annual fuel costs was determined including the time period upon which such estimate is based, the suggestions as to how such estimate could be refined to take account of the personal driving circumstances of a prospective purchaser;

"(D) a range of fuel economy performance of automobiles or light duty trucks, as appropriate, so as to facilitate comparison shopping; and

"(E) any other aspects of automobile or light duty truck operation deemed appropriate by the Federal Trade Commission.

"(3) Posting of the fuel economy information required by pargraph (2) of this subsection shall not be construed to constitute, directly or indirectly, a warranty as to fuel economy performance. Nothing in this section shall be deemed to prohibit a manufacturer or dealer from representing orally or in writing that the information required to be provided or disclosed by this section is based on representative driving conditions as determined by the Administrator.

"(b) Computation of Estimated Annual Fuel Cost.—

"(1) Each manufacturer of a new automobile or new light duty truck shall determine the estimated annual fuel cost of such automobile or light duty truck in accordance with instructions to be issued by the Administrator. Such determinations may, at the discretion of the Administrator, include a range of estimated annual fuel costs to reflect geographical or other differences in usage patterns or energy costs. Commencing not later than 90 days after the date of promulgation of fuel economy testing procedures in accordance with this title, estimated annual fuel cost data shall be included as part of the material shipped with each such automobile or light duty truck by a manufacturer to a dealer.

"(2) If a range of estimated annual fuel costs is provided to dealers in accordance with paragraph (1) of this subsection, each dealer involved shall select the estimated annual operating cost that is applicable in accordance with instructions to be issued by the Administrator and included with the material shipped to the dealers under paragraph (1).

"(c) Advertising.—The Federal Trade Commission shall, by rule pursuant to section 553 of title 5, United States Code, identify the categories and types of advertisements for new automobiles and new light duty trucks which it shall direct to contain the information which is required under subsection (a)(2) of this section, to the extent prescribed by it. In accordance with rules to be established by the Commission, if any such advertisement displays the purchase price or fuel economy characteristics of a new automobile or light duty truck, the Commission may require such advertisement to include a statement as to the estimated annual fuel cost or the fuel economy of such automobile or light duty truck, whichever is appropriate. If the Administrator directs that the estimated annual fuel costs shall be determined separately for different geographic regions of the Nation, advertising covering more than one such region shall include national average values with respect to estimated annual fuel costs.

"(d) Booklet.—Within 6 months after the date of enactment of this title, and annually thereafter, a booklet which compiles the automobile and light duty truck fuel economy information provided to, or developed by the Administrator under this title for a given model year shall be published by the Administrator in a public document to be placed on sale at the Government Printing Office. Such booklet shall present such information in a clear, concise, and objective manner, and the Administrator shall take steps to encourage the widest possible distribution of such booklet and any revision thereof: *Provided*, That nothing in this section may be construed to require the compilation of lists which compare the estimated annual fuel costs of automobiles by model or manufacturer's name.

"(e) Disclosure.—Beginning 180 days after the date of enactment of this title, it shall be unlawful for any dealer to sell, or offer for sale in commerce, any new automobile or new light duty truck, unless the estimated annual fuel cost of such automobile or light duty truck, is disclosed by such dealer prior to any such sale. Such disclosure shall appear on the same label, tag, direct mail statement, or any other place on which the purchase price or acquisition cost of such automobile or light duty truck is stated, in accordance with rules to be established by the Federal Trade Commission. Any such disclosure requirement in this subsection shall be considered to be fulfilled if the dealer obtains a written statement from the purchaser that such purchaser has read the relevant motor vehicle energy guide. Mail order literature, catalogs, brochures, and other media communications that are received in more than one geographic region that contain automobile or light duty truck price or acquisition cost data may include national average values with respect to estimated annual fuel costs.

"(f) Conforming Amendment.—Section 3 of the Automobile Information Disclosure Act (15 U.S.C. 1232) is amended by striking out in the first paragraph 'disclosing the following information concerning' and inserting in lieu thereof 'disclosing the information required by the Automobile Fuel Economy Act together with the following information concerning'.

"PROHIBITED CONDUCT

"Sec. 508. The following conduct is prohibited:

"(1) the failure to provide information as required in accordance with this title;

"(2) the failure to permit inspection pursuant to this title;

"(3) the failure to comply with any labeling, advertising, and disclosure requirement mandated or authorized under section 507 of this title. Any such failure shall be an unfair and deceptive act or practice under section 5 of the Federal Trade Commission Act. Any person that fails to comply with any labeling, advertising, or disclosure, requirement mandated or authorized under section 507 shall be subject to a civil action under section 5(m)(1)(A) and section 19 of the Federal Trade Commission Act; and

"(4) the failure to comply with any other provision of this title or any standard, rule, regulation, or order issued pursuant to this title.

"CIVIL PENALTY

"Sec. 509. (a) Determination of Penalty.—(1) Any manufacturer who is determined by the Secretary, after a proceeding (not to exceed 180 days in length) in accordance with section 554 of title 5, United States Code, to have failed to comply with section 504(c) of this title shall be liable to the United States for a civil penalty of not less than $50 and not more than $100 for each mile per gallon by which the average fuel economy of the automobiles or light duty trucks, as appropriate, manufactured by such manufacturer during the same model year falls short of the applicable minimum fuel economy performance standard established under section 504(a) of this title, multiplied by the total number of automobiles or light duty trucks, as appropriate, manufactured by such manufacturer during such model year. Fractional miles per gallon deviations from an applicable standard shall be penalized on the basis of the $50 to $100 civil penalty multiplied by such fraction.

"(2) Any person who is determined by the Secretary, after a proceeding in accordance with section 554 of title 5, United States Code, to have violated a provision of section 508 of this title, other than paragraphs (3) and (4) thereof, shall be liable to the United States for a civil penalty of not more than $10,000 for each violation; each day of a continuing violation is a separate violation.

"(3) The amount of a civil penalty under paragraphs (1) or (2) of this subsection shall be assessed by the Secretary by written notice.

"(b) Waiver of Penalty.—(1) Except as provided in paragraphs (2) and (3) of this subsection, the Secretary may waive, modify, or remit, with or without conditions, a civil penalty for which a manufacturer is determined to be liable under subsection (a) of this section only (A) to the extent necessary to prevent the insolvency or bankruptcy of the manufacturer involved; (B) to the extent appropriate to reflect the impact of any acts of God, fires, or strikes on the failure to attain an applicable standard; or (C) to the extent necessary to prevent the substantial lessening of competition within the automobile or light duty truck industries.

"(2) The Secretary may waive or modify a civil penalty for which a manufacturer is determined to be liable under subsection (a)(1) of this section if the manufacturer involved demonstrates to the Secretary that if the penalty were paid the manufacturer would lack sufficient capital and the ability to attract sufficient capital to manufacture automobiles or light duty trucks, as appropriate, in compliance with minimum average fuel economy performance standards and at competitive prices. Before granting any such waiver or modification the Secretary shall examine and approve a compliance plan which shall be submitted by the manufacturer seeking such waiver or modification. A compliance plan shall speciy the manner in which applicable average fuel economy performance standards will be complied with in the future.

"(3) The Secretary may waive or modify a civil penalty determined under subsection (a)(1) of this section if, and to the extent that the manufacturer involved demonstrates to the Secretary that its failure to comply with an applicable average fuel economy performance standard resulted from an unanticipated retail sales mix among different classes of automobiles or light duty trucks, as appropriate, manufactured by it and that such mix was beyond the control of the manufacturer: *Provided*, That the Secretary may not waive or modify any such penalty unless the manufacturer involved demonstrates to the Secretary that it included in its automobiles or light duty trucks, as appropriate, all of the improvements to increase fuel economy that were technologically feasible, and that it made a good faith effort to produce or stimulate a retail sales mix that would have resulted in compliance with the applicable standards, through advertising, pricing practices, availability of models and any other means.

"(c) Recoupment of Penalty.—A manufacturer who pays a civil penalty as a result of a determination under subsection (a)(1) of this section may recoup from the United States all or part of the amount paid if, in any of the next five model years, such manufacturer exceeds the minimum average fuel economy performance standard applicable in that model year. The amount recouped shall be calculated by multiplying (1) the number of miles per gallon (or fraction thereof) by which such manufacturer exceeds the applicable average fuel economy performance standard, multiplied by (2) the total number of automobiles or light duty trucks, as appropriate, manufactured by such manufacturer during such model year and by (3) the per mile rate at which the civil penalty was assessed against such manufacturer. The total amount recouped by a manufacturer shall not exceed the amount of any such civil penalty paid by such manufacturer.

"(d) JUDICIAL REVIEW.—(1) Any interested person may obtain review, in the appropriate court of appeals of the United States, of a civil penalty assessed under this section. Such review may be obtained by filing notice of appeal in such court within 30 days after the date of the order assessing such penalty and by simultaneously sending a copy of such notice by certified mail to the Secretary. The Secretary shall promptly file in such court a certified copy of the record upon which failure to comply or violation was found and such penalty imposed. The determinations of the Secretary shall be set aside if found to be unsupported by substantial evidence, pursuant to section 706 (2) (E) of title 5, United States Code.

"(2) If any person fails to pay an assessment of a civil penalty after it has become a final and unappealable order, or after the appropriate court of appeals has entered final judgment in favor of the Secretary, the Attorney General shall recover the amount assessed in any appropriate district court of the United States. In such action, the validity and appropriateness of the final order imposing the civil penalty shall not be subject to review.

"RELATIONSHIP TO STATE LAW

"SEC. 510. After the effective date of any rule that is promulgated under this title relating to minimum average fuel economy performance standards, or to fuel economy labeling or advertising, no State or political subdivision thereof may adopt or enforce any standards relating to such matters which are inconsistent therewith.

"REPORTS

"SEC. 511. (a) Within 180 days after the date of enactment of this title, the Secretary shall prepare and submit to the Congress and the President a comprehensive report setting forth findings and containing conclusions and recommendations with respect to speed limiting devices known as governors. Such report shall include, but not be limited to, an examination of the feasibility, practicality, safety, and associated energy savings of a requirement that manufacturers install on all new automobiles, new light duty trucks, and other new motor vehicles devices that would make it impossible to operate such vehicles at speeds in excess of the national maximum speed limit for any sustained period of time.

"(b) Within 180 days after the date of enactment of this title, the Secretary shall prepare and submit to the Congress and the President a comprehensive report setting forth findings and containing conclusions and recommendations with respect to a requirement that each new automobile and light duty truck be equipped with a fuel flow instrument reading directly in miles per gallon and the most feasible means of equipping used automobiles and used light duty trucks with such instruments. Such report shall include, but not be limited to, an examination of the effectiveness of such instruments in promoting voluntary reductions in fuel consumption, the cost of such instruments, means of encouraging automobile and light duty truck purchasers to voluntarily purchase automobiles or light duty trucks, as appropriate, equipped with such instruments, and any other factor bearing on the cost and effectiveness of such instruments and their use.

"(c) (1) Within 180 days after the date of enactment of this title, the Secretary shall prepare and submit to the Congress and the President a comprehensive report setting forth findings and containing conclusions and recommendations with respect to whether or not electric vehicles and other vehicles not consuming fuel (as defined in section 503 of this title) should be covered by this title. Such report shall include, but not be limited to, an examination of the extent to which such vehicle should be included under the provisions of this title, the manner in which energy requirements of such vehicles may be compared with that of fuel consuming vehicles, the extent to which inclusion of such vehicles would stimulate their production and introduction into commerce, and any recommendations for legislative action.

"(2) As used in this subsection the term 'electric vehicle' means a vehicle powered primarily by an electric motor drawing current from rechargeable batteries, fuel cells, or other portable sources of electrical current.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 512. (a) SECRETARY.—There are authorized to be appropriated to the Secretary for carrying out the provisions of this title funds not to exceed $1,000,000 for the fiscal year ending June 30, 1976; not to exceed $750,000 for the transitional quarter ending September 30, 1976; not to exceed $3,000,000 for the fiscal year ending September 30, 1977; and not to exceed $3,000,000 for the fiscal year ending September 30, 1978.

"(b) ADMINISTRATOR.—There are authorized to be appropriated to the Administrator for carrying out the provisions of this title funds not to exceed $300,000 for the fiscal year ending June 30, 1976; not to exceed $150,000 for the transitional quarter ending September 30, 1976; not to exceed $2,000,000 for the fiscal year ending September 30, 1977; and not to exceed $2,000,000 for the fiscal year ending September 30, 1978.".

TITLE II—RESEARCH AND DEVELOPMENT

SEC. 201. This title may be cited as the "Automotive Transport Research and Development Act of 1975".

SEC. 202. The Motor Vehicle Information and Cost Savings Act (15 U.S.C. 1901 et seq.), as amended by title I of this Act, is further amended by adding at the end thereof the following new title:

"TITLE VI—RESEARCH AND DEVELOPMENT

"SHORT TITLE

"SEC. 601. This title may be cited as the 'Automotive Transport Research and Development Act'.

"FINDINGS AND PURPOSES

"SEC. 602. (a) FINDINGS.—The Congress finds that—

"(1) Existing automobiles, on the average, fall short of meeting the long-term goals of the Nation with respect to safety, environmental protection, and energy conservation.

"(2) Advanced alternatives to existing automobiles could, with sufficient research and development effort, meet these long-term goals, and have the potential to be mass produced at reasonable cost. Such advanced automobiles could be operated with significantly less adverse environmental impact and fuel consumption than existing automobiles, while meeting all of the other requirements of Federal law.

"(3) Insufficient resources are being devoted, both by the Federal Government and by the private sector, to research and development of advanced automobiles and automobile components.

"(4) An expanded research and development effort by the Federal Government into advanced automobiles and automobile components would complement and stimulate corresponding efforts by the private sector and would encourage automobile manufacturers to consider seriously the substitution of such advanced alternatives for existing automobiles and automobile components.

"(5) The Nation's energy, safety, and environmental problems are urgent, and therefore advanced automobiles and automobile components should be developed, tested, and prepared for manufacture within the shortest practicable time.

"(b) PURPOSES.—It is therefore the purpose of the Congress in this title—

"(1) to make contracts and grants for, and support through obligation guarantees, research and development leading to production prototypes of advanced automobiles within 4 years from the date of enactment of this title, or within the shortest practicable time consistent with appropriate research and development techniques, and to secure the certification after testing of those prototypes which are likely to meet the Nation's long-term goals with respect to fuel economy, safety, environmental protection, and other objectives; and

"(2) to preserve, enhance, and facilitate competition in research, development, and production of existing and alternative automobiles and automobile components.

"DEFINITIONS

"SEC. 603. As used in this title, the term—

"(1) 'Administrator' means the Administrator of the Energy Research and Development Administration;

"(3) 'advanced automobile' means a personal use transportation vehicle propelled by fuel, which is energy-efficient, safe, damage-resistant, and environmentally sound and which—

"(A) requires, consistent with environmental requirements, the least total amount of energy to be consumed with respect to its fabrication, operation, and disposal, and represents a substantial improvement over existing automobiles with respect to such factors;

"(B) can be mass produced at the lowest possible cost consistent with the requirements of this title;

"(C) operates safely and with sufficient performance with respect to acceleration, cold weather starting, cruising speed, and other performance factors;

"(D) to the extent practicable, is capable of intermodal adaptability; and

"(E) at a minimum, can be produced, distributed, operated, and disposed of in compliance with any requirement of Federal law, including, but not limited to, requirements with respect to fuel economy, exhaust emissions, noise control, safety, and damage resistance;

"(3) 'damage resistance' refers to the ability of an automobile to withstand physical damage when involved in an accident;

"(4) 'developer' means any person engaged in whole or in part in research or other efforts directed toward the development of production prototypes of an advanced automobile or automobiles;

"(5) 'fuel' means any energy source capable of propelling an automobile;

"(6) 'fuel economy' refers to the average number of miles traveled in representative driving conditions by an automobile per gallon of fuel consumed, as determined by the Administrator of the Environmental Protection Agency, in accordance with test procedures established by rule. Such procedures shall require that fuel economy tests be conducted in conjunction with emissions tests mandated by section 206 of the Clean Air Act (42 U.S.C. 1857f–5);

"(7) 'intermodal adaptability' refers to any characteristic of an automobile which enables it to be operated or carried, or which facilitates such operation or carriage, by or on an alternate mode or other system of transportation;

"(8) 'production prototype' means an automobile which is in its final stage of development and which is capable of being placed into production, for sale at retail, in quantities exceeding 10,000 automobiles per year;

"(9) 'reliability' refers to the average time and distance over which normal automobile operation can be expected without repair or replacement of parts, and to the ease of diagnosis and repair of an automobile and of its systems and parts which fail during use or which are damaged in an accident;

"(10) 'safety' refers to the performance of an automobile or automobile equipment in such a manner that the public is protected against unreasonable risk of accident and against unreasonable risk of death or bodily injury in case of accident;

"(11) 'Secretary' means the Secretary of Transportation;

"(12) 'State' means any State, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, or any other territory or possession of the United States; and

"(13) 'Vehicle Certification Board' means the Low-Emission Vehicle Certification Board established pursuant to section 212 of the Clean Air Act (42 U.S.C. 1857f–6e).

"DUTIES OF THE SECRETARY

"Sec. 604. The Secretary shall establish, within the Department of Transportation, a program to insure the development of one or more production prototypes of an advanced automobile or advanced automobiles within 4 years after the date of enactment of this title, or within the shortest practicable time consistent with appropriate research and development techniques and which utilizes, to the maximum extent practicable, nonpetroleum base fuels. In furtherance of the purposes of this title, and in order to stimulate such development of an advanced automobile by private interests the Secretary shall—

"(1) make contracts and grants for research and development efforts which are likely to lead or contribute to the development of an advanced automobile or advanced automobiles in accordance with the provisions of section 607 of this title;

"(2) make obligation guarantees for research and development efforts which show promise of leading or contributing to the development of an advanced automobile or advanced automobiles, in accordance with the provisions of section 608 of this title;

"(3) establish and conduct new projects and accelerate existing projects within the Department of Transportation which may contribute to the development of production prototypes of an advanced automobile or advanced automobiles;

"(4) test or direct the testing of production prototypes, and secure certification as advanced automobiles for those which meet the applicable requirements, in accordance with section 609 of this title;

"(5) collect, analyze, and disseminate to developers information, data, and materials that may be relevant to the development of an advanced automobile or advanced automobiles;

"(6) prepare and submit studies, as required under section 612 of this title; and

"(7) evaluate any reasonable new or improved technology, a description of which is submitted to the Secretary in writing, which could lead or contribute to the development of an advanced automobile.

"COORDINATION BETWEEN THE SECRETARY AND THE ADMINISTRATOR

"Sec. 605. The Secretary shall not make contracts, grants or obligation guarantees for, or conduct or accelerate, any research and development which may duplicate, in whole or in substantial part, any project (1) that has been sponsored by the Administrator, under the Federal Nonnuclear Energy Research and Development Act of 1974 (42 U.S.C. 5901) or any other Federal law; or (2) that will be or is likely to be so sponsored within the reasonably foreseeable future. The Secretary and the Administrator shall consult and cooperate with respect to their respective duties and responsibilities, and they shall coordinate their respective activities, in areas of shared concern, to the extent practicable, in order that the duties and responsibilities of both officers may be performed in a way that will lead to the accomplishment of the policy of this title in the shortest time and in the most efficient and cost-effective manner possible. The Administrator shall assist the Secretary to the extent of the lawful authority of, and funds appropriated to, the Administrator, in the carrying out of any duties described in section 604 of this title.

"POWERS OF THE SECRETARY

"Sec. 606. In addition to the powers specifically enumerated in any other provision of this title, the Secretary is authorized to—

"(1) appoint such attorneys, employees, agents, consultants, and other personnel as the Secretary deems necessary, define the duties of such personnel, determine the amount of compensation and other benefits for the services of such personnel and pay them accordingly;

"(2) procure temporary and intermittent services to the same extent as is authorized under section 3109 of title 5, United States Code, but at rates not to exceed $150 a day for qualified experts;

"(3) obtain the assistance of any department, agency, or instrumentality of the executive branch of the Federal Government upon written request, on a reimbursable basis or otherwise, identifying the assistance the Secretary deems necessary to carry out any duty under this title. Such assistance shall include, but is not limited to, the transfer of personnel with their consent and without prejudice to their position and rating;

"(4) enter into, without regard to section 3709 of the Revised Statutes, as amended (41 U.S.C. 5), such contracts, leases, cooperative agreements, or other transactions as may be necessary in the conduct of duties under this title, with any government agency or any person; and

"(5) purchase, lease, or otherwise acquire, improve, use, or deal in and with any property; sell, mortgage, lease, exchange, or otherwise dispose of any property or other assets; and accept gifts or donations of any property or services in aid of any purpose of this title.

"CONTRACTS AND GRANTS

"Sec. 607. (a) General.—(1) The Secretary shall provide funds, by contract and grant, to initiate, continue, supplement, and maintain research and development programs or activities which, in the Secretary's judgment, appear likely to lead or contribute to the development, in production prototype form, of an advanced automobile or advanced automobiles.

"(2) The Secretary is authorized to make such contracts and grants with any Federal agency, laboratory, university, nonprofit organization, industrial organization, public or private agency, institution, organization, corporation, partnership, or individual.

"(b) Consultation.—In addition to the requirements of section 605 of this title, the Secretary, in the exercise of duties and responsibilities under this section, shall consult with the Administrator of the Environmental Protection Agency and shall establish procedures for periodic consultation with representatives of science, industry, and such other groups as may have special expertise in the areas of automobile research, development, and technology. The Secretary may establish an advisory panel or panels to review and to make recommendations with respect to applications for funding under this section.

"(c) Procedure.—Each contract and grant under this section shall be made in accordance with such rules and regulations as the Secretary shall prescribe in accordance with the provisions of this section and of section 602 of this title. Each application for funding shall be made in writing in such form and with such content and other submissions as the Secretary shall require.

"OBLIGATION GUARANTEES

"Sec. 608. (a) General.—(1) The Secretary is authorized, in accordance with the provisions of this section and such rules and regulations as the Secretary shall prescribe, to guarantee, and to make commitment to guarantee, the payment of interest on, and the principal balance of, loans and other obligations, if the obligation involved is, or will be, entered into in order to initiate, continue, supplement, and maintain research and development programs or activities which, in the Secretary's judgment, appear likely to lead to the development, in production prototype form, and to the availability, of an advanced automobile or advanced automobiles. Each application for such an obligation guarantee shall be made in writing to the Secretary in such form and with such content and other submissions as the Secretary shall require, in order reasonably to protect the interests of the United States. Each guarantee and commitment to guarantee shall be extended in such form, under such terms and conditions, and pursuant to such regulations as the Secretary deems appropriate. Each guarantee and commitment to guarantee shall inure to the benefit of the holder of the obligation to which such guarantee or commitment applies. The Secretary is authorized to approve any modification of any provision of a guarantee or a commitment to guarantee such an obligation, including the rate of interest, time of payment of interest or principal, security, or any other terms or conditions, upon a finding by the Secretary that such modification is equitable, not prejudicial to the interests of the United States, and has been consented to by the holder of such obligation.

"(2) The Secretary is authorized to so guarantee and to make such commitments to any Federal agency, laboratory, university, nonprofit organization, industrial organization, public or private agency, institution, organization, corporation, partnership, or individual.

"(b) Exception.—No obligation shall be guaranteed by the Secretary under subsection (a) of this section unless the Secretary finds that no other reasonable means of financing or refinancing is reasonably available to the applicant.

"(c) Charges.—(1) The Secretary shall charge and collect such amounts as the Secretary may deem reasonable for the investigation of applications for the guarantee of an obligation, for the appraisal of properties offered as security for such a guarantee, or for the issuance of commitments to guarantee.

"(2) The Secretary shall set a premium charge of not more than 1 percent per year for a loan or other obligation guaranteed under this section.

"(d) Validity.—No guarantee or commitment to guarantee an obligation entered into by the Secretary shall be terminated, canceled, or otherwise revoked, except in accordance with reasonable terms and conditions prescribed by the Secretary. Such a guarantee or commitment to guarantee shall be conclusive evidence that the underlying obligation is in compliance with the provisions of this section and that such obligation has been approved and is legal as to principal, interest, and other terms. Such a guarantee or commitment shall be valid and incontestable in the hands of a holder as of the date when the Secretary entered into the contract of guarantee or commitment to guarantee, except as to fraud, duress, mutual mistake of fact, or material misrepresentation by or involving such holder.

"(e) Default and Recovery.—(1) If there is a default in any payment by the obligor of interest or principal due under an obligation guaranteed by the Secretary under this section, and such default has continued for 60 days, the holder of such obligation shall have the right to demand payment by the Secretary of such unpaid amount. Within such period as may be specified in the guarantee or related agreements, but not later than 45 days from the date of such demand, the Secretary shall promptly pay to such obligee the unpaid interest on, and unpaid principal of, the obligation guaranteed by the Secretary as to which the obligor has defaulted, unless the Secretary finds that there was no default by the obligor in the payment of interest or principal or that such default has been remedied.

"(2) If a payment is made by the Secretary under paragraph (1) of this subsection, the Secretary shall have all rights specified in the guarantee or related agreements with respect to any security which the Secretary held with respect to the guarantee of such obligation, including, but not limited to, the authority to complete, maintain, operate, lease, sell or otherwise dispose of any property acquired pursuant to such guarantee or related agreements.

"(3) If there is a default under any guarantee or commitment to guarantee an obligation, the Secretary shall notify the Attorney General who shall take such action against the obligor or any other parties liable thereunder as is necessary to protect the interests of the United States. The holder of such obligation shall make available to the United States all records and evidence necessary to prosecute any such suit.

"(f) AUTHORIZATION FOR APPROPRIATIONS.—There are authorized to be appropriated to the Secretary such sums as are necessary, not to exceed $175,000,000, to pay the interest on, and the principal balance of, any obligation guaranteed by the Secretary as to which the obligor has defaulted: *Provided*, That the outstanding indebtedness guaranteed under this section shall not exceed $175,000,000.

"TESTING AND CERTIFICATION

"SEC. 609. (a) ENVIRONMENTAL PROTECTION AGENCY.—The Administrator of the Environmental Protection Agency shall test, or cause to be tested, in a facility subject to Environmental Protection Agency supervision, each production prototype of an automobile developed in whole or in part with Federal financial assistance under this title, or referred to the Environmental Protection Agency for such purpose by the Secretary, to determine whether such production prototype complies with any exhaust emission standards or any other requirements promulgated or reasonably expected to be promulgated under any provision of the Clean Air Act (42 U.S.C. 1857 et seq.), the Noise Control Act of 1972 (42 U.S.C. 4901), or any other provision of Federal law administered by the Administrator of the Environmental Protection Agency. In conjunction with any test for compliance with exhaust emission standards under this section, the Administrator of the Environmental Protection Agency shall also conduct tests to determine the fuel economy of such prototype automobile. Such Administrator shall submit all test data and the results of such tests to the Vehicle Certification Board.

"(b) SECRETARY.—The Secretary shall test, or shall cause to be tested in a facility subject to supervision by the Secretary, all production prototypes of advanced automobiles which the Secretary or a developer may submit to the Vehicle Certification Board for certification under subsection (c) of this section. Such tests shall be conducted; according to testing procedures to be developed by the Secretary, to determine whether each such automobile complies with any standards promulgated as of the date of such testing or reasonably expected to be promulgated prior to the sale at retail of such automobile, under any provision of the National Traffic and Motor Vehicle Safety Act of 1966 (15 U.S.C. 1381), the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 1901 et seq.), the Automobile Information Disclosure Act (15 U.S.C. 1232), and any other statute enacted by Congress and applicable to automobiles. The Secretary shall also refer any such automobile to the Administrator of the Environmental Protection Agency for testing pursuant to the provisions of subsection (a) of this section. All production prototypes of advanced automobiles may be submitted to the Secretary for testing under this subsection, including vehicles developed without any Federal financial assistance under this title. All test data and the results of all tests conducted by the Secretary, or subject to the Secretary's supervision, shall be submitted to the Vehicle Certification Board, together with all conclusions, and reasons therefor, with respect to whether the automobile tested merits certification as an advanced automobile. The Secretary, or the Administrator of the Environmental Protection Agency, if appropriate, shall conduct, or cause to be conducted, any additional tests which are requested by the Vehicle Certification Board and shall furnish to such Board any other information which it requests or which is deemed to be necessary or appropriate.

"(c) VEHICLE CERTIFICATION BOARD.—Upon application by a developer or by the Secretary, with respect to a production prototype of a particular automobile or automobiles, and upon the receipt of all required and relevant test data and test results pursuant to subsections (a) and (b) of this section, the Vehicle Certification Board shall certify such automobile as an advanced automobile or shall issue a denial of such certification with reasons therefor. Each application for certification shall be made to the Vehicle Certification Board in writing, in such form and with such content and other submissions as such Board may require. Each determination as to certification shall be made in accordance with such reasonable rules and regulations as such Board shall prescribe.

"PATENTS

"SEC. 610. (a) TITLE TO INVENTIONS.—Whenever an invention is made or conceived during, or in the course of, or as a consequence of, activity conducted in accordance with or related to a contract made or entered into under this title, title to such invention shall vest in the United States, if the Secretary determines that—

"(1) the person who made the invention was employed or assigned to perform research or development work, and that the invention is related to the work such person was employed or assigned to perform, or that it was within the scope of such person's employment duties, whether or not the invention was made during working hours and whether or not the invention was made with a contribution from the Government; or

"(2) the invention is related to the contract, or to the work or duties which the person who made the invention was employed or assigned to perform, even though such person was not employed or assigned to perform research or development work, if the invention was made during working hours, or if it was made with a contribution from the Government.

As used in this subsection, the term "contribution from the Government" includes the use of Government facilities, equipment, materials, allocated funds, information proprietary to the Government, or any services during working hours of Government employees. If patents are issued on such an invention the patents shall be issued to the United States, unless in particular circumstances the Secretary, in accordance with this section, waives all or any part of the rights of the United States.

"(b) REPORT.—Each contract entered into by the Secretary under this title with any person shall contain effective provisions requiring such person to furnish a prompt and written report to the Secretary with respect to any invention, discovery, improvement, or innovation which may be made in the course of, or as a consequence of, activity conducted in accordance with or related to such contract. Each such report shall contain accurate and complete technical information, in accordance with specifications of the Secretary.

"(c) WAIVER.—The Secretary may waive all or any part of the rights of the United States with respect to any invention or class of inventions which is made, or which may be made, by any person or class of persons in the course of, or as a consequence of, activity conducted in accordance with, or related to, any contract under this title, pursuant to regulations prescribed by the Secretary in conformity with the provisions of this section, if the Secretary determines that the interests of the United States and of the general public would best be served by such a waiver. The Secretary shall maintain and periodically update a publicly available record of waiver determinations. In making such determinations, the Secretary shall strive to—

"(1) make the benefits of the advanced automobile research and development program widely available to the public in the shortest practicable time;

"(2) promote the commercial utilization of such inventions;

"(3) encourage participation by private persons in the Secretary's advanced automobile research and development program; and

"(4) foster competition and prevent undue market concentration, or the creation or maintenance of other situations inconsistent with the antitrust laws.

"(d) CONTRACT WAIVERS.—In determining whether it would best serve the interests of the United States and of the general public to grant such a waiver to a contractor at the time a contract is entered into, the Secretary shall include as considerations—

"(1) the extent to which the participation of the contractor will expedite the attainment of the purposes of the program;

"(2) the extent to which a waiver of all or any part of such rights in any or all fields of technology is needed to secure the participation of the particular contractor;

"(3) the extent to which the contractor's commercial position may expedite utilization of the research and development program results;

"(4) the extent to which the Government has contributed to the field of technology to be funded under the contract;

"(5) the purpose and nature of the contract, including the intended use of the results developed thereunder;

"(6) the extent to which the contractor has made or will make substantial investment of financial resources or technology developed at the contractor's private expense which will directly benefit the work to be performed under the contract;

"(7) the extent to which the field of technology to be funded under the contract has been developed at the contractor's private expense;

"(8) the extent to which the Government intends to further develop, to the point of commercial utilization, the results of the contract effort;

"(9) the extent to which the contract objectives are concerned with the public health, public safety, or public welfare;

"(10) the likely effect of the waiver on competition and market concentration; and

"(11) the extent to which a contractor, which is a nonprofit educational institution, has a technology transfer capability and program which is approved by the Secretary as being consistent with the applicable policies of this subsection.

"(e) Subsequent Waivers.—In determining whether it would best serve the interests of the United States and of the general public to grant such a waiver at a subsequent date to a contractor or to an inventor, with respect to an identified invention, the Secretary shall specifically consider (1) paragraphs (4) through (11) of subsection (d), as applied to such invention; (2) the extent to which such waiver is a reasonable and necessary incentive to call forth private risk capital for the development and commercial distribution of such invention; and (3) the extent to which the plans, intentions, and ability of the contractor or inventor are likely to result in expeditious commercial distribution of such invention.

"(f) Reservations.—Whenever title to an invention is vested in the United States, a revocable or irrevocable, nonexclusive, and paid-up license for the practice of such invention throughout the world may be reserved to the contractor or to the inventor thereof. The rights to such an invention may be similarly reserved in any foreign country in which the United States has elected not to secure patent rights and in which such contractor or inventor elects to secure a patent, subject to the rights described in subsections (h)(2), (h)(3), (h)(6), and (h)(7) of this section: *Provided*, That such a contractor or inventor shall 3 years after the date of issuance of such a patent, and at any time upon the specific request of the Secretary, submit the report specified in subsection (h)(1) of this section.

"(g) Licenses.—(1) Subject to subsection (g)(2) of this section, the Secretary shall determine and promulgate regulations specifying the terms and conditions upon which licenses may be granted in any invention to which title is vested in the United States.

"(2) Pursuant to subsection (g)(1) of this section and after notice and an opportunity for a hearing, the Secretary may grant exclusive or partially exclusive licenses in any invention, only if the Secretary determines that—

"(A) the proposed license would best serve the interests of the United States and of the general public, in light of the applicant's intentions, plans, and capacity to bring such invention to practical or commercial applications;

"(B) the desired practical or commercial application of such inventions have not been achieved, or are not likely expeditiously to be achieved, under any nonexclusive license which has been granted, or which may be granted, on such invention;

"(C) exclusive or partially exclusive licensing is a reasonable and necessary incentive to make available the risk capital and other financing necessary to bring the invention to the point of practical or commercial applications; and

"(D) the terms and scope of exclusivity of the proposed license are not substantially greater than are necessary to provide sufficient incentive for bringing such invention to the point of practical or commercial applications, and to provide the licensee with sufficient opportunity to recoup its costs and to earn a reasonable profit thereon: *Provided*, That the Secretary shall not grant such an exclusive or partially exclusive license if the Secretary determines that the grant of such a license will tend substantially to lessen competition or to result in undue concentration in any section of the country in any line of commerce to which the technology to be licensed relates. The Secretary shall maintain and periodically update a publicly available record of determinations concerning applications for and the grant of such licenses.

"(h) Terms and Conditions.—Any waiver of rights, and any grant of an exclusive or partially exclusive license, shall contain such terms and conditions as the Secretary may determine to be appropriate for the protection of the interests of the United States and of the general public. Such terms and conditions may include, but need not be limited to—

"(1) periodic, written reports, at reasonable intervals and at any time when specifically requested by the Secretary, on the commercial use that is being made or is intended to be made of the invention involved;

"(2) the right, at a minimum, of an irrevocable, nonexclusive, and paid-up license to make, use, and sell the invention involved throughout the world, by or on behalf of the United States (including any Government agency) and by or on behalf of the States and their political subdivisions, unless the Secretary determines that it would not be in the public interest to acquire such a license for the States and their political subdivisions;

"(3) the right in the United States to sublicense any foreign government to make, use, and sell the invention involved, pursuant to any existing or future treaty or agreement, if the Secretary determines it would be in the national interest to acquire this right;

"(4) the reservation in the United States of the rights to the invention involved in any country in which the contractor does not file an application for a patent within such time as the Secretary shall determine;

"(5) the right in the Secretary to require the granting of a nonexclusive, exclusive, or partially exclusive license to a responsible applicant or applicants, upon terms reasonable under the circumstances (A) to the extent that the invention involved, or an application thereof, is required for public use by governmental regulations; (B) to the extent that it may be necessary to fulfill health, safety, or energy needs; or (C) for such other purposes as may be stipulated in the applicable agreement;

"(6) the right in the Secretary to terminate the waiver or license involved, in whole or in part, unless the person who receives such waiver of rights or who is granted such license demonstrates to the satisfaction of the Secretary that such person has taken, or that such person will take within a reasonable time thereafter, effective steps to accomplish substantial utilization of the invention involved;

"(7) the right in the Secretary, commencing 3 years after the grant of a license and 4 years after the effective date of a waiver of rights to an invention, to require the granting of a nonexclusive or partially exclusive license to any responsible applicant, upon terms reasonable under the circumstances, and the right in the Secretary, under appropriate circumstances, to terminate such a waiver or license, in whole or in part, following the filing of a petition with the Secretary, by an interested person, and after notice and an opportunity for a hearing—

"(A) if the Secretary after providing an opportunity to the recipient of such waiver or license, and to any other interested person, to submit such relevant and material information as may be appropriate and after reviewing such information, determines that such waiver or license has tended substantially to lessen competition or to result in undue concentration in any section of the country in any line of commerce to which the technology relates; or

"(B) unless the recipient of such waiver or license demonstrates to the satisfaction of the Secretary at such hearing that such recipient has taken, or that such recipient will take, within a reasonable time thereafter, effective steps to accomplish substantial utilization of the invention involved.

"(i) Notice.—The Secretary shall cause a notice to be published periodically, not less than once each year, in the Federal Register and in other appropriate publications, including the electronic media, advising the public of the right to have a hearing, as provided in subsection (h)(7) of this section, and of the availability of the records of determinations under this section.

"(j) Small Business.—If the applicant for a waiver of rights to an invention or for a license is a small business, as defined by regulations of the Small Business Administration, the Secretary shall consider and accord weight to such factor.

"(k) Other Licenses.—Whenever the Secretary, pursuant to such regulations as the Secretary shall prescribe, and upon the application by any person, determines that—

"(1) a right under any patent, which is not otherwise reasonably available, is reasonably necessary, in furtherance of the policy of fostering expeditious commercial application of advanced automotive technologies, to the development, demonstration, or commercial application of any advanced automotive invention, process, or system; and

"(2) there are no other reasonable methods to achieve such development, demonstration, or commercial application,

the Secretary shall so certify to an appropriate district court of the United States. The Secretary shall petition such court to order and the owner and/or the exclusive licensee of such patent to grant a license thereunder at such reasonable royalty and on such reasonable and nondiscriminatory terms and conditions as the court shall determine. The court shall provide such patentee or exclusive licensee, or both, as appropriate, an opportunity for a hearing, including a de novo review of the determination of the Secretary. The appropriate district court shall be the district court for the judicial district in which the patentee or the exclusive licensee of such patent resides, does business, or is found.

"(l) Protection.—The Secretary is authorized to take all necessary and appropriate steps, which are suitable, to protect any invention or discovery to which the United States holds title. The Secretary shall require that any contractor or other person, who acquires rights to an invention under this section, protect such invention.

"(m) Definitions.—As used in this section, the term—

"(1) 'contract' means any contract, grant, agreement, understanding, obligation guarantee, or other arrangement which involves any research and development work; the term includes any assignment, substitution of parties, or subcontract thereunder;

"(2) 'contractor' means any person who has a contract with, or on behalf of, the Secretary under this title;

"(3) 'invention' means any invention or discovery, whether patented or unpatented; and

"(4) 'made', when used in relation to any invention, means the conception or first actual reduction to practice of such invention.

"RECORDS, AUDIT, AND EXAMINATION

"Sec. 611. (a) Records.—Each recipient of financial assistance or guarantees under this title, whether in the form of grants, subgrants, contracts, subcontracts, obligation guarantees, or other arrangements, shall keep such records as the Secretary shall prescribe, including records which fully disclose the amount and disposition by such recipient of the proceeds of such assistance, the total cost of the project or undertaking in connection with which such assistance was given or used, the amount of that portion of such total cost which was supplied by other sources, and such other records as will facilitate an effective audit.

"(b) Audit and Examination.—The Secretary and the Comptroller General of the United States, or any of their duly authorized representatives shall, until the expiration of 3 years after completion of the project or undertaking referred to in subsection (a) of this section, have access for the purpose of audit and examination to any books, documents, papers, and records of such receipts which in the opinion of the Secretary or the Comptroller General may be related or pertinent to the grants, subgrants, contracts, subcontracts, obligation guarantees, or other arrangements referred to in such subsection.

"REPORTS

"Sec. 612. On or before July 1 of each year, the Secretary shall submit to Congress an annual report of activities under this title. Such report shall include, but need not be limited to—

"(1) an account of the state of automobile research and development in the United States;

"(2) the number and amount of contracts and grants made and of obligations guaranteed;

"(3) the progress made in developing production prototypes of advanced automobiles within the shortest practicable time after the date of enactment of this title; and

"(4) suggestions for improvements in advanced automobile research and development, including recommendations for legislation.

"GOVERNMENT PROCUREMENT

"Sec. 613. The Administrator of General Services shall consult periodically with the Vehicle Certification Board to determine when production prototypes of an advanced automobile are likely to be available. After a production prototype has been certified, under section 609(c) of this title, as an advanced automobile, the Vehicle Certification Board, in conjunction with the Administrator of General Services, shall prescribe such regulations as are necessary to require all Federal agencies to procure and to use such advanced automobiles to the maximum extent feasible. Such Administrator shall, with the assistance of such Board, provide technical specifications and other information with respect to automobiles certified under this title as advanced automobiles. Such Administrator, and all other appropriate officers of the United States shall take all steps which are necessary or appropriate to comply with and to implement such regulations, with respect to all federally owned motor vehicles, by the earliest practicable date.

"RELATIONSHIP TO ANTITRUST LAWS

"Sec. 614. (a) Disclaimer.—Nothing in this title shall be deemed to convey to any person any immunity from civil or criminal liability, or to create any defenses to actions, under the antitrust laws.

"(b) Antitrust Laws Defined.—As used in this section, the term 'antitrust laws' means the Act of July 2, 1890 (15 U.S.C. 1 et seq.), as amended; the Act of October 15, 1914 (15 U.S.C. 12 et seq.), as amended; the Federal Trade Commission Act (15 U.S.C. 41 et seq.) sections 73 and 74 of the Act of August 27, 1894 (15 U.S.C. 8 and 9), as amended; and the Act of June 19, 1936, ch. 592 (15 U.S.C. 13, 13a, and 212), as amended.

"AUTHORIZATION FOR APPROPRIATION

"Sec. 615. There are authorized to be appropriated to carry out the purposes of this title, other than section 608 of this title, funds not to exceed $55,000,000 for the fiscal year ending June 30, 1976, not to exceed $20,000,000 for the transitional quarter ending September 30, 1976, and not to exceed $100,000,000 for the fiscal year ending September 30, 1977.".

TITLE III—AMENDMENTS TO TITLE III OF MOTOR VEHICLE INFORMATION AND COST SAVINGS ACT

Sec. 301. (a) Extension of State Programs.—Subsection (b) of section 303 of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 1963(b)) is amended by deleting "June 30, 1976" in the second sentence and by inserting in lieu thereof "September 30, 1977".

(b) Section 311 of such Act is amended to read as **follows:**

"FUEL EFFICIENCY

"Sec. 311. (a) The Secretary shall establish 1, and no more than 3, new special motor vehicle diagnostic inspection demonstration project to assist in the research, rapid development, and evaluation of advanced inspection, analysis, and diagnostic equipment suitable for use by the States in high volume inspection facilities designed to assess the safety, noise, emissions, and fuel efficiency of motor vehicles. Such project shall perform the inspections of motor vehicles for the purpose of evaluating the conditions of parts, components, and repairs (1) required to comply with State and Federal safety, noise, and emissions standards and (2) in order to assist the vehicle owner in achieving the optimum fuel and maintenance economy.

"(b) The Secretary shall evaluate the existing diagnostic analysis and test equipment available for use in the small automotive repair establishments and report to the Congress within 18 months after enactment of this section, as to the scope of research and development required to make this equipment compatible with the most costly and complex State vehicle inspection and diagnostic equipment. The report shall assess the extent to which private industry can meet the needs of the small automotive repair shops for low cost test equipment which can be developed to comply with the Federal safety, noise, and emissions performance standards promulgated by the Secretary, the Administrator of the Environmental Protection Agency, and by State or local regulatory agencies, and it shall contain recommendations on legislation designed to promote the development of such low cost test equipment for small automotive repair shops.

"(c) The Secretary shall within 18 months after the date of enactment of this section prepare and submit to the Congress and the President a comprehensive report setting forth findings and containing conclusions and recommendations with respect to an inspection and other possible programs designed to maintain and improve the fuel economy of motor vehicles throughout their useful life. Such report shall include, but not be limited to, an examination of the technical, economic, and administrative feasibility of the inspection and other programs; the fuel and cost savings that might be achieved if such programs were instituted; whether such programs if instituted should be voluntary or mandatory; who should administer such programs; and any other factor bearing on the cost and effectiveness of such programs. It shall also contain recommendations on legislation designed to achieve improved fuel efficiency in existing vehicles with a vehicle inspection program and with other programs which the Secretary shall evaluate pursuant to this section.

"(d) In complying with the provisions of this section, the Secretary shall consult with the Administrator of the Environmental Protection Agency.".

(c) Section 321 of such Act is amended to read as follows:

"There are hereby authorized to be appropriated to carry out the provisions of this title, $5,000,000 for the fiscal year ending June 30, 1976; $1,500,000 for the fiscal year transition period from July 1, 1976, through September 30, 1976; $7,500,000 for the fiscal year ending September 30, 1977; and $7,500,000 for the fiscal year ending September 30, 1978, to be used for the purpose of implementing section 311; such sums to remain available until expended.".

Mr. HOLLINGS. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. TUNNEY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HOLLINGS. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make any necessary technical and clerical corrections in the engrossment of S. 1883.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORIZATION TO PRINT "ENACTMENT OF A LAW"

Mr. MANSFIELD. Mr. President, I send a resolution (S. Res. 208) to the desk, which is cosponsored by the Republican leader, the chairman of the Committee on Rules and Administration (Mr. Cannon), the ranking Republican member (Mr. Hatfield), which has been cleared on both sides, and ask for its immediate consideration.

The resolution (S. Res. 208) was read, considered by unanimous consent, and agreed to as follows:

Resolved, That Senate Document Numbered 35, Nintieth Congress, First Session, entitled "Enactment of a Law," relative to the procedural steps in the legislative process, be revised by the Parliamentarian of the Senate, under the direction of the Secretary of the Senate, and be reprinted as a Senate document.

Sec. 2. There shall be printed ten thousand additional copies for the use of the Committee on Rules and Administration.

ALEXANDR SOLZHENITSYN

Mr. HELMS. Mr. President, earlier this afternoon in the Russell Office Building, a distinguished citizen of the world, Alexandr Solzhenitsyn, delivered an inspiring address to an assemblage of citizens, including many Members of this Congress, from both House of Representatives and the U.S. Senate.

In that statement, he expressed his gratitude to the U.S. Senate for twice having voted to confer honorary citizenship upon him. He said,

> Mr. President, I interpret this to mean that you have in mind not just myself as a person but the millions of my fellow countrymen who have been deprived of rights, and even those in the other Communist countries, those millions who have never been able and are still unable to express their opinions in the press, in parliament, or in international conferences.

Mr. Solzhenitsyn then spoke of the suffering and the strife and the yearnings of voiceless millions throughout this world who have no hope for freedom as a result of the growing, spreading tyranny of communism.

Mr. President, I have on a number of occasions during the past 3 weeks conferred with this great and courageous man. On each occasion, I have been even more impressed with the remarkable intellect and the dedication of Mr. Solzhenitsyn to the cause of freedom. I, for one, am honored as an American citizen that he is in our country and that he is speaking out on various matters, including the perils of so-called détente, saying things that may not be popular with those who would appease the Communists, but which, nonetheless, are warnings that must be heeded by the American people if we hope to preserve freedom in the world.

I want to share with my colleagues the

full text of Mr. Solzhenitsyn's address this afternoon. Therefore, Mr. President, I ask unanimous consent that it be printed in full in the Record at the conclusion of my remarks.

There being no objection, the address was ordered to be printed in the Record, as follows:

Speech by Alexandr Solzhenitsyn Before Members of the Senate and the House of Representatives

Gentlemen:

Here, in the Senate Office Building, I must begin by saying that I have in no way forgotten the signal, and even exceptional, honor paid me by the United States Senate in twice endeavoring to declare me an honorary citizen of the United States.

I interpret this to mean that you have in mind not just myself as a person, but the millions of my fellow countrymen who have been deprived of rights, and even those in the other communist countries—those millions who have never been able, and are still unable, to express their opinions in the press, in parliaments, or at international conferences.

In conveying to you my gratitude for the decisions of the United States Senate relating to myself, I am even more conscious of my responsibility as representative of those others—a responsibility almost too burdensome for the shoulders of a single human being. But since I have never lost sight of the suffering, the striving, and the yearnings of those other voiceless millions, and have had no other aim in life than to give voice to them, this has lent me strength for my public appearances in this country and for my appearance before you here today. There are as yet few back there, in the communist countries, who speak out, but millions understand how loathsome and repulsive the system is. Whoever can do so "votes with his feet," simply fleeing from this mass violence and extermination.

Here today I see not only members of the Senate, but also a group of Representatives. Thus, I am speaking for the first time to participants in your country's legislative process whose influence in recent years has spread well beyond the limits of American history alone.

In virtually every respect our Russian historical experience has been almost the opposite of yours. Our enormous sufferings in the twentieth century have made this Russian experience a bitter example, one which is too overwhelming, one which—as it were—comes to you from the future. Hence it is the more needful that we convey to one another our mutual experiences—persistently and with complete sincerity. One of the most terrible dangers of the present day is precisely that the destinies of the world are tangled together as never before, so that events or mistakes in one part of the world are immediately felt in all the others. At the same time the exchange of information and of opinions between populations is blocked by iron barriers on the one side, while, on the other, it is distorted by distance, by misinformation, by narrowness of outlook, or through deliberate misinterpretation by observers and commentators.

In my few addresses here in your country I have attempted to break through that calamitous wall of ignorance or of unconcerned arrogance. I have tried to convey to your countrymen constrained breathing of the inhabitants of Eastern Europe, in these very weeks when an amicable agreement of diplomatic shovels will bury and pack down bodies still breathing in a common grave. I have tried to explain to Americans that 1973, the tender dawn of détente, was precisely the time when the starvation rations in the prisons and concentration camps of the USSR were made even skimpier while in the very most recent months, when more and more Western speechmakers were pointing to the beneficial consequences of "détente", the Soviet Union put the finishing touches on an even more novel and important improvement in its system of punishment: retaining their undying primacy in the invention of forced labor camps, the Soviet jailors have now established a novel form of solitary confinement—forced labor in the solitary cells—cold, hungry, without fresh air, without sufficient light, and working according to impossible output norms. And failure to fulfill is punished by confinement under even more brutal conditions.

Alas, such is human nature that we never feel the sufferings of others until we ourselves have to share them. I am not certain that in my addresses here I have succeeded in conveying the breath of that terrible reality to American society which is complacent in its prosperity. But I have done what I was bound to do, and what I could. So much the worse if the justice of my warnings becomes evident only some years hence.

Your country has just recently passed through the extended ordeal of Vietnam, which so exhausted and divided your society. I can tell you with confidence that this ordeal was the least of the long chain of similar trials which awaits your country in the near future.

Whether or not the United States so desires, it stands at the peak of world history and takes the burden of leadership if not of the whole world, then of at least a good half of it. The United States has not had a thousand years to train for this. Maybe the 200 years of your existence has been time to weld together a sense of national awareness. The load of obligations and responsibilities has fallen on you unbidden.

That is why you members of the Senate and of the House of Representatives, each one of you, is not just an ordinary member of an ordinary Parliament—you have been elected to a particular position in the contemporary world. I would like to convey to you how we—the citizens of the communist countries look upon your words, deeds, proposals, and enactments—as brought to us over the radio sometimes with warm approval and sometimes also with horror and despair. But we never have a chance to respond out loud.

Perhaps some of you, in your minds, still feel yourselves just representatives of your state or party—but we from over there, far away from here, the whole world itself, does not perceive these differences. We do not look upon you as Democrats or Republicans, not as representatives of the East or West coast or the Midwest, we see you as figures upon each of whom depends whether the course of world history will tend to tragedy or salvation.

In the oncoming combination of a world political crisis with a shift in the spiritual values of a humanity exhausted and choked by the existing false hierarchy of values, you or your successors in the Capitol will have to confront, and are confronting today, tasks which are immeasurably greater, incomparably greater, than the petty calculations of diplomacy, the inter-party struggle, or the clash between President and Congress. There is no choice but to rise to the tasks of the age.

Very soon, only too soon, your state will have need not only of exceptional men but of great men. Find them in your souls. Find them in your hearts. Find them in the heart of your country.

Mr. HELMS. I thank the Chair.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR TRANSACTION OF ROUTINE MORNING BUSINESS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that tomorrow, after Mr. Taft has been recognized and has completed his remarks under the order previously entered, there be a brief period for the transaction of routine morning business of not to exceed 15 minutes, with statements therein limited to 5 minutes each, such period to be for the introduction of bills, resolutions, petitions, memorials, and statements into the Record only.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR CONSIDERATION OF SENATE RESOLUTION 166 TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that upon the completion of routine morning business tomorrow, the Senate resume consideration of Senate Resolution 166.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORITY FOR COMMITTEE TO FILE REPORTS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Committee on Interior and Insular Affairs have until midnight tonight to file reports.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene at the hour of 10 o'clock tomorrow morning. After the two leaders or their designees have been recognized under the standing order, Mr. Taft will be recognized for not to exceed 15 minutes, after which there will be a period for the transaction of routine morning business of not to exceed 15 minutes, with statements limited therein to 5 minutes each, at the conclusion of which, the Senate will resume consideration of Senate Resolution 166, the New Hampshire election dispute, for not to exceed 2 hours.

The Senate will then take up S. 586, a bill to amend the Coastal Zoning Management Act of 1972, to authorize and assist the coastal States to study, plan for, manage, and control the impact of energy resource development and production which affects the coastal zone. There is a time limit on that bill.

At the hour of 1 o'clock tomorrow, S. 586 will be temporarily set aside and the Senate will take up the conference report on H.R. 4035, an energy measure, and debate thereon will be limited to not to exceed 2 hours.

Upon the disposition of the conference report, the Senate will resume consideration of S. 586, the Coastal Zone Management bill. Rollcall votes on amendments to that bill and on final passage of the bill may be expected, as well as a rollcall vote on final passage of the conference report on H.R. 4035.

Depending upon the hour at which the Senate completes action on S. 586 tomorrow, the Senate may very well proceed, before the day is over, to the consideration of some other measure which has been cleared for action.

RECESS UNTIL 10 A.M. TOMORROW

Mr. STONE. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in recess until 10 a.m. tomorrow.

The motion was agreed to; and at 5:28 p.m., the Senate recessed until Wednesday, July 16, 1975, at 10 a.m.

NOMINATIONS

Executive nominations received by the Senate July 15 (legislative day of July 11), 1975:

COMMODITY CREDIT CORPORATION

Richard E. Bell, of Maryland, to be a member of the Board of Directors of the Commodity Credit Corporation, vice Clayton Yeutter.

DEPARTMENT OF AGRICULTURE

Richard E. Bell, of Maryland, to be an Assistant Secretary of Agriculture, vice Clayton Yeutter.

DEPARTMENT OF STATE

The following-named Foreign Service Officers for promotion from class one to the class of Career Minister:

Theodore L. Eliot, Jr., of California.
Arthur A. Hartman, of New Jersey.
Deane R. Hinton, of Illinois.
William E. Schaufele, Jr., of Ohio.
Richard L. Sneider, of New York.
Helmut Sonnenfeldt, of Maryland.
Wells Stabler, of the District of Columbia.
Viron P. Vaky, of Texas.

Hans N. Tuch, of Illinois, a Foreign Service Information Officer of class one, for promotion to the class of Career Minister for Information.

THE JUDICIARY

Richard D. Rogers, of Kansas, to be U.S. District Judge for the District of Kansas vice George Templar, retired.

IN THE U.S. NAVY

Vice Adm. George P. Steele, II, U.S. Navy, for appointment to the grade of vice admiral on the retired list, pursuant to the provisions of title 10, United States Code, section 5233.

IN THE U.S. MARINE CORPS

Lt. Gen. Herbert L. Beckington, U.S. Marine Corps, when retired, to be placed on the retired list in the grade of lieutenant general in accordance with the provisions of title 10, U. S. Code, section 5233.

IN THE ARMY

The following-named officers for promotion in the Army of the United States, under the provisions of Public Law 92-129:

ARMY PROMOTION LIST

To be lieutenant colonel

Adams, Frank S., [redacted].
Adams, James D., [redacted].
Affourtit, Rene J., [redacted].
Aidif, Thomas H., [redacted].
Aikman, Larry P., [redacted].
Akridge, Jimmie H., [redacted].
Albertson, Tom L., [redacted].
Alcala, Raoul H., [redacted].
Alden, John H., [redacted].
Aldrich, Harold B., [redacted].
Alexander, Don R., [redacted].
Alexander, Franklin, [redacted].
Alexander, Junius R., [redacted].
Allen, Alex L., [redacted].
Allen, Cullen S., [redacted].
Allen, Frank C., [redacted].
Allen, James H., [redacted].
Alley, James H., [redacted].
Allison, Samuel C., [redacted].
Alpern, Stephen I., [redacted].
Alsop, Jackie R., [redacted].
Amick, Robert L., [redacted].
Ammerman, Robert H., [redacted].
Anderson, James Y., [redacted].
Anderson, Jimmie M., [redacted].
Anderson, Morris D., [redacted].
Anderson, Philip E., [redacted].
Anderson, Thomas W., [redacted].
Anderson, Warren H., [redacted].
Andres, Dudley H., [redacted].
Andrews, Raymond G., [redacted].
Andrews, William R., [redacted].
Apfel, Paul W., [redacted].
Applegarth, Donald, [redacted].
Arbogast, William R., [redacted].
Archer, C. A., [redacted].
Archer, John R., [redacted].
Archibald, Harold R., [redacted].
Archibald, Thomas, [redacted].
Arflack, Kenneth B., [redacted].
Armstrong, Alan P., [redacted].
Arndt, Gary L., [redacted].
Arnold, James E., [redacted].
Arnold, Joseph V., [redacted].
Arthur, James F., [redacted].
Ash, Hughes L., Jr., [redacted].
Atkins, George C., [redacted].
Atseff, Vladimir, [redacted].
Avery, Wesley B., [redacted].
Ax, George R., [redacted].
Babcock, Charles S., [redacted].
Babel, Otto, [redacted].
Bacas, Harry J., [redacted].
Bachelor, Larry D., [redacted].
Badine, Alan H., [redacted].
Bagnerise, Joseph W., [redacted].
Bailey, William N., [redacted].
Baird, Thomas H., [redacted].
Baker, Charles R., [redacted].
Baker, Wardell G., [redacted].
Baldwin, Edward R., [redacted].
Ballenger, Kenneth, [redacted].
Bangasser, Frederick, [redacted].
Bangerter, Jerald C., [redacted].
Bankson, Peter R., [redacted].
Baratto, David J., [redacted].
Barber, Don W., [redacted].
Bare, George P., [redacted].
Barnes, Wilson E., [redacted].
Barnett, John R., [redacted].
Barone, Ercole M., [redacted].
Barrell, Donald H., [redacted].
Barringer, Ronald W., [redacted].
Barrowman, Thomas J., [redacted].
Bartholomew, Alanso, [redacted].
Bassett, Franklyn B., [redacted].
Baucom, Billy J., [redacted].
Bauer, David W., [redacted].
Bean, Roger K., [redacted].
Bechtel, Jerome J., [redacted].
Beck, William F., [redacted].
Beinhacker, Neal D., [redacted].
Belan, Charles G., [redacted].
Beld, Thomas W., [redacted].
Belitz, Charles L., [redacted].
Bell, Jerry L., [redacted].
Belleville, Maurice, [redacted].
Benchoff, Dennis L., [redacted].
Bendele, James C., [redacted].
Bennett, James L., [redacted].
Bennett, Larry T., [redacted].
Bennett, Thomas R., [redacted].
Benson, Richard D., [redacted].
Benson, Roy, Jr., [redacted].
Bernstein, Charles, [redacted].
Berry, John A., [redacted].
Berry, Peter T., [redacted].
Bertelkamp, John N., [redacted].
Berumen, Florencio, [redacted].
Beruvides, Esteban, [redacted].
Best, David M., [redacted].
Beyer, Lawrence M., [redacted].
Bidgood, Ferdinand, [redacted].
Bierbaum, Carl R., [redacted].
Bierly, Robert N., [redacted].
Bilberry, Ralph W., [redacted].
Billings, Barry B., [redacted].
Bilyeu, Ronald E., [redacted].
Biondi, Richard M., [redacted].
Bireley, Judson L., [redacted].
Bisbey, Jay B., [redacted].
Bistany, Peter J., [redacted].
Bittrich, Lowell D., [redacted].
Black, Joe D., [redacted].
Black, Ronald L., [redacted].
Blake, Phillip L., [redacted].
Blake, William B., [redacted].
Blanchard, Joseph H., [redacted].
Bledsoe, James H., [redacted].
Blesse, James S., [redacted].
Blewett, John H., [redacted].
Bochnowski, Frank J., [redacted].
Bohls, Robert J., [redacted].
Boice, Craig H., [redacted].
Boice, William M., [redacted].
Bokor, John A., [redacted].
Bolling, George H., [redacted].
Bomersheim, Phil K., [redacted].
Bonifay, Isaac F., [redacted].
Booth, Van D., [redacted].
Borg, Charles T., [redacted].
Borrello, Ronald A., [redacted].
Botelho, George E., [redacted].
Bouton, Peter H., [redacted].
Bowden, John T., [redacted].
Bowe, Robert M., [redacted].
Bowers, Joseph M., [redacted].
Bowersox, Wilbur G., [redacted].
Box, Joe M., [redacted].
Boyd, Claude D., [redacted].
Boyd, William L., [redacted].
Boyle, Clarence E., [redacted].
Boyles, Harry W., [redacted].
Boyt, Edward, [redacted].
Boznak, Rudolph G., [redacted].
Braden, Frank R., III, [redacted].
Bradley, Peter W., [redacted].
Brafford, Robert T., [redacted].
Branscome, Dexter A., [redacted].
Bratz, Gordon T., [redacted].
Braun, Thomas R., [redacted].
Bray, Robert F., [redacted].
Bennan, Patrick M., [redacted].
Bretsch, Kenneth P., [redacted].
Brett, Thomas H., [redacted].
Briggs, David B., [redacted].
Briggs, Duncan D., [redacted].
Brigham, Hugh W., [redacted].
Brinkley, Ulyus O., [redacted].
Brisach, Eugene M., [redacted].
Brooks, Delbert R., [redacted].
Brooks, Lawrence E., [redacted].
Brooks, Ronald E., [redacted].
Broshous, Charles R., [redacted].
Brown, Gerald C., [redacted].
Brown, John B., [redacted].
Brown, Roger A., [redacted].
Brown, Stanley M., [redacted].
Browning, Robert W., [redacted].
Brunner, Karl R., [redacted].
Bryde, Walter J., [redacted].
Buchert, Kenneth D., [redacted].
Buckles, Harvey I., [redacted].
Burch, Fenwick H., Jr., [redacted].
Burd, Cleve J., [redacted].
Burden, John R., [redacted].
Burgess, Douglas R., [redacted].
Burke, Richard S., [redacted].
Burley, Edward B., [redacted].
Burnell, Robert W., [redacted].
Burns, Jerald C., [redacted].
Burton, Martin C., [redacted].
Butcher, Richard D., [redacted].
Butler, Billy C., [redacted].
Butler, Dennis F., [redacted].
Butler, Lyle, W., [redacted].
Butterworth, Larry, [redacted].

Buttolph, Dan D., [redacted].
Buyle, Kenneth R., [redacted].
Byrd, Johnnie P., [redacted].
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Page, Leroy Z., II, [redacted]
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Patty, J. W., III, [redacted]
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Pennywell, Johnson, [redacted]
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Post, Elwyn D., [redacted]
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Quinn, Larry G., [redacted]
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Stubblefield, Jo, [redacted].
Stuhlmuller, Kimbal, [redacted].
Stupka, Michael B., [redacted].
Suhosky, Robert J., [redacted].
Sullivan, James A., [redacted].
Summers, Don A., [redacted].
Sumner, John H., [redacted].
Sutter, Ronny L., [redacted].
Swanson, Harold M., [redacted].
Sweeney, John P., [redacted].
Swift, Ivan C., [redacted].
Symons, Rodney W., [redacted].
Szabo, Richard M., [redacted].
Tancreti, Roger J., [redacted].
Tanner, Junius I., [redacted].
Tapscott, Donald A., [redacted].
Taranto, Monroe J., [redacted].
Tate, George W., [redacted].
Taylor, James B., [redacted].
Taylor, John N., [redacted].
Teates, Bryan W., Jr., [redacted].
Tebo, Robert J., [redacted].
Tenbrook, James J., [redacted].
Terry, William F., II, [redacted].
Teska, Thomas E., [redacted].
Tetreault, Raymond, [redacted].
Theofanous, Angelo, [redacted].
Theuer, Paul J., [redacted].
Thielen, Edward J., [redacted].
Thomas, Billy M., [redacted].
Thompson, Charles F., [redacted].
Thompson, James B., [redacted].
Thompson, Richard A., [redacted].
Thorne, Tommy L., [redacted].
Threefoot, Philip S., [redacted].
Thurgood, Leon C., [redacted].
Thurman, James D., [redacted].
Tillman, Clifford R., [redacted].
Tilton, Franklin T., [redacted].
Tippin, Scott M., [redacted].
Tisson, Guenter J., [redacted].
Tobin, William G., [redacted].
Tocher, Robert B., [redacted].
Tolliver, Ronald P., [redacted].
Tomiczek, Paul W., Jr., [redacted].
Tomlinson, Carey G., [redacted].
Totolo, Robert C., [redacted].
Totten, Robert G., [redacted].
Tower, William E., [redacted].
Tozer, William S., [redacted].
Tracy, James L., [redacted].
Tracy, Lawrence L., [redacted].
Tragesser, John N., [redacted].
Trauner, Ronald F., [redacted].
Treadwell, Clarence, [redacted].
Trodella, Robert A., [redacted].
Troth, Robert S., [redacted].
Tucker, Henry B., [redacted].
Tudhope, Lawrence K., [redacted].
Tudor, Robert W., [redacted].
Turnage, John O., [redacted].
Turner, Teddy W., [redacted].
Tyler, James W., [redacted].
Ullman, Cornell L., [redacted].
Ulmer, Donald J., [redacted].
Valliant, Charles M., [redacted].
Vanderschaaf, John, [redacted].
Vangorder, Henry P., [redacted].
Varnon, Jerry R., [redacted].
Vaughn, Thomas B., [redacted].
Vela, Rene A., [redacted].
Vemity, Charles G., [redacted].
Vermilyea, Carl P., [redacted].
Vespia, Vincent, Jr., [redacted].
Vickers, Anthony M., [redacted].
Villaronga, Raul G., [redacted].
Vinci, Frank, Jr., [redacted].
Vinci, Joseph F., [redacted].
Vinson, Billy R., [redacted].
Vogel, Donald L., [redacted].
Volponi, Anthony A., [redacted].
Votaw, John F., [redacted].
Wacloff, Robert L., [redacted].
Waddell, Decatur F., [redacted].
Waddell, Ralph L., [redacted].
Waddell, Richard D., [redacted].
Wade, Jerry F., [redacted].

Waghelstein, John D., [redacted].
Wahlberg, Arlen B., [redacted].
Waits, John P., [redacted].
Waldhour, Louis G., [redacted].
Waldrop, William R., [redacted].
Walker, Byron G., [redacted].
Walker, Edward G., [redacted].
Walker, Frederick A., [redacted].
Walker, Larry T., [redacted].
Walls, Merritt P., [redacted].
Walsh, Daniel P., [redacted].
Walsh, Martin W., [redacted].
Warchol, Leanard J., [redacted].
Ward, Franklin M., [redacted].
Ward, Joseph G., II, [redacted].
Ward, Michael, [redacted].
Ward, Robert E., [redacted].
Ward, William B., [redacted].
Ware, William M., [redacted].
Warren, Claude H., [redacted].
Warren, James A., [redacted].
Washington, Charles, [redacted].
Washington, Raleigh, [redacted].
Watkins, Charles C., [redacted].
Watkins, John A., [redacted].
Watson, Kermith G., [redacted].
Watson, Samuel J., [redacted].
Weaver, Charles R., [redacted].
Weaver, James H., [redacted].
Webb, Ernest L., [redacted].
Webb, Gerald E., [redacted].
Webster, Thomas H., [redacted].
Weedel, Joseph F., [redacted].
Weeks, Leo J., [redacted].
Weinberg, Richard A., [redacted].
Weir, David E., [redacted].
Wells, Herbert D., [redacted].
Welsh, James B., [redacted].
Welsh, Lawrence E., [redacted].
Wendt, Robert L., [redacted].
Weske, William I., [redacted].
Wesneski, Carl A., [redacted].
West, Brownie D., [redacted].
West, John J., [redacted].
Westbrook, Paul H., [redacted].
Westmoreland, Verlon, [redacted].
Westpheling, Charles, [redacted].
Westry, Oliver B., [redacted].
Whaley, Max, [redacted].
Whatley, David T., [redacted].
Wheeler, Jack C., [redacted].
Wheeler, John B., [redacted].
Wheeler, Philip A., [redacted].
Whipple, Berkley A., [redacted].
Whisenhunt J., Dee, [redacted].
Whitaker, Lewis H., [redacted].
Whitcomb, Richard G., [redacted].
White, Billy C., [redacted].
White, Donald R., [redacted].
White, Fay T., [redacted].
White, Harry N., [redacted].
White, James M., [redacted].
White, John W., [redacted].
White, Walter S., [redacted].
Whitehead, Robert W., [redacted].
Whiteside, Daniel L., [redacted].
Whitlaw, Nathaniel, [redacted].
Whitley, James R., [redacted].
Whitley, Wade H., II, [redacted].
Whitlock, Donald L., [redacted].
Whitsett, Richard D., [redacted].
Whitworth, David C., [redacted].
Wild, Allen R., [redacted].
Wilder, Samuel D., [redacted].
Wilder, William B., [redacted].
Wiley, Noble J., [redacted].
Wilhelm, Robert S., [redacted].
Wilkie, David G., [redacted].
Willard, Jack T., [redacted].
Williams, Bill H., [redacted].
Williams, Billy D., [redacted].
Williams, Charles A., [redacted].
Williams, Charles E., [redacted].
Williams, Frank K., [redacted].
Williams, James E., [redacted].
Williams, Jon W., [redacted].
Williams, Lyons H., [redacted].
Williams, Robert B., [redacted].
Williams, Russell L., [redacted].
Williamson, Garret W., [redacted].
Williford, Sherman, [redacted].
Willis, Benjamin L., [redacted].
Willison, Darryl L., [redacted].
Wilson, Bruce E., [redacted].
Wilson, Gene R., [redacted].
Wilson, James E., [redacted].
Wilson, John B., [redacted].
Wilson, John H., [redacted].
Wilson, Robert B., [redacted].
Wilson, Walter K., [redacted].
Wingenter, Anthony, [redacted].
Winters, James M., [redacted].
Wisby, James M., [redacted].
Witcher, Robert A., [redacted].
Witherspoon, Eugene, [redacted].
Witherspoon, Jerry, [redacted].
Witt, Billy J., [redacted].
Wolfarth, William M., [redacted].
Wolff, Robert R., [redacted].
Wollmering, Lawrence, [redacted].
Wolpert, Robert A., [redacted].
Wood, Anthony B., [redacted].
Wood, William A., [redacted].
Woodall, Thomas J., [redacted].
Woodbeck, Charles A., [redacted].
Woodhurst, Charles, [redacted].
Woodle, Arthur G., [redacted].
Woods, Andrew D., Jr., [redacted].
Woodson, William B., [redacted].
Woolweaver, Robert, [redacted].
Worlund, Shyron L., [redacted].
Wright, Frederick S., [redacted].
Wright, Jerry T., [redacted].
Wright, Kenneth E., [redacted].
Wright, Robert K., [redacted].
Wrockloff, George E., [redacted].
Yardas, Douglas A., [redacted].
Yates, John R., [redacted].
Yawn, Malcolm T., [redacted].
Yeagley, John P., [redacted].
Yetman, Robert R., [redacted].
York, Dennis J., [redacted].
York, Donald, [redacted].
York, James J., [redacted].
Young, Ernest, Jr., [redacted].
Zakas, Louis H., [redacted].
Zebarth, Roger L., [redacted].
Zingle, Paul R., [redacted].
Zook, Neil J., [redacted].
Zorn, Burl A., [redacted].
Zutter, Donald S., [redacted].

CHAPLAIN CORPS

To be lieutenant colonel

Ackerman, Henry F., [redacted].
Alutius, Joseph F., [redacted].
Bezanson, Ronald S., [redacted].
Blount, Forest N., [redacted].
Borson, Bernard K., [redacted].
Burnett, Lewis G., [redacted].
Danielson, Wendell, [redacted].
Dennigan, Patrick J., [redacted].
Devine, Kevin A., [redacted].
Dunn, Roger T., [redacted].
Durham, John K., [redacted].
Edwards, Conard O., [redacted].
Ennis, Robert J., [redacted].
Evans, John M., [redacted].
Foreman, William E., [redacted].
Garrett, Harry S., [redacted].
Garrett, Robert G., [redacted].
Giannattasio, Nathaniel, [redacted].
Gushwa, Robert L., [redacted].
Hagin, J. Ward, [redacted].
Harano, Roger D., [redacted].
Hrin, Basil A., [redacted].
Huntley, Jack R., [redacted].
Kearney, Thomas L., [redacted].
Kinney, Donald W., [redacted].
Kita, Edward J., [redacted].
Loftus, Conrad W., [redacted].
McMillan, Charles E., [redacted].
Meiss, John P., [redacted].
Mouchette, Edward D., [redacted].
Murja, Milan, [redacted].
Myers, Glenn L., [redacted].
Njus, Irving C., [redacted].
Peck, Ernest B., [redacted].
Petersen, Gordon H., [redacted].
Redding, Duane D., [redacted].
Roat, Stanley G., [redacted].
Rowan, Edwin J., [redacted].
Selph, Justus P., [redacted].
Simpson, John W., [redacted].
Sisk, Leroy A., [redacted].
Sowards, Douglas H., [redacted].
Spencer, Ronald D., [redacted].
Stewart, Richard E., [redacted].
Tkach, Norman A., [redacted].
Venzke, Rodger R., [redacted].
Webster, Norris M., [redacted].
White, Buster P., [redacted].
Williams, Bruce M., [redacted].
Williams, Walter K., [redacted].
Woehr, David J., [redacted].
Workman, Ralph C., [redacted].

WOMEN'S ARMY CORPS

To be lieutenant colonel

Burbank, Arlene G., [redacted].
Burris, Nancy A., [redacted].
Cadoria, Sherian G., [redacted].
Groome, Sally L., [redacted].
Hewlett, Mary E., [redacted].
Hubik, Delores H., [redacted].
Litehiser, Donna A., [redacted].
Pennington, Doris V., [redacted].
Ramsay, Claudia G., [redacted].
Rinkel, Marcia L., [redacted].
Thompson, Flora G., [redacted].
Westerfield, Los L., [redacted].

MEDICAL SERVICE CORPS

To be lieutenant colonel

Anderson, Charles H., [redacted].
Barnard, John D., [redacted].
Barnes, Perry A., [redacted].
Barnes, Walter, Jr., [redacted].
Blakemore, Vaughan, [redacted].
Bleich, Roland, [redacted].
Boe, Gerard P., [redacted].
Cantrell, James E., [redacted].
Carnahan, Robert P., [redacted].
Carroll, William F., [redacted].
Clark, Charles F., [redacted].
Creighton, James P., [redacted].
Delane, Charles E., [redacted].
Derrickson, William, [redacted].
Ditmars, Dennis L., [redacted].
Dix, Richard A., [redacted].
Dolbier, James A., [redacted].
Dominguez, Roberto, [redacted].
Donehew, Gerald R., [redacted].
Drill, John C., [redacted].
Elliott, Robert F., [redacted].
Forrer, Dennis B., [redacted].
Fulton, William R., [redacted].
Gerukos, John G., [redacted].
Goodman, Dorris C., [redacted].
Green, Grant E., [redacted].
Hall, Joseph A., [redacted].
Heggers, John P., [redacted].
Hill, Walter B., [redacted].
Holcomb, Robert E., [redacted].
Houston, William E., [redacted].
Howard, Jimmie B., [redacted].
Irwin, Glen D., [redacted].
Jasper, Willard O., [redacted].
Johnson, Donald A., [redacted].
Johnson, Walter F., [redacted].
Keller, Thomas E., [redacted].
Lingle, Kenneth C., [redacted].
Longley, Rark E., [redacted].
Lund, Nelson H., [redacted].
Mallory, Lloyd M., [redacted].
Malone, Richard L., [redacted].
Manaro, Arthur J., [redacted].
Marchand, Francis W., [redacted].
Marine, Wayne E., [redacted].
McCauley, Charles L., [redacted].
Meiers, Richard E., [redacted].
Mercado, Robert K., [redacted].
Merritt, Thomas E., [redacted].
Munley, Thomas C., Jr., [redacted].
Nelson, Donald C., [redacted].
Olander, Leroy H., [redacted].
Osborn, Thomas E., [redacted].
Osborne, Edward J., [redacted].
Pollock, Archie D., [redacted].
Schumacher, Leonard, [redacted].
Silvers, Paul, [redacted].
Simpson, Calbrieth, [redacted].
Soles, Elmer M., [redacted].

Spruiell, Jerry B., [redacted].
Stone, Leland M., [redacted].
Summary, James J., [redacted].
Thompson, Eugene G., [redacted].
Trumbla, Thomas E., [redacted].
Vallandingham, James, [redacted].
Vance, William M., [redacted].
Vimont, William J., [redacted].
Waters, George A., [redacted].
Webb, Byron D., [redacted].
Weiss, Joseph D., [redacted].
Whitlaw, Joseph T., [redacted].
Yamanouchi, Kenneth, [redacted].
Young, James R., [redacted].

ARMY MEDICAL SPECIALIST CORPS

To be lieutenant colonel

Buss, Carole J., [redacted].
Dayton, Miller P., [redacted].
Doctor, Robert L., [redacted].
Hammond, Charles W., [redacted].
Hartman, Charles W., [redacted].
Jolin, Janet P. [redacted].
Lucas, Mary E., [redacted].
Shannon, Phillip D. [redacted].
Touchard, Maryjo S., [redacted].
Troy, Oneta D., [redacted].
Vickery, Jane C., [redacted].

VETERINARY CORPS

To be lieutenant colonel

Fairchild, David G., [redacted].
Fruin, John T., [redacted].
Johnsen, Dennis O., [redacted].
Kerr, William K., [redacted].
Reddin, George B., Jr., [redacted].
Reynolds, Buddy L., [redacted].
Reynolds, Scott L., [redacted].

ARMY NURSE CORPS

To be lieutenant colonel

Ammon, Kathryn J., [redacted].
Antilla, Betty J., [redacted].
Borg, Naldean J., [redacted].
Bourne, Olga C., [redacted].
Budack, Marietta E., [redacted].
Burns, Marlene G., [redacted].
Carson, Amelia J., [redacted].
Christ, Nancy M., [redacted].
Clayton, Sanford A., [redacted].
Devoss, Joan K., [redacted].
Fiaschi, Peter J., [redacted].
Gray, Helen V., [redacted].
Harder, Mary F., [redacted].
Hawkins, Roberta W., [redacted].
Herman, James W., [redacted].
Istvan, Dorothy E., [redacted].
Kalandros, Konstant, [redacted].
King, Joyce W., [redacted].
Kucha, Deloros H., [redacted].
Kuntz, Mary K., [redacted].
Lamontagne, Mary E., [redacted].
Lifshen, Sheldon, [redacted].
Mattiesen, Jerry A., [redacted].
McKenzie, Nancy J., [redacted].
Messerschmidt, Mary, [redacted].
Pocklington, Dorothy, [redacted].
Rossi, Marguarite J., [redacted].
Ruester, Margaret E., [redacted].
Samuels, Claude C., [redacted].
Shinskie, Edward F., [redacted].
Skinner, Fay J., [redacted].
Snell, Joan, [redacted].
Steinike, Mary L., [redacted].
Stemm, Patricia A., [redacted].
Stepulis, John J., [redacted].
Sutherland, William, [redacted].
Troniar, Maryrose F., [redacted].
Vanlith, Rita W., [redacted].
Vineys, Eugenia A., [redacted].
Walls, Marion J., [redacted].
Yamabayashi, Gilbert, [redacted].
Zitzelberger, John, [redacted].

EXTENSIONS OF REMARKS

THE NEED FOR FOOD STAMP REFORM

HON. ROBERT W. DANIEL, JR.

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 15, 1975

Mr. ROBERT W. DANIEL, JR. Mr. Speaker, the food stamp program is a well-intentioned program that has grown wildly out of proportion. What began 10 years ago as a modest Federal project funded at $40 million will this year cost well over $6.6 billion.

While the cost of the food stamp program has increased by over 14,000 percent in the last 10 years, the number of Americans living below the poverty level has declined.

We need to provide assistance to those Americans who really need our help, but we cannot ask the taxpayers to finance a multi-billion dollar program with no rational limits. Present Federal regulations permit millions of Americans who are not economically deprived to become eligible for food stamps. Today one in every four Americans, 57.3 million, are eligible for food stamps. We are fast approaching the point at which a third or a half of the American people may be eligible for this form of public assistance.

Enough is enough. I have joined today with 55 colleagues in the House in introducing legislation which will overhaul the entire food stamp program. A companion bill is being simultaneously introduced in the Senate.

Our intention is to correct its abuses while strengthening its merits. We offer a program of reform. We propose changes that will reduce the food stamp rolls while simultaneously expanding benefits to the truly needy. We hope to end the national scandal of allowing affluent families to literally live off the labor of those who must work for their daily bread.

Shocking Federal regulations have turned a worthy and humane food stamp program into an administrative nightmare and a public ripoff. Some able-bodied persons who do not wish to work can get food stamps. Persons who quit their jobs without good reason can get food stamps. Minor children can get food stamps without parental consent or control. The owners of jewelry, furs, and luxury appliances can get food stamps. There is literally no limit to the ways the taxpaying public can be exploited through the food stamp program.

And yet, food stamps were initiated because there was a valid need for them. Some of our countrymen needed a hand, and we were rightly willing to extend it to them. Some still are in need, and I believe the American people are still willing to aid them.

That is why, for those most in need, the National Food Stamp Reform Act would significantly expand nutritional assistance. Millions of poor Americans would benefit directly and substantially from its enactment. The elderly, who are least able to defend their pocketbooks against the onslaught of federally created inflation, would be given special consideration. And the food stamp allotment of every recipient would be immediately increased by 29 percent.

The reforms we are proposing will accomplish all this at the same time that they cut back the food stamp rolls and simplify administration. We estimate that a reformed food stamp program, carefully administered and generously available to the truly needy, would save $2 billion this year and would keep the program from getting completely out of hand in years ahead. That is $2 billion in Federal revenues which could be returned to the taxpayers of America, who also must buy groceries for their families.

That savings can be effected through several commonsense measures—

By using the Federal Government's poverty indices as the cutoff points for food stamp eligibility.

By eliminating the present complicated system of income deductions through which many high-income families qualify for food stamps.

By instituting reasonable resource limitations, to insure that individuals who possess considerable material wealth do not take advantage of their neighbors by using food stamps.

By denying food stamp eligibility to college students, strikers, and able-bodied persons, without small children, who do not choose to work.

By instituting simple administrative procedures, now woefully lacking, which will crack down on food stamp fraud, multiple applications, and the black marketeering of food stamps.

Because the National Food Stamp Reform Act combines the frugality we owe all taxpayers with the generous compassion our country has always shown to the less fortunate, I am happy to submit it for the consideration of the House. I join my distinguished colleagues from the House and Senate in recommending this legislation not only to the Congress, but also to the President and to the American people. Together we can make the food stamp program less expensive and more effective. This bill offers us the means to do so. We need only the will to use it.

TRIBUTE TO PETER M. McGAVIN

HON. LEONOR K. SULLIVAN

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 15, 1975

Mrs. SULLIVAN. Mr. Speaker, I would like to say a few words of tribute to the memory of Peter M. McGavin, Executive Secretary-Treasurer of the AFL–CIO Maritime Trades Department, who died a week ago Sunday at his home in Bethesda, Md.

Pete McGavin had a long history in the labor movement dating from 1940 until the present, with a few years out for service in the U.S. Army. In his many years in the labor movement, Peter McGavin served in many capacities. In November 1960, he was unanimously elected Secretary-Treasurer of the Maritime Trades Department of the AFL–CIO. We in the Merchant Marine and Fisheries Committee got to know his work with the merchant marine in these latter years. Pete was totally devoted to the U.S.-flag merchant fleet and worked with the Committee on many matters dedicated to this goal.

I would like to join with Pete's many friends in the labor movement, and in the U.S. maritime industry, in sending condolences to his wife Dorothy and his son Stephen. Over all these years Pete McGavin has been an outstanding figure in the labor movement and in the U.S. maritime industry and he will be sorely missed by these organizations and by his many friends.

Set out below, Mr. Speaker, is an article about Peter McGavin which was in the July 12, 1975 AFL–CIO News.

PETER M. McGAVIN DIES, MARITIME DEPT. LEADER

Peter M. McGavin, executive secretary-treasurer of the AFL–CIO Maritime Trades Dept., died at his home in Bethesda, Md., July 6 of cancer. He was 66 years old.

McGavin, who joined the labor movement 35 years ago, held his post with the MTD for nearly 15 years. Before assuming the position, he served as assistant to AFL–CIO President George Meany. He was a member of the Machinists.

Meany and Sec.-Treas. Lane Kirkland, in a letter to McGavin's wife, Dorothy, said "there is no way to express what his gifts and dedication have meant to the labor movement. His loss is irreparable."

MTD President Paul Hall said that McGavin's accomplishments in behalf of the department's affiliated unions "will long endure and be remembered."

"All of us who knew Pete will remember him for his loyalty and dedication to the labor movement he served so long and so well," Hall said. "More than that, we will also remember him as a warm human being and a valued friend."

Born in Grand Rapids, Mich., McGavin joined the AFL organizing staff in 1940. He returned to his position with the AFL in 1946 following four years of Army service in World War II.

In 1949, AFL President William Green named him regional director for Pennsylvania and West Virginia. Four years later, he was appointed assistant national organization director.

Named an assistant to Meany in 1955, McGavin handled hundreds of jurisdictional disputes and worked with state and local central bodies and federal labor unions and assisted national and international unions.

He was unanimously elected executive secretary-treasurer of the MTD in November 1960, and assumed the duties of the position on Jan. 1, 1961.

McGavin is survived by his wife and a son, Stephen.

Services were held at Our Lady of Lourdes Catholic Church in Bethesda. Interment was in Silver Spring, Md.

U.S. CITIZENS MISSING

HON. JAMES J. BLANCHARD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 15, 1975

Mr. BLANCHARD. Mr. Speaker, according to recently published news reports, the House of Representatives will in the near future be taking up the question of lifting the embargo on military aid to Turkey.

I believe it is hard for us here in Washington, thousands of miles away from the Republic of Cyprus, to truly appreciate the tragic effect upon that nation of the Turkish invasion of July 20, 1974.

Two hundred thousand Greek Cypriots became refugees in 1 week in that one-sided conflict between regular units of the Turkish Army and the Cypriot National Guard. Two thousand five hundred Greek Cypriots are still unaccounted for.

The effect of the invasion as a whole, like other large-scale events of history, cannot be grasped except statistically.

But, as with other tragedies of this scope, occasionally a single story or episode may be recounted which conveys its real meaning in human terms.

Such an episode, to me, was described in a letter which I received July 10 from a constituent, Ms. Fay Kassapis, of Sterling Heights, Mich.

Ms. Kassapis is an American citizen who was living in Cyprus at the time of the invasion. She was one of these left homeless.

In addition, however, her brother, who is also an American citizen, and her brother-in-law were taken away by the Turks and there has been no word of their whereabouts since.

According to the American Hellenic Congress, Ms. Kassapis' brother is 1 of 24 American citizens who is missing as a result of the invasion.

I have spoken with Ms. Kassapis and assured her of my sympathy and concern for her brother and brother-in-law.

I have also written to Secretary Kissinger to inquire what action is being taken by our Government to account for these missing Americans and assure the safety of any who may be left alive.

I am inserting copies of Ms. Kassapis' letter to me, and my letter to Dr. Kissinger, in the RECORD, both for the information of my colleagues and as a reminder of the terrible human cost of the invasion of Cyprus.

The letters follow:

DEAR MR. CONGRESSMAN: My name is Fay Kassapis. I was born in Detroit Michigan.

During the Turkish invasion of Cyprus I was there with my family studying at the American Academy.

I am one of the 200,000 refugees since I was forced by the Turkish troops to leave my home. Now I live with relatives in Sterling Heights Michigan while the rest of my family are still in Cyprus.

My brother Andy who is also an American citizen and brother-in-law Leo were picked up by the invading Turkish forces. They were taken away and were never seen or heard since.

They may have been killed by an American made bullet, fired by an American made rifle supplied by the American government to the Turkish forces.

I urge you to vote against resumption of any military aid to Turkey until my brother, brother-in-law and the other American citizens are found.

Sincerely yours,

FAY KASSAPIS,
Sterling Heights, Mich.

HOUSE OF REPRESENTATIVES,
Washington, D.C., July 15, 1975.

DR. HENRY KISSINGER,
Secretary of State, Department of State,
Washington, D.C.

DEAR DR. KISSINGER: I have recently been informed by the American Hellenic Congress that a total of 24 American citizens are among the total of approximately 2,500 persons missing as a consequence of the invasion of the Republic of Cyprus by Turkey.

Enclosed is a copy of a letter which I have received from a relative of one of these Americans. An American citizen herself and a constituent of mine, she was forced from her home during the invasion and now lives with other relatives in Sterling Heights, Michigan.

In view of the enormous investment of men and material expended on behalf of some 40 American citizens who were seized recently on the Mayaguez under alleged illegal circumstances, I would greatly appreciate answers to the following questions:

(1) What action is being taken by the U.S. government to ascertain the whereabouts of these persons and bring about their release if, in fact, they are not dead?

(2) What is the distinction between these American nationals and others in Vietnam or on the Mayaguez? In other words, why were they not similarly accorded the full and immediate protection of the U.S. government when in danger?

(3) What information is currently available regarding these persons? Have any denials of knowledge or other statements been issued by the Turkish government concerning them?

Leaving aside the various violations by Turkey of U.S. law and U.N. resolution, this transgression seems to me to call into question, our firmness and resolve in international affairs. It therefore seems to me worthy of your prompt attention.

Your investigation of this matter would be appreciated.

Best regards.

Sincerely,

JAMES J. BLANCHARD,
Member of Congress.

THE DEATH OF LAWRENCE WILLIAMS

HON. HERMAN T. SCHNEEBELI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 14, 1975

Mr. SCHNEEBELI. Mr. Speaker, along with my colleagues from the previous Congress and with many other Americans, I am saddened by the death of former Congressman Lawrence Williams of Pennsylvania.

Those of us who served with Larry as members of the Pennsylvania congressional delegation, and especially as members of the same party, were able to observe in him many attributes of a fine Representative. His capabilities as a Legislator were demonstrated by his active participation in floor debate, and by his dedicated committee work.

Larry and I shared great concern about the fiscal policies of the Federal Government, and I admired his conscientious efforts to hold down the ever-escalating budget and Federal spending.

He will be missed by many, and Mrs. Schneebeli and I extend our sympathy to his wife Marge and to his family.

THE PLIGHT OF NEW YORK CITY CONTAINS A LESSON FOR ALL AMERICA

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 15, 1975

Mr. McDONALD of Georgia. Mr. Speaker, the plight of New York City could become the plight of the United States if we in the Congress do not change the course of the ship of state. New York City has become a drain not only upon the once proud Empire State, but threatens to become a major financial drain on the Nation. Neither a city, nor a State, nor the Nation can continually spend more than it takes in in revenue and continue to borrow and borrow. The reasons for the plight of New York City are varied and complex, but one of the major reasons for the city's financial troubles is the stranglehold of the public employee unions in the city.

Anthony Harrigan, in his column "Sensing the News," released on July 10, 1975, describes the problem very well in my view, and I commend his column to the attention of my colleagues:

A FORMULA FOR MISERY

(By Anthony Harrigan)

Interruption of services by New York sanitation and demonstrations by policemen dropped from the city's payroll point to the danger of "civil servants" coercing a community.

New York City is in grave financial trouble today because unions representing sanitationmen, teachers, policemen, firemen and other city employees have insisted on wage increases and retirement and pension provisions which are beyond the city's means.

This is not to say one doesn't feel some sympathy for the policemen, firemen and sanitationmen. Mayor Beame, in making cuts in the city's budget, chose to cut muscle instead of fat. While the policemen and firemen were dropped, the huge mass of welfare recipients suffered no losses. The army of bureaucrats in the city's educational department escaped penalty.

Nevertheless, the plight of the city workers and of the entire city is caused by politicians and union leaders working in concert. The taxpayers are the victims. And now the politicians want to pass the burden of excessive metropolitan government costs to the State or Federal Government.

The root problem in New York City is the excessive power of the public employe unions. They hold a club over the head of the city and do not hesitate to use it.

Ironically, union bosses aim to acquire similar power elsewhere in the Nation.

The American Federation of State, County and Municipal Employes, headed by Jerome Wurf, is conducting a nationwide power drive. This union, which doesn't hesitate to disrupt community services when local officials balk at bowing to its will, has climbed in membership from 84,000 in 1950 to over 700,000 today. It is the only part of the labor union movement which shows significant gains.

Thus the taxpayers have cause for alarm as evidenced by the chaotic situation in New York City where the metropolis is on the verge of bankruptcy brought on by fantastic union demands.

The situation in New York reveals the extreme peril that results when public sector union bosses are allowed to use their political muscle to extort just about anything they want from the public treasury

In view of the appalling situation in New York City, Americans need to take a new look at the concept of collective bargaining. They could well begin by considering the remarks of Paul Johnson, a well-known British socialist who has come to realize the danger to society in the power exercised by labor unions.

Writing May 16 in *The New Statesman*, Mr. Johnson pointed out that what we call "free collective bargaining" is nothing of the sort. He said: "It is groups of people using their strength to force other groups, or society as a whole, into compliance with their will."

Mr. Johnson further noted: "And here, if anywhere, some people are 'freer' than others. It is notorious that certain groups, such as the electrical power workers, have a greater leverage over the community than others. It is therefore suggested that they should automatically be paid more because of this fact? No one actually says so, but such is the moral logic—if you can call it that—of unrestricted wage bargaining."

In other words, unrestricted wage bargaining by powerful unions produces a coercive situation. In practical terms, as seen in New York City, it is a formula for community misery. When collective bargaining is applied on a national scale, and when entire industries are subjected to unreasonable demands, it becomes a formula for national misery.

The only answer to the problems of New York City is to curb the power of the unions. The citizenry, whether in New York City or elsewhere, cannot permit unions to disrupt or shut down essential services. Unions cannot be allowed to set prices on essential community services—prices which are beyond the ability of the taxpayers to pay.

The tragedy is that the United States today doesn't have an antitrust law which covers labor unions and which would prevent exercise of monopoly power by unions. If such a law were on the books, New York City wouldn't be on the brink of bankruptcy.

FIRST ANNIVERSARY OF THE TURKISH INVASION

HON. HENRY HELSTOSKI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 15, 1975

Mr. HELSTOSKI. Mr. Speaker, July 20, 1975, will mark the first anniversary of the Turkish invasion of Cyprus. A full year has passed and the crisis in the eastern Mediterranean still lingers on. Suppressed under a Turkish occupation force that controls nearly half of the island, Cyprus is still capable of touching off a war between Greece and Turkey.

Since the invasion, brutal atrocities aimed at the Greek Cypriots have occurred throughout the island. The Turks have repeatedly inflicted immeasurable suffering on these citizens to the point of being able to make a reasonable comparison with the savage and violent inhumane crimes of the Second World War. Their takeover has affected all aspects of the Cypriots' lives from the economic stability of the island to the education of both high school and elementary students. Vandalism, rape, torture, and murder are among the tales of horror that occur each day as the heavily armed Turks move through Greek Cypriot mountain villages.

I have strongly opposed the aggressive action and unjustifiable behavior of the Turkish Government and occupying forces. I therefore call upon my colleagues in Congress to oppose all measures that will lift the ban on U.S. military assistance to Turkey until such time as Turkish forces are withdrawn from Cyprus and there is a negotiated settlement by both Greek and Turkish Cypriots.

BIRD AND SON, INC.

HON. JOE MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 15, 1975

Mr. MOAKLEY. Mr. Speaker, I would like to take this opportunity to inform my colleagues of the Bird and Son, Inc. Grant Program. Funds to help restore and preserve more than 100 American landmarks were recently awarded through the first privately sponsored, national historic site grant program.

Bird and Son, Inc. one of the Nation's foremost producers of building materials and industrial machinery, awarded $100,000 in matching grants of up to $5,000 for exterior improvements of various historic sites. Organizations in 45 States and the District of Columbia were awarded grants in 30 different classifications, including government buildings, houses of worship, town commons, educational institutions, burial grounds, and museums. Work to be undertaken ranges from repairing roofs and restructuring walls and foundations to repainting original brickwork, landscaping, and the placement of site information markers.

This program responds to the ongoing effort to save our landmarks. James Biddle, President of the National Trust for Historic Preservation commented:

> Not only is the shortage of moneys critical, but in these times it is not unusual to find groups losing the presentation battle because of the lack of money. The response to the Bird program dramatically underscores the vast need, and certainly their interest is invaluable in the fight to save our landmarks.

Bird president Ralph E. Heim is currently working with the National Trust to launch a nationwide appeal to business and industry to support State and local preservation organizations. They emphasize that the endeavor represents an opportunity to invest in America's heritage during this Bicentennial era. In keeping with this idea, Bird plans to write to the Nation's 500 largest corporations and encourage them to join in the preservation effort.

Bird's interest in historic preservation apparently stems from its history. It was founded in 1795 as a small paper mill on the Charles River in Needham, Mass. The manufacturing firm is presently headquartered in Walpole, Mass., and consists of 30 plants and offices in 14 States and Canada, employing over 3,000 people.

I am grateful for Bird's contribution to the preservation of our Nation's landmarks, and I urge additional companies join in this commendable endeavor.

ANDREI SAKHAROV: WHY I SPEAK OUT ALONE

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 15, 1975

Mr. FRASER. Mr. Speaker, the Observer Review, June 8, 1975, published an interview with Soviet dissident Andrei Sakharov.

Sakharov is a man of great courage. His dedication to basic human rights radiates from the printed page reproducing his spoken words. His description of human rights in the Soviet Union and the role Western public opinion can have on the Soviet situation merit our attention.

He says:

> We can't forgive ourselves either, of course. We all feel a moral responsibility for what was going on then. For 'dekulakisation,' for the famine that this artificially created and for the millions of people who died as a result. For all those labour camps, for the events of 1937, for the forced emigration of masses of peoples—of Tartars, for example, of Russians of German descent, and many other national minorities.
>
> We feel that we share a collective responsibility for all this. But we also feel that the West was responsible too. People in the West failed to notice all this. They closed their eyes to it—and, I think, to a certain extent did this quite consciously.
>
> This might explain why we are so happy when people in the West show concern for us. It gives us a spark of hope.
>
> But if we speak about practical results . . . Concern shown by Western countries helped to free some political prisoners; for others it improved conditions in their labour camps—still, the results are poor. But I must say that it might help to restrain future repressions. At the present moment, there is little hope for those who are in prisons, in labour camps and mental clinics. Western help has so far not been really effective.

He confirms my view that violations of basic human rights ought to be the concern of everyone. To ignore them as "internal matters" threatens to turn individual cases of brutality into a general climate of brutality.

The interview, preceded by a introductory note follows:

[From the Observer Review, June 8, 1975]

WHY I SPEAK OUT ALONE

(By Andrei Sakharov)

INTRODUCTION.—In Moscow recently Robert Stephens and Dev Murarka talked to Andrei Sakharov, 'father of the Soviet H-bomb,' and to Roy Medvedev, the historian—both leading dissidents—about the current crisis in the movement which is under increasing pressure from the Soviet authorities. The number of activists is dwindling and communications with the outside world are becoming more difficult.

Stephens and Murarka talked first to Andrei Sakharov, pictured above with his wife, Elena, a doctor, who shares his work in the human rights movement. Sakharov is a modest, gentle man of 54, with white hair and a ruddy, boyish face. He speaks quietly and slowly, as if grappling with the truth. He is able to work at his scientific institute, but is unable to take up an invitation to lecture at the Institute of Advanced Studies in Princeton, USA, for fear he might not be allowed back into Russia. He can no longer make international telephone calls without being cut off. His wife is unable to obtain permission to visit Italy for treatment of a serious eye disease, originally contracted during war service as a nurse, and which she cannot get properly treated in Moscow. His son-in-law and grandchildren have been threatened with violence.

Sakharov is often considered by outsiders to represent those dissidents who would like the West to make détente conditional on the Soviet Union liberalising human rights, whereas Medvedev is identified with those who welcome all détente measures and hope to liberalise the Soviet system within a Marxist framework.

Sakharov was first asked how he now saw the situation of the dissident movement. Was it true that there were two different schools of thought about its programme and policies?

Andrei Sakharov. I have the impression that these questions are being put to the wrong person. What I feel now, right at this moment, is a deep concern for the troubles of the people who are close to me.

Indeed, in my writings I tried to suggest a sort of programme, certain kinds of reforms: what I think my country should be like, what kind of support the West might provide us; how we might combine efforts with the West. But in general I can't look upon myself as a political leader, or a person who creates political programmes. In reality, my life is quite different from that. Right now, I'm worried about the arrests of my friend Kovalev and of other friends, such as Bukovsky and Plyusch, who are now in prison.

Ten years ago a new public current emerged in our country. Its central issue was to defend human rights and, of course, openness in government. Its starting point was the campaign of protests against the arrest of Sinyavsky and Daniel. Many people who were involved in it had troubles themselves later on and we had to defend them. So, a kind of chain reaction developed. Bit by bit, a very large campaign had been organised with many thousands of people joining in and signing protests, for they realised that something of great principle was involved. It was a question of defending not only these people's well-being, but freedom of thought and speech in general in our country.

This was quite a challenge to the official mentality—and to the prevailing public conformism. . . . As you know a severe reaction on the part of our authorities ensued. Almost all those who took part in this campaign encountered troubles of one sort or another. The mere signing of a protest was enough for people to lose their jobs. Many still suffer unpleasant consequences even now.

At that time a dominant point of view emerged among those who later became known as dissidents. It can't be called a programme; it was rather something like a conviction that the most important thing was human rights, and that the whole purpose of the State should be to protect these rights. I'm not talking only about citizens' civil rights, but about human rights in general, as they are defined in the Universal Declaration of Human Rights. Thus the most important step to achieve was to bring the laws of the State into accordance with human rights, and to see to it that the State observes these laws. For we all know that in the case of our country and its Constitution—which proclaims many civil rights—the laws are ignored. They exist, so to say, only on paper. The same is true of [the administration of] justice and legal procedure. There have been many serious infringements of legal procedure in both political and criminal cases.

At roughly the same period, an activist group for the defence of human rights was formed. They began to issue an illegal samizdat [clandestinely circulated] periodical called *The Chronicle of Current Events.* I think it expressed these principles most vividly. Those who ran this periodical said from the very beginning that they were not going to interpret events, but would try to inform readers of certain authentic facts. The *Chronicle* immediately became an object of persecution. Those who read it or passed it on to others were harassed. Many are still in prison. There was no kind of party or political organisation involved.

As for me, I began to speak out publicly all on my own. Then I established friendly relations—personal links—with a number of people. So perhaps I should be called a dissident, but it is not a politically meaningful term.

MURARKA. How far has the dissident movement been able to obtain wider public support? And doesn't relying on outside support from the West make it more difficult to get popular backing—doesn't it make the dissidents liable to be accused of being unpatriotic?

SAKHAROV. This question of whether the dissidents find the support of the people and in which situations they find it, is difficult to discuss in terms of the current situation. Because the dissident movement is a matter of individual conscience. Those who are in the movement act under a personal, inner impulse. How the masses react to it, I can't tell for certain, because that is a question requiring sociological research, which is not undertaken in the USSR and would be unthinkable, because this particular subject is too painful.

However, I think in truth not many people understand the movement and sympathise with it. At the same time, there is a general dissatisfaction among the people caused by material handicaps. And the people are irritated by all sorts of absurdities in our country. But all this is not quite the same as support for the dissidents. The movement is, in fact, an extremely isolated group of people. Moreover, it is isolated also from the intelligentsia, as well as from the broad masses.

STEPHENS. What do you feel about support from the West generally?

SAKHAROV. This support is most important for us. First of all, we are striving to achieve free expression in our society. But the only place where we can achieve effective expression is in the West.

Mrs. SAKHAROV. The samizdat publications do not have a wide circulation here. But through the [Western] radio the chances are greater. . . .

SAKHAROV. We know there have been some publications in the West about the state of things in the Soviet Union, as well as dissident problems and about political prisoners and their living conditions. We think this is very valuable, and not simply as a support for us as individuals. But we think it's also important for the Western public itself to have a wider picture of the Soviet Union and to add to the official version of things the news that goes out through dissident channels.

Half of my life and the life of my generation was spent in the Stalin era, and in many respects we still psychologically live by its standards. In our heart of hearts, we still can't forgive the West for its ignoring of what was then taking place in our country. . . .

We can't forgive ourselves either, of course. We all feel a moral responsibility for what was going on them. For 'dekulakisation,' for the famine that this artificially created and for the millions of people who died as a result. For all those labour camps, for the events of 1937, for the forced emigration of masses of people—of Tartars, for example, of Russians of German descent, and many other national minorities.

We feel that we share a collective responsibility for all this. But we also feel that the West was responsible too. People in the West failed to notice all this. They closed their eyes to it—and, I think, to a certain extent did this quite consciously.

This might explain why we are so happy when people in the West show concern for us. It gives us a spark of hope.

But if we speak about practical results . . . Concern shown by Western countries helped to free some political prisoners; for others it improved conditions in their labour camps—still, the results are poor. But I must say that it might help to restrain future repressions. At the present moment, there is little hope for those who are in prisons, in labour camps and mental clinics. Western help has so far not been really effective.

Mrs. Sakharov. I think that the reason for the failure to achieve practical help for political prisoners is that not all the Western publications or expressions of Western public opinion reach our top leaders, those with the power to make decision. Their advisers don't tell them anything. The Panovs' case is very typical. The whole world was screaming for them, but until the British Prime Minister personally approached Kosygin, nothing helped. We are almost certain that when Andrei Dimitrievich [Sakharov] was on hunger strike—to show his concern about the fate of our political prisoners during Nixon's visit— Brezhnev didn't know about it: and he is the one in power.

Sakharov. That's why a lot depends on those Western statesmen who make contacts on the highest level. If they could give attention to matters of a humanitarian nature in their discussions with our officials, it would be most valuable.

Stephens. Isn't it perhaps better to have such questions raised privately rather than officially, which invites a rebuff?

Mrs. Sakharov. But what would make your leaders concern themselves about our Bukovsky, for example? Only your public opinion will do it.

Sakharov. Wilson has to know that he'll lose some votes if he doesn't stand up for Bukovsky. The thing is, Wilson is a practical politician—I speak about Wilson now as a generalisation; it applies to any Western statesman, whose country has various interests that he must take into consideration in dealing with the Soviet Union. And to make such a statement speak out for Soviet people in difficulties, he must feel the pressure of his own public opinion. A nation's fate is the sum of the fates of its individuals. And concern for individuals has always been characteristic of Western civilisation and, initially, of Christian civilisation.

Stephens. Is it better to have a public fuss in the Press than to have questions raised even privately, by political leaders?

Sakharov. Take the question of the freedom to leave one's country. So long as there was no campaign about this in the Press, none of our leaders showed any sign of concern. But now, little by little, it is becoming a subject of discussion; and I believe something is being done about it at the diplomatic level. I hope that further developments will lead to more positive results. Gradually, talk about it will no longer surprise or shock anyone. People won't think of it as interference in the internal affairs of other countries, because it's all a question of universal human rights. . . . An innocent person shouldn't be kept in prison or a mental clinic and shouldn't be deprived of the right to leave the country when he feels a need to, or simply feels like doing so.

Murarka. Some people, among them Roy Medvedev, argue that it's possible to have a dialogue with the Soviet authorities and persuade them; and that this will gradually and slowly bring reforms. Do you share this point of view?

Sakharov. That is not exactly what Medvedev says. But I'd rather not start polemics with him now. Personally I always refrain from advising people how to behave. I have myself acted differently at different times. I began by appealing directly and privately to the leaders of our State in the form of letters containing suggestions.

My first unpublished appeals and suggestions disappeared somewhere in the desks of our bureaucracy. But my public suggestions and appeals became internationally famous. If they had any effect on our leadership I think that was the reason. Since then I have appealed directly to foreign public opinion only. And my latest method is to appeal to Soviet as well as foreign statesmen together at their summit meetings.

I appealed to Brezhnev and Nixon, when Nixon was here. Then I wrote to Brezhnev and Ford, when Ford was here [in Vladivostok] and quite recently I addressed Brezhnev and Wilson during his last visit. I also approached Trudeau when he was here. But I don't think that what I am doing is the only possible tactic, often I myself do not know what to do.

Murarka. Don't you think a new situation has emerged that might require new thinking and a new approach besides protesting through Western leaders or public opinion?

Sakharov. As the dissident movement is not a political party, it's difficult to prescribe particular tactics. It's all worked out spontaneously. We are motivated only by the fact that rights are violated, so we have to defend them, but very few people have been active outside the national minorities movement. Some—their names are not known—formed a group to publish *The Chronicle*, there were the remnants of the Action Group for Human Rights—one of the Kovalev, and a very tiny group of Amnesty International. With the exception of the Jewish group and foreign correspondents, for three years my telephone was the main channel to the West for information about all kinds of violations. The West should consider the troubles with telephone communication as a serious violation of human rights.

It's not only a formal question of breaking certain telephone conventions. What is most important about it is that, in practice, such violations prevent any defence of human rights. They contradict the spirit of détente, the spirit of mutual trust between countries. Such violations really mean that the iron curtain is being again pulled down on our country.

Stephens. In the West there is some controversy about the value of détente and whether it helps the Soviet dissidents or not. But if there is an easing of tension and more contacts between the Soviet Union and Western countries, won't this improve the situation here in the long run

Sakharov. In any part of life, nothing happens by itself. If international contacts develop, without special liberal conditions being insisted upon, the result could be as follows: Soviet officials will have more chances to visit the West. They'll have fun and will be able to buy Western consumer goods for their families. The very high ranking officials may even start going to the Mediterranean holiday resorts or on African safaris. Conversely, foreign tourists who come here will go around the country in tourist buses, prevented by simple measures from making contacts with the Soviet people. They will travel along certain routes, carefully worked out beforehand.

Already, as a result of the signing of the Copyright Convention by the Soviet Union, only books that the Soviet authorities choose will be published abroad. The same will happen to foreign literature published in the Soviet Union. The whole sphere of international contacts will be under the complete control of the proper authorities here.

There should be consistency in the West's policy. It's important that the Western countries work out a united long-term policy for dealing with the Soviet Union. For example, if they want to use trade with the Soviet Union as a means of applying pressure on it, then such a policy should be followed by all Western countries, so that the Soviet Union can't obtain an advantage with any one country.

Murarka. Can you do any scientific work now?

Sakharvo. I still try to do some, and this year I managed more than last.

Murarka. What are your relations with the other scientists at your Institute?

Sakharov. As far as my department is concerned, the relations are wonderful. But the administration tried to make my colleageus refuse to shake hands with me, and in general to create a hostile atmosphere.

Stephens. Another question about détente. You've said that conditions should be attached to détente. But can these be applied to all question of détente: for example, to the nuclear relations between the two superpowers, which have somehow to be controlled if war is to be avoided. Is it possible to have nuclear co-operation while remaining rigid on other matters?

Sakharov. Well, I think that there should be priority for the nuclear aspect of détente. But, unfortunately, they cannot be separated from other aspects. They are all linked together. And making the Soviet system open is one of the conditions for implementing nuclear agreeemnts effectively. Even the smallest chance of deceit should be excluded from these argreements. I believe that any perfect agreement on nuclear disarmament is possible only if it is linked with agreements on trade, scientific and cultural exchanges and so on. Nuclear disarmament is impossible without changes in the nature of the Soviet system. The problem itself emerged because of the existence of two different political and social systems. And without bringing these systems closer to each other, the roots of antagonism will still be there.

WHY H.R. 5901 DESERVES YOUR SUPPORT

HON. EDWARD R. ROYBAL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 15, 1975

Mr. ROYBAL. Mr. Speaker, this week Congress will take up the conference report on H.R. 5901, the education appropriation bill for fiscal 1976. To clear up confusion caused by advance funding and appropriations for the transitional period July 1, 1975—September 30, 1976, the National Education Association has prepared the following analysis:

TWELVE-MONTH COMPARISONS

[In billions of dollars]

Fiscal 1975:	
New budget (obligational) authority	$6.920
Net appropriations enacted to date for the 12-month period July 1, 1974–June 30, 1975	7.075
Fiscal 1976:	
Administration request for the 12-month period July 1, 1975–June 30, 1976 (including advance funding for 1976 already enacted) ($941 million below fiscal year 1975 net)	6.185
House bill for the 12-month period July 1, 1975–June 30, 1976 (including advance funding for 1976 already enacted) ($84 million above fiscal year 1975 net)	7.159
Senate bill figures for period July 1, 1975–June 30, 1976 (including advance funding for 1976 already enacted) ($420 million above fiscal year 1975 net)	7.495
Conference report figures for 12-month period July 1, 1975–June 30, 1976 (including advance funding for 1976 already enacted) ($225 million above fiscal year 1975 net)	7.295

NOTE.—H.R. 5901 grand total of $7.480 billion includes $2.563 billion in advance funding for fiscal 1977. In addition, it provides $464 million for the interim 3-month period July 1, 1976–September 30, 1976.

On the basis of 12-month comparisons (Fiscal 1975 v. Fiscal 1976) it is obvious that Congress has not proposed inordinate, inflationary increases in federal support for vital education programs. To the contrary, the funding level of H.R. 5901 adds only a few dollars to the 1975 figures and does not compensate for double-digit inflation that seriously undermined school budgets in 1975–76.

"NEWSWEEK AND THE HIGHWAY TRUST FUND"

HON. BUD SHUSTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 15, 1975

Mr. SHUSTER. Mr. Speaker, I was saddened and dismayed by an emotionally slanted and factually incomplete article entitled, "Taking on the Road Gang" which appeared in the July 21 issue of Newsweek. I do not question Newsweek's motives because it is easy to understand how those who live in great metropolitan centers might see America's transportation problem as "too many highways—not enough mass transit." Unfortunately, this "skyscraper view" encompasses neither rural realities nor urban complexities.

The Newsweek article paints a picture of "more than one lobbyist spilling his martini" and a "Washington road gang of auto, oil, construction, and related interests" propping up an unneeded and unwanted trust fund. Newsweek presents the issue as a battle between the good guys who want to dismantle the fund, and evil lobbyists who support the fund in opposition to the national interest. Nowhere do we read that 60 million people in rural America desperately need safer, more efficient highways. Not one word informs us that an independent Department of Transportation Highway Needs Study indicates that the Highway Trust Fund, even if continued, is inadequate to meet significantly scaled-down Federal-aid highway needs between now and 1990, or that urban America's highway needs are not typified by New York City or Washington, D.C.

Neither do we learn from the article that 46,000 Americans are killed annually and 1.8 million injured on unsafe roads or that 10,000 lives could be saved by modernizing our 1920 vintage roads.

Knowing Newsweek's high standards for accuracy and completeness, I can only conclude that those of us responsible for transportation legislation have not done our job well enough in providing relevant transportation statistics and analyses.

Surely, if the information is made available, Newsweek, and all of the national media, even though urban oriented, would present both sides of the issue in a fair and unbiased fashion.

A TRIBUTE TO MRS. GLADYS DULA

HON. JIM SANTINI

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 15, 1975

Mr. SANTINI. Mr. Speaker, an outstanding Nevada citizen, Mrs. Gladys Dula of Las Vegas, recently died. Gladys' record of leadership, dedication, and service to the community and the Democratic Party in Nevada is a great source of pride for all Nevadans. She dedicated herself to helping others, and was always ready to be of assistance when there was a job to be done.

The Las Vegas Review-Journal provides some background on the outstanding career and contributions of Mrs. Gladys Dula.

The article follows:

Mrs. Gladys Keate Dula, 76, widely known Southern Nevada political leader and club woman, died Saturday evening after a long illness with cancer.

Funeral service for Mrs. Dula will be conducted at 2 p.m. Tuesday at Bunker Brothers Chapel with Glade L. Smith, Pastor of the 9th Street Church, officiating.

She had been in ill health for the past three years but had continued her social and political activities until recently.

Although in failing health last fall she was named by Gov. Mike O'Callaghan as his honorary chairwoman for his 1974 reelection campaign in Southern Nevada.

Mrs. Dula has received many honors. In 1955 she was chosen for recognition for "Who's Who in America" and in 1958 her biography was published in "Women Only". She was honored with a testimonial dinner in 1960 by the Lincoln County Democratic party, in tribute for her 40 years of community and political service.

She was a past chairwoman of the Clark County Chapter of the National Foundation for Infantile Paralysis. Her affiliation included the American Red Cross, Community Chest, United Fund, American Cancer Society, Easter Seal Drive for Crippled Children and a founding member of the Southern Nevada Chapter of the Association of the Blind. She was a past president of the Mesquite Club in which she held honorary membership in recent years. Sharing an interest in railroads because of her husband's service as an engineer, she also was a member of the G.I.A. of the brotherhood of Locomotive Engineers, the Ladies Auxiliary to the Brotherhood of Railroad Trainmen, and the Union Pacific Oldtimers Club.

A descendant of a pioneer Nevada family she was born on April 2, 1900 at the ranch home of her grandparents Mr. and Mrs. Joseph Conaway, near Caliente. She spent her early years in Caliente until moving to Las Vegas in 1944.

Mrs. Dula was former Democratic National committeewoman of Nevada and had been a leader in the Democratic party both in Lincoln and Clark Counties for more than 50 years. She was a founder of the Democratic Discussion Club in Las Vegas and the Women's Democratic Club of Clark County.

Mrs. Dula, the widow of the late Robert Flaik Dula, is survived by one son Edwin E. Dula and one daughter Mrs. Glade Smith, both of Las Vegas; seven grandchildren; and four great-grandchildren. Another son, police officer Robert F. Dula Jr., was killed on duty in 1955, and Dula Recreation Center is named in his memory.

Gladys was never too tired or too busy to work on any project for the Democratic Party. She was a great woman and will be sorely missed.

HAIL TO FADER'S RED RAIDERS

HON. BOB TRAXLER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 15, 1975

Mr. TRAXLER. Mr. Speaker, I would like to inform you of a outstanding and admirable feat performed during the second week of June by the Marlette, Mich. High School Marching Band.

Known affectionately as Fader's Red Raiders, this fantastic band won three major national championships within only 6 days. The championships won were in the class B category of band competition. These included the Mid-America Championships held at Polo, Ill., in which the Raiders were recognized for their parade and field abilities. Within a few days they won the Mid-Western championships in Rockfalls, Ill., also in parade and field competition. Their sweep was highlighted in Dakota, Ill., when they won the Over-all Championship at the Stoheta the Third competition.

I would like to stress to you and my colleagues the strength and fortitude it took for these youngsters to win three major events within 6 days. It's really not surprising though, judging from the support they have continually received from the entire community surrounding Marlette. In the months leading up to these invitational events, bake sales, rummage sales, and car washes were held to raise the necessary funds. I was particularly honored to be present at the April 26 band day at which over $5000 was raised.

Special congratulations should be given to the band's directors, James and Nancy Fader, the band's namesakes and Mrs. Tommie Dennis, the band booster's president. Without their dedication none of the victories would have been possible.

Two students were especially singled out for their individual efforts and should be congratulated. Mark Brock, the student band leader, won the award of Best Student at Rockfalls, and Darlene Dunsford won an award as the Colorguard Commander.

Again, I want to offer my heartiest congratulations to these fine group of youngsters and their parents, supporters and friends. Since 1973 Fader's Red Raiders have won 8 major championships and I certainly would like to wish them the best of luck in the future.

COMMEMORATION OF CAPTIVE NATIONS WEEK

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 15, 1975

Mr. DERWINSKI. Mr. Speaker, I wish to remind the Members of the special order which the distinguished gentleman from Pennsylvania (Mr. Flood) will conduct in commemoration of Captive Nations Week after the close of legislative business tomorrow, Wednesday, July 16.

As this week is annually celebrated as Captive Nations Week, I submit for the Record an article by Emmett George, which appeared in the July 11, Chicago Tribune. The following is a timely, and penetrating commentary on the present developments within one of the captive nations, Lithuania; and certainly represents an accurate, profound, and realistic report on conditions in the Soviet Union:

"Captive" Nations—Lithuania Strains at Its Bonds

(By Emmett George)

The masters at backing the winning side in international conflicts, on the eve of Captive Nations Week Soviet politicians are having trouble with their nationality republics.

Communist victories in Cambodia and Viet Nam have undoubtedly touched off quiet celebrations in the Kremlin, but, the "nationality question," as it is called by Soviet officials, has been a constant source of embarrassment.

Friction between European or White Russians migrating into the heavily industrialized Ukraine; clashes between Russians and the Central Asian or Turkish groups over use of local languages and customs; and intense Baltic [Latvian, Estonian, and Lithuanian] nationalism have cast doubt on Moscow's nationality policy as a model for multinational states.

Since V. I. Lenin, architect of the modern Soviet state and its nationality policy, wrote the thesis, "On the National Question and Proletarian Internationalism," Moscow has boasted that the Soviet Union is an amalgam of independent republics coexisting in harmony with the ruling European Russian population.

Lenin's blueprint, which appeared after the Bolshevik Revolution of 1917, extended to nationalities "the fruits of socialism": a planned economy, elimination of class and ethnic barriers, and unrestricted use of national languages.

It has been only partly achieved however. Russian coutinues to be the official language of the courts and schools and there have been clashes over its use.

Moscow seeks to undermine national vitality by urging potential troublemakers to concentrate on economic development and cooperation with other nationalities.

Soviet Lithuania, fashioned from traditions of Catholicism, has been one of the most vocal of the discontented republics. The first indication of Lithuanian unrest appeared on Nov. 23, 1970, when Simas Kudirka, a seaman, jumped ship off the coast of Massachusetts.

In a move that angered then President Nixon, Coast Guard officers, fearing an international incident, allowed Soviet security men to board their vessel and drag Kudirka back to face punishment.

Kudirka's trial drew unusually great coverage from Western correspondents based in Moscow, Radio Liberty and "samizdat," Soviet underground writers.

As the world watched, Kudirka testified: "I did not betray my homeland, Lithuania . . . I do not consider Russia, which is called the Soviet Union today, to be my motherland."

The Kudirka affair was symptomatic of a broader discontent in Lithuania, focusing on the Roman Catholic Church as a stubborn rival to Marxism-Leninism.

Since the Red Army "liberated" Lithuania from Nazi Germany in 1940, Moscow and the local party group headed by Antanas Snechkus, second only to Mao Tse-tung as the longest reigning Communist Party chief, have made prolonged efforts to draw Lithuanians away from the church.

But, the May riots in 1972 in Kaunas, Vilnius, the capital, and other cities, demonstrated that the Soviet religious crackdown had not been totally effective.

Roman Kalanta, 20, doused himself with gasoline and burned himself to death in a public square in Kaunas. Kalanta, a Catholic, was believed to have acted in protest against what Lithuanian-American sources termed religious persecution within the republic.

An estimated 200 demonstrators were arrested as local police and Soviet paratroopers were dispatched to quell the disturbance.

Moscow's official statement held that Kalanta was mentally disturbed and the riots were sponsored by "a small group of hooligans." Kalanta's suicide triggered other protests including a petition signed by 300 Lithuanians and reportedly presented to President Nixon during the Moscow summit of May, 1972.

The Lithuanian-American newsletter, ELTA, reported that some 200 students were arrested in Vilnus as an aftermath of the Kaunas riots.

It is also claimed that anti-Soviet demonstrators disrupted international handball games, and that flags of "independent" Lithuania [before Soviet occupation] were displayed thruout the city.

The Soviet press made no official mention of the disturbances. But, the response was quite visible: Communist Party and Komsomol [young Communists] members reintensified their campaign thru a steady barrage of articles stressing party discipline and the needs for economic development in Lithuania.

The articles pointed repeatedly to the republic's backward, agrarian state and claimed there was an urgent need to expose those Lithuanians "shielding liberialism and the apologists for imperialism."

Since the 1972 riots, the authorities have been attempting thru a reemphasis on ideological and technical training to submerge students and workers deeply into the business of modernization, the most attractive Soviet alternative to the Roman Catholic Church.

Whether such a strategy will work remains to be seen.

AN ACCURATE CONGRESSIONAL RECORD

HON. WILLIAM A. STEIGER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 15, 1975

Mr. STEIGER of Wisconsin. Mr. Speaker, for the benefit of our colleagues considering House Resolutions 568, 569, 570, and 581, mandating a more verbatim account of floor proceedings in the Congressional Record, I am introducing into the Record editorials from the Wall Street Journal, the Los Angeles Times, and the Cincinnati Inquirer. Each of the editorials urges a change in the practice of inserting remarks that appear to have been part of the floor debate but are not distinguishable from those remarks actually spoken. The editorials follow:

[From the Wall Street Journal, Mar. 31, 1975]

Candor Has Its Limits

No one has a monopoly on candor, but the way that word has been bruited about in Washington in recent months, anyone might think that Congress has a disproportionate share. That's why we are disappointed whenever we learn that the impulse for truth-telling has definite limitations where congressional concerns are directly at issue.

The latest eye-opener comes in the form of a report by Congressional Quarterly describing the efforts of a few Congressmen to overhaul practices involving The Congressional Record. That official account of the daily congressional proceedings and debates is an invaluable source material, well worth its cost to the government of $278 per page. But it would be a whole lot better, in our opinion, if there were some way for the reader to separate fact from fiction.

The problem is that while the Record records everything that is said in Congress on a given day, it also records what members want people to believe they would have said had they been present. Therefore Congressmen routinely insert stirring speeches and declarations into the Record, even though they may not have been anywhere near the House or Senate when the issue was being discussed.

The argument is not that undelivered speeches should be prohibited from the Record; almost everyone agrees that members should have some way to express their views in a debate without having to speak. The problem is that there is no distinction, typographical or otherwise, between speeches actually delivered and those inserted for the record. Thus the Record is only a semi-honest document. Indeed, even though members are now required to sign their insertions personally within 15 minutes after the close of the day's business, Congressional Quarterly reports that veteran House staff aides say they have seen Congressmen bring two speeches into the chamber, remain silent until the vote is nearly completed, record themselves for the winning side, then insert a speech explaining their vote for publication within the debate.

This mini-deception doesn't threaten to undermine the foundations of representative government. Still, it is basically dishonest not to distinguish between what actually was said in Congress and what Congressmen would have said if they had been there or had taken the time to join the debate. Yet every attempt to change The Congressional Record, to differentiate between what was and what might have been, has met with defeat.

It's not all that surprising that candor has only limited appeal in Washington. But it might be nice if the public could be spared all that self-congratulatory praise waning down from Capitol Hill about truth, honesty and the public's absolute right to know.

[From the Los Angeles Times, Mar. 17, 1975]

The Congressional Record

The Congressional Record is a dishonest history of what occurs on the floor of the Senate and the House of Representatives. Many of the speeches that appear in it were never spoken. Much of the debate that thunders from its pages never took place.

It has even been known to publish rhetoric from the hereafter. Two days after Rep. Hale Boggs (D-La.) died in an air crash in Alaska, the Record had him speaking eloquently on the floor of the House.

It permits members to insert federal arguments for or against legislation after a vote has been taken—arguments that can impress no one but constituents who are misled into believing that their representative actually took part in the debate.

That this publication should continue to pass as the official record of the proceedings of Congress is a villainous deceit.

Its daily distortions of history occur because the Record does not distinguish between what is actually said on the floor and the written statements that members send up to the desk for inclusion in the debate. The authors of many such statements are often away from Washington on the day of the debate and have no influence on its outcome, but their utterances appear in the same context as those of legislators who are present.

The Republican Research Committee in the House wants to set the Record straight. It recommends that it use brackets or another typeface to separate fiction from reality.

But the reformers face the same argument they did five years ago when a similar proposal was thrown in the hellbox—that if all 435 members of the House were to speak only one minute on an issue, the debate would take longer than seven hours.

It's an inane argument. No one is suggesting that all members must speak on every issue or that those who do not should be denied the right to voice their opinions in the Record. The reform would merely require that there be a distinction between the transcript of the debate itself and the later written supplements to it.

The Record should be an honest report that misleads no one. As it stands now, dangerous misinterpretations of congressional intent by other agencies of government and by the courts can and do occur.

In 1971, Rep. Edith Green (D-Ore.) presumably spoke out on the floor against a piece of labor legislation because she thought it would require repeal of the Equal Pay for Equal Work Act. There was no response from the author—Rep. John N. Erlenborn (R.-Ill.)—and officials of the Labor Department took his silence to indicate that Green was right, and threw their weight against Erlenborn's bill.

The fact was that although Erlenborn did not respond to Green, she was wrong—but her remarks were never made in his presence or in the course of the debate. She had stuck them in the Record after the fact, but no one could tell that from reading the Record.

It is clearly time for reform. But we are reluctant, perhaps sentimentally, to tamper with another section of the Record, known as "Extensions of Remarks." The title is a fraud, of course. All of the extensions are of remarks that were never made in the first place.

But it is a fascinating compendium of Americana—and a relief from the wordy, if untrustworthy, wisdom that precedes it. One is likely to find here an encomium to a legislator's hometown football team that finally had a winning season. Or the name of a Future Farmer whose porker won a blue ribbon at the county fair. Or a lyric that an obscure poet laureate submits to his senator as a substitute for the unsingable National Anthem. And, only recently, there was a graceful tribute to the Girl Scouts of America for holding the price line on their cookies.

All of this, certainly, is truer to the American spirit than the non-speeches in non-debates that dominate the front part of the non-Record.

This proclivity for rewriting, falsifying or embellishing history—even while it's still warm—is too common in Washington, and the White House itself has not always been without sin.

Lyndon B. Johnson, looking to the judgment of history, was not above refining his syntax or actually altering the intent of his public statements ex post facto before sending them to the printer for inclusion in the permanent record of presidential documents.

The effect of all this will be to persuade historians of the future that all elective federal officials of this era were vigorous and erudite in debate, courageous in dissent or advocacy, and never absent from their duties.

If only it were true.

[From the Cincinnati Enquirer, Apr. 29, 1975]

Looking at the Record

In all probability, there are probably only a handful of Americans—most of them keen, serious students of the legislative process—who actually read the Congressional Record from cover to cover. The Record, after all, is a verbatim account of all that transpires on the floor of Congress (or at least it purports to be).

The uninitiated among the Record's readers perhaps imagine that all those speeches were actually made. In reality, however, members of Congress generally have the privilege of inserting speeches they didn't actually make, and the Record treats them as though they had actually been delivered.

Perhaps the most bizarre instance occurred several years ago when the Congressional Record for October 18, 1972, reported Rep. Hale Boggs (D-La.) addressing these words to the House: "In the next few minutes, I would like to note for members the great amount of significant legislation enacted during this session." There followed a lengthy summary of the session's achievements.

In reality, Representative Boggs was dead on October 18—victim of a plane crash in Alaska. The speech was one he had written in advance of his trip and left behind to be printed as part of the close of the congressional session. Any reader of the Record, however, would assume that the speech had actually been made.

Rep. William A. Steiger (R-Wis.) has been struggling, almost alone, to persuade Congress to change its rules governing what may be printed in the record. He believes, for one thing, that the Record ought to be an honest, historically accurate record of what actually is said and done on the floor, not what some senator or representative wants the record to show. He believes, for another thing, that executive agencies—and even courts—may be seriously misled if they look to the debate preceding a particular congressional enactment for a clue to Congress' intent.

One suggestion has been to print undelivered speeches in a different type face so that future readers of the Record will be able to distinguish between what was actually said and what was not actually said on the floor.

Thus far, however, neither Representative Steiger nor anyone else in Congress has been able to popularize the idea of Record reform.

Ultimately, we should like to believe, a Congress that has concerned itself with truth in lending, truth in packaging, truth in advertising and truth in land sales will also have occasion to consider the case for truth in the Congressional Record.

KREMLIN ARTICLE MAY BE A LESSON FOR PORTUGAL REDS

HON. MARJORIE S. HOLT

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 15, 1975

Mrs. HOLT. Mr. Speaker, the deteriorating situation in Portugal is a matter of grave concern for all countries of the free world. The future of this tiny country is quite uncertain. A recent article in the Washington Star outlined some of the tactics which may be used by the Communists in their attempt to complete their domination of Portugal. I would like to share this article with my colleagues.

[From the Washington Star, June 30, 1975]

Kremlin Article May Be a Lesson for Portugal Reds

(By Henry S. Bradsher)

"The role of the mass media in the social and political struggles of today has grown to an extent unseen in past revolutions." It is therefore necessary for Communists to deny others use "of the mass information and propaganda media."

Communists trying to take over a country must also capture control of the army and be prepared "to use the boldest means of struggle should the situation require it."

These are the lessons of Chile as set forth by a senior official of the Soviet Communist party. The failure of the Marxist regime of President Salvador Allende Gossens to consolidate its hold on Chile taught the lessons.

The coup d'etat which ousted Allende on Sept. 11, 1973, caused a rethinking in world Communist circles on how to get and hold power. Simply winning a foothold in government is not enough, Communists learned after the Chilean army's coup, and tough steps are needed to turn the foothold into a permanent grip.

The lessons were publicly drawn last year by Boris N. Ponomarev. Since 1961 he has been the secretary of the Soviet Communist party in charge of relations with Communist parties seeking to attain power in foreign countries.

The days of Josef V. Stalin's old Communist International, which gave orders to foreign parties, are long gone, and the various parties have a looser relationship now. But Ponomarev still exercises considerable influence over foreign Communists, many of whom depend on Kremlin subsidies.

Ponomarev's lessons were published a year ago in the kind of turgid publications that only convinced Communists and professional Kremlinologists read. They have now attracted public notice and become controversial because of the situation in Portgual.

Working with a faction of the military movement that seized power in Portgual in April 25, 1974, the small, toughly disciplined Portuguese Communist party has seized control of the media, taken over the labor movement, and maneuvered to deny any power to democratic opponents, who outpolled the

Communists 64 percent to 13 percent in elections last April 25.

The Communists have used strong-arm tactics to prevent publication of the newspaper Republica, voice of the Socialists, who won 38 percent of the vote. But last Monday material from Republica was published in Paris.

It included an allegedly secret five-point directive from Ponomarev dated October 1974 on how Communist parties in the West should seize power. Although denounced by Moscow as a forgery, the directive is similar enough to—but not identical with—an article published by Ponomarev to give it some credence.

Experts on Communist affairs in Washington say the directive might be the original, unexpurgated version of Ponomarev's Chilean lessons. Or it might be a version adapted by someone else to make the Communists seem even tougher, nastier and more fascistic than anything they say publicly.

In any event, the points in the directive are consistent with known and often-discussed Communist tactics for following the example of Lenin in taking over Russia in 1917 with a small, hard core of Bolsheviks.

Disciples of Lenin have held what a British journal, The Economist, calls "the pseudo-scientific belief that Communists, who understand the processes of history, do not need to bow to voters' will because they know best what the voters really want."

Ponomarev's article appeared in June 1974 in the world Marxist Review, the English-language version of Problems of Peace and Socialism, a Russian journal for the International Communist movement. The local-language versions of the journal for France and Italy, two countries in which Communist parties are appealing to voters with claims of being democratic parliamentary movements omitted the article.

Chile showed "the tremendous importance of being prepared promptly to change forms of struggle, peaceful and nonpeaceful," Ponomarev wrote. His article apparently had appeared elsewhere before being used in the international journals, and might have been more detailed in its original version.

"After decisive political successes, it is the economy that becomes the main field of battle for victory of the revolution," he said. He talked of "choosing the forms and setting the pace of economic change" without explanation in the World Marxist Review version.

Because of the role of the media, "the Chilean experience shows that to achieve victory it is essential to deprive the class enemy of the mass information and propaganda media," Ponomarev declared. Also, "it is of crucial important (sic) to deprive the old regime of important levers of power such as the army and to form a new state apparatus."

"The Chilean events have served to re-emphasize the importance of safeguarding and defending socialism and revolutionary gains by all necessary means," Ponomarev concluded.

The Republica material added more specific detail in the alleged five-point directive.

It said private business must be destroyed as "the first step toward eliminating an independent press." Enemies should be deprived "of all mass media and all propaganda organs as soon as possible in order to win the battle, that of slogans based on the Leninist principle of repetition."

"It is absolutely indispensable to try to form a tactical alliance with the army," the alleged directive said. "This necessitates the conversion or subversion of important and highly placed elements in the army. . . ."

It also called for establishing a single labor movement to control workers and use them for Communist purposes, and "power centers parallel with but outside central power should be organized." Groups under Communist control should "sabotage directives and destroy administrative effectiveness."

"Any attempt at resistance by officials should be crushed, if necessary by accusing the people concerned of 'putschist' intentions," the points said.

These sound very much as if they were drawn up as generalizations of what the Portuguese Communist party has already done, or tried to do, in a year of maneuvering to expand its power.

But whether the party, led by old Stalinists who lived in exile in Eastern Europe for many years, is really following a Ponomarev directive or simply acting along the general lines which the Soviet official outlined remains unclear.

SECONDARY BOYCOTTS AND THE CONSTRUCTION INDUSTRY—III

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 15, 1975

Mr. ASHBROOK. Mr. Speaker, on July 10, the House Committee on Education and Labor reported out H.R. 5900. This bill would legalize common situs picketing in the construction industry.

Similar legislation has been banging around the Halls of Congress for years. It is now being called a measure to provide "equal treatment of craft and industrial workers."

Whatever its title, H.R. 5900 is a bad bill. We should not exempt the building trades from the legal prohibitions on secondary boycotts.

My position against H.R. 5900 is receiving strong editorial support. On July 9, page 21958, I included editorials from the Chicago Tribune, the Dallas Morning News, and the Indianapolis Star. For the further information of my colleagues, following are editorials in opposition to H.R. 5900 from the July 14 Wall Street Journal, the June 9 San Francisco, Calif., Examiner, and the May 22 Naugatuck, Conn., Daily News:

[From the Wall Street Journal, July 14, 1975]

WHO NEEDS COMMON SITUS?

Year after year the construction unions drag it out of the closet, frayed at the edges, mildewed and moth-eaten, and trail it up and down the corridors of Capitol Hill. Even the legislators whose highest priority is a 100% scorecard with labor finger the thing with embarrassment, professing admiration, and support with the same enthusiasm they reserve for the Free Lithuania Lobby. The other AFL–CIO chieftains dutifully sign statements of support, but usually call in sick when time comes to testify.

It's the "common situs" bill, otherwise known as the bill to amend Section 8(b)(4)(B) of the National Labor Relations Act, otherwise known as the bill to legalize the secondary boycott, this year dressed up and dry-cleaned as the measure to provide "equal treatment of craft and industrial workers." The equal-treatment business goes something like this: If the United Auto Workers has a legitimate beef with General Motors, it can throw up a picket line and close down the plant. Why shouldn't the roofers union, if it had a beef with the contractor repairing the roof of a GM plant, be allowed to throw up a picket line and shut everything down?

The law now prohibits on-site picketing by one union where several employers and unions are at work, precisely because such picketing usually shuts down everything. The prohibition was written into the Taft-Hartley Law in 1947, enacted because the public and Congress were shocked in the first post-war years at the number of strikes and man-hours lost as the result of the freedom individual unions had to pull everyone into their grievances.

We normally don't waste space in commenting on this annual hard-hat effort to return to those days of power and glory. Even when Congress has been swollen with people elected with labor support, the legislators have found an excuse to kill common situs and fumigate their offices. The last big chance for the hard hats was in 1966, during the wild and woolly 89th Congress when there were liberals in the strangest places. But the late Adam Clayton Powell, who then chaired the Labor committee, saved the country from common situs by attaching a provision that said secondary boycotts couldn't be used to discriminate against blacks, and the hard hats quickly put common situs back in the closet.

Now, Congress is once again bulging with Democrats that labor figures owes something to labor, and the crafts have not only dusted off common situs as an "equal treatment" measure, but also inserted a Powell-type antidiscrimination clause. About 100 House members have so far signed on, including three Republicans, and a bill is ready for markup. Senate hearings will be held this week. And Secretary of Labor John Dunlop, an old friend of the hard hats, has given qualified approval to common situs. The qualifications include a cooling-off period and a 30-day limit on common-site picketing. And the House Labor Committee last week voted, 31 to 7, for the bill, accepting some of the Dunlop qualifications.

All of which has succeeded in making us a bit nervous. The chances are still fairly small that the legislation could pass and be signed into law by President Ford. But common situs would produce so much economic disruption that any chance of its return is worrisome. The Democratic majority might hold its nose and put it through, figuring Mr. Ford would veto it, in which case he would earn the enmity of the hard hats.

For the same reason, Mr. Ford might just sign it, figuring recent Supreme Court decisions would keep the hard hats from using common situs. The unions would chiefly like to use the secondary boycott to force general contractors to use only union subcontractors. But the Supreme Court holds that if this is done outside the context of a collective-bargaining agreement, the union is subject to the antitrust laws. Such would be the case if a union picketed an open-shop subcontractor in restraint of trade on the part of the contractor.

Although this scenario seems far-fetched, stranger things have happened in Washington, D.C. Better to take no chances. Politicians should be advised that the only way to deal with common situs is to spray it, swat it, stamp on it.

[From the San Francisco (Calif.) Examiner, June 9, 1975]

TWO BOYCOTT BILLS

Two bills legalizing the secondary boycott in the construction industry have received a friendly reception in the House and Senate, a mistaken view we hope the Congress will reverse on serious second thought.

The measures (S. 1479 and H.R. 5900) run counter to long-standing sections of the National Labor Relations Act which forbid the secondary boycott. As present law operates, one union out of several on a construction site is prohibited from shutting down the entire project because of a dispute involving that single union or a single subcontractor. The other subcontractors on the job and their workers thus are protected from forced participation in a dispute they had no part of.

In actual practice, when such disagreements arise, one gate is set up at the site where the striking craft can picket and another gate through which the non-striking crafts can pass to continue working.

A commonly used example of what could happen if these so-called *common situs* bills were passed is that a localized beef involving just one union could wholly shut down work on the nation's crucial Alaskan pipeline.

Except for public employes, unions have and need the right to strike. It is their ultimate weapon, frequently the only way to win a just settlement.

But the secondary boycott is an unfair tactic that forces another's troubles on innocent parties. We long have opposed it and do so in the case of S 1479 and HR 5900, which Congress should reject.

[From the Naugatuck Daily News, May 22, 1975]

A Grab for Power

Incredible as it may seem, looking at the economic conditions around us, when the construction industry is in dire straits, the great building trades unions are again seeking legislation (and they're trying harder this year!) which could bring the construction industry to a virtual standstill.

With construction workers by the thousands out of jobs, all around the nation, the union leaders are backing legislation already introduced in the Congress which would legalize secondary boycotts.

The measure is HR 5900, concerning common situs picketing and introduced into the Education and Labor Committee by Rep. Thompson (D-N.J.).

S. 1479, an identical measure, has been introduced into the Senate by Sen. Williams (D-N.J.) and Jacob Javits (R-N.Y.) and is now in the hands of the Senate Labor and Public Welfare Committee. Hearings on both measures are expected to begin within the next 30 days.

Should the measure pass (Heaven forfend!) it would abolish the existing rule that a construction union, while free to strike and picket the firm in dispute, must not willfully picket or pressure any other firm on the site which is neutral in the particular dispute.

In effect, the change would allow any one of 19 building trades unions having a dispute with one of several firms on the site to picket indiscriminately and thereby shut down the total project.

The result could hardly be anything less than sheer chaos throughout the entire construction industry.

This is nothing more than an utterly unjustified union grab for additional power, and it would place an insupportable burden on the entire construction industry, even if economic conditions were not as bad as they are.

And there is a fundamental right involved here as well—the right of the contractor to operate his business as he sees fit within the letter of the law. Passage of this common situs measure, which would remove the ban on secondary boycotts presently contained in the Taft-Hartley Act, would make it entirely possible for the unions to dictate to the general contractor which sub-contractors he may or may not do business with.

If the bill passes, it is almost certain that massive work stoppages can be expected to follow—stoppages which surely will increase the already-astronomical costs of construction work.

Such legislation cannot, by any stretch of the imagination, be considered as serving the interest of the working man with a family to support.

We note with interest that Rep. Ronald Sarasin of Beacon Falls is a member of the House Education and Labor Committee which will shortly be considering HR 5900. We trust not only that he will fight against this legislative monstrosity, but that he will seek to convince his colleagues, of whatever political stripe, that this bill must not be allowed to become the law of the land.

THE VIETNAM TRAGEDY

HON. JIM SANTINI

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 15, 1975

Mr. SANTINI. Mr. Speaker, I would like to enter into the RECORD today an article published in the Reno Evening Gazette by Miss Cari Lockett. Miss Lockett is a 13-year-old student from Reno, Nev., who is very much concerned with the Vietnam tragedy. I believe this to be a very noteworthy and valuable article:

Reno Teen-Ager Writes of the Vietnam Tragedy

(By Cari Lockett)

The toll of the Vietnam war has been heavy. The loss cannot be measured in casualties alone. It must also be measured in loss of faith and hope.

Thousands of young men with families, some barely out of high school, have been needlessly killed on foreign soil. But the fighting lacked causes. The Vietnam war was not intended for Americans.

Our men have been killed or never found. There are families who grieve, wondering where their sons, husbands, brothers and fathers are, and if they will ever return home.

Perhaps the load would have been easier to bear if this war had been fought for a cause of which we were all part.

The Vietnamese needed help and the United States, as usual, wanted to play the leading role. As a result, the price paid for the best seats in the house was unforgivably high.

Some of those who were fortunate enough to return have suffered mentally. The pain of the body can sometimes be relieved, but not the heart.

Young veterans realized the situation was futile, and I'm sure they often wondered if they were being remembered.

Coming home was their wartime dream.

And when they did, they found they were forgotten, just faces in the crowd. Fighting for nothing and returning to nothing.

The men who fought deserve much, and they cannot be repaid for a service most choose to ignore.

It seems war is inevitable for Americans. Wars are our lives. They boost our economy. So we forget about those who died, or were injured, and the families who suffer.

Yet the controversy over Vietnam continues, and our men are still fighting in Southeast Asia, contrary to what many believe.

Most money goes into a foreign country when it could be put to a much better use in our own country, where there are people in need.

We have our own problems, and while they are apparent, they have been set aside for years.

Since the signing of treaties and the guarantee that our prisoners of war would be returned, no successful effort has been made to get an account of those missing in action.

War protests were big in the late 60's and early 70's, but people are beginning to forget about the POW's and MIA's.

It has been estimated that 56,000 American soldiers died and more than 150,000 were seriously wounded in Vietnam. Cemeteries are full of white blank stones.

More than 1,000 men are missing. There is little hope that these men are alive, but whether they are or not, they should be accounted for.

One man off the list makes the goal one closer, and the promise of return more real.

April 29th marked the 7,382nd day of American involvement in the Vietnam war, and hopefully the last, Saigon surrendered.

More than 11 million refugees are without homes, and many are being shipped to other islands or mainlands, or they are living in tent cities with little hope of returning to their homeland.

Now that the war is over, will we rush aid and supplies to other countries, such as oil countries which we depend on for energy?

As the song says, "When will they ever learn?"

THE PRESIDENT'S COURAGEOUS STAND ON INFLATION

HON. JOHN B. ANDERSON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 15, 1975

Mr. ANDERSON of Illinois. Mr. Speaker, President Ford has proven his economic wisdom and political courage by his sustained campaign for restraint in Federal spending. Continuous salvos have been fired by the forces of deficit spending, including their biggest gun, George Meany, but the President has refused to abandon his position and allow an increase in the size of the budget deficit. He knows that a large increase in spending for Government programs, no matter how laudable their goals, will result in another dizzying and destructive spiral of inflation. Far from solving the unemployment problem by creating huge deficits, such a course can only lead to an even deeper recession with a still more disastrous rate of joblessness.

The Chicago Daily News in an editorial on Monday, July 7, entitled "First, Defeat Inflation," has clearly identified this dilemma and given the President the praise due him for him farsighted policy. Because of the trenchant nature of this commentary, I am pleased to insert it into the RECORD as follows:

First, Defeat Inflation

President Ford rates high marks for courage in carrying his campaign for economic restraint into hostile camps.

The burden of his message to the National Assn. for the Advancement of Colored People was that while unemployment is serious and deserves constant attention, it must yield precedence to the fight against inflation.

Ford's doctrine collides head on with the one being preached by the AFL-CIO's George Meany. Meany says the President is "putting dollars ahead of people." He says the immediate problem is not the size of the federal budget deficit, but jobs. He demands to know what is so awful about borrowing money: "Borrowing money is part of the American way of life"—so it's time to quit worrying about a possible federal deficit of $100 billion. He wants federal programs to start putting the nation's 8 million unemployed to work.

Both political and humanitarian considerations require that Ford and Congress make a start on finding jobs.

But Ford knows that so massive an increase in spending as Meany wants would almost certainly reverse the downward course of inflation and send it spiraling back up toward new records. And that would be the inevitable beginning of a new boom-and-bust cycle, one result of which is always the closing of still more production facilities and the loss of more jobs.

The program of relative austerity that Ford advocates—and has been putting into practice as far as possible—accepts a fairly gradual pace of recovery and a rate of unemployment that may average 8 per cent (against the current 9.2) through next year.

This indeed provides a bleak prospect for the millions of individual Americans who are out of work.

But Ford is also right in pointing out that "too many of those whom the (special aid) programs sought to help—the poor, the elderly and the disadvantaged—are now bearing the inflationary burden of the federal government's spending spree." The burden is borne in the form of painful reductions in the dollar's buying power.

The President must also be concerned lest profligate spending send this country down the road Britain is now following, to the sorrow of everyone including labor.

The British are seeing the buying power of their once-hard-as-a-rock currency dwindle at the rate of 25 per cent a year—the result of too many years when the nation simply lived beyond its means. Pulling Britain back from the brink of disaster will take ingenuity and sacrifice beyond anything that nation has yet known. Argentina is still farther down the same road. And, of course, the ultimate example is post-World War I Germany, where it finally took a wheelbarrow full of 1,000-mark bills to buy a loaf of bread, and the accumulated savings of the entire nation went down the drain.

The United States has reversed its downward momentum, and with prudence and considerable frugality over the next 18 months will make its way back toward solid prosperity and a minimum rate of joblessness. It is a hard task involving sacrifices spread unevenly through the population. The political pressures for relief through expanding the deficit will mount as the 1976 presidential campaign approaches. President Ford deserves the understanding and support of the public in the enterprise he has launched, because the welfare of all depends on his success.

DEREGULATION OF AMERICAN CRUDE OIL

HON. JAMES G. MARTIN

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 15, 1975

Mr. MARTIN. Mr. Speaker, in general debate today I was much impressed by the outside prospect of being able to reach a cooperative bipartisan front on gradual deregulation of American crude oil. The opportunity should be openly examined to blend together what once appeared to be an impasse.

Today we heard on the one hand the presentation by the gentleman from Texas (Mr. KRUEGER) to abandon the committee proposal to rollback domestic crude, and to return to the earlier position of the Dingell subcommittee favoring a gradual phased deregulation.

Then on the other hand, the gentleman from California (Mr. REES) noted that President Ford is now moving away from his earlier stance of an immediate deregulation to a position negotiably similar to the Krueger proposal.

This encourages me to hope that the House of Representatives will seize this opportunity to forge a compromise in the interests of the American consumer. It is not enough to base national policy on the desire to penalize the oil industry. That will only assure the consumer of a lower price component for that part of his or her fuel that comes from declining domestic sources. Some benefit.

So the proposal of my colleague, Mr. KRUEGER, deserves support as a marked improvement over H.R. 7014. Without it, instead of compromise the most we will produce is confrontation.

SST'S AND BIG TRUCKS

HON. LEO C. ZEFERETTI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 15, 1975

Mr. ZEFERETTI. Mr. Speaker, our society is becoming increasingly more mobile and complicated, more so than ever before. This fact only serves to shed light on the importance of our Nation's transportation systems, those which link together the vast and separate areas of our Nation, bind them into one united nation.

It is, therefore, the duty of Congress to insure the safety of the transportation networks of our country and to assure the Nation that with regard to improvement and maintenance of these systems, they are acting not on the behalf of big interests involved but on behalf of those who are inevitably the most affected by congressional decisions: The American public.

However, I find it most regrettable that the interests of the American public were clearly not the motivating factors in the two most recent decisions of the House with regard to America's transportation systems. For example, I refer to the recent action by the House on the transportation bill, and Congress rejection of efforts to forbid supersonic transport planes from landing at American airports.

Those of us who represent the New York City metropolitan area have, for years, sought to prevent the British-French SST, the Concorde, from making commercial flights to the United States. Not only are the noise levels of the aircraft earsplitting but the effects of the Concorde on the Earth's ozone layer include the extreme possibility of permanent damage to the environment and a significant increase in the incidence of skin cancer. Nonetheless, the Federal Aviation Administration is considering permitting four daily flights into Kennedy Airport in New York, and two into Dulles in the Washington metropolitan area.

The people of New York do not want these flights. Those concerned about the environment around the world certainly object to having these planes flying in space. Yet, the FAA, an agency with some very questionable decisions already to its credit, continues to persist in trying to salvage from the British and French governments, some profit from this disaster known as the Concorde. And, as we all know, this salvaging effort can only be accomplish at the expense of the United States, by allowing the SST to land at American airports where it can tap the market of America's very rich, the only people willing to pay for the experience of crossing the Atlantic in recordbreaking time.

This decision by Congress to reject the efforts to forbid supersonic landings in our country represents a true step backward; a step clearly contrary to the former decision to cancel Federal subsidies for the development of an American SST, and a step away from the mandate of the majority of the people. Therefore, no more classic example of harmful legislation can be imagined.

However, this example of legislation can be equalled. And it was when the House refused to roll back the maximum weight allowance for trucks using our Interstate Highway System. This maximum weight allowance was raised by the 93d Congress from 73,280 to 80,000 pounds. Some of us attempted to reverse that decision, but were obviously unable to overcome the massive lobbying campaigns and mounting opposition.

Therefore, it will continue to be the rule for enormous trucks, monsters of the road, to continue tearing along, intimidating motorists, causing immense wear and tear on our Nation's highways and undercutting federally subsidized roads. In essense, the action of the House in refusing to rollback truck weights represents a victory for special interests, while ignoring the best interests of the American people.

These two decisions, taken together, signify that transport as it is mean to help society, is being led in the wrong direction; it means that roads will be for large freight carriers rather than for people. It means that the will of the average citizen to live without noise pollution from the air will be slow, if ever, to be realized. It means that the interests of the very few powerful elements of our society take precedent over the overall transportation needs and desires of the rest of us.

Therefore, the question with regard to our Nation's transportation network remains to be answered; will it be for the use of the people of our country, or will massive trucks and other carriers of freight deter Americans from using their own roads, those their own taxes helped to build? It is for us to decide. I most sincerely hope that we will eventually decide in favor of the American people.

LYING IN STATE

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 15, 1975

Mr. FRASER. Mr. Speaker, I have introduced the "Truth In Government Act," which would make it a criminal offense for a government official to lie to the people. My colleague Representative Romano L. Mazzoli has joined me in seeking cosponsors for the legislation.

The prevalence of lying by Government officials and the people's waning confidence in our Government is dramatically illustrated by Anthony Lewis in Monday's New York Times.

The article follows:

Lying In State: I

(By Anthony Lewis)

In 1972 Cambridge Survey Research, public opinion analysts, asked people whether they agreed with this statement: "Over the last few years this country's leaders have consistently lied to the American people." Of those asked, 38 per cent agreed. A similar poll was taken in 1974, and 55 per cent agreed with the statement. This spring, 68 per cent agreed.

Those figures illuminate the obvious: To a dangerous degree, Americans have lost confidence in the word of their government. Such distrust may be endemic in other countries, but it is a relatively new phenomenon in the United States, and a corrupting one. Moreover, it persists even after the replacement of a President who made lying a way of life by one thought of as candid.

It is not hard to find reasons for the public feeling. One is that high officials who are caught out in crude deceptions so seldom pay any penalty. On the contrary, they remain in office and continue to be treated by much of official Washington as if they deserved respect.

An outstanding example of survival by deceivers is that of Richard Helms, the former director of Central Intelligence, now United States Ambassador to Iran. Reading back over some of the things Mr. Helms has said over the years arouses a feeling of awe for such mastery of the misleading.

On Feb. 7, 1973, Mr. Helms appeared before a closed session of the Senate Foreign Relations Committee for a hearing on his nomination as Ambassador. The transcript, subsequently published, includes the following exchanges with Senator Stuart Symington of Missouri:

Symington: "Did you try in the Central Intelligence Agency to overthrow the government of Chile?"

Helms: "No sir."

Symington: "Did you have any money passed to the opponents of Allende?"

Helms: "No sir."

Since that testimony, it has become known that the Nixon Administration authorized the C.I.A. to spend more than $5 million on covert activities in Chile between Allende's election as president in 1970 and his fall in 1973. The cash went to anti-Allende civic groups, newspapers, radio stations and others, with the aim of making it impossible for Allende to govern.

Mr. Helms has explained that he took Senator Symington's second question to refer to Allende's two actual "opponents" in the 1970 election—and the C.I.A. gave them no money. That is a strained argument, to put it mildly, since the first question was so clearly about the post-election period. And in any event, the C.I.A. did give $500,000 to opposition party personnel during the 1970 election.

In the confirmation hearings, Senator Clifford Case of New Jersey mentioned the known use of Army intelligence to report on the anti-war movement. This exchange followed:

Case: "Do you know anything about any activity on the part of the C.I.A. in that connection? Was it asked to be involved,"

Helms: "I don't recall whether we were asked, but we were not involved because it seemed to me that was a clear violation of what our charter was."

The Rockefeller Commission has just reported that the C.I.A. under Mr. Helms set up a Special Operations Group to "collect information on dissident Americans." It ran Operation Chaos, infiltrating the anti-war movement and collecting on a computerized index "the names of more than 300,000 persons and organizations." Even by recent standards of official untruth, Mr. Helms's "not involved" must set a record.

In the confirmation hearings Mr. Helms was also asked about any C.I.A. connection with E. Howard Hunt and G. Gordon Liddy, the convicted Watergate burglars. He said there had been no connection since Hunt retired from the agency in 1970. Later it was learned that the C.I.A. had supplied Hunt and Liddy with equipment for their burglary of Daniel Ellsberg's psychiatrist in 1971. Mr. Helms explained that he thought the equestion had related only to the Watergate break-in.

No one has called Mr. Helms effectively to account for his testimony. The Senate Foreign Relations Committee, the immediate victim of his deception, recalled him but asked unfocused and deferential questions. The Rockefeller Commission, comprehensive as its report was, said nothing about the lies that had allowed all those illegalities it found to flourish.

As for President Ford, at whose pleasure ambassadors serve, he has not been heard to murmur a critical word about Mr. Helms. The Government's failure to bring a particular perjury case may always be explained by technical or evidentiary problems. But anyone who wonders why Americans have grown cynical about those who govern them might think about this question: Why does Richard Helms still hold the rank of Ambassador?

HON. SILVIO O. CONTE ADDRESSES MASSACHUSETTS DAY LUNCHEON

HON. JAMES A. BURKE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 15, 1975

Mr. BURKE of Massachusetts. Mr. Speaker, yesterday, July 14, 1975, was "Massachusetts Day" in our Nation's Capital. Sponsored by the D.C. Bicentennial Office in conjunction with the National Park Service and the Massacusetts Society, the day included a variety of programs, concerts, and receptions honoring the great Commonwealth of Massachusetts.

My good friend, the eloquent gentleman from Massachusetts' First District, Congressman Silvio O. Conte, spoke to guests at noon luncheon in the Rayburn Building hosted by the Massachusetts Society. The guests included members of the Massachusetts congressional delegation and their wives, as well as Katherine Dukakis, the wife of Massachusetts' Gov. Michael S. Dukakis. We particularly enjoyed Congressman Conte's speech, combining as it did the rich fabric of history woven over the years in the Commonwealth, with an awareness of the leading role that the Bay State and its residents will play in the Bicentennial year.

We, from Massachusetts, take special pride in representing our State in the U.S. Congress. I ask my colleagues to pay special heed to the words spoken yesterday by our respected colleague, the Honorable Silvio O. Conte, and you will begin to know why.

Remarks of Hon. Silvio O. Conte

As chairman of Massachusetts Day here in our nation's capital, I want to, first of all, express my personal appreciation to the District of Columbia for including the Bay State in its celebration of the Bicentennial. The focus of the Bicentennial is, naturally, turning to our capital city and I am pleased that the Commonwealth of Massachusetts and her people can participate in this observance.

In doing a little research on the Commonwealth of Massachusetts in conjunction with the Bicentennial, I relearned the fact that our state got its name from Indian words meaning "near the great hill" referring to the site of the capital of the Algonkian Indian confederacy. We share that distinction with Washington, which, too, has located the capital of this confederacy of 50 states on a great hill.

The Bay State has always been amply represented here in Washington. One of the most beautiful avenues in town bears the name of Massachusetts and is lined with the gracious buildings occupied by the official delegations from many foreign nations.

Massachusetts has given Washington, and the world, three Presidents of the United States, John Adams, John Quincy Adams and John Kennedy. Four Bay Staters have held the second highest office in the land. And we have contributed seven Speakers of the House of Representatives, most recently our beloved former speaker, John McCormack.

To continue and recount the accomplishments and contributions of Bay Staters to the history of our nation, its rich heritage of arts and letters as well as public life would, I am afraid, take more than one Massachusetts Day. To call upon the words of Daniel Webster (and I quote) "I shall enter on no encomium upon Massachusetts; she needs none. There she is. Behold her, and judge for yourselves. There is her history; the world knows it by heart. The past, at least, is secure. There is Boston and Concord and Lexington and Bunker Hill; and there they will remain forever." (I would be lax if I didn't also add—There are the Berkshire Hills, there is the Pioneer Valley and there is the Taconic Range—for they—too, will live forever. . . .)

Now, if I could interject a plug for our own Bicentennial activities—Massachusetts, as the cradle of democracy and where the seeds of this great country were sown 200 years ago is celebrating this Bicentennial in its own fashion. More than 240 individual communities have been designated as Bicentennial Communities statewide by the American Revolution Bicentennial Administration. Each one of these communities has indicated its desire to participate and demonstrated it through an application process. And, just as millions of visitors will come here to Washington to see their federal government in operation today, that same blend of curiosity, history and wanting to participate will draw millions of others to Massachusetts to see where it all began two centuries ago.

Before closing, I want to congratulate John Corrigan and the Massachusetts State Society on the fine day they have planned. I am sure the rainy weather will not put a damper on the enthusiasm of the participants.

Today, Massachusetts becomes the fifth state to be so honored with a special day in Washington in commemoration of the order in which she entered the union. But for us, Bay Staters here in the District of Columbia—from the sand dunes of Cape Cod, to the tip of Mt. Greylock, from Plymouth Rock, the Charles River, the mills of Lowell to the farms of Franklin County—she's number one in our hearts.

"Massachusetts Day"

[In the Nation's Capital, Monday, July 14, 1975]

A program sponsored by the D.C. Bicentennial Office with the cooperation of the National Park Service and The Massachusetts Society.

11 a.m.—U.S. Capitol Ceremony—West Front Terrace—Featuring D.C. Mayor Walter Washington's proclamation of "Massachusetts Day" and remarks by members of the Massachusetts Congressional Delegation (rainsite: Rotunda of the Russell Senate Office Building).

12 noon—Congressional Luncheon—B339 Rayburn House Office Building.

Hosted by The Massachusetts Society.

A brief program will feature remarks by our Bicentennial Committee Chairman, Congressman Silvio Conte.

1:45 p.m.—Massachusetts Avenue Program—Ft. DuPont Nat'l. Park. Featuring performances by residents and students of D.C.'s Massachusetts Avenue and the Commonwealth of Massachusetts, followed by refreshments at Ft. DuPont's Visitors' Center.

5:30–6:30 p.m.—Massachusetts Concert—John F. Kennedy Center. A program sponsored by the National Music Council and National Federation of Music Clubs, the free concert features musicians from Massachusetts performing the works of Massachusetts composers.

FORD SNUBS SOLZHENITSYN

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 15, 1975

Mr. McDONALD of Georgia. Mr. Speaker, Victor Lasky, the well known columnist and author also recently joined the growing group criticizing the failure of the President to meet with Solzhenitsyn. In my view, he made his points very well in a column released to the North American Newspaper Alliance on July 9, 1975. The column follows:

Say It Straight—Ford Snubbed Solzhenitsyn—And That Was a Big Mistake

(By Victor Lasky, North American Newspaper Alliance)

Washington.—President Ford made a serious mistake in refusing to meet with Alexandr Solzhenitsyn when the famed Russian author paid a recent visit to the nation's capital.

It was a plain and simple snub. And it was clearly out of character for a chief executive who, whatever else can be said of him, has always been known for being decent and straightforward.

Mr. Ford was anything but in turning down suggestions that he invite the Nobel laureate for a short visit to the White House. He announced through his press secretary that his busy schedule permitted him no time. What that busy schedule did permit, however, was an afternoon of golf at the Burning Tree Country Club.

Moreover, Mr. Ford has rarely been hesitant about meeting with visiting athletes like Muhammad Ali and Pele, or with actors like Robert Redford and Candice Bergen. Only days before he spent time being photographed with two Soviet aviators who had flown from Siberia to the United States 40 years ago.

The snub of Solzhenitsyn was deliberate. It was calculated to appease the tyrants currently ruling the Soviet Union, as Ron Nessen himself admitted. "Obviously," he told reporters Monday, "there were foreign policy considerations."

In so doing, Mr. Ford brought into question the entire concept of détente. Until now, détente was said to mean an effort to avoid military confrontation in order to reduce the risk of another world war. But we were never advised that it also meant a diminution in our nation's understanding of the brute horrors of Communism.

Publications ranging from the ultra-liberal New York Times to the conservative Human Events have sharply condemned Mr. Ford for his incredible attitude toward Solzhenitsyn. The New York Times, for example, noted that the Kremlin has never hesitated to invite the most outspoken anti-American propagandists to meet with the Politburo.

Solzhenitsyn himself phrased the current state of international affairs this way: "Khrushchev said, 'We will bury you.' They, the current Soviet leaders, are more clever. They don't say 'We will bury you' anymore: now they say 'détente.' "

The question is who advised the President, now an announced candidate for re-election, to act in such uncharacteristic fashion. After all, Mr. Ford has never shown evidence of being naive about Soviet tyranny.

The word is that it was Secretary of State Kissinger who convinced the President to snub Solzhenitsyn. The Russian writer had made it clear he considered the Nobel Peace Prize awarded Kissinger a big joke in view of what happened to South Vietnam. This apparently infuriated the secretary. Nessen admitted that Kissinger spoke to Ford about the suggested visit, but declined to comment on what Kissinger told Mr. Ford.

But it apparently is alright for the President to invite numerous leftwing actors and writers to be guests at state dinners. Conservative spokesmen, who have supported the President on such issues as Mayaguez, are rarely seen drinking bubbly at the White House these days.

According to a New York Times dispatch, certain White House "aides" had "raised questions about Mr. Solzhenitsyn's mental stability. They also reportedly suggested that Mr. Solzhenitsyn was in the United States to promote the sale of his books and that the President would not be party to such commercial promotions."

These are typical of the charges which have traditionally been levelled against anti-Communists. And it is shocking to learn that the President may have been influenced by such vicious anti-anti-Communism.

The best thing Mr. Ford could do is get rid of such advisers. They are nasty people who don't deserve to have access to the President's ear.

Otherwise, Mr. Ford may quickly learn that a goodly number of his supporters will have decided to sit on their hands in the next election.

The sooner Mr. Ford reverts to character the better.

ENERGY EFFICIENCY: GOAL OF H.R. 7014

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 15, 1975

Mr. DINGELL. Mr. Speaker, pursuant to permission previously granted, I insert pertinent information from the news report in the Los Angeles Times of July 11, 1975, on energy efficiency of appliances which is an important section of H.R. 7014, the Energy Conservation and Oil Policy Act of 1975, under consideration on the floor of the House at this time:

Homes Have Their Share of Gas Guzzlers

(By Paul Houston)

Washington.—Avocado-tinted and frost-free, the two refrigerators seem very much alike. Both have adjustable shelves; both have capacities of about 17 cubic feet. The price tag on the Sears model is $430, on the Westinghouse $440.

But there is a big hidden difference—known so far to only a few consumers—that is giving chills to people worried about the country's growing energy problems.

At current electrical rates here, running the Sears refrigerator will cost $356 more than operating the Westinghouse in the 14 years they are expected to last: $1,177 for the Sears appliance and $821 for the Westingtonhouse unit. (The saving for the Westinghouse buyer in Los Angeles, where electrical rates are lower, would be $306.)

That difference in energy consumption, recently documented in appliance industry tests, goes to show that not all gas guzzlers are zooming down the highway.

Many are lurking around the house—heating and cooling rooms, washing dishes, drying clothes, roasting turkey, freezing ice cubes, heating bath water and showing Arthur Ashe beating Jimmy Connors.

The energy they waste is significant, both for individual consumers and for the nation as a whole.

For the inflation-pressed consumer, who already may be moving toward a more efficient automobile and think about improving his home insulation, the identification of new sources of energy waste opens the way for significant dollar savings.

For the nation, the savings from replacement of millions of wasteful home appliances could reduce the growing dependence on costly foreign oil. Nearly one-fifth of U.S. energy consumption is in the home, and oil-fired boilers generate a large portion of the country's electricity.

The energy savings would also alleviate pressure on dwindling domestic petroleum supplies and help buy time for orderly, environmentally sound development of alternative sources.

Potential savings are everywhere:

Energy experts say some air conditioners burn 60% more electricity than others because of inefficient compressors, fan motors, cooling coils and heat exchangers.

Most television sets waste substantial energy because of an instant-picture feature that requires keeping the set warm even while it is turned off.

Gas-operated stoves and clothes dryers could save 10% on energy if the pilot lights were replaced by electric lighters.

Refrigerators built with thin walls to create more space are so poorly insulated that heated wires are imbedded in the door to prevent the outside cabinet from sweating—a 15% to 20% drain on the unit's power.

The problem is that until now no one thought much about energy efficiency when it came to home appliances. If the potential savings are to be realized, comparative data must be assembled and made available to the public in easy-to-read form, energy efficiency experts believe.

Prospective buyers must be able to grasp the operating-cost feature of a refrigerator as readily as they are tempted by flashy door handles or prolific ice cube makers, they say.

Several starts in that direction have been made by the U.S. Department of Commerce and a few state and local governments, experts say, but thus far they have done little more than stir confusion.

Recently the Chicago-based Assn. of Home Appliance Manufacturers published a booklet listing the results of energy consumption tests conducted on nearly every frost-free refrigerator and freezer model, although it has not been widely distributed.

Now Congress, mixing its ideas with President Ford's, appears ready to move more effectively.

The Senate and the House are expected to act this month on bills that would require operating-cost or "energy efficiency" labels for every major appliance and automobile.

Sponsors believe the labels would lead consumers to choose energy savers over energy wasters and that they would force a revolutionary designing shift from style to efficiency.

"This legislation could save the American consumer millions of dollars a year, while conserving millions of barrels of oil that otherwise would be wasted," said Sen. John V. Tunney (D-Calif.), primary sponsor of the proposed Energy Labeling and Disclosure Act.

The appliance industry backs Tunney's bill as well as similar legislation by Rep. John D. Dingell (D-Mich.). This is not because the industry is particularly happy about the prospect of a new breed of shopper who compares energy prices as well as retail prices. The industry simply wants something that will sweep away a proliferation of conflicting federal and local energy-labeling programs.

New York City and Massachusetts already have labeling requirements, and New Jersey, Florida and Minnesota are considering similar statutes.

Meanwhile, the Department of Commerce has been recruiting manufacturers for voluntary participation in an appliance-labeling program. Generally it has been rated ineffective.

For two years under the Department of Commerce program, room air conditioners have carried an "energy efficiency ratio" label. EER labels for refrigerators and freezers will appear soon.

Unfortunately for consumers, the EER concept is so technical that many find it baffling: It shows how well an appliance's output of British thermal units relates to its consumption of watts. The higher the EER (usually a number between five and 10), the more efficient the appliance.

It is true, as the Department of Commerce says, that the EER of one model or brand may be compared with the rating of a competitor. The trouble is that bare numbers are difficult to understand. Sears is the only known store that shows consumers a chart which converts an EER into actual operating costs. Shoppers anywhere else usually cannot tell if it is smarter in the long run to buy, for example, the higher-priced unit with the higher EER rating.

At Sears one can see that a 5,500-B.T.U. air-conditioner sells for $50 more than a 5,000-B.T.U. model, but its EER advantage of 8.3 to 6 makes it $49 cheaper to run over an average 10-year lifespan. So it's probably worth the extra dollar to buy the model with more cooling power.

The Tunney bill, recently approved by the Senate Commerce Committee, would put operating costs in an "appliance energy guide" to be attached to refrigerators, freezers, water heaters, stoves, clothes dryers, air conditioners, dishwashers, dehumidifiers and television sets.

The guides would not only give estimated annual operating costs, either by national average or regional breakdown; they would also give comparison shopping information.

Rep. Dingell's legislation, part of an omnibus energy bill recently passed by the House Commerce Committee, would require an EER-type label on all major appliances. Federal bureaucrats would determine the practicality of adding operating costs to the labels. (The practical problems involve differences in local climate and gas and electricity rates.)

The Dingell bill also insists on an average 25% improvement in efficiency of all classes of appliances by 1980.

Salesmen think that operating-cost labels would have great impact.

"It would create a tremendous change in the industry," said the manager of a Sun Radio and Appliances outlet. "It would eliminate a lot of the hesitation people have. Having these facts in hand, customers would know they were not just getting a sales pitch. It would create a lot better understanding."

A General Electric dealer commented: "It sure would keep manfacturers on their toes. People would buy the most efficient model, and everything else would go stale."

"Heavens, yes, it would make a difference," a Sears salesman said. "We would sell more expensive stuff. With electrical rates going up, people will look for long-term savings."

Thus far, most research on the efficiency of appliances has been done on refrigerators.

Scientists at Massachusetts Institute of Technology said in a study last year that the energy consumption of America's 60 million refrigerators could be cut in half with better insulation and more efficient motors, while keeping the frost-free feature.

The scientists estimate that the more efficient refrigerators could cost consumers 20% more to buy but that reduced electricity bills might pay back the extra cost in as little as two years.

They said the energy appetite of U.S. refrigerators has increased considerably over the years.

Between 1925 and 1950 the power demand was six watts per cubic foot. It increased to about 10 watts between 1950 and 1965. By 1972, energy consumption had jumped to 14 watts per cubic foot, because of a design calling for a larger freezer with a separate door, frost-free equipment and insulation thinner than before.

"It would seem to be an exercise in futility to try to promote a return to the horse-and-buggy days of the refrigerator business," said George C. Newton Jr. of MIT's electronics systems laboratory.

"Rather, it seems more appropriate to consider how we can 'have our cake and eat it too' by retaining the no-frost feature, but make it more efficient so that it costs less to operate and becomes less of a factor in this nation's growing energy problem."

How Much They Use

Washington.—For the first time, consumers concerned about rising electricity bills can find out the widely varying operating costs of most refrigerators and freezers.

The information appears in the 15-page Directory of Certified Refrigerators and Freezers. A copy may be obtained for 50 cents from the Assn. of Home Appliance Manufacturers, 20 N. Wacker Drive Chicago, Ill. 60606.

Traditionally the twice-yearly directory has listed only the shelf space and volume of fresh food and freezer compartments. A special edition was recently published giving the results of unprecedented tests on energy consumption for models of 38 manufacturers. Amana and Philco chose not to be listed, an association spokesman said.

Below is a table comparing the operating costs of seven popular frost-free refrigerators with similar features. The costs were determined by multiplying the kilowatt-hours by the Washington electrical rate of 3.85 cents per kilowatt-hour. The retail prices are from stores in the Washington area.

Brand, Model, Cu. Ft., Retail Price, KWH Month, Lifetime Energy Cost.
Sears, 65721, 17.1, $430, 182, $1,177.
Whirlpool, EAT 17SK, 17.1, $440, 167–182*, $1,080–1,777.
Montgomery Ward, UFO 175500, 17.0 $450, 153, $990.
G.E., TRF 18DR, 17.6, $440, 145–165*, $938–1,067.
Frigidaire, FPC 170T2, 17.0, $440, 144, $931.
Gibson, RT 17F5, 17.0, $440, 136, $880.
Westinghouse, RT 174R, 17.2, $440, 127, $821.

*Equipped with "anti-sweat heaters" to prevent moisture from forming on outside of cabinet under humid conditions. Lower figure represents energy use when heater is turned off.

The table below shows that some manufacturers' larger models are more efficient than smaller ones—and that some manufacturers' models of the same size have different operating costs.

Brand, Model, Cu. Ft., Retail Price, KWH Month, Lifetime Energy Cost.
G.E., TBF 18DR, 17.6, $440, 145–165*, $938–1,067.
G.E., TBF 21DR, 20.8, $480, 132–152*, $854–983.
Sears, 65721, 17.1, $430, 182, $1,177.
Sears, 65741**, 17.1, $460, 167–182*, $1,080–1,177.

HONORARY MEMBERSHIP TO ALEXANDR SOLZHENITSYN

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 15, 1975

Mr. DERWINSKI. Mr. Speaker, today, as Members of the Senate and House welcome Alexandr Solzhenitsyn to the Capitol, I am pleased to insert into the Record a copy of a letter from the Congress of Russian Americans, Inc., expressing their support of the resolution to grant the status of honorary citizenship to Mr. Solzhenitsyn.

The letter follows:

Congress of Russian Americans, Inc.,
Washington, D.C., May 22, 1975.

We are writing you in the name of 700,000 Americans of Russian descent, whose interest our Congress represents. We do it in connection with the forthcoming decision to grant Alexandr Solzhenitsyn the status of honorary citizen of our country. The following suggestion is based on the experience of World War II.

This experience shows clearly that the peoples of the Soviet Union erroneously and naively hoped that the Germans will come to the Soviet Union as liberators from the hated communist regime. During the first months of the war the population met the Germans as friends, and officers and soldiers surrendered to them in masses. The mood of the population changed abruptly when it realized that the Germans were conquerors and foes. Had Hitler understood this psychological phenomenon and exploited the opportunity given to him, the result of the Eastern campaign could have been quite different.

In the course of the last 35 years the antigovernmental feelings in Soviet Union have grown stronger and produced an ideological opposition inside the country. Solzhenitsyn is one of the leaders of this movement. On the other hand, the tragic experience with the Germans is deeply engraved in the memory of the people of the Soviet Union. Now the nations of Russia are very suspicious toward the intentions of foreigners, and such a frame of mind is fully exploited by the Soviet propaganda. The intention of the Soviet Government is clear. It wants by all means to prevent the renewal of the mood of defection, which at the beginning of the World War brought the Soviet Government to the brink of the precipice.

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*Equipped with anti-sweat heaters.

**Equipped with icemaker.

While considering with all possible caution the future of our country and the possible eventual military confrontation with the Soviet Union, it is important to show by symbolique gestures the nations of the Soviet Union the profound sympathy felt by the American nation toward the subjugated nations of the Soviet Union. By such consecutive gestures the Soviet citizens will eventually become convinced that we are their real friends, striving for their liberation. One such gesture will be surely the granting of honorary citizenship to Solzhenitsyn as a reward for his heroic struggle against the Soviet regime of violence and oppression. The news about such a decision of the American Congress will immediately spread over the whole Soviet Union. It will be wrong to assume that such a measure will result in worsening of relations between the United States and the Soviet Union. In reality it will serve the cause of peace. The members of the Politburo remember very well the tremendous danger for the communist regime produced by the general mood of defection of the population. Should the rulers become convinced that such frame of mind will prevail again and will be used correctly by the adversary, this assumption will force the government of the Soviet Union to abstain from any aggression which could lead to a military confrontation with the United States.

Therefore the granting of honorary citizenship to Alexandr Solzhenitsyn should not be considered simply as a reward for his struggle or an action designed only to interfere with the policy of detente favored by the White House. Its importance is much greater. It will be one of those actions which will create for us, in case of a confrontation, a most valuable ally out of the nations of Soviet Union and especially the Russians themselves. The House of Representatives voting in favor of granting citizenship will open a path towards peace. We hope that our remarks in regard to this problem will be taken into consideration.

George Meyer,
Board of Directors.

IF EQUALITY KILLS COLLEGE ATHLETICS, THEN SO BE IT

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 15, 1975

Mrs. SCHROEDER. Mr. Speaker, there has been a great deal of controversy surrounding the title IX regulations as they relate to equal athletic opportunity. I would like to insert the following article from the Denver Rocky Mountain News which puts the whole issue of college athletics in perspective:

[From the Rocky Mountain News, July 6, 1975]

If Equality Kills College Athletics, Then So Be It

(By Betty Caldwell Lyon)

My heart bleeds about two drops for the college athletic coaches who are trembling in their sweat socks at the current threat to their affluent empires.

The Department of Health, Education and Welfare has proposed to a House education subcommittee that colleges which receive federal funds be forbidden to discriminate against women.

In sports, this would mean that female students must be provided with equal opportunity in equipment, facilities, publicity, coaching and so forth now available to male athletes.

This, say the coaches, will sound the death knell for intercollegiate athletics as they now exist. I say to this prospect, "Amen!"

From wholesome beginnings in a love of competitive sport, intercollegiate athletics have grown over the past half-century to be the most conspicuous example in American culture of a tail wagging a dog. Not only is the caudal appendage out of proportion to the animal, it doesn't even belong to the same species. A jock strap and a book have no inherent kinship.

My case against intercollegiate athletics as they now exist rests on a feminist basis only to the extent that I feel that, if goodies are to be passed out, girls should have a fair share.

My real objection goes much deeper. I know this is in a class with attacking motherhood, the flag or apple pie, but I am totally opposed to intercollegiate sports as they have evolved.

I mean the big time, big box office, big stadium concept. The ruthless recruiting, the win-at-any-cost mentality, the huge coaching staffs whose leaders receive more pay than the finest minds on the faculty. The bowls and national publicity, the recurring scandals, the pressure on young athletes, the making of a game into a deadly serious business.

While it is obvious that all of this provides a great many people with pleasure, I have never found anyone who could explain to me what in the world it all has to do with education.

To get down to basics, I have always believed that "athletic scholarship" is a contradiction in terms. While an athlete can of course be a scholar, he cannot be a scholar of athletics. A scholar is a learned man or woman, a man or woman of letters. An athlete is one trained to contend in feats of strength or agility.

Being, for example, a splendid pass receiver does not make one a scholar, any more than being well versed in calculus makes one an athlete.

At the very least, I believe that instead of calling such arrangements "athletic scholarships," they should be termed "athletic grants" or, more honestly, benefits for hired athletes.

College football coaches pleading their case in Washington, it is reported, won quick support from Rep. Ronald Mottl, D-Ohio, who went to Notre Dame on a "baseball scholarship." (Quotation marks mine.)

"I thank God for football and basketball that supported us or else I never could have gotten my education," Mottl said.

While athletic scholarships have enabled many young men to obtain an education and continue to do so, my point is that the holders are a group inappropriately selected for this benefit. Groups of scholars and athletes over-lap only fortuitously. I think it is undeniable that holders of collegiate athletic scholarships include a sizable proportion of those whose academic qualifications are less than outstanding.

At the same time, many young men and women of exceptional academic qualifications find it difficult or impossible to finance college educations. This I think is an intolerable situation, unless we are prepared honestly to redefine the real purpose of a university.

We must acknowledge frankly that the task of a university is not just to provide instruction in the higher branches of learning, to serve as a center for the preservation and enlargement of knowledge and a home for research, as if that weren't enough. It also has the obligation of providing a training school for professional athletes and entertainment for its sports-minded old grads and the general public.

If the American public wants to make heroes of athletes and reward them lavishly in money and adulation, I think that is perfectly all right. My objection is to getting this aspect of our culture all mixed up with college education, to which it has not logical relation.

It is the position of the coaches, as expressed by Darrell Royal of Texas, that most colleges support athletic programs solely by revenues generated by fan-drawing sports such as football and basketball and barely have enough money now without diverting money for women's sports.

If forced to do so, he said, men's sports will eventually be killed off because "we will weaken our programs to the point where people won't buy tickets to see them."

I think that, if the House subcommittee doesn't bend to what will probably be great public pressure and chicken out, Royal may well be right. College athletics will be, pardon the expression, a whole new ball game.

Maybe it will be more of an old one, back to the idea of sport for sport's sake, a healthy mind in a healthy body and all that. If the whole present structure topples, maybe sufficient resources can be salvaged to provide some simple athletic facilities and coaching for everyone who wants to take part, male and female. There might even be particular emphasis on those sports which can be a lifelong source of pleasure and health to those who engage in them.

Rep. Mottl's enthusiasm for athletic scholarships was colored by his personal experience. Perhaps I'd be less than candid not to admit my antipathy has a similar source.

Many years ago, as a top school graduate, I was given a tuition-free scholarship to a state university. Times were tough, and for all my other expenses I had to struggle and borrow and find jobs wherever I could.

I was delighted to have the opportunity and I loved it, and I found friends on the faculty who helped make it possible. I didn't envy the glory and status of the campus athletes, but I resented their assured jobs in which the work was often nominal. I resented their free dormitory rooms and, living on peanut butter sandwiches my first year, I resented their three squares a day at the training table.

It seemed to me then and it still seems to me now that if a university can afford any free-riders, the tickets should go to needy students of good academic promise. Teaching such students is the university's most basic obligation. With college expenses what they are today, the term "needy" covers a broad spectrum.

Both private and state-supported colleges are in big financial trouble today for a wide variety of reasons. I think they cannot forever afford to try to be so many things to so many people. Perhaps getting out of the big-time athletic business, traumatic though it might be, would in the long run prove a healthy step.

SPEECH BY ALEXANDR SOLZHENITSYN

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 15, 1975

Mr. McDONALD of Georgia. Mr. Speaker, today Mr. Alexandr Solzhenitsyn in a speech before Members of the House of Representatives and the Senate, told us of the tremendous suffering of the people in the totalitarian Communist world—suffering which cannot be realized in this country due either to ignorance, arrogance, or design. He stressed that whether the United States likes it or not, it is in the position of leadership of half the world, and must wake up to the dangers of communism without Americans having to go through experiences such as these.

I commend to my colleagues his comments, the full text of which follows:

Speech by Alexandr Solshenitsyn

Here, in the Senate Office Building, I must begin by saying that I have in no way forgotten the signal, and even exceptional honor paid me by the United States Senate in twice endeavoring to declare me an honorary citizen of the United States.

I interpret this to mean that you have in mind not just myself as a person, but the millions of my fellow countrymen who have been deprived of rights, and even those in the other communist countries—those millions who have never been able, and are still unable, to express their opinions in the press, in parliaments, or at international conferences.

In conveying to you my gratitude for the decisions of the United States Senate relating to myself, I am even more conscious of my responsibility as representative of those others—a responsibility almost too burdensome for the shoulders of a single human being. But since I have never lost sight of the suffering, the striving, and the yearnings of those other voiceless millions, and have had no other aim in life than to give voice to them, this has lent me strength for my public appearances in this country and for my appearance before you here today. There are as yet few back there, in the communist countries, who speak out, but millions understand how loathsome and repulsive the system is. Whoever can do so "votes with his feet," simply fleeing from this mass violence and extermination.

Here today I see not only members of the Senate, but also a group of Representatives. Thus, I am speaking for the first time to participants in your country's legislative process whose influence in recent years has spread well beyond the limits of American history alone.

In virtually every respect our Russian historical experience has been almost the opposite of yours. Our enormous sufferings in the twentieth century have made this Russian experience a bitter example, one which is too overwhelming, one which—as it were—comes to you from the future. Hence it is the more needful that we convey to one another our mutual experiences—persistently and with complete sincerity. One of the most terrible dangers of the present day is precisely that the destinies of the world are tangled together as never before, so that events or mistakes in one part of the world are immediately felt in all the others. At the same time the exchange of information and of opinions between populations is blocked by iron barriers on the one side, while, on the other, it is distorted by distance, by misinformation, by narrowness of outlook, or through deliberate misinterpretation by observers and commentators.

In my few addresses here in your country I have attempted to break through that calamitous wall of ignorance or of unconcerned arrogance. I have tried to convey to your countrymen constrained breathing of the inhabitants of Eastern Europe, in these very weeks when an amicable agreement of diplomatic shovels will bury and pack down bodies still breathing in a common grave. I have tried to explain to Americans that 1973, the tender dawn of detente, was precisely the time when the starvation rations in the prisons and concentration camps of the USSR were made even skimpier while in the very most recent months, when more and more Western speechmakers were pointing to the beneficial consequences of "détente," the Soviet Union put the finishing touches on an even more novel and important improvement in its system of punishment: retaining their undying primacy in the invention of forced labor camps, the Soviet jailors have now established a novel form of solitary confinement—forced labor in the solitary cells—cold, hungry, without fresh air, without sufficient light, and working according to impossible ouput norms. And failure to fulfill is punished by confinement under even more brutal conditions.

Alas, such is human nature that we never feel the sufferings of others until we ourselves have to share them. I am not certain that in my addresses here I have succeeded in conveying the breath of that terrible reality to American society which is complacent in its prosperity. But I have done what I was bound to do, and what I could. So much the worse if the justice of my warnings becomes evident only some years hence.

Your country has just recently passed through the extended ordeal of Vietnam, which so exhausted and divided your society. I can tell you with confidence that this ordeal was the least of the long chain of similar trials which awaits your country in the near future.

Whether or not the United States so desires, it stands at the peak of world history and takes the burden of leadership if not of the whole world, then of at least a good half of it. The United States has not had a thousand years to train for this. Maybe the 200 years of your existence has been time to weld together a sense of national awareness. The load of obligations and responsibilities has fallen on you unbidden.

That is why you members of the Senate and of the House of Representatives, each one of you is not just an ordinary member of an ordinary Parliament—you have been elected to a particular position in the contemporary world. I would like to convey to you how we—the citizens of the communist countries look upon your words, deeds, proposals, and enactments—as brought to us over the radio sometimes with warm approval and sometimes also with horror and despair. But we never have a chance to respond out loud.

Perhaps some of you, in your minds, still feel yourselves just representatives of your state or party—but we from over there, far away from here, the whole world itself, does not perceive these differences. We do not look upon you as Democrats or Republicans, not as representatives of the East or West coast or the Midwest, we see you as figures upon each of whom depends whether the course of world history will tend to tragedy or salvation.

In the oncoming combination of a world political crisis with a shift in the spiritual values of a humanity exhausted and choked by the existing false hierarchy of values, you or your successors in the Capitol will have to confront, and are confronting today, tasks which are immeasurably greater, incomparably greater, than the petty calculations of diplomacy the inter-party struggle, or the clash between President and Congress. There is no choice but to rise to the tasks of the age.

Very soon, only too soon, your state will have need not only of exceptional men but of great men. Find them in your souls. Find them in your hearts. Find them in the heart of your country.

SOCIAL DEMOCRATS AND THE WORLD CRISIS

HON. JAMES G. O'HARA

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 15, 1975

Mr. O'HARA. Mr. Speaker, the National Committee of Social Democrats, U.S.A. met last month in New York to review, among other things, the role of the United States in world affairs—at a time when, to say the least, world affairs are in a shaky state. I would like to share with my colleagues the concerns which the Social Democrats, U.S.A. have about America's foreign policy, and I commend this comprehensive statement to all of the Members as we engage in a critical assessment of where we are headed, and how we intend to get there.

The article follows:

Social Democrats and the World Crisis

The momentous events of recent months—from the fall of Indochina to the Communists, to the collapse of Secretary Kissinger's Middle East mission, to the accelerated erosion of Portugal's year-old democracy—have grave implications for the future of social democracy and world peace. In America and Europe, these events have been widely greeted with a confusing mixture of relief, dismay, and surprise: relief that the curtain has finally fallen on the Vietnam tragedy, dismay over what appears to be a precipitous American retreat in world affairs, and surprise that such events could have occurred at all during a period of detente.

For us in Social Democrats, U.S.A., there is no relief in the Communist triumph in Indochina; only regret that an expanding totalitarianism has engulfed new victims, and apprehension over the fate that awaits the remaining and now more exposed non-Communist populations of Asia. And while we have been dismayed by the American retreat, we have not been at all surprised at the recent turn of events. On the contrary, we have consistently stated that the American policy of unconditional detente with the Soviet Union would lead to unprecedented American setbacks, the weakening of democratic forces in the world, and the steady increase of Soviet influence.

Not having assumed that a policy of appeasement would work any better today than it did at Munich in 1938, we find the Soviet gains to have been predictable, if also avoidable. The policy of offering concessions to a menacing totalitarianism in the hope of "buying peace" (which is part of the Western rationale for detente, though it is never stated in precisely these terms) is as familiar as it is bankrupt. If the democracies appear weak and divided, there is nothing easier than for the totalitarian power merely to raise the price for peace. As Karl Marx wrote over a century ago, "The Russian bear is certainly capable of anything, so long as he knows the other animals he has to deal with to be capable of nothing."

It is often mistakenly believed that the detente relationship between Moscow and Washington entails economic concessions from the U.S. (trade) in return for political concessions from the USSR (moderation). This is the essence of Secretary Kissinger's theory of "linkages", i.e., a relationship of cooperation in the economic sphere will produce a corresponding relationship of cooperation in the political sphere. But Moscow has its own theory of "linkages" qiute different from Secretary Kissinger's: namely, that detente creates the necessary political conditions for Soviet gains by encouraging the West to relax its guard.

Soviet Communist Party chief Brezhnev has never hidden the fact (except when addressing Western diplomats and television audiences) that detente demands an intensification of the ideological struggle against "the imperialists". Detente aids this struggle, he said as far back as 1967, because "in conditions of slackened international tension, the pointer of the political barometer moves left." (sic) An article in the December 1974 issue of World Marxist Review retiterated the Brezhnev argument by stating that detente creates the precondition for "far reaching political and social changes" in the West by making it impossible to advocate "strong government." It is also advantageous, from Moscow's point of view, in that it creates the illusion of security in the West, thereby enabling the USSR to make political and military-strategic advances without unduly alarming its Western partners in detente.

It was precisely Brezhnev's fear of a Churchillian reaction in the West to the recent setbacks that prompted him, following his mysterious period of seclusion in early 1975, to restate in strong terms the Soviet commitment to detente. The relaxation of tensions with the West, he said, was increasingly important "as today under the circumstances of the grave crisis facing the capitalist system (not as Brezhnev implies, the economic crisis, but the political crisis created by Soviet gains—SD), the opponents of detente, the backers of the arms race and cold war are becoming more active." Brezhnev was generous enough to point out that the Vietnam debacle was actually a gain for detente, in that it removed a difficult issue from the agenda of US–USSR relations. It is an interesting line of reasoning which, if followed to its logical conclusion, means that the ultimate victory of detente would be a world dominated by the USSR. Brezhnev would never state this openly, for to do so would shock the West into an honest recognition of its plight and his intentions.

That there is still dangerous ignorance in America with regard to the Soviet detente strategy was demonstrated by an article which appeared in the New York Times on April 3, 1975—a moment when the U.S. was experiencing reversals simultaneously on different fronts. Entitled "Moscow Is Adhering to Detente Despite Shifts in World Power", the article began by noting that "Despite a tide in foreign affairs apparently running in Moscow's favor in Indochina, the Middle East and Portugal, the overriding theme in Soviet foreign policy remains that of detente." Our reporter might be surprised to learn that long ago Marx proposed an explanation for this Sphinx-like riddle: "Russia, true to the old Asiatic system of cheating and petty tricks, now plays upon the credulity of the Western world. . . ."

Secretary Kissinger has said recently that "The willingness of the Soviet Union to exploit strategic opportunities . . . constittutes a heavy mortgage on detente." Indeed it does, but to have assumed that the Soviet Union would have behaved any differently, as Kissinger and Nixon did in selling their policy to the American people, constituted an American error of historic proportions, the consequences of which we are experiencing today.

Secretary Kissinger's new "hard line" on detente and America's therapeutic show of force in the Mayaguez affair hardly constitute a policy sufficient to meet the present crisis. The situation in Asia is a case in point. Some time before the collapse of South Vietnam in March and April of this year, Singapore's Prime Minister Lee Kuan Yew warned that "nothing would be more disastrous than to see South Vietnam just rot away and become absorbed into the communist group. . . If people start believing that non-communist Asia will be lost eventually to communist Asia, then everybody will make his decisions accordingly." With Vietnam and Cambodia now Communist, one Asian country after another is making its adjustments. Laos has collapsed; Thailand has made its expected accommodations; the Philippines and Malaysia are stridently asserting their neutralism; Singapore and Indonesia are sounding the alarm; South Korea is preparing for an invasion from the North and guerrilla subversion from within; while Japan looks on with mounting anxiety, aware that a breakdown of security in the Korean peninsula would mean the collapse of its present government and its replacement by either an extreme right militarist regime prepared to do battle with the Communists, or an extreme left "neutralist" regime willing to bring Japan's policies into line with the new realities of Asia.

But the chief domino of all may well be China which had counted on America being somewhat more than a paper tiger when it established the American connection four years ago. Now with Washington humiliated and in retreat, and the Congress bent on making a principle out of non-interventionism, China is undoubtedly considering the available alternatives. The most obvious alternative, and one that could well be adopted by the successors to Mao and Chou, would be a rapprochement with the Soviet Union along with a heightened interest in promoting pro-Peking rebellions in the countries along its southern border.

The situation in Europe is not less critical than in Asia. The significance of the Portuguese events—in particular, the Communist power grab in the unions, the media, local governments, and the total annulment by the military government of the electoral mandate received by the Socialists and Popular Democrats—lies in the fact that they are not a local but a Soviet affair with implications for all of Western Europe. While the Russians ceaselessly proclaim the principle of non-interference in the internal affairs of other states, they are supplying the Portuguese Communists with anywhere from $10 million to $40 million monthly, maintain an 80-person embassy in Lisbon, and have many known KGB agents operating in the country. Despite this massive Soviet intervention, Moscow's ambassador in Paris has unashamedly warned Francois Mitterand to halt the relatively meager aid the French Socialists are sending to their Portuguese comrades.

The events in Portugal are reminding many Europeans, Socialists and non-Socialists alike, that while Western Communist parties have moderated their tactics to advance their electoral alliances, they still adhere to the strategic principle as formulated by Palmiro Togliatti, the leading figure of post-war Italian Communism: to "move slowly . . . then jump, jump at the throat of the class enemy." Of course Moscow would like to see the Communists take power in Portugal in a way that does not unduly alarm the West. But granting that a Communist take-over would increase the skepticism in Europe about the democratic commitment of Western Communist parties and about their so-called independence from Moscow, this is a price the Russians seem willing to pay. In measuring political gains, the Russians use what one observer has called "the Leninist yardstick", and in these terms, real power in Portugal is worth more than a popular image in Europe. The image can always be polished up by new initiatives to secure detente, and in the process Russia would have dealt the Western alliance a crushing blow.

The developments in Portugal are part of a more general European crisis. Despite the constructive NATO Summit meeting in Brussels, throughout much of the continent, the tendency is increasingly toward neutralism. The perception of America as isolationist or as having abandoned Europe in its quest for détente with Moscow has added weight to the view that Europe must reach an accommodation with Moscow which reflects the new power balance. But no accommodation under present circumstances would be a stable one, one reason being that in the countries of Southern Europe (Italy, Spain, France, and Greece) there exists the potential for a repetition of the Portuguese events, i.e., the introduction of a coalition government including the Communists who then use undemocratic methods to entrench themselves in power and steadily eliminate political opposition. As successful as NATO has been in deterring Soviet military advances, it is not designed to deal with this internal (though foreign financed) political threat.

This threat is all the more acute today while Europe is in the midst of the most severe economic crisis since World War II. Inflation in Italy and Britain is now running at better than 25%, and the rate is only slightly less than that in France. In West Germany, where political moderation and labor peace have been the product of the economy's remarkable affluence, unemployment has now reached 4.7%, four times what it was two years ago.

The economic crisis has provided rare opportunities for Communists and their allies to pursue a united front policy designed to disarm ideologically and gain access to the social democratic parties and trade unions of Europe. In the trade union sphere the Communists have pursued a rapid expansion of bilateral contacts with West European labor federations. Their objective has been to overcome their isolation from the international labor movement which resulted from the walkout of free trade unionists from the Communist-controlled World Federation of Trade Unions (WFTU) and the creation of the International Confederation of Free Trade Unions (ICFTU) in 1949. Today they are focusing their attention on the European Trade Union Confederation (ETUC) which Western trade unionists created in 1973. The Communist aim is to help build up the ETUC in order to speed the demise of the ICFTU and to use this as the forum where they can pursue the drive for so-called East-West labor "unity". Already the Communist-dominated CGIL of Italy has been admitted to the ETUC, and membership for the French CGT is expected shortly. The ultimate objective is to bring East European "unions" into the ETUC. The Communists are also pursuing multi-lateral contacts within the framework of the ILO (an East-West Trade Union Conference was held in Geneva on February 28–March 1 of this year) and are trying to gain admission into the International Trade Secretariats.

The objectives behind the Communist trade union drive are best described by an ICFTU policy statement adopted two decades ago: "(1) winning moral respectability and legitimacy for their State Company unions; (2) misleading the workers of the free world into accepting these organizations, run by the Communist Party, as bona fide free trade unions; (3) facilitating Communist infiltration and subversion in the free world; and (4) promoting the expansionist interests of Soviet imperialism."

The Soviet leadership has welcomed the "left" developments in Europe as the fruit of its detente strategy. While they sternly defend the Brezhnev Doctrine for Eastern Europe, they are anticipating (and promoting) Communist gains in Western Europe. Boris Ponomarev, the Secretary of the CPSU and the official responsible for relations between the CPSU and non-ruling Communist parties, has noted that "the instability of the situation and the discontent of the masses in many bourgeois states have now reached such a pitch that a situation may arise at any moment in one or another link of this system, that will open the road to sweeping revolutionary transformations." Ponomarev has more recently expressed his fear that the European crisis could bring the right to power, but this has not diminished his (or Moscow's) dedication to intensifying the ideological struggle. That, after all, is what detente is all about.

So far U.S. policy has been disastrously ineffective in coping with the international challenges facing America. At present we seem to be pursuing a series of uninspired and counter-productive policies of which the common thread is the appeasement of dictatorial forces at the expense of democracy. The "capitulation detente", to use Andrei Sakharov's apt phrase, is only one example of this tendency in American policy. Secretary Kissinger's readiness to embrace Arab dictators while blaming Israel for the breakdown of the Mid-East talks is cut from the same cloth as the failed policy of establishing the link with Moscow at the expense of the Western alliance.

So too is the American willingness to give broad and uncritical support to non-Communist authoritarians such as President Park of South Korea and Generalissimo Franco of Spain. Democratic socialists are not blind to the important difference between these more traditional despotisms and the Communist totalitarians. The former—undemocratic, inhumane, and inimical to social democratic values as they may be—do not threaten international peace or democratic institutions in other countries in ways that are at all comparable to the threats posed by the more virulent Communist forces. Nor have despotic regimes of the right proved nearly so resistant to democratic change as have Communist governments—none of which has ever been successfully transformed into anything approaching a democratic state. Moreover, for all their cruel features dictatorships of the right are rarely so thoroughly repressive as the Communists—sometimes merely because of inefficiency.

But a clear perception of the important distinctions that must be drawn between these two types of undemocratic states should not mislead American policymakers uncritically to embrace right-wing regimes as "Free World" colleagues in an alliance against the Communists. (By the same token we should not hold back from criticizing Communist governments—the Yugoslavs and Chinese for instance—with whom we may from time to time find ourselves tacitly allied.) It should be possible for the democratic world to retain military and even political relations with undemocratic states, and at the same time actively to encourage the growth and influence of democratic currents within the borders of such states. We did this in Eastern Europe during the Marshall Plan period, in Greece and Turkey in the application of Point Four aid, and in Asia, Africa and Latin America during the several decades of active U.S. involvement in those areas following World War II.

Unless we maintain—and increase—our criticism of undemocratic regimes, and our assistance to democratic forces within such states, we will be severely limited in our efforts to mount an effective ideological and political opposition to the Communists. Their greatest successes have come in societies where popular discontent fostered by authoritarian governments has provided a fertile ground for the growth of pro-Communist movements.

But while we favor stronger U.S. efforts on behalf of democracy in countries of the non-Communist world, we emphatically reject a notion, which is becoming regrettably popular in some liberal circles: that the central factor in determining whether or not the U.S. will engage in a political or military alliance with any country is the degree to which that country is democratic in character, free of corruption, was founded under immaculate circumstances, and so forth. The precarious military balance which now prevails in the world is in itself enough to cause us to reject this notion. We clearly need military bases and alliances in areas of the Mediterranean, South Asia, and other parts of the world where western-style democracies simply are non-existent. Moreover, we must uphold that principle of the United Nations charter which insists that no sovereign government—whatever its character—should be removed through invasion or interference by outside powers. This principle is the keystone to international order in an age of turmoil which is constantly threatened by nuclear war.

To consign all peoples and territories which for whatever reason are not favored with democratic governments to an isolation in which they are easy prey for communist powers is cruelly self-righteous—and will surely embolden the totalitarian powers ultimately to adopt more aggressive policies toward the West.

If the U.S. Administration's policies have been inadequate in coping with the present world crisis, the alternatives proposed by the dominant tendency of American liberalism have been even less satisfactory. For almost a decade now liberals have done more than any single group to foster an appeasement and defeatist psychology in America. Their one-sided attacks on the "military-industrial complex" and the CIA have had the originality of a broken record, with the repetitiveness obscurring a few significant realities: namely, that the USSR, according to its official (and highly conservative) figures, now outspends America on defense by some 25%; that having over the last decade achieved strategic parity with the U.S., the USSR is now well on the way to gaining clear superiority; and that the ubiquitous 490,000 agents and employees of the KGB outnumber the combined total staffs of the CIA and the FBI by some 14 to 1.

Though liberals heaped tons of contumely on Thieu and Lon Nol, they have not uttered an ounce of criticism of the victorious Vietnamese Communists who have assassinated political opposition, smashed the free trade unions of South Vietnam, and have declared their intention to "begin searching for a number of wicked persons who are in hiding and owe a blood debt to the people . . ." For the most part liberals have reacted to the genocidal forced march of millions in Cambodia with a kind of embarrased silence, as if to excuse the inevitable "excesses" of the "progressive" forces. And George McGovern, who epitomizes American liberalism even as he discredits it, has called upon the Vietnamese refugees to return to their land of terror, even as he has clasped in friendship the blood-stained hands of Yasir Arafat and Fidel Castro.

If the policy of the American government bears some resemblance to the British government's policy of appeasement before World War II, the opposition role of America's liberal intelligentsia is likewise similar to the pre-war role of the British intelligentsia as described by George Orwell:

> All through the critical years many left-wingers were chipping away at the English morale, trying to spread an outlook that was sometimes violently pro-Russian but always anti-British. It is questionable how much effect this had, but certainly it had some. If the English people suffered for years a real weakening morale, so that the Fascist nations judged that they were "decadent" and that it was safe to plunge into war, the intellectual sabotage from the Left was partly responsible.

Today America needs a foreign policy that is at once firm and clear on the basic issue of solidarity with democracy, and also tactically geared to maximize both the unity of the democratic camp and the divisions within the Communist world. There is no better starting point today for such a policy than to assist the democratic forces in Portugal. Yet there are many Americans on the left who have become so disenchanted with any American involvement abroad that they oppose even such assistance. But the Portuguese Socialist leader Mario Soares, who is involved in a real struggle for democracy and does not have the luxury of pious anti-Americanism, has called for American support "to help the democratic forces maintain a position of balance and openness. The contrary position," he said, "will lead, in the short run, toward a victory for the Communists." At a minimum, the form such support should take is a clear message to the Russians that America will withdraw from their cherished European security conference if the Communist subvert democracy in Portugal.

It is one of the more significant ironies of modern times that the most outspoken proponent at the present time for a strong and united Europe is Communist China. Of course the Chinese have their own national security interests in mind in wanting a strong Europe on the USSR's Western flank. Still, at least the Chinese are able to perceive where their best national interests lie at a time when the Europeans themselves cannot summon the political will or vision to unite, and the Americans, despite the recent NATO summit, appear more concerned with cultivating the Soviet connection than with strengthening the Atlantic Alliance.

America's ability to recover from the Vietnam debacle and the other setbacks of recent months will depend to a great degree on the stance it adopts at the three sets of talks now going on in Europe: the Conference on Security and Cooperation in Europe (CSCE, otherwise known as the European Security conference) which has been dragging on for several years in Helsinki; the Geneva SALT talks; and the negotiations for Mutual Balanced Force Reductions (MBFR) which are being held in Vienna. Though Brezhnev is anxious to have the CSCE talks concluded before 25th Soviet Party Congress meets in February, he has to date shown no readiness to compromise. He has already gained Western acceptance of the principle of "the inviolability of frontiers" in Europe, a euphemism for recognition of the Soviet empire in Eastern Europe. But the Russians have been totally uncooperative in the so-called "basket three" negotiations on free movement and contact between East and West. Nor have they yet given unequivocal recognition of the possibility for peaceful change of government in Europe (East as well as West). Despite Western Europe's obvious unease with this conference, presumably devoted to promoting "security", America is ready and willing to give Brezhnev this prize without demanding a price in return. Indeed, we seem prepared to throw in a bonus—recognition of the imperialist Russian absorption of Lithuania, Latvia, and Estonia.

The Russians have been equally uncompromising in the MBFR talks for the simple reason that they are unwilling to give up present military superiority of the Warsaw Pact forces in Europe. And if they have shown a willingness to move forward on SALT, it has not been out of any commitment to arms limitation so much as a desire to ratify the Vladivostok agreement which allows them to Mirv 1,320 missiles. The result of such a Russian advance would be to wipe out the current U.S. edge in nuclear warheads which had previously offset the decisive Russian lead in missiles.

The weak U.S. political posture, and its weakening military position, will have the effect not only of demoralizing American allies but also of diminishing the quite significant divisions within the Communist camp. We have already noted that China might move toward the view that it is safer in the long run to accommodate with Russia than to ally with the U.S. against Russia. A weakened West will also give the Russians a greater hold over the European Communists. The Yugoslav, Italian, Spanish, and Rumanian Communists appear reluctant to fall into line at the upcoming conference of European Communist parties in East Berlin. Their ability to exercise some independence is directly related to the restrictions placed on Moscow's power to enforce uniformity. Western acquiescence to present Soviet moves in Portugal or to possible Soviet moves in Yugoslavia following Tito's death will compel dissident Communists, as well as Western leaders, to resign themselves to Soviet hegemony and to make the logical adjustments.

The alternative to a policy of unconditional capitulation detente with Moscow is not nuclear war. Instead it is a policy which combines the disciplined use of American power to restrain Soviet advances with an unwavering commitment to support democratic allies. Essential components of such a policy are a strong American defense force and an economy of full production. Another dimension of such a policy should be the pursuit of an ideological struggle on behalf of democracy. This means not weakening Voice of America and Radio Liberty, as we have done, but strengthening them; not remaining silent in the face of Soviet ideological attacks, as we have done, but responding with a defense of democratic liberties and human rights; and most of all, not granting any economic or political concessions to the USSR without demanding in return some alleviation of the regime's tyranny over its own people and its ideological seige against the West. Call this "detente with freedom", or better "detente without illusions". It may sound strange to the American ear to couple the word detente, which seems to have vague connotations of "peace", with a policy of ideological struggle in defense of human rights. It may also conjure up images of "interference in the internal affairs of other states". So be it. If we have learned anything from the events of recent months, it is that the alternative policy of appeasement has been an utter failure. It is not asking too much at this time to have Americans honestly assess this failure and adopt a policy which addresses itself to the deepening crisis of democratic civilization.

FEDERAL REGULATORY AGENCIES—OUR ROTTING "FOURTH BRANCH"

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 15, 1975

Mr. CRANE. Mr. Speaker, by now it should be apparent that Federal regulatory agencies which were originally established to serve the public interest have done the opposite.

A recent analysis published by the Brookings Institution examined the railroad, trucking, and airline industries for "the possibility and desirability of diminishing the scope of regulation."

With regard to the airline industry, for example, the Brookings study showed that the public would get "lower fares and more appropriate levels of service" if the Civil Aeronautics Board were to "relax substantially its control over fares and entry" into certain markets. Similar conclusions were reached for the other industries studied.

The fact is that more and more Americans are becoming aware of the fact that our regulatory agencies have become servants of the very industries they were meant to regulate.

Writing in the Reader's Digest, James Nathan Miller notes that—

> So flagrant has the situation become that many observers think reform may finally be around the corner. In fact, regulatory reform is the *only* major issue today that has the combined backing of Ronald Reaganites, Ford Republicans, Nader's Raiders and Kennedy Democrats.

Mr. Miller makes the important point that—

> The most fervent defenders of today's economic regulation of industry are the regulated industries. The reason is simple: many agencies, through their power to set prices and to license entry into an industry by new firms, serve the major function of keeping prices up and competition down. Since 1950, for example, the Civil Aeronautics Board has received 94 applications from airlines seeking to compete with other carriers on long-haul routes, some offering to charge lower fares than the existing companies. The agency has rejected all of them, while allowing the present airlines to raise their fares 20 per cent in just the last 21 months.

It is high time that we restored free enterprise and real competition to the American political system. By ending the stranglehold which Government regulatory agencies now have upon a number of our most important industries, we would be providing the American people with better service at lower prices. In an era in which great concern is expressed about the interests of consumers, no legislative approach would serve consumers better than radical reform of our system of Government regulation.

I wish to share with my colleagues the article, "Our Rotting Fourth Branch," by James Nathan Miller, which appeared in the July 1975 Reader's Digest, and insert it into the RECORD at this time:

OUR ROTTING FOURTH BRANCH

(By James Nathan Miller)

(Federal regulatory agencies, created as watchdogs in the public interest, often in fact protect the industries that they are supposed to regulate—and reforms have been aimed at the wrong target.)

The lid is beginning to blow off a quiet scandal that everyone in Washington has known about for years: the subservience of our regulatory agencies to the industries they are supposed to regulate. So flagrant has the situation become that many observers think reform may finally be around the corner. In fact, regulatory reform is the *only* major issue today that has the combined backing of Ronald Reaganites, Ford Republicans, Nader's Raiders and Kennedy Democrats.

But there is a very large fly in the ointment. The only group with the power to cure the situation is the one group that is least likely to do so: Congress. Unless voters apply enormous pressure, it's probable that reform will languish.

Today's regulatory machine in Washington dates back to the 1880s, when Congressmen were looking for ways to break the railroad monopoly's stranglehold on the economy. They discovered that they themselves possessed a powerful unused weapon: the constitutional authority to interfere in the workings of privately owned companies to make them operate in the public interest. So, in 1887, Congress deputized a special body to exercise this authority and christened it the Interstate Commerce Commission (ICC).

Since then, Congress has created a dozen other big regulators plus a score of little ones, and today the regulatory machine is virtually a fourth branch of government. Indeed, its broad-ranging responsibilities probably give it a more direct effect on our day-to-day lives than any of the other branches. These responsibilities include the safety of our drugs, food, cars, appliances, air travel and local atomic plants; the honesty of our stockbrokers and advertising; the price of our cooking gas, airline tickets, bus fares and phone calls; the cleanliness of our air and water, the beauty of our national forests and the security of our bank deposits.

THE OTHER SIDE OF THE FENCE

What's wrong with these agencies? Listen to Anita Johnson, a young Washington lawyer who is in a key position to know how they work. "On the one hand, there's the drug industry," she says, "and on the other hand there's Sid and me." Anita Johnson, 31, and Dr. Sidney Wolfe, 37, compose the staff of Ralph Nader's Health Research Group (HRG), the only non-Congressional consumer representatives in Washington who spend full time monitoring the drug-regulation activities of the FDA. They do their best to provide a counterweight to the great army of doctors, lawyers, lobbyists and public-relations men who represent the $8-billion-a-year drug industry.

Of course, companies have every right to hire the toughest lawyers and lobbyists they can find, particularly in view of the rapidly growing power that bureaucrats wield over industry—in many instances, the power to make or break individual companies. What's wrong is the imbalance of industry's representation and the consumer's. Observe, for instance, a hearing held last October at FDA headquarters to discuss the efficacy of cough and cold remedies. Of the 36 people who signed the meeting's guest register, 35 represented the industry; the 36th was Anita Johnson.

"Imagine that you're one of the FDA people at that meeting," she says. "You can't help but be very aware of the trouble these people can cause you if your decision goes against them. Their companies and trade associations have contributed heavily to Congress. Their lobbyists are all over Washington. They talk to your bosses every day, and you know that they've had people fired or pulled off investigations. They hire law firms that keep regulators in court for years.

"And on the other side of the fence they see me—four years out of law school, with no laboratory behind me, nothing to present but a typewritten memo outlining the points that we think the industry is evading. If I were in the FDA's shoes, I'm sure I'd be inclined to believe the industry people rather than me."

All over Washington the story is the same. Industry has become the tail that wags the regulatory dog. For instance:

"The longer a company can stretch out the appeal process, the more money it can earn doing what the agency has told it not to do."—Leonard Lane of the Public Interest Economics Center.

Four years ago, when a man died of botulism from a can of Bon Vivant vichyssoise, the FDA sued to confiscate all the company's soups. This single case tied up two of the agency's 18 lawyers for 2½ years. When the Federal Trade Commission ruled that the "tired blood" advertising for Geritol was deceptive and ordered it stopped, the company was able to continue the ad campaign for nine years while it ran the case through the appeal process.

"Rarely does the President appoint, and the Senate confirm, a commissioner if the regulated industry is against him."—From a staff paper, "Reforming Regulation," by the Brookings Institution.

The newest ICC member is a former chief lawyer for the bus industry's Washington lobby. The chairman of the Federal Power Commission is a former power-company lawyer. The head of the Federal Maritime Commission is a former shipping-news reporter who felt so well-liked by the industry that in 1974, when she considered running for Congress, the first people she tapped for campaign assistance were members of the maritime industry. On the other hand, it is a well-kown Washington rule, rarely broken, that a person with a strong pro-consumer record is automatically barred from appointment to a regulatory commission.

"The Atomic Energy Commission's safety-enforcement policy has been essentially one of depending on the industry to blow the whistle on itself."—David Comey, research director of a Chicago citizens group which has helped uncover a number of safety violations that the AEC missed.

AEC inspectors rarely inspect; they spot-check the reports of industry inspectors. Last year, executives of Michigan's Consumers Power Company admitted that they waited six months before telling the AEC about a serious safety problem—and that they told the AEC only because they were afraid the press might get hold of the story. (This year, in an attempt to get better safety enforcement, Congress has split the inspectors away from the AEC and set them up as an independent Nuclear Regulatory Commission.)

In other agencies, too, inspection and enforcement practices range from toothless to non-existent. The Federal Aviation Administration, under a scheme which it calls "voluntary compliance," allows aircraft manufacturers to do the inspecting required to qualify planes for the FAA's official "airworthiness certificate." The Food and Drug Administration has to accept the word of food processors as to the percentages of ingredients listed on their labels; the companies refuse to show the agency their own records, and the FDA has no authority to subpoena them. The Federal Power Commission's estimates of U.S. natural-gas reserves come from figures submitted by the gas companies themselves, even though recent spot checks indicate that gas producers may have been under-estimating their reserves in order to drive up prices.

"Airline executives are going on the attack in a growing campaign to combat efforts to deregulate the airline industry."—Recent article in the Washington Post.

The most fervent defenders of today's economic regulation of industry are the regulated industries. The reason is simple: many agencies, through their power to set prices and to license entry into an industry by new firms, serve the major function of keeping prices up and competition down. Since 1950, for example, the Civil Aeronautics Board (CAB) has received 94 applications from airlines seeking to compete with other carriers on long-haul routes, some offering to charge lower fares than the existing companies. The agency has rejected all of them, while allowing the present airlines to raise their fares 20 percent in just the last 21 months. Last year, the CAB recommended denial of a license to a British firm that wanted to charge $125 for scheduled London-New York service, about one third the present fare.

Also in transportation, while the ICC strictly regulates the entry of new companies into the trucking business, it may grant existing companies an exemption from the antitrust laws which permits them to set up regional "rate bureaus," in which competitors can get together and decide their own fair price.*

WRONG TARGET

In terms of pure waste, overcharges and inefficiency, the Council of Economic Advisers estimates that regulation cost at least $14 billion last year. But the real scandal is not the general cost to the nation; it's the specific harm to citizens that results when a system designed to protect the public from industry is turned into a shield for industry against the public—the dangerous or useless drugs that get on the market, the too-high fares, the unsafe planes, etc.

What can be done? Presidential committees and private study groups have been producing reform recommendations for years, but virtually nothing has come of any of them. The reason is simple. The suggested reforms have been aimed at the wrong target—the regulators. The real villain is Congress, which controls the agencies' purse strings, has appointed innumerable "oversight" committees to monitor their performance, can change them any time it wants—and hasn't made a move toward basic reform in 30 years. Why? Because too many Congressmen like the regulators the way they are.

There are three main reasons for this. One is money. It's a well-known fact among Congress watchers that pro-industry members of oversight committees often get a large percentage of their campaign contributions from the regulated industry. Another reason is power; the more supine an agency, the more favors Congressmen can squeeze out of it. During a boxcar shortage in 1972, for instance, members of the subcommittees that oversee transportation regulation collected what one staffer calls "a million dollars' worth of political IOUs" from Midwestern colleagues who asked for—and got—Congressional pressure on the ICC to assign boxcars to their home-district grain elevators.

But probably the main reason that Congress follows the industry line is the same one that makes the regulators do it: Congress has been overwhelmed by the army of special-interest pleaders.

Almost everywhere you look among the oversight committees you'll find the same thing: Congressmen and their staffs whose past inaction has frozen them into pro-industry positions. For instance, neither the House nor the Senate subcommittee assigned to oversee aviation regulation has made a move to correct the highly visible subservience of the CAB to the airlines' wishes. Last summer, a House aviation subcommittee hearing was held at the behest of the airlines to look into the possibility of granting subsidies to Trans World Airlines and Pan American World Airways. The hearing was held less than three weeks after subcommittee chairman John Jarman spent an all-expenses-paid golfing weekend as the guest of the United Aircraft Corp. and the Boeing Co. in Bermuda. (The other guests were several airline chiefs—including the chairmen of Pan Am, TWA and Braniff—and then-CAB chairman Robert Timm.) The subcommittee recommended that the subsidies be granted.

"ASK CONGRESS"

Why did the Congressional aviation subcommittees raise no protest when the FAA allowed the industry to take over its vital "airworthiness" inspections? The answer is that the committees were ignorant of the policy until last year; then they learned about it from another subcommittee which had been investigating the crash of a defectively built DC–10 jumbo jet that killed 346 people.

Why doesn't the FDA have the authority to subpoena the plant records of food producers? "Ask Congress," says Peter Hutt, who recently resigned as FDA chief counsel. "Every year, for the three years I was at FDA, I asked for such a law."

Why did it require 15 years of pressure from reformers to get the atomic-safety-inspection function taken away from the pro-industry AEC? Because the equally pro-industry Joint Committee on Atomic Energy—whose staff is almost exclusively ex-industry people—fought the reform to the bitter end.

Is reform possible? The fact that some of the agencies *are* doing good jobs (for instance, the Federal Trade Commission and the Securities and Exchange Commission) indicates that the answer is yes. But, first, th reformers must stop barking up the wrong tree and shift their attack from the regulators to the regulators' masters in Congress. Here is a sampling of the *kind* of reforms they should be demanding right now:

Forbid Congressmen to make off-the-record contacts at the regulatory agencies (which are quasi-judicial bodies), just as they are forbidden to approach judges about pending cases.

Forbid any member of an oversight committee to accept campaign contributions, even indirectly, from anyone connected with the industry he oversees.

Insist that all oversight committees include some staff members who can act as "whistle blowers"—people whose backgrounds are "anti" the industry, such as consumer groups or representatives of competing industries.

Supplement the oversight committees with a special Regulatory Accounting Office similar to the General Accounting Office (which audits the Executive departments for Congress), and give it broad authority to investigate *all* the regulatory agencies on a continuing basis. Individual industries would have a much tougher time "getting to" such a broad-based body than they now have with the specialized committees.

All of which is not to say that we don't need a thorough overhaul of the agencies themselves—and perhaps even the abolishment of some of them. But, first things first. The sickness of our fourth branch of government won't be cured until we clean out the rot in the trunk from which it has grown: Congress.

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* See "Highway Robbery—Via the ICC," The Reader's Digest, January '75.

JOBLESS IN BUFFALO HELPED BY CHURCHES

HON. HENRY J. NOWAK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 15, 1975

Mr. NOWAK. Mr. Speaker, In good times and bad, the city of Buffalo, N.Y., lays claim to the title of "City of Good Neighbors." Recent economic dislocations have hit my hometown with particular severity. Rising to the challenge, however, many of Buffalo's citizens have joined to help their fellows in less fortunate circumstances.

In an article July 9, the Buffalo Evening News graphically detailed activities spearheaded by local black churches to assist members hurt by the area's widespread unemployment. I would like to bring this article to the attention of my colleagues.

The article follows:

Churches Feed and Clothe Flock of Jobless Blacks, Offer Economic Salvation

(By Dick Burke)

Local black churches individually and in clusters are doing their best to assist their members hurt by widespread unemployment in the Buffalo area. Their job loss historically is worse than that of the white community in good times and bad.

They are doing it generously with "emergency pantries," with free clothing and with credit union machinery.

"Economically, we are in a struggling situation," says the Rev. Milton A. Williams, pastor of Shaw Memorial AME Zion Church, 453 Porter Ave. "We get no support from the national church; this is done locally by a membership of around 250 persons.

"Our operating budget is $35,000. We have a large facility here and our housekeeping bills are rising steadily. I've stopped publishing quarterly financial statements listing individual contributions because I don't want to embarrass anyone.

"We've had a food service here whereby we buy canned goods and staple foods from a couple of supermarkets—stuff that is slightly damaged in transit. We offer this at prices less than half the shelf cost. It's inspected by the Erie County Health Department.

"Families currently unable to pay for food can use a voucher system we have devised. This lets them get some of their necessities from the church; demand is increasing as more members learn about it.

"We have clothing donated to us and which we offer to those in need. We also issue federal food stamps. Unemployment is also facing many of our young people who are now out of school and unable to get summer jobs."

Mr. Williams said that the church's "economic salvation" right now is a contract between the Erie County Youth Board and a cluster of seven local AME Zion churches set up as the AME Zion Help Corp. of which he is president.

On a matching fund basis, $40,000 from the group of churches and $40,000 from the county, these ministers are working to provide staff and personnel for a youth service unit headquartered in the West Side Church—with satellite activity in other parishes.

"We are providing individual counseling, drug education, tutorial assistance and recreation activity," Mr. Williams said.

At Friendship Baptist Church, 402 Clinton St., the Rev. Edward D. McNeely, pastor for 28 years and president of the Ellicott Community Redevelopment Foundation, a non-profit sponsoring group for the Ellicott District rental properties, puts his situation in this focus:

"We give all the assistance we can. Many of our members rely on the federal credit union which was organized here 15 years ago.

"We try to help the individual, but there has to be a need. We help with food or clothing but we keep no stock on hand in the church. This would invite break-ins. We try to be helpful when it is brought to our attention by the individual."

The Rev. Andrew Whitted, pastor of St. Luke's AME Zion Church, 314 E. Ferry St., said his church maintains a "canteen" of canned goods and staples purchased by members and collected "for use in emergencies—not only for individuals within the church but within the community here."

"Most of our members who have been laid off are getting assistance in the way of unemployment insurance—managing to keep their heads above water. They haven't come to the point of needing public aid."

The mission department of Bethel AME Zion Church at Michigan Ave. and E. Ferry St. is the unit helping those in particular need, according to the Rev. G. Grant Crumpley, pastor for 10 years and a member of the City Planning Board and Erie County Equal Opportunity Advisory Board.

"Many cases are dealt with individually, whether it's clothing or food," he said. "Everything is going up. We can feel it both ways—in collections and in attendance . . .

"It seems to me that black people are mostly employed in some kind of funded programs and when these funds dry up they are faded out. We get the bulk of layoffs and whenever they come, they hit us pretty hard."

Annually church members are encouraged to bring new clothing—not used—to an "ingathering," for subsequent distribution.

"We insist that a change of clothing be given—not one pair of shoes but two pair; not one shirt, but two," Mr. Crumpley explained.

Bethel, observing its 145th anniversary year, has an operating budget of upwards of $120,000 and maintains the largest Head Start program in Erie County.

This includes 233 three and four year olds whose parents are in the poverty bracket. These youngsters are at the church five days a week for 10 months—under supervision of a paid staff of 38, plus volunteers.

"Those enrolled get free meals," said Mr. Crumpley, executive director of the program. "They get a balanced breakfast, a snack and later a balanced dinner. This kind of nutrition is very important."

Eighty per cent of this program is federally funded; the church provides 20 per cent, including the building and its facilities.

An "emergency pantry," and special collections make up the continuous assistance provided by First Shiloh Baptist Church, 15 Pine St.

Headed by the Rev. Elizah J. Echols, pastor and executive director of the Buffalo Area Council of Churches, this nearly 60-year-old church consists of 600 to 700 families whose contributions enable it to finance an annual budget of $131,000.

Although in the heart of the Ellicott District, where the lowest income housing in the city is situated and a high rate of unemployment is persistent, the church membership itself is widely dispersed yet economically viable.

"It represents a lot of civil service jobs, domestics, teachers, nurses and those who for the most part are pretty able to keep their jobs in difficult periods," said Mr. Echols.

"The congregation represents the successful marriage of these families with a couple of hundred welfare cases. This is pure circumstances, of course. There still is a great need and we try to meet the need that faces the church and the community.

"The pantry's heaviest demands are around the end of the month—just before welfare checks arrive. We don't try to provide for normal needs. This 'emergency pantry' is for those who may need some groceries for a couple of days.

"These items come from members who are encouraged occasionally to bring an extra can or container of food. They see this as part of their contribution to the church.

"We also have benefited by the co-operation of Lafayette Avenue Baptist Church, whose members help with gifts of nonperishable foodstuffs. From time to time, too, we are able to give out first-rate clothing which we receive from a couple of institutions.

"Our communion offering each month goes into what we call the Saints Fund. Money drawn from this is limited to medical needs of an emergency nature.

"One time it may be used by 10 individuals, the next month by 25. It helps to fill prescriptions, for instance, or have eye glasses repaired.

"Another thing we do is talk with the senior citizens—to make sure they receive all of the benefits they are entitled to such as Social Security and Supplemental Security Insurance. These informed individuals, in turn, visit others—giving a helping hand by making sure the elderly are properly informed."

Generosity is the keynote—spelled out in Christian charity and practiced by all—from the financially sound to those of store-front sparseness.

CAPTIVE NATIONS WEEK

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 15, 1975

Mr. YATRON. Mr. Speaker, the 1975 observance of Captive Nations Week, an event begun in 1959, serves once again as a reminder to all Americans of the tragic reality of over 1 million human beings who still live under Communist domination and oppression. As the United States continues its policy of détente with the Communist nations of the world, Captive Nations Week brings into focus the question of what that détente should mean: We must constantly ask ourselves what accommodations are fruitful and positive, and what may be destructive to the cause of world peace.

It is particularly poignant that a conference on European security will be convening in a few weeks. At that time, America will have an opportunity to voice its renewed objection to the 35-year-long occupation of the Baltic States by the Soviet Union. In support of that occasion and the U.S. support of these captive nations, I am pleased to submit for the attention of our Members the following letter from the Joint Baltic American Committee:

THE JOINT BALTIC
AMERICAN COMMITTEE,
Rockville, Md., July 15, 1975.

HON. GUS YATRON,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN YATRON: This week marks the seventeenth anniversary of the observance in the United States of Captive Nations Week. Congress in its collective wisdom passed this public Law 86–90 to support the aspirations for freedom of millions of people under Communist dictatorships around the world.

Interestingly enough, on July 30, 1975, "The Conference on Security and Cooperation in Europe" is scheduled to convene and agree on the present status of borders in Europe. The agreement that will be signed by 35 heads of state, including President Ford, to respect "frontier inviolability" has been interpreted by members of the press and by the Soviet Union itself as ratification of Soviet World War II conquests.

In the Congressional Record, June 17, 1975 (19198) Rep. Dante Fascell inserted a letter to Rep. Thomas Morgan, Chairman of the Committee on International Relations, from the State Department's Assistant Secretary for Congressional Relations Robert McCloskey April 11, 1975. In this letter Mr. McCloskey states that "it remains the policy of the United States not to recognize the forcible annexation of the Baltic States by the USSR."

To avoid misinterpretations, along with 102 Congressmen (as listed below) and 14 Senators (Carl T. Curtis, Jesse Helms, Roman L. Hruska, William V. Roth, Lawton Chiles, J. Glenn Beall, Jr., James L. Buckley, Bill Brock, Strom Thurmond, Vance Hartke, Gaylord Nelson, Barry Goldwater, Robert P.

Griffin and Robert Taft, Jr.) who sponsored the Baltic States Resolution, I urge the passage of the Baltic States Resolution before the conclusion of the conference in Finland. This would make it crystal clear to the world that the United States policy regarding the Baltic States (Estonia, Latvia, Lithuania) has not been altered by our agreements in Geneva.

I am also hopeful that President Ford will announce in Helsinki that the United States continues not to recognize the Soviet annexation of the Baltic nations despite U.S. respect for "frontier inviolability". Otherwise, his proclaimed Captive Nations Week (week of July 13) may be followed by "The Ratification of the Captivity of Captive Nations" week.

Sincerely,

EDWARD SUMANAS,
Public Relations Director,
The Joint Baltic American Committee.

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NEBRASKA

183 JOHN McCOLLISTER

WASHINGTON

189 Floyd Hicks

CAPTIVE NATIONS WEEK

HON. MARTIN A. RUSSO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 15, 1975

Mr. RUSSO. Mr. Chairman, this month marked the beginning of our Nation's Bicentennial celebration—a year to celebrate the founding of our country and our 200 years of freedom. A celebration is in order for we have proven to be history's greatest experiment in human freedom. It surely was an experiment at first, but we have successfully demonstrated that our form of government, a government where the people rule themselves and are free to be themselves, can survive and thrive, even through perilous and difficult times.

There are people in other parts of the world who believe in our form of government. There are people who yearn for the personal liberty that is the everyday pattern of our lives. There are people who struggle for even a semblance of our self-determination. But these people are unable to act on their beliefs or experience their dreams of freedom.

This month also marks an observance for these people—the people of the "captive nations" of the world. This week, July 13 through 19, we are commemorating the 7th anniversary of the observance of Captive Nations Week, authorized by congressional resolution in 1959. This is a week set aside to reaffirm our dedication to the furtherance of freedom and to reaffirm our commitment to national independence and the restoring of individual liberties to all peoples. It is a week when we say to the people living under a system of government not of their own choosing, a system that denies them their liberty, that they are not forgotten.

Hopefully, this is a week in which our own consciousness examines and empathizes with the plight of those who live under tyranny. Hopefully, we will take another look at those personal liberties I mentioned earlier that we experience daily and therefore tend to overlook: Reading a paper or magazine that is not written by the government; chatting freely with our neighbors on any subject we choose; complaining mightily about the way the government is handling a certain situation; attending a church on Sunday whose faith we embrace freely. How can you measure the meaning of such seemingly ordinary, perhaps casual, expressions of your own personal desires to those to whom they are denied?

Captive Nations Week is observed throughout the world, as it should be. All people have a stake in the freedom of their brothers and sisters—from Korea to Australia, from India and Turkey to West Germany and Argentina. Here in our own home of the free we say to the people of the captured nations, "Your struggle is not in vain. There is a truth that cannot be silenced and a yearning for freedom and individual dignity that cannot be quelled by tyranny."

AN ACCURATE CONGRESSIONAL RECORD

HON. WILLIAM A. STEIGER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 15, 1975

Mr. STEIGER of Wisconsin. Mr. Speaker, for the benefit of our colleagues considering House Resolutions 568, 569, 570, and 581, mandating a more verbatim account of floor proceedings in the CONGRESSIONAL RECORD, I am introducing into the RECORD comments and recommendations pertaining to this important issue.

On May 10, 1965, the Joint Committee on the Organization of the Congress began hearings on what was to become the most extensive study of Congress ever undertaken. The cochairmen of the joint committee were Senator Monroney and Representative MADDEN, who led the public hearings for over a year.

The final report of the joint committee—Senate Report No. 1414, 89th Congress, 2d session—issued July 28, 1966, included the recommendation that the CONGRESSIONAL RECORD should be improved in several ways. The portion of the final report pertaining to these recommendations follows:

> ### CONGRESSIONAL RECORD
>
> The Congressional Record is intended to fulfill a number of functions. It is a chronology of the floor proceedings of both Houses. It is a basic source document for information on current legislative issues. It is a tool for the transmission of the views of the officeholder to his constituents.
>
> The Joint Committee on Printing has statutory responsibility for control of the arrangement and style of the Record. The statute provides that it shall be substantially a verbatim report of proceedings and that the Joint Committee on Printing shall take all needed action for the reduction of unnecessary bulk. However, the trend in practice has been in the opposite direction in both instances.
>
> The Joint Committee on Printing has adequate authority under the statute and the rules it has adopted to enforce desirable restrictions on the use of the Record. We urge the Joint Committee to take the action recommended below:
>
> 1. The Congressional Record should be printed in four general sections—an opening and/or closing period for insertions, the body for actual debate, the Appendix, and the Daily Digest. During the opening and closing periods, it should not be necessary for the Member to deliver his remarks in full. Insertions or extensions and revisions should be permitted.
>
> 2. In the Senate, the body of the Record should be limited to germane insertions and verbatim remarks actually delivered on the floor and tables, statistics, and other supporting data dealing directly with the subject on which the Member is speaking.
>
> 3. In the House of Representatives, the body of the Record should be limited to verbatim remarks actually delivered on the floor and tables, statistics, and other supporting data dealing directly with the subject on which the Member is speaking. Extensions and revisions should be limited to grammatical and typographical errors. However, Members should be entitled to make insertions in the Record following debate and prior to voting.
>
> Legislative business must be handled expeditiously. The actual delivery of long speeches in full is time consuming and cumbersome. However, it is also desirable to provide an accurate record of actual debate. It is often difficult to reconcile these two objectives.
>
> The problems of the two Houses differ in some respects. Limitations on debate in the House of Representatives make it difficult to enforce a rigid rule for verbatim proceedings without adequate provision for insertions so that the views of other Members can be included on the subject of debate. The Senate, on the other hand, disrupts the continuity of the Record by permitting interruptions for nongermane matters.
>
> Both Houses should be encouraged to use periods such as the Senate "morning hour" or the time set aside under the House "one-minute rule" and special order to give Members an opportunity to make insertions or deliver remarks only in part. These periods allow Members to express their points of view on matters which they deem sufficiently important to justify inclusion in the body, rather than the appendix.
>
> The House usually enforces the role against nongermane insertions during the course of debate. In the Senate, the body of the Record should be limited to germane insertions and to verbatim remarks actually delivered with supporting tables and statistics. This would encourage a more accurate record without unrealistic restrictions that might interfere with the participation of Members in proceedings.
>
> The Daily Digest has proved to be a valuable addition to the Record. It came into being as part of the 1946 act. It should be continued, with maximum emphasis on page references to specific action.
>
> Nongermane debate should be printed separately in the body of the Record so that germane debate can be read in sequence.
>
> 4. The text of amendments or the substance thereof, including appropriate reference to the text of such amendment, should be printed immediately before votes so that the subject matter of the vote can be more readily identified.
>
> The Record should not only be an accurate document—it should be a valuable reference tool. It is often difficult to follow debate on the bill in question because of the frequent interruptions for nongermane material. To the extent that exceptions to the rule of germaneness are permitted, this debate should be printed separately in the body so that germane debate can be read in sequence and more easily analyzed.
>
> It is also difficult to determine the subject on which a rollcall vote has been recorded. It would be a simple and desirable practice to print short amendments in full immediately before the vote so that the subject matter can be identified. References can be made to the page number of longer amendments or a condensation of their purpose could be stated.
>
> It should also be noted that no useful purpose is served by insertions in the Record of matter which has no bearing on legislative issues or which is not of public interest or concern. Members are urged to refrain from the inclusion of matter which does not add to or dignify the Record of proceedings of the world's most important legislature.
>
> 5. The Appendix as well as the body of the Record should be permanently bound. However, the rule against insertions of the same subject matter by more than one Member should be observed.
>
> The Appendix was intended to be the repository for insertion of speeches, newspaper or magazine articles, or other nongermane items. There has been a growing tendency to place such matters in the body of the Record rather than the Appendix. Since 1954, the Appendix has not been permanently bound. Greater use of the Appendix would be encouraged if this practice were reinstituted. We regard this as a small price to pay for such encouragement.
>
> 6. Modern printing techniques, such as select use of boldface type to identify speakers and subjects, should be utilized within the limits of printing time to make the format of the Record more readable.
>
> 7. A study should be made of modern techniques, including possible use of automatic data processing facilities, which would permit the preparation of a subject index more frequently than the present biweekly index.
>
> The Congressional Record has been appropriately described as a mechanical miracle. It is miraculous to receive a complete record of proceedings each morning—often less than 12 hours after adjournment. These limitations of printing time make the use of sophisticated printing techniques such as boldface type more difficult. However, they should be employed to the maximum extent possible to make the format of the Record more readable.
>
> Indexing of the Record is presently accomplished on a biweekly basis. More frequent indexing is extremely desirable for reference purposes. We recommend a study by the Joint Committee on Printing of possible utilization of such techniques as automatic data processing facilities to permit the preparation of a subject index as frequently as technically possible. We believe those techniques will eventually permit the preparation of a daily subject index.
>
> 8. House floor debates should be recorded electronically.
>
> In order to produce an accurate transcript in the Congressional Record of the House debates all such debates shall be recorded electronically.

A number of recommendations were made by our present and former colleagues concerning the RECORD. The second interim report of the Joint Committee—Senate Report No. 948, 89th Congress, 2d Session—issued January 19, 1966, listed in the Appendix a topical summary of these recommendations by our colleagues. These included:

> 1. The format of the Congressional Record should be improved to make it more concise, readable, and interesting (Rosenthal, Matthews, Rumsfeld, Quie, O'Hara, Congressional Quarterly).
>
> 2. The Record should be a verbatim record to preserve congressional intent on legislation (O'Hara). Remarks should not be inserted in the body of the Record unless actually given (P. C. Jones, Matthews). Extensions and revision should be limited to grammatical and typographical errors (Cunningham, Gibbons, Rumsfeld). Insertions should be abstracted and printed separately (Todd, Rumsfeld, O'Hara, Stafford). Inserts should appear in appendix only (Bayh).
>
> 3. More index and digest information should be included. This should include a subject index published each day (Rosenthal, Yarborough), a revised digest summarizing arguments and debate in sequence (O'Hara, Dunne, Congressional Quarterly), and summaries in a standardized form indicating the meaning of record votes (Rumsfeld).
>
> 4. The Record should periodically present an analysis and review of legislation in the form presently prepared by the Congressional Quarterly (Stratton).
>
> 5. Pages of the Record should be perforated to facilitate tearing them out (Rumsfeld).
>
> 6. Nongermane debate should be printed separately so that germane debate can be read in sequence (Saltonstall).

The second category of the above recommendations falls within the ambit of House Resolutions 568, 569, 570 and 581. The testimony of our colleague Representative JAMES G. O'HARA, raised to my mind the most serious question arising from statements inserted in the RECORD and not differentiated from those actually made during floor debate. This question concerns the reliance upon the RECORD as an accurate source of congressional intent. Mr. O'HARA's frank statement that he has done this himself makes more forceful his recommendation that the practice should be stopped. The following was JIM O'HARA's testimony on the subject:

> Finally, Mr. Chairman and members of the committee, I would like to speak of the meth-

od by which we report our debates. I think it is fair to say that the Congressional Record is a shambles. It is full of statements never made.

The only place in the world where you can go back and say anything, even though you didn't, is in the Congressional Record. It is a satisfying thing, but I don't think it contributes very much to the public understanding of what we are actually doing in the U.S. Congress. It not only makes it difficult for interested observers to assess the actions of Congress, but I have occasionally heard complaints from Members of the Congress with respect to the manner in which the press was reporting congressional business.

The state of the Congressional Record forces reliance upon press reports that may themselves be based upon incomplete information, be erroneous, or be partly the product of the personal political preferences of the writer.

If the Congressional Record could be read and understood, I think we would have less difficulty with that problem.

Those who are lawyers in this room understand that when the courts interpret a Federal statute they rely on three sources. First, the statute itself. Second, the committee reports. Third, the debate in the House and Senate on the particular parts of the statute in question. It is the responsibility of the courts to find the congressional intent, and they determine it from those three sources.

Many statements bearing upon the question of congressional intent, which were never heard by the House or Senate when it agreed to a bill, are found in the Record. They cannot be distinguished from what the House or the Senate actually heard before voting on a piece of legislation. There is no way that the courts can determine which of the statements were actually made and which of them were not made, which of these statements were brought to the attention of the House or Senate before it voted and which were not. It makes possible a corruption of the legislative process and a misrepresentation of the legislative intent. I say this with all seriousness because I have done it myself. I don't think I misconstrued congressional intent but I have inserted in the Record, when I couldn't find sufficient time to make statements, remarks bearing upon the question of intent with respect to bills coming out of my committee. They appeared in the Record with no way to distinguish them from any statement made on the floor. I think this is a bad practice and ought to be ended.

I would also like to bring to the attention of our colleagues testimony from other witnesses, Representative GIBBONS, Representative Cunningham, Senator BAYH, and Senator STAFFORD.

By Mr. GIBBONS:

"My next area of suggestion would be in the matter of the Congressional Record. I think that particularly in the House we have abused the use of the Congressional Record. There is far too much extraneous material that goes into it. The privilege of revising and extending is overdone. The Congressional Record, which is supposed to reflect the action of Congress, I think all of us must admit, is a very inaccurate representation of what actually took place because of the provision to revise and extend.

"If the Record were abbreviated by electronic recording and the speeches of the Members placed in the RECORD as they were actually delivered, I believe that some of the remarks that take place on the floor would be more deliberately considered, more accurately prepared, and would be of greater historical significance to people in their attempt to interpret the law and to see which way Congress is going."

Representative Cunningham's recommendations were to:

"Confine extension and revision of remarks in the Record to grammatical and typographical corrections.

"Limit each Member on inclusion of articles for extension in the Record to material pertaining to legislative matters."

Senator BAYH testified:

I am concerned about the expanding quantity of material which is printed in the main body of the Congressional Record and which frequently has little or no relation to the legislative business at hand. Although much of this material is significant and may deserve to be called to the attention of Congress—I do so myself—it tends to clutter up the Record and make it less valuable for its primary purpose. Since the Appendix is no longer being published in permanent form, I would suggest that such items as reprints of editorials and articles from newspapers or journals, communications from constituents, nonpertinent speeches by outsiders, statements of congratulation to organizations, individuals, or communities, and other matters which do not have to be preserved for posterity, and all the other material that we feel is important to bring to the attention of our colleagues, that this appear automatically in the Appendix only. This would not only cut down on printing, indexing, and binding costs but also would make the permanent RECORD a more manageable and useful documentary source.

The then Representative STAFFORD testified:

Mr. Chairman, it has always seemed to me that the Congressional Record should be a record—on the House side, at least—of what transpires in the Congress and not a resting place for the press releases we send back home. I believe only those remarks which are actually made on the floor should appear in the body of the Record, with provisions in the Appendix for informative material relating directly to legislation under consideration.

NUCLEAR PLANT'S SAFETY SYSTEM FOUND 50-PERCENT FAULTY

HON. RONALD M. MOTTL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 15, 1975

Mr. MOTTL. Mr. Speaker, I was shocked to learn that nearly half of the vital safeguard systems at the Davis-Besse nuclear powerplant were recently found to be defective. The Davis-Besse plant is located just west of Cleveland. The American public has been led to believe that we can rely on nuclear power as a safe, clean, and inexpensive source of energy. We have also been told repeatedly that the probability of an accident is extremely remote. Obviously, this statement depends upon a 100-percent efficient operation of the nuclear powerplant's safety-related equipment.

Only a few weeks ago, workers at the nuclear powerplant at Lusby, Md., were exposed to dangerous radiation after a reactor coolant pump malfunctioned. The short history of our operation of nuclear power stations has been replete with malfunctions of the safety-related systems. Luckily, the public has not yet been subjected to a catastrophic accident. It must be stressed that a large nuclear reactor accumulates an enormous amount of dangerous and highly toxic materials during normal operation, roughly 1½ tons of such material, nearly one-fifth of which is gaseous or volatile. The detonation of the nuclear weapon over Hiroshima produced only about 2 pounds of these materials.

Mr. Speaker, an article by Mr. Thomas Quinn appearing in the Cleveland Plain Dealer on July 13, 1975, elaborated upon the findings of the surprise inspection of the nearly completed Davis-Besse nuclear powerplant. The text of this article follows:

DAVIS-BESSE NUCLEAR POWERPLANT

(By Thomas J. Quinn)

Inspectors of the U.S. Nuclear Regulatory Commission, concerned whether the Davis-Besse nuclear power station is being built correctly, have found problems with nearly half the safety-related electrical wiring examined.

At the commission's request, Toledo Edison Co. has organized a 15-man engineering team to reinspect all safety-related wiring in the plant, under construction outside Port Clinton 70 miles west of Cleveland.

Toledo Edison has estimated the reinspection will cost more than $400,000.

Commission officials said they are concerned that Toledo Edison may also have failed to uncover other significant safety problems in the plant. The commission now plans to step up its own inspections.

To help find out what else may be wrong, Toledo Edison mailed letters July 3 to each of the plant's 1,200 construction workers urging them to report any possible problems and assuring them their identities would be kept confidential.

The commission, an offshoot of the now-defunct Atomic Energy Commission, is especially concerned with a nuclear plant's safety systems because of the dangers if there is a breakdown in any of them.

According to federal government studies, the worst possible case would be a plant accident coupled with a safety system breakdown that could release large amounts of deadly radioactive substances.

Donald Terrell, Toledo Edison's public information manager, said chances of such an accident at Davis-Besse were astronomically remote because of built-in safeguards, including the duplication of the many safety systems.

Terrell and Eugene Novak, the company's project enigneer for Davis-Besse, were asked if the extreme low probability of such an accident was based on the assumption that safety-related wiring and other safety systems were working correctly.

They said it was.

The electrical problems were uncovered by a team of commission inspectors during a four-day unannounced inspection in May. The four-man team found one or more problems with 24 of 51 electric cables they checked.

There are about 2,750 safety-related cables in the plant, according to the commission, and if the same proportion of problems is found in the other cables, then about 1,300 would have some deficiencies.

James G. Keepler, the commission's regional director, said he expects other electrical problems will be found, but he will not have a final report until reinspection is completed by September.

The plant, owned jointly by Toledo Edison and the Cleveland Electric Illuminating Co., is being built by—and is to be operated by—Toledo Edison. Commercial operation is scheduled to begin in September 1976. The plant is about 90% completed.

Those aiding the reinspection include 10 engineers from the Gaithersburg, Md., office of Bechtel Corp., the plant's main contractor, and workers from Fishbach & Moore Electrical Contract Inc. of Chicago, the subcontractor for electrical installation.

Commission inspectors have been monitoring the reinspection.

Keepler said the commission considers the electrical problems significant and called the commission's reinspection request "a drastic action."

Keepler said these problems had not been uncovered by Toledo Edison or its contractors. This has cast doubt, he said, on the quality of work being done in other parts of the plant.

Because of the breakdown in what is called Toledo Edison's quality assurance program, Keepler said he has ordered his inspectors to increase the frequency and scope of their inspections into the safety-related piping and other key systems in the plant.

"We are sharpening our eyes in other areas," Keepler said.

He added that the discovery of the electrical problems have "bothered us . . . and shattered our confidence a little bit" in Toledo Edison.

Keepler said the company has not been "riding herd" on its contractors and has overly relied on them.

He said Toledo Edison, like other small utility firms building a nuclear power plant, tended to delegate much of the inspection responsibility to their contractors.

"By doing this, some utilities get burned. Contractors, themselves stretched thin, cut corners here and there," Keepler said.

He said that while the contractors also were at fault, the commission still holds Toledo Edison responsible.

He said the electricians installing the cables had not been given detailed enough instructions and their work had not been properly inspected.

He said commission inspectors found that some cables were damaged, placed too closely together or otherwise incorrectly installed.

"Placing cables too close could jeopardize a plant's safety, for instance, in case of a fire," Keepler said.

The problems were found in safety-related cables in the control room, in those feeding into the control room and in other parts of the plant. About 20% of the electrical wiring in the plant is considered safety-related.

Keepler, whose office is in Chicago, said similar electrical problems have been found in other plants under construction in the eight Midwest states under his jurisdiction.

However, he said, the number and the nature of the electrical problems found at Davis-Besse were more extensive.

In addition, he said, the similar problems found in other plants were isolated and did not indicate a breakdown in a utility company's inspection procedures.

Novak, Terrell and other Toledo Edison officials said the company has been taking steps to become more aware of the quality of work being done in the plant.

Besides writing to the construction workers, the company on June 27 also sent letters to nine of the plants contractors asking them to report any possible problems.

In the letters to workers, Toledo Edison listed the office and home telephone numbers of four company officials.

Terrell said the company had assumed it had been getting the necessary feedback from workers and contractors through the chain of command, but will not assume that any more.

Terrell also said the company in the last five months has raised from 7 to 12 the number of men on the quality assurance staff, which monitors the work in the plant.

The commission's findings indicate, Novak said, that Toledo Edison, on its own initiative, also had decided that a total reinspection was needed.

Some problems the commission uncovered were based on a difference in interpreting design requirements, Novak said, so that what may now appear to be a problem may turn out not to be one at all.

He noted that while the commission was concerned that some separation barriers for electric cables had not been installed, there had been plans for installing them later.

Novak also said that while the installation of some cables did not meet design requirements, this does not necessarily mean the installation was unsafe.

Keepler said that the electrical problem is more significant than another construction problem at Davis-Besse brought to the commission's attention last July.

In that case, a former employe of one of the plant's contractors alleged protective paint had been applied without assurance that it could meet the standards for safety-related work.

Keepler said that this allegation had been "right and meaningful."

But, he said, this does not mean that the paint job was faulty. The paint will be tested to insure it has good adhesiveness and other required features before commercial operation begins.

Toledo Edison officials have questioned whether the quality of the paint was a problem at all, but have agreed that the proper procedures were not followed.

Keepler said the paint and electrical problems are alike in that "namely, the contractor failed to do his job and Toledo Edison failed to do their job."

It is unrealistic to expect that isolated problems like the paint job would not crop up during construction of such a complex technological facility as a nuclear power plant, Keepler said.

"The important thing is that there is a system for preventing reoccurrence and assuring corrective action," he said.

Mr. Speaker, I wish to applaud Mr. Keepler and his staff for their vigilance, and to urge more stringent inspections of this plant, the projected Perry nuclear complex and all nuclear powerplants under construction. I also wish to express my complete agreement with the editorial comments of the Cleveland Plain Dealer on July 15, 1975, that our nuclear powerplants must be no less than 100 percent safe. The text of this editorial follows.

FOR 100 PERCENT SAFE NUCLEAR PLANT

A team of federal nuclear inspectors pulled a surprise inspection at the Davis-Besse nuclear power station near Port Clinton. That team found just about half the safety cables it examined to be damaged or incorrectly installed.

We find that profoundly disturbing. It is nearly unbelieveable that any part of a nuclear power plant should be put together any way except perfectly.

There is such danger of leakage of radiation, or injury to people, one would think that the people building the station would be more meticulous.

Public protest arises over every accident at any nuclear installation. Cracked pipes, failing safety warnings and leakages that turn up downstream from power plants have caused shutdowns and repeated inspections. And recently the pace of nuclear power in its growth has proved to be disappointingly slow, partly due to these jam-ups.

Of course there are often debatable findings. It could be that some of the cables marked as wrongly installed by the inspectors from the U.S. Nuclear Regulatory Commission can be said to be safe, or even properly placed.

But there certainly should not be any damaged cables along a circuit which guarantes the safety of the Davis-Besse plant. What excuse can there be for that?

Responsible primarily is the Toledo Edison Co., which is building the plant for itself and the Cleveland Electric Illuminating Co. Next come the principal contractor, Bechtel Corp., and then the Fishbach & Moore Electrical Contract, Inc.

And then come electrician foremen, electricians, engineers who fully understand the meaning of the blueprints that say exactly how the whole system has to be built.

Toledo Edison has been asked to set up its own reinspection team, to go back over every bit of the work. Surely that company has enough of its own capital, its own reputation and its own corporate philosophy at stake to compel it to do an airtight job of scrutinizing the Davis-Besse plant.

Energy sources have become uncertain. An energy-centered civilization such as America's needs nuclear and other power urgently. And it needs them to be dependable—and totally, 100% safe.

THE PURSUIT OF JUSTICE IN THE REGULATION OF BUSINESS

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 15, 1975

Mr. McDONALD of Georgia. Mr. Speaker, as we enter the 200th year since the founding of our country, it is indeed appropriate to recall the reasons for our Declaration of Independence. Our ancestors were harassed by agents of the British Crown and burdened by insidious taxation. Fed up with the encroaching totalitarianism, they threw off the shackles of tyranny. Hopefully, in America, the people would never again be subject to the whims of despotism.

Perhaps the tales of our Revolution are familiar to most Americans, but the modern day applications are not. Our forefathers would be appalled at the accumlated power of our present Federal Government. Individualism and progress are being stifled by the paternalistic attempts of the state at economic control. Our colleague Representative PHILIP M. CRANE of Illinois, has recently written about the injustice of our existing regulations in the field of business. His article, "The Pursuit of Justice in the Regulation of Business," appeared in the July 1975 issue of Nation's Business, and I hope it will be read with a real understanding of the principles for which our forebears lived and died. The text of the article follows:

THE PURSUIT OF JUSTICE IN THE REGULATION OF BUSINESS

(By Representative PHILIP M. CRANE)

The success of the American free enterprise system has traditionally depended on a maximum of individual initiative and a minimum of governmental interference.

But the expansion of the federal regulatory agencies, both in terms of numbers and enforcement powers, flies in the face of that tradition.

It is not surprising that businessmen view a number of these agencies as all-in-one combinations of prosecutor, judge, and jury. The Occupational Safety and Health Administration, for example, is empowered to issue cease and desist orders that have all the force of law.

Other agencies haul businessmen into court if the businesses do not comply with directives issued in agency proceedings. For example, 1972 legislation gave the Equal Employment Opportunity Commission the right to take court action against private employers without going through the federal government's legal arm, the Justice Department.

INNOCENCE IS NOT ENOUGH

The inherent danger in such a system is the extent to which coercion and intimidation, rather than justice and due process, are employed in bringing about compliance with directives.

In too many cases, businessmen cited by a federal agency for some alleged violation are sure they are innocent, but prefer to give in rather than shoulder the heavier cost of contesting the agency in court.

Still others head off the possibility of citations and heavy legal costs by taking action which even the agency would find unnecessary.

Because of the present inequities, I have introduced legislation to put the businessman on a more equal footing and to ensure that a regulatory agency's findings are based on the merits of a given case, not on governmental coercion.

Basically, the bill would provide compensation for defendants where the U.S. government has filed a civil suit and lost the case. A businessman found innocent of charges brought by a regulatory agency would be reimbursed by the government for reasonable legal fees he incurred in fighting the case.

Enactment of the bill would have these results:

Businessmen confident of vindication would be able to challenge regulatory agency findings without fear of incurring substantial legal expenses just to prove that they are right.

Regulatory agencies would be discouraged from forcing conformity with their directives by harassing businessmen who don't have the financial resources to fight back.

The amount of compensation paid successful defendants would serve as a guide to the public on whether the agencies were doing an effective job or being overzealous.

The injustice of a businessman having to pay for his defense while his tax dollars are being used to help prosecute the case against him would be eliminated.

A THREAT TO ALL

The existing situation is a potential problem for businesses of all sizes.

Many smaller businesses simply cannot afford to hire a high-priced attorney to represent them in court. And they fear that even if they did win a court test, they would not only be out the legal fees but would be the target of repeated retaliatory investigations in the future. Their ability to pay legal fees would eventually run out.

So they don't make waves. They prefer instead to comply as best they can with demands. Demands, for example, that they buy new equipment without regard to whether it is justified on a cost-benefit basis.

Unfortunately, some businessmen have found that the compliance route does not work. They have been forced to go out of business after a lifetime of work that has provided employment not only for themselves, but for many others.

Many larger companies have resorted to hiring high-priced consultants—at $10,000 to $100,000 each—to advise them of their potential liability under regulatory standards. Some have invested thousands or even millions of dollars in what could be termed industrial preventive medicine in hopes of heading off trouble. Still others have adopted policies, such as reverse discrimination in meeting guidelines for minority hiring, that might avoid problems in one area but erode the morale of their other employees or the enthusiasm of their customers.

THE CONSUMER PAYS

None of these actions helps achieve the increased productivity needed if the economy is to rebound and open up more employment opportunities for all. On the contrary, increased costs that business incurs in meeting regulatory directives are passed on to the very consumers that so many of the regulatory agencies are supposed to protect.

At stake here, ultimately, is the future of the free enterprise system. If the regulatory agencies, with all their resources, are allowed to abuse their power, the system is in danger. Thus, it is up to Congress, which created these agencies in the first place, to see that they do not get out of hand.

I am encouraged by President Ford's call for regulatory agency reform and by the fact that a number of members of Congress have introduced bills dealing with these agencies and some of their weaknesses.

Also, I am heartened by the fact that more and more Americans are beginning to realize that regulatory agencies are, in part, responsible for the delays in construction of nuclear power plants, the increased costs of automobiles, the shortages of natural gas, the delays in developing new sources of oil, and the plight of our nation's railroads—to mention just a few examples.

As a consequence, Americans are beginning to question whether government regulation is costing more than it is worth.

QUOTAS, NOT MERIT

Let us look at what might result from one form of regulation—by the Equal Employment Opportunity Commission.

As noted above, EEOC can bring suit against a company that it claims engages in discrimination in hiring and promotion. To avoid a civil suit, the company must take what is known as affirmative action to eliminate such discrimination.

EEOC talks of guidelines and goals and denies it is mandating quotas for the hiring or promotion of minority group members.

In practice, it is making quotas—not merit—the basis for hiring and promotion until certain ratios are reached.

What would happen if a top professional basketball team were ordered to take affirmative action to make sure its racial composition reflected that of all basketball players in the surrounding area?

The quality of the team's performance would decline, some outstanding players would never get a chance to make the squad, and fans would stay away in droves.

Fortunately, affirmative action has not yet reached pro basketball. We can still appreciate the skills of Chet Walker, Bob Love, Walt Frazier, Earl Monroe, Kareeen Abdul Jabbar, and many others who have earned the right to play through their own abilities and not through some artificial mechanism.

I hope affirmative action never does reach pro basketball.

But if it does, I would like to see every owner of a professional basketball team able to challenge the government in court with the assurance that a legal victory could be achieved without a financial loss.

Compensation for winning defendants in civil suits brought by the regulatory agencies would provide that assurance.

DIGGING THEIR OWN GRAVES

Under the present arrangement, many businessmen must feel they are being made to dig their own graves when they see arrayed against them the tremendous resources of a federal government they are paying substantial taxes to support.

There is a compelling need to restore a proper balance between business and government—a balance that gives each side an opportunity to present its case for a decision on the merits.

The legislation I am proposing would be a major step toward what is, after all, simple American justice as we have come to know it.

SOLAR ENERGY IN COLORADO

HON. TIMOTHY E. WIRTH

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 15, 1975

Mr. WIRTH. Mr. Speaker, when we debated the Energy Research and Development Administration authorization recently, we heard a great deal of discussion about new energy sources. And with shortages widely predicted for both natural gas and oil, I suspect we are going to hear a lot more. The fact is we simply must reduce our dependence on oil and gas, not only for the sake of reducing our vulnerability to political or corporate blackmail, but also because these are finite fuels.

Many of us during the ERDA debate voiced our skepticism about nuclear power, and suggested solar power as the obvious alternative. I would now like to call to your attention, Mr. Speaker, an opinion column by Fred G. Jager, in the Rocky Mountain Journal, which is published in Denver. The Journal, by the way, is in itself worthy of your attention. It is a weekly devoted to a unique mixture of business news and political commentary. Alongside a list of building permits issued during the previous week, one is likely to find an irreverent, brilliantly executed cartoon on local issues. Its columnists, including Mr. Jager, run the gamut from right to left. There is no mushy reading in the Rocky Mountain Journal.

Mr. Jager's article discusses several solar energy projects in Colorado. He also adds some very pertinent reflections on policies that would encourage development and use of already-existing solar energy plans. Today is not too soon to start harnessing the Sun. I insert Mr. Jager's article in the Record:

Jager: Business View

(By Fred G. Jager)

It is certainly no secret that another major crisis is shaping up in the United States. However, what is not common knowledge is that the solution to that crisis exists very possibly in the state of Colorado.

The crisis to which I am referring is the energy issue. The White House predicted last week that while there will probably not be gasoline shortages for motorists this summer (which should be excellent news for our lucrative tourist industry in this state), there will be serious national natural gas shortage this fall and winter. This shortage will be felt most intensely in the industrial states of the midwest and northeast. Then in an effort to give us some comfort Washington announced that in a three-part, twenty-five year plan, solar power as a source of energy in the 21st century was elevated to a priority position by the Federal Energy Research and Development Administration. But while solar power may be scheduled to be of major use in the 21st century, the nation unfortunately will still be importing oil until at least 1995.

In simultaneous press conferences in Washington and Chicago, ERDA officials said that the solar electric approach to producing energy was given high priority because it represents a "virtually inexhaustible energy resource of the future." In a corresponding budget request to Congress, Robert C.

Seamans, Jr., ERDA Administrator, asked for a 27% increase in solar research funds for a total of $89 million for fiscal 1976.

Putting all that together, my basic economics 101 theory says that if the supplies of domestic natural gas are going to diminish, and if we must rely on imported oil until at least 1995, and if Congress will not go along with dramatically increasing the number of nuclear power stations, and that there is only so much coal that can be made available, then clearly the price for heating your home or business or driving your car is going to increase dramatically. Very good observation, Mr. Jager!

"What are we going to do?," you ask in despair.

Speaking before the fourth quarterly meeting of the Denver chamber of commerce's environmental council last month, John Bayless, president of Solaron Corporation, said that by 1980 the solar heating and cooling hardware market could be a $1 billion annual industry in the United States. He observed that the solar heating and cooling industry will go down in history as having had it birthplace in Colorado.

Consider for a moment what you will do when you are faced with a potential heating bill of $100 to $200 per month, perhaps as early as three or four years from now and even earlier if you are living in a rural area where you have to rely on propane. Consider further what you will do if there is a strong likelihood that you may not be able to get sufficient fuel for your home at any price. Without question, that may be the problem facing many sections of the United States even this year. It is easy on these hot summer days not to be particularly concerned about it until you consider that about 120 days from now it is going to become a major worry again.

In previous columns I have noted that solar architects such as Richard L. Crowther of the Denver-based firm Crowther-Kruse-McWilliams have gained a national reputation for their considerations of solar heating and cooling concepts in the construction of residential and commercial facilities. There are at least two major equipment and technology firms establishing national reputations for their successful involvement with solar heating installations in existing commercial facilities or facilities under development. Thus here in Colorado, the day to day technology necessary to make solar heating possible for your home or business is being developed, and the world is spreading nationally that Coloradans have an answer.

John Bayless is the president of Solaron Corporation, a publicly held company organized in April, 1974 to develop, manufacture, and market solar heating and cooling systems for residential and commercial buildings. The Solaron system includes a flat plate rooftop collector, metal ductwork, and bins of rock in the basement for heat storage. After finding that hydronic systems (those using water for heat transfer and storage) are costly to install and maintain, the company developed the use of air for heat transfer. The collectors absorb solar energy, convert it to heat and use air to transfer the heat into the home. Gump Glass Company of Denver is installing a Solaron system in its new one million dollar plant headquarters now under construction. It will be the nation's first solar heating system in a new commercial/industrial building. It is projected to save 77 per cent of other fuel requirements for the building's 7,180 square feet of office and showroom.

A different approach to the problem, but one that leads to the same conclusion, i.e. a viable solar heating alternative for residential construction, is being developed by International Solarthermics Corporation of Nederland, Colorado. This company, headed by John Keyes and Henry Leak, is a closed corporation, totally internally funded, specializing in research and development. ISC does not manufacture or market its product, a backyard solar furnace, itself. Instead it uses licensed manufacturers across the nation, who pay an initial licensing fee and royalty to produce the ISC system under various local names. Several of my colleagues and I had the chance last week to see the ISC solar furnace. It is an amazingly simple device using ordinary materials readily accessible to the general public. The system requires no particular adaptation to one's home as does the roof-top Solaron. Instead the ISC solar furnace is a free standing, A-frame type building. The storage method uses rocks, and like the Solaron system, the ISC concept uses forced air as its heat transfer device. This system is easily adaptable to existing conventional forced air heating systems.

This article is not to sell you on either Solaron, or International Solarthermics Corporation systems. Instead, it is to illustrate that there is an alternative to the increasingly critical availability and expense problems associated with natural gas, propane, imported oil, coal, etc. As I write this column, I am smiling because in front of me is a brochure put out by International Solarthermics. On the cover of that brochure is a very official looking gentleman sitting in his overstuffed armchair wagging his finger and saying, "Man will never fly! . . . Electricity won't replace gaslights! . . . The earth is flat! . . . Solar heating is ten years away!" We now know that just simply isn't true.

Solar heating is here, it's now, it's affordable, and it is increasingly becoming an excellent investment for the residential or commercial building owner. Let me offer this challenge to the realtors in our state, as well as to the savings and loan associations. Would it not be appropriate for these organizations to develop a campaign to make Colorado a leader in the solar heating industry by lobbying for the following:

1. A PUC utility rate restructuring offering incentives for buildings that operate more efficiently. Have lower power rates for those buildings that use less energy instead of lower rates for those that use more, as is true now. As you are aware, Public Service Company in effect gives volume discounts facilities using more energy. I am suggesting that we *penalize* those that use more instead of those that use the least.

2. I thought I'd never say it, but how about a law expressing mandatory maximum utilization per cubic foot of space in a building. It would be analogous to the 55 mile per hour speed limit on highways. The new law would not tell you how to design a building or what to build it from, but would say that there are only so many BTU's per cubic foot that you can allocate to the structure. That implies utilizing an increasing amount of solar energy as the heating and cooling technique.

3. How about a plan for *not* taxing solar energy collection equipment on a structure? This would make the property taxes substantially less and therefore reward developers who integrate solar energy systems into their structures.

4. An X per cent interest rate discount for any building that is developed or remodeled utilizing solar energy systems. This interest difference could be made up by a federal subsidy to a savings and loan association. After all, why not give that subsidy to the S&L's rather than a subsidy to people to dig up more fossil fuel or extract more oil. Save dollars, but better utilization of the money.

5. Let's talk about tax incentives for companies who develop solar devices. Maybe they should fall into a special corporate tax bracket. On that basis they could put out a product at a lower price and therefore make the products more affordable to the developer. This means a great incentive for those companies who put out better equipment, etc.

If the developers, lenders and realtors of Colorado are truly interested in being part of the solution to the energy problem, and if these organizations as well as the commercial and political world in our state desire to be national solution leaders, then let's get behind the solar heating concept, for surely it is a warm, comfortable feeling.

PROPOSALS FOR THE FEDERAL ELECTION COMMISSION

HON. TOM STEED

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 15, 1975

Mr. STEED. Mr. Speaker, I herewith include another installment of the materials provided by the Federal Elections Commission for publication in the Federal Register. For the Members who desire to retain a copy of the entire series, other installments were printed in the Appendix of the RECORD on June 2, June 25, July 9, and July 14. Additional installments will be made available as soon as possible. The material follows:

DEAR COMMISSIONERS: Pursuant to Section 437f of Title 2, United States Code, it is respectively requested hereby that the Commission issue advisory opinions with regard to the Presidential Nominating Conventions of the respective parties and the following recommendations are made relating to the following subject matters for consideration. The recommended advisory opinions are preceded by a statement of background information briefly describing Presidential Nominating Convention procedures.

PRESIDENTIAL NOMINATING CONVENTION PROCEDURES

The major political parties, the Democratic and Republican (Parties), traditionally every four (4) years hold Presidential Nominating Conventions (conventions). The next conventions will be held in the summer of 1976. Preparation for such conventions are already underway. The Site Committee hearings are being held and the process of determining the sites for the respective parties is underway presently.

The Site Committees of the respective parties have held hearings and have received proposals from would-be host cities and contemplate visiting certain bidding cities and will make a final determination of the recommended site to the respective National Committees thereafter for confirmation.

Traditionally the bidding cities, in an effort to encourage and induce the choice of their respective cities as a site for the Convention both directly and through convention and tourist attracting entities offer a variety of services and facilities, some at no charge and some at reduced charges. Such convention and tourist attracting entities in the local community or the state such as the Chamber of Commerce, Junior Chamber of Commerce, local Host Committee, non-profit corporate entities, organizations of local businessmen including those representing hotels in which Convention officials and personnel will be housed join the cities and states in offering such facilities and services.

In evaluating the respective site bids the Site Committee obviously takes into consideration such facilities and services as an important element in the site selection process. It is generally understood that such goods and services made available both directly and indirectly have historically been offered by the bidding cities and organization tourist attracting entities to the Conventions as a matter of history and precedent.

Examples of such inducing facilities and services offered on behalf of the bidding cities, states and connected entities are free use of auditorium or convention center facilities, and construction of interior platforms and seating arrangements therein; parking and staking areas for personnel and for the media; transportation services including bus transportation for the Convention personnel and attendees as well as automobiles for Convention personnel and V.I.P.'s; law enforcement, ambulance and other needed public services; the loaning to the convention of tourist bureau personnel for housing, reservation and entertainment services; hotel facilities as well as convention hall facilities for office use of officials and staff of the conventions and hotels for sleeping accommodation for such officials; transportation, accommodation and hospitality for the site committees responsible for the selection of the site for the convention and numerous other facilities and services related to the convention.

Relating to such services and facilities supplied free or at reduced cost, it is observed that the 2 million dollar limitation for the conventions, in light of the approximate $1,750,000 average cost for the conventions for 1972 exclusive of such services and facilities and in light of increased costs that have occurred since 1972, unless such contributions of facilities and services are permitted, and not chargeable against the $2,000,000 limit, it is obvious that the limit will be inadequate. In addition, it is assumed that Congress having knowledge of the cost of the prior conventions contemplated that such continuing facilities and services would be permitted because otherwise the figure is unrealistic. In view of these facts and circumstances the following questions are asked and the following suggested opinions are proposed.

I. Relating to the selection of the convention site

The Site Committees of the Parties have held hearings and have heard proposals of the would-be host cities and are contemplating visitations to the respective sites under consideration, largely to take place before July 1, 1975, when payments may be received from the Federal Election Commission Fund. Traditionally, the interested cities have borne the cost of visits by the Site Committee members and all activities relating thereto. The remaining operating expenses of Site Committee have been borne by National Committee or other entity established to accomplish the objective of financing the National Convention. The expenses of the Site Committee are a necessary cost of holding a National Convention. It is therefore requested the following interpretations of the applicable statute be made.

STATUTE INVOLVED

26 U.S.C. 9008(c) "Such (Federal) payments shall be used only—(1) to defray expenses incurred with respect to a Presidential nominating convention. . . ."

SUGGESTED OPINION

The operating expenses of the site selection committees of the parties are "Convention expenses" within the meaning of 26 U.S.C. 9008(c) and reimbursement may be made to the parties or designated entity, pursuant to 26 U.S.C. 9008(e). However, it is recognized that many activities of the site committee take place in response to bid proposals and that it is customary that the bidder defray certain expenses of the committee relating to site inspections and negotiations relating to the selection of the site and this practice will be permitted to continue wihout charge against the $2,000,000 limitation under 26 U.S.C. 9008(d)(1) and will not be construed as "contribution" or "expenditure" as defined in 18 U.S.C. 591.

II. Assistance supplied by the cities, states and tourist attraction entities

Cities and States and other Government entities thereunder seeking a Convention traditionally have supplied directly or indirectly a variety of services, facilities and other means of assistance to the Parties to attract conventions to their city. Included have been services and facilities previously discussed herein. In addition, convention bureaus, Chambers of Commerce, Host Committees non-profit corporations and similar organizations often provide facilities and services to the conventions as also previously discussed. Such facilities and services are provided equally to both major parties as well as to nonpolitical conventions which the cities, states and local entities wish to attract to their area. In view of this acknowledged historical precedent it is recommended that the Commission consider relating to the statute involved an opinion as follows:

STATUTE INVOLVED

26 U.S.C. 9008(d) ". . . the national committee of a major party may not make expenditures with respect to a Presidential nominating convention which, in the aggregate, exceed the amount of payments to which such committee is entitled ($2 million)."

SUGGESTED OPINION

The cities, states, and other governmental entities of the United States are permitted to provide facilities and services in order to assist the Nominating Conventions of the parties in any manner within their means which has traditionally been supplied for such purposes, including but not limited to the use of Convention halls, convention hall improvement, parking and related facilities, police, fire, health and other public service facilities and services, transportation services, bureau convention personnel, rooms, and hotel and meeting hall facilities for convention staff. Services and facilities provided by public service and nonprofit organizations such as convention bureaus, Chamber of Commerce, Host Committees, nonprofit corporations and similar organizations are permitted to provide facilities, services and personnel to such conventions.

Other inducements, services or facilities that are customarily offered to other organizations seeking a convention site as an inducement to any convention of similar size and scope in a particular city **involved,** including inducements by hotels, hotel associations, or other local businessmen and/or business oriented associations, tourist attracting entities shall be permitted. Such services, facilities and funds made available to defray costs of the convention heretofore described shall not be considered "expenditures" under 26 U.S.C. 9008(d) (1) and therefore not subject to the $2 million limitation and further they shall not be construed as "expenditures" or "contributions" as defined in 18 U.S.C. 591."

* * *

MARY LOUISE SMITH,
Chairman, Republican National Committee.

(Addendum of May 9, 1975)

DEAR COMMISSIONERS: On April 21, 1975, at the meeting of your Commission, certain members requested responses to questions, suggesting that answers be forthcoming from both major political parties. This, the response of the Republican National Committee (RNC) submitted through Counsel, it is noped, will be of assistance to the Commission and will result in the earliest possible advice by the Commission to the two major parties relating to convention expenses and reimbursement therefore in that such expenses are presently being undertaken as the result of Site Committee activities.

4. What goods and services are the two major parties likely to receive relating to the 1976 conventions and which of these can be accepted by the parties without being charged against the $2 million limit?

Answer: The RNC submits that the Commission should consider this question in the light of similar goods and services customarily made available to other non-political conventions in the light of the previous experience of both political parties and the intent and purpose of the Federal Election Campaign Act of 1971 as amended. This position was submitted to the Commission by both parties on April 21 and the Commission requested the specifics as related to the goods and services for expenditures contemplated by the two parties relating to the 1976 conventions.

The Democratic National Committee is submitting, after consultation with the RNC, a description of such services and the RNC generally subscribes to that submission as properly descriptive of such goods and services and as an adequate response to the question."

* * *

WILLIAM C. CRAMER,
General Counsel.

SOLZHENITSYN AND OFFICIAL WASHINGTON: ARE WE AFRAID TO CONFRONT THE TRUTH ABOUT COMMUNISM?

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 15, 1975

Mr. CRANE. Mr. Speaker, prophets have always received a negative response from the majority of those to whom they sought to bring their message. That response has traditionally been most hostile on the part of the authorities whom such prophets were seeking to warn or exhort or cause to change their ways. Socrates was forced to drink the hemlock. Jesus Christ was crucified even though He declared that His Kingdom was not of this world. In his play, "Murder in the Cathedral," T. S. Eliot tells of how both church and state choose to treat those who tell unpleasant truths.

In many respects, Alexandr Solzhenitsyn, as he tells the West of the real nature of communism, and of the suffering which he individually and the Russian people collectively have suffered, fits into the mold of those ancient prophetic figures.

He sounded very much like a prophet of old when he addressed a dinner in Washington, D.C., on June 30, and accused the West of giving in to the Soviet Union on all fronts, declaring that the current European Security Conference would end with western nations confirming "the slavery of their brother countries of the East, all the while believing they are strengthening the prospects for peace."

Mr. Solzhenitsyn declared that—

> Whole peoples are being suppressed and yet there is talk of detente. That is the trouble with today—we are shortsighted and view everything on the political plane. If the groans of millions cannot be heard, we think we can base some sort of detente on this.

True détent, Solzhenitsyn stated, must mean not only stopping wars but also stopping the use of violence within a country against its own citizens. During today's détente, Russians are being imprisoned in concentration camps and mental hospitals, he said.

Détente "must not be based on smiles and verbal concessions but on firm foundations." And there cannot be true détente so long as Moscow continues ideological warfare against the West, Solzhenitsyn stated. He noted that naive explanations are used in the United States to justify the present form of détente. These include the ideas that Soviet leaders have given up "their insane ideology," that the West needs to support liberal Soviet leaders against more dangerous ones, and that Soviet policy is softening. He denied them all and declared that the Soviet Union is still run by a small group of leaders operating in secrecy. "How can we," he asked, "rely on such people to give us documentary assurances of détente?"

Yet, official Washington wanted to hear none of this. The New York Times of July 2 reported that—

> A White House official said today that President Ford had refused to meet with Alexandr Solzhenitsyn on advice from the National Security Council.

President Ford, who has entertained the representatives of totalitarian regimes with the blood of thousands upon their hands, could not see fit to meet even briefly with a man who has suffered at the hands of such tyrants. Is the American hand of friendship to be extended to tyrannical governments and not to its victims?

Alexandr Solzhenitsyn has met the same fate in Washington that earlier prophetic figures met at the hands of the political leaders of their own day. It is my hope that the U.S. Congress will invite this brave man to speak to a joint session of Congress. It is also my hope that President Ford will take the counsel of his conscience rather than that of his advisers and invite Mr. Solzhenitsyn to the White House for a visit.

I wish to share with my colleagues a portion of the text of Mr. Solzhenitsyn's address, delivered in Washington, D.C., on June 30, 1975, and insert it into the Record at this time:

Solzhenitsyn—Words of Warning to America

(By Alexandr Solzhenitsyn)

(It was a dramatic warning to all the world—and to Americans in particular—that Nobel Prize winner Alexandr Solzhenitsyn delivered in Washington, D.C., on June 30.

In his first major public address since his expulsion from the Soviet Union in 1974, the author stripped bare the crimes and excesses in his native Russia—and denounced the West for a "senseless process of endless concessions to aggressors" in the Kremlin.

The 90-minute address, delivered extemporaneously in Russian, was translated as Solzhenitsyn spoke. In places where his meaning was unmistakable but the translation awkward or uncertain, the language has been clarified for the following text.)

Something which is almost incomprehensible to the human mind is the West's fantastic greed for profit and gain, which goes beyond all reason, all limitations, all conscience.

I have to admit that Lenin foretold this whole process. Lenin, who spent most of his life in the West and knew it much better than Russia, always said that the Western capitalists would do anything to supply the Soviet economy—"They will fight with each other to sell us goods cheaper and sell them quicker so that we'll buy from one rather than from the other."

And in the difficult moments of a party meeting in Moscow he said: "Comrades, don't worry when things are hard with us. When things are difficult, we will give a rope to the *bourgeoisie* and the *bourgeoisie* will hang itself with this rope."

Then, Karl Radek, a witty fellow you may have heard of, said: "Vladmir Ilyich, where are we going to get enough rope to hang the whole *bourgeoisie?*"

Lenin said immediately: "They'll supply us with it."

Nikita Khrushchev came here and said: "We're going to bury you." People didn't believe that—they took it as a joke.

Now, of course, the Communists have become more clever in my country. They do not say, "We're going to bury you" any more. Now they say, "Détente."

Nothing has changed in Communist ideology. The goals are the same as they were.

Let me take the liberty of making a short historical survey of relations which in different periods have been called trade, stabilization, recognition, détente. These relations are at least 40 years old.

Let me remind you with what sort of system the Communists started. They came to power by an abhorrent uprising. They drove away the constituent assembly. They introduced the Cheka and shooting and executions without trial; they crushed workers' strikes; they plundered the villages, and they crushed the peasants in the bloodiest possible way.

They crushed the church. They brought 20 provinces of our country into a condition of famine—this was the famous Volga famine of 1921.

A very typical Communist technique: to seize power without thinking of the fact that the productive forces will collapse, that the villages will stop producing, the factories will stop, that the country will go into poverty and famine, and when poverty and hunger come, then they request the humanitarian world to help it.

We see this in Northern Vietnam today, and almost in Portugal as well, and the same was happening in Russia in 1921.

Civil war, which was started by the Communists, was a slogan of the Communists. When they got the country into a civil war, they they asked America: "Help feed our hungry."

And generous and magnanimous America did feed their hungry. The so-called American Relief Administration was set up, headed by your future President Hoover, and indeed, many millions of Russian lives were saved.

But what sort of gratitude did you receive for this? Not only have the Communists tried to erase this whole event from the popular memory so it's almost impossible today in the Soviet press to find any reference to the American Relief Administration, they even started to accuse you of a clever scheme of American imperialism to set up a spy network in Russia.

I continue: This was the system which introduced concentration camps for the first time in the history of the world. It's a system which in the twentieth century was the first to introduce a system of hostages, that is to say, not to seize the person whom they were seeking, but rather his family or anyone anywhere near him, and shoot this person.

This system of hostages and the persecution of families exists to this day. It is today their most powerful weapon of persecution because the bravest person, who is not afraid for himself, will still shiver at the threat to his family.

This is the system which was the first—long before Hitler—to use false registration. Namely, they would order such and such people to come in to register. People would come in. At that point, they are taken away to be annihilated.

They didn't have gas chambers in those days. They used barges. Hundreds and thousands of persons were put into these barges and the barges were sunk. It's a system which exterminated all other parties, and let me ask you to remember that it destroyed not only the party itself, but the members of every party.

It's a system which introduced genocide of the peasantry. Fifteen million peasants were sent off to extermination. It's a system which, in time of peace in the Ukraine, artificially created a famine causing 6 million persons to die of famine in 1932 and 1933—on the very edge of Europe they died. Europe didn't even notice it. The world didn't even notice it.

I could keep on enumerating these things endlessly, but I have to stop because we've got to 1933.

This is the year when, with all which I have enumerated in the background, your President Roosevelt and your Congress recognized the system as being one worthy of diplomatic recognition, of friendship and of assistance. This was the beginning of the friendship and, ultimately, of the military alliance.

The scope and the direction of my speech today does not permit me to say much about prerevolutionary Russia. I just want to cite for the sake of comparison a number of figures which you can read for yourself in "The Gulag Archipelago," Volume I, which has been published in the United States:

In accordance with the calculation of the specialists of the most precise, objective statistics in the prerevolutionary Russia—during the 80 years before the Revolution, the years of the revolutionary movements when there were attempts on the Czar's life—about 17 persons a year were executed.

The famous Spanish Inquisition, at the height, destroyed perhaps 10 persons a month.

In the "Archipelago," I cite the book which was published by Chekhov in 1920. In 1918, in 1919, it gives a proud report of revolutionary activity that executed, without trial, more than 1,000 persons a month.

And at the height of Stalin's terror in '37, '38, if we divided the number of persons executed by the number of months, we will get more than 40,000 per month. These are the figures: 17 a year, more than 10 a month, more than 1,000 a month, more than 40,000 a month. This is how progressed what in Russia was being called conservatism.

What made it possible for the democratic West to form an alliance with the Russia of those years and with this country, the Soviet Union? The entire united democracy of the world—England, France, United States, Canada, Australia and other small countries—entered into a military alliance with the Soviet Union in 1941. How is this to be explained? How can we understand this?

The first explanation we can offer is that perhaps it means that the entire united democracies of the world were too weak to fight just one Germany alone. Hitler alone. If this is the case, then it is a terrible portent. It's a terrible prophecy for the present day. If all these countries together could not defeat one little Germany at the time of Hitler, what are they going to do today, when more than one half of the globe is flooded with totalitarianism?

I don't want to accept this explanation. Then perhaps the second explanation: that this was simply an attacak of panic, of fear of the statesmen of the day. They simply didn't have sufficient confidence in themselves, didn't have the strength of spirit, and in this confused state, decided to enter into an alliance with the Soviet totalitarianism.

Or finally, the third explanation is that this was a deliberate device. Democracy did not want to defend itself, it wanted to defend itself by means of another totalitarian system: the Soviet totalitarian system. I am not talking now about the moral evolution of this—I'm going to talk about that later—but purely in terms of common calculations. How nearsighted is that? What profound self-deception is that?

We have a Russian proverb: Do not call a wolf to help you against the dogs. If the dogs are attacking you, fight against the dogs. Fight against the dogs, but do not call the wolf to help you. Because when the wolves come, they will consume or chase away the dogs, but they will tear you apart as well.

The world democracy could have defeated one totalitarian regime after another—the German, then the Soviet. Instead, it strengthened the Soviet totalitarianism, had helped to bring into existence a third totalitarianism, that of China—all this finally precipitated the present world situation.

Roosevelt in Teheran, during one of his last toasts, made this statement. He said: "I do not doubt that the three of us"—meaning Roosevelt, Churchill and Stalin—"that we lead our peoples in accordance with their desires, in accordance with their aims."

How are we to explain this? Well, we'll leave it to the historians. We at the time listened, and we were astonished.

We in the Russian Army thought when we reach Europe we will meet the Americans, and we will tell them. I was in those troops which were marching toward Elbe. A little bit more and I would have reached Elbe, and would have shaken the hand of the front troops of the United States Army. But a little before then, I was taken off to the prison, and my meeting did not take place. But now, with this great delay, here I am to tell you, as a friend of the United States, what as friends we wanted to tell you then, but which our soldiers were prevented from telling you on the Elbe.

There is another Russian proverb: The enemy is the yes man, but the friends will argue with you. It is precisely for that reason that I have come to tell you, my friends.

I'm not going to tell you sweet words. The situation in the world is not just dangerous. It isn't just threatening. It is catastrophic.

Something that is incomprehensible to the ordinary human mind has taken place. We, over there—the powerless, average Soviet people—couldn't understand year after year, and decade after decade, what is happening.

England, France, the United States—the states which were victorious in the second World War—the victorious states have to dictate the peace and they have to receive good conditions, firm conditions, and create an existence which accords with their philosophy, with their concept of liberty, their concept of national interest.

Instead of this, your statesmen of the West, for some inexplicable reason, signed one capitulation after another. And your President Roosevelt did not pose any conditions to the Soviet Union before he gave them unlimited aid.

In Yalta, without any need for it, the occupation of Mongolia, Moldavia, Esthonia, Latvia, Lithuania were recognized. Immediately after that, almost nothing was done to protect Eastern Europe, and seven or eight countries of Eastern Europe were also surrendered.

Stalin had demanded that the Soviet citizens who did not want to return home be handed over to him. And the Western countries then handed over 1.5 million human beings—by force. English soldiers were killing Russians who did not want to become prisoners of Stalin, and pushed them by force to Stalin to be exterminated.

How could the Western democracies have done this? And immediately after that came the other 30 years that followed—the constant retreat, the surrender of one country after another, up to the point where now, in Africa, there are Soviet satellite countries; almost all of Asia is taken over by them; Portugal is rolling down into the precipice. During the 30 years, more was surrendered to totalitarianism than ever—ever in the world history after any war had any defeated country surrendered.

There was no war, but there might as well have been.

For a long time, I couldn't understand this. We couldn't understand the flabbiness of this truce which was conducted in Vietnam. Any average Soviet citizen understood that this was a sly device which made it possible for Northern Vietnam to take over Southern Vietnam when it so chooses. And suddenly, this is being rewarded by the Nobel Prize for peace? A tragic and ironic peace.

This is a very dangerous sentiment, which may arise as a result of this 30 years' retreat. The feel for the world that comes as a result of it is to give in as quickly as possible, to give up as quickly as possible, and to get peace and quiet at any cost.

Many papers in the West have written: Let's hurry up and end the bloodshed in Vietnam and have national unity there.

One of your leading newspapers, after the end of Vietnam, gave a full, big headline: "The Blessed Silence." I would not wish that kind of blessed silence on my worst enemy. I would not wish that kind of national unity upon my worst enemy.

I have spent 11 years in the "archipelago." And for half of my lifetime I have studied this question. Looking at this terrible tragedy in Vietnam from a distance, I can tell you: A million persons will be exterminated. Four to 5 million—in accordance with the scale of Vietnam—will spend time in concentration camps and will be rebuilding Vietnam.

What is happening in Cambodia you already know. It is genocide. It is full and complete destruction, but in a new form.

Once again, the technology is not up to building gas chambers, so in a few hours the entire capital city, the guilty capital city is emptied out—old people, women, children are driven out without belongings, without food. Go, die!

Now we hear voices in your country and in the West: Give up Korea and we will live in peace. Give up Portugal, of course. Give up Japan, give up Israel, give up Taiwan, Philippines, Malaysia, Thailand, 10 African countries. Just let us live peaceably.

Give us the possibility to continue driving our beautiful cars on our splendid highways. Make it possible for us to play tennis and golf. Let us mix our cocktails as we are accustomed to doing. Let us see the beautiful, toothy smile in the glass on every advertisement page of a magazine.

But this is how things are turning out to be. It is turning out to be that now, in the West, all this has become a means of accusing the United States.

Now in the West we hear many voices which say it is the fault of America. And here I must decisively state that I must defend the United States against these accusations. I have to say that the United States, of all the countries of the West, is the least guilty in all this. It has done the most in order to prevent it.

The United States helped Europe to win the first and the second World War. It lifted up Europe from the disaster of destruction of the war, twice. For 10, 20, 30 years, it has stood as a shield protecting Europe while European countries were counting their pennies, and were trying to find a means of not paying their standing armies, or better yet, not to have them at all. How not to pay for the armaments. How to leave NATO, knowing that in any case the United States will protect them. These countries with thousands of years of civilization and culture—these countries have begun this, even though they are closer and they should be able to sort the situation out better.

I have come to your continent. For two months I have been traveling in its wide-open spaces. Here you do not feel the nearness of it all, the immediacy of it all. And here it is possible to miscalculate. Here you must make a spiritual effort to understand the situation.

The United States of America, for a long time, has shown itself to be the most magnanimous, the most generous country in the world. Wherever there is a flood, an earthquake, a fire, a natural disaster, disease, who is the first to help? The United States.

And what do we hear in response? Reproaches, condemnation, swear words, "Yankee go home!" American [information] centers are being destroyed—being burned—and the representatives of the "third world" jump up on the table to vote against the United States.

But this does not reduce the load on America's shoulders. The course of history, whether you like it or not, has made you the leaders in the world. Your country can no longer afford to think provincially. Your political leaders cannot think only about their State, only about their party, about small situations. You must think about the whole world. And when a new political crisis in the world arises—and I think that we have just come to the end of a very acute crisis and the next one will come any moment—the main decisions will fall on the shoulders of the United States of America.

Allow me to quote what I have heard here: "It is impossible to protect those who do not have the will to defend themselves."

I agree with that. But I must say this was said about Vietnam. In one half of today's Europe and in three quarters of today's world, the will to defend itself is even less than it was in Southern Vietnam.

One hears: "We cannot defend those who cannot defend themselves with their own human resources, with their own manpower." But, against the powers of totalitarianism—when all of this power is thrown against a country—no country can defend itself with its own resources.

We are told: "It is not possible to protect those who do not have full democracy." This is the most remarkable argument of the lot. This is the leitmotiv I read in your newspapers and I hear in the speeches of some of your political leaders. Who in the world, on the front lines of defense against totalitarianism, ever has been able to sustain full democracy? You? The United States?

Even the united democracies of the world were not able to do it—America, England, Canada, Australia. With the first danger of Hitlerism, you stretched the hand out to Stalin.

It is also said that "if the Soviet Union is going to use détente for its own ends, then we"—But what will happen then? The Soviet Union *has* used détente in its own interest, is using it now, and will continue to use it in its own interest.

For example, in China and in the Soviet Union they're both participating in détente, but they have grabbed three countries of Indo-China in a quiet way. True, perhaps as a consolation, they will send you a table-tennis team!

Years ago, the Soviet Union sent you the pilots who at one time crossed the North Pole on the way to America. I remember very well the year—this was June of 1937—when the Russian pilots accomplished their heroic flight across the North Pole and landed in the State of Washington. This was the year when Stalin had executed more than 40,000 persons a month and Stalin knew what he was doing. The pilots were heroic—nobody will say anything against them—but this was a show, a show to distract you from the real events of 1937.

And what is the occasion now? Is it an anniversary, 38 years? Is 38 years some kind of an anniversary? No, simply they have to cover up Vietnam, and once again those pilots were sent here. The Chkalov Memorial was inaugurated in the State of Washington. Chkalov is a hero and is worthy of a memorial. But, in order to present the true picture, behind the memorial there should have been a wall, and on it there should have been a base-relief showing the execution, showing the skulls and bones.

SENATE—*Wednesday, July 16, 1975*

(Legislative day of Thursday, July 10, 1975)

The Senate met at 10 a.m., on the expiration of the recess, and was called to order by Hon. JAMES B. ALLEN, a Senator from the State of Alabama.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Our Father God, as the day opens before us, we open our hearts to Thee. May our prayers be the channels of Thy grace through which shall come to us a calm, restoring stillness at the center of our being. Restore our souls and reinforce our spirits. Send us to our tasks with kind hearts, clear thoughts, and a sure faith. Help us to build the Nation on whatever is good and beautiful and true that our greatness may be in character and our security rest in the things of the spirit.

We pray for the nations of the Earth that good will may transcend ill will and that the détente in space may lead to concord on the planet Earth.

May the benediction of Thy peace be upon us evermore.

We pray in the Redeemer's name. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., July 16, 1975.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. JAMES B. ALLEN, a Senator from the State of Alabama, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

Mr. ALLEN thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Journal of the proceedings of Tuesday, July 15, 1975, be approved.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today except during debate on the Durkin-Wyman issue.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ENERGY POLICY BATTLE

Mr. MANSFIELD. Mr. President, I ask unanimous consent that a very worthwhile article on the energy policy battle, which gives both sides of the situation as it has developed and is developing, be printed in the RECORD at the conclusion of my remarks. This is an article by Mr. Leonard Silk, which is contained in the New York Times of July 16, 1975, and which I commend to the leadership for its perusal and study.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, July 16, 1975]

ENERGY-POLICY BATTLE—SHARP OIL-PRICE RISE IS LIKELY WHETHER FORD OR CONGRESSIONAL DEMOCRATS WIN

(By Leonard Silk)

The battle between President Ford and Congressional Democrats over energy policy is on, and while it is impossible to be sure how it will come out, oil prices are likely to rise substantially. President Ford is strongly for decontrol of oil, but he has indicated a willingness to compromise with Congress over phasing decontrol of "old" oil—now $5.25 a barrel—in over a period of two and a half years and putting a "cap" of $13.50 on a barrel of "new" domestic oil.

Imported oil from the Middle East sells here at $13.50 to $14.25 a barrel—including President Ford's $2 tariff and other fees. A strong card that Mr. Ford is holding in his push for gradual decontrol is that oil controls are scheduled to expire Aug. 31. The President has threatened to veto any effort of Congress to extend those controls if it rejects his compromise offer.

Mr. Ford's opponents in Congress are likely to hit back, confident of consumer anger with the President and the Republicans if total decontrol permits prices of "old" oil (produced before 1972) and the average prices paid at the gasoline pump to the heating-oil dealer, the electric company and others to rise too quickly.

Yesterday the Senate picked up Mr. Ford's gauntlet. It passed a bill to extend oil control until March 31, 1976, by a 62-to-29 majority—enough to override a Presidential veto, if that majority held. The bill has gone to the House.

However, even if the House passes the bill by a slim 2-to-1 majority as in the Senate, it is by no means certain that House or Senate will be able to muster the votes to override, once the President vetoes an extension of oil decontrol.

Political and industrial pressures will intensify on the small number of additional Representatives or Senators needed to uphold the President's veto—as has happened in earlier tests this year.

This struggle over oil prices is shaping up as the critical economic event of the year—and possibly for several years to come.

It will have a major effect on the future course of inflation. Should the President completely decontrol oil prices, they would quickly soar to the level of domestic "new" oil, $12.75 a barrel.

But if the member countries in the Organization of Petroleum Exporting Countries increase their oil price in October as they earlier insisted they would do, the price of both new and old domestic American crude would probably go higher still.

The oil-producing countries have at times suggested that they would increase the price of their product as much as $4 a barrel. Many oil-industry sources think the OPEC price increase in the fall is more likely to be $2.

FREE-MARKETERS' CONTENTION

Free-marketers have long contended that OPEC could not hold together to sustain prices even at their existing level. On April, 1975, Prof. Milton Friedman of the University of Chicago said the cartel was "on the verge" of breaking up and that prices in real terms would be lower than before the crisis of 1973.

There's no sign of a collapse yet as OPEC members have been able to rein production in enough to hold up prices.

In May OPEC countries were producing 26 million barrels of oil a day—with 11.3 million barrels, or 30 per cent held as spare capacity. OPEC as a whole has been operating at 70 per cent of capacity since early this year.

In terms of millions of barrels, the Arabian American Oil Company, which produces Saudi Arabia's oil, has taken the biggest cuts. In March, Aramco produced 6.3 million barrels a day, holding 3.5 million barrels, or 36 per cent, as spare capacity.

Iran cut only 15 per cent—1 million barrels—Venezuela was also down only 14 per cent—400,000 barrels below capacity. Iraq was down 25 per cent, Abu Dhabi 40 per cent and Libya 61 per cent.

To be sure, it may prove to be difficult for OPEC countries to raise prices even $2 a barrel without further production cutbacks.

OPEC members had apparently been reading the advance notices of the coming economic recovery when they made their announcements of intentions to raise oil prices 30 to 35 per cent this fall.

Thus far the advertised recovery appears to be behind schedule *not only* in the United States but also in West Germany, Japan and other industrial countries. This is why oil marketers here think the OPEC increase is more likely to be $2 than $4.

Such an increase, if combined with decontrol of old $5.25 oil, appears likely to lift the average price of oil in the United States to at least $14 a barrel—from an average blend price earlier this year of about $9.50.

That increase would hit consumers, when fully effected, in the price of gasoline, home heating oil, electric bills and all the other ways fuel gets into the cost of living.

It would also put extra costs on airlines, utilities, state and local governments—and, through them, on taxpayers.

RECESSIONARY PRESSURES

It would also tend to increase the prices of substitute fuels, such as coal and gas (especially if Mr. Ford also won his battle to decontrol natural gas as well as oil.)

The impact of a steep increase in energy prices which could amount to $35-billion; would not only add to inflation but also put recessionary * * * the amount of money that consumers and businesses, confronted with higher fuel costs, would be able to spend on other goods and services.

Critics of the Administration have been stressing the urgency of further tax cuts and a more expansive monetary policy to offset the depressive effect of much higher fuel costs. The Administration has acknowledged the problem but has not made clear how—and how much—of the higher payments for oil and gas would be recycled back into the economy.

ADMINISTRATION REASONING

The Administration and its supporters in the oil industry justify this high-price and decontrol policy as the best means of curbing domestic fuel consumption, stimulating homes production oil supplies.

They also argue that it is essential to reducing the transfer of vast wealth to the OPEC countries and stabilizing the world economy. Earlier estimates that the petrodollar problem was a myth—or at least would soon fade into insignificance—have recently been assailed from several sources.

Three economists at the World Bank—Jean Waelbroeck, J. W. Gunning and M. Osterrieth—in an independent study that does not necessarily represent the official view of the World Bank, have projected a buildup of OPEC monetary reserves of $189-billion by 1980 and $215-billion by 1985—as measured in 1973 dollars. In terms of current dollars, resulting from ongoing 6 per cent inflation, this would imply OPEC surpluses of about $325-billion in 1980 and $490-billion in 1985.

The Exxon Corporation, the largest American-based oil corporation, has even higher estimates. On the assumption of its "low demand" model, Exxon projects a buildup of OPEC cumulative surpluses to $330-billion by 1980 and to $540-billion by 1985 in current dollars.

On "intermediate demand" assumptions, Exxon estimates the cumulative 1980 surplus of OPEC countries at $380-billion in current dollars in 1980 and $760-billion in 1985.

Walter J. Levy, the oil consultant, foresees a 1980 surplus for $449-billion.

HIGHER PRICES SEEN NEEDED

The Exxon projection is based on an oil price that after some rise at the end of 1975, then remains constant in real terms—that is, in relation to world prices. In the view of the corporation's economists, higher prices are essential to restrain the growth of energy use, call forth more non-OPEC production and scale back the growth of OPEC surpluses.

Americans, according to this view, must simply get used to the idea of paying much higher prices for energy as world oil reserves decline and higher cost substitute energy fuels and technologies take over.

But critics of the oil companies and the Administration regard this as a self-interested policy—and one that, even if it should ultimately prove correct, needs to be cushioned and made more equitable, lest American consumers, other businesses and the economy generally receive another devastating jolt of inflation-cum-recession, with severe side effects on world trade as well.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Does the acting Republican leader desire recognition in his capacity as acting Republican leader?

Mr. TAFT. Mr. President, the acting leader has no comments at this time. The minority leader is unable to be present for the moment, but may return later.

The ACTING PRESIDENT pro tempore. At this time then, in accordance with the previous order, the Chair recognizes the distinguished senior Senator from Ohio (Mr. TAFT) to proceed for not to exceed 15 minutes.

ORDER FOR RECESS UNTIL 10 A.M. TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 10 o'clock tomorrow morning.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE ON COMMERCE INVESTIGATORS' VISIT

Mr. TAFT. Mr. President, it is with considerable distress that I rise in the Senate again today because I must report what I consider to be the failure of one of our Senate committees to deal effectively with a very serious problem.

Last week I brought to the attention of the Senate letters that I had received from Sandusky, Ohio, telling of an unannounced visit by two Senate Commerce Committee investigators to interrogate business leaders who had signed an advertisement supporting deregulation of natural gas.

In the speech last week, I condemned this attempt of Congress staff members to intimidate citizens who were merely trying to exercise their constitutional right of free expression on a key issue to the economy of the United States and, especially, to the economy of that area where it is estimated that some 8,000 jobs may well be in jeopardy next winter unless there is some relief from the present shortage situation relating to natural gas.

Mr. President, I was pleased that the chairman of the Committee on Commerce acted quickly to call a meeting of that committee to air the issue. However, I fear what happened yesterday fell far short of what should be done to correct an intolerable situation and to prevent any repetition.

The meeting was closed to the public and even to Senate staff. It appears that we are faced with an almost complete whitewash, with the real problems going completely undiscussed, at least insofar as the Senate is concerned and insofar as the public is concerned.

I think that it is imperative that the committee hold open hearings and consider whether or not the investigation of signatures on newspaper ads is a legitimate activity of congressional committee staffs, especially when not authorized by any committee, subcommittee, or Senator on any committee.

I have reviewed the report that was filed by the investigators who went to Sandusky and a number of questions still remain unanswered. First, while the report starts out stating that the mission was to find out if the ad was bona fide, this was never mentioned to the citizens of Sandusky who are interviewed. In fact, they were told directly to the contrary. The participants in the meeting with the investigators have assured my staff that they asked Gray the specific question why they had come to Sandusky, and the response was to get the facts on S. 692. If their motives were legitimate, why did they hide the facts?

Second, there is the question of whether or not this was an isolated incident. If one is to believe the Gray report, he came up with the idea on the 24th, had it approved that very afternoon and landed in Sandusky the next day. This seems to be very remarkable speed for an idea where no previous work had been done, for an isolated incident, where there was no precedent allegedly for such a trip and such an investigation taking place.

Third, I am concerned that in his report Mr. Gray intends us to be convinced that he has all the facts he needs after talking to only 1 of the 10 people who signed the ad.

Finally, and most seriously, Mr. Gray tries to hide behind a ridiculous charge that if anyone was intimidated in Sandusky, it was he and Mr. Cartwright by the businessmen. This type of obfuscation by Senate staff in a report to its committee is intolerable.

The business leaders were properly expressing resentment at uninformed self-appointed inquisitors who did not know the bill they were lobbying.

I feel strongly that public hearings are necessary at this point in time. I misstated yesterday that the junior Senator from New York (Mr. BUCKLEY) was asking for such a hearing. I now know he is considering it and I hope he will, as a member of the committee. We cannot let this kind of thing happen and then be casually brushed aside behind closed doors. As I understand it, all that was done at the secret, behind closed doors meeting, amounted to a slap on the wrist to the counsel who authorized the trip, plus a committee rule that in the future the chairman and ranking member must approve such trips. The latter might help—for a month or so.

But we all know in the actual facts of how Senate committees operate that an authorization once given for investigating a particular area will be interpreted, unless there is a specific understanding to the contrary, as giving the kind of authority that apparently the staff arrogated to themselves in this particular situation.

I think this type of "Big Brother" investigation jeopardizes and thwarts the input by our constituents into the legislative process.

The people of Sandusky and the Nation are deeply and properly concerned about the energy crisis and what to do about the natural gas shortage. They do not want to see the Commerce Committee staff wasting its time running around the Nation talking to individuals who support views opposite to those held by the committee majority.

I have been told by those who met with the investigators that Mr. Gray even threatened that if S. 692 is not approved there will be no legislation in the gas deregulation field.

I feel strongly that the public and the Congress is entitled to know what other investigations the committee has conducted or is conducting to thwart the democratic process. This can only be done in open public hearings.

Mr. President, I yield back the remainder of my time.

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business not to exceed 15 minutes, with statements therein limited to 5 minutes each.

Is there morning business to be transacted?

TEMPORARY SUSPENSION OF DUTY ON CERTAIN CATALYSTS OF PLATINUM AND CARBON

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 267, H.R. 7728.

The ACTING PRESIDENT pro tempore. The bill will be stated by title.

The legislative clerk read as follows:

A bill (H.R. 7728) to suspend until the close of October 31, 1975, the duty on catalysts of platinum and carbon used in producing caprolactum.

The ACTING PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on Finance with an amendment on the bottom line of page 1, strike out "October 31, 1975" and insert in lieu thereof "10/31/75."

The ACTING PRESIDENT pro tempore. The question is on agreeing to the committee amendment.

The amendment was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the Record an excerpt from the report (No. 94–274), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the Record, as follows:

Report No. 94–274

I. SUMMARY

House bill.—The first section of the bill amends subpart B of part 1 of the Appendix to the Tariff Schedules of the United States (TSUS) to insert new item number 911.40 after item number 911.25 to suspend the column 1 and column 2 rates of duty on catalysts of platinum and carbon imported for use in producing caprolactam until October 31, 1975.

Section 2 of the bill applies the temporary duty suspension to imports of such catalysts entered, or withdrawn from warehouse, for consumption on or after the date of enactment. It also provides for retroactive duty suspension on entries or withdrawals after October 1, 1973, upon appropriate request filed with the customs officer concerned within 120 days after the date of enactment.

Committee amendment.—The committee amendment would change the form of the termination date in the bill from written to numerical.

II. GENERAL STATEMENT

The particular type of catalysts covered by the bill are imported under item 656.05 of the TSUS. They are currently subject to a column 1 rate of duty of 20 percent ad valorem (applicable to imports from countries accorded nondiscriminatory (MFN) tariff treatment) and a column 2 rate of 65 percent ad valorem (applicable to imports from countries not accorded MFN treatment). The suspension would apply to both the column 1 and column 2 duties.

Caprolactam monomer is a benzenoid chemical used primarily as an intermediate in producing nylon 6, which is used mainly in the manufacture of fabrics, tires, and plastics. It has been in short supply until recently.

There are three domestic producers of caprolactam. One of these firms introduced a new production process in late 1973 and found it necessary to use a specially designed platinum-carbon catalyst. Neither this catalyst nor a suitable substitute was available at the time from domestic producers and they were obtained instead from a catalyst manufacturer in West Germany.

Generally, the usefulness of precious-metal catalysts such as these can be extended by periodically restoring the carbon base. Normally this operation is performed by the user in his plant. In this case, however, neither the user nor the domestic catalyst manufacturers could restore the carbon base. The caprolactam producer had to ship the spent catalysts to the West German manufacturer to recycle the palladium and platinum into new catalysts. Although over 97 percent of the value of the new catalyst is accounted for by platinum and palladium on which the duty had been paid previously, under a Customs ruling the article has been subject to the full duty each time it has been reimported as though it were a new catalyst. About every three months the firm has been importing a shipment of the catalysts valued at about $300,000. The 20 percent ad valorem duty on this value has represented a considerable outlay for the firm.

The committee agreed to amend the House bill to change the form of the termination date from "October 31, 1975" to "10/31/75."

The Committee recommends favorable consideration of the bill by the Senate. No unfavorable comment was received by the Committee from the general public on this bill. No executive agencies objected to this bill. The Department of the Treasury suggested that the termination date be moved back to an earlier date, but the Committee agreed to keep the October 31, 1975 termination date in the House bill.

III. COSTS OF CARRYING OUT THE BILL AND EFFECT ON THE REVENUES OF THE BILL

In compliance with section 252(a) of the Legislative Reorganization Act of 1970, the following statement is made relative to the costs to be incurred in carrying out this bill and the effect of the revenues of the bill. The Committee estimates that the temporary suspension of duties on catalysts of platinum and carbon used in producing caprolactam provided by the bill would result in a loss of revenue of approximately $240,000.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. TAFT. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, on the basis of an agreement reached yesterday with the Republican leadership, I ask unanimous consent at this time that all committees may meet today during the session of the Senate.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Message from the President of the United States were communicated to the Senate by Mr. Marks, one of his secretaries.

REPORT ON HAZARDOUS MATERIALS CONTROL—MESSAGE FROM THE PRESIDENT

The ACTING PRESIDENT pro tempore (Mr. Allen) laid before the Senate a message from the President of the United States transmitting the fifth annual report on hazardous materials control, which, with the accompanying report, was referred to the Committee on Commerce. The message is as follows:

To the Congress of the United States:

I transmit herewith the Fifth Annual Report on Hazardous Materials Control as required by the Hazardous Materials Transportation Control Act of 1970, Public Law 91–458. This report has been prepared in accordance with section 302 of the act, and covers calendar year 1974.

Gerald R. Ford.

The White House, *July 16, 1975.*

MESSAGES FROM THE HOUSE

At 4:30 p.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 66) to amend title VIII of the Public Health Services Act to revise and extend the programs of assistance under that title for nurse training and to revise and extend programs of health revenue sharing and health services.

The message also announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 5901) making appropriations for the Education Division and related agencies, for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes; that the House recedes from its disagreement to the amendments of the Senate numbered 15, 16, and 17 to the bill and concurs therein; that the House recedes from its disagreement to the amendments of the Senate numbered 10 and 21 and concurs therein, each with an amendment in which it requests the concurrence of the Senate; and that the House insists on its disagreement to the amendment of the Senate numbered 44.

ENROLLED BILL SIGNED

At 6:50 p.m., a message from the House of Representatives delivered by Mr. Berry announced that the Speaker has signed the enrolled bill (S. 66) to amend the Public Health Service Act and related health laws to revise and extend the health revenue sharing program, the family planning programs, the community mental health centers program, the program for migrant health centers and community health centers, the National Health Service Corps Program, and the programs for assistance for nurse training, and for other purposes.

The enrolled bill was subsequently signed by the Vice President.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session, the following executive reports of committees were submitted:

By Mr. DOLE, from the Committee on Agriculture and Forestry:

Richard E. Bell, of Maryland, to be a member of the Board of Directors of the Commodity Credit Corporation.

Richard E. Bell, of Maryland, to be an Assistant Secretary of Agriculture.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The ACTING PRESIDENT pro tempore (Mr. Allen) laid before the Senate the following letters, which were referred as indicated:

Report of the Secretary of Transportation

A letter from the Secretary of Transportation transmitting, pursuant to law, a report concerning the jurisdictional differences between the Department of the Interior and the Department of Transportation relating to the construction, operation, and maintenance of pipelines on the Outer Continental Shelf (with an accompanying report); to the Committee on Commerce, the Committee on Interior and Insular Affairs, and the Committee on Public Works, jointly, by unanimous consent.

Applications for Loans Under the Small Reclamation Projects Act

Two letters from the Deputy Assistant Secretary of the Interior transmitting copies of applications for loans; the first from the Redwood Valley County Water District of Redwood Valley, Calif.; and the second from the Consolidated Irrigation District of Selma, Calif. (with accompanying papers); to the Committee on Interior and Insular Affairs.

Distribution of Judgment Funds

Two letters from the Secretary of the Interior transmitting, pursuant to law, proposed plans for the use and distribution of judgment funds; the first relating to the Cabazon Band of Mission Indians awarded in docket 148 before the Indian Claims Commission; and the second relating to the Winnebago Tribe of Nebraska and the Winnebago Tribe of Wisconsin, awarded in dockets 243, 244, and 245 before the Indian Claims Commission (with accompanying papers); to the Committee on Interior and Insular Affairs.

Proposed Legislation by the Department of Agriculture

A letter from the Assistant Secretary of Agriculture transmitting a draft of proposed legislation to repeal certain requirements relating to notice of animal and plant quarantines, and for other purposes (with accompanying papers); to the Committee on Agriculture and Forestry.

Report of the Secretary of Housing and Urban Development

A letter from the Secretary of Housing and Urban Development transmitting a report on a violation of section 3679 of the Revised Statutes, as amended, within the Department of Housing and Urban Development (with an accompanying report); to the Committee on Appropriations.

Proposed Legislation by the Secretary of Transportation

A letter from the Secretary of Transportation transmitting a draft of proposed legislation to authorize additional appropriation authorizations, and for other purposes (with accompanying papers); to the Committee on Commerce.

Proposed Act by the Council of the District of Columbia

A letter from the Chairman of the Council of the District of Columbia transmitting, pursuant to law, a proposed act adopted by the Council relating to rent control (with accompanying papers); to the Committee on the District of Columbia.

Proposed Legislation by the Department of Labor

A letter from the Secretary of Labor transmitting a draft of proposed legislation to extend and improve the Federal-State unemployment compensation program (with accompanying papers); to the Committee on Finance.

Proposed Regulations Relating to Certain Trade Practices of Foreign Governments

A letter from the Special Representative for Trade Negotiations relating to proposed regulations concerning certain trade practices of foreign governments; to the Committee on Finance.

International Agreements Other Than Treaties

A letter from the Assistant Legal Adviser for Treaty Affairs of the Department of State transmitting, pursuant to law, copies of international agreements other than treaties entered into by the United States within the past 60 days (with accompanying papers); to the Committee on Foreign Relations.

Report of the Comptroller General

Three letters from the Comptroller General of the United States transmitting, pursuant to law, three reports titled as follows: "Review of U.S. Import Restrictions—Need To Define National Sugar Goals"; "Leased-Housing Programs Need Improvements in Management and Operations"; and "Examination of Financial Statements Government Printing Office Fiscal Year 1974" (with accompanying reports); to the Committee on Government Operations.

Reports of the Comptroller General

A letter from the Comptroller General of the United States transmitting, pursuant to law, a report entitled "Examination of Financial Statements of the National Credit Union Administration for the fiscal year ended June 30, 1974, Limited by Restriction on Access to Credit Union Examination Records" (with an accompanying report); to the Committee on Banking, Housing and Urban Affairs.

A letter from the Comptroller General of the United States transmitting, pursuant to law, a report entitled "Need To Reduce Public Expenditures for Newly Arrived Immigrants and Correct Inequity in Current Immigration Law" (with an accompanying report); to the Committee on Government Operations.

Report of the Commission on Civil Rights

A letter from the Commission on Civil Rights transmitting, pursuant to law, the third in a series of reports examining the extent of civil rights progress in the United States since Brown against Board of Education (with an accompanying report); to the Committee on the Judiciary.

Alterations of Certain Public Buildings

Five letters from the Administrator of General Services transmitting, pursuant to law, copies of prospectuses for alterations at certain public buildings (with accompanying papers); to the Committee on Public Works.

Proposed Legislation by the Federal Energy Administration

A letter from the Administrator of the Federal Energy Administration transmitting a draft of proposed legislation to revise the method of providing for public remuneration in the event of a nuclear incident and for other purposes (with accompanying papers); to the Joint Committee on Atomic Energy.

Location of Nuclear Energy Center Sites

A letter from the Chairman of the Nuclear Regulatory Commission relating to a survey to identify possible nuclear energy center sites; to the Joint Committee on Atomic Energy.

Proposed Legislation by the Attorney General

A letter from the Attorney General transmitting a draft of proposed legislation providing for interim designation of United States attorneys by the Attorney General (with accompanying papers); to the Committee on the Judiciary.

Report of the Commission on Civil Rights

A letter from the Commission on Civil Rights transmitting, pursuant to law, a report evaluating the civil rights activities of certain Federal agencies with major responsibilities for insuring equal employment opportunity (with an accompanying report); to the Committee on Labor and Public Welfare.

Report of the General Services Administration

A letter from the Administrator of General Services transmitting, pursuant to law, a report on prospectuses which propose entering into succeeding leases for certain space presently occupied in Washington, D.C., and Baltimore, Md. (with accompanying papers); to the Committee on Public Works.

Report of the Office of Management and Budget

A letter from the Director of the Office of Management and Budget transmitting a report on rescissions and deferrals, pursuant to the Congressional Budget and Impoundment Control Act of 1974 (with an accompanying report); to the Committees on Appropriations, Budget, Finance, Commerce, Armed Services, Agriculture and Forestry, Labor and Public Welfare, Interior and Insular Affairs, and the Judiciary, pursuant to the order of January 30, 1975, and ordered to be printed.

Report of the Comptroller General

A letter from the Comptroller General of the United States reporting, pursuant to law, on a deferral of Department of Agriculture and Department of Interior budget authority; to the Committees on Appropriations, Budget, Agriculture and Forestry, and Interior and Insular Affairs, pursuant to the order of January 30, 1975, and ordered to be printed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that a report transmitted by the Secretary of Transportation relative to the Deepwater Port Act of 1974 be referred jointly to the Committees on Commerce, Interior and Insular affairs, and Public Works.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

PETITIONS

Petitions were laid before the Senate and referred as indicated:

By the ACTING PRESIDENT pro tempore (Mr. ALLEN):

Senate Joint Resolution No. 36 adopted by the Legislature of the State of Nevada; to the Committee on Interior and Insular Affairs and the Committee on Agriculture and Forestry, jointly, by unanimous consent:

"SENATE JOINT RESOLUTION NO. 36

"Whereas, The Tahoe Regional Planning Compact was enacted into law by the State of Nevada and the State of California and consented to by the Congress of the United States; and

"Whereas, The Tahoe Regional Planning Agency, as the governing body administering the compact, does not have power to acquire land, keep reserves of land or negotiate as a real party in interest with owners of real property for exchanges of unimproved land in the region; and

"Whereas, The United States, through the Secretary of Agriculture or the Secretary of the Interior, has such powers and has utilized such powers within the Lake Tahoe basin; and

"Whereas, The United States, through the Secretary of Agriculture and the Secretary of the Interior, has in the past cooperated in the exchange of privately owned land in the Lake Tahoe basin for federal lands outside of the basin; and

"Whereas, There are many parcels of privately owned, unimproved land within the basin which are desirable for public acquisition; and

"Whereas, There are many desirable lands within the basin that are subject to pending proposals for exchange, which proposals have been pending for some time; and

"Whereas, The Secretary of the Interior and the Secretary of Agriculture are authorized by federal law to cooperate with the Tahoe Regional Planning Agency respecting the implementation of the goals and policies of activities undertaken pursuant to the compact; and

"Whereas, The Lake Tahoe basin is an area of public and federal concern; now, therefore, be it

"*Resolved by the Senate and Assembly of the State of Nevada, jointly,* That this legislature respectfully but urgently memorializes the President of the United States, the Secretary of the Interior and the Secretary of Agriculture to cooperate in the exchange of privately owned land within the basin for publicly owned land outside the basin so that land within the Lake Tahoe basin can be held and preserved in public ownership for the benefit of all citizens of the United States and that private individuals can retain their economic value in land outside the basin; and be it further

"*Resolved,* That the legislative counsel forthwith transmit a copy of this resolution to the President of the United States, the President of the Senate, the Speaker of the House of Representatives, each member of the Nevada congressional delegation, the Secretary of Agriculture, the Secretary of the Interior and the Director of the Bureau of the Budget; and be it further

"*Resolved,* That this resolution shall become effective upon passage and approval."

Assembly Joint Resolution No. 11 adopted by the Legislature of the State of California; to the Committee on Agriculture and Forestry:

"ASSEMBLY JOINT RESOLUTION NO. 11

"Whereas, The chemical chlordane has proven to be of inestimable benefit in the production of citrus fruit and other agricultural products; and

"Whereas, The use of chlordane in the production of citrus fruit permits and supports the successful use of predators and parasites which provide biological control of destructive citrus pests; and

"Whereas, No other pesticide achieves the same results as chlordane, and the use of substitutes would increase the cost of citrus production significantly and impair biological control programs; and

"Whereas, As the agricultural industry is being called on for greater levels of food production, the use of chlordane becomes more crucial; and

"Whereas, The evidence of suspected harmful effects has not been demonstrated or observed in controlled patterns of pesticide use; and

"Whereas, Chlordane is highly controlled when used in California citrus groves, is used for ground application only, and then usually in granulated form so that no drift occurs; and

"Whereas, There has been no evaluation of the possible harmful effects of chlordane associated with such uses, and further study and information is needed; now, therefore, be it

"*Resolved by the Assembly and Senate of the State of California, jointly,* That the Legislature of the State of California respectfully memorializes the President and the Congress of the United States to require the United States Environmental Protection Agency to delay any action that might eliminate chlordane or heptochlor from those pesticides acceptable for agricultural uses, until an in-depth hearing of the problem, one meeting of which should be held in California, where evidence of the safe and controlled use of chlordane can be properly presented to the Environmental Protection Agency and the results of such hearing are made public; and be it further

"*Resolved,* That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States and to the Administrator of the Environmental Protection Agency."

Resolution No. 116 adopted by the Assembly of the State of New York; to the Committee on Banking, Housing and Urban Affairs:

"RESOLUTION NO. 116

"Whereas, That portion of New York city in the borough of Bronx, state of New York commonly known as the "South Bronx" has over many years been subject to neglect, decay and blight so as to cause commercial and residential properties to serve no useful purpose; and

"Whereas, Due to the run down condition of the area many business operations have ceased to carry on in the area and have located elsewhere causing a great rise in the number of area residents to become unemployed and necessitating their seeking aid from welfare to themselves and members of their families; and

"Whereas, A great many of the living quarters located in the area are in a state of decay and are considered to be in a substandard condition and not fit for human habitation; and

"Whereas, Vast numbers of residential properties have been abandoned and are a constant threat to the safety and welfare of the residents of the area through the possibility of collapse and damage by fire; and

"Whereas, No funds have been made available from any source whatsoever for rehabilitation and reconstruction of the area; and

"Whereas, The tax base of the city of New York has eroded due to the foregoing conditions to the detriment of all residents of the city causing a vast increase in real property assessment and taxation; now, therefore, be it

"*Resolved,* That the Assembly of the State of New York does hereby memorialize the President and the Congress of the United States, to immediately declare the "South Bronx" in the borough of Bronx, State of New York, a disaster area and as such entitled to an allocation of federal funds to rehabilitate and rejuvenate both commercial and residential properties all to the better welfare of all persons carrying on business in the area and to those residing therein; and be it further

"*Resolved,* That suitably engrossed copies of this resolution be forwarded to the President of the United States, the President of the Senate of the United States, the Speaker of the House of Representatives, and to each member of the Congress of the United States from the State of New York."

A joint resolution adopted by the legislature of the State of Maine; to the Committee on Banking, Housing and Urban Affairs:

"JOINT RESOLUTION MEMORIALIZING THE FEDERAL RESERVE BOARD, THE FEDERAL DEPOSIT INSURANCE CORPORATION, THE FEDERAL HOME LOAN BANK BOARD AND THE UNITED STATES CONGRESS TO EQUALIZE DEPOSIT RATE CEILINGS IN THE STATE OF MAINE

"Whereas, legislation has been passed in the regular session of the One Hundred and Seventh Legislature granting to thrift institutions in the State of Maine many of the rights and responsibilities presently granted only to commercial banks including the right to offer personal checking acounts; and

"Whereas, federal law and regulations now permit thrift institutions to pay their depositors a higher maximum rate of interest than the amount which commercial banks can now pay on saving and time deposits; and

"Whereas, in view of the passage of said legislation, said federal law and regulations should be reviewed; and

"Whereas, the citizens of the State of Maine would greatly benefit by the elimination of the present law and regulations as they apply to Maine which permit an unequal maximum rate of interest paid to commercial bank savings and time depositors; now, therefore, be it

"*Resolved,* That We, your Memorialists, hereby record our concern with the existing federal law and regulations and urge and petition the Federal Reserve Board, the Federal Deposit Insurance Corporation, the Federal Home Loan Bank Board and the Congress of the United States to expedite their consideration of the Hunt Commission report and its implementation in Maine to assure that the federal law and regulations provide a fair, competitive banking system for all financial institutions in Maine, including the elimination of regulation Q and any other ceilings on the rates paid on deposits; and be it further

"*Resolved,* That a copy of this Memorial, duly authenticated by the Secretary of State, be immediately transmitted by the Secretary of State to the President of the Senate and Speaker of the House of Representatives in Congress, to the Federal Reserve Board, to the Federal Deposit Insurance Corporation, to the Controller of the Currency, to the Secretary of the Treasury, to the Federal Home Loan Bank Board, to the Coordinating Committee of Financial Institutions, to the Superintendent of Banks and Banking in the State of Maine and to the Members of the said Senate and House of Representatives from the State of Maine."

Senate Joint Resolution No. 39 adopted by the Legislature of the State of Nevada; to the Committee on Commerce:

SENATE JOINT RESOLUTION No. 39

"Whereas, There is pending before the Senate of the United States the proposed "National No-Fault Motor Vehicle Insurance Act" (S. 354); and

"Whereas, The initial vote on S. 354 is expected to take place early in June 1975; and

"Whereas, The State of Nevada, together with approximately 23 other states, have already enacted no-fault insurance plans tailored to the needs of the respective states; and

"Whereas, The enactment of national no-fault legislation would have the effect of preempting and, in fact, abolishing these state no-fault insurance plans previously enacted; and

"Whereas, S. 354 has been opposd by Dick L. Rottman, insurance commissioner of the State of Nevada and vice president of the National Association of Insurance Commissioners and by the Allstate Insurance Company which company performed an actuarial study indicating insurance premiums and insurance costs to motorists would be increased from 4 to 97 percent if a national no-fault insurance law were enacted; and

"Whereas, The legislature of the State of Nevada, after extensive and substantial deliberation, enacted a no-fault insurance program tailored specifically to the needs of this state and its people, which plan is now operative; now, therefore, be it

"*Resolved by the Senate and Assembly of the State of Nevada, jointly,* That Congress is memorialized to defeat the federal legislation proposing a national no-fault insurance program and by so doing preserve the rights of the several states to enact and tailor no-fault insurance to their specific needs; and be it further

"*Resolved,* That a copy of this resolution be prepared and transmitted by the legislative counsel to the President of the United States, the Vice President of the United States as presiding officer of the Senate, to the Speaker of the House of Representatives, to United States Senators Howard Cannon and Paul Laxalt, and to Congressman James Santini; and be it further

"*Resolved,* That this resolution shall become effective upon passage and approval."

Assembly Joint Resolution No. 6 adopted by the Legislature of the State of Nevada; to the Committee on Finance:

"ASSEMBLY JOINT RESOLUTION No. 6

"Whereas, The power of government to tax is one of its strongest and most pervasive powers and, when abused, becomes an instrument for oppression and destruction; and

"Whereas, The Internal Revenue Service is abusing its powers by:

"1. Unduly pressing its audit, investigation and collection effort mainly against the small taxpayer who does not have the resources to effectively challenge its claims, while settling disputes with wealthy taxpayers for a remarkably lower percentage of the proposed tax;

"2. Conducting its disputes with taxpayers in the presumption that the taxpayer is guilty unless he can prove himself innocent; and

"3. Responding to legitimate government audits of the Service in a spirit of noncooperation; and

"Whereas, Taxpayers who must bear substantial additional costs in professional services to prove their innocence in a tax dispute with the Internal Revenue Service have no means to recover these costs from the Service and are irreparably damaged; now, therefore, be it

"*Resolved by the Assembly and the Senate of the State of Nevada, jointly,* That the Congress of the United States enact legislation:

"1. Authorizing the General Accounting Office to examine whatever records or other materials of the Internal Revenue Service it deems necessary for a complete audit of the Service;

"2. Providing for the recovery by taxpayers of damages caused them by abuses of power by the Internal Revenue Service; and

"3. Requiring agents of the Internal Revenue Service to inform taxpayers of their rights under the law during an audit; and be it further

"*Resolved,* That copies of this resolution be prepared and transmitted by the legislative counsel to the Vice President of the United States as presiding officer of the Senate, the Speaker of the House of Representatives and all members of the Nevada congressional delegation; and be it further

"*Resolved,* That this resolution become effective upon passage and approval."

Assembly Joint Resolution No. 39 adopted by the Legislature of the State of Nevada; to the Committee on Finance:

"ASSEMBLY JOINT RESOLUTION No. 39

"Whereas, The recipients of social security benefits or their spouses have contributed from their pay over the years for added protection in their old age; and

"Whereas, Upon attaining a retirement age, an individual is entitled to begin receiving benefits for which he has paid; and

"Whereas, Many individuals eligible for social security benefits desire to continue to work full or part time but often cannot do so without losing benefits; and

"Whereas, Social security benefits should be treated as other forms of insurance which are paid based upon contributions and age, not an arbitrary distinction such as salary earnings; and

"Whereas, The present maximum income figures for social security eligibility discriminate in the most egregious way between those with income from interest, dividends or rents as opposed to those with salary income, the former not having their benefits affected even though they are most likely in less need; and

"Whereas, Many people eligible for social security benefits by virtue of age still desire to work and are capable of continued contribution to society; now, therefore, be it

"*Resolved by the Assembly and Senate of the State of Nevada, jointly,* That the legislature hereby memorializes the Congress of the United States to repeal the income limitations for receiving social security benefits; and be it further

"*Resolved,* That copies of this resolution be prepared and transmitted forthwith by the legislative counsel to the Vice President of the United States as presiding officer of the Senate, the Speaker of the House of Representatives and all members of the Nevada congressional delegation; and be it further

"*Resolved,* That this resolution shall become effective upon passage and approval."

Senate Joint Resolution No. 24 adopted by the Legislature of the State of Nevada; to the Committee on Interior and Insular Affairs:

"SENATE JOINT RESOLUTION No. 24

"WHEREAS, The position of presidential science adviser was abolished in early 1973 by then President Nixon, and he also disbanded the Office of Science and Technology at that time; and

"WHEREAS, In an era of great concern over the interrelated problems of ecology and energy independence, the failure of the President to have his own advisers on scientific matters, especially in the areas of natural resource recovery and utilization, seems to be a lamentable oversight; and

"WHEREAS, There are distinct differences between renewable and nonrenewable natural resources, the latter being the mineral resources; and

"WHEREAS, Mining is separate and distinct from the manufacturing industry that it supports and its problems have little in common with manufacturing and fabricating industries; and

"WHEREAS, There is no integrated national policy on mining and mineral resources even within the Department of the Interior, where the Bureau of Mines works separately from the Bureau of Land Management under whose control much mineral exploration is done; and

"WHEREAS, The vitality and strength of mining, an industry essential to the economic well-being of the nation, is dependent upon the development of an integrated national policy for nonrenewable mineral resources; and

"WHEREAS, The development of such a policy will be greatly speeded and enhanced if the President of the United States has ready access to an experienced and knowledgeable mineral affairs expert; now, therefore, be it

"*Resolved by the Senate and Assembly of the State of Nevada, jointly,* That the legislature hereby respectfully memoralizes the President of the United States to recognize the importance and value of a mineral affairs adviser and to appoint such a person to his staff; and be it further

"*Resolved,* That copies of this resolution be prepared and transmitted by the legislative counsel to the President of the United States, the Vice President of the United States as the presiding officer of the Senate, the Speaker of the House of Representatives, the chairmen of the Interior Committees of Congress and to all members of the Nevada congressional delegation; and be it further

"*Resolved*, That this resolution shall become effective upon passage and approval."

Assembly Joint Resolution No. 2 adopted by the Legislature of the State of California:

"ASSEMBLY JOINT RESOLUTION NO. 2—RELATIVE TO THE SALTON SEA

"LEGISLATIVE COUNSEL'S DIGEST

"AJR 2, Suitt. Salton Sea salinity project.

"A salt-trapping impoundment project to project the Salton Sea from increasing salinity has been proposed as a result of federal-state studies.

"This measure would urge the Department of the Interior to maintain the Salton Sea project as a high priority item for federal funding purposes.

"Whereas, The Salton Sea in southern California is a recreational resource of outstanding value to the entire nation; and

"Whereas, Rising salinity will destroy its value within a few years unless corrective action is taken immediately; and

"Whereas, A salt-trapping impoundment at the southeastern side of the Salton Sea has been endorsed after several years of study by federal, state, and local officials; and

"Whereas, A federal-state environmental impact report on the proposed project strongly favorable to the project; and

"Whereas, Failure to save the sea from increasing salinity may result in the destruction of fish life after 1980 and the environmental and economic decay of the area; and

"Whereas, Federal participation in the project is more than justified because of the nationwide significance of the resource, and the proprietary interest of the federal government in the project area; now, therefore be it

"*Resolved by the Assembly and the Senate of the State of California, jointly*, That the Legislature of the State of California respectfully urges the Department of the Interior to maintain the Salton Sea project as a high priority item for federal funding purposes, and be it further

"*Resolved*, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, to the Secretary of the Interior, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

Senate Joint Resolution No. 22 adopted by the Legislature of the State of Nevada; to the Committee on Interior and Insular Affairs:

"SENATE JOINT RESOLUTION NO. 22

"Senate joint resolution—Memorializing Congress to enact legislation to aid domestic exploration and mining of gold and silver

"Whereas, A basic economic activity in industrial society is mining, which includes a variety of industries engaged in the extraction of oil, gas, metals, nonmetallics, fertilizers and building materials from the earth; and

"Whereas, Gold and silver production aided Nevada's entry into the Union and contributed to the salvation of the Union in the dark days of the Civil War; and

"Whereas, Despite its untapped gold and silver reserves, the United States imports more than half the gold used for domestic industrial and medical purposes; and

"Whereas, The current state of gold and silver exploration and mining is in part attributable to former policies of the Federal Government, including the denial to American citizens of the right to own and trade in gold for over 40 years and the artificial maintenance of a price for produced gold which discouraged production; and

"Whereas, The proposed actions of the Federal Government to close off certain federal lands in Nevada to prospecting for precious metals and attempts to abolish the Mining Law of 1872 would further cripple and advance the destruction of the domestic mining industry; now, therefore, be it

"*Resolved by the Senate and Assembly of the State of Nevada, jointly*, That the spirit of the Mining Law of 1872 be retained; and be it further

"*Resolved*, That hardrock minerals not become subject to proposed federal leasing legislation; and be it further

"*Resolved*, That the patenting of mineral lands be encouraged with reasonable fees and regulations that will promote development of the mining industry without placing unreasonable burdens upon the industry; and be it further

"*Resolved*, That the Director of the Bureau of Mines be authorized to establish and carry out a program for providing such assistance, financial and otherwise, as the director may determine necessary to enable small independent operators to engage in mineral exploration and development; and be it further

"*Resolved*, That copies of this resolution be prepared and transmitted by the legislative counsel to the Vice President of the United States as presiding officer of the Senate, to the Speaker of the House of Representatives and to all members of the Nevada congressional delegation; and be it further.

"*Resolved*, That this resolution shall become effective upon passage and approval."

Assembly Joint Resolution No. 7 adopted by the Legislature of the State of California; to the Committee on the Judiciary:

"ASSEMBLY JOINT RESOLUTION NO. 7—RELATIVE TO MEDICAL CARE FOR ILLEGAL ALIENS

"LEGISLATIVE COUNSEL DIGEST

"AJR 7, MacDonald. Illegal aliens' medical care.

"Memorializes the President and Congress to enact H.R. 2159, or any similar legislation, providing reimbursement for the cost of emergency medical care or illegal aliens.

"Whereas, There is an immediate need for legislation to provide for the reimbursement of medical treatment facilities for emergency treatment given aliens unlawfully in the United States; and

"Whereas, Legislative authority currently exists for the United States Public Health Service to provide care to illegal aliens, upon the request of the Immigration and Naturalization Service; and

"Whereas, The counties of this state are currently bearing an unreasonable financial responsibility for the provision of medical services for illegal aliens; and

"Whereas, Legislation has been introduced by Congressman B. F. Sisk (H.R. 2159) which would provide financial relief to counties by authorizing the Attorney General to reimburse providers for the cost of emergency medical treatment given to illegal aliens; and

"Whereas, H.R. 2159 requires the Immigration and Naturalization Service to assume jurisdiction over any illegal alien in need of emergency medical care and to request treatment in United States Public Health Service facilities, if feasible; now, therefore, be it

"*Resolved by the Assembly and Senate of the State of California, jointly*, That the Legislature of the State of California respectfully memorializes the President and the Congress of the United States to enact H.R. 2159, or any similar legislation, providing reimbursement for the cost of emergency medical care for illegal aliens; and be it further

"*Resolved*, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

Joint Resolution No. 142 adopted by the Legislature of the State of New York; to the Committee on Labor and Public Welfare:

"Joint Resolution of the Senate and Assembly of the State of New York Memorializing the Congress to adopt legislation permitting individuals of classes of immigrants such as the Russian Jewry paroled by the Attorney General of the United States upon entry into the Country to henceforth be eligible for Federal assistance through the Guaranteed Student Loan and Basic Education Opportunity Grant Programs

"Whereas, The plight of Russian Jewery is that of an oppressed and enslaved people; and

"Whereas, Over 35,000 Russian Jews annually emigrate from the Soviet Union, only to face the problems of re-establishing lives in new and oftentimes strange countries, away from the support of their families and friends; and

"Whereas, The Senate and the House of Representatives of the United States have enacted legislation (PL 94–23) establishing a preferential immigration status for Vietnamese and Cambodian refugees; and

"Whereas, These refugees, having been granted permanent resident alien status, are now eligible to immediately apply for Federal Guaranteed Student Loans and Basic Education Opportunity Grants; and

"Whereas, The overwhelming majority of Russian Jewish refugees and many other oppressed classes are highly educated and trained individuals practicing the profession of medicine, engineering and science; and

"Whereas, All Russian and other oppressed refugees entering the United States who are presently granted "parole" status by the U.S. Attorney General and are thus required to undergo a two-year waiting period before they can become eligible for Federal assistance through the Guaranteed Student Loan and Basic Education Opportunity Grant Programs; and

"Whereas, Without the benefit of this critically needed Federal assistance, these talented and needed individuals are forced to suffer delays in receiving the retraining necessary to resume their professional careers and become valuable and contributing residents of the United States; now, therefore, be it

"*Resolved*, That the Senate and the Assembly of the State of New York hereby memorialize the Senate and the House of Representatives of the United States to adopt legislation permitting individuals of classes of immigrants currently paroled by the Attorney General of the United States upon entry into this country to henceforth be eligible for Federal assistance through the Guaranteed Student Loan and Basic Education Opportunity Grant Programs; and be it further

"*Resolved*, That suitably engrossed copies of this resolution be transmitted to the President of the Senate of the United States, the Speaker of the House of Representatives and to each member of the Congress of the United States from the State of New York."

Assembly Joint Resolution No. 29 adopted by the Legislature of the State of California; to the Committee on Veterans' Affairs:

"ASSEMBLY JOINT RESOLUTION NO. 29—RELATIVE TO A SAN LUIS NATIONAL CEMETERY

"LEGISLATIVE COUNSEL'S DIGEST

"AJR 29, Thurman. National cemetery.

"Memorializes Congress to enact legislation to establish a national cemetery near San Luis Dam.

"Whereas, The California Department Commanders Veterans Council has unanimously agreed that a new national cemetery should be established by the United States on existing federal land at the site of San Luis Dam near the city of Los Banos, California; and

"Whereas, This proposal has been concurred with by the American Legion Department of California, the Council of Administration of the Veterans of Foreign Wars of the State of California, and the national and state bodies of the American G.I. Forum of the United States; and

"Whereas, The San Luis site has been selected by the Veterans Administration for the reasons that the site has been declared surplus to public needs; is adjacent to a California state park, assuring the site will not be overrun with commercial or residential development; is located in the center of the state, with major highways giving easy accessibility to the site; is in reasonable proximity to eight commercial airports; is located in a reasonable distance to four military installations, and is readily accessible to California veterans, as well as more than 2 million veterans living in the 10 other western states; and

"Whereas, The United States Department of interior, Bureau of Reclamation, has 2,000 acre-feet of water available for use by the national cemetery from the San Luis Dam; now, therefore, be it

"*Resolved by the Assembly and Senate of the State of California, jointly,* That the Legislature of the State of California respectfully memorializes the Congress of the United States to enact legislation to establish a national cemetery on federal land at the site of San Luis Dam near the City of Los Banos, California; and be it further

"*Resolved,* That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

House Joint Memorial No. 3 adopted by the Legislature of the State of Oregon; to the Committee on Veterans' Affairs:

"HOUSE JOINT MEMORIAL 3

"To the Honorable Senate and House of Representatives of the United States of America, in Congress assembled and to the Administrator of Veterans' Affairs of the Veterans' Administration:

"We, your memorialists, the Fifty-eighth Legislative Assembly of the State of Oregon, in legislative session assembled, most respectfully represent as follows:

"Whereas the people of the State of Oregon and of the entire United States of America owe a continuing debt of gratitude to those who have protected and served them in the armed services; and

"Whereas the people of the United States of America have deemed it proper to provide medical services for veterans by establishing a system of veterans' hospitals; and

"Whereas these veterans' hospitals must be convenient and uncrowded to provide effective medical service to veterans; and

"Whereas veterans from central and eastern Oregon must travel 160 to 300 miles to receive the medical services to which they are entitled; and

"Whereas existing veterans' hospitals serving Oregon veterans are crowded and maintain waiting lists for use of their facilities; and

"Whereas the St. Charles Memorial Hospital in Bend, Oregon, will be vacated by its present occupants, by September 1, 1975; and

"Whereas the St. Charles Memorial Hospital is a complete and adequate treatment facility offered for sale at a reasonable price; and

"Whereas establishment of a veterans' hospital in Bend, Oregon, would facilitate access to medical services for veterans in eastern and central Oregon, and would alleviate crowded conditions in other veterans' hospitals; now, therefore,

"Be It Resolved by the Legislative Assembly of the State of Oregon:

"(1) The Congress of the United States and the Veterans' Administration are memorialized to consider the advantages of purchasing the St. Charles Memorial Hospital and establishing there a veterans' hospital to provide convenient and timely service to those who have protected and served this country in the armed services.

"(2) A copy of this memorial shall be transmitted to the presiding officers of each house of the Congress, to the Administrator of Veterans' Affairs of the Veterans' Administration and to each member of the Oregon Congressional Delegation."

Senate Joint Resolution No. 3 adopted by the Legislature of the State of California; to the Committee on Commerce:

"SENATE JOINT RESOLUTION NO. 3—RELATIVE TO LIMITATIONS ON FOOD ADVERTISING TO CHILDREN

"LEGISLATIVE COUNSEL'S DIGEST

"SJR 3, as amended, Moscone (Rls.) Food advertising to children.

"Memorializes the President, the Federal Trade Commission, the Federal Communications Commission, and Congress to make such changes in laws and regulations as are necessary to limit or eliminate commercial segment broadcasts that represent a name brand product to children *for which there is satisfactory evidence indicating that it contributes* adversely to their nutritional well-being.

"Fiscal committee: no.

"Whereas, A majority of children watch television during children's television viewing hours; and

"Whereas, Parent do not or are unable to monitor children's viewing habits; and

"Whereas, Of the average 940 hours of television viewed annually by a child, more than one-fifth is devoted to commercial messages; and

"Whereas, It has been demonstrated that advertising does influence and affect the attitudes, values, and practices of children; and

"Whereas, Children are unable to differentiate between contradictory bodies of advertising information; and

"Whereas, The majority of advertising to children is for edibles; and

"Whereas, The majority of foods advertised on children's television have a high sugar and high carbohydrate content; and

"Whereas, High sugar and carbohydrate consumption leads to poor eating habits, unbalanced diet, and poor health; and

"Whereas, Recent Federal Trade Commission guidelines on television advertising do not adequately regulate food advertising on children's television; now, therefore, be it

"*Resolved by the Senate and Assembly of the State of California, jointly,* That the Legislature of the State of California memorializes the President and Congress of the United States, the Federal Trade Commission, and the Federal Communications Commission to make such changes in the laws and regulations as are necessary in order to limit or, where appropriate, eliminate any commercial segment broadcast during television programs designed for children and aired between the hours of 7 a.m. and 6 p.m. daily that represents a name brand product *for which there is satisfactory evidence indicating that it contributes* adversely to the nutritional well-being of children; and be it further

"*Resolved,* That the Secretary of the Senate transmit copies of this resolution to the President and the Vice President of the United States, to the Federal Trade Commission, and the Federal Communications Commission, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

Senate Joint Resolution No. 17 adopted by the Legislature of the State of California; to the Committee on Foreign Relations:

"SENATE JOINT RESOLUTION NO. 17—RELATIVE TO AMERICAN SERVICEMEN MISSING IN ACTION

"LEGISLATIVE COUNSEL'S DIGEST

"SJR 17, as introduced, Russell (Rls.). Missing in action.

"Memorializes the President and Congress of the United States to determine the status of those missing in action in Vietnam.

"Fiscal committee: no.

"Whereas, Five hundred sixty-six American military prisoners of war have now been released by their Communist captors and have returned to their thankful and grateful nation; and

"Whereas, According to the office of the Secretary of Defense, 1,233 United States servicemen are unaccounted for and listed as missing in action as a result of the conflict in Vietnam, a nebulous status which has been a continuous source of uncertainty, grief, and despair for the friends, relatives, and loved ones they have waiting in the United States; and

"Whereas, Those members of the armed forces of the United States who have suffered, and may still be suffering, internment as prisoners of war as a result of the war in Vietnam have made great sacrifices for their country; and

"Whereas, New information recently released by the North Vietnamese government and a Member of the United States Senate has caused new hope and at the same time has increased uncertainty as to the status of men listed as missing in action and unrecovered prisoners of war; now, therefore, be it

"*Resolved by the Senate and Assembly of the State of California, jointly,* That the Legislature of the State of California respectfully memorializes the President and Congress of the United States to take whatever action is necessary to obtain a full accounting from the government of North Vietnam for every American who was listed as missing in action in the Vietnam war prior to the completion of American troop withdrawals from the war in 1973, and to make such information available to the American public; and be it further

"*Resolved,* That the Secretary of the Senate transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

A resolution adopted by the Governor and Executive Council of the State of New Hampshire relating to the contested Senate election; to the Committee on Rules and Administration.

A resolution adopted by the South Suburban Mayors' and Managers' Association relating to recently adopted rules of the Postal Service; to the Committe on Post Office and Civil Service.

A resolution adopted by the City Council of Philadelphia, Pa., relating to the elimination of any "means test" in educational programs; to the Committee on Finance.

A petition from the citizens of Oregon seeking a redress of grievances; to the Committee on Government Operations.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that Senate Joint Resolution 36 transmitted by the Nevada Legislature be referred jointly to the Committees on Interior and Insular Affairs, and Agriculture and Forestry.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolution were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. HUMPHREY (for himself and Mr. Mondale):

S. 2123. A bill to amend the Federal Water Pollution Control Act relating to the designation of area wide waste treatment management organizations. Referred to the Committee on Public Works.

By Mr. HARTKE:

S. 2124. A bill to amend the Tax Reduction Act of 1975. Referred to the Committee on Finance.

By Mr. HASKELL:

S. 2125. A bill to provide for the issuance of permits on public domain national forest lands for commercial outdoor recreation facilities and activities, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

By Mr. GARN:

S. 2126. A bill to amend section 5(a) of the Wild and Scenic River Act. Referred to the Committee on Interior and Insular Affairs.

By Mr. BURDICK:

S. 2127. A bill to provide for the establishment of a national cemetery in the State of North Dakota. Referred to the Committee on Veterans' Affairs.

By Mr. STONE:

S. 2128. A bill to amend title 23 of the United States Code relating to highways, with respect to the definition of the term "construction". Referred to the Committee on Public Works.

By Mr. FANNIN (for himself and Mr. Hruska):

S. 2129. A bill to provide for the definition and punishment of certain crimes in accordance with the Federal laws in force within the special maritime and territorial jurisdiction of the United States when said crimes are committed by an Indian in order to insure equal treatment for Indian and non-Indian offenders. Referred to the Committee on the Judiciary.

By Mr. MONDALE:

S. 2130. A bill for the relief of Chu Wol Kim. Referred to the Committee on the Judiciary.

By Mr. THURMOND (for himself and Mr. Eastland):

S. 2131. A bill to amend title 18, United States Code, relating to the production of false documents or papers of the United States, and the use of false information in obtaining official documents and papers of the United States, involving an element of identification. Referred to the Committee on the Judiciary.

By Mr. ROBERT C. BYRD:

S.J. Res. 106. A joint resolution designating February of each year as "American History Month". Referred to the Committee on the Judiciary.

By Mr. JACKSON (for himself and Mr. Fannin) (by request):

S.J. Res. 107. A joint resolution to approve the "Convenant To Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States of America", and for other purposes. Referred to the Committee on Interior and Insular Affairs.

By Mr. BROCK:

S.J. Res. 108. A joint resolution proposing an amendment to the Constitution of the United States with respect to the method of appointing electors of the President and the Vice President of the United States. Referred to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. HUMPHREY (for himself and Mr. Mondale):

S. 2123. A bill to amend the Federal Water Pollution Control Act relating to the designation of areawide waste treatment management organizations. Referred to the Committee on Public Works.

FEDERAL WATER POLLUTION CONTROL ACT AMENDMENTS

Mr. HUMPHREY. Mr. President, today I am introducing, for myself and Senator Mondale, a bill to amend section 208(a) of Public Law 92-500, the Federal Water Pollution Control Act Amendments of 1972. This amendment will enable the Metropolitan Council of Minnesota's Twin Cities area to receive Federal planning grants for areawide waste treatment facility planning. These grants are crucial if Minnesota is to meet the clean water goals of Public Law 92-500. Without access to these funds, Minnesota would be hard pressed to meet these goals.

As many of my colleagues in the Senate know, the Federal Water Pollution Act already recognizes that States and municipalities need Federal financial assistance to develop and implement effective plans for areawide waste treatment management. It, therefore, provides for 100-percent funding for designated areawide waste treatment management organizations to develop effective plans. Unfortunately, as the law is currently written and as it has been interpreted by EPA, the metropolitan council, which is empowered by State law to do this planning, is ineligible for assistance. It is the only such body designated by State law to be declared ineligible for planning grants.

Let me explain why. Section 208(a)(2) of Public Law 92-500 currently requires that the waste treatment management organizations designated to receive planning grants include elected officials. While section 208(a)(5) permits existing organizations to be designated, the EPA has ruled that section 208(a)(2) precludes designation of existing agencies composed of appointed officials. However, by State law the metropolitan council must be an appointed body. Repeatedly, the Minnesota Legislature has affirmed that this body, which was established in 1967 because local municipalities simply could not take care of metropolitan problems, should be an appointive body. Furthermore, prior to the 1972 amendments the metropolitan council did receive Federal grants for planning for waste treatment plants—and it used those funds effectively.

You can well imagine the predicament we are faced with in Minnesota today.

Even though the metropolitan council was established prior to enactment of Public Law 92-500, and even though Minnesota statutes require that the council be composed of knowledgeable officials appointed by the Governor and confirmed by the legislature, the council cannot receive Federal assistance to perform its authorized function.

In my opinion, section 208(a)(2) unfairly discriminates against the metropolitan council to the detriment of the residents of the area served by the council, and to the detriment of all of us.

As a result of this section of what otherwise would be a fine law, one-half of Minnesota's residents—those who live in the seven-county area served by the metropolitan council—must suffer. But the rest of us also suffer.

The Twin Cities area is part of the Upper Mississippi River Basin. This basin has been designated a national priority area for elimination of the discharge of pollutants into the waters. But without adequate funding, there can be no effective planning, and without effective planning, pollutants will continue to be discharged into the Mississippi.

Quite simply, the lack of funds to help the Twin Cities area properly plan its waste disposal system means that we as a nation will be unable to meet our national goals to clean up one of our loveliest and most historic rivers—the Mississippi.

Mr. President, I urge the Public Works Committee to make examination of the bill which Senator Mondale and I are introducing a top priority. I would hope that they would report the bill favorably so that Minnesota and the Nation can meet our water pollution goals for 1983 on schedule.

Mr. President, I ask unanimous consent that the text of this bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2123

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the second sentence of section 208(a)(2) of the Federal Water Pollution Control Act (33 U.S.C. 1288(a)(2)) is amended—

(1) by inserting "(i)" immediately after "(B)"; and

(2) by striking out the period at the end thereof and inserting in lieu thereof a comma and the following: "or (ii) a regional agency in existence on the date of enactment of this clause and authorized by State law on such date to undertake planning for areawide waste treatment management.".

By Mr. HARTKE:

S. 2124. A bill to amend the Tax Reduction Act of 1975. Referred to the Committee on Finance.

Mr. HARTKE. Mr. President, I introduce a bill for appropriate reference, and I ask unanimous consent that the text of the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2124

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Section 602 of the Tax Reduction Act of 1975 (relating to the taxation of controlled foreign corporations) is amended by striking "The" at the beginning of subsection (f) and inserting in lieu thereof "Except as provided in subsection (g) the", and by adding at the end thereof the following new subsection:

"(g) Section 963 Repeal Effective Date. The amendment made by subsection (a) shall only apply to taxable years of foreign corporations beginning after January 1, 1976, and to taxable years of United States shareholders (within the meaning of 951(b) of the Internal Revenue Code of 1954) within which or with which such taxable years of such foreign corporations end."

By Mr. HASKELL:

S. 2125. A bill to provide for the issuance of permits on public domain national forest lands for commercial outdoor recreation facilities and activities, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

Mr. HASKELL. Mr. President, I introduce today a bill to reform the system of issuing and administering permits for ski facilities and other outdoor recreation facilities on national forest land created from the public domain.

The present system serves no one well. Users may be paying unjustifiably high charges for the use of skiing and other recreation facilities. Permittees may be paying unjustifiably low fees to the public which owns the national forest lands, considering the privileges the permits grant. In any event, the public is certainly witnessing the unnecessary degradation of the productivity, environmental quality, and value of its lands.

The permittees are concerned about the security and stability of their existing investments which, in turn, influence their ability to make new investments. The Federal Government finds itself criticized for a permit system which it should have reformed long before now. That system is shrouded in secrecy. It lacks a coherent set of standards and it fails even the most basic tests of uniform application.

Mr. President, I began investigating the present outdoor recreation permit system for national forests last February when many of my constituents brought to my attention a proposal by three Colorado ski areas to increase by 20 percent the daily adult tow ticket rate. Skiing is already too expensive for many Coloradans. I was concerned that so large an increase would put skiing beyond the reach of many more people, especially families. I wanted to be sure the increase was justified.

As no public hearing is held on proposed rate increases, I asked the Forest Service to delay its decision on the rate hike to permit a careful review by all parties concerned. At the same time, to facilitate that review, I asked the Forest Service to provide me the financial information the three ski areas supplied in support of their requests.

The Forest Service did subsequently deny the full rate increase request and reportedly offered instead a compromise increase. Yet, any meaningful review of even this compromise proposal was frustrated by that agency. The Forest Service denied access to the information I requested claiming that, under terms of leases with ski areas operating in the national forest, such information is confidential.

Mr. President, it is inconceivable that a Government agency can base a decision which so fundamentally affects the leisure lives of citizens on information which it refuses to make public. Not only is there no way for the public to adequately review a proposed rate hike, but any appeal process from a Forest Service decision to grant that increase would be a sham.

On May 16, 1975, I announced that the Subcommittee on the Environment and Land Resources, which I chair, would hold hearings in Colorado in the fall on the issue of ski permittees' charges to the public and public participation in the determination of charges.

I stated:

> Tow ticket prices have risen to the point that it's very difficult for a family to ski on any kind of regular basis; yet the public does not know whether fees charged by companies operating on public land—for private profit—are justified. It is absolutely essential that all of us have access to this information—and that includes profits ski areas may be making, whether those profits are too high, too low or just right. Further, I believe public hearings should be held before any rate increases are granted. If, as the Forest Service contends, present law provides for the confidentiality of financial information submitted with rate increase proposals, then the law must be changed.

As any Senator would be, I was very gratified with the strong public support which greeted this announcement. However, accompanying this support was a surprising number of communications on the matter from the public, skiers and other users, and ski operators and other permittees. They detailed numerous additional inefficient, inequitable, and financially or environmentally costly faults in the Forest Service's system of issuing and administering outdoor recreation permits.

Among these are the lack of standards to determine whether to issue or deny permit applications by particular applicants or for specific areas and to subsequently determine the fees to charge the applicants for the permits which are issued. The absence of standards further frustrates public review of the adequacy of Forest Service decisions. Furthermore, the lack of standards inevitably leads to a lack of uniformity in permit application and fee decisions both among and within regions of the national forests. This lack of uniformity plays havoc with the financial planning of permit applicants and holders and can jeopardize existing and planned investment. Substandard services to the public can result.

Our present permit system is so inadequate that the Forest Service is constrained to adopt a number of questionable practices to meet the public's demand for outdoor recreation facilities. Perhaps the most serious of these practices is that of issuing to a single ski area operator a 30-year permit for 80 acres and a large number of 1-year special use permits for additional acreages. Existing law permits a maximum of only 80 acres for a recreation permit—an area decidedly too small for most ski operations today.

To circumvent this antiquated requirement, the Forest Service is forced to perform the charade of issuing the special use permits on a yearly basis. The result of this charade is that the operators are faced with serious threats to their investments. Certainly, annual permits do not provide sufficient security, especially as the legality of those permits has been questioned, most prominently in the well-known Mineral King litigation.

Mr. President, this long and growing list of problems with our present permit system has convinced me that the fall hearings should not simply be oversight hearings but should focus instead on concrete legislative proposals. The legislation I introduce today is designed to bring about the necessary reforms in our outdoor recreation permit system for the national forests. Most of the provisions of this bill were drafted by staff under my direction. The staff has also substantially reworked the provisions submitted to me after my May announcement by the ski area operators, environmentalists, and other interested parties. The bill, however, should be regarded only as a draft to be critiqued and reworked during the hearing process.

First, the bill lifts the 80-acre limitation for permits for ski facilities. However, permits over 1,280 acres would be issued only if neither Interior Committee passes a resolution of disapproval within 60 days of the submission of the permit to the committees. And permits over 5,000 acres would be issued only if both committees pass resolutions of approval. Furthermore, the bill would require the Secretary of Agriculture to submit permits over 1,280 acres in the form of authorizing legislation should they not pass the committees' review and would prevent issuance of two or more permits for contiguous areas without congressional review. Most important, the bill would require the Secretary to submit to the Congress and the public within 6 months proposed guidelines to be employed by him in determining whether a ski facilities permit should be issued to a particular applicant or for a particular area. The guidelines are not to be promulgated until 60 days after their submission.

They are to take into consideration the effect of planned and unplanned growth precipitated by the proposed recreation facilities on adjacent non-Federal lands and provide a procedure for consultation with affected State and local governments prior to any decision on a permit application.

Second, the bill would extend the life of ski permits from 30 to 50 years. This provision, as well as removal of the 80-acre limit, was requested by the ski area operators who saw the time and acreage limitations as threats to their investment. I can certainly understand the detrimental effect the inadequate acreage allowance and the legally suspect methods of avoiding it have on the financial environment of permittees. But I am not yet convinced of the need for extending the permit period to 50 years. I have placed this provision in the bill, however, in order to encourage the ski operators to provide me with detailed justifications for this provision.

Third, the bill would require that annual fees for commercial outdoor recreation permits be based on a standard of a reasonable return on equity investment. Furthermore, the bill would require a 6-month study and report to the Congress by the Secretary of Agriculture on permit fees. The report would include steps the Secretary plans to take, and legislation necessary, to establish a single method or formula to be applied uniformly throughout all national forest lands to determine fees from commercial outdoor recreation permits.

Fourth, the bill would require public disclosure of all financial data pertinent to determination of permittee's charges for public use of his facilities. And it would require public hearings on any permittee's request for increase in those charges. A second 6-month study would be required of the Secretary, this one to determine criteria to be used by the Secretary in rejecting or accepting proposed rate hikes. Among the criteria would be that of reasonable return on equity investment.

Finally, the bill contains several other provisions dealing with disposition of permittees' improvements upon expiration or termination of permits; record keeping audit and examination; and provisions to prevent the mooting of the Mineral King litigation.

Mr. President, the holders of permits for commercial outdoor recreation facilities are granted the privilege of pursuing private gain on public lands. But the ultimate purpose of such permits is to provide high quality service at a reasonable cost to the public which owns the land. Any business which holds such a permit is uniquely affected with a public interest. It must expect vigorous enforcement of that interest. And that is achieved when the public is allowed to participate.

At the same time, permittees are entitled to reasonable assurances as to the security of their investment, not only for their protection but to insure that services are provided to the public.

The legislation I introduce today attempts to modernize the permit system in accordance with these principles.

By Mr. GARN:

S. 2126. A bill to amend section 5(a) of the Wild and Scenic Rivers Act. Referred to the Committee on Interior and Insular Affairs.

Mr. GARN. Mr. President, I have today introduced legislation to provide for the consideration of the Utah segment of the Dolores River for possible inclusion in the Wild and Scenic Rivers System of the United States.

Under the 1968 Wild and Scenic Rivers Act, most of the Dolores River which lies within the State of Colorado was designated for study for inclusion under the system. The Bureau of Outdoor Recreation has undertaken a study of the Colorado portion of the Dolores, and that study is, I understand, virtually completed. My bill would provide for a similar study of the 22-mile section of the Dolores which lies within the State of Utah.

It is axiomatic, Mr. President, that rivers are not affected by political boundaries. As the Dolores crosses the State line from Colorado into Utah, it does not become another river. Its essential character, those traits which may make it appropriate for designation as a scenic river, remain the same. There is no reason to consider the Colorado section of the Dolores and then to drop the study as the river crosses into Utah.

It is important to note that my bill would not automatically include the Utah Dolores in the Wild and Scenic Rivers System. It would merely require the Bureau of Outdoor Recreation to make the same type of study of this river that is being made of the portion lying upstream, in the State of Colorado. The Senate Committee on Interior and Insular Affairs has already held hearings on a number of other additions to the 1968 Act, and I understand that there will be others. My bill would merely provide for hearings on the Utah Dolores.

Most of the land through which the Dolores flows in Utah is controlled by the Bureau of Land Management. The one private owner has himself suggested to the Utah Environment Center that the river be included in the Wild and Scenic River System. The State of Utah, which also controls a small section of the land in question, has no plans for the land which would preclude wild and scenic status. In any event, such status would basically not change existing use patterns.

For these reasons, the Utah portion of the Dolores River should be the subject of hearings to determine whether it should be studied for possible inclusion in the National System of Wild and Scenic Rivers.

By Mr. BURDICK:

S. 2127. A bill to provide for the establishment of a national cemetery in the State of North Dakota. Referred to the Committee on Veterans' Affairs.

Mr. BURDICK. Mr. President, I am most pleased to introduce a bill to provide for the establishment of a national cemetery in the State of North Dakota. During the proceedings of the 94th Congress, the Senate Veterans' Affairs Committee will be reviewing our national cemetery policy. It is my wish that this legislation be approved at that time.

A recent study of our national cemetery system by the Veterans' Administration clearly points out that additional burial space is needed.

The State of North Dakota does not currently have a national cemetery and it is my strong belief that our veterans who have performed many noble services for their country should have the honor of being buried in a national cemetery if they so wish.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2127

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Administrator of the Veterans' Administration is authorized and directed to (1) establish a national cemetery in the State of North Dakota, and (2) acquire by donation, purchase, condemnation, or otherwise, such lands as may be required for the establishment of such cemetery.

SEC. 2. The national cemetery established under authority of this Act shall become a part of the National Cemetery System and shall be administered in accordance with the provisions of chapter 24 of title 38, United States Code.

SEC. 3. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

By Mr. STONE:

S. 2128. A bill to amend title 23 of the United States Code relating to highways, with respect to the definition of the term "construction." Referred to the Committee on Public Works.

Mr. STONE. Mr. President, today I am introducing legislation which would expand the definition of the term "construction" as contained in section 101 of title 23 to include reconstruction, rehabilitation, and restoration projects.

During the past 10 years increased highway traffic and heavy axle load applications have placed a tremendous burden upon existing highway pavements. The resultant deterioration and decreased service life of our highways have placed a heavy financial burden upon State highway agencies—a burden which exceeds the financial resources of most States without Federal aid. This bill would allow the State agencies the opportunity to utilize the highway tax dollars which are returned to the State under the Federal-aid highway program in a more flexible manner.

The Federal Highway Administration recognized as early as 1971 that the geometric and structural design parameters used in designing our major highways have been based upon overly optimistic and inaccurate service life projections of 20 to 40 years. The Federal Highway Administration reported in the August 1971 issue of Public Roads that the average service life of high type bituminous concrete surfaces constructed since 1960 is 14 to 15 years. Recent findings by the Florida Department of Transportation substantiate these findings for Florida's primary roads.

In recognition of the more limited service life of our highways the Federal Highway Administration has recently suggested that Congress adopt a policy that would permit Federal financial assistance for such projects as:

First. Resurfacing, or widening and resurfacing of existing rural and urban pavements with or without revision of horizontal or vertical alinement or other geometric features;

Second. Replacement of existing structures that are structurally or geometrically inadequate, or which constitute capacity restrictions, to a width at least equal to the American Association of State Highway and Transportation Officials—AASHTO—minimum;

Third. Replacement or rehabilitation of structures or structural components, decks, or other major elements of existing structures, where such replacement or rehabilitation is necessary to preserve the integrity of the structure but does not change basic structure geometrics.

Mr. President, by expanding the present definition of "construction" this bill would permit the States to incorporate these recommendations of the Federal Highway Administration.

Mr. President, I believe minimum safety standards demand that our highways and bridges be structurally sound. By allowing States the discretion to use Federal-aid highway program funds already appropriated to resurface or rehabilitate existing highways and bridges we will permit the States to meet these minimum safety standards. This does not increase Federal spending—rather, we will be increasing highway safety by allowing States the flexibility to maintain highways and bridges in a structurally sound condition.

By Mr. FANNIN (for himself, and Mr. HRUSKA):

S. 2129. A bill to provide for the definition and punishment of certain crimes in accordance with the Federal laws in force within the special maritime and territorial jurisdiction of the United States when said crimes are committed by an Indian in order to insure equal treatment for Indian and non-Indian offenders. Referred to the Committee on the Judiciary.

INDIAN CRIMES ACT OF 1975

Mr. FANNIN. Mr. President, on behalf of myself and Mr. HRUSKA, I am pleased to introduce a bill to be known as the Indian Crimes Act of 1975. This bill would amend certain sections of the United States Code to provide for definition and punishment of major crimes in accordance with the Federal laws in force within the maritime and territorial jurisdiction of the United States when said crimes are committed by Indians.

In my opinion, this legislation is urgently needed to restore the ability of the Federal Government to prosecute certain major offenses committed by Indians. In addition, it would insure that Indians and non-Indian offenders receive equal treatment under the law as required by the Constitution.

Section 1153 of title 18, United States Code, provides for Federal prosecution of Indians who commit very serious offenses, including murder, manslaughter, arson, burglary, robbery, larceny and assault against other Indians within Indian country. This section, known as the Major Crimes Act, was enacted in 1885 to remedy the loophole created by 18 U.S.C. 1152, which exempted crimes between Indians from Federal jurisdiction.

Under 18 U.S.C. 1153, Indians are subject to the same laws and penalties as all other persons committing any of the enumerated offenses. In addition, the equal protection clause of the 5th amendment prohibits discriminatory punishment for Indians as against all other persons.

Prior to 1966, the aggravated assault crimes enumerated in 18 U.S.C. 1153 were defined and punished according to Federal enclave law as set forth in 18 U.S.C. 113(c), that is, assaults within the maritime and territorial jurisdiction of the United States. In 1966 Congress amended the act to require that the crime of assault with a dangerous weapon be defined and punished according to State law. In 1968 Congress amended the act by adding the offense of assault resulting in serious bodily injury and requiring that this new offense be defined and punished according to State law.

The uniqueness of the State law has created a situation where State definition and punishment for aggravated assault may differ sharply from the definition and punishment set forth in 18 U.S.C. 113(c). Recently the district courts of the 8th, 9th, and 10th circuits have held that these differences in treatment for Indians, as opposed to non-Indian defendants who are punished with reference to Federal law, constitute a denial of equal protection and due process under the 5th amendment. The effect of such decisions, dismissing Federal indictments for aggravated assaults, has been to invalidate the authority presently available to the Government under section 1153. In other words, the Government is unable to prosecute Indians who commit either the crime of assault with a dangerous weapon or assault resulting in serious bodily injury on Indian reservations in States such as Arizona, where the local law is more severe than Federal law applicable within the Indian country. See, for example, United States against Cleveland, 503 F. 2d 1067 (9th Cir. 1974); United States against Boone, 347 F. Supp. 1041 (D. New Mex., 1972); but compare United States against Analla, 490 F. 2d 1204 (10th Cir.), remanded for reconsideration, — U.S. — (October 15, 1974).

The legislation I am introducing today would remedy this situation by removing a major stumbling block to the effective prosecution of Indians for serious criminal offenses. The effect of the Indian Crimes Act would be to revert the Major Crimes Act to its pre-1966 form by amending 18 U.S.C. 1153 and 18 U.S.C. 113 to insure equal treatment for Indian defendants accused of committing aggravated assaults upon other Indians within the Indian country.

In addition to the offenses of aggravated assault, there is a potential constitutional problem posed by the provisions of section 1153 for rape and assault with attempt to commit rape. At present the Major Crimes Act refers to State law for the definition of these offenses, yet allows the Indian found guilty to be imprisoned at the discretion of the court. However, under sections 113(a) and 2031 of 18 United States Code, providing for rape and assault with intent to commit rape, Federal law is applicable to non-Indians who commit these crimes against other persons, including victims who are themselves Indians. In my opinion, all references to State law should be deleted and these offenses should be defined and punished according to Federal law. Only in this way will there be uniformity in the law and the policy of equal protection under the law can be fully effective.

The legislation I am proposing would also add a new paragraph to section 1153 to provide for automatic referral to State law if Congress should add an offense to the section not otherwise found among the Federal enclave laws. Non-Indians who commit the same crimes are currently prosecuted in such instances with reference to State law through the Assimilative Crimes Act, 18 U.S.C. 13.

Finally, this bill includes language which would require conformity with State law where State law was incorporated to define and punish certain enumerated offenses in section 1153 other than those defined and punished according to Federal law. Some Federal courts have held that section 1153 incorporates the State law only as it existed as of the law reenactment of the Major Crimes Act. See *United States v. Gomez*, 250 F. Supp. 535 (D. N. Mex., 1966); *United States* v. *Sky Child Big Knife*, — F. Supp. — (D. Mont., 1974). This interpretation of section 1153 is at variance with the congresssional policy set forth in 18 U.S.C. 13. The amendment which I propose would thus make clear that sections 13 and 1153 express the same policy of current conformity regarding the assimilation of State law.

Mr. President, the problem of reservation law enforcement is one of major proportion, and is only now beginning to receive proper attention. The issue of Indian crimes, like our national policy on Indian matters, has suffered inattention because it crosses so many boundary lines and affects so many different jurisdictions.

The Federal Government has jurisdiction over approximately 90 Indian reservations in which approximately 500,000 Indians reside. There are large numbers of non-Indians who also reside within these reservations. Law enforcement responsibilities for Indian country are divided between the Department of Interior and the Department of Justice. Within Interior, the Bureau of Indian Affairs, through its Division of Law Enforcement Services, provides police and other law enforcement personnel for most of the Indian reservations within the Federal jurisdiction. In some cases, the tribes provide their own personnel. In addition to the Federal Government and the tribes, the States have limited jurisdiction, which varies from reservation to reservation. Unfortunately, the major law enforcement problems exist in an area of primarily Federal responsibility.

The magnitude of the Indian crime problem on Federal lands should not be understated. Recent crime statistics attest to the fact that we do have a serious problem which merits immediate attention. The major crimes rate is about 50 percent higher on Indian reservations than it is in rural America as a whole. The violent crime rate on Indian reservations is eight times the rural rate while the property crime rate is about half the rural rate. The murder rate among Indians is 3 times that in rural areas, while the assault rate is nearly 10 times as high. The number of section 1153 cases involving Indian crimes has risen dramatically.

During the fiscal year 1973, the number of defendants against whom court actions—indictments, information removal, transfer, remand, appeal or superseding indictments—were begun under section 1153 totaled 404, 88 of which were within the Arizona district. By contrast, during fiscal year 1974, the number of defendants against whom court actions were initiated under section 1153 was 520 of which 110 were in my home State. As of December 1, 1974, there were throughout the country 587 criminal defendants who were subject to court actions pending under section 1153. Of this total, 120 defendants were Indians on lands within Arizona. From the start of fiscal year 1975 until December 1, 1974, court actions were initiated under section 1153 against 240 criminal defendants in Western districts, including 57 defendants in my home State. At the close of fiscal year 1974, 212 defendants had court actions pending under section 1153, including 29 in Arizona. It is obvious that major crime on reservations, as evidenced by the volume of Federal litigation against Indian defendants, is a serious problem. The situation is especially bad in Arizona which in each instance has been second only to South Dakota in the total number of criminal actions during the past 2 years.

One of the effects of my bill would be to remove a serious legal obstacle to Federal efforts to control major crimes by Indians on Federal lands. This bill would provide greater uniformity in the definition and punishment of major crimes involving Indians. The due process and equal protection problems that have often hindered or even prevented prosecution of criminal offenders would be effectively removed. Thus the task of the U.S. attorney and other officials responsible for criminal law enforcement on Indian reservations would be made easier.

The most important result of this legislation, and the principal reason for its introduction, would be the beneficial effect it would have on the Indians themselves. This bill, if passed, would help to restore security and tranquility to reservation life. By increasing the possibility for effective prosecution of criminals, serious and violent crimes on Indian lands would be significantly reduced.

Let me illustrate the kind of serious problem which currently afflicts both law enforcement and tribal life as a result of recent Federal court decisions and defects in the criminal code. I recall a dreadful case of child beating which occurred recently on the Fort Apache Indian Reservation in my home State.

There an Apache woman was alleged to have inflicted severe injuries on her small daughter. As a result the 2-year-old child suffered brain damage and was apparently left blind, mute, and partially deaf. She now lives in a foster home in Maricopa County. The mother was charged a Federal court complaint with assault resulting in serious bodily injury, a section 1153 offense, after the child was taken to a hospital. However, the charges against the woman were subsequently dropped by the U.S. attorney's office.

Under Federal law the crimes of assault with a dangerous weapon and assault resulting from serious bodily injury must be prosecuted under State law in Federal court if committed by an Indian against another Indian on a reservation. As a result the Apache woman would be prosecuted under Arizona law and if convicted would face up to 5 years in prison and a $2,000 fine. However, if a non-Indian were charged with committing the same offense against an Indian on the reservation, the case would be prosecuted under the Federal assault statute which makes that crime a misdemeanor. The offense would then carry a maximum penalty of 6 months in prison and a $500 fine.

The Ninth Circuit Court of Appeals decided in United States against Cleveland that Indians have been denied equal protection of the laws. The circuit court also held that an Indian can be convicted with less burden of proof under Arizona law than a non-Indian can be under Federal law. According to Assistant U.S. Attorney Tom Crowe, the mother, like the Indians in the ninth circuit case, faced unconstitutionally discriminatory penalties if she were convicted because the statute on which the complaint had been based subjected Indians to harsher penalties than non-Indians who commit the same crimes. Because of the ninth circuit ruling, the case against the Indian woman would be dismissed prior to trial. Despite the fact that this case, in the opinion of the U.S. attorney, merited presentation to a grand jury for purposes of criminal prosecution, the charges had to be held in abeyance or dropped because of the court's view that defenses under section 1153 and the Arizona statutes were unconstitutional. Obviously it is of interest to the Indian people that such situations which will produce serious detrimental effects on reservation life be eliminated.

Assistant U.S. Attorney Crowe stated that, in his opinion, the ninth circuit ruling "whether right or wrong has created a void that seriously threatens the ability of our judicial system to deal with major crimes committed by Indians against one another." I share his view that "the long-range solution is clearly remedial legislation enacted by Congress to eliminate differences in treatment of Indians and non-Indians and apply Federal law uniformly to any criminal violations on reservations."

Mr. President, I offer this measure as a major reform of the Federal criminal justice system affecting Indians. I must emphasize that this bill is not a new idea, nor is it a radical approach to a serious criminal problem. This legislation merely seeks to modify existing criminal law to remedy an unfortunate situation in tribal life. It is a reasonable effort to remove a serious constitutional defect in the present law so as to strengthen criminal justice on the reservation. As such, it is consistent with and will complement the President's recently announced crime program. It will provide better protection to the innocent Indian victims of crime.

The sentencing problem which has arisen under existing criminal statutes as a result of circuit court decisions will be eliminated by the amendments I am proposing to title 18 of the United States Code. Such amendments should receive the support of the Indian people in Arizona and elsewhere who will be assured of equitable and fair treatment under the law.

Finally, if this bill is passed, we will have an updated revised Federal code covering Indian crimes. Such a revision is urgently needed by Federal law enforcement officials in Arizona and in all other States where Indians reside. In my opinion, the changes proposed in this bill are necessary to improve the quality of criminal justice for Indians everywhere.

I trust the Congress will give prompt and careful consideration to this legislation.

Mr. President, I ask unanimous consent that the bill which I hereby introduce and send to the desk be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2129

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1153, title 18, United States Code, is amended to read as follows:

"§ 1153. Offenses committed within Indian country

"Any Indian who commits against the person or property of another Indian or other person any of the following offenses, namely, murder, manslaughter, rape, carnal knowledge of any female, not his wife, who has not attained the age of sixteen years, assault with intent to commit rape, incest, assault with intent to kill, assault with a dangerous weapon, assault resulting in serious bodily injury, arson, burglary, robbery, and larceny within the Indian country, shall be subject to the same laws and penalties as all other persons committing any of the above offenses, within the exclusive jurisdiction of the United States.

"As used in this section, the offenses of burglary and incest shall be defined and punished in accordance with the laws of the State in which such offense was committed as are in force at the time of such offense.

"In addition to the offenses of burglary and incest, any other of the above offenses which are not defined and punished by federal law in force within the exclusive jurisdiction of the United States shall be defined and punished in accordance with the laws of the State in which such offense was committed as are in force at the time of such offense.".

SEC. 2. Section 113 of title 18, United States Code, is amended by adding at the end thereof the following new subsection:

"(f) Assault resulting in serious bodily injury, by fine of not more than $10,000 or imprisonment for not more than ten years, or both."

Mr. HRUSKA. Mr. President, I rise in support of the bill introduced by the Senator from Arizona (Mr. FANNIN), known as the Indian Crimes Act of 1975. At my request he has kindly added my name as a cosponsor of this urgently needed measure.

This bill amends certain sections of the United States Code so as to provide for the definition and punishment of certain major crimes in accordance with Federal laws affecting the territorial jurisdiction of the United States in connection with crimes committed by Indians.

The present Major Crimes Act, 18 U.S.C. 1153, extends Federal jurisdiction to certain "major crimes" committed on Indian reservations by one Indian against another. This provision was enacted to close a loophole in the law, 18 U.S.C. 1152, which exempted intra-Indian crimes from Federal jurisdiction.

In addition the bill would remedy a constitutional infirmity which results in a situation where the State definition and punishment for aggravated assaults may differ from the Federal statute. This disparity in the law raises a legal quandry where the differences in treatment for Indians, as opposed to non-Indian defendants, constitutes a denial of equal protection and due process under the fifth amendment. The effect of a number of decisions in this regard has ended in the dismissal of Federal indictments and an invalidation of the authority presently available to the Government under section 1153 to prosecute crimes of assault with a dangerous weapon or assault resulting in serious bodily injury.

A similar constitutional problem is also presented, although no court has so yet ruled, under section 1153 with respect to rape and assault and assault to commit rape. Once again, the Major Crimes Act refers to State law for the definition of these offenses, yet allows the Indian to be imprisoned at the discretion of the court. However, 18 U.S.C. 113(a), assault with intent to commit rape, and 18 U.S.C. 2031, rape, provide that the Federal law shall be applicable to non-Indians who commit these crimes against other persons, including Indian victims. Again, the policy of equal protection requires that references to State law be deleted, and that these offenses be defined and punished according to Federal law.

The proposal also includes language to provide for automatic referral to State law where Congress has not otherwise provided in Federal law, and language requiring conformity with State law where State law is incorporated to define and punish certain enumerated offenses in section 1153 other than those defined and punished according to the Federal statutes.

This bill adopts an approach essentially the same as that being proposed under S. 1, a bill now pending before the Senate Subcommittee on Criminal Laws of the Committee on the Judiciary, which would revise and codify the Federal Criminal Code. Under S. 1, the basic structure of current law, 18 U.S.C. 1152 and 1153, is retained, but the latter statute is perfected so as to eliminate the unconstitutional defects that have been found to exist by a number of court decisions. See *United States* v. *Cleveland*, 503 F. 2d 1067 (9th Cir. 1974).

The equivalent of 18 U.S.C. 1153 in the Senate bill, S. 1, is also somewhat broader than the current statute since it covers a number of felony crimes which are covered in other chapters of S. 1. Thus, the provisions of the Indian Crimes Act of 1975 are in substantial conformity with the proposed legislation to revise and codify the existing criminal code and provide an immediate remedy for an unfortunate situation which now exists within a number of jurisdictions which have Indian reservations within their borders.

Mr. President, the bill introduced today by Senator FANNIN has a narrow and technical purpose which will result in better enforcement of the Federal criminal laws in this country as they affect our Indian citizens who live on Federal lands and reservations. The bill is of high merit and consistent with present efforts to update our Federal criminal laws. I would hope that it will receive prompt consideration in the Senate Judiciary Committee and be enacted into law at an early date.

By Mr. THURMOND (for himself and Mr. EASTLAND):

S. 2131. A bill to amend title 18, United States Code, relating to the production of false documents or papers of the United States, and the use of false information in obtaining official documents and papers of the United States, involving an element of identification. Referred to the Committee on the Judiciary.

Mr. THURMOND. Mr. President, I send a bill to the desk for appropriate reference. This is an original bill reported from the Internal Security Subcommittee in the last Congress and which in that Congress bore the number S. 3001.

This bill was drafted in the subcommittee as a result of hearings on the problem of false documentation from the testimony given before the subcommittee by Miss Frances Knight, Director of the Passport Office of the U.S. Department of State, which was contained in a draft report which the subcommittee has approved and forwarded to the full committee, with the recommendation that it also be approved by the full committee.

As my colleagues know, Senator EASTLAND, chairman of the Internal Security Subcommittee and chairman of the Committee on the Judiciary, is temporarily hospitalized because of injuries sustained in a fall. As the ranking minority member of the subcommittee, I am introducing the bill for Senator EASTLAND and myself.

ADDITIONAL COSPONSORS OF BILLS AND RESOLUTIONS

S. 5

At the request of Mr. CHILES, the Senator from Washington (Mr. JACKSON) was added as a cosponsor of S. 5, the Government in the sunshine bill.

S. 19

At the request of Mr. DOLE, the Senator from Vermont (Mr. LEAHY), the Senator from Hawaii (Mr. INOUYE), the Senator from Minnesota (Mr. HUMPHREY), and the Senator from South Carolina (Mr. THURMOND) were added as cosponsors of S. 19, a bill to amend title XVI of the Social Security Act so as to provide for the referral, for appropriate services provided by other State agencies, of blind or disabled children who are receiving supplemental security income benefits.

S. 448

At the request of Mr. CRANSTON, the Senator from Oregon (Mr. HATFIELD) was added as a cosponsor of S. 448, a bill to amend the Immigration and Nationality Act with respect to a waiver by the Attorney General, of certain grounds for exclusion and deportation, for an offense in connection with possession only of marihuana.

S. 997

At the request of Mr. MOSS, the Senator from Kentucky (Mr. FORD) was added as a cosponsor of S. 997, a bill to amend the Fair Packaging and Labeling Act to require the disclosure by retail distributors of retail unit prices of consumer commodities, and for other purposes.

S. 1009

At the request of Mr. STONE, the Senator from Minnesota (Mr. MONDALE) was added as a cosponsor of S. 1009, a bill to amend title 13 of the United States Code to require the compilation of current data on total population between censuses and to require the use of such current data in the administration of Federal laws in which population is a factor.

S. 1257

At the request of Mr. MAGNUSON, the Senator from Alaska (Mr. STEVENS) was added as a cosponsor of S. 1257, a bill to extend the educational broadcasting facilities program and to provide authority for the support of demonstrations in telecommunications technologies for the distribution of health, education, and social service information, and for other purposes.

S. 1285

At the request of Mr. HUMPHREY, the Senator from South Dakota (Mr. ABOUREZK) was added as a cosponsor of S. 1285, a bill to provide for payments to compensate county governments for the tax immunity of Federal lands within their boundaries.

S. 1362

At the request of Mr. BAYH, the Senator from South Carolina (Mr. THURMOND) and the Senator from Washington (Mr. JACKSON) were added as cosponsors of S. 1362, a bill to provide professional pay for military lawyers.

S. 1372

At the request of Mr. Robert C. Byrd, the Senator from North Carolina (Mr. Morgan) was added as a cosponsor of S. 1372, a bill to require that States having agreements under section 218 of the Social Security Act will continue to make social security payments and reports on a calendar-quarter basis.

S. 1652

At the request of Mr. Stone, the Senator from Wyoming (Mr. Hansen) was added as a cosponsor of S. 1652, a bill to amend the Internal Revenue Code of 1954 to provide that no interest is payable on income tax deficiencies in the case of returns prepared by the Internal Revenue Service until the expiration of 30 days after notice to the taxpayer of such deficiency.

S. 1683

At the request of Mr. Bayh, the Senator from Colorado (Mr. Haskell) was added as a cosponsor of S. 1683, a bill to amend the Internal Revenue Code to permit parents of a physically handicapped or mentally retarded child to take an exemption deduction for that child despite the fact that the child had earnings in excess of $750.

S. 1744

At the request of Mr. Moss, the Senator from South Dakota (Mr. McGovern) was added as a cosponsor of S. 1744, a bill to regulate commerce by discouraging the needless depletion of natural resources through programs and incentives for recycling and conservation, and for other purposes.

S. 1783

At the request of Mr. Brock, the Senator from Pennsylvania (Mr. Schweiker) was added as a cosponsor of S. 1783, a bill to amend title XVIII of the Social Security Act to provide for comprehensive and quality health care for persons with communicative disorders under the health insurance program—medicare—including preventive, diagnostic, treatment, and rehabilitative functions.

S. 1784

At the request of Mr. Brock, the Senator from Pennsylvania (Mr. Schweiker) was added as a cosponsor of S. 1784, a bill to amend title XVIII of the Social Security Act to provide for coverage of comprehensive hearing health care services, including provision for hearing amplification devices financed in part by the Federal Government.

S. 1843

At the request of Mr. Dole, the Senator from Alaska (Mr. Stevens) was added as a cosponsor of S. 1843, a bill to amend and clarify certain regulatory authorities of the Federal Government over work and activities in navigable waters.

S. 1864

At the request of Mr. Jackson, the Senator from Massachusetts (Mr. Kennedy) was added as a cosponsor of S. 1864, the Energy Information Act.

S. 1905

At the request of Mr. Magnuson, the Senator from Idaho (Mr. Church) was added as a cosponsor of S. 1905, a bill to minimize duplication and to maximize efficiency in health planning and resource development, and for other purposes.

S. 2122

At the request of Mr. Tunney, the Senator from California (Mr. Cranston), the Senator from Wyoming (Mr. McGee), and the Senator from South Dakota (Mr. McGovern) were added as cosponsors of S. 2122, the Fairness in Gasoline Rationing Act.

SENATE RESOLUTION 104

At the request of Mr. Brock, the Senators from New York (Mr. Buckley), Oregon (Mr. Packwood), and Alaska (Mr. Gravel) were added as cosponsors of Senate Resolution 104, a resolution relative to the Select Committee on Small Business (to provide limited legislative authority to the Select Committee).

SENATE RESOLUTION 109

At the request of Mr. Brock, the Senator from Nebraska (Mr. Curtis) was added as a cosponsor of Senate Resolution 109, a resolution to establish a temporary Select Committee to Study the Senate Committee System.

SENATE CONCURRENT RESOLUTION 51—SUBMISSION OF A CONCURRENT RESOLUTION PROVIDING FOR CONDITIONAL ADJOURNMENT OF THE SENATE

(Referred to the Committee on Appropriations.)

Mr. McINTYRE submitted the following concurrent resolution:

S. Con. Res. 51

Whereas, the people of New Hampshire are entitled to two representatives in the United States Senate;

Whereas, according to Article I, Section 5 of the United States Constitution and the laws of the State of New Hampshire, the Senate has sole responsibility to determine the elections, returns, and qualifications of its members;

Whereas, the Senate has been unable to resolve the issues detailed in Senate Resolution 166 despite exhaustive committee consideration and lengthy Floor debate;

Whereas, despite this debate, repeated efforts to achieve a time agreement on consideration of this matter have been unsuccessful;

Resolved by the Senate (the House of Representatives concurring), That the two Houses adjourn from August 1, 1975, through September 3, 1975, *Provided however*, That the above provision shall not apply to the Senate unless it shall have completed action on Senate Resolution 166 by August 1, or entered into a unanimous-consent agreement by that date for the completion of such action.

SENATE CONCURRENT RESOLUTION 52—SUBMISSION OF A CONCURRENT RESOLUTION DISAPPROVING CERTAIN REGULATIONS OF HEW

(Referred to the Committee on Labor and Public Welfare.)

Mr. LAXALT (for himself, Mr. Curtis, and Mr. Fannin) submitted the following concurrent resolution:

S. Con. Res. 52

Resolved by the Senate (the House of Representatives concurring), That pursuant to the provisions of section 431(d) of the General Education Provisions Act, 20 U.S.C. 1232 (d), the Congress of the United States finds that sections 86.37(c) and 86.41 of the regulations of the Department of Health, Education, and Welfare relating to nondiscrimination on the basis of sex in education programs and activities receiving Federal financial assistance (40 F.R. 24128) are inconsistent with the provisions of Title IX of the Education Amendments of 1972 (20 U.S.C. 1681–1686), in that such sections exceed the authority conferred by the statute and seek to regulate athletic programs and activities which receive no Federal financial assistance, and the Congress disapproves such sections of such regulations which were transmitted to the Congress on June 4, 1975.

Mr. LAXALT. Mr. President, the bureaucrats are again attempting to make law and it is incumbent on the Congress to insure that they do not succeed. The bureaucracy must not be allowed to supersede the wishes of the American people as expressed by their elected representatives.

I refer specifically to the recently published HEW regulations pertaining to sex discrimination in education, where my major concern is with the athletics provisions. These provisions both greatly exceed the intent of Congress and are inconsistent with the expressed language of title IX of the Education Amendments of 1972. As such, they could destroy our popular and personally enriching system of intercollegiate athletics as it currently exists.

I can speak directly to the personal enrichment associated with intercollegiate athletics. My own days as an undergraduate participant and a subsequent period of close contact with programs in Nevada have been invaluable experiences for me. The last thing I would want to see would be such deep-seated benefits denied to anyone on the basis of sex.

But we must also be practical. Some intercollegiate athletic sports are substantial revenue earners. Others are not. I understand; for example, that at the University of Michigan, revenues from the football and basketball teams support the entire intercollegiate athletics program including six women's teams. I wonder what would happen to that program if HEW's short-sighted regulations were allowed to compel a substantial diversion of scholarship and gate receipt resources in such a way as to lead to an inevitable decline in quality. How would intercollegiate athletics then fare in an already satiated entertainment market? How many women's teams could then be supported? Or men's teams for that matter.

Fortunately, we can stop this exercise in bureaucratic irresponsibility if we act expeditiously. Under section 431(d) of the General Education Provisions Act, Congress has reserved the right to disapprove education regulations. In my opinion, HEW's title IX regulations as they pertain to intercollegiate athletics should be disapproved not only because they would destroy intercollegiate athletics if allowed to stand but also because they are inconsistent with the act from which they derive their supposed authority.

Title IX provides that:

> No person in the United States shall, on the basis of sex, be denied the benefits of,

> or be subjected to discrimination under, any program or activity receiving Federal financial assistance.

Yet, there is not a college athletic department anywhere in the country that receives Federal funds. The intercollegiate athletics provisions of the regulations are thus inconsistent with the statute in that they impose requirements on college programs not receiving Federal assistance.

HEW attempts to surmount this obvious inconsistency through recourse to semantics. The statute clearly refers to programs receiving Federal assistance and the courts have established that programs are in fact separable. Yet, HEW argues, when pressed, that its authority includes not only those programs actually receiving Federal assistance but those which indirectly benefit from that assistance as well. Thus, according to this tortious logic, college football receives Federal assistance because it may benefit indirectly from federally guaranteed student loans unrelated to athletics or a student athlete may use the school library whose construction was assisted by Federal funding. Needless to say, this is a rather slender reed upon which to base a social policy of this magnitude.

HEW's regulations are also inconsistent with the statute in that they go beyond title IX's injunction that sex be a neutral factor in federally financed education programs and, in a blatant exercise of bureaucratic revisionism, they make sex the determining factor in fashioning athletic programs and awarding athletic scholarships. The intent of Congress is clearly expressed by Congresswoman Mink's declaration in the House debates on title IX that "just as we insist that schools be color-blind, we must insist also that they be sex-blind as well." The athletics regulations are clearly inconsistent with this intent.

But this inconsistency goes beyond intent to expressed statutory language. The requirement of section 86.37(c) of the regulations that athletic scholarships be awarded by sex in the same ratio as the ratio of participants in an institution's inter-collegiate athletic program is in specific violation of the terms of section 901(b) of title IX, which prohibit the imposition of sex quotas under the statutes.

HEW's regulations are also inconsistent with title IX and congressional directive as expressed by the Javits amendment, which required that intercollegiate athletic regulations contain provisions respecting the nature of particular sports. Instead, these regulations impose arbitrary and unreasonable rules with respect to criteria used to measure equal opportunity, the effect of which will seriously damage sources of support vital to the maintenance of college athletic programs. Again, congressional intent was quite the contrary. As the author in the House of provisions which ultimately became title IX, Edith Green, stated so succinctly on the House floor last November:

> Title IX was not designed to terminate inter-collegiate athletics.

It is fundamental to our system of government, and well established as a principle of law, that "an agency construction of a statute cannot make the law; it must conform to the law and be reasonable." *United States* v. *Jefferson County Board of Education,* 372 F. 2d 836, 857 (5th Cir. 1966), *cert. denied,* 389 U.S. 840 (1967). Putting the same rule somewhat differently, "if agency regulations go beyond what Congress has authorized, they are void." Federal Maritime Comm'n. against Anglo-Canadian Shipping Co.

By applying title IX requirements to athletic programs which do not receive Federal financial assistance; by requiring not equal access, but equal programs regardless of relative skill; by imposing requirements which are sex-based, not sex-blind; and by imposing unreasonable compliance requirements which will eventually destroy athletic programs for both men and women, HEW has clearly both exceeded the scope of its authority and contravened the intent of Congress expressed in the provisions of title IX.

AMENDMENTS SUBMITTED FOR PRINTING

CONSUMER PRODUCT SAFETY IMPROVEMENTS ACT—S. 644

AMENDMENT NO. 693

(Ordered to be printed and to lie on the table.)

Mr. BUCKLEY (for himself and Mr. Tower) submitted an amendment intended to be proposed by them jointly to the bill (S. 644) to amend the Consumer Product Safety Act to improve the Consumer Product Safety Commission, to authorize new appropriations, and for other purposes.

ROLE OF DEPOSITORY INSTITUTIONS—S. 1281

AMENDMENT NO. 694

(Ordered to be printed and to lie on the table.)

Mr. PROXMIRE submitted an amendment intended to be proposed by him to the bill (S. 1281) to improve public understanding of the role of depository institutions in home financing.

OUTER CONTINENTAL SHELF LAND ACT AMENDMENTS—S. 521

AMENDMENT NO. 695

(Ordered to be printed and to lie on the table.)

Mr. BUMPERS submitted an amendment intended to be proposed by him to the bill (S. 521) to increase the supply of energy in the United States from the Outer Continental Shelf; to amend the Outer Continental Shelf Lands Act; and for other purposes.

NATIONAL ENERGY CONSERVATION ACT—H.R. 6860

AMENDMENT NO. 696

(Ordered to be printed and referred to the Committee on Finance.)

Mr. RIBICOFF (for himself, Mr. Packwood, and Mr. Haskell) submitted an amendment intended to be proposed by them to the bill (H.R. 6860) to provide a comprehensive national energy conservation and conversion program.

GAS-GUZZLER TAX

Mr. RIBICOFF. Mr. President, today Senators Packwood, Haskell, and I are submitting an amendment to provide a major incentive to manufacturers and purchasers of American automobiles which have improved gas mileage. Our proposal, which includes a tough but reasonable "per car sticker tax" combined with a manufacturer's fleet average tax would be a strong first step toward American energy independence.

Today, unfortunately, America depends far too heavily on petroleum, consuming more than 17 million barrels a day, one-third of which is imported. We are vulnerable not only to foreign embargoes and boycotts of petroleum but we also face an ever-dwindling supply of petroleum at home.

Reducing wasteful consumption of gasoline by making autos more efficient is not the sole solution to our energy crisis. Much more must be done to develop a wider variety of energy sources and to encourage nonwasteful uses of present energy supplies.

But, clearly the automobile stands out as the single largest end user of petroleum. The car accounts for nearly 40 percent of our present oil consumption or 6.5 million barrels a day. Coincidentally this is approximately equal to the amount of oil we are importing.

The automobile is a part of American life. Historically, America's gasoline consumption has been growing annually at a rate of almost 5 percent. This means that our gasoline demand doubles every 14 years.

While the recent recession has held down consumption somewhat in recent months, it is clear that auto use will continue to be a major part of the lives of most Americans.

We cannot ban the automobile. Nor would we want to if we could. But, we can expect American automobiles to be more efficient.

The sad fact is that rather than becoming more efficient in use of gasoline, the American auto is guzzling more and taking us shorter distances. In 1950 for example, gas mileage averaged 15 miles per gallon. By 1971 the figures had dropped to 13.7 miles per gallon.

It is no wonder that foreign car sales were at the 1½ million level in 1974—a quarter of the American automobile market. It is a simple fact that gas mileage for foreign cars is generally superior to that of domestic models. This is private enterprise at work. People have a demand—in this case for economy cars. Since the domestic industry has lagged in providing economy of auto operation the foreign auto industry has filled the vacuum.

And unless steps are taken now—the American industry will continue to lose out to imports.

That is what my legislation is all about. It provides the financial incentives necessary to spur the domestic manufacturers to manufacture and the consumer to purchase efficient automobiles.

In developing this legislation we rejected the voluntary approach which the President takes. The President's plan is to have voluntary agreements with the domestic industry to reach a mileage level of 18.7 miles per gallon by 1980. In matters of this kind, voluntarism is not enough. Nor is 18.7 miles per gallon high enough. Nor is 1980 soon enough. Much more can feasibly be accomplished.

We also rejected the provision adopted by the House of Representatives—the so-called Sharp amendment.

The House version provides a civil penalty of $50 for each mile per gallon below a sliding standard which starts in 1978 at 18.5 miles per gallon and rises to 28 miles per gallon by 1985. The weakness of this measure is that it is a fleet standards penalty applying across an entire manufacturer's line of cars. There is no gas guzzler provision. If a manufacturer meets the required mileage standards computed for his entire fleet, and they will be easy to meet, he pays no tax whatever and can continue to produce his most inefficient models. The House provision saves virtually no gasoline in this decade and even in 1985 would only save 500,000 barrels a day as compared to the 1.2 million barrel a day saving in my proposal.

The proposal we are making is in two parts—a gas guzzler sticker tax clearly visible on each auto and applicable according to the mileage which each model attains, and a fleet standard tax which will encourage the overall uplifting of mileage standards over the entire fleet of a manufacturer.

THE STICKER TAX

The per car excise sticker tax would, beginning in model year 1977, impose an excise tax on all new cars with mileage under 17 miles per gallon. By 1980 and thereafter the tax would apply to any car with less than 20 miles per gallon. The following chart illustrates the sticker tax provision:

Miles per gallon	Years			
	1977	1978	1979	1980 and thereafter
20 and over	----	-----	-----	-----
19	----	-----	-----	$100
18	----	-----	$100	200
17	----	$100	200	300
16	$100	200	300	450
15	200	350	450	650
14	350	500	650	850
13	550	700	900	1,100
Under 13	800	1,000	1,200	1,400

The per car tax would be paid by the manufacturer upon sale of each car to retail dealers. But any tax would be clearly passed on to the customer in the purchase price and would appear on the sticker price.

In addition the proposal would require the dealer to post the entire tax schedule for the model year so that the customer can see how much more the purchase of a fuel efficient model would save him.

FLEET AVERAGE STANDARD TAX

A separate and additional tax would be imposed on each manufacturer which did not meet the following standards for average fuel economy levels for all cars produced by that manufacturer in each model year.

The schedule is as follows:

	Miles per gallon
1977	16.5
1978	18.0
1979	19.5
1980	21.0
1981	22.5
1982	24.0
1983	25.5
1984	27.0
1985	28.0

A manufacturer whose fleet average fuel economy falls short of the standard for a year would pay a tax of $20 for each full one-tenth of a mile per gallon by which it misses the standard, multiplied by the number of cars produced by that manufacturer for that year whose mileage rating is less than the standard.

For example, assume that a manufacturer makes 1 million cars and the standard it is supposed to meet is 20 miles per gallon for its fleet average. Further assume that the fleet averages only 19 miles per gallon and that 200,000 cars of the fleet of 1 mililon cars average below 20 miles per gallon.

The penalty of $200 for being 1 mile per gallon under the standard would be multiplied by 200,000—the number of cars under the standard. The total penalty would therefore be $40 million. The manufacturer could spread the cost over the entire fleet, however since this tax is a fleet average levy.

The combination of the guzzler tax and the fleet standard tax would save us the following amounts of gasoline in millions of barrels per day:

1977	.11
1978	.25
1979	.42
1980	.60
1981	.75
1982	.85
1983	.99
1984	1.1
1985	1.2

The determination of mileage standards shall be made by the Secretary of Transportation under cooperative arrangements with other agencies of the Federal Government. The Secretary shall issue regulations for the establishment of mileage tests.

Now I recognize that changes in the energy and technology picture may change in the next few years, affecting our targets. That is why our proposal provides for a redetermination of mileage levels if Federal air pollution emission standards are substantially changed, resulting in a reduction in average fuel mileage.

My proposal also requires FEA to submit before March 15, 1978, a report with recommendations on what the mileage and tax rates should be after the 1980 model year.

Mr. President, I think the proposal I am submitting will help get America on the road to conservation of its dwindling energy resources.

But, more than that it will strengthen the domestic automobile industry by restoring the competitive edge which made our auto industry great. This will mean more domestic car sales and more American jobs.

I hope our Senate colleagues will join with me in support of this measure.

I ask unanimous consent that a fact sheet describing the gas-guzzler amendment be inserted at this point in the RECORD.

There being no objection, the fact sheet was ordered to be printed in the RECORD, as follows:

FACT SHIFT FOR RIBICOFF-PACKWOOD-HASKELL "GAS GUZZLER" TAX AMENDMENT

I. *Per Car Excise Tax.*—The per car excise tax would apply to passenger cars and trucks below 6,000 pounds. The rate schedule would be as follows:

Miles per gallon	Years			
	1977	1978	1979	1980
20 and over	----	-----	-----	-----
19	----	-----	-----	$100
18	----	-----	$100	200
17	----	$100	200	300
16	$100	200	300	450
15	200	350	450	650
14	350	500	650	850
13	550	700	900	1,100
Under 13	800	1,100	1,200	1,400

This tax applies only to the most inefficient cars in model year 1977, since manufacturers will not have had time to modify substantially the basic design of cars for that year. The tax, while technically paid by the manufacturer upon sale to the retail dealer, would be clearly passed on to the consumer in the purchase price and would appear on the "sticker" price. We would also require the sticker to disclose the entire tax schedule for that model year, so that customers can easily determine how much tax can be saved by looking for a more efficient model.

II. *Manufacturer's Excise Tax*—A separate manufacturer's excise tax would be applied on all cars produced if the average mileage of all the cars produced by a given manufacturer does not meet the following standards:

Year:	*Average miles per gallon*
1977	16.5
1978	18.0
1979	19.0
1980	20.0
1981	22.5
1982	24.0
1983	25.5
1984	27.0
1985	28.0

The tax would be $200 for each m.p.g. that the manufacturer's average misses the standard, and would be imposed for each car manufactured which itself is below that same mileage standard.

Manufacturers must meet the standard separately on their cars produced in the United States and on their cars produced in other countries and imported to this country. Therefore, U.S. manufacturers will have an incentive to produce small cars in the United States rather than abroad.

Energy savings (million barrels per day)

1977	.11
1978	.25
1979	.42
1980	.60
1981	.75
1982	.88
1983	.99
1984	1.1
1985	1.2

Revenue gain

[In millions]

1977	$485
1978	580
1979	685
1980	760

ADDITIONAL COSPONSORS OF AMENDMENTS

AMENDMENT NO. 688

At the request of Mr. EAGLETON, the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Minnesota (Mr. HUMPHREY), and the Senator from Wisconsin (Mr. PROXMIRE) were added as cosponsor of amendment No. 688, intended to be proposed to the bill (H.R. 7710), a bill to amend the tariff schedules.

AMENDMENT NO. 689

At the request of Mr. EAGLETON, the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Minnesota (Mr. HUMPHREY), and the Senator from Wisconsin (Mr. PROXMIRE) were added as cosponsors of amendment No. 689, intended to be proposed to the bill (H.R. 7728), a bill to suspend the duty on catalysts of platinum.

AMENDMENT NO. 693

At his own request, the Senator from Nebraska (Mr. HRUSKA) was added as a cosponsor of amendment No. 692 intended to be proposed to the bill (S. 963) to amend the Federal Food, Drug, and Cosmetic Act to prohibit the administration of the drug (DES) to any animal intended for use as food, and for other purposes.

ANNOUNCEMENT OF PUBLIC HEARINGS BEFORE THE COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

Mr. JACKSON. Mr. President, I wish to announce, for the information of the Senate and the public, the scheduling of a public hearing before the Senate Committee on Interior and Insular Affairs.

The hearing is scheduled for July 24, beginning at 10 a.m., in room 3110 of the Dirksen Senate Office Building. The subject of the hearing will be a joint resolution to approve the covenant to establish a commonwealth of the Northern Marianas in political union with the United States.

This covenant is the product of several years of negotiations between the United States and the leadership of the Northern Marianas. As early as 1950, the people of the Marianas have requested to become part of the United States. This covenant was submitted to a plebiscite in the Northern Marianas on June 17 of this year. With over 90 percent of the registered voters voting, 78.8 percent voted in favor of this covenant.

For further information regarding the hearings, Members may wish to have their staffs contact Mr. James Beirne of the committee staff on extension 47145. Those wishing to testify or who wish to submit a written statement for the hearing should write to the Committee on Interior and Insular Affairs, room 3106, Dirksen Senate Office Building, Washington, D.C. 20510.

HEARINGS REGARDING PRESIDENT'S LABOR-MANAGEMENT ADVISORY COMMITTEE

Mr. METCALF. Mr. President, the Reports, Accounting, and Management Subcommittee has legislative responsibilities concerning the President's proposed Utilities Act of 1975—title VII of S. 594—as well as the Federal Advisory Committee Act. Pursuant to these legislative responsibilities, the subcommittee will conduct a hearing on July 29 regarding the President's Labor-Management Committee and its recommendations regarding electric utilities, which were released by the President on June 13.

The hearing will begin at 10 a.m. in 1318 Dirksen Senate Office Building. Secretary of Labor John Dunlop, the committee's coordinator, and Federal Energy Administration Administrator Frank G. Zarb, whose Agency is responsible for some of the administrative actions being taken pursuant to the recommendations of the committee, have been invited to testify. Other persons who wish to submit statements or testify should communicate with the subcommittee staff, at 224–1474, majority; or 224–1490, minority.

Mr. President, a substantive article regarding the President's Labor-Management Committee appeared in the July 15 issue of the Wall Street Journal. Inasmuch as this article, written by James P. Gannon and headlined "Power Play in Washington," will provide useful background to those persons interested in the forthcoming hearing, I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

POWER PLAY IN WASHINGTON

(By James P. Gannon)

WASHINGTON.—Labor power. Big business power. White House power. Pork barrel power. Put them all together and you have Washington's big electric power play of 1975

That's partly pun, but the subject isn't funny. It is no laughing matter when big corporations and big unions together concoct a scheme to siphon $600 million a year from the U.S. Treasury, sell the idea to the President, and then get the Secretary of the Treasury to set aside his principles and act as their special-interest lobbyist in Congress.

That is what's happening, though, under the Ford administration's latest tax proposal, a measure designed to improve the financial health of the electric utility industry and to stimulate construction of more power plants to meet future needs for electricity.

Those are, no doubt, worthy goals. But in proposing a new tax subsidy to help achieve them, the administration has embraced means which contradict its rhetoric, undercut its budget policy, violate its economic philosophy and substitute a hurriedly designed plan for a more fundamental solution to the problem. Furthermore, the utility "crisis" which the new tax plan is designed to relieve shows every sign of dissolving without new federal aid.

It is undeniable that electric utilities have had plenty of troubles lately. Their operating costs exploded last year with the spectacular surge in oil and coal prices; their borrowing costs soared with the 1974 climb in interest rates; their plant-construction costs were bloated by double-digit inflation; their financial pinch was compounded by Wall Street's lack of enthusiasm for utility stocks and bonds. By the end of 1974, the squeeze of these circumstances had many utility executives crying "uncle," or, more specifically, "Uncle Sam."

The plea fell upon some sympathetic ears in the Ford administration. White House economic aide L. William Seidman began pushing the utilities' cause in inner councils, not unmindful of the fact that several of the power companies in the most dire shape were back home in Michigan, where he and friend Jerry Ford come from. Some Federal Energy Administration aides joined the cause. But other officials were cool to a federal bailout for utilities. Prominent among these was William Simon, the Treasury Secretary, who has argued often and eloquently against federal subsidies for special interests.

SHUNTED TO SECRETARY DUNLOP

Somehow, while administration officials still were divided over the issue, it got shunted to a new debating forum: the President's Labor-Management Advisory Committee. This is a 16-man group of union and management bigwigs headed by Labor Secretary John Dunlop, who has a well-earned reputation as a master of backroom bargaining. While the labor-management panel considered the utility problem in private, Mr. Dunlop began talking in public about the plight of the utilities and the prospect of future "blackouts" due to lack of generating plant capacity.

The labor-management committee agreed in May on a program to aid the utilities. Its key elements are tax advantages. Though Congress in March raised the investment tax credit for utilities to 10% from 4% for 1975 and 1976, the union and business leaders urged a further permanent increase to 12%. The panel also proposed that utility stockholders be allowed to defer taxes on dividends taken in the form of additional shares of stock, and that power companies be allowed more liberal depreciation rules and fast five-year write-off of pollution control facilities. Beyond the tax area, the panel urged, among other things, a relaxation of environmental restrictions on utilities and a speedup in approvals for nuclear plant projects.

The President in June endorsed the recommendations of the panel. Then he thanked the union and company officials for their work "in the national interest."

It is instructive to note the membership of this panel that devised what now is Ford administration policy. It includes Reginald H. Jones, chairman of General Electric Co., one of the nation's largest suppliers of electric generating and transmission equipment, whose sales and profits would benefit from more utility plant construction. It also includes Stephen D. Bechtel Jr., chairman of the Bechtel group of companies, one of the major builders of utility plants. Other management members include the top officers of General Motors Corp., Aluminum Co. of America, and U.S. Steel, whose plants are among the nation's largest users of electric power.

On the union side, the key man is George Meany, president of the AFL–CIO, whose union affiliates in the construction trades are suffering unemployment rates in excess of 20%. The heads of the Teamsters and Steelworkers are members too, and they are naturally concerned that power shortages in the future might threaten plant shutdowns or layoffs.

There is nothing illegal, immoral, or even unethical about a union leader or company executive urging the government to pursue policies that will benefit his interests. That is natural. But it's surprising that the President should ask such a group to devise tax policy on utilities. The results are as predictable as they would be if he asked homebuilders and real estate salesmen to devise his national housing policy, or big-city mayors to draw up his plan for urban aid.

Swallowing his earlier reservations, Treasury Chief Simon now is urging Congress to pass the utility-aid tax bill in hurry-up fashion. He was almost apologetic in outlining the narrow-interest legislation to the House Ways and Means Committee last week. The proposals, he told the lawmakers, "are probably not the same proposals we would advance if we had the luxury of more time, a less critical problem, and the realistic possibility of an overall solution to our country's economic problems." But, he said, "we must be practical and must act, and act quickly." The proposals, he noted pointedly, "have the support of both business and labor." Furthermore, he said, they would provide jobs (which is a magic word in Washington in these days of recession) and help reduce foreign oil imports.

No wonder Mr. Simon felt a bit sheepish. Here is the man who derided public-works jobs programs as "pure pork barrel," merchandising a private-sector pork barrel as a job-creating program. Here is the man who personified resistance to budget deficits, urging Congress to allow a $600 million addition to the red ink this fiscal year, and more in future years. Here is the man who is quick to praise free enterprise and to condemn government handouts, promoting a fast cash transfusion from Treasury to the corporations. Here is the man who demands fundamental, long-range solutions to economic problems (such as the fiscal crisis in New York City) proposing a quick-fix for utilities, because there just isn't time to devise a more considered response.

Some Congressmen asked embarrassing questions. If we give this special tax break to the electric utilities, won't lots of other industries demand equal treatment? Can the Treasury afford this revenue loss in a period of record deficits? If the utilities need more money, shouldn't they get it from their customers instead of the taxpayer? Mr. Simon's wobbly answers boiled down to saying that the utilities were a special case, an exception to his rules.

MR. BRANNON'S OPINION

The utility tax proposals "are a permanent response to a temporary problem," in the opinion of Gerard Brannon, a former Treasury tax specialist who recently analyzed the proposals for Tax Analysts and Advocates, a tax research organization. He wrote: "If inflation, interest rates and fuel costs are bugging the utilities now, will the new tax give-aways be repealed when the market problems abate? You should live so long! Crises are the usual cover for enacting 'reliefs' in the tax law that will be pure rip-offs when the crisis is gone."

The utility "crisis" may be passing already. Utility profits have begun rising again; First National City Bank's first-quarter survey found combined profits of 81 utilities up 20% from the fourth quarter and up 12% from a year earlier. Interest rates have fallen sharply in the past six months, so borrowing costs are lower. Inflation is cooling. Utility stock and bond prices have risen in Wall Street's big 1975 rally, so utilities are again able to raise money in the markets. Most important, fuel escalation clauses are helping power companies recoup higher oil costs from their customers, and state rate-setting agencies are granting faster, bigger rate increases.

But even if the short-term crisis is passing, it's true that utilities face formidable long-term challenges. They will require enormous amounts of capital to build all the facilities needed to power a growing economy in the decade ahead. But the U.S. Treasury isn't the right place to get the money.

The long-run solution to the industry's financial needs is higher rates, as Mr. Simon himself has said repeatedly. The utility customer—including big industries such as GM, Alcoa and U.S. Steel, which currently benefit from outmoded volume-discount rates—ought to pay the bill, not the taxpayer. Tax subsidies, in fact, may only undermine energy conservation by helping keep rates artificially low.

The full cost of providing power ought to be evident in people's and companies' electric bills, not partly hidden in their tax bills. Then, if your power bill seems too high, you can throw away your electric toothbrush or turn down the air conditioner. But once the power companies plug in at the Treasury, you won't be able to switch them off.

NOTICE OF RESCHEDULING OF HEARINGS

Mr. ABOUREZK. Mr. President, as chairman of the Judiciary Subcommittee on Separation of Powers, I announced on July 9 that the subcommittee would hold hearings on congressional oversight of the Food and Drug Administration on July 17. I wish to take this opportunity to inform all interested parties of a change in the previously announced hearing date. The rescheduled date is July 21 at 9:30 a.m., room 2228 in the Dirksen Senate Office Building.

ADDITIONAL STATEMENTS

A JUROR SUMS UP THE EDELIN TRIAL

Mr. BUCKLEY. Mr. President, the trial and subsequent conviction of Dr. Kenneth Edelin on a charge of manslaughter arising from an abortion he performed proved to be one of the most sensational and controversial legal events of recent years. Part of the controversy was concerned not with the fact of the trial itself, but with what was perceived by many as biased and often inaccurate reporting of the trial.

Harper's Weekly of March 14, 1975, contained an interview with one of the Edelin trial's jurors, entitled "Why We Thought Dr. Edelin Was Guilty." Although it was published months ago, it sheds light on some of the more obscure aspects of the trial and gives a fascinating "inside" look into what really happened—as opposed to what the media reported—in that juryroom.

I ask unanimous consent that the article I have referred to be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From Harper's Weekly, Mar. 14, 1975]

WHY WE THOUGHT DR. EDELIN WAS GUILTY

Only a few juries in recent memory have excited as much curiosity—and antagonism—as the one that delivered the surprise manslaughter conviction of Boston obstetrician Dr. Kenneth Edelin. For Anthony Alessi, a 30-year-old supervisor at the New England Telephone Company and a part-time student at Northeastern University, the Edelin trial provided his first jury experience. A Baptist (despite reports that all the jurors were Catholic) and the father of three, Alessi has lived in the predominantly black Roxbury section of Boston for the past 16 years.

Alessi agreed to talk to *Harper's Weekly* because of what he considers unfair and untrue allegations about the group's racism by one of the alternate jurors. He was interviewed by Alan Geismer.

Since the guilty verdict, it's been repeatedly argued that the real issue was not manslaughter but abortion. How do you feel about that?

I completely disagree. Even after everything I've been able to read, I still think manslaughter was the only issue. The jury itself was divided about the subject of abortion. About half were for it and about half were against it except under certain conditions, and a few, like myself, had no strong feelings about it one way or the other. Besides, we were forbidden by the court from discussing it during the trial.

From the time we started deliberating I don't think the word "abortion" came up twice. When it did, we all agreed that yes, there had been a legal abortion and that once the baby was detached from the mother the doctor's obligation to the mother was completed. But then we asked ourselves: did the doctor owe this baby an obligation although, granted, he was doing an abortion? And the answer we came to was yes, that under his oath as a doctor, he owed it to the baby to do more to preserve its life, since he had in his hand an individual human life separate from the mother.

How did you decide the question of viability?

We had to decide if the baby had taken a breath outside the womb. I think that we really believed Dr. J. F. Ward [a Pennsylvania pathologist called by the prosecution] that the lungs showed the baby had taken a breath. For many of us he was the decisive witness. Of course, only one person could prove viability and that was the baby itself. We felt the doctor [Edelin] didn't give the baby enough of an opportunity. He said he placed his hand on the baby's chest for 3 to 5 seconds. We didn't weight this as a real attempt to see if the baby was alive. We also took under consideration that the mother was under heavy sedation and that therefore the baby was, too. With all this, well, we felt Dr. Edelin just didn't give it enough of a chance and that he should have.

Did the conflicting evidence over whether or not there was a clock in the operating room carry much weight?

No. I was surprised to learn the press made such a big deal out of this. The clock was not really that important. Regardless of whether or how long the baby was left inside the mother, it was alive. We believed the baby had taken a breath.

What about the controversial picture of the fetus that was admitted into evidence?

When it was first introduced and passed among us, the picture did have a traumatic effect on some of the girls, who didn't even want to look at it. But it was very important in our final deliberations. We passed all the evidence around the table and everyone looked at each piece, but we paid a lot of attention to that picture. None of us had ever seen a fetus before. For all we knew a fetus looked like a kidney. The picture was obviously of a well-formed baby, over 13 inches long. It didn't carry undue weight, but it helped us see what a baby looks like at that weight.

What is your reaction to the charges by one of the alternate jurors and others that racism motivated the verdict?

I was shocked. Nothing like that ever came out in our discussions. There was no discrimination or racist talk that I heard. Those charges are simply ludicrous. We all knew the aborted baby was black—it was in the indictment—but, my God, I never realized Dr. Edelin was black until after the trial. And tell me this: if we were such racists and saw that it was a black baby, what the hell would we have cared? It would have been very easy for us to have walked into the jury room, thrown a "Not Guilty" into the envelope and gone home. Something held us there. When we left that room after seven hours, none of us had a reasonable doubt. Although I've read some have apparently since changed their minds.

Most of the jurors were Catholic. Did religion play any part in the deliberations?

As soon as we sat down, someone brought up his own religious belief, but several of us jumped up and insisted that we definitely not make religion an issue in any way. If people did have any such feelings, they kept them to themselves. And besides, as I said before, abortion was not the issue anyway. Apparently the press read a lot into the way the verdict was read out by the foreman. But I know for a fact that it was not shouted intentionally. You can't believe how nervous he was.

How did you feel about the light sentence of one year's probation?

I think every one of us was pleased with the sentence. It was just a slap on the wrist. I felt they weren't really going to severely punish him for something that happens every day. He was just the unlucky individual who happened to get caught. I wish him all the luck in his appeal. He's done nothing thousands haven't done before in worse ways.

What was it like to be sequestered from the world for more than six weeks?

What can I say? None of us thought the trial would last as long as it did. We had luxury accommodations and ate like kings, but after two weeks the novelty wore off and boredom set in. If the judge hadn't limited us to two drinks a night, he would have had 16 alcoholics on his hands by the end.

At times it felt worse than being a prisoner. Our letters were censored, both in and out. We had newspapers for three weeks with big sections cut out, but then those stopped. We couldn't even call our families, which didn't make sense. The only TV we could watch were movies and sports.

The isolation was the worse part. At times I wanted to go bowling or skiing—anything to break the monotony. We had a whole hotel floor to ourselves and used the hallway for a track to keep limber. We even played touch football in the hall until we broke a chandelier. On the weekends we went to resort hotels on Cape Cod and in New Hampshire.

The only bad thing was we had to do everything in a group. If one person didn't want to go to the pool, we didn't go. This began to wear on us after a while. It was like living in a fishbowl. Yet I was surprised that most of us were so compatible. I made some good friends and we are even planning a small reunion. I'd serve on a jury again, but not that long, not locked up like that.

How well did you think the trial was conducted?

This was my first contact with the courts in any form, so I didn't know what to expect. I thought both lawyers, Mr. Homans [defense attorney William Homans] and Mr. Flanagan [prosecutor Newman Flanagan], were excellent and very equally matched. Judge [James] McGuire handled it fairly and treated us well. I must say I lost a little respect for the man when he did not thank us after we were locked up through six weeks and two days of the trial. If I ever had to have a trial, I would now want a jury, it's better than the judgment of just one man.

Were you surprised at the reaction to the verdict?

Stunned. That Saturday was a shock. We felt as if the odds were two million to 12. None of us realized the notoriety the trial was getting. Even seeing all those reporters there every day didn't prepare us. We knew it was big around Massachusetts, but we had no idea that this thing had stirred up such national attention. Most of us began getting calls and threats. People would call and say they were going to kill me or my wife and kids. Luckily my wife is a very strong person, and we just laughed it off and refused to be intimidated.

What did you think of the local press coverage?

The onesided bias of the local papers was incredible, especially the *Globe*. My wife saved all the papers and from what I've read the press left out a tremendous number of facts and played up the defense too much. It's made me see that isolating the jury can make a lot of sense. The press tried and hung the jury.

A MEMORIAL TO FRANKLIN D. ROOSEVELT

Mr. HUMPHREY. Mr. President, recently the distinguished scholar and historian, Dr. Arthur Schlesinger, Jr., delivered the Memorial Day Service address in memory of Franklin D. Roosevelt at Hyde Park. I have been privileged to receive excerpts from his address. They are so relevant to present days and yet so significant in terms of historical perspective that I believe it would be well for every Member of Congress to see what Professor Schlesinger had to say. I ask unanimous consent that the excerpts from his remarks be printed in the Record.

There being no objection, the excerpts were ordered to be printed in the Record, as follows:

Excerpts From Remarks

(By Dr. Arthur Schlesinger, Jr.)

We gather once again on Memorial Day, thirty years after the death of Franklin D. Roosevelt—thirty strange, proud and painful years in the history of the republic, years of creativity and generosity, years of waste and destruction, years that have displayed our country at its most honorable and its most cruel, at its worst and at its best. The historians of the future will seek endlessly to comprehend the process by which the noble idealism of the Second World War ended up in the shame of Vietnam. One is tempted to speculate on what FDR would have made of it all, how he would have seen America's postwar role, whether he could have steered events in a different direction, to what extent his death changed the history of our times

As FDR would have said, these are "iffy" questions; and he would have prudently declined to answer them. None the less the temptation to speculate remains. I would doubt myself whether, if FDR had lived, the Cold War, for example, could have been avoided. The post-war antagonism between the Soviet Union and the western democracies was too deeply rooted in ineluctable facts—in the vacuums of power produced by the collapse of the Axis states; in the Soviet conviction that the capitalist world was by definition committed to the destruction of communism; in the American conviction that universal principles of world order must supersede spheres-of-influence and the balance of power. FDR might have slowed up the break with Stalin, but not by much. No American President could view with complacency the prospect of the Stalinization of Western Europe. Roosevelt certainly could not. As he cabled Churchill the day before his death, "We must be firm . . . and our course thus far is correct."

It is rather in what we now call the Third World that FDR might have made a difference. More than any other leader of the west he understod that the age of colonialism was over. His conviction that China would become a great power was much derided at the time. It seems considerably less foolish today. His great disagreement with Churchill was over India; plainly Roosevelt was right and Churchill wrong. Had Roosevelt's policy of preventing a French return to Indochina been followed, the world would have been spared much blood and agony, and the United States would have been saved from the most squalid episode in our history.

More than that, Roosevelt recognized that the abiding source of American influence in the world lay less in our arms and money than in the faith that the plain people around the world have intermittently had the faith that America was on their side. We have counted most in international relations as a nation of ideals, conveying a sense of hope to oppressed and exploited masses. It may well be said that such hope was often delusory and that it often concealed a tough sense of American self-interest. Yet it also sustained such values as democracy and freedom in hard times and helped move the planet marginally toward a larger justice. We have seen great diplomatic virtuosity in recent years, but too much of it has been at the expense of this precious historic asset—the bond that once ran between the United States and the democratic aspirations of ordinary people. This is what FDR understood supremely. It was the heart of his foreign policy.

But the vitality of great men consists in part in the way we rediscover new facets of their greatness as our own needs change. The Roosevelt legacy is many-sided. FDR was not only a man of broad and often prescient views in foreign affairs; he was a grand innovator and reformer in our domestic society. For a generation after his death we concentrated on international matters. But during the decade of the seventies national problems will acquire, I believe, a new urgency and a new priority. As we belatedly return to perplexities at home, to depression, inflation and the pursuit of social and racial justice, we will find, I believe, renewed inspiration and insight in the experience of the thirties, in FDR's social courage, in his instinct for experiment and, most of all, in his belief that men and women can be the masters of their own economic destiny.

We sometimes forget how sharp a break the New Deal marked in the relationship between the national government and the national economy. Before 1933 it was traditionally assumed that government had only the most limited role in combatting economic crisis. Martin Van Buren had made the classic statement during the Panic of 1837. "Those who look to the action of this Government for specific aid to the citizen to relieve embarrassments arising from losses by revulsion in commerce and credit," Van Buren said, "lose sight of the ends for which it was created. . . . All communities are apt to look to government for too much. . . . If, therefore, I refrain from suggesting to Congress any specific plan for regulating the exchanges of the country, relieving mercantile embarrassments, or interfering with the ordinary operations of foreign or domestic commerce, it is from a conviction that such measures . . . would not promote the real and permanent welfare of those they might be designed to aid." Relief would come, Van Buren said, only through retrenchment "by curtailing public and private expenditure."

This attitude prevailed through the depressions of the 19th and early 20th centuries. Presidents recognized only one way in which government could act against the business cycle—monetary policy. Their only weapon against depression was, depending on their economic beliefs, the deflation or reflation of the money stock. For the rest, government should retrench, batten down and wait for the storm to blow over. Government, they believed, could do little to stop depressions in advance or to end them when they began. Depression was an uncontrollable natural calamity, like a hurricane, a drought or a tidal wave. Economic fatalism was the ruling creed.

Thus Calvin Coolidge a mere half century ago: "In my opinion, the Government can do more to remedy the economic ills of the people by a system of economy in public expenditure than can be accomplished through any other action." And after the worst of all depressions struck in 1929, Herbert Hoover said: "Economic depression cannot be cured by legislative action or executive pronouncement." When in another year Congress proposed federal relief for the unemployed, Hoover, vetoing the bill, said, "Never before has so dangerous a suggestion been seriously made to our country."

It is against this background, against this conviction of governmental impotence, this surrender to economic fatalism, that the contribution of Franklin Roosevelt must be measured. For, while Washington was denying both power and responsibility, FDR as governor of New York was insisting that government must act. As he told the New York legislature in the depths of the depression, "I assert that modern society, acting through its government, owes the definite obligation to prevent the starvation or the dire want of any of its fellow men and women who try to maintain themselves but cannot. . . . To these unfortunate citizens, aid must be extended by government, not as a matter of charity, but as a matter of social duty." It was this spirit that he carried to Washington when he became the new President in March 1933.

The closing of the banks symbolized the way in which the American economic machine had ground to a halt. 25 per cent of the labor force was unemployed when FDR took over—equivalent to 23 million unemployed today. The gross national product, corrected to constant dollars, was about one-fifth of what it is today. FDR faced a double task: to relieve the human and social impact of depression; and to revive the economy. No previous President had ever undertaken such a task. No previous President had ever acknowledged such an obligation. No previous President had ever proclaimed such a "social duty."

The revolution FDR wrought in our attitudes has been so complete that it is hard to imagine today any President turning his back on social misery and economic collapse. We can comprehend the extraordinary character of this revolution only when we place it against the creed of economic fatalism that obsessed all his predecessors—all the depression Presidents from Van Buren to Hoover. FDR scorned that creed. The issue, he said in 1932, was "whether individual men and women will have to serve some system of Government and economics, or whether a system of Government and economics exists to serve individual men and women." His absolute conviction was that free men and women could master their economic fate.

Because FDR was embarking on a new course in uncharted waters, because he had no precedent, no serious body of experience to draw on, groping and confusion were inevitable. There was no alternative to trial and error. As he said in the 1932 campaign, "The country demands bold, persistent experimentation. It is common sense to take a method and try it: If it fails, admit it frankly and try another. But above all, try something." This, except perhaps for the part about admitting failure frankly, was to be the method of his administration.

I suggest to you that the New Deal is not just an episode of strictly historical interest. For we know all too well today that, though we have made progress in mitigating the problems of a free economic order, we have not solved these problems. And, as we contend in our own time with the business cycle, with unemployment and recession and inflation, we will benefit from a greater acquaintance with the successes and failures of the New Deal years. Of FDR's two tasks, it is generally supposed that he succeeded better in relieving the human and social impact of depression than he did in reviving the economy. But both tasks, I think, contain useful lessons for the United States forty years after.

Thus we talk now, in our own unemployment crisis, of the need for public service employment, and Congress with great effort has persuaded the administration to give jobs to about 200,000 unemployed men and women. But the model in the back of our minds is the once famous WPA which in its eight years of life gave work to more than eight million unemployed, building highways, bridges, parks, dams, airports, schools, hospitals; building the Los Angeles Airport, the Chicago Outer Drive, the East River Drive in New York; preserving records, preparing guidebooks, painting murals, putting on plays and concerts—improving and enriching the national estate in an astonishing variety of ways.

This was only one of the New Deal programs. The CCC enlisted young men in reforestation, the prevention of erosion and other ecological projects. The PWA built planes, ships, harbors, bridges, tunnels, public health facilities. The NYA provided funds for part-time employment of students; and so on through the celebrated alphabetical agencies. The Social Security Act of 1935 established a federal old-age retirement system and provided for a system of unemployment compensation. The Fair Labor Standards Act of 1938 set minimum wages and maximum hours for labor employed in interstate commerce. In a multitude of fields the New Deal tried to rescue those swept down into the maelstrom of depression—and, in so doing, showed a high degree of social imagination and administrative improvisation.

But the New Deal, as I have noted, is generally accounted less successful in its efforts to restore the economy. True, it arrested the grim decline of 1929–1933. But there were still, as unemployment was figured then, 9 million people out of work in 1940—14.6 per cent of the labor force. This figure is misleading, however, because in 1940 persons on federal work programs were counted as unemployed. Since 1964 the Bureau of Labor Statistics has counted such persons as employed. By current standards, the proportion of unemployed in 1940 was about 9.2 per cent—about the amount of unemployment that we have today. Still, though there was a considerable measure of recovery, the economy did not pass the 1929 level of production till 1937 and had not achieved the 1929 level of employment by 1940.

In general, and with much oversimplification, it may be said that FDR tried two roads toward economic revival: first the planning road; and then the spending road. In the despair of depression interest developed in ideas of national planning, not only on the part of liberals and radicals but also on the part of influential businessmen, especially those who had experience in or memory of wartime planning in 1917–18. The early New Deal was in consequence based on structures of national planning and was intended to reorganize the economy in fundamental ways. But for various reasons the national planning experiment fell into difficulties. Much of the planning was inordinately detailed, and problems arose, once the sense of emergency began to pass, in securing compliance. Conflicts erupted over the question who in the end would make the planning decisions—the government or the private interests supposedly under government regulation. Then the Supreme Court declared vital parts of the planning structure unconstitutional.

So around 1935 FDR began to move away from national planning and to seek recovery by fiscal and monetary stimulation of the economy. He had done this involuntarily to some degree already; but now fiscal and monetary expansion, through budgetary deficits and the enlargement of the money stock, became the primary engine of revival. One advantage of this approach was that it promised to bring about recovery without basically altering patterns of decisions and control in the private sector. Where the planners had wanted to reorganize the economy, the spenders sought to resuscitate the existing structure through fiscal and monetary transfusions, and to make it more truly competitive through anti-trust action.

This approach was plainly effective. If there were still too many unemployed in 1940, it was not because the spending strategy failed. It was rather because FDR, who remained a budget-balancer—and also, I believe, a planner—at heart, was not sufficiently committed to deficits. The largest pre-war deficit was $4.4 billion in 1936. This would be about $17.5 billion in 1974 dollars—which, though condemned as appalling forty years ago, is considerably less than a conservative Republican President is prepared to accept today in order to combat a much less serious economic collapse. The power of the spending approach was clearly proved when the war enabled, or forced, the government to create really large deficits—and unemployment promptly evaporated. FDR's economic error was not in spending too much in peacetime but in spending too little.

War thus vindicated the spending strategy. At the same time it also revived the planning strategy. For the requirements of mobilization diminished the antitrust fervor and brought into existence a comprehensive system of centralized control over the allocation of critical materials, over production, distribution, transport, rubber, oil and other elements in the economy. In particular, the need to contain inflationary pressures generated by wartime deficits led to the institution of a strong and effective system of wage and price controls. Wartime planning was exceedingly effective. But the structural innovations were considered as temporary adaptations to the needs of war; not in any sense as permanent features of a postwar economy. The Employment Act of 1946 thus pledged the national government to the maintenance of maximum employment, production and purchasing power within a competitive economy; and this was assumed from the start as prescribing fiscal and monetary means rather than planning.

The Employment Act can be seen as one culmination of the Roosevelt years. It dismissed the idea that had dominated all the Presidents who had faced the problem of depression from Van Buren to Hoover—the idea that there was little government could do to combat depression or to alleviate its consequences. It was a final rejection of the old philosophy of economic fatalism. It affirmed that men could shape their economic destiny.

Let no one underestimate the significance of the commitment to high employment. It marked an historic point in the humanization of the industrial order. Mass unemployment was no longer to be taken as a calamity beyond human control. Winston Churchill once wrote, "The problem of unemployment is the most torturing that can be presented to a civilized society." The idea of full employment offered the hope of bringing that particular form of torture to an end. No civilized society can disclaim that ideal. No electorate would permit it to do so.

Yet social advances may create new social contradictions. It was just and imperative to correct the historic bias in our economy toward depression. But in doing so we appear to have substituted for it a new bias—toward inflation. "For every benefit which you receive," as Emerson said, "a tax is levied." The pre-war economy had an innate propensity toward depression. The post-war economy has an innate propensity toward inflation. And, where fiscal and monetary policies had proven their capacity to deal with depression, such policies are evidently incapable of dealing with inflation—except insofar as fiscal and monetary restraint are used to retract government stimulus to the economy, increase interest rates, slow down business activity, induce unemployment and hurl us back into the very condition of recession from which we thought we had escaped.

Our current recession is altogether unnecessary. It has come about only because we could think of no no other way to stop inflation. And now that we have enough unemployment for inflation to abate, we plan to start spending again—and soon we will find ourselves in another inflation. Is this to be our economic future? to go into recession to combat inflation and then to go into inflation to combat recession?—and thereby reproduce deliberately and on purpose that old cycle of boom-and-bust we used to deplore as a natural calamity. As they used to say in my youth, this is a hell of a way to run a railroad. And this economic roller-coaster does not even cure inflation. We consider it a triumph today when inflation diminishes to 8 per cent—a figure we would have considered intolerable a short while back. So the value of the dollar falls—from $1 in 1940 to 30 cents in 1957, 40 cents when Richard Nixon came into office and to hardly more than 25 cents today.

My guess is that in time we will refuse to endure chronic inflation as after 1929 we decided we could no longer endure chronic depression. It is absurd to say, as learned economists have told us since the war, that inflation is the price we must pay for economic expansion. We had fantastic economic expansion in the 19th century, but prices were lower in 1900 than in 1800, despite the doubling of prices during the Civil War. We had fantastic economic expansion during the Second World War, but the increase in wholesale prices during the last 32 months of the war, once OPA received adequate authority, was less than in the single month of August 1974. Fatalism about inflation is as foolish as fatalism about depression. And the conclusion that the only way we can fight inflation is through depression is a surrender to the pre-FDR notion that man cannot control his economic destiny.

FDR's problem was not inflation: quite the contrary. But he said something about price stability in 1933 that still makes good sense for the republic 42 years later. He said, "The United States will seek the kind of dollar which a generation hence will have the same purchasing power and debt-paying power as the dollar value we hope to attain in the near future." How today are we to achieve that kind of dollar without subjecting our people to the periodic torture of mass unemployment? "It is common sense to take a method and try it. . . . Above all, try something."

Let us not suppose that government retrenchment will solve the problem of inflation any more than it could solve the problem of depression. Inflation is unquestionably promoted by debt; but it is promoted a good deal more these days by private debt than by public debt. In 1973 the private debt of individuals and corporations was $2.217 billion; the federal debt was about one-fifth of that—$481 billion. The decisive increase in debt in the last generation has been in the private sector. The federal debt was 58 per cent of the total debt in 1946, only 17 per cent in 1973. The idea that cutting a few billion dollars off the federal budget is going to have much effect in an economy of the present size is preposterous: it would amount to a mighty small tail wagging a mighty large dog. And reducing federal spending would at the same time have marked adverse effects on the health and welfare of our people, on our national defense and on our general capacity to meet the problems of our age.

Perhaps it is time to take a fresh look at the ideas of national planning that FDR advocated in the 1932 campaign and tried out in the early New Deal. The competing claims of full employment and stable prices constitute only one part of the problem. There are also the competing claims of the protection of the environment and the production of energy; of jobs at home and trade abroad. And pervading everything is the problem of the redistribution of income—a problem obscured in these palsy days of population growth and economic expansion but no longer to be escaped as the pie stops growing. If some object that planning will infallibly get us into a mess, one can only comment that it is hard to imagine a greater mess than the refusal to plan has got us into already: the worst inflation in a generation, the highest unemployment since the war, the worst decline in real output in nearly 40 years, the worst deficit in the balance of payments ever, the worst peacetime budgetary deficits ever.

I don't know what the answer is; but I wonder whether some elements of the answer may not be found in the experience of what historians have called the First New Deal. For a long time it was fashionable to dismiss the First New Deal as a series of misbegotten experiments, justified only by the desperate necessities of the time and by the social reforms that some of the agencies, like the NRA, inserted into the planning effort. Yet it can be argued that the NRA, deplorable a failure as in many respects it was, was based on a far more realistic conception of the modern market than the spending and antitrust programs that superseded it.

The so-called Second New Deal accepted the classical theory of the market in which prices rose and fell according to changes in supply and demand. The First New Deal had noted, however, that in concentrated sectors of the economy prices were set, not by the laws of supply and demand, but by administrative decision and that in consequence large sectors of the economy were characterized by inflexible prices. If prices were going to be fixed anyhow, why then should they not be fixed in the public interest rather than in the interest of private profit? The point of NRA was to find means of reconciling administered prices with the public welfare. For this purpose it tried to establish principles—"guidelines" we would call them now—and to embody these principles in codes. In conception it called for a considerable integration of public and private planning in which business, labor and consumers as well as government should play a part.

NRA failed because it tried to do too much, because it tried to manage the competitive as well as the administered sectors of business, because its institutions were too sketchy and improvised, too distorted by special interest and too confused by melodrama. But the essential idea may still have merit—the idea that, where prices and wages are already administered, the public interest must be represented in price and wage decisions.

The challenge FDR identified in 1932 confronts us more urgently than ever now. And the response in some ways has been not unlike that of 1932. Today as then, planning proposals are placed before the country. And by planning, let us be clear, is meant not direct planning, not physical planning by edict or decree, but indirect planning, indicative planning, employing foresight, consensus and inducement, working as much as possible through the market, the kind of planning familiar to any large enterprise, public or private, but now at last contemplated on a national scale. Thus one significant proposal for the establishment of a national economic planning board has been put forward by a group including economists like J. K. Galbraith and Wassily Leontieff, labor leaders like Leonard Woodcock and Jerry Wurf, businessmen like Robert McNamara, Robert Roosa and J. Irwin Miller. In the Senate Hubert Humphrey and Jacob Javits have introduced the Balanced Growth and Economic Planning Act of 1975. Such proposals are in the spirit of FDR's assessment of the situation in 1932:

"Compare this panic-stricken policy of delay and improvisation with that devised to meet the emergency of war fifteen years ago. . . . I am not speaking of an economic life completely planned and regimented. I am speaking of the necessity, however, in those imperative interferences with the economic life of the Nation that there be a real community of interest . . . that there be common participation . . . planned on the basis of a shared common life."

Private economic power, as FDR said on another occasion, is "a public trust as well." We must, he said, devise measures "of regularization and planning for balance among industries and for envisaging production as a national activity." We must, he said, set new objectives: each unit in the economy "must think of itself as a part of a greater whole; one piece in a large design." We must, he said, "recognize the new terms of the old social contract." In 1944, in his next to last State of the Union message, FDR observed that the political liberties guaranteed by the Bill of Rights had "proved inadequate to assure us equality in the pursuit of happiness," in an industrial economy. The political Bill of Rights, he said, had to be supplemented by an economic Bill of Rights "under which a new basis of security and independence can be established for all."

That was the challenge—the finding of new terms for the old social contract—that the New Deal, with all its partial successes, failed finally to meet. It is the obligation, and opportunity, of succeeding generations to complete the work Franklin Roosevelt so powerfully began—the work of perfecting the new social contract; the work of establishing an economic Bill of Rights and at last assuring all Americans equality in the pursuit of happiness.

OUR ROTTING FOURTH BRANCH

Mr. FANNIN. Mr. President, one of the major arguments being advanced for regulatory reform has been that the Fedreal regulatory agencies, which were originally created as watchdogs in the public interest, often in fact end up protecting the very industries they are supposed to regulate.

One need only examine the regulations of the Civil Aeronautics Board to realize that the major commercial airlines are being shielded from the competition of charter carriers. Similarly many large trucking firms and drivers' unions have lobbied against deregulation or dismantling the Interstate Commerce Commission. Unfortunately, the traveling and consuming public ends up footing the bill for this Government sanctioned protection racket.

The initiative for regulatory reform and the responsibility for implementing changes in our complex network of rules and regulations and Federal bureaucracy rests with the Congress. The agencies cannot really be counted on to reform themselves, to eliminate their own functions and jobs, or to limit their regulatory power. The Congress, as the representative branch of Government, must take a long hard look at the regulatory system it has created and the laws it has passed. And that is the crux of our problem.

Mr. President, Mr. James Nathan Miller in the July issue of the Reader's Digest has provided a penetrating analysis of this problem in an interesting article entitled "Our Rotting 'Fourth Branch' ".

Mr. Miller points out that the problems of waste, overcharging and inefficiency associated with regulations are well recognized, yet in spite of all the rhetoric of reform over the years, nothing substantial has come from the presidential task forces, private studies or congressional commissions. The reason he says is simple:

> The suggested reforms have been aimed at the wrong target—the regulators. The real villain is Congress, which controls the agencies' purse strings, has appointed innumerable 'oversight' committees to monitor their performance, can change them anytime it wants—and hasn't made a move toward basic reform in thirty years. Why? *Because too many Congressmen like the regulators the way they are.*

Mr. Miller's allegation is well taken. He attributes congressional inaction to three major causes—the funds that regulated industry contributes to oversight committee members, the power that the members themselves exercise over business through regulation, and the lobbying efforts of special interest groups.

Essentially I agree with Mr. Miller's thesis that Government agencies are too often subservient to the businesses they regulate and his contention that Congress has done nothing to reverse the alarming trend toward Government control. However, I suggest the reasons for Congress' failure are not so much the corrupting influences suggested by Mr. Miller as the Members' own ignorance of what the regulators have or have not been accomplishing and their antibusiness philosophy.

The Congress seems hell-bent on expanding the regulatory activity of Government, as indicated by the majority support of consumer protection legislation and for bills to extend Federal control over intrastate gas. In my view, the legislators suffer from an innate distrust of business and an apparent belief that the free enterprise system cannot function properly without Federal guidelines and direction. Despite mounting evidence that overregulation produces harmful and costly effects and is actually more anticonsumer than antibusiness, the Congress seems to favor further centralization of all power and decisionmaking in Washington.

Thus, as the article demonstrates, the problem is what to do about our legislative branch. I quote Mr. Miller:

> All of which is not to say that we don't need a thorough overhaul of the agencies themselves—and perhaps even the abolishment of some of them. But, first things first. The sickness of our fourth branch of government won't be cured until we clean out the rot in the trunk from which it has grown: Congress.

Mr. President, it is clear that reform must begin at home.

Mr. President, I ask unanimous consent that the Reader's Digest article by Mr. James Miller be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

OUR ROTTING "FOURTH BRANCH"

(By James Nathan Miller)

The lid is beginning to blow off a quiet scandal that everyone in Washington has known about for years: the subservience of our regulatory agencies to the industries they are supposed to regulate. So flagrant has the situation become that many observers think reform may finally be around the corner. In fact, regulatory reform is the only major issue today that has the combined backing of Ronald Reaganites, Ford Republicans, Nader's Raiders and Kennedy Democrats.

But there is a very large fly in the ointment. The only group with the power to cure the situation is the one group that is least likely to do so: Congress. Unless voters apply enormous pressure, it's probable that reform will languish.

Today's regulatory machine in Washington dates back to the 1880s, when Congressmen were looking for ways to break the railroad monopoly's stranglehold on the economy. They discovered that they themselves possessed a powerful unused weapon: the constitutional authortiy to interfere in the workings of privately owned companies to make them operate in the public interest. So, in 1887, Congress deputized a special body to exercise this authority and christened it the Interstate Commerce Commission (ICC).

Since then, Congress has created a dozen other big regulators plus a score of little ones, and today the regulatory machine is virtually a fourth branch of government. Indeed, its broad-ranging responsibilities probably give it a more direct effect on our day-to-day lives than any of the other branches. These responsibilities include the safety of our drugs, food, cars, appliances, air travel and local atomic plants; the honesty of our stockbrokers and advertising; the price of our cooking gas, airline tickets, bus fares and phone calls; the cleanliness of our air and water, the beauty of our national forests and the security of our bank deposits.

THE OTHER SIDE OF THE FENCE

What's wrong with these agencies? Listen to Anita Johnson, a young Washington lawyer who is in a key position to know how they work. "On the one hand, there's the drug industry," she says, "and on the other hand there's Sid and me." Anita Johnson, 31, and Dr. Sidney Wolfe, 37, compose the staff of Ralph Nader's Health Research Group (HRG), the only non-Congressional consumer representatives in Washington who spend full time monitoring the drug-regulation activities of the FDA. They do their best to provide a counterweight to the great army of doctors, lawyers, lobbyists and public-relations men who represent the $8-billion-a-year drug industry.

Of course, companies have every right to hire the toughest lawyers and lobbyists they can find, particularly in view of the rapidly growing power that bureaucrats wield over industry—in many instances, the power to make or break individual companies. What's wrong is the imbalance of industry's representation and the consumer's. Observe, for instance, a hearing held last October at FDA headquarters to discuss the efficacy of cough and cold remedies. Of the 36 people who signed the meeting's guest register, 35 represented the industry; the 36th was Anita Johnson.

"Imagine that you're one of the FDA people at that meeting," she says. "You can't help but be very aware of the trouble these people can cause you if your decision goes against them. Their companies and trade associations have contributed heavily to Congress. Their lobbyists are all over Washington. They talk to your bosses every day, and you know that they've had people fired or pulled off investigations. They hire law firms that keep regulators in court for years.

"And on the other side of the fence they see me—four years out of law school, with no laboratory behind me, nothing to present but a typewritten memo outlining the points that we think the industry is evading. If I were in the FDA's shoes, I'm sure I'd be inclined to believe the industry people rather than me."

All over Washington the story is the same. Industry has become the tail that wags the regulatory dog. For instance:

"The longer a company can stretch out the appeal process, the more money it can earn doing what the agency has told it not to do."—Leonard Lane of the Public Interest Economics Center.

Four years ago, when a man died of botulism from a can of Bon Vivant vichyssoise, the FDA sued to confiscate all the company's soups. This single case tied up two of the agency's 18 lawyers for 2½ years. When the Federal Trade Commission ruled that the "tired blood" advertising for Geritol was deceptive and ordered it stopped, the company was able to continue the ad campaign for nine years while it ran the case through the appeal process.

"Rarely does the President appoint, and the Senate confirm, a commissioner if the regulated industry is against him."—From a staff paper, "Reforming Regulation," by the Brookings Institution.

The newest ICC member is a former chief lawyer for the bus industry's Washington lobby. The chairman of the Federal Power Commission is a former power-company lawyer. The head of the Federal Maritime Commission is a former shipping-news reporter who felt so well-liked by the industry that in 1974, when she considered running for Congress, the first people she tapped for campaign assistance were members of the maritime industry. On the other hand, it is a well-known Washington rule, rarely broken, that a person with a strong pro-consumer record is automatically barred from appointment to a regulatory commission.

"The Atomic Energy Commission's safety-enforcement policy has been essentially one of depending on the industry to blow the whistle on itself."—David Comey, research director of a Chicago citizens group which has helped uncover a number of safety violations that the AEC missed.

AEC inspectors rarely inspect; they spot-check the reports of industry inspectors. Last year, executives of Michigan's Consumers Power Company admitted that they waited six months before telling the AEC about a serious safety problem—and that they told the AEC then only because they were afraid the press might get hold of the story. (This year, in an attempt to get better safety enforcement, Congress has split the inspectors away from the AEC and set them up as an independent Nuclear Regulatory Commission.)

In other agencies, too, inspection and enforcement practices range from toothless to non-existent. The Federal Aviation Administration, under a scheme which it calls "voluntary compliance," allows aircraft manufacturers to do the inspecting required to qualify planes for the FAA's official "airworthiness certificate." The Food and Drug Administration has to accept the word of food processors as to the percentages of ingredients listed on their labels; the companies refuse to show the agency their own records, and the FDA has no authority to subpoena them. The Federal Power Commission's estimates of U.S. natural-gas reserves come from figures submitted by the gas companies themselves, even though recent **spot** checks indicate that gas producers may have been underestimating their reserves in order to drive up prices.

"Airline executives are going on the attack in a growing campaign to combat efforts to deregulate the airline industry."—Recent article in the Washington Post.

The most fervent defenders of today's economic regulation of industry are the regulated industries. The reason is simple: many agencies, through their power to set prices and to license entry into an industry by new firms, serve the major function of keeping prices up and competition down. Since 1950, for example, the Civil Aeronautics Board (CAB) has received 94 applications from airlines seeking to compete with other carriers on long-haul routes, some offering to charge lower fares than the existing companies. The agency has rejected all of them, while allowing the present airlines to raise their fares 20 percent in just the last 21 months. Last year, the CAB recommended denial of a license to a British firm that wanted to charge $125 for scheduled London-New York service, about one-third the present fare.

Also in transportation, while the ICC strictly regulates the entry of new companies into the trucking business, it may grant existing companies an exemption from the antitrust laws which permits them to set up regional "rate bureaus," in which competitors can get together and decide their own fair price.*

WRONG TARGET

In terms of pure waste, overcharges and inefficiency, the Council of Economic Advisers estimates that regulation cost at least $14 billion last year. But the real scandal is not the general cost to the nation; it's the specific harm to citizens that results when a system designed to protect the public from industry is turned into a shield for industry against the public—the dangerous or useless drugs that get on the market, the too-high fares, the unsafe planes, etc.

What can be done? Presidential committees and private study groups have been producing reform recommendations for years, but virtually nothing has come of any of them. The reason is simple. The suggested reforms have been aimed at the wrong target—the regulators. The real villain is Congress, which controls the agencies' purse strings, has appointed innumerable "oversight" committees to monitor their performance, can change them any time it wants—and hasn't made a move toward basic reform in 30 years. Why? Because too many Congressmen like the regulators the way they are.

There are three main reasons for this. One is money. It's a well-known fact among Congress-watchers that pro-industry members of oversight committees often get a large percentage of their campaign contributions from the regulated industry. Another reason is power; the more supine an agency, the more favors Congressmen can squeeze out of it. During a boxcar shortage in 1972, for instance, members of the subcommittees that oversee transportation regulation collected what one staffer calls "a million dollars' worth of political IOUS" from Midwestern colleagues who asked for—and got—Congressional pressure on the ICC to assign boxcars to their home-district grain elevators.

But probably the main reason that Congress follows the industry line is the same one that makes the regulators do it: Congress has been overwhelmed by the army of special-interest pleaders.

Almost wherever you look among the oversight committees you'll find the same thing: Congressmen and their staffs whose past inaction has frozen them into pro-industry positions. For instance, neither the House nor the Senate subcommittee assigned to oversee aviation regulation has made a move to correct the highly visible subservience of the CAB to the airlines' wishes. Last summer, a House aviation subcommittee hearing was held at the behest of the airlines to look into the possibility of granting subsidies to Trans World Airlines and Pan American World Airways. The hearing was held less than three weeks after subcommittee chairman John Jarman spent an all-expense-paid golfing weekend as the guest of the United Aircraft Corp. and the Boeing Co. in Bermuda. (The other guests were several airline chiefs—including the chairmen of Pan Am, TWA and Braniff—and then-CAB chairman Robert Timm.) The subcommittee recommended that the subsidies be granted.

"ASK CONGRESS"

Why did the Congressional aviation subcommittee raise no protest when the FAA allowed the industry to take over its vital "airworthiness" inspections? The answer is that the committees were ignorant of the policy until last year; then they learned about it from another subcommittee which had been investigating the crash of a defectively built DC–10 jumbo jet that killed 346 people.

Why doesn't the FDA have the authority to subpoena the plant records of food producers? "Ask Congress," says Peter Hutt, who recently resigned as FDA chief counsel. "Every year, for the three years I was at FDA, I asked for such a law."

Why did it require 15 years of pressure from reformers to get the atomic-safety-inspection function taken away from the pro-industry AEC? Because the equally pro-industry Joint Committee on Atomic Energy—whose staff is almost exclusively ex-industry people—fought the reform to the bitter end.

Is reform possible? The fact that some of the agencies *are* doing good jobs (for instance, the Federal Trade Commission and the Securities and Exchange Commission) indicates that the answer is yes. But, first, the reformers must stop barking up the wrong tree and shift their attack from the regulators to the regulators' masters in Congress. Here is a sampling of the *kind* of reforms they should be demanding right now:

Forbid Congressman to make off-the-record contacts at the regulatory agencies (which are quasijudicial bodies), just as they are forbidden to approach judges about pending cases.

Forbid any member of an oversight committee to accept campaign contributions, even indirectly, from anyone connected with the industry he oversees.

Insist that all oversight committees include some staff members who can act as "whistle blowers"—people whose backgrounds are "anti" the industry, such as consumer groups or representatives of competing industries.

Supplement the oversight committees with a special Regulatory Accounting Office similar to the General Accounting Office (which audits the Executive departments for Congress), and give it broad authority to investigate *all* the regulatory agencies on a continuing basis. Individual industries would have a much tougher time "getting to" such a broad-based body than they now have with the specialized committees.

All of which is not to say that we don't need a thorough overhaul of the agencies themselves—and perhaps even the abolishment of some of them. But, first things first. The sickness of our fourth branch of government won't be cured until we clean out the rot in the trunk from which it has grown: Congress.

UNITED NATIONS DEVELOPMENT PROGRAM IN BRAZIL

Mr. CLARK. Mr. President, most of the people in the world today live in squalid poverty—with both an immediate inability to satisfy their own needs and a lack of long-term hope for the economic development necessary for a dignified life.

A number of international organizations have been created to help improve the nutrition, housing, employment, education, and health care of these people.

One of these institutions—the United Nations Development Program—conducts a wide variety of programs to help assure that all of the 4 billion people throughout the world will enjoy a decent standard of living. The UNDP is the channel through which knowledge, skills, experience, and material resources from all parts of the world flow to the developing countries to help them increase total output and distribute more effectively the goods and services needed by their citizens.

Many of the low-income countries have an abundance of the human talents and raw materials required for development. Lacking, however, are adequate amounts of investment capital, advanced productive skills, current technology, and modern social and economic institutions. UNDP assistance in agriculture, industry, transportation and communications, education, and science and technology has been invaluable in providing developing countries with the tools necessary for further economic progress.

UNDP assures that the resources available for development are used in the optimal fashion. A comprehensive planning method—known as "country programing"—considers national needs and goals, the country's ability to contribute its own resources, and any assistance expected from other external sources, in order to specify the particular social and economic fields where UNDP assistance will prove most effective.

Mr. President, the UNDP deserves more recognition for its substantial efforts and accomplishments. We all know that energy is necessary for economic development, and UNDP has helped Brazil to develop its own previously underutilized natural energy sources. Brazil has been one of the real success stories among developing countries, and UNDP has been an important factor in that success.

Mr. President, I ask unanimous consent that an article concerning the UNDP project to develop Brazil's hydroelectric potential be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Power for the People

Wherein lies the difference between a "developed" and an "undeveloped" economy? No simple answer exists to this question, but certainly one of the key distinguishing variables is the use of natural energy sources to serve human purposes. For *power*—whether electrical, thermal or nuclear in its generating source—is really a synonym for *productivity*. It means food, jobs, decent housing, consumer goods and services and many other necessities of a truly livable life.

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* See "Highway Robbery—Via the ICC," The Reader's Digest, January '75.

Taken as a group, the low-income countries, in 1968, consumed only one-eleventh as much energy as the far less populated industralized nations. During that year, for example, 185 million people in the six European Common Market nations alone used 35% more energy that did 1,660 million citizens of over 100 developing countries.

The reasons for this imbalance are as complex as the development process itself. Basically, however, the problem does not stem from a *shortage* of potential energy resources but from their *underutilization*. Again in 1968, 83 less-developed nations had to import 50% or more of their fuel requirements. Of those 83 countries, 19 imported the full 100%. Yet many could become self-sufficient in this area; while most could go far toward meeting their requirements if only they had the keys to unlock their imprisoned energy reserves.

Brazil is a case in point. This giant of a nation, with a population of more than 92 million and a land area greater than the continental United States, has awakened from a long period of economic dormancy. No longer able to satisfy its growing appetite for fuel by burning wood, the traditional prime energy source, Brazil turned in the 1950's toward developing its hydroelectric potential, estimated to be perhaps the richest in the world. Through a major cooperative effort with the UNDP and the World Bank during the 1960s, the country now looks forward to meeting its own growing energy requirements in the very near future, and to a continued ability for meeting those needs over many years to come.

UNDP assistance began in November 1962, with a series of surveys and power studies of South-Central Brazil. Although this region comprises only 10% of the nation's land area, it contains 42% of the population and is a center of economic, cultural, and political life. Working with both state and federal governments, project experts identified all hydroelectric sites capable of economic development; investigated the potentialities of thermal generating plants, including oil, coal-fired, and nuclear; predicted the market for electricity in the region through 1980; and blue-printed a programme for constructing generating plants and integrated primary transmission systems to supply that market. The overall study, largest of its kind ever undertaken, covered more than 1 million square kilometers—an area equal in size to Portugal, Spain, and France put together. Over 28,000 kilometers of waterways were checked and 510 dam sites examined—264 of which were mapped and surveyed in greater detail. The 19 most promising locations were chosen for in-depth feasibility studies.

By the project's completion in January, an index capacity of 32,500 megawatts of hydroelectric potential had been revealed. Moreover, after the Hydrological Research Survey was completed, selected projects were reexamined to determine whether they could provide other benefits in conjunction with power production. Particular attention was given to the use of storage reservoirs for irrigation, navigation, domestic water supply and flood control. Significant areas of land downstream from a number of hydrological projects were found to be irrigable by gravity.

Within a month of the project's completion, $367.5 million in followup investments had poured into the area from national and international sources—including the World Bank, the U.S.A., and the Federal Republic of Germany—to finance dams recommended by the surveys. A government construction programme was initiated under which new generating facilities would be built at 8 sites, 12 hydroelectric plants completed, and more than 4,000 miles of transmission lines installed. In all, the ground was prepared for a potential $8,000 million worth of investment in hydro-resources development.

In August of the same year, the Plan of Operation was signed for a similar study of Brazil's Southern region. The Southern region has only half the population of its South-Central neighbour. But it is also richly endowed with natural resources, contributing about one-third of the value of the country's total mineral output, as well as 40% of the agricultural, and 9% of the industrial production. Although this second study was smaller than its predecessor, it was enormous in its own right. Over 500,000 square kilometers of land were covered, including 11,000 kilometers of watercourses. Nearly 200 locations for possible dams were surveyed, 75 in detail. Included in the studies were estimates on the possibility of using locally available coal as a complementary source of power generation. Nuclear potentialities were also considered, although nuclear power generation was found not to be feasible for the near future.

Revealed by the study were 10 million kilowatts of hydro-electric potential—20 times the amount actually developed at that time, 8.5 times current demand, and 3.5 times more than projected needs for 1980. To date, $600 million worth of related investment has flowed into the region. New capacity installed, being installed, or definitely programmed will total 995 megawatts by 1973. If project recommendations are carried out, an additional 555 megawatts will be developed by 1978.

All these facts and figures point to multiple benefits for the Brazilian economy—and for the people of Brazil. The study itself provided training for many Brazilians in the utility field. Training programmes organized as extensions of the project have equipped hundreds more with high technical skills. The domestic construction industry will get a powerful shot in the arm, as it is called to do most of the dam-building work. Although 60% of the power generated will go to mining and industry, residential consumption will also gradually rise. Some 350 copies of the South-Central study have been distributed world wide for the information of power authorities in other countries.

Once a completed system of dams and hydro-power stations is operative, Brazil will be able to look forward to years of increasingly pollution-free energy production. Brazilians will be able to take heart from the fact that in fueling their industrial machine, they will not be consuming an irreplaceable resource but will be relying on nature's continually replenished water bounty.

S. 2120—TO ENCOURAGE THE CONSERVATION OF GASOLINE BY INCREASING THE FEDERAL EXCISE TAX ON GASOLINE AND TO PROVIDE A TAX CREDIT

Mr. BROOKE. Mr. President, I joined yesterday with Senator PERCY and Senator MATHIAS in introducing a gasoline tax measure as the kind of stringent energy conservation legislation which we feel is both fundamental and vital if this Nation is to have an effective national energy program.

I would like to review here the need for a gradually increasing gasoline tax and a tax rebate system to help those unable to bear the resulting sacrifice.

This is a matter about which Senators MATHIAS and PERCY and I feel quite strongly. For my part, I first introduced legislation to increase the Federal tax on gasoline last December when it became apparent to me that the Congress was failing to meet its policymaking responsibilities in the energy area. Unfortunately, my fears—and those of Senator PERCY and Senator MATHIAS—have not been relieved since that time.

The fact is that America is hooked on gasoline and Congres has done nothing to help us kick the habit. And this country will have no meaningful energy conservation programs until we do. For energy conservation and gasoline conservation are inseparable. We cannot have one without the other. Of the 17 million barrels of oil we consume each day, more than 7 are gasoline. Each year we guzzle nearly 100 billion gallons of this fuel, as we drive our 100 million cars well over 1 trillion miles.

To be sure a good deal of this driving is essential. But not nearly so essential as some politicians would have us believe. Only one-third of our driving gets us to and from work, often alone in our car. Another third goes to shopping and medical visits. And the remaining third is for recreation. Clearly there is a great deal of room for conservation in all three of these segments.

But the Congress seems unwilling to ask that this conservation effort be undertaken. From the House we have heard that it is unnecessary, that the people don't like it, and that we cannot and should not engage in the unpalatable act of voting a tax. Unfortunately, a number of Senators seem to accept these arguments. Hence today we urge the Senate to take a long, hard look at the merits of a gasoline tax. The House of Representatives seems to have bitten only the marshmallow. The legislation it sent up here is no solution to the very real energy crisis this Nation faces. Rather it is an abdiction of congressional responsibility and an insult to the American people.

Our citizens are tough, and they are smart. We can count on them to bite the bullet on energy cost and on conservation—but only if and when they feel the program meets legitimate needs and offers the possibility of a genuine solution.

The Senate debate which begins here must present clearly the unpleasant reality of our dependence on oil imports and of the weaknesses of our domestic energy markets. Senate decisions should be based not on political fears, but on considered social and economic judgments. Where the House has failed, the Senate must not.

Of course, everyone knows how our overall dependence on imported oil has increased this year. When I introduced my original legislation mandating a gasoline tax last winter, I said I was deeply concerned that imports were running at 37 percent of our supply. Now, just a few months later, they have climbed to 38 percent. Although we saw some short-term reductions in that figure as the spring months come, we must realize the fearful impact of our generally increasing reliance on foreign sources.

Paralleling this increase in imports, in fact, pushing it, is the rising demand for gasoline. There can be no solution to the problem of petroleum costs which does not include a solution to the problem of gasoline use.

The Nation is consuming 3 percent more gasoline this year than last. We are told to expect even greater increases in the summer vacation months. There cannot be much question that the drop in price in the winter and spring months contributed greatly to this increase in consumption. I would go so far as to suggest that the attitude of Congress has helped ease the public's sense that there is a fuel problem and that there is a need to conserve gasoline. Such relaxation is, needless to say, unwarranted.

We now see the major oil producers taking advantage of summer drivers by raising prices. We are not even sure whether or not there is about to be a shortage and why. And just last week we learned that refineries are so busy producing gasoline to sell at high summer prices that we may have a shortage of No. 2 home heating oil in the fall. Mr. President, our priorities are utterly wrong.

Let me summarize the reasons wasteful gasoline consumption is not only a major cause of our present problem, but can also be used as a tool for changing our entire energy use picture.

First of all, gasoline demand is elastic. And because there is so much waste in the way we drive our cars, gasoline consumption patterns can be changed without inflicting severe hardship. The same is no longer true of home heating oil and industrial fuels.

Households and businesses have already cut way back on their fuel use. New England households answered the call to conservation by cutting back nearly 20 percent on home heating oil. For this reason, general taxes and tariffs on all fuels only retard our economic recovery and cause needless suffering.

In addition, changes in patterns of using gasoline would affect the whole petroleum demand equation. This is because so great a proportion of the 17 million barrels of oil the Nation uses daily is comprised of gasoline.

The legislation we will file this afternoon would impose a 15-cent gas tax gradually, 5 cents every 6 months for the next year. This represents a step away from the 20- and 30-cent taxes each of us proposed last fall; we are, quite frankly, compromising with what are said to be political realities by doing this. There is a tax credit scheme attached which gives every family tax credits for 700 gallons of gasoline. Lower income persons get a larger credit than higher income persons. People paying no taxes are rewarded with a cash rebate. Nondrivers are rewarded for the part they play in saving fuel. We feel this system will be both simple and a contribution to the national priorities we must establish.

Mr. President, the Nation has already waited too long for a rational, effective energy policy. The Senate must enact legislation that is tougher and more responsible than that sent us by the House. We believe this gasoline tax is absolutely vital to ultimately ending the emergency we face, and we respectfully urge the Senate to give it fresh and serious consideration.

Mr. President, I ask unanimous consent that the text of the remarks I made last January when I discussed in detail the costs and benefits of a tax on gasoline be printed in the Record.

There being no objection, the remarks were ordered to be printed in the Record, as follows:

Remarks of Senator Edward W. Brooke on the Floor of the U.S. Senate, January 15, 1975

MANDATORY ENERGY CONSERVATION INITIATIVES

Mr. Brooke. Mr. President, today I reintroduce the mandatory energy conservation legislation which I first proposed in the last months of the 93d Congress. This legislation would raise by 20 cents a gallon the Federal tax on gasoline; provide for a tax credit of up to $280 (1,400 gallons) for a household earning up to $15,000; end the Highway Trust Fund; and levy a progressively stringent tax on the weight of all new automobiles beginning in 1976.

It is with no joy that I reintroduce these initiatives for they entail hardship, sacrifice, and dislocation. But there is no alternative to this kind of tough, mandatory action if we are to come to grips with the grave threat posed by our energy situation.

This situation is critical and it worsens with each passing day. Future energy supplies are plagued with long lead times, skyrocketing costs, and complex environmental and social obstacles, and therefore cannot be readily increased. Existing energy supplies continue to dwindle. The result is a frightening reliance on foreign nations for this country's life blood.

The situation clearly compels conservation. We must conserve our present energy sources until more bountiful supplies can be unlocked and—hopefully—brought into the marketplace at a reasonable price. And since we are a "country that runs on oil," it is primarily oil that must be conserved.

Presently we rely upon oil to meet 50 percent of our energy requirements. Each day we consume some 17 million barrels. But our weathered domestic oil industry can only deliver 63 percent of the amount; hence, we are forced to contract abroad for the remaining 37 percent.

As my colleagues well remember, there was a time when foreign oil was a boon to this country—particularly for those of us in New England. Cheaper than domestic oil, it offered our fledgling independent network of oilmen the ways and means to compete with the domestic giants. But what once was a bargain is now a burden. Foreign oil costs as much as twice the U.S. equivalent. And this is raising havoc with our consumers, with our balance of payments, and indeed with the entire economic structure of the developed nations.

The perils that belie continuing reliance on high-priced foreign oil are, I think, perfectly clear to all Americans. What we need now is a candid, forthright policy to relieve us from this reliance. The legislation I offer today is intended as an important first step towards such a policy. It offers what I believe to be the most sensible, equitable approach to curing our current paralysis and forging a rational, long-term energy policy.

Any such policy must focus on ways to immediately reduce our oil consumption. And we cannot reduce this consumption without dealing squarely with our enormous gasoline consumption. Gasoline is all but a national opiate. Of the 17 million barrels of oil we consume each day, nearly 7 million wind up as gasoline.

This enormous consumptive level is necessary to satiate the needs of our private automobile. In 1972 alone nearly 75 billion gallons were required to fulfill the needs of over 100 million cars traveling over 1.2 trillion miles. Even more astounding is the fact that most of this travel was done alone as a means to get either to work or retail outlets.

Left to itself, the situation will only worsen. Currently 8 of every 10 American households own at least one car! 3 in 10 own at least 2 cars, and 1 in 10 own 3 cars or more. Moreover, some 10,000 new drivers are licensed each day just as a net total of 10,000 cars are added to our environment.

We are hooked on the automobile and the habit spreads despite the many problems it now represents for our society.

It is nearly impossible to overstate America's love affair with the automobile. It has so dominated our society that, as the distinguished scholar and former Ambassador George Kennan pointed out, it has lent a "terrible element of fragility to our civilization, placing us in a situation where our life would break down completely if anything ever interfered with the oil supply."

But it may just be that the luxuries offered by the private automobile are something we can no longer afford. As our oil resources dwindle, a social question arises as to whether we should squander them on the extravagance of a private transportation system. Oil after all can be used to make anything from food to fertilizer. Do we want to waste such a precious resource on our huge armada of autos?

The brief against the auto is telling. Only the airplane is a less efficient user of energy. Yet the auto accounts for 85 percent of all intercity travel and a whopping 95 percent of all intracity transportation. Rail and bus service, while four times as efficient, represent a meager 4 percent of intercity transport, and we all know the state of intracity mass transit. Here in this city there are some 1.2 million vehicle trips each day across this District's boundaries. Such is our attachment to this mode of transport.

The time has come to face the music. The automobile is the prime manifestation of waste and neglect which has dragged this Nation into its present energy crisis. If we are to recover our energy balance, then we must take swift, mandatory action to curb the waste incurred through its use.

Increasing the Federal tax on gasoline is the necessary first step in this effort. It has several advantages. It would cut our oil demand in the shortrun by 600,000 to 1,000,000 barrels a day. This would improve our balance of payments picture by as much as $3.6 billion per year. It would reduce our long-run demand for gasoline by as much as 22 percent. And it would add some $17 billion to the Treasury's General Fund, much of which could—and should—be returned to those of us less able to endure the necessary sacrifices.

In addition to these crucial energy and economic benefits, there will be attendant environmental and social benefits of less automobile driving. When one remembers that as many as 4,000 deaths and 4,000,000 illness-restricted days per year might be attributed to automobile emissions, these attendant benefits are by no means irrelevant.

But, as with any new direction in social policy, there are several specific difficulties. We already know that 81 percent of the American people would prefer that the gas tax be left untouched. This in-and-of itself poses a very great problem. But I am confident that the Congress can provide the leadership necessary to inform the public on the merits of this case and thus turn this large percentage completely around.

Second, the tax will inevitably cause the Consumer Price Index to rise, even if every penny of the increased revenues could be redistributed evenly. This then will put further pressures on future wage demands. But such pressure will pale when compared to similar pressures arising from the imposition of oil tariffs and crude oil taxes.

Third, there is the very grave problem of unemployment in the auto industry. There can be no doubt that a further increase in the price of gasoline would hit Detroit hard at a time when the industry is already reeling from its worst recession in 15 years. But I submit that the same difficulties will be visited upon the industry if alternative conservation plans are adopted or, conversely if nothing at all is adopted! I would also point out that the distinguished chairmen of the boards of Ford and General Motors have spoken favorably of a gas tax.

Finally, and most troublesome, is the possible regressive tendency of the tax. This has caused me a great deal of anxiety, for I know only too well of the burden which both inflation and recession now place upon our citizenry. To add unnecessarily to this burden would be both cruel and unconscionable. But I feel secure in the knowledge that sufficient mechanisms exist to combat any latent regressiveness. I would not consider reintroducing this bill if I felt otherwise.

Careful review of the evidence suggests that the tax is far less regressive than many assume. I would ask my colleagues to consider, for example, the fact that gasoline purchases represent 2.4 percent of a family budget of $10,941 whereas similar purchases are only 2 percent of a family budget of $7,214. Or the fact that the poor in this country spend roughly $101 per year on gasoline or 26 percent of their energy budget whereas wealthier families spend $533 per year or 38 percent of their energy budget. Or the fact that miles driven to work increase as income increases. Or the fact that while 50 percent of the Nation's poor own no car at all, 79 percent of the Nation's well-to-do own 2 cars or more. Or the fact that the poor account for only 9 percent of all cars owned in this Nation and only 5 percent of all gasoline purchases despite the fact that they account for 17 percent of all households. Or the fact that only one-third of all driving is to and from work. The facts are clear: the more money one has, the more he or she is likely to drive.

The following charts should give my colleagues a rough idea of the effect of a 20-cent increase in the gasoline tax. Table I indicates the burden borne by each income group while table II indicates the estimated amount of tax paid by the average household.

Table I

Adjusted Gross Income ($ thousands)	*20-cent tax increase* ($ billions)
0–3	0.5
3–5	.6
5–7	1.1
7–10	1.8
10–15	2.9
15–20	2.4
20–50	2.5
50–100	.2

Table II

Money Income:	*20-cent tax increase*
$5,000	$126
7,500	194
10,000	231
15,000	253
25,000	293

Despite the empirical evidence to suggest that the tax may not be as regressive as some fear, there is no denying that it will cause sacrifice among all Americans. That is its design. But to help those less able to endure these sacrifices, I have coupled the tax increase with a mechanism to compensate, through tax credits, those individuals who earn up to $12,000 per year, and those families who earn up to $15,000 per year.

The way this system works is really quite simple. Each individual taxpayer who earns $12,000 or less will be allowed a 20-cent per gallon credit on all gasoline purchases up to $140. In the case of a married couple filing jointly, the figure would be $280 and the income level would be raised to $15,000. This exempts some 700 gallons per person, or using 13 miles-per-gallon as the average auto efficiency rate, 9,100 miles of driving.

At the $15,000 level, the average American household is expected to balance increased expenditures with the credit. It is estimated that the increased expenditures will be $280, which would be offset by the accompanying credit. Below that level, the credit will be more than adequate to compensate for increased gasoline costs. The only requirement would be that a citizen itemize the gallonage consumed so that the appropriate amount can be credited to his tax.

Now, there are two problems. The first concerns the men and women who, like the traveling salesman, rely heavily on the automobile for a living. Under my proposal a choice will have to be made between utilizing available business deductions or filing for the tax credit. For those who do not qualify, the existing business deductions will have to suffice.

The second problem relates to those outside the reach of the income tax system. This is admittedly a terribly difficult problem. To deal with it I propose that the Treasury initiate a program to extend the credit to those who otherwise would not file an income tax form. Under this plan, people would go to the appropriate office and, with the help of the Internal Revenue Service personnel, file an abbreviated 1040 Form which will have a provision for the tax credit. Upon filling out the form and producing proper proof of vehicle ownership, those entitled to credit will receive the appropriate amount in check form from the Treasury. Certainly much will depend on the sucess of the Treasury and the IRS in publicizing the availability of this credit to eligible ctizens, but I believe that the system can and will work fairly and equitably.

Mr. President, I firmly believe that the relative merits as I have discussed them argue persuasively for an increased gasoline tax. And the case is further strengthened by the lack of suitable alternatives. Earlier this week the President unveiled one such alternative: his proposal to implement import tariffs and domestic excise taxes on all crude oil and oil products. The tariffs and taxes are designed to raise the price of all oil products to such a point that citizens would have no choice but to conserve. But the fallacy of this approach is best revealed by a quick glance at the facts concerning New England's oil situation. We in New England have already cut back our home heating oil consumption by 20 percent, a figure nearly three times above the national average. In addition, we have reduced residual oil consumption by nearly 13 percent which is nearly twice the national figure. That there is further room for conservation of these critical fuels is possible but not probable.

Yet it is precisely these fuels which will bear the brunt of the increased costs incurred through tariffs and taxes. That this will come to pass has been pointed out by several economists and our own Joint Economic Committee, all of whom have indicated that the increased costs to oil companies stemming from the tariffs will be attached to those products which have a more or less fixed demand. Residual and heating oils are just such fuels, and regions of the country like New England and the east coast wil pay dearly for these products since they use them in far greater proportion than any other regions of the country. Hence the net effect of the President's proposal will not be to conserve oil but rather to inflate oil prices. And this will be particularly burdensome to those citizens with low and fixed incomes.

Interestingly enough, gasoline—the one oil product which is consumed in roughly proportional quantities throughout this Nation—is left relatively unscathed. Yet it is the one oil product whose use is significantly discretionary and it is the one oil product most in need of conservation, as I have indicated above. I understand that the President's program will raise the cost of gasoline by 7 cents per gallon, but this is clearly not enough to stimulate the kind of conservation that is so desperately required of this fuel.

We have got to face the fact that you cannot talk about oil conservation without talking about gasoline conservation. After all, half of every barrel of crude oil is made into this fuel. And I think the American public, if given the option of steep increases in gasoline prices or substantial price increases in all oil products, will opt for the former—especially since the former is equally proficient, if not more so, at reaching the needed goal of reduced oil imports.

Another proposal which has received attention in recent weeks is gasoline rationing. But it, too, suffers from a number of drawbacks. It will be difficult to establish and manage. It is easily susceptible to political pressures which in themselves could lead to gross inequities. It possesses some of the regressive tendencies of the gasoline tax in that it will cut into the leisure travel of low-income citizens and hurt those with large cars—and this without any of the attendant economic benefits supplied by the gas tax.

But most importantly rationing is nothing more than a short-term solution to what is definitely a long-term problem. It betrays its affinity to the kind of crisis/solution syndrome which has transfixed so much of our current politics. If ever we are to free ourselves from this debilitating, haphazard approach to public policy, now is the time. The situation clearly dictates a long-term solution through a long-term energy policy. A permanent increase in the gasoline tax offers an appropriate first step in such a policy.

However, more is needed. And today I have included two additional initiatives which are necessary if we are to forge a meaningful conservation policy.

First, I advocate an end to the Highway Trust Fund. Not only is this desirable from a procedural standpoint since all revenues generated by gasoline taxes must now go directly into the Fund; but, from the even more important standpoint of social policy, the proliferation of highway construction is contrary to the needs manifested by our energy problems. Highway construction is simply no longer a high priority item for this country. If future moneys are needed for highway construction—and I assume they will be—then I say let the case be made before the Public Works and Appropriations Committees and let them compete actively with other social programs such as health care, defense, education, veterans' benefits, and mass transit to name but a few.

Second, I advocate a progressively stringent tax on automobile weight to be borne by that auto's manufacturer or importer. Such a step is necessary to insure that the growing trend toward producing smaller cars becomes the norm among all auto manufacturers. For it is time to see our large cars—the very symbols of our voracious energy appetite—for what they truly are: a cost too expensive for this Nation to bear.

In discussing the correlation between fuel economy and automobile weight, the Environmental Protection Agency has stated that "vehicle weight is the single most important factor affecting passenger car fuel economy." A 5,000-pound car, reports EPA, "demonstrates 50 percent lower fuel economy than a 2,500-pound vehicle." If energy conservation is our goal, then clearly production and purchase of the large auto must be discouraged. And here again, I believe the tax mechanism offers the best method of achieving this goal. The tax I propose should, when coupled with the gas tax, provide automakers with sufficient incentive to produce lighter, more effective automobiles. It would be administered in two phases. The first phase—from July 1, 1976 to June 30, 1980—would leave untaxed automobiles weighing less than 2,500 pounds while levying progressively stiffer taxes on all higher weight classes. The second phase—from July 1, 1980 onward—would again leave the smallest cars untaxed while increasing the severity of all other taxes. For instance, after 1980 any car weighing more than 5,000 pounds would be subject to a tax of $1,200.

Mr. President, rhetoric is a politician's stock in trade. But no amount of rhetoric can bring home the need for tough, mandatory energy conservation steps. Our energy, economic, and environmental policies cry out for them.

The Congress, paralyzed by opinion polls, has steadfastly refused to act. But now, in the 11th hour, it must rise to the challenge. The President has stepped forward with his proposal for energy action. Yet I have serious doubts as to its adequacy and its impact upon inflation.

The legislation I propose today is offered as an alternative. It will jar; it will jolt; it will inconvenience.

It will not be popular. Nothing will that burdens an already burdened citizenry. But we simply cannot afford to wait any longer. We must act. And this legislation offers what I believe to be the most propitious action we can take.

RURAL POSTAL SERVICE MUST BE MAINTAINED FOR THE NATION'S SURVIVAL

Mr. HARTKE. Mr. President, since the colonial era, the American people have always considered the postal service as a means of uniting a sprawling country and holding it together. In fact, George Washington himself spoke of the Post Office as the indispensable chain binding Americans together.

In contrast to these purposes, a recent General Accounting Office study recommended the closing of all fourth-class and half of the third-class post offices in the country. This recommendation, if accepted, would mean the closing of approximatey 12,000 rural post offices.

I contend that the sweeping shutdown of nearly 40 percent of the Nation's post offices is an unwise and hazardous way of saving money. Considering the tremendous volume of mail and high degree of service to millions of Americans, these rural post offices still only account for 4 percent of the total postal service budget.

Throughout its history, the Postal Service has been primarily devoted to serving this country's citizens.

Congress reiterated the primacy of this objective in the Postal Reorganization Act: "No small post office shall be closed solely for operating at a deficit; it being the intent of the Congress that effective postal services be insured to residents of both urban and rural communities (39 U.S.C. 101)." I believe that this principle should always remain as the goal of this vital service.

The GAO, in a survey contained within its report to the Congress of June 4, 1975, indicates that a number of citizens whose post offices were closed reported that they were satisfied with the revised mail service. However, these findings only indicate that effective service can be maintained in isolated situations—on a case-by-case basis—not on a massive, arbitrary shutdown. In no way does this survey indicate that service is not seriously impaired by the closing of many small post offices.

Mr. President, if this recommendation is completely carried out, in my own State of Indiana, 248 small post offices would be closed. I believe that the decision as to which post offices should be closed should be determined by a case-by-case analysis of the operating costs considered with the human and intangible benefits realized by the citizens services.

The GAO has responded to the needs of the Postal Service's financial status. But it remains to the Congress to respond to the needs of the people. The Postal Service should disregard this recommendation by the GAO and I have conveyed my strong views on this issue to the Postmaster General. I for one shall be closely observing its actions and shall do all in my power to see to it that no community is unnecessarily deprived of its lifeline to the rest of the Nation.

CAPTIVE NATIONS WEEK

Mr. BUCKLEY. Mr. President, it is a sad irony that today, as we mark the 17th annual Captive Nations Week observance, the Nation's news media are filled with reports and discussions of a joint Soviet-American space mission. While millions of people remain enslaved by communism, we celebrate cooperation with the Soviet State, the greatest tyrant of them all.

This is the fifth year that I have addressed my colleagues in the Senate and the American people about the plight of the captive nations. In that period, there is much evidence to indicate that things have gotten worse. The tragic fall of South Vietnam should lay to rest any illusions that the Communists are content to keep their ideology within their own borders. A gradual strengthening of communism in Portugal, threats of invasion against South Korea, the Soviet shift on the trade agreement, the silencing of an increasing number of dissidents in the Soviet Union and its satellite countries, intensified religious repression in Czechoslovakia, the Ukraine, and the Baltic States, and the continuing refusal of the Soviet government to submit to any inspection procedures regarding the status of their weapons development programs—all of these serve as a reminder of the harsh reality of life under Soviet domination.

The Soviet Union has not allowed the "spirit of détente" to interfere with its ambitions. In the words of Alexandr Solzhenitsyn:

> The Soviet Union has used détente in its own interest, is using it now and will continue to use it in its own interests.

And yet, we the American people have been asked to bend over backwards to give that regime the benefit of the doubt. Our technology is enabling the Communists to extend their control over their own people while allowing them to pursue aggressive designs around the globe. Once more to quote Solzhenitsyn, we are giving the Soviet rulers the tools with which to bury alive the captive peoples.

Today, however, we have a unique opportunity to demonstrate that our concern for the captive people is not simply a rhetorical one. Once again, the question of the fate of the captive nations in Eastern Europe is actively pending before a world forum. I speak of the European Security Conference which is scheduled to conclude its business later this month in Helsinki, Finland. The Soviet Union has been actively pressing for a formal end to the 2 year conference for some time. What the Soviet hopes to gain from these proceedings is an endorsement of the status quo in Eastern Europe.

Included in the initial reports of what the participants at the 35-nation summit will be asked to sign are four categories of issues. Basket One—as it has come to be known in Helsinki—involves 10 principles of conduct. It is in this section of the document that the Soviet Government will get, with only minimal concessions, an agreement that her borders are inviolable. In a recent speech, Alexandr Solzhenitsyn described how these negotiations have proceeded and what has been the unfortunate attitude toward the Soviet desire:

> The Soviet Union and the Communist countries can conduct negotiations. They know how to do this. For a long time they don't make any concessions and then they give in a little bit. Then everyone says triumphantly, "Look, they've made a concession; it's time to sign." The 35 countries (at the European Security Conference) for two years now have painfully, painfully been negotiating and their nerves were stretched to the breaking point and they finally gave in. A few women from the Communist countries can now marry foreigners. And a few newspapermen are now going to be permitted to travel a little more than before. They give 1/1000th of what natural law should provide. Matters which people should be able to do even before such negotiations are undertaken. And already there is joy, and here in the West we hear many voices, saying: "Look, they're making concessions; it's time to sign."
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> During these two years of negotiations, in all the countries of Eastern Europe the pressure has increased, the oppression intensified. And it is precisely now that the Austrian Chancellor says, "We've got to sign this agreement as rapidly as possible."
>
> What sort of an agreement would this be? The proposed agreement is the funeral of Eastern Europe. It means that Western Europe would finally, once and for all, sign away Eastern Europe, stating that it is perfectly willing to see Eastern Europe be crushed and overwhelmed once and for all, but please don't bother us. And the Aus-

trian Chancellor thinks that if all these countries are pushed into a mass grave, Austria at the edge of this grave will survive and not fall into it.

The United States has never recognized the incorporation of the Baltic States, so we must remain steadfast in this position and reject the recommendations of the conference.

Also of great concern to me are the other proposals being made at the conference. As I understand there are three other categories, also known as baskets. Basket two deals with trade and technological agreements, three with the free flow of information and ideas between individuals and countries and four, post conference plans. Each of these sections is of great concern to me, and I think that intense skepticism is warranted. There are no guarantees, and there are a multitude of loopholes. From experience, we know that in any international agreement, the actions of our own Government are subject to intense scrutiny, while the activities of the Soviet Union rarely receive critical comment. Given our experiences in dealing with the Soviet regime, I am unwilling to admit that détente will be served by any such agreement.

While most of us have heard the words of Solzhenitsyn, I am afraid that not enough of us are listening. Even our own President, for whatever reasons, failed to find the time to listen to Mr. Solzhenitsyn's knowledgable counsel. For myself, I am deeply troubled by his warning and urge all to heed his counsel. Let there not be joy—let us not be guided by talk of promises of concession, but let us be guided only by our knowledge of the facts and our understanding of history. The Soviet ideology remains the most destructive force known to man, and any attempt to strengthen its base must be resisted. The fact that the captive nations exist, that captive peoples continue to fight their oppressors, and that these people refuse to be abandoned, forgotten or subjugated speaks to a desire for freedom and independence which we as leaders of the free world must defend.

PAUSE AND REMEMBER

Mr. ROBERT C. BYRD. Mr. President, I recently delivered the Memorial Day speech at the annual Memorial Day services in Grafton, W. Va. On that occasion, Miss Leisa Sturm, a young student in that community, also made a speech, titled "Pause and Remember." I was impressed by the speech delivered by this young person, and I ask unanimous consent that it be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

Pause and Remember

(By Leisa Sturm)

Let us gaze at the flag of the United States towering over this national cemetery and pause to remember those who have died for the freedom of our beloved country. These silent white markers, beside and around you, mark the lives of more than 2,000 men, women and children; 664 of those markers are known only to God. The unknown, along with the known, are remembered in our thoughts with pride.

Yes, war has taken many of our family, friends and unknown; but let me assure you—they did not die in vain. One cannot imagine the pain our veterans suffered in and out of the battlefield. I so wish I could have been there to nurse them, comfort them, and let them know just how much America loved and prayed for them.

Memorial Day is a time to become aware of these people and pay tribute to them for their allegiance to the freedom for all.

A quotation written by Lord Alfred Tennyson states that "Men may rise on stepping stones of themselves to higher things." I feel this sentence gives great significance to these men, for their deaths are stepping stones to the higher price of freedom. They are gone from this life, but their spirits are within the flag as it waves in the wind, noting the emblem for the "land of the free."

Living only a few short blocks from this cemetery, I have often walked within its walls and felt its muffled silence within me. In the back of my mind, the echoing taps play on end as I trace over each marker. So many are unknown. When I was younger and would march with my peers in the parade to place flowers on a fallen soldier's grave, I would always put my bouquet of flowers on an unknown grave. I felt that no one ever thought of them and I wanted them to be known. Now that I have grown, I understand and know that they are not forgotten and it eases my mind.

This day, let us honor those dead and the living for the achievements they have gained for America. They were so proud to be a part of this beautiful country that they fought and even died for her. May people always remember this place, nestled within the hills of West Virginia, where markers row on row serve as a heritage for the land of the free.

May I say to you, brave people, dead and alive, America loves and wishes to thank you for the freedom you have instilled in our hearts and lives. You have made America the "Land of the Free."

CATHOLIC STANDARD ENDORSES GEORGE WASHINGTON PEACE ACADEMY

Mr. HARTKE. Mr. President, interest throughout the United States in the George Washington Peace Academy which would be established with enactment of my bill (S. 1976) is growing with awareness by the people of the intention of the legislation. I have received letters and telephone calls from California to Michigan and Alabama to Kansas in support of the bill.

Many individuals have asked how they may assist in establishment of the academy, and people have offered to organize drives to solicit money to stock a library and purchase facilities and materials for the academy.

Let me point out again to my colleagues that the George Washington Peace Academy is not political in nature, and great concern was taken in drafting the bill to exclude any political interest by the academy. As I pointed out in my introductory statement, the decision by the Government to utilize the students or studies of the academy lie with the Department of State or other governmental agencies as elected by the people.

The Catholic Standard, of Washington, D.C., published an article in its July 10 issue pointing out the common sense of establishing the academy. I ask unanimous consent to have printed in the Record the article appearing in the July 10, 1975, Catholic Standard entitled "Peace Academy."

There being no objection, the article was ordered to be printed in the Record, as follows:

Peace Academy

On June 18, Senators Vance Hartke of Indiana and Mark Hatfield of Oregon introduced S. 1976, a bill entitled the George Washington Peace Academy Act. It proposes the establishment of a national academy to train and educate young Americans to work effectively for the cause of peace.

This makes a great deal of sense. Of necessity we have developed three outstanding academies to train young Americans in the science of military strategy and tactics. As a people and a nation dedicated to peace, however, it is both proper and necessary to establish a national academy, of at least equal stature, to educate young Americans in the art of working for peace.

The cost of such an academy will be minimal in terms of its potential. As we approach the celebration of the nation's bicentennial it would be difficult to conceive of any project more consistent with our heritage than to make the peace academy a reality.

Mr. HARTKE. Mr. President, another article appeared in the Louisville Courier Journal on the George Washington Peace Academy which pointed out many of the interests and concerns of the legislation.

I ask unanimous consent to have printed in the Record the article published in the Louisville Courier Journal on July 6, 1975, concerning the academy.

There being no objection, the article was ordered to be printed in the Record, as follows:

Once Again, a Hartke Peace Bill

(By Ward Sinclair)

Washington.—Vance Hartke, the Indiana senator who has never been reluctant to march to a different drum-beat, has a recurring and bothersome idea about peace.

The trouble with peace, as Hartke sees it, is this: We want it, we talk about it, we do a lot of contradictory things in the solemn name of peace, but we don't in the end do much about achieving peace because we don't know how.

"There is too much emphasis on the military . . . we have glorified the military. We have rhetoric about peace, we talk about it, but there really is a tendency to worship the military side of things . . .

"Peace is contrary to our general culture. In the media, in our schools, even to some extent in our churches, there is this feeling. . . . We passed the largest military budget the other day with hardly a whimper; we're the world's largest arms salesman," the Evansville Democrat was saying last week.

"We're not in an era where we can lower our military guard and I strongly favor a strong military force for the United States. But what we have to have is a definitive effort toward saving lives, rather than killing them."

To that end, Hartke has introduced in the Senate a new version of a bill that he has presented to every session of Congress since 1968, with little more positive result than an occasional newspaper article.

In previous sessions, the senator's bill has proposed creation of a Department of Peace in the executive branch of the government. This time around, he has revamped the idea considerably, and he thinks it now may be an idea whose time has come.

The Hartke bill would establish a George Washington Peace Academy, a federally-funded institution whose purpose would be to delve into and study conflict situations, and train people to resolve them.

As Hartke envisions it, the academy would train students in the resolution of national and international conflicts, much as people are trained to resolve labor problems and contractual disputes.

He doesn't want the academy to cross purposes with the Departments of State or Defense. It would train students to be used by the U.S. government, international organizations or other entities to defuse conflict situations wherever they might arise.

Hartke's plan calls for the academy to be funded by the U.S. government. Students would be chosen from nominations made by members of Congress, by direct application and by foreign countries.

One of its purposes, he said, would be to supplement the work already being done by existing educational institutions involved in studies of peace and conflict and the resolution of differences between governments.

One such study center is the Hoover Institution on War, Revolution and Peace at Stanford, Calif., founded in 1919 by Herbert Hoover "to forward men's endeavors to make and preserve peace."

"There are a number of places like the Hoover Institution," Hartke said, "but they are not devoting themselves exclusively to the idea of peace" and the tranquil resolution of difference.

Hartke said he readily agrees that human, cultural and economic factors weigh heavily on global relationships, no matter how much peace may be desired. But the problem, he added, is that insufficient attention is being paid to the ways of setting differences before they reach an irreversible, at-the-brink level of conflict and warfare.

"I'm not saying this academy idea is a cure-all or a panacea. I know there is a human quality in our tensions and disagreements. But these disagreements don't have to end up in us killing each other," he said.

"Throughout our whole history there have been situations that we might have avoided had we had the skill and knowledge to do so. Maybe we could have avoided World War II or the Korean war. . . . Look at our isolation of Cuba. It started when we refused to invite Castro here, when we wouldn't talk to him."

Hartke said he believes the cost of a peace academy would be small in comparison to the amounts spent for military equipment created in the name of defense. "The cost to our taxpayers and to other peoples and governments involved in conflict situations exceeds trillions of dollars," he said. "The peaceful resolution of a single conflict which otherwise would have resulted in overt determination would more than offset the long-term cost of the academy."

The Hoosier Democrat chose George Washington as the name for the academy because of Washington's call for "the adoption of a proper peace establishment" in a circular to the states in 1783. Washington wrote that peace should be a cornerstone or a pillar of the nation then aborning.

The senator arranged for his bill to be numbered S. 1976, and he has already started pushing for it to become the first law enacted in America's bicentennial year.

"I think the chances now for this idea are pretty good. A lot of people are behind it. . . . It is important that people in this country fully understand the academy and the potential for conflict resolution.

FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1974

Mr. BUCKLEY. Mr. President, on June 13 the Federal District Court and Circuit Court of Appeals for the District of Columbia heard oral arguments in the case challenging the constitutionality of the "campaign reform" measures adopted in 1974. As you know, I am a plaintiff in that case.

Since then I have had a number of calls from colleagues wondering about the outcome of the case. At this point, however, I can only report that the Courts are still out. We expect a decision rather soon and I will report it as soon as it is handed down.

In the meantime, I ask unanimous consent that an article which appeared in the most recent issue of the National Journal be printed in the RECORD for the information of those interested in the suit. The reporter who prepared the piece, Mr. Michael Malbin, is to be congratulated for his excellent analysis of the arguments on both sides of the controversy.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

Political Report/New Campaign Finance Law Faces Legal, Political Tests

(By Michael J. Malbin)

While the debate over the 1974 campaign finance law has shifted from Congress to the courts, politicians and political scientists still are guessing about the impact the new law will have on the political process.

The Federal Election Campaign Act Amendments of 1974 (88 Stat. 1263) was touted when it was enacted as Congress' answer to Watergate. The law puts limits on individual and group contributions to federal election campaigns, limits the amount of money candidates seeking election are permitted to spend, strengthens disclosure and reporting requirements and provides public financing for presidential elections.

Taken together, the law's most active supporters say, these provisions will lead to a substantial reduction in what defenders of the law described in a court brief as "that dependence on large contributions (which) undermines the integrity of the electoral and governmental process." No longer, they say, will a W. Clement Stone or a Stewart R. Mott be able to give hundreds of thousands of dollars to a single presidential candidate, as each did in 1972. No longer will large contributors be able to gain special access to office holders, they contend, or trade legally contributed money for significant governmental favors.

But the impact of the 1974 law is not limited to its effect on these kinds of practices. Any law that tells candidates how they may or may not raise money is bound also to affect the relationships between candidates and parties, the relative power of different kinds of interest groups and the relative ability of different kinds of candidates to run effective campaigns. No one is sure what all of the effects of the new law will be, but many political experts are watching it with undisguised concern.

At the same time, the law's constitutionality is being challenged in the courts in a suit brought by a long list of politically disparate plaintiffs that includes Sen. James L. Buckley of New York, who was elected to office in 1970 as a third party Conservative; former Sen. (1959–71) Eugene J. McCarthy, who is running as an Independent candidate for the presidency; Rep. William A. Steiger, R–Wis.; Stewart Mott, a major contributor to anti-war candidates from 1968 to 1972; the New York Civil Liberties Union; the Libertarian Party; the American Conservative Union; the Conservative Victory Fund; the conservative weekly newspaper, Human Events; the New York Conservative Party; the Mississippi Republican Party; and McCarthy's campaign committee, the Committee for a Constitutional Presidnecy.

The plaintiffs allege that the law:

Deprives donors and candidates of their freedom of speech by limiting the contributions and expenditures that pay for political publicity;

Deprives challengers of their constitutional right to due process by giving incumbents undue advantage;

Deprives minor parties and independent candidates of their due process rights through numerous provisions favoring the two major parties;

Deprives members of such associations as the New York Civil Liberties Union, the American Conservative Union and the Libertarian Party of their right to associate freely by compelling the organizations to give their membership lists to the Federal Election Commission and to make public their contributors' names and addresses.

The defendants in the case are the persons authorized to enforce the law—the members of the newly created Federal Election Commission and the Attorney General. The court also permitted several of the law's chief supporters—Common Cause, the Center for Public Financing of Elections and the League of Women Voters of the U.S.—to join the suit as intervening defendants.

COURT ARGUMENTS

The case, *Buckley* v. *Valeo*, was argued on June 13, after months of jurisdictional uncertainty, before a combined three judge district court and the full Circuit Court of Appeals for the District of Columbia. The chief arguments for the plaintiffs were presented by Brice M. Clagett from the Washington, D.C., law firm of Covington and Burling and Ralph K. Winter Jr., a Yale Law School professor. The main arguments on behalf of the law were presented not by the Justice Department but by the attorneys for the intervening defendants, Lloyd N. Cutler and Paul J. Mode Jr. from the law firm of Wilmer, Cutler and Pickering and Common Cause's general counsel, Kenneth J. Guido Jr. The opposing law firms are two of the most prestigious in Washington.

Speech issue: The most serious constitutional attack on the law is the one based on the 1st Amendment.

Clagett told the court that "to limit contributions and expenditures is to limit the speech they make possible." A candidate without money, he said "is as effectively muzzled as if he had been sent to Siberia." The limits, he said, by curtailing "public debate of public questions," strike at "the core of the core of the 1st Amendments."

Cutler said the court must balance the purpose of the law against its effect on speech. He said that the reasons for the law not only were compelling, but had every bit as much to do with the purpose of the 1st Amendment—the protection of political discourse—as did the concerns expressed by the plaintiffs.

The three most important purposes of the law, Cutler said, were to equalize the extent to which different people can influence the outcome of an election, to curb the improper influence of the rich few on office holders and to equalize the ability of all voters to become political participants or candidates.

Clagett denied that equalizing money equalizes either political influence or the ability of citizens to become candidates. What it does, he said, is simply to shift the emphasis from one type of inequality to another. The key to political power will shift from big donors to newspaper editors or the heads of large volunteer civic associations, he said. Furthermore, Clagett said, by depriving challengers of the initial large contributions ("seed money") that they need to make their campaigns credible, the law increases the advantages of incumbency.

The only justification left for the law, Clagett said, is that it might help to reduce corruption. But full disclosure is an adequate remedy for that, he said.

The provision that Cutler said gives the defendants the greatest difficulty is the one barring an individual from spending more than $1,000 "relative to a clearly identified candidate," even if the expenditure is made wholly at the individual's own instigation. What this means is that a Stewart Mott may not buy a full page advertisement in *The New York Times* (which costs approximately $10,000) to say why he thinks an incumbent President should not be reelected.

Clagett called this "the most shocking, direct and massive invasion of the freedom of speech and press and assembly ever enacted in the United States." Cutler agreed that the provision raised serious 1st Amendment "problems," but said that some limitation on independent expenditures were necessary if they were not to become massive loopholes in the expenditure and contribution limits. He urged the court, if it could not accept the $1,000 limit, to construe the statute in a way that would permit individuals to express their own opinions in paid advertisements.

Public financing: Yale professor Winter said for the plaintiffs that the particular public financing provisions in the 1974 act favor the two major political parties along with the older minor parties. The latter, he said, by receiving funds four years after their vote gathering record justifies it, would be perpetuated beyond their natural life.

At the same time, Winter said, the law discriminates against new parties and independent candidates by withholding public funds until after the election as well as by placing a $1,000 limit on the individual loans and contributions they can receive until the public funds are provided.

P. J. Mode, arguing for the intervening defendants, responded by saying that the statute "walks a fine line" between helping the two major parties and institutionalizing minor parties.

Disclosure: The disclosure issue divided the plaintiffs, with Clagett and Winter urging stricter disclosure as an alternative to spending and contribution limits, while the New York Civil Liberties Union's Joel M. Gora said that disclosure was a direct threat to his own and other politically unpopular organizations.

The law requires full disclosure by any person who spends any money or commits any act directed at the public for the purpose of influencing an election, or "who publishes or broadcasts to the public any material referring to a candidate . . . advocating the election or defeat of such candidate, setting forth the candidate's position on any public issue, his voting record, or other official acts."

Gora said that this provision would require full disclosure by the New York Civil Liberties Union because it advertises its policy positions in statements that discuss the public records of officeholders, some of whom may be candidates for election. This would be the case, Gora said, even though the organization does not issue political endorsements of candidates.

Gora termed this a 'virtually unprecedented legislative attempt to reach outside the traditional political arena" in the name of regulating elections. "This kind of activity cannot be regulated at all," he said, "through disclosure or any other means."

Gora said he thought a requirement that political committees disclose their contributions to candidates was a "tougher question." Even here, however, Gora said there was no legitimate reason for requiring disclosure by minor parties. Disclosure frightens away people who do not wish to be identified with unpopular causes, he said. This can be justified only if it serves some public need. But the public's interest in disclosure primarily has to do with the honesty of elected officials once they are in office, Gora said. "To treat a party like the Libertarian Party or the Mississippi Republican Party as if it had the power to regulate public policy is simply not rational," he said.

Dennis G. Linder, a Justice Department lawyer, while arguing in behalf of disclosure, did not challenge Gora's central points. Instead, Linder denied that the plaintiffs had proven that disclosure had harmed their fund raising. On the question of whether organizations such as the New York Civil Liberties Union will have to register as political committees, Linder said that the complaint was "premature." "This points out the real need for interpretation by the Federal Election Commission," he said.

Election commission: The Federal Election Commission has eight members, two appointed by the President pro tempore of the Senate, two by the Speaker of the House, two by the President. The Secretary of the Senate and Clerk of the House are ex officio, nonvoting members. The plaintiffs have attacked the composition of the commission as an improper mix of executive and legislative personnel. The commission and Justice Department both view the mixture as permissible and appropriate.

The more serious challenge to the commission has to do with its enforcement powers. The statute's spending and contribution limits technically are amendments to the criminal title of the U.S. Code (Title 18). The plaintiffs and, more significantly, the Justice Department, say that the criminal laws can be enforced only by an agency of the executive branch.

The commission's special counsel, University of Pennsylvania Law School professor Ralph S. Spritzer, said that the court should reject this challenge to the commission's power as premature. There is every possibility, he said, that the commission may construe its power more narrowly than the plaintiffs do.

John G. Murphy Jr., the commission's general counsel, said in an interview that the commission could enforce the statute's spending and contribution limits "by indirection." Instead of enforcing the limits directly, he said, the commission could go to court to compel reporting of expenditures or contributions that candidates may not be counting toward their limits. (The disclosure provisions are not part of the criminal code.)

POLITICAL IMPACT

Most of the legal arguments are constitutional reflections of the growing disputes about the law's likely impact on politics.

It generally is agreed that one effect of the law will be a reduction in political campaign costs, but this reduction will be less than the rhetoric of the law's supporters might suggest.

The legal brief submitted by the intervening defendants said that "an estimated $400 million was spent in 1972 for nomination and election campaigns—a 33 per cent increase over 1968 and almost a 300 per cent increase over 1952. Over the same periods, the consumer price index has risen only 20.3 per cent from 1968 to 1972 and 57.6 per cent from 1952 to 1972. In 1972, presidential campaign spending alone totaled $94.4 million—up 85 per cent from $56.4 million in 1968; up 147 per cent from $38.1 million in 1964; and up 210 per cent from $27.2 million in 1960."

Under the new law, presidential election costs will be limited to approximately $50 million for the general election, including conventions and permissible party expenditures on behalf of the candidates. At a minimum, therefore, this means an expenditure limit, including primaries, of approximately $74 million. The minimum assumes one candidate will win one party's nomination without a contest, the second party will have only two candidates for the nomination and there will be no third party candidate.

If the Republicans have two people contesting their nomination and the Democrats have five—a conservative estimate for 1976—these limits jump to $134 million. If this figure is added to the permissible expenditure limits for House and Senate races—assuming only two candidates for each general election and two candidates for each nomination—the total of all expenditure limits for 1976 comes to approximately $300 million. This assumes no third party candidacies. It also does not include independent expenditures on behalf of a candidate, labor union, interest group and corporate communications with members or stockholders; non-partisan registration and voting drives; or other expenses left unregulated by the law.

Another point on which most analysts agree is that the law will diminish the importance of the big contributor. Clement Stone is estimated to have given $2 million to President Nixon's reelection campaign in 1972, while Stewart Mott reports that he gave George McGovern approximately $725,000. Under the law, these big givers no longer will be able to contribute more than $25,000 per year to federal election campaigns in amounts of no more than $1,000 per candidate per election.

There are some ways contributors can raise their effective limits. For example, each contributor may donate up to $500 worth of certain "in kind" contributions per candidate per election above the $1,000 limit. For another, different members of the same family may give $1,000 each in cash plus $500 "in kind" per candidate per election, and each has his or her own $25,000 total limit.

There is no total limit placed on the amount an individual may spend on independent expenditures, only a limit of $1,000 per candidate. This means that individuals may spend up to about $500,000 per year on independent expenditures, as long as they are spread around.

Even when these "loopholes" are taken into account, however, it remains undeniable that no one contributor can have the kind of financial impact on a single campaign that Stone and Mott did in 1972.

Beyond these effects, politicians and academicians begin to differ about what the law will do to politics. Common Cause's legislative director, Fred Wertheimer, said in an interview that "you couldn't be in worse shape than you were under the old system and the way it was functioning."

Others contend, however, that the new law will have a number of unforeseen effects on political parties and presidential candidacies while doing little to reduce the importance of "special interest" giving to politics.

POLITICAL PARTIES

At an early stage in the debate over public financing, a number of people expressed fear that public financing would undermine political parties by removing any need for candidates to go to them for help. The political parties are in a precarious position, they said, and a law that provided public financing without compensating the parties in some way could have decisive consequences for the party system.

The campaign finance law passed by the Senate in 1974 (S. 3044) tried to balance public financing for all federal elections with a provision permitting the parties to spend money on behalf of candidates over and above the candidates' spending limits. As enacted, the law cut out public financing for congressional campaigns, reduced spending limits for congressional races and retained provisions for supplemental party expenditures. On balance, therefore, the law does more for the parties than the Senate bill did, although the financial boost it gives to minor parties may more than balance the help it gives the major parties.

George E. Agree, a fund raiser for liberal causes, has said that the parties stand to gain a great deal under the new law. "To the extent that contribution limits bite," he said in an interview, "candidates may look to the parties to perform functions they have performed on their own."

Richard R. Thaxton, political director of the Republican National Committee, said in an interview that the law "is a plus opportunity" for party organizations. "I think you are going to find candidates much more aware of the party, much more willing to go to the party for help." He thinks the parties can save the candidates a great deal of money, and thereby make themselves indispensable, by doing such things as running seminars for candidates, developing mailing lists of party contributors or performing other functions candidates in the past have had to get from private campaign consultants.

Mark A. Siegel, executive director of the Democratic National Committee, said that his party has no such grand plans. For one thing, he told *NJR*, he is concerned that these activities might be counted as in-kind contributions. But more basically, he said, "we don't have the money" the Republican National Committee has.

Federal Election Commission chairman Thomas B. Curtis said he thinks the law will have a mixed effect on the party system. "In many ways it can strengthen the political parties, but in certain ways I could see where it could really damage them," he said. It strengthens them, he said, by creating "a lot of reasons for candidates to go to their parties for assistance." The danger to the parties, he said, is burned more deeply in the details of the statute the commission will have to interpret.

One problem, Curtis said could be the relationship between federal law and state laws. Many states permit things prohibited at the federal level and vice versa. "This could result at the precinct level, where the real political process takes place—in two separate organizations," one for federal elections and one for state elections.

While this would seem to lead toward party fractionalization, another jurisdictional conflict seems almost to compel statewide party centralization. One of the first requests for an advisory opinion received by the election commission came in a May 5 letter from Michigan Democratic Party chairman Morley A. Winograd, who asked the commission to tell him what the law meant when it put spending limits on state parties "and subordinate committees." Winograd wrote that Michigan law establishes 83 separate county committees and 19 congressional district level committees as well as one statewide party committee. These different committees have "some interlocking relationships," Winograd wrote, but these "do not extend to our controlling their decisions on the raising or expenditure of campaign funds."

Winograd asked whether each "subordinate" committee should have its own separate contribution limit, or whether the law's limit for state parties is meant as a combined ceiling for the state committee and its subordinates. If the limits are separate ones, the law would seem to permit an unlimited proliferation of county and local committees. But, Winograd said, under a single limit the Michigan state party would be "required under the act to institute a new system of control," a system under which the state committee would have to have financial and political control over their supposedly subordinate, but frequently independent, local political committees.

INTEREST GROUPS

If one of the purposes of the law was to curb the influence of interest groups, it will not work. Bernadette A. Budde, director of political education for the Business-Industry Political Action Committee (BIPAC), told NJR that "the law has had a liberating effect on corporate activity instead of an inhibiting effect." By permitting corporations to form political action committees, and by repealing the ban on political activity by government contractors, the law has made corporate executives less squeamish about soliciting voluntary contributions for political committees.

The Federal Election Commission already has received requests for advisory opinions from the Burlington Northern's Employees' Voluntary Good Government Fund and the General Telephone Good Government Club. If Budde is right about the probable effect of the law on corporate political activity, there will be many more single-company committees registered with the commission as the law's six month deadline approaches. The National Association of Manufacturers and Chamber of Commerce of the United States have been holding seminars for corporate executives to teach them how to form political committees under the law.

While the law will not curb interest group activity, it may favor some kinds of groups over others. Ralph Winter told the Court of Appeals in his oral argument that the statute "obviously gives enormous advantage to organized interest groups with state affiliates" by permitting a national organization and its affiliates each to contribute separately up to the maximum allowable amount per candidate. Common Cause's Fred Wertheimer agrees that this is a likely effect, but told *NJR* that he thought proliferation has "a good aspect," namely, the "decentralization of power." The political role of organized labor was left untouched by the 1974 act. Federal Election Commissioner Thomas E. Harris, formerly the general counsel for the AFL–CIO, said in an interview that "union political action committees came out very well. It leaves them free to carry a political message to their own members. Any mass membership organization such as a union, or the NAACP (National Association for the Advancement of Colored People) or the AMA (Americal Medical Association) for that matter, seems to me to have the edge if ceilings are imposed or if there are public expenditures, if they are effective with their membership."

Nelson W. Polsby, a political scientist at the University of California at Berkeley, said in an interview that the groups that really gain under the law are the "volunteer good cause" groups. As money decreases in importance, the power of the media must increase, Polsby said. The great power of "good cause" groups, he said, is their ability to "annoint" or "assign moral superiority and inferiority" in a way that is "given credence by the media."

The head of at least one "good cause" group disagrees. Russell D. Hemenway, director of the National Committee for an Effective Congress, supports most of the law, but told *NJR* that it "obviously is going to be an inhibition" for citizens' groups such as his own, which are not in a good position to proliferate through state and local affiliates.

A variation on this theme is the assertion made by George Agree that the law favors "strong issue groups." Herbert E. Alexander, director of the Citizens' Research Foundation, making the same point, said that there is no way the election commission will be able to count conveniently timed issue oriented advertisements as "independent expenditures" subject to a $1,000 per candidate limitation.

As an example, he referred to the gun lobby campaign in 1970 against incumbent Sen. (1965–71) Joseph D. Tydings, D-Md., one of the strongest Senate advocates of gun registration. Alexander asked how the commission could allocate the costs of such advertising to candidates. "Attribute them to the opposing candidate? What if that candidate thinks they are counter-productive?" Or what if, as happened in 1970, the advertising begins to appear before the opposition candidate (Sen. J. Glenn Beall Jr., R-Md.) is nominated, or if the advertisement mentions no candidate by name, but simply discusses the issues in a manner that parallels the campaign of one of the candidates (as some New York anti-abortion advertisements parallelled the major theme developed in the 1974 senatorial race by the Conservative Party's Barbara Keating)?

However the commission answers these questions, it appears unquestionable that political campaigns will continue to provide fertile ground for the intelligent application of interested money. Some say that this is not necessarily a bad thing. In a speech May 30 at the University of California, at Davis, Alexander said that the goal "of seeking a direct dialogue between candidates and voters both free of outside influences, such as interest groups, seems too idealistic. . . . Too many ideas and interests of value to society would get lost without the organized participation of groups in the electoral process."

PRESIDENTIAL CAMPAIGNS

The impact of the law already has been felt on the campaign strategies of several 1976 presidential hopefuls. The most obvious effect has been the need felt by many to get an early start.

Dean Burch, temporary chairman of the President Ford Committee until Howard H. (Bo) Callaway could leave his position as Secretary of the Army to take the campaign post, told reporters that President Ford's June 20 filing with the Federal Election Commission was a direct result of the new law.

The law requires a new kind of fund raising that compels candidates to make their campaigns publicly visible at an earlier stage than they might have in the past. Candidates cannot qualify for public financing unless they raise $5,000 in each of 20 states in contributions of $250 or less. William Hamilton Jordan, campaign director for former Georgia Gov. (1971–75) Jimmy Carter, told NJR that qualifying has not been as easy as most people thought it would be. Only four candidates say they have passed the threshold requirement so far—Gov. George C. Wallace, D-Ala., Sen. Henry M. Jackson, D-Wash., Sen. Lloyd Bentsen, D-Texas, and Rep. Morris K. Udall, D-Ariz. Carter's aides say he expects to qualify "sometime this fall."

Candidates this year are relying on two basic techniques to raise large amounts of money in relatively small contributions: fund raising dinners and direct mail. Both of these take a great deal of time. Direct mail, in particular, normally is a losing proposition for a candidate until he develops a good working list of proven contributors. Because of this, Herbert Alexander said, "it will be tough for anyone to jump in the middle of a campaign, the way Bobby Kennedy did in 1968."

Several campaign headquarters report that the effect of the law goes beyond the early starting date to influence almost every detail of campaign strategy.

Marcie C. Kripke, fund raising coordinator for Udall, proved to be the exception when she said, "I don't think the law has affected us that much."

More typical was Ronald L. Platt, national coordinator for the Bentsen campaign, who said that the $10 million total limit on prenomination expenditures "really structures the situation. "With 30 states having primaries, some with proportional representation at the congressional district level, the $10 million limit makes it impossible to campaign effectively in every primary. "You have to be relatively selective," Platt said.

Sen. Jackson's campaign manager, Robert J. Keefe, agreed that the law required candidates to "target very carefully. You can't afford to take any flyers." And the Democratic National Committee's Mark Siegel said that "$10 million is not a whole lot of money to spend." This especially is true when you begin to subtract the administrative overhead of running a campaign headquarters and a convention operation.

"Allocation of resources becomes extremely important," Siegel said. Candidates will have to spend money to prove to people that they are viable candidates, but they will have to hold back enough to assure their campaign remains funded through these late big state primaries. "You can't say, the way McGovern did, that if I spend it all on Wisconsin and win, I will get more money. You have to save some money for later."

CANDIDATES

The most significant test of the law will be its effect on candidates' chances for election. If there is a pattern to the impact on candidates, then the law may prove to have a deeper effect on politics than its supporters originally anticipated.

The statute's critics say the impact is anything but random. They say it will help incumbents and hurt challengers, particularly less well known challengers who need seed money from large contributors to get initial publicity; help extremists and hurt centrists; and hurt Governors and other regional candidates for the presidency.

Incumbents: It becomes popular among Republican opponents of the campaign finance bill to refer to it as the Incumbent's Protection Act. The argument has been picked up by the plaintiffs in the constitutional challenge to the law.

Eugene McCarthy said in an affidavit filed with the court that incumbents, particularly incumbent Presidents, have all the advantages if campaign expenditures are kept equal and large contributions are prohibited. "The only way to compete with the privileges and powers of the President (in 1968) was to raise and spend private funds in such quantity as to have a chance of overwhelming his advantages." Even with the $11 million he raised, including several contributions of more than $100,000 each, McCarthy said that what he had amounted to "far less than the money available to the government to prosecute, explain and defend the President's war policy."

The most obvious advantage an incumbent President has is his ability to command air time to explain his policies to the public. But there are a number of other, lesser advantages available to other federal office holders. Rep. Steiger listed some of these "fringe benefits" in his own affidavit. Congressional incumbents get free federal offices while challengers have to rent office space. They get reduced rates on the use of the House and Senate television studies. They have the mail franking privilege, and many use government salaried personnel and committee staffs to work on their reelection. And, in a new advantage created by this law, they are permitted to use excess campaign contributions to pay for office expenses.

Common Cause's general counsel, Kenneth Guido, agreed that incumbent office holders use their office perquisites to help gain reelection. But, Guido told the Court of Appeals, the solution is to limit these perquisites, not overturn the campaign finance law. Common Cause's position is that the statute, if anything, reduces one of the advantages of incumbency.

Seed money: The law's critics say that the prohibition on large contributions creates a special problem for challengers. Buckley was an unsuccessful candidate for the Senate in 1968 before he won election in 1970. Speaking of the 1968 campaign in an affidavit, Buckley said, "That election convinced me that a nonincumbent, especially a third party candidate running for office, had to establish viability early in the campaign. There are various ways of doing this, but they all cost money, money that has to be spent at the outset of the campaign" for headquarters, staff, direct mail and other things to show that one is a "serious" candidate.

"The ability to raise 'up front' money is often crucial," Buckley said. "Small contributions do not ordinarily materialize at the beginning of a campaign." In 1970, Buckley said, he was able to get started with a $50,000 loan from a friend. Without that loan, which would be illegal under the present law, Buckley said that "it is doubtful that I would have run."

One candidate who thinks his inability to raise seed money is hurting his 1976 campaign is Julian Bond, the Georgia state senator who has said he wants to run in selected black districts to collect delegates for bargaining purposes at the Democratic convention. Atlanta City Council member James G. Bond, the candidate's brother and campaign manager, said in an interview that the limit on individual contributions "is a disaster as far as our campaign is concerned. As a result of this law, Julian's probably not going to be able to run."

James Bond said that Morris Dees, the Democratic direct mail specialist who raised funds for George McGovern in 1972, "told Julian he could raise several hundred thousand dollars if he could raise $20,000 to start. Several people said they were willing to lend it to him, but that's illegal." He said that the requirement that candidates get their seed money in small contributions works hardest against people who represent poor constituencies. "Julian's base is the black community, and it's not a rich community," Bond said.

Marian R. Pearlman, on the other hand, said it is possible for a little known candidate to get a presidential campaign going with small contributions. Pearlman, counsel to the trustees of the United Mine Workers of America's Health and Retirement Funds, was national finance director of the McGovern for President Committee in 1972. Pearlman said in an affidavit that on the basis of her experience with the McGovern campaign, she has concluded that "it is possible" for a major party candidate, "having little name recognition at the outset, to begin and conduct a successful campaign for that nomination without heavy reliance on large contributions."

Pearlman said that McGovern's first direct mailing cost $27,813, of which $10,000 came from one loan, $8,500 came from two contributions of more than $1,000 each and only $9,313 came from smaller contributions permissible under the new law. She also said that McGovern received three more loans totaling $85,000 from January 1971 to February 1972 to help him pay for his direct mail, which raised $1,250,910 from 42,106 people. Pearlman's figures seem to support her claim that McGovern did not place "heavy" reliance on large contributors, but they do not refute Buckley's and Bond's assertions that at least some seed money from large contributors is necessary to get things going.

Former Attorney General (1967–69) Ramsey Clark said in an affidavit that he was able to rely completely on contributions of $100 or less in his unsuccessful New York campaign for the Senate in 1974. He started off by writing personal letters to about 400 friends asking for contributions of $100 or less and raised between $12,000 and $15,000. He spent $6,000 of this for a half page New York Times advertisement that brought in $17,000—enough to start a direct mail program. Clark said that, on the basis of his experience, he is "convinced that it is possible to run an effective statewide campaign by this means. I believe I did just this." Clark acknowledged, however, that his campaign "did start with a relatively well known person identified with a number of causes" and that this "may have been a major factor."

Rep. Bill Frenzel, R-Minn., one of the House's most active Republican supporters of campaign finance reform, said in an interview that the limits in the law mean that "if you are a prima ballerina, NFL quarterback, TV anchorman, or an incumbent or a locally identified political figure, you will have an enormous advantage."

Extremists: Ronald Platt, Bentsen's coordinator, said that the law's emphasis on small contributors may work to the advantage of candidates who take more extreme positions on the issues than the moderate Bentsen. "If you look at people in the past who have been successful in raising large amounts of money from small contributors, they tend to be people who have taken hard positions on a specific issue—ideological candidates."

Richard A. Viguerie, the conservative direct mail specialist whose best known customer is George Wallace, explained why direct mail favors his client.

"You can raise a lot of money through direct mail if you're a center type, but it's a lot harder." Viguerie said. "People who take strong identifiable positions—like Wallace, McGovern or Kennedy—have greater success because their people are committed and are willing to put up money. But somebody who tries to straddle the fence who doesn't want to make people too unhappy or too mad, maybe you don't offend too many people, but you don't turn any on. So why make a sacrifice and part with $10 or $25 just because you don't make me unhappy?"

Mark Siegel, the Democratic National Committee's executive director, disagreed with Viguerie's suggestion that the campaign finance law is what is weakening centrist candidates. "We have always had that problem with middle of the road candidates," he said. "It's nothing new, and it is not a problem with this law."

Governors: It probably was not intentional, but the requirement that candidates must raise money in small contributions in each of 20 states appears to benefit congressional candidates for the presidency at the expense of Governors, who are less able to command the attention of the Washington press corps, and who have less time than Members of Congress to travel outside their own states to raise money. Hamilton Jordan, Carter's campaign manager, was Carter's executive secretary when he was Governor. Jordan told NJR that "there is no way a sitting Governor, except George Wallace, can run effectively for President. He just can't be away that much."

OUTLOOK

Despite the resurfacing of all these political objections, Rep Frenzel said it is highly unlikely that Congress will reconsider the law before 1977, unless the Supreme Court declares some major portions of it to be unconstitutional.

Most constitutional scholars think the odds are better than even that the Court will overturn at least some section of the statute. Despite this, no one in Congress or on the commission is known to be making contingency plans. It is to early in the legal proceedings for that.

The law established special procedures to speed the process of judicial review. Attorneys for both sides say that if they can get a Court of Appeals decision by Aug. 1, they could argue before the Supreme Court by early October. A Supreme Court decision by November or December then would be a possibility. Virtually everyone, whether a supporter or opponent of the law, is hoping for an early decision so that candidates can know the rules for the 1976 elections.

CONGRESS WELCOMES ALEXANDR SOLZHENITSYN

Mr. JACKSON. Mr. President, Alexandr Solzhenitsyn was welcomed to our country yesterday by Senators and Congressmen at a reception in his honor in the Senate caucus room.

The invitation to Mr. Solzhenitsyn, which Senators Case and Biden joined me in initiating, was extended by a bipartisan group of 25 Senators on behalf of our colleagues in both Houses of Congress. It was our privilege to convey to Mr. Solzhenitsyn our admiration for the literary brilliance and personal courage he has devoted to the cause of human rights. In his remarks, Mr. Solzhenitsyn responded by calling on the American people and their elected representatives to strengthen our traditional dedication to human rights and to defend the fundamental freedoms which are so gravely threatened in today's world. "There is no choice," he said, "but to rise to the tasks of the age."

I ask unanimous consent that Alexandr Solzhenitsyn's July 15 address to the Members of Congress, and related material, be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

Introduction by Senator Henry M. Jackson of Alexandr Solzhenitsyn

Alexandr Solzhenitsyn is a great writer and a fearless defender of human rights and individual liberty. His presence here today reminds us that the freedoms we take for granted are still but the dream of millions.

The struggle for freedom has never been served by silence.

Today, by honoring one good man, we honor all those who seek freedom from determined and ruthless oppressors.

Speech by Alexandr Solzhenitsyn

Gentlemen: Here, in the Senate Office Building, I must begin by saying that I have in no way forgotten the signal, and even exceptional, honor paid me by the United States Senate in twice endeavoring to declare me an honorary citizen of the United States.

I interpret this to mean that you have in mind not just myself as a person, but the millions of my fellow countrymen who have been deprived of rights, and even those in the other communist countries—those millions who have never been able, and are still unable, to express their opinions in the press, in parliaments, or at international conferences.

In conveying to you my gratitude for the decisions of the United States Senate relating to myself, I am even more conscious of my responsibility as representative of those others—a responsibility almost too burdensome for the shoulders of a single human being. But since I have never lost sight of the suffering, the striving, and the yearnings of those other voiceless millions, and have had no other aim in life than to give voice to them, this has lent me strength for my public appearances in this country and for my appearance before you here today. There are as yet few back there, in the communist countries, who speak out, but millions understand how loathsome and repulsive the system is. Whoever can do so "votes with his feet," simply fleeing from this mass violence and extermination.

Here today I see not only members of the Senate, but also a group of Representatives. Thus, I am speaking for the first time to participants in your country's legislative process whose influence in recent years has spread well beyond the limits of American history alone.

In virtually every respect our Russian historical experience has been almost the opposite of yours. Our enormous sufferings in the twentieth century have made this Russian experience a bitter example, one which is too overwhelming, one which—as it were—comes to you from the future. Hence it is the more needful that we convey to one another our mutual experiences—persistently and with complete sincerity. One of the most terrible dangers of the present day is precisely that the destinies of the world are tangled together as never before, so that events or mistakes in one part of the world are immediately felt in all the others. At the same time the exchange of information and of opinions between populations is blocked by iron barriers on the one side, while, on the other, it is distorted by distance, by misinformation, by narrowness of outlook, or through deliberate misinterpretation by observers and commentators.

In my few addresses here in your country I have attempted to break through that calamitous wall of ignorance or of unconcerned arrogance. I have tried to convey to your countrymen the constrained breathing of the inhabitants of Eastern Europe, in these very weeks when an amicable agreement of diplomatic shovels will bury and pack down bodies still breathing in a common grave. I have tried to explain to Americans that 1973, the tender dawn of detente, was precisely the time when the starvation rations in the prisons and concentration camps of the USSR were made even skimpier while in the very most recent months, when more and more Western speechmakers were pointing to the beneficial consequences of "detente", the Soviet Union put the finishing touches on an even more novel and important improvement in its system of punishment: retaining their undying primacy in the invention of forced labor camps, the Soviet jailors have now established a novel form of solitary confinement—forced labor in the solitary cells—cold, hundry, without fresh air, without sufficient light, and working according to impossible output norms. And failure to fulfill is punished by confinement under even more brutal conditions.

Alas, such is human nature that we never feel the sufferings of others until we ourselves have to share them. I am not certain that in my addresses here I have succeeded in conveying the breadth of that terrible reality to American society which is complacent in its prosperity. But I have done what I was bound to do, and what I could. So much the worse if the justice of my warnings becomes evident only some years hence.

Your country has just recently passed through the extended ordeal of Vietnam, which so exhausted and divided your society. I can tell you with confidence that this ordeal was the least of the long chain of similar trials which awaits your country in the near future.

Whether or not the United States so desires, it stands at the peak of world history and takes the burden of leadership if not of the whole world, then of at least a good half of it. The United States has not had a thousand years to train for this. Maybe the 200 years of your existence has been time to weld together a sense of national awareness. The load of obligations and responsibilities has fallen on you unbidden.

That is why you members of the Senate and of the House of Representatives, each one of you, is not just an ordinary member of an ordinary Parliament—you have been elected to a particular position in the contemporary world. I would like to convey to you how we—the citizens of the communist countries look upon your words, deeds, proposals, and enactments—as brought to us over the radio sometimes with warm approval and sometimes also with horror and despair. But we never have a chance to respond out loud.

Perhaps some of you, in your minds, still feel yourselves just representatives of your state or party—but we from over there, far away from here, the whole world itself, does not perceive these differences. We do not look upon you as Democrats or Republicans, not as representatives of the East or West coast or the Midwest, we see you as figures upon each of whom depends whether the course of world history will tend to tragedy or salvation.

In the oncoming combination of a world political crisis with a shift in the spiritual values of a humanity exhausted and choked by the existing false hierarchy of values, you or your successors in the Capitol will have to confront, and are confronting today, tasks which are immeasurably greater, incomparably greater, than the petty calculations of diplomacy, the inter-party struggle, or the clash between President and Congress. There is no choice but to rise to the tasks of the age.

Very soon, only too soon, your state will have need not only of exceptional men but of great men. Find them in your souls. Find them in your hearts. Find them in the heart of your country.

U.S. Senate,
Washington, D.C.,
Wednesday July 9, 1975.

Dear Mr. Solzhenitsyn: We wish to extend an invitation to you to meet with the members of the United States Senate here at the Capitol for a reception in your honor on Tuesday, July 15, at 2:00 P.M.

As elected representatives of the American people, we would like to convey their admiration and respect and our own, for your literary work and your courageous support for human rights. For the people of the United States, whose origins can be traced to every continent, your devotion to individual liberty has been particularly stirring. It would be an honor for us to express to you personally—and through you to the many who are still struggling for the freedoms which we in America sometimes take for granted—our appreciation for the way your efforts have enriched the life and fortified the spirit of all freedom-loving peoples.

Sincerely yours,

Senator Henry M. Jackson, Senator Joseph R. Biden, Jr., Senator Dale Bumpers, Senator Frank Church, Senator John Glenn, Senator Hubert H. Humphrey, Senator Daniel K. Inouye, Senator Warren Magnuson, Senator John L. McClellan, Senator John O. Pastore, Senator Abraham Ribicoff, Senator Adlai E. Stevenson, Senator Richard Stone, Senator Harrison A. Williams, Jr., Senator Clifford Case, Senator Bill Brock, Senator James L. Buckley, Senator Jesse Helms, Senator Jacob K. Javits, Senator Bob Packwood, Senator William V. Roth, Jr., Senator Richard S. Schweiker, Senator Ted Stevens, Senator Robert Taft, Jr., Senator Lowell P. Weicker, Jr.

CAPTIVE NATIONS WEEK

Mr. ROTH. Mr. President, this third week in July, our country annually observes Captive Nations Week, a time when we recall the fate of those who have fallen under Communist rule and reaffirm our support for their aspirations for human dignity, liberty, and a full measure of freedom. This observance is entirely appropriate for a free nation, many of whose citizens are themselves refugees from captive nations or have kinship ties with families in captive nations.

It is especially fitting that this Captive Nations Week, we should have as a guest in this country and at the Capitol the great Russian writer, Alexandr I. Solzhenitsyn. Mr. Solzhenitsyn observed communist tyranny first-hand and suffered imprisonment, harassment, and exile from his beloved Russia because of his belief in individual liberty and human justice. In Soviet prisons, Mr. Solzhenitsyn met Ukrainians, Estonians, Latvians, Lithuanians, Poles, and others from captive lands, and he has written eloquently of their patriotism and thirst for freedom.

A principle purpose of our present policies toward the Communist world is to avoid a war that would be disastrous for all humanity. A second principal purpose should be to support the unfulfilled aspirations of the people of the captive nations. A major emphasis in all our discussions with Soviet leaders should be the great concern which the American people feel about basic issues of human rights such as freedom to travel, freedom to emigrate, freedom from forced resettlement, freedom to maintain minority cultures, freedom of expression, free press, and self-determination.

I am especially concerned that the leaders of the Soviet Union and other Eastern European communist regimes will argue that Western participation in the summit Conference on Security and Cooperation in Europe shows that we have lost our interest in the plight of the captive nations. This is the reason I have joined in sponsoring a resolution affirming that the United States should not in any way recognize Soviet annexation of the Baltic countries. We must continue to provide our moral support to these small nations.

In expressing our support for the struggle of those in the captive nations, we do honor to the same principles which lie at the very roots of our own national heritage.

THE DEVASTATING IMPACT OF "OLD" OIL DECONTROL ON THE AMERICAN ECONOMY

Mr. HUMPHREY. Mr. President, on July 10 the Joint Economic Committee held a hearing on the economic impact of the forthcoming OPEC price rise and the administration's proposal to decontrol the price of "old" oil. The witnesses at that hearing were Mr. Alan Greenspan, the Chairman of the Council of Economic Advisors, Mr. Frank Zarb, the Administrator of the Federal Energy Administration and Mr. Rogers Morton, the Secretary of Commerce. A second hearing was held on Monday, July 14 by the Joint Economic Committee on the same subject where private witnesses were heard. They were Dr. Charles Schultz of the Brookings Institution, Dr. Eric Herr of Data Resources Inc., and Dr. Michael Evans of Chase Econometrics.

Mr. President, price controls on "old" oil expire on August 31. In the event the administration does not agree to extend these controls, we could face immediate and total oil decontrol on September 1.

The impact of such a move will be enormous and will severely jeopardize our nascent economic recovery. Oil costs would jump overnight by over $20 billion as the price of two-thirds of domestic oil jumps to over $13 from $5.25 per barrel; associated effects on products like fertilizer will raise the total cost to about $40 billion—that is an immediate $40 billion slash in consumer income over the following 12 months. Some 360,000 jobs will be lost as a result.

Mr. President, the administration's energy plan consists almost entirely of higher and higher energy prices. It is a misguided and woefully inadequate policy; even worse, it means a prolonged people-recession with 8 million men and women unemployed through 1976.

Mr. President, yesterday the Senate passed S. 1849, the Emergency Petroleum Allocation Act Extension. Having carefully studied the implications of oil decontrol and its impact on our economy and our people, I urge the President to seriously reconsider his proposal to decontrol "old" oil prices. Having very carefully cross-examined his top energy advisers just last week, I have concluded that a policy of ever higher oil prices through decontrol is dangerous for America because it will:

Slash consumer incomes;

Allow OPEC to dictate domestic energy prices as well as prices charged for thousands of energy related products; and

Force industrial production down and unemployment up, as consumers pay more for energy and have less income to buy cars and appliances.

Mr. President, Congress must not agree to the President's ill-considered proposal to decontrol the price of oil and put OPEC completely in control of our energy pricing policies.

I ask unanimous consent that my opening statement at the hearings of the Joint Economic Committee on July 10 be printed at this point in the Record, together with a summary table providing data on the impact of oil decontrol and OPEC price increases.

There being no objection, the material was ordered to be printed in the Record, as follows:

Impact of Oil Decontrol on the Economy

(By Senator Hubert H. Humphrey)

This hearing is the first of two to be conducted by the Consumer Economic Subcommittee of the Joint Economic Committee to evaluate the economic impact of the proposal to de-control so-called old oil, and the widely predicted jump in the month of October of OPEC oil prices.

I recognize that both of these are questions of conjecture or issues of conjecture, not necessarily certainty.

In combination with the Administration's oil import duties, oil de-control, as being proposed, and higher OPEC prices, as are being predicted, may well turn our present recession into an energy depression.

De-controlling old oil will slash consumer income, according to the estimates of our staff, by around $15 to $20 billion. A $2 rise in OPEC prices, which is a figure that has been repeatedly mentioned, will cut consumer incomes another $10 to $15 billion. De-controlling old oil, as is being recommended by the Administration, will force wholesale prices up almost 100 percent faster next year than would normally otherwise occur with old oil controlled. A $2 OPEC price jump will cut real domestic production by almost 1 percent next year: that is, our overall domestic industrial production will drop by about 1 percent. And de-controlling old oil will cut it back an additional 1 percent, making 1976 a repeat of 1975's slow growth.

Finally, oil de-control and a $2 OPEC price jump, if both were to take place this year, will force an additional 400,000—or around that number—men and women and teenagers out of work, forced out by the slash in consumer incomes and the drop in industrial production.

These numbers, while estimates, are responsible estimates. These numbers are startling, but they are based on statistics developed just two days ago by the Joint Economic Committee staff and the Library of Congress, using mathematical models at Wharton and Data Resources. I mention this because I think the credibility of the statistical information is of the utmost importance.

I have said that these numbers are startling; indeed, they are. They reveal what we face in the next three months: two most difficult choices.

First, on August 31st, oil price controls expire. We must decide whether or not to extend them.

Second, on October 1st, OPEC, according to the information that is available, will dictate another price rise to us. We do not know the amount, but it is indicated that there will be a price rise. We must decide whether and how to soften the blow of this price jump.

It is my judgment that the majority of Congress feels that we must do everything possible to continue price controls on old oil and to offset the OPEC price rise wherever possible. We must do so because our first national priority should be a speedy economic recovery and all that goes with it, including jobs; restored consumer confidence; and a spiritual uplifting across the land, as economic recovery or prosperity returns.

Energy conservation is important, vitally important. Jobs are important, also. The Administration wants oil de-controlled and has pursued, in my judgment, an OPEC-style energy pricing policy—a policy of higher and higher energy prices designed to reduce energy use. But, it will reduce energy use by slashing consumer incomes, by allowing OPEC to dictate domestic energy prices, as well as prices charged for thousands of energy-related products; and by forcing industrial production down and unemployment up, as consumers pay more for energy and have less income to buy automobiles, appliances and other articles.

In short, it appears to be a policy where energy conservation through price rationing is to be given top priority regardless of its impact on economic recovery. The Administration's brand of conservation, which it believes will work, means higher energy prices.

I believe, Dr. Greenspan, you have said that inevitably there will be higher prices. And, I believe I am correct in noting that you have indicated in your statement that prices are going to rise to the world level regardless of what we do—despite the fact that we have substantial amounts of domestically produced energy here in the United States: oil, gas and almost unlimited quantities of coal.

There has been some speculation in the media lately that the Administration is undergoing a re-evaluation of this policy. Maybe we will hear about that today. But as of now, according to my understanding, the Administration's objectives are to seek de-control of old oil over 25 months and not to seek in some fashion—for example, by cutting taxes—to soften the impact of higher OPEC prices.

The Joint Economic Committee staff has projected the effects of this de-control scheme and a 15 percent OPEC price rise; that is, $1.57 a barrel. Although uncertainty surrounds the OPEC action, I consider this a likely situation over the next three months, if the Administration is able to achieve its policy objectives.

The Joint Economic Committee staff has prepared the charts comparing consumer prices, using the Consumer Price Index; growth in production, using real GNP figures; and unemployment.

If we have a continuation on oil controls and the expected OPEC price increase does not occur or is offset by a matching reduction in the oil tariff: this situation is labeled "Price Controls."

If we have old oil de-controlled over 25 months and a 15 percent OPEC price rise occurs with your tariff remaining in place: this situation is labeled "Administration."

As depicted on these charts, we see that the Administration's energy program will cut our growth and output—that is, total industrial output—over one-third by mid-1976. Due to rising energy prices, real GNP, adjusted for inflation, will grow at a rate insufficient to cut unemployment significantly. It is estimated that it will take a real growth rate of around 7 percent to cut unemployment 1 percent in 1976. The result is that the Administration's energy plan will hold unemployment at about 8.5 percent in the foreseeable future. In effect, by slashing consumer incomes, the Administration allows consumer demand to rise at a rate sufficient to provide jobs for new labor market entrants. The number of unemployed, as a result, will fall very gradually. It would not be until 1978 that we could see unemployment drop even as low as 8 percent.

Now, I recognize that these are all predictions, subject to all kinds of adjustments; but these are the projections that are made on the basis of de-control of old oil and an estimated $1.57 a barrel increase, or a 15 percent rise, in OPEC prices.

The Joint Economic staff estimates that consumer prices will rise 2 to 3 percent faster over the next seven quarters due to the Administration's program. These results are presented in a Committee summary sheet.

Let me add that the Administration's program will cost the average American family of four persons about $600 per year in higher energy prices.

I repeat again to my distinguished friend—the Chairman of the Economic Advisors has said to us that oil prices are going to rise to world levels regardless of what we do—I believe that a country that has at least 65 percent domestic production—maybe larger, if we want to push it—does not have to eb completely subsurvient to a world oil price.

So, we have witnesses today that we are going to comment on these projections, I am sure. I thought they ought to be laid out before you so you can at least test their veracity or credibility and we can hear from you as to what your projections are.

SUMMARY TABLE

IMPACT OF OIL DECONTROL AND OEPEC PRICE INCREAS

[In percent]

Item	Time Period: 1975—3d and 4th quarters	1976—1st and 2d quarters	1976—3d and 4th quarters
Annual rates of growth in real GNP:			
Price controls	5.0	6.8	7.4
Administration	4.7	5.8	4.6
Annual rates of unemployment:			
Price controls	9.2	8.7	8.2
Administration	9.2	8.9	8.7
Annual rates of growth in the Consumer Price Index:			
Price controls	4.2	4.7	4.7
Administration	5.3	6.6	7.2

NOTES

"Administration" case is based on a 4-percent quantity decontrol of old domestic oil monthly starting in September 1975, retention of the present import oil duties, and a 15-percent ($1.57 per barrel) OPEC price rise effective Oct. 1, 1975.

"Price Control" case is based on an extension of the mandatory petroleum allocation act, and reduction in the oil tariff to entirely offset an OPEC price increase.

MEMORIAL TRIBUTE TO FORMER CONGRESSMAN LARRY F. WILLIAMS

Mr. DOLE. Mr. President, the people of my State and those neighboring States which are served by the Ozarks Regional Commission lost a good friend—and the feeling of loss is all the greater because he was a new friend—with the passing of Lawrence Williams, a senior member of the commission staff since the beginning of this year.

A former four-term Congressman from Pennsylvania's Seventh District, Larry Williams had many friends on Capitol Hill and around Washington. He won their friendship as much through his hard work and dedication, that earned people's respect, as through his open and good-natured manner which earned their affection.

I had the pleasure to serve with Larry Williams for a time in the House of Representatives and counted myself fortunate, as did my colleagues on the minority side of the aisle, to have such an outstanding ally.

As he had served so well in the legislative branch, he had only just embarked on a new career in the executive branch, and the work he did in the last few months left no doubt that he planned to pursue his work at the commission with all the vigor, intelligence, integrity, and talent that he applied in the Congress.

We have been deprived of a fine American, and I wish to join with the many colleagues of Larry Williams in offering my sympathy to his wife Marge, and to his family.

UNDERSTANDING THE RUSSIAN WHEAT DEAL

Mr. HUMPHREY. Mr. President, I wish to point out a very thoughtful editorial in the Washington Post on July 15 concerning the anticipated sale of wheat and feed grains to the Soviet Union.

There is a great deal of concern over this transaction. Many Americans are not aware as to how important the export market is for our farmers and also the implications which a bumper crop would have on the prices paid to farmers for their wheat and feed grains. Because of the way in which the 1972 transaction was carried out, the term "Russian Wheat Deal" creates fear and concern in the minds of many people.

We will certainly need to keep a close watch on the volume of these transactions and also the size of the Soviet harvest. I believe we have learned a great deal from the 1972 sale, and in particular, we now have a much better monitoring system. Also, our companies know that they need to cooperate much more closely than before in order to avoid selling beyond what we can reasonably spare.

It is clear to me that we need to have cooperation from the Soviet Union in advising us as to their requirements. This has not been provided heretofore.

While our mechanisms for handling this type of situation are still not what they should be, I believe we can avoid the problems which developed in 1972 as long as we are alert to what is happening.

I would also like to point out an article in the Wall Street Journal of July 15 which deals with some of the details as to what has been happening in the market. It indicates that we should be able to handle the anticipated Soviet transaction without having it result in a significant impact on our own availabilities or consumer prices.

Mr. President, I ask unanimous consent that these two articles be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington Post, July 15, 1975]

THE NEXT RUSSIAN WHEAT DEAL

Once again the Russians are apparently preparing to buy large quantities of American grain. Once again the U.S. government says it has no precise information on the Russians' intentions. Once again the Department of Agriculture seems to have become aware of the prospective sale mainly through accidental and indirect hints, in this case the reports from London of the Soviets' having chartered freighters to carry the grain. The whole episode is a salutary reminder that this country still has no reliable protection against massive invasions of its grain markets, which in turn disrupt meat production and push food prices up for the consumer.

Selling grain to the Russians is a perfectly reasonable and acceptable thing to do—within limits. The limits are imposed by the size of our crops and the size of the other claims on them. If this country sells too much, as it did in the famous Russian wheat deal three years ago, prices shoot up drastically. That injures not only domestic buyers but our regular foreign customers, the countries that depend upon us for food shipments year in and year out. By letting the Russians buy large amounts, at irregular and unpredictable intervals, the Agriculture Department has introduced a new element of dangerous instability into the economics of farming in this country.

Estimating the Russians' requirements is extremely tricky. The Russians themselves are highly secretive regarding the whole subject of crops and stocks as a matter of national security. Most of their productive land lies at high latitudes with short growing seasons and undependable rainfall. It appears that the U.S. Department of Agriculture in recent months substantially overestimated the current Russian crops. The point is not to chide the department's technicians for a bad guess, but to emphasize that these estimates are always and inherently imprecise. It is a great mistake to base national food policy on the assumption that they can be made exact. Even the forecasts of the American grain crops can shift substantially through the summer, as last year's bad weather demonstrated. The Secretary of Agriculture, Earl Butz, is pretending that he knows exactly how big the coming harvest is going to be, but his past record as a forecaster does not inspire any very profound confidence. Despite the very hopeful signs of record-breaking grain production this year, a prudent secretary would set a rather conservative limit on export sales this early in the season. But that is not Mr. Butz' style.

If he is wrong, grain prices will go up substantially. As the past several years have shown, the direct effects on the consumer are not the important ones. Even a heavy increase in the price of what has only a modest effect on the cost of a loaf of bread, since there is only a few cents' worth of wheat in a loaf that sells for half a dollar. The larger impact is the indirect one that turns up eventually in the prices of meat, poultry, eggs and dairy products. Most of the grain raised in this country is fed to animals. The rapid rise in the price of meat at the supermarkets, over the past several months, is the result of high grain prices last fall. That, in turn, was related to the Agriculture Department's overestimates of the size of the harvest a year ago. It is not as though we had not been down this road before. The wild swings in grain prices over the past three years have done serious damage to the American meat industry in particular.

The question is not whether to encourage American exports of food. These exports serve the national interest by helping the balance of trade and the standard of living. This country possesses the most productive agricultural system in the world, and it has a moral duty to keep shipping foodstuffs to less happily endowed nations overseas. Food costs here are necessarily and properly going to be higher in the future than in the past, to sustain the unprecedented levels of production that this country and the world now need.

The trouble arises when large government trading corporations—of which the Soviets' is the biggest and richest—suddenly descend upon our markets without warning to make purchases on a scale that shakes our whole agricultural economy. A more sensible system would make sales of this sort conditional on the size of the crop—not at the middle of the growing season, when the Russians seem to like to buy, but after it has actually been harvested.

It is still not clear how much the Russians intend to import this year, how much of it they intend to import from us, or precisely which commodities they want. The administration here remains firmly committed to the open bin policy: Anyone can shovel as much as he likes out of that bin, paying a price that rises as the bin gets emptier. Unfortunately the bin gets refilled only once a year. When the Agriculture Department makes a mistake in its calculations, that mistake is not quickly or cheaply remedied. The department now seems to be teetering on the brink of another of those mistakes.

A BETTER DEAL? RUSSIAN GRAIN BUYING IN UNITED STATES IS NOT EXPECTED TO HAVE EFFECT LIKE 1972

(By Joseph M. Winski)

Sen. Henry M. Jackson worries it may cause a "catastrophic" repeat of 1972.

A Chicago commodities broker says he has been flooded with calls from people wanting to know how they can make a killing on it.

Wheat farmers all over the country are rethinking their marketing plans because of it.

And consumers are wondering if it will mean another surge in food prices.

"It" is the growing possibility that the Soviet Union will buy substantial amounts of grain from the U.S. this year. Reports of the Russians' interest in U.S. grain purchases inevitably have given rise to comparisons with the massive 1972 Russian purchase that was followed by soaring grain and food prices and a lot of recriminations over who let the Russians get away with it.

The immediate impact of the current reports was a rise in the price of grains for immediate and future delivery. Many grain futures contracts advanced their daily permitted limits on the commodities exchanges last week following the initial reports. Hard red winter wheat for September delivery, reflecting price levels expected following this year's harvest, closed out last week at $3.675 a bushel in Kansas City, up 17% from last Monday's close.

PRICES LOWER YESTERDAY

Yesterday, there were reports that farmers in the Southwest who had been holding out for higher prices were beginning to sell their grain. The September-delivery price in Kansas City fell as much as 13¼ cents from Friday's close, to prices as low as $3.56 a bushel.

While it now seems clear that the Russians are in the market for U.S. grain, the potential size of the order and the type of grains involved remain the subject of some debate.

Just as debatable is the effect of any large grain purchase on the U.S. market. Some people predict a reprise of the summer of '72 if a large grain sale goes through. But most knowledgeable analysts see little comparison with 1972. "It's an entirely different situation" from 1972, says R. H. Uhlmann, president of Standard Milling Co. in Kansas City.

The main differences he and others point to:

—Russia's needs this year, though larger than expected a few weeks ago, are substantially less than they were in 1972, when Russia bought about 400 million bushels of U.S. wheat and 160 million bushels of feed grain, mostly corn.

—Unlike 1972, when the U.S. was dipping into its reserves of wheat and feed grains, U.S. stocks this year are larger than most people anticipated.

—The U.S. grain harvest this year should be much larger than in 1972. And other major producers, such as Canada and Australia, are in better shape this time, with bumper crops in the bins or on the way.

BUTZ'S PREDICTION

In short, there appears to be some support for Agriculture Secretary Earl L. Butz's statement Friday that Russian purchases probably won't have a major impact on U.S. grain supplies and food prices.

Moreover, if the Russians do buy this year, they won't be getting the bargain they got in 1972, when they bought wheat at an average price of $1.62 a bushel. If they were in the U.S. market yesterday, for example, they would have paid about $3.64 a bushel for wheat at the Gulf of Mexico.

To some, the most outrageous aspect of the 1972 deal was that the U.S. consumer paid for it twice—at the supermarket counter and with his tax dollar. Because the Russians bought wheat in 1972 at world prices that were lower than U.S. prices, the government paid millions of dollars in subsidies to make up the difference to exporters who sold the grain. That won't happen this year, as world and domestic prices generally are in line with each other.

Some benefits could accrue from a large grain sale, of course. The U.S. balance-of-payments position would improve, for example, and any bolstering of farm prices could help ward off an agricultural recession that some analysts have been predicting.

Last week's grain developments started with a report that the Russians had chartered 19 ships, presumably to haul grain. Then came a U.S. Agriculture Department estimate that this year's Russian grain crop would total 195 million metric tons, down 15 million tons from the department's original estimate. (A metric ton is equal to 1.1 U.S. short tons.) The number of bushels in a ton varies somewhat among grains, but for wheat there are 36.74 bushels in a metric ton. Last week, there were also unconfirmed reports that the Russians were selling gold, presumably in preparation for grain purchases.

SOME NEGATIVE SIGNS

These bullish signs overshadowed a Russian newspaper report that the wheat harvest was progressing well and the latest U.S. government export report, which showed that there weren't any export bookings of more than 100,000 tons of grain.

Then on Friday, Secretary Butz told the Senate Agriculture Committee that U.S. traders were in Russia discussing the sale of grain to the Soviets. "That was the new input needed to keep the thing going" on Friday, says Daniel G. Amstutz, president of Cargill Investor Services Inc., a Chicago commodities brokerage firm. (Cargill Investor Services is organizationally a unit of Cargill Inc., the big grain exporter, but Mr. Amstutz emphasizes that the parent and unit operate independently.)

The Agriculture Department reduced its estimate of this year's Russian crop because of a drought in parts of Russia's wheat-and-barley-growing areas. (Barley is the key feed grain in Russia.) But even the new estimate of 195 million tons will be about equal to last year's Russian crop and well above the crop of just 168 million tons harvested in 1972, when the Russians bought heavily from the U.S.

Others say comparisons with 1972 aren't entirely valid because the Russians are increasing consumption of meat and thus require more grains for feeding livestock.

The consensus seems to be that the Russians will be in the market for about 10 million metric tons of grain, about three million of which it would primarily buy from Canada. Secretary Butz said Friday that the U.S. is negotiating the sale of "up to" 10 million tons.

FEED GRAINS SOUGHT

It's believed the Russian purchases this year would be more evenly divided between wheat for humans and feed grains for animals than in 1972. If it's assumed that they're going to buy seven million metric tons from the U.S., about half of it feed grains, then about 3.5 million tons of wheat would be involved. That comes to about 128 million bushels, considerably less than the 400 million bushels of wheat purchased in 1972.

One government source says the U.S. "will be lucky" to export one billion bushels of wheat this year, including an "improbable" amount of 150 million bushels to Russia. He says total export and domestic needs will amount to at most 1.9 billion bushels of this year's estimated wheat crop of 2.2 billion bushels. Thus, even with the rumored Russian purchases, U.S. stocks would be built up by another 300 million bushels in the year ending next June 30, not reduced as they were in 1972.

"I don't see much effect on the price of bread," Mr. Uhlmann says. Some analysts say that wheat accounts for a minor part of the cost of a loaf of bread anyway. Mr. Butz said Friday that a $1-a-bushel price rise in wheat would increase bread prices by only 1½ cents a loaf.

Significant Russian purchases of feed grains might have greater impact on food prices, because feed costs are more directly reflected in meat prices. But here too the numbers seem to argue against any major impact if the Russian purchases were limited to the 140 million bushels or so being rumored—probably all in corn. That's because the carry-over from last year's crop is expected to be a surprisingly large 260 million bushels of corn, and this year's crop should be a record of more than six billion bushels. The Agriculture Department has estimated that next year's carry-over (not counting any possible Russian sales) could swell to 860 million bushels.

IMPACT ON PRICES

Mr. Amstutz of Cargill Investor Services thinks the Russians might be interested in buying as much as 15 million tons of U.S. wheat and feed grains, "but we've got enough to take care of that too," he says. The outlook for a bumper crop of corn has had analysts predicting the price of corn would drop eventually to $2 or so from the current cash price of $2.93 a bushel. Mr. Amstutz, however, believes the Russian purchases might be substantial enough to mean $2.50-a-bushel corn after this fall's harvest. Even that wouldn't drive food prices up, he says.

Farmers themselves might be important in determining farm prices if there is confirmation of Russian purchases, Mr. Amstutz believes. "It depends on whether they've got the courage to be slow, orderly sellers," he says.

One wheat farmer last week said he wasn't going to sell his crop for the $3.25 price in his area because he was holding out for the $5 a bushel he would get "when the Russians get in." But another farmer said he sold part of his wheat crop, and added, "I'm going to sell the rest of it as it comes in."

Others say what the farmers might do isn't as significant as what other potential grain buyers didn't do last week; that is, they didn't buy much. "Domestic buying is practically at a standstill," says one grain man. "They've pulled in their horns and are waiting for prices to fall back again."

Foreign buyers apparently also stayed on the sidelines. "Our regular customers haven't panicked," says one exporter. Japan, the largest customer for U.S. agricultural products and normally a weekly buyer, didn't buy any wheat from the U.S. last week, he says. "And you can bet your bottom dollar they called every exporter in the country and asked: Are the Russians in? Do we need to worry?"

Reflecting on last week's events, Mr. Uhlmann of Standard Milling muses: "They say in peacetime generals prepare for the last war fought. I believe the speculators are reliving 1972 all over again."

CURTIS AMENDMENT TO S. 963

Mr. HRUSKA. Mr. President, I am pleased to rise in support of the amendment (No. 692) being offered by my colleague from Nebraska to S. 963. This is clearly a matter where deliberation and careful study is needed before a hasty decision is made which has far-reaching effects.

The question that is before this body is one that is of critical importance to both cattlemen and consumers of this Nation. Cattlemen are now faced with almost daily increased costs to produce another pound of beef. Their financial situation is critical, with total industry operating losses of $5 billion last year alone. The outlook for this year will be even more depressing if we take action that will increase their costs without careful consideration of such action. Not only will the cattle industry suffer if we act in haste, but consumers everywhere will feel the effects in the form of increased costs in their food bill.

Mr. President, the supporters of S. 693 would have us pass a measure that would have harmful effects on every American without proper consideration of the evidence. Because some have said that DES may have harmful health effects, we are now asked to completely ban its use as a cattle feed additive. There is no positive proof as yet that DES is an imminent hazard to health. In the absence of such evidence this body has no justification for enacting such a sweeping prohibition.

The amendment offered by my colleague from Nebraska is the only sound way to approach this issue until more is known as to the results of eating beef from cattle that have been fed DES.

DES is a feed additive that has been used in the cattle feeding industry for a number of years. Its ability to increase feed efficiency is a proven fact. Steers whose feed is supplemented with DES require 81 pounds less feed to produce 100 pounds of meat than steers who are not fed DES. With the great number of cattle on feed in the Nation, this translates into an annual savings of 7.7 billion pounds of feed. In addition, 1.5 million acres of land that would normally be needed to produce grain to fatten our cattle are thereby freed for other food production purposes. Such an amount of land with its potential for food production should not be taken lightly, especially when there are vast food shortages throughout the world and our sister nations are looking to the United States for leadership in food production.

DES-fed steers produce an average of 33.5 pounds per 1,000 pounds more lean meat than non-DES-fed steers. Also, less carcass fat is produced on DES-fed steers than on non-DES-fed steers by an average of 24 pounds per 1,000 pounds. Because of such efficiency, DES is essential to the cattle industry.

While this Senator is aware that small traces of DES have been found in the livers of some DES-fed cattle, it is also just as true that no traces of DES have ever been found in the red meat tissues of DES-fed cattle. No report has ever been made that shows any harmful effect from eating meat from DES-fed cattle in its over 20 years of use.

Mr. President, the Food and Drug Administration is currently conducting a number of studies to determine what the real effects are, if any, of the use of DES. Private industry also is sponsoring new studies that will hopefully answer more of the questions that have been posed as to the harmful effects of DES. These studies are projected to be completed shortly. It only makes sense that we await the reports and recommendations of the scientific community before we place a ban on a substance that has been as valuable to the cattle industry as DES.

We must not be allowed to let emotionalism and passion cloud our thinking in an area where the scientific evidence is still inconclusive. Banning DES would require greater quantities of grains to be fed to cattle to bring them to market weight, which would in turn increase the cost of beef at every meat counter in the Nation. Such action would certainly not be in the national interest at a time when everyone's dollar buys less than it has in the past. We would only be doing a disservice to the people by banning the use of DES at a time when there is no evidence on the record to show that DES presents an imminent hazard to public health.

Mr. President, DES is essential to the production of efficient, economical beef at a low cost to the consumers of this Nation. No imminent health hazard from the use of DES in feeding cattle has been shown. Extensive research is now underway to determine if there was any adverse effects from the use of DES. These studies and the reports therefrom will be forthcoming shortly. In light of all these facts, the reasonable approach is to await the reports and then take action based upon the judgment of the scientific community. Consequently, the Curtis amendment has my wholehearted support and I encourage the other Members of this body to support it as well.

I ask unanimous consent to be included as a cosponsor of Amendment 692 to S. 963.

The PRESIDING OFFICER. There being no objection it is so ordered.

THE UNITED NATIONS DEVELOPMENT PROGRAM

Mr. McGEE. Mr. President, last month I inserted in the Record the first of a series of reports contained in the Administrator's Report of United Nations Development Program activities for 1974.

As I mentioned at that time, I was undertaking this effort in light of the amount of inaccurate information circulating in the Congress concerning the United Nations development program Today, I am inserting in the Record that section of the Administrator's report dealing with activities of UNDP in the various regions of the world.

In Africa, for example, I was impressed by a number of projects being undertaken by UNDP on that continent. For example:

UNDP assistance to the Liberian Natural Resources Administration was designed to assist in the establishment and initial operation of a Concessions Secretariat. The Secretariat would review and analyze existing concession agreements with foreign and local investors; evaluate new projects for the development of natural resources and allied industries; and undertake studies of trends in concession policies, including such matters as taxation marketing, shipping and related documentation at the international level. Since the project commenced under United Nations execution in 1972, the international team has participated in the drafting of various new mineral and forestry agreements, and the renegotiation of a number of existing concession agreements with multinational firms with investments in Liberia. It has also advised the Government in its negotiation with potential foreign investors in the fields of iron and steel production, timber processing, rubber manufacturing and processing, and tax policy. The project has been able to increase significantly Government revenues derived from the extraction and sale of natural resources located within the country, but often marked for shipment abroad.

In the vital agricultural sector, a good example of UNDP-supported assistance is that being provided to the Dahomey Ministry of Rural Development. This project is designed to help establish and strengthen agricultural extension activities oriented toward the mobilization and training rural youth within the framework of rural youth clubs. The clubs provide instruction in modern farming techniques to young people between the ages 9–15. They also benefit from the regular agricultural broadcasts assisted by a UNDP-financed Rural Educational Broadcasting project. Club members cultivate model farms, which are operated along commercial lines and also serve as demonstration centres for farmers in the surrounding rural areas. Young women in the clubs are taught improved food processing techniques and nutritional standards to be promoted in rural villages.

In the first year of project operations, more than 200 rural youth clubs were established with some 3,500 members in all.

In a world struggling to deal with dwindling supplies of natural resources, UNDP is making a significant contribution to uncovering previously untapped reserves of such vital minerals. Again from the Administrator's report:

The Asian region is richly endowed with natural resources, although in several countries, such as Bangladesh, the Khmer Republic, Laos, and the Philippines, systematic natural resources surveys have yet to be undertaken or completed. The picture is very different in the Pacific region. Aside from phosphate deposits in the Gilbert and Ellice Islands, nickel in New Caledonia and possibly rich mineral resources in Papua New Guinea, very little is known of the natural resources in the Pacific countries receiving UNDP assistance. In Asia, many countries, including Burma, India, Indonesia and Malaysia, are known to be rich in minerals and other natural resources. At least 13 Asian countries have very large or significant iron ore reserves, while five possess substantial chrome deposits. In about 11 countries, significant reserves of manganese, zinc, lead, bauxite, tungsten, copper, gold, silver and several rare minerals are known to exist. A sizable portion of the world's tin reserves is also located in Southeast Asia. Malaysia, Thailand and Indonesia are among the world's four top producers of tin.

With respect to energy, in addition to Iran and Indonesia, Malaysia and Brunei have substantial oil reserves. India, which currently produces only a third of its oil needs from inland oil fields, is reported to have made significant new oil discoveries in offshore areas near Bombay. Other countries believed to have oil reserves include Afghanistan, Burma, Pakistan, and the Philippines. Many Asian countries, including Afghanistan, Bangladesh, India, Iran and Pakistan, are also known to have natural gas reserves which could prove of great economic significance if developed for producing much-needed fertilizers. In terms of quantity, the region's coal reserves exceed those of oil and natural gas combined. In addition, most Asian countries possess a major non-carbon based energy resource in the form of their river systems . . .

These are but a few of the projects in which UNDP devotes its efforts. This section of the report gives us a greater insight into the types of activities necessary for the economic stabilization of LDC's. I would urge my colleagues to give close attention to this report. The information flow, which many in the Congress allege is unsatisfactory, is considerable if we would only take the time to avail ourselves of the number of documents published for our use.

I ask unanimous consent that the second section of the Administrator's Report on 1974 activities of the United Nations Development Program be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SELECTED ACTIVITIES BY REGION

In quantitative terms, UNDP registered increases in both approval actions and field expenditures among countries in each of its four regional bureaus in 1974. (Expenditure increases are not adequately reflected in Table 2 of the annex to this report, because figures for 1974 are provisional and because a portion of total field expenditures is undistributed by country and region.) In the African region, new commitments rose 64 per cent; in Asia and the Pacific, 66 per cent; in Europe, the Mediterranean and the Middle East, 104 per cent; and in Latin America, 13 per cent.

These overall increases, while impressive, give only broad quantitative measurements of what the Programme is actually doing. This chapter therefore describes some of the salient project activities carried out in each of the four regions and at the global and interregional levels in 1974, stressing trends in the Programme's work, indicating some of its results and selecting out for particular analytical attention four major fields of special importance to development efforts at this time. These are: integrated rural development in Africa; natural resources development in Asia and the Pacific; transfers of high-level technology in Europe, the Mediterranean and the Middle East; and regional integration efforts in Latin America.

AFRICA

The year 1974 was fraught with difficulties and disappointments for many countries in Africa. Poor weather, greatly increased oil import bills and high rates of internal inflation afflicted many nations. Such problems led, among other things, to food shortages, severe balance-of-payments difficulties and lower rates of economic and social development. In the Sudano-Sahelian region heavy rains brought hopes for an end to several years of drought, but in their stead introduced new problems. In Mali, Niger and Upper Volta, torrential rains left many people homeless and devastated much of the sorghum, millet and groundnut crops. Because they also washed out bridges and roads, the rains made the transport of relief food and other supplies very difficult. Similarly, in Rwanda and Burundi, heavy rains brought extensive damage to crops. In Rwanda, where two million people were adversely affected, the Government declared a national disaster and requested international relief assistance.

In other regions of Africa, drought continued to spread during 1974 with large-scale loss of crops and livestock. Countries most affected included the Cape Verde Islands, Ethiopia and Somalia. Other countries such as Cameroon, Central African Republic, Dahomey, Guinea, Ivory Coast, Kenya, Nigeria, Tanzania, Togo and Zaire also suffered seriously, particularly with regard to the impact upon the balance of payments of these countries. Drought reduced coffee production available for export in Ethiopia, Ivory Coast, Kenya and Tanzania; cotton production in Cameroon groundnuts in Nigeria. It pushed up imports of such staple food grains as maize, rice and wheat to compensate for lower domestic production. Loss of livestock was particularly serious for the Sahelian countries, Somalia and Ethiopia, each heavily dependent for its foreign exchange earnings on the report of animal products.

In mid-1973, UNDP established a $5 million Sahelian fund to help finance rehabilitation activities in this region. Sahelian countries made valuable use of these funds in 1974. (See page 60, below, for details.) During the same period, UNDP participated in the planning of short, medium and longer term drought relief and rehabilitation programmes for Ethiopia, involving co-ordinated assistance from various bilateral, international and voluntary agency sources. Later in 1974, UNDP helped to initiate the formulation of a drought recovery programme for Somalia.

During 1974, also, many African countries became painfully aware of their dependence upon petroleum imports for transport, power production and industrial activities, and of the impact the increased cost of these imports was having on their balance-of-payments situation. The Secretary-General's Special Account provided balance-of-payments assistance to seven African countries in particularly severe straits—$1 million to the Central African Republic, $0.5 million to Chad, $1.8 million to Kenya, $1 million to Madagascar, $2.5 million to Mali, $0.8 million to Sierra Leone and $2.5 million to the United Republic of Tanzania. It was evident that without substantial financial assistance and the development of alternate sources of energy, continued economic and social development could still be critically impaired by the drain on foreign exchange.

Two other events of 1974 could have potential significance to the future of African development. They are the actions taken to liberate Portugal's African colonies (see page 62) and steps to expand co-operation between UNDP and the United Nations Economic Commission for Africa, including establishment of a liaison office in Addis Ababa.

Evidence of progress

Despite such severe problems, there were numerous signs in 1974 that, given the means, the countries of Africa could work successfully toward the fulfillment of their development goals. The experience of UNDP was indicative of what could be accomplished. Four good examples are assistance to the Pan African Telecommunications Survey, the Nigerian Civil Aviation Centre, the Concessions Secretariat of Liberia's Natural Resources Administration and the agricultural extension services in Dahomey.

Twenty-eight countries in East and West Africa co-operated in the Pan African Telecommunications Survey. Its objective is to strengthen and link the national telecommunications networks of the nations involved. Telecommunications within Africa have been extremely poor in the past, with countries of the region exhibiting the lowest telephone density in the world. Telephone and cable communication between countries often had to be routed via Europe. The Pan African Telecommunications Survey followed up on an earlier preliminary study conducted in 1968–69, which identified 31 international links as necessary, most of them likely to prove profitable within five years of the system's establishment.

The detailed pre-investment surveys subcontracted by ITU in the 1971–74 period made recommendations for an integrated, high quality and economically viable regional transmission network covering 20,000 km. of transmission routes and 18 international switching centres. Each of the African countries was to be provided with complete tender specifications for the transmission routes and switching centres of interest to it. As a result of the survey, a single common regional signalling system and a continental approach to tariffs and revenue calculations were also agreed upon. By the end of 1974, firm commitments for the financing of over 80 per cent of the estimated $120 million required to set up the total network had been obtained from bilateral and multilateral financial institutions and agencies. Eight countries have already started implementation of their sections of the network by issuing tenders.

UNDP-financed assistance to the Nigerian Civil Aviation Centre was designed to strengthen the training being offered to professional air pilots and ground support personnel. Fields covered included flight instruction, aircraft and radio maintenance and air traffic services. The instruction conformed to the pertinent standards, practices and guidelines established and recommended by ICAO worldwide. In the 1968–1974 period, 549 nationals had undertaken courses and 451 had successfully completed them. While the bulk of the trainees have been Nigerian, personnel from Cameroon, Ghana, Lesotho, Liberia, Mali, Niger, Pakistan, Rwanda, Sierra Leone, Somalia, Sudan and Swaziland have also participated. A major factor in the Centre's success has been the support given its operations by Nigerian Airways, State Governments, private companies and other agencies, which sponsored most of the trainees.

UNDP assistance to the Liberian Natural Resources Administration was designed to assist in the establishment and initial operation of a Concessions Secretariat. The Secretariat would review and analyze existing concession agreements with foreign and local investors; evaluate new projects for the development of natural resources and allied industries; and undertake studies of trends in concession policies, including such matters as taxation, marketing, shipping and related documentation at the international level. Since the project commenced under United Nations execution in 1972, the international team has participated in the drafting of various new mineral and forestry agreements, and the renegotiation of a number of existing concession agreements with multinational firms with investments in Liberia. It has also advised the Government in its negotiations with potential foreign investors in the fields of iron and steel production, timber processing, rubber manufacturing and processing, and tax policy. The project has been able to increase significantly Government revenues derived from the extraction and sale of natural resources located within the country, but often marked for shipment abroad.

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In the first year of project operation, more than 200 rural youth clubs were established with some 3,500 members in all. Project staff report that the parents and neighbours of youth participating in the clubs have already shown interest in securing the improved seeds and adopting the improved techniques being employed on the model farms. Because of the initial success of the extension approach developed in this project, the World Bank is considering a major investment in rural agricultural education which would strengthen and expand the youth club approach in other parts of Dahoney.

Some recent innovations

In recent years, Governments have increasingly been requesting more innovative types of assistance designed to reorient formal educational systems and to introduce, experimentally, new approaches and techniques which might be more effective in meeting both urban and particularly rural trained manpower requirements. Two examples of UNDP assistance to reform and strengthen schools in rural areas, and promote economic and social development of village communities more directly, can be found in Togo and the Cameroon.

In Togo, UNDP has been assisting the Teacher Training College, Atakpame, since 1968 to train or retrain primary and secondary school teachers for more active and effective participation in the rural development of their country. The project's basic objective is to develop a new type of teacher who is qualified both academically and practically to carry out agricultural extension and community development at the village level. To date over 400 such "teachers/rural developers" have been trained at the College.

Similarly, in the Cameroon, where the Government has given priority to reform of the primary education system, UNDP has been assisting the Institute for Rurally-Oriented Primary Education (IPAR) at Yaoundé. This Institute is equipping school principals and teachers with the skills needed to reorient rural primary education toward two basic ends—helping to improve rural productivity and employment opportunities, and stimulating increased interest among villagers in Government development programmes in the agricultural and social services fields. Emphasis has been placed on research and advisory activities for the reform of primary school teaching; training new teachers; retraining existing teachers; and designing and producing improved teaching materials. Altogether about 261 such primary school principals and teachers have been trained since the project commenced in 1969. The Institute has also made considerable efforts to explain and gain acceptance for rural reforms generally.

In Dahomey, UNDP assistance to the Central Projects Bureau within the Office of the High Commissioner for Planning provides a good example of a project which allows a Government maximum flexibility in utilizing UNDP resources to best advantage. The Director and all the technicians of this Bureau will be Dahomean, except for one Project Manager Expert specializing in project analysis methodology, who serves as adviser to the Director and has some responsibility for the administration of a $150,000 provision for consultants. The Director is to take the initiative in identifying qualified nationals to be recruited for the Central Projects Bureau with funds from the consultant provision. These funds will be used to employ foreign consultants for specific investment project studies, when qualified Dahomeans are not available. The Bureau itself is to determine both the terms of reference for such studies and subsequent compliance with those terms.

UNDP assistance to the Senqu River Agricultural Extension Project in Lesotho includes funds for the modest capital investment essential to the achievement of technical and pre-investment assistance objectives and is illustrative of another kind of procedural innovation in UNDP programming. The long-term objective of this project is to upgrade the existing extension service in the areas, to expand the use of sound agricultural practices, to promote land conservation and to develop the data and methodology for a comprehensive rural development scheme, with IDA financing. The project includes, *inter alia*, a provision for the establishment of a revolving fund which would provide short- and medium-term credit to district farmers. The credit would be used for the purchase of improved livestock; seasonal inputs for crop production, including improved seeds and fertilizers; livestock antihelminthics and dipping agents; irrigation equipment; and four tractor units.

Rural development in Africa

In a very real sense, rural development efforts have constituted the heart of UNDP-supported activities in the African region. In tropical Africa approximately 90 per cent of the population lives in rural areas, and about 80 per cent of this rural population is employed in agriculture and animal husbandry. It has been estimated that as much as 70 per cent of the land, and 60 per cent of the labour force, are devoted to subsistence farming. Because of the magnitude and preponderance of this activity, it is clear that any strategy to increase agricultural production, employment and income must focus on the characteristics of traditional agriculture, the various factors motivating peasants and the broad requirements involved in the transition to more productive and rewarding farming.

Approximately 30 percent of programme assistance in Africa goes to projects in the agricultural sector.[*] A substantial amount of assistance in other sectors—industry, education, health—is also concentrated in rural areas. The bulk of such activities is designed to strengthen institutions and services of direct or indirect benefit to traditional farmers and their families, expanding rural production, incomes and employment.

Within the agricultural sector *per se*, the preponderance of UNDP-supported assistance is devoted to national research and extension training programmes. In the last several years, more emphasis has been given to integrated projects which promote mixed farming (i.e., both crop and livestock production) and which help strengthen institutional arrangements for the supply of credit, other farming inputs and for the marketing and distribution of produce. These projects are generally designed to achieve comprehensive agricultural development in a designated pilot area. Lesotho's Senqu River Agricultural Extension Project, mentioned above, is illustrative of this kind of integrated area development scheme in that it is designed to organize farmers and to provide the improved package of farming inputs and practices required to encourage adoption by traditional producers. The work plan for this project includes:

(i) Concentration of extension training efforts in seven "intensive input" or pilot areas;

(ii) Organization of farmer committees for extension purposes;

(iii) Utilization of a package of improved cropping inputs and practices developed by a Food and Agriculture Organization (FAO)—Swedish International Development Authority (SIDA) Cooperative Fertilizer Trial Programme;

(iv) Promotion of improved animal stock and animal husbandry practices;

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[*] During 1974, UNDP was financing in Africa: 83 projects concerned with the production of grains, legumes and other crops; 102 livestock development projects; and 52 projects concerned with promotion of inland and offshore fisheries development.

(v) Promotion of soil conservation measures;

(vi) Establishment of a short- and medium-term revolving credit fund to facilitate the purchase of crop and livestock inputs;

(vii) Utilization of the marketing expertise of a separate FAO Planning and Marketing Team as required;

(viii) On-going evaluation to enable objective, reliable assessment of progress; and

(ix) The ultimate formulation, based on project findings, of a comprehensive rural development plan for the entire area (to be financed with external assistance).

A further essential ingredient was strong governmental support for these activities. The design of the Senqua River Agricultural Extension Project is based broadly on that of Lesotho's earlier, successful Leribe Pilot Agricultural Scheme, supported by UNDP and executed by FAO.

The integrated agricultural development approach of the highly successful Matourkou Agricultural Centre project in Upper Volta is similar to that adopted in the two Lesotho projects. During the first phase of UNDP assistance to this Centre (1963–1968), activities focused on developing prototypes designed to lift family farms above the subsistence level, on training progressive farmer leaders and agricultural extension personnel, and on conducting demonstration activities and practical research on improved crops and farming practices. During the second phase (1968–1973), project objectives were expanded to include, *inter alia*, strengthening of training activities, the introduction of livestock development activities, the production of improved seed for distribution and, importantly, the establishment for demonstration and evaluation purposes of a well-defined pilot area for experimental agricultural extension work.

The current third phase of assistance to the Matourkou Centre (1973-1978) builds methodically on the results produced by the first two phases. It seeks to strengthen and expand training courses for all middle-level agricultural technicians in the country, and intensify pilot area development activities to determine how successful results can best be applied on a national basis. The Government has adopted the area development methodology worked out experimentally at the Matourkou Centre for introduction throughout the country, and agricultural technicians trained at the Centre are playing a central role in this replication process.

Integrated approach

The difficulties encountered by a UNDP-financed market gardening project in Gabon serve to confirm the advantages of the integrated, step-by-step agricultural development approach described above. They also underscore the vital importance of strong Government commitment to broad-based rural development. This project, which commenced in 1971, was designed to develop a methodology for establishing a "green belt" around Gabon's capital, in which fresh fruits and vegetables would be grown to replace imports, and to provide productive employment for young farmers. Project activities were to include establishment of 20 pilot or model farms on a ten hectare site, development of a fruit-tree nursery and an analytical study of economic incentives needed to grow fruit and vegetables, based on availability and costs of equipment, production inputs, transportation and credit.

As of June 1974, however, only 11 market farmers had been settled by the project. This disappointing performance was due to a number of factors, including lack of agricultural credit, inadequate provision of counterpart staff and funding by the Government, and the higher salaries and more favourable conditions of employment offered by the modern urban sector, where a labour shortage existed. UNDP-financed assistance in support of market gardening ended in December 1974, and full responsibility for continued project activities was transferred to the Government.

A variant multi-project approach to integrated rural development is under way in Liberia where some 68 per cent of the total UNDP effort is now devoted to supporting a National programme of Integrated Rural/Regional Development. The programme consists of 13 projects executed by seven United Nations Agencies and involving 13 Governmental ministries and agencies. It is also supported with complementary inputs from 10 other multilateral and bilateral donors. Components include the creation of special community schools, rural-oriented teacher training, establishment of demonstration farms and small-scale industrial estates, preparatory assistance for agricultural credit facilities, rural road construction, community planning programmes, well-drilling projects, extension of postal services and a number of projects designed specifically to expand and improve agricultural productivity. The projects are being carried forward around so-called "community growth centres" in selected parts of the country where conditions for successful implementation are favourable.

In related efforts, UNDP has also been substantially increasing its assistance to the development of small-scale industry in rural areas of Africa over the last five years. Such projects often include advice on small industry development policy, identification of new small industry feasibility studies, provision of technical and managerial advisory assistance to entrepreneurs and training of nationals to administer industrial support services. Many of these projects have proved difficult to implement successfully. Two major difficulties stem from the fact that many governmental small industry administrations are relatively new, understaffed, underfinanced and inexperienced and from difficulties in recruiting qualified small industry experts to work for extended periods of time in remote rural areas.

A number of lessons have been learned from UNDP's experience with small-scale industrial development projects in rural areas. One is the need to ensure mobilization of the "critical minimum mass" of financing required to promote small-scale industrial development effectively. In this connexion, greater resort to "multi-bi" arrangements, such as were worked out with SIDA for joint assistance to Botswana's Enterprises Development Agency, is effective. Second, UNDP-financed projects designed to expand the total number of capable, effective African entrepreneurs can be strengthened by undertaking preliminary systemmatic surveys of existing small business enterprises, in order to identify entrepeneurs with greatest promise, and by channelling assistance to them.

UNDP-financed activities in Africa in the agricultural, small industry, rural education and public health fields have increasingly been designed along multidisciplinary, intersectoral lines in order to cope more effectively with the complex requisites for upgrading and improving services at the village level. It has become increasingly apparent that progress in one sector is dependent in part on progress achieved in other sectors. Since 1968, UNDP has undertaken six such integrated rural development schemes, applying intersectoral approaches to the experimental development of pilot areas as a basis for wider application of successful techniques and approaches at a later stage. These projects were undertaken in Burundi (the Cankuzo Mosso Region), Chad (the Ouaddai Region), the Congo (the Pool Region), Madagascar (the Androy Region) and Nigeria (in the Western State). There is widespread recognition within the United Nations system that the integrated approach to rural development is essential if rural productivity, output, employment opportunities and incomes are to be increased substantially among traditional producers. Both the UNDP and the major Executing Agencies are presently assessing experience with a view to determining how assistance in support of broadly based rural development can be more effectively provided.

ASIA AND THE PACIFIC

Covering less than a third of the global land surface, the Asia and the Pacific region contains nearly three-fifths of the world's four billion people. It includes the world's most populous developing countries, experiencing acute population pressure on their natural resources. In 1974, most of the countries in the region, like the rest of the world, suffered from "stagflation"—economic stagnation or recession alongside galloping inflation. Also in 1974, the traditionally precarious balance-of-payments position of many Asian and Pacific countries came under severe strain from many sources, including the increased cost of oil, fertilizers and foodgrains. Because of the four-fold jump in oil prices since 1973, for example, India had to spend some $1.3 billion more in 1974 than in 1972 for oil imports. Increased oil prices also contributed to the sharp rise in the price of fertilizers, placing them beyond the reach of average farmers in the region. This resulted in reduced agricultural production in many of the region's developing countries, which have, anyway, to rely on imports to supplement domestic food production.

The shortage and the prohibitive cost of fertilizers slowed the productive gains of the "Green Revolution." In one West Asian country rice production fell 40 per cent below the expected level because of the shortage of fertilizers. In addition, many countries in the Asia and the Pacific region, including some of the most populous such as India and Bangladesh, suffered severe crop losses due to drought, floods and other natural disasters. For countries faced with the need for increased imports, high foodgrain prices in the world market proved almost the proverbial last straw, depleting foreign exchange reserves and, in several countries, jeopardizing national development plans.

Trends in UNDP activities

Under the region's approved country programmes, 26 per cent of overall resources have been allocated to agriculture and related fields. Many such projects have already yielded substantial results, either in the way of increased agricultural productivity or by demonstrating the importance of land development and improved farming techniques to cultivators at the village level. For example:

In the Philippines, UNDP's assistance to the Laguna de Bay Development Authority has led to a nearly three-fold increase in the milkfish catch from experiment fish farms in Laguana de Bay, near Manila.

The Government of India plans to improve agricultural productivity over 15 million hectares of water-logged land through the construction of field channels, drains, land reclamation and irrigation following a successful demonstration by UNDP experts of the feasibility of such measures in Rajasthan.

The recently approved South China Sea Fisheries Development and Coordinating Programme has established UNDP's rising concern for, and response to, the priority need for higher protein diets in the region. The five-year regional project aims at increasing the fish catch in the South China Sea by promoting modern fisheries techniques and the co-ordinated development and rational utilization of the region's fisheries resources.

Though almost every country in Asia and the Pacific has suffered to some degree from the worldwide energy crisis, four—Bangladesh, India, Pakistan and Sri Lanka—are among those most seriously affected by it.

Through a number of large- and small-scale projects, UNDP has been intensifying its support for the efforts of a number of countries in the region to locate and develop new energy sources. In Bangladesh and Pakistan, UNDP is funding comprehensive energy surveys to assist the Governments in formulating optimum national energy policies based upon an assessment of their existing and potential energy resources. UNDP is also supporting the survey of the Economic and Social Commission for Asia and the Pacific (ESCAP) for exploring the possibilities of developing unconventional energy resources, including geothermal, solar and wind resources and the use of organic materials including human and animal wastes, house refuse, domestic garbage and bagasse, to produce bio-gas for cooking, heating and power generation and organic fertilizers.

Asian and Pacific countries are now engaged in a sustained drive to expand trade among themselves and with countries outside the region. Through country and regional projects, UNDP has been supporting these efforts. For example, with UNDP support, the United Nations Conference on Trade and Development (UNCTAD) is assisting Asian and Pacific countries in expanding intraregional trade. Under another regional project, UNCTAD is providing advisory services and other assistance to some countries in this region to enable them to obtain better trading terms for themselves in the multilateral trade negotiations which began in September 1973. UNDP has also agreed to help the recently established Asian Clearing Union in training its staff and in organizing study tours for its personnel to similar clearing unions in Latin America. The Union, endorsed by Bangladesh, India, Iran, Nepal, Pakistan and Sri Lanka, aims to promote the use of regional currencies for intra-regional transactions, thereby contributing to the expansion of trade among participating countries.

In addition, several countries, with technical support from UNDP, are promoting product standardization and quality control with a view to boosting their exports. Thailand's Industrial Standards Institute, set up with UNDP assistance, plans to institute quality controls on selected, major export commodities, including tapioca and canned pineapples. UNDP is also helping the region's developing countries to acquire capabilities for producing finished products for export. In Sri Lanka, UNDP is assisting in setting up a workshop to train gemcutters in modern methods of cutting, polishing and engraving precious stones for export. Similarly, Afghanistan, for centuries an exporter of raw hides and skins, is being helped to develop a modern leather and leather-goods export industry.

Impact of the Programme's Work

Rapid social and economic development depends in good part on adequate infrastructures—roads, communications, power plants, etc. In Asia and the Pacific, UNDP is working to strengthen this sector as a base for economic advancement. Malaysia, for example, plans to spend some $52 million for constructing a deepsea port near Kuantan, about 200 kilometres northeast of Kuala Lumpur. The port was a key recommendation of the Southeast Asian Regional Transport Survey (funded jointly by UNDP, the Asian Development Bank and the United States). At a cost of about $172 million, the Government of the Philippines is to improve road and air transport facilities in Luzon, the archipelago's largest and most densely populated island, in accordance with the recommendations made in the UNDP-supported Philippine Transport Survey in 1970. UNDP has also been providing technical support to the project for setting up a 14,500-kilometre TransAsian Railway, which will link Istanbul with Singapore and, through a ferry service, with Indonesia. When completed, the TransAsian Railway will shorten distances between many international trade and traffic centres in Asia and Europe.

Improved public health facilities and urban planning are increasingly important components in the effort to deal with problems created by large-scale migration from rural to urban areas in many of the region's developing countries. These efforts are receiving considerable UNDP backing. In Burma UNDP experts assisted Burmese engineers in preparing the design of Pugyi reservoir, which is to be constructed as part of a $31 million scheme for more than doubling the pure water supply in Rangoon. In Pakistan, UNDP is assisting in the preparation of a master plan for the urban development of the Karachi metropolitan area. Under a regional project UNDP is helping a number of Asian and Pacific countries in making public health an integral part of their socio-economic development planning. Officials trained under this project are already occupying positions of responsibility in the health ministries of every participating country. The project has also assisted the Governments of Indonesia, Thailand and Sri Lanka in the development of health manpower studies, as well as with advisory services and training in health planning and economies in a number of countries.

UNDP has also been supporting the joint efforts of the Republic of Korea, Hong Kong, Laos, Japan, the Philippines and Thailand to reduce the destruction caused by typhoons through the establishment of an advance warning and typhoon forecasting system in the area. The incidence of such typhoons and the destruction they wreak are well known, and the toll on economic and social development is often severe. Precautionary action could limit the destruction stemming from these typhoons, and the programme supported by UNDP aims to construct a network of meteorological observation stations and telecommunication facilities in each of the participating countries to afford advance warning. In addition, the programme assists in the development of hydrological networks, flood prevention measures and national disaster plans designed to minimize the impact of typhoons once they have struck.

There are areas in Asia where climatic conditions are too dry to allow effective year-round farming of that staple of all Asian food crops, rice. Irrigation and diversification are often the answer, and in Northeast Thailand a UNDP-supported project is currently demonstrating what can be accomplished through proper water management combined with better land use. Northeast Thailand is a thinly populated area comprising about a third of the nation's arable land. In part, because of the UNDP-supported irrigated farming project at Huey Sithon, this once sterile and unproductive region of subsistence farmers is becoming Thailand's hope for future food production. With the land use and irrigation techniques developed at Huey Sithon, farms in the area no longer remain idle during the dry season. Crops of peanuts, cucumbers, sugar cane, sweet potatoes and melon now flow to urban and export markets, and the potential of the area is only beginning to be realized.

It took many years of persuasion and demonstration to convince the farmers of the Huey Sithon area that they could accomplish more by growing such crops in the dry season than by offering their labour in neighboring towns. Now their success story is being disseminated to other, similarly sceptical farmers throughout the Northeast by extension workers trained at the Huey Sithon demonstration farm. By mid-1975, trainees from Laos will join Thai experts in the extension work under way, and the rewards of dryland farming will begin to spread throughout the region.

Some recent innovations

UNDP is also exploring new approaches to deal with special problems of countries or groups of countries in the Asia-Pacific region. In Nepal, for instance, UNDP has agreed to finance engineering studies for three light-duty, all-purpose commercial cargo cableways (ropeways) to connect three isolated mountain communities to the country's growing road grid. The studies are part of an effort extending back to the 1950's to help Nepal build a basic system of roads as part of a viable national infrastructure. The plans for ropeway studies were approved after a UNDP-funded feasibility study of rural roads concluded that the economies of the three areas did not justify construction of roads. It is expected that short-distance cableways, supplemented by the traditional porter traffic, will have an important impact on mountain communities and isolated valley economies. It is also hoped that the results of this project will show the utility and effectiveness of commercial cableways in difficult terrain of the kind characterizing large stretches of Nepal, and the feasibility of such systems elsewhere.

Another example is UNDP's assistance to manufacturers in the Republic of Korea in product adaptation geared on a pilot basis to North American markets. The project provides consultant services to Korean manufacturers regarding current demands in North American markets and the technical assistance required to adapt South Korean products to those demands. The consulting experts are to be paid for by the manufacturers themselves at cost, and the payments will constitute a sort of revolving fund to help finance future technical services. The fund will be managed by the official Korean Trade Promotion Corporation. Should this pilot effort prove successful, it can usefully be extended to include other markets, such as those in Western Europe and Scandinavian countries.

In Indonesia, UNDP has become the central co-ordinating point for multilateral and bilateral aid to the Transmigration Directorate-General. The Directorate is attempting to transfer and resettle some 450,000 families (2.2 million people) from Indonesia's densely populated islands to low-population density areas. As of now, 10 per cent of Indonesia's total land mass supports 80 per cent of the population, which is growing by 2.5 per cent a year. The resettlement effort, which UNDP also helps to support with advisory services in multiple subject areas, will further the priority need for more balanced regional development and play a central and innovative role as catalyst in the development of the country's outer islands.

As in many other parts of the world, agrarian reform and rural development are high on the list of priorities in the Asia-Pacific region. One innovative approach to these efforts is exemplified by a regional project designed to lay the foundation for an Asian Centre for Agrarian Reform and Integrated Rural Development. The project has developed a unique work programme which emphasizes group discussions between Government planners and administrators, on the one hand, and small farmers, on the other. These are problem-solving, action-oriented workships held in rural areas and carried out in the appropriate national language. The workshops provide Government officials with the opportunity to see and hear first hand some of the problems affecting the rural masses. More importantly, they have led to specific follow-up actions, including the introduction of new credit schemes, increased extension services, reviews of national legislation affecting land ownership rights and other field actions. The workshops have proved an effective means of identifying bottlenecks in agrarian reform efforts and initiating corrective action at the national level.

Natural resources development

The importance of natural resources development to countries of the Asia and Pacific region is underscored by the fact that most of these countries traditionally depend on revenues from exports of these resources to finance their social and economic development programmes. As a revenue source, however, natural resources have in the past proved to be unreliable, mainly due to the frequent and often wide fluctuations in their prices and in their supply and demand in world markets. Some natural resources, primarily agricultural commodities such as rubber, cotton, jute and kenaf, have also faced stiffening competition from synthetics. Developing countries have often found themselves caught in a double vice, with export earnings slipping downwards and import costs, mainly of capital and manufactured goods, spiralling upwards. In recent years, developing countries in Asia and the Pacific, like their counterparts in other developing regions, have had to produce and export increasingly greater volumes of their natural resources to finance their rising import needs.

The Asian region is richly endowed with natural resources, although in several countries, such as Bangladesh, the Khmer Republic, Laos and the Philippines, systematic natural resources surveys have yet to be undertaken or completed. The picture is very different in the Pacific region. Aside from phosphate deposits in the Gilbert and Ellice Islands, nickel in New Caledonia and possibly rich mineral resources in Papua, New Guinea, very little is known of the natural resources in the Pacific countries receiving UNDP assistance. In Asia many countries, including Burma, India, Indonesia and Malaysia, are known to be rich in minerals and other natural resources. At least 13 Asian countries have very large or significant iron ore reserves, while five possess substantial chrome deposits. In about 11 countries, significant reserves of manganese, zinc, lead, bauxite, tungsten, copper, gold, silver and several rare minerals are known to exist. A sizable portion of the world's tin reserves is also located in Southeast Asia. Malaysia, Thailand and Indonesia are among the world's four top producers of tin.

With respect to energy, in addition to Iran and Indonesia, Malaysia and Brunei have substantial oil reserves. Indian, which currently produces only a third of its oil needs from inland oil fields, is reported to have made significant new oil discoveries in offshore areas near Bombay. Other countries believed to have oil reserves include Afghanistan, Burma, Pakistan and the Philippines. Many Asian countries including Afghanistan, Bangladesh, India, Iran and Pakistan, are also known to have natural gas reserves which could prove of great economic significance if developed for producing much-needed fertilizers. In terms of quantity, the region's coal reserves exceed those of oil and natural gas combined. In addition, most Asian countries possess a major non-carbon based energy resource in the form of their river systems. The potential for generating hydropower in Afghanistan, Burma, India, Indonesia, Malaysia, Nepal, the Philippines and Indo-China is tremendous, although only a very small portion has been harnessed so far. For example, Nepal at present generates only 33 megawatts by hydropower out of the country's estimated hydropower potential of 83,000 megawatts.

The year 1974 seems to have been a major turning point in the development of the region's rich, but mostly untapped or under-exploited, natural resources. High oil prices have made the exploitation of alternate energy resources, such as coal and hydropower, economically attractive. Increased prices of oil-based synthetics have also made agricultural raw materials much more competitive in the world market. World prices of tin and rubber, two of Asia's major non-oil exports, rose by 70 per cent and 20 per cent, respectively, in 1974. Other commodities showed similar patterns. All these factors have persuaded many Asian countries to take another look at their natural resource potential, particularly in the field of energy.

Over the past 25 years, UNDP and its predecessor United Nations technical assistance programmes have become progressively involved in supporting Asian and Pacific countries in the exploration, development and utilization of their natural resources. UNDP's technical assistance in this sector spans almost the entire spectrum of natural resources development, including policy, planning and legislative measures; surveys, investigations, pre-feasibility and feasibility studies; training of national personnel; transfer of modern technical know-how; improved research facilities; and exploration, production, marketing and trade negotiations.

Nearly a third of UNDP's total assistance to Burma has been devoted to developing the country's natural resources, including geological surveys, offshore exploration and prospecting, feasibility and pre-investment studies, in-service training and the training of mineralogists, chemists and geologists. UNDP-financed experts have been advising their Burmese counterparts in methods of increasing the production of copper, lead and tin. UNDP has assisted in the expansion and modernization of laboratory and other facilities for Burma's Mineral Development Corporation. Burma has also received technical advice from UNDP on refining and processing domestically produced oil.

In Pakistan, International Atomic Energy Agency (IAEA) experts funded by UNDP are assisting in carrying out exploratory drillings of uranium deposits in the foothills of the Suleiman Range. UNDP is helping India conduct feasibility studies on the large-scale mining and export of the recently discovered iron ore deposits (estimate at 150 million tons) in Tamil Nadu. As part of another UNDP-supported project, nearly 1,200 tons of ilmenite ore (a mineral used in paint production) and 300 tons of wood charcoal have been shipped from Sri Lanka to the Soviet Union for industrial-scale smelting tests. If the tests prove successful, they could lead to the establishment of an ilmenite smelting plant in Sri Lanka.

At the regional level, UNDP is providing technical support to the ESCAP-sponsored exploration of offshore mineral resources in East Asia. The project, involving Indonesia, Khmer Republic, Malaysia, the Philippines, Thailand, Republic of Korea and Republic of Viet-Nam, seeks to increase technical and sicentific knowledge of the mineral potential of offshore and near-shore areas in East Asia and to augment the capabilities of the participating countries to undertake similar surveys themselves. Among other things, UNDP has provided consultancy services in marine geology and geophysics, in data gathering, in the use of specialized equipment, in map compilation and in ship-borne surveys. The project has led to four multi-country and 27 country projects in offshore prospecting, including an ESCAP-sponsored zonal project in the South Pacific.

Energy resources

Through surveys and feasibility studies, UNDP has also been supporting the efforts of many Asian countries in developing hydropower. In Nepal, UNDP plans to assist in the designing of a multipurpose dam at Pokhara. As part of a 30-year programme based on a $2 million UNDP-funded study, Sri Lanka is harnessing the waters of the Mahaweli Ganga for irrigation and hydropower generation and is in the process of completing two 40-megawatt power stations at Polgolla and Bowatenna, near Kandy. The Mahaweli Ganga Scheme, if fully implemented, could add more than 2 billion kilowatt-hours to the country's annual electric output.

By far the most ambitious programme in this sector, however, is the one for developing the resources of the Lower Mekong Basin. The four-nation Mekong Committee (officially known as The Committee for Co-ordination of Investigation of the Lower Mekong Basin) has so far raised more than $225 million in follow-up investments and has constructed six multipurpose projects, including the Nam Ngum dam, in the area that stretches across Laos, Khmer Republic, Republic of Vietnam and Thailand. Currently, the Bangkok-based Committee is preparing plans for the construction of the Pa Mong dam, which will have an annual hydropower generation capacity, at the first stage, of 4,800 megawatts, and ultimately of 10,200 megawatts. UNDP has been supporting the Mekong Committee through the provision of expert advisory services and the training of the Committee's staff. Increasingly, the Committee Secretariat is being staffed by the nationals of the Khmer Republic, Laos, Thailand and the Republic of Viet-Nam. In mid-1974, of the 65 professionals in the Mekong Committee Secretariate, only 17 were from outside the region.

In the field of agricultural commodities, such of UNDP's assistance in the region is provided through regional and interregional projects. Several Asian countries which produce cotton, jute and kenaf stand to benefit from international research, development and marketing promotion programmes to increase the consumption of these natural fibers and to make them more competitive in the world market. Two separate UNDP studies have recommended the establishment of such programmes.

Recently, UNCTAD, executing a project sponsored by India and Sri Lanka, completed surveys on the production, technology and marketing of the coconut-based fibre, coir. The surveys have led to numerous recommendations for increasing coir production and for modernizing the coir industry in several Asian countries, including India, Indonesia, Malaysia, the Philippines, Sri Lanka and Thailand. One of these recommendations calls for the establishment of a Regional Research Centre and two national ones—one in India and the other in Sri Lanka—for undertaking coir yarn, fibre and technology research, including the development of flame-retardant coir fibre. At the country level, UNDP, through research and training, has been assisting Thailand in rubber production. In Pakistan, in addition to the recently-completed overall Cotton Commodity Survey, UNDP currently supports cotton-related agricultural and industrial development research.

Several Asian countries, including India, Nepal and the Philippines, have received UNDP assistance in carrying out forestry surveys and, in some cases, in initiating reforestation programmes. In some countries, UNDP-supported studies have led to legislative measures to prevent the depletion of national forestry resources by uncontrolled, indiscriminate or illegal loggers. Through FAO, UNDP has also assisted in the establishment of pilot plantations of quick-growing industrial trees. In addition, the efforts of a number of Asian countries to produce and market timber and wood products, develop charcoal and other forestry industries and train forestry personnel have received UNDP backing. In Malaysia, FAO, executing a UNDP project, has helped the Government prepare an overall forestry development strategy for West Malaysia and Sarawak, envisaging about $100 million in follow-up investments in forestry industries by 1990. In Pakistan, UNDP is to assist in a planned study of the country's overall forestry resources which is expected to provide the basis for planning and formulating national policies in this sector.

Many Asian countries are likely to benefit from the joint UNDP–FAO programme to promote the establishment of pulp and paper industries in the developing countries. According to this joint study, mixed tropical hardwood forests in Asian and other developing regions could provide the basic raw materials for producing pulp and paper to meet the increasing demand for these items in the years ahead.

By and large UNDP activities in the field of natural resources development in Asia and the Pacific have been effective. Even where the findings of a UNDP-backed study on the development potential of some natural resources have been negative, the work has prevented the diversion of limited investment resources into unprofitable ventures. This was, for instance, the case in Pakistan where a UNDP-supported survey revealed that the development of graphite deposits under study was not economically feasible.

A major obstacle to the development of natural resources in the region has been the inability of the countries concerned to attract the sometimes vast amounts of capital needed for the purpose. As the value of such resources rises, however, this picture may change. The natural resources sector could become the most productive development catalyst in the area, not only easing severe balance-of-payments problems, but also helping to alleviate the blight of unemployment which festers at the base of all low-income societies. Given today's expanding market for raw materials, UNDP continues to seek new ways for uncovering unexploited resources and new ways of attracting follow-up investments to make them productive.

EUROPE, MEDITERRANEAN AND THE MIDDLE EAST

The major political event affecting the region of Europe, Mediterranean and the Middle East in 1974 was the Cyprus crisis, which caused widespread economic disruption and led to brief interruptions of UNDP-supported activities. In the economic sphere, the complex energy situation, food and raw material shortages and concomitant inflation affected, sometimes favourably, but more often adversely—the development of all countries in this extremely heterogeneous and diversified region, which stretches from Iceland in the north to Sudan in the south and encompasses 32 recipient countries with widely varied socio-economic systems and general levels of development.

As a subregion, the Middle East suffered less than many other areas from the economic problems that beset the world in 1974. Though the enormous differences within the subregion make generalizations difficult, prospects for the major oil-exporting countries obviously changed for the better. The Eastern European centrally-planned economies were also relatively sheltered from the year's economic turbulence. The Mediterranean countries, on the other hand, suffered serious repercussions from the levelling-off or actual reduction in the outward flow of migrant labour to Western Europe. For many countries in the region, that outflow had helped to combat local unemployment and, through remittances, strengthen balance-of-payments situations. This development underscored the increasing importance of manpower planning and job creation.

While a sharing of natural and human resources in the region—or at least in some of its subregions—may well offer considerable promise for a solution of indigenous problems, economic integration remains a slow and arduous task. That efforts in this direction are being made through such organizations as the Council for Arab Economic Unity is one hopeful development within the region. UNDP is providing support to the integration effort where it can.

Trends in UNDP Activities

A number of major trends could be discerned in UNDP's activities in the region in 1974. The first involved a tighter focusing of the Programme's work in order to heighten its impact on individual high-priority areas, either within a single country or a group of countries. This can be achieved by clustering projects in related fields or by designing single multi-faceted projects on a larger scale than heretofore. Examples included a planned $10 million Middle East subregional project for intercountry feasibility studies on investment, transport, industry and other fields; and, at the country level, the UNDP-assisted Master Plan Studies for the Suez Canal Zone—a $4.6 million project aimed at integrated social, economic and environmental development of the area in conjunction with its rehabilitation and the Canal's re-opening.

A second major trend involved increased direct co-operation between UNDP and several Arab governmental and intergovernmental organizations—in part to identify and strengthen investment opportunities for funds at the disposal of these organizations and/or some of their member-Governments. For example, UNDP is planning to support numerous feasibility studies aimed at strengthening the organizational, administrative and regional integration capabilities of the investors themselves and at amassing the basic investment data required for development purposes. In addition to the Arab Fund, the Arab League and the Council for Arab Economic Unity are expected to play a leading role in supporting these regional investment planning activities.

Another trend in UNDP programming was set in motion by the rising concern for the region's "total" environment. UNDP assistance was requested for a direct attack on the problems involved in the form of pollution control projects—and for indirect approaches in such fields as physical, and particularly urban planning. Increased attention is also being given to the environmental consequences of other projects supported by UNDP. An inter-governmental action scheme for the protection of the Mediterranean, going forward under the auspices of the United Nations Environment Programme, offers further opportunities for multi-sectoral UNDP assistance to Governments in North Africa, the Middle East and Europe.

Still another trend is the increasing emphasis placed on transferring responsibility for project operations from internationally recruited managers to national staffs. This has been initiated, on an experimental basis, in a limited number of agricultural projects in Northern Africa. The basic purpose is to give the fullest possible authority for project execution to the Governments concerned.

Finally, in 1974 increased Programme emphasis was being placed on transfers of high-level technology, particularly among the more economically advanced countries of the region. This trend was evident both in the kinds of projects being supported—in such sophisticated fields as computer technology, enzyme production, uranium exploration and radio microbiology—and in the level of operations on these projects.

Some measures of success

Some encouraging results of UNDP-supported projects throughout the region were reported in 1974. A project to help the People's Democratic Republic of Yemen establish an Institute of Health Manpower Development at Aden, launched in 1971, has already trained more medical personnel than originally envisioned. In 1972, for example, the actual intake for the medical assistant course was 45 per cent higher than planned. The Institute has contributed substantially to improving the control of communicable diseases and providing better preventive health services throughout the country. As recommended by an evaluation mission in July 1974, the duration of the project has been extended by one year, after which a second, expanded phase will begin.

Another example from the same sector is the UNDP-supported Occupational Health and Safety Centre in Ankara, Turkey. Though Turkey's first legislative provision for occupational safety and health dates back to 1865, the nation has long lacked enough trained staff, and up-to-date laboratory and field equipment, to enforce existing laws. The Ankara Centre trains managerial, supervisory, medical, technical and other personnel required for this purpose. In addition, modern technical equipment for implementing the country's occupational health and safety programmes has also been provided under the project. The Centre's activities now include the systematic investigation of hygiene and safety conditions in factories and mines; the preparation of new safety and health regulations and legislation; and the organization of training courses in occupational safety and health both for its own staff and for management, workers, paramedical personnel and students at technical universities. The Centre also carries out applied research programmes.

In the agricultural sector, a UNDP-assisted sugarcane production and breeding project in Egypt is proving that a small-scale effort can achieve large-scale results. Research indicates that it is possible to induce flowering in sugarcane under the natural conditions prevailing in Egypt—a result not previously achieved. Because of this scientific breakthrough, Egypt can now look forward to having, for the first time in its history, its own sugarcane breeding programme, with improved hybrid varieties to suit its agro-climatic conditions.

At the Salé Forestry School in Morocco, UNDP has been supporting the training of middle-level forestry engineers to carry out the Government's extensive soil conservation and reforestation programme. Originally conceived as a two-year course, intermediary-level instruction has been extended to three years. The curriculum now covers range, pasture, watershed and national parks management; erosion and torrent control; and environmental protection. All these disciplines apply to fields of agricultural activity—many with separate UNDP assistance—which are rapidly expanding. In 1974, the project was extended to meet the continuing increase in demand for staff and for on-the-spot training, both for Moroccans and for students from neighbouring countries.

Two projects under way in 1974 are indicative of the region-wide effort to cope with adverse soil and climatic conditions. In Bulgaria, surveys have shown that some 60 per cent of the total land area and 72 per cent of arable land is either damaged or endangered by erosion. UNDP-financed assistance to the Nikola Poushkarov Institute of Soil Science is helping evaluate the country's land resources, regulate soil fertility through improved tillage practices, develop measures for erosion control, reclaim low permeability and saline soil, and exploit microbial processes in the effort to increase agricultural production. The Institute has also recommended a national soil and water conservation strategy for Bulgaria, and established a model Soil Conservation Research Station. Now in its second phase, the project is broadening the scope of the Institute's work to encompass teaching and applied soil science. A computerized soil management programme is being readied to evaluate land productivity, and to calculate fertilizer use and irrigation scheduling on a national scale.

The extensive floods of late 1969 in central Tunisia, together with the advancement of the desert in the southern part of the country, prompted the Government to seek UNDP assistance in expanding the nation's meteorological and seismological observation network, modernizing equipment and installations of the National Meteorological Service, and providing advanced training for national technical personnel. With strong support from the Government, the project has successfully improved the collection, processing and publication of meteorological data vital for agricultural and tourism planning purposes. A radar system has been installed to help provide early warning of hail-storms and flooding, with data processed through a minicomputer, for which the required national staff has been trained.

Innovative activities

Minimizing the effects of natural disasters is also the aim of a regional project to provide methods for countering the impact of earthquakes in Bulgaria, Greece, Romania, Turkey and Yugoslavia. In December 1974, when UNDP assistance came to an end, the project had completed all tasks laid down in the Plan of Operation. In particular:

(a) Seismological stations have been modernized and new stations built, so that the network is now adequate to meet national and regional needs for seismological services.

(b) The installation of 22 accelerographs provides increased capability for recording the kind of data on strong ground movements needed by design engineers region-wide.

(c) Advanced microzoning methods have been introduced, and several microzoning studies have been initiated or completed.

(d) Past earthquake activity was thoroughly analyzed and the results made available in the form of catalogues, and regional seismotectonic and seismic zoning maps. These materials and other documents were used for official building codes and for regional planning purposes.

(e) Thirteen national experts were trained, through fellowships, in the fields of seismology, seismotectonics and earthquakes engineering.

In view of the excellent collaboration among the countries involved—and the many important needs that still remain unfulfilled—all participating Governments have proposed extending the activities of this very vital project until November 1976. The Regional Programme for 1976–81 provides for this continuation.

The previously mentioned Egyptian project—Master Plan Studies for the Suez Canal Zone—provides UNDP with the innovative challenge of making a substantial contribution to the integrated development of an area with large potentials for progress. In connexion with its investments for restoring basic facilities in the Canal Zone, the Egyptian Government has explored various means for also stimulating comprehensive economic growth in this area. Although some foreign investment sources had shown genuine interest, it became clear that most major new investments would take place only after the completion of an overall "master plan."

By July 1974, the Government had already issued terms of reference for master plan studies of the three Canal Zone cities—Port Said, Ismailia and Suez—to 24 consultant firms. Shortly thereafter, UNDP was requested to help finance the foreign currency costs of these studies, as well as the preparation of a regional development framework for the Zone. The $4.6 million project would also help strengthen the Government's capacity to supervise and co-ordinate all reconstruction and development activities in the entire Suez Canal region. The Master Plan will take into account such considerations as population distribution, housing conditions, employment by sectors, environmental quality, public and private urban transport, recreational opportunities, agricultural and industrial development, power, port facilities, shipping, commerce and free zones. UNDP will provide experts to help blueprint a 25-year regional development "structure" designed to deal with these economic, social and physical factors, and to serve as a guide for Egyptian officials in co-ordinating the development of Ismailia, Suez and the Port Said areas.

A research project in Poland constitutes the first large-scale undertaking of technical assistance in the highly specialized enzyme field. Production and application of enzyme preparations are an important technological component of modern food processing. To help Poland train specialists and intensify its own research in this field, UNDP is providing hard-to-find expert and consultancy services, a programme of fellowships and study tour, and modern laboratory and pilot plant equipment. Preliminary studies already indicate the commercial feasibility of enzyme preparations for Poland's food industry, and a full-scale test of their application is now scheduled.

Report on transfers of high-level technology

The transfer of technology at all levels is an integral part of the development process. The level at which the transfer occurs—the sophistication of the technology involved—depends on both the development needs of the recipient country and the degree to which it can usefully absorb and apply the new technology. While all country programmes within the region contain projects geared to the transfer of high-level technology, some distinct patterns are apparent. The Eastern European programmes abound in such projects, and the emphasis is on the direct introduction of new and relatively advanced technology and training. These countries tend, in fact, to request UNDP assistance mainly for updating already available know-how in the light of the latest scientific and technological developments in other countries. The fact that this basic foundation already exists means that UNDP assistance is generally successful and that relatively small inputs, such as short-term fellowships, consultancy services and the provision of modern equipment, often have a large impact and a multiplier effect.

In the Arab countries, the UNDP input has tended to be less direct. More often, the focus has been on the transfer and application of technology through training and institutional support in such areas as technical education and industrial and agricultural research. One proposal currently under review is that existing institutes and research centres within the area be inventoried in order to avoid possible duplication of effort. This would also prepare the way for strengthening each research centre to the stage where is could become the regional point of reference in its particular field of expertise.

One example of the successful transfer of high-level technology can be found at the UNDP-supported Computing Research Centre in Bratislava, whose advanced work has brought benefits to countries other than Czechoslovakia. The project seeks to further determine the practical applications of automatic data processing, especially in the field of economic planning and statistics. The Centre's pioneering efforts have already gained international recognition for the advances achieved in using computerized methods in applied statistics and economics. Its research efforts have also significantly influenced both statistical thinking and the actual utilization of socio-economic data. Now the Centre is broadening the scope of its work into other fields. Numerous courses and seminars on automatic data processing and language programming are being conducted for both national and overseas trainees. The Centre's recently developed Integrated Statistical Information System, noted for its flexibility, is also seeing international as well as national service.

In a similar vein, the Yugoslav Institute for the Application of Nuclear Energy in Agriculture, Veterinary Medicine and Forestry has built on UNDP support to the point where it currently provides post-graduate courses for students from around the world. Here, UNDP has helped develop methods for the use of stable isotopes, ionizing radiation and other modern concepts of nuclear techniques in the fields of soil chemistry and plant physiology, plant protection, genetics and plant breeding—as well as in animal physiology, nutrition, immunology, pathology, diagnostics and therapy. The support provided is typical of that requested for such projects: short-term consultancies, fellowships plus the provision of specialized equipment. Travel costs of fellows attending the Institute from other countries are borne by the Yugoslav Government.

In Egypt, UNDP-supported assistance for the industrial and educational sectors has included: development of the cotton-based textile industry; carrying out research on building materials; improving engineering industries, particularly electronics; upgrading technical and science education at all levels; improving the contribution of research institutes to actual production; and improving medical education and training schemes to combat such endemic diseases as schistosomiasis, malaria, anchylostoma and trachoma.

The Engineering and Industrial Design project in Egypt, now in its second phase, is an example of a project that is innovatively technology-oriented. Among other things, the research being undertaken in this project seeks ways to harness solar energy to provide individual living units with hot water for everyday use—thus cutting down the drain on electricity and saving the costs of imported bottled gas. Research is also geared to distill salty water so that isolated communities in coastal districts will have supplies of readily available potable water. The project is indicative of the experimental nature of many such high-level technological transfers. The risk of failure is relatively high, but the rewards of success can often be multiplied many times over in developing countries throughout the world.

Building self-reliance

Although the Sudan accounts for about 40 per cent of the world's sesame seed and sesame oil exports, it has never been able to meet rising demand in the world market for these products. The mature sesame seed has simply been too fragile to be harvested mechanically. Production was therefore limited by the strength of the labour force available during a relatively short harvesting period. Under a UNDP-executed project, however, American and Sudanese scientists started testing non-shattering varieties—developed after many years' breeding work at the University of California—in order to improve their adaptability, yields, quality and resistance to insects and diseases.

After six months' work, the project results seem promising. The non-shattering varieties have proved adaptable to Sudanese conditions, and the mechanical harvesting problem has been satisfactorily resolved. Investment organizations informed of the project's results have expressed interest in financial follow-up, and it is now estimated that within two years there will be enough of the nonshattering varieties to plant extensive acreage for mechanical harvesting. The project relies heavily on qualified Sudanese nationals, with only intermittent visits by a key international expert. Two long-term fellowships for advanced study of sesame culture and a modest equipment component round this project out.

Among the most complex and highly developed technologies are those of the oil industry. High pre-investment costs and keen competition have also combined to limit understanding of the industry's exploratory techniques. Yet, where the high-level transfer of technology is concerned, the stated goal of a recipient country is always technological self-reliance—since that self-sufficiency can mark the difference between self-sustained development and continued dependence on external assistance.

In the case of Syria, where oil production began in 1968, nationally available technology is insufficient to locate and tap the oil deposits essential if production is to increase. An $18 million UNDP-supported project has been proposed to help improve the nation's deep-well drilling capability. This project—which is designed to strengthen the exploratory and deep drilling capacity of the Ministry of Petroleum and Mineral Resources—would involve and train Syrian technicians in all aspects of drilling operations, so that they can eventually replace the project's international personnel.

The success of such training will depend on the availability of the most up-to-date equipment—in this instance deep drilling machinery—as well as the most advanced technical expertise. The plan is to subcontract the project to a drilling company, which would provide a rig to be purchased by UNDP. On the project's completion, the rig would be sold to the Government (at a depreciated price), thus ensuring a carry-over of drilling activities under Syrian auspices. Costs of the project, one of the largest ever proposed to UNDP, would be divided almost evenly between the Syrian Government and UNDP.

Proposals of this magnitude reflect the commitment Governments are prepared to make to harness the benefits of high-level technology to their development drive. But the order of magnitude is meaningless unless the technology sticks. With respect to high-level transfers in particular, a project's cut-off date is literally the first day of the rest of its life. It is also the moment of truth in terms of governmental support. Without that support and commitment, the fledgling technology could founder.

In some instances, of course, a project's objectives can be outpaced by outside events. A case in point is the Electrodialysis Desalination Pilot Plant at Mashabei Sade in Israel. Set up to assist the Government-designed demonstration desalination programme, the project had initiated research on several aspects of the electrodialysis process and also helped establish a strong nucleus of electrodialysis expertise in Israel. But the advent of the energy crisis precipitated a change of direction, since electrodialysis is highly energy consuming. Alternative schemes, such as the reverse osmosis desalination process, became the focal point of new research. Another factor which had negative repercussions for the project was that farmers who were intended to benefit from the fresh water supplies produced by the electrodialysis process nonetheless opted to use brakish water for irrigation purposes. This latter development has raised questions about the project's original design and objectives.

High-level technology transfers are an important facet of efforts to strengthen technical co-operation among the developing countries themselves. Within the Europe, Mediterranean and the Middle East region, there are recipient countries on every rung of the development ladder—making it an extremely good testing ground for co-operative technical exchanges among recipient countries. This has been taken into account in planning at the regional level. In agriculture, for example, regional projects concerning food crops and improved land and water use channel and apply the results of high-level research sponsored on a global basis by the Consultative Group on International Agricultural Research.

LATIN AMERICA AND THE CARIBBEAN

During 1974, the 26 political units that comprise the Latin American and Caribbean region struggled to maintain their healthy rates of economic growth despite the effects on their development of the global food and energy crises. Overall growth rates measured by increases in gross national product remained satisfactory, at about the same level as in 1973; they are expected to reach a level of 7.2 per cent when final figures are available. This would exceed once again the yearly gains of 6 per cent called for in the International Development Strategy. The annual rate of population growth should reach 3 per cent, limiting the rate of increase in per capita output to about 4.3 per cent. That figure is still higher than the 3.5 per cent IDS target. These favourable tendencies in the growth rate of the region's economy are traceable, among other factors, to a more favourable situation in the export prices of raw materials, which has improved the terms of trade considerably.

However satisfactory in the aggregate, these quantitative results nonetheless mask two stark realities of the region. If the industrial and agricultural output of the relatively advanced developing countries of Latin America are excluded, the averages for the balance of the countries would fall well below the goals of the International Development Strategy. Worse, if the per capita income of the wealthiest 5 per cent of the population were deducted, the figures would be even more discouraging. Thus the development of Latin America continues on an uneven footing, not only from country to country but within countries themselves. The result is that the majority of Latin America's people continue to live in conditions characterized by low life expectancies, little or no cash income and no immediate prospects for a better life. In many urban and rural areas over 50 per cent of the population lacks potable drinking water. There is a deficit of 20 million housing units. The per capita consumption of calories and protein is well below international norms. Educational facilities remain inadequate and medical care for the poor is minimal.

The energy and food crises, inflation and a world-wide recession have intensified these problems, although the effects have not been the same everywhere. Some countries have had to forfeit more than 24 per cent of their export earnings to pay for the increased cost of oil, food and manufactured imports. Other countries like Venezuela, Ecuador and Trinidad and Tobago benefited from the rise in the price of oil. As in other oil-producing areas of the world, there are limitations on the absorptive capacity of these countries to use added revenues for domestic development.

The uneven effect of the oil crisis illustrates the urgent need to create new mechanisms for the intra-regional flow of resources for development purposes. Venezuela has already taken initiatives in this direction, particularly in collaboration with Central American and Caribbean countries. UNDP is closely following these developments and has already offered its institutional and administrative support mechanism as a vehicle for further initiatives, including their development and implementation.

TRENDS IN PROGRAMING

To help Latin American countries cope with these problems UNDP is stressing technical co-operation in integrated planning, energy development and related activities at a regional level. In Central America short-term, high-level advisory mission on energy recommended that the analysis of required actions on energy conservation and exploration be carried out within a regional framework. A number of energy-related problems were dealt with, including supply and demand, a co-ordinated regional power network, energy savings in transportation and the exploration of resource alternatives. The mission also recommended the establishment of a Central American energy commission to supervise and co-ordinate the regional effort.

Latin American Governments attach high priority to technical co-operation in the area of social and economic planning, in the application of science and technology to development and in the creation of operative links between privately and publicly financial research and technical institutes and universities. For 12 years, UNDP has worked with the Latin American Institute for Economic and Social Planning (ILPES) to help Governments improve their planning institutions and processes and to train the required staff. UNDP is now beginning to phase out its support for ILPES progressively by reducing the number of permanent UNDP personnel attached to the Institute.

At the same time, ILPES is being developed into a centre of excellence in providing services to Governments to aid their social and economic growth. Research to improve the methodologies of policy analysis, the forms of planning and systems of plan formulation and implementation is being stressed. ILPES will continue to provide advisory services to Governments to help them improve their institutional planning capacities and to strengthen other aspects of work relating to development, investment and major social and economic problems. Through the Economic Commission for Latin America (ECLA) and other institutions, the Governments are expected to establish a framework for the permanent financing of ILPES.

At another level, UNDP is moving to promote intra-regional co-operation in the fields of science and technology. Today Latin America depends heavily on the outside world for the importation of technology. This was not always so. History shows that as early as the thirteenth century the peoples of the Andes had developed their own irrigation, smelting and weaving technologies. To help the region develop and make use of its own technological resources, UNDP in 1974 sponsored a project designed to identify and encourage centres of indigenous technical knowledge, whose long-range goal is to reduce Latin American dependence on externally-produced technology.

All of these initiatives form part of UNDP's policy to develop regional programmes as effective instruments for meeting region-wide needs through new and imaginative approaches to technical cooperation. A study carried out by UNDP in 1974 undertook for the first time a thorough examination of regional operational activities in Latin America and the Caribbean, analyzing in depth their relationship to global and regional strategies of the United Nations system; the methodology of programming used; the procedures for formulating, implementing, evaluating and following up regional projects; and the role of the United Nations system in carrying out these activities. Based on the study's findings, a new system of regional programming is being developed for Latin America, which is expected to reflect more closely the development needs of the area and have greater impact on UNDP-financed activities at the country level. It will also ensure closer co-operation with other organs of the United Nations system—in particular the Economic Commission for Latin America.

INDICATORS OF SUCCESS

Small-scale projects can yield major results in a country's development programme. One good example is a fisheries project in Guyana which has served as a catalyst in the country's fisheries development programme. The UNDP-assisted project studied the development of fish processing and marketing and provided a viable basis for follow-up investments. The project proposed the acquisition of shrimp and fish trawlers, the establishment of processing plants and the improvement of marketing facilities. This project, which is in line with the country's declared policy to achieve self-sufficiency in food, has already attracted follow-up investments of about $25 million.

Another example of successful pre-investment work supported by the Programme stems from a project in El Salvador. To secure new energy sources the Government asked UNDP to survey geothermal resources and to ascertain their technical and economic feasibility as sources of power. As a result of the findings, the Government invested $40 million to construct a 30-megawatt power plant to begin operation in 1975. Two additional 30-megawatt units are scheduled for construction in 1976 and 1977.

To help meet long-range problems caused by food shortages, UNDP, in co-operation with the Government of Costa Rica, has launched a scheme to develop that nation's irrigation infrastructure and technology. The project, situated in the Itiquis River Basin, covers 1,500 hectares and has already produced a comprehensive analysis of soil use, topography, hydrology, irrigation and drainage engineering, crop selection, cost-benefit analysis, marketing, farmers organization and irrigation district management legislation, as well as intensive counterpart training. The Costa Rican Government has implemented the project's recommendations and completed irrigation works in the pilot area. With the experience gained from this effort the Government plans to expand irrigated agriculture on a nation-wide basis. Specifically, a large-scale project is being contemplated for the "Arenal" area which would irrigate 100,000 hectares at a cost of $50 million. In addition, the Government also created a National Directorate of Irrigation and Drainage to assist in nation-wide irrigation initiatives.

A UNDF-assisted project to improve the technical expertise of the Colombian Government in weather forecasting and flood control reached completion in December, 1974, with a variety of important results. For one thing, an official meteorological service, Servicio Colombiano de Meteorologia e Hidriologia, was established to organize and co-ordinate all meteorological and hydrological function in the nation. National networks of weather forecasting have been established covering areas where 90 per cent of the Colombian population lives. In addition, technicians are now better able to predict where floods will occur and concentrate preventive measures in those sections to minimize damages to crops and homes. Such functions were formerly carried out by a multiplicity of entities costing the Government $8 million annually. The new combined service operates more efficiently.

Some recent innovations

UNDP took several new initiatives during 1974 in the area of trade and commodities consistent with the recommendations of the Programme of Action and at the request of Latin American Governments. In November a UNDP-supported seminar was convented, focusing on the activities of transnational corporations and on the training of Latin American officials who negotiate with them. The purpose of the seminar was to develop an on-going action programme for Latin America in this area, including applied research on foreign investments, the establishment of a clearing house for information and data processing and the training of senior- and middle-level Government officials whose task it is to formulate, appraise and administer foreign investment programmes and to negotiate with foreign investors.

UNDP also completed preparatory activities in 1974 to aid a group of banana-exporting countries whose foreign exchange earnings have been seriously impaired by a twenty-year decline in banana prices. A mission to the five countries comprising the "Union of Banana Exporting Countries" (Panama, Guatemala, Honduras, Costa Rico and Colombia) laid the groundwork for a project to be executed in 1975. UNDP will provide limited consultant services to assist in the formation of the Union's secretariat and to help member countries identify and find new markets and to understand better problems of trade, transportation and marketing.

Each year a number of new initiatives in development are traceable to regional projects dealing with unusual conditions. In the vast semi-arid zones of northern Chile, Argentina and Peru, for example, where the desert is making more and more land less and less useful for agricultural production, a UNDP-financed regional project is beginning to search out ways to make those areas fertile again. New technologies—including irrigation methods, new cereal strains and animal husbandry techniques developed elsewhere—could bring new sources of food to the region. The potential of the area can be gleaned from the fact that about 70 per cent of the territory of Argentina is arid or semi-arid. In Peru, barely twenty-five per cent of the run-off water from the Andes is used for irrigation. In northern Chile there are an estimated three million hectares which could be made useful for intensive pasturage.

In addition to its many other economic and social problems, hardly a year goes by when some part or other of Latin America is struck by a natural disaster. Another regional project therefore has as its objective the organization of national action programmes to deal with earthquakes, hurricanes and other natural calamities. This project, developed in 1974 in co-operation with the office of the United Nations for disaster relief operations and ECLA/ILPES, will attempt to standardize systems and procedures for relief of affected areas.

Report on integration movements

UNDP has long been committed to supporting movements for economic integration and cooperation in Latin America. At present, fifty per cent of all funds for regional projects are consigned directly or indirectly to integration activities. To evaluate the role of regional integration in a changing world economy, UNDP held a series of meetings in 1974 with the region's three major integration movements. In October, UNDP met with officials of the Caribbean Community (CARICOM) and its Secretariat and the Caribbean Development Bank (CDB). In November, representatives of UNDP and the Board of the Cartagena Agreement and the Andean Development Corporation (ADC) gathered in Lima, Peru.

And in December, a conference with the Secretariat of the Central American Integration Treaty (SIECA) and the Central American Bank for Economic Integration (CABEI) was convened in Guatemala.

These meetings evaluated UNDP's past technical co-operation and sought systematic ways to strengthen linkages between regional and country programmes and projects and between UNDP's efforts and those of other bi- and multilateral assistance Agencies. These programming exercises, carried out jointly by Resident Representatives, UNDP headquarters personnel and the principal integration Agencies themselves, may also be considered an important step toward implementing the "cluster" concept of field organization, since overall management and programme aspects of region-wide requirements were analyzed. The meetings reviewed in detail both ongoing and planned activities affecting the communities involved, analyzed problems of field co-ordination and initiated new efforts to strengthen an interchange of information and applied research among the different integration schemes to facilitate more effective decision making. The participants also worked with representatives of UNCTAD to review member countries' readiness to and capacities for participating effectively in integration measures.

The Central American subregion

The Central American Integration Treaty (SIECA) is the oldest existing integration effort in the Americas. UNDP has assisted SIECA and its various instruments for regional integration since the early 1950's. Initial projects helped the five member countries lay the groundwork for the establishment of a Common Market and form those regional mechanisms by which the Common Market could function effectively. In the 1960's factors both external and internal to the region contributed to a slowing down of the process and prompted attempts by the Governments concerned to revitalize the original integration concepts. The review of the present plans and needs of SIECA conducted with UNDP last December indicated that in the future UNDP technical assistance should focus less on legal and institutional arrangements among the participants and more on practical co-operation along multinational lines in the development of productive enterprises.

UNDP now expects to concentrate its efforts for the Central American regional integration movement along the following lines:

(a) accelerating the production of basic grains like corn, rice, beans and wheat so that the region may become self sufficient in the production of these grains by 1980;

(b) developing port and shipping facilities;

(c) developing energy resources within the framework of common regional and national policies;

(d) measures to improve the negotiating position of exporting countries with respect to basic commodities;

(e) overall and sectoral planning with the aim of harmonizing both national and regional efforts;

(f) other specific measures to assist Governments in restructuring the Central American Common Market into a genuine Central American community.

The Andean Group

The most important instrument by which the Andean integration process is being carried out is the Cartagena Agreement which Bolivia, Chile, Colombia, Ecuador and Peru signed in May 1969, and to which Venezuela committed itself in February 1973. The goals of this movement include: harmonization of economic and social development policies; joint programming of the subregional industrialization process; liberalization of trade; a common external tariff system vis-à-vis non-members; accelerated development of the agricultural sector, channelling of investment resources both within and outside the region; and fostering the region's physical integration through joint development of transportation and communication networks. In February 1968, the Andean Development Corporation was established to provide capital for regional investments and otherwise to contribute to the economic integration of the region.

UNDP's co-operation with the Board of the Cartagena Agreement and the Andean Development Corporation dates back to 1970. At that time UNDP helped lay the foundation for the effective implementation of the Agreement by financing economic studies and providing the technical support required to formulate the region's overall development strategy. Since then a major feature of UNDP's assistance has been its contribution to the formulation of one of the most novel instruments for balanced development established by the Andean Group—the sectoral programme of industrial development. Within the framework of two UNIDO-executed projects. UNDP has concentrated its resources in assisting the metal-working sector of the first industrial development programme for the region's engineering industry.

As the Board's work began to focus on other sectoral issues such as trade policy, tariffs and agricultural development, UNDP co-operated with projects in these fields. When Venezuela entered the group. UNDP supported efforts to align the development activities of the new member with those of the other members. During the subregional meeting held last November, members of the Board discussed the problems that face the movement because of its political scope and because of the need to find new forms of co-operation designed to provide increased momentum to the process. These could include efforts by two or more countries in technical co-operation as well as joint infrastructure projects. Other possible initiatives could include regional projects in the industrial, commercial and financial areas with non-member countries such as Mexico and Argentina.

These discussions pointed up what had been repeatedly stated before: that integration is not an end in itself but an instrument for the social and economic development of the member states. The compatibility between subregional objectives and the objectives of the participating countries themselves is the key foundation for any integration process, and should be reflected in development efforts at the country and regional levels. Beyond 1975, there will undoubtedly be a continuing need for assistance in the harmonization of economic and social policies, of joint industrial programming and of monetary and financial measures. It is also probable that the thrust of UNDP's assistance may well develop within the framework of the new forms of co-operation outlined above.

The Caribbean Community

As the youngest of the integration movements, CARICOM, founded in 1973, has the advantage of building on the experience already garnered by the Central American and Andean groups. In part to learn from that experience, the Secretariat of CARICOM requested technical assistance from UNDP in May 1974. The request was reviewed by the Resident Representative in the area, by officials of the World Bank and the Inter-American Development Bank (IDB) and by a programme committee from UNDP headquarters. Then at the Caribbean Basin subregional meeting in Georgetown, Guyana in October 1974, an initial programme of technical co-operation was worked out. The programme aims broadly at helping the Secretariat establish and expand its capabilities in all fields of responsibility, including effective interaction with the two other major integration schemes under way in Latin America. A major focus of the UNDP-supported effort will therefore involve a diminution of the relative isolation in which the different integration movements have heretofore operated and a greater sharing of experience among them.

A second focus of the programme applies to the socio-economic development of the region according to the priorities set down by the signatory Governments themselves. It is proposed that in the period 1975–1977, UNDP technical co-operation with CARICOM should concentrate on four of these priority areas: economic planning, human resources development, science and technology and institution building in support of the integration process. To increase CARICOM's planning capacity an integrated series of projects has been proposed to collect, analyze and store regional statistics, as well as to enforce a greater degree of uniformity in the concepts and methods employed in their collection and presentation. Allied projects in this series include assistance in the formulation of the region's Long-Term Perspective Plan; sectoral studies with particular emphasis on regional transport; and feasibility studies for joint agricultural and natural resources ventures in the region.

In terms of human resources development, first priority will be given to projects in education and employment, with projects in health, social security and the status of women also assisted. The most urgent need is for a systematic survey of the region's humanpower needs and resources. Once these have been mapped out, reform of educational systems can go forward on a logical basis. Initially, at least, educational efforts will concentrate on the establishment of a Caribbean publishing house to develop textbooks, materials and educational aids relevant to the social and cultural milieu of the Caribbean Community, as well as on teacher training and curriculum development, within the same context.

The sub-programme in science and technology will stress training programmes designed to overcome the inherent weakness of CARICOM members in their dealings with the many multinational corporations doing business within their territories. Knowledgeable expertise in this area—not in the employ of multinational corporations—is scarce, particularly in the field of negotiations. Initially, UNDP wil support a seminar for those in need of training and others who have acquired some operational experience. Later the services of consultants versed in foreign investments, taxation and related matters will be brought in. In addition, UNDP will sponsor projects promoting labour-intensive industrial technology, agricultural research aimed at local and regional—as opposed to export—markets, and an allied programme of regional agricultural expansion.

Two projects have already been approved in the task of institution building for integration efforts. One trains CARICOM Secretariat staff in language and conference services, drawing in part on the experience of other integration Secretariats. The other seeks to help transform mass media communication in the region into a more effective instrument for integration. A centre for development studies and support for a regional investment corporation serving the needs of small-scale industries are other proposed activities.

On the whole, it can be said that UNDP's experience in support of Latin American integration movements indicates that the success of such efforts depends far more on the political will and commitment of the countries involved than on the transfer of the technology which supports them. Projects promoting practical co-operation in production and service industries also tend to be more effective in the promotion of integration goals than any concentration on legal or institutional arrangements. Since such movements tend to have a momentum of their own, however, any assistance which smooths their forward progress is important. In short, "development" and "integration" tend to be interdependent.

Recent experience with integration movements also points up the importance of promoting integration not only on a regional basis but in terms of specific country programmes as well. Just as past regional projects supported by UNDP helped build a foundation for present integration projects, so country projects can strengthen a nation's ability to co-operate with others in a mutual endeavour whose benefits are vitally important to the people of Latin America as a whole.

Finally, it is apparent that UNDP's participation in the pioneering integration efforts under way in Latin America demands a far wider range of intellectual and technical inputs than most development efforts. At the same time, however, such efforts are frequently the source of new ideas, innovations and trends in development assistance generally. If integration projects are subject to sudden setbacks because of circumstances beyond their control, therefore, they nonetheless, when successful, constitute giant strides toward the ultimate goal of all development assistance efforts: a better life—and awareness of its opportunities—for the people involved.

GLOBAL AND INTERREGIONAL PROJECTS

During 1974, the major thrust of UNDP's global and interregional programming remained focused on two particularly critical areas—food and trade. Against the background of a worsening world food situation, a number of steps were under way to boost agricultural output. Studies and experiments aimed at improving basic food crop strains were intensified in collaboration with the Consulative Group on International Agricultural Research (CGIAR). Fisheries survey and development activities were significantly expanded, as were investigation and training in the fields of pest control and rural drinking-water supplies and sanitation. A special project was started to assist the 25 least developed countries in planning and administering public works programmes.

At the same time, trade projects came to absorb 25 per cent of all UNDP resources devoted to interregional activities, with emphasis on export promotion and the training of development country officials in the opportunities offered by various trade preference schemes now in effect.

With respect to non-food commodities, initial steps were taken toward a programme of development for pulp and paper production, while consultations continued toward the definition of an international research and development programme for cotton. Other important features of 1974 included a continuation of the 1973 trend toward larger-scale projects and longer-range programming; the placing of most training programmes on a multi-year basis; and a decline in the number of seminar-type projects and of projects consisting of an individual interrogational adviser, although the latter reduction was more than compensated for by an expansion of advisory assistance at the regional level.

Research in Agriculture

Two new global research projects of special importance were formulated in 1974. One, the International Rice Testing Programme, was to be carried out at the International Rice Research Institute (IRRI) in Los Banos, Philippines. This project is designed to evaluate strains of rice developed over the past decade-and-a-half by IRRI and to identify those best adapted genetically to overcome the most pressing constraints on rice production in the developing countries. The Institute has already announced the release of three new rice strains which have high disease and insect resistant qualities and require a shorter growing period—thus providing a potential for increasing rice production substantially.

The second project—The African Co-operative Programme for the Improvement of Sorghums and Millets—is to be conducted by the International Crops Research Institute for the Semi-Arid Tropics (ICRISAT), located in Hyderabad, India. Sorghums and millets play a vital role in the nutrition of large numbers of people in Africa. This project, which was initiated under the auspices of the Consultative Group on International Agricultural Research (CGIAR), will concentrate on four countries in the Sahelian belt. The objective is to strengthen existing West African agricultural research efforts aimed at developing varieties of sorghum and millet that will give consistent and dependable yields, make maximum use of the area's unreliable rainfall and be resistant to damage from disease and other factors.

The programme is a co-operative effort in the fullest sense. Participating research stations in Senegal, Upper Volta, Niger and Nigeria will be managed and operated by the Governments concerned, with important inputs provided by ICRISAT in the form of scientific personnel, equipment and services. The training of African scientists and technicians will figure prominently in the work financed by UNDP. In the case of Upper

Volta, UNDP is also providing a modest sum towards a laboratory building. Meanwhile, ICRISAT will undertake additional work on sorghums and millets in other African countries, with financing from sources within the CGIAR.

Measures continued to be taken, during 1974, to disseminate information on new agricultural technologies and the opportunities they offer. Among them was the organization, jointly with FAO, of a workshop in Colombia in which representatives of national research institutes throughout Latin America participated together with representatives of international research centres and Senior Agricultural Advisers serving UNDP Field Offices in the region. This exercise, hopefully the first in a series, opened new channels for closer collaboration between national and international agricultural research efforts.

To further promote the exchange of information on agricultural production and spread the benefits of accomplished research, UNDP is supporting a number of other international conferences. Most significantly, it will help to fund a major wheat symposium to be held, by invitation of the Government of the Union of Soviet Socialist Republics, at the Vavilov Institute in Leningrad during July 1975. Over the near term, additional activities of a similar character will be developed so that the momentum achieved thus far can be maintained.

Together with the World Bank and FAO, UNDP financed the publication, in 1974, of a booklet describing the work of the eight international agricultural research centres sponsored by the CGIAR and detailing ways in which research at these centres can be applied directly to developing country needs. This booklet, aimed at middle-level Government personnel and others engaged in the task of increasing agricultural output, gained wide distribution in four languages throughout the developing world.

During the year, the global research project on Social and Economic Implications of Large-Scale Introduction of New Varieties of Food Grains was also completed. The main findings of this study are contained in a summary of its main conclusions which has been circulated widely. The full report, together with several regional and country studies, will be available in mid-1975. The project was executed by the United Nations through its Research Institute for Social Development (UNRISD). It analyzed initial problems which have slowed and limited the spread of the so-called Green Revolution and identified policy alternatives available to Governments in dealing with these problems. As such, the project provides an essential complement to the technical agricultural research activities that are receiving extensive support under UNDP's Global Research Programme. Execution of the study involved numerous subcontractual arrangements with research institutions in developing countries as well as with individual experts. This fact, coupled with the inherent complexity of the research involved, posed unusually difficult tasks of organization and management, which caused considerable delay in completion of the study. However, the subject is now more timely than ever, and the experiences and policy options presented in the report undoubtedly merit careful study by Governments in their urgent efforts to raise food production.

Fisheries development

Support for oceanic fisheries development expanded significantly in 1974. A major new activity approved during the period was the Interregional Project for Development of Fisheries in the Eastern Central Atlantic, for which UNDP assistance in the amount of some $3 million was authorized. This five-year project, in which seventeen coastal countries are participating, is also receiving bilateral support expected to total approximately $4.5 million. Additional UNDP assistance of $1.7 million was also authorized in 1974 to the on-going Indian Ocean Programme. This money will be used to finance a major survey of fish resources in the waters off the coast of East Africa. The study, which is to be carried out on subcontract to the USSR, will cover the area from Somalia to Mozambique, including Madagascar and Mauritius. Other activities in the Indian Ocean Programme have been proceeding largely on schedule. An important event of 1974 was the commissioning of a newly built research vessel made available by the Government of Norway at a cost of approximately $3 million, enabling the start of the North Arabian sea resources survey.

Planning was also begun on a large-scale effort to develop fishing potentials in the Western Central Atlantic. A proposal, formulated by FAO and circulated to Governments, had received 17 favourable endorsements at the end of the year. Preparatory activities, now under way, are expected to lead to a full-scale project early in 1976. Discussions have also been initiated with several interested Governments for the survey and development of fisheries in the largely unexplored southern oceans—specifically the waters that lie between Indonesia, Australia and Latin America on the one hand, and the Antarctic Circle on the other. Such surveys are vital to the quest for additional world supplies of food and protein, and for the rational management of known fisheries so that the oceans' resources will not be over-harvested.

Inland fisheries can also make a major contribution to meeting world requirements for high protein. Moreover, their use is far easier to control for maximum productivity without depletion than is the case with marine fisheries. UNDP and FAO will therefore be launching an Interregional Aquaculture Development and Co-ordination Programme in 1975. The goal is to raise production in fish husbandry from the present annual level of 5 million tons to 50 million tons by the end of the century. The first phase of this Programme will involve the organization of workshops in Asia, Africa and Latin America, with the following objectives: to increase awareness among policy-planners and fisheries development officers of the potentials of aquaculture in a balanced agricultural programme; to impart training in the technical and administrative aspects of aquaculture development; and to identify technical assistance needs in this field. The workshops will also be preparatory to a World Conference on Aquaculture which FAO is proposing for 1976.

These activities, together with the numerous regional and country projects currently assisted by UNDP around the world, represent additional links in an evolving netwrok of fishery development activities which is gradually assuming the proportions of a truly global programme and a significant sectoral component of UNDP assistance generally. As a follow-up to the recommendation of the World Food Conference that assistance in this sector be expanded, UNDP intends to place growing emphasis on fisheries development, and particularly on global and interregional fisheries programmes. In this connexion. UNDP intends to appoint an Interregional Fisheries Adviser, who will be responsible for helping to ensure that future activities are managed in a well-planned and integrated manner, and within a common policy framework.

Rural water and sanitation

During 1974, UNDP played a leading role in the formation on an Ad Hoc Working Group on Rural Potable Water Supply and Sanitation. The members comprise—in addition to UNDP—World Health Organization (WHO), United Nations Children's Fund (UNICEF), the World Bank, United Nations Environment Programme (UNEP), OECD and IDRC (Canada). The Group is investigating the feasibility of a concerted international effort to speed up the rate at which rural water supply and sanitation services are now becoming available in developing countries. This aspect of rural development is arousing increasing concern because—while substantial progress has been made in satisfying urban needs—WHO nonetheless estimates that as of 1970 only 12 per cent of the rural populations in developing countries had access to reasonably adequate water supplies. Moreover, at the current rate of progress, the number of rural inhabitants without adequate supplies would be larger in 1980 than at present.

Activities of the Working Group during 1974 included the organization of a panel of technical experts drawn from developing and developed countries to examine existing constraints on progress in this sector and to outline priorities for international action. A team of consultants also visited selected countries in Asia, Africa and Latin America to advise on the institutional requirements of an expanded international programme. The reports of both groups became available at the end of 1974 and are serving as a basis for deciding whether progress to date justifies convening a meeting of potential donor organizations to consider support for an urgent and expanded assistance programme.

Expanding trade

Activities in the field of trade development, including export promotion, continued to receive heavy emphasis in the 1974 interregional programme. The interregional project titled Advisory Services for Multilateral Trade Negotiations gained an extra dimension through the coordination of its work programme with related projects being executed at the regional level. The co-ordinating mechanisms developed may well serve as a model for similar regional-interregional projects in the future—particularly when both Specialized Agencies and Regional Commissions are involved in execution. A project providing training and advisory services in connexion with the generalized system of preferences has also registered considerable success. This project, begun in 1972 and executed by UNCTAD, informs and counsels developing-country industrialists and trade, customs and export promotion officials on the nature and operation of the several preferential tariff schemes introduced by developed countries since 1968.

For the first round of interregional seminars in 1972, project personnel put together, in useful handbook form, a substantial body of digested data on the several preference schemes. During 1973–74 a second round of group training activities was organized regionally. Members of the project team—which has been strengthened through the secondment of experts by the preference-giving countries—also went out on advisory missions to 30 nations. In 1974, the project work plan was revised, and increased emphasis was given to these missions, which have provided detailed and relevant information to a large number and wide range of people in both the public and private sectors of the developing countries involved.

Almost three hundred participants have attended the various intercountry seminars; many times that number have taken part in country programmes organized during the team's advisory visits. As a result, new or enhanced export opportunities have been identified and key developing country personnel have obtained a better knowledge of the potentials and the limits of the special preference schemes introduced to date. Other trade projects under way include one which provides fellowships for attendance at the two annual GATT courses on commercial policy; others support advisory services on shipping and ports, trade development and economic integration and the facilitation of trade documentation.

New training activities

A major FAO-executed, three-year interregional project for training in crop pest control began in 1974 in the desert locust zone, which stretches from India to Senegal and from Turkey to Tanzania. The project is funded largely by the countries involved, whose contributions to desert locust trust funds are being drawn upon to finance the cost of trainee participation. UNDP's input covers expert and equipment costs. The project will draw on the techniques, experience and institutions developed in the successful desert locust control programmes supported by FAO and UNDP in the 1960's, in order to broaden and deepen the crop pest control capacities of more than 30 countries. A small expert team, backed by extensive use of consultant lecturers, is conducting subregional courses in English, French and Arabic. There are also specialized courses for pilots and radio operators, as well as study tours and individual fellowships.

A number of problems emerged during initial project operations. They stem chiefly from the difficulty, for a small expert team, of organizing an interregional training programme of such geographic scope, linguistic diversity, and technical complexity. By comparison with previous desert locust control training, the subject matter is much broader, and the needs and levels of the trainee population are far more diverse and less well defined. Remedial action to eliminate such difficulties will involve: drawing upon the support which can be provided by subregional or regional training institutions; identification and analysis of trainee populations at the country level; co-ordination with crop pest control training, again at the country level; and design of training content and materials in the light of trainee requirements.

Other major training projects initiated at the interregional and global levels in 1974 include a fellowship programme for training at the Beirut Civil Aviation Safety Centre and an International Telecommunications Union (ITU) seminar on vocational training in telecommunications. Programming of new activities included several training projects which will be implemented in 1975 or 1976, relating to trade development between developing countries and the centrally planned economies of Eastern Europe, export promotion, shipping management, and curriculum development for telecommunications.

SMALL BUSINESS—THE MADDENING STRUGGLE TO SURVIVE

Mr. BROCK. Mr. President, the small businessman has constantly been abused and intimidated by Government regulations, burdensome paperwork, and improper taxation. In the area of capital formation and recovery, there exists another dilemma. Small businesses are squeezed by tight money, spiraling costs, and depressed equity markets.

The small business community should be the concern of every Congressman. They are essential to the maintenance and continuation of our free enterprise system.

It is with this concern in mind that I ask unanimous consent that this timely article, which appeared in Business Week of June 30, 1975, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SMALL BUSINESS—THE MADDENING STRUGGLE TO SURVIVE; SMALL COMPANIES ARE SQUEEZED BY TIGHT MONEY, RISING COSTS, AND DEPRESSED MARKETS

"I would be nuts to go through this another season," sighs Ben Blanc, president of Calliope, Inc., a Philadelphia manufacturer of children's wear. In the past year his volume has shrunk from $250,000 to $150,000, his material costs have increased 25%, and his labor costs have risen 20%. But pinched by heavy inventories ("I overbought last year when I thought prices were right") and the drop in sales, he has been able to raise his prices only 15%. Blanc complains that only his bigger competitors can survive these days.

"Take Oshkosh B'Gosh, Inc. They can make something that sells for $3.75," he says. 'Hell, I can't even start to make it for that." Another big problem is accounts receivable. More than 25% of last year's sales are on collection, a situation Blanc calls "deadly." Says he: "The collection agencies charge you 20% to collect, but my margin is only 16%, so I'm losing money collecting money." Blanc, who has been in business 15 years, concludes: "If we have another bad season, I will shutter down."

Blanc's lament is repeated by small businessmen in virtually every industry in every part of the country. "The small businessman these days is like the guy in Las Vegas who prays, 'Please, God, let me break even. I need the money,' " says Oliver O. Ward, head of the Smaller Business Assn. of New England. "Things are tough now, and it looks like they will be tough for a long time coming."

THE TRIBULATIONS OF SMALLNESS

After months of devastating inflation and recession, many of the nation's smaller entrepreneurs are fighting for survival. Squeezed by tight money, rising costs, depressed markets, and uncertain supply sources, they find it tougher to cope with economic adversity than larger, more financially robust competitors. Their problems are compounded by growing government intervention. New occupational safety rules, environmental restrictions, product safety regulations, and increased minimum wages pose costly challenges that are more difficult for the small businessman. Just as significant, the harsh economic climate has created unprecedented barriers for new entrepreneurs eager to enter the marketplace.

These tribulations are vividly pointed up in the steady rise in bankruptcies and the decline in new business incorporations. Dun & Bradstreet's statistics on commercial and industrial failures, which essentially cover small businesses, last year reached a three-year high in numbers—9,915—and a record high in total dollar liabilities. Last March the rate was the highest for any month in eight years.

Dollar liabilities topped $3-billion for the first time in 1974, and included an unprecedented 427 bankruptcies in the million-dollar category. Increasingly affected are larger businesses, not just store-front "mom-and-pop" operations. Especially hard hit are retailers of general merchandise, building contractors, home furnishings retailers, and building materials dealers. Failures are also up in textile and apparel manufacturing and among transportation equipment producers. New business incorporations slumped to 319,149 last year from a record 329,358 in 1973. Early in 1975 the number dropped to the lowest level in four years.

To be sure, economic calamity is not universal among small businessmen. Many continue to thrive, and some even see strategic advantages in their size during a recession. "We can be more flexible, can move more quickly, and concentrate on smaller segments of markets," notes David Bigelow, president of R. C. Bigelow Co., a Norwalk (Conn.)-based specialty foods outfit that grosses about $10-million.

Bigelow's most successful product is a spiced tea, Constant Comment. General Foods had a competitive brand that was abandoned. Now Bigelow is battling GF again in spiced- and fruit-flavored instant coffees. This time, Bigelow concedes, General Foods has "flattened us out a bit."

Nevertheless, Bigelow is bullish about the future of small business. "I feel the large corporations are failing in this country, leaving opportunities for small speciality companies," he says. "Big manufacturers are making such bad products. The big, discount-type retail operators run stores where no one gives a damn about the customer. So there are opportunities for small businessmen. But it takes a strong individual to handle them."

HOW SMALL IS SMALL?

Getting an exact fix on the life and times of small business is complicated by the question of definition. The official definition—employed by the Small Business Administration (page 100) on loans—ranges all over the lot. In manufacturing, it is based on numbers of employees and the industry. Apparel and textile companies are regarded as "small" if they have no more than 250 employees. For producers of aircraft and ammunition, the number is 1,500. In the service industries, the criterion is dollar volume: a maximum of $5-million for department stores, groceries, and auto dealers, and $1-million for most other retailers; $5-million for general contractors; and $5-million for most wholesalers. To reflect inflation, SBA is now revising the sales figures upward by as much as 90%.

The problems of size, however, are not limited to companies that fit neatly into the government's "small business" pigeonholes. Scores of companies with sales running into nine figures—"second-tier" corporations in industries dominated by billion-dollar giants—suffer the same kinds of disadvantages in a recession (page 99). Their difficulties in raising capital, lining up stable supply sources, and remaining competitively strong are likely to result in growing concentration of market shares among the giant companies.

The cost and availability of capital head the list of small business problems. Financing a small business is like a line from Gilbert & Sullivan, quips Oliver Ward. "The small businessman tries his sisters and his cousins and his aunts." Raising money to launch or expand a small enterprise is never easy. But business conditions, the collapse of the new equity market, and a possible nationwide capital drought have made it tougher than ever.

"Small businessmen aren't thinking in terms of growth," asserts Timothy Hay, president of First Small Business Investment of California. "They're thinking in terms of survival—getting their houses in order rather than increasing their commitments."

James M. McCarl, president of Perfection Furniture Co. of Claremont, N.C., who now performs janitorial chores in his own plant to cut overhead costs, says that "December and January were the two worst months I have seen in my 20 years in the furniture business. If you look at our balance sheet and P&L statement, if it didn't curl your hair, it would turn white." He now operates his plant only four days a week, and with other executives, helps clean up on Fridays.

But things are looking up, says McCarl, with the entrepreneur's incurable optimism. "Business has gone from horrible to terrible." Long range, he believes, 'the things we are trying to do will eventually turn this company around unless the economy just stays sour." For example, he is offering customers three weeks delivery on his medium-priced, special-order upholstered furniture. "A competitor asked me how I could do it, and I told him it wasn't hard at all with a two-week backlog," he says. "The slump taught me to take every adversity, and try to turn it into an opportunity."

McCarl's bankers helped with a loan extension, but other small businessmen paint a different picture of bank largesse. "The banks don't cooperate as they do with big firms," complains Edwin H. Stern, who operates a suburban Atlanta gift shop. "We pay higher interest rates, and credit is not as easily available."

Financial problems are by no means limited to gift shops, however. Sierracin Corp. of Sylmar, Calif., a $23-million producer of coatings, heating devices, and other highly specialized products, is sandwiched "between billion-dollar customers and billion-dollar vendors," says its president, John P. Endicott. "Many of our vendors will not give us fixed prices for any length of time, and some are strictly on price at time of delivery. At the other end, we have to give our customers firm commitments for much longer than our vendors are willing to give us."

Partly because of his track record with two other ventures, Endicott has been in the enviable position of having a good line of credit and not needing to tap it. Part of his success is sticking to product lines requiring narrow, intense skills, says Endicott, who proves the theory that entrepreneurs succeed less with pure invention than with perseverance.

THE SEARCH FOR FINANCING

Still another headache for small business is its inability to increase prices. Says Richard M. Bailey, an economist at the University of California at Berkeley: "Volume is more steady" for small than for large manufacturers, but "small business may have problems raising prices in inflationary times because it's closer to the consumer, and too substantial price rises might cut them out."

Premix, Inc., of North Kingsville, Ohio, is a case in point. President George H. Kaull started his reinforced plastics business with two partners on borrowed capital of $22,400. Fifteen years later, he does $20-million in sales and declares that "inflation and recession have played hell with us."

Kaull says polyester resin soared from 18¢ per lb. to 48¢ in one year, and some raw ingredients for his plastics went up 500%. "But the small supplier has a particularly difficult time passing inflationary costs on to his big customers," says Kaull. "A little guy making knobs for windshield wipers doesn't really know how to go to Ford and tell them that prices are going to have to go up 12%. When Ford says absolutely no, the little guy often can't tell them to take their business elsewhere. He's caught in a tighter bind than a large corporation."

Kaull is equally bitter about increased government regulation. "OSHA [Occupational Safety & Health Administration] will probably destroy more businesses than lack of financing will," he says. "When OSHA regulations slipped through Congress, there was no coherent body that scrutinized what the effects could be. OSHA is the glaring example of how uncoordinated our government activity can be, and how punitive they can be on small business in a very unintentional manner. If OSHA had passed 10 years earlier, our company wouldn't exist."

Nicholas G. Polydoris, president of ENM Corp., a Chicago manufacturer of electrical counters, says his company has swallowed $100,000 in inventory on occasion when a big customer asked him to take it back. "We could sue, but the customer will remember you down the pike," says Polydoris, who in the meantime has to pacify his own banker's complaints about ENM's high inventories.

"You don't run the business on profit, you run on survival," says Polydoris, who last year netted $375,000 on sales of $7.5-million. Sales are off 15% from last year, and ENM has reduced employment mostly by laying off part-time workers.

Flexibility and tenacity are key ingredients in any small company's success. "The average small businessman has no investments outside of his own business, doesn't read business journals, doesn't understand the economy, and tends to guess wrong," says Henry Warren, head of SBA's management services section. Warren adds, however, that "one of the interesting things about small business is that it is very adaptable."

A classic example is Certron Corp., an Anaheim (Calif.) producer of blank cassette cartridges and precision computer parts. "There was simply no financing available for us," says Edwin R. Gamson, Certron's president, about a $600,000 operating loss reported last year when the oil crisis sent plastics prices soaring. "We stayed alive by trimming operations and keeping on a positive cash basis. The banks have been extremely cooperative with us, except in giving us money."

After its big suppliers, Du Pont and Monsanto, could not fill company orders during the shortage, Certron had to turn elsewhere for 50% of its materials. "Black market was out of the question," Gamson says. "Their prices were out of sight." So Gamson turned to the major airlines, purchasing their used plastic dishes, eating utensils, and cocktail glasses. "With help from the health department we learned to clean them, grind them up, and use them over again," he explains. "We also bought used Kodak Instamatic film cartridges from film processors."

Certron had been selling cassette cartridges to Ford Motor Co. in several different colors, but adding the new materials gave the batches a muddy color. Undaunted, Gamson added black to disguise the polyglot antecedents. "And we convinced Ford they would have any color they wanted as long as it was black," he says with a grin.

Byron L. Godbersen, president of Midwest Industries, Inc., of Ida Grove, Iowa, a manufacturer of farm and marine equipment, solves his financial problems by dealing solely with a factoring firm. Midwest's sales have grown from $600,000 in 1964 to $15.5 million last year, on which it netted more than 6%. To compete with the giants in its field, which offer promotions in the fall on spring items at reduced terms, Midwest sells its invoices to William Iselin & Co., of New York, for ready cash, permitting it to offer customers the same financial terms as its competition.

Other companies, such as Houston-based Big State Pest Control, report that business is still booming, but profits are not sufficient to provide for future expansion. "This company could be two to three times this size if we could get an attractive long-term loan," complains William J. Spitz, who launched the company 25 years ago with a $400 loan. "But we're not big enough to go to insurance companies and other long-term lenders."

Kaull of Premix is even more critical. "Discrimination is practiced in small business financing by financial institutions," he asserts. "It's called 'sound banking practice.'" Loans are smaller, terms shorter, and interest rates higher. A 16% to 18% interest rate on short-term loans was not unusual last year. "Small businesses normally can't withstand that type of interest expense when they invest in new equipment," Kaull complains. "They can't get the return on it to justify that interest. Either they can't grow or they don't survive."

WHY BANKS ARE RELUCTANT

For their part, most bankers insist that their basic lending policies are the same for all businesses regardless of size: They make loans only on the reasonable assurance that they are going to be paid back. But small businesses, which almost inevitably are woefully undercapitalized, do have a harder time than their bigger corporate brethren in convincing banks that they can repay.

For one thing, says Leonard O'Connor at the First National Bank of Boston, most small-business borrowing is term business ranging from 12 months to as long as 10 years, compared with the more common 90-day loans to larger corporations. And that, he explains, makes the small-business loan more risky at the outset. "We look at the cash flow of a small business to see if it will support monthly loan payments," says O'Connor. "In making a loan to a major corporation, we look at the balance sheet and assets and liabilities." In addition, his bank also probes for secondary sources of repayment that the small businessman might have—property, equipment, and even the personal assets of the owners.

Even so, many banks—especially those serving more limited local communities—actively cultivate small-business financing. Such business actually may be more profitable; sharp-pencil treasurers of large corporation can shop around for cut-rate banking deals. But as Luther L. Hodges, Jr., chairman of North Carolina National Bank, explains, the small firm often "has no other credit source" than his local bank.

Kenneth R. Keck, head of Chicago's Harris Trust & Savings Bank's small-business section, claims that "the banking community has become much more interested in small business in the past few years. People who thought that companies like the Penn Central were safe because they were big found out otherwise, and some banks also were badly burned on foreign commitments. Small businesses, other than the mom-and-pop ones, which are basically inefficient, are more stable because they don't have access to other money markets as do big ones."

Government loans are sometimes available, but a problem is that they make it easy for small businesses to fail by building in onerous debt loads, contends Brian Haslett, director of development for the Institute of New Enterprise Development (INED), a private consulting organization funded by both the government and foundations. To help remedy that situation, INED, which is based in Belmont, Mass., has launched a series of screening workshops from Appalachia to Salt Lake City to uncover promising new ventures. Those with the potential to become million-dollar enterprises within two years are recommended to local community development corporations, which can supply badly needed equity capital.

Traditionally, private venture capital companies have been the vehicle for raising seed money for new businesses. But tight money and the current economic slump have drastically shifted their method of operation. Venture capitalists take positions in fledgling companies, nurturing them until the enterprise can be taken public. But while $1.4-billion was raised for companies with less than $5-million sales in the equity markets during 1969 at the peak of the "hot issue" craze, such public financing now has dried up.

Undaunted by the scarcity of money, L. L. Durr, an Indianapolis engineer who has successfully run his own businesses before, started Interdyne, Inc., which designs and produces purification and recycling systems, in early 1974, with four partners and $100,000 equity. "I prefer a tough economic period to start a business," says Durr. "It eliminates the blue-suede-shoe boys, and customers are convinced you probably will last. The major reason most new firms fail is that management doesn't understand its *true* costs. They see a manufacturing cost of $10 per product, overhead of $5, add 10%, and think they are making money. But you must take the manufacturing cost and multiply it by six. You have to take all you can get, all the market will bear."

SURVIVAL PLOYS

He also cautions entrepreneurs to put up as little as possible of their own money. "You never spend it as wisely as someone else's" says Durr, who in addition to each partner's $25,000 equity, sold $150,000 convertible debentures, borrowed $50,000 from the SBA, and arranged a credit line of $250,000. "Starting a new business these days is no game for amateurs," says Durr, who concedes that his object is capital gains. "We're ready for sale, and have talked to a big technology company, although I'd prefer to go public in a couple of years."

While men such as Durr charge ahead, businesses in fields like construction and retailing are barely hanging on. About 85% of the firms in construction are classed as small, and Frank E. Carroll, president of Deck Industries, in Rolling Meadows, a Chicago suburb, admits, "I'm just not generating any new business." An MIT alumnus who grosses $5-million annually in roofing, Carrole has watched his receivables drop from $1.1-million on Jan. 1 to less than $500,000 on Apr. 30. "It's pretty sad," says Carroll. "I'll probably survive because I've been able to build up a bit of momentum. But those new projects just are not coming in, and my backlog is disappearing." Unless things change quickly, says Carroll, "most small contractors are going to go under. They don't have a backlog, and they don't have the financial resources to stay afloat."

Many retailers face an equally gloomy and frightening future. "There is no question that the small retailer is taking the brunt of the recession," says Barbara Cole, director of New York University's Institute of Retail Management. "The industry today is dominated by large conglomerates that have the resources to ride out the bad times, but the small merchant just doesn't have the same access to capital funds, research, or the management needed to pull him through."

Merrill Douglass, an assistant professor at Emory University's Business School, says: "A typical cycle for a lot of retailers who are only marginally profitable to begin with and have very limited credit of their own is this: Profits disappear and then they got no credit. Inventory starts to decrease, they lack the merchandise they need to sell, and the cycle is downward."

COMING UP FIGHTING

Hard times notwithstanding, most small businessmen stubbornly cling to their way of life. "I'm just as much a businessman as the president of Lockheed or AT&T," says Carl I. Marias, a carpet dealer in West Los Angeles. "We've carved out a niche where price is only a secondary consideration to service and quality." Marias, whose company had sales of $700,000 last year, complains that government paperwork takes up 25% of his firm's time, but says: "I like being a little businessman. We can watch every dime a lot better than the big guys."

Robert G. Cheeseboro, a black engineer, is equally enthusiastic, despite seemingly unbeatable odds. His company makes phonograph record players for use in cars and other moving vehicles, and is located only blocks from the scene of the Watts race riots of 1965, the year before he went into business. Cheeseboro never has turned a profit and he now is suing his bank for breach of contract over a loan he failed to get. Yet, Cheeseboro says, "after Watergate and the recession, it seems that the little guy, no matter how beleaguered, is the only one who isn't jaded. We feel as if we are all that's left of creativity and dogged determination. Up until now, we were always the ones who didn't know what we were doing. Now, we can look out at the giants—the same examples we were supposed to admire—and see them with massive problems. The recession has killed the mystique of big business for the small businessman."

Cheeseboro's exuberance is not shared by Jack Meister, who started his own company, Integrated Electronics Corp. of Rockaway, N.J., in 1961, and built it into a highly profitable manufacturer of electrical parts for the auto industry. With Detroit in a slump, Meister's volume is down sharply. Still, he says, "the recession is a blessing in disguise because it makes you clinically analyze your methods. With stringent economies, we have been able to drop our break-even point from $65,000 billing a week to $35,000."

He did this in one week—laying off 25 of his 175 employees, cutting his own salary, and canceling purchase orders. "Our major problem," he says, "has been conserving working capital. And this has been difficult because as the economy changed, we were getting into inventory excesses. In the past, we would carry liberal inventories to meet customer needs. We could afford to carry surpluses. Now we play it close to the vest because of cutbacks in orders. We have to roll with the punches real quick to stay alive."

Now in his late 40s, Meister, an engineer who holds several patents, has become disillusioned despite his success. He wants to go public or sell out. "The rewards are not as great as I anticipated," he complains. "Running your own business takes too much out of you. The difference in the rewards for being in my own business as against working in my own profession has become too small in terms of the personal input that is necessary. It's becoming increasingly rough to be a success in small business. But the country will lose a lot if we lose this entrepreneurship, which big business can't always match."

But the entrepreneurial spirit continues to flourish even while the small business community struggles to survive. Karl H. Vesper, a University of Washington business professor, notes that "the last four years have seen a rapid upswing by the business schools. The demand is by students who want to do their own thing." Prior to 1969, according to a survey made by Vesper, only eight of 631 business schools offered courses on starting new businesses; last year there were 59 and 12 more have plans to begin such courses.

Charles W. Hofer, an assistant professor at Northwestern University, thinks the interest of students in small business is consistent with their search for identity and doubts about institutional bigness. "The typical entrepreneur is acting out what he likes to do," says Hofer. "It's part of the new life style that MBAs are definitely more interested in starting their own businesses."

Concludes Vesper: "Students are continually telling me they didn't realize they could start their own company. This is especially surprising to the revolutionaries who thought the only way they could have an enterprise was to take it away from someone else."

A BOX SCORE ON THE CONTROVERSIAL SBA

It is the official national policy that small business deserves a thumb on the scale to help balance the greater financial muscle and managerial sophistication of the big corporations. But with just over 4,000 employees, a fiscal 1976 budget of $119-million, and a rather hazily defined constituency, the Small Business Administration, which is charged with carrying out that policy, has little hope of being an aid to more than a handful of the close to 10-million small businesses in the country. It generally gets good marks for what it does, but a lot of heated criticism for not doing a lot of other things.

The SBA is generally thought of as a lending agency. Most of its loans, however, now come from private lenders with SBA guarantees of repayment. In a typical year SBA borrowers range from such small but established companies as Replogle Globes, Inc. of Chicago (which got $650,000) and Intermountain Rubber Industries, of Commerce City, Colo. ($580,000), down to "mom-and-pop" establishments that needed only $1,000: Zapata's Tamale & Burrito Co. in Denver and Shirley's House of Beauty in St. Louis. The loans are supposed to be only for ventures that cannot raise the money, and are riskier than normal bank deals.

SBA-guaranteed loans are not cheap. The current interest ceiling is 10.25%, and the big urban banks tend to charge that. In contrast, the interest rate on direct loans—a rate set by Congress—is a bargain 6.75%. But that money is hard to come by. The SBA saves it for the very riskiest ventures—most often minority-owned businesses—or very special cases where a bank just will not come through, even with a guarantee. The Small Business Committees in Congress constantly lean on the SBA to make more direct loans. But the agency prefers the guarantees because they lessen the fiscal impact of government spending and reduce the subsidy element—a reduction that the agency brass thinks makes the program more politically palatable.

The agency is also criticized for making the wrong kinds of loans. Karl H. Vesper, a University of Washington business professor, for instance, argues that SBA's loans should be oriented more toward fostering high-technology enterprise than toward maintaining small, struggling service establishments. "The government uses its money to immortalize dinosaurs such as Lockheed and Penn Central rather than help a small business that could eventually replace them " he says.

Red tape

Businesses complain about delays in getting SBA O.K.s on their applications. The average processing time is 29 days, even though local offices have authority to act on most loans. Deputy Administrator Louis F. Laun concedes that "our processing has fallen further behind than we thought it had," attributing some of the delays to overcaution in the wake of revelations that some local offices had been making a string of unlawful loans.

The agency's mandate, however, reaches well beyond financing, and its officials are putting increasing emphasis on helping small businesses to improve their managerial techniques and pressuring to get them a fair shake from government. All new loan applications, for instance, are now reviewed by local SBA management experts as well as by financial specialists. The deal is often contingent on the borrower's taking some management training—a proviso that has drawn a lot of flak from black borrowers, who have called such demand racist.

The SBA has recruited thousands of retired executive volunteers and college business students to provide counseling for small entrepreneurs. The agency is now conducting "austerity management" seminars in 80 cities. "Small business is hurt in a recession because it is generally operating with less liquidity," explains Henry Warren, head of the agency's management services. "Where he is hurt, he is hurt very rapidly." The entrepreneurs are given tips on how to drum up new business and how to slice expenses (examples: call suppliers collect, lay off marginal employees, demand rent reductions).

ITS charter

The SBA was created in 1953 as an outgrowth of a Korean war program that earmarked certain military supply contracts for small plants. And it is still a major aim of the organization to counter the facts that, as Administrator Thomas S. Kleppe puts it, "a lot of little companies don't know the first doodley-rum-bum about bidding on a government contract."

Kleppe, 55 a two-term Republican congressman from North Dakota, became head of the SBA in January, 1971.

His agency continues to goad other government agencies to set aside contracts for bids only from small companies, and about one-third of all government procurement is now done that way. In addition, close to $300-million worth is bought from minority-owned small businesses with no bidding at all.

But besides trying to see that government helps small business, the SBA is trying to assure that government does not hurt small business. The agency's efforts were underscored this week when President Ford told a small business group in Washington that "I want small business released from the shackles of red tape."

The SBA has always tried to be a pressure point for small business in Washington. Kleppe takes credit for persuading Congress to include used equipment in the investment tax credit law, for instance. But a formal organized advocacy effort got off the ground only last fall. Its intent is to plead small business' case before other federal regulators and to see that each agency has some official charged with making sure that rules are not drawn without thinking about the special problems of small business.

A typical case: The Food & Drug Administration recently proposed new food storage regulations that small packers say would be unbearably expensive for them. The SBA found out that the FDA had checked out the proposed rules only with the industry's largest manufacturer. The FDA is now consulting with smaller companies and will rewrite the standards.

Such cases are not uncommon. When Milton Stewart, president of the National Small Business Assn., is asked how government can help small business, he answers, "To start with, get off our backs." Bureaucrat Tom Kleppe's goal is to make sure that other bureaucrats do just that.

THE GOVERNMENT'S ROLE IN SMALL BUSINESS LENDING

Fiscal year	Number of loans	Millions of dollars: Total amount	Millions of dollars: SBA share[1]
1960	3, 707	$173. 5	$148. 9
1961	5, 062	261. 3	225. 1
1962	6, 373	380. 6	316. 7
1963	6, 282	337. 6	265. 8
1964	6, 537	342. 1	275. 6
1965	14, 034	472. 4	391. 1
1966	12, 686	444. 7	371. 9
1967	11, 830	504. 5	420. 0
1968	13, 100	624. 3	505. 7
1969	14, 523	699. 3	570. 1
1970	15, 102	709. 6	596. 0
1971	21, 495	1, 122. 7	963. 2
1972	28, 025	1, 573. 8	1, 360. 8
1973	33, 948	2, 196. 2	1, 915. 8
1974	27, 485	1, 947. 8	1, 698. 6
1975[2]	20, 280	1, 442. 3	1, 259. 8

[1] Includes both direct loans and guarantees.
[2] BW estimate.

Data: Small Business Administration.

JOINT ECONOMIC COMMITTEE RELEASES CHINA STUDY

Mr. **HUMPHREY.** Mr. President, it is very disturbing to hear the continuing doom and gloom prophecies about the United States' role in Asia. In the last month, there has been a torrent of fearful comments about the consequences of our military withdrawal from Southeast Asia. We are told that it marks the end of our leadership in that area; that the U.S. political sun is setting in that region; that the United States has lost credibility among its allies; and that the Western World is weakened by our withdrawal.

It is understandable that this Nation is suffering distress from the long agony that was Vietnam. That is inevitable.

What is wrong, in my opinion, is the effort to translate this distress into a national mourning for the glories of the past and to develop a sense of foreboding for our future in the world. No nation can afford to live in the past. When nations begin to mourn the past and fear for the future, they are in trouble. This is a primary lesson of history; in the case of the United States, it would be absurd.

I make these general observations today, because they are relevant to some work that we have been doing at the Joint Economic Committee. During the past year, we have called upon the best scholars and experts we could find to help us prepare a detailed examination of the economy of mainland China. Our objective was to obtain insights on economic developments in the world at large, particularly the continent of Asia. That study is being released today and I am pleased and proud to bring it to the attention of my colleagues.

The study indicates that the United States' influence and prestige in mainland Asia can grow, rather than wane. Indeed, if policy is wisely formulated and managed, our future role inevitably will be enhanced. The key to this development lies in economic relations.

Economic development based on Western technology has become vital to the economy of the People's Republic of China. For example, American fertilizer plants may provide the critical margin that allows the Chinese to feed their people. Their ability to develop and export oil and iron ore, likewise, will require an effective import of Western technology.

The Chinese are well aware there are ready markets for their products. Japan needs Chinese oil and Western European countries are eager to expand their trade with China.

Our study shows that China in the next decade or so can become a major exporter of oil. Increasing income from exports of oil and other raw materials can, in turn, serve to appreciably expand exports from other countries to China.

Interestingly, our study shows that Chinese procurement of tanks, aircraft, and other weapons has fallen substantially since 1971. Undoubtedly, this has complex reasons underlying it, but I think it suggests that the leadership of that country is showing a preference for economic performance over military expansion. Very likely, from the Chinese point of view, a healthier interrelation between China, Japan, and the United States would provide a counter weight to Soviet influence in Asia. From the point of view of China and Japan, such a counter balance is highly desirable.

It is important that our policies for the future concentrate on these large realities. It is my hope that the compendium on China can be of help in guiding our thinking on American-Asian policy in the years ahead.

Mr. President, I ask unanimous consent that a summary of the study's findings and conclusions, prepared by Dr. John Hardt, of the Library of Congress, who did an excellent job of planning and supervising the compendium for the Joint Economic Committee, be printed in the RECORD.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

SUMMARY

(By John P. Hardt)

Economic policy and performance are as important in the People's Republic of China as in other major countries in the world. The economic preoccupations of the Chinese leadership were illustrated by the published reports of the proceedings of the Fourth National People's Party Congress and the new Constitution unveiled at that Congress in January 1975. The current Fourth Five-Year Plan (1971–75) appears to be reasonably successful in meeting targets and providing for priority needs. This recent success, in part, reflects a climate more conducive to economic growth and efficiency than the disruptive earlier environments of the Cultural Revolution (1966–69) and the Great Leap Forward (1958–61).

In a measured way China has also opened its economy to commercial and technological relations with the West. Political normalization and increased requirements for imports from industrially advanced nations have together permitted and encouraged this modification of the Chinese policy of economic isolation and self-sufficiency.

This volume follows two earlier compendia on the Chinese economy: "Economic Profile of Mainland China" (1967) and "People's Republic of China: An Economic Assessment" (1972) Hearings related to those earlier volumes were also published. The current volume updates and expands the coverage of the earlier publications. The 28 contributors are more than double the number in the 1972 volume. The participants represent academic institutions in the United States, Canada, and Sweden, various departments of the U.S. Government and research institutions.

The compendium is organized into five sections: Policy Assessments and Performance, Urban and Industrial Development; Rural and Agricultural Development; Defense Economics, and Commercial Relations. Some of the major questions addressed in the studies, with indications of some of the answers, are illustrated below:

1. Has the economy of the People's Republic of China settled down to a stable, continuous process of economic growth

The performance of the current Fourth Five-Year Plan (1971–75) is second only to the initial Five-Year Plan period (1953–57). Although the recent performance should not be projected mechanically, future prospects under a regularized planning process should seem encouraging to Chinese leaders:

Outside of political upheavals, the main challenges to the Chinese economy over the next 25 years will be to incorporate a more complex mix of products into the system, to maintain a spirit of hard work and sacrifice in a generation with no memory of national or personal humiliation, and to keep the lid on consumption in an era of universal education and advancing technology. (Ashbrook, p. 21.)

Moreover, in spite of the disruptive past efforts of the Great Leap Forward and Cultural Revolution policies on Chinese economic performance, political upheavals may not seriously affect long-term performance:

Finally, as any observer of the Chinese experience over the past 25 years must know by now, the Chinese leaders do not passively accept the unexpected, or expected, but underestimated, economic consequences of their policy decisions. Undesirable or unaccepted results of one policy soon generate new policies to ameliorate those results; the Chinese leadership has shown itself to be remarkably willing and able to experiment within the basic context of their ideological premises and innovate with considerable ingenuity to counter and eliminate the undesirable consequences of their policies. (Dernberger, p. 470.)

2. Do improved access to China through exchanges, increased disclosure of economic data, and improved reliability of information permit a better assessment of Chinese economic performance?

In sum, Chinese statistics in terms of their availability, reliability, and usability are fraught with problems and difficulties. From the vantage point of 1975, the First Five-Year Plan (1953–57), particularly the latter half of it, may be viewed as a golden period for Chinese statistics, although in those years published Chinese data were by no means plentiful and of high quality by the standards of advanced countries. Being kept in a statistical darkness for a decade, economic researchers on China in the late 1960's were nearly desperate as they reached the point of no returns. The gradual resumption of some statistical outflows from China since 1970 has opened new research possibilities. To be sure, there are many deficiencies and pitfalls in Chinese statistics, particularly those published in recent years. With patience, care, and ingenuity one could construct certain meaningful estimates on the basis of the statistics that China has so far made public. (Nai-Ruenn Chen, p. 68.)

Western professional demographic estimates on Chinese population vary widely. The most authoritative United Nations' figures for 1975 indicate that it may be less than 830 million, depending on assumptions, while it is estimated to be over 930 million by the Foreign Demographic Analysis Division of the U.S. Department of Commerce. The fact that the last and only Census during the life of the People's Republic of China is a distant base for estimates is part of the problem.

* * * Peking does not really know the size of China's population or the precise rate at which it is growing. * * *

Perhaps the often-quoted statement by Li Hsien-nien to a Cairo newsman in 1971 and repeated, essentially, in 1972 to the members of a delegation representing Japanese airlines, summarizes the population numbers game best of all. Li reported that the officials at the supply and grain department use a population of 800 million, the officials outside the grain department use 750 million, the Ministry of Commerce "affirms that the number is 830 million," while the planning department "insists that the number is less than 750 million." He concluded that "unfortunately there are no accurate statistics in this connection." (Orleans, pp. 70–71.)

3. By provincial decentralization in planning has China developed along an uneven pattern of economic development or has it followed a balanced, more egalitarian regional development approach?

* * * the Chinese adoption of the relatively centralized Soviet model of economic planning was also partially determined by important distributional and equity goals held by the leadership. The first of these was the desire to begin to realign the geographic distribution of industry. The inherited pattern of industrial development, in which industrial output capacity was concentrated in the Northeast and a few major coastal enclaves, was viewed as the result of over a half-century of foreign domination of the domestic economy. Their determination to reverse this pattern of industrial concentration was motivated not only by strategic military considerations but also by the belief that, in the long run, growth that led to increasing regional disparities in the level of development was not politically acceptable. Secondly, the leadership was committed to insuring a more equitable distribution of government services. In large areas of the country in 1949 there was a virtual absence of health care facilities, education institutions, and other important social services. (Lardy, p. 96.)

The 1950's saw substantial change, but recent data indicate that from 1957 to the 1970's there was little change in the relative shares of the regions in the gross value of industrial output. (Roll and Yeh, p. 81.)

An analysis of central-provincial fiscal relations provides empirical evidence which suggests that the central government continued to exercise broad planning powers and that this has had a profound effect on the character of Chinese economic growth. This evidence suggests that provincial planners have not had a substantially increased role in determining the allocation of the country's economic resources and that, as a result, economic growth since the decentralization has not been characterized by a strong pattern of regional self-sufficiency. In fact, the degree of geographic distribution of resources carried out by the Chinese central government is rather striking, particularly when compared with other large, less developed countries such as India. (Lardy, p. 95.)

In summary, it is our opinion that several factors have led to equal aggregate output growth despite an investment balance in favor of the interior. These are input constraints in the textile industry, derived demands for coastal output generated by inland industries and agriculture, emphasis on shelf-sufficiency and new product. * * * emphasis on the coastal areas for development purposes suggests a pragmatic approach to the full utilization of resources to attain more than one goal. Moreover, if China's leaders had not adopted the policy favoring inland areas, China almost certainly would have developed as a dual economy. (Roll and Yeh, p. 93.)

4. Is it too early in its development process for the PRC to concern itself with its environment?

There is no such thing as a safe prediction for China, but it does seem that because of this combination of wisdom and "luck" China will not experience the type of environmental degradation that is now present in most of the world's industrial nations.

China has been wise because very early on Mao Tse-tung recognized that the long-term success of economic development required that the people be protected from the hazards of environment and that the environment be protected from uncontrolled abuse. This resolve was based on very practical rather than strictly ecological considerations—long before the limited fad for ecology grew into a major international concern. Mao firmly believed that the basic physical needs of the population—good health, good water, adequate food—were prerequisites to any and all other national goals, hence, the early policies to improve sanitation and health and to make the land more productive. Only after these needs were largely achieved could environmental concern turn to some of the important, but relatively less pressing, problems stemming from industrial pollution.

"Luck" becomes a factor only at the implementation stage of some of the progress. China is "lucky" that more than four-fifths of her population is located in rural areas, where lower densities and essentially agricultural pursuits make environmental problems easier to manage. She is "lucky" that she does not have an economy of abundance which is so damaging to the environment, but rather an economy of frugality in which the "do not waste" ethic is relatively easy to enforce since, of necessity, it is inherent in the society. (Orleans, pp. 143–144.)

5. How has Chinese industry grown? Is it likely to slow down in the near future? Has Chinese industrial growth taken on its own pattern of modernization different from both the Soviet and Western industrialization models?

Industrial production in China * * * grew at an average annual rate of 13 percent during the years 1949–1974. The experience in the 1950's was quite different from that of the 1960's and 1970's. The average annual rate of growth during the period 1949–1950 was 22 percent, whereas the rate for the period 1960–1974 was only 6 percent. * * *

Despite accumulating structural problems and the poor performance in 1974, industrial production in the remainder of the decade should get back to the recent growth trend of 8 to 10 percent. * * *

Chou singled out the Fifth Five-Year Plan period (1976–1980) as crucial for the attainment of "front rank" status for China by the end of the century. The basic economic problem for the People's Republic of China is to boost the growth rate of grain production well above the rate of population growth. The degree of success the Chinese have in promoting birth control and in raising agricultural production will be important determinants of the rate of industrial growth, influencing, for example, the amount of investment resources that can be spared for the expansion and modernization of heavy industry. (Field, pp. 149, 159.)

6. How does the Chinese system of industrial management differ from that of other industrial nations? With a continued deferment of increases in consumer goods availability, how are workers' incentives and increased labor productivity attained?

China's system of planned socialist industrialization aims at rapid transformation of the economy by mobilizing resources to raise output for investment and defense as well as for consumption. Consumer preferences, including individual desires for leisure both on and off the job, occupy a distinctly subordinate position in the constellation of official goals.

In light of these objectives, our evaluation of performance in China's post-1949 industrial system must be broadly favorable. The preceding survey has shown that reliance on administrative rather than market control over resource allocation has contributed to China's achievements in raising the level, changing the structure and compressing the real cost of industrial output. This finding draws support from favorable comparisons of industrial growth in China and, in other large industrial latecomers, and also from the revealed preference of the industrial democracies for nonmarket distribution of essential resources in wartime, when resource mobilization and rapid structural change replace consumer welfare as primary national goals.

It is entirely possible that with their relatively static product mix, modest growth rates and markets which show signs of becoming less homogeneous as personal incomes rise, China's consumer industries could benefit from a substantial shift toward market-linked methods of allocation. But in the dominant producer sector, the continuing prominence of ambitious targets, technical uncertainty and unpredictable demand suggests that as in the past 25 years, fundamental institutional change holds little prospect for improving the performance of China's industrial system. (Rawski, pp. 196–197.)

* * * urban-rural differences still provide a reason for Chinese to become industrial workers; that horizontal allocation of labor within industry is done without much reference to material incentives; and that wage differentials tied to occupation and skill stimulate work performance and skill acquisition only in a limited manner.

* * * having been led to anticipate an important role for internal incentives in industry by the relative weakness of external ones, we are finally drawn to the conclusion that their function can hardly be distinguished from that of other institutional features of the "continuing revolution" in China. It seems that the clue to the motivation of the Chinese worker, as to that of any other, is ultimately to be found in the threads that bind him to society. (Riskin, pp. 222, 224.)

7. Is China self-sufficient in oil and gas? will the PRC become a major petroleum and petroleum products producer and exporter?

The rapid emergence of the PRC as a major oil and gas supplier has not only economic but geopolitical significance.

The emergence of the People's Republic of China as a major oil producer and oil exporter is a recent phenomenon. Prior to 1949, Chinese petroleum output was insignificant. As part of its general program of building up industrial strength and reducing dependence on foreign sources of supply, the new government undertook an intensive exploration and development effort in the oil industry. The payoff was the discovery in 1959 and the subsequent rapid development of the huge Ta-ch'ing oilfield in Manchuria's Sung-Liao Basin. Additional large discoveries—in the North China Basin in particular—have eliminated the PRC's dependence on foreign oil, insured an abundant supply of oil for the modernization of the Chinese economy, and enabled Peking to export sizable amounts of oil, beginning in 1973.

The salient points * * * are as follows:

China produced 65 million tons of crude in 1974 and was the world's largest producer, just behind Indonesia.

Proved reserves are conservatively estimated at 1.1 billion metric tons. Proved plus probable reserves are estimated at 5.9 billion metric tons and could easily be 7.6 billion metric tons. Offshore reserves will add appreciably to these estimates.

Current exploration is concentrated in existing fields and in the Pohai Gulf. At least three jack-up rigs and perhaps a semi-submersible are working in the Pohai.

Exports of crude rose to more than 4 million tons in 1974 and should exceed 8 million tons in 1975, earning the Chinese more than $700 million.

In 1974, oil accounted for 17 percent of the primary energy produced in China, up from 2 percent in 1957 and 11 percent in 1970. Industry and transportation are the largest consumers of petroleum. Agriculture is consuming a rapidly growing share, up from 9 percent in 1957 to 15–20 percent today.

China is the world's fifth largest producer of natural gas. Output in 1974 was approximately 60 billion cubic meters, 52 billion cubic meters of which was produced in Szechwan Province.

Refining capacity at mid-year 1974 is estimated at up to 47 million metric tons. The industry, whose technology is comparable to Western refining industries in the late 1950's, satisfies China's product needs.

Since 1974, the People's Republic has added almost 2,000 kilometers of new pipeline, largely to facilitate oil exports, and has invested heavily in port and handling facilities and tankers.

By 1980, China should be producing more than 200 million tons of crude oil annually of which approximately 50 million tons may be exported.

Peking is unlikely to allow foreigners to participate extensively in the development of its oil resources. For the foreseeable future, dealings with outsiders will be limited to straightforward purchases of equipment, technology, and services. (Williams, pp. 225–226.)

Some Japanese sources expect oil exports to rise from the current level of around 5 to as much as 25 million metric tons by 1978.

If PRC exports reach levels predicted by some Japanese sources they could earn the following amounts (at $12.85 per barrel) in future years: 1978—$4 billion (45 million metric tons); 1985—$9 billion (100 million metric tons); 1988—$12 billion (135 million metric tons).

By 1990 China may join Saudi Arabia, Iran, the United States and the Soviet Union as one of the five major oil-producing nations if a Japanese estimate of production of 450 million metric tons is exceeded. (Kim, pp. 606–607.)

8. Are Chinese industrial branches, e.g., iron and steel, comparable to similar branches in other industrial nations?

In its first 25 years, the People's Republic of China has made rapid progress in developing the key iron and steel industry. With the help of the Soviet Union, a number of large iron and steel bases were developed in the 1950's. Since then, advances have been made on the basis of China's own efforts and selective help from non-Communist countries. Some new technology has been introduced—particularly the basic oxygen furnace which has increased production efficiency—and the quality and variety of steel products have improved. Annual production of crude steel is now in the neighborhood of 25 million metric tons, making China the sixth largest producer in the world.

China has the potential for a much larger iron and steel industry. Three factors have been holding back development:

China's domestic resources of iron ore and coal, although plentiful, are of a low quality and must be given special treatment. * * *

The Chinese had not yet trained a fully competent work force when the Soviet technicians were withdrawn in 1960. * * *

Capital shortages in the general economy have led to imbalance in the iron and steel industry. For example, the mining sector has been allocated a minimum of capital forcing it to operate in a labor-intensive fashion.

* * *

The Chinese are moving to correct these deficiencies, mostly through imports of modern capital equipment. Mining and ore beneficiating equipment and a large steel finishing facility have been purchased in the last few years.

Installation of this equipment will take several years, and demand for steel products will meanwhile continue to rise. Therefore, the present imbalances probably will persist through the 1970's, with output rising at only a moderate rate. Beyond 1980, progress in the industry will depend on how rapidly the PRC improves its own capacity to produce the needed machinery and equipment and how willing it is to devote large amounts of foreign exchange to pay for steelmaking equipment and technology. (Usack and Egan, pp. 264–265.)

China relies heavily on Japan for basic metal.

Since 1968 Japan has exported over one million tons of iron and steel annually and China is Japan's second largest customer (the United States is the largest). Japan exported 1.4 million tons in 1972—7–8 percent of its total steel exports. Iron and steel account for over 40 percent of Japan's total exports to China, being the single largest export item. Thus, China is an important and stable market for the Japanese iron and steel industry.

The large volume of Sino-Japanese trade in iron and steel can be ascribed to several factors: the coincidence of China's increased demands and Japan's production capacity; geographical proximity; the quality of Japanese product; Japan's reputation for making deliveries on time; and a relatively low price.

Apart from the question of China's continued demands, there is some question regarding Japan's export capacity. Japan's steel production will face numerous difficulties—environmental problems, energy problems, labor problems—and may be unable to maintain its high rate of growth. (Kim, p. 608.)

9. Has China developed a modern domestic and international telecommunications system? Is its development based on the expansion of Chinese production capability, imports, or both?

For nearly a quarter of a century, the People's Republic of China has engaged in a series of programs aimed at establishing a telecommunications system that would meet the basic needs for the economy, the government, and the armed forces. When the Communists achieved power in 1949, they inherited a primitive and badly damaged telecommunications system. For the next three years, the main task was to restore the system to its former state to satisfy the most pressing communications needs of the new government.

By 1953, the Communists were prepared to expand the existing system and to link the major provincial cities to Peking by open wire trunklines. Substantial progress was made during the First Five-Year Plan (1953–57), although the Chinese were heavily dependent on Soviet and East European equipment and technology. In 1958, as part of the euphoric Great Leap Forward, Peking announced a new four-year plan to establish a modern telecommunications system, complete with high-capacity microwave radio relay and coaxial cable trunk routes. Shortages of material and equipment, the withdrawal of Soviet assistance in mid-1960, and the general collapse of the Leap Forward forced the Chinese to postpone their highly ambitions program.

After a pause in the early 1960's, expansion of the telecommunications system was again given high priority.

Greater attention was given to the development of the electronics industry. Complete plants for the production of electronic components and test instrumentation were imported from the West. The Cultural Revolution (1966–69) caused a sharp but short-lived cut in industrial production. The adverse effect of the production of telecommunications equipment was temporary, and the technological improvement and the expansion of the capacity of the electronics industry continued.

The most significant achievement during China's current Five-Year Plan (1971–75) has been the construction of an arterial network of long-distance telecommunications facilities to provide the transmission base for future increases in the flow of conventional and specialized telephone, telegraph, and video traffic. Other achievements during this period have been the spread of radio, wire diffusion, and television broadcasting facilities and the establishment of a nationwide television network. This has been accompanied by substantial increases in the production of radio and television receivers and wired loudspeakers. Progress also has been made in augmenting both facsimile facilities and automating conventional telegraph operations as well as in enlarging and automating telephone exchanges. These achievements have fulfilled China's basic needs for long-range development of a domestic telecommunications system.

Progress also has been made in developing China's international telecommunications. Since 1972, three standard Intelsat ground stations have been purchased from the United States. A coaxial cable link has been established between Canton and Hong Kong, and agreement has been reached with a Japanese consortium to lay a coaxial submarine cable from Shanghai to Japan. Efforts also are being made to improve the quality of radio telephone circuits and to expand international telecommunications by using the transit relay services offered by major world telecommunication centers. * * * (Craig, p. 290.)

10. How has the organization and performance of the construction sector contributed to the formation of capital in the PRC?

In a developing country, construction typically grows faster than GNP. This trend holds true for the People's Republic of China. Reverses, attributable to the Great Leap Forward (1958–60) and the Cultural Revolution (1966–68), depressed all indexes. Construction and industrial output were more volatile than GNP: both fell further than GNP in bad times and grew faster in good times.

Current construction activity in China reflects the revised investment priorities of late 1972 and 1973, under which Peking is attempting to bolster deficiencies in agricultural and industrial performance. Construction activity now features industrial projects supporting agriculture, the buildup of electric power capacity, port and harbor improvements, and capital improvements in the raw materials industry (mining). China in 1973 contracted with Japan, the United States, and Western Europe for $1.2 billion worth of industrial plants—mainly chemical fertilizer and artificial fiber plants. In 1974, plant purchases were about $900 million, dominated by the steel rolling mill (more than $500 million) to be built at Wu-han.

For the next two to five years, construction activity will feature industries producing chemical products, raw materials, and electric power. This activity will include the construction of the numerous foreign plants now under contract. Construction in the mining industry will give priority to open-cut mining, a technology in which China has much to learn from the West. Construction of major new facilities at international ports will parallel the expansion of foreign trade. The steel industry will continue to have high priority in construction, with the major emphasis on capacity to produce finished steel. The petroleum industry has been speeding up its already fast pace. Development during the next few years will give top billing to oil pipelines and to the opening up of offshore deposits in the shallow Pohai Gulf. (MacFarlane, pp. 314, 322.)

11. What are the limits or constraints on the growth of agricultural output? Even with burgeoning population will the Chinese be able to adequately feed and clothe their population?

In spite of serious attention and significant progress agricultural performance remains a major economic variable. How well the PRC will be able to cope with the problem of improved performance is a subject on which specialists differ.

Peking has assured itself of grain for the medium term and has made the sizeable adjustments in investment priorities necessary for longer term solution to the agricultural problem.

Major changes include:

Concluding multi-year agreements with Canada, Australia and Argentina to provide a maximum of 4.8 million tons of grain annually through 1976.

Downgrading the concept of the small plant churning out low quality inputs.

Importing 13 large chemical fertilizer plants to provide firstclass inputs and synthetic fiber plants to supplement supplies of natural fibers.

Intensifying work on capital construction projects to improve and extend farmland.

Limiting sideline activities that might interfere with peasant obligations to the collective.

Increasing the acreage of grain crops by expanding multiple cropping and limiting the acreage of industrial crops.

The fertilizer plants are the key to China's agricultural development. When the last of these plants come into operation in 1978 or 1979, China's supply of nitrogen fertilizer will reach 8.0 million tons, double the current availability. The giant increment in nitrogen fertilizer clearly will be a major shot in the arm for agriculture although marginal returns will probably be low, at least initially, because fertilizer will outstrip the availability of complementary inputs—effective water control; very high yielding varieties of seed; sufficient trace elements, phosphoric and potassium fertilizers of agricultural chemicals, etc.—necessary for top yields. Even so, grain output could increase to about 300 million tons by 1980. Peking's use of its limited scientific capabilities to achieve practical short term objectives (such as simple seed selection and crossing) rather than to do basic, in-depth research (such as sophisticated varietal development) may prove to the most serious impediment to China's progress in modernizing agriculture.

Through the rest of this decade China will continue to rely on imports to maintain consumption, especially in years of below-normal harvests. Moreover, China's population and hence requirements for food and fiber for domestic consumption will also increase. Even with the accelerated programs to modernize agriculture, the PRC may not be able to attain self-sufficiency in both grain and essential non-grain crops by the end of this decade. (Erisman, pp. 325–326.)

The problems that Chinese agriculture will have to face over the coming decade differ markedly from those in other less developed countries. There are no obvious and gross inefficiencies in Chinese farming that could be quickly overcome if only the rural population would understand the need to do so or if an effective extension service could be created that could teach them new methods. The Chinese extension service based in the commune system appears to have been functioning well for a decade or more. Where in the early 1960's there was a considerable backlog of new technology waiting on government actions to supply the required inputs, there is no comparable backlog today. And therein lies the problem.

At no time since 1949 have increases in Chinese farm output been achieved with ease, but there is reason to believe that future increases will require even greater effort and an effort of a somewhat different kind from that in the past. Future expansion is not simply a matter of digging more tube wells or pouring on more chemical fertilizer although both will help. New breakthroughs are required in the basic agricultural sciences in China and in the harnessing of the irrigation potential of China's northern rivers. * * *

* * * it is clear that China's shift in priorities toward agriculture in the 1960's was both real and large in scale. * * *

For all this outpouring of effort and resources, however, there was no enormous leap in farm output. Agricultural production did rise, but at a rate only a little above population growth if the 1957–1974 period is taken as a whole. Rural incomes per capita did rise by more than this, but mainly as a result of the improvement in the agriculture-industry terms of trade.

The main reason why agricultural growth has not been faster appears to be simply that China is attempting to achieve large farm output increases under basically unfavorable conditions. When land under cultivation cannot be extended except at enormous expense and when inputs of fertilizer, water, and labor are already being intensively utilized, the return on further additions of these same inputs will not be high.

For the future, there is every reason to believe that Chinese agricultural output will continue to grow although no major breakthroughs appear to be in sight. To achieve this continued growth, however, some shift in emphasis in China's agricultural policies is probably necessary. The silt problem of China's northern rivers will have to be solved. There will also have to be a considerable improvement in the quality of China's capacities and they are likely to be carried out if for no other reason than that China appears to have few other options. China is simply too big to follow the lead of Japan or Europe and rely increasingly on imports to meet its food needs. (Perkins, pp. 350, 365.)

12. How is agriculture in the PRC organized to provide incentives and a measure of efficiency?

China's commune system consists of four parts: commune; brigade; team; and household. This system, born in the optimistic fervor of the Great Leap Forward in 1958, was reduced to a skeleton during the lean years from 1959–62, but has developed greatly in the past 12 years.

Currently, China has 50,000 communes, about 25,000 less than the number in existence in 1963. Essentially the commune level functions as the basic unit of local government. This level is charged with the responsibility of procuring grain, collecting taxes, providing public security, and reporting statistics and information to higher levels. In addition, it formulates specific production plans for its subordinate units after adapting policies received from higher levels to local conditions. The commune also provides leadership for the management of water resources, construction, afforestation, and transportation projects which require the direction and control of a large organizational unit. Moreover, it manages local industries which produce consumer and producer goods for local consumption. * * *

The persistence of the team as the basic unit and similarities in organization and ownership patterns of contemporary communes with those in 1962 tend to mask important changes which have taken place in the past 12 years at commune and brigade levls. These levels provide more services, control more inputs, have better trained cadres and stronger Party organizations than they did in 1962. Indeed, there has been ideological pressure in the Party to abolish the team and amalgamate households directly into brigades bringing agriculture one step closer to ultimate socialization. This pressure, understandably, has been supported by poorer teams desiring to increase their share of collective income. However, pressure to change the status of teams has been arrested by the newly passed 1975 Constitution which specifically sustains the continued functioning of these units. Moreover, the requirements of China's labor intensive agriculture necessitates a unit similar to the team in size and organization, which can effectively manage and motivate the farmers of China to produce the foodstuffs needed for this country's huge and growing population. (Crook, pp. 366–367.)

13. Is regional, rural dispersion of economic activity in China a result of economic or political choice or a product of necessity?

The encouragement of small-scale industries in rural areas in China is an essential element of regional development programs which today focus on agricultural development and diversification, local raw material utilization, resource mobilization and long term employment impact.

However, rural industry in China is not a homogenous concept as it is the outflow of two different strategy approaches. First, it is the logical outcome of a sector strategy involving technology choices in a number of industrial sectors—most of which were initiated during the Great Leap Forward or earlier. This has required the scaling down of modern large-scale technology through a product and/or quality choice combined with design changes in the manufacturing process. Second, rural industry is part of an integrated rural development strategy—also initiated during the Great Leap Forward—where a number of activities are integrated within or closely related to the commune system. They are often rooted in the traditional sector of the economy and have often been preceded by a long tradition of village crafts. Such industries are often based on the scaling up of village crafts. The scaling up of cottage industries in China is not based on improvement of technology alone, but the cottage industries have been converted into modern small-scale industries through cooperativization, electrification and access to low cost simple machinery. * * *

The justification of rural industrialization is economic as well as political. Economic growth may, however, in the short run have been sacrificed because of the need to transfer technical, financial and planning resources to rural areas in order to start rural industrialization is likely to contribute to a more rapid economic growth than would otherwise have been possible. Firstly, a decentralized pattern of urban development is likely to lead to a less capital-intensive expansion of industrial growth, which is better adapted to prevailing factor availabilities and relative factor prices. Secondly, if a majority of the rural population—through integrated rural development—might be persuaded to remain in villages and expanding county capitals, this is likely to require less investment for expanding large urban centers. Thirdly, rural industrialization provides the opportunity of simultaneously promoting agricultural and non-agricultural elements in the same local areas and non-agricultural elements are just as dependent on a thriving increase in farm output and income as the latter are dependent on them. Fourthly, a rural industrialization which has a strong core of local engineering enterprises is likely to play an important role in any decentralized industrialization policy. (Sigurdson, pp. 411, 433.)

14. *What does an assessment of Chinese military force development and use of force reveal about the strategic policy of the PRC?*

* * * The professional judgments on Chinese strategic policy have been based on a review of the kinds of forces the PRC had developed and maintained and the use to which these forces have been put. From this assessment some central conclusions have been reached:

(1) A primary PRC objective has been adequate physical security. Current and future requirements are primarily to be prepared to meet substantial ground incursions from the Soviet Union and to avoid Vietnam-type destruction of their industrial and transportation systems.

(2) A secondary strategic policy objective is that of reasserting territorial integrity over areas presumed to be integral parts of China such as the Paracel Islands, Taiwan, and other border areas. Controlled communication by military action on territorial issues characterized Chinese behavior in both Korea in 1950–53 and on the Indian border in 1962.

(3) A tertiary policy is that of extending Chinese power and influence. Currently the PRC views its neighbors not perceived as threats more as cushions or buffers than targets. In the long run the PRC would probably like to sit at the bargaining table as equals with the United States and the Soviet Union, but they appear to be patient and realistic about attaining this Asian and global power status (Fraser, pp. 438–439.)

15. *What is the current buildup of Chinese military forces? Is their defense burden onerous? What are the economic impacts of defense expenditures?*

Even though the Soviet Union continues to refer to the Chinese economy as militarized since the break with the Soviet Union, Western analysts see a different picture with "guns" tending to lose out in recent years to "butter" or factories and farms.

China's military policy has called for large conventional forces and small but growing nuclear deterrent forces. The three-million-man ground forces—the world's largest—have been equipped and trained mainly for the military environment of the 1940's and 1950's, although an increasing proportion is being armed with more modern weapons. The air force consists largely of obsolescent short-range fighters, while naval forces have been configured primarily for coastal defense. In short, China has deployed the type of conventional forces one would expect from a developing country with a large population and a largely agricultural economy. The conventional forces stress manpower and easily manufactured weaponry in lieu of more sophisticated armaments.

China has also developed nuclear weapons for delivery by bombers and by medium- and intermediate-range ballistic missiles capable of reaching most parts of Asia. Longer range land-based missiles as well as a submarine-launched ballistic missile are probably under development, while work continues on what is apparently China's first nuclear-powered attack submarine (probably armed with conventional torpedos). The development and manufacture of these weapons, while limited in number, testifies to the mastery by the People's Republic of much of the technology of a modern industrial nation. * * *

Over the past ten years, Chinese procurement of weapons has been characterized by a generally upward trend, with two periods of rapid growth—each followed by a decline. * * *

The first growth period occurred through the mid-1960's, as China recovered from the effects of the Great Leap Forward (1958–60) and the withdrawal of the Soviet military assistance (mid-1960). Arms production had practically stopped in the early 1960s, but by the middle of the decade the output of all types of weapons had reached new peaks.

In 1966, just when armament production seemed to have recovered completely from the Leap Forward, Mao launched his Great Proletarian Cultural Revolution (1966–69). The new upheaval affected military programs in a variety of ways, even though it was not the basically economic in nature as the Leap had been.

The central authorities sought to insulate the defense industry from the disruptions of the Cultural Revolution. Nevertheless, political activity and factional conflict in the factories caused frequent disorders, occasionally of a prolonged and serious nature. Diruptions of the transportation and communication system led to delays in the delivery of raw materials, parts, and subassemblies.

A large number of leading Party and government officials were removed from office, with a resultant decline in policy initiatives. The curtailment in military production during the Cultural Revolution was not so severe or lengthy as during the Leap Forward. By the second half of 1968 the worst effects of the Cultural Revolution on the weapons industries were over, and another period of growth in defense production had commenced. Procurement appears to have risen rapidly in the following years, with output in 1971 being more than double output in 1967.

Since 1971, military procurement has fallen substantially. This drop has extended through 1974 and apparently is continuing in the first quarter of 1975. Production and procurement of military hardware in 1972–74 has been about 25 percent lower than during the peak period of 1970–71. Much of the decline reflects a sharp curtailment of acquisitions of aircraft, but other weapons production programs have also slowed down. The broad scope and long duration of the decline suggests that it is not simply the conseqence of a coincidental cutback in several weapons programs; rather, it is the result of some general cause or causes.

While the picture is not yet clear, several interrelated factors apparently are behind the decline in the production of weapons.

Because trends in weapons procurement correspond to the rise and fall of Lin Piao, political events surrounding Lin's abortive "coup" in the fall of 1971 possibly were a major factor in the decisions made in Peking. Official accounts of the coup state that military units were to have spearheaded the takeover, and it would not be surprising that the military establishment should suffer in the wake of Lin's aborted conspiracy.

China's political leadership has exhibited distrust of the military forces ever since the Lin incident. Shakeups in the military command structure have diluted the provincial civil authority of senior military leaders and may have reduced their influence on budget allocations as well. The background of this civilian-military tension lay in the Cultural Revolution when the military leaders moved—or were drawn—into the vacuum left by the fall from power of so many Party and government officials. Speeches and appointments at the Fourth National People's Congress of January 1975 may indicate that the process of restoring the more normal subordination of the military to the Party is nearly completed.

Disputes over economic priorities and budgetary allocations may in themselves have played a part in bringing the Lin crisis to a head, although direct evidence for this is thin. China's leaders may have decided that military programs were preempting an exorbitant amount of resources without significantly improving the country's military posture. Many of the weapons that China has been producing—such as the MIG–19 fighter—are fast becoming obsolete; additional numbers would not appreciably improve China's overall defense capability. Moreover, the Chinese policymaker must realize that the United States and the U.S.S.R. have an overwhelming superiority in both strategic and tactical arms and that even an all-out production effort by the Chinese would not redress the military balance of power for many years to come.

At the same time, Peking probably feels that it now has sufficient nuclear and conventional forces both to deter the Soviet Union from attacking with nuclear weapons and to discourage the Soviet Union or any nation from attacking with conventional forces. Furthermore, in the minds of the Chinese leaders, the threat posed by the United States has decreased as well. Thus, Peking may reason that production of some kinds of military hardware should be cut back and the resources put to other uses—certainly until later models are ready for large-scale production. Such a reallocation would not mean a reduction in Chinese forces, but rather a slower rate of military modernization.

The leadership thus may believe that in the long run a strong economy would do more to strengthen China than would a bigger military buildup at this time. * * * (Jammes, pp. 459, 462–464.)

Given the constraints presented by China's resource endowments, and present level of development, however, China's military potential and capabilities still derive from China's manpower resources. Thus, in terms of manpower alone, China's armed forces are on a par with those of the two major superpowers (the United States and the Soviet Union) and are slightly large in size than the total armed forces in NATO. In terms of modern armaments and supporting services, such as air and naval power, however, China ranks far behind the major superpowers with annual defense expenditures less than one-fifth those in the United States and the Soviet Union and less than one-half those in the NATO countries combined. In terms of annual defense expenditures per man in the armed forces, therefore, the comparison shows an even greater gap between China and the other superpowers.

This atypical mix of manpower as against modern, sophisticated, weaponry and air and naval power explains why China has been able to provide the third largest military force in the world, even though China is an underdeveloped country. In absolute and aggregate terms, China's economy is the seventh largest in the world, but its per capita income is still less than 200 U.S. dollars. The emphasis on a manpower intensive military in a labor abundant country such as China, therefore, has only served to keep with manageable limits the economic burden of China's recognized military capabilities. Given China's desire to equip its armed forces with some modern weapons and to provide a creditable military threat by means of carefully selected modern weapon systems, however, means that the economic burden of China's defense expenditures still claims a significant share of China's production—about one-tenth of China's total GNP. To put it in the popular terminology, China's emphases on manpower in its military strategy has allowed the Chinese to obtain the biggest bang for their buck, but to obtain that bang they will have found it necessary to spend a significant share of the bucks they have available.

* * * On the margin, additional defense expenditures—especially those on military hardware—require the use of high priority inputs from other sectors where scarcities

and imbalances already exist. For example, an increase in the level of defense expenditures or change in their composition in favor of more military hardware reduces the potential supply of producer's goods for civilian use, the demand for which is increasing rapidly; reduces the supply of exports and increases the demand for imports, although Chinese balance of trade has required China to use its scarce holding of foreign exchange in recent years; and would reduce the potential standard of living of the civilian labor force which is already relatively low and the source of potential public discontent and opposition.

Thus, as China's leaders consider the various defense expenditure choice available, they obviously will be heavily influenced by the economic consequences of these choices. * * * (Dernberger, pp. 468–469.)

16. What system of Sino-American commercial relations has been set up since the signing of the Shanghai communique? What problems and obstacles impede further development?

In quantitative terms the People's Republic of China (PRC), despite its large size, is not a major trading nation. Chinese exports never exceed 2 percent of world exports. The ratio of total trade to China's gross national product is about 5 to 6 percent. In terms of trade per head of population, the value for China is some $14, one of the lowest in the world for any major nation. In spite of the smallness of its value, foreign trade is an important policy instrument used by the PRC for the pursuit of her overall political and economic goals. Being a state monopoly within the Chinese command economy, foreign trade has become a significant ingredient in China's development program to transform itself into a modern industrial state. Specifically, foreign trade in China has played the following roles.

Foreign trade has constituted for China an important means of facilitating and accelerating modernization. China does not have all the facilities to produce the wide variety of machinery and equipment needed for modernization. Some industrial materials were either not available in China, or available only in insufficient quantities. Foreign trade helps provide the necessary capital goods. Imports of these goods, moreover, have given China an important channel of access to modern technological know-how. The importation of specialized machineries and complete plans, some of them installed by foreign technicians, accelerate the process of technological diffusion. (Chen, pp. 617–618.)

Trade, which had been nonexistent in 1970, rose to $805.1 and $933.8 million by 1973 and 1974, respectively, with wheat sales, jet transport exports, and a number of other major contracts highlighting this unexpectedly rapid development. On the strength of Chinese purchases of American agricultural commodities, the U.S. has risen to the position of China's number two trading partner in the last two years. A degree of normalization has been returned to the Sino-American commercial relationship.

While trade has risen quickly to significant levels, while more and more American businessmen are traveling to Peking and to the Canton Trade Fair, and while Liaison Offices with commercial staffs have been opened in the respective capitals, certain unresolved issues clearly stand in the path of substantial further improvement in trading relations. * * *

Settlement of the issues of Chinese blocked assets and U.S. private claims would clear the way for further normalization of commercial relations. Unresolved, these issues prevent direct shipping and direct airline connections owing to the risk of attachment of flag carriers in satisfaction of claims. Direct banking is precluded and the exchange of trade exhibitions forestalled. Another major commercial issue concerns the extension by the U.S. of most-favored nation (MFN) nondiscriminatory tariff treatment to the PRC. PRC officials have raised the MFN issue with U.S. business men and others. Presumably, Peking not only wants MFN, but feels entitled to it as part of the Shanghai commitment to conduct trade on the basis of "equality and mutual benefit." The Trade Act of 1974 provides a mechanism by which the U.S. could confer MFN status on China, but it is an Act burdened with difficult requirements where the nonmarket economies of the socialist states are concerned. * * *

The outlook for Chinese exports of the U.S. over the next several years is one of continued growth. The rate of this growth will depend on the state of the U.S. economy, on Chinese perception of this market and willingness to adapt to its demands, and on the availability in China of commodities in the requisite quantity and quality sought by Americans. Fish and shellfish showed good growth in 1974 as did tea, spices, vegetables and other food preparations. These should continue at sustained levels. Tin, tungsten, and antimony among the metals will continue to register imports of significance, Gum rosin and essential oils grew rapidly in 1974 and should continue. Textiles, clothing, bristles, feathers, and down will maintain a strong showing. Americans continue to enjoy Chinese artworks and antiques, but fireworks, a perennial leader, have declined, in part owing to problems meeting new U.S. safety standards. Petroleum exports to the U.S. do not appear to be a factor although U.S. owned oil companies may buy Chinese oil for distribution in East Asia. American importers will continue to attend the Fairs in Canton in substantial numbers.

The Chinese trade deficit with the U.S. will be sharply reduced in 1975, running perhaps $50 million. The deficit is likely to continue, its future magnitude being governed primarily by the size of Chinese agricultural purchases in the United States. (Clarke and Avery, pp. 501, 502, 530, 531.)

The prospects of a trade agreement between the United States and the People's Republic of China has, since the Shanghai Communique, offered the possibility of marked forward motion in the relations between the two countries. It assumes substantial importance for both sides in light of the passage of the Trade Act of 1974 in the closing days of the 93rd Congress. Under the Act. Public Law 93-618, signed by the President on January 3, 1975, the authority to lower tariffs on imports from China has shifted from Congress to the Executive. There are limitations on the authority of the President to grant most-favored-nation tariff treatment to China, to be sure, but the negotiating authority now is there, and there is no good reason not to proceed with all deliberate speed to trade negotiations with Peking.

The threshold question, of course, is whether or not the United States should contemplate a trade agreement with a country to which it has not accorded diplomatic recognition. Precedent for such an agreement under international law, if such were needed, lies in a trade agreement entered into between Great Britain and the Soviet Union in 1921, a step which preceded formal diplomatic relations. The same question may be raised in Peking, although the Chinese have previously concluded trade agreements in the absence of diplomatic ties. While the two sides will have to examine whether on pragmatic grounds, a trade agreement should precede or follow the establishment of full diplomatic relations, trade negotiations toward such an agreement can certainly begin prior to fully normalized political relations. * * *

* * * To sustain and build toward the modern industrialized state, to which the Chinese pledged themselves at the Fourth National People's Congress, does require acquisition of foreign goods and technologies. Purchases of needed imports in turn requires more than a little contact with the West. Not all such contact is likely to be palatable to a political leadership which is bound to fear that revolutionary values may wane in the process. The post-Mao, post-Chou period cannot be far away, and succeeding leadership is certain to be preoccupied with political consolidation, preserving revolutionary fervor and maintaining the monumental accomplishments of the old leadership. This process can obviously sharply influence China's trade and development policies. But Peking's 1975 pledge to achieve "comprehensive modernization * * * before the end of the century" should be signal enough that China's foreign trade ought to hold interest for American firms. (Theroux, pp. 582, 583, 595, 596.)

17. How flexible has the PRC been in external transactions in adapting to international practices?

China's practices in financing trade with non-Communist countries are in substantial contrast to those of the other Centrally Planned Economies (CPEs).

Despite the fact that the PRC has a greater share of its trade with the west than other CPEs, the PRC has been more reluctant to adopt as many western banking practices as the other CPEs. Many of the practices that have been adopted have been modified with the general result that the PRC maintains somewhat more control over its international finance with the west than other CPEs do. Examples of this range from requiring negotiation of letters of credit in China both for exports and imports to using the Renminbi to denominate trade contracts.

Most importantly, the PRC has, as yet, been unwilling to follow other CPEs in adopting western banking techniques such as setting up European branches to engage in archetypical banking activities such as general trade financing and active participation on the Euro-currency market.

On the other hand, PRC international financial practices have changed significantly in the last few years—generally in the direction of adopting more traditional practices. The Chinese foreign trade corporations (FTCs) have been more flexible on various letter of credit provisions and they have become more willing to denominate trade contracts in western currencies. Most important of all, of course, the PRC has begun to accept credit, albeit in modernization and often indirectly. (Denny, p. 676.)

18. Is Japan likely to continue to develop a special commercial relationship with PRC?

Japan has become the People's Republic of China's leading trade partner, accounting for about 20 percent of the PRC's foreign trade turnover in recent years. A unique set of economic and political factors has facilitated a rapid expansion of Sino-Japanese trade in the 1960's and 1970's. First, there is a substantial degree of complementarity between the two economies. Japan is heavily dependent on imports of raw materials to fuel its modern industrial economy, and Japanese industrial leaders consider the PRC a logical supplier of some of their needs. At the same time, foreign trade planners in the PRC have placed a high priority on imports of the kinds of machinery and equipment and industrial manufactures which Japan has the capacity to export. The short, relatively cheap water transport between Japan and China makes the trading relationship especially attractive for exchange of goods in which transport costs represent a large share of the final price. Long water and rail transport to alternative markets in Western Europe and North America involve substantially higher transport costs. Their economic complementarity and their geographic proximity create an opportunity for a substantial trade turnover benefiting both countries. The foreign trade potential of certain key industrial sectors which are examined in this paper will be a key determinant of the volume of future Sino-Japanese trade.

Another key determinant of the level of

Sino-Japanese trade is the political relationship between the two governments. To a much greater degree than other countries, the PRC's foreign trade has been shaped by its general foreign policy objectives. Consequently, Sino-Japanese commercial relations have been linked to the diplomatic interactions of the four great powers in Asia—the PRC, Japan, the Soviet Union, and the United States. (Kim, p. 600.)

19. How have the Chinese perceived their need for foreign technology? How effectively do the Chinese diffuse technology transferred from the West?

The People's Republic of China has exhibited wide swings in its receptivity to foreign technology in the course of its 25-year history, oscillating between enthusiastic acceptance and determined rejection. In the 1950's—the era of close Sino-Soviet Cooperation—China eagerly accepted what was undoubtedly the most comprehensive technology transfer in modern history. During that decade the Chinese obtained from the Soviet Union the foundation of a modern industrial system. In the process, however, the Chinese became heavily dependent on Soviet tutelage and were induced to adopt a Soviet model of forced industrialization inappropriate to China's resource endowment. In the late 1950's, the Chinese leaders began to reject this model and the overwhelming Soviet influence. The Great Leap Forward marked the reaffirmation of a more traditional Chinese nativism and self-assertion. Foreign technology and expertise were rebuffed and a policy of self-reliance instituted. Inept policies, successive crop failures, and the sudden withdrawal of Soviet technicians in 1960 combined to throw the Chinese economy into disarray.

A shift in the early sixties toward priority for agriculture and a return to a more permissive technology-import policy helped to revive the economy. While continuing to stress self-reliance, the leadership undertook selective purchases of European and Japanese plants and equipment, primarily as prototypes for learning and copying. By 1965, the economy had largely recovered from its earlier setbacks, only to be disrupted once more by the turmoil of the Cultural Revolution. The intense antiforeign campaign of that period again sharply curtailed acquisition of foreign technology, and by 1969 machinery imports had dropped to less than one-fourth of the peak levels attained ten years earlier.

Since 1970, the Chinese leaders have turned outward once again for the acquisition of capital equipment and know-how on a substantial scale. No longer confining themselves to prototypes, the Chinese have purchased large numbers of complete plants and industrial complexes to enhance output in a half-dozen basic industries, primarily metallurgy, petrochemicals, and energy. Machinery imports, therefore, have risen more rapidly in recent years than during any previous period.

Self-reliance continues to be stressed, nevertheless, with at least three objects in view: (1) to minimize China's strategic and financial dependence on foreign countries; (2) to create a self-confident "new Maoist man" and guard against his contamination by alien influences; and (3) to mobilize local savings so as to economize scarce foreign exchange and state investment outlays. The pursuit of self-reliance in these terms has enabled the Chinese to achieve a high degree of technical and economic independence of the outside world. China's own production of machinery and equipment is now so large that imported technology represents only a small fraction (perhaps 6 to 8 percent) of its overall technology accretion. In qualitative terms, however, technology imports are still a key factor in the development of the more sophisticated sectors of China's industrial production system. (Heymann, pp. 678–679.)

20. *What is the scope, effectiveness and burden to the PRC of its economic relations with the Third World?*

After the disruptions of the Cultural Revolution, the People's Republic of China reappeared on the international scene in 1970, with renewed determination to assert itself as a major world power. It sought to gain wider international acceptance by becoming a responsible spokesman for the Third World. In assuming its new leadership role, China deemphasized its former activist policy of promoting radical change and upsetting established governments. Economic and military assistance and trade have thus risen in importance as instruments of policy toward the less developed countries (LDCs). At the same time that its own position in the LDCs was being strengthened, Peking sought to reduce Soviet and Western influence in the Third World.

In the past five years, 1970–74, China has boosted its economic aid commitments to the LDCs by $2.4 billion, more than double the $1.1 billion extended in the previous 14 years, 1956–69. Nearly two-thirds of the aid in the 1970s went to Africa. The single most important Chinese aid project is the almost completed Tan-Zam Railroad, into which Peking has poured an average of almost $100 million annually beginning in 1970.

The revitalization of China's relations with the LDCs has also found expression in stepped-up military aid. In the last five years, the People's Republic has furnished the developing countries a total of $300 million in military assistance compared with only $250 million previously. About three-fourths of Peking's military aid to LDCs has gone to Pakistan.

As for trade, the LDC's have become large markets for Chinese rice, iron and steel, and textiles, as well as important sources of supply for rubber, cotton, and nonferrous metals. In addition, the LDCs of East Asia are a major source of hard currency for the People's Republic. Chinese exports to the LDCs were about $1.4 billion in 1974, imports $900 million. (Fogarty, p. 730.)

PROSPECTS AND PROBLEMS

This volume on the economy of the People's Republic of China may be significantly more useful to American policymakers, scholars and the general public for several reasons:

1. The rapprochement between the United States and the People's Republic of China has been followed by increasing political, commercial, social and other relations. Commercial relations have expanded due to increased needs for Western technology—including modern fertilizer plants to increase agricultural output. Expanding oil revenues and a more flexible attitude toward credit and other aspects of the Western market suggest wider future commercial ties.

2. The leaders of the PRC have given priority to improved economic performance. A recent reduction in weapons procurement may indicate a preference for current economic performance over arms production, especially of obsolete hardware. In spite of possible progress on birth control, the Malthusian specter still looms in China's future. Imports of grain and transfer of agricultural technology from the West, though marginally significant in the short run, do not shift the heavy long-term subsistence burden on Chinese agriculture.

3. Modest, but significant, improvements in published economic data, empirical evidence from exchanges, and more attention to accurate reporting have aided the Western analyst in appraising China's economic policy and performance.

It is difficult to separate elements of long-term trends from cyclical or variable factors in performance. However, it seems clear after a quarter of a century of power that Chinese leaders aim to develop a modern, powerful, industrial state capable of joining the superpowers on equal terms and providing adequately for its citizens' needs. There is not, however, in the current Chinese development the Stalinist urgency to overtake and surpass in a short, definite time period—a goal they expressed during the Great Leap.

Against this long-term aim of achieving an economic basis for superpower status, there appear to be political, ideological, and social policies which from time to time override the short-term progress of nation-building. Some of them may take on importance in the years immediately ahead and influence economic performance:

Political succession.—Inevitably Chairman Mao and Chou En-lai must physically pass from the scene with the old revolutionary leadership. Possibly the recent Party Congress prepared the nation for the post-Mao-Chou period. Successions elsewhere; for example, after Lenin and Stalin, suggest that unforeseen, unsettling struggle is more likely than an orderly transfer of power.

Ideological revitalization.—There have been times; for example, in the Great Leap Forward and Cultural Revolution periods when the requirement for ideological revitalization conflicted with policies for economic performance. Likewise, there may be a case for arguing a past cyclical pattern of policy preference for each. If this be the case, stable long-term-growth prospects may be in jeopardy.

Foreign threats or opportunity requiring more weapons and military forces.—Concern with the Soviet Union may at any time lead to a shift in Chinese weapons or force build-up. Opportunities for supporting Asian Communist power; for example, North Korea or in South East Asia, cannot be ruled out in the future even though present indications suggest Chinese restraint.

Indeed, some would argue that these represent central, fundamental forces in Chinese society and that economic considerations are the external or variable factors. Whatever the primary and secondary forces are in Chinese development, it has become clearer in each successive economic assessment that the PRC economy has attained a firmer base for claims of meeting not only domestic but the major international goals of the leadership. In spite of many current and likely future problems, we should not assume that the People's Republic of China will not be able to meet its priority economic needs.

REVENUE SHARING'S EFFECT UPON NEW YORK CITY

Mr. HARRY F. BYRD, JR. Mr. President, Monday's Washington Post contained a thought-provoking column by George F. Will. He points out that the problems faced by the city of New York are in part caused by the Federal funds made available through revenue sharing.

Mr. Will states that revenue sharing helped increase the appetite of municipal politicians for more programs, more spending and more phony bookkeeping practices which led to the near bankruptcy of that city last month.

Administration officials wisely turned down a request for Federal funds to bail out New York at that time.

I ask unaminous consent that Mr. Will's column be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

(By George F. Will)

UNDERSTANDING GARBAGE

To understand the politics of today's urban liberalism you must understand grabage.

In 1968 an illegal nine-day garbagemen's strike reduced New York City to putrescent chaos before the city government capitulated and rewarded the strikers with a generous raise. Some officials had reasonably feared that if the strike continued for even a few more days, New Yorkers would have begun flushing garbage down their toilets, causing widespread breakdowns of the sewage system and raising the risk of epidemics.

This and similar adventures have been cited as evidence that large cities are "ungovernable." That idea is rubbish. What is true is that New York and most other large cities can no longer be governed the way liberal politicians enjoy governing, which is by doing good for all and sundry, especially with other people's money.

Urban liberalism has transcended the traditional liberalism as explained by Franklin Roosevelt's aide, Harry Hopkins—"tax and tax, spend and spent, elect and elect." By using bond issues, devious bookkeeping and federal aid, especially revenue sharing, city politicians have vastly increased their ability to spend beyond their constituents' willingness to be taxed.

Although competition for the title is stiff, the title of Worst Idea Whose Time Has Come probably belongs to revenue sharing.

By using the federal taxing power to finance local spending, revenue sharing violates this disciplining principle: Any politician who relishes spending other people's money should be exposed to the political risks involved in taxing that money away from them.

Revenue sharing and other federal aids to cities inflame the appetites they are supposed to slake and dissipate what little spending discipline remains among citiy politicians. This, in turn, encourages garbagemen and other municipal employees to act on their conviction that they have a sovereign right to drown a city in garbage, and to withdraw other essential services, for their economic advantage.

In 1974, an illegal nine-day strike won for San Francisco's municipal employees a wage increase approximately twice the size of the one originally offered to them. A crucial strike weapon was the closing of three sewage treatment plants, which poured 100 million gallons of raw sewage into the fragrant bay each day.

Today San Francisco's street sweepers are in line for salaries exceeding $17,000. Recently on NBC's "Meet the Press," Mayor Joseph Alioto was asked if he considered such salaries prudent, and he responded that he would rather live in a city without lawyers than one without street sweepers.

Alioto has raised the fallacy of the false alternative to an art form. But it is his talent as a mayor, not as a demagogue, that must be judged, because his is an especially loud voice demanding that the federal government place more of our tax dollars at the disposal of mayors like him.

Another particularly strident voice is that of New York Mayor Abraham Beame. Recently, he pretended to be planning to include some garbagemen in the layoffs he is pretending to plan as he pretends to cope with the city's financial crisis. So the garbagemen launched an illegal strike.

After less than three July days, with about 60,000 tons of garbage on the steaming streets, Beame capitulated, cutting back the payroll cutbacks. To underscore the lesson that crime pays, he paid the garbagemen $713,500 in time-and-a-half overtime wages to clean up the mess they caused.

A few days later at the Conference of Mayors in Boston, Alioto and Beame and some other big city mayors experienced a predictable inspiration: The federal government should cut the defense budget and turn the savings over to politicians in places like San Francisco and New York. But a resolution to that effect was voted down primarily by little city mayors, some of whom probably earn less than San Francisco street sweepers.

Actually, San Francisco, unlucky in mayors, is lucky in garbage. Its garbage is collected by private enterprise.

In New York, where municipal workers have a monopoly on collecting household garbage, a recent city study showed that private collectors would be able to collect garbage for $17.50 a ton, compared with the $49 a ton cost of municipal collection. So a naive city official proposed testing the study by allowing private garbagemen to work in one area, and comparing their costs with the costs of municipal workers.

Of course the test was never held, and the study was thrown in the garbage.

THE AMERICAN FREEDOM TRAIN

Mr. HUMPHREY. Mr. President, the American Freedom Train is leading the Nation in its salute to this country's 200th birthday. Wherever it has stopped, the train has left hundreds of thousands awed by the magnificence of its multimedia displays portraying America's heritage. The enthusiasm with which the people have greeted this symbol of our Nation, reassures us that despite its ups and downs of aging, America is alive and well.

You know, there is something pretty special about being a part of this great Nation. President Lyndon B. Johnson liked to tell this story about being an American, that expresses what most of us feel:

> I heard a president of the University of Minnesota tell this story about the Frenchman that was talking to an Englishman, and he said to him, if I had not been born a Frenchman, I think I would have liked to have been born an Englishman. And the Englishman responded, well, I think if I had not been born an Englishman, I would have wished to have been born an Englishman.
>
> And that's the way I feel about my country. I'm so glad I was fortunate enough, lucky enough, to be born an American, with our system; that if I had not been born an American, I just really believe that knowing what I do about this country and its system, I would have wished to have been born an American.

Now, what planners of the American Freedom Train have done is to mix up all the ingredients that went into nation-building of America—Government, inventions, transportation, exploration, science, literature, entertainment and sports—and made it into one giant display for the entire Nation to enjoy.

Painted red, white, and blue and pulled by a steam locomotive, the train is unique in its concept of taking the Bicentennial celebration to the cities and farmlands of America.

Cheering throngs line the tracks as the 25-car locomotive gives a nostalgic blast of its whistle and rolls along its journey throughout the country. It is taking its Bicentennial displays to people who would otherwise have had to travel to more than 200 museums, libraries, universities, and private collections in nearly every State and territory of the United States. That is something to think about in these times of gasoline shortages and the rising cost of living.

Viewing 200 years of history, housed under one roof, is mind boggling. But one of the most frequently heard expressions coming from visitors seeing the displays in the train is. "It makes me proud to be an American."

Adding to the fascination is a moving walkway that takes visitors through the display cars containing a wide assortment of historic documents—some written in the hand of our forefathers—and rare objects, films, and memorabilia reminiscent of our American heritage.

Mrs. Rebecca Robinson, the 68-year-old great-grandmother who was the millionth visitor to the American Freedom Train when it stopped recently in Detroit, said she was happy to "see so many things I had read about in history." What she saw was a collection spanning 200 years that included such items as a facsimile of the Declaration of Independence; Benjamin Franklin's personal draft of the Articles of Confederation; George Washington's copy of the Constitution; Abraham Lincoln's preliminary Emancipation Proclamation; the first English Bible printed in the United States; the vestments and bible of Dr. Martin Luther King, Jr.; Jamie Wyeth's famous portrait of John F. Kennedy; authentic native American relics; early inventions; a moon rock and much, much more.

More than anything, the American Freedom Train, with its review of our achievements, and disappointments, gives us a chance to look back.

When I was told that one of the items on display was a handwritten poem signed by Henry Wadsworth Longfellow in 1859, I was reminded that Longfellow helped put Minnesota on the map. He made Minnehaha Falls in Minneapolis famous with "The Song of Hiawatha."

Just as interesting and just as unique as the display cars are the two showcase cars that are part of the train's exhibit of Americana. Glass-enclosed so you can look right in from the outside, these cars include the 1904 Oldsmobile that won the first transcontinental automobile race in the United States, and a giant-sized Freedom Bell. The bell, a double-scaled model of the Liberty Bell, is a gift from the American Legion on behalf of the future citizens of America—our children.

There are many outstanding features about the train, but more than that, I think this moving monument to America may be just the kind of catalyst we need to help turn this country around.

There is a great deal of skepticism in America today, but the Freedom Train is proving that patriotism in this country is very much a reality the way it was 200 years ago.

For the convenience of my colleagues, I ask unanimous consent to print in the Record a tentative schedule of the American Freedom Train's great epic journey.

There being no objection, the schedule was ordered to be printed in the Record, as follows:

The American Freedom Train—Tentative Schedule, 1975

City and State:

Grand Rapids, Mich., Tues., July 8–Wed., July 9.

Kalamazoo, Mich., Fri., July 11–Sat., July 12.

South Bend, Ind., Mon., July 14–Wed., July 16.

Peoria, Ill., Fri., July 18–Mon., July 21.

Springfield, Ill., Wed., July 23–Sat., July 26.

Chicago, Ill., Mon., July 28–Sun., Aug. 3.
Crystal Lake, Ill., Tues., Aug. 5–Wed., Aug. 6.
Rockford, Ill., Fri., Aug. 8–Sun., Aug. 10.
Aurora, Ill., Tues., Aug. 12–Wed., Aug. 13.
Green Bay, Wis., Fri., Aug. 15–Mon., Aug. 18.
Madison, Wis., Wed., Aug. 20–Sun., Aug. 24.
Minneapolis, Minn., Tues., Aug. 26–Sat., Aug. 30.
Fargo, N. Dak., Mon., Sept. 1–Thurs., Sept. 4.
Sioux Falls, S. Dak., Sun., Sept. 7–Wed., Sept. 10.
Sioux City, Iowa, Fri., Sept. 12–Sun., Sept. 14.
Des Moines, Iowa, Tues., Sept. 16–Sun., Sept. 21.
Omaha, Nebr., Tues., Sept. 23–Sun., Sept. 28.
Denver, Colo., Wed., Oct. 1–Sun., Oct. 5.
Casper, Wyo., Tues., Oct. 7–Wed., Oct. 8.
Billings, Mont., Fri., Oct. 10–Mon., Oct. 13.
Salt Lake City, Utah, Thurs., Oct. 16–Mon., Oct. 20.
Boise, Idaho, Thurs., Oct. 23–Mon., Oct. 27.
Spokane, Wash., Thurs., Oct. 30–Sun., Nov. 2.
Seattle, Wash., Tues., Nov. 4–Sun., Nov. 9.
Portland, Oreg., Tues., Nov. 11–Sun., Nov. 16.
Eugene/Springfield, Oreg., Tues., Nov. 18–Wed., Nov. 19.
Reno, Nev., Sat., Nov. 22–Mon., Nov. 24.
Sacramento, Calif., Wed., Nov. 26–Sun., Nov. 30.
Oakland, Calif., Tues., Dec. 2–Sun., Dec. 7.
San Francisco, Calif., Tues., Dec. 9–Sun., Dec. 14.
Fresno, Calif., Tues., Dec. 16–Thurs., Dec. 18.
Pomona, Calif., Sat., Dec. 20–Sun., Dec. 28.
Los Angeles, Calif., Tues., Dec. 30–Sun., Jan. 4, 1976.
Anaheim, Calif., Tues., Jan. 6–Sun., Jan. 11.

OKEMOS KIWANIS CLUB RECEIVES SIGNAL AWARD

Mr. GRIFFIN. Mr. President, each year Kiwanis International makes special awards to outstanding clubs across the Nation. Recently, the Kiwanis Club of Okemos, Mich., was one of a select few to be honored with such an award.

At its June convention in Atlanta, Kiwanis International recognized the Okemos Club for its community services during 1973–74. This placed the club among the top six smaller clubs in the Nation—those with less than 40 members—to be honored with such an award.

While the club's activities were many and varied, its major undertaking was devoted to enriching the lives of the aging. In that field, the club:

Hosted 140 guests at the club's annual senior citizens banquet.

Worked closely with patients at the Ingham County extended care facility by taking patients on countryside tours, helping them keep a garden planting area in the hospital, and sending birthday and Christmas greetings to those who usually receive no mail.

Participating in the Lansing area "meals on wheels" program.

Aiding residents of women's home of Lansing by providing transportation when needed, arranging for entertainment at the home, and taking residents on a country picnic.

Assisting senior citizens of the area to file for property tax rebates from the State of Michigan.

In other projects, the club:

Sponsored a bicycle safety rodeo for 50 Okemos youngsters.

Distributed 150 tickets for children to attend the animal petting show.

Donated food baskets and gifts to needy families at Christmas.

Continued its work in the field of drug abuses, for which the club was honored with a single service award 3 years ago. Last year, the club received a $1,500 grant from the Michigan Department of Health to operate a mobile drug information and education center.

I commend the Kiwanis Club of Okemos, and I extend my congratulations to its members on the recognition and honor they have brought to their community and to the State of Michigan.

SUPPORT FOR REVENUE SHARING

Mr. HARTKE. Mr. President, the board of trustees of the town of Griffith, Lake County, Ind., has passed a resolution which endorses the general revenue sharing program and requests Congress to reenact that program, under which Griffith has been annually receiving an average of $60,000 through revenue sharing projects. The request of the board of trustees that this general revenue sharing program be reenacted should be seriously considered by this body.

Mr. President, I ask unanimous consent that the resolution be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION No. 7518

Whereas, the Town of Griffith has been annually receiving an average of Sixty Thousand Dollars ($60,000.00) of vitally needed fiscal assistance through the allocation of general revenue sharing funds under the State and Local Fiscal Assistance Act of 1972; and

Whereas, this unique and innovative form of federal assistance has enabled the Town of Griffith to use their revenue sharing funds in meeting the locally determined priority needs of the community with a minimum of federal bureaucratic redtape; and

Whereas, the Town of Griffith has appropriated revenue sharing funds to date to accomplish road construction, equipment for the police and fire department, for construction of a third fire station and have made other capital expenditures;

Whereas, the General Revenue Sharing Program has provided essential fiscal relief to the Town of Griffith in supporting necessary public improvements while confronted with unprecedented spiraling inflation and with current limitations on local revenue yields from the property tax and other sources; and

Whereas, the General Revenue Sharing Program will terminate in 1976 unless the 94th Congress, which will convene in January of 1975, authorizes its extension; Now, therefore, be it

Resolved that the Town Board of Griffith unanimously endorses the continuation of the General Revenue Sharing Program and calls upon the 94th Congress to reenact this program in order to insure that vitally needed Federal assistance will be provided to the Town of Griffith; be it further

Resolved, that members of the U.S. House of Representatives from First District and U.S. Senators from the State of Indiana be requested to give support for the reenactment of the General Revenue Sharing Program in order for the citizens of Griffith to continue to benefit from the essential Federal assistance program; be it further

Resolved, that a copy of this resolution be forwarded to the members of the U.S. House of Representatives and U.S. Senate from the State of Indiana.

FEA IN THE DARK—IV

Mr. METCALF. Mr. President, three times last week I called to the attention of my colleagues that the Federal Energy Administration apparently is ignoring State and local people as the agency does an "information survey" to "discover the impediments to the completion of electric utility plants" in this country.

My previous statements appear in the CONGRESSIONAL RECORD issues of July 9 at page 21749, of July 10 at page 22115, and of July 11 at page 22295.

My statement of July 11 included a telegram from Chairman Wallace D. McRae of the Northern Plains Resource Council, a grassroots organization opposing Montana Power Co. proposals to build two more huge electric generating units in southeastern Montana.

I have just received additional material from Mr. McRae, who makes several allegations. Among them are:

First, a Federal agency sent an "information survey" team into a State that has acted responsibly in the area of utility construction without timely notification to either the State government or local people concerned.

Second, the president of the local utility, who made the announcement of the visit and who was apparently in charge of the "information survey" gave the people on the ground 10 minutes to talk to members of the "information survey" team.

Third, "the executive branch of the Federal Government is attempting to interfere in State matters." "The veiled threat of Federal intervention imposes not only overt pressure on State government, but also subtle pressure upon State officials and citizens boards who are now in the process of making decisions related to energy development in the State of Montana."

This brushoff of State and local people should be read in context with the FEA press release issued on July 8, which concluded with these words:

> Cooperation from the public and private sectors will make this program a major step toward resolving the long-range problems confronting the future development of utilities, Administrator Zarb noted.

On July 9 I sent Administrator Zarb a copy of the telegram from Mr. McRae. I have today sent Mr. Zarb a copy of the additional material supplied by Mr. McRae. If and when he can find his way around in the dark to give me a report on this, I shall share it with my colleagues.

Mr. President, I ask unanimous consent that the letter and attachments to which I have referred be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

NORTHERN PLAINS RESOURCE COUNCIL,
Billings, Mont., July 9, 1975.
Senator LEE METCALF,
Dirksen Senate Office Building,
Washington, D.C.

DEAR SENATOR METCALF: This is a follow-up letter to the telegram we sent to your office on July 7 concerning the visit of a Federal Energy Administration survey team to Colstrip. We thank you for your continuing help and for the help we received from Brit Englund.

As we said in our telegram, the July 5 Billings Gazette carried an Associated Press story quoting Montana Power Company President Joe McElwain as saying that an FEA survery team would be here in Montana to begin an investigation for President Ford's Labor/Management Committee into delays in construction of Colstrip units 3 and 4. According to McElwain, the survey team would discover "a pile of red tape as high as Montana's big sky" and that he hoped the President's task force would find a way to cut it. (a copy of the Gazette story is enclosed)

On Monday, July 7, we called state officials and other citizen's organizations to ascertain what others knew of the FEA survey team and their activities in Montana. To our great dismay we discovered that no one in Montana knew any more than was in the newspaper article. That evening we discussed this matter with Ray Dockstader and Brit Englund. Again, neither of them knew anything of the visit, although Brit said he would get in touch with FEA the next day. In the meantime, the word had gotten around Colstrip that Western Energy Vice President Paul Schmechel would be in Colstrip on July 8 with the FEA survey team.

On July 8, Brit discovered that the FEA was in Montana to do preliminary work for the Labor/Management task force and would be seeing only MPS officials. That same morning, I called Colstrip Project Manager Martin White and requested to be included in the tour and discussion. White checked with his superiors and called me back with an "invitation." Don Baily, NPRC Board of Directors' member, Bill Gillin, President of the Rosebud Protective Association, and I went to see the FEA officials upon their arrival in Colstrip. There were five people from FEA: Curt Jones, team leader from the Washington, D.C. office, two staff members from the Denver office and two from the Seattle office. Accompanying them were Martin White, Paul Schmechel, Jim Rogers and Joe McElwain. McElwain informed us that we had only ten minutes to talk with the FEA people. We first asked what they were doing in Montana. They said that the President was very concerned about jobs and energy development. Mr. Jones said that for that reason, the President has created the Labor/Management Committee. I pressed Jones on this point until he admitted to me that he was more concerned about energy than about jobs. He also said that his primary interest was in Colstrip 3 and 4. McElwain immediately interjected that FEA was also very interested in Colstrip 1 and 2 and in the Buffalo Rapids hydroelectric project.

We then asked Mr. Jones about the propriety of having an FEA survey team in Montana while the state was in the process of deciding the fate of Colstrip 3 and 4. We also asked if Mr. Elwain's statement that they were here to cut through the red tape was accurate.

Jones evaded that question by stating that there were many types of red tape, including, for example, financial difficulties. McElwain said that one of the things they had been discussing with the FEA officials was a way the federal government could help finance operations like Colstrip 3 and 4.

Jones also said that FEA was preparing a report for the Labor/Management Committee based on a questionnaire which was recently sent to utilities all over the country. I asked to see a copy of that questionnaire, but was told that I would receive a copy of the report only. Jones told me that once the report was completed, it would be analyzed, then they would determine what agencies of state government they would contact.

We are concerned about the FEA survey team's visit to Montana and about the way FEA allowed Montana Power to use this visit for MPC's gain. First of all, by allowing McElwain to announce the visit, the implications in the July 5 story are that the executive branch of the federal government is attempting to interfere in state matters. This veiled threat of federal intervention imposes not only overt pressure on state government, but also subtle pressure upon state officials and citizen boards who are now in the process of making decisions related to energy development in the State of Montana. FEA has allowed itself to be grossly manipulated by Montana Power. It wasn't until the day after the visit that FEA provided any public information.

Second, according to survey team leader Jones, FEA's report on impediments to energy facility construction will be based upon utility company information only. Along these same lines is the fact that no state officials or citizens in Montana were informed of the visit. Quite frankly, the only reason we were allowed to participate at all is because we pressured power company officials. FEA insisted that its report was being prepared for the Labor/Management Committee. Yet one of the first organizations with which we talked was the Montana State AFL–CIO, who like everyone else in the State knew nothing of the visit. The only conclusion we can draw is that FEA is only concerned with the utilities' opinions regarding state laws constraining their activities. By receiving only one point of view, FEA will be unable to establish the basic parameters of this important issue. As I am sure you know, there are many knowledgeable people in this state who could assist FEA in determining basic problem areas.

We also question the designation of FEA as staff for the Labor/Management Committee. Clearly, FEA's executive authority and basic commitment is to expedite energy development and to alleviate any possible obstructions including labor negotiations, material supply, state laws and availability of capital. This commitment, coupled with their apparent lack of concern for state and local jurisdiction, makes us very uneasy about the role the federal government may be taking in regard to Montana's future energy development and the future of our state.

Anything you can do to help us in this matter would be greatly appreciated.

With best regards,

WALLACE D. MCRAE, *Chairman.*

COLSTRIP DELAY TO BE PROBED

BUTTE.—A Federal Energy Administration (FEA) survey team will begin investigation next week into delays in construction of Montana electric generating plants, specifically in the area of proposed Colstrip units three and four.

The team, said Montana Power president Joe McElwain, will gather information for use by a federal task force formed by President Gerald Ford "to discover impediments to the completion of electric utility plants and to take steps to relieve this particular situation whenever possible."

Colstrip is the site of two 350,000-kilowatt generating units and the proposed site of two additional units of 700,000-kilowatts, planned by the Montana Power Company and four other northwest utilities.

McElwain pointed out that delays in construction of generating plants were being investigated throughout the nation. "Utilities are experiencing delays, caused by problems that range from regulatory foot-dragging to financial, to unreasonable environmental restrictions."

The power company president pointed out that his company would be bound twice by the 1973 Utilities Act, which would require compliance with environmental standards before operation, as well as during it.

McElwain said he believed that investigation by the FEA survey team would discover a "pile of red tape as high as Montana's big sky", and that he hoped the President's task force could find a way to cut it.

[From the Great Falls Tribune, July 9, 1975]

"PRESSURES BUILDING" AGAINST ENERGY DEVELOPMENT DELAYS

(By James Robins)

HELENA.—The Ford administration, at the reported urging of powerful business and labor leaders, could be gearing up for an assault on nationwide utility-siting delays.

And there are indications that such a drive could be spearheaded by a maturing Federal Energy Administration now administered by Frank Zarb.

Earlier this year, Ford assembled a 15-member labor-management committee reportedly asked to investigate nationwide delays in the construction of energy facilities.

The committee, which included Rawleigh Warner Jr., chairman of Mobil Oil Corp., and United Steelworkers Union president I. W. Abel, recommended creation of a presidential task force to combat the delays.

Other advisory-committee members included Teamsters Union president Frank Fitzsimmons, AFL–CIO chief George Meany and United Auto Workers president Leonard Woodcock.

Management representative included Richard Gerstenberg, president of General Motors Corp.; John D. Harper, president of the Aluminum Co. of America and R. Heath Larry, vice-chairman of U.S. Steel.

Committee objectives, as outlined at the recent National Governor's conference in New Orleans, called for expanded data on utility-construction delays; talks with delay-affected industrial organizations; an outline of possible anti-delay actions and an estimate of the benefit of those actions.

The first step began this week, with FEA teams, armed with lengthly questionnaires, visiting the sites of utility-construction delays throughout the country.

In Montana, a five-member team visited Colstrip, the site of a proposed $1 billion minemouth generating complex. Construction of the two generating plants at Colstrip has been hamstrung in lengthy hearings before Montana's Board of Natural Resources and Board of Health.

Permission to construct the twin 700-megawatt, coal-fired generators is sought by the Montana Power Co. and four Pacific Northwest utilities. The consortium contends that so-called Colstrip units 3 and 4, which would generate enough electricity to power a city of one million, are needed to meet future regional energy demands.

Prior to arrival of the team, Zarb sent a telegram to Montana Power officials, according to Montana Power information officer Robert Amick.

Amick said Zarb's July 1 telegram stated: "Your cooperation in this first step of positive, action-oriented program is appreciated."

After visiting the proposed construction site on the eastern Montana plains, the FEA team was to interview Montana Power Officials, said Jack Hallowell, Montana's state-federal FEA coordinator.

The teams, which Hallowell said were scheduled to visit the sites of Colstrip-type delays throughout the country, are to report back to Ford by July 19.

"They have to recommend to the President by July 19 what they see in the way of a solution or possible solutions or some possible action for the President to recommend," Hallowell said.

"Then, I understand he is to appoint a task force to carry out the recommendations," Hallowell said.

FEA officials in Washington, D.C., said the survey teams have no authority outside of the power of persuasion to institute delay-cutting procedures.

Ford has yet to announce what powers he will give the task force, which Montana Power's Amick said was to become effective Aug. 19.

"You could speculate that this could be a new role for the FEA or a stronger role for the FEA," Hallowell said when asked if Ford might use the energy administration to spearhead the anti-delay drive.

"Mr. Zarb is quite close to the President, and maybe the agency is beginning to get a few more whiskers," Hallowell said.

Zarb is the third man to be the nation's so-called "energy czar" since former Colorado Gov. John Love headed what was then called the Federal Energy organization.

Treasury Secretary William Simon was the first man to head the organization under the name of the Federal Energy Administration, and Zarb replaced John Sawhill at the helm after the latter had a falling out with Ford over gasoline-taxation policy and left to become president of New York University.

Ford's energy policy has included repeated calls for massive development of Western coal reserves and two vetoes of congressional stripmining and reclamation bills.

The sustained vetoes appear to be a clear indication that Ford and the energy industry have the power to keep utility companies free of stringent federal controls.

HOW SIGNIFICANT ARE RECENT STATEMENTS ON U.S. NUCLEAR POLICY?

Mr. HUMPHREY. Mr. President, during the last 2 years, there has been a gradual evolution in U.S. nuclear policy as determined by the executive branch of Government. We have gone from a policy which emphasized massive retaliation, although it did provide some targeting flexibility, to one in which the emphasis is on targeting flexibility. We have gone from a policy which forswore any interest in developing nuclear weapons which could provide a major counterforce capability to a policy which expresses interest in developing extremely accurate nuclear weapons systems.

During the July 4 recess, our nuclear policy evolved a little bit more. In response to a direct question from newsmen about U.S. nuclear weapons employment policy, the Secretary of Defense announced that:

> We will make use of nuclear weapons should we be faced with serious aggression likely to result in defeat in an area of very great importance to the United States in terms of foreign policy.

Unfortunately, for all of us, the news media translated this statement into headlines reading "U.S. First Strike Called Conceivable." The result was massive confusion over the meaning of the Secretary's words. In the ensuing days, the Secretary's meaning has become somewhat clearer. What Mr. Schlesinger meant to say was that, should a conventional defense against aggression prove inadequate, we would turn to a nuclear defense.

I am pleased that the initial confusion has subsided. But, I am also disturbed. How far is our nuclear policy evolving? Are the recent statements and decisions regarding targeting doctrine and weapons systems making nuclear war less or more thinkable?

By making even more explicit than had previous Presidents and Secretaries of Defense the linkage between conventional and nuclear capabilities, are we deterring Soviet aggression or inviting them to hit the nuclear button first?

Does development of tactical nuclear weapons strategy blur the line between conventional and nuclear war?

Can nuclear war be controlled once one nuclear weapon has been launched?

Are "surgical strikes" feasible in practice?

I have my own opinions and answers to some of these questions, but I think they deserve a full examination before a joint session or sessions of the Senate Foreign Relations and Armed Services Committees.

Accordingly, I have requested that Senators Sparkman and Stennis call a joint meeting or meetings of their committees to explore our nuclear policies. The joint hearings which I am recommending could be before the full committees, before the subcommittees responsible for overseeing nuclear policies, before a group of committee members designated by the chairmen to examine this issue, or before a group organized by the chairmen in some other manner to fully examine our nuclear weapons policies.

I firmly believe that it is time again for us to seriously and objectively explore our nuclear strategy. There is too much confusion now over our tactics and goals—not only in the public arena but also in the Congress. Hopefully, hearings before the Congress can dispel some of this confusion, and enable the Congress to participate in policymaking in this most important area.

THE THREAT TO HUMAN RIGHTS STILL REMAINS

Mr. PROXMIRE. Mr. President, violence today has become demonic in its hold on human life. In the life of some nations and among many severely oppressed peoples, it seems more like an addiction than rational behavior. And sometimes we have seen this violence take the form of a systematic attack on entire ethnic or cultural groups within nations.

We would all probably agree that the main sources of such brutal conflict are:

First, economic disparities, where greed for possession competes with poverty, illiteracy, backwardness, and hunger;

Second, ethnic or cultural distinctions that invite nationalistic advantage for one group;

Third, religious differences that are permitted to breed intolerance;

Fourth, political ideology or greed for power that is prepared to sacrifice human life for an idea.

Recent history is unfortunately replete with examples of how these danger areas have flared into that brand of violence known as genocide.

Given the backdrop of genocidal conflict, how can we promote the cause of human rights? Working toward educational development and communication among peoples to reduce the abrasive effects of "differences" is one response. So is working to make the economy of each nation as stable and self-sufficient as possible. And specifically, this body can ratify the Genocide Convention of the United Nations.

NADER-DELOSS STATEMENT ON ENERGY POLICY

Mr. MOSS. Mr. President, with all of the debate concerning energy prices and plans, I think it is important to review some of the more basic questions concerning our energy policy. On June 6, 1975, the Consumer Subcommittee held a hearing on the impact of the administration's energy proposals on the consumer. Much new information came out at that hearing and it would be worthwhile for all of us to study the hearing record.

One statement in particular struck me as being particularly significant. Ralph Nader and his associate Gary Deloss delivered a statement which posed 13 questions concerning energy policy. Although I requested the Federal Energy Administration to respond to those questions, they have not yet done so.

In the interim, I ask unanimous consent that the Nader-Deloss statement be printed in the Record.

There being no objection, the statement was ordered to be printed in the Record, as follows:

Statement of Ralph Nader and Gary Deloss

THE FORD ENERGY PLAN

The Ford energy plan is basically a plan for OPEC pricing of American energy. It is a plan to permit and encourage domestic energy producers to charge us the OPEC monopoly price for American oil and the BTU equivalent price for natural gas and coal. This is far from a plan for "free market" pricing of energy. Our energy prices would simply be set by a cartel of foreign governments rather than by our own government, since domestic energy producers would be permitted to use the OPEC oil price as a benchmark for domestic energy prices, in spite of the fact that such an artificially high price would be illegal if established by a domestic cartel. In short, the Ford energy plan is indistinguishable from the Exxon energy plan.

The original Ford energy plan, released in January, attempted to make the OPEC pricing of American energy acceptable by proposing an excess profits tax on domestic oil. It was explained that the revenue from the excess profits tax would be redistributed to the economy in tax cuts and direct payments to cancel out the negative economic effect of allowing the price of domestic oil to rise to the OPEC price. Even then, the excess profits tax was more gesture than substance. It was designed to phase out over a few years and it was not proposed to apply to the prices of natural gas and coal, which would inevitably rise to the OPEC oil price.

The latest version of the Ford plan is a more blatant formula for OPEC pricing of domestic energy. Now President Ford is proposing a plowback provision that will permit oil producers to avoid the excess profits tax by reinvesting their profits in energy production. Under the plowback provision domestic energy producers would choose to avoid paying taxes on their windfall gains and hence there would be no new tax revenues available to redistribute to the economy to offset the burden of paying the OPEC price for domestic energy. Hence the economic effect of the plowback provision would be the same as decontrol without an excess profits tax.

In addition to effectively gutting the excess profits tax, the plowback provision constitutes an enormous anti-competitive tax subsidy for major oil producers. Their opportunity cost of investing "excess profits" in energy production would only be 5 cents on the dollar because the remaining 95 cents would otherwise be lost as a tax. As Professor **Gerard M. Brannon** has argued, this "constitutes a subsidy for energy related investments which is available only to firms that have earned excessive profits from oil." [Testimony before the House Committee on Ways and Means, March 16, 1975, p. 8.] As Brannon notes, the subsidy would be largest for the firms with the greatest oil production and hence excess profits from OPEC pricing of domestic oil. Thus the plowback provision would aggravate oil industry concentration by favoring the major producers over their smaller competitors and prospective new entrants to the industry.

On its face, then, the Ford energy plan raises some critical questions which should be addressed to President Ford and his energy planners.

Question 1. Why should our government surrender control of the price of domestic energy sources, 80 percent of our energy supply, to a cartel of foreign governments for the benefit of Exxon, et al?

Question 2. If a plowback provision is added to the proposed excess profits tax on oil, where will the government get new revenues to use to offset the economic burden on consumers of paying a monopoly price for domestic oil?

Question 3. How can the Ford administration justify an excess profits tax with a plowback provision when it creates a tax subsidy which favors major oil producers and therefore tends to be anti-competitive?

EFFECT OF THE FORD ENERGY PLAN ON CONSUMERS

While Frank Zarb and other Administration spokesmen prefer to speak in solo terms of additional cents per gallon of gasoline when estimating the effect of the Ford plan on consumers, a more useful perspective is provided by examining aggregate dollar impacts on the overall economy due to OPEC pricing of domestic energy. Looking back at 1974, we can see that OPEC pricing of domestic energy has already had a very disruptive effect on our economy.

Our payments for domestic energy increased from $22.9 billion in 1973 to $38.4 billion in 1974 (oil from $13 billion to $23 billion, natural gas from $4.9 billion to $6.5 billion, and coal from $5.0 billion to $8.9 billion). This increase occurred primarily because of the influence of the OPEC oil price. About 40 percent of our oil is not price controlled and has risen to the OPEC price. About half of our natural gas is sold in the uncontrolled intrastate markets and its price is rising toward the OPEC oil price. Twenty percent of our coal sells in the spot market at or near the OPEC oil price and the contract prices for the remaining coal are being renegotiated upward.

The $15.5 billion, or 68 percent, increase in our payments for domestic energy in 1974 due to OPEC pricing created major inflationary and recessionary pressures in the economy. Now President Ford is proposing to permit more OPEC pricing of domestic energy by decontrolling the remainder of oil and natural gas. The further increase in our payments for domestic energy would ensure continued inflation and recession.

Decontrol of old oil alone, for example, would increase our payments for domestic oil by over $13 billion per year as the price rises from $5.25 to $12 per barrel. In an inflationary impact statement submitted to the Council on Wage and Price Stability, FEA has conceded that decontrol will increase the cost of refined products by 19 percent and add 0.9 percent to the Consumer Price Index. This estimate, however, understates the economic impact of decontrol of old oil due to omission of three considerations.

First, the OPEC oil price is expected to rise this fall. Hence the decontrolled price of old oil will be higher than assumed in the impact statement. Second, the increase in the average price of oil due to decontrol of old oil may lead upward the prices of natural gas and coal, as occurred in 1974. Third, the economic impact of any increases in the price paid for old oil (and hence gas and coal) is likely to be multiplied through a "ripple effect" as each $1.00 increase in the price of oil is transformed into an increase of $1.50 or $2.00 in the final prices of goods and services.

A Library of Congress analysis suggests that the combined effect of oil, natural gas, and coal price increases caused by decontrol of old oil would raise the price of decontrol to $21.1 billion per year, about equal to the recently legislated tax cut designed to stimulate the economy. Such an increase in payments for domestic energy would add 1.5 percent to the Consumer Price Index. A ripple effect in other prices would raise the inflationary impact to 2.25 to 3.00 percent. And, of course, when the OPEC price rises, the inflationary impact would be increased further.

Thus the true magnitude of the inflationary impact of decontrol of old oil is likely to be much greater than acknowledged in the Administration's inflationary impact statement. And the increased payments for domestic energy will deepen and prolong recession as they transfer spending to energy and away from other goods and services. Moreover, the economic impact of the total Ford energy plan would be even more inflationary and recessionary.

Analysis of the probable economic impact of the Ford plan raises further questions that should be answered.

Question 4. How will the expected increase in the price of OPEC oil affect inflation and recession in our economy under the Ford plan to permit OPEC pricing of domestic energy? A study by the economics staff of the Senate Interior Committee suggests that for every $1 increase in the OPEC price, payments for domestic energy will rise $5.8 bililon annually, while payments for imported oil rise $2.4 billion annually.

Question 5. On what grounds does the Ford Administration base its view that the economic impact of increases in domestic energy prices will not be multiplied by creating a ripple effect on other prices?

Question 6. When will President Ford present an inflationary impact statement for his total energy plan?

CLAIMED BENEFIT OF THE FORD PLAN

Anyone proposing a scheme as bizarre as permitting the OPEC cartel to set the price of the domestic energy sources which supply 80 percent of our energy has to have some rationalizations at hand. Proponents of the Ford plan assert that their plan will reduce our reliance on imported oil by stimulating increased domestic energy production and reducing energy demand. The reduction in imports is said to be desirable because it will reduce our vulnerability to future embargoes and will improve our international balance of trade. All of these claims require further scrutiny.

STIMULUS TO ENERGY PRODUCTION

The claim that OPEC pricing of domestic energy is justified because it will stimulate increased energy production is merely asserted without elaboration. Neither Administration officials nor energy industry representatives argue for a specific price for oil, gas, or coal that would be sufficient to stimulate increased production without causing an inefficient allocation of resources. They avoid defending today's uncontrolled price as ideal because tomorrow the OPEC price may rise and they don't want their endorsement of an earlier price to be used to argue against letting domestic energy prices follow the OPEC price.

Last year Administration officials made the mistake of labeling a $10 price for oil as "emotional." William Simon, then head of the Federal Energy Office, suggested the $7 per barrel would be an adequate long term price for oil. This year Administration spokesmen content themselves with nebulous claims of the need for capital in the energy industry. This is a flexible concept which they will gladly expand to embrace any new OPEC price. After all, they ask, why pay $12 to a foreign oil producer but not to a domestic oil producer.

They choose to avoid projections of relationships between price and domestic production because even optimistic estimates argue against OPEC pricing. Thus the Interstate Oil Compact Commission has projected a cumulative increase in oil production of 670 million barrels through 1980 if oil from enhanced recovery projects were decontrolled and sold at today's uncontrolled price of $12. Since decontrol of old oil would presumably increase oil production by financing enhanced recovery projects, this estimate can be taken as the expected increase in oil production due to decontrol of old oil.

The cost of the additional oil gained through 1980 from decontrol can be calculated by dividing the 670 million barrels into the roughly $71 billion additonal payments for old oil which decontrol would cause through 1980, assuming only the present $12 price for uncontrolled oil. The result is an incremental cost of $106 per barrel. Moreover, the $106 understates the true cost of the additional oil if the uncontrolled price rises above $12, if decontrol of old oil influences gas and coal prices upward, or if there is a ripple effect on the prices of other goods and services. A real cost of $106 or more per barrel of oil is not an efficient allocation of resources in our economy.

Similar examples could be constructed to illustrate the absurdity of OPEC pricing of natural gas, coal, and geothermal energy, which a Union Oil contract has long tied to the price of oil.

It is clear that we cannot be indifferent to paying $12 for domestic oil versus $12 for imported oil if the real costs of the additional domestic oil gained by paying $12 is over $100 per barrel. The simple assertion that paying the OPEC price for domestic energy will add some marginal production is insufficient by itself. Hence the claim of increased domestic energy production due to OPEC pricing raises the following unanswered questions for the Ford energy planners.

Question 7. How much additional energy will be gained through OPEC pricing of domestic oil, gas, and coal and at what real cost in terms of allocation of resources in our economy?

Question 8. What would be reasonable prices to stimulate production of domestic oil, gas, and coal without distorting the allocation of resources in our economy?

Question 9. What justification is there for allowing Union Oil Company to tie the price of geothermal energy from the geysers north of San Francisco to the OPEC oil price?

DECREASED ENERGY DEMAND

The Ford price rationing plan to decrease energy demand by permitting domestic energy producers to charge us the OPEC monopoly price for domestic energy sources is defended as a way to avoid the onerous burden of various government controls on energy use. The truth is that a government policy of permitting an artificially high monopoly price for energy and adding taxes and tariffs on top of that price is the most burdensome government intervention of all. The described economic impacts of the Ford plan for OPEC pricing of domestic energy indicate that it will reduce energy demand primarily by prolonging the recession.

A further problem with the use of OPEC pricing to reduce energy demand is the consequent misallocation of resources in our economy illustrated by the calculation that additional oil gained by decontrol really costs us over $100 per barrel when the relationship between price and production is taken into account.

An alternative program of reducing energy demand by mandating more efficient energy consumption without using artificially high energy prices is not cost free. Energy users would avoid paying the artificially high OPEC price for the bulk of their energy but, in addition to being required to cut blatant and vast energy waste, they would have to invest in some retrofitting of old buildings, additional architectural designs for new buildings, and other improvements in efficiency of energy use. It is not unreasonable, however, to assume that government regulatory policies which cause energy consumers to invest in more efficient ways to use energy will lead to savings of the equivalent of a barrel of oil at a cost which is far less than $100.

Proponents of the Ford plan for government guided investment of tens of billions of dollars to achieve marginal increases in energy production appear to have omitted consideration of the alternative of government guided investment of a lesser amount of private capital to achieve an equivalent energy saving through improved efficiency of energy use. They should be asked to respond in detail to the following question.

Question 10. A choice of government strategies is (1) government policies that raise the price of energy to divert investment into hopefully increased energy production while reducing demand through price rationing or (2) government policies that mandate an end to energy waste and require investments in improved efficiency of energy use without establishing artificially high energy prices. What analyses have been done to compare the results of these alternative government policy options in terms of energy produced and conserved per dollar invested? That is, which policy would achieve the more efficient allocation of resources in our economy?

IMPROVED BALANCE OF PAYMENTS

The Ford energy planners and energy industry representatives have stressed the desirability of reducing our use of imported oil in order to improve our balance of trade. The additional 670 million barrels of oil expected from decontrol of old oil, for example, would save us $8.7 billion in payments for $13 per barrel imported oil through 1980. However, as described earlier, the cost of the additional domestic oil would be over $70 billion. It is this kind of tradeoff that turns around the whole balance of trade argument.

Given the true cost of paying the OPEC monopoly price for our domestic oil, gas, and coal in order to reduce our need for imported oil by increasing domestic energy production, such a policy is likely to harm our balance of trade far more than continuing to buy the imported oil. If we instead adopt our own reasonable incentive prices for the 80 percent of our energy which is domestically produced, we can use our lower energy costs to increase our exports of food and manufactured goods in competition with exporting nations which are more dependent on OPEC priced energy.

This is not the same as exporting American energy at bargain prices. On the contrary, we would be effectively exporting our energy at the OPEC price. Our exporters would price the energy ingredient of their goods at a price just far enough below the OPEC price to increase their market penetration in competition with goods priced according to their OPEC oil ingredient.

If we pursued the described pricing and export policies, both our exporting industries and domestic energy producers would benefit from the fortuitous circumstances that we are 80 percent self-sufficient in energy. If instead we continue to allow domestic energy producers to reap the monopoly profits of OPEC pricing of domestic energy, only the energy producers will prosper and their gain will come at the expense of the remainder of our economy.

Discussion of energy policy and balance of payments considerations, then, raises another question for the Ford energy planners.

Question 11. What is the magnitude of the potential advantage in export markets that we will forego if we permit domestic energy producers to inflate the cost of our export goods by charging us the OPEC monopoly price for the domestic energy sources which supply 80 percent of our energy?

REDUCED VULNERABILITY TO EMBARGOES

Clearly we do not want to be penny wise and pound foolish and adopt energy policies which avoid some economic burdens in the short run but expose our economy to much greater disruptions in the future. However, this concern does not mean that we must simply accept the Ford plan for OPEC pricing of domestic energy on the ground that it will tend to reduce our need for imported oil. We must instead consider alternative allocations of our resources to accomplish the goal of reduced vulnerability.

One such alternative has already been mentioned. We can adopt government policies that guide private investments into improved efficiency of energy use and thereby reduce our need for imported oil. Such policies appear to promise a more efficient allocation of resources in our economy than the simplistic policy of OPEC pricing of domestic energy.

Another way to reduce our vulnerability to any sudden cutoff is to invest in stockpiling of oil. The cost of stockpiling should be weighed against the costs of OPEC pricing of domestic energy. It is clear, for example, that we could afford to stockpile a great quantity of imported oil over the next several years if the alternative is to invest over $100 per barrel in a marginal increase in domestic oil production.

The Ford energy planners should be asked the following question about protection from an oil embargo.

Question 12. What is the cost of marginal increases in domestic energy production gained from OPEC pricing versus the cost of stockpiling an equivalent amount of imported oil over the next several years?

NUCLEAR POWER

It is impossible to consider the Ford energy plan and questions of efficient allocation of resources without reference to the President's uncritical embrace of nuclear power. There is a growing body of expert opinion and public concern that expansion of nuclear power is not a desirable allocation of our resources. Problems of safety from accident and sabotage as well as questions of the economic efficiency of nuclear power grow rather than shrink as they are increasingly scrutinized by persons not entangled in the nuclear power establishment. Unfortunately the President has received his information on nuclear power exclusively from proponents of nuclear power. Given the importance of the question of whether we should increase our commitment to nuclear power, this imbalance in the President's exposure to the issues involved should be corrected. Accordingly, we have formally requested that he meet personally with a group of experts and concerned citizens to hear directly their doubts about the safety and economic viability of nuclear power.

Hence we are left with another unanswered question.

Question 13. When will President Ford find time to hear critics of his commitment to nuclear power explain their reasons for questioning the safety and economics of nuclear power?

CONCLUSION

In sum, the Ford plan for OPEC pricing of domestic energy is basically a plan to permit domestic energy producers to charge us a monopoly price for our domestic oil, gas, and coal. It would be a bonanza for the energy industry but it would distort the allocation of resources in our economy and strengthen both inflationary and recessionary pressures.

There are only two possible explanations for the genesis of such a shortsighted policy. Either it was made in the boardrooms of the energy industry or it is the product of the ideological rigidity of President Ford and his advisers. The latter explanation is sufficient. After all, Allan Greenspan was said by Time magazine to have argued that people who favor an excess profits tax on OPEC priced domestic oil are "unconsciously adapting a Marxist view that profit is basically exploitation." This extreme attitude in the face of monopoly pricing of energy harms our economy and ignores the basic economic concept that monopoly pricing leads to a misallocation of resources.

The Ford Administration should forego its ideological imperative of ending government regulation of the energy industry and work with the Congress to legislate non-OPEC prices for American oil, gas, and coal, create a competitive energy industry through legislated deconcentration, and mandate improvements in our efficiency of energy consumption. If drastic interim measures to reduce energy demand are found to be necessary, the Ford Administration should support the congressional choice of energy allocation rather than the present Ford plan for economically disruptive price rationing.[*]

Lest the Senators be misled by the claim of Ford energy planners that the only thing at stake in the debate over the Ford energy plan is a few cents per gallon increase in the price of gasoline, they should refer to the Administration's own Council on Wage and Price Stability, which reported two days ago that last year's rise in oil prices was a major factor in the 12 percent increase in food prices in 1974. Also, the looming postal service deficit, which Congress will be asked to relieve, will be substantially worsened by rising vehicle fuel prices. Finally, Congress should consider the difficulty of explaining to electric rate payers that they should endure further OPEC pricing of domestic fuels because still higher electric rates are needed to discourage consumption.

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[*] The feasibility of cutting energy use by direct controls on energy use has been demonstrated by the federal government itself and by the city of Los Angeles. Federal agencies which were ordered to cut energy use by 7 percent in fiscal year 1974 achieved a 24 percent cutback through careful energy management. Los Angeles achieved a 17 percent average reduction in electricity use in the early months of 1974 by allocating cutbacks of 10 percent to residential and industrial users and 20 percent to commercial users. Actual reductions were 28 percent for commercial users, 18 percent for residential users, and 10 percent for industrial users. See Federal Energy Administration, *Federal Energy Management Program, Fiscal Year 1974.* Available from Office of Energy Conservation and Environment, Federal Energy Administration, Washington, D.C. 20461; and Federal Energy Administration, *How Business In Los Angeles Cut Energy Use By 20 Percent,* January, 1975. Available from Office of Energy Conservation and Environment, Federal Energy Administration, Washington, D.C. 20461.

IN COMMEMORATION OF CAPTIVE NATIONS WEEK

Mr. HUMPHREY. Mr. President, today I ask my colleagues to join with me in proclaiming the observance of the 17th anniversary of Captive Nations Week. This year, this week assumes a special significance because of the tragedy of Southeast Asia.

In a time when our Nation is beset with serious domestic and foreign problems, we are prone to forget that our friends in Central Europe, the Soviet Union, Cuba, and Southeast Asia, lack many of the basic freedoms which we take for granted in our country. But America—which has long been in the forefront of the movement to recognize the human dignity of man—must continue to speak out with the other free citizens of the world on their behalf. Their cause must continue to be our cause; their struggle for the basic human rights guaranteed by the U.N. Declaration on Human Rights must be our struggle.

I have long been a strong supporter of the policy of détente. It offers the only reasonable way for nations with different perspectives and different systems to live together peacefully. But for détente to be meaningful, it must encompass not only trade expansion and weapons limitations, but also freedom of movement and communication. It is for this reason that I continue to support congressional efforts to link extension of most-favored-nation treatment by the United States to observance of the Human Rights Declaration of the right to leave one's country. It is for this reason that I believe that a Conference on Security and Cooperation in Europe must make real progress in guaranteeing freedom of movement and communication to all the citizens of Europe if it is to be a meaningful conference.

On the anniversary of Captive Nations Week, let the captive nations of the world know that our dedication to human dignity is stronger than ever and that they will not be forgotten.

DEATH OF CONGRESSMAN WALTER S. BARING

Mr. CANNON. Mr. President, death on Monday of this week claimed the Honorable Walter S. Baring, who represented the State of Nevada in the U.S. House of Representatives longer than any Congressman in our State's 112-year history. He served his native State with distinction in a wide variety of political roles including membership on the Reno City Council and service in the Nevada Legislature.

An individualist who prided himself in that role, Congressman Baring first entered the House of Representatives in 1949 as a liberal Democrat. But over the years his views evolved to that of a conservative concerned with States rights and the rights of the individual.

To most political watchers, Walter Baring was probably the State's foremost political enigma of the era of the 1940's to the 1970's. His popular support was legendary and as his supporters would say "everyone is against Walter Baring but the people." I can attest personally to that fact because in my first statewide race in 1956, my successful opponent was Walter Baring, 2 years before my election to the Senate.

Terming himself a "Jeffersonian States rights Democrat," Walter Baring was an opponent of foreign aid, big government, and any impingement on States rights. And he carried out that conviction not only on the national scene but in his home State as well.

Because he felt strongly that he should represent his electorate's views, Walter Baring threw himself into local issues as well. For example, despite strong opposition from the city and county governments in his home of Reno plus a sizable segment of the local press, he single-handedly blocked plans for a new freeway through the city until a different route was approved. Backing him was a bulky volume of petitions signed by more than 17,000 residents who supported his position, or as he liked to say, "I am supporting the people's position."

On numerous occasions during his career Congressman Baring seemed to take positions that ran against conventional political wisdom. But in many more times than not, his position won out. For example, there was his opposition to establishment of what would have been Nevada's first national park at Mount Wheeler in White Pine County. Authorizing legislation cleared the Senate twice, but Congressman Baring opposed it as a member of the House Interior Committee, believing that the area's livestock and mining interests would be better protected over the years to come without the park.

Walter Baring and I worked together harmoniously and well on matters affecting the best interests of our State. An exceedingly warm and friendly man, he never let political rifts affect his personal relationship. His friendships from one end of our State to the other were warm and sincere, which attested to his indefatigableness as a person-to-person friendly campaigner in the 110,000 square miles that make up our great State.

First elected to the House of Representatives in 1948, he served for two terms before the voters turned him back in 1952. He was later returned as a Congressman in 1956 and served through 1972.

In any political history of the State of Nevada, the name of Walter S. Baring will have a lasting place, bearing testimony to his deep devotion to the people he served so long.

My wife, Dorothy, joins me in extending our heartfelt sympathy to his widow, Jerry, and their four sons.

RESEARCH AND WORLD HUNGER

Mr. HUMPHREY. Mr. President, the United States. by virtue of the fact that it produces almost 86 percent of the world's surplus food, must play a leading role in providing for a solution to the food problem that presently confronts the world. Hence, it is extremely important in the coming years that the United States make an all-out effort to reevaluate its agricultural system which must work efficiently and effectively enough to feed not only this country but many others throughout the world.

Of particular importance is the functioning of the present agricultural research system. Our agricultural research effort is fragmented into so many departments and organizations that Congress and Government agencies find it difficult to define the direction that agricultural research must take in the future. And if the United States—the world's leader when it comes to solving the food problems—is confused about the future, where does that leave the hungry people around the world?

One effort to eliminate much of the confusion that surrounds the U.S. agriculture research system and provide that system with some direction is a statement submitted in testimony on June 25, 1975, by Sylvan H. Wittwer, director of the Michigan State University Agricultural Experimental Station, before the joint hearings of the Subcommittee on Science, Research and Technology and the Subcommittee on Domestic and International Scientific Planning and Analysis of the Committee on Science and Technology of the House of Representatives.

Dr. Wittwer indicates the need for increased research and entirely new research in such areas as production, nutritional quality, farmer incentives, resource availability, food yield stability, weather modification, biological and photosynthetic elements of crop growth, and scientific management in agricultural research.

Mr. President, I ask unanimous consent that the statement by Dr. Wittwer be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT ON GENERAL OVERVIEW OF AGRICULTURAL RESEARCH

(By Sylvan H. Wittwer)

I will not be kind or softspoken in my testimony this morning. I have no political aspirations and hopefully no conflicts of interest. Agricultural research, technology, and development is at a crossroads in this nation. If food is important it is not reflected by current investments in research at the national or state levels. Also there are numerous societal, political and economic constraints, and disincentives. There is an increasing demand for absolute food safety. We can, through tests utilized by regulatory agencies now detect that which we cannot interpret. The lack of scientific input into policies that affect agricultural productivity is becoming a national problem.

The USA currently produces about 86% of the world's surplus food. Our agriculture holds a unique position and responsibility, first for solving world food problems; and second, maintaining the integrity of the dollar.

The farmers of this nation, last year, exported three-fourths of their wheat production; more than two-thirds of their rice; one-half of their soybeans, and cattle and hides; two-fifths of their cotton; and one-fourth of their feed grains. The total value of farm exports in 1974 was $20 billion with an incredible $11.7 billion net to the balance of trade.

The interdependence of nations for resources, including our role in the food picture is exemplified in that only three to four nations are food grain exporters of which we are overwhelmingly Number One. This contrasts with thirteen to fifteen oil exporters.

The support of agricultural and agriculturally related food research is fragmented in at least a half a dozen federal agencies. These include the USDA, USAID, HEW, NSF, EPA, and ERDA. As for the current federal budget, five times as much as for agriculture is currently projected for research by the Departments of Health, Education and Welfare and the Energy Research and Development Administration, and considerably more is committed by the National Science Foundation. Furthermore, into these latter agencies massive resources for basic research have been poured and they have no delivery system as does agriculture, by which research fundings can actively be transferred, disseminated, and put into practice. This is currently a major point of contention. Research and Development budgets for the USDI and EPA are projected for more than a 50% increase, accompanied by a modest 11% for agriculture.

Agricultural leaders and scientists have little input as to national research policy. I submit two examples. The National Science Foundation was created and is currently supported by Congress, and reports directly to the President. Among the 21 national problems warranting greater research and development efforts according to the 1973 report of the National Science Board of the National Science Foundation, food production was not on the list. There was a complete absence of people even remotely connected with biology—let alone agriculture—in this top echelon of the National Science Foundation.

The current report of the National Science Board entitled "Science and the Challenges Already", discusses agriculture under a section deceptively entitled "Primary Productivity" but with the emphasis on maintenance of natural ecosystems. There are still no agricultural scientists on the National Science Board. Two ecology oriented biologists, have been added.

The Council on Environmental Quality was established in 1969. It annually reports directly to the President who in turn transmits the reports to Congress. The annual reports have given little attention or priority to preferential use and preservation of land for food production. The latest, or fifth annual report, is no exception.

The complexity of our food supply and the needed agricultural research and development efforts to insure that supply for ourselves and other nations is almost mind-boggling. President Ford in letters dated December 3, 1974 addressed to both the President of the National Academy of Sciences and to the Secretary of Agriculture has requested such a program. As chairman of the Board on Agriculture and Renewable Resources of the NRC/NAS and essentially the only spokesman for agricultural research in that organization I am heavily committed in a response to the President's request.

It is not as if we or Congress were caught in a vacuum. There are reports and documents—far too numerous for me to enumerate. As to Congress the single committee on agriculture and forestry in the 93rd Congress had 177 bills and resolutions dealing with food, agriculture and nutrition referred to it for consideration and possible legislative action. The Committee on Agriculture of the House during the same period had 565 similar bills and resolutions. Another 1,089 bills and resolutions dealing with food, agriculture, or nutrition were introduced by members of the 93rd Congress and referred to other committees. Some of the more immediate bills are the Animal Health Research Act (Melcher-MT and 29 cosponsors); the Beef Research, and Information Act (Foley-WA); the Food Research and Development Act (Seiberling, OH and cosponsors); Famine Prevention (Findley and 92 cosponsors and Humphrey plus five cosponsors); Soybean Research Institute Act (Symington, MO plus Humphrey and others); Need for Immediate and Substantial Public Investment in Agricultural Research and Technology (Litton, MO and nine others, Murphy, NY); Agricultural Energy Research (Humphrey, MN plus four others); etc. It is as if the gates have been opened wide for legislation in greater support of agricultural research.

My testimony today is not to extol the present system. There is confusion in Congress as well as among the agencies as to the future direction of agricultural research. There is little representation or voice from agriculture except from the USDA, and the State Agricultural Experiment Stations. The two subcommittees of the House Committee on Science and Technology are to be commended for sponsoring these hearings.

I'll now be specific. My plea is for instituting a massive—let's say another "Manhattan Project" in agricultural science and technology. I submit to you a copy of an article which appeared in the special Food Issue of *Science* magazine May 9, 1975 and request that it be placed in the printed record of these hearings. Agricultural research programs and priorities are outlined. I'll now expand, extend and add to some of the key issues mentioned in the *Science* article.

A solution to the world food problem is more production research. It is also getting the food where the people are and providing an income so they can buy it. The delivery of food to people now involves enormous wastage, spoilage, insect and rodent damage, and problems of storage, transportation, packaging and marketing. Nevertheless, there are not likely to be hungry people with money.

Motivation and incentives are important both for scientific discovery and for farmers. Only farmers produce food, and they will do it if there is an economic incentive. The power of economic incentives has been manifest with two commodities during the past few months—Michigan navy beans and potatoes nationwide and there may be emerging a third—sugar. Scarcely more than a year ago navy beans sold for $55/cwt, today they are $10/cwt. A year ago potatoes sold for 12–13 cents per pound. Today, if there is a sale, it's one cent per pound. The current national surplus of potatoes both fresh and processed is so acute there are still no grower contracts with processors for this year's crop. Sugar prices are only a fraction of what they were six months ago. If there is an economic incentive, food will be produced. This applies nationally and internationally.

There are inseparable, energy and food interrelationships. In spite of our much publicized energy-dependent agriculture, food production itself still gives a positive energy return. Contrary to many popular reports by presumably reputable authorities, production of the major food crops—cereals and legumes, results in three to five calories of food and feed energy produced for every calorie of cultural energy consumed. This is because plants are the primary harvesters of free solar energy. While the expenditure of energy in food production, which amounts to about 3% of our total energy budget, cannot be ignored, there is an extensive consumption of energy in processing, packaging, storage, transportation and in home and commercial preparation that exceeds by severalfold the energy input for production. A major agricultural research area would be to assess comparable energy inputs into alternative production, processing, storage, packaging, delivery and preparation practices of the total food system and for each specific commodity.

Food production research strategy of the past in line with the admonition of Jonathan Swift of many years ago was to grow two to four blades of grass where one grew before. Enhancement of productivity should still rank first in agricultural research priorities. But there are now other important indices. They include improving or maintaining nutritional quality. The quality of the environment should be maintained or improved. Resource input (land, water, energy, fertilizer, chemicals, equipment), their costs, their availability and renewability, must be considered. Research objectives and results should be forthcoming in a relatively short time span (5–10 years); and cost-benefit and cost-effectiveness must be projected. All these magnify the complexity of research strategy and management.

Climate and weather are the most determinant factors in food and other renewable resource productivity. The impact of changing climatic patterns and weather on food production is enormous. Agricultural research should be directed toward achieving a stability of yield of the major food crops. This involves research strategies for crop improvement and resource and crop management that would lessen climatic vulnerabilities. The horizon for food production now limited by arid lands, cold temperatures, and saline soils could be extended.

Weather modification research (induced precipitation, hail suppression) for enhancement of food crop production is almost absent in the corn belt and bread basket of this nation. Another void is the lack of emphasis on climatic and weather information useful to agriculture.

Related to weather modification should be an assessment of the magnitude and extent of the rapidly increasing acid precipitation, its atmospheric and soil relationships and potential effects on food crop production. Air quality standards in this nation heretofore have given no consideration to effects on plant growth and the production of other renewable resources.

Attention is now directed to some major policy and priority issues in agricultural research. Rice, wheat, maize, sorghum, millet, rye, barley, oats, cassava, sweet potato, potato, coconut, banana, beans, peas, peanuts, sugar cane and sugar beets furnish about 90 percent of the food consumed on this earth and occupy about three-fourths of the cultivated land. The cereal grains alone provide well over 50 percent of the calories and about 50 percent of the protein. The balance of protein is provided by legumes (20%), livestock products (25%), and fish (5%). These are considered "conventional" food sources. The so-called "unconventional" sources of food and protein are of little consequence in today's world, nor will they likely be in the near future.

Any system for producing and processing food and protein from unconventional (nonagricultural) sources must be competitive with the conventional agricultural approach. A possible exception may be the protein derived from the energy of waste products and by-products which represent costs for disposal. The potential is great. Approximately 150 pounds of cellulose is produced each day for each of the earth's four billion people. Annual production of crop and animal wastes in the U.S. exceeds 800 million tons of dry matter. One-third is produced in confined areas, but the balance is spread over millions of acres of crop land. Collection poses a problem. Important are studies of comparative energy and other nonrenewable resource inputs required for the production, processing and delivery of unconventional foods, whatever the origin.

With conventional foods such as the cereal grains and seed legumes, nature takes care of dehydration and curing so they can be easily transported and stored. This is not true of the unconventional. There are also issues of flavor, appearance and acceptability. Someone is going to have to eat what we produce. Diets of people are not changed quickly or easily.

The major agricultural research effort of this nation from a commodity point of view should be directed toward improvement of production and quality of the cereal grains. There is substantial evidence that if adequate calories are provided through conventional food sources, particularly the cereal grains, and if the proteins of these foods are improved—for which there are excellent short-term research possibilities—there should be no major food protein problem. This is the challenge that must be issued for those engaged in research with unconventional or exotic food and protein sources. Non-conventional foods or feedstuffs such as single cell protein, microbial protein, leaf protein, fish protein concentrates and dried sterilized poultry and livestock excreta should first be evaluated as poultry and swine feed supplements rather than for human food.

The dietary and health aspect of a predominantly vegetarian diet should be reviewed. If we are to provide food for other nations, we should ask—feed the world with what? Certainly not the diet we eat. If not with what we have, then what? The moral issue of double dietary standards comes to the front.

A second commodity oriented research effort should be directed toward ruminant farm animals. I refer to dairy and beef cattle, and sheep and goats. The greatest anaerobic fermentation vat on earth, speaking collectively is the rumen of ruminants. Cattle, sheep and goats can utilize hay, pasture and other roughages that man cannot, and they are converted to milk and meat. Ruminant animals need not compete with man for sources of food.

Here the important livestock grain issue comes to the front. It has been commonly stated that 78 percent of the grains harvested each year in the USA are fed to livestock. This is a much repeated erroneous figure, and is certainly not true today. During this past year three-fourths of our wheat, 50 percent of our soybeans and 25 percent of our corn was shipped abroad. How it was all used by other nations (USSR, PRC, Japan, Western Europe) we are not sure, but it was not fed to livestock in this country.

Two years ago forages provided over two-thirds to three-fourths of the feed units consumed by ruminants. The exact figures were 90 percent for sheep, 75 percent for beef cattle and 65 percent for dairy cows. This situation, however, forced by economics, has since changed dramatically. The number of beef cattle now in feed lots being fed grain is the lowest in ten years—31 percent less than a year ago and 37 percent lower than in 1973. Yet there are more beef cattle in the USA than ever before. They are being fed more forages and grass as replacements for grain. Forages and grasses are generally produced on land not suitable for other crops. A commodity research investment second only to that for improving the production and quality of cereals should firstly be directed toward improving the efficiency of ruminant animals in utilizing forages making them less competitive with man for energy and protein, and secondly, in the development and management of new and improved forage crops.

I conclude by directing attention to one of the grossest of omissions in the agricultural research efforts of the nation. It relates to the two most important biochemical processes on earth—photosynthetic carbon dioxide fixation by the green plant with the bioconversion of solar energy, and biological nitrogen fixation. Efforts in these two areas, the biological processes that control crop productivity, were identified by a recent National Academy of Science policy review committee as receiving totally inadequate support. The reality was further documented in one of the latest of Academy reports released in January of this year. There is insufficient interaction between the applied agricultural sciences and the basic research disciplines which underpin future progress in crop productivity.

An accurate inventory of the Nation's research investments (federal, state, private industry, foundations) in photosynthesis and biological nitrogen fixation is not available but there is evidence that it scarcely exceeds $5 million for each. In all the nation's current options for energy research involving billions of dollars expended annually, bioconversion of solar energy through the photosynthetic process is scarcely worthy of mention. Present conversion rates by green plants seldom exceed one percent even under the best of conditions.

There are many options for improvement. This is what agriculture is all about. Not only are green plants and agricultural crops now the primary harvesters of the sun's energy, but have been in ages past whereby all fossil fuel energy resources were accumulated. The challenge ahead is to enhance this bioconversion process.

Almost equally important is biological nitrogen fixation. This naturally occurring nitrogen gathering process from the atmosphere ranks second in importance only to photosynthesis. Its contribution to agricultural productivity worldwide probably exceeds by four to five times all the nitrogen fertilizer currently fixed by chemical means utilizing high pressures and temperatures and a massive fossil fuel input.

These two biochemical processes literally add to the resources of the earth. They underscore all agricultural and other renewable resource productivity. They are nonpolluting and the needed resources are essentially unlimited. They are the source of renewable resources of food, feed and fiber. Some research investments could be made which would give results quickly and there are more deliberate research strategies which would require long term investments. If food is important I appeal to the members of these two subcommittees for reconsideration and action in our agricultural research priorities.

There are other lesser but still crucial research areas. These include somatic fusion, meristem culture, and the development of haploids through tissue culture techniques for creating new plant types and species. More efficient methods of crop fertilization are needed, when only 50 percent of the applied nitrogen and only 30 percent of the phosphorus fertilizer is utilized by plants. Pest management, environmental quality and improved crop and livestock protection should be pursued vigorously from economic as well as environmental improvement considerations. There are water management, relay or multiple cropping and reduced or zero tillage for soil, water, energy, and soil organic matter conservation. There is protected cultivation and controlled environment agriculture. We must also include chemical and biological engineering and genetic improvement of crops and livestock and finally, the introduction of science into the home food garden. These and others are research problem areas and priorities that should be dealt with in subsequent testimony.

Finally, attention must be given to science management in agricultural research. Support is needed for interdisciplinary teams to conduct in-depth research in critical areas such as the above. Any major new investment in agricultural research for food production and improved nutrition must be accompanied by changes in administrative procedures of involved agencies that will guarantee more efficient use of funds for recruiting the best scientific talent that can focus on the biological processes that control agricultural productivity.

There is the urgency for a re-assessment of national and global priorities and strategies in agricultural research. We cannot abdicate this responsibilty to others. This nation is and must remain the center of action for meeting world food problems. We have gone through an environmental movement and now have a keen awareness of the importance of protection, preservation, and conservation of our nonrenewable resources. We are now in the midst of an energy crisis and worldwide inflation. Here food and energy have many linkages, including price. We have more people on earth and the numbers are increasing more rapidly than ever before in history. There is little indication that in the immediate future this will change. Any progress in the reduction of birth rates will be more than compensated for by increased life spans. There is no acceptable alternative except seek for agricultural victory in food production. Our productive capacity reserves include not only land, water, energy, and fertilizer and labor saving equipment, but technology that can yet be created through agricultural research investments.

SENATOR HUGH SCOTT'S RECORD ON AID TO VETERANS

Mr. HANSEN. Mr. President, the Senator from Pennsylvania (Mr. Hugh Scott) is one who recognizes the need for a greater emphasis by Congress on veterans' needs. In the 88th Congress, for example, he sponsored legislation creating a Senate Committee on Veterans' Affairs. Today, we have such a committee, and I serve as its ranking Republican member. Senator Scott continues to ease our veterans' burdens with positive congressional action. His deep personal commitment to those who have served our country is reflected in his legislative initiatives. I ask unanimous consent to have printed in the Record a summary of the Republican leader's record on aid to veterans.

There being no objection, the record was ordered to be printed in the Record, as follows:

Record

VETERANS—94TH CONGRESS

Legislation

S. 708—A bill to provide for displaying for public viewing at the Arlington National Cemetery the names of certain deceased veterans.

S. 880—A bill to provide service pension to certain veterans of World War I and pension to the widows of such veterans.

S. 969—A bill to amend Chapter 34 of Title 38, United States Code, to extend the basic educational assistance eligibility for veterans under Chapter 34 and for certain dependents under Chapter 35 from 36 to 45 months.

S. 1296—A bill to provide Cabinet-level status to the Administrator of Veterans' Affairs.

S. 1432—A bill to provide certain veterans who were prisoners of war shall be deemed to have service-connected disability of 50%.

VETERANS—93RD CONGRESS

Legislation

S. 176—World War I Pension Act.

S. 2789—A bill to improve the educational and training assistance programs for veterans.

S. 2932—A bill to provide that veterans' pension and compensation will not be reduced as a result of certain increases in monthly social security benefits.

S. 3064—A bill pertaining to the payment of travel expenses for persons traveling to and from VA facilities.

S. 3258—A bill to provide for displaying for public viewing at the Arlington National Cemetery, the names of certain deceased veterans.

S. 3398—A bill to provide a 10-year delimiting period for the pursuit of educational programs by veterans, wives, and widows.

S. 3383—World War I Veterans' Pension bill.

S. 3702—Vietnam Veterans Federal Employment Act.

S.J. Res. 227—A joint resolution designating Monday, February 10, 1975 as a day of salute to America's Hospitalized veterans.

Votes

Voted for the Veterans' Health Care Expansion Act of 1973.

Voted for the Veterans' Drug and Alcohol Treatment and Rehabilitation Act of 1973.

Voted for Emergency Employment Amendments of 1973.

Voted for Tax Treatment of Survivor Benefit Plans of Uniformed Services—Retirement Income Security for Employees Act.

Voted for Veterans Insurance Act of 1974.

Voted to extend time period to utilize G.I. benefits.

Voted for Vietnam Era Veterans' Re-adjustment Assistance Act of 1974.

Voted to redesignate November 11 of each year as Veterans Day and to make that day a legal public holiday.

Voted to override President's veto of Vietnam Era Veterans Readjustment Act of 1974.

Voted for Veterans Housing Act of 1974.

TOWARD A MORE RESPONSIVE GOVERNMENT

Mr. CRANSTON. Mr. President, frequently a fresh view will see old problems with a new perspective for better solutions than can be seen by more conventional eyes. Thus I found the recent remarks of the junior Senator from Vermont on the question of our approach to casework to be constructive and enlightening. I think Senator LEAHY's desire to give leadership in making our Government more efficiently responsive to the problems of individual citizens is extremely commendable and deserving of all our support.

In case any of my colleagues missed seeing Senator LEAHY's article in last Sunday's Washington Star, I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Star, July 13, 1975]

THE GOVERNMENT'S INEFFICENCY IN DEALING WITH CITIZEN COMPLAINTS

(By Patrick J. Leahy)

This may be a time of recession for most industries and most regions, but in Washington there is an industry which keeps growing in good times or bad.

It is called "casework" and it involves thousands of legislative and executive branch employes. While the actual cost cannot be precisely calculated, the bill could be a minimum of $40 million a year, with every indication that it runs considerably higher.

Every House and Senate office knows about "casework"—indeed, most are consumed by it. The White House receives heavy casework mail every day. For those who have had no experience with it, casework goes something like this:

A constitutent writes to me as his senator and complains that he or she is having difficulty with the Social Security Administration in getting an overdue check.

That's a "case" and it becomes my job to get the answer. I assign someone on my staff who is responsible for casework to hunt for the lost check.

Another constituent complains that a son cannot get a promised leave from the Army to attend a family reunion. That's a case. So are matters of veterans' eligibility. Or immigration. Or a multitude of other situations involving an individual's appeal against a decision or action or lack of action involving administrative government.

Through an often unbelievably complex labyrinth of red tape and sometimes interminable buck-passing, we track problems that people drop in our mailbox each morning, or call in by telephone, or bring through our door.

To deal with casework, administrative agencies have created "liaison offices" which process mail sent from Congress. There are nearly 200 such liaison offices. The liaison system represents a new kind of bureaucracy, one that has been organized to handle congressional complaints arising from citizen complaints about the old bureaucracy.

And this liaison bureaucracy, organized to ease a congressman's way through the administrative maze, can be every bit as cumbersome and unresponsive as the agencies they represent.

I discovered this recently while attempting to develop some factual information about casework in general.

On May 2, I wrote to 65 of the largest liaison offices and asked a series of questions—about the office budget, office staffing and other pertinent information about casework and liaison operations.

As of this writing, nearly one-fourth of the agencies have yet to reply. Eight of them say they lost my letter. Most struggled relentlessly against providing any substantive information.

Most agency liaison offices would have me believe that:

1. There is no identifiable budget for liaison services within their agency.
2. There is no way to count the numbers of people whose principal job is casework.
3. There is not and never has been a count made of the volume of mail regularly received from Hill offices.
4. There is not and never has been a system for separating mail into categories or patterns that might be analyzed as a way of correcting administrative failure.

One liaison officer at the Agriculture Department told a member of my staff that it would take three years for him to collect this kind of data. The Interstate Commerce Commission came up with this information: "Since this data deals with the decisional process, it is administratively confidential and not available for publication."

The evidence seems fairly clear that from the administrative side, casework is strictly a matter of processing individual letters, with no further significance for public policy. Many administrative caseworkers seem to have little interest in working cooperatively with legislators or even other executive branch people in trying to analyze root causes or in attempting to improve the process.

Many members on both sides of the Hill find casework more of an opportunity than a burden. For the constituent who receives a personal favor in time of need is the constituent who might well vote for you next time around—regardless of your votes on issues or other aspects of your performance.

While members may struggle mightily, without adequate staff help, to understand a $100 billion defense appropriation, or may postpone indefinitely the development of a creative idea to deal with the health cost problem, few members, including myself, will cut corners when it comes to casework. I feel that when people ask for help I have a responsibility to respond, and I do not disagree that it is a joy to do a legitimate good turn for someone who needs help.

But I believe that casework is overrated as a political genie. And I also believe that this system of casework, as it now exists, is not a service, but rather a disservice to individuals who ask for help—not to mention those who demand legislative action from Congress.

To be honest about it, most casework personally involves neither the senator who signs the letter to the constituent, or the agency head who signs the letter to the senator. The people who handle most casework are the staff members. I sign and review all of my letters to constituents. But it would be a practical impossibility for me to personally follow through on every case directed to me.

The system isn't efficient. It isn't particularly prompt. It is often duplicative, permitting many members to claim original effort. And it is more a system for processing problems than for trying legitimately to solve them.

Literally thousands of House and Senate staff members are devoting undivided attention to personal problems of constituents, and one can only wonder what might happen if the same resources were devoted to analysis and formulation of legislation.

I cannot believe we are well-serving our constituents by perpetuating a costly casework industry, replete with the charade of personal involvement by members of Congress and agency heads alike, in a system that is paperbound, and which serves to limit the resources members can apply to their chief responsibility—legislation.

So, what's the solution?

More than 10 years ago Rep. Henry Reuss of Wisconsin published an article in *The New York Times* magazine in which he suggested the creation of an ombudsman office within the legislative branch which would take in grievances and deal with them, utilizing a staff that included experts in various agency activities. That still sounds like an idea worth considering.

Another possibility is for the executive branch to get serious about this problem and designate someone, possibly even the vice president, as one with the status and authority to solve problems and analyze complaint patterns for correction of policy or management where needed.

Still another course might be the abolition of all agency liaison offices, so that complaints would go directly to agency officials who handle problems. This might remove a level of insulation and force more immediate attention. Another idea is establishment of regional complaint centers where citizens could receive needed assistance in a hurry.

Congress also could force the administration to pay more attention to the liaison casework problem by requiring agencies to isolate budgets for this function, and report annually on the volume and nature of complaints received.

Casework may, at first glance, appear to be a minor problem. But rising frustration with Congress and its inability to act, and with executive agencies and their often remote and unresponsive performance, contributes much to public cynicism about government. And that cynicism, as we have seen, has been growing much too fast for the country's good.

THE FOSTER GRANDPARENT PROGRAM

Mr. PACKWOOD. Mr. President, I ask unanimous consent that a letter written by Clarice Warren, project director for Oregon's Foster Grandparent program, be printed in the RECORD. I believe that her support for the worthy efforts of foster grandparents at Salem's Fairview Hospital deserves the attention of my colleagues.

There being no objection, the letter was ordered to be printed in the Record, as follows:

Fairview Hospital and
Training Center,
Salem, Oreg., June 10, 1975.

Senator Robert Packwood,
Dirksen Senate Office Building,
Washington, D.C.

Dear Senator Packwood: According to the May 27, 1975 *Economic Opportunity Report*, Senator Thomas Eagleton (D. Mo.) considers "the ACTION volunteer service agency programs for the elderly are a 'national fraud' because so few people benefit from them." I beg to differ.

The sixty-two (62) foster grandparents assigned to Fairview Hospital and Training Center have benefited greatly by the Foster Grandparent Program by giving them additional income as well as for many of them a reason for living. It also benefits 104 residents of Fairview's who have little or no contact with their families. The benefits for all concerned are enormous.

Although I am now a Foster Grandparent Project Director, I was the Volunteer Service Coordinator for Fairview for eight years and since the inception of the program in 1967, I have considered the Foster Grandparent Program the best federal program Fairview has ever been privileged to be awarded.

If you are in doubt of the value of the Foster Grandparent Programs, please visit a project area.

Respectfully,

Clarice Warren,
Project Director,
Foster Grandparent Program.

FARM MACHINERY PARTS PRICES

Mr. ABOUREZK. Mr. President, I have been urging the Council on Wage and Price Stability of the Treasury Department to expand its study of increases in new farm machinery prices to include machinery parts as well.

Farmers and ranchers have been hit the hardest by inflation and corporate profit gouging of any of the Nation's industries. Unfortunately, our farm economy is the least able to withstand dramatic cost increases simply because farmers and ranchers do not have the luxury of being able to set the prices for which they sell their commodities.

I received a letter recently from Mrs. Harry Jones of Hartford, S. Dak. This letter explains very clearly why machinery parts should be included in the Council's investigation.

Mr. President, because of the facts in Mrs. Jones' letter, I ask unanimous consent that it be printed in the Record following these remarks. I also request that the text of my letter to Secretary William Simon of the Treasury Department appear at the end of my remarks.

There being no objection, the letters were ordered to be printed in the Record, as follows:

Hartford, S. Dak.,
July 11, 1975.

Dear Senator Abourezk: Mr. Jones had to buy a new conveyor chain for the grain combine this week. When the counter man told him the price of it, the customer next in line asked the man to check that price again because he had paid $73 for the same item last year. The clerk did so and confirmed the present price—$194.05.

We are not marginal farmers, but we can't stand this much longer.

Sincerely,

Mrs. Harry Jones.

July 3, 1975.

Hon. William Simon,
Secretary of the Treasury, 15th Street and Pennsylvania Avenue, Washington, D.C.

Dear Mr. Secretary: I understand that the Council on Wage and Price Stability is now studying the dramatic increases in the cost of farm machinery.

First, I applaud the Council for undertaking this investigation. The dramatic increases in the price of farm machinery—22 per cent in the past year—certainly demonstrate the need for this study.

I would appreciate it very much if you could advise me of the specific scope of the study, the work now in progress, the work possibly completed, and the projected completion date of the study. I would also appreciate periodic reports on the progress of the investigation.

I respectfully urge the Council to also look into the similar price jumps affecting farm machinery parts.

Your prompt attention on this request would be greatly appreciated.

Sincerely,

James Abourezk,
U.S. Senate.

MINNESOTA'S SUCCESS IN HELPING LOCALITIES

Mr. MONDALE. Mr. President, as Congress and the country struggle for solutions to the vast number of problems facing us—energy, destruction of the environment, crisis in the cities, and an economy wallowing in recession—it is often helpful to look inward, to the States of this Nation, for examples that may lead the way to these solutions. I call to the attention of my colleagues an article from the Minneapolis Tribune by Neal R. Peirce, a well-known author and political analyst. Mr. Peirce describes how my State of Minnesota has come to grips with many of the problems facing our Nation.

Through tax reform that has ended local reliance and dependency on the burdensome property tax, and with the recognition that all concerns of the people and State are interrelated, Minnesota has made great strides toward social equality, enhancing good local policymaking, and protecting the environment. The State of Minnesota is a prime example to look to as we seek answers to the same questions on the national level. I ask unanimous consent that the article by Mr. Peirce be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Minnesota's Success in Helping Localities

(By Neal R. Peirce)

Washington.—"Success stories" in American government seem all too rare in these days of runaway problems and deep citizen disillusionment about the whole public process. But in the proud, vital state of Minnesota, one of the most perplexing issues of the times—how states can make their localities effective and responsive units of government—is being addressed in a way that could be a model for the whole nation.

The theme of what states can do for their cities was the official theme of the recent National Governors' Conference in New Orleans. But aside from mildly productive sessions on state-local finances and land use, the governors did little more than show how deeply split they were on energy and other national issues. They would have done better to desert their barren arguments and opulent corporate-financed parties to travel several hundred miles up the Mississippi to see how one state is really coming to grips with its problems.

The "secret" of Minnesota's success rests on a combination of factors—a long tradition of "open" politics, a feeling that citizens rather than special interests control government, a healthy and diversified economy and a habit of common-sense approaches to problems that would ensnare many states in emotional and needless controversy.

But the heart of Minnesota's approach is one that even less happily endowed states should take note of: namely, that taxes and problems of social equality, metropolitan and small-town concerns and the protection of the environment are all intimately related and that no policy area can be dealt with effectively without close attention to the others.

The showcase reform of modern Minnesota—a 1971 tax-reform bill that completely revamped school financing—is a case in point. Through dramatically increased state aid to local schools, with the biggest help for poorer school districts, the state made a massive step toward equality of educational opportunity.

A second objective was to reduce reliance on what Gov. Wendell Anderson calls the "most obnoxious" of all taxes—the local property tax, which extracts money from a citizen whether he's employed or unemployed, having a good or bad year. The 1971 bill rolled back property taxes, replacing the revenue with state aid from an increased, sharply graduated income tax. "We think the income tax is the fairest, and that's why we rely on it so heavily," according to Anderson. "We would just be lost without it."

Despite the recession, for instance, the state budget for the 1975–77 biennium includes $360 million in increased aid for local schools—financed largely through the income tax. Minnesotan's must still pay a local property tax, but it was reduced by as much as one-third through the 1971 reform. The state also imposed a ceiling of 6 percent on annual increases in local spending from property taxes and state aids. There are some loopholes in the ceiling which have permitted average property taxes to rise 10.8 percent this year in the Minneapolis-St. Paul area and significantly elsewhere in Minnesota. But while inflation has made it hard to keep the ceiling on spending at least property taxes no longer increased at the astronomical rate of 1969 to 1971.

The property-tax lid can be seen as a strict limit on local governments. There is a loophole which lets a locality raise its taxes more if its citizens agree in a referendum (though such votes, were tried, have generally failed). What's most important is that the 1971 reform bill, together with increased general state revenue-sharing for municipalities, has relieved local governments and their taxpayers of an exceedingly heavy burden.

Another breakthrough in state action to help localities was a 1971 bill for the seven-county Twin Cities region around Minneapolis and St. Paul, where half the state's people live. The measure tries to relieve the intense competition between localities for office buildings, shopping centers or industrial plants, just because they enrich the property tax base. Now 40 percent of the tax yield from any new commercial or industrial property is redistributed to all governments in the metropolitan region, based on population and need.

As a result, localities no longer struggle so hard to attract high-yield installations that may despoil their landscape. They are more open to accepting low- and medium-income housing (for which the state has a major loan fund) and to setting aside land for parks and other open-space uses.

Thus tax reforms, initially aimed at achieving social equality, end up being vital environmental measures. Minnesota has enacted many growth-policy bills—protection of critical scenic, historical or cultural areas, state control of power plant and transmission-line sitings, a scenic and wild-rivers bill, mandatory environmental-impact statements for big housing or industrial projects and millions of dollars in state aid to regional councils and local governments to let them do their own land-use planning in the context of a statewide plan.

But in the words of State Finance director Gerald Christenson, using the state's power to protect the land and environment "is whistling Dixie unless you have tax reform."

Outside the tax field, Minnesota's most innovative measure in helping local governments is the Twin Cities Metropolitan Council, created by the legislature in 1967. The council has its own tax base, gubernatorially appointed board members, power of review over all federal aid projects and control over metropolitan-wide concerns like sewage, transit, airports and parks. Thus it is much more powerful than the loose-knit councils of governments operating around the nation.

Now the council wants the Legislature to approve its ambitious guided-growth policy for the Twin Cities area. The plan would help limit suburban sprawl and preserve scenic and farm areas by channeling growth into the established city centers and a limited number of free-standing satellite-growth centers. The zoning plans of municipalities would have to dovetail with the metropolitan-wide plan. Predictably, some of the new, fast-growing suburbs have voiced hot opposition.

The assertive role Minnesota's state government has taken in tax and land-use policy looks in one way like a "steal" of local autonomy. There's always a danger that arbitrary state action can have negative results, not the positive ones hoped for. But by relieving localities of oppressive property taxes and giving them the money and technical advice they need to plan well, Minnesota may be doing more to enhance good local policy making, and guaranteeing all its citizens a hopeful future in a decent physical environment, than any other state in the union.

ISRAEL PUTNAM

Mr. RIBICOFF. Mr. President, the Connecticut General Assembly recently passed a resolution commemorating Israel Putnam, one of the Nation's most gallant leaders during the Revolutionary War. The Connecticut legislators not only pay tribute to his great accomplishments, but also suggest a way to give Putnam national recognition for his contribution to Connecticut and the Nation.

I ask unanimous consent that this resolution be printed in the Record.

There being no objection, the resolution was ordered to be printed in the Record, as follows:

Resolution Commemorating Israel Putnam

Resolved by this Assembly:

Whereas, Israel Putnam was one of America's most outstanding patriots and a distinguished citizen of Connecticut; and

Whereas, two hundred years ago he left his plow in a Connecticut field and rushed to respond to his country's call at Lexington; and

Whereas, from Connecticut farmer to Major General, Israel Putnam exhibited striking courage and character that had a marked influence on the history and fortunes of our struggling nation; and

Whereas, General Washington and leading military officers thought higher of Israel Putnam than any other man in the Army; and

Whereas, Israel Putnam became one of four original Majors General in our Continental Army and was the only one of that grade to serve throughout the war; and

Whereas, historians tell us no man was ever obeyed with more strictness or was more loved and admired by his troops; and

Whereas, Israel Putnam was an active participant in community affairs, having twice been elected selectman in the town of Brooklyn, Connecticut, and as a local citizen and innkeeper, he was held in the highest esteem; and

Whereas, Israel Putnam's efforts on behalf of Connecticut during the Revolution prompted the State of Connecticut to appropriate $10,000 in 1888 to erect an equestrian statue of him in Brooklyn Center;

Now, therefore, be it resolved, that the United States Postal Commission give serious consideration to the issuance of a commemorative stamp honoring Israel Putnam.

Be it further resolved, that the clerks of the Senate and House cause copies of this resolution to be sent to U.S. Senator Abraham A. Ribicoff, U.S. Senator Lowell P. Weicker, U.S. Representative Christopher Dodd, Mr. Steven Dahanos of the U.S. Postal Service and to Mrs. Nancy M. Bell of the Brooklyn, Connecticut Bicentennial Committee.

SENATOR HUGH SCOTT'S RECORD ON HEALTH MATTERS

Mr. SCHWEIKER. Mr. President, the principal goal of any Federal health plan should be to assure that no American family is barred from adequate care, because of an inability to pay. Republican leader, Hugh Scott, the senior Senator from Pennsylvania, has been a strong advocate of better health care since his early days in the House of Representatives, and as the ranking Republican on the Health Subcommittee of the Senate Committee on Labor and Public Welfare, I applaud this active interest.

Senator Scott is the author of a major health insurance bill designed to assure the availability of essential health services for all Americans. He has also supported efforts to reduce the cost of prescription drugs to consumers.

Mr. President, I ask unanimous consent that Senator Scott's record on health matters be printed in the Record.

There being no objection, the record was ordered to be printed in the Record, as follows:

Senator Hugh Scott's Record on Health Matters

HEALTH—94TH CONGRESS

Legislation

S. 451—a bill to amend Title XVIII of the Social Security Act to provide for coverage under part B of Medicare for routine exfoliative cytology tests for the diagnosis of uterine cancer.

S. 1163—a bill to amend part B of Title XVIII of the Social Security Act to broaden the coverage of home health services.

S. 1454—a bill to revise and extend the Public Health Service Act.

S. 1619—a bill to revise and extend programs for sickle cell anemia.

S. Con. Res. 11—a concurrent resolution to express as a national policy that all citizens have the right to live and work in a barrier-free environment.

Amendment to H.R. 4222 to strengthen the school lunch and child nutrition program.

HEALTH—93D CONGRESS

Legislation

S. 667—a bill to amend the Public Health Services Act to provide for the protection of the public health for unnecessary medical exposure to ionizing radiation.

S. 1451—a bill to amend the Federal Food, Drug, and Cosmetic Act to require the disclosure of ingredients on the labels of all foods.

S. 2513—a bill to amend the Social Security Act by adding a new title thereto which will provide insurance against the costs of catastrophic illness by replacing the medicaid program with a Federal medical assistance plan for low income people, and by adding a new title XV thereto which will encourage and facilitate the availability, through private insurance at reasonable premium charges, and for other purposes.

S. 2756—a bill to provide health care insurance for people of the United States and to improve the availability of health care services.

S. 2801—a bill to amend the Food, Drug, and Cosmetic Act with respect to safe vitamins and minerals.

S. 2854—a bill to amend the Public Health Service Act to expand the authority of the National Institute of Arthritis, Metabolism, and Digestive Diseases in order to advance a national attack on arthritis.

S.J. Res. 80—a joint resolution to authorize the President to issue annually a proclamation designating the month of May as "National Arthritis Month."

Amendment #1880 to S. 3585—to amend the Food, Drug, and Cosmetic Act with respect to safe vitamins and minerals.

HEALTH—93D CONGRESS

Votes

Voted for Rehabilitation Act of 1972.

Voted for Veterans Health Care Expansion Act of 1973.

Voted for Veterans Drug, Alcohol Treatment and Rehabilitation Act of 1973.

Voted for Health Maintenance Organization and Resources Development Act of 1973. Amendment to authorize an additional $100 million for special rural area grants through fiscal year 1976.

Voted for Health Maintenance Organization and Resources Development Act of 1973.

Voted for National Institute of Health Care Delivery Act of 1973.

Voted for Emergency Medical Services Systems Development Act of 1973.

Voted for amendments to appropriate $100.3 million for regional medical programs, Hill-Burton, health manpower programs and biomedical research.

Voted for Public Health Service Act Extension Act of 1973.

Voted for amendment to adjust the value of food stamp allotments to reflect changes in food prices.

Voted for Agricultural-Environmental and Consumer Protection Appropriation Act of 1974.

Voted for Amendments of 1973 to Federal Law Relating to Explosives.

Voted for Child Abuse Protection and Treatment Act.

Voted for Emergency Medical Service Systems Act of 1973.

Voted for National Research Service Awards and Protection of Human Subjects Act.

Voted for Rehabilitation Act of 1973.

Voted for amendment to provide automatic adjustment in Federal reimbursement assistance rates in future years to both the school lunch and school breakfast programs.

Voted for National School Lunch and Child Nutrition Act Amendments.

Voted for amendment to cover certain maintenance drugs on an outpatient basis under part A of medicare.

Voted for amendment to maintain existing Federal standards for child day care programs.

Voted for Health Maintenance Organization Act of 1973.

Voted for National Cancer Act Amendments of 1974.

Voted for amendment to permit health insurers a role in the national No-Fault auto insurance system.

Voted for Health Services Research, Health Statistics, and Medical Libraries Act of 1974.

Voted for National Labor Relations Act Amendments.

Voted for amendment to provide substitute language for the definition of "purpose necessary to protect the public health" as it related to the use of chlorine in drinking and waste water.

Voted for Emergency Chlorine Allocation Act of 1974.

Voted for National Research Act.

Voted for Public Service Act amendments.

Voted for Comprehensive Drug Abuse Prevention and Control Act of 1970 amendments.

Voted for Departments of Labor and Health, Education, and Welfare and Related Agencies Appropriation bill.

Voted for amendment to provide that the Food and Drug Administration continue to regulate vitamins and minerals as foods.

Voted for Health Manpower and Shortage Area Assistance Act of 1974.

Voted for Transportation Safety Act of 1974.

Voted for amendment calling for $5.7 million for purposes of alcohol and drug abuse education.

Voted for Rehabilitation Act Amendments of 1974.

Voted for National Health Planning and Development and Health Facilities Assistance Act.

Voted for Departments of Labor, and Health, Education, and Welfare, and Related Agencies Appropriation bill.

POST CARD VOTER REGISTRATION

Mr. McGEE. Mr. President, for some time now, the Senate Committee on Post Office and Civil Service has been considering legislation to provide voter registration by mail.

Significantly, since the time I first introduced such legislation in 1971, there has been a steady accumulation of support. When the legislation was first introduced, only one State, Texas, had a registration-by-mail program. Since that time, five other States have adopted registration-by-mail programs. California and New York are on the brink of adopting registration-by-mail programs.

There are other signs which indicate a growing approval of the registration-by-mail program—not the least of which is the fact that 51 cosponsors joined me in introducing registration-by-mail legislation in the form of S. 1177 on March 13, 1975. The committee continues to receive communications from various organizations in the country which support S. 1177. The League of Women Voters and the National Education Association are just a couple of examples.

At the 37th Annual Convention of the Communications Workers of America they, too, passed a resolution endorsing early enactment of post card voter registration as an important step toward increasing the participation in voting to millions of eligible Americans. Mr. President, I ask unanimous consent that the resolution be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

Post Card Voter Registration

During the November 1974 Congressional elections, only 38% of the 141 million Americans who were eligible to vote actually turned out at the polls.

This was the poorest showing in an off-year election since 1942. At that time millions of potential voters were in service and millions of defense workers were moving about the country. The record for presidential elections evidences the same decline, 64% in 1964 to 55% in 1972. By contrast, in Western Europe, average participation in national elections is about 84%.

Much of this lack of participation in federal elections has arisen from the outmoded voter registration requirements in existence in many of our States. For example, in recent elections the registration period in 10 States closed more than 30 days before the election itself took place, well before the period of peak interest in such a contest for political office. In addition, eligible voters have been frustrated from registering because registration places in many States are open only from 9 a.m. to 5 p.m., Monday through Friday, a time when most adults are working.

Recognizing these and other problems, the Senate in May of 1973 overwhelmingly aproved by a vote of 57 to 37 legislation that CWA strongly supported allowing registration for national elections by postcard.

The defeat of that bill in the House in 1974 was ill-advised because voter registration by postcard has been tried; and it works. In the three States—Minnesota, Maryland and New Jersey—where postcard registration has been adopted it has produced more registration and more participation on election day. The performance of postcard voter registration at the State level makes an even more compelling case for adoption as a national law.

To correct the inequities that continue to keep millions of eligible Americans from voting, CWA supports legislation calling for enactment of postcard voter registration that has been introduced again in the 94th Congress.

The legislation proposed would:

1. Establish a Federal Voter Registration Administration that would be empowered to utilize census records to notify all eligible voters of their right to vote.
2. Allow for a national system of postcard voter registration by having that Administration, on the basis of census records, mail blank registration forms to every household and address in the country so that anyone living at the address, if qualified to vote, could fill out such a postcard, mail it to the local registrar and thus be duly registered without having to travel, in some cases, long distances to register to vote.
3. Eliminate varying State residency requirements by setting uniform 30-day residency requirement for registering and voting in Federal elections.

Be it Resolved: That this 37th Annual Convention of the Communications Workers of America endorse early enactment of postcard voter registration as an important step toward increasing the participation in voting to millions of eligible Americans.

SENATOR LEAHY'S REPORT ON TRIP TO SOVIET UNION

Mr. STAFFORD. Mr. President, an editorial which should be of interest to all Members of Congress appeared earlier this week in one of Vermont's leading newspapers, the Times-Argus.

It quite rightfully commended my distinguished colleague from Vermont for his personal report to Vermonters on the trip which he and 13 other Senators made to the Soviet Union. I, too, commend Senator Leahy for this action, and particularly for his helpful comments on trade with the Soviet Union.

For the Record, I might also add that despite the editorial comments on when such reports were last made by a Vermont Member of Congress, I have on at least 20 occasions in talks to Vermont groups this year reported directly to them on my own foreign travels as a delegate from the Senate to the Interparliamentary Union. The voters are entitled to such reports, and, as the editorial states, these reports go a long way toward meeting criticism so often heard about so-called congressional junkets.

I ask unanimous consent that the Times-Argus editorial be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Senator Leahy's Report

Sen. Leahy performed a valuable service for his constituents when he came back home Monday to report personally on his recent trip with 13 other Senators to the Soviet Union.

Leahy presented to the State House press corps an informative synopsis of his trip which is the first time in recent years that a Vermont Senator has taken the time to try to inform voters about a foreign trip and the items that were discussed. The last such report that immediately comes to mind was in January 1966 when Sens. Aiken and Mansfield released copies of a trip to some 30 world capitals at President Johnson's request to discuss Vietnam. That report called "Vietnam Shadow and Substance" was the first public warning of the open ended nature of the Vietnam commitment.

Senator Leahy's report wasn't as dismal, but it did contain some matters of intense interest to Vermonters—the impending Soviet grain deal, and the negotiating over the so-called Jackson Amendment.

Leahy said he told the Russians that they are obligated to live up to a 1973 agreement to share with the United States crop information, and that if another Soviet grain deal takes place he didn't think it would adversely affect Vermont's dairy farmers, nor consumers' pocketbooks. His comments regarding Jackson Amendment should be of interest to the state's machine tool industry which depends heavily on export markets in the Eastern Bloc countries. Under current law U.S. trade credits are barred to the Soviet Union as long as it prohibits the right of free emigration of Jews. Since the enactment of the Jackson Amendment last year Jewish emigration has slowed down, and now Sens. Ribicoff and Javits, two strong proponents of the Jackson amendment, will move to modify its provisions.

This important foreign policy development has a direct bearing on Vermont's economy, and it was good news that some common sense is at last prevailing on this issue.

Senator Leahy also provided as an appendix to his report Sen. Humphrey's opening statement to the Russians, and Soviet Delegate Suslov's response.

If more members of Congress would take the time to explain their foreign travels, which on the whole are useful and beneficial, then there might not be as much criticism heard about congressional junkets.

EMERGENCY ALLOCATIONS ACT

Mr. ABOUREZK. Mr. President, the Senate has just passed a bill to extend the Emergency Allocations Act; if the

House passes similar legislation, there will be no doubt be another confrontation between Congress and the White House. The nature of that confrontation was anticipated in testimony that Ralph Nader and Gary Deloss gave before the Subcommittee on Energy and Power in the House of Representatives on July 11.

The President continues to attempt to mislead the American people about the impact of oil price decontrol, when he knows that the real costs of decontrol far exceed any increase in retail gas prices. Nader's statement clearly described this cost—it is not only 75- or 80-cents-per-gallon gasoline, but in jobs, in accelerated inflation, and in the loss of any public interest considerations in our energy policy planning. The House bill also rolls back the ceiling price of crude oil to $7.50 and $8.50 which, while high at least restores the principle of responsibility to the politics of oil prices.

Finally, I would like to draw attention to the last paragraph. Domestic oil companies play a major role in maintaining the OPEC price level. Now their arguments for a single price for all fuels, pegged at the OPEC level, threatens to gain support in the Congress. This would be the final capitulation to big oil.

I ask unanimous consent that the statement of Ralph Nader and Garry Deloss be printed in the Record.

There being no objection, the statements were ordered to be printed in the Record, as follows:

STATEMENT OF RALPH NADER AND GARRY DELOSS

Mr. Chairman, I want to thank you for the opportunity to testify here today.

The subject of this hearing is the need for Congress to extend the Emergency Petroleum Allocation Act of 1973. Some spokesmen for the oil industry and the White House have suggested that we should allow this act to expire because the "emergency" in the title of the act was the oil embargo, which is far behind us.

Contrary to this self serving assertion by the oil industry and its servants in the White House, however, two emergencies remain which require continuation of the government regulation of the oil industry provided by the Allocation Act.

The first continuing emergency which requires government action is the anti-competitive appetite of the major oil companies. We should not forget that it was the fuel shortages imposed on the independent segments of the oil industry and their customers by the major oil companies in 1972, and the failure of a remedial voluntary allocation program in 1973, which led the Senate to pass the original allocation act in June, 1973, over three months before the October War and the oil embargo.

If the Allocation Act is allowed to expire, the major oil companies will be free to resume their historical policy of suppressing competition. This anti-competitive policy has been described to many congressional committees, including this one, by its victims in the refining and marketing segments of the oil industry.

Since the enactment of the Allocation Act, the tendency of the major integrated oil companies to squeeze out competition at the refining and marketing levels of the oil industry has been intensified by the loss of some profit taking opportunities in the production and transportation of foreign oil. The recent decline of gasoline inventories during a period of peak demand, in spite of excess refinery capacity and unlimited supplies of crude oil, is a symptom of this anti-competitive urge. The decline in gasoline stocks ensures the reduced availability of surplus gasoline from major refiners which many independent marketers depend upon. With less gasoline available, the independent marketers are less likely to engage in competitive price cutting, since they don't have the extra gasoline to sell which makes price cutting a profitable competitive business practice.

In regard to the duration of the need for the Allocation Act to prevent anti-competitive actions by the major integrated oil companies, it is clear that ultimately the best insurance agains anti-competitive behavior is a competitively structured industry. Hence the Allocation Act's protection against the anti-competitive policies of Big Oil can be discarded only after the oil industry is legislatively restructured, horizontally and vertically, into competitive elements. Until appropriate legislation, such as that proposed by Senator Abourezk in S. 489 and S. 756 is enacted, the need for the pro-competitive protections of the Allocation Act will persist.

The second continuing "emergency" which requires extension of the Allocation Act is the cartel pricing of oil in the world market. The OPEC cartel not only persists, it has announced that it will raise its oil price again this fall. If the Allocation Act and its authority to control the price of domestic oil expires, the price of all of our domestic oil production will rise to the OPEC oil price, followed by the prices of natural gas and coal, with disastrous consequences for our precarious economy.

The prospective economic consequences of decontrol of domestic oil were well described by Chairman Dingell in the analyses which he released on July 2. Other recent analyses by the Library of Congress, the Joint Economic Committee, and the Congressional Budget Office raise similar warning flags. It's interesting to note that spokesmen for the oil industry and the Ford Administration also acknowledge prospective economic impacts due to decontrol but prefer to describe these impacts in terms of additional cents per gallon of gasoline. This is a prime example of the specious rhetoric on energy policy propagated by the Ford-Exxon axis.

Expressing the impact of oil prices increases in cents per gallon appears at first glance to be a reasonable vehicle for conveying to the general public the economic impact of decontrol in terms which the layperson can comprehend. Focusing attention on the price of gasoline, is deceptive, nonetheless, because the prices of other petroleum products, natural gas, and coal will also rise when the price of crude oil rises. Moreover, the increased fuel prices will increase the prices of most goods and services in the economy, probably by a factor of one and a half or two times greater than the fuel price increases, given the likelihood of a "ripple effect."

It is the latter kind of analysis which must be thrust in front of policy makers and the public to offset the intentionally deceptive use of gasoline prices as an index of the impact of decontrol. The impact of decontrol can be explained to the public in other terms which are part of the every day vocabulary, terms like inflation, recession, the unemployment rate, auto sales, and housing starts.

Expressing the prospective impact of decontrol of the price of domestic oil in these terms yields some dismaying projections. The study prepared for this subcommittee predicts that the combination of decontrol plus a three dollar import tariff plus a $4 increase in the OPEC price would have the following impacts by the end of 1976 when contrasted with a "base case" of continuation of the $5.25 price for old oil and a $1 import tariff. Inflation would be exacerbated as the wholesale price index rises 13 percent, the GNP would drop by 3 percent, there would be 500,000 more unemployed, auto sales would fall 750,000, or 9 percent, and housing starts would be down 120,000, or 9 percent.

The Joint Economic Committee estimates that immediate decontrol plus a $2 tariff plus a $2 increase in the OPEC price would, by the end of 1976, inflate prices by 5.4 percent, cut 2.7 percent from economic growth, cost 760,000 jobs, and cut auto sales by 800,000 units. When the Committee assumed a $4 OPEC price increase, the economic impacts were, of course, correspondingly more negative. Price were inflated 7.2 percent, economic growth fell 3.6 percent, and 1,000,000 fewer jobs were available.

The analysis prepared by the Congressional Budget Office discloses why the so-called "compromise" of phasing in decontrol over a two year period is really no compromise in terms of preserving our hopes for economic recovery. The Congressional Budget Office analysis assumed decontrol over two years, a two dollar import tariff, and a $2.25 increase in the OPEC oil price, contrasted with a base case of $5.25 for old oil, a one dollar import tariff, and no increase in the OPEC price. The result by the end of 1976 was a 2.4 percent increase in inflation, a $21 billion decline in the GNP, and a loss of 500,000 jobs, all of which would continue to worsen through 1977 as the delayed impact of gradual decontrol was felt.

The Congressional Budget Office also calculated the impact of fiscal and monetary policies that might be used to stimulate the economy over the same time period. It found that the negative effect of decontrol on economic growth was two and one-half times as great as the estimated positive effect of a $15 billion tax cut and twice as large as the positive effect of accelerating the rate of monetary expansion to 10 percent. Hence decontrol would more than cancel out the job-creating impacts of either the projected tax cut or increase in the money supply.

It is clear, then, that massive fiscal and monetary initiatives would be required in 1976 merely to neutralize the economic impact of decontrol. And still greater economic stimuli would be needed to move our economy out of recession. Thus decontrol would be an insuperable obstacle to genuine economic recovery.

It's time for this Congress to draw the line. The Ford energy plan for vandalizing our economy in pursuit of an energy industry dream of cartel pricing of the 80 percent of our energy which we derive from domestic oil, gas, and coal must be stopped. The Congress should extend the Allocation Act by enacting H.R. 4035 and then override the President's veto. When the veto is forthcoming, it will signify the Herbert Hoover economics which we have come to expect from President Ford. Only with this President, there will be no excuse for the failure of Congress to protect our economy from a wrongheaded policy dictated by the energy industry, among the biggest of Big Business.

We must remember, however, that H.R. 4035 only extends the Allocation Act through the end of 1975. Expiration of the Act threatens oil industry competition and the economy just as greatly in December as in August. Hence H.R. 4035 should have extended the Allocation Act indefinitely. Since H.R. 4035 lacks this virtue, Congress should begin looking beyond it to H.R. 7014, which extends the Allocation Act indefinitely.

The $7.50 and $8.50 oil price ceilings in H.R. 7014, while far from an ideal congressional energy policy, are an attractive alternative to the Ford-EXXON plan for OPEC pricing of domestic oil and the consequent economic impacts described earlier. After all, the price of domestic oil averaged only $3.40 in 1972 when oil companies were already eager to develop the Alaskan oil deposits and the National Petroleum Council once estimated that "the highest drilling and finding rates would require an incentive price of $6.69 by 1985."

We shouldn't hold our breath while we wait for similar predictions of appropriate incentive prices by oil industry or Administration spokesmen. While William Simon and others suggested last year that $7 would be an appropriate long term price for oil and that $10 was an "emotional" price, this year they avoid defending a specific price. Instead they make nebulous claims of the need for capital in the oil industry.

This is a flexible concept which they will gladly expand to embrace any new OPEC oil price. Perhaps other industries will catch on soon and begin arguing for the right to charge a monopoly price for their product as a means of generating capital.

Another defense offered for the OPEC pricing of domestic oil has been the need to discourage oil consumption through higher prices. However, as described earlier, there is a limit to how much of this price rationing policy our economy can bear. In fact, we passed that limit in 1974. Studies of the economic impact of the increased price of oil in 1974 indicate that it inflated prices by 2.6 percent, decreased the GNP by over $20 billion, and increased unemployment by over one percent.

Another perspective on the merits of further price rationing can be found by looking at our annual payments for oil. They more than doubled from $21 billion in 1973 to $48 billion in 1974 and will reach $60 billion in 1975, even without an OPEC price increase. With decontrol of domestic oil plus only a $2 OPEC price rise, the average price of oil would rise further to over $15 and our payments for oil would increase to $85 billion in 1976.

It is clear that the Ford plan for additional price rationing of oil through decontrol of domestic oil is a no win policy. The only way the Ford plan will lower oil consumption is by deepening the recession because of its massive inflationary bias. Given this prospect, the argument must shift from whether to have decontrol to what is an appropriate controlled price.

The oil price ceilings in H.R. 7014 are a step in this direction. Moreover, the reduction in the average price of domestic oil caused by H.R. 7014's stabilizing of domestic oil prices would arrive just in time to offset some or all of the adverse economic impact of the OPEC price increase this fall. Thus, contrary to claims that H.R. 7014 is bad because it would encourage oil consumption by lowering the price of oil, the average price of imported and domestic oil combined would remain stable or rise slightly.

Another reason that Congress should reject the Ford plan for decontrolling domestic energy prices is that such a policy constitutes an OPEC–EXXON price support policy. The Big Oil companies are already acknowledged to be the glue that holds the OPEC cartel together. As Fortune magazine reported in its May issue, the cartel depends upon the multinational oil companies to ensure that production cutbacks, needed to sustain cartel prices, are shared equitably among the cartel members. If we permit domestic oil, gas, and coal prices to be pegged to the OPEC oil price rather than setting reasonable prices ourselves, the value of energy reserves in this country owned by the giant multinational oil companies will rise by hundreds of billions of dollars. Given such an incentive, the oil companies will hold the cartel together in spite of any destabilizing tendencies which might appear within the cartel over time. In sum, the Big Oil companies now have a vested interest in preserving the OPEC cartel.

Thank you.

REDLINING CHARGES AGAINST MORTGAGE LENDERS ARE LARGELY SPURIOUS

Mr. TOWER. Mr. President, the Senate will soon consider S. 1281, which will require mortgage lenders to disclose by census tract the number and dollar amount of mortgage loans originated by those institutions. A most astute analysis of the problem of the availability of mortgage loans in older urban neighborhoods and the propriety of the remedies offered in S. 1281 was contained in a recent editorial appearing in Barron's.

Barron's characterizes the disclosure measure approved by the Senate Banking Committee as a coercive one which threatens to run roughshod over traditional rights and values. The efforts to confine thrift institutions to their own backyard as would be done by the proponents of such disclosure legislation, would obstruct the flow of capital from areas of surplus to those of shortage. According to Barron's, this form of credit rationing will inevitably undermine management's authority to make decisions and pressure bank fiduciaries into violating their obligations to their depositors to protect their funds.

The editorial goes on to say that the proponents of the so-called "redlining" legislation have produced remarkably little hard evidence of the existence of this practice. One of the problems is that there is scant agreement on just what the term means. The charges of redlining have not been documented by those making them before the appropriate Government agencies such as the Federal Home Loan Bank Board.

The author of the editorial laments that although the abuses are largely illusory, the hazards of the proposed "reform" are very real. If enacted into law, the legislation could have the effect of:

Inhibiting the flow of capital essential to support vigorous growth in the Nation as a whole;

Expose savings institutions to coercion to force them to lend fixed quotas in certain areas; and

Cause savings institutions to breach their primary obligation to depositors to see that their funds are safely and wisely invested.

Because of the pertinency to S. 1281 of the editorial appearing in the June 23, 1975, edition of Barron's, I request unanimous consent that the article be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From Barron's, June 23, 1975]

THIN "REDLINE"—CHARGES AGAINST MORTGAGE LENDERS ARE LARGELY SPURIOUS

Savings bankers like to be known as Mr. Nice Guy—"savings banks are people banks," runs the endless refrain on television, "helping people grow." Nonetheless, the local thrift institutions have never rated very high around here. Despite his dubious pitch about how it pays to save at the Bowery (that is, if you don't count the ravages of inflation), Joe DiMaggio doesn't get to first base with us, while the spate of gifts lavished on unsuspecting depositors in lieu of a fair return on their money merely underscores the fact that there ain't no free lunch. Half a decade ago ("Pillars of the Community?", Barron's, March 16, 1970), we chided New York City's savings banks for failing to demur at the ravages of rent control, and, in particular, the creeping destruction of their neighborhoods and the mounting hazard to their collateral. "(They) pride themselves on good citizenship . . . love to cite the humble groups which, as their names—Emigrant, Mechanic's, Seamen's, People's—suggest, they once sought to inspire with the virtues of thrift. Yet without a word of warning or protest, most have stood idly by while ruthless politicians effectively laid waste their communities."

Five years have passed and Gotham, physically and financially, has continued to deteriorate; yet the savings banks are still doing business at the same old stand. Indeed, at what is apt to be depositors' expense, Mr. Nice Guy—via a proposal to make mortgage loans in substandard areas in exchange for expanded lending authority—now seems to be working hand-in-glove with the tin-cup politicos. In the Commonwealth of Massachusetts, however, we are pleased to report that things are different. A month ago, the Bay State's Commissioner of Banks issued so-called Directives seeking to compel state-chartered thrift institutions to disclose, on a geographical basis, their sources of deposits and where they make their loans. Aim of the exercise—which is afoot in one form or another in several states and in Washington, D.C.—is to turn up statistical evidence of alleged "redlining" (i.e., refusal by banks to lend in certain places), presumably as a first step toward effecting change. Last week a score of Massachusetts savings and cooperative banks, including the Boston Five Cents Savings Bank, Provident Institution for Savings and a number from Middlesex County, charging that the official (Carol S. Greenwald by name) had exceeded her authority, took her to court.

While scarcely the shot heard 'round the world (there was no representation, for example, from either Lexington or Concord), the legal action—which seeks an injunction, both preliminary and permanent, against the latter-day Redcoats—comes as a timely alert. According to the complaint, "on May 20, 1975, in a speech delivered to the Massachusetts Bankers Association, the Commissioner publicly stated that she expects to accomplish two things from her program of disclosure. 'First, mortgage funds may be somewhat more available in certain areas simply from the political leverage created by disclosure. Second, if there is a redlining problem, we will have some basis for determining its extent and for devising appropriate legislation.' " Thus, plaintiffs charge, "the Commissioner personally advocates, as a solution to the problem of financing properties in (certain high-risk or depressed) areas, that certain banking institutions which come within her supervision be compelled to grant mortgage loans in the areas concerned."

As a parade of witnesses recently testified before the Senate Committee on Banking, Housing and Urban Affairs (headed by Wisconsin Democrat William W. Proxmire), which has just approved a disclosure measure, that is indeed the coercive aim. However, in the sinister rush to level home finance, the federal bulldozer (like that of the several states) threatens to run roughshod over traditional rights and values. Efforts to confine thrift institutions, so to speak, to their own backyards cannot fail to obstruct the flow of capital from areas of surplus to those of shortage. Again, since the supply of mortgage money—notably in a day-and-age of recurring credit crunch—is limited, funds diverted to political channels in effect must come out of the pockets of commercially deserving borrowers. Whatever form it takes, credit rationing will inevitably undermine management's authority to make decisions, and pressure fiduciaries into violating their obligations. And while casting about for scapegoats in the private sector, the powers-that-be pointedly ignore the destructive public policies—rent control, for one—that have done so much to turn the inner cities into slums. "No more Mr. Nice Guy," so the Massachusetts bankers in effect have proclaimed, and we are moved to applaud. In dealing with government, nice guys finish last.

Right now the pressure is on from coast-to-coast and the box score looks pretty grim. In Illinois, for example, a comprehensive disclosure bill has cleared one house of the state legislature. In California, where authorities already collect lending statistics by Census tract, the Governor is weighing a plan to make the data public. In Chicago, a local ordinance requires disclosure by institutions which want to do business with the city. In New York, according to press dispatches from Albany, "the majority leaders of the Legislature have agreed on the substance of a proposal that would permit savings banks to offer checking accounts in return for their financing of a mortgage loan pool of up to $3 billion to aid allegedly 'redlined' neighborhoods and other depressed areas. Only in Massachusetts, apparently, have the embattled bankers opted to stand their ground.

Yet this is far too significant an issue to go by default. And for all the sound and fury, foes of "redlining" have produced remarkably little hard evidence. As the minority members of the Proxmire Committee point out, there is scant agreement on just what the term means. Moreover, as the Chairman of the Federal Home Loan Bank Board told the Committee: "Evidence of intentional discrimination against particular areas has been elusive at best." He cited the case of Milwaukee, where, in response to allegations of "redlining," local lenders late last year set up a kind of financial ombudsman to investigate such charges. To date, it has received no complaints. Similarly, various organizations have alleged the existence of "redlining" in the District of Columbia, charges which The Washington Post has found groundless.

The abuses, in short, are largely illusory (although mounting concern and caution by mortgage lenders about some inner cities would strike us as wholly justified). Contrarywise, the hazards of the proposed "reform" are very real. For many reasons prevalence of apartment houses rather than owner-occupied dwellings, age composition of the neighborhood and the like—many thrift institutions must go outside their own communities to find worthwhile outlets for their funds. As Arthur F. Burns, head of the Federal Reserve Board, wrote in a letter to Senator Proxmire, the bill is based on the "unwise premise that local deposits should be used essentially for local credit. To insist that capital should not normally flow out of a lender's market," the chairman of the Fed went on to warn, "is to risk inhibiting the flow of capital essential to support vigorous economic growth in the nation as a whole."

On either the state or federal level, moreover, a disclosure law is an open invitation to community coercion. On this score, the U.S. Savings & Loan League, in its monthly Savings & Loan News, cites some chilling details. In Chicago, several S&Ls, including the $1.3 billion Talman Federal, voluntarily agreed to reveal the kind of data sought by Senator Proxmire. They were promptly confronted by demands from neighborhood groups for a fixed amount of mortgage financing in specified areas. Nor did the pressure stop there. On the contrary, Talman was asked to sign a document categorically committing it to disburse a stipulated amount of mortgage money. To whom? "We can't disburse money," exclaimed Frank Cizon, Talman's senior vice president, "to people who don't come to us for a loan." At Crawford Savings, another Chicago target of so-called greenliners (foes of redlining), President Ernest W. Willis stated: "Our association took the position that we would make all credit-worthy loans which were applied for. We told them that we don't disagree with making loans in the neighborhood, but we would not disburse 'X' amount of dollars." Yielding to this kind of pressure, he suggested to the Savings & Loan News, smacks of endorsing blackmail.

In the final analysis, thrift institutions are responsible to their depositors. As the Massachusetts savings banks charge in their complaint: "Under Massachusetts law, boards of investment have responsibility for investing the funds of depositors of the bank in a prudent manner, consistent with the duties and obligations of trustees of an ordinary trust. Other trustees of the bank are likewise held to the same duties and obligations. . . . The Disclosure Directives have as their object an attempt by the Commissioner to compel the investment of the funds of depositors in a manner other than that which the plaintiffs, their boards of investment, trustees and officers may in the exercise of their legally imposed fiduciary duties deem prudent, sound and safe." That, it seems to us, is not only contrary to law but also akin to tyranny. After nearly two centuries, it's nice to know that in the neighborhood of the cradle of liberty, someone is still alive and kicking.—Robert M. Bleiberg.

TRANSPORTATION AND ENERGY

Mr. McGOVERN. Mr. President, in recent months, we have heard a great deal of solemn talk from the administration about our need for a national energy program. In the realm of proposals, however, we have seen a questionable mishmash of voluntarism, price tinkering and backing for yet another energy industry raid on the public pocketbook via oil and gas price deregulation.

Although, the administration approach will create hardship for the people and swollen profits for the already bloated energy industry, it is not likely to save much energy. This is so because our entire society, particularly our transportation system, was built on the mistaken assumption that cheap and abundant energy would forever be available. We have half the cars in the world and superb highways to drive them on, but we have failed to build energy-efficient mass transit systems and we have permitted our railroads to disintegrate to the point that their condition is a national scandal. At one and the same time, we have a traffic jam and an energy crisis.

Mr. President, I submit that we cannot begin to make serious progress in energy conservation until we begin to change our ways of doing things in response to the new energy facts of life. In transportation, we need to move toward national planning as proposed in my National Transportation Services Board Act of 1975, S. 1838.

Among other things, S. 1838 proposes to consolidate the highway trust fund and other transportation-related financial resources into a national transportation trust fund. This fund would be used to create a balanced, reliable, energy-efficient and ecologically sound national transportation system for our country. The system would be constructed in accordance with a congressionally-approved national transportation plan and would provide public service employment in transportation projects.

Earlier this week, President Ford sent proposals to Congress which, if accepted, would put the highway trust fund to a quite different use. The President suggests that we return part of the money to the States, spend another part on additional highway construction and turn over the rest to the Treasury.

I am pleased that the President has taken at least some action with reference to the highway trust fund, but I consider it incredible that he is willing, much less eager, to permit existing revenues to slip away when there is such urgent need for them in nonhighway areas of transportation. By using the highway trust fund for mass transit, for example, we could provide needed and energy-saving services to the American people with no new taxation. We could create jobs and we could build something of real value to the public.

I would like to call the attention of my colleagues to an article by Tom Wicker which appeared in the July 10 issue of the Washington Star. In it, the distinguished New York Times columnist comments forcefully on the connection between energy and transportation policy and on the administration's highway trust fund proposal.

I ask unanimous consent that the article, "Transportation Policy—the Results Are Insane," be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Transportation Policy—The Results Are Insane

(By Tom Wicker)

New York.—Every time a sane man begins to wonder whether the left hand knows what the right hand is doing in this country, he has to conclude either that (a) he is not so sane after all, or (b) the left hand has no idea what the right hand is doing, and vice versa.

Take the combined transportation-energy situations as only one incomprehensive example:

Here's Secretary of Transportation William T. Coleman Jr., who sounds much like a voice of embattled intelligence amid a babble of incoherence, proclaiming the sensible proposition that cities like New York, with major rapid transit systems, ought to consider the possibility of lower fares for low-income persons, financed by higher fares for the most affluent riders.

And here's President Ford sending to Congress a proposal that the states be allowed to take over one cent of the present four-cents-per-gallon Federal tax on gasoline, with the proceeds to be used by the states for transportation purposes, including the development of mass transit—although no state would be bound to use the one-cent tax for mass transit.

And here are Ford and the Democratic Congress battling it out over an appropriate program to conserve energy, with neither side courageous enough to impose a stiff new gasoline tax but with both paying lip service to the necessity for making consumers pay more dearly for energy—hence using less.

All that being the case, why should both the Ford administration and the Democratic Congress be cooperating in vastly expanding expenditures for the interstate highway system, when the least schoolchild knows that automobiles account for the most profligate wastage of energy in America, and that the interstate highway system not only encourages the unrestricted use of automobiles but most thoroughly discourages the use of alternate, energy-conserving modes of transportation?

But that is exactly what is happening. The Ford administration decided last December to permit $4.6 billion to be spent in fiscal 1975 from the Highway Trust Fund on remaining links of the interstate system. State matching funds would have substantially increased that total.

In February, as the recession deepened and the administration became (relatively) concerned about unemployment, Ford ordered that another $2 billion, for a total of $6.6 billion, be released from the trust fund to spur construction. Then, in April, when Ford proposed that the rest of the $9.1 billion then accumulated in the trust fund continue to be "deferred," the Senate under the new congressional budget procedures voted instead to release the total as a job-creating stimulus to the economy.

The results are insane. While Secretary Coleman desperately casts about for some means of propping up hard-pressed mass transit systems, while Ford proposes means by which the states at least could have optional funds to pour into mass transit, while both President and Congress talk about conserving energy—while all that is going on, both President and Congress cooperate mindlessly in providing an enormous new stimulus to interstate highway construction, the single expenditure most nearly calculated to increase automobile usage, hence energy wastage, as well as decrease public reliance on mass and inter-city transit.

Jobs are certainly needed, and the highway trust fund is there, with ample money to be spent without the fuss and bother of congressional appropriation. But why, it has to be asked, could not the $7.8 billion authorized in fiscal 1975, and the $7.9 billion now available for fiscal 1976 (plus new revenues) not have been dedicated—at least in substantial degree—to job-creating programs that might have improved mass and intercity transit rather than setting them back?

Why could not some of that money have been poured, for example, into putting unemployed young people to work repairing intercity roadbeds, or renovating mass transit stations? Why could not more of it have been invested in decent modern rolling stock for Amtrak, and still more used to provide cities with small, energy-conserving buses for off-peak hours or low-use lines? Almost any project of than kind would make more sense than providing more running room for more gas-guzzlers to waste more energy and pollute more air. But since when did American politics have anything to do with making sense?

SENATOR HUGH SCOTT'S SUPPORT FOR BETTER TRANSPORTATION

Mr. PEARSON. Mr. President, the need for a balanced transportation system is as great as ever. Urban mss transportation has been given new emphasis by the Congress and the administration. Interstate railroad passenger service has improved with the creation of a Government-controlled corporation. Support facilities are being expanded and existing interstate highways are near completion. As the ranking Republican on the Senate Committee on Commerce, I have long noted Senate Republican Leader Hugh Scott's support for better transportation throughout his years in Congress. I ask unanimous consent that his legislative record be printed in the Record.

There being no objection, the legislative record was ordered to be printed in the Record, as follows:

Legislative Record

TRANSPORTATION—94TH CONGRESS

Votes

Voted for Regional Rail Reorganization Act Amendments of 1975.

TRANSPORTATION—93RD CONGRESS

Legislation

S. 679—a bill to improve the efficiency of the Nation's highway system, allow States and localities more flexibility in utilizing highway funds.

S. 768—a bill to provide improved high-speed rail passenger service between Boston, New York, and Washington by 1976.

S. 797—a bill to direct the Secretary of Transportation to make a comprehensive study of high-speed ground transportation system between Washington, D.C. and Annapolis, Md., and a high speed marine vessel between the Baltimore-Annapolis area in Maryland and the Yorktown-Williamsburg-Norfolk area in Virginia.

S. 975—a bill to prohibit the transportation or shipment within the U.S. of gas cylinders not inspected in the U.S.

S. 2852—a bill to preserve local air service.

S. 2962—a bill to authorize the Administrator of the Federal Energy Office to take certain action so as to insure the maintenance of operations involving the transporting, by truck or trucks, of perishable produce.

S.J. Res. 185—a joint resolution for advancing the effecting date of the final order of the Interstate Commerce Commission in Docket No. MC 43 (Sub-No. 2).

Amendment No. 1039 to S. 354—an amendment to insert "except that a vehicle having less than four wheels may be specifically excluded, at the option of a State establishing a No-Fault plan for motor vehicle insurance in accordance with title II of this Act, form the requirements and benefits of such plan."

Amendment No. 1837—Amends the Energy Transportation Security Act.

Amendment to S. 502—designating certain sections of the interstate highway system as the Dwight D. Eisenhower Highway.

Votes

Voted for National No-Fault Motor Vehicle Insurance Act.

Voted for Modified Dole Amendment to give states discretionary authority to increase the speed limit from 55 to 60 miles per hour on interstate highways.

Voted for Department of Transportation and Related Agencies Appropriations Act of 1975.

Voted for Transportation Safety Act of 1974.

Voted for International Air Transportation Fair Competition Practices Act.

Voted for Restructuring of the Railroad Retirement System.

Voted for National Mass Transit Act of 1975.

Voted for Energy Transportation Security Act of 1974.

Voted for Federal Aid Highways Amendments of 1974.

CAPTIVE NATIONS WEEK

Mr. PELL. Mr. President, the week of July 13–19 has been designated "Captive Nations Week," a special time to remember and express support for the many people whose governments came under Communist control in the wake of World War II. This year, as the United States approaches its third century as a free and independent nation, it is especially important that we speak out on behalf of these peoples.

Today, many Americans are again reading the words of Thomas Jefferson:

> That all men are created equal, that they are endowed with certain inalienable rights, that among these are life, liberty and the pursuit of happiness.

It is a tribute to Mr. Jefferson that these words continue to inspire us today; it is perhaps an even greater tribute to the American people that these words continue to characterize our society today.

Unfortunately, however, we live in an age in which human rights and the respect for individual freedoms remain a rare and precious commodity around the world. Men and women in many countries are being denied basic liberties of expression, assembly, and choice. To these individuals who must endure such restrictions, and especially to those who have courageously chosen to endanger their own security by speaking out and challenging these restrictions, we in the United States owe our respect and support.

This week, then, it is both appropriate and necessary for American citizens to make their concern for human rights, and for those individuals denied them, clear and strong. Some Americans have claimed that the United States must make a choice between a commitment to détente and a commitment to human rights. I disagree. There is no alternative to a peaceful world. Within this context, however, the United States must endeavor whenever possible to foster contacts among the peoples of the world, and to express its support to those peoples and nations struggling for more free and open societies.

NOTICE OF STAFF PARTICIPATION IN EDUCATIONAL EXCHANGE PROGRAM

Mr. EAGLETON. Mr. President, pursuant to the guidelines set forth by the distinguished majority and minority leaders in their July 10, 1974, Congressional Record joint statement, I wish to advise that James Murphy, counsel for the Subcommittee on Aging, of which I am chairman, will participate July 17 through August 12 in the educational exchange program sponsored by the European Community's visitors program. I am advised that this program, sponsored by the European Parliament and Commission of the European Communities, closely parallels the "leader grant" program operated by our Department of State, and meets all criteria established by the July 10 statement. Mr. Murphy will be utilizing his regular vacation time during this period.

SUMMER GASOLINE SHORTAGE: TALK OR REALITY?

Mr. PERCY. Mr. President, it is a fact known to every American that the precipitous price boost for gasoline we saw over the July 4 holiday coincided with an expected sharp increase in consumer demand for gasoline at the start of the summer vacation period. That is undisputed. We all witnessed that when we stopped to fill up at the pumps during the July 4 period and we continue now, each day, to be reminded of the extra 7 cents we pay for every gallon of gas we buy.

Hearings began today on this issue before a joint session of the permanent Subcommittee on Investigations of the Government Operations Committee and the Subcommittee on Oil and Gas Production and Distribution of the Commerce Committee.

The purpose of these hearings is to try to determine the relationship between the sudden rise in price and the sudden rise in demand, at a time when refinery output was at a relatively low level and when gasoline stocks were falling.

Our inquiry is to determine whether the price rise can be accounted for by the operation of the basic economic laws of supply and demand, whether there are deficiencies in the very law and the governmental regulations under which gasoline is produced, whether the agency administering the law, FEA, has done an adequate job in overseeing the situation, and whether there is any evidence whatsoever of collusion, or untoward behavior, on the part of any one or several members of the oil industry. As to the latter, notwithstanding several statements annoucing these hearings, I have seen no evidence to date to justify any conclusion that oil companies attempted to manufacture a shortage.

In addition, it is the purpose of this inquiry to determine whether earlier forecasts within industry and by Members of Congress—to the effect that we will be experiencing, later this summer, either spot shortages or perhaps even a repeat of long waiting lines at gasoline stations—should be a realistic concern of the American people and, accordingly, their government. As to that, I was confidently assured by the testimony of FEA Administrator Frank Zarb today, and by the actions I know FEA has already undertaken, that absent an embargo or any other unforeseen circumstance, the American consumer has no cause to panic.

What might have been a bad situation, as it was developing several weeks ago, appears now to be a situation which is being addressed headon by the oil industry and by Government regulators.

It is important, however, that the concern that is shown by the calling of these hearings not itself be seen as a cause for alarm that there may be a problem in the making. It is in that vein that I hope that our inquiry will remain on point and pursue a thoroughgoing and candid explanation of where we are now and how we got here. I hope we can avoid along the way any unwarranted charges, insinuations, or recriminations that would needlessly scare those who are paying heed to these hearings, or which would needlessly and unfairly create a public spectacle for purposes other than a dispassionate and studied consideration of all factors involved.

Mr. President, because I know that Mr. Zarb's prepared testimony will prove useful and informative to all of my colleagues, I ask unanimous consent that the full text of his testimony be printed at this point. In addition, I ask unanimous consent that an editorial on this subject appearing in yesterday's Wall Street Journal, together with an excellent analysis appearing in the New York Times on July 13 1975 by Edward Cowan and entitled "Looking Into Rising Gasoline Prices," be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

STATEMENT OF FRANK G. ZARB, ADMINISTRATOR, FEDERAL ENERGY ADMINISTRATION

Mr. Chairmen and Members of the Subcommittees: I appreciate the opportunity to appear today to discuss recent trends in gasoline supply and price. While I do not wish to minimize the significance of conditions that have gained prominence in the press in recent days. I urge that we conduct a detached and objective evaluation of the situation. This is precisely the type of forum that can aid in quieting fears of a shortage that could cause panic buying and thereby create that very shortage we seek to avoid. I hope that this public hearing will eliminate some of the misunderstanding of what has been and what is actually happening, and thereby serve to reduce speculation about impending shortages.

In this testimony, I will discuss FEA's mission, responsibilities, authorities, and the reliability of the data FEA uses to carry out its legislated mandate; then move to a case study of this mission, mandate and use of data within the context of the current gasoline situation. The remainder of the testimony will deal with gasoline supply, crude oil and gasoline prices, and our compliance efforts. I will conclude with a discussion of our position on the need for an extension of the Emergency Petroleum Allocation Act and the related question of phased decontrol of old oil.

FEA'S MISSION AND AUTHORITIES UNDER THE EPAA

Section 2(b) of the Emergency Petroleum Allocation Act grants to the President and directs him to exercise, ". . . specific temporary authority to deal with shortages of crude oil, residual fuel oil, and refined petroleum products or dislocations in their national distribution system. The authority granted under this Act shall be exercised for the purpose of minimizing the adverse impacts of such shortages or dislocations on the American people and the domestic economy."

The Federal Energy Administration, created by Public Law 93-275, has been designated as the agency responsible for exercising the President's authority in this regard. Accordingly, the FEA's mission with respect to these responsibilities is to promulgate and enforce regulations that accomplish to the maximum extent practicable the objectives set forth in Section 4 of the Emergency Petroleum Allocation Act. As the statement of purpose in the Act itself and the legislative history make clear, the authorities granted in the Act were those deemed necessary by the Congress to deal effectively with a shortage of crude oil, refined petroleum products, and residual fuel oil.

With respect to the issue of prices, about which these Subcommittees have expressed concern, Section 4(b) of the Act requires FEA, "to the maximum extent practicable, to provide for equitable distribution of crude oil, residual fuel oil, and refined petroleum products at equitable prices among all regions and areas of the United States and sectors of the petroleum industry, including independent refiners, small refiners, nonbranded independent marketers, branded independent marketers, and among all users." It further directs that, in specifying prices (or prescribing the manner for determining them), such regulation shall provide for ". . . a dollar-for-dollar pass-through of net increases in the cost of crude oil, residual fuel oil, and refined petroleum products to all marketers or distributors at the retail level . . ."

The relevant question, therefore, is, "Have the recent increases in the price of gasoline been in accord with the provisions of the Emergency Petroleum Allocation Act and FEA's implementing regulations?" It should be clear at the outset that FEA has neither the mandate nor the authority to prevent cost-justified increases in the prices of petroleum products to consumers.

FEA DATA SOURCES

FEA requires extensive and detailed information on the inventories, production, distribution and pricing of crude oil, residual fuel oil, and petroleum products to discharge its responsibilities. Principal data sources include:

Data certified by company officials and verifiable by audit, collected under the provisions of the Mandatory Petroleum Allocation Regulations. These data include inventory levels, production, and distribution by state of 18 separate covered petroleum products and projections for a three-month period as to supply availability and supply obligations by state for each product.

Periodic reports of "surplus" product, i.e., product which is available in excess of mandatory supply obligations which assigned base period customers have failed to purchase. Such surplus product must be reported to FEA and disposed of in accordance with FEA regulations.

Monthly reports certified by company officials as to the composition and total of available cost pass-throughs, pass-throughs taken, the distribution of pass-throughs across each covered product, and unrecovered cost pass-throughs from each refiner.

Specific additional detailed justification for any cost pass-throughs claimed upon demand by an FEA auditor.

Special documentation supporting the reported distribution of covered products in accord with allocation regulations upon demand by an FEA auditor.

Summary reports of inventory, refining, distribution, and marketing operations as required by FEA regulations.

Data collected and reported by other government agencies (e.g., Bureau of Mines, Department of Commerce, U.S. Customs, Department of Treasury etc.)

FEA commissioned surveys to determine conditions in the market for petroleum products (e.g., retail gasoline prices, market shares of gasoline marketers, propane prices, etc.).

Publicly available data (*Platt's Oilgram*, American Petroleum Institute reports, *Oil Week* price surveys, etc.).

Specific information on individual issues as required from specific groups, industry associations, and other available sources.

These different sources are used for different purposes. For example, to determine whether companies' price and distribution actions have been in conformity with FEA regulations, FEA relies only on data certified to it by company officials. These data are submitted under penalties prescribed by statutes for false reporting and FEA conducts such audits as it deems necessary to verify the accuracy of this data. To monitor trends in the important variables of industry operations—stocks, refinery runs, production, data etc.—FEA needs data that are available on a more timely basis than is feasible for data requiring certification.

Accordingly, in the spring of 1974 FEA implemented a weekly Petroleum Information Reporting System. This required each refiner to submit by Sunday of each week to FEA by mailgram its best estimates of that company's operations and inventory position for the week ending close of business Friday. These data were tabulated and published, usually within one to two weeks of the date of their submission.

Our experience with the system disclosed both problems with its operation and questions about its utility, given the ready availability of similar data from other sources. Some of its problems were:

Imposition of a substantial and costly data processing requirement on the FEA to handle weekly reports from all reporting companies.

Respondents were forced to make estimates of data to meet tight reporting deadlines.

Accordingly, data were not certified and were subject to frequent and substantial correction.

The large volumes of data and tight deadlines increased the incidence of accidental errors, both in reporting and processing.

Wide week-to-week fluctuations in weekly values reduced the utility of the information for policy-making or predictive (trend analysis) uses.

To overcome this last deficiency, four-week moving averages were substituted for weekly values. This had the effect of making the outputs of the weekly system more nearly comparable to those compiled by the API.

It is important to understand that weekly data are not used as the basis for making decisions on regulatory actions. Rather, their principal purpose is to serve as an "early warning" system that will provide indications of emerging problems. Weekly data are used to generate questions as to what FEA might need to do, not to provide answers as to what it should do. Once questions have been raised by analysis of the weekly data, other data sources are used to develop the necessary information on which to base our actions. Among the primary sources of this other information are certified data submitted in accord with the Mandatory Petroleum Allocation and Price Regulations and specific inquiries directed to company and industry representatives.

Over the 11-month period that it operated, the weekly system was compared to the weekly data published by the American Petroleum Institute. Allowing for the differences in definitions used and the more comprehensive coverage of the FEA system—a census of all companies as opposed to the sample of companies used by the American Petroleum Institute—the results of the two systems corresponded very closely. Given the limited use to which the weekly data could be put, the earlier availability of the API data, FEA's ability to use other sources of information as the basis for regulatory actions, and the fact that the resources devoted to the system could be better employed in improving other aspects of our data, we discontinued FEA's weekly data system on April 4, 1975. I have instructed the FEA staff, however, to develop a weekly reporting system that will avoid the overlap and burdensome reporting requirements and improve accuracy over the previous system. That evaluation is now in progress. We are now in discussions with the General Accounting Office staff about this matter.

Here, as in other areas, we continually seek to improve the availability of accurate and timely data required to discharge our regulatory, reporting, and general monitoring responsibilities. For example, we now have underway a major development effort that will require not only refiners, but also companies at other levels in the distribution system to report their cost recovery performance in greater detail on formats designed to improve the speed and efficiency of FEA's audits for compliance with the price regulations. We are reviewing the effectiveness of the data collected under the allocation regulations and developing modifications to those reporting requirements so as to be better able to exercise control over the distribution of product in the event of future shortages. We will continue these efforts to improve what is already the most comprehensive and detailed data collection system ever employed by any federal agency in the discharge of its regulatory responsibilities.

A CASE STUDY OF FEA OPERATIONS

The recent developments in the gasoline market, about which the Subcommittees have expressed interest, provide a good case study that illustrates the scope of FEA's mission and authorities, its mandate from the Congress, and the availability and use of data. This section will describe FEA's actions by outlining:

The manner in which FEA monitored trends in gasoline production and inventories;

The actions taken by FEA to generate additional information as those trends raised questions;

The actions taken by FEA to avoid what it saw as an emerging problem; and

The actions remaining to be taken with respect to the issue of gasoline supply and pricing.

Our actions in this case illustrate two elements common to FEA's treatment of many issues;

First, FEA's responsibilities are not always clearly defined in the statutes. Our statutory responsibility sets out clearly the actions FEA is supposed to take in a situation of product shortages. Nonetheless, we feel an additional, broad responsibility to watch the development of a situation that could provoke a shortage, to take preventive action within the limits of our authorities, and to assure that any price increases are fully justified under law and regulation. While we lack, for example, authority to direct increased refinery runs, we believe we have all the authority we need and we have not hesitated to exercise it.

Because we act in accordance with this broad view of our responsibility, we are criticized by some for being unduly severe in our regulatory actions. Others, however, say we are lax when we do not immediately take the actions urged by some who are not fully familiar with all the implications of such actions. This, I believe, is an inevitable consequence of FEA's even-handed approach to the solution of the complex issues that understandably generate widespread concern.

In describing FEA's actions, I will neither defend the actions of the industry nor make unsubstantiated charges. Rather, I will lay out the facts, the conclusions we derived from them, and the actions we took. To begin, I believe it would be instructive to review briefly the developments in the gasoline supply situation during 1975.

GASOLINE SUPPLY TRENDS

At the start of 1975 gasoline stocks were normal and demand had declined slightly during 1974. Supplies appeared to be entirely adequate to meet expected demand over the next few months.

Traditionally, the industry builds gasoline stocks in winter in anticipation of increased summer demand. Normally, gasoline stocks increase to around 230+ million barrels in April and decline to about 200 million in October. Inventories below 200 million generally indicate a tight market situation.

Since distillate stocks and residual fuel stocks also were normal at the beginning of the year, we did not anticipate any unusual problems for the next few months.

The next several months were warmer than normal. Gasoline stocks built up and distillate stocks did not decline as much as usual. The high stock levels caused refiners to reduce runs. This was both normal and expected. At the end of March, stock levels were normal or above normal for all products, and demand continued to be weak.

During April gasoline stocks dropped 13.2 million barrels, somewhat more than normal. Stock drawdowns in April are not unusual since April is traditionally a month of heavy "turn-arounds." Most refinery units must be taken out of service for several weeks about every two to three years for maintenance and repairs. Such downtime is traditionally scheduled for April or October, two months with generally lower than normal demand. Even with the relative high April stock reduction, gasoline stocks were still considered to be normal, or at least adequate. The April reduction was not unexpected since refineries had been run at low rates during the month. We had anticipated low operating rates as the refineries attempted to reduce, by then, unseasonally high distillate stock levels.

When viewed in isolation, gasoline stock levels at the end of April by themselves were not disturbing. However, the imbalance in total product stock levels caused us some concern. Distillate stocks were still appreciably above normal. If the industry continued to run its refineries at low rates to reduce distillate stocks to more normal levels, gasoline stocks might be drawn down excessively, thereby creating some problems in gasoline.

When the preliminary data for the week ending May 2 became available, FEA analysts noticed a continuing imbalance in product stocks. While gasoline stocks were still normal for the period and above 1973 levels, distillate stocks were substantially higher than normal for that time of year and above the level anticipated by industry.

Accordingly, on May 7, FEA's Office of Regulatory Programs called this imbalance to the attention of FEA forecasters, cited the possibility of a tight gasoline supply situation developing as a consequence, and asked for an updated forecast for the remainder of 1975.

On May 14, 1975, in Technical Memorandum 75-5, FEA forecasters predicted adequate gasoline stock levels for the remainder of the year. However, their projections were based on expected normal increases in refinery capacity utilization during May. As events unfolded, however, these did not occur.

On May 16, 1975, representatives of Continental Oil Company called to FEA's attention their developing concern over the adequacy of gasoline stocks for the summer peak season. CONOCO is a net buyer of product because it markets more than it refines. Accordingly, they would normally be expected to be more sensitive to the availability of gasoline than other major refiners. FEA's Regulatory Programs Office helped arrange adequate supplies to meet CONOCO's needs for June but took the CONOCO concern as evidence that trends needed watching even more closely.

On May 20, 1975, FEA officials attending a meeting of industry representatives raised the question of the adequacy of gasoline stocks to meet summer demand. They were assured by these representatives that, in their view, the stocks of their respective companies were adequate, but that they would review the question with the appropriate officials in their companies.

On May 21, 1975, FEA contacted several selected major oil companies to get their estimate of the situation. It was assured that in the view of these companies, their own supplies would be adequate and that they foresaw no general problems, either with their respective companies or for the industry as a whole.

Notwithstanding these assurances, FEA continued to pursue the matter and noted that for the week of May 16, gasoline stocks were 212 million barrels, but crude runs to stills had not increased above the levels of April and early May and gasoline production was below 6 million barrels per day. Gasoline demand was still running below 1973 and 1974 levels.

Data for the week of May 23 disclosed a slight upturn in crude runs to stills, gasoline production of 6.1 million barrels per day, and a decline in the rate at which gasoline stocks were falling. This indicated that the industry was beginning to respond to a combination of FEA's expressed concerns and its own perception of future gasoline requirements.

The FEA staff was still concerned, however, at the slow rate at which refinery runs were increasing and, in a series of telephone calls and meetings during the last week of May and early June, FEA staff warned industry representatives that continued low refinery utilization rates could cause spot shortages. With record high crude oil stocks, adequate supplies on the world market, and low refinery capacity utilization, such shortages would be unacceptable.

Data for the week ending May 30 confirmed further increases in refinery runs and an increase in gasoline production to almost 6.4 million barrels per day. Those same data showed that motor gasoline stocks declined by only 2 million barrels from 209 to 207 million barrels. It appeared that stocks were stabilizing at well above the so-called minimum operating level of 190-195 million barrels.

Data for the first two weeks in June showed that despite continued increases in refinery runs and motor gasoline production, gasoline stocks continued to decline to a level of 200 million barrels for the week ending June 13. This new development was brought to my attention during the week of June 16, both by the FEA staff and by a call from an Exxon executive, outlining his company's plans to increase crude runs and gasoline production. Subsequently, John Hill, Deputy Administrator, Gorman Smith, Assistant Administrator for Regulatory Programs, and I spoke personally with senior officials of 17 of the largest refiners. We inquired as to their companies' conditions and gasoline supply situation over the summer peak demand season, and expressed our concern at the potential for the development of spot shortages. We immediately followed up these conversations with formal letters beginning on June 20 asking the companies to report in detail on their plans for crude oil runs and motor gasoline production for the months of July through October. The industry reported that it was increasing gasoline production and that it had adequate capacity to meet expected demand this summer.

In our investigations we also discovered a number of problems that the industry was experiencing. For instance, we discovered that an unusual number of refineries or refinery units were down due to malfunctions or accidents. The fire in the Phillips Petroleum Company refinery in California in March triggered a temporary tight gasoline supply situation in that region. A problem in BP's refinery at Marcus Hook created a local problem. In addition, there were equipment problems in Texaco's Beaumont refinery and Mobil's Joliet, Illinois, refinery, as well as several others. Industry has attributed the unusually large number of unit failures to the fact that they failed to perform normal maintenance for several years while there was a refinery shortage and it was necessary to run all refineries at peak capacity without normal downtime.

Having received specific reports from 17 large refiners on their projected operations for the remainder of the summer, FEA followed up with a request for their analyses of the reasons for the apparently low level of refinery runs during May and early June. Among the reasons cited were:

A number of unforeseen refinery operating problems.

An imbalance in product stocks in several companies that were concerned about unduly high levels of residual fuel oil and distillates.

The high cost of carrying large inventories accompanied by the inability under FEA regulations to recover inventory carrying costs as increased product costs.

Underestimations of the rate of growth of gasoline demand in the early part of the summer.

The lead time required to reactivate processing units which had been taken out of service either for normal maintenance or because they had not been required to meet current demand.

The impact of FEA regulations on the profitability of refining and marketing operations that caused some companies to seek to reduce refinery costs wherever possible.

A number of industry sources have reported the possibility that speculation about impending major price increases and possible shortages before the end of the summer may have prompted unusually rapid rates of fill in secondary storage and that this may have contributed to the unexpected decline in primary stocks during May. The ability of motorists and other consumers to get all the gasoline they wanted and the absence of spot shortages even at low primary stock levels would be consistent with this explanation.

The above factors contributed to abnormal gasoline stock drawdowns, with gasoline stock levels being reduced to 196 million barrels at the end of the first week in July. It has been sugessted that deliberate decisions to delay increasing refinery capacity utilization were made to firm up prices, even at the risk of creating a shortage. We have no evidence to demonstrate that this was the case.

We do know that there was little cause for alarm about stock levels as late as early May, that the industry experienced an unusual number of refinery problems during May and early June, and that it takes considerable time to return shutdown units to full production. We also know that the seriousness of the supply situation was not clear until late May. Since time is required to make decisions and turn operations around, we have no way to determine accurately whether industry's response was as fast as could be expected, was slow due to shortsightedness, or was slow due to design, as some have charged.

I believe it is instructive, Mr. Chairman, to recall that the first press reports on possible summer gasoline shortages appeared in *Platt's Oilgram* on June 18 and the *New York Times* on June 19, six weeks to the day after FEA had become aware of the possibility of such problems and initiated a series of actions to avoid them. I believe that this demonstrates conclusively that FEA has and exercises the capability to discharge effectively its responsibilities to the American people.

In summary, Mr. Chairman, we have analyzed the responses to our contacts with the industry, our specific inquiries of the 17 largest refiners, and the reports received from all refiners in conformance with our allocation regulations. We note especially the high levels of crude oil stocks compared to previous years and the availability of more than one million barrels per day of extra refining capacity over 1973. Our conclusion is that projected levels of crude oil runs and gasoline production are adequate, barring unusual circumstances, to meet projected demand for motor gasoline during the peak summer season. In the absence of an unanticipated surge in demand or other unforeseen developments, we have no reason to expect any significant shortages this summer.

The question has been raised as to the relationship between gasoline inventories and prices. There is clearly some relationship between the two. However, inventory levels are only one element of the overall gasoline price picture.

GASOLINE PRICE TRENDS

From January 1975, when the entitlements program was initiated, through the first week of July 1975, the national average wholesale price of gasoline (delivered tankwagon price to the retail dealer) has increased by 7.1 cents per gallon, from 31.4 cents in January to 38.5 cents in July. Adding Federal and state taxes that average 12.0 cents per gallon and the retail dealer's margin, the average retail pump price for regular gasoline has risen from 52.4 cents per gallon in January to an estimated 59.2 cents per gallon during the first week in July. There are four major reasons for these gasoline price increases:

Increases in the national average cost of crude oil, including the effect of the $2 supplemental fee on crude oil imports.

The operation of the old crude oil entitlements program, which FEA had to implement to deal with the two-tier crude price system.

Delayed recovery of allowable product costs.

Increases in nonproduct costs incurred by refiners.

INCREASE IN THE NATIONAL AVERAGE COST OF CRUDE OIL

In December 1974 the national average cost of crude oil booked into refiners' inventories was $9.34. By May 1974 the impact of the first $1 supplemental fee on imported crude oil and the changing proportion of imports to domestic crude oil had raised the national average price of crude oil booked into refineries to $9.80 per barrel. The imposition of the second $1 supplemental fee effective June 1 is estimated to have increased the cost of crude oil booked into refineries during June to about $10.25 per barrel. This net increase of about 80 cents per barrel in the price of crude oil would, if apportioned equivalently across all products, account for about two cents of the increased gasoline prices posted since January 1, 1975. However, prices of other petroleum products, principally distillates and residual fuel oil, have not increased proportionately. If all of the increased costs of crude oil were passed through to gasoline, they would account for almost four cents of the 1975 increases. Our estimate is that the actual impact on gasoline prices of increased crude oil costs since December 1974 has accounted for about 3½ cents of the 7.1 cent increase posted since January.

OPERATION OF THE ENTITLEMENTS PROGRAM

By the end of the Arab embargo, domestic oil prices had been frozen at an average level of about $5.25 a barrel while imported oil cost in the neighborhood of $12 per barrel. This means that refiners who had a large percentage of their refinery runs in old oil had substantially lower average crude oil costs than refiners who were more dependent on imported oil. For example, in December 1974, crude oil costs among different refiners varied from $5.05 per barrel to $12.94—a difference of over $7.75. Within this range there were wide variations among the major oil companies as well as among the smaller refiners. The lowest average crude cost for a major refiner was $9.18 per barrel and the highest was $10.68 per barrel in December 1974.

Under FEA's price controls, refiners are limited to their May 15, 1973 prices, plus a dollar-for-dollar passthrough of increased costs, in the amounts they can charge for covered products. Accordingly, refiners with low feedstock costs were required to sell gasoline at substantially lower prices than those with high feedstock costs. Because we came out of the embargo period with gasoline stocks at unusually high levels in 1974 and because the demand for gasoline had been depressed by high prices, there was a surplus of gasoline amounting to 6.4 MMB for July 1974, and 12.3 MMB by November 1974.

As a result, refiners with lower costs—generally, but not universally, the larger companies—set the price of gasoline in the retail marketplace. Companies with higher feedstock costs had two choices: attempt to pass through those costs in the marketplace and see their volume decline, or meet the competition to maintain market share, but only by failing to recover all of the increased costs as they were incurred. They chose to meet the FEA-regulated and artificially low prices by failing to pass through all of their increased product costs. By November 1974, the national average retail price for a gallon of regular gasoline had fallen from the July high of 55.2 cents to 52 cents a gallon.

To fulfill its congressional mandate of preserving the independent sector and fostering competition throughout the petroleum industry, in January of 1975, FEA implemented regulations for sharing the price benefits of price-controlled old oil among all refiners. This "entitlements program" requires those refiners who use more than the national average of old oil (approximately 40 percent) to make payments to those refiners who use less than the national average of old oil. It thereby causes the crude costs of such refiners to escalate toward the national average cost of crude oil.

The program was effective in January 1975 for crude oil runs to stills made during November 1974. During November 1974, the national average cost of crude oil purchased by all refiners was $9.17. Small refiners as a class had the lowest average crude cost of $8.84 per barrel, major oil companies had an average per-barrel crude cost of $9.09, and large independent refiners had an average per-barrel crude cost of $10.33.

As the entitlements program became effective in raising the crude costs of some refiners and reducing the crude costs of others, the differential between the lowest cost and highest cost category decreased from its November value of $1.49 per barrel to about 40 cents per barrel for May 1975. The result has been to raise the effective floor on the retail gasoline price market by the equivalent of about 60 cents per barrel of crude oil costs. The estimated impact of this increase on the costs of the lower priced gasoline marketers has been to raise retail gasoline prices by about two cents a gallon.

DELAYED RECOVERY OF ALLOWABLE PRODUCT COSTS

As outlined above, a consequence of the two-tier price system and FEA's regulations was to force many refiners to forego the current recovery of some increased product costs. As the gasoline market firmed up with the advent of the high demand summer season, some refiners have been able to increase prices so as to recover some of the product costs they were unable to pass through in earlier months. We estimate that between 1 and 1½ cents per gallon of the total price increase can be accounted for by such price changes.

INCREASES IN NONPRODUCT COSTS INCURRED BY REFINERS

In addition, refiners have been subject to inflationary cost increases as have other manufacturing operations. A major source of increased costs has been in higher priced refinery fuel. Labor rates, utility costs, interest costs, and other nonproduct costs have also increased over this period. The amounts of such increases differ widely among refiners but on the average could account for at least ½ cent per gallon over this period.

The particular composition of any individual company's price increase is a combination of these four components and the judgment of the company's marketing officials as to the impact of any particular price increase on their market position.

FEA COMPLIANCE ACTIONS

FEA's compliance staff monitors industry price increases as they occur to determine whether they are fully justified under FEA's price regulations. Each refiner is required to submit by the tenth of each month to FEA a detailed computation of the costs incurred in the preceding month and the distribution of those increased costs to the prices of the products to be sold in the current month. FEA auditors begin to review those calculations as soon as they are received to verify any price increases already announced by the companies and to calculate the ability of the company legally to increase prices in that month if no increases have been announced by the time the form is submitted.

The on-site audit teams in each headquarters of the 30 largest refiners then begin a detailed verification of the entries on those forms as their first priority effort. This verification takes approximately ten days and is followed up by a more thorough examination of the documentation supporting the individual entries on the form.

FEA auditors are currently engaged in this process for those forms submitted on July 10. They will continue their audit of individual company pricing actions until the FEA is satisfied that each company's prices are in full accord with the law and FEA regulations.

With respect to the industry as a whole, however, our records show that refiners have incurred substantial amounts of product costs that they have been unable to recover from the marketplace. It is important to understand that these unrecovered product costs have already been incurred by the companies involved and are authorized under the **law to be recovered in product prices.**

We have no evidence at this point that leads us to believe that the recently announced price increases are not legal. However, as mentioned, we are conducting detailed audits to verify all such increases, and all companies will be held fully accountable to comply with the law.

Even if all of these price increases are determined to be entirely legal, the Administration is concerned about their impact on the welfare of American consumers. In fact, the President has proposed a program that would have helped precisely those consumers who are least able to absorb these increased costs.

Almost six months ago, the President submitted to the Congress a comprehensive energy program that would have begun to decrease our vulnerability to price increases and supply interruptions from foreign sources.

The basic thrust of the President's program was to use the market mechanism as a means for reducing consumption of imported petroleum products. It provides for higher prices, both to discourage consumption and to increase the incentives to further domestic production. It recognized that lower and middle income consumers would be most adversely affected by the higher energy costs. Accordingly, the President's program made explicit provisions for refunding energy conservation taxes to lower and middle income consumers. The refunds proposed would have been larger than the increased energy costs consumers were projected to incur under the program. Had the Congres enacted the President's program, the very consumers who are today disadvantaged would not only be protected from such disadvantage, but in fact would be better off in terms of their total after-tax income, even after paying the higher prices proposed in the President's program.

EXTENSION OF THE EMERGENCY PETROLEUM ALLOCATION ACT

Finally, let me conclude my testimony with a response to the Subcommittee's inquiry regarding FEA's position with respect to an extension of the EPAA.

The Subcommittee has asked for the Administration's view on extension of the Emergency Petroleum Allocation Act of 1973, currently scheduled to expire on August 31, 1975. Specifically, we have been asked first whether the Administration intends to veto any extension of that Act, and secondly, what modifications to the Act would, if adopted, assure approval by the President of legislation extending the period of the allocation Act's effectiveness. While the President will have to weigh carefully many factors in considering any specific legislation which may come to him in the next few days, I believe an understanding of the Administration's position requires examination of how this legislation affects the broader elements of any program necessary to achieve the energy goals crucial to diminishing our vulnerability to arbitrary OPEC pricing and political decisions.

As you know, the Act was created to meet the acute emergency faced by the Nation during the Arab embargo. By its express terms and by its rigidity, it was designed as a short-term measure to deal with a petroleum shortage. Though it was less than perfect, its flaws were not so acute as to prevent it from serving the Nation well to contend with the embargo, and the dislocations that it was bound to produce were relatively easily absorbed in expectation of a very short period of control.

The Act was originally scheduled to expire in February of this year. By then, the acute shortage that had made it necessary was no longer in existence. Instead, the Nation was and is faced with the urgent necessity of grappling with and achieving solutions to longer term trends in energy production and consumption which, if left unaddressed, will result in the Nation being significantly and unacceptably more vulnerable to another embargo in just the next few years.

At the request of the Congressional leadership, however, and recognizing that a midwinter expiration of the Act was undesirable, the Administration agreed to a simple, six-month extension of the Allocation Act on the assurances of the leadership that during the interim period, the Congress would work with the Administration to produce a mutually acceptable decontrol program. Now the end of this extension is at hand, but there has been no real progress toward achieving a workable legislative approach to decontrol. And again it is proposed that the Act be extended for another period, with one pending bill proposing extension until the middle of next year. Another bill, which has just been reported by a House-Senate conference, would not only extend the Act to the end of this year but, by rolling back "new" oil prices, would actually set back our efforts to enhance domestic production and reduce our dependence on imported oil.

In your letter, you asked for a specific comment on the question of an extension of the Emergency Petroleum Allocation Act. On Monday, the President proposed a compromise whereby there would be a phased decontrol over a 30-month period, together with a ceiling on the price of uncontrolled domestic oil over the same period.

By removing government controls, production of oil here can be stimulated and energy conserved. Decontrol and the import fees imposed earlier will reduce our dangerous reliance on foreign oil by almost 900,000 barrels a day in just over two years.

There is no cost-free way to reduce our dependence on increasingly expensive foreign oil. Gradual decontrol will result in a price increase on all petroleum products less than 1½ cents per gallon by the end of this year, and 7 cents by 1978. This is a small price to pay for our national independence from the costly whims of foreign suppliers.

If the Congress acts on this compromise and on the President's proposed energy taxes, including the tax on excessive profits of oil companies, and on his proposed refunds to the American consumer to make up for higher energy costs, the burden of decontrol will be shared fairly, our economic recovery will continue, and we will be able to protect American jobs.

Clearly, some regulatory authority over prices will be required during the period of decontrol proposed by the President. However, we believe that many of the existing provisions of the Emergency Petroleum Allocation Act are unduly rigid. Accordingly, the Administration supports, in conjunction with congressional approval of the President's decontrol proposal, an extention of the Emergency Petroleum Allocation Act with appropriate modifications to provide the necessary flexibility for dealing with the supply and price conditions likely to develop during the decontrol period.

Mr. Chairmen, your concern and that of the other members of these Subcommittees for the welfare of consumers is laudable and shared by the Administration, but the responsibility for what is happening to consumers today and what will happen to them to an even greater degree in the months ahead rests with the Congress. I urge that you act as quickly as possible to enact the President's program.

Mr. Chairmen, this concludes my formal remarks, and I will now be glad to try to answer any questions you might have.

[From the Wall Street Journal, July 15, 1975]

THE GREAT GASOLINE CONSPIRACY

The sudden sharp rise in the demand for gasoline, plus the decline in gasoline stocks, plus the almost simultaneous announcement of gasoline price boosts by most refiners on July 1—all this adds up, in the minds of some Washington politicos, to a great gasoline conspiracy. Senator Henry Jackson, who wants to be President, and Senator Adlai Stevenson, who wants to be President have announced Senate subcommittee investigations to find out what's going on.

Before they've heard the first witness, though, both gentlemen have announced their findings. Senator Jackson says, "Clearly the oil companies have manufactured a shortage." Senator Stevenson says this is "a classic study in the power of the major oil companies to reverse the normal rules of supply and demand." The prejudgments are a pity, for if the Senators could blot them out of their minds, their hearings would surely prove illuminating and educational.

Take the first question: Why were the price boosts simultaneous? Because under FEA regulations companies can increase price to pass through costs, but "non-product" costs may be recovered only in the months following the one in which they are incurred. Unlike the cost of crude oil, they cannot be "banked" for recovery in future months when market conditions may be more favorable. In fact recently the companies have been having trouble making price increases stick, so if they are to have any chance to recover non-product costs they have to start as soon as possible. They need no collusion to arrive at the first of the month as the date to post increases. In short, the answer to question one is: The FEA.

On to question two: Why have gasoline stocks dropped so suddenly? Well, the FEA has an obscure rule that requires an oil company to charge everyone in a "class" of customers the same price regardless of geographical location. Before formation of the FEA, a company short on gasoline in California would call other companies and try to buy some, or perhaps swap some for fuel oil. For the right price, a company long in gasoline would sell some to the company that was short.

This no longer happens, because if the second company sold California gasoline at a premium price, it would have to raise its price to similar customers nation-wide. This would mean a loss of market share in other areas, and the premium sale is not worthwhile. So the telephone calls have stopped. It was in these calls, when someone started to find that no one else was long on gasoline, that oil men got the first warning of an impending shortage. Without the calls, a shortage can come as a surprise. So to question two, the answer is: The FEA.

On to question three: Why aren't the nation's refiners, who are operating at less than 90% of capacity, importing more crude oil to make more gasoline? Well, imported crude costs $13, and the FEA will not allow refiners to pass along this cost until the next month. If the refiner is making gasoline from a mix of $5.25 price-controlled oil and $13 imported oil, more imported oil will push up until costs without any immediate increase in the selling price. Perhaps it would be able to "recover" these costs by higher prices later, but then again maybe not. So the answer to question three is: The FEA.

Now, to give credit where it's due, the FEA runs around frantically writing new regulations trying to undo the damage its past regulations have done. Last week, for example, FEA head Frank Zarb was talking about allowing geographical differentials. But by now, we should be learning that the next regulation will only do something else, that the oil industry cannot be run from Washington without benefit of price signals. That the way to have the oil industry produce gasoline most efficiently, which is to say at the lowest price, is for the government to get out of its way.

Senators Jackson and Stevenson will find, if they conduct fair and honest hearings, that the spot gasoline shortages the nation now faces result not from conspiracy, but from the very controls they and their congressional colleagues created. Once they make this discovery, there no doubt will be public apologies all around to the oil companies and no further attempt to extend controls past the August 31 expiration date. The great gasoline conspiracy was unwittingly concocted on Capitol Hill.

[From the New York Times, July 13, 1975]

Looking Into Rising Gasoline Prices

(By Edward Cowan)

Washington.—The oil industry is about to receive one of its occasional floggings on Capitol Hill.

This week two Senate subcommittees are scheduled to hold a joint hearing into the gasoline price increases that occurred just before the Fourth of July holiday weekend. Most refiners raised prices 2 or 3 cents a gallon.

The oil companies are sure to be pilloried. A joint announcement by the subcommittees' chairmen, Senators Henry M. Jackson of Washington and Adlai E. Stevenson of Illinois, both Democrats, spoke of an "inquiry to determine whether major oil companies have purposely curtailed refinery output resulting in last week's gasoline price increases."

"Clearly," Senator Jackson added, "the oil companies have manufactured a shortage through manipulation of refinery output so they could raise retail gasoline prices as much as 7 cents a gallon during the season vacationing Americans buy more gasoline."

If that is the premise of the inquiry, is there any doubt about the outcome?

What's wrong, it might be asked, with an occasional flogging on Capitol Hill to remind "Big Oil" of its public responsibilities? Surely, no industry is better padded with profits or more skilled in getting its case to the public through advertising messages and speeches reported by the press. In that sense, perhaps an occasional flogging helps to redress the balance.

There is another view—that Congressional inquiries should be dispassionate, thorough and even-handed if they are to shed more light than heat on complex problems of public policy.

Such a view may be naive, particularly when oil and Presidential politics converge, as they will in this week's hearings. Senator Jackson, chairman of the Permanent Investigations Subcommittee, is a declared Presidential contender.

The Senators' contral accusation is that "the oil companies have manufactured a shortage"—that they brought about a drop in gasoline stocks and a rise in crude oil stocks during the spring by curtailing refinery operations. The issue is motive.

The Jackson-Stevenson thesis is that:

The oil companies sought higher gasoline prices on top of adequate profits.

They wanted to build up stocks of "old" crude oil under the ceiling price of $5.25 a barrel in anticipation that all oil price controls might expire on August 31, when the present authority for them is due to lapse.

They attempted to drive out of business the independent gasoline distributors by curtailing refinery output and eliminating the surplus that independents buy and market at discount prices.

The Federal Energy Administration failed to stop excessive rundown of gasoline stocks.

The oil companies, at least those that cut gasoline production, are expected to reply that:

Gasoline stocks typically decline from late winter to early summer, as the data show.

Certain refineries were shut down for maintenance or because of mishap, such as fire.

Federal Energy Administration regulations discouraged some refiners from maximum production, a charge the agency concedes is true in selected cases.

Gasoline prices fell last autumn and refiners are only now partially recovering costs they had absorbed for months, plus costs attributable to President Ford's fee of $2 a barrel on imported crude oil.

One issue the Senators are unlikely to raise is what the F.E.A. is doing about the complaint of Consumers Union on the extra markup of 3 cents a gallon awarded to filling stations in 1974. To avert a suit, the F.E.A. started a review months ago. There are 200,000 filling stations in the United States, all of them presumably run by citizens of voting age.

The subcommittees hope to elicit testimony from F.E.A. officials to the effect that oil industry executives told them that they were trying to raise gasoline prices.

Assuming that was a conscious motive, it raises a far-reaching question: If the companies raised prices within the limits of F.E.A. pricing regulations and if there has been no assertion to the contrary, in what sense are they in the wrong?

This question doesn't appeal to people such as Senator Stevenson who view the oil industry as a hostile force within American society. "We're involved in a fight to protect the consumers of this nation against forces that are very powerful," an aide to the Illinois Democrat commented.

The underlying view is that the oil industry is essentially uncompetitive. The proof, it is said, is that when gasoline stocks early in the year proved too high in relation to demand, the companies curtailed production rather than cut price. By implication, this criticism says that a manufacturer who finds himself with excessive inventories should continue to produce at the old rate but attempt to shrink his stocks by slashing prices.

This is a particularly interesting view in a year of acute recession due in part to inventory liquidation.

The two Senators have legislative and political objectives—rallying public and Congressional opinion in favor of extension of oil price controls beyond the Aug. 31 expiration and against the President's threat to let controls expire unless Congress first agrees to a plan for gradual deregulation.

"What we'll be saying," one Senate aide commented, "is: Folks, this gasoline price thing was a warm-up. You ain't seen nothing if price controls expire."

From the Administration's point of view, the industry-wide markup of gasoline prices, all in the first few days of the very month of an expected showdown with Congress on price controls was unfortunate. "Their timing was horrible," moans a key energy policy maker.

SENATOR HUGH SCOTT'S RECORD ON BEHALF OF SENIOR CITIZENS

Mr. FONG. Mr. President, the problems of our senior citizens have not eluded the keen eye of our Republican leader, Senator Hugh Scott of Pennsylvania. He knows the plight of persons who must exist on fixed incomes, be they private pensioners or social security recipients. As the ranking Republican on the Special Committee on Aging, I have long noted Senator Scott's strong support of increased and liberalized social security payments. He has advocated more generous earnings limitations along with easier eligibility for health care for the elderly.

Mr. President, I ask unanimous consent to have Senator Scott's accomplishments on behalf of senior citizens printed in the Record.

There being no objection, the record of

accomplishments was ordered to be printed in the Record, as follows:

Senior Citizens—93d Congress

LEGISLATION

S. 582—a bill providing social service for the aged.

S. 871—a bill to amend Title V, United States Code, to correct certain inequities in the crediting of National Guard technician service in connection with civil service retirement.

S. 1378—a bill to encourage earlier retirement by permitting Federal employees to purchase into the civil service retirement system based on employment in Federal programs operated by State and local governments under Federal funding and supervision.

S. 2264—a bill to provide civil service retirement credit for certain language instructors of the Foreign Service Institute, Department of State.

S. 2528—a bill to amend the Social Security Act to provide the States with maximum flexibility in their programs of social services under the public assistance titles of that act.

S. 2868—a bill to provide for tax counseling to the elderly in the preparation of their Federal Income Tax returns.

S. 3069—a bill to extend through December 1974 the period during which benefits under the supplemental security income program on the basis of disability may be paid without interruption pending the required disability determination.

S. 3100—a bill to amend the Older Americans Act of 1965 to extend the Nutrition Program for the Elderly.

S. 3143—a bill to amend titles 2, 7, 11, 16, 18, and 19 of the Social Security Act.

S. 3167—A bill to eliminate the special dependency requirements for entitlement to husband's and widower's insurance benefits so that benefits for husbands and widowers will be payable on the same basis as benefits for wives and widows.

S. 3168—a bill to permit the payment of benefits to a married couple on their combined earnings record.

S. 3169—a bill to provide that an insured individual otherwise qualified, may retire and receive full old-age insurance benefits, at any time after attaining age 60, if he has been forced to retire at that age by a Federal law, regulation, or orders.

S. 3170—a bill to provide that any individual who has 40 quarters of coverage, whenever acquired, will be insured for disability benefits thereunder.

S. 3626—a bill to assure that an individual or family, whose income is increased by reason of a general increase in monthly social security increase, will not, because of such increase, suffer a loss of or reduction in the benefits the individual or family has been receiving under Federal or federally assisted programs.

S. 4082—a bill to amend the Social Security Act to establish a consolidated program of Federal financial assistance to encourage provision of services by the states.

VOTES

Voted for a 5.6 percent cost-of-living increase in social security benefits to become effective January 1, 1974.

Voted to increase monthly benefits under supplemental security income program to $140 per individual and $210 per couple.

Voted for Modified Ribicoff et al. amendment to cover certain maintenance drugs on an outpatient basis under part A of Medicare.

Voted for Modified Byrd amendment to increase the retirement tests under social security from $2,400 to $3,000 annually and to reduce from 72 years to 70 years the age of applicability under such test.

Voted for Byrd amendment to reduce from 60 to 55 years the age of eligibility for widows to receive actuarially reduced social security benefits.

Voted for amendment to require States to disregard Federal Social Security Increases and social security benefit increases for purposes of determining the amount of State supplemental payments.

Voted for the Social Security Amendments of 1973.

Voted for Social Security Act Amendments.

Senior Citizens—94th Congress

LEGISLATION

S. 357—a bill to amend Title II of the Social Security Act to increase to $4,800 the amount of outside earnings permitted each year without deductions from benefits thereunder.

S. 388—a bill to amend the Social Security Administration Titles II, VII, XVI, XVIII, and XIX to provide for the administration of the old age, survivors, and disability insurance program, the supplemental security income program and the Medicare program by a newly established independent Social Security Administration to separate Social Security trust fund items from the general Federal budget to prohibit the mailing of certain notices with Social Security and supplemental security income benefit checks.

S. 445—a bill to assure that an individual or family, whose income is increased by reason of a general increase in monthly Social Security benefits will not, because of such general increase, suffer a loss of or a reduction in the benefits the individual or family has been receiving under certain Federal or Federally assisted programs.

S. 446—a bill to amend Title II of the Social Security Act to provide that an individual's entitlement to benefits shall continue through the month of his death. (except where the continuation of such entitlement and the consequent delay in the payment of survivor benefits would reduce the total amount payable to the family.

S. 451—a bill to amend Title XVIII of the Social Security Act to provide for coverage under part B of Medicare for routine exfoliative cytology tests for the diagnosis of uterine cancer.

S. 1163—a bill to amend part B of Title XVIII to broaden Home Health Services.

S. 1496—a bill to amend Title XVIII of the Social Security Act to authorize expanded home health services under Medicare.

S. 1729—To amend Title II of the Social Security Act to eliminate the special dependency requirements for entitlement to husbands' and widowers' insurance benfits to provide benefits for widowed fathers with minor children, to make certain other changes so that other benefits for husbands, widowers and fathers will be payable on the same basis as benefits for wives, widows and mothers, and to permit the payment of benefits to a married couple on their combined earnings where that method of computation provides a higher combined benefit.

FIFTIETH ANNIVERSARY OF IRELAND'S GRANT TO THE ABBEY THEATRE IN DUBLIN

Mr. KENNEDY. Mr. President, this year represents the 50th anniversary of the first grant by the Government of Ireland to the world-famous Abbey Theatre in Dublin. That grant is a landmark in the ongoing history of the relationship between government and the arts.

The assistance provided in 1925 by Ireland to the Abbey Threatre was the first public subsidy to any theater in the English-speaking world. As such, the grant was a pioneering act by a far-sighted government sensitive to its national background and concerned for the growth and preservation of its great artistic heritage. Over the past half century, the Abbey Theatre's contributions have reached to all corners of the Earth, as bridges across the seas linking peoples in all nations through the most noble qualities of the human spirit.

This year marks, as well, the 10th anniversary in this country of the National Endowment for the Arts, representing our own Government's commitment of support for the arts. What we have learned in the past decade is that Government support of the arts enhances and encourages the best among us. Government funding of the arts neither narrows nor clouds our horizons in the creative or performing arts. In Ireland and the United States and in many other nations where governments have provided aid to the arts, both the nation and the arts have been the beneficiaries.

As President Kennedy once reminded us:

> I am certain that, after the dust of centuries has passed over our cities, we will be remembered not for our victories or defeats in battle or politics, but for our contribution to the human spirit.

Mr. President, in a recent article in Ireland Today commemorating this anniversary, Mr. Micheál Ó hAodha, a director and historian of the Abbey Theatre, discussed the background of the theater and the genesis of the historic grant in 1925. The article provides an excellent account of one of the world's great national threaters, and I ask unanimous consent that it be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From Ireland Today, June 9, 1975]

The Abbey Theatre

(By Micheál Ó hAodha)

Against a background of national and cultural resurgence, a new concept of dramatic writing came into existence in Ireland during the closing years of the last century. Hitherto everything by way of actors and playwrights that Ireland had given to the world had been given to the English theatre. One need only mention the writers of comedy alone—George Farquhar, Oliver Goldsmith, Richard Brinsley Sheridan, Oscar Wilde, Bernard Shaw—to realize the measure of that contribution. Plays with an Irish setting had been staged successfully by such well-known Irish actors and actor-managers as Thomas Sheridan, Charles Macklin and Dion Boucicault. While all these playwrights and actors earned their living abroad, theatres in Dublin and the provincial towns were served for the most part by English players presenting the latest London successes.

The sprouting of an indigenous dramatic movement was one of the signs of national growth. The early 1890's had seen the first stirrings of a literary revival. The aim was not a propagandist literature which would help political nationalism but a national literature which would be, in Yeat's phrase, "freed from provincialism by an exacting criticism". Nonetheless, there was no clear indication in the 1890's that any considerable portion of the population was ready for the development of a native drama. Dublin, Belfast and Cork were visited regularly by the leading London companies. Theatregoers had become accustomed to a fare of sentimental melodrama and musical comedy. The emergence of a national theatre came as a surprise in a country which was largely unprepared for innovation in the arts.

The Irish Literary Theatre, founded by W. B. Yeats, Edward Martyn and Lady Gregory, gave its first performances in 1899 in the Antient Concert Rooms in Dublin, presenting a verse play on an Irish legend, *The Countless Catheleen* by W. B. Yeats and *The Heather Field* by Edward Martyn, a play in the Ibsen manner. The venture had been guaranteed against loss by fifty well-known citizens but Martyn, a wealthy landowner, relieved them of their financial commitments and stood the loss himself. There was a similar balance between the sociological drama of ideas and the lyrical play based on Irish saga and legend in the bills presented by the Irish Literary Theatre in the following year. But in 1901, an unsuccessful attempt was made to combine continental ideas with the Gaelic mode within the framework of the same play. W. B. Yeats and George Moore had written, in collaboration, *Diarmuid and Gráinne,* which was staged at the Gaiety Theatre, Dublin, in October, 1901, with music by Elgar. This production, which might have been expected to reconcile the divergent ideas of the founders, not only widened the breach but proved conclusively that the tentative groping towards the idea of a national theatre had come up against a stone wall.

The literary ideals of the founders were admirable but their practical knowledge of the theatre was slight. All of the six plays presented by the Irish Literary Theatre were played by English actors and actresses directed by everybody and nobody. Even Sir Frank Benson's Shakespearean Company, which crossed from England to stage *Diarmuid and Gráinne* could not save this mixture of Wagnerian opera and Celtic twilight. But on the night of this débâcle and on the same bill, the first play in Irish ever to be staged in a recognised theatre was presented by a cast of amateurs directed by a little known Dubliner, W. G. Fay. The play was ***Casadh ant Sugáin*** (The Twisting of the Rope) by Douglas Hyde. That night the Irish Literary Theatre died to rise again in the following year as the Irish National Theatre Society after a merger with W. G. Fay's Company. The union of the two groups was both logical and desirable but it required all Yeats's negotiating skill to achieve it. But the movement might have faded into obscurity were it not for the arrival of a playwright of genius, John Millington Synge, who was to have a decisive influence on the shaping of Irish drama.

Synge's *Riders to the Sea,* first produced in January 1904, was hailed within a few years as the greatest one-act play of modern drama. The production itself was notable for the discovery of a new actress, Sara Allgood, who is still remembered from later productions as an incomparable interpreter of Synge. When W. G. Fay and his brother Frank brought Sara Allgood, Máire Nic Shiubhlaigh, Maud Gonne and other actresses from Inginidhe na hÉireann (the Daughters of Erin—a Nationalist group) into the company, they did so for artistic reasons and not with a view to political propaganda. Thus the work of the Fays' Company, starting from a nationalistic basis, transcended local interest and achieved international importance.

A generous Englishwoman, Miss Annie Frederika Horniman insured the continuity of the Company's work by purchasing and equipping the building which became known as the Abbey Theatre, so named from its site in Lower Abbey Street. She is said to have arrived at this momentous decision to build and subsidize a theatre in Ireland by a reading of Tarot cards and astrological charts. But it was an auspicious day for Irish Theatre when, thanks to her munificence, the Abbey Theatre first opened its doors on the 27th December, 1904.

The violent protests which greeted the first production of Synge's *The Playboy of the Western World* in 1907 got a world press but the Abbey was temporarily a loser. William Boyle withdrew his plays which were among the most popular pieces in the Abbey repertoire at the time. Although stoutly defended by Yeats, Lady Gregory and most of the company in the bitter controversy which followed, Synge suffered a deep hurt. Nationalist Ireland disowned him and the Abbey. Much of the popular support which had been growing since the theatre opened was lost for a time. The death of Synge on 24th March, 1909, at the age of thirty eight was the end of an epoch. His output was not large but he had given to the National Theatre exactly what it needed—a significant corpus of drama, distinctively Irish, but with universality and depth. Synge's unique mastery of poetic speech created a situation in which more than half the strength of what was and still is largely accepted as an Abbey play resided in its dialogue. But if this literary quality had not developed new modes of expression appropriate to new subjects and themes, it would have lapsed into imitative 'Synge-song' and pastiche. That the Abbey play remained a vital and living thing after the death of Synge was largely due to his contemporaries, Lady Gregory, Padraic Colum, George Fitzmaurice and T. C. Murray, whose work, although uneven in quality, bridged the gap between Synge and the arrival of another playwright of genius, Sean O'Casey.

Already the Abbey had begun to spread its plays and players throughout the English-speaking world. To the States went Dudley Digges, the Fay Brothers, J. M. Kerrigan, Máire O'Neill, Sara Allgood, Arthur Sinclair, Una O'Connor and, in later years, Barry Fitzgerald, his brother Arthur Shields and many others. Any attempt to chronicle the achievements of former Abbey players in London would be an impossible task.

At home, the Abbey gradually began to find its place in the New Ireland that began to take shape after the struggle for independence. The plays of Lennox Robinson, Brinsley Macnamara and George Shiels brought new audiences to the threatre. But as audiences grew, the habit of saying that the Abbey was dead or dying grew also. Miss Horniman had years earlier withdrawn her support, when the management failed to close the theatre, as a mark of respect, on the death of King Edward VII. It was mainly the idealism and talent of its players and playwrights which kept the Abbey open until an Irish government gave recognition to the Abbey as the National Theatre.

In June, 1924, W. B. Yeats and Lady Gregory wrote to W. T. Cosgrave, President of the Executive Council, offering "the Abbey Theatre, its entire contents, scenery and wardrobe, and the property it owns to the Irish nation." President Cosgrave referred the matter to the Minister for Finance, Ernest Blythe, who had been a regular patron of the Abbey since the early years of the century. He was aware that the Abbey, had been losing money for some years.

Mr. Blythe was of the opinion that the offer of the threatre to the nation was more tactical than serious and that, even it if were a serious proposition, the Government would be ill-advised to undertake full and direct responsibility for the running of the Abbey. Instead, he recommended that a small annual subsidy should be provided to enable the theatre to continue its work.

The matter was debated in the Dáil in May, 1925. With the support of Mr. Thomas Johnson, Leader of the Labour Party and father of the Abbey actor, Fred Johnson, the vote for a grant-in-aid was passed, and so the Abbey Theatre, or to give it its corporate title, The National Theatre Society Ltd., became the first state-subsidised theatre in the English-speaking world.

This was an enlightened and courageous decision by the Government of a new underdeveloped State which had barely survived a disastrous Civil War. The Abbey Theatre is permanently indebted to Mr. Blythe, who died on 23rd February, 1975, for his vision in enabling the theatre to survive and, at the same time, preserving its independence.

Even with increasing subsidies, the Abbey had difficulties in retaining a distinctive identity. Since the annual grant was first given, criticism became more acute. A tradition had been established which led some critics to conclude that the Abbey had become a conservative part of the established order. Others predicted that the acceptance of a government grant would lead to its early demise.

Nowadays, the necessity for state subsidy of the performing arts is widely accepted, and it is particularly gratifying that other theatres and companies in this country are now, like the Abbey, in receipt of annual grants. All the more reason to recall with pride and gratitude the pioneering role of an Irish Government fifty years ago.

With the grant came official and public recognition of the Abbey's status as the National Theatre. Since then, successive Governments and Ministers for Finance have been generous in their support even to the extent of providing all the funds for the present theatre which opened in 1966, on the site of the original building which was destroyed by fire in 1951.

Among the most successful presentations at the New Abbey were Tomas MacAnna's production of Brendan Behan's *Borstal Boy* and the same author's *The Hostage* directed by Hugh Hunt. Brian Friel's *The Loves of Cass Maguire* and *The Freedom of the City* together with Tom Murphy's *The Morning After Optimism* were the most significant new plays of the past decade. The classics were best represented by Madame Knebel's production of *The Cherry Orchard* and the Michael Cacoyannis interpretation of the W. B. Yeats version of Sophocles's *King Oedipus*.

The last named production was seen at the Edinburgh Festival in 1974 where there had been an earlier visit with *The Playboy of the Western World*. The company has also visited Florence, Vienna, Brussels, Paris, Helsinki, Frankfurt and London and had a large share in the success of *Borstal Boy* in New York and Toronto. Provincial tours in Ireland have been resumed after a lapse of nearly a quarter century. Much experimental work and the staging of plays in Irish takes place in the Abbey's sister theatre, the Peacock, where it is hoped that a new generation of playwrights, players and audiences will shape the drama of tomorrow. For the first time ever, the Abbey has brought some of its presentations of plays in Irish to the Aran Islands and the Irish-speaking districts of the West.

The Abbey Company is at present considering plans for tours to Australia and the United States in 1976.

A dearth of original creative work poses new problems for a National Theatre. If the Irish writer is to respond to the changing scene in life and in the theatre, he will have to break new ground. There will still be a place for the play written in the traditional style. Perhaps due to an overlong reign of a set of conventions conveniently labelled realistic, the fundamentals may have been overlooked. In this age of television, the theatre should be unashamedly theatrical and exploit its distinct advantages over both cinema and television in accepting unreservedly that the playwright, actor and audience are interdependent and complementary. Whether Greek tragedy or kitchen comedy, a play can only be judged in performance. The physical immediacy of an actor playing to an audience and reacting to an audience, this is the prerequisite for judgment. It is the readiness of the public to assess plays in performance, in their visual and aural elements that has kept the Abbey alive. The audience looks forward with expectancy to each new play in the hope that it will provide at least the scaffolding for the drama of the future.

It is too early to claim that Irish playwriting has entered a new supranational phase, but there are signs that audiences are no longer satisfied with the inbreedings of the past. Many are of the view that the Irish theatre must now strive to break from the rut of tradition in which it has become embedded.

The plays and players which made the Abbey famous were a new phenomenon on the theatrical scene. The playwrights and players of to-day are the inheritors and part upholders of that tradition. It should be an easier and perhaps no less rewarding task to break from that tradition than to create it.

STATEMENT ON KISSINGER

Mr. BUCKLEY. Mr. President, I have just seen a UPI release that I wish to call to the Senate's attention. The first paragraph reads as follows: "In Milwaukee today, Secretary of State Henry Kissinger said Solzhenitsyn's militant views are a threat to peace and he had recommended President Ford not to meet with the author."

The Secretary of State is reported to have stated, "If I understand the message of Solzhenitsyn, it is that the United States should pursue an aggressive policy to overthrow the Soviet system."

The Secretary of State is a very intelligent man. Therefore, if the report is accurate, we can only conclude that either he has never bothered to listen to the greatest spokesman for freedom in the world today, or he has deliberately chosen to misunderstand his clearly and eloquently stated message.

Alexandr Solzhenitsyn's message—as anyone who read any of his recent statements or saw his interview on "Meet the Press" would know—is simply this: Do not let the policy of détente deceive you into believing that the Soviet Union has relented in the slightest in its long-term determination to overthrow the West, the United States included. Do not, through your trade, provide the Soviet tyranny with the tools with which to tighten its repression of the people of the Soviet Union and of the satellite nations now held captive by Soviet imperialism. Do not make it more difficult still for the Soviet people and the captive nations to liberate themselves.

The Secretary of State is reported to believe that the symbolic effect of a meeting between the President and Solzhenitsyn could be to the disadvantage of the United States, presumably because it would offend the sensibilities of the leaders of the greatest tyranny the world has known. The foundations of détente must be weak indeed if the President of the strongest nation of the Free World must avoid meeting with the most eloquent living spokesman for the values represented by the Free World. Détente on such terms is neither worthy of the United States nor worth the keeping. Nor will it buy us ultimate safety from the dangers of which Mr. Solzhenitsyn warns.

I urge the President to issue a public invitation to Mr. Solzhenitsyn to visit him at the White House. It would be an act of great symbolic importance. If this means having to make a choice between opposing views, I suggest that the President can learn far more about the realities of our present policy of détente from Alexandr Solzhenitsyn than he can from the Secretary of State.

Mr. President, I ask unanimous consent that the UPI dispatch be printed in the Record.

There being no objection, the dispatch was ordered to be printed in the Record, as follows:

Dispatch

In Milwaukee today, Secretary of State Henry Kissinger said Solzhenitsyn's militant views are a threat to peace and he had recommended President Ford not to meet with the author.

"If I understand the message of Solzhenitsyn," Kissinger told a news conference, "It is that the United States should pursue an aggressive policy to overthrow the Soviet system."

"But I believe that if his views became the national policy of the United States we would be confronted with considerable threat of miiltary conflict. . . I believe that the consequences of his views would not be acceptable to the American people or to the world"

Kissinger said he highly respects Solzhenitsyn as one of the greatest writers of all time but recommended to the White House that Ford not meet with him. He said the symbolic effect of such a meeting could be a disadvantage to the United States.

On Tuesday, White House Press Secretary Ron Nessen said Ford has received 478 letters and telegrams suggesting he meet with Solzhenitsyn. But no mail has come in opposing such a meeting.

Nessen said Ford was willing to see the author, but no approach to the White House has been made lately for a meeting.

U.S. WEAPONS SALES ARE DOMINATING HUGE ARMS BUILDUP IN PERSIAN GULF

Mr. KENNEDY. Mr. President, last month, Newsday, the Long Island periodical, began a series of articles on the unprecedented changes taking place in the newly rich oil nations of the Persian Gulf. One of the most conspicuous and questionable developments in the past several years has been rapid escalation in sales of sophisticated weapons and related services to these countries, a development that has occurred without congressional participation or consultation.

Mr. President, the issues arising out of our massive arms sales to the Persian Gulf are difficult and complex ones, involving overlapping and often contradictory interests. The individual problems of balance-of-payments, petrodollars, regional arms races, oil politics, and U.S. military strategy and planning would each perhaps dictate a different policy approach. But we must set our priorities, balance our interests, and emphasize those with the highest impact and importance over the long run.

Yesterday's Congressional Record carried a notice to the Foreign Relations Committee, as required by last year's Nelson amendment to the Foreign Assistance Act, of additional millions—the actual amount is classified—for presumably hundreds more personnel to provide technical assistance in operating its newly acquired Hawk missile system. Sending large numbers of Americans to the Persian Gulf to engage in military training in these countries will clearly compromise our independence from what happens there. The fact that the U.S. Government removes itself by a step or two, letting private companies sell the arms does not change the nature of the situation. The United States will still risk one day becoming more deeply involved in countries to which we supply arms and related personnel—military or civilian—whether it is done through sales or grants.

An arms control expert is quoted in the Newsday article as saying that—

> We are creating a military monster, and I'm not sure that it's in our national interests to do that.

This indeed, Mr. President, is the question; and Congress must play its role in determining whether such a major policy—whose consequences are widely disputed—will serve the U.S. national interest or not. This is why I have introduced legislation calling for a suspension of arms sales and related services to the countries of the Persian Gulf, pending the submission by the administration of a statement of our policy there, and congressional approval of that policy.

So let us pause. Let us have an open and forthright discussion of this issue, and together with the administration let us create a policy without so many contradictions, a policy that does not raise so many fears. If we work together now, there may still be time; then perhaps we can forge a safer and more intelligent approach to the Persian Gulf.

I ask unanimous consent that the Newsday article on arms to the Persian Gulf be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

U.S. Weapons Sales Are Dominating Huge Arms Buildup in Persian Gulf

The Persian Gulf is in the midst of an unprecedented arms race—a race dominated by U.S. arms sales.

In the last two years, the U.S. has sold $14 billion in arms abroad. Two thirds of those sales were to Persian Gulf countries. "I think we are creating a military monster," said one arms expert. "And I'm not sure it's in our national interest to do that."

The United States is developing for Saudi Arabia—in some cases creating—an army, a navy, an air force, a coast guard, an air defense system and a national police force called the National Guard. It is building Saudi bases, training Saudi troops advising Saudi generals and selling the Saudis arms.

The United States is selling Iran more arms—and better arms—than it sells any other country, including Israel. It is selling Iran 80 Grumman Corp. F-14s, the most sophisticated jet fighters in production. It is selling Iran six Spruance-class destroyers—the biggest, fastest, most advanced destroyers in the world. And Iran, in turn, is creating an enormous military machine, the largest in the Mideast, ostensibly to keep the Persian Gulf secure.

The arms race in the Persian Gulf does not stop with U.S. sales, however.

In Iraq, the Soviet Union is selling tanks, planes, ships and missiles.

In Kuwait, Yugoslavia is building two huge military air bases. Britain is selling tanks, and France is selling jet fighters.

In the United Arab Emirates France is selling the sheikdom of Abu Dhabi a total of 32 Mirage-5s. Because Abu Dhabi has only two or three native pilots, foreign pilots—Sudanese, Jordanian, Pakistani and British—must be imported to fly the planes.

Even tiny Bahrain, an island state one fourth the size of Rhode Island, is caught up in the race. It is building a $12,285,000 military headquarters base and officers' housing complex, and it is contemplating an air force.

All this is in addition to the other arms race in the Mideast, that between Israel and her neighbors, and it has many people worried.

The major complaint is that the United States is selling arms without the customary long-range study on the effects of the sale. Because of that, Sen. Edward Kennedy (D-Mass.) has introduced an amendment to a foreign assistance bill that would require a six-month moratorium on all U.S. arms sales to the Persian Gulf until studies can be made. "We want to get a handle on something," said Robert Hunter, an assistant to Kennedy. "These arms sales appear to be indiscriminate, ad hoc, unconcerned. But are they? Will these sales relieve tension in the area? Or will they create tension? How does this all relate to the flow of oil? How does it relate to the United States and to its needs?"

The answers to these questions are a matter of debate. The State Department, which must approve every military sale overseas, argues that the arms sales protect U.S. access to Persian Gulf oil; that the arms buildup gives the Gulf security and stability; and that if the United States does not sell to the Mideast, then other countries will.

The critics counter that the price of oil has gone up despite the arms sales; that the arms sales create instability, not stability; and that most countries might not buy weapons at all if U.S. arms merchants were not out selling.

The stability issue is the most controversial.

"Iran and Saudi Arabia have continued to share primary responsibility for stability in the Gulf and in these endeavors have continued to turn to the United States for help in modernizing and strengthening their defensive capabilities," Alfred L. Atherton, Jr., assistant secretary of state for Near Eastern and South Asian Affairs, told a House subcommittee last year. "We see what we are doing as a contribution to the fulfilment of what is essentially our position, helping to create a self-sufficient, self-reliant, self-confident community of countries in the Gulf."

The critics, however, see the arms sales as creating the possibility of war and revolution in an area that has had its share of wars and revolutions in the past. "The situation there is very unstable now and weapons have only added to it," said Stefan Leader of the Center of Defense Information, a private research institute in Washington. "The weapons have increased the risk and given the instability." Furthermore, he says the creation of a well-trained officers corps can lead to revolution. "Officers step into politics," he said. "They become unhappy with monarchies. Look at Ethiopia."

A confidential federal report obtained by Newsday suggests the possibility of such a coup in Saudi Arabia. "Some younger, western-trained members of the Royal Family serving in military and civilian government posts are rumored to be critical of [Crown Prince] Fahd's ambition and easy-going ways but have yet to challenge him openly," the report said.

The possibility of revolution in Iran, where there are several anti-Shah revolutionary movements, concerns another arms expert, Dale R. Tahtinen of the American Enterprise Institute for Public Policy Research, an independent, nonprofit foundation in Washington. Tahtinen, who was formerly in the Defense Department intelligence agency, has done several studies on Mideast arms buildups. "The Shah is not going to live forever," he said. "That area is not that stable. When he passes by, what happens to all that equipment? If the country goes radical, it may find its way across the border [the Soviet Union]. I find is unconscionable that we're selling them F-14s."

Defenders of U.S. arms sale policy say the Gulf area is more stable now than it has ever been in recent history. At least a half-dozen disputes have been cleared up in the last two years—including one between Saudi Arabia and the United Arab Emirates and another between Iran and Bahrain. But Kennedy's aide, Hunter, says: "That should be an added reason for not supplying arms. The flow of arms into an area increases instability."

There are several areas of potential conflict in the Persian Gulf that have yet to be resolved. One is the center line in the Gulf. In many cases, it has not yet been determined where Iran's claim to the Gulf leaves off and Saudi Arabia's begins. If oil is discovered near the center, a dispute could break out over who owns the oil. A similar problem exists in the northern Gulf where Iran, Iraq, and Kuwait have not yet worked out the extent of their territorial waters—waters that many believe are over a major untapped oil field. A third dispute concerns Iraq's and Kuwait's borders.

The only shooting war in the area at the moment is in the Dhofar province of Oman where about 16,000 Iranians, Jordanian, Omani, British, Pakistani and Indian troops with partial Saudi backing and U.S. anti-tank missiles are fighting about 1,000 Marxist-inspired rebels who are being assisted by the Yemen People's Democratic Republic, Libya, Iraq and the Soviet Union. The fighting has been going on for 10 years; however, the British commander in charge of the Omani operations says he sees "light at the end of the tunnel."

Each country in the Gulf fears the other to some extent. Here is a country-by-country breakdown on why each major Gulf state country is in the arms race and what it is doing to stay ahead:

SAUDI ARABIA

The United States is involved in virtually every phase of a Saudi military build-up that U.S. officials call "modernization."

The U.S. Army Corps of Engineers is building two naval bases plus a naval headquarters, several national guard bases plus a national guard headquarters, logistical support facilities for the air force plus an air force headquarters, an ordnance corps headquarters, a headquarters for the defense ministry to be named the Prince Sultan Executive Office Building after the present defense minister, several military hospitals, a school for parachutists, a military academy, at least one army base and an officers club.

The U.S. Navy is now working out the details of an $800 million, seven-year program of ship sales to the Saudi navy.

The Raytheon Company of Lexington, Mass., has installed a $270 million HAWK surface-to-air missile system and now is teaching Saudis how to use it. The Northrop Corp. of Los Angeles received a $750 million order last year for 60 more F-5 jet fighters, bringing to 110 the number it has sold Saudi Arabia in the last seven years. Northrop is now negotiating an $850-million maintenance contract for these planes. The Lockheed Corp. of Marietta, Georgia, is training the Saudis to fly 25 C-130 transport planes. Ten more planes are on order. The AVCO Corp. of Cincinnati has just completed building two coast guard stations, one on the Red Sea and one on the Persian Gulf, and has started training Saudi coast guard personnel to use and maintain their new ships.

The Vinnell Corp. of Los Angeles has recently been hired for $76.9 million to train five battalions of the Saudi National Guard, a national police force of desert bedouins, fiercely loyal to the king. Their principal job is to guard embassies, radio and television stations and pumping stations along pipelines. They will learn to read and write in Arabic, to speak English and to drive armored cars and Dodge trucks in riot-control units. Part of their training will be in large training domes where simulated combat situations will be flashed on the walls and ceiling.

The Vinnell contract will be supervised by about 40 U.S. Army officers and civilians from the Army Materiel Command. The Northrop program is administered by officers from the U.S. Air Force. Other U.S. Army officers advise the Saudi army and U.S. Navy officers advise the Saudi navy. All three Saudi branches send personnel to the United States for training.

No U.S. military sale to Saudi Arabia is permitted without State Department approval. However, American officials deny that they are helping Saudi Arabia to build up its forces. "Our role is not to enlarge but to modernize Saudi Arabia's forces," said a senior U.S. military official in Dhahran, Saudi Arabia. "So it can obtain the right of all countries to be self-reliant."

Military advisers to Saudi Arabia say it is expanding its forces because it perceives threats on all borders. It is expanding its base at Tabuk in the northwest because it fears an Israeli invasion. It is not generally known that Israel has occupied two small islands belonging to Saudi Arabia since 1967 when Israel captured the Sinai peninsula from Egypt. The two islands—Sanafir and Tiran—are near the Straits of Tiran near Sharm el Sheik. Israel says they were used by Egypt in the blockade of the straits that helped precipitate the 1967 war.

Saudi Arabia also fears communism. It borders the Yemen People's Democratic Republic to the south and Iraq to the north. Both Iraq and Yemen are supporting the Marxist-inspired rebels in the Dhofar province of Oman, which also borders Saudi Arabia to the southeast. Saudi Arabia is supporting Oman.

Finally, Saudi Arabia fears Iran. It is afraid Iran is creating an enormous military force in order to expand its empire, perhaps by seizing the oil fields in eastern Saudi Arabia.

IRAN

Iran will spend about $10 billion on its military this year, according to western military experts in Tehran. That is a fivefold increase from 1973, before the oil prices quadrupled.

Why? "The wealthier you become, the more you need security," said Hasham Hamimi, spokesman for the foreign minister's office. "If you are poor, you can leave your door open. But if you have precious art works in your house, you not only have to use one lock, but to doublelock."

That is an argument for national defense. What some U.S. analysts worry about is the increasing potential for a national offense. They point to Iran's annexing of three small Arab islands on the Persian Gulf in 1971. They point to Iran's support of the Kurds in their civil war against Iraq.

And they point to the Shah, who is rekindling national aspirations by evoking the glories of the ancient Persian empire. Take the case of Iraq. "Before the Ottoman Empire, Iraq was part of our country," Hakimi told Newsday one week before Iran's border settlement with Iraq. "How can we deny our history? We cannot do that."

Iran believes its most serious threat is from the Soviet Union with which it shares a more than 1,000-mile frontier. The Soviet Union, which had annexed territory in northern Iran during World War II, did not pull out until 1946. Soviet Mig-15 Foxbats now routinely fly over Iran on spy missions.

It was largely because of these overflights that the Shah decided to buy the Grumman Corp.'s F-14, a $2 billion order for 80 of the fighter-bombers. It is the only plane he could buy that can shoot down the Foxbat at high altitude, since it carries the long-range Phoenix missile, which has a 100-mile range. Military sources in Iran said that the Shah is expected to buy another 40 of the jets.

There has been reports, none confirmed,

that the Shah is shopping for an aircraft carrier for the Indian Ocean. Earlier this year he ordered six sophisticated Spruance-class destroyers from the U.S. that contain modern antiaircraft and antisubmarine equipment. The price tag for the six destroyers is $660 million.

The United States is by far the biggest source for Iranian military hardware. In the past two years alone, there have been $5.7 billion in U.S. sales to Iran. But Iran buys virtually anything it wants from any source it chooses. This includes almost $1 billion worth of arms from the Soviet Union, mostly in the form of jeeps, trucks and antiaircraft guns.

Iran's armed forces of 238,000 boasts some of the most sophisticated hardware in the world, including the F-14, which will begin to be delivered in January, and more than 200 advanced Sea Cobra attack helicopters. By 1980, it expects to have more than 500 first-line fighter planes. Its army will have almost 2,000 armored vehicles.

Iran is also worried about the stability in the Gulf. It now has a military presence on both sides of the Strait of Hormuz, the shallow, narrow channel through which all Persian Gulf tankers must pass. Oman permitted Iranian troops on the south side of the strait when Iranian troops began helping Oman fight leftist guerrillas in Dhofar province.

To the east, too, Iran sees some potential for trouble. It has allied itself with Pakistan, and sees danger to stability in the area in continuing territorial disputes between India and Pakistan. "We've already told India that any action against Pakistan would have repercussions" from Iran, Hakimi said.

Thus Iran is now extending its military influence to the Indian Ocean. "We don't want to choke ourselves in the Persian Gulf," Hakimi explained. "We want to develop along the Indian Ocean. We're building good roads to give us access to the Indian Ocean."

Iraq does not like the Syrian regime to its west, thinks Kuwait on the south should be annexed and, despite a recent treaty, casts a weary eye on Iran to the east. It also showed with bloody determination during the 1973 October war that it wants Israel returned to the Arabs.

Iraq, not surprisingly, is armed to the teeth. With a standing army of more than 100,000, a reserve of 250,000, an air force of more than 200 combat aircraft, advanced surface-to-surface and surface-to-air missiles, it is one of the Mideast's most formidable military powers.

But unlike most of the other Mideast countries, it receives no military hardware from the United States, which it does not recognize diplomatically. Russia has been its leading supplier of arms.

During a recent visit to the Iraqui air base at Mosul on the north, Newsday observed at least 40 Soviet-built MiG fighters, ranging from the aging MiG-15s, now used as trainers, to the sophisticated MiG-21s. The authoritative International Institute for Strategic Studies in London says that there are 100 MiG-21s in Iraq.

Until March, when Iraq entered into a border accord with Iran, the bulk of the country's armed forces was tied up on the northeast against stubborn Kurdish guerilla resistance. At that time, an Iraqi general, Taha Shakarchi, told Newsday that the end of the civil war would allow the Iraqi military to "return to our real mission": preparing for war against Israel.

There are other potentials for armed conflict. Iraq, concerned about it limited access to the Persian Gulf, would like to expand its coast by annexing some Kuwaiti territory. In 1973 it even launched a brief incursion into Kuwait.

Iraq has also launched a vitriolic propaganda campaign against Syria, which it claims abrogated an agreement by cutting off the Euphrates water supply in Iraq with a new dam on the Syrian segment of the river. Few observers feel that Iraq would launch a war on the issue, but they fear that the war of nerves could trigger an unwanted conflict.

UNITED ARAB EMIRATES

Abu Dhabi, the richest of the seven Emirates, is the only one actively in the arms race so far. And its purchases seem the most fatuous of all those in the Gulf. They seem more for show than anything else.

Abu Dhabi bought two air defense systems for example: a British Rapier system and a French Cortal system. Why two? "I don't know," said a western diplomat. "They only need one." The Abu Dhabi Air Force has 18 Mirage-5s and 14 more on order. However, since Abu Dhabi has only two or three native pilots who can fly the planes, it must import its pilots from other countries.

The Emirates feel threatened by both Iran and Saudi Arabia—they have had territorial disputes with both—but at the moment all boundary battles have been settled. Abu Dhabi's ruler, Sheik Zayed Ibn Sultan al Nhayan has said that the jets would go to Egypt in the event of another war with Israel. Until then their only use seems to be in parades.

KUWAIT

Kuwait has purchased $492 million in arms from the United States in the last two years, mainly 36 A-4 skyhawk jets for $250 million and a HAWK missile system. It has also purchased 36 Mirage fighters from France.

Although the Mirages may very well be sent to Egypt for use against Israel, the rest of the equipment is to protect Kuwait against Iraq. Not that it could hold out very long. It couldn't. Kuwait has an army of only 8,000 men. Iraq's army has more than 100,000. In case of attack Kuwait's strategy is to hold out for a day or two, said a western diplomat, "until someone can come to their aid."

Iraq has never recognized Kuwait's borders and periodically makes a move to seize it. At the moment, however, Iraq might settle for tiny Warba Island and half of Bubiyan Island, which are in the mouth of the channel leading to Umm Qasr, Iraq's expanding port and naval base. Iraq wants to deepen and widen the channel, which would involve dredging up part of each island. So far Kuwait has said it would give up Warba in return for Iraqi recognition of Kuwait's borders but negotiations have deadlocked.

For a while the dispute degenerated into silliness. In 1973 Iraq moved into northern Kuwait and surrounded the Kuwaiti border port Al Samitah. To establish itself, Iraq built some prefabricated huts. In reply, Kuwait built a ring of mosques around the huts knowing the Iraqis would never offend a mosque. Iraq, in turn, built more huts around the mosques and Kuwait retaliated with more mosques around the huts. Behind-the-scenes maneuvering brought a ceasefire to the construction battle this March.

SENATOR HUGH SCOTT AND THE CONSUMER

Mr. PERCY. Mr. President, American consumers are more aware of their function in the marketplace than ever before. Shoddy goods, misleading advertising, and poor service have all been looked at by the Congress and the Government's various consumer protection offices. Consumers are just not that easy to fool. Our esteemed minority leader, Senator HUGH SCOTT of Pennsylvania, has long been advocating strong legislation to protect consumers and was instrumental in our efforts to secure cloture on S. 200, the Consumer Protection Act. As the ranking Republican on the Senate Government Operations Committee and as the author of the Consumer Protection Act I want to applaud those efforts.

Mr. President, I ask unanimous consent that Senator HUGH SCOTT's record on behalf of consumers be printed in the RECORD.

There being no objection, the record was orered to be printed in the RECORD, as follows:

RECORD OF SENATOR HUGH SCOTT ON CONSUMERS LEGISLATION

CONSUMERS—94TH CONGRESS

Legislation

S. 1664—a bill to amend the Lead Based Paint Poisoning Prevention Act.

CONSUMERS—93D CONGRESS

Legislation

S. 607—a bill to strengthen the Lead Based Paint poisoning Prevention Act.

S. 1082—a bill to repeal the bread tax.

S. 1451—a bill require the disclosure of ingredients on the labels of all foods.

Votes

Voted for the amendment to assure that proprietary information was excluded from the scope of the public.

Voted for the State-Federal Meat and Poultry Inspection Amendments.

Voted for the Agriculture and Consumer Protection Act of 1973.

Voted for the Truth in Lending Amendments of 1973.

Voted for the Energy Emergency Act.

Voted for the Amendment to exempt small businesses from provisions which authorize CPA to obtain reports and answers to questions from businesses.

Voted for the amendment to provide that the Federal Trade Commission line-of-business reports be restricted to information on sales or receipts.

Voted for the Agriculture-Environmental and Consumer Appropriation Act.

Voted for the amendment to make the auto seat belt interlock system optional rather than mandatory.

Voted for the amendment to increase from $5 to $10 million funds for rural housing for domestic farm labor.

Voted for the Federal Trade Commission Improvement Act.

ORPHANS OF VIETNAM

Mr. KENNEDY. Mr. President, there are some subjects, as we all know, which dominate the headlines one day only to disappear the next—although the issue or the problem remains much the same.

Nowhere is this more the case than over the issue of the needs of the orphans of Vietnam. Their plight rightly captured the attention and the concern of the American people, and that concern, and the concern of the voluntary agencies, finally produced a response from our Government in the last few years in providing the assistance needed to help support the child welfare and orphan needs of South Vietnam.

But that governmental support has ended, and despite pleas from many in Congress, and requests for action by me in hearings before the Subcommittee on Refugees, no funds have yet been made available to international agencies or voluntary church groups who are still working with orphans in South Vietnam. This despite the appeal by the United Nations of last March, and the appeals of American voluntary agencies.

Mr. President, as I have said repeatedly on this floor, a change in political geography does not change or alter the humanitarian needs of people, nor does it relieve us of our moral obligations to help all people in need. The orphan in DaNang, who we helped a little more than 3 months ago, still has needs which we can still help meet—if only our Government's policy did not interfere.

Mr. President, I commend the Washington Post for bringing the subject of Vietnam's orphans back into the headlines, and I ask unanimous consent that the article appearing in yesterday's editions, appropriately entitled "Vietnam Orphans Still Need Funds," be printed in the RECORD.

The article speaks for itself.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, July 14, 1975]

VIETNAM ORPHANS STILL NEED FUNDS

(By Alan Dawson)

SAIGON.—The orphans left behind in South Vietnam are alive and well and the orphanages continue to operate.

Those previously supported by donations from Americans would like to continue to receive money, but there is no word yet on whether the new government will allow such aid.

"I hope to receive help from any and all benefactors so long as people sending donations do not put conditions on spending the money," said Sister Trom of the Viethoa Roman Catholic orphanage in Cholon.

The new director of the Anlac orphanage, one of the oldest in Vietnam, said government officials had told him that all donations would be welcomed so long as no politics were involved in the gifts. Nguyen Xuan Trinh took over Anlac after its director of 25 years, Mrs. Vu Thi Ngai, fled to France before the capture of Saigon on April 30.

A random survey of half a dozen orphanages in the Saigon area showed that all have the same problem—lack of money because banks remain closed and accounts are frozen. But at those orphanages where cash has run out, government officials have provided rice to feed the children.

Directors of all the orphanages said they had been assured by government officials that the facilities would remain open and there would be no harassment. And so far they said there has been no trouble.

One of the worries of foreigners involved in the orphanages was that the Vietcong might mistreat the mixed-blood offspring of Vietnamese women and Americans.

If anything, the opposite has proved true. "The troops who come here make no distinction between the Vietnamese and mixed-blood babies," said Mrs. Thanh Kiu, director of the Ducanh orphanage, which has 529 children of whom 12 are mixed-blood.

"They pick them up and carry them around and kiss them," she said.

Virtually all the orphanages in Saigon have been visited by officials of the Social Welfare Ministry, which is headed by a woman doctor, Duong Quynh Hoa.

"The ministry gave us 1,320 kilograms (2,800 pounds) of rice which is enough for another two weeks," said Mrs. Kieu at Ducanh.

So far as is known, only one foreigner involved in helping the orphanages has remained in Vietnam. She is Patricia Toop of the Tom Dooley Heritage Club of New York City.

Miss Toop, who works for Pan American World Airways in New York, was in Vietnam on a visit when the Provisional Revolutionary Government took over.

"I hope these [foreign aid] programs to help the kids can go on," she said. "There are more problems and diseases here, and a lot of the kids are treatable with Western help."

More children are being abandoned and turned over to orphanages now than at any time in the past few months.

"The kids are abandoned because people are poorer now," Miss Toop said. "When the war refugees in Saigon go back home, they leave their kids. Also, there are a lot of American babies."

Other foreign-assisted programs have not continued.

One of the best known, the plastic surgery team at Cholon's Cho Ray Hospital, has closed down at least temporarily because its British surgical team fled in the foreign evacuation of Saigon.

"We don't have the technical ability to do this kind of operation now," said a man at the center who asked not to be identified. Many of the disfigured war wounded were in the middle of lengthy treatments, and nobody knows what will happen to them now.

The Seventh Day Adventist Hospital has come full circle. Formerly the U.S. Army 3rd Field Hospital, the facility was handed over to the religious group in 1973. Now the Adventists have turned it back to the military.

"This is a center where our military heroes are treated for their illnesses and wounds," said a soldier guarding the gate at the hospital near the edge of Tansonnhut Air Base.

Adventist pastor Nguyen Xuan Son said he had turned over the entire hospital and all medical supplies to the new government several days after they captured Saigon. The entire American staff fled the hospital days before the takeover.

Son has refused communication with American Adventists, ignoring a telegram from friends in Michigan out of "prudence to avoid complications for believers who still remain in Vietnam."

He said he was angered at the "foreigners" who fled the country "because what they told us about the Provisional Revolutionary Government bore no similarity to what the PRG is really like."

Son said government officials have treated him well and caused no problems for him or other Adventists.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

DETERMINATION OF SENATE ELECTION IN NEW HAMPSHIRE

The ACTING PRESIDENT pro tempore. At this time, in accordance with the previous order, the Chair lays before the Senate the unfinished business, Senate Resolution 166. There is a time limitation of 2 hours on debate, the time to be divided equally between the distinguished Senator from Nevada (Mr. CANNON), the chairman of the Rules Committee, and the distinguished Senator from Oregon (Mr. HATFIELD). The clerk will report the resolution.

The legislative clerk read as follows:

A resolution (S. Res. 166) relating to the determination of the contested election for a seat in the United States Senate from the State of New Hampshire.

QUORUM CALL

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The Clerk will call the roll.

The legislative clerk called the roll, and the following Senators entered the Chamber and answered to their names:

[Quorum No. 54 Leg.]

Allen
Byrd, Robert C.
Cannon
Cranston
Culver
Ford
Garn
Hatfield
Inouye
Mansfield
Moss

The PRESIDING OFFICER (Mr. CULVER). A quorum is not present.

Mr. ALLEN. Mr. President, I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

The motion was agreed to.

The PRESIDING OFFICER. The Sergeant at Arms will execute the order of the Senate.

Pending the execution of the order, the following Senators entered the Chamber and answered to their names:

Abourezk
Baker
Bartlett
Beall
Bellmon
Bentsen
Biden
Brock
Brooke
Buckley
Bumpers
Burdick
Byrd, Harry F., Jr.
Case
Chiles
Church
Clark
Curtis
Dole
Domenici
Eagleton
Fannin
Fong
Glenn
Goldwater
Gravel
Griffin
Hansen
Hart, Gary W.
Hart, Philip A.
Hartke
Haskell
Hathaway
Helms
Hollings
Hruska
Huddleston
Humphrey
Jackson
Javits
Johnston
Kennedy
Laxalt
Leahy
Long
Magnuson
Mathias
McClellan
McClure
McGee
McGovern
McIntyre
Metcalf
Mondale
Montoya
Morgan
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Scott, William L.
Sparkman
Stafford
Stennis
Stevens
Stevenson
Stone
Symington
Taft
Talmadge
Thurmond
Tower
Tunney
Weicker
Williams
Young

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH) and the Senator from Mississippi (Mr. EASTLAND) are necessarily absent.

The PRESIDING OFFICER (Mr. MORGAN). A quorum is present.

DETERMINATION OF SENATE ELECTION IN NEW HAMPSHIRE

The Senate continued with the consideration of the resolution (S. Res. 166) relating to the determination of the contested election for a seat in the U.S. Senate from the State of New Hampshire.

Mr. ALLEN. Mr. President, I ask unanimous consent that the 2 hours of debate time allowed under the previous order be equally divided between the distinguished Senator from Nevada (Mr. CANNON) and the distinguished Senator from Oregon (Mr. HATFIELD).

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ALLEN. Mr. President, I suggest the absence of a quorum. I ask unanimous consent that it be charged equally to opposing sides.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. McINTYRE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McINTYRE. Is the distinguished Senator from Alabama controlling the time here?

Mr. ALLEN. No, the time is controlled by Mr. HATFIELD and Mr. CANNON.

Mr. McINTYRE. The Senator is a member of the Committee on Rules. Can he yield me 10 minutes?

Mr. ALLEN. I yield such time to the distinguished Senator from New Hampshire as he may require.

SENATE SHOULD NOT RECESS WHILE NEW HAMPSHIRE ELECTION DISPUTE REMAINS UNRESOLVED

Mr. McINTYRE. Mr. President, today I am submitting a concurrent resolution calling for a postponement of the Senate's summer recess until this body completes action on the disputed New Hampshire Senate election or has entered into unanimous consent agreement by August 1 for the completion of such action.

Last November, 223,000 New Hampshire citizens went to the polls to elect, among others, a successor to retiring Senator Norris Cotton.

Despite a counting of the ballots, a complete recount by the Secretary of State, a review of disputed ballots by the State Ballot Law Commission, and 6 months of deliberation in the U.S. Senate, my people still do not know who won that Senate election.

They are weary. They are frustrated. They are unhappy.

They want a second Senator.

I want a second Senator.

New Hampshire needs—and deserves—a second Senator.

Somehow, Mr. President, it seems neither fair nor reasonable to expect the people of New Hampshire to countenance a month-long recess while this matter remains unresolved.

The people of my State have waited too long already.

It should come as no surprise to my colleagues that sentiment is growing in New Hampshire for a new election. And sure, after 9 months of indecision, it is easy to understand the popular appeal of such a proposal.

But the Constitution and the laws of New Hampshire are clear, Mr. President. There can be no binding new election as long as this matter is under consideration by the U.S. Senate.

We accepted the constitutional responsibility to give a fair and final reading to the ballots cast for Senator in New Hampshire when we accepted John Durkin's appeal for review.

We have not completed that fair and final reading. We have not yet honored that appeal for review of the election.

We have not done so because we have let deliberately endless debate block votes on the ballots and issues referred to us by the Rules Committee, and thus frustrate resolution.

A continuing deadlock not only deprives New Hampshire of its full representation in the Senate, not only deprives the 223,000 New Hampshire citizens who voted last November of a fair and final reading of their intent, but indeed hamstrings the entire legislative process.

As long as this matter lingers before us, Mr. President, other matters of pressing import are certain to get less than their fair share of attention—and action.

In my judgment, the majority leader's motion to have the General Accounting Office examine 180,000 ballots and throw out as "no votes" those straight ticket ballots where every candidate box save the principals' was marked was an eminently fair way to clear one roadblock on the way to settling this election.

The Republican candidate, Mr. Wyman, has contended under oath that a number of "single skip Durkin" ballots are among those 180,000 ballots and that they should not be counted as votes for the Democratic candidate.

If Mr. Wyman is right, the election may be his. And if that's the case, so be it. I'll accept that verdict. And so will the people of New Hampshire.

But so far, Mr. President, our colleagues from across the aisle have failed to respond to the majority leader's gesture of compromise.

They have continued to vote as a solid bloc to thwart our taking up the ballots and issues referred to us by the Rules Committee. And by so doing, they are contributing, inadvertently if not deliberately, to a further fanning of partisan passions, a further alienation of people from what they perceive as a unresponsive government, and they are inviting ridicule of the deliberations of this deliberative body.

If we do not break this deadlock, a deadlock which has already set a record for unsuccessful votes for cloture, public disrespect for the institution we represent seems certain to increase, and our institutional integrity become ever more suspect.

With all of this in mind, Mr. President, I believe it would be irresponsible—and disrespectful of the people—for this body to recess for more than a month without first acting to insure a swift resolution of the New Hampshire election.

I yield the floor.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time?

Mr. McINTYRE. The time to be equally divided between the minority representative of the Rules Committee and the majority.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. CURTIS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATFIELD. Mr. President, I yield 10 minutes to the Senator from Nebraska.

Mr. CURTIS. Mr. President, it is suggested that the August recess be dispensed with until the Senate arrives at a decision in reference to the New Hampshire contest. Mr. President, that appears to be a rather clever and unique way of applying pressure to force the Senate to arrive at an unfair and wrongful decision, because it is in the law that there should be a recess, and many Senators and committees have made arrangements and schedules for the recess, and to threaten us with a cancellation of all those things unless we agree to a certain pattern in this New Hampshire thing is not right.

Now, aside from that, the only way to settle this election contest is to count the disputed votes ourselves or through our agents or else let the people do it.

I was astounded the other day on issue (1), which involved just a handful of precincts that one of the contestants wanted recounted, at the attitude of the majority of the majority. It seems to me that the chairman of the Rules Committee should have led the fight in favor of that proposal.

To all of those who contend that there is a responsibility here on the Senate to find an answer to this, well, is it not the most simple and fair thing to do to let both sides bring in the points they raise in question and pass on all of them?

Instead of that, by sheer force of numbers, they said, "No, we won't even look at those precincts."

Now, what sort of business is that? What sort of fairness is that?

Mr. President, it is very evident by the tremendous flow of editorials condemning the Senate and urging this be referred back to the voters of New Hampshire that those who are resisting that have lost their case in the court of last resort, and I refer to American public opinion. From the standpoint of public opinion in New Hampshire, I am sure they have lost their case for many years to come.

In the court of public opinion in every State it is very evident they have lost their case.

Here is a contest that is so muddled that the assistant majority leader says that there is no one under God's footstool who can tell who won the election, and yet the Senate refuses to send it back for a new election.

Maybe the distinguished Senator from West Virginia was wrong. In that case, we ought to proceed to count the ballots here, or through a duly authorized agency, and the only way we could count the ballots fairly and justly is to say to both sides, "What is there in here you object to that you think we ought to have another look at?"

After they have submitted their list of things, have a disinterested body check them out, tally up the results, and everybody abide by it.

But can one imagine using the sheer force of numbers to drive into effect the proposition that we are not going to look at certain precincts? Why? Why do they not want to look at certain precincts? Why? Are they afraid of an adverse result? Have they been lined up on a procedure that is purely partisan, let us hold the line, do not give anything to the other side?

The fact that there were a few Members of the majority who voted with us over here and that the result was somewhat close does not have anything to do with it at all. I am talking about the leadership managing this thing here.

What defense do they have to take the attitude that we will not look at certain ballots?

The Committee on Rules and Administration is the agent of the Senate; this matter was referred to them.

The most essential thing that they

could do was to turn to both sides and say, "What do you think ought to be looked at?" Then look at it, add it up, report the result.

My information is that in 1 long day we could count all these precincts, but suppose it would take 2 or 3 days?

Mr. President, I regret that in violation of the Constitution by sheer force of numbers the State of New Hampshire has been denied equal representation in this body through January, February, March, April, May, June, and here we have passed the middle of July. More than half a year.

Mr. President, the Constitution is quite plain; in article V we find this language:

> No State without its consent shall be deprived of equal suffrage in the Senate.

Now, the Senate has refused, with dispatch or even with delay, to count the disputed ballots, to look into the disputed precincts and come up with an answer, or in the alternative to refuse to declare the place vacant so the voters of New Hampshire could have another seat.

Mr. President, I think it is regrettable that this Senate openly and brazenly violates the Constitution in this manner. If by partisan majorities this Senate has a lawful right to destroy New Hampshire's equal suffrage in this body, another Senate will have the right to commit such an offense against any other State in the Union.

I am very confident that individual Senators on that side want to be fair. They are honest and honorable men. I said at the outset that some poor and faulty quarterbacking has been done here.

Mr. President, it is time for a change of signals if this Senate is going to have any respect left in this great court of last resort, American public opinion.

I yield back the remainder of my time.

The PRESIDING OFFICER. Who yields time?

The Senator from Nebraska has just finished his 10 minutes.

Mr. McCLURE. Mr. President, I suggest the absence of a quorum with the time to be charged equally to both sides.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. CANNON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS-CONSENT REQUEST

Mr. CANNON. Mr. President, I wonder if I might pose a unanimous-consent request.

Yesterday, after 28 days and 31 rollcall votes, 27 live quorums, 6 cloture votes, and 8 votes to declare the New Hampshire seat vacant in one form or another, during which time not one Republican Senator has voted with the Democrats on amendments involving the issues or other matters of substance, we did finally come to a vote on issue (1) and disposed of that.

We now have pending the Mansfield-Cranston amendment as the pending question, which was formerly the Long-Mansfield amendment. I would like to pose a unanimous-consent request that the time on the Mansfield-Cranston amendment be limited to 2 hours to be equally divided, with the time to be controlled by Senator HATFIELD on the minority and myself on the majority side.

Mr. CURTIS. Mr. President, reserving the right to object, has this matter been cleared with the distinguished Senator from Alabama (Mr. ALLEN)?

Mr. CANNON. This matter has not been cleared with anyone but myself. I am just posing a unanimous-consent request.

Mr. CURTIS. I object.

Mr. CANNON. I might say that Senator ALLEN has previously told me on a number of occasions that he is willing to enter into almost any kind of a time limitation, that he has no desire to delay the matter. So if the Senator is implying that Senator ALLEN is opposed to this kind of proceeding, I think that is not correct.

The distinguished Senator from Alabama has just come into the Chamber. I might say to the Senator from Alabama that I just proposed a unanimous-consent request that the time on the Mansfield-Cranston amendment be limited to 2 hours, to be equally divided, with the time on the minority side to be controlled by Senator HATFIELD and the time on this side to be controlled by myself. The Senator from Nebraska (Mr. CURTIS) raised a question as to whether or not the request had been cleared with the Senator from Alabama. I stated that I had not cleared it with anyone or attempted to clear it with anyone, but that the Senator from Alabama had told me on other occasions that he had no desire to delay this matter, and that he was willing to enter into any kind of reasonable time limitation.

The Senator is here now, and he can speak for himself on that particular.

Mr. ALLEN. The distinguished Senator from Nevada is correct. The Senator from Alabama does not seek any right to extended debate on any of the issues involving New Hampshire.

I did request the distinguished Senator from Nebraska to object to a time limitation or unanimous-consent request of any sort during the 3 or 4 minutes that I was out of the Chamber.

But the Senator from Alabama does not interpose any objection to accelerated voting by unanimous consent. I had other legislation in mind.

Mr. CANNON. I thank the Senator.

Mr. CURTIS. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

Mr. HUGH SCOTT. Mr. President, while I did not hear the statement——

The PRESIDING OFFICER. Who yields time?

Mr. HATFIELD. I yield 5 minutes to the Senator from Pennsylvania.

Mr. HUGH SCOTT. Mr. President, while I did not hear the statement by the distinguished senior Senator from New Hampshire (Mr. McINTYRE), I note therein the statement that:

> The Republican candidate, Mr. Wyman, has contended under oath that a number of "single skip Durkin" ballots are among those 180,000 ballots and that they should not be counted as votes for the Democratic candidate.

I believe the contention of Mr. Wyman throughout has been this: that he did not nor did his challengers challenge the "skip candidate" ballots, and that the "skip candidate" ballots should be counted the same for both parties; and therefore, if, as we contended, the "skip Wyman" ballots were straight Republican ballots under New Hampshire law, then the "skip Durkin" ballots would be straight Democratic ballots under New Hampshire law.

On the contrary, if the views of four members of the Rules Committee prevail as the distinguished Senator from Nevada is seeking to have them prevail here, then the law of New Hampshire would be violated and exactly the opposite situation would be involved, entirely opposite from that which we have been contending for; namely, that since they have decided that a dozen "skip-Wyman" ballots are in fact no-votes, that that is what would bring about the result, if we had a complete tally, that the remaining "skip-candidate" ballots, be they either Durkin or Wyman, would be no-votes.

I do not endorse the proposal that we ratify a decision contrary to the laws of New Hampshire contended for by four members of the committee by continuing to promulgate that error throughout the counting of the remaining ballots. Perhaps if we went back at it the other way, we might be more nearly on the track.

I note also, Mr. President, that in yesterday's RECORD the printer omitted the statement of the distinguished majority leader that there was no steamroller in operation, and yet my answer to the statement does appear. I repeat my answer:

> In answer to the charge that there was no steamroller, indeed there was. This issue passed, just before the announcement of the vote, by a majority, I believe, of 3 votes. Then 4 votes were changed.

And so on. I believe that the permanent RECORD will reflect the full colloquy.

This switching of votes is one of the reasons why we do feel that we are being steamrollered. Every time we think we have won over here, and someone, myself or others, makes a point of regular order, suddenly a lot of vote changes are announced.

I have been here nearly 17 years, and I know that during the greater part of that time it was a matter of the utmost importance that the rules be carefully observed, and that at the moment when any Senator noted "regular order," following the end of the time in which a vote might be taken, that request automatically froze all actions and all requests; and yet now we are seeing the situation where, even where it seemed there were 47 to 44, I believe, or 47 to 45 votes in favor of doing the absolute minimal thing, even that was denied to us.

That is why we are anxious to see that our case is fully developed, and that it is not further taken away from us. The purpose of the majority here is to move as rapidly as possible on to the next vote.

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. HUGH SCOTT. I yield myself 2 additional minutes.

To move as rapidly as possible on the second issue, take away the five precincts in that regard, and then probably give us the vote on the dying sister, because that is so remote to the conscience that I cannot imagine the majority insisting on it; then they will say they have been fair. They will have taken 12 votes away from us in the "skip-candidate" category. They will have refused to allow us to retally the ballots. They will have refused to send the election back to New Hampshire, as the people of that State overwhelmingly demand. They will have taken away from us the right of retally, as the Washington Post suggested, the 10 precincts. They will have taken away from us the second issue, the right to retally the remaining five precincts. Then having done so and, therefore, depriving us of what may be 20 or 25 votes in a two-vote election, they will give us the vote of the dying sister and say, "Look how square we are with you."

That is what is going on, and that is what keeps the Republicans solid here. It is what keeps us in the conviction that we are not getting a fair shake.

Worse than anything else, with the assurances given us during the debate on rule XXII, that the change in the rule would never, never, never be used to invoke the power of one political party over the other, to invoke the power of the majority over the minority, or to decide purely political issues by the use of this amendment to rule XXII, it is enough to make some of those who fought for that amendment for a dozen years, as I did, feel a little squeamish at the way it is being applied because this is not right, it is not fair, it is not just, and it is not in accordance with the laws of New Hampshire. We have every right to be extremely indignant about it as indeed we are.

It seems to me, Mr. President, that the suggestion of the distinguished Senator from New Hampshire is merely a suggestion that we find some ways to give more votes to Mr. Durkin, 10 more votes for Mr. Wyman, and his proposal is that we stay here during the month of August while we continue this unfair practice, unfair in its effect and its results, not unfair on the part of any individual Senator——

The PRESIDING OFFICER. The Senator's 2 minutes have expired.

Mr. HUGH SCOTT. Mr. President, I yield myself 1 additional minute.

I wish it were possible to solve this issue. I see no way in which it can ever be fairly solved except to send it back to New Hampshire. I think by now the whole United States, all 50 States, are well aware that the Democratic majority in this Senate are determined to take this election away from the people of New Hampshire. They are determined to take it away from the man who won it. They are determined to take it away from the man who had the only lawful certificate.

They are determined to work that will against the editorial opinion now of all of the newspapers who have expressed an opinion, with one or two very minor exceptions.

The PRESIDING OFFICER. The minute has expired.

Mr. HUGH SCOTT. I yield myself 1 additional minute.

They are determined to do this, notwithstanding the fact that the editorial writers across this country have said send it back to New Hampshire. The people of New Hampshire said by 83 percent send it back to New Hampshire. One newspaper, the Washington Post, suggested a compromise. The majority steamrollered that compromise in the last series of votes Wednesday, refusing even to accept the suggestion of their guide, mentor, and friend, the local newspaper, which earnestly seemed to be seeking to find a way out of the controversy. They suggested a way. They said go up and tally the 10 precincts. Go up and tally the five precincts. And we almost won. I think we would have won if those votes had not been changed; I know we would have won. Then we won the motion to table by defeating it, and then we lost the motion to reconsider by one vote.

When we come as close as that, Mr. President, I would say we are not disposed to surrender what we regard as our irrevocable rights. We are not going to give up our belief in the sovereignty of New Hampshire.

I yield myself 1 additional minute.

We are not going to give up our belief in the sovereignty of New Hampshire and the sovereignty of the elected voter and the sovereignty of the right of decision of Americans everywhere to select their own representatives no matter what the majority of this Senate may say.

The issue has been made, and the issue is ours, Mr. President, the issue is on this side. The American people are for us.

When I spoke to our Republican conference I showed them a sheaf of dozens and dozens of editorials favoring sending it back to New Hampshire, and I said never in my memory has the press been so unanimously in favor of a Republican position. That indeed seems to me to warrant our saying that the issue is ours, and the issue has been won in the forum of public opinion.

Mr. HATFIELD. Mr. President, I inquire of the Chair as to how much time remains.

The PRESIDING OFFICER. The Senator from Oregon has 8 minutes, and the Senator from Nevada has 21.

Mr. HATFIELD. I thank the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. HATFIELD. Mr. President, I yield myself 3 minutes.

Mr. President, our distinguished leader, the Senator from Pennsylvania (Mr. SCOTT) has certainly stated very eloquently the position of the minority at this time, which still maintains that our position and our role in this particular contest is based upon basic principles which we are not about to yield on. As I have said repeatedly in the Chamber, one can in good conscience compromise procedure, compromise timing, and compromise wording, but one can never, in maintaining integrity of his conscience and of his commitment, compromise principle.

When we stated our case, we stated our case not on the basis of personality, not on the basis of party label, but we stated our case very clearly, and we have remained true to that position and that posture that we first established, and that was the principle of State law, it was the principle of State sovereignty, and it was the principle that we were going to apply the same criteria to one candidate that we applied to the other candidate. It was the principle of one man, one vote. We stated our principles clearly, and those principles are unassailable; those principles cannot be compromised.

Therefore, to talk about compromising principles I can say now, almost with carte blanche, that this side is not prepared at any point to compromise principle. We will compromise procedure, we will compromise words, we will compromise timing, we will compromise the mechanics of solving this problem, but we cannot compromise the basic principles to which we have been committed.

Mr. HUGH SCOTT. Mr. President, will the Senator at this point yield?

Mr. HATFIELD. I am happy to yield.

Mr. HUGH SCOTT. The distinguished Senator from Nevada has several times made the point as if there were something wrong about it that the outnumbered minority, the oppressed minority, if you will, of 38 Republicans, has been unanimous. But he has neglected to mention that on every one of these cloture votes, that the unanimity counts. Members of his party have accounted for 57 of the votes to invoke cloture. If he thinks there is no virtue in unanimity, let him apply it to his side of the aisle on the key issue.

It seems to me—and I think the distinguished Senator from Oregon will agree—that there is more to be complained about in the unanimity of 57 Senators to try to force something down the throats of 38 than there is in the effort of 38 Senators to resist.

Mr. HATFIELD. I agree with the Senator, and I should also say it should not surprise the Senator from Pennsylvania——

The PRESIDING OFFICER. The 3 minutes have expired.

Mr. HATFIELD. I yield myself 3 more minutes.

I do not think it will surprise the Senator from Pennsylvania any more than it will surprise the Senator from Oregon that the other side has consistently, from the beginning of this case, applied different criteria and different rules to different parts or different parties of the contest. So to apply different criteria to the minority than he applies to the majority certainly does not surprise the Senator from Oregon.

Mr. HUGH SCOTT. If the Senator will yield further, I understand from well-founded sources that they are not through with us yet. I understand that the majority plan a scheme to take another five votes away from us on the ground that the Members of the Rules Committee were inconsistent in their voting. It would be almost impossible to be otherwise, when each Senator was voting on his own views on each ballot, some of which were masked. But I understand that the other side plan to take five of these ballots now and say that the voting on those five ballots was not consistent with the voting on certain other ballots; therefore, they will take them away. That is the thinnest form of electoral hijacking that I can think of. That thing stinks, it smells to high heaven, but it is coming, and that again is why we must resist with all the force which our suffering minority can amass here because the people are with us. Thank God, the people are with us.

We waited a long time, and it is good to know it.

Mr. HATFIELD. Mr. President, what is the time situation?

The PRESIDING OFFICER. The Senator from Oregon has 3 mintues, plus a little bit.

[Laughter.]

Mr. HATFIELD. I reserve the 3 minutes, plus a little bit, for later use.

The PRESIDING OFFICER. It is now 3 minutes. Who yields time?

Mr. CANNON. Mr. President, I yield myself 1 minute, to respond to the distinguished Senator.

The suggestion has been made by the minority side that they are not willing to compromise on this matter. I simply say that we on the majority side are not willing to compromise the Constitution of the United States. That is all we are saying. Let us follow the Constitution. Let us vote on this issue, and let the chips fall where they may.

I have heard more argument from the minority side about what the majority are going to do than is imaginable. The things they suggest the majority is going to do are unimaginable.

I suggest that we vote on some of the issues in dispute and find out what is going to be done. The majority, it is clear, have not voted together on any one issue so far. Yet, the minority have never failed to vote together on any substantive issue throughout the entire matter, up to this time.

I reserve the remainder of my time.

Mr. McCLURE. Mr. President, will the Senator yield?

Mr. CANNON. I yield.

Mr. McCLURE. I thank the Senator for yielding.

This bothers me a little, because I think the Senator has touched on the dilemma we have. Why do we wonder what the majority is going to do? It seems to us on this side of the aisle that every time we have found out what the majority is going to do, it has been rather uniformly applied against our side. Therefore, we expect that that is what the majority has planned to do on the next issue and the next issue and the next issue.

Mr. CANNON. I am glad to respond to the Senator.

In the first place, we have voted on only one issue so far. After all this time and after all these votes, we have voted on only one substantive issue. The 35 issues were reported unanimously to the Senate by the Rules Committee for a vote of the Senate. Now, even the members of the Rules Committee on the minority side are not willing to permit a vote of the Senate on the precise issues on which the committee was divided by a vote of 4 to 4. So when the Senator refers to the minority finding out what is going to be done, if the Senator is referring to whether it is going to be referred back to New Hampshire, then he is absolutely right. He has found that we are not going to refer it back to New Hampshire, that we are going to carry out our constitutional responsibility.

I have an obligation not to pick and choose as to which provisions of the Constitution I will support and defend, but to support and defend every part of the Constitution. That is exactly what I intend to do. I am not going to abdicate that responsibility which is thrust upon us here.

I said when we were first thrust into the situation that I would much prefer not to have it. As chairman of the Rules Committee, I did not relish this particular task. That was thrust upon us by the Constitution. It has been accepted by the Rules Committee and the Senate in many cases over the years. We cannot abdicate that responsibility, no matter how hard the minority members would like us to throw out this particular provision of the Constitution.

Mr. McCLURE. Mr. President, will the Senator yield further?

Mr. CANNON. I yield for a question.

Mr. McCLURE. I thank the Senator for yielding.

The Senator has made the point a number of times about the length of time we have debated, and the Senator has made the point a number of times of reading into the RECORD the number of times we have voted. None of those votes has been on the issue of sending it back to New Hampshire. A good many votes have been on other matters or other issues, even though they were not finally determinative of an issue. Would it not be fair to say that although we may have voted——

The PRESIDING OFFICER. The Senator's additional time has expired.

Mr. CANNON. I did not limit myself to additional time, Mr. President.

The PRESIDING OFFICER. The Senator has 17 minutes remaining.

Mr. McCLURE. As to the one issue that we finally have disposed of by refusing to keep it in order for any further discussion, that vote was at the request of the minority. There were other votes on other issues, although they were not finally determinative of those issues. I do not think it would be fair to say, and I do not think the Senator from Nevada would want to imply, that the only votes we have had on the floor of the Senate have been on the issue of sending it back to New Hampshire.

Mr. CANNON. Oh, no. We have had others. As a matter of fact, there were only 8 votes of those 31 that were to send it back to New Hampshire, if my records are correct. There were only eight votes relating to sending it back to New Hampshire. The others related to various other matters, most of which were not matters of substance and none of which, except the one yesterday, were matters that are in the 35 issues that were reported to the Senate.

Mr. HUGH SCOTT. Mr. President, will the Senator yield for a question?

Mr. CANNON. I yield.

Mr. HUGH SCOTT. Is it not a fact that the votes on cloture, which the majority has demanded, happen to equal approximately the number of votes to send it back to New Hampshire?

Mr. CANNON. No; they do not. It is six-eighths of the number of votes. There were six votes for cloture and eight votes to send it back.

Mr. HUGH SCOTT. The way the majority counts when we are dealing with a two-vote margin is understandable.

Will the Senator agree that at the time we voted to report this resolution, the Senator from Pennsylvania said:

> Mr. Chairman, I voted "aye" because I think it is essential that we get this matter to the floor of the Senate; but I do it reserving the right to make or support any motions that there be a new election in New Hampshire, that there be a recount of all the ballots, or any other motion which may be in order at the time of the debate.

Was that not the understanding?

Mr. CANNON. Whether it was the understanding or not, that is the fact. The Senator need not reserve his rights when anything is reported by the committee. He knows that. He has every right to take any action he has seen fit to take on the floor of the Senate. He has seen fit to do everything on the floor of the Senate but let the Senate vote on the issues at hand.

While we are on the question of compromise, the minority will not even let us vote on the procedure that has been suggested by 10 eminent Senators on the minority side, which I put in the RECORD on July 9. I could restate them. The way things have been repeated here, I do not suppose it would do any harm. In any event, 10 Senators on the minority side, who favor this course of proceeding, have recommended precisely what is suggested in the Mansfield-Cranston compromise. I am surprised that more Members of the minority are not willing to let us vote on something that their own Members support.

Mr. President, I suggest the absence of a quorum, and I ask unanimous consent that the time be charged against both sides.

Mr. HATFIELD. I object, Mr. President.

The PRESIDING OFFICER. Objection is heard.

Mr. HATFIELD. I object because we have but 3 minutes on our side, and I feel that any reduction of that time would not be in our best interests.

Mr. CANNON. I reserve the remainder of my time, Mr. President.

The PRESIDING OFFICER. If neither side yields time, time runs equally against both sides.

Mr. HUGH SCOTT. Mr. President, I move that the Senate stand in recess for 1 minute.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Pennsylvania.

Mr. CANNON. Mr. President, is that motion debatable?

The PRESIDING OFFICER. It is not debatable.

The motion was rejected.

The PRESIDING OFFICER. Who yields time?

Mr. HATFIELD. Mr. President, I will utilize my 3 minutes. It is a little unfortunate that we find ourselves in this role, because I think it further exacerbates the situation when only 3 minutes remain and we ask that the time be retained for a closing statement.

We have heard a number of times that we have other business in the Senate that is awaiting action, although we have acted upon 102 bills during our New Hampshire contest debate on the floor. So as not to place ourselves in any kind of obstructionist role, I ask unanimous consent that we set aside the New Hampshire issue temporarily until Tuesday next and move with other business of the Senate.

The PRESIDING OFFICER. Is there objection?

Mr. CANNON. Mr. President, I would have to object until the leader is here.

The PRESIDING OFFICER (Mr. JOHNSTON). Objection is heard.

Who yields time?

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. CANNON. I yield to the majority leader.

Mr. MANSFIELD. Mr. President, on setting aside the business for 2 or 3 or 4 days, I ask unanimous consent that there be a time limitation of 1 hour on the various issues, amendments, and proposals which are contained in the pending business.

The PRESIDING OFFICER. Is there objection?

Mr. HUGH SCOTT. Reserving the right to object, and I hesitate to do it, in view of the fact that we are again confronted by some very unusual and, it seems to me, rather arbitrary procedures, where nobody is willing to take the floor because we have only about 2 minutes left. I think we shall have to object until we restore a little comity around here. That is not referring to the distinguished majority leader at all.

I have to object.

The PRESIDING OFFICER. Objection is heard.

Mr. MANSFIELD. Mr. President, how much time is left of the two hours?

The PRESIDING OFFICER. There is 1 minute left for the minority and 12 minutes left for the majority.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum, out of the time of the Senator from Nevada, for not to exceed 1 minute.

THE PRESIDING OFFICER. The clerk will call the roll.

The second legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Who yields time?

Mr. HATFIELD. Mr. President, I make an inquiry: How much time is left to the minority?

The PRESIDING OFFICER. The minority's time has just expired.

Mr. HATFIELD. How much time is left to the majority?

The PRESIDING OFFICER. The majority has ten minutes remaining.

Mr. HUGH SCOTT. Mr. President, a parliamentary inquiry.

Therefore, if the majority does not use its time, is it not a fact that it is the majority which is delaying the Senate, since the minority has no time? Is that not a fact?

The PRESIDING OFFICER. The Senator's question is not of a parliamentary nature.

Mr. HUGH SCOTT. I state it as a parliamentary inquiry.

Since the minority has no time left——

The PRESIDING OFFICER. Who yields time?

Mr. HUGH SCOTT. A parliamentary inquiry.

The PRESIDING OFFICER. There must be time yielded for a parliamentary inquiry.

Mr. CANNON. I yield 30 seconds to the Senator for the purpose of making a parliamentary inquiry.

Mr. HUGH SCOTT. I thank the distinguished Senator.

I state it in this form: Since the minority is now unable to proceed with debate, is it not a fact that only the majority can proceed with debate; otherwise, there is no business before the Senate?

The PRESIDING OFFICER. The business before the Senate is the amendment of the Senator from Montana. The yeas and nays have been ordered.

Mr. HUGH SCOTT. Since the majority is unwilling to proceed with debate—is it not a fact that only the majority can proceed with debate?

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. CANNON. I yield to the Senator.

The PRESIDING OFFICER. The Senate can proceed to vote on this amendment where the yeas and nays have been ordered.

Who yields time?

Mr. MANSFIELD. Will the Senator yield to me?

Mr. CANNON. I yield.

Mr. MANSFIELD. I ask for a vote on the pending amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendments. The yeas and nays have been ordered.

Mr. HUGH SCOTT. Mr. President, I move to table the amendment.

Mr. CANNON. Yeas and nays, Mr. President.

The PRESIDING OFFICER. The question is on the motion to table.

Mr. McCLURE. Parliamentary inquiry, Mr. President.

Mr. CANNON. Yeas and nays, Mr. President.

The PRESIDING OFFICER. Is there a sufficient second?

Mr. McCLURE. Parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. There is not a sufficient second.

The motion is not debatable.

Mr. McCLURE. Parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. There must be time yielded for a parliamentary inquiry.

Mr. McCLURE. Will the Senator yield enough time for me to propound a parliamentary inquiry?

The PRESIDING OFFICER. The motion is not debatable. Therefore, time cannot be yielded for a parliamentary inquiry on the motion to table.

Mr. ALLEN. Mr. President.

The PRESIDING OFFICER. The question is on the motion to table.

Mr. ALLEN. Mr. President, there can be no vote until all time is yielded back. Has all time been yielded back?

The PRESIDING OFFICER. The time is not on the amendment. There was no time on the amendment. The question is on the motion to table.

Mr. McCLURE. Mr. President, my parliamentary inquiry was that under the unanimous-consent agreement, a motion to table was not in order. The Chair has said I do not have any time to pose that parliamentary inquiry, but he proposes to submit to a vote of the Senate a matter that is out of order.

The PRESIDING OFFICER. The Senator may appeal the decision.

Mr. McCLURE. Mr. President, I appeal the ruling of the Chair.

QUORUM CALL

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. HUGH SCOTT. Mr. President, we cannot hear the names. They are being called too fast.

The PRESIDING OFFICER. Let there be order in the Senate. All Senators standing up in the well will please retire to their seats.

The second assistant legislative clerk resumed the calling of the roll.

Mr. HATFIELD. Mr. President, we cannot hear the rollcall.

Mr. HUGH SCOTT. Mr. President, we cannot hear the rollcall. It is moving too rapidly for us to hear.

Mr. MANSFIELD. Mr. President, I ask for regular order.

The PRESIDING OFFICER. Debate is not in order. The clerk will continue the rollcall.

The second assistant legislative clerk resumed the call of the roll.

Mr. HUGH SCOTT. Mr. President, parliamentary inquiry. Is this the only procedure open to the Chair at this point, a quorum not being present?

The PRESIDING OFFICER. (Mr. JOHNSTON). The parliamentary inquiry is not in order. The clerk will call the names of the absentees.

The second assistant legislative clerk resumed and concluded the call of the roll, and the following Senators entered the Chamber and answered to their names:

[Quorum No. 55 Leg.]

Allen
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Cannon
Hatfield
Johnston
Mansfield
McClure
Nunn
Scott, Hugh
Scott,
  William L.
Sparkman

The PRESIDING OFFICER. A quorum is not present.

Mr. ROBERT C. BYRD. Mr. President, I move that the Sergeant at Arms be instructed to request the attendance of absent Senators.

Mr. HUGH SCOTT. Mr. President, parliamentary inquiry. Is that motion debatable?

Mr. ROBERT C. BYRD. It is not.

The PRESIDING OFFICER. The parliamentary inquiry is not in order and it is not debatable.

The question is on agreeing to the motion of the Senator from West Virginia.

The motion was agreed to.

The PRESIDING OFFICER. The Sergeant at Arms will execute the order of the Senate

Mr. HUGH SCOTT. Mr. President, a parliamentary inquiry: Has not the hour of 12:25 p.m. arrived and——

Mr. ROBERT C. BYRD. Mr. President, I ask for the regular order.

The PRESIDING OFFICER. The parliamentary inquiry is not in order.

Pending the execution of the order, the following Senators entered the Chamber and answered to their names:

Abourezk
Baker
Bartlett
Bayh
Beall
Bentsen
Biden
Brock
Brooke
Buckley
Bumpers
Burdick
Case
Chiles
Church
Clark
Cranston
Culver
Curtis
Dole
Domenici
Eagleton
Fannin
Fong
Garn
Glenn
Goldwater
Gravel
Hansen
Hart, Gary W.
Hart, Philip A.
Hartke
Haskell
Hathaway
Helms
Hollings
Hruska
Humphrey
Inouye
Jackson
Javits
Kennedy
Laxalt
Leahy
Long
Magnuson
Mathias
McGee
McGovern
McIntyre
Metcalf
Mondale
Montoya
Morgan
Moss
Muskie
Nelson
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Stafford
Stennis
Stevens
Stevenson
Stone
Symington
Taft
Talmadge
Thurmond
Tower
Tunney
Weicker
Williams
Young

The PRESIDING OFFICER. A quorum is present.

ORDER OF BUSINESS

Several Senators addressed the Chair.

Mr. ROBERT C. BYRD and Mr. HUGH SCOTT addressed the Chair simultaneously, as follows:

Mr. ROBERT C. BYRD. Mr. President, I ask for the yeas and nays on the pending motion.

Mr. HUGH SCOTT. Mr. President, a point of order.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

Mr. SYMINGTON. I ask for the yeas and nays, Mr. President.

Mr. HUGH SCOTT. Mr. President, a point of order. What is the pending business?

Mr. ROBERT C. BYRD. Mr. President, I ask for the yeas and nays on the pending motion.

Mr. HUGH SCOTT. What is the pending business?

The PRESIDING OFFICER. The Chair has announced that there is a sufficient second, and the yeas and nays are ordered. The pending question is the point of order of the Senator from Pennsylvania.

Mr. HUGH SCOTT. Mr. President, the pending business is my point of order.

The PRESIDING OFFICER. There is a sufficient second. The yeas and nays have been ordered.

Mr. McCLURE. A point of order, Mr. President.

The PRESIDING OFFICER. The Senator from Pennsylvania had first made a point of order.

Mr. HUGH SCOTT. A point of order. Upon the establishment of a quorum, the pending business is S. 586; is that not correct?

Mr. ROBERT C. BYRD. May I be heard on that?

Mr. HUGH SCOTT. First of all I am entitled to an answer. There has to be some consideration for the minority in here, and I am entitled to an answer.

Mr. SYMINGTON. There has been plenty of consideration for the minority in here for some time.

The PRESIDING OFFICER. Under the previous order, the hour of 1 p.m. now having arrived, the Senate will now proceed to consider the conference report on H.R. 4035, which the clerk will report, with the vote thereon to occur at no later than 3 p.m.

Mr. HUGH SCOTT. Mr. President, in further pursuit of my point of order, what is the pending business of the Senate following the action on the conference report?

The PRESIDING OFFICER. Following the action on the conference report the Senate will resume consideration of S. 586. S. 586 would have been pending had the hour of 1 p.m. not arrived right as the Senator made his request.

Mr. McCLURE. Mr. President, a point of order.

Mr. President, was not the pending business, immediately upon the establishment of the quorum, S. 586?

The PRESIDING OFFICER. Not until the clerk had laid it down.

Mr. McCLURE. Was there not a unanimous-consent agreement earlier entered into by this body that said that following 2 hours on the New Hampshire matter that S. 586 would be the pending business?

The PRESIDING OFFICER. That the Senate would proceed to it after 2 hours, that is correct.

Mr. McCLURE. Therefore, the only thing that was in order upon the establishment of the quorum following the expiration of the 2 hours was to place before the Senate S. 586. Is that not correct?

Mr. ROBERT C. BYRD addressed the Chair.

Mr. HUGH SCOTT. The Chair has not answered yet. We are entitled to answers over here for some of these things. There have been several parliamentary oddities, and we are entitled to a few answers.

The PRESIDING OFFICER. The Senator is correct.

Mr. McCLURE. Therefore, Mr. President, would it not also follow it was not in order to ask for the yeas and nays on a matter that was not then pending before the Senate.

Mr. ROBERT C. BYRD addressed the Chair.

Mr. McCLURE. May I have a ruling?

The PRESIDING OFFICER. The Senator is correct.

Mr. ROBERT C. BYRD. Mr. President, am I recognized?

The PRESIDING OFFICER. The Senator from West Virginia is recognized.

Mr. ROBERT C. BYRD. I would like 2 minutes on the pending conference report.

Mr. JACKSON. Yes, I yield.

Mr. ROBERT C. BYRD. Mr. President, although the 2 hours had expired on Senate Resolution 166, the pending motion by the Senator from Pennsylvania (Mr. Hugh Scott) to table the Mansfield amendment was still technically before the Senate until such time as the Chair directed the clerk to read the title of the measure which under the previous order would be coming down. So technically the motion by Mr. Scott was still before the Senate. Am I correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. ROBERT C. BYRD. Therefore, as long as that matter was technically before the Senate, it was in order for the Senator from West Virginia to seek recognition to get the yeas and nays on the motion which was technically still before the Senate. Is that not correct?

Mr. McCLURE. No.

Mr. HUGH SCOTT. We would like a ruling, Mr. President, on that one.

Mr. McCLURE addressed the Chair.

The PRESIDING OFFICER. The Chair is not very fast on these rulings.

The Chair advises that the order was to move to S. 586, and that it was therefore improperly—the yeas and nays were therefore improperly ordered.

Mr. HUGH SCOTT. I thank the Chair.

Mr. McCLURE addressed the Chair.

Mr. ROBERT C. BYRD. Mr. President, when a matter is before the Senate, it is in order to make any motion, any pertinent motion dealing with that matter then before the Senate. The Chair has already indicated that Senate Resolution 166 was still technically before the Senate, until such time as the Chair has formally directed the clerk to formally state the title of the next matter. The Senator from West Virginia had asked for the yeas and nays before that formal action was taken, and I cannot see how the Chair can now rule that, when Senate Resolution 166 was technically before the Senate—which the Chair has indicated such was the case—it was not in order for a Senator to ask for the yeas and nays on a motion which was then pending before the Senate.

The PRESIDING OFFICER. The Chair ruled and ordered the yeas and nays, and then a parliamentary inquiry was made in the form of a question which upon that question the Chair pointed out that the basis of the ruling was probably incorrect; however, the yeas and nays are still ordered because they have not been expunged from the Record.

Mr. McCLURE. Mr. President, point of order. If the Chair has already ruled that it was improper to have asked for the yeas and nays——

The PRESIDING OFFICER. That is correct.

Mr. McCLURE (continuing). If it was improper to ask for the yeas and nays, is it the Chair's ruling that the action improperly taken by the Chair stands?

The PRESIDING OFFICER. No. The Chair has not been asked to rule.

Mr. McCLURE. I will ask the Chair if that is not correct, then, that the ordered for yeas and nays being improper under the ruling of the Chair, that order does not stand?

The PRESIDING OFFICER. Does the Senator move to expunge that order?

Mr. McCLURE. I ask for a ruling of the Chair as to whether or not the parliamentary rules of the Senate require that the Chair rule that it was out of order, as the Chair has already done, and, therefore, the order for the yeas and nays being improper, the order for the yeas and nays should be expunged from the RECORD.

Mr. ROBERT C. BYRD. Mr. President, may I be heard on the parliamentary inquiry?

The PRESIDING OFFICER. Yes. The Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, I would like to state for the RECORD that any point of order was not made prior to the request for the yeas and nays——

Mr. HUGH SCOTT addressed the Chair.

Mr. ROBERT C. BYRD (continuing). And was not made prior to the time that the Chair announced that there was a sufficient second to order the yeas and nays.

Mr. HUGH SCOTT. Mr. President, may I be heard on that because I wish to assert quite positively that I was standing there, and I made a point of order and was not given time to state it during the uproar over the demand for the yeas and nays. I had fully intended to state that point of order. I was trying to state it. I was on my feet. I was entitled to the courtesy of stating it. The Chair correctly ruled that the yeas and nays are incorrectly ordered and if we go to a tabling motion on an irregular and incorrect ordering of the yeas and nays, this is just one more of the sort of minor atrocities that are being heaped upon us here.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Who made the tabling motion?

Mr. ROBERT C. BYRD. The Senator from Pennsylvania.

Mr. HUGH SCOTT. And I also made the point of order, or tried to, and was shouted down. There are not as many of us here that there are of the other side.

The PRESIDING OFFICER. The Senator was recognized under the point of order.

Mr. MANSFIELD. Mr. President, may I say that, if they had not kept the Republicans outside that door deliberately, there would have been more of the minority here.

Mr. ROBERT C. BYRD. The Chair recognized the Senator from West Virginia first, however. Is that not correct?

The PRESIDING OFFICER. Yes; that is correct.

Mr. McCLURE addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia was first recognized. The yeas and nays were ordered. The question now is on the conference report.

Mr. McCLURE. Mr. President, point of order. Mr. President, has not the Chair ruled that it was improper to ask for the yeas and nays on that matter at that time? That was the ruling of the Chair, was it not?

Mr. HUGH SCOTT. A quorum being present.

The PRESIDING OFFICER. Once recognized, the Senator from West Virginia had the right to ask for the yeas and nays.

Mr. HUGH SCOTT. Even though the matter was not properly before the Senate at that time?

The PRESIDING OFFICER. The matter was before the Senate until the clerk reported the matter to come up next pursuant to a previous order of the Senate.

Mr. HUGH SCOTT. Did not the Presiding Officer rule just a moment ago that the expiration of the 2 hours having occurred prior to the establishment of the quorum under the quorum call that the pending matter before the Senate upon the establishment of the quorum was the other business that had been laid down by the unanimous-consent request prior? Did not the Chair already rule that?

The PRESIDING OFFICER. The succeeding business is not before the Senate until the clerk reports it.

Mr. McCLURE. But did not the Chair rule that Senate Resolution 166 was not before the Senate at that time, even though the other had not been laid before the Senate, that it was not proper at that time to take any action with regard to Senate Resolution 166?

The PRESIDING OFFICER. The Chair, in answer to an inquiry, did state that the yeas and nays were ordered improperly. The Chair is now of the opinion that that statement is incorrect—that the yeas and nays were ordered properly; and the Chair is making that ruling on the advice of the Parliamentarian.

Mr. HUGH SCOTT. One further and very respectful point of order, Mr. President. The Parliamentarian advised me earlier, during the quorum call, that the hour for discussion of the New Hampshire matter expired at 12:25.

If, indeed, the debate on the New Hampshire matter for today expired at 12:25, how could a demand for the yeas and nays on a vote on the New Hampshire matter be made after that time had expired, because it expired during the call of the quorum?

The PRESIDING OFFICER. Since a quorum was in process at 12:25, the Senate could not go to the next order of business; and until the clerk reported the next order of business, the preceding order of business was still before the Senate.

Mr. BROCK. Mr. President, a point of order.

Mr. ROBERT C. BYRD. Mr President, a parliamentary inquiry

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. BROCK. Mr. President, I make a point of order that under the unanimous-consent agreement—the time was to run out at 12:25—the time having run out, there was no right then for a Senator to make a motion with regard to legislation which was not then before the Senate. I make a point of order that the Chair must rule that the yeas and nays could not be ordered and that they be expunged from the RECORD.

The PRESIDING OFFICER. The Chair will make this ruling, and it is not without some inconsistency, for which the Chair apologizes, but the ruling is this: that at 12:25 a quorum call was in the process of being called. Therefore, the Chair could not go to the next order of business. Until the next order of business was reported by the clerk, it was in order to ask for the yeas and nays. A request for the yeas and nays was made by the Senator from West Virginia, a sufficient second was present, and the Chair did then order the yeas and nays, which are now in effect, and that will be the ruling of the Chair.

Mr. BROCK. So the Chair does not sustain the point of order?

The PRESIDING OFFICER. The Chair does not sustain the point of order.

Mr. BROCK. Then, Mr. President, I appeal from the ruling of the Chair, and I make a parliamentary inquiry as to whether or not that motion is debatable.

The PRESIDING OFFICER. The appeal can be made, but it can be debated only if Senators yield time under the conference report, which is under time control.

Mr. ROBERT C. BYRD addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield me 1 minute?

Mr. GLENN. I yield.

Mr. ROBERT C. BYRD. Mr. President, I make this parliamentary inquiry: If at this moment the Chair had not yet directed the clerk to state the title of the conference report, what would be the business now before the Senate?

The PRESIDING OFFICER. Senate Resolution 166.

Mr. ROBERT C. BYRD. Exactly. Until the Chair directs the clerk to state the title of the next matter, the Senate is technically still on Senate Resolution 166.

The PRESIDING OFFICER. The Chair so rules.

Mr. ROBERT C. BYRD. Mr. President, the distinguished Senator from Tennessee has appealed from the ruling of the Chair. I move to table the appeal.

Mr. WEICKER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The motion is not debatable.

The question is on agreeing to the motion to table the appeal.

Mr. ROBERT C. BYRD. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

Mr. WEICKER. A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. There is a sufficient second.

Mr. WEICKER. A parliamentary inquiry.

The PRESIDING OFFICER. The yeas and nays are ordered.

Mr. HUGH SCOTT. A parliamentary inquiry, Mr. President—or do we need a microphone?

Mr. WEICKER. A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The motion is not debatable.

Mr. WEICKER. A parliamentary inquiry, Mr. President. I am not debating the motion.

The PRESIDING OFFICER. A parliamentary inquiry is debate. The motion is not debatable.

Mr. McCLURE. A parliamentary inquiry is debate?

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Mississippi (Mr. EASTLAND), the Senator from Kentucky (Mr. FORD), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Washington (Mr. JACKSON), and the Senator from Arkansas (Mr. McCLELLAN) are necessarily absent.

I further announce that the Senator from New Jersey (Mr. WILLIAMS) is absent on official business.

I further announce that, if present and voting, the Senator from Washington (Mr. JACKSON) and the Senator from New Jersey (Mr. WILLIAMS) would each vote "yea."

Mr. HUGH SCOTT. I announce that the Senator from Oklahoma (Mr. BELLMON), the Senator from Michigan (Mr. GRIFFIN) and the Senator from New York (Mr. JAVITS) are necessarily absent.

The result was announced—yeas 54, nays 36, as follows:

[Rollcall Vote No. 286 Leg.]

YEAS—54

Abourezk
Bayh
Bentsen
Biden
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Chiles
Church
Clark
Cranston
Culver
Eagleton
Glenn
Gravel
Hart, Gary W.
Hart, Philip A.
Hartke
Haskell
Hathaway
Hollings
Humphrey
Inouye
Johnston
Kennedy
Leahy
Long
Magnuson
Mansfield
McGee
McGovern
McIntyre
Metcalf
Mondale
Montoya
Morgan
Moss
Muskie
Nelson
Nunn
Pastore
Pell
Proxmire
Randolph
Ribicoff
Sparkman
Stennis
Stevenson
Stone
Symington
Talmadge
Tunney

NAYS—36

Allen
Baker
Bartlett
Beall
Brock
Brooke
Buckley
Case
Curtis
Dole
Domenici
Fannin
Fong
Garn
Goldwater
Hansen
Hatfield
Helms
Hruska
Laxalt
Mathias
McClure
Packwood
Pearson
Percy
Roth
Schweiker
Scott, Hugh
Scott, William L.
Stafford
Stevens
Taft
Thurmond
Tower
Weicker
Young

NOT VOTING—9

Bellmon
Eastland
Ford
Griffin
Huddleston
Jackson
Javits
McClellan
Williams

So the motion to lay on the table was agreed to.

PETROLEUM PRICING REVIEW ACT—CONFERENCE REPORT

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of the conference report on H.R. 4035.

Mr. GLENN. Mr. President, I submit a report of the committee of conference on H.R. 4035, and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated by title.

The assistant legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4035) to provide for more effective congressional review of proposals to exempt petroleum products from the Emergency Petroleum Allocation Act of 1973 and certain proposed administrative actions which permit increases in the price of domestic crude oil; and to provide for an interim extension of certain expiring energy authorities, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The PRESIDING OFFICER. Is there objection to the consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

(The conference report is printed in the House proceedings of the CONGRESSIONAL RECORD of July 14, 1975, at page 22678.)

The PRESIDING OFFICER. Under the previous order, the vote is to occur no later than 3 o'clock, with the time equally divided.

Who yields time?

Mr. GLENN. Mr. President, we have had a request that we yield 16 minutes of our time for a minority report, and I am happy to do that at this time, if the distinguished minority manager of this conference report wishes to use that time.

Does the Senator prefer to use that time now?

Mr. BARTLETT. Mr. President, I thank the distinguished Senator very much; but no, I wish he would proceed ahead, we are in no rush.

Mr. GLENN. Mr. President, we are fast approaching a crossroads on the critical issue of petroleum pricing. The Emergency Petroleum Allocation Act is scheduled to expire on August 31. If it is not extended, the price of the two-thirds of domestic crude oil production now under controls will jump—virtually overnight—from $5.25 to over $13 per barrel. Couple that with the President's $2 tariff in place, removal of price controls will force domestic crude oil prices even above the artificially high prices now set by the oil producing cartel. The cost to the U.S. economy of decontroling old domestic crude oil, coupled with the President's tariff, amounts to over $33 billion per year. This will have a devastating impact on the economy. Encouraging signs of economic recovery will vanish; inflation will reappear more strongly than ever.

The President proposed an immediate removal of price controls in his state of the Union message on January 15. He has, since that time, proposed a 2-year decontrol program, and more recently, a 2½-year phase out of price controls. But testimony before several committees of Congress, Mr. President, indicates that even this phased decontrol will undermine our effort to turn the economy around and to contain inflationary pressures. Hundreds of thousands of American workers could lose their jobs; consumer prices would jump 3 percent or more, making double-digit inflation a reality, once again.

The Senate now has before it the conference report on H.R. 4035, the Petroleum Pricing Review Act. This legislation assures that price control authority will not terminate abruptly on August 31, and further, that the Congress will have a meaningful opportunity to participate in petroleum pricing decisions. In addition, Mr. President, this legislation places a ceiling on all domestically produced petroleum not now subject to controls, so-called new, released, and stripper well oil. I offered this provision as an amendment to S. 621, the Senate companion to H.R. 4035. By placing such a ceiling price on uncontrolled oil, the effect of the President's import tariff on the price of domestic oil would be neutralized and the producing cartel could no longer dictate our domestic energy prices. This latter issue, Mr. President, is at the heart of much of the current debate over national energy policy. The question is, after all, not whether the free market or the Government determines energy prices. The question is whether our Government, or a cartel of foreign governments, determines our prices in the United States.

I would like to go through just a brief summary of the major provisions that the conference report provides:

SUMMARY OF MAJOR PROVISIONS

The conference substitute contains the following major provisions:

1. Expedited procedures for Congressional review and right of disapproval of major petroleum pricing and allocation decisions. This provision insures that within the 20 day review period a resolution of disapproval may be brought to a record vote in either the House or Senate. If either body votes to disapprove the proposed pricing decision by a simple majority the implementing regulation may not be made effective (Section 3).

2. A requirement that Administration proposals to exempt categories of crude oil or petroleum from price controls or to permit price increases beyond certain levels must be accompanied by a Presidential finding and a report which justifies the need for the proposed action. The report must also set forth the anticipated impact of the proposed price increase on the price of other fuels, domestic oil production and consumption, employment, the economy and competition. This provision will furnish the Congress with information which will be important in making a determination as to whether the proposed price increase should be permitted to become effective (Section 4).

3. New authority vested in the President which permits him to increase within reasonable limits the price of "old" crude oil to take into account declines in field production or increased costs of production resulting from the use of secondary and tertiary recovery methods. Price increases pursuant to this section are not subject to Congressional review, but are strictly limited in amount. The total price increase permitted may not exceed by more than 50 cents the national average price for old crude oil which prevailed on January 1, 1975 (approximately $5.25 per barrel) (Section 5).

4. The establishment of a national ceiling price for crude oil which is not now subject to price controls (new, released and stripper well oil). The ceiling price is the price generally prevailing on January 31, 1975 (approximately $11.28 per barrel rather than the current price of approximately $13.00). The effect of this provision is to control domestic oil prices at levels that prevailed prior to the President's imposition of a $2.00 per barrel tariff on crude oil imports (Section 6).

I might depart just a moment, Mr. President, to add that I put that amendment in the committee, and I am glad to see it still does remain, because I could not see the justification for the President imposing tariffs and then seeing our domestic oil prices go up to not only the regular OPEC price, but that price plus the tariff for our own domestic producers.

That, in effect, would be a windfall of $2 a barrel as our domestic sources of new oil would tend to rise to that OPEC plus tariff price level.

I could see no reason for doing to our own citizens what the OPEC price controllers are already doing to us. This would exacerbate an already bad situation:

5. A partial and limited exemption for small oil refiners from the purchase requirements of the crude oil entitlements program (Section 7).

6. Extension of the Emergency Petroleum Allocation Act until December 31, 1975. This Act constitutes the only authority in Federal law for reasonable petroleum price controls and equitable allocation of crude oil and petroleum products. If not extended, this authority would expire on August 31, 1975 (Section 8).

7. Extension of the coal conversion and energy data gathering authorities of the Energy Supply and Environmental Coordination Act until December 31, 1975. These authorities expired on June 30, 1975 (Section 8).

Mr. President, these are the purposes of H.R. 4035. I hope the Senate will move quickly to adopt the conference report.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. BARTLETT. Will the Senator yield?

Mr. GLENN. On whose time?

Mr. BARTLETT. On our time.

Mr. GLENN. Fine.

Mr. BARTLETT. The Senator made a strong point that the world price is a cartel price which, of course, it is, and that he strongly favors having the Government set the price, the U.S. Government, for domestic oil rather than have the world price prevail.

I would like to first ask in this context, if the problem that we face is not a domestic shortage of oil within a huge surplus of world supply. Is that not correct?

Mr. GLENN. Will the Senator state his proposition again?

Mr. BARTLETT. Is our problem a shortage?

Mr. GLENN. Our problem is a shortage in oil availability all over the world which we are sharing.

Mr. BARTLETT. Is it not correct that there is an over supply of oil worldwide and there is a domestic shortage and our problem is the domestic shortage?

Mr. GLENN. We do have a domestic shortage.

Mr. BARTLETT. And that is a problem with which I assume the Senator agrees.

Mr. GLENN. Certainly.

Mr. BARTLETT. And the cartel price is set high, whereas our price is set low? In other words, the cartel price is set higher presumably than supply/demand would dictate. The control prices have been set at a lower level.

Mr. GLENN. This would depend on which type oil the Senator from Oklahoma was referring to. If he was referring to the price of old oil, that oil is set above what its own production costs were back in the days when it was drilled, which was prior to 1972. Our domestic prices for new oil, of course, since that time have tended to rise to very near or at the OPEC established price on our own uncontrolled new oil, on anything drilled since 1962. That would not be changed with this except for the fact that we would limit our prices to those established on January 31, 1975, which would eliminate the President adding $2 to our already inflated price of oil that the OPEC nations have set.

Mr. BARTLETT. The Senator would say that the price of $5.25 is lower than replacement costs?

Mr. GLENN. No, I did not agree to that. That is a statement of the Senator from Oklahoma, not of me. We would have to go through the figures to determine exactly what the production costs are.

Mr. BARTLETT. Is it not true that the replacement costs would be higher than the $5.25 per barrel?

Mr. GLENN. I would not be willing to agree with that, no, not without having figures presented, which would be debatable, of course.

Mr. GRAVEL. Will the Senator yield on that point?

Mr. BARTLETT. I yield.

Mr. GRAVEL. I believe the Interior and Insular Affairs Committee had the testimony of Dr. Nathan on April 5 of this year. Was the Senator from Ohio present when Dr. Nathan presented his testimony?

Mr. GLENN. No, I was not there when Dr. Nathan testified.

Mr. GRAVEL. There was no particular amount of attention within the Interior Committee as to the paper and research presented by Dr. Nathan?

Mr. GLENN. We have reviewed that. I believe the figures he gave would be debatable by some of the other experts in this field. I do not vouch for nor argue with the information he presented in the committee at that time.

Mr. GRAVEL. I thank the Senator.

Mr. BARTLETT. I thank the distinguished Senator from Alaska. That report was made to the Interior and Insular Affairs Committee and I believe also presented to the Finance Committee. It shows overwhelming evidence that the costs are far beyond $5.25.

Mr. President, might I make a unanimous-consent request for the privilege of the floor during this debate and any votes pertaining to this bill?

Mr. President, I ask unanimous consent that the following staff members be accorded the privilege of the floor during debate and voting on the conference report on H.R. 4035: Harrison Loesch, Fred Craft, David Stang, Roma Skeen, Mary Adele Shute, Gaye Vaughan, Linda Goold, Doug Fant, Jim Hinish, Nolan McKean, Tom Biery, Mike Hathaway, and Tom Imeson.

Mr. GLENN. Might I add two names to that, the names of Mr. Burns and Mr. Bickwick of my staff?

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. BARTLETT. I would like to ask the distinguished Senator from Ohio how price controls are going to solve the energy shortage? We have had price controls on natural gas for 20-some years and the shortage continues to increase. We have had price controls on oil for just a couple of years and yet we are much further behind in relationship of domestic reserves and potential domestic production to demand. We are producing less oil every day. Tomorrow we will be able to produce a little bit less than today because of the normal decline in production.

I am wondering, what program does the Senator advocate, if this program does not do it, to increase the supplies of oil produced in this country?

Mr. GLENN. What we want, No. 1, are these objectives of getting more crude oil available, of course, to be done at a reasonable cost. I think after reading a number of the trade publications in recent days, one of the greatest things that has prevented drilling has probably been the overall uncertainty of this. I think this bill would go a long way toward settling once and for all exactly what the price levels are going to be. Even those involved in the oil industry who I have talked to personally and those who came before our committee, as the Senator from Oklahoma will recall, many of them did not——

Mr. BARTLETT. Does not this bill just continue, though, the same constraints on the energy industry as have been in effect since the original adoption of the Allocation Act?

Mr. GLENN. No. I would feel that this is not the same type situation that has been prevalent in the past in that we have seen our own domestic prices that would encourage drilling go up to the OPEC prices which are certainly adequate, and which even those producers of domestic new oil do not argue with. They are concerned about the uncertainties involved with regard to any tax increases or changes in legislation that would limit them in some way to what most of them would agree, is a most adequate price for new oil. It has gone up some 350 percent, or whatever it is, in the last 3 or 3½ years, as I recall the testimony. Very few of the oil producers argue that they cannot make money if they knew they could settle down at this new price and really go at it without any fear of other legislation interfering with them.

Mr. BARTLETT. Of course, this bill provides the authority to control prices and allocate shortages. It continues the same kind of mechanisms which have been in existence, at least in the last 2 years, which have failed.

First, I disagree with the Senator that the free market or the uncontrolled prices have equalled the cartel price. As the Senator knows, they have continuously been $1 to as much as $2 below the loaded price of imported oil. So I do not think they have equalled at any time. I do not think the Senator can give me that example. Nonetheless, they have been uncontrolled and they have brought on additional drilling. But this additional drilling has not been sufficient to provide the amount of production necessary to stop the natural decline in production. It continues to decline.

What I would like to ask the Senator, too, is this: It seems to me that the Senator has advocated no plan to provide for sufficient supplies of energy. He is trying to reach a goal of controlling the prices and to provide the energy at a certain lower price, which I do not think he can demonstrate will bring on the supplies that are needed to meet the demand.

Mr. GLENN. If the Senator will yield, I think there is serious question in a lot of people's minds as to whether any amount of drilling will bring on the amount of crude that we would need if our use continued on the upward curve it has been on for quite a number of years. We will have to get into programs of conservation. We do need maximum drilling. We do need the maximum efficiency of production. In the meantime, we can probably depend on future fuels taking over sometime down the road in the next 8 or 10 years. As the Senator from Oklahoma is very much aware, the recent revisions downward in the estimated amounts of reserves if we drilled all the holes for both oil and gas has been revised downward very drastically to where it is estimated now in natural gas we may have 20 to 25 years of supply, and maybe 30 to 35 maximum, if we drilled all the crude reserves.

So even with that amount of drilling, we may not make it.

Mr. BARTLETT. What bothers me is that the Senator from Ohio has not been advocating any plan that will bring on the supplies that are required. He seems to justify restricting the amount of drilling on the basis that he is not sure these are enough potential resources. Yet he knows that every estimate of potential reserves down through the history of the oil industry has been too low. He knows that we must permit enough drilling in order to have a chance to increase supplies. I would say to the Senator that we are drilling at just about one-third of the rate that we need to be drilling to have any chance of finding sufficient reserves in order to obtain the necessary supply.

What I am getting at is this: In 1955, when certainly I think the Senator would agree oil was easier to find than it is today, we had some 2,700 rigs actually drilling. The demand was half of what it is today. Yet today, the Senator is advocating plans that do not permit more than some 1,600 rigs to be operating.

Mr. GLENN. No, I would disagree with the Senator from Oklahoma.

Mr. BARTLETT. In order to have enough wells drilled, we would have to have——

Mr. GLENN. If the Senator will yield, I am not advocating——

Mr. BARTLETT. Let me finish; then I shall be glad to yield.

In order to have enough wells drilled, we would have to have some 5,400 rigs actively drilling. If we were able to find oil at the same rate as we were back in 1955, which is doubtful, we would then have the opportunity to discover enough oil to meet the current demand, which is double what it was then.

Right now we have available an estimated 1,740 rigs that could be active, but because of the sharp reduction in the amount of money available to the oil and gas industry due to the retroactive increase in the taxes caused by the elimination and reduction in the depletion allowance, there is not enough money to operate those 1,740 rigs.

So what kind of plan and assurance does the Senator from Ohio give that we will have the number of rigs active that are necessary?

Mr. GLENN. Certainly the Senator from Oklahoma would not advocate that we go out and subsidize the drilling of wells at this point. The wells he is referring to are new wells, the oil from which would come under new oil prices, which are not regulated, but would come under the OPEC price, 350 percent above what our producers were getting a very few years ago.

Mr. BARTLETT. What I am saying is that there is not enough capital available to do the drilling necessary even to keep busy 1,740 rigs, let alone 5,400. So here comes a control bill which will restrain and restrict further the accumulation of capital.

My feeling is that the Senator from Ohio should have a program that would provide sufficient drilling activity to find sufficient oil. Then, if there is too much accumulation of capital, to the extent that the oil and gas industry cannot prudently use the money, then this body and the other body could very easily pass legislation that would relieve the oil and gas companies of the extra profit, or extra capital.

But I think the first order of business is for Congress to solve the immediate problem, which is the domestic shortage of energy, instead of playing around with political statements that we must keep the price down. I think the people of this country are willing to pay a fair market price which has been estimated to increase the average price of petroleum products by 5 or 6 cents. If we deregulate partially, then we have the opportunity, over a period of a year or so, of getting back to where we were and placing the $2.5 billion that has been added in taxes to the cost of operation of the oil companies.

I think we have a problem here of basic interests. It seems to me that the goal the Senator is advocating is one of keeping the prices down, which increases the demand, decreases the supply, makes us more dependent upon foreign imports of energy, and makes us more reliant upon unreliable sources, sources that have placed an embargo upon us, that have used political blackmail. We make it much easier for the OPEC countries to raise their prices and we will have these high prices for many years in the future.

I think we need to face up to the fact that the OPEC countries are setting the world's price, and if we decontrol our prices, we will certainly expedite the time when we will be able to buy the rigs and operate them, in order to reduce, in the quickest possible manner the energy shortage. Then, if the companies cannot prudently use this capital, this body and the other body can very quickly relieve them of the excess capital accumulation.

Mr. GLENN. The administration's discussion of the impact of decontrol of crude oil prices on domestic production shows that projected production with decontrol still drops below current levels. However, the drop projected is smaller than the decline projected without decontrol. The net increase is 135,000 barrels a day when decontrol has been completed, or, on an annual basis, 150 million barrels a year. On the other hand, consumers will have to pay an estimated $23.2 billion annually for this oil. That comes out to some $445 per barrel. I think that is pretty expensive oil, and I believe the Senator from Oklahoma will agree.

Mr. BARTLETT. Mr. President, I think the people of the United States recognize there are going to be costs associated with sufficiency of energy, if we achieve it, but it is certainly not going to be achieved by trying to kid the people that we can control prices, or roll them back, and somehow produce more energy.

If we look at the picture over a period of years, we can see, first, that increases up to the present time, over a long period of time, have not been all that great.

For example, I bought a Ford car, with the help of my mother, in 1941, for $690. That car today would cost $5,000, which would be 7 times as much.

I checked with the Department of Commerce, I will let the distinguished Senator from Ohio know, because at that time I was living in his State, and the average price for gasoline there was 19 cents a gallon in 1941, according to the Department of Commerce. At the present time it would be some 3 times that.

The problem has been to adjust to the fact that the price has gone up very rapidly, and I recognize that, but over a period of time the increase has been somewhat modest compared to other industries.

However, I would like to point out that the crude oil production in 1971, in bulk, per day, was 9,463. Production today is 8,800 barrels per day—some 600,000 barrels less.

Mr. GLENN. Is the Senator talking about millions of barrels now? He referred to 1971 production of crude as 9,463. Certainly we had many individual wells producing that much alone in 1971. Is that million barrels per day?

Mr. BARTLETT. I thank the Senator very much. I am glad he straightened me out on that. I was planning to correct myself when he interceded.

The production in 1971, about the time that this committee assumed additional responsibilities in the fuel and energy study, was 9,463,000 barrels a day. In 1974, the latest figures available are 8.8 million—approximately 663,000 barrels per day less. And, as the chairman of our committee has said many times, it continues to decline.

The imports in 1971 were 3.9 million barrels, and today, in 1974, they are 6.2 million. The crude oil reserves in 1971 were 28.5 million barrels, against 24.7 million in 1974.

The discoveries in 1971 are even more than they were in 1974, 2,319,000 against, call it just 2 million barrels. With gas it is the same story.

So what I am saying is that the committee has, in no way, proposed any program that would deal with the shortage directly. It has refused to decide how do we get from where we are today, in very short supply, to a sufficient supply, so that the foreign OPEC nations would not be in a position to set any price they want, to set a price designed to be what the traffic will bear. The free market is the solution to our energy shortage. But by our inactions and unwillingness to face up to our challenge we have enabled OPEC to have all the more opportunity to set a higher and a higher price. So the prices have gone up under the guidance of this committee and the reserves have gone down.

No plan to deal with this shortage has been advanced by this committee other than favoring for a while the stripper-well amendment, which this particular legislation would do away with.

I would ask the distinguished Senator from Ohio if this bill does not do away with the stripper-well amendment and hence would, if it were adopted, reduce the price for stripper production? Would this legislation not result in a reduction in the number of these so-called stripper wells, the marginal wells, and hence result in a decline in reserves and daily production.

Mr. GLENN. The Senator from Oklahoma knows the stripper-well provision of this lets the stripper oil go uncontrolled to the new oil price. I think that is a good provision and a step forward, because that stripper-well oil will undoubtedly be more expensive to produce. The Senator has given quite a number of figures here.

Mr. BARTLETT. I say to the Senator this bill would roll back the price of stripper oil. It would control it. It would not allow it to be uncontrolled.

Mr. GLENN. It should go to approximately $11.28 a barrel, which is hardly a hardship case, I would think.

The Senator gave some figures from back in 1941 and how the price since 1941 has gone up 7 times on some other products.

I think that it might be good to consider that we have gone up some 350 percent in just over 2 years in our price of crude. If we applied that same thing clear back to 1941 to make it consistent with the figures he gave, we would have an astronomical figure.

So I do not think we can really use those figures to substantiate what happened.

Mr. BARTLETT. I think those figures substantiate it.

Mr. GLENN. The difference in crude production, imports, and reserves, as we have found them in discoveries, may well be that we are having oil harder to find. But I can hardly see where we are going up some 350 percent in remaining at that basis on an OPEC-dictated price it is going to be a hardship case. As the Senator knows, in the Mandatory Conservation Act we brought out this will provide some conservation of fuel. The OCS Act we voted out of committee now with maximum production rate of production price.

Mr. BARLETTT. Who had the floor?

Mr. GLENN. I thought the Senator yielded me time to respond to the question.

Mr. BARTLETT. I was yielding him time. I would like to have a dialog, but I do not want a monolog.

Mr. GLENN. I prefer not to have a monolog also, but when the Senator asked about six questions in a row and expects me to comment on them and I am going back and commenting on them, I hardly think I am monopolizing the conversation.

Mr. BARTLETT. Mr. President, if the Senator would like, does he want me to return the time?

Mr. GLENN. No. I am operating on 16 minutes I granted to the Senator earlier so I felt I had time to reply. Go ahead and I will reply on my own time later.

Mr. BARTLETT. I point out to the Senator that the program he is advocating does not permit enough wells to be drilled in order to have even the level of drilling that took place back in 1955 when the demand was half of what it is today. Will the Senator comment on that? Does he feel that the drilling levels of today, which is permitted by this bill, would be sufficient to not only turn around the declining production but to increase it?

Mr. GLENN. Am I replying on the Senator's time or my time?

Might we ask from the Chair how much time remains on both sides so we know where we stand here?

The PRESIDING OFFICER. The Senator from Ohio has 10 minutes, and the Senator from Oklahoma has 35 minutes.

Mr. BARTLETT. I would like to have him reply.

Mr. GLENN. All the colloquy we had was on the time of the Senator from Oklahoma. Was the Chair aware of that?

Mr. FANNIN. That is correct.

The PRESIDING OFFICER. The Senator is correct.

Mr. BARTLETT. I would like to have the Senator reply on our time.

Mr. GLENN. I was asked earlier to reserve for our committee chairman 10 minutes. If we have 10 minutes remaining I will turn the management of the bill over to him.

Mr. BARTLETT. No. I would like to have the Senator reply on our time.

Mr. GLENN. Will the Senator restate his question, please?

Mr. BARTLETT. The level of drilling in 1955 was the result of approximately 2,700 active rigs. The demand for oil then was half of what it is today. Today we are operating some 1,612 rigs. I believe we have approximately 1,740, all of which cannot be kept busy.

I just ask him what is there in this bill that would increase the level of oil and gas exploration and development to the extent that we could hope to solve the energy shortage if that is the goal of the bill.

Mr. GLENN. As the Senator from Oklahoma knows, we are not mandating the number of rigs here. I agree with him. Our statistics have shown that the number of rigs has gone down; 1955 was back at a time well before any energy crisis, of course. As to the number of rigs operating today, I think the information for the last couple of months has been, while we were at a low level for the number of rigs drilling, that it has started up some at the present time. We hope it increases and adds not only to the 1,700 rigs but far more than that because if the fields that are easily skimmed now have to use more rigs to get more oil out and drilling in more separate areas, I think that is a natural consequence, and I think, with the price being paid for crude having gone up some 350 percent, we can expect they will have adequate money to do that exploratory drilling.

Mr. BARTLETT. So the Senator is advocating doing less drilling when it is harder to find.

Mr. GLENN. No. That is the Senator from Oklahoma's statement, not mine.

Mr. BARTLETT. What is the statement of the Senator?

Mr. GLENN. Mine is that I think, with the price of crude having gone up, on an OPEC-regulated market some 350 percent, and with the price being paid for crude in this country in the past little over 2 years having gone from $3.50 a barrel—and even some cheaper than that—to about over $13 a barrel now that our domestic producers are getting, since we add the tariff onto the usual OPEC price, we are talking $13 or $14 a barrel; certainly if there were any incentive ever necessary to get them to drill, that is it. I do not see that any price increase is going to do any more than that.

I thank the Senator.

Mr. FANNIN. Mr. President, I yield 5 minutes to the distinguished Senator from Kansas.

The PRESIDING OFFICER. The Senator from Kansas is recognized for 5 minutes.

PETROLEUM PRICE INCREASE LIMITATION ACT

Mr. DOLE. Mr. President, I oppose passage of H.R. 4035, the Petroleum Price Increase Limitation Act. It should be obvious to everyone that our energy problem is not shortrun. The threat of higher prices for imported oil and the ever-present weapon of embargo is something we will all have to learn to live with. I cannot understand, then, why this body continues to consider measures that would be counterproductive to the goal of energy independence.

IRRATIONAL MEASURE

I cannot help but feel that this type of legislation is the product of political maneuvering and administration-baiting. It is not that I am insensitive to higher prices for energy, for each of us has felt the consequences of increased costs—it is that I am hoping for a long-term solution. We must respond in a meaningful fashion to this energy problem. And this bill is an irrational approach, designed to accommodate what some apparently think is the predominant public desire.

This bill would lead to increased consumption, cut production and increase petroleum imports. The bill does this by rolling back the price of "new" domestic crude oil; repealing the "stripper well" exemption from price controls; and establishing a three-tier system that would mandate a complex and unwieldly program that would probably be impossible to administer in a practical sense.

In addition to these critical items, the bill would make it even more difficult to phase out current price and allocation controls and would not provide any assurance that such an orderly phaseout could begin anytime soon.

CONGRESS IS NO ENERGY EXPERT

This would place innumerable administrative complications on the Federal Energy Administration and the petroleum industry. And, more surprisingly, gives the Congress some special oversight of the entire process. In effect it asks the Congress to second-guess the administration and the industry by giving it the right to disapprove administration oil price decisions.

Mr. President, I do not think this Congress has shown any particular expertise where energy is considered. I shudder to think how we would make any decision on pricing in a rapid manner that would be constructive or responsive. This bill certainly reinforces the negativism of this Congress. In any event, there is already sufficient authority for the Congress to review administration and Presidential actions with respect to oil policies now.

INCREASED DOMESTIC PRODUCTION NEEDED

What is most important is that this bill does not achieve what we have all agreed is a necessary goal—increased domestic production. By setting a ceiling on the price of all domestic petroleum we will create additional disincentives to domestic exploration and development of new oil. That that has been attested to as recently as this morning in the Committee on Finance, when we heard witness after witness express the same view. We can document the decline in production now caused by limits on price and the loss of any depletion allowance scheme for all but the smallest producers. Think of the effect of even more controls, in so far as oil production in this country is concerned.

Congress has had plenty of time to consider the course this Nation should take to arrive at some sort of energy independence and control over our own economy. But what this bill does is to take us in the wrong direction. Since this bill makes it even more unprofitable to produce oil domestically and provides for no large conservation scheme, where is the shortfall in oil going to come from? I can assure Senators that the OPEC countries would be more than willing to let us buy their oil at an even higher cost.

We must act more responsively now. Vast quantities of our economic resources are presently idle. We need to draw these resources back into the productive economy. What better way to start than to get more of our productive capacity involved in the exploration and development of domestic energy supply? We cannot do this by creating more disincentives or failing to abate a climate of uncertainty that discourages increased investment.

We cannot realistically hope to have an immediate effect on the price charged for oil by the OPEC cartel. But if we can make clear our commitment to developing our energy supplies we may effect their policies in the near future and our competing supplies and reduced dependence will have a concrete economic effect in the long run.

We need to coordinate some sort of decontrol program with our tax policy to insure that increased revenues to oil producers will be used for increased production. Policies to encourage energy efficiency and other types of programs to stimulate domestic energy supply may also be desirable but it is clear that the heart of our energy strategy must be a sustained effort to increase domestic production.

NO COMPROMISE IN BILL

Mr. President, the Senator from Kansas would just like to mention the letter sent by Mr. Zarb of FEA to the distinguished leader about this bill. On the second page, Mr. Zarb pointed out that—

> The conference report adopted virtually all of the objectionable provisions of both the House and Senate versions of the legislation.

I point this out because it is indicative of how the majority party in Congress is responding to the proposals of the President or the minority party. It shows the total absence of any effort by the majority to make any constructive compromise whatsoever in the interest of creating a program to stimulate production and expand our energy supply.

The Senator from Kansas is willing to work constructively to reach a meaningful and productive compromise. In that spirit, I submitted yesterday a windfall profits tax amendment to H.R. 6860, the energy tax bill, now under consideration in the Finance Committee. This windfall profits tax with a plowback provision would be used in conjunction with a phased-in decontrol of oil prices.

This amendment was offered so that it could be considered in the Finance Committee and so that there would be an opportunity to discuss and modify the proposal if necessary. The oil producers of Kansas and other States have advised the Senator from Kansas that they do not need or want a windfall profits tax, that they are not making and would not make exorbitant profits, and that they would plow back their profits into more production even in the absence of a law passed by Congress. Testimony in the Finance Committee by economists seems to substantiate that. But this Senator recognizes the legitimate concerns of the public and consumers. So this amendment was proposed in the spirit of reaching a reasonable and meaningful compromise, and this Senator is willing to make further compromises in the Finance Committee and subsequently in the Senate.

In a similar manner, the President has been willing to compromise on many of his proposals. As I recall, the President initially proposed decontrol of oil prices to stimulate production and encourage conservation when he made his state of the Union message. In the spirit of compromise, he later proposed a 25-month phase-in with a windfall profits tax. In the spirit of further compromise, he subsequently proposed an even longer period with a 30-month phase-in.

This Senator supports the effort to reach a meaningful compromise and feels that a slightly longer phase-in period might be appropriate to avoid a detrimental impact on the economy.

But the majority, as in this bill, H.R. 4035, has shown no willingness or effort to reach a meaningful compromise. And until some meaningful and productive compromise is reached, the junior Senator from Kansas would encourage the President to use his powers firmly to insure that a program is not enacted that would not stimulate more production or reduce our dependence on foreign oil.

Mr. President, I strongly oppose this bill. While we may not defeat this bill today, this Senator would hope there may be other votes in the future when the possibility for more rational action is greater.

I ask unanimous consent to have printed in the Record the letter from Mr. Zarb, the FEA Administrator, to which I have referred.

There being no objection, the letter was ordered to be printed in the Record, as follows:

Federal Energy Administration,
Washington, D.C., July 15, 1975.

Hon. Mike Mansfield,
U.S. Senate,
Washington, D.C.

Dear Senator Mansfield: It is my understanding that the Senate intends to consider tomorrow the report from the Conference on S. 621 and H.R. 4035, legislation which would amend the Emergency Petroleum Allocation Act of 1973. As you recall, I wrote you last Thursday, July 10, to convey the Administration's serious problems and concern with this legislation.

The bill recommended by the Conference Report would increase consumption, cut production and increase petroleum imports by about 350,000 barrels per day in 1977, compared to import levels resulting from the President's 30-month phased decontrol proposal. Moreover, it would result in increased imports of approximately 70,000 barrels per day over what we could expect under the current system of mandatory controls.

The Conference bill would produce these counterproductive results by: rolling back the price of "new" domestic crude oil; repealing the "stripper well" exemption from price controls provided by existing law; and establishing a three-tier price system that would mandate a complex and unwieldy program that would be most difficult to administer.

The Conference Report adopted virtually all of the objectionable provisions of both the House and Senate versions of the legislation. In addition to the items mentioned above, it would make it considerably more difficult to phase-out current price and allocation controls, and would fail altogether to provide any assurance that an orderly phaseout can begin promptly.

Yesterday the President announced a compromise decontrol plan which he intends to submit to the Congress this week.

This decontrol plan, which will phase-in decontrol over 30 months and keep a price "cap" on domestic crude oil, combined with the existing $2.00 import fee, will reduce imports by almost 900,000 barrels per day by 1977. It will permit high-cost enhanced recovery techniques to yield more domestic oil from old fields. Without this plan, about 1.4 million barrels per day domestic production will be lost by 1985.

This gradual phase-in of decontrol will raise the average price of petroleum products slightly more than 1¢ per gallon this year, and by an additional 3¢ per gallon in 1976 and 1977.

The entire decontrol proposal made by the President is now a matter of public record. As you know, yesterday he delayed its formal transmission to the Congress to provide the opportunity for members of Congress and the public to examine thoroughly the merits of the proposal before each House of Congress, under existing law, determines whether to accept it.

Clearly, the President's proposal warrants the most careful and thoughtful scrutiny by the Congress, and it is imperative that this scrutiny not be foreclosed by ill-considered adoption of the Conference Report on S. 621 and H.R. 4035. This is particularly important, I believe, in light of the fact that the plan represents a considerable compromise from the President's initial proposal for immediate decontrol.

Consequently, I would urge that the Senate act to reject the Conference Report and avoid prejudging the President's proposal even before it is considered by the Congress, I would have no alternative but to recommend that the President disapprove the Conference version of S. 621 and H.R. 4035 were it enacted by the Congress.

In closing, let me reaffirm the commitment I made in my letter of July 10 to work in any way possible with the Congress to begin the process of making this country less vulnerable to the arbitrary actions of OPEC, and to mention again my appreciation for your continuing support toward achieving that goal.

Sincerely,

Frank G. Zarb,
Administrator.

Mr. JACKSON. Mr. President, I yield myself 5 minutes.

I would first ask unanimous consent to have printed in the Record a study relating to the incentives necessary for enhanced recovery; also, the analysis by the Committee on Interior and Insular Affairs of testimony received from Mr. Robert Nathan on crude oil pricing.

There being no objection, the material was ordered to be printed in the Record, as follows:

Incentives for Enhanced Recovery in H.R. 4035

(Statement of Senator Henry M. Jackson)

Mr. President, the legislation reported by the conference committee on S. 621 and H.R. 4035 contains an eminently sensible and reasonable provision designed to stimulate increased domestic production of crude oil through application of methods of secondary and tertiary recovery. Section 5 of this bill, the Petroleum Pricing Review Act, permits the President to offer significantly higher prices—where higher prices are justified by higher costs—for oil produced by enhanced recovery methods. These increases can be granted without Congressional review at the discretion and judgment of the President.

At the same time, however, the overall consumer impact of the price increases permitted by this section is strictly limited. Because of this limitation there will be no significant "windfall" profits for domestic oil producers associated with enhanced-recovery incentives which are implemented. Because of this limitation the net consumer impact of the Petroleum Pricing Review will be a decrease in the price of gasoline and other refined petroleum products.

The provisions of this section authorize the President to grant price increases which are adequate to cover the costs of secondary and tertiary recovery as estimated in a draft Federal Energy Administration study which has been made available to the staff of the Senate Committee on Interior and Insular Affairs.

The Petroleum Pricing Review Act specifies the conditions under which amendments proposed by the President to Federal petroleum price control regulations must be subject to an expedited review by the Congress. The only exception to the requirement for this review are those amendments which are designed:

(a) to take account of the decline in field production; or

(b) to compensate for significant increases in the cost of crude oil resulting from the use of secondary or tertiary recovery methods.

Such changes in the pricing regulations are exempted from Congressional review only in the case that the impact of these changes does not result in an increase in the national average price of domestic old crude oil in excess of 50 cents per barrel above the national average price prevailing on January 1, 1975. Thus the maximum effect of all enhanced recovery amendments to Federal oil price controls implemented by the President without requirement for Congressional review would raise the national average price of old oil to approximately $5.75 per barrel from the $5.25 per barrel average price which prevailed on January 1, 1975.

Within this limitation the President may grant prices of $7, $9 or even $13 per barrel—if needed—for high-cost tertiary recovery projects which are instituted in fields which would otherwise produce only old oil. These high-cost projects presently account for approximately one percent of domestic production. Because the potential for added production from these high-cost techniques is small, the impact on the national average price of old oil of these exemptions will be below the limitation prescribed in the statute. Yet it is important that these projects be initiated, because their potential for long-run impact is large. I believe that the provision the conferees adopted permits adequate incentive to get these projects started without onerous consumer impact and without granting unwarranted and unearned windfall profits to domestic producers of old oil.

It should be remembered that in the case that the President feels that this exception provision of the Act does not permit the granting of adequate enhanced recovery incentives—an analysis with which I would strongly disagree—a second route is open to him. He can make the case of the need for still higher prices and higher consumer impact publically to the Congress utilizing the full Congressional review procedures specified in the Act. If an adequate case can be made, I believe that the Congress will respond.

The conferees provision on exceptions from Congressional review for price increases for enhanced recovery has a substantially lower net consumer impact than the amendment which was originally contained in the Senate bill, S. 621. That provision—which I did not support—would have exempted from price controls all domestic production in excess of a specified percentage of a 1972 base-period level of production. This percentage would be chosen to reflect the "natural" decline rate for domestic producing fields in the absence of implementation of methods of secondary and tertiary recovery.

Mr. President, this provision would have amounted to phased price decontrol of the price of domestic old oil, releasing a percentage of domestic production from price controls each year to float to the level determined by OPEC and the President's import tariffs. This provision would:

(a) let OPEC set the price of more U. S. oil production;

(b) grant windfall profits to producers whether they use enhanced recovery techniques or not;

(c) do nothing to target specific encouragement to, and insure investment in, enhanced recovery projects; and

(d) result in substantial economic impact—up to 4¢ per gallon were all domestic production now produced with enhanced recovery techniques released from price controls.

Phased decontrol is a prescription for inflation on the installment plan. The inflation generated and the costs paid by consumers bear no reasonable relation to the potential for increased production from enhanced recovery techniques. The principal effects of phased decontrol are windfall profits for producers and high prices for consumers.

Mr. President, the Federal Energy Administration has commissioned a study of the potential and the economics of enhanced recovery. I would like to summarize the results of the draft study submitted to FEA, because I believe that they are both provocative and germane to this discussion. Mr. President, I ask unanimous consent that excerpts from that study be inserted at the conclusion of my remarks.

The draft FEA study on enhanced recovery substantially supports the conferees' position. This study finds

(a) Current prices provide adequate incentive for the most widely used enhanced recovery techniques, waterflooding (44 percent of production) and cyclic steam injection (2 percent), and

(b) Tertiary techniques require prices ranging from $7 to $9 per barrel.

The study recommends uncontrolled prices for high-cost tertiary projects only. The conferees' bill would easily permit this, since very little production would be affected in the short term, and high prices could be granted to limited amounts of production under tertiary recovery without increasing the national *average* price of old oil by more than $0.50 per barrel above the January 1, 1975 level of $5.25.

The study specifically rejects the option of releasing from price controls all crude oil produced with the assistance of secondary and tertiary recovery. This would free over 50 percent of domestic production, resulting in a consumer impact of $7.5 billion on an annual basis—or 4 cents per gallon on all refined products—provide unwarranted and unearned enrichment for domestic producers.

Mr. President, the bill reported by the conference committee rolls back the price of domestic production not under price controls—new, released and stripper oil—to cancel the windfall profits received by domestic producers which are solely the result of the President's import tariff. This provision alone will save U.S. consumers $2 billion on an annual basis. This savings is partially offset by the impact of the incentives which the President may grant to domestic producers of old oil for their use of secondary or tertiary recovery. I think the trade-off which the conferees have adopted is a good one. It will stimulate the kind of activity in enhanced recovery which we both need and want at minimal costs to consumers but with adequate incentives for producers. It will not grant unearned profits to producers and will not burden consumers with higher prices. The net impact of the Conference committee bill will be lower prices. This is a welcome change for the American people. They deserve it, and I propose that we not delay any longer in voting support of this conference report.

FEA Review of Secondary/Tertiary Recovery of Crude Oil

Executive Summary

1. Substantial volumes of crude oil remain in already developed domestic reservoirs after completion of primary recovery; on the average, only 25% of the original oil-in-place can be recovered by primary production techniques.

2. In contrast to the newer producing areas of the world, such as the Middle East, oil fields in the U.S. are in an advanced state of decline. Many reservoirs have already exhausted their primary production and are being further revived through secondary and even tertiary recovery techniques. While relatively new to the public, secondary and tertiary (enhanced) production has been actively used for some time. Currently, over 50% of the total domestic crude oil production is derived from fields partially or fully under some form of enhanced recovery.

3. As shown on the previous figure, the great preponderance of enhanced recovery production comes from techniques generally referred to as secondary recovery—waterflooding and pressure maintenance.

Traditional estimates state that approximately 8% of the total U.S. original oil in place is recoverable using secondary recovery techniques. Recent changes in economics, particularly the dramatic increase in the market price for crude oil, indicate that expectations from secondary recovery may rise to 13% of the original oil in place.

4. Overall the total production to be realized from primary and secondary recovery is between 33% and 38% of the original oil in place, the majority (nearly two-thirds) of which has been already consumed. Without new discoveries, or improvements in the rates of recovery, only 12–18 years of reserves will be available at current production rates, from domestic fields.

5. Current prices appear to be sufficient for incentivizing the use of traditional enhanced recovery but, in general, are insufficient for encouraging widespread use of the newer techniques. This conclusion is based on both the economic analysis conducted for this study and on discussions with oil industry and independent production experts.

6. The traditional enhanced recovery techniques, such as waterflooding, cyclic steam injection and low pressure gas injection (for pressure maintenance), with their low investment costs and relatively quick production response, generally provide considerably higher rates of return and profitability than the new exotic recovery techniques such as miscible augmented water/gas injection, steam flooding and in situ combustion. This situation exists primarily because these more exotic techniques require a considerably higher intial investment and the additional oil does not appear until later in the life of the project.

7. Finally, the development and testing of new enhanced recovery techniques is costly and has proceeded slowly. While the theory and technology of some of the newer techniques such as miscible augmented enhanced recovery and in situ combustion have been available for some time, only a handful of pilot tests and fewer full scale projects have been undertaken. The relatively low price of crude oil which prevailed until recently did not provide a satisfactory economic climate for commercial applications of these expensive recovery techniques. The fact that crude oil could be produced in the Middle East for less than $50/bbl and that there existed an adequate quantity of domestic crude added to the economic disadvantages of enhancement projects. Thus many of these newer techniques are still considered economically risky and technically unproven.

8. Compounding the overall problem is the tendency to shut down older, declining fields, particularly those that are economically marginal under the current price structure for two reasons: First, field operators short on pipe and poduction equipment may wish to "pull" this material from lower production fields. Second, low production wells or fields not qualifying for the stripper well category may no longer be economical to operate. Once a field is abandoned, the pipe "pulled" and the well cemented rarely is it economical to open it up again, even for enhanced recovery.

9. In light of these technical and economic considerations the Administration may wish to stimulate the most efficient development and production of domestic oil reserves by providing incentives for:

Increasing the production rate and/or lengthening the productive life on existing fields.

Utilizing where technically possible, the newer, "exotic" enhanced recovery techniques.

Conducting additional research and testing for improved techniques of enhanced recovery.

10. To achieve these objectives, the Federal Energy Administration should consider one or a combination of the following incentive strategies:

Releasing from price controls the entire crude oil production from reservoirs using one of the higher efficiency (and more costly) enhanced recovery techniques.

Releasing from price controls the incremental amount of new oil produced from all types of enhanced recovery.

Allowing a "pass through" of the costs of enhanced recovery projects on top of old oil prices.

Releasing from price controls the entire production of all enhanced recovery projects.

Working closely with other agencies and branches of the government to explore and/or develop proposals regarding price supports or special tax treatment favoring enhanced recovery.

11. The results of this study indicate that the current price levels should provide a satisfactory rate of return for recovery projects such as waterflooding and cyclic steam injection, although field operators may be delaying full use of these techniques in anticipation of decontrol or other major price changes.

Price incentives are required to provide an adequate economic return for undertaking the high efficiency "exotic" enhanced recovery techniques which provide the potential for significantly increasing domestic production and reserves.

12. Certain geological or geographical conditions, such as those in Alaska or offshore, may also warrant special regulatory considerations, but until such time as their financial situation can be studied sufficiently and the appropriate incentives formulated, operators facing such unusually high cost traditional enhanced recovery prospects should seek price relief via the normal exceptions process. It may, therefore, be worthwhile to consider developing exemption criteria for these areas which would operate in conjunction with the proposed windfall profits tax and other proposed energy measures.

13. While a number of incentive strategies were considered, an analysis of the economics of enhanced recovery leads the study to recommend:

All production from approved exotic enhanced recovery projects be released from price controls.

Further study be made of the investment requirements and operating costs of offshore and Alaska production prior to formulating other industry-wide incentives.

NOTE.—These recommendations are based on an assumption of continuing price controls on crude oil and would require revision in the event of the passage of a windfall profits tax or other statutes affecting production revenues.

INTRODUCTION

The study of secondary/tertiary crude oil recovery was initiated by the Federal Energy Administration (FEA) for the purpose of reviewing policy options which could increase domestic crude oil production. The basic issue addressed by the study is whether and to what extent, should the FEA use its regulatory process to encourage investment in high recovery crude oil production technology that would contribute to the Nation's goal of domestic energy self sufficiency.

In reviewing this report, it is important to understand that there are no universally acceptable definitions of secondary/tertiary crude recovery. Some consider certain techniques to fall within a particular category while others feel that the terms secondary and tertiary apply only to timing or production sequence. We shall refer to both secondary and tertiary recovery as being "enhanced" and representing a production technique which permits the recovery of a higher percentage of the original oil in place than would have been possible the case using only primary recovery methods. Also, the term "efficiency" will be used to reflect the degree to which the particular production technique is successful in recovering the maximum percentage of oil in place.

Within the category termed "enhanced," there exist two rather clearly delineated groupings: (a) "traditional enhanced," and (b) "exotic enhanced." The former refers to those enhanced recovery projects which employ water-flooding, pressure maintenance techniques and cyclic steam injection. The latter refers to the newer, more technically sophisticated methods such as miscible augmented water and gas injection, in situ combustion and steam flooding.

SUMMARY

The economic analysis presented in this section should be reviewed as having two important limitations. First, because of the substantial variations in reservoir characteristics, the quality of the oil, and other production factors, the rates of return on the enhanced recovery projects presented in this section are not intended to reflect a national average project. Second, only limited consideration has been given to risk analysis in developing the rate of return calculations. Thus, the examples in this section represent a composite of numerous projects judged to be typical of a larger number of planned and actual enhanced recovery projects.

Under these limiting assumptions on economic analysis of enhanced recovery shows that:

1. Traditional waterflooding requires no further incentives beyond current prices.

2. No additional incentives appear necessary for cyclic steam injection, a technique widely used in the California fields under existing economic conditions.

3. Miscible augmented waterflooding requires considerable additional incentives for making the project economically feasible and for making it competitive with waterflooding:

The additional production from this enhanced recovery technique would need to be raised above $9.50 per barrel for the project to reach a 15% pre-tax and a 10% after-tax return.

The entire production from the field would need to be released for miscible waterflooding to achieve an after-tax rate of return greater than that which could be realized from traditional waterflooding.

4. Steam flooding, in combination with cyclic steam injection, appears unattractive at the current controlled price of $5.25 per barrel. The steam flood project presented in the example would require a price (per barrel for additional oil produced) of $7.70 to reach a 10% after tax rate of return. (In general, since there is only limited primary production (because of the low viscosities of the crudes to which steam flooding is applied) the entire production of the field under steam flooding would need a price of $7.70 per barrel.)

5. Fire flooding (in situ combustion) appears marginally attractive at the $5.25 per barrel level. Given the higher risk[1] associated with this technique, the fire flood project would require a price of $7.60 per barrel to reach a 20% after tax rate of return. (As discussed above, this price would also apply to the entire production from the field.)

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[1] The study examined 15 field wide fire flood projects. Only 5 of 15 of these projects were reported as being successful and profitable under existing technology and prices, thus the study acknowledges the higher risks associated with this technique. Since our rates of return have not been probabilistically adjusted for risk or failure rates, the economic analysis in this instance seems to call for a higher rate of return than for other exotic enhanced recovery projects.

The economic incentives necessary for stimulating the major types of enhanced recovery are summarized on Chart III. The overall costs and benefits of enhanced recovery are presented on Chart IV. Specific price levels and rates of return are outlined on Chart VIII.

CHART III.—*Necessary economic incentives*

Type of enhanced recovery and economic incentives necessary for stimulating enhanced recovery:

Water flooding, current prices adequate.

Cyclic steam injection, current prices adequate.

Miscible augment water flooding, requires full release from price controls for the total field.

Steam flooding, requires a partial release from price controls for the total field.

In-situ combustion, requires a partial release from price controls for the total field.

CHART IV

SUMMARY OF COSTS AND BENEFITS OF ENHANCED RECOVERY TECHNIQUES

Technique	Percent total recovery of original oil in place	Additional percent recovery over primary of original oil in place	Approximate operating costs per barrel	Required additional investment	Economic climate necessary
Primary recovery			$0.50-$1.00		Current prices.
Heavy oil	5-15				
Light oil	20-30				
Low pressure gas injection	25-40	5-20	(1)	Low [2]	(5).
Water injection	30-45	10-25	.75- 1.25	Low [2]	Current prices.
Miscible augmented gas/water injection	50-70	30-55	1.25- 2.00	High [3]	Requires release of entire production from price controls.
Cyclic steam injection (for heavy oil)	20-30	15-25	1.00- 1.50	Low [2]	Current prices.
Steam flood (for heavy oil)	30-45	25-40	2.50- 4.50	Low [2]	Requires additional incentives above old oil prices.
In situ combustion (for heavy oil)	35-55	30-50	2.00- 3.00	Moderate [4]	Requires additional incentives above.

[1] Operating costs represents the modal group for actual economically feasible applications.

[2] Requires undiscounted investment of $1 to $2 per additional barrel over primary with a 1 to 2-yr timelag.

[3] Requires undiscounted investment of $3 to $4 per additional barrel over primary with a 4- to 5-yr timelag.

[4] Requires undiscounted investment of $2 to $3 per additional barrel over primary with a 2- to 3-yr timelag.

[5] Recent natural gas price increases have raised this cost to such an extent as to make this technique economically infeasible in most cases.

Option 1. Release All Production From Exotic Enhanced Recovery Projects.

All production from approved enhanced recovery projects would be freed from price controls.

ANALYSIS

Approximately 0.9% of domestic production results from the use of exotic enhanced recovery projects. This represents approximately 80,000 bbl/day which, presumably, contains a mix of the standard variety of regulatory nomenclature—old, new, released and stripper. Assuming a current distribution of crude types which is consistent with the national average, the resulting production quantities would be:

Old at .65	52,000
New and released at .23	18,400
Stripper at .12	9,600
Total	80,000

Of the above, only in the old oil category will pricing impacts result from this proposal. Therefore, assuming that the incremental production above primary represents approximately 70% of the old oil, the resulting production affected by this plan is 36,400 bbl/day. Its price impact is $282,100 per day or less than 0.5% of the realizations from total daily domestic crude production.

DISCUSSION

This alternative is expected to represent a directionally appropriate step toward influencing domestic producers to invest in projects which will expand recoverable domestic reserves. It provides a signal to industry that the Government is interested in encouraging domestic investment and that research and development activities associated with enhanced recovery could potentially be rewarding. The potential for increasing our domestic recoverable reserves by 60 billion barrels from more efficient enhanced recovery this incentive strategy has the potential for significantly enabling the Nation to realize energy independence.

Pros

The widespread use of exotic recovery techniques could dramatically increase recoverable domestic reserves and production.

The immediate consumer impact would be negligible since there are very few of these projects in existence.

Relatively insignificant impact on company profits.

Gives a positive signal to industry that the Government wishes to encourage "high recovery" crude production techniques.

Provides an incentive without a significant price impact.

Cons

Relatively small decontrol impact.

Significant time lag between the application of the incentive and the time additional oil is realized.

Identification of qualified "enhancement" projects could pose administrative burdens.

Trade-offs

This option would be selected to minimize consumer price impact while at the same time providing an incentive for producers to use high recovery techniques which may significantly contribute to our goal of energy self sufficiency. In conjunction with this alternative another variation which may be considered but which is considerably less attractive is to release the incremental production resulting from the application of the exotic enhanced recovery project.

Option 2. Release The Incremental Production From All Enhanced Recovery Projects.

Only the additional oil resulting from the enhancement project would be released. That portion of the production which would have been produced by primary means would still be subject to price controls. State regulatory bodies might certify the estimates of additional oil to be recovered.

ANALYSIS

Of the secondary and tertiary production, from one-third to two-thirds is considered by the various state regulatory commissions to be recoverable via primary means. Thus, only about 50% of the oil produced from secondary and tertiary projects represents crude that is the direct result of the injection project. Consequently, if a satisfactory means were developed to distinguish the additional production and only that oil were released, there would be approximately 1.3 million barrels per day of newly released oil. The total dollar impact on the economy would be almost $9 million per day or about $3.2 billion per year. The domestic crude price would rise by 1.00 cents to $1.10 per barrel and the price of all crude (including imports) by $.70–$.80 per barrel. The domestic crude price would rise on the average by about 2.4 cents to 2.6 cents per gallon, although areas such as California could experience a greater impact because of the relatively extensive use of enhanced recovery and the poor primary yield characteristic of that region. However, this phenomena should be mitigated by the effect of the crude oil price equalization program.

DISCUSSION

Releasing only the additional oil production due to the project (beyond primary) would seem to be more desirable than releasing all enhancement oil because it is consistent with the "new" oil concept, is somewhat more equitable and is considerably less of a burden on the consumer. However, administrative and enforcement difficulties are so great as to virtually rule out this approach. These problems center around the determination of how much oil would have been produced by unaided primary recovery and subsequently, how much oil is the direct result of the project and therefore eligible for free market pricing.

Such a breakdown would of necessity be an engineering estimate and would moreover require evaluation on a case-by-case basis. The program would also require additional FEA staff of a high technical caliber.

Alternatively, the state regulatory bodies could provide certification of the estimates of producers assuming these agencies would be willing to take on the additional burden. This approach also has drawbacks, notably obtaining the cooperation of all the state commissions and ensuring that cases were evaluated uniformly throughout the various regions. There would be further problems at the state level regarding possible conflicts-of-purpose and delicate political positions. In short, there are overwhelming administrative problems associated with attempting to isolate that portion of the production attributable to the secondary or tertiary project.

An important point to consider here is that traditional enhanced recovery projects may not need further, stimulation. Incentivizing both traditional and exotic techniques provides such a high rate of return for traditional projects (greater than 40%) compared to exotic projects (18–30%) that few operators would select the high recovery techniques. Thus, the consumer would be paying more while obtaining a production response only slightly greater than would have been received without any further incentives. (See also discussion of Option 4.)

Pros

Positive decontrol step

Individualized consideration offers more equity than generalized rules

Moderate price increase of 1½ to 2 cents per gallon.

Cons

The volume of primary oil recoverable is an engineering estimate

Somewhat incompatible with current regulations

State regulatory agencies may be placed in difficult administrative and political positions

Potential for lack of uniform treatment among different states

Creates potential of increased industry revenues of up to $3.6 billion per year

Trade-offs

This option provides a good middle ground between minimum and maximum decontrol and consumer impact. The case by case evaluation is potentially quite equitable. The drawback of this option is that it requires substantial additional complexity. There would be no improvement in the current economics which already favor traditional enhanced recovery over the higher recovery exotic techniques.

Option 3. Provide A Cost "Pass Through" Provision for Enhanced Recovery Expenses.

The additional costs of augmented recovery could be added to the lawful selling price of old oil on a "dollar for dollar" basis.

ANALYSIS

The exact impact would vary according to the specific costs which would be eligible for pass through. Additional operating costs for compressors, steam generators, etc. would certainly be allowed; items such as front end investments, loss of production in wells converted to injection, etc. might or might not be included. It is estimated that the net consumer impact would not be greater than 1½ cents per gallon, even a liberal policy regarding allowable expenses.

DISCUSSION

This option has the potential for providing the most equitable treatment over the wide spectrum of operating costs if an administrative mechanism can be developed to implement it. Operators of enhancement projects would not receive a windfall profit above their actual incurred costs. At the same time, producers who chose to invest heavily in the more "exotic" techniques would be proportionately rewarded. Finally, this alternative would create a situation in which there was a close correlation between the selling price and the actual costs of production, but would carry the disadvantages inherent in utility type price regulation which tends to deemphasize the profit motivation of the free market system.

Despite the advantages of this method, implementation of such a program may prove unfeasible because the administrative and compliance burden would be difficult.

Pros

Provides equitable reimbursement for enhancement expenses.

Moderate price increase—about 1½ cents per gallon.

Would stimulate the application of high efficiency production techniques.

Cons

Dubious decontrol step.

Would complicate compliance procedures considerably.

Variations

Allowing the pass through only for projects commenced in the future would eliminate the immediate price increase and to a certain extent mitigate administrative problems. Directing the incentives toward only the exotic recovery techniques would also reduce the administrative burden and would more specifically encourage high recovery projects.

Trade-offs

As with Option 2, this option contrasts a significant administrative problem against an equitable means of recovering enhancement expenses and a middle ground with respect to consumer prices. It has the further drawback of being ambiguous and somewhat inconsistent with decontrol strategies and current regulations. It is not recommended due to virtually unfeasible administration and enforcement.

Option 4. Release From Price Controls The Entire Production From All Enhancement Projects.

All production from all enhancement projects would be allowed to sell at the free market price.

ANALYSIS

Approximately 50% of U.S. production would be classified as secondary/tertiary oil, that is oil which is produced from a reservoir where such methods are employed. By applying this percentage to the volume of oil currently under price controls, approximately three million barrels per day of crude oil would become eligible for the current market price. The total dollar impact on the economy would be over $20 million per day or about $7.5 billion per year. This alternative would raise the price of domesitc crude oil by about $2.40 per barrel and the composite (including imports) price by $1.50–$1.70 per barrel. It would also result in a price increase at the pump of about 3½ to 4 cents per gallon.

DISCUSSION

Since waterflooding and pressure maintenance are generally profitable under the benefits would result existing price structure, additional price benefits would result in windfall profits to the producers of this oil. While there are undoubtedly some projects which would become feasible if given an exemption from **price controls, the majority of the fields** which are situable for secondary recovery but still undeveloped are being delayed for other reasons. The principle obstructions are a lack of investment capital, legal difficulties regarding unitization agreements and shortages of the necessary materials, equipment and manpower.

This option is presented primarily as a vehicle for decontrol. The wholesale release of all enhanced oil cannot be justified on a cost/benefit basis in terms of additional production or increased reserves. However, releasing enhanced recovery represents a logical and substantial movement in the direction of ultimate decontrol.

Pros

Large decontrol step

Represents a logical extension of current policies

Relatively simple to administer

Extends the life of old wells and creates a climate where high cost projects are potentially feasible

Cons

Large impact on consumer prices, 3½ to 4 cents per gallon.

Average domestic crude price would increase by $2.50.

Would result in windfall profits.

May divert funds or materials from exploration activities and encourage inefficient investments

Variations

The consumer impact and the degree of decontrol can be reduced to zero by making the program applicable only to projects commenced in the future. Similarly, by selecting an effective date at some intermediate point in time (such as January 1, 1973) a middle ground can be attained with respect to decontrol and consumer prices.

Trade-Offs

In summary, this option should be selected if decontrol is the major goal. The variations in the effective date provide a great deal of flexibility in terms of decontrol and consumer impact. However, the option poses potential problems of windfall profits and provides no direct incentives for field operators to select the more efficient (higher cost) enhanced recovery techniques.

CHART IX.—SUMMARY OF TRADE-OFFS ASSOCIATED WITH POLICY ALTERNATIVES

Options	Consumer impact	Administrative burden	Contributions to oil company revenues	Degree of decontrol	Potential for additional reserves	Timing lag for increased production[1]
1. Release all exotic enhanced projects	Zero in short term	Moderate	Negligible	Essentially zero	Very large	4 to 5 yr.
2. Release incremental oil from enhancement projects	Moderate (2/cents gallon).	Complex	Moderate	Moderate	Small	1 to 3 yr.
3. Provide cost pass through enhancement expenses	Low to moderate	Extremely complex	None	More controls	do	Do.
4. Release production from enhancement projects:						
(a) Commenced in the future	Zero	Moderate	Minor	Small	do	Do.
(b) Commenced since Jan. 1, 1973	Low	Large	Moderate	Low to moderate	do	Do.
(c) All projects	Large (4/cents gallon).	Moderate	Large	Large	do	Do.

[1] Additional lagtime of 2 to 4 years could be caused by delays resulting from: industry decisionmaking, unitization agreement negotiations, chemical supply production and governmental clearance.

RECOMMENDATIONS

1. Exempt From Price Controls Production From High-Cost, "Exotic" Enhancement Projects

In light of the considerable increase in recoverable reserves and the minimal consumer impact Option 1 is recommended. Current crude prices and operating costs indicate that releasing the production beyond primary would create a satisfactory balance between the economics of traditional and exotic enhanced recovery. Only by giving large price incentives are miscible augmented gas/water injection projects economically feasible. In situ combustion and steam flooding are profitable at slightly less than this incentive; however, the possibility of excess profits is mitigated by the higher risks and failure rates associated with these projects. The risk factor and the administrative complexities involved in a multi-phased incentive system pose a strong rationale for a single, unified set of incentives for high efficiency recovery techniques.

The success of this alternative is predicated upon the continuance of price controls on the traditional enhancement techniques. If both "exotic" and traditional enhanced profits experience the same price for the resulting oil, the traditional methods will show a higher rate of return and will be selected over the "exotic" projects whenever a shortage of capital requires allocation of funds. While a miscible water flood could be implemented now at $12 to $13 per barrel, it might require even greater stimulation if several years of ordinary waterflooding intervened.

2. Conduct Further Study of the Invest-

ment Requirements and Operating Costs of Offshore and Alaska Production

Certain geological or geographical conditions, such as those in Alaska or offshore, may warrant special regulatory considerations. Their financial situation should be carefully studied to develop sufficient understanding priate incentives. In the near term, operators facing unusually high cost traditional enhanced recovery projects should seek price relief via a via the normal exceptions process.

Statement of Henry M. Jackson on Robert Nathan's Testimony on Oil Prices

On April 28, 1975 Robert R. Nathan testified before the Senate Interior and Insular Affairs Committee on national pricing policy for new domestic crude oil. Nathan reported the results of a study conducted by a Dallas petroleum consulting firm, La Rue, Moore and Schafer, which purported to show that the "economic cost" of new oil in the United States in 1974 was as high as $12.73 per barrel.

The staff of the Senate Interior Committee, with the assistance of the Congressional Research Service, has analyzed both the La Rue, Moore and Schafer Study and the policy conclusion which Nathan either claims explicitly or implies on the basis of that study. A copy of the Interior Committee staff analysis is printed below. The results of this analysis stand in stark contrast to the Nathan testimony and raise the most serious and substantial doubts concerning the validity of the study and of the policy conclusions drawn from it.

It is clear that the Administration, the oil industry, and their supporters in the Congress have attempted over the past two months to use the Nathan testimony as "proof" of the need for domestic oil prices set at levels even higher than those imposed by the OPEC cartel. In my opinion, the Interior Committee staff analysis of the Nathan testimony utterly demolishes the foundation of any such claim based on the arguments of the La Rue, Moore and Schafer study.

A number of misconceptions and outright distortions are contained in the Nathan testimony and the study upon which it is based. In addition, even more egregious distortions have characterized the interpretations which others have placed on the testimony.

Some of the more significant and telling points which the Interior Committee staff analysis makes about the Nathan study are:

First, the prices which are calculated by La Rue, Moore and Schafer by far exceed the prices determined by other reputable analyses, including those by the National Petroleum Council and the Federal Energy Administration's Project Independence Task Force.

Second, in calculating their "prices" LaRue, Moore and Schafer have consistently overestimated dollar outlays—for example, by assuming an after-tax rate of return which is two and one-half times the average for U.S. manufacturing—and underestimated the amount of oil which is obtained from those outlays—for example, by totally ignoring the enormous low-cost reserves discovered in Alaska.

Third, independent of the magnitude of the prices calculated, the conclusions drawn from this effort could be applied only to a fraction of what is presently called new oil. The LaRue, Moore and Schafer study only addresses the question of pricing for newly discovered oil. It provides no standard for pricing of the other categories of crude oil production established by current regulations—old oil, released oil, or stripper well oil. It does not even claim to provide a guide to the price necessary to elicit new oil from old reservoirs by secondary and tertiary recovery.

Fourth, the logic of the study, if carried to its conclusion, would imply that the U.S. should adopt a cost-based formula which sets a separate price for oil discovered in each past and future year, and perhaps for every geographic region. This sort of regulation would extend to its logical absurdity the regime that now applies to interstate natural gas under the Federal Power Commission. I doubt that the oil industry representatives who have been urging Nathan's analysis on members of Congress really intend that Congress draw this implication; and

Finally, the LaRue, Moore and Schafer analysis is totally unable to relate a particular crude oil price to the level of production which would be forthcoming at that price. This is, of course, what is really required for the purpose of evaluating the appropriateness of a new oil price. To my knowledge, no adequate analysis of this sort exists. The efforts of Nathan and of LaRue, Moore and Schafer, however, because of their total inadequacy, only serve to further confuse the oil pricing issue.

The calculation by LaRue, Moore and Schafer is an interesting academic exercise which is unfortunately fatally tilted toward the substantial overestimation of the "prices" required to make oil exploration profitable. The oil industry and the Administration have been all too eager to find some justification, no matter how meager, for the economically ruinous oil prices which are implied by their policies—in combination with those of OPEC. The LaRue, Moore and Schafer study and the interpretations of it given by Robert Nathan and others far less scrupulous fail totally to provide this justification. There is indeed a widespread conviction even in the Administration, as evidenced by statements of FEA Administrator Zarb, Secretary Simon and others, that such prices are neither necessary nor justified as production incentives.

SUMMARY

In testimony on oil pricing policy before the Senate Committee on Interior and Insular Affairs on April 28, 1975, Robert R. Nathan presented calculations of the "economic price" of crude oil production for the years 1959 through 1974. This "economic price" purported to be the "price necessary to induce wildcat producers to take risks and incur the costs attendant on finding and developing new sources of crude oil." This price ranged, according to Nathan, from $2.86 per barrel in 1959 to $8.22 in 1970 and $12.73 in 1974.

Using this set of price estimates Nathan concludes:

"It is quite clear that for some time oil prices in the United States have been at levels well below actual costs and this has had a discouraging impact on finding and developing new sources of oil supplies" and

"It costs a great deal more to find, develop and produce oil today than ever in the past. If this nation is serious about reducing dependence on oil imported from insecure sources it will have to pay sufficient prices to cover the true economic costs of exploration, discovery, development, and production."

Without explicitly saying so, Nathan implies that these "economic costs" are now at a level in excess of $12.73 per barrel.

The Nathan testimony is based on a study carried out by LaRue, Moore and Schafer, a Dallas, Texas petroleum consulting firm. Both the Nathan testimony and the study by LaRue, Moore and Schafer have been carefully analyzed by the staff of the Senate Interior Committee with the assistance of the Congressional Research Service.

Our principal conclusions are:

1. The logical implication of the Nathan testimony is that the United States should establish a system of cost-based regulation for petroleum pricing similar to the present Federal Power Commission regulation of interstate sales of natural gas.

There are substantial conceptual flaws in the LaRue, Moore and Schafer study upon which the Nathan testimony is based, flaws which are compounded by a consistent bias in the assumptions of, and choice of data for, the calculations.

If, however, for the sake of agrument, these are ignored, and the numerical results accepted, the logic of Nathan's exercise, suggests that a cost based system of oil pricing be imposed with a different price for oil discovered in each given year. Carried to its conclusion, the resulting multi-tier system for newly discovered oil would also differentiate prices regionally, between on-shore and off-shore production, and among classes of producers.

Despite this implication of Nathan's testimony, the LaRue, Moore and Schafer study does not, in fact, distinguish "economic prices" for any specific region or category or of production but is in fact based on national averages modified only by the exclusion of prolific and relatively low cost reserves of northern Alaska.

Accordingly the study does not specify either the appropriate price for production classified under current regulations variously as old oil, released oil or stripper well oil, or an appropriate price that might be provided for in oil produced with the assistance of secondary or tertiary recovery.

2. If Nathan's interpretation of LaRue, Moore and Schafer is correct, the oil industry's investment strategy for the past 15 years has been extremely foolish.

Nathan's finding, "that for some time oil prices have been at levels below actual costs," is puzzling on its face, because it implies that the petroleum industry voluntarily poured $64 billion over the period of 1959–1974 into investments that would not earn an economic rate of return.

3. Nathan's results substantially exceed previous calculations of oil costs by reputable sources.

The numerical results of the study far exceed the "economic" or "required" price estimates arrived at for the same years by both public and private studies, including those of Franklin Fisher, Foster Associates, the Bureau of Mines,[1] the National Petroleum Council and the Federal Energy Administration's Project Independence study.[2]

4. The LaRue, Moore and Schafer calculations of the costs which should be reflected in oil prices include huge lease payments, unrealistically high rates of return for the oil industry and exclude the low-cost reserves associated with the most favorable domestic discovery of the last 15 years.

The surprisingly high figures which Nathan quotes from the LaRue, Moore and Schafer study trace directly to a number of assumptions. Among the most important:

The inclusion in petroleum capital costs of lease bonus payments which, if Nathan's findings are correct, were unwise in the past and would be unnecessary in the future;

Treatment of petroleum reserve data that ignores both the true cost of developing each year's reserve additions and the flexibility of producible reserves at differing price levels;

The assumption of a rate of return standard—15 percent on total assets after taxes—in substantial excess of both the experience of other American industries and the profitability premised in other energy development research. This extreme assumption compounds annually into Nathan's "economic price" over the 28 years of each reserve's productive life; and

The deliberate exclusion from the study of all data on oil discoveries on the North Slope of Alaska. At one stroke, Nathan thus

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Footnotes at end of article.

removes the largest single field of petroleum development and reduces total reserve additions in the United States over the last eight years by more than one-half.

5. The Nathan testimony does not, and cannot, identify the appropriate price for domestic oil. Even if the biases listed above were corrected, the notion of "economic price" as defined by LaRue, Moore and Schafer cannot be made relevant to a determination of the proper level for new oil prices in the future. Any meaningful attempt to determine the true supply function for petroleum would have to combine an estimate of how much oil is wanted at various price with an estimate of how much could be produced at each of those prices. Because the LaRue, Moore and Schafer model does not even consider the relationship between the volume of oil that can be discovered and produced at different levels of cost, it has nothing useful to say about the proper or desirable level of crude oil prices.

ANALYSIS

Mr. Nathan's prepared statement for the Senate Interior Committee hearings of April 28, 1975, "The Cost of Finding, Developing and Producing Crude Oil in the United States," draws conclusions from, and makes policy recommendations based upon, an analysis of the oil industry's financial and operating data entitled "Calculation of New Oil Costs: United States, Years 1959 through 1974." The analysis was prepared by LaRue, Moore and Schafer, a Dallas-based petroleum consulting firm. There are substantial reasons to doubt the inferences which Nathan makes from the LaRue, Moore and Schafer study, and there are substantial reasons to question the methodology, use of data and, finally, the value of the study itself.

THE LARUE, MOORE AND SCHAFER CALCULATIONS

The LaRue, Moore, and Schafer approach can be quickly sketched. Data on the costs of finding oil, estimates of the amounts found, and prospective costs of producing it (including royalties, Federal and State taxes, etc.) are presented for each year 1959 to 1974. A discounted cash flow (DCF) model is then used to set the price (called the economic price) which would provide the producers with an annual after-tax return of 15 percent on their total investment (including investmetns made with borrowed funds). The method is comparable to those used by corporate planners in assessing the likely profitability of a potential investment—except that in this case the bulk of investment, exploration and development expense, has already been made. Were its assumptions accurate, the method would be equivalent to a year-end review by petroleum investors of the capital costs incurred during the preceding twelve months and the benefits needed to justify their prior expenditures.

The study in no fashion assesses the profitability of oil production during each of the years in the table. The vast majority of oil actually lifted in any particular year is from reserves developed in earlier and less expensive periods. For this reason, the industry could conceivably make a competitive profit in every year and on every investment project, with the current price always lagging behind the "economic price" calculated for current investments. Nathan's statement "that for some time oil prices in the United States have been at levels well below actual costs," is not, therefore, a legitimate inference from the LaRue, Moore and Schafer report.

Even as an intneded estimate of "minimum economic price" (Nathan's definition) for current year development, moreover, the LaRue, Moore and Schafer report rests on incorrect or inappropriate assumptions. These shortcomings in turn impart substantial upward biases to its price projections.

Leasehold costs

The cost of acquiring leases—including bonus payments—is included in the original investment total on which the 15 percent annual return must be earned. From an oil producer's point of view, this would be a legitimate procedure for deciding, among other things, whether a *past* bid offer was justified. From the standpoint of the economy as a whole this assumption reduces to the assertion that consumers must pay a price for oil that rewards landowners with whatever bonuses and other payments oil developers happen to offer them. If these payments reflected a realistic estimate of the property's alternative uses, they would indeed constitute an "economic cost" useful in arriving at an "economic price" for oil. But when, as in the majority of cases, they reflect only a scarcity bid by prospective producers, they are a transfer payment—useful as an allocative mechanism but unnecessary as a cost either to society or to the producers who make them.

Put another way, the willingness to incur lease acquisition charges is evidence that producers anticipate that prices over the life of the lease will in fact exceed the expected costs of exploring, developing and producing it—including the appropriate allowance for dry holes. If a particular price level would not adequately compensate producers for their original lease acquisition expenses, then these expenses themselves should and would be revised downward before oil prices need increase. The LaRue, Moore, and Schafer analysis purports to show prevailing price levels failing to justify productive investment, yet reveals producers continually incurring leasehold expenses of up to 28 percent of their investment. In 1970, for example, exclusion of only leasehold costs would reduce the "economic price" projection by about $1.30 per barrel, from $7.25 to less than $6.00.

Treatment of natural gas

The model assumes natural gas prices at a fixed figure for each year equal to 1.5 times the Bureau of Mines estimate of the average price of natural gas in that year. For recent years, the resulting figure is far less than producers can actually expect to receive over the life of newly added gas reserves. It is believable, for instance, that production from reserves added in 1973 and 1974 will be selling for 28 and 45 cents respectively per thousand cubic feet (McF) over the life of these reserves? The average price of natural gas in intrastate sales in 1974 was already over $1.00 per McF! By seriously understating revenues producers can anticipate from natural gas sales, the methodology consistently inflates the revenues they must receive from crude oil to assure a specified profitability for their investment.

The LaRue, Moore and Schafer analysis also takes no accounting of some joint costs of oil and natural gas. Estimates of oil develpment and operating costs from the American Petroleum Institute's Joint Association Survey of the Oil and Gas Producing Industry—are derived from aggregates that reflect the expenses of oil and gas operations together. It appears that exploratory expenses from this source attributed by LaRue, Moore and Schafer to the search for oil—including dry hole expenses—have also been responsible for the discovery of non-associated natural gas reserves in addition to oil and associated natural gas. Revenues from non-associated gas, however, are not included as income in the analysis.

The formula by which LaRue, Moore and Schafer separated out the cost of oil development may, moreover, tend to underestimate oil operating costs and overestimate oil exploratory and development outlays.

This latter component, because it must compound at 15 percent until the product is sold, is the far more decisive factor in setting the economic price.

Use of reserve figures

The figure used for gross reserve additions in each year is not the whole increase in proved reserves as published by the American Petroleum Institute, but only the reserves attributed to new discoveries and "expected upward revisions." Each year's expenditure figures, however, includes all exploration and development outlays in that year. The cash-flow purportedly necessary to produce each year's new reserves, therefore, encompasses development investment that results in current extensions and upward revisions of reserve estimates for previously discovered fields, including investment in secondary and tertiary recovery. The result can be viewed as either a gross understatement of new reserves or a gross overstatement of the investment necessary to discover them. In either view, the result is a strong upward tilt to price projections for recent years. Though there is no simple means if disentangling these mismatched reserve and cost data, the case of 1973 is instructive of its impact. Taking LaRue, Moore, and Schafer's version of investment during that year with 1973's addition to proved reserves recorded by the American Petroleum Institute would reduce the "economic price" from $8.70 per barrel to about $6.00.

Critique of API reserve estimates

Even this adjustment would not resolve another fundamental problem with the models' approach to crude oil reserves. For the API reserve figures—whether taken in their original form or as converted and reassigned by LaRue, Moore, and Schafer, have not been adjusted to take into account higher price levels. This is despite the qualification in the definition of proved reserves that they be recoverable under current economic conditions. Higher priced crude oil makes possible better and more widely applied recovery techniques. Revenues from crude oil at $10 per barrel or more, firstly, extend the productive life of previously discovered reservoirs, and thereby increase the amount of the recoverable oil contained in them.

Price ought to influence the volume of reserves, secondly not only through prolonging production, but by making feasible more advanced methods of recovery, and by its effect on the very definition of a successful drilling venture. Among the historical "dry holes"—whose cost pushes up the total capital commitment required for developing reserves—are many wells that reached crude oil reservoirs of insufficient size or quality to justify development at $3.00 per barrel. At higher crude oil prices these marginal reservoirs become additions to the nation's producible oil reserves.

The Nathan study, by failing to allow flexibility of reserves in response to real or expected price increases, built a decisive bias into the economic price estimates themselves. For these "prices" are essentially a gross revenue (needed to recover capital and costs), divided by the estimated volume of product to be sold. Improperly conservative estimates of the amount of oil that is recoverable increase the dollar burden that each barrel must bear in justifying investments.

The rate of return

A 15 percent after-tax rate of return[3] on stockholders' equity may be a reasonable standard for judging new investments. Such a standard reflects the anticipated rate of return on alternative investment opportunities. Over the period 1966–1974, the average rate of return for Fortune's top 500 U.S. manufacturing firms was 11.3 percent, reaching a peak of 15.5 percent in 1974. The LaRue, Moore and Schafer exercise relied upon by

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Footnotes at end of article.

Nathan, however, uses as its standard not a 15 percent rate of return on stockholders' equity by a 15 percent after-tax rate of return on total assets. This figure is almost two and one-half times the average for the comparable rate of return concept in U.S. manufacturing industry over the period in question (6.2 percent between 1966 and 1974).[4]

This special profitability is necessary in the LaRue, Moore and Schafer view because (a) oil development is risky, (b) it is undertaken by small producers, and (c) it is financed out of equity capital.

These characterizations which apply to only part of the industry are not necessarily appropriate to a study purporting to cite average costs for all oil discoveries in the U.S. (less Prudhoe Bay). Each of them, moreover, is only partly true. Initial stages of oil exploration and development have traditionally depended upon a large number of small "wildcat" operators. Much reserve activity is now moving toward expensive sites off-shore and in the Arctic, where a major proportion of financing must come from major integrated petroleum corporations, though the efforts of independent drillers will still play a large part in the expansion of U.S. production.

Yet even in the past major firms, either through their own exploratory efforts or by participating agreements with small operators, have shouldered a substantial share of capital requirements for exploration and development, and as reserves move towards the peak of their productive lives a far greater portion of the benefits and costs of exploiting them shifts to integrated firms. The 15 percent after-tax rate of return posted by LaRue, Moore and Schafer, when applied to the complete amount and duration of investment in oil reserves, would mean that these firms can also expect profitability rates far in excess of standards for the economy as a whole.

Yet these firms, the major oil companies, are large and varied enough in their commitments that the risk premium necessary to attract capital to a small operation is hardly a "minimum" requirement. It is not surprising, therefore, that the average after-tax earnings on investment by petroleum corporations have tended to be almost the same as the average for all manufacturing industry.[5]

Fixing a particular rate of return has, in a discounted cash flow model, a decisive impact on its results. Had the 15 percent standard been used as a pre-tax measure, or after tax earnings set at 10 percent (both assumptions are approximately equal, given the oil industry's tax structure even after partial depletion repeal), the "economic prices" projected would have been reduced 12 to 15 percent for various years; indeed, by this one correction alone, the "economic price" would have stayed below the actual oil price up to the mid-1960's.

Exclusion of the North Slope of Alaska

No economic rationale is advanced for excluding the reserves added on the North Slope of Alaska. The current API reserve figure for the Prudhoe Bay field makes no allowance for future revisions or extensions, ignoring, for example, the billions of barrels of recoverable oil known to exist in the Lisburne and Kuparuk formations, but is nevertheless greater than the sum of all new reserves attributed by LaRue, Moore and Schafer to the years between 1969 and 1974, inclusive. Thus by one unexplained assumption, the report has reduced total reserve additions in the United States by more than one half! While the exploration and development expenses incurred on the North Slope have apparently also been omitted, these were insignificant compared to the expenditures that were included from elsewhere in the United States.

More important, perhaps, the oil and gas reserves contained in Alaska's North Slope are not only immense; they are fuel sources that the oil industry was anxious to tap long before the era of $10 per barrel crude, or the prospect of crude at $12 or more that Nathan now urges. This eagerness itself reveals something of the "economic price" necessary for development in these regions, and it tells something else too. For as the opportunities for profitable North Slope development were perceived, and as these opportunities were converted into corporate commitments, investment funds and interest were drawn away from the traditional fields below the Arctic. Petroleum's financial prospects in Alaska are as relevant to "lower forty-eight" activity as are the figures obtained by LaRue, Moore and Schafer for lower forty-eight development itself.

The Prudhoe Bay discovery is indeed exceptional. We have no way of knowing how many more "supergiant" oil fields—if any—will yet be discovered in Alaska, or elsewhere in the United States or on its Outer Continental Shelf. Yet Nathan makes much of the riskiness of the exploration gamble—whose reward includes for the hope of bonanzas just as its cost includes the fear of failure. Any assessment of the expected responsiveness of oil supply to oil price—and any judgment what price is needed to elicit a given supply—must encompass both ends of the probability spectrum. The exclusion of the Alaskan experience, precisely because of its rich finds at low unit costs, creates a decisive upward bias in the model's results. And it tokens, at the same time, extremely narrow approach to energy matters taken by its authors.

Depletion allowance

Since preparation of the Nathan study, a partial limitation of the depletion allowance has been effected. This change would, other things being equal, require a higher selling price and a greater level of pretax earning to achieve any specified rate of after-tax profitability. But this one "downward bias" in the Nathan scheme is certainly dwarfed by the many and substantial upward tilts contained in its methods. The estimates cited—for the effect of bonus inclusion, underestimation of reserves, excessive rate of return—underscore this point all too clearly for just a few of these biases.

CONCLUSION

The foregoing points have been addressed to those components of the LaRue, Moore and Schafer analysis most critical in shaping Robert R. Nathan's economic price conclusions. Invested capital to be recovered profitably, the revenues attributable to sale of oil, the volume of crude oil on which costs and profits are to be made, and the rate of return at which profitability should be set—each of these elements could under differing but reasonable assumptions result in an "economic price" estimate far closer to historical prices than to Nathan's conclusion. A complete assessment of their effect could require a virtual duplication of the LaRue, Moore and Schafer exercise with different and more appropriate assumptions.

THE USEFULNESS OF HISTORICAL COST ANALYSIS TO DETERMINE FUTURE PRICES

There would seem little purpose in such duplication. For, even if all the inappropriate assumptions identified in this memorandum were modified, we would have to question the whole logic of the LaRue, Moore and Schafer model and the use to which it has been put by Mr. Nathan. Over the long term, the rate of return on investments in crude oil producing facilities is not determined by the price of crude oil.

Whatever is the price of oil, firms will invest in those prospects (and only those prospects) which promise as good or better profits than are available from alternative investment opportunities. Abnormally high profits expected from exceptionally favorable prospects will tend to be appropriated by landowners (including the federal government) in the form of leasehold charges, so that oil producers will tend to be left with about the same average rate of return on their investment as is experienced by other industries. The price of crude oil, therefore, determines not the rate of return but the amount of exploration and ultimately of production that will take place in the course of earning a return competitive with other kinds of business.[6]

Unless we know how much oil is likely to be discovered and ultimately recovered at each level of costs per barrel, and couple this schedule with a statement of how much crude oil we want (at any given price), we cannot meaningfully specify the necessary "economic price" for crude oil.

Because the LaRue, Moore and Schafer model does not address itself to the relationship between the volume of oil that can be discovered and produced at different levels of cost, it would have nothing useful to say about the proper or desirable level of crude oil prices even if it were purged of its economic and accounting fallacies.

The Nathan testimony does not tell us how much domestic oil would be discovered and produced at $12.75 per barrel. Taken at face value, however, his analysis is terribly pessimistic. Cost outlays of almost thirteen dollars per barrel are credited with 1974 reserve additions which were far less than sufficient to maintain current production, much less to meet future growth or reduce imports.

Even if we had confidence that Nathan's 1974 "economic price" were accurate, and that the same outlays would produce the same results in 1975 as they did in 1974, we still would not know the proper price for crude oil. Thirteen dollars per barrel may be the "cost" of so many million barrels per day, but that may not be as much oil as we would like. But how much more oil would $15 or $30 per barrel elicit? We do know that still higher prices would have bid up the value of leases and factors of production whose supply is not readily increased. By doing so, higher oil prices would by themselves further increase the "economic price" as defined by Nathan. We also know that such prices would create immense windfalls for some producers and have serious inflationary and contractionary effects on the general economy. Unfortunately, however, we still cannot predict with much confidence the effect of higher prices on oil discoveries and the Nathan analysis does not advance us along the path to such predictions.

It is very likely that $13 crude oil will not make the United States self-sufficient, or even 75 percent self-sufficient in petroleum by 1985. But how much less self-sufficient would we be if the price of "new" oil were reduced to $10, or $8, or even less? Again, the Nathan analysis is silent. It is not implausible that the loss of production would in fact be negligible compared to the savings to consumers.

Several earlier studies attempted to measure the historical responses of petroleum exploration and production to price fluctuations in the range between $1.50 to $4.00 per barrel which encompassed the prices that prevailed between World War II and the Arab embargo. These analyses cannot, however, easily be extrapolated to prices far outside of these limits. The responsiveness of oil production to price changes above (say) $6 per barrel may indeed be substantial, and it may not.

It is difficult to ignore the fact, however, that industry groups like the NPC and the Independent Petroleum Association of America (IPAA) were only two or three years ago telling us that $4.00 or $5.00 per barrel would

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Footnotes at end of article.

result in an acceptable degree of self-sufficiency. What has really happened in the intervening period? Inflation alone could be expected to raise these figures only into the $5.50 to $7.00 range. Within the range of plausible prices (say $7 to $15), it is not clear whether discoveries are more sensitive to actual prices themselves or to other variables such as OCS leasing policy, the general economic and investment climate, sheer luck, or the stability of industry expectations regarding prices (and taxes).

Mr. Nathan in his Interior Committee testimony has argued that crude oil prices prevailing from the early 1960's up to the cartel's price hikes were insufficient to signal private oil firms into the domestic exploration and development activity necessary to maintain domestic reserves at the levels which we would have (retrospectively) deemed desirable. While respectable opinion agrees with this point a host of other factors influenced the evolution of the domestic oil supply situation during this period. For example:

Substantial oil industry exploration and development activity took place overseas, with the aim of exploiting the lowest cost prospects. This activity received substantial government encouragement, including, but not limited to, generous tax incentives. The prospects developed were dominated by super-giant oil fields in foreign countries, and this fact contributed substantially to an increased American dependence on these sources of supply.

Leasing on the Outer Continental Shelf proceeded at a snail's pace both because of a desire on the part of the Federal Government to maximize lease bonus revenue per acre and because of opposition from some coastal states and onshore producer interests.

State prorationing, assisted by the Mandatory Oil Import Program, stabilized prices (albeit at levels above the then current world market prices) and obscured the signals of declining domestic oil availability until Texas and Louisiana fields reached nearly 100 percent of their effective producing capacity in 1972–1973.

The U.S. regulatory system left domestic producers, consumers and the government alike unaware of growing deficiency in domestic supply until it created spot shortages in 1973 and more importantly left the U.S. vulnerable as it had never been before to the cutoff of Arab oil.

These observations tell us part of the story that led to the current oil supply problems of the U.S., but neither they nor the accounting exercise carried out by LaRue, Moore and Schafer and interpreted for us by Mr. Nathan, offers a concrete program for the future.

We are left, that is, where we were before: with an understanding that elements in Federal energy policy—including prices, import quotas, tax treatment, environmental regulation, and leasing procedures—all contributed to the creation of our immediate oil problem, but with no clear guide to the equitable and efficient correction of these past mistakes.

FOOTNOTES

[1] Crude oil cost estimates based upon historical data. The Foster Associates Report, "The Role of Petroleum and Natural Gas from the Outer Continental Shelf in the National Supply of Petroleum and Natural Gas" (Washington: U.S. Government Printing Office, 1970) shows estimated "current costs" of new hydrocarbon supplies from 1957–67 data. "By 'current cost' (was) meant the cost which may reasonably be anticipated in the near-term future in the absence of significant changes in discovery rates or other factors influencing unit costs. The essence of the measurement of current cost is to estimate two categories of costs—those of (1) finding and (2) producing the reserves." The cost estimates for oil reservoirs are shown below:

	Gulf of Mexico	Onshore Southern Louisiana	Other Continental U.S.
Finding costs	$1.30-1.35	$1.19	$1.01
Other costs	.63	.91	.84
Total	1.93-1.98	2.20	1.85

These figures include lease acquisition exquisition expenses and dry hole costs, but do not include a return to capital, royalties or income tax. The study used a discounted cash flow (DCF) model to determine the overall rate of return from crude oil at the prices prevailing at the time. Investment in oil reservoirs earned a DCF rate of return (on total investment) of 5.0 to 6.4 percent, and a return to book capital of 7.2 to 11.9 percent (see fotnotes 4 and 5 for a discussion of competitive rates of return).

In 1970 the Bureau of Mines analyzed seven fields selected at random in the Gulf of Mexico by the DCF method. The total cost of crude oil, excluding dry hole costs other than on the particular lease block, and profits, but including lease bonuses, royalties and income taxes, ranged from $1.45 per barrel to $2.56. Profit per barrel based upon prevailing prices (1970) ranged from .32 cents to $1.31, for a DCF rate of return varying from 1.1 percent to 19.5 percent. (Bureau of Mines Information Circular No. 8557, 1972).

[2] Recent estimates of the "economic price" or cost of new crude oil.

Judgments regarding oil prices in the National Petroleum Council's (NPC's) Energy Outlook study, the Federal Energy Administration's (FEA's) Project Independence Report and the Massachusetts Institute of Technology's (M.I.T.'s) Economic Evaluation of Project Independence are all based upon a balance sheet type approaches similar in one key regard to that of LaRue, Shafer and Moore. Neither the NPC nor FEA model uses an economic model that takes account of the fact that costs per barrel (both incremental and average) would in fact vary greatly, depending upon the levels of production. Both aproaches project an average cost of crude oil per barrel for a particular assumed level of production. The FEA and MIT reports start from such a single point, balance sheet-type estimate of average prices, and adjust it with a price elasticity of supply coefficient (the ratio between the percentage change in output and the percentage change in price) in order to project the daily rate of production at different price levels.

The NPC, FEA and MIT prices purportedly refer to the average cost of all future production from both present and future reserves as seen from a given future production year. The Nathan figures, on the contrary, refer to all production from reservoirs discovered in each particular year in the recent past, as seen from that year. None of these concepts is necessarily equivalent either to the price industry must receive today, or to the price industry must expect to receive in some future year to assume a specified level of production in that year.

Nation's concept of "economic price" purportedly refers to a cost for discovery and producing new reserves actually added in a particular year, and not necessarily to the cost for the reserves we would have desired to have added and produced. In order to compare his estimates with those in other studies that posit different levels of production, the prices which are in principle most comparable to Nathan's are those that result in the similar levels of production to those which actually occurred (in 1974, for example).

In FEA's "business as usual" (BAU) scenario, $7 per barrel (in 1973 dollars) is a "minimum acceptable price" that would result in production increases for domestic petroleum liquids of 6 and 10 percent over 1974, in 1980 and 1985 respectively. In the "accelerated development" scenario (where the critical changes are expanded leasing, authority to develop Naval Petroleum Reserve No. 4, and deregulation of new natural gas), the "minimum acceptable price" necessary to maintain current production is less than $4 per barrel (in 1973 dollars)! Four dollars would, according to the projection, generate an increase in production over 1974 of 6 and 13 percent in 1980 and 1985 respectively. (Project Independence Report, November 1974, p. 81)

FEA's 1980 and 1985 production estimates (11.1 to 11.9 million barrels per day) of $4 and $7 per barrel are not likely to be regarded as an acceptable degree of energy self-sufficiency. On that basis, the desirable price level is of course higher than $4 or $7. But a strict reading of the LaRue, Moore and Schafer analysis does not show a claim that $12.73 (in 1974 dollars, we assume) is the proper price for crude oil, but that it was the "economic price" (cost) of the discoveries actually made in 1974. (Nathan, however, attempts to convey this inference.) Because these additions were clearly insufficient to replace 1974 consumption, the study's figures imply that any desired increase in discoveries would require an even higher price than $12.73 over the life of any new crude oil reserves added in the future.

The NPC in its 1973 study of oil availability (reflecting work begun in 1971) gave the price figures in the left column of the following table. The figures in the right column show the NPC estimates, updated to current prices by use of the GNP deflator. (The years after 1975 are in constant 1975 dollars.)

Unit revenue required

	(1970 dollars)	*(current dollars)*
1971	$3.22	$3.37
1972	3.31	3.58
1973	3.37	3.85
1974	3.49	4.39
1975	3.65	5.14
1980	4.90	6.90
1985	6.69	9.42

The NPC "required price" figures are for all oil, and are therefore a weighted average of "old" and "new" oil, rather than oil from reserves discovered only in the particular year (as in the case of Nathan's study). They can, however, be further adjusted to separate out a "required price" for new oil, which would be comparable to the Nathan figure. Assuming that the price of "old" oil including "old" stripper well oil and presently "released" oil from old wells, were frozen at $5.25 that the production of old oil declined at 10 percent per year, and that total production remained unchanged over time, the required price for new oil would have been less than $5.25 per barrel in current prices for each year through 1975; for 1980 it would be $8.14 per barrel, and for 1985, $10.81 (both in 1975 dollars).

M.I.T.'s report (Energy Self-Sufficiency: An Economic Evaluation, May 1974) implies that the cost of "new" oil to maintain the volumes that have actually been produced in recent years is in the vicinity of $7.00 per barrel (1974 dollars). That price, according to the Erickson-Spann model, would result in 1980 crude oil production of 8.4 million barrels per day; an MIT natural gas supply model predicts 2.1 million barrels per day of natural gas liquids at this price, for a total of 10.5 million barrels per day—just about the 1974 average for domestic production. Here again, "only" 10.5 million barrels per day of domestic production would generally be regarded as inadequate because it implies a continuing growth of oil imports. The MIT report suggests that, for total energy self-sufficiency, however, ". . . the price needed to bring in 13 million barrels per day in 1980 . . . must be far higher than the $5.64 estimated by the NPC. We might suppose that to double the 1972–73 performance (in terms of reserve additions) would require tripling the price . . . to $12.90 in 1973 dollars." (emphasis added). The similarity here to the Nathan figure is purely coincidental—because the MIT study implies that $12.90 per barrel will result in the future in twice the discoveries which that price, according to Nathan, would have supported in 1974. The point of the foregoing is not that the projections of FEA, NPC or MIT are correct, or even better than Nathan's, but to illustrate the substantial divergence of his numbers over those recently produced by other authorities, given similar assumptions about the level of production.

[3] Real or Nominal Rates of Return.

Nathan's study did not explicitly designate this rate either as a "real" rate of return—i.e., one that removes the overstatement of inflation—or simply a nominal one expressed in current dollars. If it is supposed to be a "real" return, its profitability target would be all the more excessive. Fifteen percent per annum is about five times the real return on secure investments such as mortgaged property and the AAA debentures by which major oil firms themselves borrow money. Yet if it is to be merely a nominal return it makes no sense to compare the model's "economic price" to the then prevailing crude oil price—investors would expect this latter price to rise with inflation, assuring them of the required nominal rate of return, and cancelling the whole logic of Nathan's approach.

[4] Rate of Return Standards.

The table below shows some rate of return indicators for all U.S. manufacturing industry. None of these book rate of return concepts corresponds exactly to a DCF rate of return; for relatively capital-intensive industries, and in inflationary periods generally book rates of return will tend to exceed DCF rates of return. (In the Foster Associates study cited previously, book rates of return exceeded DCF rates of return by 2.2 to 5.5 percentage points.) The implication is that the DCF rate of return required by the petroleum industry to be competitive in capital markets would be substantially less than those shown in the table.

	Return before taxes		Return after taxes—income as percentage of stockholder equity		
	Income as percentage of stockholder equity (FTC mean)	Total return on total assets [1]	FTC mean	Fortune 500 median	Total return on total assets [2]
1966	22.4	7.5	13.4	12.7	5.5
1967	19.3	7.1	11.7	11.3	5.5
1968	20.8	7.5	12.0	11.7	5.5
1969	20.0	7.9	11.4	11.3	6.1
1970	15.6	7.6	9.3	9.5	6.1
1971	16.4	6.9	9.7	9.1	5.3
1972	18.4	7.7	10.6	10.3	5.4
1973	21.7	9.4	12.8	12.4	7.2
1974	[3] 24.7	11.4	[3] 15.5	13.6	9.2
Average [4]	19.9	8.1	11.8	11.3	6.2

[1] (Income after taxes, Fortune 500, times (income before taxes divided by income after taxes, FTC) plus (net indebtedness, Fortune 500 times the prime commercial rate)) divided by total assets, Fortune 500.

[2] (Income after taxes, plus (net indebtedness, times the prime commercial rate)) divided by total assets, all from Fortune 500.

[3] 1st 3 quarters.

[4] From geometric mean of (1+r).

Even with this qualification, none of these rate of return measures is uniquely appropriate to the kind of balance sheet analysis used by LaRue, Moore and Schafer. The most nearly appropriate concept and the one most useful in evaluating the profitability of investments within a firm is probably total pretax returns against total assets, while the outside investor is interested in after tax returns to stockholder equity. The average 1966–1974 figures for the two measures in U.S. manufacturing were 8.1 percent and 11.3–11.8 percent respectively (depending upon the source). LaRue, Moore and Schafer's standard of 15 percent, however, is for after tax total returns (profits and interest) against total assets. This figure in 1966–74 averaged only 6.2 percent for all U.S. manufacturing. (Even this figure contains an upward bias, because we were not able to measure the cost of debt directly. Using the current prime rate as a proxy for the cost of borrowed capital, as we did here, exaggerates this cost in a period of rising interest rates.)

[5] Comparison of Rate of Return in Petroleum and Other Industries.

The average after-tax rate of return on stockholders' equity of the "petroleum refining sector of the Fortune 500 (which contains the major integrated oil companies including their producing operations) was almost identical with that for the 500 as a whole (11.4 and 11.3 percent respectively). The following table shows the figures for individual years:

Median rate of return on stockholder's equity

	(1)	(2)
1965	10.4	13.6
1966	12.3	12.4
1967	11.2	10.3
1968	11.8	9.1
1969	10.5	9.5
1970	10.3	11.3
1971	9.0	11.7
1972	9.4	11.3
1973	13.4	12.7
1974	16.8	11.8
Average*	11.4	11.3

*From geometric mean of (1+r)

[1] Petroleum refining.

[2] All manufacturing.

The 1974 Fortune 500 contained 29 oil companies. According to the 1973 Annual Survey of Oil and Gas (U.S. Department of Commerce, Bureau of the Census) the top 25 companies (in terms of oil and gas lease revenues) made 42 percent of the total U.S. expenditures on exploratory dry holes, 65 percent of total exploration expenditures, 62 percent of development expenditures, and produced 78 percent of the crude petroleum and condensate.

[6] *"Costs" are Determined by Industry Expectations in Certain Models.*

The circular logic of balance-sheet-type cost analyses like that of the NPC or LaRue, Moore and Schafer, has a curious implication: to the extent that such an analysis correctly specifies (1) the timing and cost of past reserve additions (or the probability of future exploratory success) and (2) the expected rate of return necessary to justify investment, they will produce an "economic price" just about equal to the price industry expects to prevail. This is because the industry will undertake only those exploration ventures that look profitable at the expected price—and moreover, will bid up price-inelastic elements of costs (including lease bonuses and, recently, rig-time and certain drilling supplies) to a level that tends to absorb any expected "excess" profits above a competitive rate of return.

Because of unforseen developments (OPEC's price increases, changes in regulatory policies, etc., exceptional exploratory luck, etc.), price expectations and cost realities will diverge one direction or another in individual years. But on the whole, the cost or "economic price" projections of such analyses as the NPC or Nathan should tend to track industry price expectations rather closely. That fact that the Nathan analysis consistently results in "economic prices" higher than those that were anticipated by the industry (as well as higher than current prices) actually indicates more about the upward bias of its assumptions than it does about the appropriateness of the prices that actually prevailed.

Mr. JACKSON. Mr. President, the distinguished junior Senator from Ohio (Mr. GLENN) has given to the Senate an excellent summary of the major provisions of the bill, and I will not reiterate those.

THE ISSUE OF PETROLEUM PRICING

The energy policy issue now before the Congress is very clear: it is a question of who controls the price and supply of energy in the United States, and with that, the health and future of our economy. Mr. President, H.R. 4035 deals directly with that question.

Over the past 2 weeks we have seen a graphic example of what happens when the oversight of the oil industry is left to the Ford administration. Throughout the spring gasoline supplies dropped, and just before the July 4 weekend, gasoline prices were sharply and nearly simultaneously increased. The result was a classic consumer rip-off at the gasoline pump.

This ought to be an object lesson for the Congress and the American people. It is a prime example of the energy future which the Ford administration and the oil companies have planned for us.

It is, and has been, the explicit policy of the Ford administration to remove—as soon as it can—all effective Federal control from the oil industry and from energy prices. The Congress is the only obstacle to this plan, and the confrontation is set for this month.

THE PRESIDENT'S "COMPROMISE"

On Monday the President announced he will offer a 30-month plan for decontrol of oil prices later this week. This "offer" was accompanied by a threat of immediate and total price decontrol on August 31 unless the Congress caves in and accepts his so-called "compromise."

This "choice" is no choice at all. The President's "compromise" is not a compromise at all.

In January the President presented a ruinous policy of immediate price decontrol. In April he proposed a phased 2-year price decontrol policy. Now he has proposed a 2½-year decontrol policy.

The basic policy, however, has not changed. The substance is the same. The impact on the consumer is the same. All that has changed is the timing.

Someone should inform the President that the debate over his policy of price decontrol has nothing to do with "timing."

What is at issue here is the substance and content of the policy, not its timing. Is it a wise policy? Does it make any sense? Whom will it benefit? Whom will it hurt? Will it save energy? Will it lead to increased production and at what cost?

These are the issues. This is where the

attention of the Congress has been and will continue to be focused. And passage of H.R. 4035, Mr. President, will assure that the Congress can perform its constitutional role in resolving these critical questions on a sound and equitable basis.

The line which the Ford administration has been handing the American people and the Congress is false. This line has been given credence only because it has been repeated so often.

There is no reason to accept total and absolute price decontrol of the energy industry—immediate decontrol, decontrol over 2 years or decontrol over 3 years. None of these proposals will significantly:

Increase domestic oil supplies;

Reduce oil imports; or

Reduce gasoline requirements.

All of these proposals will, however, substantially:

Increase gasoline prices;

Increase electric utility bills;

Increase inflation and unemployment; and

Further enrich a handful of major oil companies whose profits are already far in excess of their ability to invest in domestic production.

According to the President, his proposal is a reasonable compromise. Reasonable for whom? A compromise in what sense?

It is not reasonable for American consumers who will pay billions more for energy each year. It is not reasonable for the unemployed, small businessmen and others whose well-being depends on a sharp upturn in the economy. Nor is it a compromise with those in Congress who for months have understood that our energy problem cannot be solved by simple reliance on the price mechanism, but instead demands the kind of far-reaching legislation this administration continues to thwart: mandatory conservation and automobile efficiency standards, and programs to mobilize domestic energy production which are consistent with national environmental goals.

PREREQUISITES FOR TRUE COMPROMISE

For 6 months, the President has confined energy policy debate to the question of price. His decontrol proposal—far from being a compromise—indicates continued intransigence on the issue of formulating a rational and acceptable national energy policy which will not jeopardize economic growth and price stability.

There is a need for rational debate and for compromise on the complex and difficult issues of national energy policy. But the parameters of the debate and the compromise have to embrace more than the simplistic "ration by price" proposals advanced by the Ford administration. Adoption of H.R. 4035, Mr. President, will facilitate the kind of debate necessary for true compromise.

The subject of debate must include realistic alternatives to the Ford administration's policy of massive price increases for the consumer and massive profits for the oil industry.

There are many reasonable, realistic and responsible alternatives to the inept and irresponsible policy the Ford administration has advanced.

Congress has acted on many of these measures and will act on more in the next few weeks.

Mr. President, I ask unanimous consent that a status report on congressional action on major energy legislation be printed in the RECORD at the conclusion of my remarks, together with a list of the energy legislation the Senate leadership has scheduled for action this month.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. JACKSON. Mr. President, if President Ford wants to demonstrate good faith and some degree of concern for the economy and the consumer he should sign H.R. 4035, the Petroleum Pricing Review Act.

This will lay the groundwork for a process of national debate and dialogue between the Congress and the administration on a broad range of energy policy options.

Mr. President, I reserve the remainder of my time.

EXHIBIT 1

SELECTED ENERGY RELATED LEGISLATION IN THE 94TH CONG.

Goal and task bill number, title	House report, date	House date passed	Senate report, date	Senate date passed	Public Law date signed
I. REDUCE DEPENDENCE ON FOREIGN OIL					
H.R. 1767—Suspend President's authority to impose oil import fees for 90 days.	94-1, Jan. 30, 1975 (referred by Ways and Means Mar. 11, 1975).	Feb. 6, 1975	94-11 Feb. 19, 1975	Feb. 19, 1975	Vetoed Mar. 4, 1975.
S.J. Res. 12—Prohibit oil import tariffs, fees, quotas for 50 days.			On calendar Feb. 20, 1975		
H.R. 6860—Energy Conservation (H.R. 5005) and Conversion Act (establish oil import quotas title I).	94-221, May 15, 1975	June 19, 1975			
H.R. Res. 505—Rule for debate on 6860	94-255, June 3, 1975				
II. PROTECT AGAINST DISRUPTION IN OIL IMPORTS					
S. 622—Standby energy authorities	Referred by Interstate and Foreign Commerce, Apr. 15, 1975.		94-26, Mar. 5, 1975	Apr. 10, 1975	
S.J. Res. 48—Defense Production Act 1950, extended until Dec. 31, 1975.		Mar. 10, 1975		Mar. 6, 1975	Public Law 94-9, Mar. 21, 1975.
H.R. 7014—Energy Conservation and Oil Policy Act (titles II, III, IV).	Clean bill, introduced May 15, 1975; reported June 24, 1975.				
H.R. 5919—Establishes national strategic petroleum reserve (military).	94-156, Apr. 18, 1975				
H.R. 49—Develop petroleum reserves on public lands.	94-81—pt. 1, Mar. 18, 1975; Apr. 18, 1975, pt. II; Apr. 22, 1975, pt. III.				
H. Res. 416—Rule for considering H.R. 49 and 5919.	94-167, Apr. 22, 1975				
S. 677—Establish national strategic petroleum reserves.			94-260, June 26, 1975		
S. 1849—Extend Emergency Petroleum Allocation Act to Mar. 1, 1976.			94-220, June 23, 1975		
III. RESTRAIN AND RESHAPE ENERGY DEMAND					
H.R. 4485—Emergency Middle Income Housing Act (included building conservation as title III, dropped in conference report).	94-64, Mar. 14, 1975; C94-246, May 22, 1975.	Mar. 21, 1975; June 5, 1975 sustained June	94-86, Apr. 18, 1975; C94-161, May 22, 1975.	Apr. 24, 1975, June 11, 1975.	Vetoed, June 24, 1975
H.R. 7014—Energy Conservation and Oil Policy Act (titles IV, V).	Clean bill, introduced May 15, 1975; reported June 24, 1975.				
H.R. 6860—Energy Conservation and Conversion Act (titles II, III, V).	94-221, May 15, 1975	June 19, 1975			
S. 622—Standby energy authorities (title II) energy conservation policy.	Referred by Interstate and Foreign Commerce, Apr. 15, 1975.		94-26, Mar. 5, 1975	Apr. 10, 1975	
S. 1730—Rail Transportation System, provide funds to repair.			94-134, May 13, 1975	May 16, 1975	
S. 281, H.R. 2051—Regional Rail Reorganization Act amended 1975.	94-7, Feb. 19, 1975	Feb. 19, 1975	94-5, Jan. 27, 1975	Jan. 29, 1975	Public Law 94-5, Feb. 28, 1975.
S. 852 H.R. 4975 Amtrak Improvement Act, supp. funds for fiscal years 1975-77.	94-119, Mar. 26, 1975	Apr. 24, 1975	94-65, Apr. 9, 1975	May 13, 1975	Public Law 94-25, May 25, 1975.
H.R. 4481—Emergency employment appropriations (included $700,000,000 for railroad track repair, but deleted in final bill).	94-52, Mar. 7, 1975; C94-201, May 12, 1975.	Mar. 12, 1975; May 14, 1975; sustained June 4, 1975.	94-91, Apr. 22, 1975	Apr. 25, 1975, May 16, 1975.	Vetoed May 28, 1975
S. 1777—National Petroleum and Natural Gas Conservation and Coal Substitution Act.				Nearing markup	

EXHIBIT I—Continued

SELECTED ENERGY RELATED LEGISLATION IN THE 94TH CONGRESS—Continued

Goal and task bill number, title	House report, date	House date passed	Senate report, date	Senate date passed	Public Law date signed
III. RESTRAIN AND RESHAPE DEMAND—Con.					
H.R. 5899—Supplemental appropriations fiscal year 1975 (included $700,000,000 for railroad track repair, but deleted in final bill).	94-141, Apr. 10, 1975, C94-23	Apr. 15, 1975, June 9, 1975.	94-137, May 14, 1975	May 20, 1975, June 11, 1975.	Public Law 94-32, June 12, 1975.
S. 1518—Motor Vehicle Information and Cost Savings Act.			94-155, May 22, 1975	June 5, 1975	
S. 349—Truth in Energy Act of 1975			94-253, June 24, 1975		
S. 1883—Auto Fuel Economy Act of 1975			94-179, June 5, 1975		
S. Res. 59—Energy conservation month				Feb. 5, 1975	
IV. INCREASE DOMESTIC ENERGY SUPPLIES (INCLUDING ENERGY MANAGEMENT AND PRICING ISSUES)					
S. 71 H.R. 25—Strip Mining Control and Reclamation Act.	94-45, Mar. 6, 1975; C94-189, May 2, 1975.	Mar. 18, 1975; May 7, 1975; sustained June 10, 1975.	94-28 (S. 7), Mar. 5, 1975; 94-101, May 2, 1975.	Mar. 12, 1975, Mar. 20, 1975, May 5, 1975.	Vetoed May 20, 1975.
H.R. 7014—Energy Conservation and Oil Policy Act (titles III and IV, oil price deregulation and conversion to other fuels).	94- , June 24, 1975				
S. 692—Natural Gas Production and Conservation Act of 1975.			94-191, June 12, 1975		
S. 621—Petroleum price increase limitation (sets ceiling for oil except "old" oil at Jan. 3, 1975 price, C. $11-$12 per barrel).			94-32, Mar. 7, 1975	May 1, 1975	
S. 622—Standby energy authorities (title I, increase ceiling on "old" oil produced by secondary, tertiary recovery and title III, conservation to other fuels).	Referred by Interstate and Foreign Commerce, Apr. 15, 1975.		94-26, Mar. 5, 1975	Apr. 10, 1975	
H.R. 4035 H. Res. 351—Provide congressional review of Presidential decisions removing control on oil products.	94-65, Mar. 14, 1975	June 5, 1975		Substituted S. 621, June 11, 1975.	
H.R. 6860—Energy Conservation and Conversion Act (title IV, energy trust fund).	94-221, May 15, 1975	June 19, 1975			
H.R. 2166—Tax Reduction Act (includes increase in investment tax credit including public utilities, repeal of oil and gas depletion allowance and changes in foreign tax credits from foreign extraction).	94-19, Feb. 25, 1975; C94-20, Mar. 26, 1975.	Feb. 27, 1975, Mar. 26, 1975.	94-36, Mar. 17, 1975	Mar. 22, 1975, Mar. 26, 1975.	Public Law 94-12, Mar. 29, 1975.
H. Con Res. 218—1st concurrent resolution on the budget, fiscal year 1976: Natural resources, environment and energy outlays assumed, $11,600,000,000.	4-145, Apr. Apr. 15, 1975; 94-198, May 9, 1975.	May 1, 1975, May 14, 1975.	94-113	May 5, 1975	
S. 994/H.R. 4224—Supplemental funds for improved nuclear safety measures, Nuclear Regulatory Commission, $50,200,000.	94-100, Mar. 20, 1975	Apr. 10, 1975	94-50, Mar. 20, 1975	Mar. 24, 1975	Public Law 94-100, Apr. 25, 1975.
H. Res. 412—Create a Select Committee on the Outer Continental Shelf.		Apr. 22, 1975			
H. Res. 427—Funding for study of OCS by select committee.	94-231, May 20, 1975	May 22, 1975			
S. 521—Outer Continental Shelf development			Ready for markup		
H. Res. 439—Disapproving proposed action by President to remove existing price controls relating to crude oil.	Approved, Interior Committee, May 14, 1975.				
S. 834—Amend the Mineral Leasing Act of 1920 to enable States to use funds from development of oil shale for purposes other than public roads and schools.			94-85, Apr. 18, 1975	Apr. 22, 1975	
S. 323—Protect franchised dealers in petroleum products.			94-120, May 13, 1975	June 20, 1975	
H.R. 3774/S. 598—Authorize ERDA appropriations for fiscal year 1976.	94-294, June 13, 1975	June 20, 1975	94-104, June 5, 1975		
S. 1716/H.R. 7001—Nuclear Regulation Commission, 1976.	94-260, June 4, 1975	do	94-174, June 17, 1975		
H.R. 8122—Fiscal year 1976 appropriations, public works for water and power development and energy research.	94-319, June 20, 1975	June 24, 1975			
S. 740—National Energy Production Board			Nearing markup		
S. Con. Res. 13/H. Con. Res. 115—Congressional approval of distribution of special nuclear material to International AEC.		Mar. 17, 1975		94-8, Feb. 13, 1975	Feb. 19, 1975.
S. Con. Res. 14/H. Con. Res. 116—Congressional approval of distribution of special nuclear material to Euratom.		do		94-9, Feb. 13, 1975	Do.
S. Con. Res. 15/H. Con. Res. 114—Congressional approval to extend on existing atomic energy agreement between the U.S. and Israel.		Mar. 11, 1975		94-10, Feb. 13, 1975	Do.

ENERGY MEASURES SCHEDULED FOR SENATE ACTION IN JULY

1. Conference Report on H.R. 4035 (S. 621)
2. The Petroleum Allocation Act extension, S. 1849
3. The Fuel Efficiency for Automobiles measures, S. 1883
4. The Outer Continental Shelf Act, S. 521
5. Naval Petroleum Reserves
6. Coal Leasing and Coal Conversion Legislation, S. 391
7. ERDA Annual Authorization, S. 598
8. The Energy Production Board, S. 740
9. Reregulation of Natural Gas, S. 692

Mr. President, I ask unanimous consent that the testimony of Charles Schultze before the Joint Economic Committee of July 14, 1975, be printed in the RECORD.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

A NEW OIL CRISIS?

(Testimony of Charles L. Schultze* before the Joint Economic Committee of the U.S. Congress, Monday, July 14, 1975.)

Mr. Chairman and Members of the Committee: It is difficult to select temperate language in discussing the problems which developments in oil pricing now pose for the American economy. Unless large scale fiscal and monetary measures are undertaken to offset the effects on consumer purchasing power of the changes in oil prices that now appear likely to occur, a disastrous blow will be struck at the economy. The gathering forces of recovery from the deepest recession in 30 years will be aborted. The nation will be condemned to many more years of exceedingly high unemployment and lowered living standards. Yet I see no signs of any effort on the part of either the Administration or the Congress to begin designing the necessary fiscal actions to prevent these consequences.

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*The views presented in this testimony are those of the author and not necessarily those of the officers, trustees, or other staff members of the Brookings Institution.

If anyone came before the Congress and urged the adoption of a tax increase designed to siphon off some $25 to $45 billion a year in consumer income, even the most conservative and dedicated budget-balancer would find the proposal ludicrous. And yet that kind of drain on consumer purchasing power is exactly what is threatened by the developing pattern of oil price increases that I shall outline in a moment.

The recession which this nation, and the rest of the industrial world, is now suffering was partly caused by last year's oil price increases. The sudden runup in oil prices drained some $35 billion in purchasing power from American consumers. As a consequence they had that much less to spend on buying other goods and services. The proceeds of this "oil excise tax" went principally to two groups of recipients—the OPEC countries and the domestic oil companies. While OPEC purchases from us and investments by domestic oil companies did increase, these increases were only a small fraction of the increased oil receipts. For that reason jobs and output lost in the consumer goods industries were not replaced by new jobs and output in industries producing goods for export and investment. With hindsight it is clear that early last year, stimulative fiscal and monetary measures should have been taken to restore the purchasing power lost to the "oil excise tax," in order to prevent its recessionary consequences. My colleague George Perry has recently estimated that failure to do so was responsible for perhaps one-third of the increased unemployment we have experienced in this recession—a matter of some 1½ million jobs.

History may judge lightly last year's failure—it was after all a novel situation. But it will surely judge harshly a President and a Congress who, with benefit of immediately past experience, make exactly the same mistake again—at the expense of one million or more unemployed citizens.

THE FUTURE COURSE OF OIL PRICES

Between the fall of 1973 and January 1975 the average price of crude oil in the United States rose from $4 a barrel to about $9.50 a barrel. As you know, the domestic price of oil is an average of three different prices. About 40 percent is old oil subject to control and selling at $5.25. Another 40 percent imported oil (both crude and refined) selling in January at about $12.50 a barrel. And about 20 percent is domestic new oil, exempt from price controls and selling at a price about $1 less than imported oil.

In February the President imposed a $1 fee on imported oil and in June another $1 was added. The price of imports and the price of new oil are adjusting upward by the amount of those fees.

The President has also proposed to decontrol old oil over a two year period. Old oil prices would move up to equality with new oil. With a $2 import fee on top of the world oil price, the average price paid for crude oil in the United States would rise to about $13.50 or $14.00 over a two year period. The law under which the price of old oil is controlled expires on August 31. Continued control depends on enacting a new law. The President's demonstrated ability to sustain a veto probably gives him the power to negotiate a compromise extension bill very nearly meeting his own objectives—say gradual decontrol over three years instead of the proposed two years.

Finally the OPEC nations have given every indication that they will raise the price of oil this September. No one can now predict the size of that increase. But, barring unexpected problems among the members of OPEC, a rise of two dollars is by no means out of the question. Such an increase in OPEC prices, under a regime of decontrolled oil prices in the United States, would result in a further rise in all U.S. crude oil prices, to an average of $15.50 or $16.00.

When oil prices rise the price of competitive fuels—coal and natural gas—also increase. About half of natural gas sales are in the uncontrolled intra-state market. Even if natural gas prices were not deregulated, the price of the unregulated one-half would gradually rise, as old contracts expire or are renegotiated. A similar phenomenon would occur in the case of coal. Altogether energy prices across the board would increase sharply and steadily for several years.

THE IMPACT OF ENERGY PRICE INCREASES

I have calculated the increased costs to all buyers of energy in the United States, of the following price increases:

1. The President's $1.00 increase in import fees imposed on June 1. (The January import fee is treated as "water over the dam," and its effects are assumed to have been taken into account in the economic forecasts underlying the 1st Concurrent Budget Resolution.)
2. A three year phased decontrol of old oil prices beginning in the early fall of this year.
3. A $2.00 increase in world oil prices imposed by OPEC, to take effect on October 1 of this year.

The price of unregulated natural gas is assumed to move up on line with increases in the average price of domestic oil, but only gradually as intra-state sales contracts are revised upward over a two-year period. Similar assumptions are made about coal prices, except that a three year period is allowed for the rollover of existing contracts. Increases in raw fuel prices are assumed to be passed on to consumers and other final buyers of products using energy, on a straight dollars and cents pass through with no percentage markups. The pass through takes place not instantaneously, but over a relatively short period of time.

Table 1 presents the estimated additional energy costs, by half years through 1977. The allocation of costs to consumers is also shown. (The remainder is paid by federal, state, and local governments, and by those buying export and investment goods.)

ESTIMATED INCREASES IN ENERGY COSTS
1975–77

[Billions of dollars; annual rates]

Source of increase	1975	1976		1977	
	II	I	II	I	II
$1 import fee	2.8	3.5	4.4	4.8	5.3
3 yr decontrol of old oil	1.7	4.9	8.5	12.6	17.7
$2 OPEC price increase	2.3	7.1	11.8	13.3	15.4
Total	6.8	15.5	23.7	30.7	38.4
Allocated to consumers	5.4	12.4	19.0	24.6	30.7

As you can see the total costs rise steeply, to $24 billion a year from now, and to $38 billion in the second half of 1977. Further increases would occur in 1978.

If decontrol occurred over a two year period, as the President has proposed, the costs would rise even faster to a total of $45 billion by the end of 1977.

	1975	1976		1977	
	II	I	II	I	I
Total costs	7.7	18.0	27.9	37.0	44.9
Allocated to consumers	6.5	15.3	23.7	31.5	38.2

What are the major routes by which these additional costs would affect the economy, and how large would those effects be? In the first place, just as in 1974, a very substantial amount of purchasing power would be drained away from consumers. The amounts would be huge compared, for example, with the increase in consumer income made possible by an extension of the 1975 personal tax cut:

	1976		1977	
	I	II	I	II
Loss to higher oil prices [1]	−12.4	−19.0	−24.6	−30.7
Gains from extending tax cut	+10.5	+9.5	+10.5	+10.5
Net loss	−1.9	−9.5	−14.6	−20.2

[1] Assumes 3-yr decontrol scenario.

Even as early as the first quarter of next year the oil loss would more than wipe out the tax cut, and by the second half of 1977 would be three times as large.

While some modest increase in exports to OPEC nations would ultimately occur on account of the higher price, and domestic energy investment might increase above its present path, there would be little offset from these factors in the next several years, given the very large increase in receipts already experienced by foreign and domestic energy producers. As a consequence consumer purchases would fall sharply, and would not be significantly offset by higher sales in the export or investment goods industries. In addition, state and local governments would be faced with higher energy costs. I have assumed, for purposes of making my estimates, that one-third of the additional state and local costs would be met by cutbacks in existing expenditures, one-third by tax increases, and one-third by borrowing. The cuts in state and local expenditures and the increases in taxes would give a further downward shock to the economy. Even before taking into account any problems for the money and credit markets created by higher energy prices, these developments could result in a rise in unemployment, compared to where it might otherwise be, of 0.4 percent by a year from now and 0.9 percent by the second half of 1977. Some $45 billion of national output would be lost and an additional 900 thousand people added to the unemployment rolls by end of 1977. And the losses would still be growing.

The story doesn't stop here, however. The rise in energy prices will also increase the consumer index. The direct effect of energy price increases should raise consumer prices some 2 percent by the end of 1976 and 3 percent by the end of 1977. Higher consumer prices in turn will influence wage bargains and further drive up wages and prices. Given the high rate of unemployment the wage effect of the initial price increases may be quite moderate. But using very conservative assumptions about wage reactions the overall consumer price rise induced by the increase in oil prices should be some 3.6 percent by the end of 1977 and exceed 4 percent not long thereafter.

Higher prices for energy raise the need for working cash balances. The overall price level in the economy is higher and as a consequence additional money supplies are required in order to prevent the added demand for cash balances from increasing interest rates. Very roughly, under the developments outlined above the money supply would have to grow for the next several years by 2 percent a year more than would otherwise be the case. If the Federal Reserve does not recognize this fact—as it did not in 1974—an additional depressing element would be felt throughout the economy. While I cannot quantify the results, it is clear that the extra unemployment occasioned by higher oil prices would lie between 1 and 1½ percent by late 1977.

In the absence of a sharp increase in energy prices and given an extension of the 1975 tax cut for the next several years, I think it likely that the economy would experience a significant, even if somewhat less than desirable, recovery over the next two years. The average annual rate of growth in real GNP might have been 6½ to 7½ percent. By the end of 1977 the unemployment rate could have fallen to somewhere between 6½ and 7 percent. As I indicated, my own view is that this rate of recovery would be somewhat less than desirable, and even in the absence of an oil price increase a fiscal stimulus might have been required modestly larger than a mere extension of the 1975 tax cut.

Given an oil price scenario of the kind I have described, the situation changes radically. In the best of circumstances the rate of growth in real output would be cut to something not much above that needed merely to hold unemployment steady. By the end of 1976 the unemployment rate would probably still be above 8 percent, and a year later still above 7½ percent. In addition the gradual deceleration of inflation we are now witnessing would be halted, and high rates of price increase would persist for some years.

The estimates I have made of the impact of higher oil prices is probably an optimistic one. It does not take account of adverse dynamic reactions, especially with respect to business investment decisions. As the initial economic recovery begins to limp, when the oil price shock is increasingly felt and the indirect effect of oil development on interest rates begins to occur, business investment plans could be revised down significantly. It is possible that the recovery could be aborted in late 1976, and turn into a new recession leading to an absolute increase in unemployment above the level we are now experiencing. I do not predict that this will happen, but it has a far from insignificant probability.

POLICY MEASURES

It is not my purpose to discuss oil pricing policy itself. Should old oil prices be decontrolled, and if so how fast? Should the President remove his $2 import fee if OPEC raises the world oil prices? These are very important issues, as is the broader question of developing a national energy policy. My central point is that however these matters turn out it is absolutely imperative that the loss of consumer purchasing power from whatever oil price increases do occur be offset by appropriate fiscal actions. Similarly it is also critical that monetary policy take into account the effects of oil-induced price increases in raising the required rate of growth in the money supply. Unless this is done, you can almost certainly expect an exceedingly sluggish recovery, a long period of very high unemployment, and a reduced level of real income. Moreover you will be running some risk of the sluggish recovery turning into a renewed recession.

In more specific terms, offsetting the effects of new oil price increases will require substantial tax reduction for next year, over and above an extension of the 1975 tax cuts. In general the tax cuts should be slightly less than the purchasing power loss. The higher OPEC prices may lead to some increase in the demand for exports over the next several years and some additional domestic energy investment may be expected. But these offsets will be small in the next two years. The fiscal measures need not anticipate the situation far in advance. That is, the 1976 loss can be estimated later this year after the current debate on energy policy is settled and after the September OPEC meeting. A 1976 tax reduction can then be enacted. As events develop in 1976 further estimates can be made of potential effects in 1977, and further action taken next year if necessary.

Two major obstacles are likely to stand in the way of pursuing the necessary economic measures. *First,* the import fees and taxes on the additional corporate profits gained from old oil decontrol will show up as additional federal revenues. But a large part of the proceeds from higher oil prices will not. They will go to OPEC and to domestic oil producers. A tax cut large enough to offset them will add to an already large deficit. This deficit addition will not be inflationary, since it merely restores purchasing power and consumer demand destroyed by the energy price rises. But the myth that added deficits during recovery are automatically inflationary may stand in the way of taking appropriate action.

Second, the impact of higher oil prices will at first be small and then gradually increase. On the other hand the forces making for economic recovery in the next six to nine months are likely to be vigorous, led by a sharp turnaround in inventory investment. The economic signals in the latter months of this year may be very bullish. There appears to be some tendency on the part of the Administration and the Federal Reserve to take the position that once recovery starts no further stimulus is necessary. The strong economic signals likely to be forthcoming later this year may, therefore, create the worst of all possible worlds. That is they are likely to be very misleading about the future strength of the economy—given a sharp runup in oil prices—but engender an atmosphere in which it will be politically very difficult deliberately to incur an added deficit to ward off an oil-induced calamity.

Somewhat the same scenario occurred in early 1974 and helped get us in today's difficulties. The underlying downward drag on the economy from the 1974 oil price increase was just getting underway. But its effects were temporarily masked by a late spring snapback from the oil embargo and by a general belief that we were experiencing a temporary oil "spasm." Unemployment rose very little during the first six months of 1974. As a consequence it was impossible to get anyone to take seriously the threat of a substantial oil-induced recession. Monetary policy was tightened rather than loosened. A large surplus in the full employment budget was allowed to build up. Nothing was done to offset the oil drag on the economy, and when its effects began to be felt they came with a rush.

I realize it is difficult to make fiscal policy on the basis of what is a threat rather than an actually experienced reality. And yet if we do not take seriously last year's hard earned lesson, the American people will experience once again last year's economic consequences.

The PRESIDING OFFICER. Who yields time?

Mr. FANNIN. I yield 5 minutes to the distinguished Senator from Alaska.

Mr. GRAVEL. Mr. President, I thank my colleague. I have some charts I wish to demonstrate and I reserve at least one minute to explain those charts when they arrive. There are a few questions I wish to ask the Senator from Washington.

I notice that he put in the Nathan report. We have a similar report that was filed with the Committee on Finance. I wonder if my colleague, the distinguished Senator from Washington, has read the Nathan report or is familiar with it?

Mr. JACKSON. I have not gone through all the details of the Nathan report. The staff has made an analysis of it and we filed that.

Mr. GRAVEL. Is my colleague familiar with the analysis?

Mr. JACKSON. The analysis is in the process of being prepared and will be, at the conclusion of the discussion of this particular bill, inserted in the Record.

Mr. GRAVEL. I think it is most unfortunate. Professor Nathan testified before the Senator's committee on April 5 and rendered the report that I am speaking about, and it was such a revolutionary report, had such an impact on the Committee on Finance, that I find it somewhat disturbing, it would be treated so lightly in the Committee on Interior and Insular Affairs. The Senator from Ohio was not familiar with it. Now I find the chairman is not familiar with it. Here is a consultant who testified before the committee and showed that the economic price of oil over the last decade has not equaled the sale price, which accounts for the decreasing quantities of oil that we are suffering in this country.

The Committee on Interior is doing the job on the total energy crisis, receiving testimony from a consultant who is not generally on the side of the oil companies, who is regarded and highly respected as a liberal consultant; that he could come up with those figures and the committee not pay any attention to them, I think, raises a question as to whether or not legislation coming from the Committee on Interior is written first and then the facts found afterward to substantiate it.

Mr. JACKSON. Let me comment first, in response to the Senator's observation, that what Dr. Nathan is proposing is a cost-based pricing system, which involves regulation. Does the Senator support that proposal?

Mr. GRAVEL. We are not talking about regulation.

Mr. JACKSON. I know the gist of it. He says that the price ought to be related to the costs of production.

Mr. GRAVEL. I think that might have some merit. If we did that, if the Interior Committee were to move in that direction, it might have a lot of merit to it. I have not seen any dialog of that sort.

Mr. JACKSON. I agree it might have a lot of merit in it. I just want to find out if the Senator would agree to that kind of approach on pricing, which would be similar to the Federal Power Commission? In other words, it would be regulated in line with the cost of production.

Mr. GRAVEL. What I was trying to do is probe the knowledge base of the chairman and members of the committee.

Mr. JACKSON. Well, the Senator is getting it.

Mr. GRAVEL. Am I getting it? I was asking if he is aware of the fact that Professor Nathan came up with some facts indicating that, for a decade, the sale price of oil has not equaled what would be an economic return price. He suggests that that is the reason why we have a shortage. The price has never been proper.

Mr. JACKSON. I do not agree with that contention.

Mr. GRAVEL. Well, fine. Those are facts in the study. He is not making a recommendation to the committee. He was merely laying out some facts for the committee's consideration. I think it is important to know that the Senator from Washington does not feel that those facts are correct. I will accept that and move onto the next question I have.

Mr. JACKSON. If the Senator is asking a question, let me complete my answer to it. I point out that he referred to the fact that that is the reason why we do not have production here. The facts are, of course, that the international oil companies decided to go where they can get oil costing only 5 to 12 cents a barrel. The facts are further that the international oil companies have made a killing during this period. Their profits have been very substantial. I must say that the inference that one would draw from the statement of my good friend from Alaska is that they are not being able to break even.

The PRESIDING OFFICER (Mr. BELLMON). The time of the Senator from Alaska has expired.

Mr. FANNIN. I yield 5 minutes to the Senator from Alaska.

Mr. JACKSON. I yield 1 minute out of my time.

Mr. GRAVEL. I appreciate the Senator's generosity.

My colleague has just stated that the profits have been exorbitant. To quote his statement on the Fourth of July increase, that this has been a consumer ripoff. We have heard this type of rhetoric for the last 2 years. There has been no evidence to indicate that there has been a ripoff in profits. If my colleague from the State of Washington, who is chairman of a committee that is authoritative in energy, makes a statement that the July 4 price increase was a ripoff, what evidence can he submit to this body that there was a ripoff?

The fact that prices go up—I am sure that over the Fourth of July there must have been an increase in some food prices somewhere. There must have been an increase in some other prices.

Why is it that if there is an increase in gasoline prices, this is a ripoff?

Mr. JACKSON. I shall place in the RECORD the comments of the financial review made by the Morgan, Stanley Co. That is a part of the old J. Pierpont Morgan Co. I think it is of February 25, 1975, in which they said, in effect—I put it in the RECORD previously, but I will put it in again for the Senators' benefit—that the profits of the oil companies in 1974 were obscene.

Mr. President, on my own time, I want to state that the staff of the Committee on Interior has prepared an exhaustive analysis of the Nathan Report. They have met with Dr. Nathan and the petroleum consulting firm responsible for his data. The staff analysis will be of some surprise, I think, to the Senator, because there is a question about the factual data that was submitted to us. The staff has gone through that.

Mr. GRAVEL. I would be happy to read that, because if there are errors in it, I wish to know it, because I do not want to rest on one report. If it can be improved upon, I think it will be valuable.

When my colleague talks in terms of ripoffs and profits and cites the staff as a source, I think he should start looking at the work of the staff, because I wish to cite something that is generally accepted. That is, of course, the report of the 30-company average put out by the Chase Manhattan Bank. Maybe the Chase Manhattan has an ax to grind, maybe they are biased, maybe they want to lie to the investors of the Nation.

But, if I could have the attention of my colleague from Washington, here is a chart. Looking at the profits of the first quarter of 1974, the second quarter of 1974, the third, and the fourth, which is a minus, and the first quarter of this year, there is a decline in the profits. There is nothing that I can find that would substantiate the statement by the Senator from Washington. We have been engaged in a colloquy before of this nature.

There is always talk that we are going to come up with the evidence. I must say that I am really distressed that the Senator from Washington has never come up with any evidence as to the ripoff of profits and the obscenity of profits.

Again, I shall put forth a chart that I put forth earlier.

Mr. JACKSON. Will the Senator yield and I shall take it out of my time, my response?

Mr. GRAVEL. I am happy to yield.

Mr. JACKSON. While the Senator was out of the room for a moment to bring the charts in, I alluded to the fact that the Morgan, Stanley Co.—hardly, shall we say, a radical outfit—made an analysis of the oil industry's 1974 profits. It was in a study dated, I think, February 25 of this year. In effect, they said the profits of the industry last year were "obscene." I ask unanimous consent that they be printed in the RECORD.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

1974—THE YEAR OF "OBSCENITY"

SUMMARY

With the exception of Royal Dutch/Shell and British Petroleum, both of which are expected to report on March 13, all of the major integrated oil companies have issued preliminary 1974 earnings statements. Aggregate results for nineteen of the twenty-one companies we normally monitor were:

[Dollars in millions]

	Full year 1973	Full year 1974	Percent change	4th quarter 1973	4th quarter 1974	Percent change
Gross revenues	$106,404	$181,653	70.7	$31,552	$49,354	56.4
Net income	8,058	12,273	52.3	2,848	2,480	(12.9)

The year will pass into the record books as one of "obscene" profits. But as the fourth quarter gave evidence, earnings are in the process of declining. With world-wide surpluses exerting tremendous pressure on downstream realizations, the likely elimination of an equity position in many of the oil-production countries, and probable congressional legislation aimed at eliminating percentage depletion and taxing "windfall" producing profits, 1974 is likely to remain a high watermark for earnings for some years to come.

Individual profits of some of the majors for both the year and the fourth quarter are discussed briefly and shown in the following tables.

INTERNATIONALS

Exxon

Exxon evidently did not have to compare its fourth-quarter 1974 results against levels which were inflated by inventory gains as for other companies at the end of 1973. Additionally, unusual year-end adjustments resulted in a net gain of $0.32 per share. Earnings in the first and second quarters of 1974 were $0.36 and $0.31 per share higher, respectively, than would have been achieved without inventory profits. First-half 1974 earnings were also increased $0.05 per share by changes in currency exchange rates.

[Dollars in millions except EPS]

	Full-year earnings							4th-quarter earnings						
	1973			1974				1973			1974			
	Net income	EPS	Percent of total	Net income	EPS	Percent of total	Percent change	Net income	EPS	Percent of total	Net income	EPS	Percent of total	Percent change
Oil and Gas:														
United States	$830	$3.70	33.9	$1,027	$4.59	32.7	24.1	$224	$1.00	28.5	$246	$1.00	28.6	10.0
Other Western Hemisphere	482	2.15	19.7	435	1.94	13.8	(9.8)	159	.71	20.2	141	.63	16.4	(11.3)
Eastern Hemisphere	988	4.41	40.5	1,178	5.26	37.6	19.3	342	1.53	43.6	317	1.42	37.0	(5.9)
Chemical:														
United States	66	.29	2.7	146	.65	4.6	124.1	23	.10	2.8	34	.15	3.9	50.0
Foreign	136	.61	5.6	314	1.40	10.0	129.5	50	.22	6.3	75	.33	8.6	50.0
Other	(59)	(.26)	(2.4)	40	.18	1.3		(11)	(.05)	(1.0)	47	.21	5.5	
Total	2,443	10.90	100.0	3,140	14.03	100.0	28.7	787	3.51	100.0	860	3.84	100.0	9.4

Gulf Oil

Bob R. Dorsey, Gulf's Chairman, stated: "It is safe to say that we have crossed the profit peak and will be living with lower earnings, perhaps substantially lower earnings, for the next few years." Gulf estimated the Federal crude allocation program cost it $110-million ($0.56 per share), while repeal of percentage depletion could cost it $125-million ($0.64 per share) in 1975.

[Dollars in millions except ESP]

	Full-year earnings							4th-quarter earnings						
	1973			1974				1973			1974			
	Net income	EPS	Percent of total	Net income	EPS	Percent of total	Percent change	Net income	EPS	Percent of total	Net income	EPS	Percent of total	Percent change
Oil and gas:														
United States	$364	$1.85	45.6	$420	$2.16	39.4	16.7	$29	$0.15	12.7	$92	$0.47	50.0	213.3
Foreign	560	2.84	70.0	594	3.05	55.7	7.4	267	1.36	115.3	83	.42	44.6	(69.1)
Chemical:														
United States	10	.05	1.2	96	.49	9.0	880.0	6	.03	2.5	31	.16	17.0	433.3
Foreign	17	.08	2.0	80	.41	7.5	412.5	3	.02	1.7	9	.05	5.3	150.0
Nuclear	(133)	(.68)	(16.6)	(97)	(.50)	(9.1)	(26.5)	(55)	(.28)	(23.7)	(5)	(.03)	(3.2)	(89.3)
Minerals	(8)	(.04)	(1.0)	(22)	(.11)	(2.0)	175.0	(8)	(.04)	(3.4)	(18)	(.09)	(9.5)	125.0
Other	(10)	(.05)	(1.2)	(6)	(.03)	(.5)	(40.0)	(12)	(.06)	(5.1)	(7)	(.04)	(4.2)	(33.3)
Total	800	4.06	100.0	1,065	5.47	100.0	34.7	230	1.18	100.0	185	.94	100.0	(20.2)

Mobil

Mobil's fourth-quarter earnings were reduced $58-million ($0.57 per share) by dollar conversions and $23-million ($0.23 per share) by the cancellation of the Paulsboro refinery expansion. Foreign inventory profits added $325-million ($3.19 per share) to full-year earnings. The negative effect of dollar conversions is estimated at $80-million ($0.79 per share). Translation of the dollar had the effect of increasing 1973 earnings by $150-million, or $1.47 per share. Netting out the extraordinary gains and losses in 1974 would have produced earnings of $8.04 per share.

[Dollars in millions except EPS]

	Full-year earnings							4th-quarter earnings						
	1973			1974				1973			1974			
	Net income	EPS	Percent of total	Net income	EPS	Percent of total	Percent change	Net income	EPS	Percent of total	Net income	EPS	Percent of total	Percent change
Oil and gas:														
United States	$258	$2.54	30.5	$287	$2.83	27.6	11.0	$71	$0.70	25.6	$57	$0.57	42.5	(18.6)
Foreign	558	5.48	65.7	654	6.42	62.9	17.2	189	1.86	68.2	40	.39	29.1	(79.0)
Chemical	36	.35	4.2	111	1.09	10.7	211.4	14	.14	5.1	138	.37	27.6	164.2
Other	(3)	(.03)	(.4)	(12)	(.12)	(1.2)	(300.0)	4	.03	1.1	1	.01	.8	
Total	849	8.34	100.0	1,040	10.21	100.0	22.4	278	2.73	100.0	136	1.34	100.0	(50.9)

Texaco

The company estimated its foreign inventory profit at $259 million ($0.95 per share). On the other hand, operating earnings decreased $29 million ($0.11 per share) because of losses in foreign currencies. Earnings in the fourth quarter and the year were also charged with a reserve of $28.2 million ($0.10 per share) relating to possible nationalization by Libya and nonrecovery of a currently nonprofitable investment in Colombia. Earnings would have been $5.10 per share in the absence of these items.

[Dollars in millions except EPS]

	Full-year earnings							4th-quarter earnings						
	1973			1974				1973			1974			
	Net income	EPS	Percent of total	Net income	EPS	Percent of total	Percent change	Net income	EPS	Percent of total	Net income	EPS	Percent of total	Percent change
Oil and gas:														
United States	$426.9	$1.61	33.9	$390.2	$1.44	24.7	(10.6)	$86.8	$0.32	19.3	$86.5	$0.32	27.2	
Foreign	832.0	3.06	64.4	1,090.8	4.01	68.7	31.0	359.9	1.32	79.5	216.2	.80	67.8	(39.4)
Chemical:														
United States	17.0	.06	1.3	63.2	.23	3.9	283.3	5.3	.02	1.2	14.3	.05	4.2	150.0
Foreign	6.5	.02	.4	42.2	.16	2.7	300.0	1.5			2.7	.01	.8	
Total	1,292.4	4.75	100.0	1,586.4	5.84	100.0	22.9	453.5	1.66	100.0	319.7	1.18	100.0	(28.9)

Texaco adopted LIFO accounting for its U.S. inventories in 1974. This had the effect of reducing per share earnings previously reported approximately as follows:

	Reported	Restated
1st quarter	$2.17	$1.92
2d quarter	1.69	1.35
3d quarter	1.40	1.39
4th quarter	1.18	1.18

It is interesting to note currently indicated dividend payouts for these four companies against their U.S. oil, gas, and chemical earnings:

Company	Indicated dividend	U.S. earnings [1]	Percent payout
Exxon	$5.30	$5.24	101.1
Gulf	1.70	2.65	64.2
Mobil	3.40	3.91	87.0
Texaco	2.10	1.69	124.3

[1] Gulf excludes nuclear, mineral, and other losses; Mobil includes foreign chemical profits.

Furthermore, U.S. oil and gas earnings dropped from 35% of total profits of the four in 1973 to only 31% in 1974 and accounted for a mere 17% of the gain in net income. By contrast, chemicals accounted for 39% of the increment, rising from 5.3% to 12.5% of aggregate income. Foreign oil and gas profits dropped somewhat from 63% of the total to 58%, but contributed 37% of the gain.

DOMESTICS

Atlantic Richfield

Fourth-quarter net income was affected by $21.7-million ($0.38 per share) resulting from the company's write-off of its withdrawal from the tar sands venture. Because of the manner in which Arco reports its divisional earnings, the figures should be regarded as approximations.

[Dollars in millions except EPS]

	Full-year earnings							4th-quarter earnings						
	1973			1974				1973			1974			
	Net income	EPS	Percent of total	Net income	EPS	Percent of total	Percent change	Net income	EPS	Percent of total	Net income	EPS	Percent of total	Percent change
Oil and Gas:														
United States	$360.8	$6.36	74.2	$477.4	$8.41	65.4	32.2	$124.6	$2.18	77.8	$138.7	$2.44	91.7	11.9
Foreign	82.6	1.46	17.0	129.1	2.27	17.7	56.3	25.9	.45	16.1	(17.9)	(.31)	(11.6)	
Chemical	27.7	.48	5.7	123.0	2.17	25.9	344.0	9.6	.17	6.1	30.4	.53	19.9	216.7
Corporate	15.2	.26	3.1	NA										
Subtotal	486.3	8.57	100.0	729.5	12.85	100.0	50.0	160.1	2.80	100.0	151.2	2.66	100.0	(6.2)
Expense items	216.1	3.81		254.9	4.49		18.0	68.4	1.19		54.3	.95		(20.6)
Total	270.2	4.76		474.6	8.36		75.6	91.7	1.61		96.9	1.71		6.2

Continental Oil

Earnings for the year were reduced by $71-million, or $1.40 per share to reflect adoption of LIFO. Net income for 1973, which reflected FIFO accounting, was approximately $50-million, or $0.99 per share, higher than if LIFO had been in effect. Of this, $40-million, or $0.79 per share, was in the fourth quarter of 1973. Consolidation Coal's earnings were impaired by $15-million, or $0.30 per share, as a result of the miners' strike. Based on fourth-quarter production of 9-million tons, earnings per ton were $2.13 before corporate overhead compared with $0.93 per ton for the full year. Results for the quarter also included a $7.4-million gain ($0.15 per share) from the sale of property compared with a write-off of $6.7-million ($0.13 per share) in 1973.

[Dollars in millions except EPS]

	Full-year earnings							4th-quarter earnings						
	1973			1974				1973			1974			
	Net income	EPS	Percent of total	Net income	EPS	Percent of total	Percent change	Net income	EPS	Percent of total	Net income	EPS	Percent of total	Percent change
Oil and gas:														
United States	$131.7	$2.61	54.2	$220.8	$4.36	67.4	67.0	$31.3	$0.62	35.0	$54.0	$1.07	87.7	72.6
Canada	20.0	.40	8.3	30.3	.60	9.3	50.0	6.1	.12	6.8	6.8	.13	10.7	8.3
Other	(2.0)	(.04)	(.8)	(3.8)	(.07)	(1.1)		(1.0)	(.02)	(1.1)	(2.4)	(.05)	(4.1)	
Total Western Hemisphere	149.7	2.97	61.7	247.3	4.89	75.6	64.6	36.4	.72	40.7	58.4	1.15	94.3	59.7
Eastern Hemisphere	139.0	2.75	57.2	22.0	.43	6.6	(84.4)	74.1	1.47	83.0	(7.1)	(.14)	(11.5)	
Total oil and gas	288.7	5.72	118.9	269.3	5.32	82.2	(7.0)	110.5	2.19	123.7	51.3	1.01	82.8	(53.9)
Consolidation coal	(12.8)	(.25)	(5.2)	43.8	.87	13.4		(12.2)	(.24)	(13.6)	19.2	.38	31.1	
Conoco Chemicals	20.9	.41	8.5	67.7	1.33	20.6	224.4	5.4	.11	6.2	14.2	.28	23.0	154.5
Minerals	(6.1)	(.12)	(2.5)	(9.0)	(.18)	(2.8)		(1.9)	(.04)	(2.2)	(4.4)	(.09)	(7.4)	
Corporate	(48.0)	(.95)	(19.7)	(44.2)	(.87)	(13.4)		(12.5)	(.25)	(14.1)	(18.5)	(.36)	(29.5)	
Total	242.7	4.81	100.0	327.6	6.47	100.0	34.5	89.3	1.77	100.0	61.8	1.22	100.0	(31.1)

Getty Oil

Getty reported consolidated net income for 1974 of $281-million, or $15.00 per share, compared with $135-million (before an extraordinary gain of $7.2-million), or $7.15 per share in 1973. Net income was reduced $67.2-million ($3.61 per share) by cost accruals against the company's foreign operations and amounts in dispute with Phillips over prices paid for uncontrolled oil. A charge of $24.2-million ($1.30 per share) was made to net to reflect the company's equity share of losses by its 48.7%-owned affiliate, Mitsubishi Oil. The total of these charges in the fourth quarter, when the company reported earnings of $3.13 per share versus $2.78, was approximately $20.4-million, or $1.10 per share. Getty's remaining net equity interest in Mitsubishi was $6-million at December 31. As we understand it, this would be the current limit to Getty's direct exposure to further losses at Mitsubishi. The oilspill damage resulting from the rupture of a storage tank at the company's Migushima refinery is estimated at in excess of $30-million, and in all likelihood Getty's equity investment will be reduced to zero in the first quarter. It may be noted that Getty's cash flow in 1974 was $468-million, or $30.47 per share.

Standard Oil of Indiana

The figures below indicate a loss of $9.5-million in Canada in the fourth quarter. In point of fact, quarterly earnings will be restated to take account of Canadian tax adjustments, and the correct figure attributable to Canadian operations in the fourth quarter is approximately a deficit of $2.3 million. It is also noted that 1973 Canadian earnings were restated to reflect a capital employed adjustment. The major surprise in the fourth quarter, however, was the sharp contraction in chemical profits. It is indicated that this occurred largely as a result of a sudden drop in demand for terephthalic acid and DMT around mid-November. The end uses for these products are in the home furnishing, apparel, and automobile industries. Since the company's chemical earnings had been averaging over $10-million per month, we surmise that December operations were substantially in the red. Gauging the end of the inventory adjustment for these products is extremely difficult, but hopefully it will occur by midyear. It may also be recalled that Indiana's first-half overseas petroleum operations were $58-million more (about $0.40 per share) than would have been reported under LIFO accounting.

[Dollars in millions except EPS]

	Full-year earnings							4th-quarter earnings						
	1973			1974				1973			1974			
	Net income	EPS	Percent of total	Net income	EPS	Percent of total	Percent change	Net income	EPS	Percent of total	Net income	EPS	Percent of total	Percent change
Oil and gas:														
United States	$387.8	$2.69	76.0	$638.1	$4.36	65.8	62.1	$102.3	$0.71	84.5	$154.3	$1.04	88.1	46.5
Canada	35.1	.24	6.8	34.2	.23	3.5	(4.2)	3.9	.03	3.6	(9.5)	(.06)	(5.0)	
Overseas	43.5	.30	8.5	209.1	1.43	21.6	376.7	9.9	.07	8.3	34.1	.23	19.5	228.6
Chemical	48.3	.33	9.3	98.8	.68	10.2	106.1	6.3	.04	4.8	1.5	.01	.8	
Other	(3.5)	(.02)	(.6)	(10.0)	(.07)	(1.9)	(25.0)	(1.0)	(.01)	(1.2)	(5.7)	(.04)	(3.4)	
Total	511.2	3.54	100.0	970.2	6.63	100.0	87.3	121.5	.84	100.0	174.8	1.18	100.0	40.5

Standard Oil of Ohio

Sohio provides a breakdown of its earnings before interest expense and income taxes on percentage terms. The following figures attempt to reconcile this breakdown with the earnings statement and must accordingly be regarded as providing only a rough approximation of the divisional breakdown.

The improvement in Sohio's domestic petroleum operations that was noted in the third quarter gave way to an imputed loss in these operations in the fourth quarter. This was largely occasioned by loss of production and maintenance at the company's Marcus Hook refinery and other requirements in the Ohio refineries. Expenses attributed to this program increased $12 million over 1973 and crude runs were reduced 56,000 b/d. On the other hand, the fourth quarter was notably aided by a royalty payment of $18.2 million versus only $1.5 million in the similar 1973 period.

[Dollars in millions except EPS]

	Full-year earnings							4th-quarter earnings						
	1973			1974				1973			1974			
	Net income	EPS	Percent of total	Net income	EPS	Percent of total	Percent change	Net income	EPS	Percent of total	Net income	EPS	Percent of total	Percent change
Domestic petroleum	$45.6	$1.24	37.9	$34.7	$0.95	18.1	(23.4)	$1.6	$0.04	9.8	($4.9)	($0.13)	(9.2)	
Foreign petroleum	14.4	.39	11.9	38.6	1.05	20.0	169.2	3.9	.11	26.8	18.2	.51	36.2	363.6
Coal	12.0	.33	10.0	30.9	.84	15.9	154.5	3.6	.09	22.0	8.3	.23	16.3	155.6
Chemical and plastics	22.8	.26	19.0	48.3	1.32	25.0	112.9	3.9	.11	26.8	12.9	.35	24.8	218.2
Royalties	25.2	.69	21.2	40.5	1.11	21.0	60.9	1.5	.06	14.6	18.2	.50	35.5	733.3
Other											(1.7)	(.05)	(3.6)	
Earnings before interest, etc	120.0	3.27	100.0	193.0	5.27	100.0	61.2	15.1	.41	100.0	51.6	1.41	100.0	243.9
Net interest exp	11.8	.32		7.0	.19		(40.6)	2.5	.07		2.5	.07		
Income taxes	34.0	.93		60.0	1.64		76.3	1.0	.03		20.5	.56		167.7
Total	74.2	2.02		126.0	3.44		70.3	11.6	.31		28.6	.78		151.6

1975 EARNINGS ESTIMATES

The assumptions underlying our 1975 earnings estimates were detailed in the Energy Outlook dated December 24, 1974. Slippage in chemical income noted during the fourth quarter, however, has caused us to revise several earnings estimates downward. The exact form of oil tax legislation in the United States remains an unknown. Our initial assumption was that the final 1975 bill would closely approximate the one that cleared the House Ways & Means Committee late in 1974. We note that the windfall profit tax proposed by the Administration would have an almost identical effect as the Ways and Means bill. In both cases, the industry would be burdened with around $3-billion of additional U.S. taxes which would amount to a cut in the producing profit of roughly $1.00 per barrel. Our revised 1975 estimates appear below:

1974 EARNINGS AND 1975 ESTIMATES

	1974A	1975E	Percent change
Ashland	$3.83	$4.50	17.5
Atlantic Richfield	8.36	6.50	(22.2)
British Petroleum	E3.60	1.50	(58.3)
Cities Service	7.58	7.00	(7.7)
Continental	6.47	6.50	
Exxon	14.03	10.00	(28.7)
Getty	15.00	12.00	(20.0)
Gulf	5.47	4.40	(23.2)
Kerr-McGee	4.64	4.90	5.6
Louisiana Land	2.98	2.30	(22.8)
Marathon	5.70	4.30	(24.6)
Mobil	10.21	7.75	(24.1)
Phillips	5.66	4.90	(13.4)
Royal Dutch	E11.00	6.35	(42.3)
Shell	9.21	8.30	(9.9)
Standard Oil (California)	5.71	5.25	(8.1)
Standard Oil (Indiana)	6.63	5.00	(24.6)
Standard Oil (Ohio)	3.44	3.60	4.5
Sun	8.31	7.40	(11.0)
Texaco	5.84	4.75	(18.7)
Union	7.03	6.25	(11.1)

CAPITAL EXPENDITURES

A number of companies have announced their planned capital and exploratory expenditures for 1975. Among these are:

	1974A	1975E
Exxon	$3,610	$4,000
Gulf	1,700	1,800
Texaco	2,000	1,800
Arco	1,800	2,000
Conoco	759	935
Getty	450	687
Marathon	175	300
Phillips	637	1,200
Shell	929	1,000+
Standard Oil (Indiana)	1,800	2,060
Union	685	750

A recent survey by the Oil & Gas Journal indicated the industry had budgeted $26.2-billion for capital spending in the U.S. alone during 1975, an increase of 24.1% over 1974. The Journal's breakout of spending by area is of interest:

INDUSTRY CAPITAL EXPENDITURES

[In millions of dollars]

	Actual, 1973	Estimated, 1974	Budgeted, 1975	Percent change, 1975–74
Exploration and production:				
Drilling exploration	$6,660.8	$7,657.0	$8,034.0	4.9
Production	1,734.8	2,005.9	2,104.0	4.9
OCS lease bonus	3,082.0	5,024.0	5,000.0	.5
Total	11,477.6	14,686.5	15,138.1	3.1
Others:				
Refining	1,103.8	1,974.7	3,127.8	58.4
Petrochemicals	269.1	816.3	1,643.1	101.3
Marketing	914.5	780.7	1,106.0	41.7
Natural gas pipelines	600.0	541.0	988.0	82.6
Crude product pipelines	150.0	1,069.0	2,318.0	111.5
Other transportation	152.9	178.7	240.4	34.5
Miscellaneous	646.9	1,073.3	1,684.0	56.9
Grand total	15,314.8	21,147.2	26,245.4	24.1

In the exploration/production category planned expenditures for lease bonuses appear very much on the high side in view of apparent environmentalists' opposition to lease sales anywhere except on the Gulf Coast. Aside from questionable geologic prospects, the fact that the February 4 lease sale off Texas drew only $300-million in high bids, compared with more than $1-billion at individual 1972–1974 sales, may hopefully indicate a more realistic view on the part of industry toward costly front-end load bonuses. It may be noted that these bonuses alone accounted for 43% and 49% of capitalized expenditures for exploration/production in 1972 and 1973, respectively. It would also appear that the amount allocated for refining/marketing is on the high side and that reduced consumption could bring about significant cancellations or deferrals in this category. Finally, the planned doubling in petrochemical expenditures would undoubtedly be reduced if a reversal in recent demand trends is not foreseen. In short, we regard these as "soft" budgets in most areas except for transportation (the Trans-Alaska Pipeline) and exploration/production. A number of companies have already warned that enactment of punitive tax legislation would result in a reconsideration of investment plans, and Texaco has in fact already reduced its originally contemplated $2.1-billion 1975 budget by $300-million. While more announcements of this nature may be forthcoming, we believe they will be related more to ventures whose needs are more questionable than exploration/production and, hence, will not have a negative impact on the business prospects for the petroleum service industry.

Barry C. Good,
(212) 977-4385.

February 24, 1975.

REFERENCES

Energy Notes: 1/24/75; 1/16/75; 8/30/74; 8/13/74; 8/2/74; 7/12/74; 1/18/74.

Morgan Stanley & Co. Incorporated has managed the most recent public offerings within the last three years of securities of British Petroleum, Continental, Exxon, Mobil, Shell, Standard Oil of Indiana, and Standard Oil of Ohio.

Mr. JACKSON. The Senator asked for authority. I cannot think of a better authority than the Morgan, Stanley Co.

Mr. GRAVEL. Let me tell the Senator that is the same old data that was put in the Record in March and April, and it probably can be put in the Record for the next 10 years.

Mr. JACKSON. That is correct, but it is the same old Morgan outfit.

Mr. GRAVEL. That statement said—it was in quotes, the word "obscene" was in quotes, and they editorialized it.

How can the distinguished Senator from Washington put that in as evidence as against Forbes review of 5-year averages of profitability in the Nation, together with the work of the Chase Manhattan, bringing in four other sources of equal value?

All that my colleague from Washington can hold up to this Nation is that some person working for the Morgan, Stanley Co. happened to use the word "obscene" in one of their reports, and that is what he bases the policy on that he is foisting on the Nation.

Mr. JACKSON. Because, Mr. President, the Morgan, Stanley Co. is a responsible Wall Street company in the investment business. They have made a serious analysis of the industry. I do not have to agree with them on everything, but anyone who lightly dismisses Morgan, Stanley Co. as a reliable source to quote from to support one's opinion on profits is certainly not familiar with the financial industry of this country and the operations of Wall Street.

Mr. GRAVEL. Well, I would just say that to quote the source of one individual in one investment house as opposed to a report that the Chase Manhattan, the First National City Bank, Business Week, and Forbes magazine issued is really stretching it. In fact, the data to which the Senator is referring is a little out of date. I am calling attention to the first quarter of 1975, and my colleague put that data back in the RECORD, the first quarter of 1975, when current data was not available. So how can my colleague come forward and talk about "obscene" profits in the face of what is happening with the profits?

I can understand a person trying to crawl into a hole and not see the facts. But, I think there are some unfortunate consequences, I would like to address this to my colleague since we took it up in the Democratic Caucus. I am chagrined to see the administration talk in terms of a 30-month phaseout. What that tells me is that the President does not really want to deregulate the gas or oil right now for the very simple reason if he deregulates, it is his fault if the prices rise. So we, on this side of the aisle, the Democrats, are putting the President in a box politically, just so we can blame him if he does something.

Unfortunately, what happens is there is only one group that suffers. It is the American people who will suffer because it will delay a solution to the energy crisis.

Mr. JACKSON. What is the question?

Mr. GRAVEL. I do not think there is any questioning or any amount of dialog that I can engage in with my good friend from the State of Washington that could alter the perception that he has regarding "obscene" profits even when the facts indicate that the profits are not there.

Mr. JACKSON. For purposes of supporting my position I will continue to rely on the Morgan, Stanley Co.

Mr. BUMPERS. Mr. President, will the Senator yield?

Mr. JACKSON. Yes, I yield the Senator 1 minute.

Mr. BUMPERS. I simply wanted to make a point, in response to what Senator GRAVEL was saying about the President's proposal for decontrol.

Most of us remember the night the President ripped the months off the calendar in his energy address, and that evening he said that later in the week he would submit a decontrol plan to Congress.

That has been, I think, well over a month ago, and such plan has not been forthcoming. I think it is obvious at this point that the President would like at least the consent or, perhaps, overt approval for his decontrol plan because I think the President must know that total decontrol will certainly mean more than a 7-cent gasoline price increase.

I would like to make one other point to my distinguished friend and colleague from Alaska, and that is if the President really wants to decontrol right now, under the Mandatory Allocation Act he does not need the approval of Congress. He can simply set a price. If he chooses to decontrol old oil, obviously he would have to have the approval of Congress, but if he wants to set a price on old oil, some figure higher than it is now, he has the authority to do it.

Mr. JACKSON. The Senator is absolutely correct. He has full authority to carry out what he has proclaimed he was going to do as a part of his policy.

Mr. BUMPERS. I submit the reason he has not done it is because he is terribly apprehensive about his own position.

Mr. JACKSON. No question about it, he is worried about what it will do to the economy.

I yield 1 minute to the distinguished Senator from Ohio (Mr. GLENN).

Mr. GLENN. Pursuant to what the distinguished Senator from Arkansas was saying, I read into the RECORD a while ago that even by the administration's own figures it increased the cost of production, and the cost entailed thereby comes out to something like $445 per barrel, and certainly we do not want to go to that, that is for sure.

What I asked for time to speak on was I think it would be well to point out in the charts here, point out to the Senator from Alaska, that I think this might be a bit misleading. What we are talking about is this says change from profits in prior years. This does not say what those profits were or whether they were fantastic or not or whatever. This is just a change quarter by quarter over the previous years.

Mr. GRAVEL. These are five years, and the Senator can tell that these are oil companies, these are 850 American companies, and it goes right through it.

Mr. President, could I have 1 minute to respond?

Mr. FANNIN. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator from Arizona has 11 minutes, and the Senator from Washington has 3 minutes.

Mr. FANNIN. I yield 1 minute to the Senator from Alaska.

Mr. GRAVEL. Just a simple point on the President's actions. There is no question that the Senator from Washington is right, he does have the power to deregulate. He is also right that the President is apprehensive because there is going to be a political risk in decontrolling because the price will rise.

What is very tragic is that that is the only answer to the supply problem with respect to the energy crisis. The tragedy is that there is no leader in the country who is prepared to bite the bullet. We talk a great deal about how we are providing leadership, and we are biting the bullet, but when it comes down to it we are all cowards and we are afraid to face up to the issue that there is no such thing as cheap energy, and we go on compounding our errors.

Mr. FANNIN. Mr. President, I thank the distinguished Senator from Alaska for being very forthright in bringing out the great problem that we have concerning the energy program.

The distinguished Senator from Washington often uses the word "obscene." I think it is obscene that we have not taken a greater interest in doing something about the energy crisis here in the Congress. This is the problem we face today.

I certainly object to this particular conference report because it does not accomplish the objectives that we all have, as stated on both sides of the aisle. In fact, it works contrary to those objectives.

Mr. President, I would like to say before getting into the details of this legislation—which has been discussed quite thoroughly by the distinguished Senator from Oklahoma, who is a geologist in his own right, a very outstanding one, and is very capable of expressing just exactly what is happening with drilling and production throughout the country—I would just like to talk about what we have not done.

Mr. President, before making my opening statement I would like to compliment my distinguished colleague (Mr. BARTLETT) on his excellent remarks made during the colloquy with the Senator from Ohio (Mr. GLENN). The Senator from Oklahoma dramatically emphasized how rolling back domestic oil prices cannot help but make this country more dependent upon OPEC oil.

Mr. President, I rise in opposition to the conference report on H.R. 4035 and urge my colleagues to reject it. Before getting into the details of this legislation, I would like briefly to call to my colleagues' attention the tortured legislative history of this and related measures so that they can more capably understand the context.

Let us begin back in January of 1971 at the beginning of the 92d Congress. At that time there was a great clamor on the part of Senators on both sides of the aisle concerning the coming energy crisis. President Nixon was urged to establish a commission to study the issue. When he expressed his disinclination, the response of several Senators was, in effect, to tell the President that if he did not act responsibly, the Senate certainly would. This episode constituted the genesis of the Senate's famous National Fuels and Energy Study which was launched by Senate Resolution 45 on May 3, 1971. That resolution called for a comprehensive study and authorized appropriations through February 29, 1972. That date transpired and no report was filed.

On March 6, 1972, Senate Resolution 231 was adopted extending the study and directing the Interior Committee to "Report its findings together with recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1973."

That date came and went and still no report or any recommendations were filed. Anticipating that no report would be filed, the chairman of the Interior Committee arranged on February 22, 1973, via Senate Resolution 33 to extend the National Fuels and Energy Study for still another year with the requirement that at the very latest the energy study report would be filed on February 28, 1974. That date came and went and still no report was filed.

On March 1, 1974, Senate Resolution 245 was adopted which extended the reporting deadline for the National Fuels and Energy Study for still another year. February 28, 1975, came and went and still no energy report was filed.

Mr. President, literally hundreds of thousands of dollars of U.S. taxpayers' money has been wasted on a do-nothing, resolve-nothing, achieve-nothing, energy study. The 4-year history of the Senate's National Fuels and Energy Study provided a clear demonstration that the Senate is incapable of biting the bullet and acting responsibly in matters related to energy.

What the Senate has demonstrated is a limitless capacity for headline grabbing, pure politics. Political game playing as a substitute for responsible legislation has been the hallmark of the Senate's response to the energy crisis. The political game playing related to energy has consisted of the following elements:

First, blaming the oil companies and the administration for the problem without accepting any culpability on the part of the Congress.

Second, rejecting the price mechanism as a means of increasing domestic supply and reducing demand of energy.

Third, promising consumers of energy something for nothing.

Fourth, promising U.S. citizens that the best means of combating the OPEC cartel and increased dependence upon imported fuels is to roll back domestic oil prices.

How we wish that could be done, but we know, it cannot come about.

Mr. President, allow me to present just a few examples of how the political energy game has been played. Shortly after the enactment of the Emergency Petroleum Allocation Act in November of 1973, the Congress considered additional emergency legislation. When the conferees met on that latter bill, they decided that a price rollback was the most effective means of combating the OPEC cartel. The conference report contained the provision captioned "Prohibition on Windfall Profits—Price Gouging." In effect, it permitted any buyer of petroleum products to sue the seller for that part of the purchase price that the buyer thought constituted windfall profits. The provision was so absurd that our colleague, Mr. NELSON, led a successful floor fight which resulted in the Senate's rejecting the conference report. The second conference report on the emergency legislation contained a slightly less insane provision which would have rolled unregulated crude oil prices back to $5.25 per barrel. This carried in both Houses but was vetoed by the President whose veto was sustained by a handful of votes in the Senate.

The conference report on H.R. 4035 is a repetition of the same kind of game playing that was going on in December 1973. The players are the same, the politics is the same, the issues are the same, and the pervasive legislative irresponsibility is the same.

Before commenting on the conference report on H.R. 4035, I would like again to remind my colleagues that President Ford has given the Senate nearly 7 months to face the music and act responsibly, but instead, the game playing goes on.

Within the past few days the report was printed accompanying H.R. 7014, a bill now being considered on the floor of the House of Representatives. That bill represents the same kind of game playing as is embodied in the conference report on H.R. 4035 and contains the same elements that I outlined a few minutes ago.

Upon reading the report on H.R. 7014, I came upon a refreshing breath of clean air embodied in the additional views of Congressman BOB KRUEGER. Mr. KRUEGER, a freshman Democrat, worked long and hard to urge his colleagues on the House Commerce Committee to act responsibly and they refused to do so. I will now read a part of his eloquent remarks:

> The adoption of a reasonable Congressional oil policy is quickly becoming less a matter of choice than of necessity. The oil pricing provisions of H.R. 7014, however, are more an abdication than an alternative. We need not debate whether the Committee's language on oil pricing is "tough" enough in curbing imports; the oil price rollback simply ignores the import question altogether.
>
> As noted by the Democratic Task Forces mobilized in both Houses at the beginning of this year, declining production in old oil fields (regulated at prices half of OPEC's) argues for increased stimulus of enhanced recovery of oil. Increased new oil production costs and decreased new oil finds support the need for market pricing of new oil combined with stiff new re-investment requirements. Economic efficiency of allocation dictates an elimination of the multi-tiered pricing system coordinated with an adequate compensation mechanism for low income consumers. To neglect these salient imperatives of our oil markets is to defy reality.
>
> As imports continue to climb, eroding our international alliances and economic health while raising the price of other imports, the notion of a price roll-back on new domestic oil is eminent bad sense. Disregarding the product of five months of labor by the Subcommittee on Energy and Power, the full Commerce Committee rejected the rationale for the expedient. And that expedient of price control extension was more reflective of the political mood years ago than of the current public frustration with Congressional evasiveness and pervasive economic controls.
>
> Section 301 of H.R. 7014 is, in the words of the *Washington Post*, a "disastrously bad idea." The price roll-back on new domestic oil serves to inhibit severely the margins of production and the funds available for new oil development. On the other hand, producer revenues from old oil (in the current bill) are greater than the revenues they would realize from old oil production in the Subcommittee's plan. This paradox of penalizing new production dominated by smaller firms in which fixed investment is ongoing, while offering large bonuses for old oil production dominated by multinational firms in which fixed investment has already occurred, makes no economic sense.
>
> The present two-tier pricing system repudiates end-use efficiency by charging two prices for the same commodity. Not content with this absurd situation, the Committee's oil pricing provision creates a four-tier pricing system.
>
> Under the current system, disparate regional oil costs are equalized by a program called the "entitlements" system requiring refiners who process domestic crude to make huge cash payments to refiners of foreign crude. This system subsidizes the demand for foreign oil and creates OPEC windfalls. A continuation of the multi-tier system results in the inevitable cost-equalization dilemma: either a cost-equalization program is continued, resulting in yet more OPEC subsidies, or the cost equalization system is discontinued (the FEA can do it at any time) and the East Coast must pay much higher oil prices than the rest of the country, destroying the competitive viability of the region.
>
> Under the roll-back scheme, the dangers of embargo and international blackmail multiply as our thirst for foreign oil increases. Taxpayers will be victimized: on one hand they will inevitably be asked to subsidize such promising new technologies as solar and geothermal power due to the diminution of market incentives for these substitutes, while, on the other hand, the value of and revenues from our new off-shore oil resources will diminish.
>
> While the United States' per capita energy consumption is twice that of Japan and West Germany, countries that are pursuing aggressive demand restraint measures, the United States must act responsibly in rejecting government controls that inflate the demand for energy. The least we must expect as a nation is that the user of a barrel of oil must pay for its replacement costs. In the short run, this replacement cost is the price of OPEC oil. If we are willing to pay OPEC $12 to $13 for a barrel of oil, we should be willing to spend as much bringing into production high-cost domestic resources while insuring the re-investment of excess revenues.
>
> If we fail to use economic rationality as a guide in determining fair oil prices, let us not ignore the intuitive appeal of some simple facts: the price of oil in current dollars has only recently returned to 1950 levels, and we pay more per gallon for distilled water and soft drinks than for gasoline and fuel oil.

Throughout his remarks he brings out how irresponsible the Congress has been in meeting this crisis situation.

Mr. President, Congressman KRUEGER's remarks are equally applicable to the conference report on H.R. 4035.

In his letter addressed to the Senate's distinguished majority leader bearing yesterday's date, Mr. Frank Zarb, Administrator of the Federal Energy Administration, implored the Senate to reject the conference report on H.R. 4035. His letter utilizes the same reasoning contained in the lucid views of Congressman BOB KRUEGER. I will now read that letter to my colleagues:

> Hon. MIKE MANSFIELD,
> *U.S. Senate,*
> *Washington, D.C.*
>
> DEAR SENATOR MANSFIELD: It is my understanding that the Senate intends to consider tomorrow the report from the Conference on S. 621 and H.R. 4035, legislation which would amend the Emergency Petroleum Allocation Act of 1973. As you recall, I wrote you last Thursday, July 10, to convey the Administration's serious problems and concern with this legislation.
>
> The bill recommended by the Conference Report would increase consumption, cut production and increase petroleum imports by

about 350,000 barrels per day in 1977, compared to import levels resulting from the President's 30-month phased decontrol proposal. Moreover, it would result in increased imports of approximately 70,000 barrels per day over what we could expect under the current system of mandatory controls.

The Conference bill would produce these counterproductive results by:

Rolling back the price of "new" domestic crude oil;

Repealing the "stripper well" exemption from price controls provided by existing law; and

Establishing a three-tier price system that would mandate a complex and unwieldy program that would be most difficult to administer.

The Conference Report adopted virtually all of the objectionable provisions of both the House and Senate versions of the legislation. In addition to the items mentioned above, it would make it considerably more difficult to phase-out current price and allocation controls, and would fail altogether to provide any assurance that an orderly phase-out can begin promptly.

Yesterday the President announced a compromise decontrol plan which he intends to submit to the Congress this week.

This decontrol plan, which will phase-in decontrol over 30 months and keep a price "cap" on domestic crude oil, combined with the existing $2.00 import fee, will reduce imports by almost 900,000 barrels per day by 1977. It will permit high-cost enhanced recovery techniques to yield more domestic oil from old fields. Without this plan, about 1.4 million barrels per day domestic production will be lost by 1985.

This gradual phase-in of decontrol will raise the average price of petroleum products slightly more than 1¢ per gallon this year, and by an additional 3¢ per gallon in 1976 and 1977.

The entire decontrol proposal made by the President is now a matter of public record. As you know, yesterday he delayed its formal transmission to the Congress to provide the opportunity for members of Congress and the public to examine thoroughly the merits of the proposal before each House of Congress, under existing law, determines whether to accept it.

Clearly, the President's proposal warrants the most careful and thoughtful scrutiny by the Congress, and it is imperative that this scrutiny not be foreclosed by ill-considered adoption of the Conference Report on S. 621 and H.R. 4035. This is particularly important, I believe, in light of the fact that the plan represents a considerable compromise from the President's initial proposal for immediate decontrol.

Consequently, I would urge that the Senate act to reject the Conference Report and avoid prejudging the President's proposal. Since the bill would override the President's proposal even before it is considered by the Congress, I would have no alternative but to recommend that the President disapprove the Conference version of S. 621 and H.R. 4035 were it enacted by the Congress.

In closing, let me reaffirm the commitment I made in my letter of July 10 to work in any way possible with the Congress to begin the process of making this country less vulnerable to the arbitrary actions of OPEC, and to mention again my appreciation for your continuing support toward achieving that goal.

Sincerely,

FRANK G. ZARB,
Administrator.

Mr. Zarb made reference in his July 15 letter to another letter he addressed to Senator MANSFIELD on July 10. In that letter he made information available to the conferees on the objectionable provisions of H.R. 4035 and S. 621. I ask unanimous consent that Mr. Zarb's letter of July 10 be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

FEDERAL ENERGY ADMINISTRATION,
Washington, D.C., July 10, 1975.

Hon. MIKE MANSFIELD,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MANSFIELD: I am writing to convey the Administration's profound concern over S. 621 and H.R. 4035, legislation to be considered today in House-Senate Conference Committee. This legislation would amend the Emergency Petroleum Allocation Act of 1973, and the House version of the legislation would extend the current mandatory petroleum allocation program through December 31, 1975.

While each bill would make it more complex and difficult to phase out current price and allocation controls, and the Senate version would compound this serious deficiency by requiring a three-tier price system for crude oil, neither bill addresses the most crucial requirement of any such legislation—a definite and reliable method whereby the emergency price and allocation controls can be phased out in an orderly manner.

As you know, the President initially proposed outright termination of the price controls mandated during the embargo on crude oil by the first of April. Since that time, at the request of the leadership of the Congress, the President has on several occasions tempered the pace he originally set forth for achieving action necessary to carry out a comprehensive national energy program. The alterations of the original schedule were designed to afford the Congress additional time in which to respond to his initiatives, and to enact positive legislation that would carry out the crucial energy goals that the public interest demands. Most recently, he has stated his willingness to accept a phase-out of the current price and allocation controls during a two-year period. Such a schedule, we believe, more than meets the reservations expressed by some as to the potential adverse economic impact asserted to accompany immediate decontrol of crude oil.

Any legislation that merely puts off any decision on phased decontrol for many more months is most inadequate at this juncture, and the Administration has no alternative but to oppose it vigorously. Since neither S. 621 nor H.R. 4035, as presently drafted, provides the certainty of attaining decontrol on a two-year phased-in basis, and since each bill contains undesirable, and unworkable price regulation provisions that would make even more stringent the existing mandatory allocation program, the Administration cannot accept either bill in its current form. Nor is the Administration in a position to accept legislation extending the Emergency Petroleum Allocation Act, which is currently scheduled to expire on August 31, 1975, without provisions in the legislation that will assure attainment of the President's goals to reach energy independence.

We will work with the Congress to assist in every constructive way possible between now and August 31 to achieve the statutory authority and commitment necessary to carry out the phased decontrol of crude oil and petroleum products, and to make other necessary changes in the price control and allocation program as it is phased out.

You have always indicated your commitment to help implement a program which will once and for all begin the process of making this nation less vulnerable to the arbitrary pricing and political actions of OPEC. I have always appreciated your support toward that goal and hope that we can work together to achieve it.

Sincerely,

FRANK G. ZARB,
Administrator.

Mr. FANNIN. Mr. President, I made reference to Mr. Zarb's letter to Mr. MANSFIELD of July 10. The distinguished majority leader responded on July 14 to which Mr. Zarb responded today. I believe that our colleagues would want to learn about this exchange of correspondence and I ask unanimous consent that the Mansfield letter of July 14 and the Zarb letter of July 16 be included in the RECORD following the Zarb letter of July 10.

U.S. SENATE,
DEMOCRATIC POLICY COMMITTEE,
Washington, D.C., July 14, 1975.

Hon. FRANK G. ZARB,
Administrator, Federal Energy Administration, Washington, D.C.

DEAR MR. ZARB: Thank you for your letter of July 10 expressing profound concern about the provisions of S. 621 and H.R. 4035. The conferees have now reached an accord on the items in disagreement. This measure represents the majority view of the Congress that controls should be kept on the price of energy. It is the only mechanism designed to avoid a serious impact on the American consumer, the farmer, business and the economy generally. The Nation cannot, as was brought out at the White House, tolerate at this time the shock of further petroleum price increases. Keeping the lid on oil now under control and even the rollback feature on oil not under control could help to avoid additional economic difficulties that would be occasioned by large petroleum price increases, be they caused by import tariffs or taxes, by industry or by the cartel.

By extending the Petroleum Allocation Act of 1973 as provided by H.R. 4035, the Policy Committee staff informs me that the following will have been achieved:

"(1) prevented an increase of 15 cents per gallon in the price of all petroleum products;

(2) prevented a 28 cents increase in the price of gasoline;

(3) prevented an exorbitant increase in the price of home heating oil;

(4) barred the inflationary push against the cost of all goods and services—food, shelter, clothing and synthetics; and

(5) saved the average family an additional $600 in increased costs per year."

In more general terms, with regard to the economy, this legislation prevents an impact that could keep the recession from becoming much worse. Avoided, for example, will be a possible two percent increase in inflation, which would push us back into double-digit figures. Avoided also is a further increase in unemployment by saving anywhere from 200,000 to 600,000 jobs. Most importantly, perhaps, is the fact that if all the controls are now lifted, the price paid for petroleum by the people of this Nation will be set entirely by the foreign cartel. This would be neither fair nor equitable.

As to other elements of the energy program in the Senate, I am happy to report that many of the most important measures are well along in the legislative process and will soon be passed. Of course, we have already passed the standby authorities which would be triggered into effect in the event of embargo or other unforeseen shortage. The Strategic Reserves proposal has been passed and other key elements of the comprehensive Congressional program have now received the legislative refinement to the end that the main conservation measures, augmented supply measures and those measures designed to foster greater utilization of more abundant fuel sources will hopefully be passed within the next two or three weeks. I hope the Senate will receive the full cooperation of the entire Executive branch in this bipartisan Congressional effort to set the policy direction in the energy field for the decades to come. Among the energy bills set for consideration in July are the following:

(1) S. 1849, to extend the emergency petroleum allocation act expiring on August 31, 1975 which if not extended will force the price of oil now controlled from $5.25 to $13.50 per bbl resulting in an additional annual energy cost to consumers of $33 billion.

(2) S. 1883 Mandatory fuel efficiency standards for new automobiles and light duty trucks.

(3) S. 521 Outer continental shelf development and leasing S. 586 coastal zone act.

(4) S. 391 Coal leasing and S. 1777 coal conversion to accelerate the transition to greater coal usage.

(5) S. 598 Energy research development act funding of synthetic fuels.

(6) S. 692 Natural gas production and conservation act.

(7) S. 740 Energy production board to oversee and coordinate the national energy efforts.

Beyond that, I would only concur in your observation that I am indeed interested in helping to implement a program that will not cause further damage to the American economy or interfere with efforts to aid recovery. At the same time, I hope the Administration will cooperate in the Senate's efforts with these and other proposals, to begin the process of making this Nation less vulnerable to the actions of the cartel and less dependent upon foreign sources of energy.

With best personal wishes, I am

Sincerely yours,

MIKE MANSFIELD.

P.S. As you are aware, on some of the proposals discussed at the White House, I am "betwixt and between".

FEDERAL ENERGY ADMINISTRATION,
Washington, D.C., July 16, 1975.

Hon. MIKE MANSFIELD,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MANSFIELD: Thank you for your letter of July 14 which responded to my statement in which I expressed our deep concern about provisions of S. 621 and H.R. 4035.

Your letter, though, itself is of deep concern to me in that it conveys certain claims by the Democratic Policy Committee staff on the impacts of H.R. 4035. This concern is two-fold; first because their analysis greatly exaggerates the price increases and economic impacts that would result from decontrol, and second because it suggests that the Nation can get something for nothing by legislation such as H.R. 4035.

For example, the staff claims that this legislation will prevent $33 billion in total cost increases, save each family $600 per year, and prevent a 28¢ increase in the price of gasoline. Simple arithmetic demonstrates that these numbers are fallacious. There are only about 5.2 million barrels of old oil produced per day, which would rise by about $8.00 per barrel, or about a $15 billion total, by the end of the 2½-year period of phased decontrol. Dividing this number by the approximately 17 million barrels of oil this Nation uses each day reveals that decontrol would result in only 7¢ per gallon in price increases. Similarly, dividing by the Census Bureau number of households in this country yields about one-third the total of household cost impacts cited in your letter.

As you know, the President's program contemplates gradual decontrol, so that these cost impacts would not be immediate. Under the President's proposal the 7¢ price increase would not occur until the end of 1978, and if the President's proposal were adopted immediately it would cause a gasoline price increase of only 1¢ per gallon by the end of this year.

The staff analysis suggests the alternatives now considered by the Senate are immediate decontrol and enactment of H.R. 4035. As you know, this is inaccurate, for the President has proposed phased-in decontrol over a 30-month period. Not only are the cost increases resulting from decontrol substantially more modest than those suggested by the Policy Committee staff, but under the President's proposal they would be put into place gradually to avoid even the slightest risk of dislocation of the economy.

The staff analysis is disturbing as well because it fails to suggest the practical consequences of H.R. 4035, or of continuing the current mandatory controls. The facts are simple and stark. Enactment of H.R. 4035 would increase our reliance on imported petroleum by 70,000 barrels per day from the status quo and by 350,000 barrels per day when compared to adoption of the President's phased decontrol plan. The staff analysis further fails to address the economic dislocations associated with continuing to export the dollars necessary to exist with this increased reliance on imported oil.

Moreover, the staff prognosis which describes these added costs fails altogether to consider the progressive rebates to consumers proposed by the President's program. As you know, the President has just restated his request that the Congress act promptly to enact the legislation necessary that will return the energy taxes he proposes as consumer rebates.

As you are aware, the recession appears at an end, and it was reported yesterday by the Federal Reserve Board that industrial production rose in June for the first time since last September. As we anticipate an increased pace of economic activity throughout this year and into next, we may also expect further pressure on petroleum consumption which makes it even more essential that we act now to start decontrol in order that the Nation use more wisely all of its energy resources.

While the economic effects of action are greatly overstated by the Policy Committee staff, they fail even to mention the costs we would sustain in a new embargo. By 1977, we could be more than twice as vulnerable to an embargo as we were in the winter of 1973–1974, which could cost our economy over $40 billion if it lasted six months—far greater than the costs of implementing the President's program.

The President has sought in good faith to compromise with those in the Congress who have expressed reservations as to certain elements of his energy program. As you know, he originally proposed immediate decontrol by last April. He has just submitted a decontrol plan which tempers considerably the pace he originally set for achieving this crucial objective in the energy program which the Nation must adopt. H.R. 4035 would have the effect of rebuffing the President's compromise proposal even before it is considered on its merits. Accordingly, I must restate the concerns I expressed in my letters of July 10 and July 15 and urge that the Senate reject the Conference Report on H.R. 4035.

I assure you that I and the Administration will continue our efforts to work constructively with you and the entire Congress to accomplish an effective national energy program that will achieve our crucial conservation goals while preserving the purchasing power of all the Nation's citizens.

Sincerely,

FRANK G. ZARB,
Administrator.

Mr. FANNIN. Yesterday the Senate voted to extend the Emergency Petroleum Allocation Act. The 62 Senators who voted for its final passage must have been unaware of the history of the Emergency Petroleum Allocation Act. We outlined this history in our minority views which concluded that extending the Emergency Petroleum Allocation Act without coming to grips with the real issue constituted nothing more than a default of our responsibility and more unnecessary delay. The arguments that were used as related to S. 1849 are equally applicable to the conference report on H.R. 4035. I ask unanimous consent that these minority views be printed in the RECORD at this point.

There being no objection, the minority views were ordered to be printed in the RECORD, as follows:

MINORITY VIEWS OF SENATORS FANNIN, HANSEN, MCCLURE, AND BARTLETT

At the request of the Administration last summer, we voted in favor of S. 3717 to extend the expiration date of the Emergency Petroleum Allocation Act from February 28, 1975, to June 30, 1975.[1] Our sole purpose for voting to support the four month extension was to provide an additional period of time in which to proceed with an orderly and complete phase out of all price and allocation controls. No other amendments than the mere four month extension were contemplated or agreed upon in conversations between Administration officials and members of this Committee on both sides of the aisle.

Such an intent of the Committee members was clearly reflected in the following statement made by the Committee chairman, Senator Jackson, on the floor of the Senate on August 12, 1974 (Page 27705 of the Congressional Record of August 12): "The act is now scheduled to expire on February 28, 1975. This expiration date occurs too soon after the new Congress convenes for a careful evaluation of the administration of the act and an informed decision as to the need for a full scale extension of the act in light of conditions then prevailing. Furthermore, if the Congress were unable to complete action on extension proposals, the act would expire at the height of the winter heating season when the need for allocation authority could be greatest. . . . The Committee believes that it is too soon to make basic changes in the act and that proposed changes should be considered next year in light of more extensive experience with the act. Accordingly, it is proposing a *short* (emphasis added) extension without amendments.

All we are saying is, let us extend the act as it is from February 28 until June 30. We will have time, then, after the first of the year to act carefully and deliberately."

On November 22, 1974, Chairman Jackson in another floor statement (Page 37056 of the Congressional Record of November 22), listed additional, but no longer valid, reasons for the "short" extension of the Emergency Petroleum Allocation Act of 1973: "Faced as we are with a coal strike of uncertain duration, with the forecast for a severe winter . . . the Government must have petroleum allocation authority through the present winter."

Chairman Jackson reiterated in the same floor statement the necessity of an extension of the act, in order to allow Congress time to assess the act.

"The purpose of the six month extension provided for in H.R. 16757 is to provide adequate time for the new Congress and the executive branch to review the act. . . ."

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[1] The bill as signed into law extended the Act until August 31, 1975.

Whereas the consideration of a coal strike and the winter of 1974–75 is behind us, the attempt to extend the Emergency Petroleum Allocation Act of 1973 until March 31, 1976, can only be viewed a default of the Congress to honor its pledge to come to grips with energy policy, including the need to repeal or substantially revise the act.

When we considered S. 3717 on the Senate floor last August, the administration's position as we understood it was as follows:

1. The expiration date of the Emergency Petroleum Allocation Act would be extended to June 30, 1975.

2. Between August 1974, and June 30, 1975, the Administration should proceed with an orderly total phase out of price and allocation controls to be completed by June 30, 1975.

The Emergency Petroleum Allocation Act by its very title was intended to be an emergency measure to deal with a temporary petroleum fuels shortage which now has ended. It is to be recalled that the act was passed at the time of the Arab oil embargo specifically to deal with the supply shortages caused by the oil embargo. That such was what was contemplated is clearly borne out by section 2 of the act which reads as follows:

SEC. 2. (a) The Congress hereby determines that—

(1) shortages of crude oil, residual fuel oil and refined petroleum products caused by inadequate domestic production, environmental constraints, and the unavailability of imports sufficient to satisfy domestic demand, now exist or are imminent;

(2) such shortages have created or will create severe economic dislocations and hardships, including loss of jobs, closing of factories and businesses, reduction of crop plantings and harvesting, and curtailment of vital public services, including the transportation of food and other essential goods; and

(3) such hardships and dislocations jeopardize the normal flow of commerce and constitute a national energy crisis which is a threat to the public health, safety, and welfare and can be averted or minimized most efficiently and effectively through prompt action by the Executive branch of Government.

(b) The purpose of this Act is to grant to the President of the United States and direct him to exercise specific *temporary* (emphasis added) authority to deal with shortages of crude oil, residual fuel oil, and refined petroleum products or dislocations in their national distribution system. The authority granted under this Act shall be exercised for the purpose of minimizing the adverse impacts of such shortages or dislocations on the American people and the domestic economy.

We who voted against the Emergency Petroleum Allocation Act at the time did so because we felt that the bill, at best, would only spread shortages around. Additionally, we felt that should the Federal Government intervene in the marketplace by imposing regulations affecting supply and price, no matter how benignly such intervention was intended, unforeseen inequities would result and the shortage would be exacerbated.

The one day of hearings last year on S. 3717, extending the Emergency Petroleum Allocation Act, contained much testimony enumerating and describing the inequities which have resulted from the Act. These remarks plainly show both that the legislation was intended to deal with a petroleum fuels emergency which no longer exists and that the wisdom of federal regulatory intervension in the marketplace even under the then existing fuel shortage was questionable.

Continued reliance upon legislative authority designed specifically to alleviate the impact of emergency fuel shortages in times of a reported petroleum surplus generates many deleterious effects.

For example, FEA Administrator Frank Zarb presented testimony to the Interior Committee on May 19 of this year which analysed the following deleterious effects of the act:

1. *The EPAA is inconsistent with the national goal of achieving long-term energy independence.*—The EPAA creates such inflexibility in FEA's price control program that considerable disincentives to increased domestic production are created. . . . For example, the crude oil entitlements and the buy-sell programs, which are largely designed to give small and independent refiners necessary access to the cost advantages of price-controlled domestic crude oil, must to some degree have the undesirable effect of encouraging imports since the burden of their higher cost is not borne solely by the importer, but shared with his competitors.

2. *The EPAA denies consumers the full benefits of competition.*—Price controls while overtly holding down prices, also are operating to support higher prices than might be possible in a free market. The two-tier price system, for example, creates cost disparities which in certain cases allow recovery of higher margins by competitors blessed with lower current costs than would be possible under free market conditions. The dollar-for-dollar pass through rule in Sec. 4(b)(2) of the EPAA, which in effect allows the continuation of historical profit margin levels, tends to provide government endorsement of and justification for such profit margins, even though those margins were in some cases unnecessarily high during the base period, and the logic of market conditions might dictate lower margins today.

3. *The EPAA prolongs unwarranted economic distortions and inefficiencies.*—An unavoidable effect of an extended allocation program is to maintain within the petroleum industry those inficiencies and distortions that existed during an arbitrarily chosen base period. Continuations of historic distribution patterns may result not only in prolonging such inefficiencies, but also may have adverse effects upon industrial expansion and population movement.

With respect to domestic crude oil, for example, FEA met the EPAA allocation requirements by freezing supplier/purchaser relationships as of December 1, 1973. As domestic production continues to decline at differing rates in different parts of the country, necessary adjustments in crude oil distribution channels cannot be resolved through the operation of normal market mechanisms, and can only be accomplished by ad hoc action by FEA, which is ill-equipped to deal with such matters.

Distortion must also result from continued regulation of only petroleum products without comparable regulation of such substitute sources of energy as coal, electricity and natural gas. Such disparate treatment disrupts the functioning of normal market forces, and prevents a coordinated response to the Nation's energy problems. * * *

4. *The EPAA makes it very difficult for the petroleum industry to reach rational business decisions.*—The constant need for regulatory changes to respond to ever-changing market conditions (such as the establishment of the cost equalization program to solve problems created by the two-tier price system) seriously inhibits the industry's ability to engage in long-term business planning. That planning that can be done must also be skewed to reflect the distortions built into the marketplace as a result of the rigid requirements of the EPAA. This problem will only be exacerbated by further piecemeal extensions of the EPAA, rather than enactment of a new regulatory program which deals with the realities of today's marketplace and our long-term needs.

A prime example of the uncertainty created by FEA regulations results from the supplier/purchaser relationship rules, noted above. These rules have created an administrative house of cards held together only by historical, and in many cases impractical, supplier/purchaser relationships that are mandated by the Act. The more time that passes, the more fragile these relationships will become and the greater the disruption that will result when the program is terminated. In this atmosphere, the industry is understandably reluctant to make the investment decisions which must be made soon if the country's long-term energy goals are to be met. . . ."

5. *Proposal to phase-out old oil.*—As can be seen from the above discussion of the problems inherent in the Emergency Petroleum Allocation Act, the solution to many of these lies in the elimination of the two-tier pricing system for crude oil. The two-tier pricing system inevitably causes cost disparties among refiners and marketers of petroleum products which in turn create economic distortions. Although these cost disparities have been substantially reduced by the crude oil entitlements program, they can never be entirely eliminated while the two-tier pricing system exists. Such cost disparities significantly hinder FEA's ability to assure that the competitive viability of the independent sector of the petroleum industry is maintained.

Moreover, the existing complicated structure of price controls at all levels of distribution, which is necessitated due to the existence of the cost disparities resulting from the two-tier price system, tends to be self-defeating over the long run by reducing normal incentives toward increased production and cost control and by eliminating the ability of the industry to engage in long range business planning. As the effectiveness of price control lags over time, regulations of greater complexity and reach become necessary to maintain the controlled-price structure. Tightening of controls tends to further stifle initiative and to contribute to greater economic distortion. . . .

Various other leaders of the supplier, producer, and financial institution fields testified at the Senate Interior Committee's oversight hearing as to the disfunctional responses precipitated by oil price controls and the FEA regulatory program.

Wallace W. Wilson, Vice President of Continental Illinois National Bank & Trust Company of Chicago told the Committee:

"The combined effects of price controls, allocation regulations and the loss of percentage depletion is to reduce the amount of capital available for reinvestment, at a time when the only realistic solutions to our long-term energy dilemma require increased capital investment in new exploration and development. . . ."

". . . The longer price controls are continued, the longer we will frustrate the normal economic processes that work effectively to balance supply and demand and to allocate our resources to their most effective uses."

William V. Traeger, Vice President of Otis Engineering Corporation, stressed a similar point:

"The provisions of the Emergency Petroleum Allocation Act place a lid on prices received for petroleum products while a variety of factors, including actions by the Congress, create a buildup of costs and a profit squeeze which drains vital capital from our industry and makes other forms of financing difficult or impossible. Many of our customers' long term commitments are 'locked in' and adjustments of budgets to provide for the shortage of available capital will have a dramatic effect on industry expenditures for exploration and production."

Finally, one must consider the avowed intent of Congress in enacting the EPAA, as stated on page 13 of the conference report accompanying S. 1570, under the "Findings and purpose of the EPAA of 1973."

"No allocation plan, regulation or order, nor mandatory price, price ceiling or restraint, was to be promulgated whose net effect would be a substantial reduction of the total supply of crude oil or refined petroleum products available in or to markets in the United States."

Yet; as noted by the foregoing testimony, and by this apt comment by Charles J. Waidelich, President of Cities Service Company, the EPAA has created exactly the opposite effect:

"Continuation of these restrictive regulations is contrary to the intent of Congress (See page 13, Conference Report to accompanying S. 1570. Findings and Purpose for Direct Quotation.) when the Emergency Petroleum Allocation Act of 1973 was enacted. These regulations have the effect of curtailing the expansion of oil and gas exploration. Regulation of supply is distorting the workings of the marketplace. The consumer is paying, and will continue to pay, a price for these programs.

"Our company's reduced expenditures for exploration and production will mean loss of additional production . . . loss of employment opportunities within our economy . . . and a possible effect on employment of contractors and suppliers."

In closing, S. 621 and H.R. 4035 are going to conference with H.R. 4035 containing a provision (Sec. 2(a)) extending the EPAA to Dec. 31, 1975. Another bill, S. 622 (Sec. 122) also contains a provision extending the EPAA to March 1, 1976. And of course, S. 1849 as reported is exclusively an extention of the EPAA until March 1, 1976. This panoply of bills all catering to an extension of the EPAA only indicate either Congress unwillingness or incapability to grapple with the growing dependence upon imported oil. Hence, this is not a case of Congress vs. the President. This is a case of Congress giving itself an excuse for its own inaction. Congress should not attempt to shield itself from the plethora of press criticism about continuing Congressional delay in enacting a comprehensive energy program. Instead, Congress should act responsibly by dealing with the substantive issues. Thus, voting for S. 1849 which would motivate further delay would be an affront to the dignity and credibility of the U.S. Senate.

Mr. FANNIN. Mr. President, in closing, I repeat my plea that the Senate stop playing games with energy and start acting responsibly. Acting responsibly necessitates voting to reject the conference report on H.R. 4035.

Mr. McCLURE. Will the Senator from Arizona yield for one question?

Mr. FANNIN. I am very pleased to yield to the Senator from Idaho.

Mr. McCLURE. I thank the Senator for yielding.

Perhaps somewhere in the colloquy, if possible, the Senator might touch on the application of one provision of this bill which puzzles me, that of averaging prices for enhancing recovery from old fields.

As I read the bill and the report, it is intended to offset the higher cost recovery from old fields to slow the decline in production and enhance recovery from an old field. It is intended to allow an increased price for that increased recovery, but that the average price resulting nationwide shall not increase the total of old controlled oil and this enhanced recovery oil was not above 50 cents above the old price.

My question is, how in the world, when we get down to applying that, can it be applied where the average is nationwide and the production is field by field and producer by producer?

It seems to me this provision is almost totally unworkable.

Mr. FANNIN. I agree with the distinguished Senator from Idaho; it is unworkable. Deterring production was not intended, but the way the regulations are so worded that could be the result. It is something that I think has resulted and will result, of course, from legislation such as we are considering today. We deter rather than encourage the recovery and development of petroleum.

Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator from Arizona has 4 minutes remaining.

Mr. FANNIN. Mr. President, this is an illusion, which has been brought out by the press in many editorials and articles, even by the Washington Post and the New York Times, papers of a liberal delineation; and we still have nothing accomplished by the Congress.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. FANNIN. Mr. President, what time is remaining?

The PRESIDING OFFICER. The Senator has only 1 minute remaining.

Mr. FANNIN. I yield a minute to the Senator from Wyoming.

The PRESIDING OFFICER. The Senator from Wyoming is recognized.

Mr. HANSEN. Mr. President, I compliment my distinguished colleague, the senior Senator from Arizona, for the excellence of his statement.

Mr. President, I ask unanimous consent to have printed in the Record at this point editorials from the Wall Street Journal of July 11, 1975, entitled "President Ford's Oil Opportunity" and from the Washington Star, Monday, July 14, 1975, "The 'Old Oil' Dilemma."

There being no objection, the editorials were ordered to be printed in the Record, as follows:

[From the Washington Star, July 14, 1975]

The "Old Oill" Dilemma

After communing with those who freely advise us on the problem of "old oil"—whose regulated price of $5.25 a barrel President Ford would like to phase out—we must conclude that the experts are, as usual, confused. That must be so, when the predicted results of decontrol vary so wildly.

The Wall Street Journal's resident editorial economist assures us that the Ford plan is right, that the alarums about soaring fuel prices are "utter fantasies," that in fact "the price of gasoline is more likely to fall than to rise after decontrol"—although, come to think of it, gas prices might rise after all, if you see what the Journal means. But even if they rise, "an increase of 7.5 cents (per gallon) is the upper limit." That, says the Journal, is not only tolerable but hardly worth mentioning.

If, encouraged by the Journal's outlook, you should be bold enough to turn to the forecasts of the Congressional Joint Economic Committee, the heart sinks. That body, or at least the Democratic members thereof, foresees darker results of decontrol: the transfer of "upwards of $40 billion over the next two years from consumers to oil companies and oil exporting nations"; a 3 per cent drop in the economic growth rate by late 1976; and a steeper rise in the price index.

It would be difficult to imagine more complete disagreement between any two sets of seers rubbing the same crystal ball, although in economic matters we have learned to expect it. One begins to suspect, in fact, that given an initial set of mind—for the free market on the one hand, or for the "protection" of consumers from higher fuel prices on the other—a set of economic predictions can be tailored to fit. The wish is father to the forecast.

And just what, one may ask, is "old oil" anyway? Well, old oil, though it sounds like the dirty goo the garageman drains from your crankcase every 5,000 miles or so, is chemically indistinguishable from "new" oil; only the price is different. It is more or less that quantity of domestic crude (some 40 per cent of domestic consumption) that was being produced as of 1972. "New" oil, which fetches the world market price of $12.75 a barrel, is the crude oil that has been added to domestic production since 1972.

That we now artificially distinguish between the two for pricing purposes is to be explained by clashing, and perhaps irreconcilable, policy goals. One is the politically convenient goal of pleasing the American consumer who thinks petroleum fuel prices are already too high; the other is the unpleasant but probably necessary goal of giving domestic oil producers an incentive to increase their production, so as to ease the demand for imported oil while preventing shortages. What more typical, if economically illogical, solution than to split the difference by a two-tier pricing system?

Explanations, however, do not always lead to solutions; and sometimes, as in the oil decontrol issue, they seem to lead away from them. President Ford and Congress are at loggerheads. Mr. Ford is bent on decontrol, Congress on retaining controls which are set to expire in late August. Each braces its position with figures, although as the foregoing discrepancies suggest neither knows just what decontrol would mean to the economy. Would the price of petroleum fuels go down or up?

Our rather tentative feeling is that there is superior economic logic in the President's position, and certainly more sense from the point of view of national security policy. And among other benefits, decontrol would bring an end to the system of "entitlements" (whose complexities needn't be gone into here), which by Prof. Milton Friedman's estimate transfer about $16 billion a year from taxpayers and producers to refiners and importers of oil.

We think Congress should go along with decontrol of old oil prices, at least for a trial period. If the dire economic consequences predicted by the Joint Economic Committee begin to flow from decontrol, there will be a solid case for putting the controls back on and resuming the two-tier pricing system. But the truth is that we won't know who's right until decontrol has a trial run.

[From the Wall Street Journal, July 11, 1975]

President Ford's Oil Opportunity

With the government's authority to control oil prices running out on August 31 and Congress running out on a month's vacation beginning August 1, President Ford has a delicious opportunity to get rid of the controls to the immediate benefit of the economy. It's difficult to see how Mr. Ford can fail to benefit politically if he plays the cards he holds with bold confidence.

The only problem standing in the President's way is the hand-wringing going on among several of his advisers, those who believe controls are intrinsically bad yet who fear that the absence of controls will have dire effects. These voices are telling the President that if controls expire on August 31 the price of oil products will rise so sharply that the economic recovery underway will be aborted, another inflationary spiral will be ignited, the general public will denounce Mr. Ford's free-market dogmatism, and Congress will come back with a controls program worse than before.

Given this scenario, which a number of oil company executives are also carrying around in their heads, the obvious policy to follow is one of gradual decontrol, letting that 40% of the crude market that is fixed at $5.25 a barrel rise to the world price over two or three years. If fed the price increases a little at a time instead of all at once, the public will not be vulnerable to a demagogic stampede against the oil industry.

The scare scenario is another of those utter fantasies that occasionally get a grip on the minds of supposedly informed people (whatever happened to the petrodollar problem anyway?). In fact, the price of gasoline is more likely to fall than to rise after decontrol. The scenario rests on the observation that with decontrol the price of "old" domestic crude would leap from $5.25 a barrel to $13, the world price plus the $2 tariff—and on the hallucination that retail prices would behave more or less in proportion.

To begin with, since controlled oil is only 40% of the total, the current average price of crude is about $10. Beyond that, the price of crude is a relatively minor component of the retail cost of gasoline; a $1-a-barrel increase in crude costs means a 2.5-cents-a-gallon increase in gasoline prices. So, if the total increase is passed on, lifting the average price of crude to $13 would mean an increase of 7.5 cents at the gasoline pump, (or 2.5 cents if the President simultaneously lifted the tariff). We doubt that this increase would set off riots even in Senator Jackson's offices and it is the most pessimistic possible prediction. An increase of 7.5 cents is the upper limit, the maximum.

Actually, anyone who believes elementary economics ought to predict that decontrol would leave the price of gasoline totally unchanged. Elementary economics teaches that prices are set at the margin. What matters is not the average cost but the cost of the last additional barrel necessary for supply to equal demand. Of course, the marginal barrel of oil is now imported at a cost of $13. Decontrol would not change this marginal cost, and therefore would not change the price of gasoline.

What would instead happen would be a redistribution of benefits within the oil industry. Those participants now benefitting from the vagaries of the federal allocation program would lose their goodies, while the actual producers of domestic crude would gain. The removal of controls would allow the system to operate more efficiently, thus tending to reduce prices. The extent of this tendency is not measurable, but at least it is no hallucination.

The scare scenario seems by now so ingrained that President Ford is calling for a gradual decontrol and will announce his plan soon, which either the Democratic Senate or Democratic House will be able to reject by simple majority vote. Because liberals have enough votes to do so, and oppose even gradual decontrol, chances are they will vote down the President's plan and send him an extension of his authority to impose controls.

We find ourselves rooting for the liberal Democrats, because once they have turned down the President's bill he will be free to veto the extension and end controls once and for all. He can then assure his nervous advisers that any problems can be blamed on the Democrats' refusal to go along with his gradual plan. The last thing Mr. Ford should do is water down his plan to get Democratic agreement.

The President holds all the cards. The latest Harris survey on the issue even shows that by 46% to 31% Americans favor deregulation of oil and gas produced here. He should send up a tough decontrol plan, one the controllers in Congress would love to reject, and let them spend their summer vacations wishing they hadn't.

Mr. HANSEN. Mr. President, I wish to observe that the Committee on Finance has been holding hearings on this energy crisis in America and while we have tried to have all shades of opinion represented there seems rather universal agreement on some few facts.

One is that if we want to address the problem of supply, we have got to do something to give encouragement to the oil industry.

The Tax Adjustment Act of 1975 signaled the point when interest in drilling in America dropped very sharply. In my State of Wyoming, the number of rigs operating at Easter time was 129; by about June 20 that number had dropped down to 99 rigs.

I have had letters from the Society of the Independent Earth Petroleum Scientists, a very sophisticated group of petroleum experts, and they show that the number of wells that are to be drilled on backlog dropped very sharply when the Tax Act was passed.

These stories could be repeated time after time.

This act does nothing to increase energy supplies but rather, unless vetoed, would preempt the President's proposal to phase out price controls on old oil and would roll back the price of new and stripper well oil.

Mr. President, this act would further discourage oil and gas exploration and development which, as I have pointed out, is already on the decline.

For those reasons I shall vote against the conference report.

Mr. JACKSON. Mr. President, I ask for the yeas and nays on passage of the conference report.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The Senator from Washington has the time remaining before the hour of 3 o'clock.

Mr. JACKSON. Mr. President, I am prepared to yield back the remainder of my time.

Mr. FANNIN. I yield back the remainder of my time.

Mr. JACKSON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. McCLURE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCLURE. Mr. President, I ask unanimous consent that Mr. Michael Hathaway of my staff be accorded the privileges of the floor during the consideration of the pending legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCLURE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. JACKSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the conference report. The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

The PRESIDING OFFICER. The Senate will be in order. The Senators will please retire to their desks.

The assistant legislative clerk resumed and concluded the call of the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Mississippi (Mr. EASTLAND) and the Senator from Arkansas (Mr. McCLELLAN) are necessarily absent.

The result was announced—yeas 57, nays 40, as follows:

[Rollcall Vote No. 287 Leg.]

YEAS—57

Abourezk
Bayh
Biden
Brooke
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cranston
Culver
Eagleton
Ford
Glenn
Hart, Gary W.
Hart, Philip A.
Hartke
Haskell
Hathaway
Hollings
Huddleston
Humphrey
Inouye
Jackson
Javits
Kennedy
Leahy
Magnuson
Mansfield
McGovern
McIntyre
Metcalf
Mondale
Morgan
Moss
Muskie
Nelson
Nunn
Pastore
Pell
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Sparkman
Stafford
Stevenson
Stone
Symington
Talmadge
Tunney
Williams

NAYS—40

Allen
Baker
Bartlett
Beall
Bellmon
Bentsen
Brock
Buckley
Curtis
Dole
Domenici
Fannin
Fong
Garn
Goldwater
Gravel
Griffin
Hansen
Hatfield
Helms
Hruska
Johnston
Laxalt
Long
Mathias
McClure
McGee
Montoya
Packwood
Pearson
Percy
Scott, Hugh
Scott, William L.
Stennis
Stevens
Taft
Thurmond
Tower
Weicker
Young

NOT VOTING—2

Eastland
McClellan

So the conference report was agreed to.

Mr. JACKSON. Mr. President, I move to reconsider the vote by which the conference report was agreed to.

Mr. GLENN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ADDITIONAL STATEMENT ON CONFERENCE REPORT ON H.R. 4035—SOLAR UTILIZATION NOW

Mr. FANNIN. Mr. President, one of solar energy's greatest advantages is its applicability in remote areas where conventional power sources are unavailable. This particular solar advantage has been of great benefit to the Marine Corps Air Station near Yuma, Ariz.

In the fall of 1972, an air combat maneuvering range was installed in the desert, which included remote tracking stations. The tracking stations operate unattended for long periods of time with power provided by solar panels. This solar power allows for the operation of a sophisticated telemetry system which communicates with aircraft and relays information by microwave to a central locator.

The solar panels, which contain 57 individual solar cells, are angled for optimum solar collection. Sufficient solar conversion is accomplished by this system to generate power to operate the equipment for five 10-hour days before recharging is necessary. The maximum output of the solar-charged, lead-acid batteries is about 1½ amperes at voltages of 20 and 35 volts.

Again, these conversion systems are not new, nor are they in the development stage. The Yuma tracking stations have been operating since 1972 with only periodic inspections required. The lifetime of the panels is estimated to be "almost limitless"; leaving as the only maintenance the replacement of the rechargeable, sealed battery packs. The Marine Corps indicates that the money saved in maintenance, fuel costs, and travel time far exceed the original expense of the solar panels. To elaborate on this present utilization of solar energy, I would like to have a system performance report included in the RECORD, which gives a detailed description of the remote tracking stations. I am well aware of the interest of many of my colleagues in the use and development of solar radiation, so wish to share this specific material on the system with them.

I ask unanimous consent that the attached report on system performance be printed in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

SYSTEM PERFORMANCE

2.1 *Description of the Air Combat Maneuvering Range.* The Air Combat Maneuvering Range (ACMR) provides a means for comprehensive monitoring of air combat flight training while simultaneously recording data that permits complete and exhaustive replay and debriefing of the exercises for the benefit of the participants. The West Coast ACMR is installed in the R-2301 restricted airspace east of Yuma, Arizona, with monitoring and debriefing facilities at the MCAS, Yuma, and at NAS Miramar, California. Briefly, the system consists of a series of remote tracking stations situated in the range area, a computer complex at Yuma, and display vans at Yuma and Miramar. Since tracking and other aircraft data is obtained through transponder techniques, aircraft involved in ACMR activities must be equipped with a specially modified Sidewinder missile instrument package. The basic elements of the system are illustrated in figure 2-1 and described in greater detail in the following paragraphs.

2.1.1 *Aircraft Instrumentation Subsystem.—*

2.1.1.1 Inflight data for the ACMR is acquired by the use of an Airborne Instrumentation Subsystem (AIS) pod carried by the participating aircraft. The pod consists of a Sidewinder missile housing, minus the canard surfaces, and fitted with a standard air data (pitot-static) sensor probe. The probe permits continuous measurement of in-flight pressures that are subsequently converted into angle of attack, angle of sideslip, airspeed and Mach number. A compact strap-down inertial system in the AIS provides pitch, roll, heading and velocity values. The balance of the pod instrumentation is devoted to a transponder-type signal relay system for data transmission and tracking information.

2.1.1.2 Since the AIS pod is carried on the standard LAU-7A3 launcher, no special flight techniques or external attachments are needed (see figure 2-2). There are no limitations, and the electrical interface with the aircraft weapons system is essentially that of Sparrow and Sidewinder missiles.

2.1.2 *Tracking Instrumentation Subsystem.—*

2.1.2.1 User personnel will have little contact with this element of the ACMR, other than to be aware of the exact location of the instrumented portion of the range. The remote sites are small, compact, and powered by solar cells, and as a consequence, are not visible from the air.

2.1.2.2 Each of the seven sites relays data from the Aircraft Instrumentation System by line-of-sight ground link to a Master Station where it is relayed to the processing center at Yuma. The locations of these sites and the designated range area are shown in figure 2-3.

2.1.3 *Control and Computation Subsystem.* As with the tracking system, users will not come into contact with the computer complex at Yuma other than to obtain system status information via voice link. The Control and Computation Subsystem (CCS) is responsible for converting the data from the range into a form suitable for presentation at the display consoles. The specific functions of this subsystem becomes evident during the discussion of the various aircraft and ranging data readout displays.

2.1.4 *Display and Debriefing Subsystem.—*

2.1.4.1 The Display and Debriefing Subsystem (DDS) consoles provide the final presentation of live and replay data for ACMR. Users of the ACMR must, as a consequence, be familiar with the operation of this subsystem to a much greater extent than that of the balance of the range complex.

2.1.4.2 The Display and Debriefing Subsystem (DDS) consists of vans located at MCAS, Yuma, and NAS, Miramar, which contain identical display consoles at both ends of each van. The consoles can be used simultaneously for replay or live operations, providing the capability for a live operation and three debriefing sessions at the same time. Live operations can be monitored from any one or all of the three inactive consoles simultaneously.

2.1.4.3 The DDS vans also contain two small computers that process and record the refined data from the CCS. A teletype machine and a programing keyboard are used to input information to the system for each flight operation, and to activate and shut down the system during live and replay operations. The keyboards are manned by DDS operators at the direction of the Ground Instructor Pilot (GIP). As a consequence, this manual presents only those elements of the operator's task that the GIP must understand in order to conduct ACMR missions.

2.1.4.4 As indicated earlier, each of the DDS vans contains two complete operating consoles, including radio and other communications systems. The general layout of a DDS van is shown in figure 2-4. Figure 2-5 illustrates the arrangement of a typical console, including the DDS operator's station and the Ground Instructor Pilot's station. The operator's station at the left-hand step-down area of the console includes the keyboard, the status display tube and range intercom microphone. The GIP's station at the center of the console provides access to the graphics display tube, the alphanumerics display tube, the control panels and communications equipment. Figures 2-6, 2-7 and 2-8 show the controls available to the GIP.

2.2 *DDS Console Displays.*

2.2.1 *Status Display Tube.* Four types of system status data are shown separately on the status display tube. These are the Exercise Data Display, Range Status Display, Missile Data Display and Status Change Display.

COASTAL ZONE MANAGEMENT ACT AMENDMENTS OF 1975

The PRESIDING OFFICER (Mr. BELLMON). Under the previous order, the Senate will now proceed to the consideration of S. 586, which the clerk will state.

The assistant legislative clerk read as follows:

A bill (S. 586) to amend the Coastal Zone Management Act of 1972 to authorize and assist the Coastal States to study, plan for, manage, and control the impact of energy resource development and production which affects the coastal zone, and for other purposes.

The PRESIDING OFFICER. Without objection, the Senate will proceed to its consideration.

The Senate proceeded to consider the bill, which had been reported from the Committee on Commerce with an amendment to strike out all after the enacting clause and insert the following:

TITLE I

SHORT TITLE

SEC. 101. This title may be cited as the "Coastal Zone Management Act Amendments of 1975".

GENERAL PROVISIONS

SEC. 102. The Coastal Zone Management Act of 1972, as amended (16 U.S.C. 1451 et seq.), is amended as follows:

(1) Section 302(b) of such Act (16 U.S.C. 1451(b)) is amended by inserting "ecological," immediately after "recreational,".

(2) Section 304(a) of such Act (16 U.S.C. 1453(a)) is amended by inserting therein "islands," immediately after the words "and includes".

(3) Section 304(e) of such Act (16 U.S.C. 1453(e)) is amended by deleting "and" after islands," after "uplands,".

(4) Section 304 of such Act (16 U.S.C. 1453) is amended by adding at the end thereof the following new subsections:

"(j) 'Energy facilities' means new facilities, or additions to existing facilities—

"(1) which are or will be directly used in the extraction, conversion, storage, transfer, processing, or transporting of any energy resource; or

"(2) which are or will be used primarily for the manufacture, production, or assembly of equipment, machinery, products, or devices which are or will be directly involved in any activity described in paragraph (1) of this subsection and which will serve, impact, or otherwise affect a substantial geographical area or substantial numbers of people.

The term includes, but is not limited to, (A) electric generating plants; (B) petroleum refineries and associated facilities; (C) gasification plants; liquefied natural gas storage, transfer, or conversion facilities; and uranium enrichment or nuclear fuel processing facilities; (D) offshore oil and gas exploration, development, and production facilities, including platforms, assembly plants, storage depots, tank farms, crew and supply bases, refining complexes, and any other installation or property that is necessary or appropriate for such exploration, development or production; (E) facilities for offshore loading and marine transfer of petroleum; and (F) transmission and pipeline facilities, including terminals which are associated with any of the foregoing.

"(k) 'Person' has the meaning prescribed in section 1 of title 1, United States Code, except that the term also includes any State, local, or regional government; the Federal Government; and any department, agency, corporation, instrumentality, or other entity or official of any of the foregoing.

"(l) 'Public facilities and public services' means any services or facilities which are financed, in whole or in part, by State or local government. Such services and facilities include, but are not limited to, highways, secondary roads, parking, mass transit, water supply, waste collection and treatment, schools and education, hospitals and health care, fire and police protection, recreation and culture, other human services, and facilities related thereto, and such governmental services as are necessary to support any increase in population and development.".

(5) Section 305(b) of such Act (16 U.S.C. 1454(b)) is amended by deleting the period at the end thereof and inserting in lieu thereof a semicolon, and by adding at the end thereof the following new paragraphs:

"(7) a definition of the term 'beach' and a general plan for the protection of, and access to, public beaches and other coastal areas of environmental, recreational, historical, esthetic, ecological, and cultural value;

"(8) planning for energy facilities likely to be located in the coastal zone, planning for and management of the anticipated impacts from any energy facilities, and a process or mechanism capable of adequately conducting such planning activities."

(6) Section 305(c) of such Act (16 U.S.C. 1454(c)) is amended by deleting "66⅔" and inserting in lieu thereof "80", and by deleting in the first sentence thereof "three" and inserting in lieu thereof "four".

(7) Section 305(d) of such Act (16 U.S.C. 1454(d)) is amended by—

(A) deleting the period at the end of the first sentence thereof and inserting in lieu thereof the following ": *Provided*, That notwithstanding any provision of this section or of section 306 no State management program submitted pursuant to this subsection shall be considered incomplete, nor shall final approval thereof be delayed, on account of such State's failure to comply with any regulations that are issued by the Secretary to implement subsection (b)(7) or (b)(8) of this section, until September 30, 1978."; and

(B) deleting the period at the end thereof and inserting in lieu thereof the following ": *Provided*, That the State shall remain eligible for grants under this section through the fiscal year ending in 1978 for the purpose of developing a beach and coastal area access plan and an energy facility planning process for its State management program, pursuant to regulations adopted by the Secretary to implement subsections (b)(7) and (b)(8) of this section.".

(8) Section 305(h) of such Act (16 U.S.C. 1454(h)) is amended by deleting "June 30, 1977" and inserting in lieu thereof "September 30, 1979".

(9) Section 306(a) of such Act (16 U.S.C. 1455(a)) is amended by deleting "66⅔" and inserting in lieu thereof "80".

(10) Section 306(c)(8) of such Act (16 U.S.C. 1455(c)(8)) is amended by adding at the end thereof the following new sentence: "In considering the national interest involved in the planning for and siting of such facilities which are energy facilities located within a State's coastal zone the Secretary shall further find, pursuant to regulations adopted by him, that the State has given consideration to any applicable interstate energy plan or program which is promulgated by an interstate entity established pursuant to section 309 of this title.".

(11) Section 306 of such Act (16 U.S.C. 1455) is amended by adding at the end thereof the following new subsection:

"(i) As a condition of a State's continued eligibility for grants pursuant to this section, the management program of such State shall, after the fiscal year ending in 1978, include, as an integral part, an energy facility planning process, which is developed pursuant to section 305(b)(8) of this title, and approved by the Secretary, and a general plan for the protection of, and access to, public beaches and other coastal areas, which is prepared pursuant to section 305(b)(7) of this title, and approved by the Secretary."

(12) Section 307(c)(3) of such Act (16 U.S.C. 1456(c)(3)) is amended by (A) deleting "license or permit" in the first sentence thereof and inserting in lieu thereof "license, lease, or permit"; (B) deleting "licensing or permitting" in the first sentence thereof "licensing, leasing, or permitting"; and (C) deleting "license or permit" in the last sentence thereof and inserting in lieu thereof "license, lease, or permit".

(12) Sections 308 through 315 of such Act (16 U.S.C. 1457 through 1464) are redesignated as sections 311 through 318 thereof, respectively; and the following three new sections are inserted as follows:

"COASTAL ENERGY FACILITY IMPACT PROGRAM

"SEC. 308. (a) The Secretary is authorized to make a grant to a coastal State, if he determines that such State's coastal zone has been, or is likely to be, impacted by the exploration for, or the development or production of, energy resources or by the location, construction, expansion, or operation of an energy facility. Such a grant shall be for the purpose of enabling such coastal State to study and plan for the economic, environmental, and social consequences which are likely to result in such coastal zone from exploration for and development or production of such energy resources or from the location, construction, expansion, or operation of such an energy facility. The amount of such a grant may equal up to 100 percent of the cost of such study and plan, to the extent of available funds.

"(b) The Secretary is authorized to make a loan and/or a grant to a coastal State, if he determines, pursuant to subsections (d) and (e) of this section, that such State's coastal zone has been or is likely to be adversely impacted by exploration for or by development or production of energy resources or by the location, construction, expansion, or operation of an energy facility, if such adverse impact will result as a consequence of a license, lease, easement, or permit issued or granted by the Federal Government which permits—

"(1) the exploration for, or the drilling, mining, removal, or extraction of, energy resources;

"(2) the siting, location, construction, expansion, or operation of energy facilities by a lessee, licensee, or permittee; or

"(3) the siting, location, construction, expansion, or operation of energy facilities by or for the United States Government.

The proceeds of such a loan or grant shall be used for—

"(A) projects which are designed to reduce, ameliorate, or compensate for the net adverse impacts; and/or

"(B) projects which are designed to provide new or additional public facilities and public services which are made necessary, directly or indirectly, by the location, construction, expansion, or operation of such an energy facility or energy resource exploration, development or production.

The amount of such a loan or grant may equal up to 100 percent of the cost of such a project, to the extent of available funds.

"(c)(1) The Secretary may make a grant to a coastal State for a purpose specified in subsection (b) of this section, if he determines that such State will suffer net adverse impacts in its coastal zone, as a result of exploration for, or development and production of, energy resources; as a result of the location, construction, expansion, or operation of an energy facility over the course of the projected or anticipated useful life of such energy facility; or as a result of exploration, development, or production activity.

"(2) The Secretary may make a loan to a coastal State for a purpose specified in subsection (b) of this section, if the Secretary determines that such State will experience temporary adverse impacts as a result of exploration for, or development or production of, energy resources or as a result of the location, construction, expansion, or operation of an energy facility if such facility or such energy resource exploration, development or production is expected to produce net benefits for such State over the course of its projected or anticipated useful life. No such loan, including any renewal or extension of a loan, shall be made for a period exceeding 40 years. The Secretary shall from time to time establish the interest rate or rates at which loans shall be made under this subsection, but such rate shall not exceed an annual percentage rate of 7 percent. The borrower shall pay such fees and other charges as the Secretary may require. The Secretary may waive repayment of all or any part of a loan made under this subsection, including interest, if the State involved demonstrates, to the satisfaction of the Secretary, that due to a change in circumstances there are anticipated or resultant net adverse impacts over the life of an energy facility or energy resource exploration, development or production which would qualify the State for a grant pursuant to paragraph (1) of this subsection.

"(d) The Secretary shall, by regulations promulgated in accordance with section 553 of title 5, United States Code, establish requirements for grant and loan eligibility pursuant to this section. Such requirements shall include criteria, which may include a formula, for calculating the amount of a grant or loan based upon the difference, to the State involved between the benefits and the costs which are attributable to the exploration for or development and production of energy resources or to the location, construction, expansion, or operation of an energy facility. Such regulations shall provide that a State is eligible for a grant or loan upon a finding by the Secretary that such State—

"(1) is receiving a program development grant under section 305 of this title or is engaged in such program development in a manner consistent with the goals and objectives of this Act, as determined by the Secretary, and is making satisfactory progress, as determined by the Secretary, toward the development of a coastal zone management program, or that it has an approved such program pursuant to section 306 of this title;

"(2) has demonstrated to the satisfaction of the Secretary that it has suffered, or is likely to suffer, net adverse impacts, according to the criteria or formula promulgated by the Secretary, and has provided all information required by the Secretary to calculate the amount of the grant or loan; and

"(3) has demonstrated to the satisfaction of the Secretary and has provided adequate assurances that the proceeds of such grant or loan will be used in a manner that will be consistent with the coastal zone management program being developed by it, or with its approved program, pursuant to section 305 or 306 of this title, respectively.

"(e) Within 180 days after approval of this Act, the Secretary shall issue regulations prescribing criteria in accordance with this Act for determining the eligibility of a coastal State for grants pursuant to subsections (a), (b), and (c)(1) of this section, and regulations for determining the amount of such grant or loan, in accordance with the following provisions:

"(1) The regulations shall specify the means and criteria by which the Secretary shall determine whether a State's coastal zone has been, or is likely to be, adversely impacted, as defined in this section, and the means and criteria by which 'net adverse impacts' and 'temporary adverse impacts' will be determined.

"(2) Regulations for grants pursuant to subsection (a) of this section for studying and planning, shall include appropriate criteria for the activities for which funds will be provided under such subsection, including a general range of activities for which a coastal State may request funds.

"(3) Regulations for grants and/or loans for projects pursuant to subsections (b) and (c) of this section shall specify criteria for determining—

"(A) the amounts which will be provided for such projects; and

"(B) guidelines and procedures for evaluating those projects which each coastal State considers to be most needed.

"(4) Regulations for loans shall provide for such security as the Secretary deems necessary, if any, to protect the interests of the United States and for such terms and conditions as give assurance that such loans will be repaid within the time fixed.

"(5) In all cases, each recipient of financial assistance under this section shall keep such records as the Secretary shall prescribe, including records which fully disclose the amount and disposition by such recipient of the proceeds of such assistance, the total cost of the project or undertaking in connection with which such assistance was given or used, and such other records as will facilitate an effective audit. The Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, shall until the expiration of 3 years after the completion of the project or undertaking involved (or repayment of a loan, in such cases) have access for the purpose of audit and examination to any books, documents, papers, and records of such recipients which, in the opinion of the Secretary or the Comptroller General may be related or pertinent to any financial assistance received pursuant to this section.

"(6) In developing regulations under this section, the Secretary shall consult with the appropriate Federal agencies, with representatives of appropriate State and local governments, commercial and industrial organizations, public and private groups, and any other appropriate organizations with knowledge or concerns regarding net adverse impacts that may be associated with the energy facilities affecting the coastal zone.

"(f) A coastal State may, for the purpose of carrying out the provisions of this section and with the approval of the Secretary, allocate all or a portion of any grant or loan received under this section to (1) a local government; (2) an areawide agency designated under section 204 of the Demonstration Cities and Metropolitan Development Act of 1966; (3) a regional agency; or (4) an interstate agency.

"(g) A coastal State which has experienced net adverse impacts in its coastal zone as a result of the development or production of energy resources or as a result of the location construction, expansion, or operation of energy facilities prior to the date of enactment of this section is entitled to receive from the Secretary grants or loans pursuant to subsections (a) and (b) of this section to the same extent as if such net adverse impacts were experienced after the date of enactment, and to the extent necessary to reduce or ameliorate or compensate for such net adverse impacts, within the limit of available funds. This subsection shall expire 5 years from the date of enactment of this section.

"(h) All funds allocated to the Secretary for the purposes of this section shall be deposited in a fund which shall be known as the Coastal Energy Facility Impact Fund. This fund shall be administered and used by the Secretary as a revolving fund for carrying out such purposes. General expenses of administering this section may be charged to this fund. Moneys in this fund may be deposited in interest-bearing accounts or invested in bonds or other obligations which are guaranteed as to principal and interest by the United States.

"(i) In calculating the amount of a grant or loan, the Secretary shall give adequate consideration to the recommendations of a Coastal Impacts Review Board. Such Board shall consist of two members designated by the Secretary, one member designated by the Secretary of the Interior, and two members appointed by the President from a list of not less than six candidates submitted to the President by the National Governors' Conference. Such Board shall recommend the award of grants or loans upon a determination of net adverse impacts and following the procedures and criteria set forth in this section.

"(j) Nothing in this section shall be construed to modify or abrogate the consistency requirements of section 307 of this Act.

"(k) In addition to other financial assistance to the States provided under this section, the Secretary shall make an automatic grant to each coastal State which is, as of the first day of the fiscal year—

"(1) adjacent to Outer Continental Shelf lands on which oil or natural gas is being produced; or

"(2) permitting crude oil or natural gas to be landed in its coastal zone: *Provided*, That such crude oil or natural gas has been produced on adjacent Outer Continental Shelf lands of such State or on Outer Continental Shelf lands which are adjacent to another State and transported directly to such State. In the event that a State is landing oil or natural gas produced adjacent to another State, the landing State shall be eligible for grants under this subsection at a rate half as great as that to which it would be eligible in any given year if the oil were produced adjacent to the landing State. In the event that a State is adjacent to Outer Continental Shelf lands where oil or natural gas is produced, but such oil or natural gas is landed in another State, the adjacent State shall be eligible for grants under this subsection at a rate half as great as that to which it would be eligible in any given year if the oil or natural gas produced adjacent to that State were also landed in that State.

Such States shall become eligible to receive such automatic grants in the first year that the amount of such oil or natural gas landed in the State or produced on Outer Continental Shelf lands adjacent to the State (as determined by the Secretary) exceeds a volume of 100,000 barrels per day of oil or an equivalent volume of natural gas. The Secretary shall establish regulations to assure that funds authorized by this subsection for grants to States shall be expended by the States for the purpose of reducing or ameliorating adverse impacts resulting from the exploration for, or the development or production of, energy resources or resulting from the location, construction, expansion or operation of a related energy facility. Such funds not so expended shall be returned to the Treasury. There are authorized to be appropriated for this purpose sufficient funds to provide such States with grants in the amount of 20 cents per barrel during the first year, 15 cents per barrel during the second year, 10 cents per barrel during the third year, and 8 cents per barrel during the fourth and all succeeding years during which oil or gas is landed in such a State or produced on Outer Continental Shelf lands adjacent to such a State: *Provided* (A) such funds shall not exceed $50,000,000 for the fiscal year ending June 30, 1976; $12,500,000 for the fiscal quarter ending September 30, 1976; $50,000,000 for the fiscal year ending September 30, 1977; and $50,000,000 for the fiscal year ending September 30, 1978; and (B) such funds shall be limited to payments for the first million barrels of oil (or its gas equivalent) per day per State for the 10 succeeding fiscal years. The amount of such grant to each such State in any given year shall be calculated on the basis of the previous year's volume of oil or natural gas landed in the State or produced adjacent to the State. Such grants shall initially be designated by each receiving State to retire State and local bonds which are guaranteed under section 316 of this Act: *Provided*, That, if the amount of such grants is insufficient to retire both State and local bonds, priority shall be given to retiring local bonds.

"(l) There are hereby authorized to be appropriated to the Coastal Energy Facility Impact Fund such sums not to exceed $250,000,000 for the fiscal year ending June 30, 1976, not to exceed $75,000,000 for the transitional fiscal quarter ending September 30, 1976, not to exceed $250,000,000 for the fiscal year ending September 30, 1977, and not to exceed $250,000,000 for the fiscal year ending September 30, 1978, as may be necessary, for grants and/or loans under this section, to remain available until expended. No more than 20 percent of the total amount appropriated to such fund for a particular fiscal year, not to exceed $50,000,000 per year, shall be used for the purposes set forth in subsection (a) of this section.

"INTERSTATE COORDINATION GRANTS TO STATES

"SEC. 309. (a) The States are encouraged to give high priority (1) to coordinating State coastal zone planning, policies, and programs in contiguous interstate areas, and (2) to studying, planning, and/or implementing unified coastal zone policies in such areas. The States may conduct such coordination, study, planning, and implementation through interstate agreement or compacts. The Secretary is authorized to make annual grants to the coastal States, not to exceed 90 percent of the cost of such coordination, study, planning, or implementation, if the Secretary finds that each coastal State receiving a grant under this section will use such grants for purposes consistent with the provisions of sections 305 and 306 of this title.

"(b) The consent of the Congress is hereby given to two or more States to negotiate and enter into agreements or compacts, not in conflict with any law or treaty of the United States, for (1) developing and administering coordinated coastal zone planning, policies, and programs, pursuant to sections 305 and 306 of this title, and (2) the establishment of such agencies, joint or otherwise, as the States may deem desirable for making effective such agreements and compacts.

Such agreement or compact shall be binding and obligatory upon any State or party thereto without further approval by Congress.

"(c) Each executive instrumentality which is established by an interstate agreement or compact pursuant to this section is encouraged to establish a Federal-State consultation procedure for the identification, examination, and cooperative resolution of mutual problems with respect to the marine and coastal areas which affect, directly or indirectly, the applicable coastal zone. The Secretary, the Secretary of the Interior, the Chairman of the Council of Environmental Quality, and the Administrator of the Environmental Protection Agency, or their designated representatives, are authorized and directed to participate ex officio on behalf of the Federal Government, whenever any such Federal-State consultation is requested by such an instrumentality.

"(d) Prior to establishment of an interstate agreement or compact pursuant to this section, the Secretary is authorized to make grants to a multistate instrumentality or to a group of States for the purpose of creating temporary ad hoc planning and coordinating entities to—

"(1) coordinate State coastal zone planning, policies, and programs in contiguous interstate areas;

"(2) study, plan, and/or implement unified coastal zone policies in such interstate areas; and

"(3) provide for a vehicle for communication with Federal officials with regard to Federal activities affecting the coastal zone of such interstate areas.

The amount of such grants shall not exceed 90 percent of the cost of creating and maintaining such an entity. The Secretary, the Secretary of the Interior, the Chairman of the Council on Environmental Quality, and the Administrator of the Environmental Protection Agency, or their designated representatives, are authorized and directed to participate ex officio on behalf of the Federal Government, upon the request of the parties to such ad hoc planning and coordinating entities. This subsection shall become void and cease to have any force or effect 5 years after the date of enactment of this title.

"COASTAL RESEARCH AND TECHNICAL ASSISTANCE

"SEC. 310. (a) In order to facilitate the realization of the purposes of this Act, the Secretary is authorized to encourage and to support private and public organizations concerned with coastal zone management in conducting research and studies relevant to coastal zone management.

"(b) The Secretary is authorized to conduct a program of research, study, and training to support the development and implementation of State coastal zone management programs. Each department, agency, and instrumentality of the executive branch of the Federal Government shall assist the Secretary, upon his written request, on a reimbursable basis or otherwise, in carrying out the purposes of this section, including the furnishing of information to the extent permitted by law, the transfer of personnel with their consent and without prejudice to their position and rating, and in the actual conduct of any such research, study, and training so long as such activity does not interfere with the performance of the primary duties of such department, agency, or instrumentality. The Secretary may enter into contracts and other arrangements with suitable individuals, business entities, and other institutions or organizations for such purposes. The Secretary shall make the results of research conducted pursuant to this section available to any interested person. The Secretary shall include, in the annual report prepared and submitted pursuant to this Act, a summary and evaluation of the research, study, and training conducted under this section.

"(c) The Secretary is authorized to assist the coastal States to develop their own capability for carrying out short-term research, studies, and training required in support of coastal zone management. Such assistance may be provided by the Secretary in the form of annual grants. The amount of such a grant to a coastal State shall not exceed 80 percent of the cost of developing such capability."

(14) Section 316, as redesignated, of such Act (16 U.S.C. 1462) is amended by (A) deleting "and" at the end of paragraph (8) thereof immediately after the semicolon; (B) renumbering paragraph (9) thereof as paragraph (11) thereof; and (C) inserting the following two new paragraphs:

"(9) a general description of the economic, environmental, and social impacts of the development or production of energy resources or the siting of energy facilities affecting the coastal zone;

"(10) a description and evaluation of interstate and regional planning mechanisms developed by the coastal States; and".

(15) Section 318, as redesignated, of such Act (16 U.S.C. 1464) is further redesignated and amended to read as follows:

"AUTHORIZATION FOR APPROPRIATIONS

"SEC. 320. (a) There are authorized to be appropriated—

"(1) the sum of $20,000,000 for the fiscal year ending June 30, 1976, $5,000,000 for the transitional fiscal quarter ending September 30, 1976, $20,000,000 for the fiscal year ending September 30, 1977, $20,000,000 for the fiscal year ending September 30, 1978, and $20,000,000 for the fiscal year ending September 30, 1979, for grants under section 305 of this Act, to remain available until expended;

"(2) such sums, not to exceed $50,000,000 for the fiscal year ending June 30, 1976, $12,500,000 for the transitional fiscal quarter ending September 30, 1976, $50,000,000 for the fiscal year ending September 30, 1977, $50,000,000 for the fiscal year ending September 30, 1978, $50,000,000 for the fiscal year ending September 30, 1979, and $50,000,000 for the fiscal year ending September 30, 1980, as may be necessary, for grants under section 306 of this Act, to remain available until expended;

"(3) such sums, not to exceed $5,000,000 for the fiscal year ending June 30, 1976, $1,200,000 for the transitional fiscal quarter ending September 30, 1976, $5,000,000 for the fiscal year ending September 30, 1977, $5,000,000 for the fiscal year ending September 30, 1978, $5,000,000 for the fiscal year ending September 30, 1979, $5,000,000 for the fiscal year ending September 30, 1980, and $5,000,000 for each of the fiscal years ending September 30, 1981, September 30, 1982, September 30, 1983, September 30, 1984, and September 30, 1985, as may be necessary, for grants under section 309 of this Act, to remain available until expended;

"(4) such sums, not to exceed $5,000,000 for the fiscal year ending June 30, 1976, $1,200,000 for the transitional fiscal quarter ending September 30, 1976, $5,000,000 for the fiscal year ending September 30, 1977, $5,000,000 for the fiscal year ending September 30, 1978, $5,000,000 for the fiscal year ending September 30, 1979, $5,000,000 for the fiscal year ending September 30, 1980, and $5,000,000 for each of the fiscal years ending September 30, 1981, September 30, 1982, September 30, 1983, September 30, 1984, and September 30, 1985, as may be necessary, for financial assistance under section 310(b) of this Act, to remain available until expended;

"(5) such sums, not to exceed $5,000,000 for the fiscal year ending June 30, 1976, $1,200,000 for the transitional fiscal quarter ending September 30, 1976, $5,000,000 for the fiscal year ending September 30, 1977, $5,000,000 for the fiscal year ending September 30, 1978, $5,000,000 for the fiscal year ending September 30, 1979, $5,000,000 for the fiscal year ending September 30, 1980, and $5,000,000 for each of the fiscal years ending September 30, 1981, September 30, 1982, September 30, 1983, September 30, 1984, and September 30, 1985, as may be necessary, for financial assistance under section 310(c) of this Act, to remain available until expended;

"(6) the sum of $50,000,000 for the fiscal year ending June 30, 1976, $12,500,000 for the transitional fiscal quarter ending September 30, 1976, $50,000,000 for the fiscal year ending September 30, 1977, $50,000,000 for the fiscal year ending September 30, 1978, $50,000,000 for the fiscal year ending September 30, 1979, $50,000,000 for the fiscal year ending September 30, 1980, and $50,000,000 for each of the fiscal years ending September 30, 1981, September 30, 1982, September 30, 1983, September 30, 1984, and September 30, 1985, for the acquisition of lands to provide for the protection of, and access to, public beaches and for the preservation of islands under section 306(d)(2) of this Act, to remain available until expended; and

"(7) such sums, not to exceed $10,000,000 for the fiscal year ending June 30, 1976, $2,500,000 for the transitional fiscal quarter ending September 30, 1976, $10,000,000 for the fiscal year ending September 30, 1977, $10,000,000 for the fiscal year ending September 30, 1978, $10,000,000 for the fiscal year ending September 30, 1979, $10,000,000 for the fiscal year ending September 30, 1980, and $10,000,000 for each of the fiscal years ending September 30, 1981, September 30, 1982, September 30, 1983, September 30, 1984, and September 30, 1985, as may be necessary, for grants under section 315 of this Act, to remain available until expended.

"(b) There are also authorized to be appropriated such sums, not to exceed $5,000,000 for the fiscal year ending June 30, 1976, $1,200,000 for the transitional fiscal quarter ending September 30, 1976, $5,000,000 for the fiscal year ending June 30, 1977, $5,000,000 for the fiscal year ending September 30, 1978, $5,000,000 for the fiscal year ending September 30, 1979, and $5,000,000 for the fiscal year ending September 30, 1980, as may be necessary, for administrative expenses incident to the administration of this Act.".

(16) The Coastal Zone Management Act of 1972, as amended (16 U.S.C. 1451 et seq.) is amended by inserting therein the following two new sections:

"LIMITATIONS

SEC. 318. (a) Nothing in this Act shall be construed—

"(1) to authorize or direct the Secretary, or any other Federal official, to intercede in a State land- or water-use decision with respect to non-Federal lands except to the extent and in the manner specifically authorized by this Act;

"(2) to require the approval of the Secretary as to any particular State land- or water-use decision as a prerequisite to such State's eligibility for grants or loans under this Act; or

"(3) to expand or extend Federal review or approval authority with respect to the siting or location of any specific energy facility.

"(b) Any grant or loan made pursuant to this Act shall not be deemed a 'major Federal action' for the purposes of section 102 (2)(C) of the National Environmental Policy Act of 1969 (Public Law 91–190).

"STATE AND LOCAL GOVERNMENT BOND GUARANTEES

"SEC. 319. (a) The Secretary is authorized, subject to such terms and conditions as the Secretary prescribes, to make commitments to guarantee and to guarantee against loss of principal or interest the holders of bonds or other evidences of indebtedness issued by a State or local government to reduce, ameliorate or compensate the adverse impacts in the coastal zone resulting from or likely to result from the exploration for, or the development of production of, energy resources of the Outer Continental Shelf.

"(b) The Secretary shall prescribe and collect a guarantee fee in connection with guarantees made pursuant to this section. Such fees shall not exceed such amounts as the Secretary estimates to be necessary to cover the administrative costs of carrying out the provisions of this section. Sums realized from such fees shall be deposited in the Treasury as miscellaneous receipts.

"(c) (1) Payments required to be made as a result of any guarantee pursuant to this section shall be made by the Secretary of the Treasury from funds hereby authorized to be appropriated in such amounts as may be necessary for such purpose.

(2) If there is a default by a State or local government in any payment of principal or interest due under a bond or other evidence of indebtedness guaranteed by the Secretary pursuant to this section, any holder of such a bond or other evidence of indebtedness may demand payment by the Secretary of the unpaid interest on and the unpaid principal of such obligation as they become due. The Secretary, upon investigation, shall pay such amounts to such holders, unless the Secretary finds that there was no default by the State or local government involved or that such default has been remedied. If the Secretary makes a payment under this paragraph, the United States shall have a right of reimbursement against the State or local government involved for the amount of such payment plus interest at prevailing rates. Such right of reimbursement may be satisfied by the Secretary by treating such amount as an offset against any revenues due or to become due to such State or local government under section 308(k) of this Act, and the Attorney General, upon the request of the Secretary, shall take such action as is, in the Secretary's discretion, necessary to protect the interests of the United States, including the recovery of previously paid funds that were not applied as provided in this Act. However, if the funds accrued by or due to the State in automatic grants under section 308(k) of this Act are insufficient to reimburse the Federal Government in full for funds paid under this section to retire either the principal or interest on the defaulted bonds, the Secretary's right of reimbursement shall be limited to the amount of such automatic grants accrued or due. Funds accrued in automatic grants under section 308(k) of this Act subsequent to default shall be applied by the Secretary toward the reimbursement of the obligation assumed by the Federal Government.".

SEC. 103. (a) There shall be in the National Oceanic and Atmospheric Administration an Associate Administrator for Coastal Zone Management who shall be appointed by the President, by and with the advice and consent of the Senate. Such Associate Administrator shall be a qualified individual who is, by reason of background and experience, especially qualified to direct the implementation and administration of this Act. Such Associate Administrator shall be compensated at the rate now or hereafter provided for level V of the Executive Schedule Pay Rates (5 U.S.C. 5316).

(b) Section 5316 of title 5, United States Code is amended by adding at the end thereof the following new paragraph:

"(135) Associate Administrator for Coastal Zone Management, National Oceanic and Atmospheric Administration.".

The **PRESIDING OFFICER**. The time for debate on this measure is limited to 2 hours, to be equally divided between and controlled by the Senator from South Carolina (Mr. HOLLINGS) and the Senator from Alaska (Mr. STEVENS), with 1 hour on any amendment and 20 minutes on any debatable motion, appeal, or point of order.

Mr. **HOLLINGS**. Mr. President, I ask unanimous consent that the following members of the staff of the Committee on Commerce be granted privileges of the floor during consideration of S. 586: John F. Hussey, James P. Walsh, Pamela Baldwin, Alan Rosenblum, David Rosenblum, Jill Gideon, and S. Lynn Sutcliffe, and I ask unanimous consent that Mary Jo Manning of my staff also be accorded such privileges.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

Mr. **STEVENS**. Mr. President, I ask unanimous consent that the following members of the minority staff of the Committee on Commerce be accorded the privileges of the floor during the consideration of this bill: David Keto, Gerald Kovachs, Michael Spaan, Arthur Pankopf, Steven Perles, and George Jetts.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

Mr. **HOLLINGS**. Mr. President, I take great pride and pleasure, on behalf of the Committee on Commerce, in bringing to the floor of the Senate S. 586, amending the Coastal Zone Management Act of 1972. It is with particular emphasis that I state the need for these amendments in the face of both increasing pressures upon our Nation's coastal zone and increasing recognition and awareness of the importance of the mechanism of the Coastal Zone Act in dealing with such conflicts and their resolution.

Passage of the Coastal Zone Management Act in 1972, culminated years of increasing concern about the destruction of valuable coastal wetlands and beaches. The public first became aware that the coastal areas of the country, including the Great Lakes, represent some of our most valuable national assets. At that time scientists published reports describing the amazing productivity of estuarine areas. Researchers found these coastal waters to be 5 or 10 times more biologically productive than average agricultural lands. Estuaries, it was noted, provide the breeding ground for most of the important commercial fisheries in the country and are habitats for many species of wildlife.

Demographic trends putting special pressures on the coastal zone also continued during the 1960's. More than ever, the coastal regions proved to be a magnet drawing both people and industry.

Although only 8.5 percent of the Nation's total land area is usually considered to be within the coastal zone, the coastal share of the total U.S. population rose from 40 percent to 50 percent between 1940 and 1970. Current projections place the coastal population share as high as 80 percent by 2000, and current and future numbers must be adjusted upward seasonally to account for the millions of people who vacation on the seacoast and the Great Lakes shores each year. Furthermost, in 1970 the coastal zone supported almost half of the Nation's industrial work force.

S. 586 is a bill to amend the Coastal Zone Management Act of 1972—Public Law 92-583. Its major provisions are designed to assist those States facing OCS oil and gas development or other energy-related developments affecting the coastal zone. Other sections provide funds for research and technical assistance to coastal States; for interstate compacts or other entities to facilitate interstate coordination of coastal zone management policies and programs; for land acquisition to establish estuarine sanctuaries and to encourage preservation of and public access to beaches, islands, and other critical areas; and for expanded development and implementation grants under sections 305 and 306 of the act. The Federal share of CZM funding under these sections would rise from the present 66⅔ percent to 80 percent to bring it into line with other Federal grant projects. The Office of Coastal Zone Management would henceforth be directed by an Associate Administrator of the National Oceanic and Atmospheric Administration, appointed by the President with the advice and consent of the Senate.

The "Federal consistency" provisions of the act would be clarified by stating explicitly that its terms apply to all Federal "licenses, leases, or permits." Inclusion of the word "lease" is new.

The bill provides in section 308 for a Coastal Energy Facility Impact Fund of $250 million annually, giving the States 100 percent funding to plan for and cope with existing or potential net adverse impacts or temporary adverse impacts of exploration for or development and production of energy resources, and/or the location, construction, expansion, or operation of an energy facility requiring a Federal permit.

The funds are to be used for two purposes:

First, grants for enabling such coastal State to study and plan for economic, environmental, and social impacts—up to 20 percent of the amount in the fund—and, second, loans or grants for "reducing, ameliorating, or compensating for the net adverse impact * * *," and/or "providing public facilities and public services made necessary, directly or indirectly" by energy facility or resource development. Outright grants may be made when States can show to the satisfaction of the Secretary of Commerce that they will experience net adverse impacts over the entire life of a facility or resource development activity. Where negative impacts are likely to be temporary—essentially "front end" problems until new tax revenues cover them—loans could be made. If impacts expected to be temporary actually turn out to be permanent, the loans could be forgiven. States may pass on part or all of their funds to local, regional, or interstate governmental entities.

States must meet three requirements to be eligible for grants or loans from the Coastal Energy Facility Impact Fund. First, they must be participating in a coastal zone management program, by receiving a development grant and by making good progress under section 305, by having such a program under State auspices, or by having a program approved by the Secretary of Commerce. Second, they must make a satisfactory showing of need, based on actual or anticipated impacts. Third, they must indicate to the Secretary's satisfaction that they will use the funds in a manner that is consistent with their coastal zone management programs. These restrictions are designed to prevent the new funds from resulting in unplanned, adverse, incompatible impacts of their own.

The Secretary of Commerce is directed to promulgate regulations within 180 days of enactment, specifying criteria for determining a State's eligibility for grants or loans from the impact fund. In developing regulations, the Secretary is to consult with appropriate Federal officials, State and local governments, industry organizations, and public and private groups.

In making determinations about specific grant or loan applications, the Secretary is directed to consider the recommendations of a Federal-State Coastal Impacts Review Board, which is established by this legislation.

In addition to the Coastal Energy Facility Impact Fund, the bill also provides for automatic grants to be given to any State which is actually landing OCS oil or natural gas in its coastal zone, or which is adjacent to OSC lands where oil or natural gas is being produced. Although the grants come from the General Treasury, and not from OCS revenues in particular, the formula for calculating the amount of the grant is tied to the number of barrels of oil—or the natural gas equivalent—which are produced on adjacent OCS lands and/or landed in the State. Like the grants and loans made from the Coastal Energy Facility Impact Fund, these automatic grants must be used to ameliorate adverse impacts of energy resource development or related energy facilities.

The bill (S. 586) which the Commerce Committee has reported to this body, unanimously, is a bill which has been developed to respond to a clear need in the best possible manner based on exhaustive hearings and studies of the subject. The knowledge of the Commerce Committee in this area is based upon years of working with all of the management problems in the coastal zone.

With much foresight, this body first passed, and the Congress enacted, the Coastal Zone Management Act of 1972 for the purpose of providing a land and water use management mechanism, through the States, for the Nation's coastal zone. It mandates appropriate attention to planning for and protection of the coastal zone.

The present bill, S. 586, builds on and utilizes this existing structure to, in effect, up date it to assure that it responds to current problems.

The main focus of this bill is to meet specifically, and deal with, the multitude of problems being experienced, and expected to be experienced, in the coastal zone as a result of energy facilities and the search for, and production, of energy resources. By further providing for these activities in this existing law, I believe that the Nation will be able to increase its domestic energy supply and capability for the reason that we cannot undertake efforts to do so without being sure that these activities proceed in an orderly and rationale fashion which coincides with the coastal zone management programs which each State develops to manage development of its coastal zone. The President has also said this.

S. 586 contains provisions extending and increasing the authorizations for the entire program, recognizing its growing importance and its acceptance by all of the coastal States. The bill makes specific what is otherwise generally implicit the many energy related provisions of the Coastal Zone Management Act.

The bill also sets up a specific method, under the Coastal Zone Management Act, to give to the coastal States the funds they need to offset unreimbursed net adverse impacts which they may experience as a result of having these energy facilities and activities in and near their coastal zones. It takes into account the benefits which may accrue to the State and only deals with the cases where there is a net adverse impact. It is not simply a grant program. Where there is question concerning whether the net impacts will be adverse, the Secretary of Commerce will only make a loan to the State pending resolution of that question.

Up to 20 percent of the funds will be used for planning for the impacts from such facilities and activities.

Mr. President, everyone recognizes that the Nation is going to have to pay a price to keep, and hopefully increase, its domestic energy supplies and capabilities in lieu of much greater costs later on. I believe the way we should do this in the coastal zone is by planning, through the States, to avoid undesirable impacts and to compensate the coastal States which experience them. The mechanism for doing so should not be a separate mechanism which fragments State coastal zone management but should be part and parcel of the entire coastal zone management effort. To do otherwise would be contrary to the congressional intent and declaration of 1972, when we decided that the States should have the basic coastal zone administrative responsibility in the form of a single comprehensive program supported by the Federal Government. The States support S. 586 and so do the environmental organizations which have seen the disasterous effects of attempting to protect the environment in fragmented fashion.

The only price the Nation can afford to pay is a monetary one and this bill and the entire Coastal Zone Management Act are designed to head off other irreversible costs. These include those caused by unplanned urban development which is ordinarily attendant to increased energy development as well as costs of massive environmental damage as a result of a lack of proper planning and management.

Almost 80 percent of the Nation's population soon will live in the limited coastal zone. Most of the impacts of increased energy development will be experienced there. Unfortunately, the critical nature of the coastal zone, which inspired the Coastal Zone Management Act, magnifies many of the adverse impacts of energy facilities and activities. As I said, the new provisions complement the existing Coastal Zone Management Act and the existing administrative mechanisms already in existence. One of the more important features of the existing act is its consistency requirements which mandate that Federal agencies issuing licenses, permits, et cetera which authorize activities affecting the coastal zone must be consistent with approved State coastal zone management programs except where a matter of national security is involved. I wholeheartedly support the provisions of S. 586 to be part of the Coastal Zone Management Act for this reason as well. We need to continue to support and encourage the States in decisionmaking and S. 586 does this.

S. 586 is a responsible bill. I urge my colleagues to support it so that the Congress may make another needed legislative contribution in response to our national energy needs.

Furthermore, Mr. President, former President Nixon's January 1974 energy message to the Congress, on behalf of the administration, called for congressional enactment of legislation recommended by the administration for planned orderly siting of energy facilities.

Subsequently, the Congress received other administration energy bills from it. But even though requests were made by Members of Congress for the energy facilities siting proposal so we could see just what the administration had in mind, the administration bill was never transmitted to us during all of the 2d session of the 93d Congress.

At the same time, the Congress was the recipient of criticism from the administration for an alleged failure to pass energy legislation.

In the careful deliberations of the Congress on various legislative alternatives in different energy-related areas, I do not know that this paradox has ever been pointed out.

A major reason for the administration's failure to produce its energy facilities siting bill, I understand, was recognition of the fact that the Coastal Zone Management Act of 1972 had already created a State operated coastal zone management program for planning and management in the coastal zone which included State planning for, and management of, facility siting.

This was a problem in the administration because some groups within the administration sought to ignore the Coastal Zone Management Act and to foist upon the States a federally mandated compulsory law, contrary to the existing coastal zone law.

Finally, in the 94th Congress the administration belatedly produced a proposed energy facility siting law which gives lipservice to the State Coastal Zone Management programs but is, in effect, contrary to the intent and spirit of the 1972 act.

I am told that there was no consensus in the administration on the bill which was sent to Congress but, instead, it was finally sent so the administration could say it had, in fact, at last transmitted a bill to us.

The bill before the Senate today, S. 586, rejects the motion that the coastal States must be bludgeoned into adhering to some federally directed facility siting process which can tell them to site certain energy facilities. Instead, S. 586 amends the Coastal Zone Management Act of 1972 in which all of the coastal States have voluntarily elected to participate. The amendment adds to the specific requirements of the Coastal Zone Management Act a proviso that the State program should include an energy facility siting planning process and a process for the planning for anticipated impacts from such facilities.

I have confidence in the coastal States and believe that this requirement for a State developed planning process and the provision of Federal money to help to develop and administer these processes is all that is required or is appropriate.

Each of the coastal States has different circumstances for which I believe that they alone can develop the planning process. The Coastal Zone Management Act is flexible in permitting each State to develop its own program and the coastal States have responded remarkedly well in developing their individual programs in a responsible manner.

I will vote for S. 586 because it recognizes a pressing national need, provides for it under existing Federal and State mechanisms, eliminating duplication and needless bureaucracy, and because that existing mechanism is one which gives full recognition to the rightful authority and ability of State governments.

The approach which is provided by S. 586, I believe, will result in the expenditure of less Federal funds to accomplish its purpose.

The question could be asked by some as to why energy facility siting, planning and matters relating thereto, should be provided for in the Coastal Zone Management Act rather than in some law of nationwide applicability.

I think this is a logical question which might be asked by those who are not familiar with the Coastal Zone Management Act and its history.

I believe that the history of the act has been explained in the committee report on S. 586 but, for the benefit of my colleagues who will be voting on this bill who may not have read the report, I want to briefly answer the question or, in actuality advise them, that this question was raised, fully explored and debated and finally decided by the 91st Congress.

The Stratton Commission report in 1969, "Our Nation and the Sea," work done in conjunction with it and work done by Congress prior to, and after it, fully and completely established, even to the satisfaction of doubters, that the coastal zone of the Nation comprised of land and water, including ocean waters, estuaries, coastal wetlands, and immediately adjacent dry lands constitute one single and complete ecological system which is separate and distinct from inland areas. It must be managed as a whole in accordance with separate and distinct principles in order to protect and preserve all and every part of that unique area.

Decisions for facility sitings are an example of the decisions which must be made for the coastal zone based upon completely different considerations as would exist for inland areas.

For the edification of some of our newer Members, and to refresh the memories of others, I would point out that one of the times the reason for providing different management systems for the coastal zone and for inland areas has come to the fore, is in connection with national land use legislation conceived by Senator JACKSON and the Interior Committee and sometimes supported by the administration. The most serious of considerations which can be given a matter took place in connection with the reason for having a separate land-use bill for inland areas and a coastal zone management law for the coastal areas. The result of those considerations was an education and understanding of how scientifically different the coastal zone is and why it must be under a separate management regime. The current land use bills now recognize that there should be such a separate planning and management system for the coastal zone because of this education and understanding.

At this time, of course, there is another reason for providing for energy facility siting and the impacts therefrom separately in the Coastal Zone Management Act. This is the fact that the CZM Act has been on the books for 3 years and that all coastal States have voluntarily elected to participate in it. The act itself, and the plans and programs of many of the States pursuant to it, already provide mechanisms for energy facilities in the coastal zone.

It would be wasteful, duplicative and chaotic to not use these existing mechanisms. S. 586 strengthens them and adds complimenting provisions.

Mr. President, I ask unanimous consent that the committee amendment in the nature of a substitute be agreed to, and that the bill as thus amended be treated as original text for the purpose of further amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HOLLINGS. I request that the Senator from Massachusetts (Mr. BROOKE) be added as a cosponsor of S. 586.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HOLLINGS. I would like at this time to publicly thank the Senator from Alaska (Mr. STEVENS) for his complete awareness and understanding on one of the more intriguing problems that confront us all, and that is, coping with onshore energy developments which affects the coastal zone. He has been a real leader in the coastal zone management concept and more specifically as it affects where one half the oil and gas is remaining in this country, the shores of his native State of Alaska.

Mr. STEVENS. Mr. President, I am a cosponsor of S. 586, a bill amending the Coastal Zone Management Act of 1972 and assisting the coastal States to study, plan for, manage, and control the impact of energy resource development and production which affects their coastal zones. The bill provides tripartite aid in the form of a coastal energy facility impact fund, Federal guarantees of State and local bonds, and automatic grants to qualifying States. Each of the three forms of assistance is designed to help States cope with the present and future impact upon their coastal zone resulting from either the exploration, development, or production of oil or natural gas on adjacent Outer Continental Shelf lands, or the landing of such oil or natural gas directly from the Outer Continental Shelf lands of another State.

Let me emphasize that this is not a revenue-sharing bill. We have no provisions in here pertaining to revenue sharing.

The Coastal Energy Facility Impact Fund authorizes $250 million for 3 fiscal years and the 1976 transitional quarter to be spent upon grants and/or loans to the States. Such grants and/or loans must be spent on efforts to reduce, ameliorate, or compensate for the net adverse impact resulting from Outer Continental Shelf energy resource development or other related activities. Up to 20 percent of this fund may be spent on planning and the balance, up to 100 percent of the fund, on direct impact aid. States which have experienced net adverse impact prior to the enactment of this legislation may receive compensating grants and/or loans from the Coastal Energy Facility Impact Fund up to 5 years after the approval of this bill. Any State wishing to receive funds from the Coastal Energy Facility Impact Fund must participate in a coastal zone management program under either section 305 or 306 of the Coastal Zone Management Act or under a State plan approved by the Secretary of Commerce as being consistent with this act.

The remaining two provisions, the automatic grant and the bond guarantee, which I proposed, integrally connect to provide nonrevenue sharing, front-end money to States and municipalities so that they may build the necessary schools, roads, sewers, and other related facilities needed to cope with the impact of Outer Continental Shelf oil and natural gas production.

These are the sections which the amendment of the Senator from Louisiana addresses and which I have joined him in presenting. It is an amendment to make certain that S. 586 and S. 521 meet the same objectives with regard to the financing of those activities necessary to meet the impacts of OCS development. It is the concept of front-end money which I wish to emphasize. Again, I emphasize that these are not revenue sharing proposals. They are designed only to ameliorate coastal zone impacts.

The need for front-end money should be obvious. Modern Outer Continental Shelf drilling projects are mammoth undertakings, potentially involving tens of thousands of construction workers and support personnel. Much of the Outer Continental Shelf oil and/or natural gas bearing lands are located off of rural or, in the case of my own State, frontier coastline.

The small towns and villages along these coasts are incapable of assimilating the large influx of oil related personnel and their families. Many of these communities will suffer a three- or fourfold increase in population almost overnight. If we wait for the large influx of population to occur before awarding grants and/or loans to the municipalities for the building of roads, schools, sewers, and the like the resulting hardship and chaos during the lag time will be tragic. In order to deal effectively with impact as extensive as that created by an Outer Continental Shelf oil and/or natural gas drilling and production project States and municipalities must plan ahead and be given adequate front end money to build the impact compensating facilities prior to the time the impact occurs. Impact related facilities can only be built with great difficulty after the impact has occurred. These facilities must be completed and ready for the oil workers and their dependents when they arrive. Front end money is an absolute necessity for successfully dealing with the severe impacts created by the production of Outer Continental Shelf oil and natural gas.

The bond guarantee and automatic grant provisions of this bill are surprisingly simple, nonrevenue sharing means for dealing with the problem of front-end money for State and local governments. When a State or local government learns that an Outer Continental Shelf energy resource project is to be commenced either within its jurisdiction or on adjacent Outer Continental Shelf lands, the State or municipality will want to take measures that will reduce, ameliorate, or compensate for impact prior to its occurrence so that adequate facilities will exist when the large influx of people occurs. In order to obtain the front-end money for the financing of these projects, State and local governments will issue bonds which could be guaranteed by the Secretary of Commerce.

Let me emphasize that. This is really a discretionary concept; because, under the provisions of this bill, this money would revert to the Treasury, if it is not used to meet impacts that have been approved under the plan or used to repay bonds guaranteed by the Secretary of Commerce. I think the Secretary of Commerce will have a great deal of discretion in administering this concept.

The Secretary's guarantee would produce enough confidence among investors to enable a small municipality to issue large amounts of bonds which it would otherwise be unable to do. The Secretary's guarantee is discretionary and he is entrusted with the responsibility of insuring that the projects funded by the Federal guaranteed bonds are used to cope with the impact from Outer Continental Shelf energy resource exploration or production.

The automatic grants, awarded to States adjacent to Outer Continental Shelf lands producing oil or natural gas, or States landing oil or natural gas shipped directly from the Outer Continental Shelf lands adjacent to another State, are used by the State and local governments to retire the federally guaranteed bonds. The bill mandates that the automatic grants be used to retire local bonds first, State bonds second, and that the balance must be spent on impact related projects. Any funds not used for impact related activities must be returned to the Federal Government. It should be noted that since the automatic grants must be spent on impact related projects and the surplus returned to the Federal Treasury, the automatic grants are not revenue sharing. States become eligible to receive automatic grants when the volume of oil or its natural gas equivalent produced on or landed from Outer Continental Shelf lands exceeds 100,000 barrels per day. In the event that oil or natural gas is produced on the Outer Continental Shelf lands adjacent to one State and landed in another State, each State shall receive automatic grants at a rate half as great as if the same State landed and produced the oil or natural gas from adjacent Outer Continental Shelf lands.

The level of automatic grants shall be 20 cents per barrel for the first year, 15 cents per barrel for the second year, 10 cents per barrel for the third year, and 8 cents per barrel for the fourth and all succeeding years in which oil or natural gas is produced or landed. The decreasing amounts of the grant reflect the fact that the impacts of Outer Continental Shelf oil and natural gas production upon State and local governments are more severe in the early years of the project. Funding is limited to $50 million annually for each of the fiscal years through September 30, 1978. Following that date payments are limited to the first million barrels of oil or its natural gas equivalent per day per State for each of the 10 succeeding years.

Realistically, some Outer Continental Shelf oil or natural gas projects are going to fail. When a State or municipality issues bonds guaranteed by the Secretary of Commerce with the intent of retiring the bonds from anticipated revenues in the form of automatic grants and such revenues are not forthcoming because of the failure of an Outer Continental Shelf project, it is only equitable that the Federal Government bear the risk of such a failure. State and local governments cannot and should not pay the high cost of constructing impact-related projects when they receive no revenues. The Secretary must, under the terms of the guarantee, pay the bondholder upon a default by the State or municipality. When the default results from the failure of an Outer Continental Shelf project and the accompanying lack of expected automatic grants, the Secretary's right of reimbursement shall not exceed the amount of automatic grants accrued or due the defaulting State. Funds accrued in automatic grants subsequent to the default shall be applied by the Secretary toward reimbursing the Federal Government for the defaulted bonds which it assumed.

The provisions of S. 586 are administratively workable and easy to manage. A Coastal Impact Revenue Board consisting of two members designated by the Secretary of Commerce, one member designated by the Secretary of the Interior, and two members appointed by the President, chosen from a list of not less than six candidates submitted to the President by the National Governor's Conference, shall advise the Secretary of Commerce regarding the awarding of grants and loans.

Mr. President, I urge my colleagues in the Senate to give favorable consideration to this bill, which is of such great importance to our coastal States. This bill not only provides for grants and loans to States and municipalities impacted by Outer Continental Shelf oil and natural gas development but also provides, through a system of bond guarantees and nonrevenue sharing automatic grants, for the much needed front-end money designed to allow State and municipalities to prepare, in advance, for the severe impact of large Outer Continental Shelf energy resource projection projects.

I wish to point out to the Senate that many of us have discussed revenue sharing concepts. I have discussed it at length with my good friend from Delaware (Mr. ROTH). We realize there is growing sentiment in the country to accept the concept of revenue sharing from the OCS. I am one who favors it and I have a bill pending before the Senate to authorize revenue sharing from OCS funds.

This is not that proposal. We know that when we get to the point where we have substantial production, we will, in fact, be in a position then to define what kind of revenue sharing we want and to seek the aid of people from the Atlantic coast States, the gulf coast States, the Pacific coast and the Alaska coast. I think when we are finally able to show the country what it means to produce oil and gas from the OCS, there will, *in fact*, be accepted a revenue-sharing concept, as there has been from Federal lands in the West.

I also point out that if this production which we contemplate now of my State were actually within the 3-mile limit, my State would receive, at the very minimum, an 8-percent severance tax. Based on a price of $7 a barrel for oil, we would get 56 cents a barrel. This proposal provides that there would be available to the State, to meet agreed-upon impacts, 8 cents a barrel. So we are a great deal below the taxing level of oil and gas producing States; but we are, I think, acting responsibly to give the local communities and the States the opportunity to enter into bonds to finance the facilities and to take care of the impacts ahead of time and provide the financing means so that, when production occurs, the money that will come from the cents-per-barrel concept that is in the bill will retire those bonds and meet the impacts when the income is produced from the OCS.

Mr. BENTSEN. Mr. President, I rise today to speak today in favor of S. 586. I feel it is a beginning, a step in the right direction.

The bill would strengthen the Coastal Zone Management Act, while keeping the program on an incentive, nonmandatory basis. My home State of Texas has made good use of the act, and has an exemplary coastal zone management program. It has served well to protect the 1,081 miles of Texas coastline.

One section of this bill is a concern to me, however, because I feel it falls short of meeting the need that generated it. It is a first step in the right direction.

I am speaking of the provisions that recognize and would compensate the coastal States for the adverse impact of energy production offshore. The bill would assign $300 million for this purpose, but this figure falls short of the actual need.

The Coastal States Organization, which represents all the various Coastal States, has conducted a careful survey to determine the actual financial needs of the several States in regard to Outer Continental Shelf development. The organization's able president, Texas State Senator A. R. Swartz, has testified that the coastal States need between $800 million and $1.2 billion annually to cope with energy resource development and related facility siting. The average of this range, or $1 billion, is roughly 15 percent of the $6.7 billion that the Federal Government earned from Outer Continental Shelf leasing in 1974.

This $1 billion figure is far greater than the $300 million figure of this bill.

Thus, there is further need for Senate consideration in this area. For that reason, I would encourage the Interior Committee to continue its consideration of my compensation plan embodied in my bill, S. 1383.

This type plan is imperative to encourage additional States to develop their offshore energy sources. It is imperative to compensate the presently producing States for the adverse effects of their production efforts.

Mr. President, I would also like to comment on the open beaches portion of the measure before us today. Texas has had an open beaches act since 1959, and it is landmark legislation toward protecting the public access to this country's beaches. I call my colleagues' attention to the Texas law and hope that it will serve as a pattern for other States.

Mr. HUMPHREY. Mr. President, S. 586, which would amend the Coastal Zone Management Act, offers a balanced and restrained approach to a critical national problem, the problem of providing for needed sources of energy without disrupting coastal communities or threatening permanent harm to valuable coastal regions. These amendments to the coastal zone program embodied in S. 586 and the Coastal Zone Management Act of 1972 itself, are promising steps in the right direction, in my opinion.

We have heard a good deal of talk about turning power over to State and local governments, and in fact serious and constructive measures have been taken to try to accomplish this, as in the revenue-sharing program.

The Coastal Zone Management Act, which was initiated by this body and adopted and implemented over the objections of the executive branch, is a pioneering program. Through this program, the Federal Government in the national interest, helps the States and localities prepare their own coastal zone management plans to meet their own objectives.

With the onset of the energy crisis, major new and accelerated demands are being made on the coastal zone. These demands have led to a new set of problems in coastal zone management. S. 586 recognizes this, and provides a reasonable approach to addressing the problems.

The legislation provides for a Coastal Energy Facility Impact Fund to enable States to plan for and address the adverse impacts of Federal energy activities. This is a new and necessary departure from our earlier practice of largely ignoring the interests and concerns of coastal zone States.

S. 586, however, is not a giveaway program. Coastal zone States must demonstrate adverse impacts to receive assistance. Furthermore, to be eligible to receive assistance, States must be engaged in coastal zone management programs consistent with the goals and policies of the act. This point seems to me to be a critical one—we have in the coastal zone management effort a balanced approach to dealing with our coastal problems, an approach which recognizes the interests of the Nation and coastal zone State.

I am particularly pleased to see that of the $250 million annual Coastal Energy Facility Impact Fund, 20 percent or $50 million, is earmarked for planning for energy facilities and assessment of their impact.

Such preparation marks a significant step ahead in this country. In the past we have blithely assumed that introduction of a major plant such as a refinery was an unmixed blessing. There would be new jobs, new income and business would boom. In those days, we did not calculate the environmental costs. Now we not only count such impacts, we also are concerned about the impact on the community as a social structure. Through the planning assistance provided by S. 586, we will be able to take a hard look at the cost and benefit relationship for local communities and State governments providing the basic support for such facilities.

There is one final aspect of S. 586 which I would like to call to the attention of the Senate. This is the bill's recognition that not only our East and West coasts and gulf areas, but also the coastal zones of States which border the Great Lakes, will be faced with problems as a result of decisions on siting of energy facilities.

For this reason, I am especially pleased to see that we have in this bill a broad definition of energy facilities for which assistance may be granted when adverse impacts can be shown, thus making the Great Lakes coastal States eligible for grants under the Coastal Energy Facility Impact Fund.

The Great Lakes States have a major stake in the success of the coastal zone management effort and, in fact, have already recorded significant progress in perfecting their programs. It is essential that the impacts from major energy facilities such as powerplants and refineries which are located on the Great Lakes be included in the assistance provisions of this bill, as well as the serious effects likely to flow from the introduction of offshore operations into new frontier areas along the ocean coastal areas.

Mr. President, I urge that my colleagues give their most careful consideration and support to this bill.

Mr. JOHNSTON. Mr. President, will the Senator yield for the purpose of putting in what I believe is a mutually-agreed-upon amendment, at which point the Senator can then discuss the whole package?

Mr. STEVENS. Yes. I am happy to.

Mr. HOLLINGS. I yield to the Senator from Louisiana.

Mr. JOHNSTON. Mr. President, I have an amendment, which I send to the desk, and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. JOHNSTON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

S. 586

On page 25, commencing at line 21, strike out all through page 28, line 7, and insert in lieu thereof the following:

"(k) The Secretary shall, in addition to any financial assistance provided to, or available to, coastal States pursuant to any other subsection of this section, distribute grants annually in accordance with the provisions of this subsection. The moneys received under this subsection shall be expended by each State receiving such grants solely for the purpose of reducing or ameliorating adverse impacts resulting from the exploration for, or the development or production of, energy resources or resulting from the location, construction, expansion, or operation of a related energy facility and/or for projects designed to provide new or additional public facilities and public services which are related to such exploration, development, production, location, construction, expansion, or operation, except that such grants shall initially be designated by each receiving State to retire State and local bonds, if any, which are guaranteed under section 316 of this Act: *Provided*, That, if the amount of such grants is insufficient to retire both State and local bonds, priority shall be given to retiring local bonds.

Subject to the foregoing expenditure requirements, each coastal State shall be entitled to receive a grant under this subsection if such State is, on the first day of the fiscal year,

(1) adjacent to Outer Continental Shelf lands on which oil or natural gas is being produced; or

(2) permitting crude oil or natural gas to be landed in its coastal zone: *Provided*, That such crude oil or natural gas has been produced on adjacent Outer Continental Shelf lands of such State or on Outer Continental Shelf lands which are adjacent to another State and transported directly to such State. In the event that a State is landing oil or natural gas produced adjacent to another State, the landing State shall be eligible for grants under this subsection at a rate half as great as that to which it would be eligible in any given year if the oil were produced adjacent to the landing State. In the event that a State is adjacent to Outer Continental Shelf lands where oil or natural gas is produced, but such oil or natural gas is landed in another State, the adjacent State shall be eligible for grants under this subsection at a rate half as great as that to which it would be eligible in any given year if the oil or

natural gas produced adjacent to that State were also landed in that State.

Such States shall become eligible to receive such automatic grants in the first year that the amount of such oil or natural gas landed in the State or produced on Outer Continental Shelf lands adjacent to the State (as determined by the Secretary) exceeds a volume of 100,000 barrels per day of oil or an equivalent volume of natural gas. There are authorized to be appropriated for this purpose sufficient funds to provide such States with grants in the amount of 20 cents per barrel or its equivalent during the first year, 15 cents per barrel or its equivalent during the second year, 10 cents per barrel or its equivalent during the third year, and 8 cents per barrel or its equivalent during the fourth and all succeeding years during which oil or gas is landed in such a State or produced on Outer Continental Shelf lands adjacent to such a State: *Provided*, That (A) such funds shall not exceed $100,000,000 for the fiscal year ending June 30, 1976; $25,000,000 for the fiscal quarter ending September 30, 1976; $100,000,000 for the fiscal year ending September 30, 1977; and $100,000,000 for the fiscal year ending September 3, 1978; and (B) such funds shall be limited to payments for the first one and one-half million barrels of oil (or its gas equivalent) per day per State for the 10 suceeding fiscal years. The amount of such grant to each such State in any given year shall be calculated on the basis of the previous year's volume of oil or natural gas landed in the State or produced adjacent to the State. For the purposes of this section, one barrel of crude oil equals 6,000 cubic feet of natural gas.

On page 28, line 10, strike out "$250,000,000" and insert in lieu thereof "$200,000,000".

On page 28, line 11, strike out "$75,000,000" and insert in lieu thereof "$50,000,000".

On page 28, line 12 through 13, strike out "$250,000,000" and insert in lieu thereof "$200,000,000".

On page 28, line 14, strike out "$250,000,000" and insert in lieu thereof "$200,000,000".

On page 28, line 17, strike out "20" and insert in lieu thereof "25".

On page 28, lines 12 through 13, strike out ", not to exceed $50,000,000 per year,".

On page 28, between lines 7 and 8, insert the following new subsection and redesignate accordingly:

"(1) Any funds provided to any State under this section not expended in accordance with the purposes authorized herein shall be returned to the Treasury by such State."

Mr. JOHNSTON. Mr. President, this amendment represents the fruit of many hours of negotiation and discussion between the Committee on Interior and Insular Affairs and the Committee on Commerce to try to meld the results of our two bills, one dealing with coastal zone management and one dealing with the Outer Continental Shelf. Both bills recognize that there are impacts to the adjacent coastal States.

The jurisdiction and the concern of the Coastal Zone Management Act and, in turn, of the Commerce Committee, is somewhat broader than that of the Interior Committee since our jurisdiction is limited to the Outer Continental Shelf.

In any event, Mr. President, what this amendment does is it deals with part of the funds that are to be authorized under the instant legislation.

What it says is that we will have a fund of not to exceed $100 million, that that fund will be distributed to States which have either production adjacent to that State or have oil first landed in that State, and provides that that State shall be compensated at the rate specified in the bill.

There is a sliding scale of specification of impact, which is in the first year of the bill 20 cents per barrel, 15 cents per barrel or its equivalent in natural gas during the second year, 10 cents per barrel or its equivalent during the third year, and 8 cents a barrel or its equivalent during the fourth or all succeeding years, again with two limitations: first, that the total amount distributed under this formula may not exceed $100 million or $25 million for the transition quarter and, further, provided that no State may receive more than the equivalent of 1½ million barrels of oil a day. Both oil and natural gas in its equivalency are recognized under this bill.

The bill also provides, Mr. President, that when a State is eligible for this money that the money shall be paid, first, to retire locally issued bonds previously approved by the Secretary of Commerce and authorized to be issued under section 316 of the act, second, to retire State issued bonds again which were previously authorized by the Secretary of Commerce and issued pursuant to section 316 of the act, and, third, to compensate the State for projects undertaken or for monies expended by the States and resulting from the location, construction, expansion, or operation of any related energy facility and/or for projects designed to provide new and additional public facilities and public services which are related to such exploration, development, production, location construction, expansion, or operation of offshore mineral activities.

What we have, Mr. President, is a carefully worked out formula by which adjacent coastal states shall receive money for projects when such projects are to be used to relieve the effects of drilling and production in the Outer Continental Shelf.

Other concerns are dealt with in this bill which are the fruit solely of the work of the Committee on Commerce and relate to other energy-related facilities as well as Outer Continental Shelf activities. But this amendment is the joint work of the Committee on Commerce and the Committee on Interior and Insular Affairs. While, from my point of view, as a Senator from Louisiana, it misses the mark by far in terms of alleviating the impact on the adjacent coastal States, I and my colleagues on those committees present this as a carefully considered compromise of the various issues involved.

I think it is a fair compromise, Mr. President, and I therefore offer it and trust that it will be approved.

Mr. HOLLINGS. Mr. President, as floor manager for this bill, I welcome the amendment offered by Senators JOHNSTON, STEVENS, JACKSON, MAGNUSON, and myself to further clarify and strengthen the automatic grants provision of S. 586. The inclusion of this amendment in S. 586 as a substitute for section 308(k) effects an agreement between chairman of the Committee on Commerce (Mr. MAGNUSON) and the chairman of the Committee on Interior and Insular Affairs (Mr. JACKSON) as to the respective jurisdictions of the two committees regarding offshore oil and gas development and administration of the Outer Continental Shelf Lands Act and coastal zone management and protection pursuant to programs under the Coastal Zone Management Act or consistent with its goals and objectives.

As I have stated, the purpose of this amendment is to resolve inconsistencies between S. 586 and S. 521. In S. 586, there are significant differences between the approach of section 308 and the approach in section 24 of S. 521. The public interest clearly would not be served by creation of two inconsistent impact funds, and the chairman of the Interior Committee, Mr. JACKSON, agrees with me that the needs of the coastal States can best be met through a synthesis of the two approaches.

The amendment, which will be offered to both bills, would adopt the basic provisions of section 308 providing grants and loans to States for the purpose of planning for environmental, social, and economic impacts in the coastal zone resulting from or likely to result from energy resource development or energy facilities, and for actually handling such impacts by reducing or compensating for them by providing necessary public facilities and services.

The amount of the fund would be reduced, in the amendment, from $250 million to $200 million. Further, the amendment would substitute new language for section 308(k), the automatic grants provision, which would be increased from $50 million annually to $100 million annually, as is proposed in section 24(d) of S. 521. This subsection would also be changed by increasing the ceiling on the amount of oil and natural gas equivalent landed annually by which State's grant are determined by the Secretary of Commerce—though NOAA. The original intent of both S. 586 and S. 521 provisions as to the requirement that such grants be spent to offset and ameliorate adverse impacts remains a central feature of this new language, and both committees would wish to stress their concern that money not so spent shall be returned by the States to the Treasury.

It is the agreement of the two committees that, with the approval of this amendment by both parties, the Committee on Interior and Insular Affairs will move to strike from S. 521 section 24 which would establish a coastal State fund administered by the Secretary of the Interior. This would remove the concern of the Committee on Commerce that such fund would duplicate and, perhaps, even conflict with the coastal energy facilities impact fund and the automatic grant provisions of S. 586. The agreement further provides that, when S. 521 is considered on the floor of the Senate, the committee floor manager for that bill will move to insert section 308 in S. 586 in its entirety in S. 521 so these bills will be consistent on this issue.

The result would be, Mr. President, a clean division between the responsibilities of the two committees with respect to the administration of Outer Continental Shelf lands on the one hand—which is the Interior Committee's jurisdiction—and coastal zone management issues on the other—which fall within the jurisdiction of the Committee on Commerce.

Once again, on behalf of the Committee on Commerce, we are pleased to work out this agreement with the Committee on Interior and Insular Affairs respecting one another's areas of jurisdictional responsibility, which Senator Jackson has agreed to.

I know that the principal negotiations today have been carried on by the Senator from Alaska and the Senator from Louisiana. As I understand it, under the amendment of the Senator from Louisiana, we have joined under the coastal impact fund rather than the revenue sharing fund originally proposed in S. 521. Is that correct?

Mr. JOHNSTON. It was not really a revenue sharing fund. It was an impact fund.

Mr. HOLLINGS. All right, an impact fund. This agreement would supplant the fund in S. 521.

Mr. JOHNSTON. Really, what we would intend to do, would be to come forward in the OCS bill, with the same language, realizing that one of these bills may not come through, but that the language which would be in the bill of the Senator from South Carolina also would be in the OCS bill and would supplant the language dealing with the same subject in the OCS bill.

Mr. STEVENS. Mr. President, I believe that the suggestion of the Senator from Louisiana, in this amendment, is a good one. I have joined with him, Senator Jackson, Senator Hollings, and Senator Magnuson in this amendment and I hope that the Senate will adopt our amendment. It meets some of the problems that an existing oil-producing State, such as Louisiana or Texas or California, would face under our original proposal. It will have no great impact on States such as mine, which have, at the present time, no OCS production.

We have a vast potential off Alaska. I think that the Members of the Senate should be aware of that. Sixty-five percent of the Outer Continental Shelf is off Alaska. Ultimately, these frontier areas will be subject to oil and gas production. The distances are vast and the areas that will be affected by this kind of production are very small in population. They have no facilities, really, to handle the influx of population that would be associated with this kind of development. They have no ability to finance even the planning for this type of development. That is why this bill wisely has two separate funds. One is the grants and loan fund, which is a purely discretionary fund—it is subject, of course, to the appropriation process. It can be used to meet the planning needs and the actual expenses of those States that already have OCS development.

The other is the system of guaranteed bonds and the automatic financing of impact moneys, with a payment of specified amounts per barrel of production to the States or local governments, which will, in fact, retire those bonds that are guaranteed by the Secretary of Commerce and assist the States and the local governments in taking care of the problems within the coastal zone.

As I say, I hope that, at some later date, we will get to the question which is in the mind of the Senator from Delaware (Mr. Roth) and that we have discussed in terms of revenue sharing. This is not that bill. As a matter of fact, as I pointed out to the Senator from Louisiana, as I understand the jurisdiction of the House committees, we cannot even have OCS revenue sharing in a bill that will go to conference with the House Fisheries and Merchant Marine Committee, because if they are agreed to a position there——

Mr. BELLMON. Will the Senator yield?

Mr. STEVENS. Yes, I yield.

Mr. BELLMON. I wish to understand this. If there is an oil strike in a small town in the State of Oklahoma, for instance, it will take care of that? In terms of this bill, if there is an oil strike in the Outer Continental Shelf, the Federal Government will take care of the facilities it needs to accommodate that population.

Mr. STEVENS. If there are Federal lands in Oklahoma——

Mr. BELLMON. There are no Federal lands in Oklahoma.

Mr. STEVENS. If there are private lands, in the first place, the State will get a severance tax. In the second place, it will get a tax on the private development within its State. We cannot tax that development outside of the 3-mile limit. We have no way at all to finance it. Those platforms are outside the 3-mile limit. Yet the families and people live onshore. There is no revenue associated with that.

Mr. BELLMON. Does the State of Alaska not levy a State sales tax or an excise tax, the same as in Oklahoma?

Mr. STEVENS. No, there is no State sales tax in Alaska.

Mr. BELLMON. The State has the authority.

Mr. STEVENS. But, there is no such tax.

Mr. BELLMON. Alaska has the same taxing authority any other State has?

Mr. STEVENS. Yes, but we do not have that kind of tax.

Mr. BELLMON. That is up to Alaska.

Mr. STEVENS. We do not have the oil revenues Oklahoma has, because the resources that would be subject to tax that would produce revenue are within Oklahoma's jurisdiction. These OLCS facilities—the platforms, the oil wells, the oil—are outside of the jurisdiction of the State. We could not tax them.

If the Senator would like to give us the permission to extend our severance tax out to OCS production, he can be my guest. As I pointed out, we would get 56 cents a barrel if it were within our jurisdiction. We are only asking 8 cents a barrel here, and only to retire those bonds which have been guaranteed by the Secretary of Commerce or to meet those impacts agreed to by the Secretary of Commerce as being necessary to meet OCS development. That is a very, very limited proposition. It is not something that is an extension of the concepts that I think the Senator from Oklahoma would recognize.

If the Senator had an oil well being drilled in Oklahoma, he could tax it, could he not? Do they not tax oil in the ground?

Mr. BELLMON. The State of Oklahoma has a gross production tax on oil produced. What about the States of Texas and Louisiana? They have had offshore development on the OCS down there for many years.

Mr. STEVENS. Yes, and we have watched what has happened there and that is one thing that has bothered us.

Mr. JACKSON. Will the Senator yield for a unanimous-consent request?

Mr. STEVENS. Yes, I yield.

Mr. JACKSON. Mr. President, I ask unanimous consent that Mr. William Van Ness, Mr. Michael Harvey, and Mr. Steven Quarles be granted the privileges of the floor in connection with the pending measure.

The PRESIDING OFFICER. (Mr. Bartlett). Without objection, it is so ordered.

Mr. STEVENS. I hope my friend from Oklahoma will study this amendment and realize that the bill originally had provision for loans and grants. The Coastal Zone Act in effect now has a provision for loans and grants. The problem is, as we address the areas, in the rural areas, where there is little population and where there is an inability to prepare for development of this type, we are trying to find a mechanism so their bonds will be salable. We are providing a minimum amount of Federal assistance to repay those bonds and to meet these impacts.

I do not think this kind of money will entirely repay the bonds. The maximum amount of money that would be payable to any State, under my proposal, in a year, at the time it reaches a million barrels per day production from the OCS, would be $29,200,000. That would be the maximum amount payable to both States and localities.

The estimate for the production from the Gulf of Alaska—which we think is low—in the environmental impact statement is 550,000 barrels per day. In other words, my State can look for a payment of something like $15 million out of this, payable to all the local communities and the State, for taking actions to try to ameliorate the development impacts that come about from the offshore development.

Mr. BELLMON. Will the Senator yield?

Mr. STEVENS. Yes.

Mr. BELLMON. Ever since I have been in the Senate, I have heard testimony from communities like Santa Barbara that do not like oil wells cluttering up their landscape. I have heard that from other Atlantic coast States that do not like refineries in their areas. They want the oil coming from Oklahoma, Texas, and other States. Yet they do not want these smelly refineries or other things on their land. What this looks like to me is a bribe to get these States to do the things they ought to do, anyway.

Mr. STEVENS. I hope the Senator will join me in that bribe later on, because I think that is what it is going to take to get offshore development.

Mr. JOHNSTON. It is not a bribe at

all, if the Senator from Oklahoma would yield. There is a real and measurable impact, and the record made in our committee by testimony last year when we had similar legislation so indicates. There is a real impact on offshore drilling. The Gulf Council made such a report 3 years ago and showed a net impact, adverse, of $33 million.

The theory here, the mechanism, is not a new one; it is not unique to Outer Continental Shelf drilling. Indeed, there is an impact fund from which Oklahoma benefits—I am responding to his comment—this is not a unique kind of mechanism.

For example, we have an impact fund for Army bases, from which the State of Oklahoma gets a great deal under its impact funds for Fort Sill, for example, recognizing that there is impact from these Government children who are educated by the State of Oklahoma and by the counties surrounding. It is that same kind of idea incorporated in this bill, recognizing a real impact and not a bribe.

The PRESIDING OFFICER. Who yields time?

Mr. STEVENS. Mr. President, may I inquire of the Senator from Louisiana if he wishes to proceed at this time with that amendment he has offered or what the wishes of the manager of the bill are? As I understand it, we did receive consent—and correct me if I am wrong, I would make a parliamentary inquiry—has the bill as reported by the committee been deemed original text for the purpose of amendment?

The PRESIDING OFFICER (Mr. BARTLETT). The committee amendment has been agreed to as original text for the purpose of further amendment.

Mr. JOHNSTON. I would think it would be the more orderly procedure to proceed with that amendment.

Mr. HOLLINGS. Then we could take up the amendment of the Senater from Washington.

Mr. JACKSON. Mr. President, I deeply appreciate the spirit of cooperation which has prevailed between the Commerce Committee and the Interior Committee as both committees have been working on legislation relating to Outer Continental Shelf oil and gas development and its impact on the coastal zone.

While I am opposed to any sharing of Federal revenues from Outer Continental Shelf activity with the States. I have consistently supported the concept of Federal impact aid to those States suffering adverse impacts from Federal decisions to develop OCS oil and gas. The Outer Continental Shelf Lands Management Act (S. 521) which the Interior Committee has ordered reported and should be before the Senate next week, contains provisions for a coastal State impact fund as did its predecessor (S. 3221) which was passed by the Senate last year. S. 586 contains a provision for automatic impact aid grants. The Interior Committee bill also contains an automatic impact aid provision based on a formula which was specifically designed to provide funds to coastal States in so-called frontier areas—those areas where there has been no Outer Continental Shelf oil and gas development in the past.

I supported this approach because I felt it imperative that the Federal Government provide assistance to such States so that they could do the necessary planning and provide the necessary public services before, or as, they were impacted rather than incur the impacts and only be able to provide adequate facilities long after they were needed.

I have agreed to the compromise approach being offered today because the Senator from South Carolina and the Senator from Alaska assure me that it meets the legitimate needs of frontier area States for front-end money.

They assure me that the needs of frontier area States can be met by loans under section 308(b) of S. 586 or federally guaranteed State or local bonds pursuant to section 319. Once actual production takes place, the automatic aid will be available to repay the loans or retire the bonds. I am pleased that the compromise requires that the automatic grants must be expended for the purpose of reducing or ameliorating adverse impacts. This requirement should eliminate any possibility that any State will receive a windfall. I am sure that all the coastal States will make their views on this subject known prior to any Senate-House conference so that if inequities may occur we will have an opportunity to revise the distribution formula.

Mr. President, with that understanding, I urge that the Senate adopt the proposed amendment.

Mr. JOHNSTON. I move the adoption of my amendment.

The PRESIDING OFFICER. Do the Senators yield back their time?

Mr. STEVENS. I have no request for further time. I yield back the remainder of my time.

Mr. HOLLINGS. I yield back the remainder of my time.

Mr. BUMPERS. Mr. President, I have an unprinted amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Louisiana.

The amendment was agreed to.

The PRESIDING OFFICER. Who yields time?

Mr. JACKSON. Mr. President, I call up my amendment which is at the desk.

The PRESIDING OFFICER. The clerk will state the amendment.

The assistant legislative clerk read as follows:

> The Senator from Washington (Mr. JACKSON) proposes an amendment on page 37, line 11, strike "(a)".
>
> On page 37, lines 24 and 25, and page 38, lines 1 and 2, strike subsection (b) in its entirety.

The PRESIDING OFFICER. The Senator from Washington.

Mr. JACKSON. Mr. President, this subsection would provide that any grant or loan made pursuant to S. 586 shall not be deemed a "major Federal action" for the purpose of section 102(2) (C) of the National Environmental Policy Act. Under this provision, therefore, any grant or loan made by the Federal Government from the $250 million coastal energy facility impact fund for major construction projects would be exempt from NEPA's requirement for preparation of environmental impact statements.

Mr. President, I have just received from the Executive Office of the President, from the chairman of the Council on Environmental Quality, Mr. Russell Peterson, a letter in opposition to this provision of the bill. I wish to read the letter now from Governor Peterson, speaking for the administration on this matter:

> COUNCIL ON ENVIRONMENTAL QUALITY,
> *Washington, D.C., January 16, 1975.*
> Hon. HENRY M. JACKSON,
> *U.S. Senate,*
> *Washington, D.C.*
>
> DEAR SENATOR JACKSON: The Senate Commerce Committee recently reported out the Coastal Zone Management Act Amendments of 1975 (S. 586). Since the Committee Hearings on these amendments, at which I presented testimony of the Council on Environmental Quality on June 11, 1975, a provision has been added to the bill, section 318(b), which would exempt any grants or loans made from the $250 million impact fund from the requirements of the National Environmental Policy Act (NEPA) for environmental impact statements. This provision, which was not discussed in committee hearings, is not supported by the Council.
>
> Under the proposed bill, the Secretary of Commerce would be permitted to make both planning and construction grants to the states to mitigate impacts resulting from federally permitted energy developments on the coasts. The proposed exemption to the impact statement requirement of NEPA would apply to federal actions on both types of grants, regardless of whether, in fact, significant impacts would occur. In many instances, particularly where planning grants are involved, such impacts should not result. Consequently, under present provisions of NEPA and the Guidelines of the Council and the Department of Commerce, no impact statement would be required. However, grants may also be sought from the federal impact fund to permit the purchase of land or the construction of a new public facility, not otherwise related to a Federal action. Even though such grants may be intended to mitigate the impacts of certain coastal energy production or facilities such activities may have important environmental effects, or alternatives with lesser effects, that should be thoroughly analyzed by the grantee and the Department of Commerce. Without the impact statement exemption, these effects would be so analyzed and a detailed impact statement of the Department would be required when, on the basis of the particular facts in each case, significant impacts were foreseen. This document would then be used to help federal decisionmakers and the public determine the merits of a particular construction grant application. It is the Council's judgment that the Secretary of Commerce should be permitted to make the judgments permitted by NEPA as to whether and when an impact statement should be required and used.
>
> In addition to these reasons, it would be unfortunate for the provisions of NEPA to be limited at a time when Congress and the Executive Branch are exploring a number of new ways to pursue and control the development of outer continental self oil and gas. Since the provisions of NEPA are intended to proceed and complement federal agency decisionmaking processes it would be unwise to specify in this legislation precisely when the impact statement provision should or should not be applied. This is a subject that I believe requires considerably more discus-

sion and analysis than has been devoted to the proposed NEPA provision of S. 586.

Sincerely,

RUSSELL W. PETERSON,
Chairman.

Mr. President, subsection 319(b) is entirely unnecessary and clearly undesirable. It is a wide-ranging exemption to NEPA which was not addressed in committee hearings, did not receive detailed discussion or analysis in the markup of S. 586, and has not been considered by the Interior Committee which has the jurisdiction over NEPA. As such it is a dangerous precedent that should not be established by the Congress.

Section 102(2)(C) of NEPA requires the preparation of an environmental impact statement on "major Federal actions significantly affecting the quality of the human environment." The effect of S. 586's NEPA exemption is to say that no action under S. 586 or the Coastal Zone Management Act is a "major Federal action". It transfers from the Secretary of Commerce to the Congress the decision on what is or is not a major Federal action. Whereas without the NEPA exemption the Secretary would make that decision on a project-by-project basis taking all the relevant facts into consideration, the exemption would make a one-shot, prior congressional determination that no major Federal action is involved in any impact fund loan or grant without giving consideration to any of the potentially massive construction projects which those loans or grants may support. Clearly, in many instances, no significant impact on the environment would be likely to occur when a grant or loan is made under S. 586. In such cases the Secretary or his designated Federal official, under existing law, would decide that no impact statement was necessary. However, in some situations such as a proposed land purchase or new public facility which would be paid for with the grant or loan funds but would not necessarily be otherwise tied to Federal action, the environmental impacts might be significant and deserving of analysis. Moreover, alternatives might exist with lesser impacts which should also be explored. The judgment on whether or not an impact statement should be written to address these questions in detail is, therefore, best made in light of the circumstances of each case.

Without the NEPA exemption proposed by this bill any probable significant environmental impacts would be examined, if appropriate, by the grant applicant. Such analyses, and any subsequent impact statement deemed necessary by the Department of Commerce, would then serve to aid federal decisionmakers and the public in determining the merits of the grant application. Over the past 5 years the record of Federal agencies under NEPA has proved the value of the impact statement process in forcing the analysis of environmental effects and alternatives before decisions are made. In short, the impact statement mechanism has proved to be a useful management tool for Federal administrators and there is nothing in the public record to suggest that it would not also be a useful tool for the Secretary of Commerce in administering the impact fund.

Mr. President, this NEPA exemption is particularly unfortunate because it has far wider application than first appears. It would effectively destroy NEPA. The impact fund loans and grants could be used to finance almost any public construction projects and, under the exemption, no impact statement would be required. There is nothing in this provision to prevent the funding of highways, ports, airports, sewer interceptors, or other facilities now funded under other Federal-aid programs. As NEPA fully applies to those programs, by transferring the projects which would otherwise be funded under them to S. 586's grants or loans, the impact statement requirement could be avoided altogether. I cannot believe that public policy would be served by exempting such major Federal actions as highways, airports, and other facilities from the requirements of NEPA. If such facilities were exempted from NEPA, NEPA itself would be only a regional bill whose application would be limited largely to non-coastal states and inland areas.

Page 30 of the report on S. 586 contains the following statement:

> This does not mean, however, that the construction of a public facility or any other action paid for with such grants or loans, which requires an environmental impact statement on its own merits, is exempt from that requirement.

But, Mr. President, this is entirely misleading. Many of these actions, if funded under other Federal programs would likely be major Federal actions and, thus, require impact statements. However, once these programs are funded under S. 586 rather than other Federal programs, they are no longer "major Federal actions" to which NEPA would be applicable. S. 586 says they are not major Federal actions despite Federal funding under S. 586, and there is no longer any other Federal funding or other Federal nexus to make them "Federal actions" for purposes of NEPA. Thus the words "which requires an environmental impact statement on its own merits" are totally illusory for, once S. 586 exempts all projects funded under its grants or loans from NEPA, there would be no residual impact statement requirement.

Mr. President, as the Congress and the executive branch consider various new approaches to the development of offshore oil and gas resources, including ways to expedite offshore leasing and production, it is essential that the provisions of NEPA remain fully applicable. It would be premature and unwise to dictate by this legislation that NEPA shall not apply to decisions to make impact fund grants. It would be doubly unwise to insert such a provision after as little legislative analysis and public attention as this NEPA exemption has received.

Mr. STEVENS. Mr. President, will the Senator yield?

Mr. JACKSON. Yes.

Mr. STEVENS. On my own time, if we have enough time on this amendment and I assume we do.

As the Senator knows, one of the first things I did when I came to the Senate was to sit with the Senator through discussions leading to the formulation of NEPA, as one of the original sponsors of the NEPA Act, and I believe in it.

Mr. JACKSON. The Senator is correct, and he was most active in support and in the passage of that legislation.

Mr. STEVENS. I would like to point out that our problem is this: We are trying to assist in financing the actions taken by the municipalities or States which would otherwise not involve any Federal action, and that provision here—and it may not be stated as expertly as it could be to meet that objective, and I want to explore with my good friend from Washington whether he would be able to agree with us on some limited aspect of this provision—we are talking not about the areas where there has been no environmental impact statement. In the first place, there will be an environmental impact statement on the approval of the coastal zone plan. That is, in fact, an environmental impact statement.

Mr. JACKSON. I understand.

Mr. STEVENS. Second, we are dealing with the action to be taken by a small town, say, Yakutat, Alaska, which wants to build a facility, a dock. It would have to have, if it needed Corps of Engineers approval an environmental impact statement to begin with.

In any area where there would be required a substantial Federal action other than the making of a grant, there would be an environmental impact statement. We tried not to bring these problems into Washington and require the procedure of an environmental impact statement, in a redundant way, only in those areas where the making of a grant or of a loan under this Act in and of itself would be considered a Federal action under NEPA. That is the only string we were trying to untie.

We were not trying to exempt an area from NEPA, we were not trying to take away from the power of the EPA, or the Council of Environmental Quality.

We were trying to say, in the instances which, but for a grant or loan provided for under this bill there would be no requirement of NEPA for environmental impact statements for particular projects, then there would be none required as a result of such a grant or loan.

That was a very, very little thing in trying to eliminate delay for most municipalities, for State actions, which if they involved any other Federal action would require an environmental impact statement.

I ask my good friend: Is it not possible we could recognize that we do not want to bring to Washington those actions of a municipality or State which but for the funding provisions would not be here, and again understanding that the whole concept of the coastal zone management plan would, in fact, be subject to the environmental impact statement procedure in the beginning?

Mr. JACKSON. May I say that my understanding, of course, of the law is that it has to be determined to be a major Federal action.

We are not talking about every small

sewer project, and that sort of thing. But, for example, let me just point out to the Senator, an environmental impact statement is required for the overall——

Mr. STEVENS. Right.

Mr. JACKSON. I agree with that, that is in there. We all agree on that.

The question arises in that connection, what can be done under this $250 million fund? For example, they could get money for a highway and an impact statement would be required under the existing Federal-aid highway law, but under S. 586 and its NEPA exemption, they would not have to submit an impact statement if it were funded under section 308.

Mr. STEVENS. I beg the Senator's pardon. That is what I am afraid it is interpreted to be, that is not what we meant.

We meant the making of the loan or grant in and of itself would not require an NEPA statement. A road under the Highway Act would require it, any other local action——

Mr. JACKSON. But if we apply for a grant or loan under S. 586, an impact statement for the highway would not be required because we are acting under the section 319(b) exemption and not under the Highway Act and they would have an exemption.

I am sympathetic with the Senator, I would just hope he would accept this amendment and let us see later if we cannot work something out. I worked with the Senator from Alaska continuously. I just do not want to bring about a situation, very candidly, in which we can find ourselves in deep trouble.

This is an important measure and I would be glad to sit down with the Senator and take a look later at a reasonable way of avoiding impact statement requirements which could be onerous and unnecessary.

Mr. President, I am not happy with all of the procedures——

Mr. JOHNSTON. Will the Senator yield?

Mr. JACKSON [continuing]. In connection with NEPA, but this does open up Pandora's box.

Mr. STEVENS. May we pursue this for 1 minute?

Mr. JACKSON. Surely.

Mr. STEVENS. At least in terms of the automatic grants provided under this bill, which are payable annually to repay bonds that would be guaranteed years in advance, we do not want to have to go back and have an environmental impact statement when production finally occurs and they get ready to repay the bonds. We do not want an environmental impact statement when an automatic grant is made, based upon production 2, 3, or 5 years later. The automatic grants at the very least ought to be exempt from the procedure; they are not major Federal actions.

Mr. JACKSON. I agree. NEPA does not necessarily apply in that situation.

Mr. STEVENS. If the Senator, who is the principal sponsor of NEPA, will agree with me that an automatic grant under this act is not a major Federal action, I am prepared to accept that concept and I think the Senator from Louisiana will, too.

Mr. JACKSON. No, it all depends on what it is. It could be a major Federal action. I do not want a blanket exemption. It may or may not be a major Federal action. That is the trouble with the exemption.

Mr. STEVENS. I am talking about the sums that would be paid under this amendment which are based upon production concepts and will not occur until production commences and, as I said, that will be years after the project is built, to repay bonds.

Mr. JOHNSTON. Will the Senator yield?

Mr. STEVENS. Yes.

Mr. JOHNSTON. I want to ask the Senator from Washington if this is not correct, the stage at which the automatic grants are made from the Federal Government to the State does not require an impact statement, that part does not require the impact statement.

Mr. STEVENS. We have not had agreement on that yet.

Mr. JOHNSTON. I think what the Senator is saying is when the State undertakes to use that money and the impact statement would now be required, as an example, they might build a highway in its coastal zone for the purpose of serving the offshore industry and have it presented, in fact, they would use Federal funds and an impact statement would be required, then that same kind of impact statement would be required under the Senator from Washington's amendment as is now required, but unless this amendment were adopted, then if this money were used it would completely be freed from any impact statement even though it might be commingled with other Federal money which itself would require an impact statement, am I correct?

Mr. JACKSON. The Senator is correct.

Mr. STEVENS. The Senator from Louisiana has stated what I hope is going to be placed in the record by my good friend from Washington because we had no intention of waiving an environmental impact statement in any area where it would be required by any other Federal law.

We did intend to waive the requirement of an environmental impact statement where moneys were raised under the grant or loan provision under this bill where there would not be otherwise required an environmental impact statement.

The Senator from Washington just stated, as I understand it, that he would agree with me, that moneys would be paid under an automatic grant provision which, in fact, would be used to repay bonds issued for projects commenced years before or for impacts that had been financed years before, that there would be no necessity for an additional environmental impact statement by the making of the grant at that time.

If I understand the Senator from Washington that that is not a major Federal action, we do not need this provision. We were fearful there would not be this interpretation.

Mr. JACKSON. I would agree with that.

I hope we can have a vote and the chairman of the committee would agree.

Mr. HOLLINGS. Mr. President, I want to agree to this amendment, if I can get my distinguished friend from Alaska, Mr. STEVENS, to agree as well.

What we passed as the Coastal Zone Management Act back in 1972, was after about 3 years of endeavor.

It passed through the support of the Council of State Governments, the National Governors' Conference, the Association of Counties, the Coastal States Organization, and everyone else, to work for environmental, social, economic impact and management as well as other impacts within the coastal areas and the Great Lakes of the United States of America.

Specifically, they said that by the year 2000 we are going to have 80 percent of the population, 80 percent of the industrial work force is there now, but by the year 2000 we will have over 225 million Americans living in this area. These impacts are what they wanted assessed and planned for.

Where was the recreation going; where was the urbanization going; where were the facilities for water-consuming industries, and where were the power facilities to be located?

We estimated at that particular time that there would be 80 nuclear powerplants that would have to be built within a 25-year period.

Incidentally, this has been updated upwards to an estimation of 176 facilities that will have to be built between now and 1985, in order to take care of the energy crisis.

But back to the fundamental concept of coastal zone management, the distinguished Senator from Alaska is dead on target; that before the Federal Government will approve a coastal zone management plan of a State, it must submit an environmental impact statement.

Thereafter, any variations from this plan by any particular facility siting would require an additional NEPA statement. What the Senator from Alaska was getting at is that every local water facility or sewage line that would be planned would have to come all the way to Washington for approval.

I happen to know because I live in an area where we are trying to build a bridge, and we have to get the Coast Guard to go along, the Corps of Engineers to go along, EPA to go along, and the Council of Environmental Quality, and everybody else to agree, just to build a bridge.

In that county it is next to impossible. For 7 years we have been trying to check off all the different impact statements.

So the trust of the amendment which was included in the committee at that time, at the behest of the Senator from California, was not in any way to avoid, evade or go around NEPA. On the contrary, the Senator from Alaska has been a warm supporter of the Environmental Protection Agency and the various impact statement requirements under the particular law of Senator JACKSON.

I am sure the Senator would insist on including it, because if we have to err, I would rather err, on the side of the Senator from Washington—that there be a little more reporting rather than a little bit less. We are not trying to weaken in any way the National Environmental Policy Act.

Mr. JACKSON. Will the Senator yield?

Mr. HOLLINGS. I yield.

Mr. JACKSON. I want to agree with the Senator's comments with regard to the Senator from Alaska. As I indicated earlier, we worked together on the original National Environmental Policy Act when it was up for final action taken in 1969. The President signed it, as I recall, on January 1, 1970. The Senator from Alaska has always been supportive. I just wanted to call this matter to the attention of the Senate, and I offered the amendment for that reason. I hope the Senator will accept the amendment.

Mr. STEVENS. I would prefer to see it retained at least as to section 308(k). If the Senator from Washington would agree with me with regard to the automatic grants that are payable under 308(k), that the environmental impact statements are not required, then I do not see any necessity for it.

Some of them will be sizeable payments. I call the attention of the Senator from Washington to the fact that it is possible that we will have a $30 million payment made to a State.

It is dedicated, pursuant to this law, to the repayment of investments made years prior to the actual payment. But I think it could be argued by some people later on that there would have to be a new environmental impact statement every time the Secretary of Commerce prepared to pay that grant over to the States. It is automatic under the terms of this bill. I think at least as to the automatic grants there is absolutely no requirement for an EIS because it is not a major Federal action. We are taking that Federal action if we pass this bill, and I do not think we ought to have an environmental impact statement on that.

If the Senator from Washington will agree to that, fine. If he does not agree with it, I think we ought to retain the section at least for 308(k).

Mr. JACKSON. The real question is whether it is a major Federal action. That is what we are talking about. That is the test. If we just say it is automatic, that, in itself, an automatic grant, is not the test. The real test is whether it concerns a major Federal action significantly affecting the quality of the environment. That is what we are talking about.

Mr. STEVENS. If the Secretary of Commerce guarantees bonds in 1976, and they are for facilities in Yakutat, Alaska, and the money starts coming in from production in 1981, this bill mandates the payment of those funds, an automatic grant to repay those bonds which have been guaranteed by the Secretary of Commerce.

At the time those grants are made, to go back and have an environmental impact statement as to whether the facilities that the money is to be spent for should be built, to me is wrong. The decision to make them was at the time of the guarantee. That is a major Federal action and there would be the EIS there. But the making of the grant itself is not a major Federal action.

Mr. JACKSON. It would only be at the time of the guarantee. Let me try to state it in one or two sentences.

A small project which, if it were under any other program, would not be "a major Federal action significantly affecting the quality of the environment," it would not otherwise require an impact statement solely because it is funded under S. 586.

Mr. STEVENS. I think that is all we are seeking. That is what this bill provides.

Mr. JACKSON. I will stand on that statement. That ought to be a sufficient legislative record. I would hope the Senator would——

Mr. STEVENS. I am satisfied with the statement which as I understand it is exactly what the bill says where only the grant or loan is the Federal action, to repay previously approved projects which were subject to an EIS in the beginning, no NEPA statement will be required.

Mr. HOLLINGS. With that agreement, I yield back the remainder of my time.

Mr. STEVENS. I yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment.

The amendment was agreed to.

Mr. JACKSON. I notice S. 586 adds "islands" to the definition of coastal zone, and the concept of breach access to the subject matter of a development grant, under the Coastal Zone Management Act. As you undoubtedly know, for the last two Congresses I have introduced the National Open Beaches Act and the National Islands Conservation and Recreation Act. These bills have, in each instance, been referred to the Interior Committee. They would make use of Land and Water Conservation Fund moneys for the express purpose of acquiring islands and beach access. In addition, they would set up a procedure for adding undeveloped islands to the national park or wildlife refuge system, to speed the "surplusing" of islands owned but no longer needed by the Department of Defense and other Federal agencies, and declare Federal support for the common law "open beach" concept.

I would certainly hope that you would regard such legislation as entirely supportive of S. 586 and that there is no attempt by the Commerce Committee, in making the changes in the Coastal Zone Management Act which I mentioned, to remove Interior Committee jurisdiction over these bills. I would appreciate your assurances on this matter, and I can assure you that such legislation will be consistent with the Coastal Zone Management Act.

Mr. HOLLINGS. I agree.

I yield to the Senator from Utah such time as is necessary.

Mr. MOSS. Mr. President, I support S. 586. It is a good bill. Certainly, the coastal States need Federal assistance, as the bill says, to study, plan for, manage and control the impact of energy resource development which affects the coastal zone.

I want to call the attention of my colleagues to the fact that it is not just the coastal zone which is experiencing the impact of energy resource development. Throughout the West there are energy supply projects springing up like mushrooms after a heavy rain: four coal gasification plants slated for construction in New Mexico; 11,000 megawatts of new electric generating capacity heading for construction in southern Utah; new coal mines opening in Wyoming, Montana, the Dakotas, and so on. Some of these projects are still in planning stages; some are on the verge of construction, and some have already started up.

In the sparsely settled areas of the West, it is particularly difficult for communities to find planning money to study the coming impacts. It is impossible for them to find early financing to build the community infrastructure needed to serve new population influxes. Sewers, water, roads, schools and hospitals, police and fire protection all have to be in place long before they can be paid for with tax revenues from the new energy facility.

So the Senate must return to the principle embodied in S. 586 later this year. This is legislation more broadly based than coastal zone energy siting. Considerations both of equity and need dictate we produce for the whole country a program of financial assistance on energy impact problems comparable to that which we will provide in the coastal States with this legislation today.

I have drafted legislation which meets that goal, which I will have ready to introduce after the August recess. I will be speaking to a group of national experts on front-end financing who are gathering August 14 and 15 in Utah to consider the bill which I have drafted and to suggest ways of improving it. I solicit the support of all my colleagues, and particularly those from Western and coastal States, to find a solution to the problem of meeting the needs of the States which will be providing energy for the Nation.

Mr. BELLMON. Will the Senator yield?

Mr. MOSS. I am happy to yield to the Senator from Oklahoma.

Mr. BELLMON. I have been informed by the comments of the Senator from Utah but if I understand properly, he is talking about applying the provisions of this bill to all States?

Mr. MOSS. The same general principle. I support this bill and I think it is timely and needed. But I think we must not overlook the fact that there are a lot of other areas with similar problems.

Mr. BELLMON. Would the Senator agree that we have a better chance of getting legislation like this to apply to the rest of the country if we had it altogether in the same package?

Mr. MOSS. I would not be averse to that.

Mr. BELLMON. That is the reason I think we ought not take this bill until we take care of the needs of the rest of the country at the same time.

Mr. STEVENS. If the Senator from Utah will yield, I hope the Senate will not follow that concept. The fact that we thought of a good approach to provide front end money for those places that are about to suffer this type of impact ought not mean that we should hold it up because there are other places that are going to have the same experience later. I happen to agree with the Senator from Utah. The Senator from Washington and I held some hearings in Hanford. They said this 3 years ago to us, that we have to find a way to deal with these impacts that the local communities cannot face. We have found a mechanism, to guarantee the bonds and to later provide some income when you produce something that is salable. That is all we are saying. We will be happy to work with the Senator from Utah and the Senator from Oklahoma in that regard.

But I would point out this, and I think in fairness it must be admitted, that a nuclear powerplant that may be located within a State is subject to taxation by some local community, some local entity, some county, city or State because it is located within their taxing jurisdiction. We are also talkng about facilities that are outside the State, where the bulk of the impact takes place in the State from the points of view of schools, roads, docks, communications, all of the facilities that are not there. The entities that could be taxed, the platforms, the oil reserves, are outside the State.

Mr. MOSS. I agree.

Mr. STEVENS. I am perfectly willing to work with the Senator from Utah on the problem facing these cities and States to meet the problems that will come from the energy siting, the nuclear powerplants, and the hydroelectric plants. Today if we went through a Grand Coulee Dam project as compared to the time we went through it before, it would be seen as having a severe impact on the State of Washington.

Mr. MOSS. I appreciate the comments of the Senator from Alaska. I am not disposed to delay this matter at all. As a matter of fact, I am drafting a bill that I hope to introduce immediately following our August recess, that will have this effect on the States that have energy projects within their boundaries.

I yield to the Senator from Arkansas.

Mr. BUMPERS. Mr. President, I would like to say to the Senator from Utah that I could not agree with him more on a part of his statement, but I honestly think all of us landlocked States are rather foolish to give up whatever leverage we might have by supporting this bill in its present form, because to hope that States such as Utah, Montana, and Arkansas will get equal treatment, I think, may be overly optimistic.

I ask the supporters of this measure whether they would support an amendment to eliminate the word "coastal" and then give all 50 States the same treatment. If we are going to give coastal States this special treatment, why not broaden it to include every State in the Nation, and then we will know everyone will be treated fairly?

Mr. MOSS. Mr. President, it is a matter of time. I do not have anything drafted at this point. I have a seminar coming up with some experts, during the recess, in my home State, and we are going to finally put the whole thing together, what we think we ought to have.

I am not willing to stand in the way of going ahead with the coastal States, because I accept the assurances of Senators who have spoken that they will support the same thing for the landlocked States with internal energy problems.

Mr. JOHNSTON. Mr. President, will the Senator yield?

Mr. MOSS. I yield.

Mr. JOHNSTON. I might add that our distinguished colleague from Wyoming (Mr. HANSEN) offered an amendment in the Committee on Interior and Insular Affairs to our OCS bill relative to all the strip mining that is going to occur in his State and out in the West.

That amendment had great sympathy in our committee, and was rejected on a close vote, not because we were against the amendment, but because the matter needs to go through the process of introducing a bill, having hearings, and proving a record, which I am sure can be done. We cannot cure all the problems of the world in one bill. Recognizing that this is a coastal zone bill, where hearings have been held in the Committee on Commerce for a long time, several years in fact, and in the Interior Committee for a period of months, is not to say that we will not be sympathetic to reforms in other parts of the country.

Mr. STEVENS. Mr. President, will the Senator from Louisiana yield?

Mr. JOHNSTON. I believe I was yielded to by the Senator from Utah, and that he has the floor.

Mr. HANSEN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HANSEN. Who has the floor?

The PRESIDING OFFICER. The Senator from South Carolina has the floor.

Mr. HOLLINGS. Mr. President, I yield for a minute to our distinguished chairman, the Senator from Washington (Mr. MAGNUSON).

Mr. MAGNUSON. Mr. President, having been associated with this matter for a number of years——

Mr. STEVENS. Mr. President, who has the floor at this time?

The PRESIDING OFFICER. The Senator from Washington has the floor.

Mr. MAGNUSON. Having been associated with this matter for some years now, I wish to make a statement for the record affirming my support for this bill, and to compliment all of those who have worked so hard over the years, in hearings, with witnesses, and in conferences, particularly the Senator from South Carolina, the Senator from Alaska, and the Senators on my colleague, Senator JACKSON's committee.

I hope that we will adopt this bill. I have listened with a great deal of interest to what the others have to say about the possible extension of this measure to inland States, and I hope they will introduce that sort of bill at a proper time.

Mr. MOSS. I will.

Mr. MAGNUSON. But what we are dealing with here, basically, is that if all the States would be included now, with regard to the things we are going to put into this bill, there would not be too much of a problem for the States, but we are dealing with great uncertainty as to the use those States would make of the funds. It is a different type of thing with coastal States with the Coastal Zone Management Act.

I surely would support another bill similar to this that would apply to inland States which the Senators have been talking about now for the last half hour.

So, Mr. President, I wish to register my wholehearted support for S. 586, the Coastal Zone Management Act Amendments of 1975, which is now before the Senate for consideration. I urge my colleagues to approve this bill. This legislation is an essential part of our energy program and should be adopted as rapidly as possible by the Congress. Without this legislation, I am afraid, our coastal and Great Lakes States may be unprepared to shoulder their fair share of the Nation's burden in meeting energy needs.

In January of 1969, a blue ribbon panel of experts on ocean affairs made the following statement introducing the concept of management of the coastal zone:

> The coast of the United States is, in many respects, the Nation's most valuable geographic feature. It is at the juncture of the land and sea that the greater part of this Nation's trade and industry takes place. The waters off the shore are among the most biologically productive regions of the Nation.
>
> The uses of valuable coastal areas generate issues of intense State and local interest, but the effectiveness with which the resources of the costal zone are used and protected often is a matter of national importance. Navigation and military uses of the coastal and waters offshore clearly are direct Federal responsibilities; economic development, recreation and conservation interests are shared by the Federal Government and the States.
>
> Rapidly intensifying use of coastal areas already has outrun the capabilities of local government to plan their orderly development and to resolve conflicts. The division of responsibilities among the several levels of government is unclear, and the knowledge and procedures for formulating sound decisions are lacking.
>
> The key to more effective use of our coastland is the introduction of a management system permitting conscious and informed choices among development alternatives, providing for proper planning, and encouraging recognition of the long-term importance of maintaining the quality of this productive region in order to ensure both its enjoyment and the sound utilization of its resources. The benefits and problems of achieving rational management are apparent. The present Federal, State, and local machinery is inadequate. Something must be done.

Based on the report issued by this panel, referred to as the Stratton Commission, Congress considered and passed the Coastal Zone Management Act of 1972, a law which must be considered a landmark in the area of State/Federal partnership in land and water use planning.

At that time, however, the tremendous pressures on the coastal zone for the building of energy facilities were just beginning to mount and had not reached crisis proportions. Refineries, deepwater ports, LNG terminal facilities, powerplants, and similar facilities are either water related or water dependent. Most such facilities are now located in the Nation's coastal zone, as are those proposed for construction in the future.

Furthermore, we have learned that oil and gas development on the Outer Continental Shelf will generate onshore support facilities, pipelines, and accompanying problems for State and local officials to cope with.

The funding of the Coastal Zone Management Act, nonexistent for nearly a year after its enactment, is still modest. Despite this slow beginning, nearly all States are participating in the program. But the advent of energy pressures of great magnitude have made the original coastal zone management program of greater importance and have demonstrated the inadequacy of the funding of its implementation. In fact, for most States, the biggest planning headaches are those associated with energy facilities or development. The siting of the Pittston refinery in Eastport, Maine, is but one example. More and more, State and local permission to site a facility is approaching the status of a social contract between the industry involved and government. This is as it should be if a proper balancing of the interests of industry and the public can be achieved. But the parties to this contract must have equal bargaining power. S. 586 is intended to bolster local efforts to rationally plan for energy facilities in an independent and expert fashion.

Of primary importance to the States at the outset is planning assistance. It is most difficult to plumb the reaches of impact associated with energy facilities. Without adequate staff and resources, a State must rely on the information provided by industry. This bill will give the States a jump on the problem and allow them to deal with the complex problems of coastal energy development on an informed basis, ahead of time.

It is important to underscore the fact that S. 586 continues the basic philosophy of the Coastal Zone Management Act of 1972. Using the carrot approach, States are encouraged to establish a statewide planning process and statewide plan for the balanced development and protection of coastal areas. The planning decisions are left to the States themselves. With an approved process comes Federal financial assistance. This initial phase, program development, has attracted nearly every coastal State.

Recently, my own State of Washington was informed by the Office of Coastal Zone Management that it was the first to receive preliminary approval of the management program itself. As a State with one of the Nation's longest coastlines, Washington State knows well the need to protect our coastal areas. In this regard, there has been a long, and sometimes difficult, debate over the siting of deep draft oil tanker terminals in the State. Continually, the effort to establish a State energy plan was frustrated by a lack of knowledge about industry plans and an unwillingness on the part of oil companies to work closely with local government. In fact, announcements of company plans to build tanker terminals came as bombshells in the newspapers, rather than as part of some orderly process. The legislature, understandably miffed, simply outlawed large tankers from inner Puget Sound.

Mr. President, the Coastal Zone Management Act was designed to bring order to the planning process at the local level. But it can only be as successful as the capability of any State will allow. S. 586 enables the States to develop the adequate capability.

The impact assistance in the bill is a vital part of the proposal. Through the efforts of the national ocean policy study, the burdens associated with energy facilities became clear. A quick buildup of onshore staging areas for OCS development, pipelines, support facilities, tanker terminals, and the like can sorely strain a local government's ability to provide schools for the workers' children, fire, and police protection, water, sewage, and other public services. S. 586 provides impact assistance to the States without busting the budget by giving such assistance only where overall adverse impact is shown.

In summary, Mr. President, S. 586 is a balanced bill to meet a very real coastal State need. I urge my colleagues to pass the bill.

I hope we will not stall this measure. I do not mean to say that anyone wants to stall it; everyone wants to discuss it. But it is long overdue, and all these things are piling up on us in the coastal zone.

I guess all 50 States have environmental acts now, and they will require an impact statement, but they have had no comprehensive legislation other than in this zone we are talking about, and that is why the bill is very necessary at this time.

Mr. BELLMON. Mr. President, will the Senator from Utah yield the floor at this time?

Mr. MOSS. Well, the Senator from South Carolina yielded to me. Perhaps he should yield it directly.

Mr. HOLLINGS. Mr. President let me yield the floor, so that the Senator from Alaska may speak.

Mr. STEVENS. Mr. President, first let me inquire, what is the time situation?

The PRESIDING OFFICER. The Senator from Alaska has 41 minutes remaining, and the Senator from South Carolina has 42 minutes.

Mr. STEVENS. I am happy to yield to either of my colleagues, the Senator from Oklahoma or the Senator from Delaware.

First let me state just briefly, that I hope the Senate will listen to the chairman of our committee. We have a jurisdiction problem, particularly when we get to the House of Representatives and are subject to the terms of their jurisdiction. We are going to be dealing with the House Fisheries and Merchant Marine Committee, not the committee that deals with power siting, or the people who generally deal with public works concepts.

If the bill which the Senator from Utah has been discussing needs to be introduced, I would be happy to support it, but we could not get it through the House committee in conference, and that is the simple fact of the matter. We could get this through; it is limited. It does not refer to OCS revenue funds; it deals only with financing that comes through the Appropriations Committee on the basis of the eligibility guaranteed under the provisions of the bill.

I am happy to yield to the Senator from Oklahoma.

Mr. BELLMON. Mr. President, I wish to ask the Senator from Alaska a question.

I would like for the Senator from Alaska to explain to me if, under the terms of this bill, an oil company chose to build a refinery at Baton Rouge, in a coastal State, or if, on the contrary, it chose to build a refinery at Little Rock, in a landlocked State, or at Tulsa, in what is also a landlocked State, the State of Louisiana could receive a grant under this bill, but the landlocked States could not; is that correct?

Mr. STEVENS. That is true. It is also true under existing law. There is an existing grant authorization for the coastal zone area, which we justified here 3 years ago on the basis that in the area within 50 miles from our coastline, I believe—the Senator from South Carolina has the exact figures—over 50 percent of our population lives within that 50 miles of the coastline, and they have a more serious problem when additional facilities are introduced than do the interior States. I would also say there are provisions for grants and loans under HUD to deal with these same concepts as they affect the interior States.

Mr. BELLMON. Those grant provisions apply to coastal States as well as to landlocked States. Why do we need a bill that gives the coastal zone States a favored position?

Mr. STEVENS. We are continuing the favored position of the coastal States because of their peculiar problems with relation to population density, in some instances, and the entire lack of population in other instances. In ours it is the latter type of case. We always are plagued with a lack of infrastructure to deal with any problems. Some of these areas are going to be impacted by this OCS development in my State. On the other hand, in Louisiana, California, Delaware, or New Jersey, where they are proposing to put in facilities to handle the oil that is coming onshore, the impact will cause severe dislocations, will particularly cause planning problems, and under the new Coastal Zone Management Act they are going to have to have a plan. We did not require Oklahoma to have a plan, or we did not require Arkansas to have a plan.

Mr. STEVENS. We are required to have a plan.

Mr. BELLMON. Under the Environmental Act we have to have the same kind of plans as the State of Alaska has.

Mr. STEVENS. No. They do not have

to have a management plan like the Coastal Zone Management Act requires.

Mr. friend from South Carolina will affirm this. We, in fact, enacted the planning concept that applies to coastal zone that does not apply to the rest of the country, and as such we are in a different situation.

Basically, the loans that the Senator is talking about are loans for planning to meet the requirement that Congress set down for the coastal zone States. It is to meet the fantastic impact coming about in some areas from excessive population in the case of my own State from lack of population.

We in the coastal States also have some problems that the Senator does not have, and that is to protect the fishery resources, to protect the sanctuaries for fish and wildlife, to protect the scenic areas, such as the beaches along the great eastern shore of the United States or the California shore. In order to protect those areas we have required a coastal zone plan, and the coastal zone States are trying to meet that obligation.

Mr. BUMPERS. Mr. President, will the Senator yield?

Mr. STEVENS. I am happy to yield.

Mr. BUMPERS. In the coastal zone plan, does the plan provide for industrial development other than energy resources?

Mr. STEVENS. Yes, but only as contemplated in the original act. Let me answer the question, yes, and not anticipate the Senator from Arkansas.

It does, but this act would not finance projects to cope with that impact. This act would finance not just those projects that are related to the adverse impacts from OCS development.

Mr. BUMPERS. Also in this bill, it is not necessary that a plant be built in the coastal zone. It is only necessary that it at least allegedly impact the coastal zone and the Secretary agrees with that allegation. Is that correct? In other words, if a coal-fired generating plant is built in western New Jersey—I do not know how far the coastal zone goes in New Jersey.

Mr. STEVENS. It is up to the State.

Mr. BUMPERS. I understand it includes the entire State. But if a coal-fired generating plant is built in western New Jersey, and it is a part of their coastal zone, they are entitled to receive aid from the Secretary upon application, for any social, economic, or environmental impact they may have sustained as a result of that coal-fired plant.

By the same token, if such a plant is built in the State of Arkansas, which is about to be done, we are not entitled to anything for any kind of impact. Would that be correct?

Mr. STEVENS. Not quite. I would agree that the Arkansas situation requires, as I have said to the Senator from Utah, a new concept.

Mr. BUMPERS. I understand.

Mr. STEVENS. With regard to the first part of the Senator's statement, to the extent that the State defines the incursion of salt water influence, there would be required a coastal zone management plan. Part of that plan would be to try and protect that area and it might well be that one of the requirements would be that the refinery be built out of that area in order to protect the coastal zone and that could lead to financing under this Act, as I understand it.

But again, I hope that, in trying to deal with special problems that are coming about because of development beyond the jurisdiction of any State—and there are such special problems—that my friend from Arkansas would not delay this bill because he also has problems within his own State. We will be most willing to address these problems in the future.

Mr. BUMPERS. Let me say to the Senator from South Carolina and the Senator from Alaska, that I supported the Coastal Zone Management Act. I support the concept of what is trying to be done in this bill, or at least as I originally understood the concept, and that was to protect the coastal zone from all of the impact that one might sustain as a result of offshore drilling. This bill goes much farther than that. It covers everything.

I will support an amendment which changes the language of section 308 to say "any State," or I will support an amendment which confines the aid you can get from the Secretary for coastal zone impact to those impacts which are sustained as a result of offshore drilling and exploration and development on shore as a result. Then we can all address land-use management hopefully later in this session and all 50 States be put on the same basis. I support land-use management.

Mr. STEVENS. I say to the Senator from Arkansas that we did that. We passed the bill. It is over in the House of Representatives now. We passed it twice. We have done this in terms of the land use planning bill, and I supported it. It came out of the Committee on Interior and Insular Affairs. I supported it, and I think the Senator did also. It is over in the House of Representatives, and it has been, as I understand it, slightly delayed in the House.

But the concept that the Senator is seeking we agree to.

But let us not step backward with regard to the coastal zone. The coastal zone does have special problems that the noncoastal zone does not have.

Mr. BUMPERS. I recognize that.

Mr. BROCK assumed the chair.

Mr. STEVENS. That is not only the protection of the onshore areas, that human beings enjoy, but also the protection for the living resources of the sea. We have required the States to plan for it. We have hopes that they will, in fact, reduce the runoff of oil, and other things, that go in our streams and are destroying the fishery and other resources of the sea. We hope we can restore these things.

That is what some of the money which we are talking about in terms of loans and grants here is intended to accomplish. If we can induce the State to move an industrial area that has potential risk of pollution back out of the coastal zone and give it a loan or grants to do that, I hope the Senator from Arkansas will agree that that ought to be done. If we limit it to OCS development only, we are going to miss the great thing that we did 3 years ago in terms of giving an inducement to the States to plan and manage the coastal zones that will be preserved.

Mr. BUMPERS. I am willing to concede this much: that the coastal-zone States do indeed have peculiar problems that are not peculiar to States such as my own. By the same token, as a matter of fact, I am willing to concede, for example, a nuclear powerplant, off the coast of Massachusetts or South Carolina, does indeed have a terrible environmental impact on those States.

By the same token there is the Arkansas River, which is near and dear to my heart, as it is to my distinguished colleagues from Oklahoma. Arkansas has two nuclear generating plants within 2 miles of each other, and I can tell the Senator that those two plants have a very significant impact on the safety of the Arkansas.

So I am willing to concede that, if a nuclear generating plant is built on any of the coasts that are under the Coastal Management Act, they indeed ought to have aid, although I know we are not going to get aid under the same provision, but I am simply saying let us treat all 50 States fairly when we go beyond what is peculiar to that State, and that is offshore exploration.

Mr. GLENN. Mr. President, will the Senator yield?

Mr. HOLLINGS. I will in just a minute.

First let me clarify one thing.

Mr. President, No. 1, let us go the Coastal Zone Management Act—If I could have the attention of the distinguished Senator from Arkansas. Reading from Public Law 92-583; among those things funded by Congress under paragraph sub 302(c), one finds mention of "the increasing and competing demands upon the lands and waters of our coastal zone occasioned," but not by offshore drilling; "by population growth," but not offshore drilling; "economic development, including requirements for industry," but not offshore drilling; "commerce, residential development," but not offshore drilling; population growth, economic development, industry, commerce residential development, recreation.—I could go right on down the list. This was not an offshore drilling. I am willing and trying hard to reconcile the different philosophies and thoughts, when we worked the original act out with our friends on the committees on Interior and Insular Affairs, particularly on the House side, we passed it with this view in mind, so do not go and use the language "original concept of offshore drilling."

On the contrary, this is a coastal zone area.

Let me go to the next definition that should be alluded to, because someone suggested that the entire State of New Jersey might come under this Act. It is only the coastal counties we are speaking of, as a reading again from Public Law 92-583, states:

> The zone extends inland from the shorelines only to the extent necessary to control shore lands, the uses of which may have a

> direct and significant impact upon the coastal waters.

I will read one other particular section that alludes specifically to the facilities which is again in 92–583, subsection 306(8):

> The management program provides for adequate consideration of the national interest involved in the siting of facilities necessary to meet requirements which are other than local in nature.

We have previously debated the matter of powerplant siting. We are not injecting something new in the original concept of offshore drilling.

What does this mean to South Carolina? We have a nuclear powerplant, up at Trotter Shoals, just above Columbia, S.C. There is no provision for the Trotter Shoals plans under this bill, and there have not been and will not be if the Senate passes these particular amendments to the basic act. There is another such plant at Keowee-Tovaway with the Duke Power Company in the Piedmont section of South Carolina.

It is not entirely correct, as the Senator from Oklahoma suggest, that the "coastal States get some thing while inland States get nothing."

The contrary is true. Coastal regions get something, but that aspect of the coastal States, outside that region which is the majority of my State, are not going to get a dime. So, ordinarily, by way of self-interest, I should go along with the Senator from Arkansas. But he violates the fundamental principle that this Congress, after all the debate and in passing it twice, finally found. That is that there is a national concern and a national problem to be solved by the Coastal Zone Management Act.

The Senator asks why his inland State cannot share in these funding provisions. When a Trotter Shoals subjects itself to national zoning, or to a land use plan, or when Keowee-Toxaway, then perhaps his question could be answered. Incidently, there was not a single coastal area zoned as a coastal area when we started this legislation. The distinguished Senator from Maine is in the Chamber. They have the best coastal zone program. They have been leading the country in planning their coastal area. California has already put $10 million into their program. Florida has put $10 million into theirs. They have all come along as a result of the impetus of the Coastal Zone Management Act of 1972.

But I would like to note to my colleagues that we would not give these funds right away. The money has to conform to the overall impact and in accordance with an approved plan of development. There is not funds for the State of Arkansas, and as is not for the majority of the State or South Carolina, which is outside of the coastal zone thus the majority of the State of South Carolina, and the State of Arkansas are not the focus of this measure. But perhaps the entire State of Arkansas and the State of Oklahoma would be included under a land use measure but not under one designed for the coastal zone.

Mr. BELLMON. Mr. President, will the Senator yield?

Mr. HOLLINGS. I yield.

Mr. BELLMON. I thank the Senator for yielding.

The Senator from South Carolina says that the entire State of South Carolina will not be covered. So far as I can tell, there is no definition of "coastal zone" in this matter.

Mr. HOLLINGS. Yes, there is. These are amendments to the law. That is why I read the law earlier. I thought it was quite clear.

Mr. BELLMON. Will the Senator define "coastal zone" as it relates to this measure?

Mr. HOLLINGS. Section 304, Public Law 92–583, at the bottom of page 1489:

"Coastal zone" means the coastal waters * * * and the adjacent shorelands * * *

It continues right on down. It says the zone extends inland.

Mr. BELLMON. How far?

Mr. HOLLINGS. From the shorelines, only to the extent necessary to control shorelands, the uses of which have a direct and significant impact on the coastal waters.

Mr. BELLMON. How much of the State of South Carolina is involved in the coastal zone?

Mr. HOLLINGS. We have not had an approved plan as yet. I would say about a 10-mile strip inland, and in two or three areas, perhaps 30 miles inland.

Mr. BELLMON. The State of South Carolina being alert as it is, is anything in there to keep the whole State from being in the coastal zone?

Mr. HOLLINGS. Yes—what I have just read. This is no tricky legislation. This is responsible law. The Senator from Oklahoma looks at this and says it is one thing. The other Senator looks at the amendments and says that the thrust of this is offshore to compensate just for drilling. I have just read to him what this amendment concerns. I should perhaps keep reading it to the Senator from Oklahoma.

Mr. BELLMON. The language is unambiguous. It is going to be up to the Governor or the legislature.

Mr. HOLLINGS. It is going to be up to the Federal Government. It does not affect the coastal areas above Trotters Shoals.

Mr. BELLMON. The Senator from Alaska said earlier that it is up to the State to decide how large its coastal zone is.

Mr. HOLLINGS. It has to be approved by the Federal Government. Under this law, never has an entire State been considered a coastal zone, with perhaps the exception of island States and territories.

Mr. BELLMON. I am sure there will be surprises when they get into this.

Mr. GLENN. Mr. President, will the Senator yield?

Mr. HOLLINGS. I yield.

Mr. GLENN. Mr. President, I associate myself with the remarks of the Senator from Arkansas. I have the same reservations about this, and I would like to see some of the changes he proposed.

The distinguished manager of the bill referred to some of the reasons why this bill was in existence, and he referred to population growth, economic development, industrial development, commerce, residential development, and recreation. Those certainly are things we would like to see benefit every State of the Union. They have nothing whatsoever to do with whether the location of a State happens to be on a shoreline or not on a shoreline.

The one big thing we have seen come along since this was passed has been on the Outer Continental Shelf activity. We will bring out of the Interior Committee shortly a $100 million fund to provide for coastal help and impact.

One other item mentioned was that we wanted management programing in response to the national interest in powerplant facilities siting. That is another one that applies to every State. We can defer to a land use bill and that we should get it passed, but everyone knows what the history of that has been so far. But the Senator from Arkansas has put his finger on what I look at as very special legislation, benefiting special States, whereas all our States have a particular need. We may not have funds available at the moment to expand this program to cover every State in the Union, but perhaps we will at some time.

Mr. BUMPERS. Mr. President, is an amendment pending now?

Mr. HOLLINGS. No. Does the Senator from Arkansas wish to submit it?

Mr. BUMPERS. Yes. I call up my amendment at this time.

Mr. STEVENS. Mr. President, I say to the Senator from Ohio that I wish he would discuss with the Senator from Louisiana what we have done. We have made this bill similar——

The PRESIDING OFFICER. Will the Senator suspend until the amendment is reported?

The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. BUMPERS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

> On page 17 strike lines 10 through 14 and the words "or operation of an energy facility." on line 15, and insert in lieu thereof the following:
>
> "SEC. 308. (a) The Secretary is authorized to make a grant to a coastal State, if he determines that such state's coastal zone has been, or is likely to be, impacted by the exploration for, or the development or production of, energy resources offshore, or by the location, construction, expansion, or operation of an energy facility which is made necessary by such exploration, development, or production of energy resources offshore."
>
> And by striking lines 24 and 25 on page 17 and lines 1 through 4 on page 18 and the words "energy facility" on page 18, line 5, and inserting in lieu thereof the following:
>
> "(b) The Secretary is authorized to make a loan and/or a grant to a coastal State, if he determines, pursuant to subsections (d) and (e) of this section, that such State's coastal zone has been or is likely to be adversely impacted by exploration for or by development or production of energy resources offshore, or by the location, construction, expansion, or operation of an energy facility which is made necessary by such exploration, development, or production of energy resources offshore,".

Mr. STEVENS. Mr. President, I hope the Senator from Ohio will discuss with the Senator from Louisiana the fact that we have reached an agreement making S. 521 and S. 586 identical in terms of the funding for the coastal zone grants and loans. We are not being redundant with other legislation.

I hope he will also take into account the problem we have with regard to some of the areas that are in fact subject to OCS development.

I understand what the Senator is saying with regard to the entire country. We are prepared to work with the Senator. As a matter of fact, I have introduced a bill that would provide money from the income of OCS to take care of that. It would provide one-quarter of the revenues that would go into the general revenue-sharing fund for all 50 States to meet some of these problems. That would provide an extra carrot to some of our friends along the coastline to bring about development of the OCS, where we have vast resources, because they also would get a quarter of the income.

Mr. GLENN. I am interested in seeing fewer carrots put out. We have States that have development commissions, and they are anxious to see business and industry come to their States. We are setting up a huge Federal subsidy for this. I would like to see the saving of tax dollars and let States have a little more independence.

I am for legislation that is going to address the impact problem along the coasts.

What we have disagreed with in this matter is provision for impact aid with respect to powerplants or oil wells or anything that in any other States would be considered normal development. Just because a State has a shoreline next to it, it means they get special help under this legislation. I agree with the Senator from Arkansas that that is not fair.

Mr. STEVENS. This is for oil wells outside of State jurisdiction on the Outer Continental Shelf.

Mr. GLENN. That is not correct. That is the language we wanted this bill to apply to. We wanted to make it apply only to impact from offshore development, but it does not do that. Under the bill, you can have interior development in your coastal State, and so long as there is any impact, the Federal Government can take care of it.

Mr. STEVENS. The Senator is talking about 308, not the coastal zone.

Mr. BUMPERS. It would probably be time consuming and perhaps not very effective to explain my amendment, because I have really explained my feelings already.

Before I get into this, Mr. President, I ask for the yeas and nays on the amendment.

The **PRESIDING OFFICER** (Mr. BROCK). Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. BUMPERS. Mr. President, this amendment changes section 308, which presently reads in pertinent part:

> The Secretary is authorized to make a grant to a coastal State, if he determines that such State's coastal zone has been, or is likely to be, impacted by the exploration for, or the development or production of, energy resources or by the location, construction, expansion, or operation of an energy facility.

In the bill, "energy facility" is described as electric generating plants, fuel plants, uranium enrichment plants, pipeline facilities, petroleum refineries, and so on.

In other words, an energy facility is anything that has to do with coal, oil, gas, utility plants, and so on.

My objection, of course, is not to what I thought the intent of this bill was, that is, to assist coastal-zone States with any impact they might sustain resulting from the exploration for and development of offshore energy resources. I have only been here about 6 months, but my ears become better attuned every day, and I can hear the train coming on this amendment. Nevertheless, I feel very strongly about the principle, as a matter of public policy, of what we are doing here.

The other night, at a meeting of the Committee on Interior and Insular Affairs, the distinguished Senator from Wyoming (Mr. HANSEN) offered an amendment to the offshore drilling bill which would have given impact aid to all States who sustained any kind of impact as a result of the exploration for and development of energy resources within their State. That is extremely important to the Senators from Wyoming and Montana, who know that their States are about to be strip mined for coal. I am sympathetic. I was sympathetic the other night. But I voted against that amendment. It was finally defeated on a tie vote. I voted against it because I did not think that was the proper place to bring it up.

The Outer Continental Shelf drilling bill which we were considering, which has been ordered reported out and will soon be on the calendar here, was designed, one, to make certain that the Secretary leased that land with the utmost concern for the impact it would have onshore. Second, it provides for funds for that impact—be it social, economic, or environmental—just as the bill does. My point is simply that we are going too far with this bill.

I support this bill. The concept is good. I have no quarrel with it, except that I simply cannot see a coastal State, which has had an accepted and approved coastal-zone management plan, receiving impact aid—and, I might add here, it is not necessary that any facility in that State be in the coastal zone. It only need be in that State. If a plausible argument can be made to the Secretary that a coal-fired generating plant, anywhere in the State of South Carolina or any other coastal State, will have any kind of impact on the coastal zone, they are eligible to apply for and the Secretary is entitled to give them aid.

I am saying simply that as a matter of equity and fairness, I would like to see a land use management bill pass the Senate and the House. It is unfortunate that last year—and there was good bipartisan support for land use management. The Senate passed it; the House did not. This year, the President sent over word that he will veto a land use management bill. I think that is terribly unfortunate.

Mr. HATHAWAY. Will the Senator yield?

Mr. BUMPERS. Yes, I yield.

Mr. HATHAWAY. Does the Senator's amendment apply to both the impact money and the planning money?

Mr. BUMPERS. No, it does not. It only amends section 308.

Mr. HATHAWAY. 308(a) covers both. 308(a) is planning.

Mr. BUMPERS. All it does is eliminate aid for planning or impact aid for other than impact due to offshore development. In other words, I am trying to eliminate all of the other things that will come under that umbrella so that all States can be——

Mr. HATHAWAY. I think that the Senator has a good point with respect to the impact money, but I think that with respect to planning money, the coastal States, with their peculiar problems, should have it for all facilities and not have it restricted just to planning for facilities as a result of offshore drilling.

With the planning money, I think the coastal States need that for all energy facilities and activities.

Mr. BUMPERS. Let me say to the Senator from Maine that I appreciate very much his comments. Let me meditate on it a little bit.

I point out a classic case of what I am talking about here. Congress passed what I thought was a fine bill in the 1960's which provided aid to the Appalachian region of the United States—13 States. Later on, because of other States who were not in Appalachia, and because of an outcry from Senators on this floor who represented those States not in Appalachia, Congress began to set up the title V commissions. I think Senator MUSKIE was instrumental in that. Now we have, I do not know how many, but I think most States are covered in what we call the title V commissions. I happened, while I was Governor of my State, to be a member of the Ozarks Regional Commission, which was the commission that served Arkansas, Missouri, Oklahoma, Kansas, and Louisiana.

The point is that then and now, the title V commissions are funded at a level of roughly 20 cents per person. Appalachia is still funded at approximately $17 per person. I believe that is correct.

That is what I have an inordinate fear will happen to the landlocked States, one of which I represent, if we pass this now. I hope nobody will suggest, and certainly I want to make it clear that I am not casting any aspersions on my colleagues in the coastal States. On the contrary, I think they are sensitive to the problem. But I believe they would be more sensitive to it if we were all in the same boat when we get around to land use legislation, treating all States alike.

Mr. STEVENS. Will the Senator from South Carolina yield me 5 minutes on this matter?

Mr. HOLLINGS. I yield.

Mr. STEVENS. I understand the amendment of the Senator from Arkansas. Being from Alaska, I probably should support it on the basis that if we have any energy facilities offshore of the type we are talking about, they would be related to OCS development. But I took a trip to Scotland and went up to see Dunrea, which is the fast breeder reactor up in Scotland. I went down to Florida and looked at their powerplants down there. I went over to Canada and took a look at their nuclear powerplants there. The amazing thing is that every powerplant of the type I am talking about has been in a coastal zone. They have, in fact, been located in a coastal zone.

The impact of this section we are talking about, the coastal energy facility impact program, is to recognize that, in fact, these large power installations are going to be located adjacent to the sea. They are going to pose fantastic problems for the coastal zone. Those problems can be met only by adequate planning and by assistance from the Federal Government so that the States and communities can finance those actions that will mitigate the harm that would otherwise come to the coastal zone and to coastal States from this kind of development.

Mr. BELLMON. Will the Senator yield?

Mr. STEVENS. I am happy to yield. I have just gotten to the point of asking the question.

Mr. BELLMON. Assuming that the Senator is right, that most of the plants will be located in the coastal areas and that they will have a big impact, does this change the fact that if a plant is located away from the coastal zone, it will have an impact and deserves the same treatment?

Mr. STEVENS. I agree 100 percent with the Senator from Oklahoma. But he has not seen the Senator's amendment, which will limit this only to the exploration for or the development or production of energy resources offshore. This wipes out entirely nuclear plants, wipes out entirely any coal-fired plants that are located in the coastal zone, where, again, 50 percent of the population of this country lives and where the most difficult problems are in terms of siting.

I agree with the Senator. I will help him get a bill to deal with the inshore impacts, but right now we are going to take this bill over to the House and sit down with people who have limited jurisdiction, just as we are supposed to have. They do have very firm rules, and I know that we cannot get through that committee a bill that would extend to the whole country.

Now, the Senator's amendment goes in the other direction and says "but do not cover coal-fired plants or any other plants; only those related to production energy resources offshore."

That is too limited. That is not what the coastal energy impact program is designed to do.

Mr. BUMPERS. Mr. President, will the Senator yield to me?

Mr. STEVENS. Yes.

Mr. BUMPERS. This covers nuclear powerplants, for example, in the coastal zone.

Mr. STEVENS. Right.

Mr. BUMPERS. But that is not what this bill says. It says any energy facility which will have an impact on a coastal zone. It does not have to be located in the zone.

Mr. STEVENS. That is what we are trying to protect.

Mr. BUMPERS. I understand that. Of course, what the Senator is doing here is giving people an incentive to build powerplants in the coastal zone because he is giving them money to do it.

Mr. STEVENS. No, we are giving them an incentive to build out of the coastal zone. That is what we hope we are doing.

Mr. BUMPERS. Let me ask another question and ask the Senator to respond.

Under section 102, general provisions, which is on page 12 of the bill, subsection (j) which says " 'energy facilities' means new facilities, or additions to existing facilities," and then on down in subparagraph (2) "which are or will be used primarily for the manufacture, production, or assembly of equipment, machinery, products, or devices which are or will be directly involved in any activity described in paragraph (1) of this subsection * * *" that could mean if Westinghouse has a plain turbine manufacturing plant not in a coastal zone, not located in the coastal zone or any of the coastal zone States, and they are going to ship one of those turbines to Arkansas, you are still entitled to aid for that Westinghouse plant, be it located in that State, because it is directly involved in the manufacture of equipment which will be used to generate electricity.

Mr. STEVENS. Well, I think the Senator from Arkansas could probably stretch it that far, but I doubt that.

Mr. BUMPERS. Let me say to the Senator from Alaska, I have been a Governor, and your imagination is unlimited when it comes to looking at Federal money. [Laughter.]

Mr. STEVENS. I sometimes wish some of us had that experience because many of us do not have that kind of imagination, and I wish we did.

Let me say to the Senator from Arkansas he is really stretching the meaning of this bill. We are talking about extraction, exploitation, treatment, transportation and storage of any energy resources.

I do not know of anybody who is flying fuel, except in my State where we are building a pipeline and are flying gas by air, but that would not be related to this. We are talking about the resource that is extracted from the coastal zone. I am sure the Senator realizes that his example would be a strained interpretation of this.

It is certainly not the intent of this. The intent of this is to recognize that the coastal zone is going to continue to be impacted by continual migration to the California coast, the Florida coast, the South Carolina coast. A lot of people are even leaving Alaska and going down to live in Seattle, and I sort of think our climate in Alaska is better than theirs down there but, as a practical matter, more and more people are moving to the coastal zone. We are trying to find a way to prevent the incentives to move into that zone, and to assist the States in meeting the impact on that zone from the facilities that are necessary to meet our energy problem.

I do not think this is stretching it to say that we should recognize that unless we take care of the coastal zone we are going to destroy the resources of that coastal zone. This was the basic motivation that led the Committee on Commerce to recommend the act. It was the problem of the oceans that led the Committee on Commerce to demand planning for the protection of the coastal zone. Now we are saying that anything that would impact that coastal zone ought to be planned for and you ought to get assistance in financing the impact in that area.

Again, maybe we are going slowly, more slowly than the Senator from Arkansas would like, and we would—I do not know whether I speak for the chairman of the committee and the subcommittee, but I would—support legislation to assist onshore States with their problems of energy siting and energy impact, the impact from energy development, but that is not this bill. The amendment of the Senator from Arkansas limits this bill only to oil and gas production which, I think, is wrong.

The PRESIDING OFFICER (Mr. FORD). Who yields time?

Mr. HOLLINGS. Mr. President, I know the Senator from Arkansas is not persuaded, but he tries in this particular amendment to amend section 308. What he has not done and what is not being done is to amend the original act.

His concept of it is that this was an offshore drilling act when it was originally passed, and limited only to that.

Now, the Senator from Arkansas is marking up a little amendment over there, but I can tell the Senator—I think by now, I can tell my distinguished friend, that they moved that proposed New Jersey powerplant offshore right within the 3-mile zone. At the particular time we had hearings, some 4 years ago, when this was even beyond the 3-mile area. So now we were talking of those facilities sited out in the waters that would have an impact upon the coastal zone area.

But I can see that I could well be wasting the time of the Senate. If there are any questions I would be glad to try explain them. This is not coastal State legislation, it is coastal zone legislation; 90 percent of the State of Virginia, 90 percent of the State of Georgia, 90 percent of the State of South Carolina and 90 percent of the State of Georgia, as the distinguished Senator from Georgia knows, are not included because they have not agreed to submit to an overall plan. But there is real concern about national zoning.

If we are going to have anything we are going to have to come to Washington and, as a result, propose land use, which nationally has not passed. But it is the idea now of the Senator from Arkansas, talking about the regional commissions and everything else, to say, No, you do not have this particular problem until you spread it to Arkansas, and it is really just a dealing out of money.

On the contrary, this bill allocates planning and development grants in accordance, Senator, with an overall plan.

If we can get the State of Arkansas—and I do not believe I can get the entire State of South Carolina to agree to that overall plan——

Mr. TALMADGE. Mr. President, will the Senator yield?

Mr. HOLLINGS. I will be glad to yield.

Mr. TALMADGE. I certainly hope the State of Georgia does not agree to an overall plan where they have to come to Washington to get permission to build a chickenhouse on a farm.

Mr. HOLLINGS. Exactly. We do not have to come all the way, and I could not make a more eloquent argument than the one that has already been made on my question and the comment by my distinguished friend from Georgia.

It is not coastal versus interior States. It is this coastal area versus other areas, which are 90 percent of my State, which I cannot get them to agree to.

Mr. BUMPERS. Mr. President, will the Senator yield?

Mr. HOLLINGS. Yes.

Mr. BUMPERS. How can the State of Arkansas or the State of Georgia get any money for the chickenhouse without applying for it to the Secretary?

Mr. HOLLINGS. That is exactly right. They have to apply in accordance with an overall plan. Congress has never passed that national land use law. But Congress has passed overwhelmingly, with only 12 dissenting votes in the House, a plan for that coastal region I have just described.

Mr. BUMPERS. But under this bill we are weighing now there is not any way for any aid to be given a State for any impact or for planning, either one, unless they apply for a grant from the Secretary, and unless he approves it; is that correct?

Mr. HOLLINGS. You have got to pass a land use plan first for the remainder of the States, 90 percent of the remaining portion of the State of South Carolina and 100 percent remaining of Arkansas, a particular State land use plan.

Mr. BUMPERS. I am not talking about the coastal zone management plan; I know that has to be approved also, does it not?

Mr. HOLLINGS. That is right. A coastal zone management plan has to be approved by the Federal Government.

Mr. BUMPERS. Once that plan is approved and any kind of energy facility is then built or manufactured in that State that could impact that coastal zone you do not get any aid automatically. You have got to apply for it, and you have got to send a letter to Washington to get it, do you not?

Mr. HOLLINGS. Well, there are two provisions. There is an automatic grant with respect to offshore oil and gas drilling, may I say to my distinguished friend, which says should either oil or gas be developed offshore and landed onshore, or developed adjacent to that State on the Outer Continental Shelf, then there is an automatic grant. But the $200 million now in accordance with the amendment of the Senator from Louisiana, has to be for planning and adverse import compensation in accordance, as the Senator from Arkansas says, with an application to the Secretary. That is right.

Mr. STEVENS. Mr. President, will the Senator from South Carolina yield?

Mr. HOLLINGS. I will yield the floor right now and yield time to the Senator.

Mr. STEVENS. Let me ask the Senator from Arkansas why does he want to limit this only to those facilities related to oil and gas production? As I understand the Senator from Arkansas' amendment, it limits the energy grants under this bill to only oil and gas production.

We have a problem that goes beyond oil and gas production onshore. Why does he want to limit this to oil and gas production? I understand why he wants help in Arkansas, and I am willing to try to give it to him, but why does he want to limit aid given in the coastal zone to oil- and gas-related activities?

Mr. BUMPERS. Well, one thing, it is my honest belief that this bill could go further than even its authors and its most ardent proponents really intended.

As I pointed out a while ago, I do not think, for example, manufacturing energy-producing equipment in any of the coastal zone States, whether that equipment is going to be used there or further inland, that it was ever intended we would be entitled to impact aid for the siting of such a facility.

Second, the Senator from South Carolina pointed out earlier that this aid goes to coastal zone States because, one, they are growing at a fast rate.

My State has a little over 2 million people, but all of a sudden since 1970—and that is the year they elected a dynamic young Governor down there—that State has been growing at the fourth fastest rate populationwise and percentagewise of any State in the Nation.

We have growth pains, too, that is what I am trying to point out.

I am saying, I do not oppose anyone getting this additional aid. On the contrary, I support it and will support it when all States are treated equally.

I am saying here that I admire the Senator for supporting this act and for what he is trying to do to protect his coastal land. We have wetlands in Arkansas that I am trying to protect. But I say that this is unfair and it is unfair to the rest of the Nation not to include it in this provision.

I am saying the President has certainly strongly indicated that he will veto any land use legislation that comes out of this Congress, tomorrow and probably for all time to come, and there is very little use of our having a land use bill if we do this in bits and pieces as we are about to do here.

Mr. STEVENS. I thank the Senator from Arkansas. I still do not understand why he wants to limit these resources. We cannot produce nuclear power offshore, we cannot produce coal, under 308(a)——

Mr. BUMPERS. Let me say to the Senator from Alaska, we have been producing nuclear power in Arkansas for a long time, we have been producing electricity, natural gas. We cannot do it any more.

We are about to start a half billion dollar, 1,400-megawatt operation, and we will suffer terrible environmental impacts from that. We will continue to do that.

I am saying that it is not fair for all States to be doing this and some be compensated for the impact.

Mr. STEVENS. I say to the Senator from Arkansas, the only difference is this: If one makes a mistake down there, one does not affect the living resources of the sea, and I thought the Coastal Zone Management Act was primarily intended to protect the living resources of the sea. That was our motivation. We were trying to make the people who live in that zone adjacent to the sea follow a plan that would provide for the protection of that ocean and the coastal zone so that we would bring about some increased protection for the living resources of the sea.

We have put a burden again, a special burden, on those living in that coastal zone that we have not put on the rest of the country, and that is: they must plan. They will not get any money under this except for planning, before they do plan, and are not going to get any impact money or anything else unless they have a plan and that is going to be approved by the Department of Commerce. That is the basic goal under the original act.

It is to protect the living resources of the sea and the coastal zone upon which they rely, the sanctuaries and those areas off our shores.

I agree that the Senator's State has rivers and I know of the fishery resources there, but the oceans of the world need protection. We were trying to set an example in the same way when we passed the act to provide a moratorium for this country on the taking of ocean mammals, to lead the nations of the world in providing those resources some protection.

The Senator from Washington has my great devotion because he sets an example to all of us in this period saying that we should remember those living resources of the sea. They do not vote.

If one makes a mistake out there in Arkansas, and really makes a mistake, one is going to be voted out of office.

If one makes a mistake in the coastal zone, things are affected that do not vote.

I really firmly believe we are dedicated in this act, again, to giving the incentives to protect the coastal zone with the end objective of protecting the oceans.

Mr. BROCK. Will the Senator yield?

Mr. STEVENS. Yes.

Mr. BROCK. I do not argue with one thing the Senator said, but I think what the Senator from Arkansas is saying is something slightly different. Maybe we are like two ships passing in the night, if we are dealing with those things which do impact on the living resources of the sea, to wit, the offshore development, which the Senator would limit this to. That is fine.

I cannot argue that. I do not think the Senator from Arkansas argues that at all.

Mr. BUMPERS. The Senator is right.

Mr. BROCK. But this bill goes well beyond that.

If we want to deal with the offshore impact problem of drilling, and so forth, let us pass this bill with this amendment and hold it to that, and then let us consider a total bill on the impaction problem of any energy development anywhere in the country so that all States are treated equally.

But the Senator from Arkansas is saying nothing different from the Senator from Alaska. Their objectives are the same. He is just saying, "Let us apply the same standards across the board."

I think that is a reasonable request.

Mr. STEVENS. With the exception, I would say to my friend from Tennessee, that in the coastal zone, if we are going to have nuclear plants, and I do not know of any nuclear plant or major power facility that is not within a shoreline, now there are some inland——

Mr. BROCK. There are some in Tennessee.

Mr. STEVENS. And involve substantial use of that. Take a look at Florida and the one I told about in Scotland, all of them are impacting the oceans, and we are putting the burden on those people in the coastal zone that we have not placed on the people in the interior.

We have tried in the Senate, but the House apparently will not agree in terms of land-use planning.

Mr. HOLLINGS. Will the Senator yield?

Mr. STEVENS. Yes.

Mr. HOLLINGS. How could my distinguished friend from Tennessee deal with them equally if, No. 1, they have not submitted to an overall plan as have the coastal regions and around the Great Lakes region? How can they be treated equally when they will not submit to a national land use plan?

Mr. BROCK. I think the point was made earlier, and made very well by the Senator from Arkansas, and perhaps some others, that the way this bill is now drawn, we get something more than protection of the sea, which we all, I think, favor.

If we are dealing only with offshore, we get that protection, but when we include energy developments onshore, nothing to do with offshore, then we are into something else. We almost have an inducement or incentive to develop facilities in the coastal plain or zone.

Mr. HOLLINGS. The economics of that, of course, make that absolutely prohibitive. But mainly, all these power plans are not going to locate in a particular place for the reason stated. The fact is that the basic law does take care of more than offshore impact. It takes care of those impacts particularly by way of population, and urbanization.

I was just reading from the basic law of the Coastal Zone Management Act, and I have got the rules and regulations which apply to the particular area. Earlier I was reading all those things which Congress found.

I do not know whether the Senator was on the floor.

Mr. BROCK. I was in the Chair.

Mr. HOLLINGS. The population expansion, industry, commerce, economics, that is the basic law in that area.

They were all fighting, whether to put an industry, or a powerplant, or a recreation facility, or put in fishing, or all of these water-consuming industries, or otherwise, port facilities. They say, "How can we get orderly planning in the area where everything is jammed in?" And they said that if the States or those areas will submit to an overall plan, namely a coastal zone management plan approved by the Federal Government, we will, first, assist in that planning financially, and, second, help defray the costs of their management programs.

Mr. BELLMON. Will the Senator yield?

Mr. HOLLINGS. Yes.

Mr. BELLMON. Will the Senator explain why this act would not serve as a magnet to draw additional development into the coastal zone? If I were a power utility executive looking for a new place to build, I would pick the coastal zone because of the economic advantages I would have under this act.

Mr. HOLLINGS. No. 1, we have the fact in the testimony, when we had the 3 years of hearings, that they were going to locate there. The answer is that without any import aid, they are going to locate in or near the coast. That was one of the main purposes for the act. Now that we have the basis for the enactment by both Houses of Congress, and signed into law by the President, that we are going to try to assist with these impacts, the Senator says we are attracting that which was the very basis for actually passing the law.

No. 2 in the answer is economics. The FEA has just put out a report that says by 1985, under the Blueprint for Project Independence, there are going to be somewhere around 176 new nuclear powerplants in that coastal area. On an average cost they are going to be between $500 million and $1 billion each.

Mr. BELLMON. Will the Senator say how many plants there will be in other parts of the country?

Mr. HOLLINGS. Relatively few.

Mr. BELLMON. There will be something like 1,500 plants nationwide.

Mr. HOLLINGS. No, sir; not nuclear powerplants.

Mr. BELLMON. Yes, nuclear powerplants.

Mr. HOLLINGS. There is a proposed powerplant siting bill. We have tried to look at it in the Commerce Committee and we have tried to get it past the administration. They tell us now they support one and I would gladly vote for it.

But the economics do not bring to a local area $1 million or $2 million for local planning. The impact of a powerplant in that particular area does not say that that particular community will get $1 million to put the plant down.

Mr. BELLMON. What does the $1 million do?

Mr. HOLLINGS. It can do various things.

Mr. BELLMON. It serves to grease the skids so they can come in there. It is a great magnet to draw the plants into the areas where they apparently do not want them.

Mr. STEVENS. If the Senator will yield, this is not a grant to the facility, it is a grant to the local goverment to meet the problems caused.

Mr. BELLMON. But it does things that the companies have been doing on their own for many years. We had 1 project that brought some 4,000 workers into our State of Oklahoma which we were glad to have, but every community impacted had to take care of their school needs, water needs, street needs, all the rest of it. They are much better for having done it. We did not come to the Federal Government to get a handout. I do not know why the coastal States cannot do what the rest of us have been doing for years.

Mr. HOLLINGS. How much time have we remaining, Mr. President?

The PRESIDING OFFICER. The Senator from Arkansas has 10 minutes, and the Senator from South Carolina has 17 minutes remaining.

Mr. HOLLINGS. Does the Senator from Arkansas have any further questions or does he want to yield back the remainder of his time?

Mr. BUMPERS. I have one question to either manager of the bill. It is with regard to the first funds. As I understand, the bill says $50 million and it is my understanding that that is an error. It should be $100 million.

Mr. STEVENS. It was $50 million in the first one and $250 million in the second one. It was changed by the Senator and myself to $100 million in the first and second. The total exposure of $300 million is still there.

Mr. BUMPERS. The first $100 million, the first part of the aid, while it does not tax offshore production, it does relate the amount of money that goes into the fund to the number of barrels of oil and cubic feet of gas actually produced offshore; is that correct?

Mr. STEVENS. As I say, it is not a fund but it is a measurement for a guaranteed grant. It is still subject to the appropriate process but primarily used to finance those developments that have taken place prior to production. That is an automatic grant concept that is based on cents per barrel of production, later production. The other grant concept, grant in loan, is in the area the Senator has been addressing, in the more discretionary area of planning to meet total coastal zone problems related to energy siting, energy development, and energy production.

Mr. BUMPERS. The second question: The State of Alaska, of course, is a major producer and certainly will be a major supplier to the lower 48 when the pipeline is finished. Most of this oil will be landed in the State of California. Will the State of Alaska and the State of California share on the basis of the number of barrels produced and landed in California?

Mr. STEVENS. If the oil is produced offshore in Alaska and landed in California, yes.

Mr. BUMPERS. Alaska will be entitled to certain sums of money based on their production and based on the number of barrels landed, completely aside from any impact that may be measurable; is that correct?

Mr. STEVENS. No, that is not so. This money will be used to repay bonds guaranteed by the Secretary of Commerce or to finance impacts that have been outlined in the plan. To the extent that the moneys are not used for that, they would revert to the Treasury. That is carried out in the amendments that the Senator from Louisiana and I have offered. The funds would revert to the Treasury unless they were used to meet adverse impacts from OCS developments on shore.

Mr. JOHNSTON. Will the Senator yield at that point?

Mr. STEVENS. Yes.

Mr. JOHNSTON. With respect to the first part, the $100-million fund, the measure of what a State gets is the oil produced and landed in that State, which gives them full credit; or the oil landed, which gives half credit, if not produced there; or the oil produced and not landed gets half credit as well. In other words, it is full credit for produced and landed and half credit for either produced or landed.

Mr. BUMPERS. And that is a fixed amount per barrel; is that correct?

Mr. JOHNSTON. A fixed amount per barrel or natural gas equivalency. That is entitlement to receive it. But the uses are also spelled out and must be related to these impacts subject to the Secretary of Commerce. The uses are in three categories in this priority: First, to pay off bonds previously approved by the Secretary of Commerce under section 306 issued by municipalities or lower subdivisions of Government; second, to pay off similar bonds under section 306 previously approved by the Secretary of Commerce or by a State; and, third, the balance within the same framework of overall amount eligibility goes to the State, but to be used for those purposes to ameliorate the impacts. Those impacts are spelled out, I think, rather carefully under the bill to relate to ameliorating the effects of oil and gas production.

Mr. STEVENS. May I emphasize to the Senator from Arkansas if they are not used to meet adverse impacts from offshore development, the funds revert to the Treasury of the United States.

Mr. BUMPERS. Is the word "adverse" in the bill? Does it say impact or adverse impact?

Mr. STEVENS. "Adverse impact."

Mr. BUMPERS. Finally, for the Senator from Alaska my final question is this: We have just reported the Outer Continental Shelf drilling bill, S. 521, which will soon be on the calendar and which will be coming up before the August recess. That bill also has substantial authorizations of sums to be appropriated for this identical purpose.

Mr. STEVENS. We have consented and we will offer to that bill the amendment that the Senator from Louisiana and I have offered to this bill so that we would not have redundant provisions. The first act passed, of course, would be the one that would govern. Obviously, in the second act the matter would be dropped. But they are identical provisions with the exception, as I understand it, in S. 521 we will have a concept that would regard the Secretary of the Interior's jurisdiction over the revenues from OCS lands. This bill does not have any reference to the revenues from OCS because of the fact that we do not have that jurisdiction.

Mr. BUMPERS. I thank the Senator.

Mr. HOLLINGS. The Senator from Washington and myself have signed a joint statement with regard to that.

Mr. President, we are ready to yield back the remainder of our time. I know the Members want to move forward.

We have problems. We have problems in the coastal regions, not just States but regions. I emphasize that.

We have utility siting problems everywhere in Arkansas, and in the remainder of South Carolina. But as to the contention of the Senator from Arkansas in this particular amendment, until we can solve the whole problem, let us not attempt to solve part of it.

Congress saw otherwise, and has already been solving a part of it with the Coastal Zone Management Act of 1972. This measure merely updates that act. The distinguished Senator tries to extract from that particular provision of the act that nothing, unless it is offshore, should be compensated for, even though it might have an impact within that particular area.

That was not the original intent of the concept. We read it from the original act.

I hope my colleagues will reject the amendment.

Are we going to get the yeas and nays?

Mr. BUMPERS. How much time do we have remaining, Mr. President?

The PRESIDING OFFICER. The yeas and nays have been ordered. The Senator from Arkansas has 3 minutes remaining.

Mr. HOLLINGS. The yeas and nays have been ordered?

Mr. BUMPERS. The yeas and nays have been ordered. I yield back the remainder of my time.

Mr. HOLLINGS. I yield back the remainder of my time.

The PRESIDING OFFICER (Mr. Ford). The question is on agreeing to the amendment of the Senator from Arkansas (Mr. Bumpers). On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Texas (Mr. Bentsen), the Senator from Nevada (Mr. Cannon), the Senator from Mississippi (Mr. Eastland), the Senator from Arkansas (Mr. McClellan), and the Senator from Rhode Island (Mr. Pastore), are necessarily absent.

I further announce that, if present and voting, the Senator from Rhode Island (Mr. Pastore), would vote "nay."

Mr. HUGH SCOTT. I announce that the Senator from New York (Mr. Javits), is necessarily absent.

I further announce that the Senator from Michigan (Mr. Griffin), is absent due to a death in the family.

The result was announced—yeas 30, nays 62, as follows:

[Rollcall Vote No. 288 Leg.]

YEAS—30

Abourezk
Bartlett
Bellmon
Brock
Buckley
Burdick
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Chiles
Church
Clark
Culver
Ford
Garn
Glenn
Hart, Gary W.
Hart, Philip A.
Hartke
Haskell
Mansfield
McGee
Metcalf
Montoya
Morgan
Nelson
Proxmire
Ribicoff
Stafford
Stevenson
Young

NAYS—62

Allen
Baker
Bayh
Beall
Biden
Brooke
Bumpers
Case
Cranston
Curtis
Dole
Domenici
Eagleton
Fannin
Fong
Goldwater
Gravel
Hansen
Hatfield
Hathaway
Helms
Hollings
Hruska
Huddleston
Humphrey
Inouye
Jackson
Johnston
Kennedy
Laxalt
Leahy
Long
Magnuson
Mathias
McClure
McGovern
McIntyre
Mondale
Moss
Muskie
Nunn
Packwood
Pearson
Pell
Percy
Randolph
Roth
Schweiker
Scott, Hugh
Scott,
  William L.
Sparkman
Stennis
Stevens
Stone
Symington
Taft
Talmadge
Thurmond
Tower
Tunney
Weicker
Williams

NOT VOTING—7

Bentsen
Cannon
Eastland
Griffin
Javits
McClellan
Pastore

So Mr. Bumpers' amendment was rejected.

CHANGE OF VOTE ON BUMPERS AMENDMENT

Mr. CHURCH. Mr. President, I rise for a unanimous-consent request.

When the Senate was considering voting on the amendment offered by the distinguished Senator from Arkansas (Mr. Bumpers) I vote "no" by mistake. I intended to vote and wanted to vote "aye." Since it will not change the result, I ask unanimous consent of the Senate that my vote may be recorded as "aye" on that particular rollcall vote.

The PRESIDING OFFICER. Is there objection? Hearing no objection, it is so ordered.

(The rollcall vote on Mr. Bumpers' amendment reflects the foregoing unanimous-consent request.)

Mr. BUMPERS. Mr. President, this is an extremely important measure we just voted on. I move for reconsideration, but I might say, with the manager's permission, I feel that there are a great number of Senators here who do not really understand the impact of what the bill does with the amendment. It simply provides that any coastal State——

The PRESIDING OFFICER. Who yields time?

Mr. BUMPERS. I ask the Senator to yield me 120 seconds.

Mr. HOLLINGS. I yield to the Senator from Arkansas.

Mr. BUMPERS. Mr. President, this bill provides that coastal States will receive planning and impact funds not just for offshore development and production but also for any energy facility which is built in the State, and if they can prove to the Secretary that an impact of some kind has occurred within the coastal zone. That means that if a coal-fired generating plant or a nuclear generating plant is built in western New Jersey or in western South Carolina, they are entitled to a grant. If the same facilities are built in an inland State, it is not even arguable that they are entitled to apply to the Secretary for aid.

I admire the coastal zone States for their efforts to protect the coastal zone. I championed the Coastal Management Zone Act of 1972 and still do, but I say this should be handled in an evenhanded manner, either through a land use planning bill or through a powerplant siting bill. But we are fragmenting it in such a way that some States are being discriminated against though they may suffer as much as or more than coastal zone States. I am saying that this is patently unfair to the rest of the Nation.

Mr. BUCKLEY. Mr. President, will the Senator yield?

Mr. BUMPERS. If I have any time remaining.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. HOLLINGS. I yield to the Senator from New York.

Mr. BUMPERS. Mr. President, I move to reconsider the vote by which the amendment was rejected.

The PRESIDING OFFICER. The Senator now has 10 minutes at his disposal.

Mr. BUMPERS. I yield to the Senator from New York.

Mr. BUCKLEY. Mr. President, I support the amendment offered by the Senator from Arkansas.

I come from a coastal State, but what I am concerned about in this bill is that it will create an incentive to move new energy oriented facilities to the coastal zone; and I believe that this is precisely the kind of area we want to protect environmentally. Because I think this goes against the grain of environmental measures, I support the measure limiting the effect of this on offshore drilling.

Mr. BUMPERS. I thank the Senator.

Mr. HOLLINGS. Mr. President, when the Senator from Arkansas has completed his remarks, I am going to move to table. Before that, I have a comment.

Mr. President, we have thoroughly debated this matter. To respond to the concern expressed by the Senator from New York, I point out that the testimony, over the 3-year hearing period, demonstrated that there would be some 60 to 80 nuclear powerplants off the coast of the United States. We had special hearings about the proposed New Jersey offshore floating nuclear powerplants, which were to be outside the 3-mile limit at that time. The Senator from New Jersey can correct me if I am wrong. That would be in addition to the other impacts caused not just from offshore drilling but also from population growth, economic development, requirements for industry, residential development, recreation, and everything else.

So, when the Senator from Arkansas says, "I am for coastal zone management but I am just against coastal zone management," what is he saying, in essence? He is saying, "I have problems in Arkansas and you have problems in the coastal regions; but unless we can solve all the problems, let us not solve any."

Congress saw it differently. Congress said, "Let us have a coastal zone region marked out and approved by the Governors of the coastal States, the Association of Counties, the municipal associations, and so forth."

They said we should single out the areas that would submit to what? To an overall plan.

Does the entire State of New York want to agree to land use? Absolutely not. I do not believe the Senator from New York is going to vote for land use. Does the entire State of Arkansas or the entire State of South Carolina submit to land use? No. But until they do, we cannot have a Federal program to allocate impact funds in accordance with an overall plan. That is the fallacy of this particular argument.

If the Senator gets land use up and passes it through the Senate—which has been done on several occasions, but it has been bogged down in the House—his plan can be taken care of. But if I had made the argument when Arkansas was getting a $1.2 billion hydroelectric Federal power project—and they have been digging around—and said, "Treat us all fairly," I do not know where my $1 billion to $2 billion hydroelectric navigation project would be, which was put through by the senior Senator from Arkansas. They already have $164 million, while the State of Alaska will have to wait 10 years to get that kind of money.

As for treating everybody equally, let us look at the particular problem and not be influenced by the equal treatment plan. If one has a serious problem, he should offer an amendment to give everybody a $1.2 billion hydroelectric navigation project, in the remaining 49 States, if he really believes in that equity.

Mr. STEVENS. Mr. President, will the Senator yield?

Mr. HOLLINGS. I yield.

Mr. STEVENS. I emphasize that I oppose the amendment of the Senator from Arkansas because it narrowly constricts what we are trying to do with regard to coastal zone management. It would say that this bill, with regard to the energy-related facilities, would be limited solely to those facilities that are built because of production from the OCS.

The bill covers all energy facilities and relates to the declaration of policy in the Coastal Zone Management Act which has already passed Congress, in which Congress declared a national policy to preserve, protect, develop and, where possible, restore and enhance the resources of the Nation's coastal zone for this and succeeding generations.

We are trying to say that in a coastal zone where there is a special plan for protection not only for the land but also for the oceans off the land, we are recognizing the Federal responsibility to assist in meeting those obligations for impacts in that area not just because they are electrical facilities, nuclear facilities, coal-fired, or any other kind of facilities, but because such facilities are in the coastal zone where, unless they are properly planned, they could in fact continue to reduce the viability of the oceans.

This is related more to the oceans than it is to the people who are in that coastal zone, who are already polluting the oceans. We are saying that all facilities in that area that are related to energy production need proper planning. The governments need to take special action to protect the coastal zone. We are willing to put up the funds, and they come primarily from production from the OCS lands. But the actions that the Federal Government will take will be special because the coastal zone has a peculiar relation to the oceans, not because it is a peculiar portion of a coastal State as opposed to the rest of the State or an inland State.

I hope the Senator from Arkansas will recognize that his amendment would so narrow this that the original intent of the Coastal Zone Management Act would be frustrated if we were to say that it applies only to oil and gas protection facilities on shore. It should apply to any activity in the coastal zone that would protect the oceans. Those are, in particular, any energy-related faciilties in the coastal zone.

Mr. BUMPERS. Mr. President, I should like the Senator to hear the language of the bill. It reads:

> The Secretary is authorized to make a grant to a coastal State, if he determines that such State's coastal zone has been, or is likely to be, impacted by the exploration for, or the development or production of, energy resources or by the location, construction, expansion, or operation of an energy facility.

An energy facility can be anything. It can be a coal gasification plant, a coal liquefaction plant, a uranium enrichment plant, a coal-fired generating plant. It can be anything. But the bill does not even stop there.

Here is a further definition of what an energy facility is. It says it is "a facility or facilities which are or will be used primarily for the manufacture, production, or assembly of equipment, machinery, products, or devices which are or will be directly involved in any activity described in paragraph (1) of this subsection."

I submit to my colleagues that that means, very simply, that if somebody elects to build a coal-fired generating plant in western New Jersey, whether it be in the coastal zone or outside of the coastal zone, if the argument can be made that it will have an adverse impact on the coastal zone, they are entitled to come to Washington and ask the Secretary for impact aid. If that same plant is built in any other State in the Nation, it is not even arguable, it is not debatable. They are not entitled even to apply for aid.

I am saying that if Westinghouse builds a plant anywhere in the State of New Jersey to manufacture turbines, and Westinghouse does manufacture turbines—let us assume that they manufacture turbines—I am not picking on New Jersey, but assume they have a plant there, and somebody decides it has an impact on the coastal zone, even though the turbine is being shipped to Arkansas to fire a new 6-million-ton coal-fired plant we are building down there. New Jersey is entitled to come to Washington and ask the State for aid. The State of Arkansas, which is going to be using the turbine, which is going to be using 6 million tons of coal a year for the first time in our history, is entitled to nothing.

I saw the Appalachia bill go through the Senate. It was a fine bill to help the Appalachian region of the country. But there were people in Congress who said, this is not fair to the rest of the Nation. So the title V commissions were set up.

Arkansas, Oklahoma, Kansas, Missouri, and Louisiana comprise the Ozarks Regional Commission. As of this day, the Appalachian Commission gets $20 per person for everybody in the region. The title V commissions get 20 cents per person for everybody in their regions.

I am saying if we fragment this economic aid, this environmental aid, this social aid, we will never have a chance in the inland States. They are not going to be adversely affected by this. They are just not going to get any effect at all. I am saying if we stretch this thing that far, it is beyond what I believe the intention of the authors was.

I am for it. I want to support the bill. But I do not want to support it to the extent that it is written now.

Mr. President, I ask for the yeas and nays on my motion to reconsider.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. BUMPERS. I further ask unanimous consent that the rollcall vote be taken in 10 minutes.

Mr. HOLLINGS. I object. I am going to move to table and ask for the yeas and nays. Does that suit the Senator?

Mr. BUMPERS. I am going to ask unanimous consent.

Mr. LONG. Will the Senator yield at this point?

Mr. HOLLINGS. Yes.

Mr. LONG. I voted for the Appalachian bill and it had nothing in it for Louisiana. I am surprised to find out that we got the 20 cents. That was a depressed part of the country and the bill made some sense. I was pleased to vote for it because I thought it would be good for Appalachia and Appalachia is part of the United States.

Mr. BUMPERS. Mr. President, whose time are we on?

The PRESIDING OFFICER. The Senator from South Carolina yielded to the Senator from Louisiana.

Mr. LONG. I do not even know if Louisiana is going to come up with a land-use plan, but if the Senate thinks it is a good idea to do something, to try to do some land planning in the coastal areas of the coastal States, I do not know why we should not do that. If somebody can think of something that will be good for Arkansas, by all means, bring it in here.

I voted for the Arkansas project and supported it. There was not a thing in there for Louisiana, but I lived in the hope that if we did something for Arkansas, some day, Arkansas might do something for Louisiana. [Laughter.]

Mr. HOLLINGS. Mr. President, I move to table the motion. I ask for the yeas and nays.

The PRESIDING OFFICER. The motion to table is not in order until the time of the Senator from Arkansas on his motion has expired or been yielded back.

Mr. HOLLINGS. I yielded back my time.

Mr. BUMPERS. How much time is left?

The PRESIDING OFFICER. The Senator from Arkansas has 4 minutes remaining. A motion is not in order until he yields.

Mr. HOLLINGS. I am sorry.

Mr. CHILES. Will the Senator from South Carolina yield to me?

The PRESIDING OFFICER. Has the Senator from South Carolina yielded back his time?

Mr. HOLLINGS. No, I will let him go ahead.

Mr. CHILES. Under the amendment the Senator is proposing, he is not cutting total funds, is he?

Mr. BUMPERS. No.

Mr. CHILES. What he is saying, though, to those coastal States is that they would still be able to share and there is no reduction in the total funds, but the grants would have to be for onshore facilities or something occasioned by virtue of the offshore oil drilling?

Mr. BUMPERS. That is correct.

Mr. CHILES. As opposed to being something else.

So for my State of Florida, if we have drilling, either in the Atlantic or in the gulf, and then we have some facilities for that, be it pipeline, be it refineries, be it any other occasioned from the offshore drilling, we would be entitled to aid under this provision.

Mr. BUMPERS. That is correct.

Mr. CHILES. But where we would not be entitled would be if we had some other facility that was not a part of the offshore provisions at all?

Mr. BUMPERS. That is correct.

Mr. CHILES. We would not be entitled to aid for that?

Mr. BUMPERS. I might say to the Senator from Florida that I have no opposition—as a matter of fact, I am a strong advocate of land-use planning. I am a strong advocate of powerplant siting legislation. I think it ought to be addressed on that basis. But even if it is addressed on that basis, I think it ought to be on a basis that is fair to all States.

Mr. CHILES. The Senator from Florida had a bill on this 2 years ago, in which he was trying to say that, because they were talking about drilling in the gulf at that time, those States that were going to have to take the risk of having offshore oil drilling off their States ought to have some provision made for problems that they might have. But it certainly was occasioned by the offshore oil drilling. I do not see it was anything else.

I am concerned that we have a limited amount of money here. If we open this up for all the other things, the coal plant, the nuclear plant, and these other plants, it might well be Florida would not get anything for the problems that we might have. The pie would be cut so fine that the money would all be gone and there would not be anything. I think we could have some real problems from our shore drilling.

It seems to me that the amendment of the Senator from Arkansas really helps the coastal States that are really worried about the offshore drilling and the problems they might have, because there would be some money there available for them and it would not be divided out with all these other uses, where it would really not amount to anything anyway.

Mr. BUMPERS. I thank the Senator from Florida for his questions and comments.

Mr. President, I am prepared to yield back my time.

The PRESIDING OFFICER. The Senator yields back his time.

The Senator from South Carolina is recognized.

Mr. HOLLINGS. Mr. President, I say to the Senator from Florida, I do not see how my good friends in the back corner got so confused. The plant at Fort Pierce is practically on the beach. It is a pilot plant. Under this particular bill, without the Bumpers amendment, we could receive impact assistance for the net adverse impact caused to that coastal region. What the Bumpers amendment says is, in essence, in order to receive it, take that powerplant and move it out into the ocean. If that is what the gentleman from Florida wants to vote for, that suits me. Ninety percent of my State does not even qualify for the fund. My nuclear powerplant at Parr Shoals would get zero, nothing. The nuclear powerplant at Keowee would get no money, because it does not adversely affect the coastal area. If those areas want to submit an overall plan approved by the Federal Government, fine and dandy. We could set up one for Arkansas, which would suit me fine, and I would vote for it.

We passed land use. But what he is saying is that we have a problem but until we can solve the entire problem, let us not solve part of it. Congress in its wisdom, 3 years ago, already solved part of it and we are just trying to update the amendments with these impact provisions in here. This bill passed unanimously out of the Committee on Commerce.

With those comments, I move to table the motion to reconsider and ask for the yeas and nays.

The PRESIDING OFFICER. Is there sufficient second? There is a sufficient second.

The question is on agreeing to the motion to lay on the table the motion to reconsider. The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Texas (Mr. BENTSEN), the Senator from Nevada (Mr. CANNON), the Senator from Mississippi (Mr. EASTLAND), the Senator from Arkansas (Mr. MCCLELLAN), and the Senator from Rhode Island (Mr. PASTORE), are necessarily absent.

I further announce that, if present and voting, the Senator from Rhode Island (Mr. PASTORE), would vote "yea".

Mr. HUGH SCOTT. I announce that the Senator from Maryland (Mr. BEALL) and the Senator from New York (Mr. JAVITS) are necessarily absent.

I further announce that the Senator from Michigan (Mr. GRIFFIN) is absent due to a death in the family.

The result was announced—yeas 63, nays 28, as follows:

[Rollcall Vote No. 289 Leg.]

YEAS—63

Allen
Baker
Bayh
Biden
Brooke
Byrd, Robert C.
Case
Cranston
Curtis
Dole
Domenici
Eagleton
Fannin
Fong
Goldwater
Gravel
Hansen
Hatfield
Hathaway
Helms
Hollings
Hruska
Huddleston
Humphrey
Inouye
Jackson
Johnston
Kennedy
Laxalt
Leahy
Long
Magnuson
Mathias
McGee
McGovern
McIntyre
Mondale
Moss
Muskie
Nunn
Packwood
Pell
Percy
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Scott, William L.
Sparkman
Stennis
Stevens
Stevenson
Stone
Symington
Taft
Talmadge
Thurmond
Tower
Tunney
Weicker
Williams
Young

NAYS—28

Abourezk
Bartlett
Bellmon
Brock
Buckley
Bumpers
Burdick
Byrd, Harry F., Jr.
Chiles
Church
Clark
Culver
Ford
Garn
Glenn
Hart, Gary W.
Hart, Philip A.
Hartke
Haskell
Mansfield
McClure
Metcalf
Montoya
Morgan
Nelson
Pearson
Proxmire
Stafford

NOT VOTING—8

Beall
Bentsen
Cannon
Eastland
Griffin
Javits
McClellan
Pastore

So the motion to lay on the table the motion to reconsider was agreed to.

Mr. KENNEDY. I have an amendment at the desk on behalf of myself and the Senators from Maine (Mr. HATHAWAY and Mr. MUSKIE) and I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will state the amendment.

The legislative clerk read as follows:

On page 24, line 13, after "facilities" insert "within three years".

Mr. KENNEDY. Mr. President, I have had the opportunity to talk my amendment over with the manager of the bill, the ranking member, as well as other interested Senators, and I believe it has wide support.

I understand that the concept and the purpose of the legislation we are considering is to look forward, to assist in planning for the future.

There are three sections under which funding is provided. One is for planning, which is obviously prospective; another is to compensate for future impacts; and a third provides funds for the landing of offshore oil and gas based upon an entitlement formula worked out by the committee.

My amendment is targeted to title II, the $200-million impact program. It limits retroactive consideration of impacts by the Secretary to those experienced in the last 3 years.

It seems to me that this will meet the most critical needs of States where offshore development has been underway for many years. At the same time, it will insure, that the States in which there will be active oil exploration along the coastal areas in the future, whether in the Northeast, the Middle Atlantic States, or down in the gulf areas and along the west coast, will not find the impact fund exhausted when they experience impacts and apply for compensation.

It seems to me that this carries through the purpose and the intent of the act.

I have talked it over with the floor managers and I hope it will be acceptable.

Mr. STEVENS. I say to the Senator from Massachusetts that on our part, as manager of the bill on this side, we are prepared to accept the amendment.

Mr. HOLLINGS. Mr. President, we are prepared to accept the amendment. But before yielding back our time, for the information of our colleagues, we have this amendment, another from Senator TUNNEY and one from Senator HANSEN that we are prepared to accept.

I have also been informed that the Senator from Arkansas has another amendment which would require the yeas and nays.

Let me at this time ask for the yeas and nays on final passage.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. HOLLINGS. After those amendments, barring the one rollcall with the Senator from Arkansas, I would be prepared to go ahead and yield back the remainder of my time.

Mr. STEVENS. Before that, may I inquire of the Senator from Arkansas how long it will be before we have a rollcall vote? I wonder if the Senator from Arkansas might tell us how much of his time he is prepared to take on that amendment which he has?

Mr. BUMPERS. Mr. President, on the amendment I have at the desk, I would say 3 minutes for my part, and if the other side would agree to that, it would be 6 minutes, and 10 minutes on a rollcall vote.

Mr. TUNNEY. Mr. President, I have an amendment which has already been cleared with both sides of the aisle.

Mr. HOLLINGS. After the Senator from Massachusetts.

Mr. STEVENS. Mr. President, I yield myself 1 minute on the bill.

As I understand it, the impact of this is that we would be voting on the amendment of the Senator from Arkansas and then for passage, around 7 o'clock.

Mr. HOLLINGS. Mr. President, the present question is the Kennedy amendment. I yield back the remainder of my time and am ready to vote.

Mr. HATHAWAY. Mr. President, 1 minute on this measure.

I am glad to commend the manager and the Senator from Alaska for accepting this amendment which will help those States which have not had any offshore development whatsoever.

If it were not for this amendment most of the money would go to those States that already have development, and in view of the fact that there are not many funds or dollars in the fund, this will do justice to all of the States involved.

Mr. HOLLINGS. Vote! Vote!

The PRESIDING OFICER. Is all time yielded back?

Mr. HOLLINGS. We yield back the remainder of our time.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. TUNNEY. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. TUNNEY. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 25, beginning with "and" in line 11, strike out all to the period in line 14, and insert in lieu thereof: "one member designated by the Council on Environmental Quality, and four members appointed by the President as designated by the National Governors Conference."

Mr. TUNNEY. Mr. President, today we are considering the passage of S. 586, amendments to the Coastal Zone Management Act of 1972 which will provide funds for the States adversely impacted by energy development and production in our national coastal waters.

The bill's major provisions designate assistance programs for those States facing potential environmental, social, and economic impacts resulting from energy-related developments on the shorelines.

Additional language in the bill provides much-needed funds for research and technical assistance for the coastal States to implement feasible coastal plans. Also, the bill provides the means to facilitate interstate coordination of management policies and programs and for the acquisition of lands to establish estuarine sanctuaries and encourage the preservation of environmentally sensitive areas.

The Federal responsibility for CZM funding is raised from the present 66⅔ percent to bring it in line with other 80 percent grant projects.

The bill also expands the "Federal Consistency" provisions of the 1972 Act to include the term "lease" thus giving the States enhanced authority to give final approval to lease sites.

The bill makes it clear that Outer Continental Shelf leasing is a Federal activity subject to the Federal consistency provision of the Federal coastal zone management program. However, since California's coastal plan will not be completed until early next year and the Interior Department plans to lease in October, this provision may be academic. For this reason, I urge Secretary Hathaway to postpone the lease sales until after the completion of the California coastal plan. Given the industry's stated inability to develop OCS leases rapidly, such a delay would have little impact on the eventual production of needed OCS oil and gas.

It is a Federal responsibility to provide the States with adequate funding to implement environmental controls. The States producing, landing, and shipping oil will need to be sufficiently compensated for the industrial development of State lands, for bearing the burden of lost recreation sites, for threatened environmental air and land quality standards and for giving up prior discretionary land use policies to meet the requirements of the Federal energy policies.

We must insure that the States are adequately represented and have a strong voice in all matters affecting their coastline. Therefore, I am offering an amendment to provide for the equal representation of State and Federal interests on the coastal impact review board.

The Secretary of Interior has not waivered on his decision to begin lease sales totaling 1.6 million acres off the coastline of southern California, soon to be followed by bids off the Alaska and Atlantic coastlines.

Thus far, the Department, in its decisionmaking process, has callously disregarded the interests and views of the people and elected officials from the coastal States.

However, as the Commerce Committee report on this bill indicates, our shorelines could suffer severe environmental and economic degradation if adjacent coastal development is not properly controlled.

For example: More than 50 percent of the population of the United States lives in counties bordering on the oceans and Great Lakes, presently 40 percent of the industrial complexes are in estuarine areas and Louisiana lost over 5,000 square miles of wetlands to support systems for the OCS drilling operations.

In recent testimony in a joint hearing on this matter in the House, representatives from the Scottish coastal zone management commission, stressed that they minimized environmental impacts and citizen protest because they had local management programs in operation before leasing began.

There is no denying the anticipated financial burden States will have to sustain to provide adequate support systems for the anticipated industrial development without the funding provisions specified in this legislation.

In California alone, the State's Coastal Conservation Commission found that 90 percent of the total petroleum refining capacity of that State is located within 10 miles of the coast. New refineries will require as much as 1,000 to 1,700 acres for each industrial development and buffer zone. Furthermore, a new refinery with the minor capacity of 100,000 barrels per day would result in an inflow of 1,100 workers, a population increase of 3,900, and indirect increase of 850 support workers and an additional 850 schoolaged children.

I would like now to take time and commend my distinguished colleague Mr. HOLLINGS and the staff of the Commerce Committee for the innovative and progressive language that is included in this legislation.

Mr. President, I have cleared this amendment with both the floor manager and the minority.

Mr. STEVENS. Will the Senator from South Carolina yield 1 minute on this amendment?

Mr. TUNNEY. I yield.

Mr. HOLLINGS. I yield.

Mr. STEVENS. Mr. President, I am the author of this amendment in the committee and I have discussed it with the Senator from California. He has a good suggestion. It provides balance between the States and the Federal Government. I have talked it over with the Senator from California.

We see no objection to this amendment. I believe the Senator from South Carolina—if I could have his attention—is prepared to accept the amendment on behalf of the majority. I am certainly prepared to accept it on behalf of the minority.

Mr. HOLLINGS. We discussed this with the distinguished Senator from California, Mr. President. We think it is a good amendment.

Mr. President, I yield to the Senator from Maine.

Mr. HATHAWAY. Mr. President, I take this time just to ask the Senator from South Carolina a few questions with respect to the funds provided to the States for planning purposes.

I am a little concerned. I understand about $50 million will be authorized under section 308(a) for planning purposes. But in the bill itself there are no criteria for guidance for the regulations which the Secretary is to promulgate as to how these funds should be allocated to the coastal States and territories.

First of all, I wonder if it developed during the hearings whether the $50 million is an adequate amount for planning for these purposes.

Mr. HOLLINGS. Yes, I would answer very definitely that it is. Obviously, we had the budgetary restrictions in our mind at the time we agreed upon this matter. There are several States—I named California and the State of Florida. If the other States follow their pattern in investments in planning for coastal zone matters, $50 million would not be sufficient. But the point is that that amount of funds will be there. They are annually authorized and they are annually to be reviewed by the Appropriations Committee. We think that this is within the ball park and can be approved by the administration.

Mr. HATHAWAY. Will the Senator tell me why there are no criteria in the bill itself to provide guidance to the Secretary of Commerce as to the basis for handing out the planning funds? Presumably under this he could give the whole $50 million to one State, if he wanted to.

Mr. HOLLINGS. The bill is within the budget estimate.

Mr. HATHAWAY. But there are no criteria listed in the bill itself to guide the Secretary of Commerce in his determination as to which coastal State should get how much. Could he give two-thirds of the money to one State if he so desired?

Mr. HOLLINGS. No, I do not think that would be at all equitable. We are hereby amending the original Coastal Zone Management Act. Therein they have the criteria for the Secretary on section 305 planning and they have the criteria also with respect to section 306 grants under the original act. I think such new criteria should, at a minimum include the extent of the activity in regard to leasing, the length of the coastline of each State, the potential other resource uses for the coastal area, potential facility development, the relative economic development of a State which will be affected by the facility or activity and its potential for coping with those impacts.

So it is just not depending on who is Secretary as to the rules and regulations. We already have these existing rules and regulations promulgated by the Secretary which should be augmented by this new criteria.

Mr. HATHAWAY. And these old criteria take into consideration the relative length of the coastline and probable impact, and so forth?

Mr. HOLLINGS. Very definitely; yes, sir.

Mr. HATHAWAY. I thank the Senator.

Mr. HOLLINGS. Mr. President, I yield back the remainder of my time.

Mr. TUNNEY. I yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment.

The amendment was agreed to.

Mr. HANSEN. Mr. President, I have an amendment at the desk, and I ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

Mr. HANSEN, on behalf of himself and Senators BURDICK and MONTOYA, offers the following amendment:

On page 28, after line 20, add the following new subsection

Mr. HANSEN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 28, after line 20, add the following new subsection:

(n) Section 35 of the Act of February 25, 1920 (41 Stat. 450), as amended (30 U.S.C. 191), is further amended by deleting "52½ per centum thereof shall be paid into, reserved" and inserting in lieu thereof: "30 per centum thereof shall be paid into, reserved", and is further amended by striking the period at the end of the provision and inserting in lieu thereof the following language:

"And, provided further, that an additional 22½ per centum of all moneys received from sales, bonuses, royalties, and rentals of public lands under the provisions of this chapter shall be paid by the Secretary of the Treasury as soon as practicable after December 31 and June 30 of each year to the State within the boundaries of which the leased lands or deposits are or were located; said additional 22½ per centum of all moneys paid to any State on or after January 1, 1976, shall be used by such State and its subdivisions as the legislature of the State may direct giving priority to those subdivisions of the State socially or economically impacted by development of minerals leased under this Act for (1) planning, (2) construction and maintenance of public facilities, and (3) provision of public services."

Mr. HANSEN. Mr. President, essentially what this does is to amend the 1920 Mineral leasing law to provide for a larger share of the funds that are derived from the production of those minerals which are federally owned to go to the States to be used for planning, construction, and maintenance of public facilities and the provision of public services for areas primarily that are socially or economically impacted.

We have some 19 or 20 cosponsors. Both the manager of the bill and the minority leader have agreed to accept the amendment.

Mr. McGEE. Mr. President, I join in sponsoring and supporting this amendment with my distinguished colleague from Wyoming (Mr. HANSEN). Basically, it would do for inland States that are suffering social and economic impacts from intensified energy production what S. 586 would do for the coastal States. The States of Wyoming, Montana, and the Dakotas, in particular, are experiencing severe impacts from energy production, including surface mining of coal and the construction of powerplants. In order to achieve some relief for these States, we offer this amendment.

Our proposal would increase the returns to the States in which mining takes place from 37.5 percent to 60 percent of the royalties which are paid to the Federal Government by mining companies extracting minerals in the public lands States. The additional 22.5 percent would be taken from the reclamation fund portion of the Federal royalties. This additional amount to be returned to the States would be earmarked specifically for planning, construction and maintenance of public facilities and for providing other necessary public services in those areas suffering impact problems as a result of energy development. The amendment would still leave 30 percent of the royalty payments in the reclamation fund.

Mr. President, the idea of providing assistance to States suffering development impact due to the energy crisis is not new. You will recall that the Surface Mining and Reclamation Act which was passed by Congress this year and subsequently vetoed by President Ford contained provisions which would finance aid to impacted areas within those States where surface mining operations are being drastically increased. The Senate overwhelmingly supported these provisions, and I hope that my colleagues will support the amendment which we offer today.

Mr. STEVENS. We are prepared to accept this and go to conference with it. I do not know what the House will do with it, but we certainly will take it to conference.

Mr. HOLLINGS. I yield back the remainder of our time, Mr. President. I have checked this with the Senators.

Mr. JACKSON. Vote. Vote.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. HANSEN. Mr. President, because of the attention which has been focused on coal development in the West, a national awareness of the impact this development has had on the towns of Rock Springs and Gillette, Wyo., in particular, is well known. Basically these towns are typical of the same dilemma which faces other western towns. Demands for all types of community facilities such as hospitals, schools, sewers, recreation, police protection, to name but a few, have arisen. The known abilities of these same communities to have the funds adequately to provide the necessary services and facilities fall far short of the need.

Passage of this amendment assures that there will be so-called front end money so that city and county officials can anticipate the needs, which dramatic increases in population bring. The West, which has been called upon to provide additional energy in this time of energy shortages since it is the area where most of the strippable coal is found, will be able to make provision for these people so as to obviate the very real social and economic problems which all too often in the past have been characteristic of the region's response to the Nation's needs.

Mr. HOLLINGS. Mr. President, I send to the desk a package of technical amendments which have been checked out with the minority. I ask unanimous consent that they be considered en bloc.

The PRESIDING OFFICER. May we have order in the Senate?

Mr. HOLLINGS. I will say to the Senator from Alaska, I have submitted the technical amendments, and I have asked unanimous consent that they be considered and adopted en bloc.

Mr. STEVENS. We have examined these amendments. They are technical in nature and necessary to carry out the intent of the bill. We are agreeable to their being considered en bloc. They are clerical, really.

Mr. HOLLINGS. Will they be considered en bloc?

The PRESIDING OFFICER. Without objection, it is so ordered.

The legislative clerk read as follows:

The Senator from South Carolina (Mr. HOLLINGS) proposes certain technical amendments.

The technical amendments as as follows:

On page 24, line 9, delete the period and insert thereof the following:

"*Provided:* That such allocation shall not relieve such State of the responsibility for insuring that any funds so allocated shall be applied in furtherance of the purposes of this section."

On page 37, strike out lines 11 through 23 and insert in lieu thereof the following:

"SEC. 318. (a) Nothing in this Act shall be construed to require the approval of the Secretary as to any State land or water use decision pertaining to individual cases, including, but not limited to, the siting of energy facilites, as a prerequisite to such State's eligibility for grants or loans under this Act."

On page 30, line 5, after the word "Agency," insert the words "the Administrator of the Federal Energy Administration,".

On page 40, line 22, insert the following new section;

"SEC. 104. Nothing in this Act shall be construed to modify or abrogate the consistency requirements of section 307 of the Coastal Zone Management Act of 1972."

On page 32, line 18, after the words "amended by" insert the words "amending subsection (a) thereof as follows:".

On page 24, line 23, insert the following: after the word "section": ", except those funds made available pursuant to subsection (K),"

Mr. HOLLINGS. Mr. President, I ask unanimous consent to have printed in the RECORD at this point explanations of the technical amendments.

There being no objection, the explanations of the technical amendments were ordered to be printed in the RECORD, as follows:

EXPLANATION OF AMENDMENT ON PAGE 24, LINE 9

The purpose of this amendment is to conform section 308(f) of the bill to the present language in section 305(f) of the CZM Act. It merely provides that when a State allocates funds provided under the amended Act to a local government of other entity, the funds must be used as originally intended when distributed to the State.

EXPLANATION OF AMENDMENT ON PAGE 27, LINE 4

The purpose of this amendment is to conform the automatic grant provision of section 308 with the language used elsewhere in section 308 in connection with the purposes for loans and grants under the section.

EXPLANATION OF AMENDMENT ON PAGE 30, LINE 5

This is a technical amendment to the proposed new section 309 which is entitled "Interstate Coordination Grants to States" and which authorizes and directs that certain Federal agencies and departments become involved in the Federal-State consultation process. The amendment merely adds the Administrator of the Federal Energy Administration to the agencies mentioned.

EXPLANATION OF AMENDMENT ON PAGE 32, LINE 18

Amendment No. 14 to the Coastal Zone Management Act states that it amends section 316, as redesignated. In actuality, this particular amendment changes subsection (a) of that section. This technical amendment clarifies the bill.

EXPLANATION OF AMENDMENT ON PAGE 37, LINES 11 THROUGH 23

The purpose of this amendment is to more explicitly state the Committee's intent in adopting section 318(a). The Committee's intent is that funds made available under the Act for loans and grants are not to be used as a device to require the States to take specific action with respect to individual land or water use decisions it makes. For example, the Secretary of Commerce cannot require a State to site a certain energy facility on penalty of loss of funds under the Act. As stated in the Committee Report at page 43, the Secretary is restricted under the CZM Act to evaluating the adequacy of the State process.

EXPLANATION OF AMENDMENT ON PAGE 40, LINE 22

The purpose of this amendment is to assure, consistent with the Committee intention as stated in page 43 of the Report, that nothing in the entire bill shall interfere with the ability of any State which has an approved management program to prevent (except in cases of national security) Federal actions affecting their coastal zones which are inconsistent with their approved programs. A like provision appears in section 308 but only pertains to the provisions of that section. Making that proviso only there could be argued to raise an implication that the other provisions may be inconsistent with section 307. Adding this new section to the bill will clarify any uncertainty.

The PRESIDING OFFICER. The question is on agreeing to the technical amendments.

The technical amendments were agreed to.

Mr. BUMPERS. Mr. President, I have

an unprinted amendment at the desk, and I ask for its immediate consideration.

The **PRESIDING OFFICER.** The amendment will be stated.

The legislative clerk read as follows:

On page 12, line 18, strike "(1)".

On page 12, line 20, strike "; or".

On page 12, strike lines 21 thru 24 inclusive.

On page 12, line 25, strike "(1) of this subsection".

Mr. BUMPERS. Mr. President, I am willing to enter into a unanimous-consent agreement with the floor managers of the bill to debate this matter for 5 or 10 minutes. I can explain my amendment very quickly.

I have just suggested that we enter into a unanimous-consent agreement to limit debate of this amendment to 10 minutes or less, 5 minutes on either side.

Mr. LONG. Mr. President, I will have to object to anything less than 10 minutes on each side. I would like to hear what this amendment is.

Mr. HOLLINGS. It is a very important amendment. It does away with the platform construction provision for drilling offshore.

If the Senator will yield, I will put this time on the bill. If anyone is interested in this particular amendment, on pages 11 and 12 of our report we referred specifically to the Brown and Root Corp. of Houston, Texas, that, on a 2,000-acre plot in Virginia, plans to build oil production platforms to be used offshore; and we discussed in the report the onshore impact, the number of employees, the additional jobs, and everything else.

Now, what my distinguished friend requests in his amendment is that we strike exactly the language that would provide for that particular offshore platform construction, by knocking out, on page 12, the language—

which are or will be used primarily for the manufacture, production, or assembly of equipment, machinery, products, or devices which are or will be directly involved in any activity described in paragraph (1)—

Which has to do with energy facilities. That is exactly what we had in mind.

We have been into this very thoroughly, Mr. President, but somehow my friend from Arkansas has got the idea that manufacturing facilities such as platform construction sites are not adverse impacts, and he resists and objects, in these amendments, to the fundamentals of the Coastal Zone Management Act, and then, in the next breath, says, "I am for the Coastal Zone Management Act."

That just cannot be, if he is asking that we knock it out.

The Senator and I have been working on an ad hoc committee for energy legislation in this Congress, and we have been agreeing right down the line. The provisions in here would take care of every major coastal planning decision involving the Baltimore Canyon, the Georgia Embayment, and all those offshore drilling locations. We have got to go off there and get that oil and get that gas, but now the Senator comes along and says, "Just because I am in Arkansas, and I do not have any offshore drilling, and do not have any building of platforms or anything else, let the States absorb the impact."

We are trying to facilitate getting energy. Even the administration is for this.

Mr. LONG. Mr. President, will the Senator yield?

Mr. HOLLINGS. I yield.

Mr. LONG. The Senator from Louisiana was never enthusiastic about the bill. I am not sure Louisiana is going to participate in the plan. It may not be of any benefit at all to Louisiana.

But if we are going to consider anyone with regard to impact, I would think the little city of Morgan City, La., ought to be able to participate, because, on a per capita basis, there is no community in America, in the old 48 States, that is doing more to try to help with the energy problem than Morgan City, La.

That community is consecrated almost exclusively to trying to provide platforms, equipment, and services to people who go out on the Continental Shelf, sometimes staying out there for a month hand running, to try to produce some energy.

They have all kinds of problems, and if anyone should be entitled to some impact aid, because they are trying to develop some energy, I would think it would be the people of Morgan City, La. With the possible exception of those people up there in Prudhoe Bay, the people at Morgan City, La., would be more entitled to participate than anyone else I know of.

Some of the platforms that are built and are fabricated, floated out, and put in place on the Continental Shelf are higher than the Washington Monument, and they are enormously expensive. When those people work to do all that, and they have all kinds of headaches—there was a syndicated article that appeared in the Washington newspaper just recently discussing all the problems people have down in Morgan City, La.—you would think, if we were going to let anyone participate in that program, we would let those people participate. I cannot understand, for the life of me, where, in a community where most of the workers are producing energy and materials for use on the Continental Shelf, why they would not be entitled to participate.

Mr. BUMPERS. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. BUMPERS. Subparagraph (1), just above the second subparagraph, which I seek to delete, involves new facilities, or additions to existing facilities:

Which are or will be directly used in the extraction, conversion, storage, transfer, processing, or transporting of any energy resource.

I assume offshore drilling platforms are considered to be used in the extraction of an energy resource, and so I do not seek to eliminate the assembly, the manufacture, or anything else of offshore drilling platforms, because that is covered under subsection (1).

I am seeking to eliminate what I think would play all kinds of mischief with the interpretation of this law.

I have already lost the other battle; perhaps I will lose this one. But I would like to make the point again that subsection (2) says that an energy facility is a facility or an addition to a facility which is or will be used primarily for the manufacture, production, or assembly of equipment, machinery, products, or devices which are or will be directly involved in any activity described in paragraph (1) of this subsection.

Mr. President, that is not confined to offshore drilling. It is not confined to gasification. It is not confined to liquefaction. It does not even eliminate the concrete blocks that might be made in the coastal zone States, if those concrete blocks are shipped to Arkansas, as long as they go into a powerplant there.

I am saying that section can be interpreted just as liberally as anyone chooses to interpret it. I do not think offshore platforms are affected at all. I think they are well covered, in any impact they may have on Morgan City or any other community, under subsection (1).

But I make the argument again that I made a moment ago. If you have a Westinghouse or a General Electric plant in a coastal State that manufactures turbines, you are entitled to aid, even though those turbines may not be used there. They may be used to fire a coal generating plant in any State in the Nation.

I do not think that a plant that is outside the coastal zone—and I think this is a distinction that has not been well understood here this afternoon—we are not talking about just the impact on coastal zones, we are talking about something that may take place outside the coastal zone, but could adversely affect the coastal zone. And again, my primary objection to this language was that it can be as liberally interpreted as anyone's imagination could want to allow it to be.

Mr. President, Senators want to get on with other business, and I want them to. I do not want to belabor a point already made time and time again. But I do want Members of the Senate to understand that bad laws are easily made and very difficult to remove, and I think this subsection of this bill is a bad law which ultimately will prevail, which probably will go to the President and be signed by him, and I can assure every Member of this body that that will never be removed from this act once it is placed on there, and there will be all kinds of applications for grants going to the Secretary for the most specious, spurious reasons.

The amendment does not take anything away from what the authors of the bill intended to cover, but it does take away the right from some inventive, ingenious people to raid the Treasury for purposes totally unrelated to this bill.

Mr. HOLLINGS. Mr. President, now we have ingenious people raiding the Federal Treasury.

These bills were not only reviewed by all the members of the Commerce Committee on both sides of the aisle, particularly those assiduous persons on the other side of the aisle who would be the keepers of the Treasury, but also by some of those on the Budget Committee, and particularly our colleagues on the

Committee on Interior and Insular Affairs who have a respected knowledge in this area. This is a reconciliation of the original amendment that we made between the position espoused by the Senator from Louisiana (Mr. JOHNSTON) and that of the the Senator from Washington (Mr. JACKSON). It is no dubious raid on any treasury. The guidelines are here, the amounts have been computed, the Secretary of the Treasury has administered this in a most careful fashion, and because of that, the States have acted responsibly. As the Senator from Louisiana says, they are trying to develop a coastal zone plan, and they have not had it approved yet, and do not even know whether they want it approved.

We are back to fundamentals. Under one section, we have the adverse impacts resulting from energy facilities and resource development, and on the other hand, the automatic payments to deal with the impacts of offshore drilling on the adjacent coast.

We use that example of Cape Charles, Va., in Northampton County, where Brown and Root has a 2,000-acre option, and it is ready to go and start constructing in this rural area these offshore platforms for drilling, the rigs, the "manufacture"—that is exactly the language. The Senator says he is talking about deviousness and raiding the Treasury. So I am reading his amendment . . . that has to do with energy facilities in the coastal zone.

Now there you are. They could go ahead and drill offshore and have had this impact, expended all these funds, and still receive nothing for impacts, if they did not hit any oil, if they did not actually receive any grants from the automatic fund or there was not any brought ashore from an adjacent State.

His amendment just guts the entire energy part of it, and our language was put in by a unanimous vote from our Commerce Committee, and approved by the chairman of the Committee on Interior and Insular Affairs. If we had any rabbits in the bill to try to raid the Treasury, it would not be through coastal zone management.

It would interest the distinguished Senator from Arkansas to know there never has been passed a land use act, and the administration in fiscal year 1974 provided $20 million to administer a law that had not even passed, and we have been lucky to get $12 million to administer coastal zone management which has been on the books for the last 3 years since 1972.

This has been a very frugal program with no Treasury raiding and no devious ways. The Senator is closing out what we all saw and what he has seen.

Our energy endeavors here to promulgate a program to deal with energy facility impacts and facilitate and accelerate the offshore drilling by saying, yes as to energy-related manufacturing and assembling, and otherwise, as to these offshore platforms. It is a tremendous endeavor we need in that area, and if there is to be an impact, there should be compensation to those States that have no control on Federal decisions.

Mr. BIDEN. Mr. President, will the Senator yield for two questions?

Mr. HOLLINGS. Yes. I yield to the Senator from Delaware (Mr. BIDEN).

Mr. BIDEN. The first question is in line 18, subsection (1) it says "which are or will be directly used in the extraction, conversion, storage, transfer, processing, or transporting of any energy resource."

Does the distinguished chairman read that to encompass platform production?

Mr. HOLLINGS. Yes, not solely. Not exclusively, but yes.

Mr. BIDEN. But it would encompass platform construction?

Mr. HOLLINGS. Yes.

Mr. BIDEN. The second question is under subsection (2), the part that my distinguished colleague from Arkansas wishes deleted, he cited an example. He said if in fact there is a Westinghouse plant in the coastal zone area, which manufactures turbines, and ships those to some other State in the interior, that they get the benefit of this bill. Is that correct?

Mr. HOLLINGS. That is correct. That is in the law today.

Mr. BIDEN. They would get that.

Mr. HOLLINGS. Yes, but should you get a land use bill, should you get a utility siting bill—and we have interposed no objection—when Kentucky comes around and agrees to an overall plan, then they will have a mechanism to seek similar aid.

Mr. FORD. Mr. President, will the Senator from South Carolina yield to the Senator from Kentucky?

Mr. HOLLINGS. I am delighted to.

Mr. FORD. As to the $1.2 billion we are going to spread around to every State the Senator mentioned earlier, we are looking for that. We are not worried about voting on the siting bill.

Mr. BIDEN. If I may ask a followup question then, it is: If in fact, first, platforms are covered by a portion that is not being attempted to be eliminated and if in fact, second, the example that a plant which produced something relating to energy that is not being used in the coastal zone would get this benefit, then it seems to me that the Senator from Arkansas has a valid point.

Mr. HOLLINGS. You are mistaken as to the first point. The point is it impacts upon the coastal zone.

Mr. BIDEN. How does it impact upon the coastal zone?

Mr. HOLLINGS. I ask the Senator to get his report—we all have it on top of our desks—and start reading at the bottom of page 11 and top of page 12. For example, Brown & Root is planning on going in there at Cape Charles. Under the concept of the Senator from Arkansas, the construction of platforms to do offshore drilling, in itself would not qualify for an impact, but only if drilling gets any of that oil, and it comes ashore in that coastal zone. His argument is that the fabricating plant has not impacted there at all; therefore, they do not deserve any impact.

My answer is that, if they go in and start building that manufacturing plan, they have had the impact of the need for schools, water lines, sewer lines, maybe highway redesign, and everything else.

That is a fundamental concern of the Coastal Zone Management Act. The amendments of the committee do not require it be consumed or used within the coastal zone. He is very right. We could ship it all to Arkansas from Cape Charles, Va., and Virginia could never experience any of that oil and gas.

Mr. BIDEN. Being from a coastal State that is an appealing argument.

I give another example. Assume the Schaeffer Brewing Co. came in and wanted to build a plant in a coastal zone area. They are an obnoxious kind of industry, use a great deal of water, impact adversely, and hire a lot of people. Assume the Schaeffer Brewing plant comes in and builds a plant in the coastal zone, is the Senator telling me that we coastal zone States, which have submitted to the rationale of the Coastal Zone Management Act, should be in fact remunerated for the beer that is shipped to Arkansas?

Mr. HOLLINGS. No. I would answer my distinguished colleague from Delaware, obviously not. It is not an energy facility unless we go along with that idea that if we drink some we get a little energy, or, whatever that beverage ad is one hears on the radio. That is not an energy facility and it is not covered under the bill.

Mr. BIDEN. What about the fact in the example of the turbine construction?

Mr. HOLLINGS. That is an energy facility, that is right.

Mr. BIDEN. I have it. I understand what the Senator is saying.

Mr. HOLLINGS. All right.

Mr. BIDEN. I do not agree with him, but I understand what he is saying. I understand his argument. I do not think there is any merit to it, but I understand it.

Mr. HOLLINGS. We are willing to yield back our time. I wanted to be able to clarify the questions. We are not trying to hold it up.

Is the Senator from Arkansas prepared to vote?

Mr. BUMPERS. Mr. President, I have run out of arguments, and I do not want to repeat the old ones any longer. I feel, as I said a moment ago, this goes far beyond what most of us anticipated and what many of us at least think is good law no matter how sensitive we may be in the coastal zone States. But I foresee a great deal of mischief being played by leaving this in.

As I said earlier, I suppose I hear the train coming. I guess it is going to be left in. But I am prepared to vote on it, Mr. President.

I ask for the yeas and nays.

The VICE PRESIDENT. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. BUMPERS. I am prepared to yield back my time.

Mr. HOLLINGS. We yield back the remainder of our time and are prepared to vote.

The VICE PRESIDENT. The question

is on agreeing to the amendment. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Texas (Mr. Bentsen), the Senator from Nevada (Mr. Cannon), the Senator from Mississippi (Mr. Eastland), the Senator from Arkansas (Mr. McClellan), the Senator from Rhode Island (Mr. Pastore), and the Senator from Indiana (Mr. Bayh) are necessarily absent.

I further announce that, if present and voting, the Senator from Rhode Island (Mr. Pastore) would vote "nay."

Mr. HUGH SCOTT. I announce that the Senator from Maryland (Mr. Beall), the Senator from New York (Mr. Javits), and the Senator from Nevada (Mr. Laxalt) are necessarily absent.

I further announce that the Senator from Michigan (Mr. Griffin) is absent due to a death in the family.

The result was announced—yeas 30, nays 59, as follows:

[Rollcall Vote No. 290 Leg.]

YEAS—30

Abourezk
Bartlett
Bellmon
Biden
Buckley
Bumpers
Burdick
Byrd, Robert C.
Chiles
Church
Clark
Culver
Ford
Garn
Glenn
Hart, Gary W.
Hart, Philip A.
Hartke
Haskell
Leahy
Long
Mansfield
McClure
Metcalf
Montoya
Morgan
Nelson
Proxmire
Stafford
Stevenson

NAYS—59

Allen
Baker
Brock
Brooke
Byrd, Harry F., Jr.
Case
Cranston
Curtis
Dole
Domenici
Eagleton
Fannin
Fong
Goldwater
Gravel
Hansen
Hatfield
Hathaway
Helms
Hollings
Hruska
Huddleston
Humphrey
Inouye
Jackson
Johnston
Kennedy
Magnuson
Mathias
McGee
McGovern
McIntyre
Mondale
Moss
Muskie
Nunn
Packwood
Pearson
Pell
Percy
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Scott, William L.
Sparkman
Stennis
Stevens
Stone
Symington
Taft
Talmadge
Thurmond
Tower
Tunney
Weicker
Williams
Young

NOT VOTING—10

Bayh
Beall
Bentsen
Cannon
Eastland
Griffin
Javits
Laxalt
McClellan
Pastore

So Mr. Bumpers' amendment was rejected.

Mr. HOLLINGS. Mr. President, I ask unanimous consent that, on final passage, the rollcall be limited to 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HOLLINGS. Mr. President, in behalf of our colleagues, we are going to have one amendment by the Senator from Ohio. The managers of the bill are willing to accept it. I understand our distinguished colleague from Oklahoma will have a statement against this bill. Then we are ready to go to the 10-minute rollcall for final passage. We should be voting final passage in the next 10 minutes.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. GLENN. I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

> On page 20, line 21, after "facility." insert "such criteria shall insure that grants and loans under this section relating to impacts resulting from the exploration, development, and production of energy resources offshore and related energy facilities shall receive first priority among competing applications."

Mr. GLENN. Mr. President, I thank the distinguished floor leader on this bill. What this does is take up the colloquy of this afternoon on the intent of this bill and puts it in legislative language.

It has been agreed to by the minority and majority leaders. I will read the applicable part: At page 20, line 21, after "facility," and such criteria shall insure that grants and loans made under this section relating to impacts resulting from exploration, development, and production of energy resources offshore and related facilities shall receive first priority among competing applications.

All this does is make certain that we do give priority in those areas. It has been accepted. I am happy to accept a voice vote.

Mr. HOLLINGS. Mr. President, the Senator stated the priority very well in this amendment. We accept it.

Mr. STEVENS. We accept it.

Mr. HOLLINGS. I am willing to yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The PRESIDING OFFICER. If there are no further amendments to be offered, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

Mr. STEVENS. The Senator from Oklahoma has requested time. I yield him 5 minutes.

Mr. BELLMON. Mr. President, there are two points I wish to raise in connection with this bill. The first relates to the costs.

The distinguished chairman of the Committee on the Budget and I have been discussing the matter. We are not quite clear on just what the costs are for the current year or what they will be over the long run. He may have a comment he wishes to make about the authorization or about the appropriations. There seems to be a possibility that the cost of this bill now will be less, due to the action of the Committee on Interior and Insular Affairs this morning. We are not quite sure yet on the Budget Committee just what has happened. Maybe the chairman can explain.

Mr. MUSKIE. I am glad to. I know that the distinguished Senator is opposed to the bill on its merits. I am for it on its merits. But budget implications, nevertheless, are a separate consideration in which the Senator and I are in agreement—that is, that we have to stay under the budget resolution.

With respect to the cost of S. 586, according to our figures, it will cost nearly $2 billion over the next 10 years. The Committee on the Budget has made no judgment about 10-year costs. This first year, we have concerned ourselves with first-year costs, which is 1976. These are the numbers as we see them.

Now, with respect to budget authority, in drafting the budget ceiling we assumed a total of $300 million as the budget authority for fiscal 1976 for the programs this bill would create.

Now, this bill calls for nearly $400 million in budget authority. I understand from the manager of the bill that they borrowed budget authority, in effect, from the Interior Committee in connection with programs that it had included in its recommendations to the Budget Committee in March.

Mr. HOLLINGS. Mr. President, if the Senator will yield, that is accurate. What we have done is we have taken the $200 million that would appear in the Interior bill on the Outer Continental Shelf and, by agreement, we have now included it in our bill, so we are under the budget figure, and we also notified the Budget Committee with the expectation this would be budgeted at about a one-third level in outlays. So we are well within the budget.

Mr. MUSKIE. On the outlay figure the Senator is correct as we read it. We have no difficulty with the figure on budget grounds in that sense.

With respect to the budget authority question I assure the Senator from Oklahoma I would take the figures of our own budget people on the staff if we reach for any reason a different conclusion, and we will check it with the distinguished Senators from South Carolina and Washington, and we will notify the Budget Committee and we will report the bill with our own finding, but at the moment there appear to be no budget problems, with the one qualification which we checked out.

Mr. BELLMON. Mr. President, will the Senator yield?

Mr. HOLLINGS. I yield.

Mr. BELLMON. The $150 million applies to fiscal year 1976; is that true?

Mr. HOLLINGS. That is right.

Mr. BELLMON. That is anticipated for 1976. What about future years?

Mr. HOLLINGS. The anticipated outlay is $3 million annually for the next 3 years. Each time, of course, it is subject to the appropriation process.

Mr. BELLMON. The *table* on page 51, which shows appropriations for the fiscal years ending 1977 and beyond, shows a total cost of this bill of $2.129 billion. That figure then would be reduced by roughly one-half?

Mr. HOLLINGS. No, sir. I think that the chairman of the Budget Committee cited it accurately. Those do not have to do with outlays but only authorizations, and it could go that high over a 10-year period.

Mr. MUSKIE. On that point, the Appropriations Committee, of course, makes the funding decisions, and the Budget Committee for each year is in a position to recommend outlay totals to the Appropriations Committee on this program.

Mr. HOLLINGS. That is correct.

Mr. BELLMON. Is there an anticipated cost of the program is my question.

Mr. HOLLINGS. The anticipated cost of the program is at a one-third level of the particular authorization for the first year.

Mr. BELLMON. So this figure of $2.1 billion then would be more like $700 million.

Mr. HOLLINGS. Well, that $2.1 billion gets down, Senator BELLMON, to the 10th year that is projected out.

Mr. BELLMON. What I am trying to get at is what the costs will likely be over 10 years.

Mr. MUSKIE. The figure we have, may I say to the Senator, of the Budget staff is a budget estimated amount of $2 billion.

Mr. BELLMON. Is this $2 billion figure accurate?

Mr. HOLLINGS. Yes.

Mr. MUSKIE. Mr. President, the haste with which the Department of the Interior is approaching the search for oil and natural gas off the U.S. coastline makes it essential that we revise the Coastal Zone Management Act of 1972.

The new offshore leasing schedule which Interior officials are trying to follow will create new problems for coastal States. At a minimum, some of these States must cope with the arrival of drilling crews and their families, with the building of new staging and construction areas, and with the strains that these will put on transportation networks and public services. At a maximum, the new ventures could mean oil spills, damage to beaches and estuaries, and increased air pollution.

The States are entitled to help to plan for and pay for the consequences that offshore development will bring and S. 586 will provide that help.

The help is made available in two ways. The bill increases funds that are available under existing law to help States plan and administer coastal protection programs. It adds to existing law a special fund to help States cope with offshore oil development so long as offshore oil impacts are treated as part of its coastal zone management plan. The bill authorizes nearly $400 million for loans and grants during fiscal 1976. But it does so in a way that will prevent States which are making claims for help from turning the program into what the Commerce Committee calls in its report "a bureaucratic maze or windfall profits for consulting firms."

This is an important bill, not only for the job it sets out to do directly but for the larger problems it represents. As Senator from Maine, I support this bill. As chairman of the Budget Committee, I am obliged to spend some time today on the larger problems it represents.

The very survival of the United States depends on reliable supplies of energy at costs over which we have far more control than we now have. The Outer Continental Shelf may provide some of those supplies. Nobody knows for certain. But even if oil is discovered off the Atlantic coast, for example, it is likely to meet our needs only for a matter of years, not for decades. So one message of S. 586 is that it would be criminally foolish to plunder our coastlines for the sake of a limited supply of energy. One message is that the job of offshore energy development must be done carefully and properly.

There is another message associated with S. 586. It represents months of hard work, of study, of hearings, and of negotiations. And yet, as I have said, it may well deal with only a limited contribution to our future energy needs. Thus, S. 586 is an indication of the complexity and magnitude of the job this country faces in solving its energy problems.

Finally, S. 586 is expensive. It is a good bill. It is an important bill. It is a necessary bill. But it will cost nearly $2 billion over the next 10 years. And S. 586 is as good a warning as we are likely to get this early in the session of what we are up against in trying to establish priorities for rationing the money available to us in the fiscal 1976 budget.

This bill does, however, exceed the budget resolution regarding budget authority, but is well within budget authority regarding outlays this year. In drafting the budget ceiling, we assumed a total of $300 million in budget authority for fiscal 1976 for the programs this bill would create. The bill calls for nearly $400 million in budget authority. In terms of outlays, the bill probably is below the original estimates. We assumed outlays of $300 million. Because so many of the programs in S. 586 are designed to take effect gradually, the Commerce Committee staff anticipates outlays of about $200 million in fiscal 1976.

Were it not for the fact that outlays under this bill will be $100 million less than the budget resolution contemplated, I would be required to support a reduction in budget authority. But inasmuch as a full appropriation of the budget authority figure contained in the bill would not increase outlays or the deficit projected in the budget resolution this year, I intend to support the bill. In future years, we will have to look closely at this program, however, and it may be that appropriations will need to be tailored to the larger fiscal picture as well as the needs that this bill addresses.

I may say to my colleagues that one statement in the prepared statement having to do with the budget authority question is more definite than now appears to be justified by what I hope I said to the Senator from South Carolina, and I want the RECORD to reflect that fact.

Mr. HOLLINGS. Very good.

Mr. BELLMON. Mr. President, I thank the distinguished Senator from Maine for his contribution in relation to the course of this legislation. It now appears from this chart on page 51, and I would like to call the attention of the Senate to the fact, that this bill is expected to cost some $2 billion over the next 10 years. I think we all ought to realize that when we cast our votes.

It is understandable that my colleagues from the coastal and Great Lakes States support this legislation, and those of us who come from the land-locked States have the obligation to call a spade a spade.

In my opinion, this bill is no more than a payoff to the coastal States for them to go on with the development of their energy resources.

There is no reason why funds beyond those already available for the coastal zone States legislated back in 1972 are necessary to plan for energy resource development in the Outer Continental Shelf for onshore impact. Moreover, the States and localities have their taxing, zoning, State, and police powers to deal with in the construction of energy-related facilities.

It is necessary for me to call attention to the rising tide of national dismay at the short-sighted attitude of some of the coastal States which, up to now, prohibited offshore drilling or the construction of refineries or other energy-related developments which are necessary to help the Nation out of its energy dilemma.

Oklahoma and other similarly situated States have allowed, in fact we have encouraged, the development of our energy resources for many years. Now, through controls on the price of crude oil and natural gas, we are having our property literally expropriated for the benefit of some of those same coastal States that seek this legislation, in the very heavy cost of this bill. We are even presently losing millions of dollars in tax revenues every year because of our State and local taxes being necessarily based upon the artificially low prices that Congress has mandated.

The question is, Where is the payoff for States like Oklahoma or other energy-producing areas? The passage of this act is an invitation to every State to lock up its natural resources against development until the Federal Government submits itself to this kind of blackmail.

Already the political powers of the populous States are taking natural gas and old oil from the producing States at from one-third to one-half the value of these products by what I consider to be short-sighted actions.

Now, the same forces are undertaking to legislate this kind of a bill that pays the States, that have not been willing to have their energy resources developed, to go ahead and do the things which we have been doing for many years.

Mr. President, this bill can only be described as a multibillion-dollar ripoff of the coastal States, and I urge its defeat.

ADDITIONAL STATEMENTS ON S. 586

Mr. KENNEDY. Mr. President, the Coastal Zone Management Act Amendments we have before us today are a recognition by the Congress of the significant impacts which will result from accelerated offshore leasing and of the needs of coastal States for assistance in planning to absorb those impacts. It is the result of nearly 2 years of study, hearings and investigations. It takes into account the views of local and State officials, concerned public interest groups, and representatives of business and industry—all of whom presented testimony during the development of the legislation.

My own Subcommittee on Administrative Practice and Procedure participated actively in this process. It was just a year ago that my subcommittee, together with the National Ocean Policy Study, held field hearings in Boston to solicit the views of concerned New Englanders on what legislative and administrative actions were necessary to assure full protection of the public interest, both in the procedures leading up to a final decision on whether offshore leasing should go forward and in insuring adequate protection of the interests of New England if exploration and development is undertaken on the Georges Bank.

Those hearings made clear the deep concern which exists in all sectors of the New England economy over the adequacy of petroleum supplies and the price we are paying for oil. New England has led the Nation in conservation. Our State officials have been in the forefront of efforts to bring about lower prices and to remove the burden which results from our dependence on high-priced foreign oil imports.

Nevertheless, those hearings also made clear just how pervasive the concern is—among business and industry, among fishing interests, among tourist and recreation interests and among citizens groups—that they have not been brought into the formulation of Federal energy policy. A suspicious and distrustful attitude had developed between our regional, State and local groups and the Federal Government. It threatened to stand in the way of the necessary cooperative effort we must make to develop national energy policies which are fair and equitable to all regions.

One critical portion of the Federal energy policy is the decisionmaking process involving our offshore oil and gas reserves. If offshore oil and gas will help reduce energy costs, if it can be developed without jeopardizing our environment, if it can be brought in without destroying our tourist and fishing industries, if it can be carried out without distorting our future coastal development I believe we will be able to win the support of the people of New England for a well-planned offshore leasing program.

At present, however, there is little incentive for coastal States like New England to offer their support to such a program. The oil that becomes available will sell at premium prices, not subject to price controls. In Massachusetts, where many of our communities are operating on a marginal tax base, we cannot afford the schools, hospitals and other facilities which will be required during an intensive effort to bring offshore areas into production. And with an unemployment rate now over 10 percent in Massachusetts, we cannot afford a cycle of boom and bust economies, where communities may gain jobs for a short period, only to be plunged back into high unemployment once the rigs are in place and the demand for labor returns to predevelopment levels.

We know that large amounts of land will be needed if we are to construct refineries, petro-chemical plants and other related facilities—but lacking information on the extent of deposits on Georges Bank we cannot make even the roughtest estimate of the extent of our potential need for such facilities. The possibility exists of having 17 percent of the prime industrial land in Rhode Island and eastern Massachusetts utilized in the full development of offshore oil and gas. A commitment of this amount of land, with its consequent environmental impacts, will have significant ramifications for the area and should not be undertaken without sufficient study and policy consideration. We do not know whether any of the oil which may be found on Georges Bank will be transported into New England—a crucial factor in determining how on-shore development should proceed. We do not know the net impact of the needed increase in services which will be required of municipalities, which may outweigh the benefits of any increase in employment and tax revenues. We do not know what shifts in population may occur and the increased services which may be required to meet changing populations. We do not know how cities will be able to respond to development activity which may occur.

Our fishing industry, although it has been on the narrow edge of survival for many years, is still a $50 million enterprise, and too valuable to be pushed aside without more accurate information on what the long term effects of offshore development will be on commercial fishing stocks and the access of fishermen to those stocks. We have a recreation industry that supplies 75,000 primary jobs and over 100,000 for secondary employment. The keystone to this industry is the ocean—especially along Cape Cod, the closest landfall to the proposed area of petroleum development in New England.

All of these issues are particularly critical to Massachusetts and New England following the Interior Department's announcement last month that it is calling for nominations for accelerated oil and gas development on Georges Bank. This action sets in motion a 15-month process which may culminate in the sale of leases on Georges Bank to oil companies in August of next year. It was taken despite the fact that the Department has failed to respond to our requests for data on the value of these publicly owned energy resources and despite the absence of equally accelerated action to protect marine and coastal resources. My letter to Secretary Hathaway, a copy of which I will ask to be printed at the conclusion of my remarks, states those concerns more fully. I am still awaiting a reply.

In the absence of steps by the executive branch to win public confidence in the offshore oil and gas leasing process and to initiate a cooperative effort between local, State and Federal Governments, the Senate, in the bill we have before us today, is assigning high priority to the resolution of these problems. The following provisions of the pending Coastal Zone Management Act amendments will be of particular importance:

The establishment of a coastal energy facility impact fund, providing loans and grants of up to $250 million per year for 3 years to offset impacts of major energy facilities;

The establishment of a Coastal Impacts Review Board to determine whether States will suffer adverse impacts from energy facilities;

The authorization of a Federal guarantee of State or local bonds used to provide public facilities and services required by offshore energy production operations;

The clarification of offshore leases as activities which must be consistent with federally-approved coastal zone management programs and assurance that onshore impacts from offshore operations will have to conform with State coastal zone plans;

The provision of $10 million annually for coastal zone research and training needed to speed the completion of State coastal zone programs;

The authorization of $5 million for interstate compacts or regional agreements among States to help solve major Federal-State problems and conflicts and for coordination of coastal zone programs;

The provision of $50 million annually for acquisition of lands to provide protection of and access to public beaches and for island preservation;

An increase in the Federal share for coastal zone program development and management from two-thirds to 80 percent; and

An increase in the authorization for program development grants and for the management of approved programs.

State officials in Massachusetts, as in other coastal States, face a formidable task in establishing mechanisms for planning for the onshore impacts of offshore development. In my own State efforts are underway to plan for future growth and development in the coastal zone taking into account the physical capability of the land, the economic potential of our own State and of the New England region, and the social goals of the people in our area. Planning will be required to identify sites or areas that meet environmental, economic and social criteria for facilities related to offshore development. Regional needs for the siting of offshore related facilities will also be considered, and tradeoffs between and among the States will probably be required. Methods will have to be developed within each State for evaluating the siting of offshore related facilities, in relationship to all other uses.

In addition to siting problems, Massachusetts and New England must take into account relevant policies, resource capabilities and legal and institutional mechanisms. Critical environmental areas that must be protected from such activities will have to be identified. All the work will have to be integrated, not only within each coastal zone program, but also within the context of all State natural resource management programs.

In Massachusetts this planning process is already well underway. We have an Energy Facility Siting Council, established in 1973 and expanded last year, with powers to regulate location of electric powerplants and liquefied natural gas storage sites. The New England River Basins Commission has recommended that the Council be further expanded to include control over locations of any refinery operations, and that other States set up similar agencies. The New England Regional Commission is conducting a survey of potential sites which will at least offer a frame of reference for discussion by the separate States in working toward a unified approach to siting. Lt. Gov. Thomas O'Neill, in coordination with the New England Commission, has convened a conference of all relevant State officials to discuss the issue of offshore development on Georges Bank. A Cabinet level task force has been established to oversee the issues pertaining to the potential development of Georges Bank.

The planning process, and the subsequent implementation of an approved plan, is an expensive and complex process. States like Massachusetts urgently need the additional resources which will be provided by the Coastal Zone Management Act amendments before us today.

The provisions of the pending amendments will help us in clarifying some of these impacts on land use and the coastal zone. The amendments to the Outer Continental Shelf Lands Act, which have been ordered reported by the Senate Interior Committee and which will be before the Senate shortly, will assist in remedying present inadequacies in the offshore leasing process itself, in the access of the public to data concerning the extent of offshore oil and gas resources, in the ability of citizens to bring suits against the oil companies and the Federal Government for alleged violations of the OCS Act and in the liability of oil companies for oil spills in connection with offshore development.

I urge my colleagues to support the Coastal Zone Management Act Amendments of 1975 before us today, and to make a similar commitment to active participation in the upcoming debate on the Outer Continental Shelf Lands Act amendments.

I ask unanimous consent that my letter to Secretary Hathaway be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JUNE 18, 1975.

Hon. STANLEY HATHAWAY,
Secretary, Department of the Interior,
Washington, D.C.

DEAR MR. SECRETARY: I am deeply disturbed over the Interior Department's decision to call for nominations for oil and gas development on Georges Bank in the absence of vital information requested by local, state and federal officials from Massachusetts and New England.

At the outset, I want to emphasize that I am convinced that the citizens and public officials in the Northeast are prepared to give their support to a well-planned offshore leasing program. No area of the country is more aware of the need to develop new energy sources, or of the benefits which might come from an offshore drilling program which ensures that full value will be received for the tracts to be leased and which includes strong provisions for the protection of coastal areas.

I am concerned, however, that the lack of response by the Department to the serious questions which have been raised will continue to be a major barrier to public acceptance of offshore drilling. As you are aware, it was over two years ago that members of Congress concerned over the impact of offshore development urged the Administration to support an environmental impact assessment by the Council on Environmental Quality and the National Academy of Sciences. That study and critique were complete last year, and raised significant concerns which must be addressed prior to any tentative tract selection. Since that time, in hearings conducted by my Subcommittee on Administrative Practice and Procedure and in extensive testimony before a number of Senate Committees, witnesses have emphasized the need for more information prior to a decision to accelerate leasing in frontier offshore areas.

A prime concern has been the lack of data on the extent and value of offshore oil and gas deposits, and the need for a government survey of those resources, the results of which would be available to the public. The need for such a survey, as well as the advantages of separating the offshore exploration process from that of development, is addressed in legislation now moving through the Congress. This step would measurably improve the ability of the public to participate effectively in the offshore leasing process and contribute to public understanding of the risks and benefits associated with offshore development. An accelerated offshore leasing program should not be initiated prior to resolution of this issue.

Other on-going concerns are: the need to initiate immediately environmental base lines studies of the Georges Bank area; the designation of certain portions of the outer continental shelf as a national strategic reserve; an assessment of the impact on fishery resources of offshore development; and an agreement on what share of bonus and royalty payments resulting from offshore development will be shared by the states which lie adjacent to drilling sites.

None of these concerns has been addressed satisfactorily by the Department—and on some there has been no action at all.

As a priority matter in carrying out your responsibilities as Secretary, I am requesting that you take action to have these studies completed and to resolve the concerns we have outlined, prior to any tentative tract selection on Georges Bank. Winning public confidence and initiating a cooperative effort between local, state, and federal governments—factors which you emphasized in your testimony before the Senate Interior Committee—clearly must precede any further steps toward offshore drilling in frontier areas.

I look forward to hearing from you and believe that a full response from the Department can lead to the kind of public participation and public access to information necessary for effective involvement by concerned citizens in the offshore leasing decision making process.

Sincerely,

EDWARD M. KENNEDY,

Mr. PELL. Section 310(c) of the act authorizes a program of grants to State agencies for short-term research and training, with an authorization of $5 million a year. Could the distinguished chairman provide information on how this research fund will be administered? How will this research fund be coordinated with the sea grant college programs, many of which include significant coastal zone research conducted in cooperation with State management agencies?

Mr. HOLLINGS. It is the intent that these grants be fully coordinated within NOAA with ongoing programs of the sea grant program since the program itself will be administered by NOAA.

Mr. PELL. I note that the act provides no maximum grant to an individual State agency under section 310(c). Is it anticipated that the research funds will be distributed equally among all of the coastal States? What will be the guidelines in the distribution of these research funds? The sea grant legislation provides that no one State shall receive more than 15 percent of the total funds appropriated in any year.

Mr. HOLLINGS. The Secretary should develop guidelines so that those States with greatest needs will be appropriately aided.

Mr. PELL. Under the sea grant college program, Federal grants are on a 2-to-1 basis. This legislation provides 80 percent—4-to-1—matching grants for research. Is there not the possibility that States doing research under sea grant funds will in effect be penalized by being required to provide greater matching money, in comparison with States seeking research funds under this new provision?

Mr. HOLLINGS. No. I do not think this should be a problem because it is the intent of the committee that this money be used for quick turnaround research, often through the existing sea grant program as appropriate, but in no event to set up duplicating efforts.

Mr. PELL. Mr. President, the Coastal Zone Management Act Amendments of 1975, now being considered by the Senate, are vitally important to the future of the coastal zone of our Nation, and essential to the economic and environmental well-being of our coastal States.

The coastal zone has come under increasingly intense pressure as the Nation looks to its coastal areas for new energy sources, for powerplant sites, for ocean transportation and port facilities, for fishery and mineral resources, and for recreational opportunities.

The Coastal Zone Management Act amendments are intended to assist the States in meeting the challenge of managing the use of their coastal areas wisely, prudently and in the best interests of the public, in the face of these intense development pressures.

Our coastal States desperately need the assistance that would be provided by this act. As a Senator from a coastal State, and as a member of the Senate's National Ocean Policy Study, I fully support this expansion of the Coastal Zone Management Act amendment to help our States meet the extraordinary challenges that confront them.

In my own State of Rhode Island, we are acutely aware of the value of our coastal areas, and of the growing development pressures which threaten those areas. I am proud to say that Rhode Island has been a leader among the coastal States in its efforts to manage the burgeoning development of coastal areas.

Rhode Island was among the first States to qualify for Coastal Zone planning funds under the Coastal Zone Management Act, and it is among a handful of States that have enacted comprehensive coastal zone management legislation.

But even those States, such as Rhode Island, which have moved energetically and with foresight in coastal zone management, will need added assistance. Foremost among the problems we confront is the prospect of development of potential petroleum resources off the New England coast. As the committee has noted in its report, the decision to lease and develop those petroleum resources rests entirely with the Federal Government. But it is the States and the State governments which must bear the burden of preparing for and relieving the very severe on-shore impacts of offshore development.

I strongly support the establishment of a coastal energy impact fund, from which grants and loans will be made to coastal States, as provided in this legislation. Equally important are the provision of funds for acquisition of lands to provide protection of and access to public beaches and for island preservation, and the increase provided in funds for State program development and management.

Mr. President, the committee has noted in its report that effective coastal zone management requires research to provide the information needed to make informed decisions. The act provides $10 million annually for such research and for training, including $5 million annually for matching grants.

I agree fully that additional research is needed to support effective coastal zone management programs. At the present time, the most significant and effective source of funds for coastal zone research is the sea grant college program, which, like the coastal zone management program is a part of the National Oceanic and Atmospheric Administration.

In my own State of Rhode Island, the research programs funded at the University of Rhode Island by the sea grant college program function as the effective research arm of the State's coastal zone management program. The URI sea grant program has responded positively and effectively to the need for coastal zone information required by the State's coastal zone management program.

And this is not an isolated instance. It is no coincidence that these States in the forefront of coastal zone management efforts also have strong and effective sea grant college programs that are making significant and indeed vital contributions to management programs.

I would expect, therefore, that the additional coastal zone research funds provided by this legislation would be coordinated with existing sea grant college research programs, and would to the maximum extent possible be funneled through the existing sea grant college programs mechanisms.

Mr. President, as a Senator from a coastal State, as a member of the national ocean policy study, and as an original cosponsor of this legislation, I urge its approval.

Mr. CASE. As the distinguished Senator from South Carolina knows, both offshore oil drilling and deepwater oil ports have been proposed in the waters off the coast of New Jersey. As I read the provisions of section 308(b) and the definition of "energy facilities" in section 102, it is my understanding that the grants and loans mentioned in section 308(b) would be applicable to both offshore oil drilling and to deepwater ports. In order to establish a legislative record on this matter, would the Senator inform me whether my understanding in this matter is correct?

Mr. HOLLINGS. The understanding of the Senator from New Jersey is correct. It was the intent of the committee that the grants and loans mentioned in section 308(b) would be applicable to both offshore oil drilling and to deepwater ports which are handling petroleum. Deepwater ports are included in the meaning of "energy facilities," which are defined in section 102(j)(2)(E) as including "facilities for offshore loading and marine transfer of petroleum."

Mr. WILLIAMS. Mr. President, I am pleased to add my endorsement to S. 586 which is designed to strengthen the Coastal Zone Management Act of 1972.

In the State of New Jersey, we believe that Senator HOLLINGS and his colleagues showed remarkable foresight in initiating that legislation 3 years ago. Proposals are being made for a deepwater port, oil drilling and floating nuclear powerplants off our shore, and the only protection our precious coastal resource has is the Coastal Zone Management Act of 1972. This act was created to assist the States in developing adequate controls to prevent damage to the adjacent land and to preserve the fragile ecological balance in coastal areas.

New Jersey has a billion dollar tourist industry at stake as well as rich agricultural areas in its coastal zone. The development of offshore drilling will have a profound effect on recreation areas, commercial shipping, fishing, and waste disposal. Offshore drilling raises a myriad of questions concerning shifts in population density, adequate housing, educational facilities, and fire and police protection. Offshore drilling will have a critical influence on the quality of life in New Jersey's coastal areas.

Fortunately, my State is well along in preparing its comprehensive coastal zone plan. We are very eager to complete it so that Federal programs such as offshore drilling can be made to conform to New Jersey's needs.

Therefore, I am particularly pleased to see section (12) in the "General Provisions" of S. 586 which clarifies the intention of Congress in its original passage of the Coastal Zone plan so that Federal offshore leasing is included in the "consistency clause" of the act. That section proclaims unequivocally that once a State has a federally-approved coastal zone management program, Federal agencies must conduct their activities consistent with the program. In addition, Federal license and permit actions must also conform to the State plan. This "consistency" provision is the key to a successful State program for coastal zone management.

I welcome this clarification of what I believe to have been our original congressional intent. The clarification is needed in view of the administration's tendency to ignore the spirit of the act in developing its massive offshore leasing plan.

I am also concerned about the costs State and local governments will face if oil and gas are discovered in commercial quantities off our coast. The provision in S. 586 for a coastal energy facility impact fund with automatic grants based on OCS production or landing will help satisfy State and local officials that they will be compensated for onshore impacts of drilling. It is my understanding that this provision would include Federal assistance for the impacts from landing imported oil as well as energy produced offshore.

There will be some difficulty in being able to evaluate some of the impacts accurately. For example, how do we assess the cost of altering the nature of an agricultural community for a 30-year period. This will occur if oil comes ashore in southern New Jersey. We must prepare to deal with the issue now.

There are other improvements in this bill. The additional funds to States for the coastal zone management program will be very helpful to New Jersey and the other participating States. The formula providing a larger Federal share in the funding is also most welcome.

This legislation is an important step in assuring the States that energy facilities on the coasts will be made to conform to State coastal zone programs, and the costs which the States must bear will be adequately compensated. It is an improved mechanism for the coastal States to prepare adequately for the environmental, economic, and social impacts of offshore drilling on neighboring lands. I am pleased to support this congressional commitment to preserve the environment and protect the quality of life in our coastal areas. Most importantly, this legislation will not unduly burden the search for new energy supplies, but it will help to conduct that effort in a rational manner.

The administration has exhibited an unproductive and irresponsible haste in its headlong rush to expand offshore leasing. Serious problems exist in the current leasing practices. There are widespread doubts about what the industrial capabilities for development are. Inconsistent practices of Federal agencies are weakening the decisionmaking process.

In view of the administration's failure to demonstrate a willingness to protect our coastal environment, I am pleased that Congress has assumed a leadership role in properly assessing the critical questions regarding the onshore effects of the development of possible oil supplies on the Outer Continental Shelves. This attitude is more responsible, and I am sure will prove to be more productive in the long run.

Mr. HOLLINGS. I yield to the Senator from Montana.

DETERMINATION OF SENATE ELECTION IN NEW HAMPSHIRE

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the vote on the Scott motion which will follow, I assume, the vote on final passage of S. 586, be limited to 10 minutes.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

COASTAL ZONE MANAGEMENT ACT AMENDMENTS OF 1975

The Senate continued with the consideration of the bill (S. 586) to amend the Coastal Zone Management Act of 1972 to authorize and assist the coastal States to study, plan for, manage, and control the impact of energy resource development and production which affects the coastal zone, and for other purposes.

Mr. HOLLINGS. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make technical and clerical corrections in the engrossment of the Senate amendments.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HOLLINGS. Mr. President, I ask unanimous consent that the distinguished Senator from Delaware be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HOLLINGS. Mr. President, I thank my colleagues for their indulgence and support.

The PRESIDING OFFICER. Do the Senators yield back all their time?

Mr. HOLLINGS. I yield back all my time.

Mr. STEVENS. I yield back all my time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

The yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. Bayh), the Senator from Texas (Mr. Bentsen), the Senator from Nevada (Mr. Cannon), the Senator from Mississippi (Mr. Eastland), the Senator from Arkansas (Mr. McClellan), and the Senator from Rhode Island (Mr. Pastore) are necessarily absent.

I further announce that, if present and voting, the Senator from Rhode Island (Mr. Pastore) would vote "yea."

Mr. SCOTT of Pennsylvania. I announce that the Senator from Maryland (Mr. Beall), the Senator from New York (Mr. Javits), the Senator from Nevada (Mr. Laxalt), and the Senator from North Dakota (Mr. Young) are necessarily absent.

I further announce that the Senator from Michigan (Mr. Griffin) is absent due to a death in the family.

I further announce that, if present and voting, the Senator from New York (Mr. Javits) would vote "yea."

On this vote, the Senator from Maryland (Mr. Beall) is paired with the Senator from North Dakota (Mr. Young).

If present and voting, the Senator from Maryland would vote yea and the Senator from North Dakota would vote nay.

The result was announced—yeas 73, nays 15, as follows:

[Rollcall Vote No. 291 Leg.]

YEAS—73

Abourezk
Baker
Biden
Brooke
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Case
Chiles
Clark
Cranston
Culver
Domenici
Eagleton
Fong
Ford
Garn
Glenn
Gravel
Hansen
Hart, Gary W.
Hart, Philip A.
Hartke
Haskell
Hatfield
Hathaway
Hollings
Huddleston
Humphrey
Inouye
Jackson
Johnston
Kennedy
Leahy
Long
Magnuson
Mansfield
Mathias
McGee
McGovern
McIntyre
Metcalf
Mondale
Montoya
Morgan
Moss
Muskie
Nelson
Nunn
Packwood
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Scott, William L.
Sparkman
Stafford
Stennis
Stevens
Stevenson
Stone
Symington
Taft
Talmadge
Thurmond
Tunney
Weicker
Williams

NAYS—15

Allen
Bartlett
Bellmon
Brock
Buckley
Bumpers
Church
Curtis
Dole
Fannin
Goldwater
Helms
Hruska
McClure
Tower

NOT VOTING—11

Bayh
Beall
Bentsen
Cannon
Eastland
Griffin
Javits
Laxalt
McClellan
Pastore
Young

So the bill (S. 586) was passed, as follows:

S. 586

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I

SHORT TITLE

Sec. 101. This title may be cited as the "Coastal Zone Management Act Amendments of 1975".

GENERAL PROVISIONS

Sec. 102. The Coastal Zone Management Act of 1972, as amended (16 U.S.C. 1451 et seq.), is amended as follows:

(1) Section 302(b) of such Act (16 U.S.C. 1451(b)) is amended by inserting "ecological," immediately after "recreational,".

(2) Section 304(a) of such Act (16 U.S.C. 1453(a)) is amended by inserting therein "islands," immediately after the words "and includes".

(3) Section 304(e) of such Act (16 U.S.C. 1453(e)) is amended by deleting "and" after "transitional areas," and inserting "and islands," after "uplands,".

(4) Section 304 of such Act (16 U.S.C. 1453) is amended by adding at the end thereof the following new subsections:

"(j) 'Energy facilities' means new facilities, or additions to existing facilities—

"(1) which are or will be directly used in the extraction, conversion, storage, transfer, processing, or transporting of any energy resource; or

"(2) which are or will be used primarily for the manufacture, production, or assembly of equipment, machinery, products, or devices which are or will be directly involved in any activity described in paragraph (1) of this subsection and which will serve, impact, or otherwise affect a substantial geographical area or substantial numbers of people.

The term includes, but is not limited to, (A) electric generating plants; (B) petroleum refineries and associated facilities; (C) gasification plants; liquefied natural gas storage, transfer, or conversion facilities; and uranium enrichment or nuclear fuel processing facilities; (D) offshore oil and gas exploration, development, and production facilities, including platforms, assembly plants, storage depots, tank farms, crew and supply bases, refining complexes, and any other installation or property that is necessary or appropriate for such exploration, development or production; (E) facilities for offshore loading and marine transfer of petroleum; and (F) transmission and pipeline facilities, including terminals which are associated with any of the foregoing.

"(k) 'Person' has the meaning prescribed in section 1 of title 1, United States Code, except that the term also includes any State, local, or regional government; the Federal Government; and any department, agency, corporation, instrumentality, or other entity or official of any of the foregoing.

"(l) 'Public facilities and public services' means any services or facilities which are financed, in whole or in part, by State or local government. Such services and facilities include, but are not limited to, highways, secondary roads, parking, mass transit, water supply, waste collection and treatment, schools and education, hospitals and health care, fire and police protection, recreation and culture, other human services and facilities related thereto, and such governmental services as are necessary to support any increase in population and development.".

(5) Section 305(b) of such Act (16 U.S.C. 1454(b)) is amended by deleting the period at the end thereof and inserting in lieu thereof a semicolon, and by adding at the end thereof the following new paragraphs:

"(7) a definition of the term 'beach' and a general plan for the protection of, and access to, public beaches and other coastal areas of environmental, recreational, historical, esthetic, ecological, and cultural value;

"(8) planning for energy facilities to be located in the coastal zone, planning for and management of the anticipated impacts from any energy facility, and a process or mechanism capable of adequately conducting such planning activities.".

(6) Section 305(c) of such Act (16 U.S.C. 1454(c)) is amended by deleting "66⅔" and inserting in lieu thereof "80", and by deleting in the first sentence thereof "three" and inserting in lieu thereof "four".

(7) Section 305(d) of such Act (16 U.S.C. 1454(d)) is amended by—

(A) deleting the period at the end of the first sentence thereof and inserting in lieu thereof the following ": *Provided*, That notwithstanding any provision of this section or of section 306 no State management program submitted pursuant to this subsection shall be considered incomplete, nor shall final approval thereof be delayed, on account of such State's failure to comply with any regulations that are issued by the Secretary to implement subsection (b)(7) or (b)(8) of this section, until September 30, 1978."; and

(B) deleting the period at the end thereof and inserting in lieu thereof the following ": *Provided*, That the State shall remain eligible for grants under this section through the fiscal year ending in 1978 for the purpose of developing a beach and coastal area access plan and an energy facility planning process for its State management program, pursuant to regulations adopted by the Secretary to implement subsections (b)(7) and (b)(8) of this section.".

(8) Section 305(h) of such Act (16 U.S.C. 1454(h)) is amended by deleting "June 30, 1977" and inserting in lieu thereof "September 30, 1979".

(9) Section 306(a) of such Act (16 U.S.C. 1455(a)) is amended by deleting "66⅔" and inserting in lieu thereof "80".

(10) Section 306(c)(8) of such Act (16 U.S.C. 1455(c)(8)) is amended by adding at the end thereof the following new sentence: "In considering the national interest involved in the planning for and siting of such facilities which are energy facilities located within a State's coastal zone, the Secretary shall further find, pursuant to regulations adopted by him, that the State has given consideration to any applicable interstate energy plan or program which is promulgated by an interstate entity established pursuant to section 309 of this title.".

(11) Section 306 of such Act (16 U.S.C. 1455) is amended by adding at the end thereof the following new subsection:

"(1) As a condition of a State's continued eligibility for grants pursuant to this section, the management program of such State shall, after the fiscal year ending in 1978, include, as an integral part, an energy facility planning process, which is developed pursuant to section 305(b)(8) of this title, and approved by the Secretary, and a general plan for the protection of, and access to, public beaches and other coastal areas, which is prepared pursuant to section 305(b)(7) of this title, and approved by the Secretary.".

(12) Section 307(c)(3) of such Act (16 U.S.C. 1456(c)(3)) is amended by (A) deleting "license or permit" in the first sentence thereof and inserting in lieu thereof "license, lease, or permit"; (B) deleting "licensing or permitting" in the first sentence thereof and inserting in lieu thereof "licensing, leasing, or permitting"; and (C) deleting "license or permit" in the last sentence thereof and inserting in lieu thereof "license, lease, or permit".

(12) Sections 308 through 315 of such Act (16 U.S.C. 1457 through 1464) are redesignated as sections 311 through 318 thereof, respectively; and the following three new sections are inserted as follows:

"COASTAL ENERGY FACILITY IMPACT PROGRAM

"SEC. 308. (a) The Secretary is authorized to make a grant to a coastal State, if he determines that such State's coastal zone has been, or is likely to be, impacted by the exploration for, or the development or production of, energy resources or by the location, construction, expansion, or operation of an energy facility. Such grant shall be for the purpose of enabling such coastal State to study and plan for the economic, environmental, and social consequences which are likely to result in such coastal zone from exploration for and development or production of such energy resources or from the location, construction, expansion, or operation of such an energy facility. The amount of such a grant may equal up to 100 percent of the cost of such study and plan, to the extent of available funds.

"(b) The Secretary is authorized to make a loan and/or a grant to a coastal State, if he determines, pursuant to subsections (d) and (e) of this section, that such State's coastal zone has been or is likely to be adversely impacted by exploration for or by development or production of energy resources or by the location, construction, expansion, or operation of an energy facility, if such adverse impact will result as a consequence of a license, lease, easement, or permit issued or granted by the Federal Government which permits—

"(1) the exploration for, or the drilling, mining, removal, or extraction of, energy resources;

"(2) the siting, location, construction, expansion, or operation of energy facilities by a lessee, licensee, or permittee; or

"(3) the siting, location, construction, expansion, or operation of energy facilities by or for the United States Government.

The proceeds of such a loan or grant shall be used for—

"(A) projects which are designed to reduce, ameliorate, or compensate for the net adverse impacts; and/or

"(B) projects which are designed to provide new or additional public facilities and public services which are made necessary, directly or indirectly, by the location, construction, expansion, or operation of such an energy facility or energy resource exploration, development or production.

The amount of such a loan or grant may equal up to 100 percent of the cost of such a project, to the extent of available funds.

"(c)(1) The Secretary may make a grant to a coastal State for a purpose specified in subsection (b) of this section, if he determines that such State will suffer net adverse impacts in its coastal zone, as a result of exploration for, or development and production of, energy resources; as a result of the location, construction, expansion, or operation of an energy facility over the course of the projected or anticipated useful life of such energy facility; or as a result of exploration, development, or production activity.

"(2) The Secretary may make a loan to a coastal State for a purpose specified in subsection (b) of this section, if the Secretary determines that such State will experience temporary adverse impacts as a result of exploration for, or development or production of, energy resources or as a result of the location, construction, expansion, or operation of an energy facility if such facility or such energy resource exploration, development or production is expected to produce net benefits for such State over the course of its projected or anticipated useful life. No such loan, including any renewal or extension of a loan, shall be made for a period exceeding 40 years. The Secretary shall from time to time establish the interest rate or rates at which loans shall be made under this subsection, but such rate shall not exceed an annual percentage rate of 7 percent. The borrower shall pay such fees and other charges as the Secretary may require. The Secretary may waive repayment of all or any part of a loan made under this subsection, including interest, if the State involved demonstrates, to the satisfaction of the Secretary, that due to a change in circumstances there are anticipated or resultant net adverse impacts over the life of an energy facility or energy resource exploration, development or production which would qualify the State for a grant pursuant to paragraph (1) of this subsection.

"(d) The Secretary shall, by regulations promulgated in accordance with section 553 of title 5, United States Code, establish requirements for grant and loan eligibility pursuant to this section. Such requirements shall include criteria, which may include a formula, for calculating the amount of a grant or loan based upon the difference, to the State involved, between the benefits and the costs which are attributable to the exploration for or development and production of energy resources or to the location, construction, expansion, or operation of an energy facility. Such criteria shall insure that grants and loans under this section relating to impacts resulting from the exploration, development and production, and related energy facilities shall receive first priority among competing applications. Such regulations shall provide that a State is eligible for a grant or loan upon a finding by the Secretary that such State—

"(1) is receiving a program development grant under section 305 of this title or is engaged in such program development in a manner consistent with the goals and objectives of this Act, as determined by the Secretary, and is making satisfactory prograss, as determined by the Secretary, toward the development of a coastal zone management program, or that it has an approved such program pursuant to section 306 of this title;

"(2) has demonstrated to the satisfaction of the Secretary that it has suffered, or is likely to suffer, no adverse impacts, according to the criteria or formula promulgated by the Secretary, and has provided all information required by the Secretary to calculate the amount of the grant or loan; and

"(3) has demonstrated to the satisfaction of the Secretary and has provided adequate assurances that the proceeds of such grant or loan will be used in a manner that will be consistent with the coastal zone management program being developed by it, or with its approved program, pursuant to section 305 or 306 of this title, respectively.

"(e) Within 180 days after approval of this Act, the Secretary shall issue regulations prescribing criteria in accordance with this Act for determining the eligibility of a coastal State for grants pursuant to subsections (a), (b), and (c)(1) of this section, and regulations for determining the amount of such grant or loan, in accordance with the following provisions:

"(1) The regulations shall specify the means and criteria by which the Secretary shall determine whether a State's coastal zone has been, or is likely to be, adversely impacted, as defined in this section, and the means and criteria by which 'net adverse impacts' and 'temporary adverse impacts' will be determined.

"(2) Regulations for grants pursuant to subsection (a) of this section for studying and planning, shall include appropriate criteria for the activities for which funds will be provided under such subsection, including a general range of activities for which a coastal State may request funds.

"(3) Regulations for grants and/or loans for projects pursuant to subsections (b) and (c) of this section shall specify criteria for determining—

"(A) the amounts which will be provided for such projects; and

"(B) guidelines and procedures for evaluating those projects which each coastal State considers to be most needed.

"(4) Regulations for loans shall provide for such security as the Secretary deems necessary, if any, to protect the interests of the United States and for such terms and conditions as give assurance that such loans will be repaid within the time fixed.

"(5) In all cases, each recipient of financial assistance under this section shall keep such records as the Secretary shall prescribe, including records which fully disclose the amount and disposition by suh recipient of the proceeds of such assistance, the total cost of the project or undertaking in connection with which such assistance was given or used, and such other records as will facilitate an effective audit. The Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, shall until the expiration of 3 years after the completion of the project or undertaking involved (or repayment of a loan, in such cases) have access for the purpose of audit and examination to any books, documents, papers, and records of such recipients which, in the opinion of the Secretary or the Comptroller General may be related or pertinent to any financial assistance received pursuant to this section.

"(6) In developing regulations under this section, the Secretary shall consult with the appropriate Federal agencies, with representatives of appropriate State and local governments, commercial and industrial organizations, public and private groups, and any other appropriate organizations with knowledge or concerns regarding net adverse impacts that may be associated with the energy facilities affecting the coastal zone.

"(f) A coastal State may, for the purpose of carrying out the provisions of this section and with the approval of the Secretary, allocate all or a portion of any grant or loan received under this section to (1) a local government; (2) an areawide agency designated under section 204 of the Demonstration Cities and Metropolitan Development Act of 1966; (3) a regional agency; or (4) an interstate agency: *Provided*, That such allocation shall not relieve such State of the responsibility for ensuring that any funds so allocated shall be applied in furtherance of the purposes of this section.

"(g) A coastal State which has experienced net adverse impacts in its coastal zone as a result of the development or production of energy resources or as a result of the location construction, expansion, or operation of energy facilities within 3 years prior to the date of enactment of this section is entitled to receive from the Secretary grants or loans pursuant to subsections (a) and (b) of this section to the same extent as if such net adverse impacts were experienced after the date of enactment, and to the extent necessary to reduce or ameliorate or compensate for such net adverse impacts, within the limit of available funds. This subsection shall expire 5 years from the date of enactment of this section.

"(h) All funds allocated to the Secretary for the purposes of this section, except those funds made available pursuant to subsection (k), shall be deposited in a fund which shall be known as the Coastal Energy Facility Impact Fund. This fund shall be administered and used by the Secretary as a revolving fund for carrying out such purposes. General expenses of administering this section may be charged to this fund. Moneys in this fund may be deposited in interest-bearing accounts or invested in bonds or other obligations which are guaranteed as to principal and interest by the United States.

"(i) In calculating the amount of a grant or loan, the Secretary shall give adequate consideration to the recommendations of a Coastal Impacts Review Board. Such Board shall consist of two members designated by the Secretary, one member designated by the Secretary of the Interior, one member designated by the Council on Environmental Quality, and four members appointed by the President as designated by the National Governors Conference. Such Board shall recommend the award of grants or loans upon a determination of net adverse impacts and following the procedures and criteria set forth in this section.

"(j) Nothing in this section shall be construed to modify or abrogate the consistency requirements of section 307 of this Act.

"(k) The Secretary shall, in addition to any financial assistance provided to, or available to, coastal states pursuant to any other subsection of this section, distribute grants annually in accordance with the provisions of this subsection. The moneys received under this subsection shall be expended by each State receiving such grants solely for the purpose of reducing or ameliorating adverse impacts resulting from the exploration for, or the development or production of, energy resources or resulting from the location, construction, expansion, or operation of a related energy facility and/or for projects designed to provide new or additional public facilities and public services which are related to such exploration, development, production, location, construction, expansion, or operation, except that such grants shall initially be designated by each receiving State to retire State and local bonds, if any, which are guaranteed under section 316 of this Act; *Provided*, That, if the amount of such grants is insufficient to retire both State and local bonds, priority shall be given to retiring local bonds. Subject to the foregoing expenditure requirements, each coastal State shall be entitled to receive a grant under this subsection if such State is, on the first day of the fiscal year—

"(1) adjacent to Outer Continental Shelf lands on which oil or natural gas is being produced; or

"(2) permitting crude oil or natural gas to be landed in its coastal zone: *Provided*, That such crude oil or natural gas has been produced on adjacent Outer Continental Shelf lands of such State or on Outer Continental Shelf lands which are adjacent to another State and transported directly to such State. In the event that a State is landing oil or natural gas produced adjacent to another State, the landing State shall be eligible for grants under this subsection at a rate half as great as that to which it would be eligible in any given year if the oil were produced adjacent to the landing State. In the event that a State is adjacent to Outer Continental Shelf lands where oil or natural gas is produced, but such oil or natural gas is landed in another State, the adjacent State shall be eligible for grants under this subsection at a rate half as great as that to which it would be eligible in any given year if the oil or natural gas produced adjacent to that State were also landed in that State.

Such states shall become eligible to receive such automatic grants in the first year that the amount of such oil or natural gas landed in the State or produced on Outer Continental Shelf lands adjacent to the State (as determined by the Secretary) exceeds a volume of 100,000 barrels per day of oil or an equivalent volume of natural gas. There are authorized to be appropriated for this purpose sufficient funds to provide such States with grants in the amount of 20 cents per barrel or its equivalent during the first year, 15 cents per barrel or its equivalent during the second year, 10 cents per barrel or its equivalent during the third year, and 8 cents per barrel or its equivalent during the fourth and all succeeding years during which oil or gas is landed in such a state or produced on Outer Continental Shelf lands adjacent to such a state: *Provided*, That (A) such funds shall not exceed $100,000,000 for the fiscal year ending June 30, 1976; $25,000,000 for the fiscal quarter ending September 30, 1976; $100,000,000 for the fiscal year ending September 30, 1977; and $100,000,000 for the fiscal year ending September 30, 1978; and (B) such funds shall be limited to payments for the first one and one-half million barrels of oil (or its gas equivalent) per day per State for the 10 succeeding fiscal years. The amount of such grant to each such State in any given year shall be calculated on the basis of the previous year's volume of oil or natural gas landed in the State or produced adjacent to the State. For the purposes of this section, one barrel of crude oil equals 6,000 cubic feet of natural gas.

(l) Any funds provided to any State under this section not expended in accordance with the purposes authorized herein shall be returned to the Treasury by such State.

"(m) There are hereby authorized to be appropriated to the Coastal Energy Facility Impact Fund such sums not to exceed $200,000,000 for the fiscal year ending June 30, 1976, not to exceed $50,000.000 for the transitional fiscal quarter ending September 30, 1976, not to exceed $200,000,000 for the fiscal year ending September 30, 1977, and not to exceed $200,000,000 for the fiscal year ending September 3, 1978, as may be necessary, for grants and/or loans under this section, to remain available until expended. No more than 25 percent of the total amount appropriated to such fund for a particular fiscal year shall be used for the purposes set forth in subsection (a) of this section.

"(n) Section 35 of the Act of February 25, 1920 (41 Stat. 450), as amended (30 U.S.C. 191), is further amended by deleting '52½ per centum thereof shall be paid into, reserved' and inserting in lieu thereof: '30 per centum thereof shall be paid into, reserved,' and is further amended by striking the period at the end of the provision and inserting in lieu thereof the following language: '*And provided further*, That an additional 22½ per centum of all moneys received from sales, bonuses, royalties, and rentals of public lands under the provisions of this chapter shall be paid by the Secretary of the Treasury as soon as practicable after December 31 and June 30 of each year to the State within the boundaries of which the leased lands or deposits are or were located; said additional 22½ per centum of all moneys paid to any State on or after January 1, 1976, shall be used by such State and its subdivisions, as the legislature of the State may direct giving priority to those subdivisions of the State socially or economically impacted by development of minerals leased under this Act for (1) planning, (2) construction and maintenance of public facilities, and (3) provision of public services.

"INTERSTATE COORDINATION GRANTS TO STATES

"SEC. 309. (a) The States are encouraged to give high priority (1) to coordinating State coastal zone planning, policies, and programs in contiguous interstate areas, and (2) to studying, planning, and/or implementing unified coastal zone policies in such areas. The States may conduct such coordination, study, planning, and implementation through interstate agreement or compacts. The Secretary is authorized to make annual grants to the coastal States, not to exceed 90 per centum of the cost of such coordination, study, planning, or implementation, if the Secretary finds that each coastal State receiving a grant under this section will use such grants for purposes consistent with the provisions of sections 305 and 306 of this title.

"(b) The consent of the Congress is hereby given to two or more States to negotiate and enter into agreements or compacts, not in conflict with any law or treaty of the United States, for (1) developing and administering coordinated coastal zone planning, policies, and programs, pursuant to sections 305 and 306 of this title, and (2) the establishment of such agencies, joint or otherwise, as the States may deem desirable for making effective such agreements and compacts. Such agreement or compact shall be binding and obligatory upon any State or party thereto without further approval by Congress.

"(c) Each executive instrumentality which is established by an interstate agreement or compact pursuant to this section is encouraged to establish a Federal-State consultation procedure for the identification, examination, and cooperative resolution of mutual problems with respect to the marine and coastal areas which affect, directly or indirectly, the applicable coastal zone. The Secretary, the Secretary of the Interior, the Chairman of the Council on Environmental Quality, and the Administrator of the Environmental Protection Agency, the Administrator of the Federal Energy Administration, or their designated representatives, are authorized and directed to participate ex officio on behalf of the Federal Government, whenever any such Federal-State consultation is requested by such an instrumentality.

"(d) Prior to establishment of an interstate agreement or compact pursuant to this section, the Secretary is authorized to make grants to a multistate instrumentality or to a group of States for the purpose of creating temporary ad hoc planning and coordinating entities to—

"(1) coordinate State coastal zone planning, policies, and programs in contiguous interstate areas;

"(2) study, plan, and/or implement unified coastal zone policies in such interstate areas; and

"(3) provide a vehicle for communication with Federal officials with regard to Federal activities affecting the coastal zone of such interstate areas.

The amount of such grants shall not exceed 90 percent of the cost of creating and maintaining such an entity. The Secretary, the Secretary of the Interior, the Chairman of the Council on Environmental Quality, and the Administrator of the Environmental Protection Agency, or their designated representatives, are authorized and directed to participate ex officio on behalf of the Federal Government, upon the request of the parties to such ad hoc planning and coordinating entities. This subsection shall become void and cease to have any force or affect 5 years after the date of enactment of this title.

"COASTAL RESEARCH AND TECHNICAL ASSISTANCE

"SEC. 310. (a) In order to facilitate the realization of the purposes of this Act, the Secretary is authorized to encourage and to support private and public organizations concerned with coastal zone management in conducting research and studies relevant to coastal zone management.

"(b) The Secretary is authorized to conduct a program of research, study, and training to support the development and implementation of State coastal zone management programs. Each department, agency, and instrumentality of the executive branch of the Federal Government shall assist the Secretary, upon his written request, on a reimbursable basis or otherwise, in carrying out the purposes of this section, including the furnishing of information to the extent permitted by law, the transfer of personnel with their consent and without prejudice to their position and rating, and in the actual conduct of any such research, study, and training so long as such activity does not interfere with the performance of the primary duties of such department, agency, or instrumentality. The Secretary may enter into contracts and other arrangements with suitable individuals, business entities, and other institutions or organizations for such purposes. The Secretary shall make the results of research conducted pursuant to this section available to any interested person. The Secretary shall include, in the annual report prepared and submitted pursuant to this Act, a summary and evaluation of the research, study, and training conducted under this section.

"(c) The Secretary is authorized to assist the coastal States to develop their own capability for carrying out short-term research, studies, and training required in support of coastal zone management. Such assistance may be provided by the Secretary in the form of annual grants. The amount of such a grant to a coastal State shall not exceed 80 percent of the cost of developing such capability.".

(14) Section 316, as redesignated, of such Act (16 U.S.C. 1462) is amended by amending subsection (a) thereof as follows: (A) deleting "and" at the end of paragraph (8) thereof immediately after the semicolon; (B) renumbering paragraph (9) thereof as paragraph (11) thereof; and (C) inserting the following two new paragraphs:

"(9) a general description of the economic, environmental, and social impacts of the development or production of energy resources or the siting of energy facilities affecting the coastal zone;

"(10) a description and evaluation of interstate and regional planning mechanisms developed by the coastal States; and".

(15) Section 318, as redesignated, of such Act (16 U.S.C. 1464) is further redesignated and amended to read as follows:

"AUTHORIZATION FOR APPROPRIATIONS

"SEC. 320. (a) There are authorized to be appropriated—

"(1) the sum of $20,000,000 for the fiscal year ending June 30, 1976, $5,000,000 for the transitional fiscal quarter ending September 30, 1976, $20,000,000 for the fiscal year ending September 30, 1977, $20,000,000 for the fiscal year ending September 30, 1978, and $20,000,000 for the fiscal year ending September 30, 1979, for grants under section 305 of this Act, to remain available until expended;

"(2) such sums, not to exceed $50,000,000 for the fiscal year ending June 30, 1976, $12,500,000 for the transitional fiscal quarter ending September 30, 1976, $50,000,000 for the fiscal year ending September 30, 1977, $50,000,000 for the fiscal year ending September 30, 1978, $50,000,000 for the fiscal year ending September 30, 1979, and $50,000,000 for the fiscal year ending September 30, 1980, as may be necessary, for grants under section 306 of this Act, to remain available until expended;

"(3) such sums, not to exceed $5,000,000 for the fiscal year ending June 30, 1976, $1,200,000 for the transitional fiscal quarter ending September 30, 1976, $5,000,000 for the fiscal year ending September 30, 1977, $5,000,000 for the fiscal year ending September 30, 1978, $5,000,000 for the fiscal year ending September 30, 1979, $5,000,000 for the fiscal year ending September 30, 1980, and $5,000,000 for each of the fiscal years ending September 30, 1981, September 30, 1982, September 30, 1983, September 30, 1984, and September 30, 1985, as may be necessary, for grants under section 309 of this Act, to remain available until expended;

"(4) such sums, not to exceed $5,000,000 for the fiscal year ending June 30, 1976, $1,200,000 for the transitional fiscal quarter ending September 30, 1976, $5,000,000 for the fiscal year ending September 30, 1977, $5,000,000 for the fiscal year ending September 30, 1978, $5,000,000 for the fiscal year ending September 30, 1979, $5,000,000 for the fiscal year ending September 30, 1980, and $5,000,000 for each of the fiscal years ending September 30, 1981, September 30, 1982, September 30, 1983, September 30, 1984, and September 30, 1985, as may be necessary, for financial assistance under section 310(b) of this Act, to remain available until expended;

"(5) such sums, not to exceed $5,000,000 for the fiscal year ending June 30, 1976, $1,2000,000 for the transitional fiscal quarter ending September 30, 1976, $5,000,000 for the fiscal year ending September 30, 1977, $5,000,000 for the fiscal year ending September 30, 1978, $5,000,000 for the fiscal year ending September 30, 1979, $5,000,000 for the fiscal year ending September 30, 1980, and $5,000,000 for each of the fiscal years ending September 30, 1981, September 30, 1982, September 30, 1983, September 30, 1984, and September 30, 1985, as may be necessary, for financial assistance under section 310(c) of this Act, to remain available until expended;

"(6) the sum of $50,000,000 for the fiscal year ending June 30, 1976, $12,500,000 for the transitional fiscal quarter ending September 30, 1976, $50,000,000 for the fiscal year ending September 30, 1977, $50,000,000 for the fiscal year ending September 30, 1978, $50,000,000 for the fiscal year ending September 30, 1979, $50,000,000 for the fiscal year ending September 30, 1980, and $50,000,000 for each of the fiscal years ending September 30, 1981, September 30, 1982, September 30, 1983, September 30, 1984, and September 30, 1985, for the acquisition of lands to provide for the protection of, and access to, public beaches and for the preservation of islands under section 306(d)(2) of this Act, to remain available until expended; and

"(7) such sums, not to exceed $10,000,000 for the fiscal year ending June 30, 1976, $2,500,000 for the transitional fiscal quarter ending September 30, 1976, $10,000,000 for the fiscal year ending September 30, 1977, $10,000,000 for the fiscal year ending September 30, 1978, $10,000,000 for the fiscal year ending September 30, 1979, $10,000 000 for the fiscal year ending September 30, 1980, and $10,000,000 for each of the fiscal years ending September 30, 1981, September 30, 1982, September 30, 1983, September 30, 1984, and September 30, 1985, as may be necessary, for grants under section 315 of this Act, to remain available until expended.

"(b) There are also authorized to be appropriated such sums, not to exceed $5,000,000 for the fiscal year ending June 30, 1976, $1,200,000 for the transitional fiscal quarter ending September 30, 1976, $5,000,000 for the fiscal year ending September 30, 1977, $5,000,000 for the fiscal year ending September 30, 1978, $5,000,000 for the fiscal year ending September 30, 1979, and $5,000,000 for the fiscal year ending September 30, 1980, as may be necessary, for administrative expenses incident to the administration of this Act.".

(16) The Coastal Zone Management Act of 1972, as amended (16 U.S.C. 1451 et seq.) is amended by inserting therein the following two new sections:

"LIMITATIONS

"SEC. 318. Nothing in this Act shall be construed to require the approval of the Secretary as to any State land or water use decision pertaining to individual cases, including, but not limited to the siting of energy facilities, as a prerequisite to such States' eligibility for grants of loans under this Act.

"STATE AND LOCAL GOVERNMENT BOND GUARANTEES

"SEC. 319. (a) The Secretary is authorized, subject to such terms and conditions as the Secretary prescribes, to make commitments to guarantee and to guarantee against loss of principal or interest the holders of bonds or other evidences of indebtedness issued by a State or local government to reduce, ameliorate or compensate the adverse impacts in the coastal zone resulting from or likely to result from the exploration for, or the development of production of, energy resources of the Outer Continental Shelf.

"(b) The Secretary shall prescribe and collect a guarantee fee in connection with guarantees made pursuant to this section. Such fees shall not exceed such amounts as the Secretary estimates to be necessary to cover the administrative costs of carrying out the provisions of this section. Sums realized from such fees shall be deposited in the Treasury as miscellaneous receipts.

"(c)(1) Payments required to be made as a result of any guarantee pursuant to this section shall be made by the Secretary of the Treasury from funds hereby authorized to be appropriated in such amounts as may be necessary for such purpose.

"(2) If there is a default by a State or local government in any payment of principal or interest under a bond or other evidence of indebtedness guaranteed by the Secretary pursuant to *this* section, any holder of such a bond or other evidence of indebtedness may demand payment by the Secretary of the unpaid interest on and the unpaid principal of such obligation as they become due. The Secretary, upon investigation, shall pay such amounts to such holders, unless the Secretary finds that there was no default by the State or local government involved or that such default has been remedied. If the Secretary makes a payment under this paragraph, the United States shall have a right of reimbursement against the State or local government involved for the amount of such payment plus interest at prevailing rates. Such right of reimbursement may be satisfied by the Secretary by treating such amount as an offset against any revenues due or to become due to such State or local government under section 308 (k) of this Act, and the Attorney General, upon the request of the Secretary, shall take such action as is, in the Secretary's discretion, necessary to protect the interests of the

United States, including the recovery of previously paid funds that were not applied as provided in this Act. However, if the funds accrued by or due to the State in automatic grants under section 308(k) of this Act are insufficient to reimburse the Federal Government in full for funds paid under this section to retire either the principal or interest on the defaulted bonds, the Secretary's right of reimbursement shall be limited to the amount of such automatic grants accrued or due. Funds accrued in automatic grants under section 308(k) of this Act subsequent to default shall be applied by the Secretary toward the reimbursement of the obligation assumed by the Federal Government.".

SEC. 103. (a) There shall be in the National Oceanic and Atmospheric Administration an Associate Administrator for Coastal Zone Management who shall be appointed by the President, by and with the advice and consent of the Senate. Such Associate Administrator shall be a qualified individual who is, by reason of background and experience, especially qualified to direct the implementation and administration of this Act. Such Associate Administrator shall be compensated at the rate now or hereafter provided for level V of the Executive Schedule Pay Rates (5 U.S.C. 5316).

(b) Section 5316 of title 5, United States Code is amended by adding at the end thereof the following new paragraph:

"(135) Associate Administrator for Coastal Zone Management, National Oceanic and Atmospheric Administration.".

SEC. 104. Nothing in this Act shall be construed to modify or abrogate the consistency requirements of section 307 of the Coastal Zone Management Act of 1972.

The title was amended so as to read:

A bill to amend the Coastal Zone Management Act of 1972 to authorize and assist the coastal States to study, plan for, manage, and control the impact of energy facility and resource development which affects the coastal zone, and for other purposes.

Mr. HOLLINGS. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER EXTENDING TIME FOR FILING REPORT

Mr. HOLLINGS. Mr. President, on behalf of the majority leader I ask unanimous consent that the Committee on Interior and Insular Affairs have until midnight tonight to file its report on S. 521.

The PRESIDING OFFICER. Without objection, it is so ordered.

DETERMINATION OF SENATE ELECTION IN NEW HAMPSHIRE

The PRESIDING OFFICER. The Chair now lays before the Senate the unfinished business and the clerk will state.

The legislative clerk read as follows:

A resolution (S. Res. 166) relating to the determination of the contested election for a seat in the United States Senate from the State of New Hampshire.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the amendment of the Senator from Montana.

Mr. HUGH SCOTT. Mr. President, have the yeas and nays been ordered?

The PRESIDING OFFICER. The yeas and nays have been ordered.

Mr. HUGH SCOTT. Then I take it, the steamroller may proceed.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. METCALF. Mr. President, may we have order?

The PRESIDING OFFICER. The clerk will suspend until there is order in the Chamber. Senators will take their seats.

The clerk may proceed.

The assistant legislative clerk resumed the call of the roll.

The PRESIDING OFFICER. May we have order?

The assistant legislative clerk resumed the call of the roll.

Mr. ROBERT C. BYRD. Mr. President, may we have order so the names may be heard?

The PRESIDING OFFICER. The clerk will suspend until there is order. Senators will cease their conversing. Senators will take their seats.

The assistant legislative clerk resumed and concluded the call of the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Texas (Mr. BENTSEN), the Senator from Nevada (Mr. CANNON), the Senator from Mississippi (Mr. EASTLAND), the Senator from Arkansas (Mr. MCCLELLAN), and the Senator from Rhode Island (Mr. PASTORE) are necessarily absent.

I further announce that, if present and voting, the Senator from Rhode Island (Mr. PASTORE) would vote "nay."

Mr. HUGH SCOTT. I announce that the Senator from Maryland (Mr. BEALL), the Senator from New York (Mr. JAVITS), the Senator from Nevada (Mr. LAXALT), and the Senator from North Dakota (Mr. YOUNG) are necessarily absent.

I further announce that the Senator from Michigan (Mr. GRIFFIN) is absent due to a death in the family.

The result was announced—yeas 34, nays 54, as follows:

[Rollcall Vote No. 292 Leg.]

YEAS—34

Allen
Baker
Bartlett
Bellmon
Brock
Brooke
Buckley
Case
Curtis
Dole
Domenici
Fannin
Fong
Garn
Goldwater
Hansen
Hatfield
Helms
Hruska
Mathias
McClure
Packwood
Pearson
Percy
Roth
Schweiker
Scott, Hugh
Scott,
William L.
Stafford
Stevens
Taft
Thurmond
Tower
Weicker

NAYS—54

Abourezk
Biden
Bumpers
Burdick
Byrd,
Harry F., Jr.
Byrd, Robert C.
Chiles
Church
Clark
Cranston
Culver
Eagleton
Ford
Glenn
Gravel
Hart, Gary W.
Hart, Philip A.
Hartke
Haskell
Hathaway
Hollings
Huddleston
Humphrey
Inouye
Jackson
Johnston
Kennedy
Leahy
Long
Magnuson
Mansfield
McGee
McGovern
McIntyre
Metcalf
Mondale
Montoya
Morgan
Moss
Muskie
Nelson
Nunn
Pell
Proxmire
Randolph
Ribicoff
Sparkman
Stennis
Stevenson
Stone
Symington
Talmadge
Tunney
Williams

NOT VOTING—11

Bayh
Beall
Bentsen
Cannon
Eastland
Griffin
Javits
Laxalt
McClellan
Pastore
Young

So the motion to lay on the table Mr. MANSFIELD's amendment was rejected.

Mr. MANSFIELD. Mr. President, is it in order at this time to ask for the vote on the Cranston-Mansfield proposal, and to ask for the yeas and nays?

The PRESIDING OFFICER. The question is on agreeing to the Mansfield amendment. The yeas and nays have been ordered, and the clerk will call the roll.

Mr. HUGH SCOTT. Mr. President, reserving the right to object, the distingushed majorty leader has only asked a question. He has not advised the Chair that that would be the action.

The PRESIDING OFFICER. I misunderstood the Parliamentarian, and I apologize to the distinguished majority leader and the distinguished minority leader.

REMOVAL OF INJUNCTION OF SECRECY—PARTIAL REVISION OF THE RADIO REGULATIONS (GENEVA 1959) EX. G, 94TH CONGRESS 1ST SESSION)

Mr. MANSFIELD. Mr. President, as in executive session, I ask unanimous consent that the injunction of secrecy be removed from the partial revision of the radio regulations—Geneva 1950—with a final protocol containing one U.S. reservation, signed on behalf of the United States at Geneva on June 8, 1974—Executive G, 94th Congress, first session—transmitted to the Senate today by the President of the United States.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. I also ask that the treaty with accompanying papers be referred to the Committee on Foreign Relations and ordered to be printed, and that the President's message be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the Partial Revision of the Radio Regulations (Geneva 1959), with a Final Protocol containing one U.S. reservation, signed on behalf of the United States at Geneva on June 8, 1974.

I transmit also, for the information of the Senate, the report of the Department of State with respect to the Partial Revision.

The primary purpose of the Revision is to update the Radio Regulations to take account of the technological state of the art and to provide for increasing operational requirements.

At the time of signature, the United States Delegation stated its reservation to one of the Revision's frequency allocation plans. It was felt that the plan and its associated procedures would be incompatible with the official and public correspondence needs of the United States. The U.S. will observe the plan to the extent practicable, but will not be bound by that provision of the Revision.

The Partial Revision will enter into force on January 1, 1976, for governments which, by that date, have notified the Secretary General of the International Telecommunications Union of their approval thereof. It is desirable that the United States be a party to the Partial Revision from the outset, and it is my hope that the Senate will take early and favorable action on the Revision and give its advice and consent to ratification.

GERALD R. FORD.

THE WHITE HOUSE, *July 16, 1975*.

LEGISLATIVE PROGRAM—UNANIMOUS-CONSENT AGREEMENT

Mr. MANSFIELD. Mr. President, for the information of the Senate, the education appropriation conference legislation will be taken up in the Senate tomorrow, and that contains the well-known title IX, which seeks to give equality to women in athletics, which they deserve, in the colleges and in every phase of American life, which I support fully, and which the House of Representatives turned down by one vote today. The matter is in disagreement, and I would urge all Senators, in behalf of women's rights, to be here tomorrow when the education appropriation bill is called up.

Mr. HATFIELD. Mr. President, will the Senator yield?

Mr. MANSFIELD. Surely.

Mr. HATFIELD. Is the Senator asking for a unanimous-consent agreement at this point, in announcing tomorrow's schedule?

Mr. MANSFIELD. No, but I will later, because a conference report is a privileged matter.

Mr. President, before proceeding to that and other matters requiring unanimous consent——

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. MANSFIELD. Yes.

Mr. MAGNUSON. What time will it be tomorrow?

Mr. MANSFIELD. It all depends on the result of the conversation later this evening.

Mr. MAGNUSON. But it will be tomorrow?

Mr. MANSFIELD. It will be tomorrow.

Mr. MAGNUSON. Probably around noon?

Mr. MANSFIELD. Somewhere around there. I can be more definite later.

Mr. MAGNUSON. Oh.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that after the 2 hours on the Durkin-Wyman matter tomorrow, it be in order to take up H.R. 6799, an act to approve certain of the proposed amendments to the Federal Rules of Criminal Procedure, and so forth, in which the distinguished Senator from Arkansas (Mr. MCCLELLAN) is very much interested.

Mr. HATFIELD. Mr. President, reserving the right to object——

The PRESIDING OFFICER. The Chair is advised that at the present time there is no 2-hour order on the Wyman-Durkin matter.

Mr. MANSFIELD. I ask unanimous consent that there be a 2-hour order for the consideration of the Wyman-Durkin matter tomorrow.

Mr. WEICKER. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. MANSFIELD. The Senator objects to the taking up of the proposed amendments to the Rules of Criminal Procedure?

Mr. WEICKER. The Senator from Connecticut objected to 2 hours on Wyman-Durkin. I have no objection at all to the other matter.

Mr. MANSFIELD. Well, then, Mr. President, I ask unanimous consent that it be in order at an appropriate time tomorrow to take up H.R. 6799, to which there is attached a time limitation.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I wonder if I might ask the distinguished Republican leader if the Senate will be allowed to take up other items on the calendar tomorrow, in addition to the Wyman-Durkin matter, and also the legislation out of the Judiciary Committee pertaining to the Federal Rules of Criminal Procedure.

Mr. HUGH SCOTT. Mr. President, the minority does not control the schedule or the calendar, and I would suggest that each of these matters be brought up. We have just agreed on a very important one, the suggestion of the distinguished Senator from Arkansas.

I would suppose we could agree on others, but we would like to see them one by one, in view of the fact that at one time today we were caught in a parliamentary bind, and we do not want to have that happen again. We are going to protect ourselves every way we can, and the only way I know to protect ourselves is to take these matters up one by one.

The Wyman-Durkin matter can come up at any time as far as I am concerned, beginning tomorrow morning, but I believe it is without limitation of time from now on. Therefore, we will have to work out how we insert matters, and I cannot speak for anyone but myself.

We have already, at my suggestion, agreed to go right ahead with the suggestion of the Senator from Arkansas (Mr. MCCLELLAN). But it would not be in order to ask the minority leader whether he would let the Senate operate. That is a good deal like asking the bull whether he will let the cows come into the pasture. I think it is a matter within the bull's discretion as to what he does with the cows, and what the bull has been doing with the cows lately is a shame.

Mr. MANSFIELD. Who are the cows?

Mr. HUGH SCOTT. I think I will leave that to the distinguished majority leader.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that it be in order to take up tomorrow S. 1513, a bill to extend the Appalachian Regional Development Act of 1965.

The PRESIDING OFFICER. Is there objection?

Hr. HATFIELD. Mr. President, reserving the right to object, is there a time limitation on this particular bill?

The PRESIDING OFFICER. There is a time limitation on the bill.

Mr. HATFIELD. What is the limitation?

The PRESIDING OFFICER. A limitation of 2 hours on the bill, and one-half hour on amendments.

Mr. HUGH SCOTT. Mr. President, in view of the fact that there is a time limitation, I think we ought to get on with the business and dispose of that, but I would ask the majority leader when he intends to call up the Wyman-Durkin matter, so that we will have a little better control over the time situation than we had today, when we were caught with no more time and were unable to prevent a motion from going to a vote except by the motion I made.

We do not want that to happen again. As far as I am concerned, we will not object to the Appalachian matter being brought up, but we would like to be consulted about when the New Hampshire matter is to be brought up. We do not control that.

Mr. MANSFIELD. Oh, yes; it is the pending business, and the Senator may recall that it was at his suggestion, and I might say the request of the Republicans, that we did agree on a 2-hour limitation so we could fill in the schedule with other items on the calendar which needed consideration.

Mr. HATFIELD. Mr. President, will the Senator yield?

Mr. MANSFIELD. Yes, indeed.

Mr. HATFIELD. I think that the RECORD will show that the 2-hour limitation went through Tuesday only.

Mr. MANSFIELD. That is correct.

Mr. HATFIELD. I think the Republican minority today proposed, at one point, a unanimous-consent agreement to set aside temporarily the New Hampshire issue for 2 to 3 days and move on to the other business of the Senate. That was objected to by the majority, so I think the RECORD ought to be completely clear on that.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. HATFIELD. Yes, indeed.

Mr. ROBERT C. BYRD. Mr. President, inasmuch as the Senate will stand in recess until tomorrow, unless there is an order entered for the transaction of routine morning business, the New Hampshire election dispute will automatically be before the Senate immediately after the majority and minority leaders are recognized under the standing order tomorrow.

Mr. MANSFIELD. Will the Senator repeat what he said about laying aside the New Hampshire matter?

Mr. HATFIELD. I stated that the Senator from Connecticut (Mr. WEICKER) had, on a previous occasion, suggested that if we wanted to get on to the floor other business of the Senate, we might lay aside the New Hampshire matter for 2 or 3 days temporarily. That was made as a unanimous-consent request this morning during the debate on the New Hampshire issue, and it was objected to by a voice from the majority side.

I merely state that situation as completing the RECORD.

Mr. MANSFIELD. Mr. President, will the Senator be prepared to make that request now so we can cancel items on the calendar?

Mr. WEICKER. Yes. I make that in the form of a unanimous-consent request that until Tuesday next week the matter of New Hampshire be laid aside, and we be permitted, in other words, to get on to the other business of the Senate.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Wyman-Durkin matter be laid aside until the close of business Tuesday.

Mr. WEICKER. The close of business Tuesday.

Mr. MANSFIELD. Close of business Tuesday so that the Senate will have a chance to consider other items of importance on the calendar.

Mr. ALLEN. Reserving the right to object, Mr. President, I, of course, suggest that the agreement be that the New Hampshire matter be laid aside temporarily. Also, I think that it might be well to stipulate the pool from which the bills shall be drawn and called up.

Mr. MANSFIELD. Any item on the calendar, may I say.

Mr. ALLEN. I reserve the right to object. I do object.

Mr. MANSFIELD. Mr. President, in view of the objection, would the leadership on the Republican side consider instead a 2-hour limitation on the bill tomorrow, because evidently we cannot get together on laying it aside?

Mr. HATFIELD. No.

Mr. HUGH SCOTT. I was a little confused at the motion of the distinguished majority leader that the New Hampshire matter be the first order of business, and I thought we just agreed to take up the matters of the distinguished Senator from Arkansas (Mr. McCLELLAN) and the Appalachian bill.

Mr. ROBERT C. BYRD. Mr. President, will the distinguished Republican leader yield?

Mr. HUGH SCOTT. I yield.

Mr. ROBERT C. BYRD. May I say the distinguished Republican leader misunderstood me. I merely stated that under the order previously entered, the Senate will stand in recess until tomorrow morning. There is no automatic provision for routine morning business in that kind of situation.

Consequently, after the majority leader and the minority leader or their designees have been recognized under the standing order tomorrow, automatically the unfinished business would come before the Senate, that being the New Hampshire election dispute.

The requests that were submitted by the distinguished majority leader earlier, as I understood them, were that it be in order at some point in time tomorrow to call up the Appalachian regional development bill and the bill dealing with the Supreme Court proposals in connection with rules changes. It was not the majority leader's request that, immediately after the two leaders are recognized tomorrow, the Senate go to such bills—unless I misunderstood the majority leader.

Mr. METCALF addressed the Chair.

Mr. HUGH SCOTT. That clarifies it. May I say our position is we are willing to accommodate the majority and allow this to go over for several days, if we can do that without objection, or we are willing to go on with it and set it aside from time to time as the majority leader has suggested.

We are not willing any more for these 2-hour sessions because today what happened to us is something that we very much regret. Our time was all used up, and we were not allowed the floor in order to prevent an effort to bring up an amendment that we felt we still ought to debate.

It seems to me that the 2-hour limitation is not possible of agreement unless it can be agreed that each side will be preserved in its rights not to have a sudden call from a vote imposed on the other side because its time has expired. If we can find a way to avoid that, I would not mind the 2 hours.

Mr. HATFIELD. Mr. President, will the Senator yield?

Mr. MANSFIELD. Yes.

Mr. HATFIELD. Might I suggest we might accomplish this on a day-to-day basis, that the Senator might offer a unanimous-consent agreement to set aside temporarily the Wyman-Durkin matter tomorrow?

Mr. MANSFIELD. Fine.

Mr. HATFIELD. Just tomorrow.

Mr. MANSFIELD. Fine.

Mr. HATFIELD. And then we could get on to these other matters upon which we already have a time agreement.

But I must say, as one of the victims of today's parliamentary procedure, I will object to any 2-hour limitation on Wyman-Durkin. I got burned once, and that is enough.

Mr. MANSFIELD. Was anything irregular or under the table done on this side in considering the situation which developed?

Mr. HUGH SCOTT. I say to the distinguished majority leader that we were at least surprised. We were surprised because we did not believe that we would ever hear a ruling to the effect, after the time on one measure had expired and that another measure was supposedly the order of business, that at that point there could be a demand for the yeas and nays between the interval while the clerk was sitting down and after the clerk stood up. That may be perfectly in order, and I am not criticizing the Presiding Officer. He was amiable and competent, and we like him. Certainly he was following the Parliamentarian.

Mr. JOHNSTON. If the Senator will yield, he might add he follows occasionally—in fact he did today—the rulings of the Parliamentarian as well.

Mr. HUGH SCOTT. I did say that. I did say to the distinguished Senator that he was following the rulings of the Parliamentarian. I was not blaming him for an instant. We admire and respect him.

But we were caught short. We did not have any place to go. That is what upset us.

Mr. HATFIELD. Mr. President, will the Senator yield?

Mr. MANSFIELD. I am delighted to.

Mr. HATFIELD. I appreciate the majority leader yielding, because he asked a question which I think I would like at least to give one response to, because I happen to be in the center of that particular issue.

I merely recount this: We were under a time limit on this matter. We had 3 minutes left on our side. I attempted to preserve those 3 minutes, rather than being forced to use them.

The action was that a quorum call was called for to be equally charged against one side that had 20 minutes and the other side, the minority, that had 3. I objected.

Therefore, instead of that taking place, the action resulted in no action. Because the majority would not take the floor, the time was running equally against both sides, so we were losing the 3 minutes that way.

Then we moved to have a 1-minute recess to have merely a parliamentary intervention to preserve 2 minutes that would be left on our side. That was denied as well.

So, in effect, we were forced out of our time in that parliamentary procedure, which was perfectly legitimate, but I want to recount that particular instance so that when the motion was made we had no way to respond to the motion. We were completely cut out because our time had elapsed.

I again say, it was legitimate parliamentary procedure. But that is against the background where we had talked across the aisle on every move that we have made thus far on time limitations. That is why we felt that we had been had on that particular issue and why we refused to agree to a 2-hour limitation.

Mr. MANSFIELD. I appreciate the explanation made by the distinguished senior Senator from Oregon. He is a man of honor and integrity and always has been and, in my opinion, is one of the very best Senators we have in this Chamber.

I came in toward the end. What I sought to seek was a vote on the amendment which I offered at that time to the amendment of the distinguished Senator from California.

Mr. METCALF. Mr. President, I listened to the dialog and colloquy here. What about committee meetings tomorrow?

Mr. MANSFIELD. I will raise that question, I say to my colleague from Montana.

Could the distinguished Republican leader give us an indication as to if he would continue the policy inaugurated today which allowed all committees to meet?

Mr. HUGH SCOTT. Could we first make an attempt to set aside the Wyman-Durkin contest for tomorrow, with an understanding that only certain measures would be brought up which might satisfy the concern raised on the previous unanimous-consent request? I do not know how the Senator from Alabama would feel about that. But the Senator from Montana has made certain statements as to which bills he wants to bring up. If the Senator will confine himself to that particular legislation, or such other legislation as he wishes to enunciate, perhaps we could set aside the Wyman-Durkin matter.

Mr. MANSFIELD. I wish it could be done. I think from now on the Democratic leadership is going to have to be very flexible in the consideration of items which are on the calendar. So we would rather take our chances. Would the Senator allow the committees to meet tomorrow or would he object to the committees meeting tomorrow?

Mr. METCALF and Mr. THURMOND addressed the Chair.

Mr. MANSFIELD. I yield.

Mr. METCALF. I hope we have the opportunity to have committee meetings tomorrow on markup of essential and important legislation that is ongoing. It would seem to me that that would be conducive to the ongoing procedure of the Senate. I would ask the majority leader and the minority leader that we would permit at least markup of bills that are underway right now.

Mr. MANSFIELD. We will do our best, may I say to my colleague.

Mr. President, I ask unanimous consent that the Judiciary Committee be allowed to meet at 10 a.m. tomorrow, that is Thursday. The agenda is the voting rights bill.

Mr. HELMS. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. MANSFIELD. Does the Senator realize there is a time factor connected with the voting rights bill?

Mr. HELMS. The Senator from North Carolina indeed does realize that.

The PRESIDING OFFICER. The Chair would advise the Senator there is still pending a request for a time agreement on S. 1513 that is to be taken up tomorrow.

Mr. MANSFIELD. I understand that the distinguished ranking member of the Rules Committee has indicated that we might discuss it tomorrow, at which time, after consideration of the Wyman-Durkin matter, we could take up the Federal rules and criminal procedure bill and the Appalachian Regional Development Act—at a mutually convenient time.

Mr. HATFIELD. With no time limitation on the Durkin-Wyman issue.

Mr. MANSFIELD. Oh, no.

Mr. HATFIELD. It seems to me that the Committee on the Judiciary easily could meet at 10 o'clock, if the Senate came in at 12 or 11, because we would not get to the Wyman-Durkin matter until noon, anyway, which precludes the committees from meeting. That is one suggestion. There is also the suggestion to set aside, for tomorrow only, the Wyman-Durkin matter, and then all committees could meet at any time, and we could get on with the business of the Senate.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Wyman-Durkin matter be laid aside for tomorrow, so that the Senate can turn to other matters on the calendar and so that all committees can meet during the session of the Senate.

Mr. ALLEN. Mr. President, reserving the right to object, are we still bound by the stipulation as to bills that will be brought up?

Mr. MANSFIELD. As of now. But so far as any commitments are concerned, all bets are off, and the leadership on this side is going to exercise its prerogative and act accordingly. Opposition to the contrary notwithstanding, if a Senator wants to object, that is fine with us, because it is about time that we started to bite the bullet.

Mr. ALLEN. Further reserving the right to object, Mr. President, an agreement was made on the floor of the Senate that three different matters would come up in addition to the New Hampshire matter—the matter involving the Federal rules, the matter regarding the Appalachian regional development, and the conference report on the education bill.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield. I believe I have the floor.

Mr. ROBERT C. BYRD. The Chair has not yet had an opportunity to put before the Senate the request with respect to the Appalachian regional development bill.

The PRESIDING OFFICER. That is correct. Only the question of the Federal rules of criminal procedure bill has been agreed to.

Is there objection to the request of the majority leader?

Mr. ALLEN. I object. I do not object to the consideration of the three matters to be called up at any time by the majority leader.

Mr. MANSFIELD. This is part of the three.

Mr. ALLEN. These three matters plus the unfinished business.

Mr. MANSFIELD. This is part of the three.

The PRESIDING OFFICER. Is there objection to taking up S. 1513.

Mr. ALLEN. What is that?

Mr. ROBERT C. BYRD. The Appalachian regional development bill.

Mr. ALLEN. I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS AND FOR COMMITTEES TO MEET TOMORROW

Mr. MANSFIELD. Mr. President, did I ask unanimous consent that all committees may be allowed to meet tomorrow and that the Senate come in at 12 o'clock noon?

The PRESIDING OFFICER. The Chair is not aware of the request.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 12 o'clock noon tomorrow.

The PRESIDING OFFICER. Is there objection?

Mr. MANSFIELD. Provided that all committees are allowed to meet during the session of the Senate tomorrow, including the Committee on the Judiciary.

Mr. HELMS. I object, Mr. President.

The PRESIDING OFFICER. Objection is heard.

Mr. MANSFIELD. Does the Senator want the Senate to conduct its business in committees?

Mr. TUNNEY. Will the Senator yield?

Mr. MANSFIELD. Surely.

Mr. TUNNEY. Mr. President, as Members of the Senate perhaps know, the Voting Rights Act is due to expire on August 7. Those of us who are responsible for consideration of this measure and seeing it move through committee and be considered on the floor of the Senate are deeply concerned that we have adequate time in which to have a full floor discussion.

We have tried to do things according to procedures. We have had at the desk for some time, since June 5, the House bill. It could have been called from the desk at any time. On the other hand, we decided that we would go through the Constitutional Rights Subcommittee. We were able to get that bill reported to the full Committee on the Judiciary, where it has resided for the past month. We have not had an executive session in that time, which would have enabled us to have consideration of that proposed legislation, the markup.

We have an opportunity to have a markup tomorrow. Senator EASTLAND, who is indisposed in Mississippi, has designated Senator HART to chair that committee meeting.

I say to the leadership, as well as to the Senate as a whole, that I do not think there is anything more important in the way of business before this body, between now and the end of the year, than the extension of the Voting Rights Act.

If objections are going to be raised to an orderly procedure so that we can have a committee meeting in which to consider this measure, in order to report it to the floor of the Senate, I am going to do everything in my power, and will ask the leadership to do everything in their power, to call the House bill from the desk at the opportune time.

Mr. MANSFIELD. Mr. President, I want to corroborate what the distinguished Senator from California has said. Senator EASTLAND, who not only is indisposed but also is in the hospital and unable to be here, has designated the Senator from Michigan to conduct hearings tomorrow.

I will make certain those hearings are held tomorrow by asking unanimous consent that when the Senate completes its business tonight, it stand in recess until 12 noon tomorrow.

Mr. ALLEN. Mr. President, will the Senator yield?

Mr. MANSFIELD. As soon as I complete this request.

The PRESIDING OFFICER. Is there objection?

Mr. BROOKE addressed the Chair.

The PRESIDING OFFICER. The Chair hears none, and it is so ordered.

Mr. MANSFIELD. Mr. President, the Voting Rights Act is going to come up this month, and the Senator can rest assured of that. I expect that there will be enough support on both sides to make sure that that happens. After all, the Voting Rights Act will expire the first part of next month, and we have a duty to face up to it one way or the other.

I now yield to the Senator from Alabama and then to the Senator from Massachusetts.

Mr. ALLEN. Mr. President, I think the request by the distinguished Senator from California is reasonable. They are working on the Senate bill and wish to mark it up. I join in the unanimous-consent request to the distinguished majority that all committees, particularly the Committee on the Judiciary, be allowed to meet tomorrow.

Mr. HATFIELD. Mr. President, reserving the right to object, I wonder whether the Senator would amend his unanimous-consent request with this proviso: except during the Wyman-Durkin debate on the floor.

Mr. ALLEN. That will be satisfactory to me, if it is satisfactory to the Senator from California.

Mr. MANSFIELD. I make that request, with that proviso, if it is acceptable to the Senate: except during the period of the Wyman-Durkin debate.

Mr. HELMS. I have no objection to that.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

Mr. MANSFIELD. That means that committees can meet in the morning and the afternoon, except for the period during which the Senate is considering the Wyman-Durkin matter.

I yield to the Senator from Massachusetts.

Mr. THURMOND. Mr. President, reserving the right to object, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. THURMOND. I will be at a conference committee beginning at 2:30, and I will object to any committee meetings during that joint conference of the Armed Services Committees of the House and the Senate.

Mr. MANSFIELD. Was the Senator at a conference committee for the same purpose today?

Mr. THURMOND. Yes.

Mr. MANSFIELD. Committee met during the day. We have a great deal of business to attend to, and what we will be considering then will be the McClellan legislation having to do with Federal Rules of Criminal Procedure in which the Senator is very much interested; the education appropriations—

Mr. THURMOND. I can save the Senator time if he will let me say a word.

Mr. MANSFIELD. Fine. I just wanted to get this in ahead of time, so that the Senator would know the legislation to be considered.

Mr. THURMOND. What I object to is the Committee on the Judiciary meeting during the Wyman-Durkin debate or during this conference meeting beginning at 2:30 tomorrow afternoon.

Mr. MANSFIELD. It would not be during the Wyman-Durkin debate.

Mr. THURMOND. Or during the conference beginning at 2:30. I cannot be at the Committee on the Judiciary, where I ought to be, and be at the conference committee, also, where I ought to be; therefore, I would object to a meeting of the Judiciary Committee during the Wyman-Durkin debate and beginning at 2:30 tomorrow until that conference is completed. Otherwise, I do not object.

Mr. MANSFIELD. When will that conference be completed? It seems to me it has been weeks already.

Mr. THURMOND. That is right. It has been going on too long now. The Senator would have to speak to the chairman about that.

Mr. MANSFIELD. At least, all the other committees can meet. The Committee on the Judiciary can meet tomorrow morning. Hopefully, it will have a chance, if need be, to meet tomorrow afternoon.

Mr. TUNNEY. Mr. President, will the Senator yield?

Mr. HUGH SCOTT. Will the Senator yield?

Mr. MANSFIELD. I yield to the Senator from Pennsylvania.

Mr. HUGH SCOTT. The majority leader has said he hopes he will have some help from this side on the voting rights bill. I can assure him he will have substantial help on this side and I can assure him the President favors the vote on it this month.

Mr. MANSFIELD. I say to the distinguished Senator from South Carolina that the Chair had already agreed that all committees could meet during the meeting of the Committee on the Judiciary except during the period of the Wyman-Durkin debate. I amend the request, so far as the Judiciary Committee is concerned, so it will comply with the wishes of the Senator from South Carolina.

Mr. TUNNEY. Reserving the right to object to that, I just want to have something understood here. That is that if we are going to have an orderly procedure to consider the voting rights legislation in the Committee on the Judiciary, considering the date that this bill is going to expire, we are going to have to be able to meet during the time that the Senate is in session and also during the time that we have some conference committees going on.

It just so happens that, as far as I personally am concerned, the voting rights extension is far more important than that conference committee that the distinguished Senator from South Carolina is on.

I am afraid that I am going to have to object if the Senator from South Carolina is going to object to our meeting during the afternoon when his conference committee is meeting. I do not think that the work of the Senate Committee on the Judiciary should stop because of a House-Senate conference.

Mr. MANSFIELD. If the Senator will yield, Mr. President, I think I have the floor.

Mr. TUNNEY. I yield.

Mr. MANSFIELD. I assure the Senator that this bill is going to come up. I think that, in view of the fact that the Senator from South Carolina is not only in the conference committee but also a member of the Committee on the Judiciary, he has a right to be given some consideration, too.

After all, what has happened in the full Committee on the Judiciary—and this is what that meeting will be—since the distinguished Senator reported out favorably the bill under consideration, the extension of the Voting Rights Act, out of the subcommittee on which he happens to be chairman? I think in this instance, at this time, with the fact that the committee is going to meet tomorrow morning, we will get some time in the afternoon, the Senator may be certain. I wish he would allow us a little flexibility in this instance.

Mr. TUNNEY. I ask the Senator from South Carolina if he is willing to have the Committee on the Judiciary at least go into session at, say, 3:30 in the afternoon? It will give him an hour on his conference committee.

Mr. THURMOND. Mr. President, I cannot say how long it will take. This is a conference committee between the Senate and the House on a $30 billion procurement bill. It involves airplanes, tanks, rockets, missiles, and everything that is very vital to our country. As the ranking member of the Senate Committee on Armed Services, I am due there. I want to be there. But I cannot be there and be at the Committee on the Judiciary, too. Therefore, I made the request that I did to the distinguished majority leader.

Mr. MANSFIELD. How long do those conferences go on in the afternoon, may I ask the distinguished Senator from South Carolina?

Mr. THURMOND. Today we were there until 5 o'clock, I guess, I am not sure; 4:30, maybe.

Mr. MANSFIELD. I make a request to the acting chairman of the Committee on the Judiciary. That is that he consider the possibility of the Judiciary Committee being called back into conference to consider the extension of the Voting Rights Act immediately after the conference of the Armed Services Committee is disposed of in the afternoon.

Mr. PHILIP A. HART. Mr. President, of course we will. The problem has been partially resolved by the pledge of the minority leader and the majority leader to make sure that this bill is up in July. That is not quite all that has to be done. I think that I understand fully the concerns of the Senator from California. It would be a tragic thing if the Senate allowed that bill to die. We will meet long and late.

There will come a time when we may be confronted in the committee itself with simply reporting out the language of the House-passed bill, because the mood I sense here, even given the commitment of the leadership, may alarm us to the degree that we will be compelled to move very rapidly. But we shall meet late tomorrow.

Mr. MANSFIELD. May I say that no one has been more active in promoting the extension of the Voting Rights Act than the distinguished Senator from California (Mr. TUNNEY).

Mr. TUNNEY. Mr. President, again reserving the right to object, with the understanding that we will be meeting when the conference committee is concluded, and with the understanding that we still have that House bill at the desk, which can be called up at any time, if we cannot have an orderly procedure in the Committee on the Judiciary to consider the legislation as it was introduced by Senator PHILIP A. HART and Senator SCOTT, I am preparing not to object to the request in order to accommodate my friend from South Carolina.

I just wish to serve notice on anyone who feels that by any kind of delaying tactic—I am not suggesting that anyone is trying to delay the Committee on the Judiciary. But if anyone is feeling that maybe they can avoid having consideration on the floor of the Voting Rights Act by a delay in the Judiciary Committee, I, for one, am prepared to do what I can to see that that House bill is called from the desk so that we can have an early consideration of this legislation, which I consider to be absolutely critical to the welfare of many persons in this country, if not all the people of this country.

Mr. MANSFIELD. The Senator has my assurance that the voting rights extension will be taken up this month and not in the last days of this month, either.

I yield to the Senator from Massachusetts.

Mr. BROOKE. The majority leader has clarified the request which I made. I thank the Senator.

The PRESIDING OFFICER (Mr. NUNN). Is there objection? Without objection, the request is agreed to.

Mr. HATFIELD. Will the Senator yield?

Mr. MANSFIELD. Surely.

Mr. HATFIELD. I wonder if, in the light of what we have now moved to accomplish on tomorrow's schedule, it would not be appropriate to reissue the unanimous-consent request on setting aside the Wyman-Durkin matter tomorrow, temporarily—just tomorrow. We have said committees may meet except during the issue of Wyman-Durkin on the floor. We have reached these other accommodations. It seems to me that it might facilitate the Judiciary Committee and other committees that are trying to function if we just move at this time and ask unanimous consent to set it aside just for tomorrow, as the majority leader attempted awhile ago, because of these other moves that have been made. I do not know.

Mr. MANSFIELD. Will the Senator make that request?

Mr. ROBERT C. BYRD. Mr. President, may I make the following request?

Mr. MANSFIELD. Surely.

ORDER FOR RECESS UNTIL 10:45 A.M. TOMORROW; RECOGNITION OF SENATORS CULVER, BUCKLEY, HELMS, TAFT, AND McCLURE; AND LEGISLATIVE PROGRAM FOR TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask that Senators hear me out on this request before they object.

In view of the fact that we have requests for five special orders now which I did not know about earlier, and otherwise I would have informed the distinguished majority leader—I did know of one request from Mr. CULVER—I ask unanimous consent that the Senate, when it completes its business today, stand in recess until the hour of 10:45 a.m.; that immediately after the two leaders or their designees have been recognized under the standing order, the following Senators be recognized, each for not to exceed 15 minutes, and in the order stated. Mr. CULVER, Mr. BUCKLEY, Mr. HELMS, Mr. TAFT, and Mr. MCCLURE; and after which orders have been completed, the Senate proceed to the consideration of the bill H.R. 6799 on which there is a time agreement. That has to do with the proposed amendments to the Federal Rules of Criminal Procedure.

That upon the disposition of the Federal Rules of Criminal Procedure measure (H.R. 6799) the Senate then proceed to the consideration of the conference report——

Mr. MANSFIELD. Mr. President, will the Senator yield there?

Mr. ROBERT C. BYRD. Yes.

Mr. MANSFIELD. Would the Senator endeavor to see if it would be possible to get a time limitation on this matter at this time?

Mr. ROBERT C. BYRD. Yes. That the Senate proceed to the consideration of the conference report on H.R. 5901, with a time limitation on the conference report of 2 hours to be equally divided between Mr. MAGNUSON and Mr. BROOKE with a time limitation on the amendment in disagreement of 30 minutes; and that upon the disposition of that conference report the Senate proceed to the consideration of the extension of the Appalachian Regional Development Act, S. 1513, on which there is a time limitation; that upon the disposition of the Appalachian Regional Act tomorrow, if the hour is not too late and time permitting, the Senate then proceed to the consideration of S. 644, the bill to amend the Consumer Product Safety Act; with the understanding that Senate Resolution 166, the New Hampshire election dispute, not come up before the Senate tomorrow for any action, and with the further understanding that upon the disposition of the measures I have outlined, or at the conclusion of business tomorrow, whichever is the earliest, the Senate stand in recess until 10 o'clock the following morning.

Mr. ALLEN. Reserving the right to object, is it understood then that the New Hampshire matter at the conclusion of the bills that the distinguished assistant majority leader has enumerated, that the unfinished business would automatically come back down at the end of the day, the close of business?

Mr. ROBERT C. BYRD. I have indicated that that matter would not come up on tomorrow until——

Mr. ALLEN. At the close of business.

Mr. ROBERT C. BYRD. It is the unfinished business. It would then automatically come back up. But I meant to say that there would be no action on that matter tomorrow, and that a call for the regular order to bring the unfinished business before the Senate tomorrow not be in order. That fully protects all Senators who would not want the New Hampshire matter before the Senate tomorrow. It would also fully protect the Senator from Alabama and others who may not want any motion dealing with the Voting Rights Act to occur on tomorrow.

The Committee on the Judiciary is going to meet tomorrow on that matter.

Mr. ALLEN. Further reserving the right to object, I wonder if the Senator would drop the time limitation on the conference report. That is a very important matter, and I am sure a number of Senators will want to be heard. I felt restrained here today, with all of these time limitations imposed, to come in for any nongermane discussion. I wonder if the Senator would drop that.

Mr. ROBERT C. BYRD. The only way I could drop the time limit on that conference report would be to put it at the end of the list because otherwise delay could continue throughout the day on the conference report.

Mr. ALLEN. All right. Then I have no objection.

Mr. MANSFIELD. Mr. President, if the Senator will yield there, the Senators may recall that the Senator from Washington, who managed the bill, indicated specifically he would like to take it up around noon, so I am thinking of his multitudinous duties. He is holding hearings on HEW, hearing witnesses morning, afternoon, and evening. And the Senator would not agree to a 2-hour limitation?

Mr. ALLEN. I wonder if we could agree at the end of 2 hours, if not completed then, it be carried over the next day. I have no thought of any long discussion.

Mr. MANSFIELD. Let us take our chances, but let us not forget this is a measure which guarantees women equality in athletics, and that this will be a chance for all of us, by voting to uphold title IX, to strike a blow for freedom. [Laughter.]

Mr. ALLEN. Is it understood then that the request for a time limitation is being dropped? That is what the majority leader said.

Mr. ROBERT C. BYRD. According to the distinguished majority leader, I would alter—does the Senator intend to object if I leave the time limit included?

Mr. ALLEN. This Senator will wait until he has completed his entire request, unless I will make an objection at the time he calls for the 2-hour time limitation.

Mr. ROBERT C. BYRD. Very well.

I modify my request as follows, and only with respect to the conference report alluded to:

That there be a 2-hour time limitation on that conference report, and if, at the end of 2 hours, the conference report is not disposed of, it take its place at the end of the line, which would mean it would fall in then for resumption of consideration behind the other three measures which would be clocked in ahead.

Mr. ALLEN. Reserving the right to object, and I shall not object, but I would like to point out this does give the Judiciary Committee carte blanche all day to continue its deliberations to come up with an acceptable bill.

Mr. MANSFIELD. No, because the committee cannot meet under the agreement reached during the period in which the distinguished Senator from South Carolina will be attending a conference on a military authorization bill.

Mr. ALLEN. Very well. It eliminates

the Senate Resolution 166 hiatus as of now.

I have no objection.

Mr. BROCK. Reserving the right to object, maybe the Senator will just allow me a second to clarify my understanding, because I shall not object if I understand what he is saying.

All three of the other measures, other than the conference report, do have a time limitation; is that correct?

Mr. ROBERT C. BYRD. The Senator is correct.

Mr. BROCK. All right.

If we cannot finish the educational conference report at the end of 2 hours it goes at the end of the line. What happens, may I ask, if we cannot finish it tomorrow?

Mr. ROBERT C. BYRD. That is a good question, and I was going to make it clear myself that if we do not finish it tomorrow then we have to take the next day as we come to it.

Mr. BROCK. All right. As I understand the Senator's request, the day after tomorrow, when the Senate meets, the pending business would again be the New Hampshire election.

Mr. ROBERT C. BYRD. The Senator is correct; that is the unfinished business.

Mr. BROCK. Then I have no objection.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, even though the conference report is a privileged matter, the assurance I gave to the distinguished Senator from Tennessee (Mr. BROCK) would hold.

The PRESIDING OFFICER (Mr. NUNN). Is there objection? The Chair hears none, and it is so ordered.

Mr. ROBERT C. BYRD. Now, Mr. President, I propound a parliamentary question to the Chair.

The PRESIDING OFFICER. The Senator will state it.

Mr. ROBERT C. BYRD. Mr. President, if on tomorrow the Senate proceeds to the consideration of the first measure, which is H.R. 6799, disposes of that, and proceeds to the consideration of the conference report, and after 2 hours has not disposed of the conference report, and moves on then to the consideration of S. 1513, the Appalachian Regional Development Act, and so on, but does not, in the final analysis, complete action on the conference report tomorrow, am I correct that under the final request that I propounded, which was consented to, the Senate on Friday would, unless otherwise ordered, begin on the New Hampshire election measure, Senate Resolution 166?

The PRESIDING OFFICER. The Senator is correct.

Mr. ROBERT C. BYRD. So that regardless of how the business ends tomorrow, the next day's business would not be affected insofar as this overall consent order is concerned.

Mr. ALLEN. A further parliamentary inquiry.

Mr. ROBERT C. BYRD. Am I correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. ALLEN. Mr. President, a further parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. ALLEN. The conference report, being a privileged matter, though, could be brought up immediately if the unfinished business has not been laid down. It would come back up if the manager of the conference saw fit to bring it up.

The PRESIDING OFFICER. The Senator is correct. It would not displace the unfinished business.

Mr. ROBERT C. BYRD. But it would not automatically, as a result of the request that has been entered into, come before the Senate the following day.

The PRESIDING OFFICER. The Senator is correct.

DETERMINATION OF SENATE ELECTION IN NEW HAMPSHIRE

The Senate continued with the consideration of the resolution (S. Res. 166) relating to the determination of the contested election for a seat in the United States Senate from the State of New Hampshire.

Mr. ALLEN. Mr. President, several days ago, I submitted a resolution declaring a vacancy in the office of the U.S. Senator for the State of New Hampshire for the term commencing January 3, 1975, in the feeling that eventually the Senate is going to have to come to a disposition and feeling that it ought to be decided on an up-and-down vote on a resolution rather than by an amendment to the 35-item resolution of the Rules Committee, Senate Resolution 166.

That matter is still within the breast of the Senate and in a state of suspended animation until such time as the Senate does adjourn.

So, in order that we might have something to work on during the morning hour following the adjournment of the Senate, I introduced that resolution.

Now, feeling that it did not take the full morning hour to act upon that resolution, I have two more resolutions and I am going to ask as to the first one for unanimous consent for its immediate consideration.

I welcome and request an objection to immediate consideration so that it will be carried over under the rule.

I would like to offer these separately and ask that the first be stated. I will then make the request. I anticipate an objection. Then I will ask that the other be considered.

The PRESIDING OFFICER. The resolution will be stated.

The legislative clerk read as follows:

S. RES. 209

Resolved, That the office of United States Senator for the State of New Hampshire for the term commencing January 3, 1975, is hereby declared vacant, effective July 31, 1975.

Mr. ALLEN. Mr. President, I ask for its immediate consideration.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

Mr. HELMS. I object.

The PRESIDING OFFICER. Objection is heard. The resolution will go over under the rule.

Mr. ALLEN. Mr. President, I offer the second resolution.

The PRESIDING OFFICER. The resolution will be stated.

The legislative clerk read as follows:

S. RES. 210

Resolved, That the office of United States Senator for the State of New Hampshire for the term commencing January 3, 1975, is hereby declared vacant, effective August 1, 1975.

Mr. ALLEN. Mr. President, I ask for its immediate consideration.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

Mr. HELMS. I object.

The PRESIDING OFFICER. Objection is heard. The resolution will go over under the rule.

Mr. ALLEN. Mr. President, we will have at least three resolutions there to consider during the morning hour following the next adjournment of the Senate, if we do in fact adjourn, between now and the final adjournment of the Senate.

I yield the floor.

Mr. HELMS. Mr. President, it just so happens the Senator from Alabama and I are thinking on the same track and I send to the desk a resolution and I shall ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated.

The legislative clerk read as follows:

S. RES. 211

Resolved, That the office of United States Senator for the State of New Hampshire for the term commencing January 3, 1975, is hereby declared vacant effective August 2, 1975, unless, prior to such date, the Senate shall have seated either Mr. Durkin or Mr. Wyman.

Mr. HELMS. Mr. President, I ask for its immediate consideration.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

Mr. ALLEN. I object.

Mr. ROBERT C. BYRD. Mr. President, the Senator was not standing when he objected.

Mr. ALLEN. I will let the Senator object, then.

Mr. ROBERT C. BYRD. I object.

The PRESIDING OFFICER. Objection is heard. The resolution will go over under the rule.

Mr. HELMS. Mr. President, I send to the desk another resolution and I shall ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated.

The legislative clerk read as follows:

S. RES. 212

Resolved, That the office of United States Senator for the State of New Hampshire for the term commencing January 3, 1975, is hereby declared vacant effective August 3, 1975, unless, prior to such date, the Senate shall have seated either Mr. Durkin or Mr. Wyman.

Mr. HELMS. Mr. President, I ask for its immediate consideration.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

Mr. ROBERT C. BYRD. Mr. President, I object.

Mr. HELMS. I am so sorry the Senator

objected. We could have gotten through all this right here.

The PRESIDING OFFICER. Objection is heard. The resolution will go over under the rule.

Mr. HELMS. Mr. President, I send to the desk a third resolution and ask for its immediate consideration after it is stated.

The PRESIDING OFFICER. The resolution will be stated.

The legislative clerk read as follows:

S. Res. 213

> *Resolved,* That the office of the United States Senator for the State of New Hampshire for the term commencing January 3, 1975, is hereby declared vacant effective August 4, 1975, unless, prior to such date, the Senate shall have seated either Mr. Durkin or Mr. Wyman.

Mr. HELMS. Mr. President, I ask for its immediate consideration.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

Mr. ALLEN. I object.

The PRESIDING OFFICER. A standing objection is heard.

The resolution will go over under the rule.

Mr. HELMS. Will the Chair allow me one final statement, if I may be recognized, Mr. President?

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. I thank the Chair.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield to me?

Mr. HELMS. I am delighted to yield.

Mr. ROBERT C. BYRD. Mr. President, the two Senators have almost effectively precluded the calling up, without debate during the morning hour, of any measure. I am aware of what is going on. Of course, there is nothing I could have done to prevent it, but I think the RECORD ought to show that under the rules, ordinarily once morning business has been disposed of or after the expiration of the first hour—whichever comes first—on a new legislative day, motions to take up are not dabatable.

The two Senators have assured the Senate that at the close of morning business on the next legislative day, the first resolution coming over under the rule will be the resolution that was offered by Mr. ALLEN some time ago. Then, if that is disposed of, the next resolution offered by Mr. ALLEN will come over under the rule. Then if that is disposed of before the end of the first 2 hours, the next resolution over under the rule will come up, and so on and so on. The clock will have run the 2 hours, and no opportunity will remain to call up any matter, such as the Voting Rights Act, without debate.

I salute the two Senators on their parliamentary skill. I think the record ought to indicate to all Senators, in case any Senator may be counting on making a motion during the morning hour to proceed to take up some matter without debate, he can just almost debunk his thoughts of that prospect.

Mr. HELMS. If the Senator will yield——

Mr. ALLEN. Will the Senator yield?

Mr. ROBERT C. BYRD. I am not criticizing.

The PRESIDING OFFICER. The Senator from North Carolina has the floor.

Mr. HELMS. I yield to the Senator from Alabama.

Mr. ALLEN. The Senator spoke of a particular bill that could not be brought up without debate. That would apply to any bill on the calendar.

Mr. ROBERT C. BYRD. Yes. I did not mean to leave any impression that these activities on the part of the two Senators would only apply to a motion to call up the Voting Rights Act. But I use that as an example.

Mr. ALLEN. Of course, any Senator at any time, relatively speaking, can make a motion that is subject to debate to bring up any measure on the calendar.

Mr. ROBERT C. BYRD. Yes. After the first 2 hours such motion is subject to debate.

Mr. WILLIAM L. SCOTT. Will the Senator yield briefly?

Mr. HELMS. I yield.

Mr. WILLIAM L. SCOTT. Can we have the assurance of the distinguished majority whip that we will have no more business tonight? If we can, I am going home.

Mr. HELMS. If I may say, Mr. President, any comment that the assistant majority leader would make would be purely subjective. It may be business or it may not be. I rather imagine that he will not comment on the Senator's request.

Mr. ROBERT C. BYRD. I hope the Senator from Virginia (Mr. WILLIAM L. SCOTT) will remain around and see what happens. We will be glad to have his company.

Mr. HELMS. Mr. President, let me say to the distinguished Senator from West Virginia, whom I have long admired preceding my coming to the Senate, and he knows that, that I appreciate the careful way in which he has analyzed the motives of the Senator from North Carolina and the Senator from Alabama. The Senator from Alabama has spoken for himself, and I shall speak for myself only to say that I have observed the distinguished Senator on countless occasions when he used the rules fairly and openly to accomplish whatever purpose he had in mind. I have admired him. I hope I am learning a little bit of his fine skills in that regard. I commend him on all the efforts that he has made.

Mr. ROBERT C. BYRD. I thank the Senator.

ALEXANDR SOLZHENITSYN

Mr. HELMS. Mr. President, at 12:54 p.m. this afternoon I happened to be checking the ticker in the cloakroom, the United Press-International ticker. I was astonished to note an item that had just moved on that wire, the contents of which I presume are correct.

Let me read it.

> In Milwaukee today Secretary of State Henry Kissinger said that Alexandr Solzhenitsyn's militant views are a threat to peace and he had recommended President Ford not to meet with the author.

That is the end of the first paragraph.

Mr. President, that confirms what everybody has known all along during the folderol that came out of the White House about why Mr. Ford would not or could not meet with Mr. Solzhenitsyn. Mr. Nessen said something to the effect that he could not imagine what benefit would be gained by the President meeting with Mr. Solzhenitsyn. Then they said that the President did not have time to meet with Mr. Solzhenitsyn.

I suggested to my friend Alexandr Solzhenitsyn that he get himself a soccer ball and go dribbling down Pennsylvania Avenue and maybe he could get the attention of the President that way, or perhaps Mr. Nessen or Dr. Kissinger.

Let me proceed with the item as it moved on the United Press International wire. It begins with a quote from Dr. Kissinger himself:

> "If I understand the message of Solzhenitsyn," Kissinger told a news conference, "it is that the United States should pursue an aggressive policy to overthrow the Soviet system."

Mr. President, if Dr. Kissinger believes that, he will believe anything, because if Alexandr Solzhenitsyn has made anything clear in any of his writings, or in any of his public utterances, including his appearance on Meet the Press last Sunday, it has been that he is not talking about or recommending an aggressive policy to overthrow the Soviet system, to quote the eminent Dr. Kissinger.

I say to Dr. Kissinger, "Baloney."

But let us continue the quote attributed to Dr. Kissinger by United Press International:

> But I believe that if his views become the national policy of the United States, we would be confronted with considerable threat of military conflict . . . I believe that the consequences of his views would not be acceptable to the American people or to the world.

Mr. President, you can see what Dr. Kissinger does. He sets up a straw man and he knocks it down. He shows his complete ignorance as to Alexandr Solzhenitsyn's philosophy. What Mr. Solzhenitsyn is saying very clearly, very eloquently, and what he has been saying and writing, is that all people who believe in freedom must join hands in resisting oppression.

Here is a Nobel Prize winner, Mr. President, a man who literally was willing to lay down his life in defense of freedom, who was oppressed in a concentration camp, and our Secretary of State does not know enough about him to even characterize Mr. Solzhenitsyn accurately, fairly or properly.

To continue the item from United Press International:

> Kissinger said he highly respects Solzhenitsyn as one of the greatest writers of all time, but recommended to the White House that Ford not meet with him. He said the symbolic effect of such a meeting could be a disadvantage to the United States.

A disadvantage to the United States, Mr. President, to refuse to tremble in timidity for fear that we might offend the Soviet Union? Again I say, "Baloney."

The last two paragraphs, I think, are significant, continuing to quote from the dispatch from United Press International:

> On Tuesday, White House Press Secretary Ron Nessen—

It will be remembered, Mr. President,

that Mr. Nessen was the one who said the President was too busy to see Mr. Solzhenitsyn:

> On Tuesday, White House Press Secretary Ron Nessen said Ford has received 478 letters and telegrams suggesting he meet with Solzhenitsyn. But no mail has come in opposing such a meeting.

I think that tells it all, Mr. President. If Mr. Kissinger thinks that he is speaking for the American people with his rather cavalier putdown of Mr. Solzhenitsyn, Mr. Kissinger once again is sadly mistaken.

PRIVILEGE OF THE FLOOR—H.R. 6799

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent, at the request of the senior Senator from Arkansas (Mr. McClellan), that the following Senate staff members be allowed on the floor during the consideration and vote on H.R. 6799 tomorrow:

Paul Summitt and George Butler, Subcommittee on Criminal Laws and Procedures; Kenneth Kaufman, Subcommittee on Administrative Practices and Procedures; William Heckman, Subcommittee on Constitutional Amendments; Gloria Phares Stewart, Subcommittee on Separation of Powers; Christopher Erlewine, Subcommittee on National Penitentiaries; Mike Mullen on Senator Hart's staff; and J. C. Argetsinger, Committee on the Judiciary.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the program for tomorrow is as follows:

The Senate will convene at 10:45 a.m. After the two leaders or their designees have been recognized under the standing order, the following Senators will be recognized, each for not to exceed 15 minutes, and in the order stated: Mr. Culver, Mr. Buckley, Mr. Helms, Mr. Taft, and Mr. McClure.

On the disposition of those orders, the Senate will proceed to the consideration of H.R. 6799—on which there is a time agreement of 1 hour on the bill, 30 minutes on any amendment.

On the disposition of H.R. 6799, the Senate will then proceed to the consideration of the conference report on H.R. 5901, the Education Division appropriations, with a 2-hour time limitation.

If the Senate does not complete action on the conference report at the end of 2 hours, the Senate will then proceed to the consideration of S. 1513, a bill to extend the Appalachian Regional Development Act of 1965.

If the Senate does complete action on the conference report within the 2-hour limitation, the Senate will, also in that event, proceed to the consideration of S. 1513, a bill to extend the Appalachian Regional Development Act, on which there is a time agreement of 2 hours, with a one-half hour limitation on amendments.

Upon the disposition of S. 1513, if there still is some daylight, the Senate will proceed to the consideration of S. 644, a bill to amend the Consumer Products Safety Act on which there is a time limitation of 2 hours, a 2-hour limitation on an amendment by Mr. Buckley, and a one-half hour limitation on any other amendment.

Upon the disposition of that measure, the Senate then, if it continued to do business tomorrow, would resume consideration of the conference report in the event the conference report had not previously been disposed of.

Now, that is a pretty big and full plate, Mr. President. I would doubt that the Senate will be able to move through all of those measures but, in any event, we will do the best we can.

There will be a number of rollcall votes tomorrow, undoubtedly, and the Senate probably will be in to a reasonably late hour, especially in view of the fact that the Senate will not begin to transact business tomorrow—that is, on any of these measures that have been outlined—until circa 12 o'clock noon.

Mr. President, it is understood, in accordance with the parliamentary inquiries and the responses thereto, that regardless of when the Senate closes up shop tomorrow, the next day's business will not be affected by this package of unanimous-consent requests. It is also understood that neither the New Hampshire matter nor the voting rights matter can be called up for action tomorrow.

I believe I did include in the request that when the Senate completes its business tomorrow, it stand in recess until the hour of 10 o'clock on Friday.

The PRESIDING OFFICER (Mr. Glenn). Yes, the Senator is correct.

Mr. ROBERT C. BYRD. Mr. President, I thank the Chair and I thank all Senators.

RECESS UNTIL 10:45 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in recess until the hour of 10:45 a.m. tomorrow.

The motion was agreed to; and at 9:02 p.m. the Senate recessed until Thursday, July 17, 1975, at 10:45 a.m.

HOUSE OF REPRESENTATIVES—*Wednesday, July 16, 1975*

The House met at 10:15 o'clock a.m.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

Behold, I stand at the door and knock; if anyone hears My voice and opens the door, I will come in to him.—Revelations 3: 20.

O God, who art ever knocking at the door of our hearts seeking entrance to our inmost being, we pause in Thy presence opening our lives unto Thee.

We thank Thee for the gift of prayer and for this opportunity of turning to Thee to receive strength for the day, wisdom for sound decisions, understanding when differences develop, and good will amid the difficulties we face.

Bless Thou our Nation that out of the depths of these disturbing days may come a new life for our people. Help us to help one another, teach us to trust one another, and grant us grace to live generously for the greater good of all. Abide with us, Lord, for in Thee do we put our trust. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 1260. An act to authorize the Administrator of General Services to enter into multiyear leases through use of the automatic data processing fund without obligating the total anticipated payments to be made under such leases;

S. 1849. An act to extend the Emergency Petroleum Allocation Act; and

S. 1883. An act to conserve gasoline by directing the Secretary of Transportation to establish and enforce mandatory fuel economy performance standards for new automobiles and light duty trucks, to establish a research and development program leading to advanced automobile prototypes, and for other purposes.

CALL OF THE HOUSE

Mr. BAUMAN. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. O'NEILL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 389]

Adams
Andrews, N.C.
Archer
Bell
Biaggi
Burton, Phillip
Butler
Conlan
Conyers
Danielson
Downey
Drinan
Esch
Eshleman
Fulton
Fuqua
Hanley
Harsha
Hébert
Hefner
Holland
Jarman
Karth
Lent
McHugh
Matsunaga
Meeds
Mills
Mollohan
Mosher
O'Hara
Rangel
Riegle
Risenhoover
Rosenthal
St Germain
Satterfield
Scheuer
Steiger, Wis.
Symms
Teague
Udall
Ullman
Wilson, C. H.
Zablocki

The SPEAKER. On this rollcall 389 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

PERMISSION FOR COMMITTEE ON INTERNATIONAL RELATIONS TO FILE REPORT ON S. 846, AS AMENDED, TO AUTHORIZE FURTHER THE SUSPENSION OF MILITARY AID TO TURKEY

Mr. MORGAN. Mr. Speaker, I ask unanimous consent that the Committee on International Relations have until midnight tonight to file a report on S. 846, as amended, to authorize further the suspension of military aid to Turkey.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

ESTABLISHING A SELECT COMMITTEE ON INTELLIGENCE

Mr. BOLLING. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the resolution (H. Res. 591) establishing a Select Committee on Intelligence.

The SPEAKER. The question is on the motion offered by the gentleman from Missouri (Mr. BOLLING).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the resolution, House Resolution 591, with Mr. EVANS of Colorado in the chair.

The Clerk read the title of the resolution.

The CHAIRMAN. When the Committee rose on Monday, July 14, 1975, all time for general debate on the resolution had expired.

The Clerk will read.

The Clerk read as follows:

Resolved, That (a) there is hereby established in the House of Representatives a Select Committee on Intelligence to conduct an inquiry into the organization, operations, and oversight of the intelligence community of the United States Government.

(b) The select committee shall be composed of thirteen Members of the House of Representatives to be appointed by the Speaker. The Speaker shall designate one of the members as chairman.

(c) For the purposes of this resolution the select committee is authorized to sit during sessions of the House and during the present Congress whether or not the House has recessed or adjourned. A majority of the members of the select committee shall constitute a quorum for the transaction of business except that the select committee may designate a lesser number as a quorum for the purpose of taking testimony.

Mr. QUILLEN (during the reading). Mr. Chairman, I ask unanimous consent that section 1 of the resolution be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. QUILLEN

Mr. QUILLEN. Mr. Chairman, I offer an amendment in the nature of a substitute.

The Clerk read as follows:

Amendment in the nature of a substitute offered by Mr. QUILLEN: Strike all after the resolving clause and insert in lieu thereof the following:

Resolved, That the select committee established by H. Res. 138 is abolished immediately upon the adoption of this resolution; and be it further

Resolved, That immediately upon the adoption of this resolution, the Clerk shall obtain all papers, documents, testimony, and other materials generated by the select committee and transfer them to the General Services Administration for preservation subject to the order of the House.

Mr. QUILLEN. Mr. Chairman, this is a very simple amendment. What it does is exactly what it says it does: It abolishes the Select Committee on Intelligence—period. But it does not entirely close the door for future action by the House.

This is a very important amendment. It is offered as an amendment in the nature of a substitute. If enacted, it will abolish the Select Committee on Intelligence, but, as I said, it does not completely close the door for the future.

Mr. Chairman, let me read the headline in this morning's Washington Post: "CIA Debate Seen Dead in Senate."

The article states:

> Senator Frank Church said yesterday that plans for a closed-door Senate debate on the Central Intelligence Agency's involvement in assassination plots may be abandoned because of the August recess.

It goes on to say that this report, if completed, will be made public while the Congress is in recess, but first of all the report on alleged assassinations will be given to the White House.

I think it is not logical for this House of Representatives to go forward with a Select Committee on Intelligence after the Rockefeller Commission made a thorough investigation of the CIA and has already made its report, after the Church committee in the Senate has gone 4 months in the investigation of the CIA of alleged assassination plots, and the committee is going to make its report on these plots even while we are in recess in August.

Mr. Chairman, I think it is important that this committee and that this House of Representatives look at the overall picture. What will be accomplished if we go into the investigation not only of the CIA but of 11 other agencies with less than 6 months remaining of this year and of this session of the Congress?

The committee, as proposed by the gentleman from Missouri, would expire on January 31. Investigation of the CIA and investigation of 11 other agencies would include the National Security Council, the U.S. Intelligence Board, the President's Foreign Intelligence Advisory Board, the Central Intelligence Agency, the Defense Intelligence Agency, the Army, Navy, and Air Force intelligence components, the Intelligence Research Bureau of the Department of State, the Federal Bureau of Investigation, the Department of the Treasury, the Energy Research and Development Administration, and any other instrumentality of the Government that this select committee decides to go into.

Mr. Chairman, I say to the Members that this select committee was created in February of this year. Because of internal problems and the constitution of the committee itself, no action has been taken. No meetings have been held in any meaningful way. The committee has not organized.

Mr. Chairman, I think it is important that this committee be abolished because the American people have lost confidence in that particular committee's going forward with any meaningful investigation. There have been leaks from other committees in past sessions of the Congress of classified and secret material, and the American people feel that in any investigation started by this select committee, there is a great possibility of future leaks. I think this country is so important, the future of this country as a democratic system is so important that we must take a break, so to speak, abolish the committee, and then after the Senate has made a full report, after the Church committee has made a full report, review the situation and see then if we need a committee to plow new ground. Certainly we do not need a committee to go over the same testimony previously given by Mr. Colby and the others.

The CHAIRMAN. The time of the gentleman from Tennessee (Mr. QUILLEN) has expired.

(By unanimous consent, Mr. QUILLEN was allowed to proceed for 2 additional minutes.)

Mr. QUILLEN. Mr. Chairman, certainly this House of Representatives does not need to go over the ground covered by the Rockefeller Commission and the ground covered by the Church committee in the Senate. If there is new ground to be plowed after the Church committee has made its report, then let us consider whether or not we need a permanent Committee on Intelligence.

After this measure was debated on the floor of the House on Monday, the American people had uppermost in their minds not what this committee will uncover, but what the prices of groceries are on the grocer's shelves, and what the price of gasoline is going to rise to, and what taxes are going to be levied upon them. They are concerned with the domestic problems of our country. I think this Congress is leaving the wrong impression when our focus is on something that really is not as important as the domestic problems facing us today.

I think Mr. Colby has been before several committees and has presented all the documents necessary to conclude this consideration.

Mr. Chairman, I shall insist on a recorded vote on my amendment, and I would urge the Members of this body to support this amendment in good conscience. After all, the House of Representatives, later on, can reconstitute a new committee if necessary. But today let us abolish this committee, and get down to the business of lowering grocery prices, lowering gasoline prices, and doing the things that are necessary for the people of this country.

Mr. BOLLING. Mr. Chairman, I rise in opposition to the amendment in the nature of a substitute offered by the gentleman from Tennessee (Mr. QUILLEN).

Mr. Chairman, first of all I would like to deal briefly with a couple of procedural problems. There is a mistake in the resolution which is before us that was pointed out by the gentleman from Illinois (Mr. MCCLORY) that, by a printer's error, January 3 appears on page 6 as the final date, and it should be January 31. When we get to that section I am going to offer a technical amendment which will bring this into conformity with the intent of everybody involved so that the final date of the committee, when it is reconstituted, will be the 31st of January.

Secondly, as we proceed with the debate I am not going in any way to try to prevent Members from having an opportunity to talk on particular amendments, but I am going to try to proceed in an orderly fashion and, with the cooperation of the committee, I hope we will be able to set time on each amendment, at a reasonable time, soon after we see how the debate is beginning to develop, and so that we will not just go on and on and on, talking about everything on one amendment when there are other amendments coming.

I am going to seek to achieve some kind of an orderly discussion, amendment by amendment and, of course, that would also take into account the possibility of amendments being offered to amendments.

Now, Mr. Chairman, I would like to express my opposition to the amendment.

The argument that the gentleman from Tennessee makes might be a more forceful argument if the committee were just going to investigate, but the committee is going to make recommendations, I hope, and the recommendations are terribly important. The House not only needs to have an investigation, but it needs to have recommendations made on a variety of complex matters. The committee can recommend, and they may not be legislative recommendations. The committee, I think, should recommend in three areas. One, if anything needs to be done about the rules of the House; two, if anything should be done about the laws governing security matters of the United States and its agencies, and among its citizens; and three, what kind of oversight should be established for the future.

I think an expert committee that has done some studying of the problems of intelligence and really truly understands them should do that kind of work, should do the groundwork that will lead to an effective set of recommendations which the House will have an opportunity to consider. Therefore, I think it is a good idea to roundly defeat the proposal of the gentleman from Tennessee, no matter how well-intentioned it is.

Mr. Chairman, I yield back the remainder of my time.

Mr. BAUMAN. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, earlier this year the House was confronted with the question of whether or not it would abolish the House Committee on Internal Security. At that time the argument was advanced by the proponents that this particular committee was not needed, that it was superfluous, that it was expensive, that its jurisdiction was shared by other committees in the House, and that the Committee on the Judiciary could just as well handle these matters. If those arguments for abolition were applicable then, they certainly apply now to the pending resolution.

I want to remind the Members that the Internal Security Committee this House abolished was charged many years ago by the House of Representatives with investigating Communist subversion and subversion by other groups, anti-American and un-American groups. Last January the judgment was made by the majority party in this House that that committee should be abolished, that subversion was no longer a threat. Now we are being asked to create another committee to investigate executive agencies whose role also has been to control subversion.

The gentleman from Missouri says that the amendment of the gentleman from Tennessee is unnecessary and is out of place because the new committee proposed by this resolution will have a very important role, first of all, to recommend amendments to the Rules of the House dealing with national security and how it should be handled, rules dealing with a Member's right to information and how each of us should handle secret and confidential matters that come within our purview. I submit that the able gentleman from Missouri headed a select committee which had a great deal of time to devote itself to this and other matters regarding changes in the Rules of the House. There were substitutes, amendments, all sorts of changes made to the Rules of the House. Certainly the Committee on Rules, or any select group of that particular committee, could handle that question without any problem, based upon their expertise and ability, in a matter of weeks or months at the most, I am quite sure.

I doubt that the composition of the committee we propose to create here today would be such that it would be so finely tuned either temperamentally or intellectually that it is going to come out with any delicate rules to handle the conduct of Members of the House in matters of secrecy. No, I think the new committee's bag, as they say in the vernacular, is going to be investigation; and investigation on a grand scale molded along the lines of the prejudices of the individual Members who serve on this committee. We have already had a taste of what is to come by the remarks heard on this floor today.

I will say to the House I might be less willing to support the pending amendment if the Speaker of the House would announce to us now during this debate who will be chairman of this new group and what the composition of the membership will be. Last February I voted against the creation of the present committee that will be abolished as part of this resolution, because I did not think it would do the job. I had heard the names of some of the Members who had been proposed to serve on it, and I had misgivings. I must say my misgivings have been borne out to a fine fare-thee-well based on the conduct of this committee so far.

Second, do we need investigations of our security agencies by this proposed committee? I may not always agree with the gentlewoman from New York (Ms. ABZUG) but she has exercised the jurisdiction of her Subcommittee on Government Operations in exploring fully—and will continue, I am sure, knowing her predilection—the CIA and its activities. We may not agree with the way that she does it in all respects, but it is within the jurisdiction of her committee. Other committees of the House already have jurisdiction over various security agencies as well, including the Committee on Armed Services and the Committee on Appropriations. Why must we have still another group?

As far as future oversight is concerned, the Committee on Government Operations has this within its jurisdiction. There is no need for this House to create a new committee, but there is a great need to abolish the one we have.

I submit to the Members that the contents of this resolution constitute a political solution to the internal problems of the majority party in this House. This is unfortunate because I think that there has been raised valid questions regarding the civil liberties of individual citizens of the United States and whether governmental agencies are overstepping their bounds. It is unfortunate that we are asked in this particular instance to solve a political problem with a twofold resolution abolishing a useless committee that, indeed, should be abolished, and then creating another committee that probably will have to be abolished when it follows down the same road. But perhaps this unusual procedure will ease the internal problems of the Democratic caucus.

I think the solution offered by the gentleman from Tennessee is amply fair and correct. The Rockefeller Commission has acted. The Church committee in the other body is acting. Congress has gone over this ground before, as the gentleman from Arizona, the minority leader said yesterday. There is a limit to what we can do. The House is 6 months late and $750,000 short. The House will never catch up to the other investigations, nor should we try. Abolish this committee and let the appropriate committees of the House to do their job.

The proper manner in which to deal with this I think is to support the Quillen amendment.

Mr. McCLORY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, as the ranking minority member on the select committee that was appointed in February I want at least to advert to the responsible manner in which I feel the Members on our side have proceeded and have undertaken to perform their jobs with vigor and with determination in an effort to fulfill the mandate of this House of Representatives.

I think it is extremely important that we do not have out activities frustrated by the difficulties that have arisen on the other side of the aisle. Our frustrations would be complete if this amendment were to be adopted.

There is an important and legitimate role for us to perform. We recognized that when we established this select committee. In the effort being made now by the gentleman from Missouri (Mr. BOLLING) he is trying to overcome the frustrations that have arisen because of disagreements on the other side of the aisle in order that this House of Representatives might legitimately carry out one of its important functions, that of oversight.

We are not concerned here simply with the CIA. The CIA, as a matter of fact is a small part of the overall intelligence community, but the complex intelligence community does deserve some oversight. There is tremendous confusion and overlapping and duplication. If the gentleman from Tennessee is interested in saving the money of the taxpayers he ought to be interested in having the activities of the select committee carried on because the opportunities for savings are tremendous.

Nobody knows how much the overall intelligence operations cost. We should find out and determine that and make the entire intelligence community an efficient operation, and not just allow it to be one that goes on with various autonomous and independent operations without control and without coordination.

It seems to me to be extremely important, even though we move toward establishment of a joint committee, which I would support, even if we support a joint committee as an ultimate goal or objective of our committee, we should first of all study the framework and background of this entire activity so that we can move into that kind of oversight operation intelligently.

Mr. QUILLEN. Mr. Chairman, will the gentleman yield?

Mr. McCLORY. I yield to the gentleman from Tennessee.

Mr. QUILLEN. I thank the gentleman for yielding.

The gentleman says the committee ought to do certain things. Why has it not? Up to now the members have not.

Mr. McCLORY. I do not want to say that our efforts have not been frustrated. They have been, but I am confident that the Speaker is going to name a chairman of the committee who is going to demonstrate leadership and control of our committee. I am sure we are going to find the chairman, whoever it happens to be, will have the support of the Members on our side and we are going to move forward with our legitimate responsibilities and do the kind of job we are charged with doing, which includes the oversight of all the intelligence community.

Now, if the gentleman would get a background paper from the Legislative Reference Service of the Library of Congress, he would see how complex an operation this is. Our intelligence agencies enter into all kinds of subjects, not only do they invade the private rights of American citizens and not only is there confusion which results from the CIA and FBI not knowing where their lines of demarcation lie, but let me suggest another area requiring our close attention, that of drug enforcement. This is an area where we note a terrible increase in the drug traffic, because in my opinion we do not have the coordinated kind of communication between our various agencies with each other which they should have if we are to stamp out the drug traffic.

They need help to stamp out the traffic in drugs. This is one area, it seems to me that deserves a thorough investigation and it can only be done if the committee is active and empowered to carry on its job.

Mr. QUILLEN. Mr. Chairman, will the gentleman yield?

Mr. McCLORY. I yield to the gentleman from Tennessee.

Mr. QUILLEN. That was my impression and opinion and consideration in February of this year when this committee was formed by this House. I mean, the dreams and aspirations and ideas do not formulate unless action is taken. The committee has not taken any action. Therefore, it should be abolished.

Mr. McCLORY. I do not think the gentleman should blame the committee or any of the Members on his side of the aisle, because we have been ready and able to go forward and we have gone forward to the extent we have been capable of going forward, but we have been frustrated, I recognize that. The purpose of the resolution of the gentleman from Missouri is to reactivate and restructure this committee so that we can fulfill the mandate that has been given to the House and that we should fulfill.

Mr. DELLUMS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, as one of the present members of the committee, I rise in strong opposition to the amendment offered by the gentleman from Tennessee.

I would first point out that the House of Representatives and the Senate are equal in their constitutional responsibilities. The Constitution, in part, says that we not only shall make laws, but we are charged with the responsibility of overseeing the enactment of those laws. That means that we have a responsibility. We have a responsibility specifically in this issue, because there are many questions that have not been answered by the Rockefeller commission and there are many questions that may not be answered by the Senate committee.

First of all, with respect to the CIA—yes, we must explore with diligence and depth the question of the allegation of assassination as an instrument of foreign policy. We must go further in determining the degree to which people's rights have been abused domestically in this country. That is our responsibility. That is our charge.

We must know, for example, why is it that there are 200,000 American citizens who have a CIA file. Why is it that a few short weeks ago the Director of the CIA said 5, 6, maybe 7 Members of Congress had a CIA file; 3 weeks later he said 15 people. Now the record shows there are at least 75 Members of Congress who have a record and perhaps as time goes on there may be 435 people that have a record.

We need to know. That is our responsibility. That is our constitutional charge. We need to know, for example, why are there allegations that some former members of the intelligence community have gone into the civilian community in America, set up detective agencies or patrol agencies or what have you, that are still in some kind of network that would allow this group, although not officially on the payroll of the intelligence community, who could act as a network trained and capable to involve themselves in the violation of constitutional rights, the continued abuse of American citizens in this country.

We need to know what is the "greenlight group" and what is their function and what are the ramifications of that group to our national security.

We need to know, for example, why a young person employed by the CIA could be arrested in possession of 100 pounds of heroin. That translates into $3.5 million worth of death and destruction in the arms of many of our young men and women throughout this country. The CIA can then go to the Justice Department and say, "Do not prosecute this person."

If any person in this Chamber were in possession of 100 pounds of heroin, we would not see the light of day.

The question is, is this a quid pro quo or is this just one further abuse of employment in the CIA?

We need to know, for example how many wholly owned CIA proprietorships there are on the stockmarkets of America.

We need to know who are the directors of these various corporations. We need to know the nature of their political and economic influence in the committee. Have they ever contributed to political campaigns? If so, what are the ramifications? What happens to the profits of these wholly-owned CIA proprietary corporations when the law, the Constitution, says that the Congress shall authorize and appropriate funds? Did these funds go to finance such things as secret wars in Laos and Cambodia, to violate the rights of human beings in this country? We need to know; that is our responsibility.

With regard to the FBI, what about the counter-intelligence program with eight different projects. Many of us in this room do not know the function of one of those projects. We need to know all eight. We need to understand the ramifications so that we can take appropriate corrective action.

It has been alleged that every single telephone, telegram, Telex communication between this country and foreign countries is monitored by some intelligence agency. The enormous ramifications of that statement are shocking to me. We need to understand that. We need to know whether this is true. We need to be able to take corrective action.

We now know that the IRS paid people to peep through keyholes of American citizens to determine their sexual activity. How many of us in this House would like to have their keyholes peeped?

Mr. Chairman, I interject a slight bit of humor into this debate which, probably through the next few hours, would not be very humorous, but not because the issue is frivolous. The issue is important and critical. We have a constitutional responsibility. I would recommend that we strike down this amendment. It would seem to me that if the House of Representatives passed an amendment to abolish the investigation, the American people would have the right to call for our impeachment.

Mr. Chairman, I urge that we strike down this resolution.

Mr. ASHBROOK. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I merely wanted to ask the previous speaker, if he would stay near a microphone, what is it his committee has done in the last 5 months on these vital questions that he raises?

Mr. DELLUMS. Mr. Chairman, I can say to the gentleman that the overwhelming majority of the members of the committee have been diligent in their efforts to try to resolve these various questions. As the gentleman is aware, a so-called impasse has been reached on this committee. My interpretation of that impasse is not that the members of the committee, nine of us, are not willing to go into this matter on today, tomorrow or yesterday.

But, what we are confronted with is a chairperson who decided for various and sundry reasons that he could not chair. He offered his resignation on the floor of the House. The House worked its will. I voted to receive the gentleman's resignation. The majority of the members voted not to do so. So, we have a chairperson who wanted to resign. The House did not allow that.

He is not chairing the meetings because he does not want to be the chairman, and I respect the gentleman's right to make that decision. We now are confronted with a committee that cannot function. That is no reflection on the nine members of the committee. We want very desperately to engage in the pursuit of these questions and to make a report and submit recommendations by January.

Mr. ASHBROOK. Would it be fair to say to the gentleman from California that he took a long way of saying "No" in answer to my question? Nothing has been done?

Mr. DELLUMS. That is not true.

Mr. ASHBROOK. The total output of the committee, the total result of the committee, the total hearings of the committee, the total recommendations of the committee add up to zero. Is that not correct?

Mr. DELLUMS. The day the committee called Mr. Colby, our first witness, before the committee, I would suggest to the gentleman that the persons on the other side of the aisle did not come to the meeting. The majority of the Democrats were there, prepared to go forward in the pursuit of the investigation of the Intelligence Committee. The three members of the gentleman's party did not come. He has to answer that question of why that action.

Mr. ASHBROOK. It still adds up to the fact that as far as the total action of the committee in response to the mandate of the House earlier this year, the answer is nothing, zero, absolutely nothing. Is that not correct?

Mr. DELLUMS. If the gentleman wants to ask a question and answer it for himself, then he can go forward and do it. I have tried to answer the gentleman's question to the best of my ability.

Mr. ASHBROOK. What I sought to get from the gentleman from California was that although he raised many serious questions—many of which I think ought to be answered also—my question was: How many of these questions have been answered? or even studied? What has been the total sum output of that committee in the preceding 5 months? I think the answer is zero.

Mr. DELLUMS. The committee has not functioned, and that is a reflection on the issue I have already laid out. We have a committee which will not function. If the meetings would have been called, we would have been far down the road, and we would not be on the floor of the House debating this question today.

Mr. ASHBROOK. There is one principle that I have learned as one who has been around the House for a number of years and, having been a minority Member during that time, I understand it. My learned friend, the gentleman from Missouri (Mr. BOLLING), said on a number of occasions, which is absolutely correct, that there is no possible way in this body the will of the majority can be thwarted. So if there is a majority on that committee, it could not be thwarted. That is one thing I understand. If a majority of this House and if a majority of this committee ever really wants something, it can be accomplished. So I guess the answer to the question I put to the gentleman from California is that the majority evidently did not want anything because they did not accomplish anything in these preceding 5 months.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. ASHBROOK. I yield to the gentleman.

Mr. BAUMAN. I thank the gentleman for yielding.

Mr. Chairman, I would like to ask the gentleman from California (Mr. DELLUMS) a question, if he is still with us, and I see he is.

Quite obviously, I will say to the gentleman from California, the chairman of the existing committee to investigate these matters, the gentleman from Michigan (Mr. NEDZI), acted in a manner that displeased a number of the members of the gentleman's committee. If the gentleman from New York (Mr. PIKE) is, as rumored, named by the Speaker as the chairman of this committee and he too acts in a manner that the gentleman from California finds disagreeable, will the gentleman's personal attitude be the same? Will the gentleman's conduct be the same as it was toward the gentleman from Michigan (Mr. NEDZI), regardless of the impact it has on the committee's activities?

Mr. DELLUMS. Yes.

Mr. BAUMAN. The answer is "Yes"?

Mr. DELLUMS. I think that is an absurd question. Someone said, "Do not dignify the question with an answer," but I will answer it.

Mr. BAUMAN. I would be pleased if the gentleman will dignify the question with an answer because the gentleman is always dignified.

Mr. DELLUMS. I thank the gentleman. I would say to my colleague that I try to operate within the framework of this House with integrity. If the chairperson, whoever that person is, operates in such a manner that my judgment allows me to believe that that deed or action or inaction violates the confidence of the committee or violates the confidence of the House, yes, I would act in the same manner. I would not prejudge the gentleman. The gentleman who may very well be the chairman of the committee is a friend of mine. We do not always agree. There will be times when he and I will fight, but as long as that fight is open and honest, as long as it is not a question of credibility, as long as it is not a question of integrity, I will defend the gentleman.

Mr. YOUNG of Florida. Mr. Chairman, will the gentleman yield?

Mr. ASHBROOK. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. I thank the gentleman for yielding.

Mr. Chairman, in listening very closely to the debate of the gentleman from California (Mr. DELLUMS), several thoughts come to my mind, most of which I intend to keep to myself at least for the present, but one very important thought I should speak out on is this: I do not think that the American people believe a person should be immune from prosecution or surveillance if that person is a threat to the security of this Nation or that a person who is a threat to the security of this Nation should be immune from prosecution and surveillance just because he might be a Member of the U.S. Congress.

Mr. ASHBROOK. I would say that is correct. I think there is a fiction developing today that the will of the majority has been thwarted. One thing I have learned in this House, whether I agree with it or not, is that when the majority wants something, they can get it. The majority wanted to abolish the Internal Security Committee and it did. The majority on the CIA oversight committee could not possibly have been thwarted had they expressed a will, and I think this fiction should be answered at this point.

Mr. STRATTON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise somewhat reluctantly to support the amendment of the gentleman from Tennessee (Mr. QUILLEN). This is a difficult decision to make. The theoretical and philosophical reasons in support of this resolution were eloquently outlined by the gentleman from Missouri (Mr. BOLLING) the other evening, and there is a great deal of merit to them.

But unfortunately what we are confronted with here is a condition and not a theory. It is not a question of the theory of the House or the theory of our committees; it is a question of the particular committee that we are confronted with and the particular intelligence situation that we confront.

I believe the best solution is to abolish the committee. I say this not because I do not believe the House has a responsibility here. Certainly the House has a responsibility, just as the Senate has a responsibility. But I think the main responsibility today is not to plow over the old investigative ground that has already been plowed by the Rockefeller commission and the Church committee, and in a rather responsible way too, I might say.

There is a more important responsibility, and that is to try to set up some of the rules for future oversight procedures of intelligence organizations in this country by the Congress so they can be effective and yet at the same time not destroy our operating intelligence organizations.

But is that really going to happen from this new committee? I think it is quite clear that it is not going to happen. Investigations have a great appeal, and I dare say that once this committee gets reconstituted, the temptations to look into all the aspects the gentleman from California (Mr. DELLUMS) has just outlined, with what he calls some humor, I think, are going to be irresistible.

Mr. Chairman, let us recognize that we simply cannot keep the intelligence organizations of the country on the front page and detail one exploit after another without doing severe damage to the effectiveness of those intelligence organizations.

We have already reached the absurd when the allegation is made that the CIA in the Nixon administration infiltrated the White House, although at the very same time we have been making the allegation that President Nixon was running the CIA for his own purposes. No, the important thing today is to get on with what are really the serious and responsible jobs that have to be done to determine whether a democracy can indeed operate an effective and alert intelligence operation.

I have very great confidence in the gentleman from New York (Mr. PIKE), who is rumored to become the chairman of this new committee, but I think the gentleman from Maryland (Mr. BAUMAN) has put his finger on the real problem. As outstanding as the gentleman from New York (Mr. PIKE) is, can he really do a better job than the gentleman from Michigan (Mr. NEDZI) did if he is going to be faced with members of the committee who continue to believe they have a higher right than the resolutions, the rules of the House, and the requirements of classification, so that they may, therefore, put anything they want to in the newspapers? Of course, we cannot run a responsible intelligence investigation with that kind of thinking.

The gentleman from Missouri (Mr. BOLLING) mentioned this problem the other night when he said that he believed we need an Official Secrets Act. Of course we do. But the gentleman, I think, well knew—and perhaps that was the reason he declined to yield to me at the time—that we are not going to get any Official Secrets Act recommended by this committee or probably even by this Congress.

So I am afraid that what is going to happen is that this committee, if it is reconstituted by the resolution before us, and if it gets into all the matters the gentleman from California (Mr. DELLUMS) referred to a moment ago, will be in operation down to December 31, 1976, and still without any positive recommendations.

What we need most are recommendations as to how we can have responsible control over intelligence in a free, democratic society; how we can maintain the basic secrecy that is essential; how we can find out what the potential enemy is up to with a minimum interference with individual rights. Let us not just continue to hash over the lurid past.

So I believe we ought to abolish this committee, and we ought seriously to consider the recommendation of the gentleman from Illinois (Mr. ANDERSON) that instead we set up some kind of new organization to concentrate on these important issues of the future.

After all, if we really believe in détente, if we really believe in peace, then it is imperative that we keep an effective intelligence organization. That is the early warning system of our country.

And how else can we enforce the SALT and other agreements we seek to enter into in the name of peace if we do not know with accuracy what the other side is doing?

Mr. YOUNG of Georgia. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I think that we have to vote this amendment down and get on with the investigation of our intelligence-gathering apparatus in this Nation.

We are getting a strange mixture of truth and fiction, and I would just like to take a minute to try to set the record straight. The important leaks that anybody has read in the papers have come from members of this committee.

The allegations against one of the members of this committee did not occur in the context of this committee at all. Nor did they occur in this Congress. The reported leaking of information to the press on the CIA's involvement in Chile occurred in the last Congress, almost a year ago. We had heard nothing about it in that Congress. There was no attempt on the part of the Committee on Ethics in the past Congress to do anythings about it. Now, at this time, we find a merging of incidents which have occurred over a year in an attempt to malign the intentions and credibility of a committee that I think was attempting to do a job that is very much needed.

One other thing, if we read the papers carefully over the last few months, the majority of the so-called leaks about our intelligence-gathering apparatus have come from the directors of those agencies themselves. They have not come from congressional staff, either on the House side or on the Senate side.

The release on yesterday that the FBI had engaged in illegal break-ins came from the Director of the FBI.

Mr. Chairman, I think what we see here, both from the FBI and from the Central Intelligence Agency, is an attempt on the part of those agencies to let the Congress know that they know that they need some supervision and some guidelines.

There was a time, I think in the early 1950's or 1960's, in the 1960's, when we were engaged in things like the Cuban missile crisis and the blockade of Berlin, when we found the intelligence apparatus of this Nation invaluable to our national security. At that time we heard no complaints about the things that they were doing or the manner in which they were doing them because, in fact, they were dealing with an intelligence apparatus in the Soviet Union which was 10 times larger than ours, so I hear. The very fact that there was that kind of serious opposition kept our intelligence apparatus in some kind of legitimate perspective.

When we have our intelligence apparatus operating in a country like Chile, I suggest that we get another thing altogether. When we have our intelligence apparatus operating in Laos and Cambodia and Vietnam, I suggest we get some gray areas that need to be defined morally, and that the civil servants in any of our agencies are not the ones charged by the American people to do that definition. That definition has to come from the Congress of the United States.

Mr. Chairman, I would suggest that we are going to continue to get leaks from the agencies themselves. We have had at least three former CIA agents and at least two former FBI agents, that I know of, who have written books on the agencies. The allegations and revelations in those books are going to continue to come forward to the American people, and the American people are going to look to their elected representatives and say: "Why did you let this go on? Is this going on? It is your responsibility. We want intelligence, but we do not want dirty tricks."

Mr. Chairman, I think that unless we have a responsible committee going on with this kind of investigation, we are going to find ourselves being blamed for all of those things that have gone on in the years before. I see, as I say again, the intelligence community crying out to us for leadership.

We had a situation not far from my district, where a gentleman was running guns, not against a Communist country or even against a country about to become Communist, but against the little Republic of the Bahamas. Nobody was willing to bother him, in terms of the local police apparatus, because everybody in the local police in Georgia knew that he was sort of a CIA subcontractor and that he had been selling arms all over Latin America, presumably with CIA suggestion and clearance.

Now, what is to stop him from deciding where this country gets involved? I suggest that one cannot let any Georgia gunrunner determine the foreign policy of the United States. That is what we have got going on now, not the CIA being responsible, but about two or three steps removed from the CIA. Most of the things we are reading about in terms of assassination and everything else were two or three steps removed from the CIA.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. YOUNG of Georgia was allowed to proceed for 1 additional minute.)

Mr. YOUNG of Georgia. Mr. Chairman, because one cannot do the kind of things that have been handled by decent men without separating oneself from the chain of command, what we in the Congress have got to do is to establish a chain of command which makes us, as the Congress, responsible for the intelligence activities of this Nation, and which holds the people that we employ through the CIA and any persons that they contract with, directly responsible, because that kind of a network does not exist, and it will not exist unless this Congress sets it up.

I hope we will vote down this amendment, and go on with the investigation.

Mr. BOLLING. Mr. Chairman, I seek to establish a time to vote on the amendment.

Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 15 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

Mr. QUILLEN. Mr. Chairman, we have several Members on this side who desire to speak, which I would hope the Chairman would recognize. But since the Chairman has just recognized two Members from the other side, I think we are entitled to equal time. Therefore I object.

The CHAIRMAN. Objection is heard.

Mr. STEIGER of Arizona. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I have listened to this debate intending not to support the amendment offered by the gentleman from Tennessee (Mr. QUILLEN), and I can tell the Members that in relatively brief tenure of 9 years here this is the first time that I can remember being completely turned around and persuaded to support the amendment offered by the gentleman from Tennessee.

Why? Because of the testimony I have heard here in the well by those who would urge defeat of the amendment.

It is clear to me—and it must be clear. if it is clear to me, then it must be clear to everybody—the Members are a little laggard this morning—it is clear to me that the gentleman from California (Mr. DELLUMS) has most eloquently stated and given the prima facie laboratory example of why this House must abandon this particular effort. He has recited here in the well every allegation that was ever dreamed up against the CIA, or probably ever will be. I think probably by the gentleman's willingness to recite and give credence to allegations which have been, by the gentleman's own words, as yet to be investigated, it seems to me to make it clear that the members of this committee have no concern for the intelligence community of this country. I guess that is the reason we have the mechanism we are putting into effect today since these people are dealing apparently by conscience, or desire for attention, or whatever—and I will not presume to attach a motive to it, it is clear that it is the responsibility of the House to bring them up short.

I would like to know from the Speaker, in the event the resolution offered by the gentleman from Missouri is passed, what the membership of the committee would be. But I suspect that that is a question that is not to be answered before the vote, or one that perhaps the Speaker is not prepared to answer.

But I would submit that there is simply no question that even my good friend, the gentleman from Georgia (Mr. YOUNG) for whom my undiminished respect will stand, and my respect for the gentleman will always remain undiminished, but even that gentleman has fallen into the trap of reciting allegations about some alleged CIA gunrunner in the South.

It is this propensity to recite—with whatever credibility the floor of the House gives—this kind of garbage that makes this committee unfit to continue its investigatory capacity.

I submit to the Members that when the gentleman from California (Mr. DELLUMS) was in the process of reciting his allegations, I was very interested to observe the press, particularly Mr. Schorr, for whom I have a great deal of feeling, I think would be a fair statement. I noticed that Mr. Schorr could hardly contain his pencil at that moment. I am sure he found a great many new allegations to recite.

The fact is that the CIA, whatever its past, is a functioning, or used to be a functioning entity of this Government. The fact is that Mr. Colby has been up on this Hill 39 times—that does not count his appearances before the Rockefeller Commission—since this Congress convened, 41 percent of the time the Congress has been in session.

I have the rare privilege of serving on the committee chaired by the gentlewoman from New York (Ms. ABZUG)—and if one does not think that is a rare privilege, I invite those who do not share that privilege to join me on that committee. The gentlewoman from New York (Ms. ABZUG) has had Mr. Colby up before this august committee on two occasions, mostly to declaim whatever he was doing. In fact, his only purpose was to declaim whatever he was doing.

The fact is the only way we are going to resist this irresponsible kind of effort—which is exactly, unfortunately, what this alleged investigation has turned into—the only way we are going to stop it, the only way we are going to preserve whatever may be left of the function of the CIA—and I know there are people here who think the CIA ought to be done away with. Let them do away with it through proper legislative channels, not by slander, not by gossip, and not by publicity.

I will tell my friends that really the only protection that remains for the CIA is to protect it from this House. The only way to achieve that is to support the gentleman from Tennessee—and I tell the Members that with some reluctance because I did believe that the House ought to be able at least to accept the Anderson amendment.

The CHAIRMAN. The time of the gentleman has expired.

Mr. ICHORD. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, recognizing that this is an issue upon which reasonable minds can differ, I rise in opposition to the amendment of the gentleman from Tennessee and in defense of the position of the gentleman from Missouri (Mr. BOLLING). I also rise in equal opposition to the amendment that will be proposed by the gentleman from Illinois (Mr. ANDERSON) because I believe for all practical purposes it presents the same issue. For all practical purposes, the Senate is not going to abandon an ongoing investigation and substitute a joint House-Senate investigation. I am equally opposed to the amendment that will be presented by the gentlewoman from New York as being completely irrelevant.

Mr. Chairman, based upon a statement that I have heard made on the floor of this House and also off the floor of the House, I am led to believe that there are Members in this body who would abolish the CIA or the FBI without further ado. I am entirely convinced that there are other Members in this body who would so severely restrict the FBI or the CIA that they could not carry out their responsibilities in an effective but yet constitutional manner.

Equally I am led to believe, Mr. Chairman, that there are Members in this body, based upon the same observation, who believe that extremism in the defense of liberty is not a vice. No such Members should be permitted to serve on this committee. If there are Members who may be afflicted with or could become afflicted with "mikeitis" or "cameraitis" or "publicityitis," those Members should not serve on this committee.

Mr. Chairman, the question before this House is: Will the House carry out, can the House carry out its responsibilities?

Much of the debate today and much of the debate Monday was based upon personalities. I am not going to get involved in the argument whether the committee should be increased, whether present members should continue to serve, or whether certain members should be removed. That is a question, that is a responsibility for this House to carry out through its leadership.

The sole question, as so eloquently put by the gentleman from Missouri (Mr. BOLLING), is: Is the House capable of forming a committee to investigate and make recommendations concerning the reorganization of our intelligence and security agencies?

Mr. Chairman, the responsibility of this House is to legislate, to investigate, and to conduct oversight activities. We should carry out those responsibilities. A great deal of legislation is going to come before the House this session concerning the FBI and the CIA and I submit that the House should not deprive itself of its power to investigate and to be equally informed as the Senate upon these matters that will come before the House.

Mr. ANDERSON of Illinois. Mr. Chairman, will the gentleman yield?

Mr. ICHORD. I yield to the gentleman from Illinois (Mr. ANDERSON).

Mr. ANDERSON of Illinois. Mr. Chairman, I thank the gentleman for yielding.

I asked the gentleman to yield because I respectfully suggest he misapprehends the provisions of the substitute resolution I intend to offer. It would not be necessary for the Senate to either abandon its present investigation or to adopt a similar resolution before the House members of a joint committee could be immediately appointed by the Speaker and suggested by the minority leader and they could take up the unfinished work of the select committee.

Mr. ICHORD. Does the gentleman feel the Senate will abandon its ongoing investigation and set up a joint investigation? If the gentleman can assure me that the ongoing investigations will continue, his idea does have merit. I cannot believe the Senate will abolish its present committee.

Mr. ANDERSON of Illinois. It will not be necessary for the Senate to do so under the provisions of my substitute resolution.

Mr. QUILLEN. Mr. Chairman, will the gentleman yield?

Mr. ICHORD. I yield to the gentleman from Tennessee.

Mr. QUILLEN. Mr. Chairman, the gentleman makes a very impressive talk in favor of my amendment.

Mr. ICHORD. I cannot understand that.

Mr. QUILLEN. I said the committee should be abolished and then in due process this House should come up with a permanent committee for the oversight of all of the intelligence agencies and go forward in that respect.

Mr. ICHORD. As I understand the resolution of the gentleman from Missouri it does abolish the present committee. We should not be talking about whether present members will continue to serve or whether one member should be kicked off, or all the present membership will be terminated. This in effect would abolish the present committee and provide for formation of a new committee.

Mr. McCLORY. Mr. Chairman, will the gentleman yield?

Mr. ICHORD. I yield to the gentleman from Illinois.

Mr. McCLORY. Mr. Chairman, I thank the gentleman for yielding.

I concur with the statement of the gentleman from Missouri. I think it is an important function for this committee to protect these intelligence agencies while we study the abuses and the illegalities of the actions alleged.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

(On request of Mr. SNYDER, and by unanimous consent, Mr. ICHORD was allowed to proceed for 1 additional minute.)

Mr. SNYDER. Mr. Chairman, will the gentleman yield?

Mr. ICHORD. I yield to the gentleman from Kentucky.

Mr. SNYDER. Mr. Chairman, I want to ask the gentleman one question. What jurisdiction would this new committee have that is not now invested in either the Government Operations Committee or the Armed Services Committee or another committee of the House?

Mr. ICHORD. I would state to the gentleman from Kentucky, there is residual jurisdiction over these matters in several standing committees of the House, but I do think under the circumstances since we are going to have so much legislation dealing with the FBI and dealing with the CIA that we are justified in setting up a separate investigatory committee in this case.

I would prefer a joint committee, as the gentleman from Illinois is recommending, if I thought that would be possible; but I think it is not practical to believe that the Senate is going to abandon its ongoing investigation and set up a joint committee.

Mr. SNYDER. But the jurisdiction does vest in the other committee, if they have the time.

Mr. ICHORD. That is quite true.

Mr. BEARD of Tennessee. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the amendment of my colleague, the gentleman from Tennessee. I had not planned on taking the floor on this particular amendment, but I felt it necessary as a result of remarks made by my colleague, the gentleman from Georgia.

I get a little upset and concerned when I continue to hear statements being made regarding the formal complaint that I have made against my colleague, the gentleman from Massachusetts (Mr. HARRINGTON) to the Ethics Committee, that this is part of a conspiracy or part of an effort to disclaim the CIA Committee. I want to reassure or assure this House for the first time that this is no part of a conspiracy, nor am I here to stand and defend all the actions of the CIA, because I think that some of them are indefensible.

The point of the matter is that the rules of the House were violated in this particular case. This may seem out of bounds in regard to the debate we are having today, but I think it is very pertinent to the debate we are having as to the make-up of the committee, as to the direction of the restrictions the committee is going to operate under.

I think as a result of my charges against my colleague, the gentleman from Massachusetts, we will now have to face up to reality as to what will be our responsibilities. I have heard that our responsibilities were felt to be higher than the rules of the House. I can appreciate this, but by the same token, as I have mentioned in the past, this is the same type of philosophy that was projected by the "Plumbers Group," Haldeman and Ehrlichman and the rest of them. I find this unacceptable.

Now we are talking about creating another committee. In the appointment of the members of this committee, where do we draw the line? Do we appoint Members to the committee who have stated they are against all covert activities, that they feel, as my colleague, the gentleman from California, has stated in defense of my colleague, the gentleman from Massachusetts, that it was his right or responsibility as a Member of Congress to make this ultimate decision to violate the rules of the House or not? What happens in our discussions of this committee or in the testimony taken by this new committee, if it is created at this time? What happens when these decisions are made by individual Members that this is against the law, this is criminal, and then take it upon themselves to relate it for public consumption? What do we do then?

I think the way to go would be to let us before we create another committee establish guidelines. Let us have the Ethics Committee establish the guidelines as a result of my formal complaint. Let us face the issue head-on.

We are not just talking about the CIA. We are talking about possible top secret material that may be taken regarding missile locations and someone who feels this is bad and against the law, that it would kill people, say, "I feel responsible and have a responsibility to a higher authority, that I should release this."

I feel a major problem today is that we need to establish guidelines to the members of the new committee, or whatever this committee is that is established, as to what and how we are going to operate. I do not think that is so unreasonable. We had better all be thinking about our responsibility and what our reactions are going to be if this complaint is brought from the Ethics Committee to the House floor, because it is a very real possibility and it is one we are going to have to face up to, not just today, not just to a specific individual, whom I have nothing against; but the fact Congress needs to face this reality. How are we going to operate, because if we have 435 Members of Congress representing the most diversified constituency in the world, making decisions upon their preference, upon what is right or what is wrong, with no respect or responsibility to the House rules, then, gentleman and ladies, we could have total anarchy.

So, I think we owe it to ourselves and to our constituents and to the national security of this country that we resolve this question first before we get involved in deciding whether we have a committee of 10 members or 13 members or 20 members, or no committee at all. So, I say that now is not the time to create another committee, but to resolve this first question of what guidelines we are going to operate under.

Mr. MOSS. I move to strike the necessary number of words.

Mr. Chairman, I listened with considerable dismay to the remarks just made in this well by the gentleman from Tennessee. There has been no violation of the rules of this House by any person who is a member of the committee which is the subject of controversy. If there had been, conceding for purposes of debate only, a violation, it was a violation of the 93d Congress and not the 94th. I think that should be borne clearly in mind.

The rules do not carry over. We do not

bind by the action of the previous Congress, nor are we answerable to a succeeding Congress for the role we may have played as Members, because we are elected here in this House for one Congress at a time. We do not continue until someone qualifies to succeed us. We are elected for 2 years, and 2 years only. And, this Congress sits for 2 years, and 2 years only. And, its rules operate for 2 years, and 2 years only.

The other body operates on the theory of being a continuing body. We do not. We have no such illusions as to our role. This is the 94th Congress of the United States. It started on the 3d day of January; it adopted its rules; it elected its committees and its Members then became answerable to the 94th Congress. If they breach the rules, if they violate in any manner the requirements of membership here, then they are answerable to this House.

But, for what I did in the 93d Congress, or for what I did in the 92d or 91st or 83d Congress, I will be damned if I will answer to you, sir, or to any other Member of this House, and make no mistake about it.

Mr. McCLORY. Mr. Chairman, will the gentleman yield?

Mr. MOSS. I yield to the gentleman from Illinois.

Mr. McCLORY. Mr. Chairman, I thank the gentleman for yielding. I do not want to get into the subject that the gentleman appears to be discussing, but I do want to point out that in the resolution which is being offered by the gentleman from Missouri, there are specific provisions in section 6, with regard to confidentiality and secrecy by the members of the committee.

Mr. MOSS. I do not challenge the right of this House to impose any kind of a rule a majority determines is necessary or desirable.

Mr. McCLORY. I think it should be pointed out that we will endeavor in the working of the committee to maintain confidential and secrecy within the committee.

Mr. MOSS. The gentleman from Illinois is a very competent lawyer and a very competent parliamentarian, and he knows that that is an act of the 94th Congress. I have stated that I would be bound by any act of the 94th Congress, but I will not be bound by actions of the 93rd Congress.

Mr. McCLORY. I did not want to get into a discussion of what the gentleman is talking about, but only to point out that in this legislation that we are considering provision is made for confidentiality of material received.

Mr. MOSS. I recognize that, but again I point out that it is the 94th Congress, the one we are Members of now.

Mr. BEARD of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. MOSS. Yes, I yield to the gentleman.

Mr. BEARD of Tennessee. Mr. Chairman, I have a feeling that the gentleman was referring to my statements.

Mr. MOSS. I hope it was not a feeling. I tried to be very specific that I was referring to the gentleman's statements.

Mr. BEARD of Tennessee. I was quite shocked at the language but, with no reference to that, let me just state that I think, in regard to the gentleman's statement, the gentleman may not have to report to me, and I think the gentleman's statement represents the absolutely total hypocrisy that is projected by some Members of this House.

Mr. MOSS. I will not yield to the gentleman any longer. I will not yield to the gentleman. In fact, it is only because of the rules that I so referred to the Member who has just spoken.

Mr. STRATTON. Mr. Chairman, will the gentleman yield?

Mr. MOSS. Yes, I yield to the gentleman.

Mr. STRATTON. I thank the gentleman for yielding.

The gentleman said there has been no violation by members of the committee in the 94th Congress. I think we ought to set the record straight.

The gentleman from Ohio (Mr. JAMES V. STANTON) made a public announcement with regard to assassinations, and two other gentlemen on the committee, Mr. DELLUMS and Mr. KASTEN, I believe, just a week ago announced the infiltration of the White House by the CIA. That information was taken in executive session and under the rules of the House cannot be released publicly.

Mr. MOSS. I am not willing yet to concede that there has been a violation of the rules of this House. I stand on my previous statements!

Mr. PEYSER. Mr. Chairman, I move to strike the last word.

Mr. JAMES V. STANTON. Mr. Chairman, will the gentleman from New York yield to me?

Mr. PEYSER. Yes, I will yield for a moment.

Mr. JAMES V. STANTON. I thank the gentleman for yielding.

Mr. Chairman, I would like to state that the gentleman from New York (Mr. STRATTON) has made a crusade in the local papers in Cleveland, Ohio, of attacking me for what he alleges to be a statement in which I said that the CIA was a party to an assassination. I did not refer to any names, people or places. And the fact of the matter is that, having been attacked, I stand on my position, and I do not yield from that statement. But that is no less a dishonorable act or illegal act or violation of the rules of this House. No party was mentioned, but I did happen to see that the Vice President of the United States, Mr. ROCKEFELLER, did allege or did make reference to a former President and a former Attorney General by direct statement on a national television program, and I do not see the gentleman from New York getting up and berating the Vice President of the United States, and I do not think he is the sole captive of the judgment of the secrets in the Congress of the United States.

Mr. PEYSER. I thank the gentleman and, just so the record will be straight, there being two gentlemen from New York here, the gentleman from Ohio (Mr. JAMES V. STANTON) was referring to the gentleman from New York (Mr. STRATTON).

Mr. STRATTON. Mr. Chairman, I ask unanimous consent that the gentleman from New York (Mr. PEYSER) be permitted to proceed for 3 additional minutes.

The CHAIRMAN. Is there obection to the request of the gentleman from New York (Mr. STRATTON)?

Mr. STEIGER of Arizona. I object.

The CHAIRMAN. Objection is heard.

Mr. PEYSER. Mr. Chairman, I will yield for 1 minute to the gentleman from New York (Mr. STRATTON), and I will still ask for an extension of time.

Mr. STRATTON. I appreciate the gentleman's yielding his brief time.

Mr. Chairman, I would simply like to point out that the statement has been made twice this morning that no member of the present committee has ever leaked any information. The information which the gentleman from Ohio gave to the press was clearly information received in executive session in the 94th Congress. As far as the former Governor of New York State, the present Vice President of the United States, is concerned, he is not of course a Member of the House of Representatives.

Mr. JAMES V. STANTON. I never said I received that information in executive session, and let that be put in the record. The gentleman from New York (Mr. STRATTON) dces not attribute it to me, either.

Mr. PEYSER. I thank the two gentlemen for their comments.

I would like to say that I took the floor of the House at this time because I am still uncertain as to how I am going to ultimately vote on the issue, whether it is the Bolling resolution or the Anderson substitute.

I listened to the debate until nearly 10 o'clock the other evening, and I am going to stay on the floor so that I may listen to the rest of the debate today. However, I do think that we in this House have a real obligation in this particular matter.

I have been and am a supporter of the CIA and its worldwide intelligence-gathering capabilities. I have certainly been a strong supporter, and continue to be, of a strong defense for this country. However, I feel that I do not want to be part of a coverup of what may be—and I stress "may be"—a coverup of the domestic activities of the CIA.

It is for this reason that I feel a committee should remain in existence, and that a committee that is going to be studying the operations of the CIA domestically in this country is of the utmost importance.

I do not see how we in this House can say we have had enough of the CIA investigations when in reality we have not had any. I am very critical of this committee for its lack of action over the last 4 or 5 months. I am not going to get into an argument about whose fault that was or whether the committee wanted to act or did not want to act. The net result is that we are here on the floor of the House today because the committee did not give us any information concerning the CIA.

I think it is time we take some positive action, and the positive action is going to be to support a measure—and as I say, I am not prepared to say which one I will support at this time—that will guarantee a continuance or a start by the House of Representatives of the investigation of the domestic activities of the CIA.

Mr. Chairman, I will, therefore, urge the defeat of the amendment in the nature of a substitute offered by my good friend, the gentleman from Tennessee (Mr. Quillen).

The CHAIRMAN. The time of the gentleman from New York (Mr. Peyser) has expired.

(On request of Mr. Haley and by unanimous consent, Mr. Peyser was allowed to proceed for 3 additional minutes.)

Mr. McCLORY. Mr. Chairman, will the gentleman yield?

Mr. PEYSER. I yield to the gentleman from Illinois.

Mr. McCLORY. Mr. Chairman, I thank the gentleman for yielding.

I just want to say in defense of the Vice President of the United States that I think his statements were clear. I do not believe he made the charges which are attributed to him, and I think this was an erroneous interpretation. I think his statements should stand for themselves, not the interpretations that were put on his statements in earlier remarks here today.

Mr. QUILLEN. Mr. Chairman, will the gentleman yield?

Mr. PEYSER. I yield to the gentleman from Tennessee.

Mr. QUILLEN. Mr. Chairman, concerning the point that the gentleman has made that he thinks this committee should act and do some investigation of the CIA, does the gentleman recall that the Rockefeller Commission made a thorough investigation of the CIA and has reported? And that committee was headed by the gentleman's former Governor, who is at this time our Vice President. Does the gentleman know that the Church committee is now underway in investigating the activities of the CIA, both domestically and internationally?

My amendment would abolish the committee, but it would give the House time to come up with what is needed so that we can then go forward with the creation of a permanent committee.

Mr. PEYSER. Mr. Chairman, I appreciate the gentleman's remarks. Obviously I am well aware that the Vice President and the Commission did submit a report, but I believe very firmly that the Vice President's report in no way inferred that was the ultimate end of the investigation of the CIA. I think in fact the Vice President would be among the first to support the position that there would be perfectly logical grounds for the House of Representatives to conduct an investigation, which we have not as yet had.

That is all I am saying, that any vote, and particularly by my colleagues on the Republican side, that would say we do not want to know any more about what has happened here, that we know enough, I think, would be a mistake.

Mr. Chairman, I urge the Members to vote to defeat this amendment in the nature of a substitute, and then we can make up our own minds on the way we want to continue with this, whether we want to accept the Anderson amendment or the Bolling resolution or something that is ongoing.

Mr. McCLORY. Mr. Chairman, will the gentleman yield?

Mr. PEYSER. Yes, I yield to the gentleman from Illinois.

Mr. McCLORY. Mr. Chairman, I want to commend the gentleman from New York (Mr. Peyser) on his position.

I want to state further that if we were to adopt the Quillen amendment, we would be abdicating our role and our entire job in this important area and saying that we have no business being in it or that it belongs in a Presidential commission or it belongs over in the Senate.

We do have a legitimate role here and we can fulfill it.

Mr. Chairman, I commend the gentleman for his very forthright position.

Mr. PEYSER. Mr. Chairman, I thank the gentleman for his comments.

(By unanimous consent, Mr. Dent was allowed to speak out of order.)

ALL CONGRESSIONAL CONTESTS NOW RESOLVED

Mr. DENT. Mr. Chairman, I asked for this time, for just 30 seconds, to announce that all of the contests against Members of Congress as a result of the last election have been resolved by our committee, and all present Members of Congress are seated permanently.

Mr. GIAIMO. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendment of the gentleman from Tennessee (Mr. Quillen).

I urge the House to let us get on with our business, and let us not lose sight of the very important decision to be made here today.

If we get into the personalities of individual Members, we could go on and on ad infinitum, assessing blame and attributing credit. Loose claims of violations, where violations may or may not have taken place, should not be made. Let us stick to the issues and keep this debate on a high level.

Mr. Chairman, the gentleman's amendment deserves to be defeated. There is ample reason for continuing investigations of the intelligence agencies of the United States.

Those of us who have served in this body know the cast of characters. We know the motivations of those who want investigations, of those who were shocked by the allegations which have come out in the newspapers, of those who would have us destroy the intelligence agencies, and of those who would tolerate anything which the intelligence agencies might do. I like to believe, however, that the overwhelming majority of us are somewhere in the middle and that we recognize the need for an FBI and the need for a CIA.

While we recognize the need for intelligence operations, we also know, as experienced legislators and as students of history, that many dangerous things can happen in secrecy. It is our duty in the Congress, as Representatives, to exercise to a much greater degree than we have to date the oversight function.

Mr. Chairman, I want an intelligence-gathering function in this country, but I want no secret government operating and deciding for itself what is right and what is not right.

This is what we are trying to look into, and I will suggest to the gentleman from Tennessee (Mr. Quillen) that there is ample room for the House to do this.

Therefore, Mr. Chairman, let us rise above a discussion of personalities, and let us recognize that we were mandated by this House months ago to conduct an investigation of our intelligence community.

We are faced with abolishing the present Select Committee on Intelligence and creating a new one, albeit with 13 members rather than 10. Of course, the question is going to arise with respect to the makeup of the membership of the committee. Why? Although some members may want off for their own personal reasons, it is suggested that an effort is being made to force off of the committee some members who do not want off. There are other suggestions that an enlargement of the committee would be for the purpose of changing the character of the committee or broadening the responsibilities, whatever they may be.

Let us decide on the issues, but let us not get into the business of accusing members of attributing bad motives with respect to the intentions and the purposes of members' activities.

Mr. Chairman, let us rise above that. Let us say no to this amendment.

Let us either keep in existence the present select committee or, if we will, create a new one, but let us get on with the job. I submit to the Members there is a need for a job to be done in this area.

For 25 years, since the end of World War II, it has been impossible for Members and for the public to look into the activities of the CIA, the FBI, or any of the other intelligence agencies of the U.S. Government. Fortuitously at this particular period in history, perhaps because of the Watergate investigation—if the Members will excuse my making reference to that, although I would suggest that some Members on the other side of the aisle also opposed some of those investigations—we now have the ability in this Congress to look into these agencies which were once sacred cows, and which, literally, we could not touch before.

We now have this rare opportunity to look into them, to analyze them, to see if, in fact, they are infringing on the rights of the American people. I submit to the Members that we not lose this opportunity to continue the investigation.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BOLLING. Mr. Chairman, I move to strike the requisite number of words, and I do so for the purpose of saying: Let us vote on the Quillen amendment.

The CHAIRMAN. The question is on the amendment in the nature of a substitute offered by the gentleman from Tennessee (Mr. Quillen).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. QUILLEN. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 122, noes 293, answered "present" 2, not voting 17, as follows:

[Roll No. 390]

AYES—122

Abdnor
Alexander
Ashbrook
AuCoin
Bafalis
Bauman
Beard, Tenn.
Bevill
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burleson, Tex.
Byron
Carter
Casey
Cederberg
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Collins, Tex.
Conable
Cornell
Crane
Daniel, R. W.
de la Garza
Derwinski
Devine
Dickinson
Duncan, Oreg.
Duncan, Tenn.
Edwards, Ala.
Fithian
Florio
Flynt
Forsythe
Frey
Goodling
Gradison
Guyer
Hagedorn
Hammerschmidt
Hansen
Harsha
Hastings
Hébert
Hillis
Holt
Hubbard
Hutchinson
Hyde
Jarman
Jenrette
Johnson, Pa.
Jones, Okla.
Jones, Tenn.
Kelly
Kemp
Ketchum
Kindness
Krueger
Lagomarsino
Landrum
Lent
Levitas
Litton
Lloyd, Tenn.
Lott
McDonald
McEwen
Martin
Mathis
Michel
Miller, Ohio
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Calif.
Murtha
Myers, Ind.
O'Brien
Pettis
Poage
Pressler
Quillen
Rhodes
Roberts
Robinson
Rousselot
Santini
Satterfield
Schroeder
Schulze
Sebelius
Shriver
Shuster
Sikes
Smith, Nebr.
Snyder
Spence
Steed
Steiger, Ariz.
Stratton
Stuckey
Talcott
Taylor, Mo.
Taylor, N.C.
Waggonner
Walsh
Wampler
Whitehurst
Wiggins
Wilson, Bob
Winn
Wydler
Wylie
Young, Alaska
Young, Fla.
Young, Tex.

NOES—293

Abzug
Adams
Addabbo
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Armstrong
Ashley
Aspin
Badillo
Baldus
Barrett
Baucus
Beard, R.I.
Bedell
Bennett
Bergland
Biaggi
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Brown, Mich.
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burlison, Mo.
Burton, John
Burton, Phillip
Carney
Carr
Chisholm
Clay
Cleveland
Cochran
Cohen
Collins, Ill.
Conte
Conyers
Corman
Cotter
Coughlin
D'Amours
Daniel, Dan
Daniels, N.J.
Danielson
Davis
Delaney
Dellums
Dent
Derrick
Diggs
Dingell
Dodd
Downey
Downing
Drinan
du Pont
Early
Eckhardt
Edgar
Edwards, Calif.
Eilberg
Emery
English
Erlenborn
Esch
Eshleman
Evans, Ind.
Evins, Tenn.
Fary
Fascell
Fenwick
Findley
Fish
Fisher
Flood
Flowers
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fraser
Frenzel
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Grassley
Green
Gude
Haley
Hall
Hamilton
Hanley
Hannaford
Harkin
Harrington
Harris
Hawkins
Hayes, Ind.
Hays, Ohio
Hechler, W. Va.
Heckler, Mass.
Hefner
Heinz
Helstoski
Henderson
Hicks
Hightower
Hinshaw
Holland
Holtzman
Horton
Howard
Howe
Hughes
Hungate
Ichord
Jacobs
Jeffords
Johnson, Calif.
Johnson, Colo.
Jones, Ala.
Jones, N.C.
Jordan
Kasten
Kastenmeier
Kazen
Keys
Koch
Krebs
LaFalce
Latta
Leggett
Lehman
Lloyd, Calif.
Long, La.
Long, Md.
Lujan
McClory
McCloskey
McCollister
McCormack
McDade
McFall
McKay
McKinney
Macdonald
Madden
Madigan
Maguire
Mahon
Mann
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Mikva
Milford
Miller, Calif.
Mills
Mineta
Minish
Mink
Mitchell, Md.
Moakley
Moffett
Moorhead, Pa.
Morgan
Mosher
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
Obey
O'Hara
O'Neill
Ottinger
Passman
Patman, Tex.
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Peyser
Pickle
Pike
Preyer
Price
Pritchard
Quie
Railsback
Randall
Rangel
Rees
Regula
Reuss
Richmond
Rinaldo
Risenhoover
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Roybal
Runnels
Ruppe
Russo
Ryan
St Germain
Sarasin
Sarbanes
Scheuer
Schneebeli
Seiberling
Sharp
Shipley
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Solarz
Spellman
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steelman
Stephens
Stokes
Studds
Sullivan
Symington
Thompson
Thone
Thornton
Traxler
Treen
Tsongas
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Vigorito
Waxman
Weaver
Whalen
White
Whitten
Wilson, C. H.
Wilson, Tex.
Wirth
Wolff
Wright
Yates
Yatron
Young, Ga.
Zeferetti

ANSWERED "PRESENT"—2

Breckinridge
Gonzalez

NOT VOTING—17

Archer
Bell
Butler
Conlan
Evans, Colo.
Fulton
Fuqua
Karth
McHugh
Matsunaga
Mollohan
Riegle
Steiger, Wis.
Symms
Teague
Udall
Zablocki

So the amendment was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Symms for, with Mr. McHugh against.
Mr. Conlan for, with Mr. Riegle against.
Mr. Teague for, with Mr. Zablocki against.

The result of the vote was announced as above recorded.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. ANDERSON OF ILLINOIS

Mr. ANDERSON of Illinois. Mr. Chairman, I offer an amendment in the nature of a substitute.

The Clerk read as follows:

Amendment in the nature of a substitute offered by Mr. Anderson of Illinois: On page 1, strike all after the "Resolved" clause and insert in lieu thereof the following:

"That the Select Committee on Intelligence is abolished immediately upon the adoption of this resolution. However, funds authorized for the use of the Select Committee under House Resolution 138 may be expended for a period not to exceed thirty days for the purposes of staff salaries and for the payment of expenses incurred by the select committee prior to the adoption of this resolution. All papers, documents, and other materials generated by the select committee shall be transferred upon the adoption of this resolution to the keeping of the Clerk of the House, pending their further disposition as provided by section 2 of this resolution.

"TRANSFER OF AUTHORITY, MATERIALS, AND FUNDS

"Sec. 2. Upon the adoption by the House of Representatives of a bill or resolution establishing a joint committee on intelligence (by whatever name), it shall be in order to immediately appoint the House members to that committee for the purpose of assuming the full authority previously delegated to the Select Committee on Intelligence, under the provisions and conditions, and using the remaining available funds, of House Resolution 138. The House members of the joint committee shall constitute an interim ad hoc committee on intelligence of the House until such time that final action is taken on the bill or resolution establishing the joint committee or until January 10, 1976, whichever is earlier. The papers, documents, and other materials in the keeping of the Clerk of the House under section 1 of this resolution shall be transferred to the interim ad hoc committee upon its appointment."

Mr. ANDERSON of Illinois. Mr. Chairman and members of the committee, I think the House has very convincingly demonstrated by a vote of more than two and a half to one that it does not desire to simply abolish the present Select Committee on Intelligence and do nothing more. I support that decision. However, although I devoutly believe in the Resurrection that took place 2000 years ago, I do not believe in the death and instant resurrection of a select committee of Congress. It seems to me that is what we are trying to achieve under the resolution now before the House, House Resolution 591.

The gentleman from Georgia (Mr. Young) spoke, and very correctly so, of the need to establish a chain of command that would establish, as he put it, congressional accountability for the intelligence activities carried on by this country. I would suggest that this very worthy purpose will not be accomplished simply by the attempt to recreate the existing select committee. Only when we come to the point of being willing to concede that a Joint Committee on Intelligence with continuing oversight responsibility should be created, will we fully discharge our responsibility in that regard.

Mr. Chairman, I want to answer a couple of the arguments that have been raised against this proposition today by my friend from Illinois (Mr. McClory), who seeks to preserve his present ranking status on the select committee—and I would support him, I will assure him, on any future assignment in connection with the intelligence investigation—but he said that the House inquiry would be out of business if the Senate would take sudden action acquiescing in the creation of a joint committee.

I would point out that the Senate certainly is not going to do that because, until the Church committee reports to it at the end of the year, there is not going to be any Senate action—I am convinced of that. In the interim period, if the House proceeds as I am sure it would to promptly adopt the resolution creating a joint committee, the House Members could be immediately appointed by the

Speaker and suggested for membership by the minority leader and function as an interim, ad hoc committee to continue and carry out the work of this present Select Committee on Intelligence. There would be no hiatus.

Second, the gentleman said that only the present committee or its successor will be in a position to recommend how the Congress should proceed to go about improving its intelligence oversight function. While I appreciate that one of the mandates of the present select committee is to address itself to the question of improving or reorganizing oversight by the Congress, I think to imply that the Rules Committee, which after all does have original jurisdiction over this matter, does not have the capability of formulating a sound and effective joint committee proposal is to do a disservice to the members of the Committee on Rules.

Let me further point out that the distinguished chairman of the Rules Committee assured me this week, when we were holding hearings on this proposition, that he would promptly schedule a hearing before that committee on the propositions now pending before the Committee on Rules to set up a joint committee.

In other words, there is no need to fear a hiatus, a gap of any kind. The Committee on Rules can proceed promptly with a hearing on how to best fashion the instrumentality by which we can assure the people of this country that they are getting an effective, continuing oversight on intelligence that we should have.

To simply tinker with the present membership of the Select Committee on Intelligence, that is the formula for delay. There is no assurance whatever, whether you continue with the present 10 members or whether you take off some members, that you are going to get the kind of down-the-line continuing oversight that we have needed in this country for the last 27 years, ever since the CIA was established.

So I would suggest that that, rather than the substitute which I am proposing, is the real prescription for delay.

Mr. McCLORY. Mr. Chairman, will the gentleman yield?

Mr. ANDERSON of Illinois. I yield to the gentleman.

Mr. McCLORY. I want to commend the gentleman for his enthusiasm and zeal regarding proposals for oversight, and I think they are good recommendations for goals for the purpose of assuming the rightful role of responsibility of this House of Representatives.

Mr. ANDERSON of Illinois. Will the gentleman let me reclaim my time?

A very distinguished former chairman of his committee used to say that on the street of by-and-by we come to the land of never-never. We waited for 27 years to get a joint committee. Let us show the people of this country that we have the initiative here and now, today, in July 1975, to take the first step to put the first stone in place to start erecting the foundation that will create that joint committee, not wait for some recommendation that might come a year hence. The Rockefeller Commission on the CIA has recommended this. There is no question there is a need before the country today.

The CHAIRMAN. The time of the gentleman has expired.

(On request of Mr. BROOMFIELD and by unanimous consent, Mr. ANDERSON of Illinois was allowed to proceed for 1 additional minute.)

Mr. BROOMFIELD. Mr. Chairman, will the gentleman yield?

Mr. ANDERSON of Illinois. I yield to the gentleman from Michigan.

Mr. BROOMFIELD. Mr. Chairman, I rise in support of the amendment to House Resolution 591 offered by the distinguished chairman of the House Republican Conference, the gentleman from Illinois.

During my period of service on the Murphy Commission and in light of revelations about the excesses of and lack of control over the intelligence community, I became convinced of the clear, urgent requirement for a Joint Committee on Intelligence Oversight. On June 25, the chairman of the Committee on International Relations and I introduced H.R. 8199 to establish a Joint Committee on Intelligence Oversight effective January 3, 1976, the deadline for the current select committee to complete its investigation. I note that the gentleman from Illinois is a cosponsor of similar legislation introduced the same day.

In suggesting January 1976 as the effective date of the establishment of the joint commission, our intention was not to prejudice the status of the Nedzi committee or any investigation it might undertake during this session of Congress. We assumed, or at least allowed for the possibility, that the select committee would resolve its membership problems and meet its January deadline. Recent events have shown us to be strong on oversight, but short on foresight.

I now believe it is questionable indeed whether the Select Committee on Intelligence, as currently constituted, is going to perform any useful function during this session. I see little to be gained from playing musical chairs with the members of the committee which has become crippled and suspect through no fault of its chairman. Our approach to oversight requires not a compromise solution, but a new, creative assessment of the problem and a clean break from past efforts. I believe the proposal of the gentleman from Illinois is such an approach; it provides the most efficient and effective means available for the House to begin to seize upon the question of intelligence oversight.

I sense general agreement in the House on the need for a Joint Committee on Intelligence Oversight—the sooner the better. Let us now move promptly toward a new beginning on this important issue. As a coauthor of H.R. 8199, I believe this would be the appropriate vehicle for the establishment of a joint committee, but I am less concerned with pride of authorship than with the principle involved—the necessity for Congress to offer a clear signal that we are prepared to accept responsibility for oversight. As long as an effective joint committee with a comprehensive mandate is established in the near future, I am not particularly concerned about who gets credit for the initiative.

In supporting the amendment of the gentleman from Illinois, I am accepting the assurance that the Rules Committee will promptly report out a bill calling for the formation of a Joint Committee on Intelligence Oversight. I would strongly resist any situation in which the select committee is abolished without the promise of a new joint committee to take its place.

Intelligence oversight is an issue of overwhelming urgency and public concern. It must not become the object of partisan infighting or legislative bickering. The issue before us is clear: How can Congress most effectively move to establish control over all intelligence activities conducted by our Government? In my opinion, the amendment offered by the gentleman from Illinois provides the best avenue of approach.

Mr. MYERS of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. ANDERSON of Illinois. I yield to the gentleman from Pennsylvania.

Mr. MYERS of Pennsylvania. I would also like to commend the gentleman for presenting what has been the most logical position on intelligence oversight in a long time to this House. I hope it does not make too much logic so that it is unacceptable to the House.

Mr. Chairman, I think now is the time, as the gentleman stated, to do what should have been done years ago. Just because we have a special committee in place is no strong argument for not doing what we should do to have a permanent Joint Committee on Intelligence.

Mr. ANDERSON of Illinois. I thank the gentleman.

Mr. McCLORY. Mr. Chairman, will the gentleman yield?

Mr. ANDERSON of Illinois. I yield to the gentleman.

Mr. McCLORY. I would ask the gentleman this: How would this ad hoc committee which would be set up, which would presumably have a 9-to-4 or 7-to-3 membership, be meshed into a joint committee with the Senate, which is composed of a 5-to-4 membership?

Mr. ANDERSON of Illinois. The gentleman misunderstood the proposition. There is no intention to mesh with the present Senate committee. That would, obviously, be up to the Senate, by a resolution which they adopt, to determine how many members they would contribute to this committee. I see no need to mesh the Church committee with this proposal.

Mr. BOLLING. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment in the nature of a substitute.

Mr. Chariman, I feel that I should inform the committee of the facts concerning the procedure in this situation. This matter, as it was being followed to a conclusion on Monday night, was postponed at the insistent demand of certain Members on this side. Time was found to consider this matter this morning.

I said on Monday night that the schedule of the House is so heavy that it was impossible to find any time to consider this except on Monday night, and that is why it was being brought up. We found 2 or 3 hours to consider it today, and as I stand here stating this situation, I am wasting 1 of the minutes that remain in the last hour of our time on the floor here today. I tried to close debate somewhat early on the previous amendment which was defeated by a vote of 2½ to 1.

I have no intention of trying to infringe on the right of the House to take just as much time as it wants, but if we wish to dispose of this matter today, we must move expeditiously.

I oppose the amendment in the nature of a substitute offered by the gentleman from Illinois (Mr. ANDERSON). I think it is an ingenious way of prejudging something that should be judged by the select committee. I think the amendment should be voted down. I persist in the view that we should have a select committee which would make a series of recommendations. I do not think the House should prejudge a joint committee matter, no matter how strongly I myself support that position, any more than I think the House should prejudge the membership of the select committee or the joint committee.

Mr. Chairman, I ask for a vote on the Anderson amendment.

Mr. EDGAR. Mr. Chariman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the Anderson amendment. I disagree with my colleague, the gentleman from Missouri (Mr. BOLLING). I think that this particular direction should be taken now.

Mr. Chairman, for many months we have all been exposed to rumors and innuendos about the excesses of a number of our intelligence operations, most notably the CIA. Investigations by both the Presidential Commission and the Senate committee have verified that a number of these incidents, once scoffed at, have actually occurred, and may only be the tip of a sinister iceberg.

The American people have been horrified at violations of not only the letter of the law, but also the spirit. Tragically, there have been violations of the basic human rights of individuals by our intelligence agencies. We know very little about the intelligence community, not even an estimate as to how much this chamber appropriates each year to the CIA.

Mr. Chairman, I could go on and read my statement at this time, but I think it is probably more important for us to focus on the real issue here. The cosmetic repair the committee is offering, the proposal to change the number of members who serve on the Select Commitee from 10 to 13, is only that—a cosmetic repair. The solution which has just been offered to do away with any kind of investigation was soundly defeated.

The point we have to face is that the logical solution to the problem of the rumors, the innuendos, is to set up a permanent committee, an ongoing committee.

I would simply raise the point that the oversight of our intelligence community is not like that of a Joint Committee on Aging or like a Joint Committee on Energy or like a joint committee on many of the issues that we have, but it is the logical way in which the United States of America, through both the House and the Senate, can oversee, review, and analyze the intelligence agencies.

Mr. Chairman, for years, our oversight into these agencies has been marginal at best, and it is clear that the American public wants to believe that if a monster exists, at least it is being watched and snared.

I believe we would be abrogating our duty if we did not engage in an active, purposeful investigation. So far, the investigation has been a sham. As a voter, would you have confidence in a legislative body which after 6 months of inaction, engaged in 2 hours of debate upon whether the committee should have 10 or 13 members or be totally abolished? I think not. However, in listening to and participating in Monday night's debate, it was clear to me that a Joint Committee on Intelligence Operations would be formed eventually. There is a broadening bipartisan consensus in the House, supported by recommendations by the Rockefeller commission, that there is at present no effective mechanism for oversight.

Mr. Chairman, we have been bogged down in personalities and internal conflicts at the expense of fulfilling our constitutional responsibilities. I can only ask—if we eventually agree that a joint committee will be necessary, why do we not build the foundation right now when it is most vitally needed?

My distinguished colleague from Illinois, Mr. McCLORY, pointed out Monday evening that the Rockefeller commission concentrated upon domestic CIA operations, and the well-oiled Senate investigation is concentrating upon foreign intelligence operations of the CIA. This amendment offered by Mr. ANDERSON and Mr. BIESTER would extend these investigations to provide oversight into the entire range of intelligence community. A joint committee would avoid overlap of a separate House and Senate committee, while pooling financial resources to integrate this oversight. A joint committee would provide a comprehensive congressional reply with a viable recommendation. We must avoid the bickering among ourselves which has frustrated any realistic House action.

I do not see how we can agree as a body unless we are willing to concede that our internal squabbling has failed to produce results. A compromise that will insure immediate action must be accepted. To vote against this amendment is an invitation to bring about continued conflicts, conflicts which may be unresolvable because of the heavy legislative demands on this Chamber.

Mr. Chairman, the question is oversight and I call upon my colleagues to support this amendment. I also call for the support of this Chamber for a joint committee which will not be intimidated when the heads of serpents peek out from under the rocks which the committee may overturn.

The allegations which have been made cannot be swept under the rug by the House of Representatives. This should be a bipartisan effort, and I feel that the Anderson amendment goes to the very heart of bipartisanship. We have made some mistakes in addressing these problems. The committee has made some mistakes and individuals have made some mistakes. But to paraphrase a great baseball pundit, the American people would rather see errors of enthusiasm, than errors of indifference.

I yield back the balance of my time.

Mr. BURGENER. Mr. Chairman, will the gentleman yield?

Mr. EDGAR. I yield to the gentleman from California.

Mr. BURGENER. Mr. Chairman, I would like to associate myself with the remarks of the gentleman in the well in support of the Anderson amendment.

Mr. Chairman, I rise in support of the amendment offered by the gentleman from Illinois (Mr. ANDERSON) because I deeply believe that the long-range interests of this Nation can best be served by a stable oversight structure that involves the cooperation of both Houses of Congress.

This Nation needs an effective intelligence-gathering operation and a sophisticated intelligence evaluation service. We must not allow the very real and continuing need to insure against defects and mistakes to leave us without eyes and ears in the world. But we must not allow this need to prevent us from providing those safeguards which can assure the effective operation of a justifiable intelligence effort without significant breaches of the basic tenets of our society.

The other body is well underway in the task of investigating allegations of past excesses. I am confident that the investigation will provide the facts necessary to determine our future course. That is why I supported the Quillen amendment. We do not need to duplicate the efforts of that ongoing investigation.

But we most assuredly do need to address the future stability of our intelligence effort and the need for the proper safeguards against misuses. This amendment would provide the means to that end.

Mr. BIESTER. Mr. Chairman, will the gentleman yield?

Mr. EDGAR. I yield to the gentleman from Pennsylvania.

Mr. BIESTER. Mr. Chairman, I also desire to support the Anderson amendment. It makes eminent good sense, and I applaud the remarks of the gentleman from Pennsylvania (Mr. EDGAR).

As another gentleman from Pennsylvania said previously, this solution represents so logical and so rational an answer that perhaps it may not receive sufficient support. It deserves our support, and this House can demonstrate that it is as interested in preserving something for the future as it is in probing the past by supporting the amendment in the nature of a substitute offered by the gentleman from Illinois (Mr. ANDERSON).

Mr. EDGAR. Mr. Chairman, I thank the gentleman.

Mr. BRODHEAD. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Illinois (Mr. ANDERSON).

It seems to me that too much attention on this whole matter has been devoted to what has happened in the past.

Too much time has been devoted to a discussion of misdeeds that may have happened 6, 8, 10, or 12 years ago.

Too much attention has been devoted to the internal battles within the select committee. Too much attention has been devoted, frankly, to the CIA.

Mr. Chairman, it seems to me that the issue facing us is, what can we, as the House of Representatives, do to improve the oversight of the intelligence community? What can we do to see that the work of these agencies is coordinated? What can we do to assure to each Member of this House that he or she has a basic knowledge of what is going on in the intelligence community so that we can stop improper actions and support the legitimate and necessary work that is being done?

We must correct the abuses, the clear abuses, that have happened in the past. It is obvious that some of our intelligence agencies have engaged in improper and illegal actions. However, rather than focus on those actions that happened in the past, I think we must focus on how we can keep those kinds of things from happening in the future, and I think an investigation is needed and recommendations are needed as to what we can do, as the House of Representatives, to rectify the situation.

The Senate is proceeding with its own investigation, and I think it is unrealistic to assume that the Senate is going to divert effort and money and staff from the investigation that it has ongoing to engage in the proposed joint venture with the House at this time. Perhaps it would have been a viable solution 6 months ago. I do not think it is viable today, since the Senate investigation is rather far along.

Mr. Chairman, I think what we need to do is to go ahead and do what the Committee on Rules has suggested, to reconstitute the select committee with a larger number of members, with perhaps some changes in the membership, so that we can go ahead with a meaningful investigation.

Should this amendment be defeated, I intend to oppose any further amendments that might be offered to keep the present membership of the committee. I do not want to take sides in what has occurred, but I do think that it should be clear to all of us that the select has not worked; it has not worked so far, and it does not look as though it is going to work in the future except with a new committee. I think we can go ahead and do the job under those circumstances.

Mr. Chairman, I am grateful to the chairman and to members of the existing committee. I think they have worked hard. I think they tried to do a job. They just found that there were irreconcilable conflicts among the members of the select committee.

I say, let us go ahead and put those matters behind us. Let us look to the future and see whether we can do the job that needs to be done and do it right.

Mr. Chairman, I think the recommendation of the Committee on Rules with respect to the setting up of a new committee is the best way to go and is far superior to the suggestion offered by the gentleman from Illinois (Mr. ANDERSON).

Mr. McCLORY. Mr. Chairman, will the gentleman yield?

Mr. BRODHEAD. Yes, I yield to the gentleman from Illinois.

Mr. McCLORY. Mr. Chairman, I thank the gentleman for yielding.

I think we see eye to eye on this, and a joint committee would ultimately be an appropriate thing. However, it would provide a very confusing situation, including the possible establishment of an ad hoc committee and the effective abolishment within 30 days of the present committee.

This ad hoc committee, it seems to me, would follow the provisions of House Resolution 138, and would require the same composition as the select committee, which would be a very poor basis upon which to establish at some uncertain later date—a joint committee.

Therefore, Mr. Chairman, while I think the gentleman from Michigan (Mr. BRODHEAD) and I support the idea of a joint committee ultimately to oversee our intelligence agencies, we should have the advantages of the recommendations of the select committee, in the first place, the recommendations of the Rockefeller commission, and of the Murphy commission. We support that, but this is not the time at present, it is not the place, nor is it the way in which to carry out that objective.

Mr. Chairman, I thank the gentleman for yielding.

Mr. BRODHEAD. Mr. Chairman, I thank the gentleman for his remarks.

I think the gentleman is correct that a joint committee may ultimately be the answer, but I would like to have a recommendation from a House committee first that that is the way they think we should go and that that is the way they think we can best oversee the activities of the entire intelligence community.

Mr. SISK. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, as one of those who became earlier-on involved in this particular situation, I have listened with a great deal of interest to the discussion and some of the amendments, and so forth, that have been going on. I well agree with the position taken by the committee that the present Committee on Intelligence must be abolished. Where we go from there, of course, I think is the question at issue.

Let me say at this point that I take this time primarily to direct a question or two to my colleague, the gentleman from Illinois (Mr. ANDERSON).

First, Mr. Chairman, let me hasten to say that the Committee on Rules is really committed, and this was expressed by every Member of the Committee on Rules, as I recall, I believe almost without exception, to the idea of the creation of a permanent Joint Committee on Intelligence.

It was urged from time to time throughout the discussion of this issue. And I for one am dedicated and would publicly make a commitment that I would move as expeditiously as possible so far as one member of that committee, to proceed in the direction of the creation of such a committee.

I have had some problems with the approach of the gentleman from Illinois, though, in view of the procedural question here. And if I could be, let us say, convinced that it would work, I would be inclined to support his amendment.

I do not believe there is any question, I would say, that my colleague, the gentleman from Missouri (Mr. BOLLING), who is handling this bill, is as dedicated as I am, or any other member of the Committee on Rules, to the ultimate establishment of a permanent oversight committee. And I am not trying to put words in his mouth.

As I understand his section 2, he says that upon the adoption by the House of Representatives of a bill or resolution establishing a Joint Committee on Intelligence, that then the members shall immediately be appointed. It would be my understanding that this, of course, would require—that is, the passage of such a resolution, both House and Senate action. In other words, at what point are we going to proceed with the joint committee, and that is what I would believe, I am sure we ultimately will do, or at least I would hope we will do, and what I understand the gentleman from Illinois is pointing toward, but I am at a bit of a loss as to how we can act independently from the standpoint of going immediately ahead and setting up an ad hoc committee.

I would appreciate a little bit more information on that, because it seems to me this will ultimately become a joint resolution of the two bodies, rather than a unilateral action by either body.

As the gentleman from Illinois knows, there is a large group of Senators, including Senator MANSFIELD, and a number of both Republicans and Democrats who are proposing, basically, exactly the same thing from the other side. Will the gentleman comment on that?

Mr. ANDERSON of Illinois. Mr. Chairman, will the gentleman yield?

Mr. SISK. Of course, I yield to the gentleman from Illinois.

Mr. ANDERSON of Illinois. Mr. Chairman, I thank the gentleman for yielding. First of all let me say that I appreciate his commitment to the concept of a Joint Committee on Intelligence.

I think it would be perfectly possible under the Rules of the House for this body to adopt a resolution, and which, under its terms, Members could be appointed immediately, as I have said, by the Speaker, to serve on a committee which would become a joint committee once the Senate had acted on that resolution.

But pending action by the Senate, that resolution would provide that the House Members could be appointed immediately to take up the work of the present select committee so as to carry out the objectives that have been raised in House Resolution 591, but then, in addition thereto, by action of the Senate then they would become the House Members of the joint committee which could continue on with the more important task, I think, of continued oversight responsibilities.

Mr. SISK. Mr. Chairman, let me follow that up with the next question.

I assume, then, the gentleman from Illinois proposes that the House would pass simply a House resolution appointing the House Members of such a joint committee.

Mr. ANDERSON of Illinois. The gentleman is correct.

Mr. SISK. With the idea in mind that at the time when a joint resolution, which obviously is going to have to be passed, is passed, we might very well have to increase those memberships or decrease them, depending upon what was finally agreed upon by and between the other body and ourselves; is that not correct?

Mr. ANDERSON of Illinois. The gentleman is correct, and I see no insuperable obstacles involved in that.

There are various proposals pending in the Committee on Rules now. Some would call for a joint committee of 14 members; some would call for a joint committee of 19 members. I am not personally dogmatic on the size of that committee. I think that it ought not to be too large. I serve presently on a joint committee, the Joint Committee on Atomic Energy, which is made up of 18 members, 9 from the House and 9 from the Senate. I think we function very effectively, both as a legislative committee and as an oversight committee.

Mr. SISK. If the gentleman would permit me to continue, I agree with the gentleman. I have served on joint committees. I think they do work very well. I am not wholly sold on as many joint committees as some people would be. I think we have here to respect the integrity of each House, but in this case I think it is the only answer.

I agree with the gentleman. As I say, I am willing to pledge my support as a member of the Committee on Rules to proceed expeditiously in this direction. That is why I am intrigued with the gentleman's proposal.

The **CHAIRMAN.** The time of the gentleman has expired.

Mr. EDWARDS of California. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

I do not want to let the debate end without correcting the impression that there is wide support for a commitment to a joint committee of the Senate and the House for intelligence oversight. It is a very complicated suggestion. The Libary of Congress is loaded with articles on the subject. There are many strong arguments against having a joint committee. I would think that we would be making a great mistake to make this decision today, without debate or hearings on a final commitment to a joint committee.

We must address questions regarding the destruction of our bicameral legislative system and the impairment of the jurisdiction of the current standing committees of the House and the Senate. I can assure that once a joint committee is established regardless of the extent or limits of its jurisdiction, the White House will immediately instruct all the agencies to deal only with that joint committee. Then both Houses would be at the mercy not only of the permanent members of the joint committee but of the staffs, also.

There are 10 joint committees now. Can anyone here name all 10 joint committees?

The last point I want to make, Mr. Chairman, is that the mandate of the select committee includes a requirement that it recommend to this House whether or not there should be a joint committee or some other arrangement for further congressional oversight of U.S. intelligence agencies.

I think that we should turn the Anderson substitute down and await the recommendations of the select committee.

Mr. McCLORY. Mr. Chairman, will the gentleman yield?

Mr. EDWARDS of California. I yield to the gentleman from Illinois.

Mr. McCLORY. I thank the gentleman for yielding.

I just point out that in the first sentence of the gentleman's amendment, the committee would be abolished and the committee would remain abolished until such time as the joint committee was provided for in a new House resolution.

I would like to point out further that this business of adding members or subtracting members, depending upon what the Senate would do with any proposed new joint committee on intelligence would be something that would have to be taken care of in the proposal by which any such joint committee is set up. It seems to me this amendment of the gentleman from Illinois (Mr. ANDERSON) is way premature. It is very confusing. It is a great idea, and I support the idea as an ultimate goal, but at this time it is the wrong idea in the wrong place and at the wrong time. I hope it will be voted down, as the previous amendment was voted down.

Mr. EDWARDS of California. I thank the gentelman.

Mr. BOLAND. Mr. Chairman, the issue presented to this body by House Resolution 591 involves a very weighty problem for me. I have always held the conviction that the very nature of intelligence operations demands very competent and yet very discreet overview.

The avalanche of revelations that has recently laid bare many previous activities of the CIA only goes to show that permanent oversight capability vested in a joint committee of this Congress is—and has been—sorely missed by the two Houses of Congress.

I myself first advanced this opinion within a few years of my arrival in the House. In 1955, along with my good friend, the distinguished majority leader, my colleague from Massachusetts (Mr. O'NEILL), I proposed a joint committee to investigate and review the activities of our intelligence community, particularly the newly formed CIA.

Because of my belief that a permanent joint committee is required, if we seriously expect to prevent the kind of illegal and unconscionable acts that have already been perpetrated in the name of national security, I have reintroduced my resolution of 20 years ago.

At the same time, however, I sincerely believe that the present House inquiry, which, as we all know, has become critically bogged down, must continue.

The staff is there, as is the framework for an exhaustive investigation. There has never been any doubt as to the enthusiasm or commitment of the members of the committee to pursue an investigation.

Most importantly, this body is just as competent as the Senate to conduct such an inquiry, and it wishes to do so. The reasons for this are obvious and compelling. The House shares the responsibility of enacting laws which will protect the citizens of this country from threats both external and internal.

In every case, it must be on the alert to insure that the laws of the United States perform that duty or are amended to insure that they do.

I have said that I believe that a permanent joint committee is one of the long-range answers to the problems attendant on the issues now before us.

I do not believe, however, that this conviction should lead any member to vote to cut off the present House select committee's investigation—no matter how unsuccessful its record has been to date.

That would, to my mind, constitute an admission of the House's inability or unwillingness to get to the heart of the abuses that are reported to have been committed.

Such a termination, if approved, would only fuel the fires of criticism surrounding the House with further evidence of division and lack of direction.

I believe that the House must order its household by itself or it will be unable to order that of other agencies of government.

Accordingly, I oppose the amendment offered by the gentleman from Illinois—and I urge passage of House Resolution 591 as proposed by the Committee on Rules.

The **CHAIRMAN.** The question is on the amendment in the nature of a substitute offered by the gentleman from Illinois (Mr. ANDERSON).

The question was taken; and the Chair announced that the noes appeared to have it.

RECORDED VOTE

Mr. ANDERSON of Illinois. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 178, noes 230, answered "present" 1, not voting 25, as follows:

[Roll No. 391]

AYES—178

Abdnor
Alexander
Anderson, Ill.
Andrews, N. Dak.
Armstrong
Ashbrook
Ashley
AuCoin
Bafalis
Bauman
Beard, Tenn.
Bevill
Biester
Blanchard
Bowen
Brinkley
Broomfield
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burleson, Tex.
Carter
Casey
Cederberg
Chappell
Clancy
Clausen, Don H.
Cleveland
Cochran
Cohen
Collins, Tex.
Conable
Conte
Cornell
Coughlin
D'Amours
Devine
Dingell
Duncan, Oreg.
Duncan, Tenn.
du Pont
Edgar
Edwards, Ala.
Emery
English
Erlenborn
Esch
Eshleman
Evans, Ind.
Fenwick
Fish
Fithian
Florio
Flynt
Forsythe
Frenzel
Frey
Gaydos
Gilman
Goldwater
Goodling
Gradison
Grassley
Guyer
Hagedorn
Hammerschmidt
Hansen
Harsha
Hastings
Hechler, W. Va.
Heckler, Mass.
Heinz
Hightower
Hillis
Hinshaw
Holt
Horton
Howe
Hubbard
Hughes
Hutchinson
Hyde

Ichord
Jacobs
Jarman
Jeffords
Jenrette
Johnson, Colo.
Johnson, Pa.
Kelly
Kemp
Ketchum
Kindness
Krueger
Lagomarsino
Latta
Lent
Levitas
Litton
Lloyd, Tenn.
Lujan
McCloskey
McCollister
McDade
McDonald
McEwen
McKinney
Madigan
Maguire
Mann
Martin
Mathis
Michel
Miller, Ohio
Minish
Mitchell, N.Y.
Mosher
Murtha
Myers, Ind.
Myers, Pa.
Nedzi
O'Brien
O'Hara
Passman
Pettis
Poage
Pritchard
Quie
Quillen
Railsback
Rees
Regula
Rhodes
Rinaldo
Robinson
Rostenkowski
Rousselot
Ruppe
Santini
Sarasin
Satterfield
Schneebeli
Schroeder
Schulze
Sebelius
Shriver
Shuster
Simon
Sisk
Skubitz
Slack
Smith, Nebr.
Snyder
Spellman
Stanton, J. William
Steiger, Ariz.
Stratton
Talcott
Taylor, Mo.
Thone
Traxler
Van Deerlin
Vander Jagt
Walsh
Wampler
Whalen
Whitehurst
Wiggins
Wilson, Bob
Winn
Wydler
Wylie
Yatron
Young, Alaska
Young, Fla.
Young, Tex.

NOES—230

Abzug
Adams
Addabbo
Ambro
Anderson, Calif.
Andrews, N.C.
Annunzio
Aspin
Badillo
Barrett
Baucus
Beard, R.I.
Bedell
Bennett
Bergland
Biaggi
Bingham
Blouin
Boggs
Boland
Bolling
Bonker
Brademas
Breaux
Brodhead
Brooks
Brown, Calif.
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burlison, Mo.
Burton, John
Burton, Phillip
Byron
Carney
Carr
Chisholm
Clay
Collins, Ill.
Conyers
Corman
Cotter
Crane
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Danielson
Davis
de la Garza
Delaney
Dellums
Dent
Derrick
Derwinski
Dickinson
Diggs
Dodd
Downey
Downing
Drinan
Early
Eckhardt
Edwards, Calif.
Eilberg
Evins, Tenn.
Fary
Fascell
Findley
Fisher
Flood
Flowers
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fraser
Giaimo
Gibbons
Ginn
Gonzalez
Green
Gude
Haley
Hall
Hamilton
Hanley
Hannaford
Harkin
Harrington
Harris
Hawkins
Hayes, Ind.
Hays, Ohio
Hébert
Hefner
Helstoski
Henderson
Hicks
Holland
Holtzman
Howard
Hungate
Johnson, Calif.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Kasten
Kastenmeier
Kazen
Keys
Koch
Krebs
LaFalce
Landrum
Leggett
Lehman
Long, La.
Long, Md.
Lott
McClory
McCormack
McFall
McKay
Macdonald
Madden
Mahon
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Mikva
Milford
Miller, Calif.
Mills
Mineta
Mink
Mitchell, Md.
Moakley
Moore
Moorhead, Pa.
Morgan
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Natcher
Neal
Nichols
Nix
Nolan
Nowak
Oberstar
Obey
O'Neill
Ottinger
Patman, Tex.
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Peyser
Pickle
Pike
Pressler
Preyer
Price
Randall
Rangel
Reuss
Richmond
Risenhoover
Roberts
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Roush
Roybal
Runnels
Russo
Ryan
St Germain
Sarbanes
Scheuer
Seiberling
Sharp
Shipley
Sikes
Smith, Iowa
Solarz
Spence
Staggers
Stanton, James V.
Stark
Steed
Steelman
Stephens
Stokes
Studds
Sullivan
Symington
Taylor, N.C.
Teague
Thompson
Thornton
Treen
Tsongas
Ullman
Vander Veen
Vanik
Waggonner
Waxman
Weaver
White
Whitten
Wilson, C. H.
Wilson, Tex.
Wolff
Wright
Yates
Young, Ga.
Zeferetti

ANSWERED "PRESENT"—1

Breckinridge

NOT VOTING—25

Archer
Baldus
Bell
Butler
Clawson, Del
Conlan
Evans, Colo.
Fulton
Fuqua
Karth
Lloyd, Calif.
McHugh
Matsunaga
Moffett
Mollohan
Montgomery
Moorhead, Calif.
Riegle
Steiger, Wis.
Stuckey
Symms
Udall
Vigorito
Wirth
Zablocki

So the amendment in the nature of a substitute was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Bell for, with Mr. Matsunaga against.

Mr. Symms for, with Mr. Vigorito against.

Mr. Steiger of Wisconsin for, with Mr. Riegle against.

Mr. Del Clawson for, with Mr. Mollohan against.

Mr. Conlan for, with Mr. McHugh against.

Mr. Zablocki for, with Mr. Karth against.

The result of the vote was announced as above recorded.

Mr. BOLLING. Mr. Chairman, I move to strike the necessary number of words.

Mr. Chairman, I am forced to make a statement. I understand from the leadership that there is an absolutely essential matter that has to be considered beginning no later than shortly after 2:30. I understand it has something to do with an HEW appropriation bill, the Treasury, a variety of things. I am not privy to all of the details, but the leadership says they have to have the floor for other uses at 2:30.

Therefore, I am going to ask unanimous consent, and after I have asked unanimous consent, if it is turned down, I am going to move, and if the House turns that motion down, then we will rise at once, and when we will get back to this matter I have no idea.

First, I am going to ask unanimous consent that the resolution be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

Mr. BAUMAN. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. BOLLING. Mr. Chairman, then I can only ask unanimous consent that all debate on the resolution and all amendments thereto close at 2:30.

The CHAIRMAN. The gentleman should be advised that that request cannot be made until the resolution has been read.

Mr. BOLLING. Mr. Chairman, I understand it is an improper request. I want to demonstrate that I want to do everything I can. Unless we get the resolution considered as read and open to amendment, there is no opportunity of making a unanimous-consent request that all debate on the amendments to the resolution and the resolution close at 2:30. We have to get it read first. If we cannot do that, we cannot do anything, and I will move that the Committee rise.

Mr. Chairman, I will renew my unanimous-consent request. I ask unanimous consent that House Resolution 591 be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

Mr. BAUMAN. I object.

The CHAIRMAN. Objection is heard.

Mr. BOLLING. Mr. Chairman, I move that the committee do now rise.

The CHAIRMAN. The question is on the motion offered by the gentleman from Missouri (Mr. BOLLING).

The question was taken; and on a division (demanded by Mr. BOLLING) there were—ayes 105, noes 39.

RECORDED VOTE

Mr. ERLENBORN. Mr. Chairman, on that I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 242, noes 162, not voting 30, as follows:

[Roll No. 392]

AYES—242

Adams
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Aspin
AuCoin
Bafalis
Baldus
Barrett
Beard, R.I.
Bedell
Bennett
Bergland
Bevill
Blanchard
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Buchanan
Burgener
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Byron
Carney
Casey
Cederberg
Chappell
Cochran
Corman
Cornell
Cotter
Crane
Daniel, Dan
Daniel, R. W.
Danielson
Davis
de la Garza
Delaney
Dent
Derrick
Derwinski
Dickinson
Dingell
Dodd
Downing
Drinan
Duncan, Oreg.
Duncan, Tenn.
Eckhardt
Edwards, Ala.
Eilberg
English
Eshleman
Evans, Ind.
Evins, Tenn.
Fary
Fisher
Flood
Florio
Flowers
Flynt
Foley
Fountain
Fraser
Gaydos
Ginn
Gonzalez
Guyer
Hagedorn
Haley
Hamilton
Hammerschmidt
Hanley
Hannaford
Harris
Harsha
Hastings
Hawkins
Hayes, Ind.
Hays, Ohio
Hébert
Hefner
Henderson
Hicks
Hightower
Hillis
Hinshaw
Holland
Howard
Howe
Hubbard
Hungate
Ichord
Jacobs
Jarman
Jenrette
Johnson, Calif.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Kastenmeier
Kazen
Kelly
Ketchum
Keys
Krueger
Lagomarsino
Landrum
Latta
Lehman
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
McCormack
McEwen
McFall
McKay
Madden
Maguire
Mahon
Mann
Mathis
Meeds
Metcalfe
Meyner
Michel
Milford
Miller, Ohio
Mills
Mink
Moakley
Montgomery
Moore
Moorhead, Pa.
Moorhead, Calif.
Morgan
Moss
Murphy, Ill.
Murphy, N.Y.
Murtha
Natcher
Neal
Nichols
Nolan
Oberstar
Obey
O'Brien
O'Hara
O'Neill
Passman
Patman, Tex.
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Pickle
Pike
Poage
Pressler
Preyer
Price
Quillen
Randall
Rangel
Reuss
Risenhoover
Roberts
Robinson
Rodino
Rogers
Roncalio
Rose
Roush
Rousselot
Runnels
Ryan
St Germain
Santini
Satterfield
Schroeder
Sebelius
Shipley
Shriver
Sikes
Sisk
Skubitz

Slack
Smith, Iowa
Smith, Nebr.
Solarz
Spellman
Spence
Staggers
Stanton, J. William
Steed
Steiger, Ariz.
Stephens
Sullivan
Symington
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thornton
Traxler
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Waggonner
White
Whitten
Wiggins
Wilson, C. H.
Wilson, Tex.
Wright
Wylie
Yatron
Young, Alaska
Young, Fla.
Young, Ga.
Young, Tex.

NOES—162

Abdnor
Abzug
Addabbo
Alexander
Ambro
Anderson, Calif.
Armstrong
Ashley
Badillo
Bauman
Beard, Tenn.
Biaggi
Biester
Bingham
Blouin
Brown, Mich.
Brown, Ohio
Broyhill
Burke, Calif.
Burton, John
Burton, Phillip
Carr
Carter
Chisholm
Clancy
Clausen, Don H.
Clay
Cleveland
Cohen
Collins, Ill.
Collins, Tex.
Conable
Conlan
Conte
Conyers
Coughlin
D'Amours
Daniels, N.J.
Dellums
Devine
Downey
du Pont
Early
Edgar
Edwards, Calif.
Emery
Erlenborn
Fascell
Fenwick
Findley
Fish
Fithian
Ford, Mich.
Ford, Tenn.
Forsythe
Frenzel
Frey
Giaimo
Gibbons
Gilman
Goldwater
Goodling
Gradison
Grassley
Green
Gude
Hall
Hansen
Harkin
Harrington
Hechler, W. Va.
Heckler, Mass.
Heinz
Helstoski
Holt
Holtzman
Horton
Hutchinson
Hyde
Jeffords
Johnson, Colo.
Kasten
Kemp
Kindness
Koch
Krebs
LaFalce
Leggett
Lent
Lujan
McClory
McCloskey
McCollister
McDade
McDonald
McKinney
Macdonald
Martin
Mazzoli
Melcher
Mezvinsky
Mikva
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moffett
Mosher
Mottl
Myers, Ind.
Myers, Pa.
Nedzi
Nix
Ottinger
Pettis
Peyser
Pritchard
Railsback
Rees
Regula
Richmond
Rinaldo
Roe
Rooney
Rosenthal
Rostenkowski
Roybal
Ruppe
Russo
Sarasin
Sarbanes
Scheuer
Schneebeli
Schulze
Seiberling
Sharp
Shuster
Simon
Snyder
Stanton, James V.
Stark
Steelman
Stokes
Stratton
Studds
Thone
Treen
Tsongas
Vanik
Walsh
Wampler
Waxman
Weaver
Whalen
Whitehurst
Wilson, Bob
Winn
Wolff
Wydler
Yates
Zeferetti

NOT VOTING—30

Archer
Ashbrook
Baucus
Bell
Boggs
Butler
Clawson, Del
Diggs
Esch
Evans, Colo.
Fulton
Fuqua
Hughes
Karth
McHugh
Madigan
Matsunaga
Mollohan
Nowak
Quie
Rhodes
Riegle
Steiger, Wis.
Stuckey
Symms
Thompson
Udall
Vigorito
Wirth
Zablocki

So the motion was agreed to.

The result of the vote was announced as above recorded.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. Evans of Colorado, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the resolution (H. Res. 591) establishing a Select Committee on Intelligence, had come to no resolution thereon.

REQUEST FOR PERMISSION FOR COMMITTEE ON AGRICULTURE TO SIT DURING 5-MINUTE RULE THIS AFTERNOON

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that the Committee on Agriculture may sit during the 5-minute rule of the House this afternoon.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

Mr. JOHNSON of Colorado. Mr. Speaker, I object.

The SPEAKER. Objection is heard.

CONFERENCE REPORT ON H.R. 5901, MAKING APPROPRIATIONS FOR THE EDUCATION DIVISION AND RELATED AGENCIES

Mr. FLOOD. Mr. Speaker, I call up the conference report on the bill (H.R. 5901) making appropriations for the Education Division and related agencies for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of July 11, 1975.)

Mr. FLOOD (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the statement be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The SPEAKER. The gentleman from Pennsylvania (Mr. Flood) is recognized.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. FLOOD. I yield to the gentleman from Washington.

PERMISSION FOR SUBCOMMITTEE ON ENERGY RESEARCH, DEVELOPMENT, AND DEMONSTRATION OF COMMITTEE ON SCIENCE AND TECHNOLOGY TO SIT DURING HOUSE SESSION THIS AFTERNOON

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the Subcommittee on Energy Research, Development, and Demonstration of the Committee on Science and Technology be permitted to sit this afternoon starting at 2 o'clock p.m. while the House is in session.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. FLOOD. Mr. Speaker, we bring before the House today the conference report on the education appropriation bill. This is not the usual Labor-HEW bill. This is a straight education bill for the fiscal year 1976.

If we adopt this conference report and if the other body and the President cooperate this will be the first regular appropriation bill to be enacted for fiscal year 1976. This is important to the people at home and to all school districts. Members should tell their people back home, this will be the culmination of an effort to provide an early appropriation for all education programs.

This is something we have been trying to do for years. All of the State and local school officials and all the colleges and universities need to know in advance how much and what kind of Federal assistance will be available to them before they develop their education budgets. I hope that explains to Members why this is important to them today and important for their people at home.

Late appropriations for education have been the biggest problem for the State and local school administrators. Adopting this conference report is a direct response to that problem.

Some Members will say: "Wait a minute, Flood. This conference report is $1.3 billion over the President's budget. Is that right?" It is right.

"How can we possibly vote for such an excessive amount?" "How can the President sign this bill in view of the large Federal budget deficit?"

I think the Members can and should adopt this conference report. I think the President can and should sign this education bill. There is no need for anyone to feel apprehensive about supporting this education bill when they find out what is in it. Not at all.

All right. Certainly this bill is over the budget and by a very large amount. That is no accident. But let me point out to the Members very quickly that almost $800 million of that chunk that is over the budget is simply restoring reductions and terminations proposed by the budget for many of these education programs. Do the Members notice that?

Now, this is what the budget proposed to do:

Cut impact aid, a favorite pigeon, $390 million.

Cut aid to higher education $200 million.

Cut—hear this—programs for the handicapped, $25 million.

Cut—another of our favorites—vocational education, $60 million.

Now, hear this, cut emergency school aid—of all things—$140 million.

Cut library assistance, oh, yes—$60 million. How is that?

Cut bilingual education, $14 million.

Now, is that what we want—wholesale reductions like that in education? Well, the conferences did not think the House wanted us to do that.

Now, when this bill was brought to the floor back on April 16, the committee recommended a total of $6,800 million, which is about the same amount as 1975. Well, what happened? Two hundred fifty-nine Members right here said, "Whoa, that is not good enough for education. We will not take that"—259 Members. So the committee bill was increased by a floor amendment adding $487 million. That is what we did.

It was clear then—and it is clear now—that a great majority of this body will not accept a standstill budget for education—period. So the House passed by a voice vote the total appropriations of $7,332,995,000 for fiscal year ending 1976.

Now, of course, the other body supports education just as much as we do and they added $349 million to the bill. The Senate bill totaled $7,682,511,852.

Now, the conference agreement, what happened? The conference agreement is $7,480,312,952. That is $147 million above the House bill, but it is $202 million below the Senate bill. So the conferees came out of the conference with a bill that is closer to the House figure than to the Senate figure.

I want to call attention to the fact that in this bill we include advance funding for fiscal year 1977. This is very important to bear in mind, as we reflect upon the size of this bill. We are talking about Federal assistance for the school year which begins in September 1976. The conference report includes $2,563,351,852 in advance appropriations for the fiscal year 1977. That is an increase of $11,600,000 above the House bill.

Now, we have included advance appropriations of over $2 billion for title I grants for disadvantaged children; $184,500,000 for the consolidated grants for support and innovation; $110 million for the grants to assist handicapped children; $71.5 million for adult education; $147 million for consolidated grants for school libraries.

The major changes now from the House bill which we agreed to in the conference are: First, for elementary and secondary education, the conferees agreed to $21 million over the House bill. About $11 million of that is to take care of that problem caused by that new formula on grant consolidation under title IV of the Elementary and Secondary Education Act. The Members will recall that the committee was aware of the fact that 17 States would receive less funds under the grant consolidation than they received last year for comparable purposes. The only acceptable way we found to resolve the problem is to add a specific amount and a so-called hold harmless and this would require $11 million over the House bill to work that out.

The conferees also agreed to $2.5 million more for bilingual education, for a total of $97.8 million. Also, we increased reading improvement—this is important—increased reading improvement from $12 million to $17 million. I am sure the Members have all heard about the "right to read" program, and I will not go into detail about that.

For impacted aid—oh, boy, and by the way, this thing is nearing its 25th anniversary. Did the Members ever think that it would last that long? This is the 25th anniversary of impacted aid, and the conferees agreed to $680 million, or $21 million over the House bill. Mr. Speaker, over the years this program has grown into a very complicated monstrosity, if I may understate it. When we first talked about it 25 years ago, many of us had no idea that it was going to be a can of worms like this. The new provisions enacted last year are now going into effect. The costs of some of these under this new law have not yet been determined, and it may be necessary to consider a supplemental appropriation bill later on in this year.

The conferees accepted $241.7 million for emergency aid to desegregated school districts. That is $15 million over the House bill, but it is the same amount as the 1975 appropriation.

The major increase over the House bill is for higher education programs. Here, the conferees agreed to about $2.4 billion, or $93.1 million over the House amount.

We agreed to $715 million for basic opportunity grants—we call it the BOG program. That is $55 million over the House bill, but it is $335 million below the budget. This is the fourth straight year where the budget proposed full funding of this basic opportunity grants program. Again, we refused to go along absolutely with this proposal of the budget because it is based on cutting back or terminating very, very important existing programs of grants and loans to college students. We would not have any part of it. Someday, this program may be fully funded but only if it has proved to be a viable student aid program. So far it has not shown all that.

The conferees accepted half of the $60 million increase proposed by the Senate, for the college work study program, which brings us to a total of $390 million and will provide a substantial increase for the next academic year. For the library program, the conferees added $9 million above the House bill, mainly for undergraduate instructional equipment—hardware.

The conferees accepted most of the Senate decreases from the House bill. We reduced administrative costs for the Office of Education by $2.6 million; statistics by $1 million; post secondary innovation by $2 million. We also agree on the $10 million reduction for the National Institute of Education. This gives them $70 million, the same as last year. The case for more funds for educational research and development has yet to be made. They have a new director down there. Maybe the new Director in NIE will change things around. I hope so.

I am aware of the disappointment that some Members have expressed about the $3.5 million deletion for the White House Conference on Libraries. I want to make it clear the conferees are not opposed to this Library Conference. Not at all. They are just as much for it as anybody. It is just simply a matter of timing on appropriations. Basic law allows the President until 1978 to hold that Conference. We understand the administration supports it. What we are saying is this—let them send a budget request so that we can act on it in the regular manner, and we will act on it promptly. This would have been another case where the Congress appears to be exceeding the budget simply because of the delay in the budget request.

Mr. SEIBERLING. Mr. Speaker, will the gentleman yield?

Mr. FLOOD. I yield to the gentleman.

Mr. SEIBERLING. Mr. Speaker, we are accustomed to comparing bills, appropriation bills particularly, to the President's budget request. But we have a Budget Committee now in the Congress which has worked up spending totals, which we in this House approved, and these totals were based on a division among the various areas of spending, including education.

Mr. FLOOD. That is right.

Mr. SEIBERLING. Can the gentleman relate whether this bill is over or under the totals that are allocated for that purpose in the congressional budget.

Mr. FLOOD. No, we have no direct comparison. The reason is mainly a problem of comparing the conference report to the budget committee allocations. The figures are not really comparable.

Mr. SEIBERLING. I am just wondering if we can relate that to our own budget totals.

Mr. FLOOD. I do not believe the figures are comparable to this appropriation bill.

Mr. SEIBERLING. But is it within or outside of the congressional budget total?

Mr. FLOOD. I am certain that we will not be beyond budget totals.

I should also mention the bill includes $464,683,000 for the transition period—this is something new—between fiscal year 1976 and the new fiscal year which will begin with 1977. Under this new Budget Act my friend was just talking about, fiscal year 1977 will begin October 1, 1976, so appropriations, therefore, are needed for that 3-month interim period. The House and the Senate bills, by the way, provide the same amount for this transition period. So it was not a matter in conference. We are about $196.4 million over the budget request, but that is due almost entirely to the increases that we recommend for fiscal year 1976.

Mr. GOODLING. Mr. Speaker, will the gentleman yield?

Mr. FLOOD. I yield to the gentleman.

Mr. GOODLING. Mr. Speaker, I thank the gentleman for yielding.

When the gentleman talked about impacted aid he used some pretty strong language.

Mr. FLOOD. Oh, yes.

Mr. GOODLING. I agree wholeheartedly with what I think the gentleman was saying. Does the gentleman plan to do anything about that? And the reason I ask is that I would like to think about trying to do something about it if the gentleman does not plan to.

Mr. FLOOD. That, of course, the gentleman will have to take up with the legislative committee as to what should or should not be done. We are merely attempting to appropriate for the law as it now stands.

We have been through this for many years and it is difficult to control the cost and keep the program from expanding.

Mr. GOODLING. Even keeping it to our original costs?

Mr. FLOOD. Yes, it is a problem.

Now, finally, Mr. Speaker, I should mention that there is one amendment here which the conferees could not resolve. That is amendment No. 44. It relates to sex discrimination and title IX of the Education Amendments of 1972.

At the proper time, Mr. Speaker, I will offer a motion that the House insist on its disagreement and retain the language of the House provision on this matter.

Believe me, it would be very, very unfortunate if this bill were delayed. I have just told the Members of the timing problem with the other body. It would be very unfortunate to have this bill, of all bills, delayed by a subject that simply does not directly involve the appropriation of funds for the education program.

Mr. Speaker, I urge the adoption of the conference report and the motions I shall offer in connection with amendments which are reported in disagreement.

Mr. Speaker, I insert in the RECORD at this point a detailed table showing the amounts provided in the conference report for each appropriation in the bill, together with the appropriate comparison.

EDUCATION DIVISION APPROPRIATION BILL 1976 (H.R. 5901) NEW BUDGET (OBLIGATIONAL) AUTHORITY CONFERENCE SUMMARY

	Enacted fiscal year 1975	1976 transition period				Conference compared with—			
		Estimates	House	Senate	Conference	Fiscal year 1975 enacted	New budget authority estimate	House bill	Senate bill
TITLE I—EDUCATION DIVISION									
Office of Education									
Elementary and secondary education	$2,262,175,000	$2,203,388,000	$2,403,158,000	$2,446,791,852	$2,425,791,852	$163,616,852	$222,403,852	$22,633,852	−$21,000,000
Advance appropriation for 1977	(...)	(2,072,888,000)	(2,222,888,000)	(2,234,521,852)	(2,234,521,852)	(2,234,521,852)	(161,633,852)	(11,633,852)	(...)
School assistance in federally affected areas	656,016,000	266,000,000	659,000,000	725,000,000	680,000,000	23,984,000	414,000,000	21,000,000	−45,000,000
Transition period		5,000,000	70,000,000	70,000,000	70,000,000		65,000,000		
Emergency school aid	215,000,000	101,700,000	226,700,000	241,700,000	241,700,000	26,700,000	140,000,000	15,000,000	
Transition period		325,000	325,000	325,000	325,000				
Education for the handicapped	199,859,000	175,000,000	235,000,000	237,750,000	236,375,000	36,516,000	61,375,000	1,375,000	−1,375,000
Transition period		13,100,000	10,500,000	10,500,000	10,500,000		−2,600,000		
Advance appropriation for 1977	(...)	(50,000,000)	(110,000,000)	(110,000,000)	(110,000,000)	(110,000,000)	(60,000,000)	(...)	(...)
Occupational, vocational, and adult education	681,676,000	636,212,000	668,849,000	696,349,000	669,650,100	−12,025,900	33,438,100	801,100	−26,698,900
Transition period		17,000,000	151,000,000	151,000,000	151,000,000		134,000,000		
Advance appropriation for 1977	(...)	(67,500,000)	(71,500,000)	(71,500,000)	(71,500,000)	(71,500,000)	(4,000,000)	(...)	(...)
Higher education	2,206,171,000	2,005,541,000	2,346,184,000	2,534,934,000	2,439,309,000	233,138,000	433,768,000	93,125,000	−95,625,000
Transition period		124,000,000	124,000,000	124,000,000	124,000,000				
Library resources	167,474,000	147,330,000	209,054,000	227,054,000	218,054,000	50,580,000	70,724,000	9,000,000	−9,000,000
Advance appropriation for 1977	(...)	(137,330,000)	(147,330,000)	(147,330,000)	(147,330,000)	(147,330,000)	(10,000,000)	(...)	(...)
Innovative and experimental programs		38,993,000	36,893,000	36,893,000	36,893,000	36,893,000	−2,100,000		
Educational activities overseas (special foreign currency program)	1,000,000	2,000,000	2,000,000	2,000,000	2,000,000	1,000,000			
Transition period		200,000	200,000	200,000	200,000				
Salaries and expenses	116,745,000	112,525,000	107,841,000	105,224,000	105,224,000	−11,521,000	−7,301,000	−2,617,000	
Transition period		24,643,000	24,643,000	24,643,000	24,643,000				
Student loan insurance fund	197,600,000	201,787,000	201,787,000	201,787,000	201,787,000	4,187,000			
Transition period		30,000,000	30,000,000	30,000,000	30,000,000				
Higher education facilities loan and insurance fund	2,701,000	2,192,000	2,192,000	2,192,000	2,192,000	−509,000			
Transition period		548,000	548,000	548,000	548,000				
Subtotal	6,706,417,000	5,892,668,000	7,098,658,000	7,457,674,852	7,258,975,952	552,558,952	1,366,307,952	160,317,952	−198,698,900
Transition period		214,816,000	411,216,000	411,216,000	411,216,000		196,400,000		
National Institute of Education									
National Institute of Education	70,357,000	80,000,000	80,000,000	80,000,000	70,000,000	−357,000	−10,000,000	−10,000,000	
Transition period		20,000,000	20,000,000	20,000,000	20,000,000				
Office of Assistant Secretary for Education									
Salaries and expenses	13,863,000	42,834,000	35,500,000	32,500,000	32,500,000	18,637,000	−10,334,000	−3,000,000	
Transition period		5,599,000	5,599,000	5,599,000	5,599,000				
Total, Education Division	6,790,637,000	6,015,502,000	7,214,158,000	7,560,174,852	7,361,475,952	570,838,952	1,345,973,952	147,317,952	−198,698,900
Transition		240,415,000	436,815,000	436,815,000	436,815,000		196,400,000		
TITLE II—RELATED AGENCIES									
American Printing House for the Blind	1,967,000	2,408,000	2,408,000	2,408,000	2,408,000	441,000			
Transition period		602,000	602,000	602,000	602,000				
National Technical Institute for the Deaf	9,819,000	9,836,000	9,836,000	9,836,000	9,836,000	17,000			
Transition period		2,932,000	2,932,000	2,932,000	2,932,000				
Gallaudet College	35,595,000	22,435,000	22,435,000	22,435,000	22,435,000	−13,160,000			
Transition period		5,606,000	5,606,000	5,606,000	5,606,000				
Howard University	81,700,000	84,158,000	84,158,000	84,158,000	84,158,000	2,458,000			
Transition period		18,728,000	18,728,000	18,728,000	18,728,000				
Total	129,081,000	118,837,000	118,837,000	118,837,000	118,837,000	−10,244,000			
Transition period		27,868,000	27,868,000	27,868,000	27,868,000				
National Commission on Libraries and Information Sciences				3,500,000					−3,500,000
Grand total	6,919,718,000	6,134,339,000	7,332,995,000	7,682,511,852	7,480,312,952	560,594,942	1,345,973,952	147,317,952	−202,198,900
Transition period		268,283,000	464,683,000	464,683,000	464,683,000		196,400,000		

Mr. GONZALEZ. Mr. Speaker, will the gentleman yield?

Mr. FLOOD. I yield to the gentleman from Texas.

Mr. GONZALEZ. Mr. Speaker, I thank the distinguished chairman of the subcommittee for yielding.

I have reference to the subject of library resources found on page 8 of the conference report, referring to amendments Nos. 31 and 32.

Will the gentleman briefly describe exactly what the story is on that? Will the gentleman describe what happened with reference to this issue on library resources?

Mr. FLOOD. Perhaps I can explain it.

Mr. GONZALEZ. Mr. Speaker, I notice here with respect to amendments 31 and 32 the Senate had proposed to earmark a certain amount and the House had included no funds for that purpose. I am happy to see there is at least some agreement on something.

Mr. FLOOD. Yes. I mentioned that. We had an agreement to split the Senate figure. We inserted $9 million more in the bill for library resources.

Mrs. MINK. Mr. Speaker, will the gentleman yield?

Mr. FLOOD. I yield to the gentlewoman from Hawaii.

Mrs. MINK. Mr. Speaker, I simply must concur with the chairman of the subcommittee in his comments with regard to the need for expeditious action on this conference report. It seems to me that we should pursue the gentleman's suggestion that we expeditiously approve this conference report. With respect to amendment No. 44, I believe the action of this House ought to be to concur with Senate amendment No. 44, because if we follow the gentleman's suggestion and insist on disagreement, would it not be true this bill would have to go back to conference?

Mr. FLOOD. If the gentlewoman means right away, no. If that action was taken, amendment No. 44 would go to the Senate for a separate vote. If the Senate recedes, it would not have to go back to conference.

Mrs. MINK. No. The House would insist on its disagreement, so the matter would lie in disagreement and it could not be sent expeditiously to the White House; is that not correct?

Mr. FLOOD. If that situation arises, and in view of the fantastic vote in the House I would expect the Senate to agree with the House and send the bill to the President.

Mr. MIKVA. Mr. Speaker, will the gentleman yield?

Mr. FLOOD. I yield to the gentleman from Illinois.

Mr. MIKVA. Mr. Speaker, I rise in support of the conference report on H.R. 5901, the education division appropriations bill. The conference committee members were faced with difficult choices, and their efforts are to be commended. However, I am concerned that in its efforts to reconcile the two versions of the bill the committee severely curtailed two very deserving programs aimed at providing needed library services to our citizens.

The first, the White House Conference on Library and Information Services would allow the States to begin planning for their own preliminary library conferences to precede a White House Conference on Libraries. The findings of these conferencees would be used not only by the States but by the administration as well to develop programs designed to provide equal library services to all of our citizens. I hope that full funding of this program will be authorized in a supplemental appropriation later this year.

The second library program to be cut was the library education and demonstration funds program authorized under title II–B of the Higher Education Act. This program is being used to bring black, Indian, and Chicano librarians into the library profession where, it is estimated by the Bureau of Labor Statistics, there are far too few librarians able to bring adequate service to minorities and the disadvantaged. Clearly, we should be encouraging the entrance of minority students in library schools; that the committee chose to cut in half the title II–B authorization, allocating only $500,000 for library education is regrettable. This small amount of money would have provided a great deal in return.

Mr. FLOOD. Mr. Speaker, I yield such time as he may consume to the distinguished minority member, the gentleman from Illinois (Mr. MICHEL).

Mr. MICHEL. Mr. Speaker, I rise in opposition to the conference report. I would like to spell out some of what I think are good and sufficient reasons here for Members to vote against the conference report.

As the chairman of the subcommittee indicated, this is a bill that is $7,480,312,952 in toto, $202 million under the Senate bill, but $147 million over the House version and $560 million over last year's appropriation.

Most significantly, however, and most regrettably for both our Nation's financial situation and our Nation's educators, the report exceeds the budget recommendations by $1,345,973,952. At a time when the budget deficit for fiscal year 1976 has already reached the level of $59.9 billion, such an addition to the deficit, it seems to me, is unconscionable.

Let me give the Members a few more significant figures that we should be taking into account for the immediate future. If the Congress does nothing or does not accept the reductions suggested by the administration with respect to medicaid, medicare, social services, the 5-percent limitation on Federal pay, retirement allowances, and several other Federal-State matching formulas, the $59.9 billion deficit will be increased by another $8 billion. That is just for openers.

The HEW bill left the House $700 million over the budget and will surely be increased in the other body. The Congress will probably increase disability benefits for veterans $400 million, all over the budget for fiscal year 1976; and if, perchance, the Congress extends those temporary tax reductions, it can have the effect of another $4.5 billion—take it either way, a loss of revenue or an increase in the deficit for 1976—and $14 billion for fiscal year 1977.

It is imperative, therefore, that we meet our responsibility right here and now. What we are doing by our lack of fiscal discipline, in other words, is fanning the future fires of inflation at a time when we should be seeking to add a degree of stability to the economy.

As has happened so frequently in the past, we undertake the expenditure of excess funds in a recession year only to have them spent in future years when inflation replaces recession as the number one economic problem.

It is regrettable that we are defeating the purpose of separating the education bill from the regular bill to give our educators, as the chairman indicated earlier, indication of the moneys they are to receive. However, some of the educators themselves can take the blame since their intensive lobbying for budget-busting funding caused much of the problem.

The Members will recall when that bill was here in the House there were 134 votes against that $487 million add-on that we had here in a package on the floor.

It should be noted that the demand for educational expenditures, the education lobby notwithstanding, appears to be no longer what it once was. Elementary and secondary school enrollments are actually in the process of decline, dropping from 46 million a few years ago in the public schools to 45.4 million in 1973, to an estimated 44.4 million in this fiscal year 1976.

The American people are more and more frequently turning down school-bond referendums, with 43.8 percent of such issues being rejected in 1974 compared to only 27 percent in 1964.

Earlier this year in New Jersey—and I made reference to it when we had the bill here on the floor in the initial stages—the people had the opportunity to vote on their school budgets, and 58 percent of the budgets went down to defeat on the record an all-time record, too.

In my home State, just this last week one Governor has cut educational funding by $110 million in order that he would not have to raise taxes in an election year.

Mr. Speaker, I think the people out at the grassroots level are trying to tell us something, but we are not getting the message. With enrollment down, they are saying: "Let us not blindly allocate our hard-earned tax dollars onward and upward for education, but let us stop and take a good look at the program and spend money only when absolutely necessary."

Clearly, we have not done so in this bill or conference report.

With specific reference to some of the individual items in this conference report, the figure on elementary and secondary education is $2,414,158,000, a total of $210 million over the budget and $226 million over last year's appropriation. The increase over the budget includes $150 million for title I—this despite the fact that we have a history here of school districts not being able to spend the moneys as fast as we make them available.

HEW's latest estimate shows that $1 billion in fiscal 1975 money is still unobligated, and in 1976 this likely will be increased to $1.25 billion.

The bilingual education program, at a level of $97,770,000, is $27,770,000 over the budget, and about 16 percent over last year. This is a program that was substantially increased last year, and now we are undertaking another major increase. This becomes even less defensible when we take time to recognize that funds for bilingual education are included in a number of other areas throughout the bill, not the least of which is $9 million in the emergency school aid item.

I remember the chairman made considerable reference to impact aid.

The impact aid program, probably among the least defensible of all the programs in the bill, at least with regard to B and C category children, is the program with the greatest increase over the budget level, a whopping $414 million. A portion of this increase is probably inevitable, since the budget level was predicated on revised legislation, but the conference figure is another $117 million over the amount in the bill we originally reported out of our committee, and includes, for the first time, mind you, $60 million for C category, the public housing children, at a level of 25 percent of entitlement.

If we want to carry that a step further, 25 percent at a cost of $60 million, times four, is $240 million for full funding of public housing some time in the future, a principle which we have agreed to for the first time this year even though it has been authorized all through the many years.

As I said, when our Governor in our State is recommending a $110 million reduction in educational State funding, how crazy can we get around here? We have got to take the brunt of the griping of the taxpayers for raising taxes, and then our State and local communities, where we have always said the strength of our educational system resided are turning down budget expenditures and bond referendums one after another. Even the State legislatures are turning the increases down.

In the emergency school aid program, it is funded at a level of $241,700,000, an increase of $140 million over the budget. It is also an increase of $90 million over the original committee bill.

We had provided for a reduction in the committee because the "emergency" is no longer what it once was. The number of school districts under new court orders has dropped from 310 in 1970 to 10 this year. The number of districts under new HEW orders has dropped from 500 in 1969 to about 40 this year.

More significantly, it should be noted that of the 730 grants HEW has just awarded, to spend the fiscal year 1975 moneys made available in the second supplemental, only 95 are new, while 635 are continuing awards.

For most of the school districts, then, they are not using the money to meet emergencies, but are simply cranking the money into their regular budgets, with no desire to give it up. Clearly, what this indicates is that the high level of funding provided in the conference report is no longer warranted.

Education for the handicapped is funded at a level of $236 million, which is $61 million over the budget, and $36 million over last year. In percentage terms, the increase over last year alone amounts to nearly 20 percent. Sixty million dollars, or virtually all of the increase, is allocated for the State grant program, and fund that program at the maximum authorized level of $110 million.

Occupational, vocational, and adult education is $33,438,000 over the budget. The conference figure is $801,000 over the House bill and $26,698,900 over the Senate allocation. This was accomplished by splitting the difference in the case of Senate increases for consumer and homemaking education, elementary and secondary training, and vocational education—the latter two under professions development—and by accepting a Senate decrease of $25,897,800 for vocational research.

In the field of higher education, we made some adjustments. It follows pretty much the pattern of differing points of view within our own House, as reflected when we passed the authorizing legislation. The overall category of higher education is $433 million over the budget, and $231 million over last year. Of the increase over the budget, $368 million falls in the student assistance category.

Within the student assistance category, the conference report is $315 million under the budget for basic opportunity grants, as our chairman pointed out earlier, but $240 million over for supplemental opportunity grants, $140 million over for work study, and $321 million over for direct loans. The report represents a significant change from the budget recommendation in part because the budget did not reflect the requirements of the authorizing legislation that supplemental opportunity grants, work study, and direct loans be funded at certain minimal levels before moneys could be made available for BOG's. However, the conference report exceeds these minimal levels by $299 million. Had we stuck with the minimal requirements of the law, we could have changed the student aid "mix" and still stayed within the general range of the budget.

I wonder if the Members are fully aware of the extent to which we have increased student assistance for the school year starting this fall. In the school year just ended, some 3.2 million student assistance awards were given, while the projected total for the coming year is nearly 4.1 million. We are, in other words, increasing student aid by over 25 percent at a time when projected enrollments are becoming quite static in nature, increasing at the rate of only 1 to 2 percent year. In the conference report before us there would be a further increase, or there is as a result of the conference report an increase, which provides for an additional 230,000 awards.

What this indicates then, is that we are going overboard in increasing student assistance at a time when enrollment projections do not justify such an increase. We ought to be stabilizing these programs at a level closer to that of this past academic year, rather than blindly expanding them as though there were no limit to available Federal dollars.

The overall allocation for institutional assistance is $57 million over the budget, and very little of this can be justified. Most of this increase is for low priority or overlapping programs which the administration has sought with good cause to discontinue funding for. These include university community services, aid to land-grant colleges, State post-secondary education commissions, and veterans cost of instruction. The latter, in particular, overlaps a similar Veterans' Administration program, and it ought to be discontinued particularly since by the time these moneys are used, beginning in September of next year, we ought to have pretty well taken care of the Vietnam-era veterans.

The allocation of $8,500,000 in the report for personnel development is $6,250,000 over the budget. The increase is centered in the public service fellowship and mining fellowship programs, both of which the administration sought to discontinue, with good cause, because they overlap other sources of assistance. The former in particular is duplicative of the Harry S. Truman Scholarship Fund, which awards scholarships to students wishing to pursue public service careers.

Likewise, the ethnic heritage allocation of $1.8 million is a low priority item which ought to be dropped.

The total in the conference report for library resources is nearly $71 million over the budget. This increase is clearly excessive in view of the fact that only 6 percent of the population now does not have access to public library services.

I am having inserted in the RECORD at the end of my remarks a table which summarizes the items in the conference report and which graphically points up the substantial increases included therein. These increases I have cited represent a good and sufficient reason, I believe, to vote down this conference report, as I think it is far in excess of what the budget can stand and what the American people can stand.

Mr. Speaker, I urge a vote against the conference report.

EDUCATION DIVISION AND RELATED AGENCIES APPROPRIATIONS BILL—H.R. 5901

FISCAL YEAR 1976—CONFERENCE REPORT

Item	1975 appropriation	1976 budget	1976 House bill	1976 Senate bill	Conference agreement
Elementary and secondary education:					
Grants for disadvantaged	1,876,000,000	(1,900,000,000)	(1,900,000,000)	(1,900,000,000)	(1,900,000,000)
Advance for 1977		1,900,000,000	2,050,000,000	2,050,000,000	2,050,000,000
Support and innovation grants	141,495,000	(172,888,000	(172,888,000)	(172,888,000)	(172,888,000)
Advance for 1977		172,888,000	172,888,000	184,521,852	184,521,852
Bilingual education	84,270,000	70,000,000	95,270,000	100,270,000	97,770,000
Right to read	12,000,000	12,000,000	12,000,000	22,000,000	17,000,000
Follow through	55,000,000	41,500,000	59,000,000	59,000,000	59,000,000
Drug abuse education	4,000,000		2,000,000	2,000,000	2,000,000

EDUCATION DIVISION AND RELATED AGENCIES APPROPRIATIONS BILL—H.R. 5901—Continued

FISCAL YEAR 1976—CONFERENCE REPORT—Continued

Item	1975 appropriation	1976 budget	1976 House bill	1976 Senate bill	Conference agreement
Environmental education	1,900,000		2,000,000	4,000,000	3,000,000
Educational broadcasting facilities	12,000,000	7,000,000	10,000,000	15,000,000	12,500,000
Equipment and minor remodeling	250,000				
Assistance to States for State equalization plan				10,000,000	
Total	2,187,415,000	2,203,388,000	2,403,158,000	2,446,791,852	2,414,158,000
Impact aid	656,018,000	266,000,000	659,000,000	725,000,000	680,000,000
Emergency school aid	241,700,000	101,700,000	226,700,000	241,700,000	241,700,000
Education for the handicapped	199,859,000	175,000,000	235,000,000	237,750,000	236,375,000
Occupational, vocational, and adult education	669,875,000	636,212,000	668,849,000	696,349,000	669,650,100
Higher education:					
Student assistance:					
BOG's	660,000,000	1,050,000,000	660,000,000	795,000,000	715,000,000
SEOG's	240,300,000		240,093,000	240,093,000	240,093,000
Work-study	420,000,000	250,000,000	360,000,000	420,000,000	390,000,000
Subsidized insured loans interest subsidies	332,400,000	452,000,000	452,000,000	452,000,000	452,000,000
Direct loans:					
Federal capital contributions	321,000,000		321,000,000	300,000,000	321,000,000
Loans to institutions	2,000,000		2,000,000	2,000,000	2,000,000
Teacher cancellations	6,440,000	8,960,000	8,960,000	8,960,000	8,960,000
Incentive grants for State scholarships	20,000,000	44,000,000	44,000,000	44,000,000	44,000,000
Subtotal	1,932,340,000	1,804,960,000	2,083,053,000	2,262,053,000	2,173,053,000
Special programs for the disadvantaged	70,331,000	70,331,000	70,331,000	70,331,000	70,331,000
Institutional assistance:					
Strengthening development institutions	110,000,000	110,000,000	110,000,000	110,000,000	110,000,000
Language training and area studies	14,000,000	10,000,000	14,000,000	18,000,000	16,000,000
University community services	14,250,000		10,000,000	14,250,000	12,125,000
Aid to land-grant colleges	9,500,000		9,500,000	9,500,000	9,500,000
State postsecondary education commissions	3,000,000		3,000,000	5,000,000	3,500,000
Veterans cost of instruction	31,250,000		23,750,000	23,750,000	23,750,000
Cooperative education	10,750,000	8,000,000	8,000,000	10,750,000	10,750,000
Continuing education centers					
Subtotal	192,750,000	128,000,000	178,250,000	191,250,000	185,645,000
Personnel development:					
College teacher fellowships	4,000,000	1,000,000	1,000,000	2,000,000	1,000,000
Fellowships for disadvantaged	750,000	750,000	750,000		
Ellender fellowships	500,000	500,000	500,000	500,000	500,000
Public service fellowships	4,000,000		4,000,000	4,000,000	4,000,000
Mining fellowships	1,500,000		1,500,000	3,000,000	3,000,000
Subtotal	10,750,000	2,250,000	7,750,000	9,500,000	8,500,000
Ethnic heritage	1,800,000		1,800,000	1,800,000	1,800,000
Higher education, total	2,207,971,000	2,005,541,000	2,346,184,000	2,534,934,000	2,439,309,000
Library resources	207,804,000	147,330,000	209,054,000	227,054,000	218,054,000
Innovative and experimental programs	18,900,000	38,993,000	36,893,000	36,893,000	36,893,000
Student loan insurance fund	197,600,000	201,787,000	201,787,000	201,787,000	201,787,000
Higher education facilities loan and insurance fund	2,701,000	2,192,000	2,192,000	2,192,000	2,192,000
Education activities overseas	1,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Salaries and expenses	100,629,000	112,525,000	107,841,000	105,224,000	105,224,000
Total, OE	6,691,471,000	5,892,668,000	7,098,658,000	7,446,041,000	7,258,975,952
National Institute of Education	70,356,000	80,000,000	80,000,000	70,000,000	70,000,000
Assistant Secretary for Education	28,860,000	42,834,000	35,500,000	32,500,000	32,500,000
Total, education division	6,790,687,000	6,015,502,000	7,214,158,000	7,560,174,852	7,361,475,952
Special institutions:					
American Printing House for Blind	1,967,000	2,408,000	2,408,000	2,408,000	2,408,000
National Technical Institute for Deaf	9,819,000	9,836,000	9,836,000	9,836,000	9,836,000
Gallaudet College	35,595,000	22,435,000	22,435,000	22,435,000	22,435,000
Howard University	81,700,000	84,158,000	84,158,000	84,158,000	84,158,000
Total, special institutions	129,081,000	118,837,000	118,837,000	118,837,000	118,837,000
National Commission on Libraries and Information Sciences				3,500,000	
Grand total bill, fiscal year 1976	6,919,768,000	(6,134,339,000)	7,332,995,000	7,672,878,000	7,480,312,952

Note: Total in bill (conference), $7,480,312,952; amount over budget, $1,345,973,952; amount over House, $147,317,952; amount under Senate, $202,198,500.

Mr. FLOOD. Mr. Speaker, I yield 5 minutes to the gentleman from Texas (Mr. CASEY), a member of the committee.

Mr. CASEY. Mr. Speaker, evidently the only real argument we will have about this bill is the one amendment, amendment No. 44, which was reported in disagreement. I want to advise the House that was the last amendment to the bill. This is a very important bill, a complicated bill, and although we on the House side, the conferees, were in good attendance, the Senate had many votes going on and they were going and coming. We reached this amendment, and rather than delay bringing this important bill to the floor of the House, we agreed rather than to keep on meeting and trying to get to where we could come to some agreement on this, to let the Senate take it back in disagreement.

There has been a lot of propaganda floating around to each of the Members' offices as to the effect of this amendment. All this amendment—and I want to remind the Members I offered it on the floor when this bill was originally here, and this House adopted the amendment 253 to 145—does is state to the Department of Health, Education, and Welfare that they cannot compel by either the withholding of funds or any threat of withholding of funds, or spend any funds to force a school to integrate by sex their physical education class.

That is all it says. Those who are opposed to it would have Members believe that this would stop the main thrust of title IX, which is to say that women have equal opportunities in education and that they have adequate facilities to pursue the types and courses in education that they desire. This amendment does not stop the college or the high school or the grade school from integrating their physical education classes if they want to but it does stop someone down the street here from saying: "You have got to."

I do not know how the constituents of other Members have been, but they have been hitting my area first. I do not know why they are always hitting Texas first. I guess it is kind of a testing ground. But my parent constituents are strictly opposed to someone in Washington telling them they have to integrate all their physical education classes.

The first draft of these proposed regulations, if Members will recall—and it seemed to me a little facetious that they put it in, and it also gives an insight as to the thinking of the person who wrote those regulations—stated that we may have separate toilet and locker facilities. We may, but if we do they must be of equal complement or equal standard. Members should not let anyone kid them. We should let the colleges and schools determine what physical education classes are best integrated.

We have already stated that they should amend their regulations and cut out contact sports. We have a committee now, the House legislative committee trying to take into consideration other aspects of these, but these regulations will go into effect the 21st of this month unless my amendment is adopted.

I was quite amused at one of the propaganda sheets which stated that this organization was against the Casey amendment, and it had as one of its advisers listed at the top the Honorable Edith Green, one of our former colleagues who retired last year. Members should remember that Edith Green and I were the ones who put the amendment on the last time, and Edith Green, author of title IX, said it was not her intent nor the intent or opinion of the Congress that they should go this far as to say the schools have to integrate physical education classes.

So when this amendment comes up and my chairman moves that we insist on the House position, Members should remember that we created that Agency down the street and we can tell it what to do. Let us tell them what we and the people we represent want. Vote "yes" on the House position.

Mr. LONG of Louisiana. Mr. Speaker, I was extremely unhappy to see that during the conference on H.R. 5901, the education division appropriations bill, the funds for a very small but important activity—the library education and demonstration programs authorized under title II–B of the Higher Education Act—was cut so drastically. The final version of the bill only appropriates $1.5 million for these programs, which is half the amount available last year.

This means that only $500,000 will be available for fellowships and other training programs which help to train minority candidates for jobs as professional librarians in our school, public and academic libraries. In my own State, the Graduate School of Library Science at Louisiana State University is training seven people this year under the fellowship program, to work with minority and disadvantaged students and readers. In the previous 2 years the same program paid for eight black librarians to acquire masters degrees in library science at Louisiana State. I might add that all eight of these beginning librarians found jobs immediately, according to Donald Foos, the dean of the library school. Louisiana State is also engaged in a continuing education program to train paraprofessionals in library work, and last year Federal money under title II–B paid for an important institute attended by librarians from six adjacent States. A similar program reaching all 50 State library agencies has been funded for this year, but if these cutbacks continue, a small but vital program will die.

It seems to me that we have ample evidence that the library education and demonstration programs deserve support, and I regret the conference committee felt it was necessary to cut this particular corner in reconciling the two bills. I certainly hope that next year we will place libraries, and the people who work in them and use them, in a higher priority.

Mr. SEIBERLING. Mr. Speaker, I rise in support of the education appropriations bill for fiscal 1976. However, I must say that I was disappointed that the bill contained only $1.5 million for title II(b) of the Higher Education Act for library training and research. Funds under this program have been used by the School of Library Science of Kent State University in my district to provide librarian fellowships for minority students and opportunities they otherwise would not have. I understand that many other library schools around the country have made similar use of these funds.

I hope that the House will take another look at the title II(b) program in next year's education appropriations bill and provide a most sufficient level of funding for it.

At this point, I would like to insert a copy of a letter containing a resolution by the Faculty-Student Council of the Kent State University School of Library Science on the importance of the title II(b) program.

Kent State University,
Kent, Ohio, April 14, 1975.

Hon. John F. Seiberling,
House of Representatives,
Washington, D.C.

Dear Mr. Seiberling: The Faculty-Student Council of the School of Library Science, Kent State University, has asked me to communicate to you the following resolution passed at our meeting of April 9, 1975:

"The Faculty-Student Council of the School of Library Science, Kent State University, endorses the recommendations of the American Library Association presented to the House Labor-HEW Appropriations Subcommittee on March 20 and emphasizes particularly the importance of the $6 million for library training and $3 million for library research and demonstrations recommended by the Association for Title II B of the Higher Education Act for fiscal 1976. The School of Library Science has used the fellowships awarded in 1973 and 1974 to supplement its institutional resouces for providing opportunities for minority students. Most other library schools have made similar uses of these funds. Loss of funding for library training in fiscal 1976 would deal a severe blow to affirmative action programs not only at Kent but across the country and would hamper efforts to recruit minority students so urgently needed as professional librarians in the nation's academic, public, school and special libraries."

We would appreciate your support on this matter.

Sincerely,

Kathryn McChesney,
Secretary, Faculty-Student Council.

Mr. FRENZEL. Mr. Speaker, this conference report is $1.3 billion over budget and nearly $600 million over last year's expenses. Normally I would vote against an appropriation with that kind of credentials.

However, in this case, the total appropriation is 9 percent over last year's budget. I do not mean that 9 percent is not substantial, but I do place a high priority on education, and feel that such an increase this year may be justified. I am especially enthusiastic about forward funding for elementary and secondary education.

Actually, I have a greater objection as to how money is spent, than as to the total. The Congress will continue to waste most of its impact aid expenditures of $700 million. It is hard for me to imagine a less equitable expenditure of U.S. education funds. If a veto promised any hope of change in impact aid, I would be strongly tempted to sustain.

I also do not like the change whereby the committee reduced BOG's and increased SEOG's. The committee is unwilling to stray from the old programs. I think it ought to fund the programs of the future, the basic opportunity grants, and let the old programs wither away.

The increase of 9 percent over last year occurs mainly in higher education and education for the disadvantaged. Some are good programs. Some are not.

I shall support the conference report on H.R. 5901 but I do so with some reluctance. The times call for restraint, and good sense calls for most effective use of our resources. I have the nagging suspicion that this is a borderline bill in both respects.

Mr. BAUMAN. Mr. Speaker, I regret that I am not able to cast my vote in favor of the conference report on H.R. 5901, making appropriations for education.

This bill, as reported from the conference of the two Houses, contains funding for many excellent programs which benefit many of our citizens.

Yet the total expenditures authorized by this bill in its present form exceed the budgetary requests of the President by the astronomical figure of more than $1,300 million; in fact, the full amount in excess is $1,345,973,952.

Every one of these dollars is going to add to the fires of inflation because we are literally spending money that we do not have. I hope that the President will veto this bill when it comes before him, so that a more realistic bill can be passed. The President has castigated the Congress for its unwillingness to recognize the threat of inflation, and vetoing this bill would be an excellent demonstration of his resolve in this continuing war against profligate spending.

Mr. MOORE. Mr. Speaker, the conference report on H.R. 5901 appropriates $1.5 million for library training and demonstration programs as authorized by title II–B of the Higher Education Act. This appropriation is one-half the $3 million provided last fiscal year for the same purpose. In view of this significant reduction, it is my fear that such programs which have proved to be cost-effective and successful at Louisiana State University will be unduly damaged. Moreover, the conference report allows only $500,000 for library fellowship and institute programs, a full 75-percent reduction from the $2 million appropriated last year.

Dean Donald D. Foos, of Louisiana

State University's Graduate School of Library Science, has for several years conducted a highly successful program training library professionals to serve minorities and the disadvantaged with Federal assistance under title II–B. As a result of these training programs LSU graduates have become professional librarians in small black colleges, elementary and secondary schools, and public libraries that had experienced a definite librarian deficiency. Requests for LSU trained library personnel have been received from throughout Louisiana and neighboring States.

It is my sincere hope that Congress and the President will recognize this sound investment of tax dollars bears a valuable return to minorities, the handicapped, and others who have been unable to enjoy readily available library services. The House Education and Labor Committee should be encouraged to examine the cost-effective record of the LSU programs during its forthcoming consideration of the extension of the provisions of the Higher Education Act.

Mr. MICHEL. Mr. Speaker, I have no further request for time.

Mr. FLOOD. Mr. Speaker, I have no further request for time.

Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER pro tempore (Mr. Bolling). The question is on the conference report.

The question was taken and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. MICHEL. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 370, nays 42, not voting 22, as follows:

[Roll No. 393]

YEAS—370

Abdnor
Abzug
Adams
Addabbo
Alexander
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Ashley
Aspin
AuCoin
Badillo
Bafalis
Baldus
Barrett
Baucus
Beard, R.I.
Bedell
Bell
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Calif.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Byron
Carney
Carr
Carter
Casey
Chappell
Chisholm
Clausen, Don H.
Clay
Cleveland
Cochran
Cohen
Collins, Ill.
Conte
Conyers
Corman
Cornell
Cotter
Coughlin
D'Amours
Daniels, N.J.
Danielson
Davis
de la Garza
Delaney
Dellums
Dent
Derrick
Derwinski
Dickinson
Diggs
Dingell
Dodd
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
du Pont
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
Emery
Eshleman
Evans, Colo.
Evans, Ind.
Fary
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Florio
Flowers
Flynt
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fraser
Frenzel
Frey
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Gradison
Grassley
Green
Gude
Guyer
Hagedorn
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Harkin
Harrington
Harris
Harsha
Hawkins
Hayes, Ind.
Hays, Ohio
Hébert
Hechler, W. Va.
Heckler, Mass.
Hefner
Heinz
Helstoski
Henderson
Hicks
Hightower
Hillis
Hinshaw
Holland
Holt
Holtzman
Horton
Howard
Howe
Hubbard
Hughes
Hungate
Hyde
Ichord
Jacobs
Jeffords
Jenrette
Johnson, Calif.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Kastenmeier
Kazen
Keys
Kindness
Koch
Krebs
Krueger
LaFalce
Lagomarsino
Landrum
Leggett
Lehman
Lent
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lujan
McClory
McCloskey
McCollister
McCormack
McDade
McEwen
McFall
McKay
McKinney
Macdonald
Madden
Madigan
Maguire
Mahon
Mann
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Mikva
Milford
Miller, Calif.
Mills
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
Obey
O'Brien
O'Hara
O'Neill
Ottinger
Passman
Patman, Tex.
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Poage
Pressler
Preyer
Price
Pritchard
Quillen
Railsback
Randall
Rangel
Rees
Regula
Reuss
Richmond
Rinaldo
Risenhoover
Roberts
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Roybal
Runnels
Ruppe
Russo
St Germain
Santini
Sarasin
Sarbanes
Scheuer
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Shipley
Shriver
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steelman
Stephens
Stokes
Stratton
Stuckey
Studds
Sullivan
Symington
Talcott
Taylor, Mo.
Taylor, N.C.
Thone
Thornton
Traxler
Tsongas
Udall
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Vigorito
Waggonner
Walsh
Wampler
Waxman
Weaver
Whalen
White
Whitten
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolff
Wright
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NAYS—42

Armstrong
Bauman
Beard, Tenn.
Cederberg
Clancy
Clawson, Del
Collins, Tex.
Conable
Conlan
Crane
Daniel, Dan
Daniel, R. W.
Devine
Downing
Erlenborn
Hansen
Hutchinson
Jarman
Johnson, Colo.
Kasten
Kelly
Kemp
Ketchum
Latta
McDonald
Martin
Mathis
Michel
Miller, Ohio
Montgomery
Moore
Myers, Ind.
Robinson
Rousselot
Satterfield
Schneebeli
Shuster
Steiger, Ariz.
Teague
Treen
Whitehurst
Young, Fla.

NOT VOTING—22

Archer
Ashbrook
Burke, Fla.
Butler
English
Esch
Evins, Tenn.
Fulton
Fuqua
Hastings
Karth
McHugh
Matsunaga
Mollohan
Quie
Rhodes
Riegle
Ryan
Steiger, Wis.
Symms
Thompson
Wiggins

So the conference report was agreed to.

The Clerk announced the following pairs:

Mr. Thompson with Mr. Evins of Tennessee.
Mr. Matsunaga with Mr. Ryan.
Mr. Riegle with Mr. Mollohan.
Mr. English with Mr. McHugh.
Mr. Karth with Mr. Fuqua.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

AMENDMENTS IN DISAGREEMENT

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 10: On page 3, line 5, insert: For carrying out title IV of the Elementary and Secondary Education Act an additional $11,633,852 for fiscal year 1977: *Provided*, That none of such funds may be paid to any State for which the allocation for fiscal year 1977 exceeds the allocation for comparable purposes for fiscal year 1974: *Provided further*, That these funds shall become available contingent upon enactment of authorizing legislation,

MOTION OFFERED BY MR. FLOOD

Mr. FLOOD. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. Flood moves that the House recede from its disagreement to the amendment of the Senate numbered 10 and concur therein with an amendment, as follows: In lieu of the matter inserted by said amendment insert the following:

"For carrying out title IV of the Elementary and Secondary Education Act an additional $11,633,852 for fiscal year 1977: *Provided*, That no such funds may be paid to any State for which the allocation for fiscal year 1977 exceeds the allocation for comparable purposes for fiscal year 1974."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate Amendment No. 15: Page 3, line 25, insert: ": *Provided*, That, with the exception of up to $5,000,000 for repairs for facilities constructed under *section* 10, none of the funds contained herein for providing school facilities shall be available to pay for any other section of the Act of September 23, 1950, until payment has been made of 100 per centum of the amounts payable under section 5 and subsections 14(a) and 14(b)".

MOTION OFFERED BY MR. FLOOD

Mr. FLOOD. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. Flood moves that the House recede from its disagreement to the amendment of the Senate numbered 15 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 16: Page 4, line 7, insert: ": *Provided further*, That the funds provided herein for carrying out the Act of September 23, 1950, no more than 47.5 per centum may be used to fund section 5 of said Act".

MOTION OFFERED BY MR. FLOOD

Mr. FLOOD. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. FLOOD moves that the House recede from its disagreement to the amendment of the Senate numbered 16 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate Amendment No. 17: Page 4, line 10, insert: ": *Provided further,* That the Commissioner of Education is hereby authorized to provide amounts necessary to meet the costs of providing increased school facilities in communities located near the Trident Support Site, Bangor, Washington; notwithstanding section 421A(c)(2)(A) of the General Education Provisions Act, the Commissioner is authorized to approve applications for funds for this purpose on such terms and conditions as he may reasonably require without regard to any provision in law."

MOTION OFFERED BY MR. FLOOD

Mr. FLOOD. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. FLOOD moves that the House recede from its disagreement to the amendment of the Senate numbered 17 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 21: On page 5, line 15, strike out "$438,978,000" and insert "$453,978,000".

MOTION OFFERED BY MR. FLOOD

Mr. FLOOD. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. FLOOD moves that the House recede from its disagreement to the amendment of the Senate numbered 21 and concur therein with an amendment, as follows: In lieu of the sum proposed in said amendment, insert the following: $433,529,100".

The motion was agreed to.

The SPEAKER. The Clerk will report the last amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 44: Page 18, line 26, strike out:

SEC. 316. (a) No funds appropriated under this Act shall be used by the Department of Health, Education, and Welfare to draft, publish, promulgate or enforce regulations requiring any organization, association, institution, school district, or unit of government to integrate by sex physical education classes, Boy Scouts, Girl Scouts, YMCA, YWCA, Campfire Girls, Boys Clubs, Girls Clubs, and sororities and fraternities, whether honorary, service or social.

(b) No funds appropriated under this Act shall be withheld, nor shall any funds appropriated under this Act be used to effect the withholding of funds by the Department of Health, Education and Welfare from any organization, association, institution, school district or unit of government to compel the integration by sex of physical education classes, Boy Scouts, Girl Scouts, YMCA, YWCA, Campfire Girls, Boys Club, Girls Club, fraternities and sororities, whether honorary, service or social, or any similar organization.

MOTION OFFERED BY MR. FLOOD

Mr. FLOOD. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. FLOOD moves that the House insist on its disagreement to the amendment by the Senate numbered 44.

The SPEAKER. The Chair recognizes the gentleman from Pennsylvania (Mr. FLOOD).

PARLIAMENTARY INQUIRY

Mrs. MINK. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER. The gentlewoman will state her parliamentary inquiry.

Mrs. MINK. Mr. Speaker, the inquiry I wish to make is this: Is there a pending motion with respect to amendment 44?

The SPEAKER. There is a pending motion.

Mrs. MINK. Mr. Speaker, may I request a restatement of the pending motion?

The SPEAKER. Without objection the Clerk will rereport the motion.

The Clerk read as follows:

Mr. FLOOD moves that the House insist on its disagreement to the amendment of the Senate numbered 44.

Mrs. MINK. Mr. Speaker, I have a further parliamentary inquiry.

The SPEAKER. The gentlewoman will state it.

Mrs. MINK. How much time will be allowed for debate on that motion?

The SPEAKER. The gentleman from Pennsylvania (Mr. FLOOD) has 30 minutes at his disposal, and the gentleman from Illinois (Mr. MICHEL) has 30 minutes. The gentlemen control the time.

Mrs. MINK. I thank the Speaker.

Mr. FLOOD. Mr. Speaker, I yield 3 minutes to the gentleman from Texas (Mr. CASEY).

Mr. CASEY. Mr. Speaker, this is the amendment that the House adopted when this bill was first presented by a vote of 253 yeas to 145 nays on April 16.

It simply states that the agency the Congress created, the Department of Health, Education, and Welfare, cannot compel the integration of physical education classes by withholding funds contained in this appropriation.

There is a good deal of misunderstanding as to the effect of my amendment. Some of my gentle friends from both sides of the aisle say that I am trying to destroy equal educational opportunities for women. This is entirely wrong. My amendment in no way affects the requirement under title IX that equal opportunities in education shall be offered to women and that they shall have equal facilities. However, I do not think that we want the Federal Government telling our children, and I do not think college students want to be told just because they are in school, that they have to integrate by sex their fraternities, their professional organizations, and their physical education classes. Not only is it ridiculous, but it would be another form of discrimination. We would be attempting to compel integration by sex in organizations in schools while we would have no control and consequently do not compel the same requirements as to organizations outside of the schools.

I have had letters from professional organizations, persons who are still in college, who say:

> We are not even sure, but most of us, about 75 percent of us, meet in some of the classrooms; and we are told that HEW says: "That is a substantial contribution. You are going to have to integrate." That is so, even though it is a single-sex organization.

The students say, "What if we do not meet in the schools?" And HEW answers, "If you post notices of the meeting on the bulletin board, you may come under the compulsion that you have to integrate by sex."

Mr. Speaker, how ridiculous can we get? How long are we going to tolerate an agency that is supposed to be responsible to us, which is drafting such petty regulations?

In this respect, these regulations have clearly exceeded the original intent of the Congress. They have gone far beyond the powers that the Education Amendment of 1972 delegated to the Department. The determination of this matter is one of basic educational policy which should be decided by local school districts. I oppose absolute requirements in such area either way. It is wrong to say that schools cannot integrate their classes by sex; it is just as wrong to say they must.

With respect to physical education classes I want to make three points. First, my amendment does not affect the equal opportunity requirements of title IX, it does not change the subject content of gym classes and it does not extend to all athletic programs as those who do not understand it are saying. The only issue involved is compulsory integration by sex. This is all. It is not allowed under my amendment. It is made an improper use of funds appropriated under this law. Yet the equal opportunity requirements in both gym classes and in extracurricular sports remain. If swimming trunks are provided for the boys' team they must be provided for the girls'. Facilities, schedules for gym use, and so forth—all must be equal and my amendment leaves *that* intact and continues that requirement. Equality would extend to the course content also. It would not be equal treatment to teach the men one thing in a gym class such as wrestling and the girls another such as dancing. That would not be equal treatment under the law nor under the title IX regulations as promulgated. My amendment does not change this. Lastly, my amendment addresses credit granting or required courses only. It does not extend to intramural or intercollegiate sports. My amendment simply does not permit an intercollegiate sport to be labeled as a "class" and thus be exempted from title IX.

Now, in regard to the exemption my amendment provides for single-sex campus organizations, let me emphasize again that there is no basis for any argument that discrimination would be fostered.

In fact, organizations of women have been among the most active in urging the exemption—and I refer to the organizations that would be affected and not the organizations which are dedicated to women's liberation, although I certainly have to quarrel with the goals of those groups either.

My amendment would make only minor changes in an exemption we have previously provided to certain specific organizations by amendment in the 93d Congress during the passage of the White House Library conference bill, Senate Joint Resolution 40.

That amendment provided exemptions specifically for the Boy Scouts, Girl Scouts, YMCA, YWCA, Camp Fire Girls, boys' clubs, girls' clubs, social and service sorority and fraternity members through age 19.

My amendment we consider now would retain those same organizations, but would add professional honorary societies and remove the age limitation.

I would point out to my colleagues that there are a great many women's organizations that have been formed specifically to better the professional standards of women, not to discriminate against them. I believe all of us know of women's organizations that have derived great status among all our citizens and which have long histories of service behind them. I believe those groups have the right to continue to exist and to retain their identity.

In fact, I believe it inherently wrong for the Federal Government to dictate standards of membership to such organizations. And it is unconscionable to me that in so doing we destroy organizations that have been of great benefit to the lives of boys and girls for many years.

The issue is one of freedom, and that includes the freedom of men or women to associate with one another as they wish.

Who among us would support a bill to deny minorities their right to establish minority campus clubs? Yet this is precisely what we are doing when we prohibit men or women to form their organizations. Likewise, we are discriminating between those who are attending school and those who are not. This is wrong in a basic way. The students of our country should enjoy the constitutional right to peacefully assemble and to do so with whom they choose, where they choose and when they choose.

This is a matter which has nothing to do with equality of education, but with our very fundamental rights under the Constitution.

Mr. Speaker, I would also like to speak briefly to the issue of the manner in which my amendment has been considered. Anyone who says that this issue has not been properly considered before the Congress has just not been listening. We have heard all sides of the issue in more than one committee and also on the floor of the House.

In the 93d Congress, there was correspondence concerning the need for exemptions under title IX to every Member of the House. The same has been true in the 94th Congress.

Most of you will recall that last year it was our distinguished colleague, former Representative Edith Green, whom we know as the primary author of the title IX provisions, that joined with me in sponsoring my amendment. And I believe that not only her record on seeking equality for women, but her integrity is known to us all.

She would certainly never be a party to destroying the very law to assure equality for which she fought so long and so hard.

I have no doubt that each of you understood very well the issues involved in my amendment when we voted on it last April, and when it was adopted by a vote of 253 to 145.

The issues have not changed since that time.

I will in closing only say once again that I am in complete sympathy and that I fully support the intent and the purpose of the title IX regulations, which will go into effect next Monday. I want to do everything in my power to see that all forms of discrimination are erased within our educational systems.

But at the same time, I do not want to see us take emotional and irrational action that, in fact, brings about a form of discrimination that is worse than that which we seek to eliminate.

For that reason, Mr. Speaker, I hope that my colleagues will give me their support in insisting that my amendment remain in the education appropriation bill.

Mr. MICHEL. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois (Mr. McClory).

Mr. McCLORY. Mr. Speaker, I rise in opposition to the motion of the gentleman from Texas (Mr. Casey), and in support of the HEW regulations which would carry out the mandate of the Congress which we enacted in 1972, and in which we directed that:

> No person in the United States should on the basis of sex be excluded from participation in, be denied the benefit of, or be subject to discrimination under any educational program or activity receiving federal financial assistance.

What we meant when we said that was that when we are using Federal funds and these Federal funds are going to educational institutions, we do not want to have those funds employed in a way which results in discrimination on the basis of sex. What I believe we meant was that if we are going to continue to distribute Federal funds for physical education, we do not want the great bulk of the funds employed in masculine sports to the disadvantage of the female students of the educational institution. If we mean what we said it seems to me that by supporting the motion of the gentleman from Texas (Mr. Casey) we are going against the very language that we put into the law.

HEW has undertaken over a period of several years to put together those regulations. They have done it very thoughtfully, and they have done it very carefully. They have granted exemptions, for instance, with regard to single sex schools and with regard to areas where parents might feel sensitive such an exemption from any combined sex education courses, and things like that. So that HEW in its regulations has provided the kind of protection which the parents want. But with respect to providing advantages for males and females, it seems to me we should provide the same kind of equality which we said we wanted, and which is implicit in the regulations that HEW has put forth. It seems to me that it would be a grave error on the part of this body to try to overrule and to reject what HEW has done, pursuant to our mandate and, consequently, in fairness, and in full recognition of the equal rights and opportunities which men and women should have, we should take no action here today that would negate what we have said previously.

This does not mean that a girl will go out and apply for service on the football team, or on the basketball team—and I just heard someone say it does just that, but it does not do that. Contact sports are specifically exempted, so that no male has to fear that he will be tackled by some woman, even though she might well be able to do it, but, by the same token, that same woman might be able to demonstrate her ability as a woman gymnast, and with the proper physical education instruction she might be able to compete with members of gymnast teams from the Soviet Union, and other countries, and she might also engage in other sports that women seem to be so well adapted to. She could become a better swimmer through having better opportunities to train, and then be able to take her place as a member of the swimming team, or take part in other noncontact sports. In other words, women have a right to develop their physical education and sports talents in our educational institutions just as the men do.

Mrs. FENWICK. Mr. Speaker, will the gentleman yield?

Mr. McCLORY. I yield to the gentlewoman from New Jersey.

Mrs. FENWICK. Mr. Speaker, I thank my colleague, the gentleman from Illinois, for yielding to me.

Mr. Speaker, I most heartily endorse and support the views of the gentleman from Illinois (Mr. McClory). I think that many of us, perhaps, have looked at this as purely a question of sports, or a physical education matter.

I think that for every woman the sense of division and of a difference starts in the very schools where we should be nurturing a sense of equal opportunity, nurturing a sense that people are people, and that the division of the sexes is not the absolute, final, and only consideration when we look at human beings. I do not think we understand or, perhaps, fully estimate the effect that this has on those of us who are women.

I was amazed to hear this afternoon that one of the Members was concerned, and raised the question, that schools would have to provide equally fine rest rooms for the girls and that they will have to be just as good as the ones they provide for the boys.

It would be extraordinary if it were not perhaps the sad fact that this is sometimes the case. I think, in other words, we are dealing here with more than just simple physical educational opportunity; we are dealing here with the beginning of the sense of not being quite equal, and that is what we are really talking about.

I thank the gentleman for yielding.

Mr. McCLORY. I thank the gentlewoman from New Jersey, because she sets forth very eloquently the basic point here. It seems to me that we should support the HEW regulations. This means that we should oppose the motion of the gentleman from Texas (Mr. CASEY) and support what HEW has done.

The SPEAKER. The time of the gentleman has expired.

Mr. FLOOD. Mr. Speaker, I yield 5 minutes to the gentlewoman from Hawaii (Mrs. MINK).

Mrs. MINK. Mr. Speaker, I rise in opposition to the gentleman's motion that the House insist on its disagreement. Quite the contrary, I think the House should reject that motion and in doing so agree with the Senate decision to remove altogether the so-called Casey amendment No. 44.

The Casey amendment not only dealt with physical education classes but also listed the YWCA, the YMCA, Boy Scouts, Girl Scouts, and all these other youth organizations, which I am sure all of the Members of the House know were eliminated by the Bayh amendment last year, so they are not really part of this discussion at all. The only issue this afternoon is do we believe physical education classes are part of the total educational experience of a child in the school system. If it is a part of the total educational experience of a child, then, indeed, should not title IX apply to that child in physical education classes just as it applies in math classes or science and all of the other requirements under title IX? There is some confusion, I fear, in the minds of certain Members that we are dealing with some notion of competitive sports or intercollegiate football, or some of these other topics we have read about in the newspapers.

Physical education classes have nothing to do with intercollegiate sports and, in the final analysis, anyway title IX has nothing to do with it, because there is a specific exemption for contact sports. Football, basketball, hockey, all of these sports involving contact on the playing field, are excluded from title IX. So we are not dealing with that subject at all.

All we are talking about is an opportunity for youngsters to have physical education classes in which all of the activities are oriented to people as individuals, as human beings, not because they are girls or boys or men or women, but because physical education is an important ingredient in the entire educational experience.

There are no requirements that the classes must necessarily be divided by sex. There is a specific requirement in the regulations which says to the school systems that they can take into account the individual abiliites of the students, and if the individual abilities of the students suggest that there should be segregation by sex, of course, this would be a legitimate decision.

There is further a specific exemption with regard to teams. It specifically permits separate teams, women's swim teams and men's swim teams, and tennis teams, and so forth, on the basis that this is a competitive sport. So certainly all we are arguing about is the concept of whether boys and girls, men and women, should be seated together for the formal instruction with regard to the subject known as physical education. It has nothing to do with competitive sports, nothing to do with interscholastic football, because all of these items are excluded from title IX.

So I think we should look at this whole problem of equal educational opportunity. And we are prepared to open up home economics. Nobody has suggested that home economics should not be an integrated subject. No one has suggested that shop should not be an integrated subject, or all of the other vocational pursuits. We are all aware that this is a great deficiency in our educational system. So it seems to me that if we do not delete the Casey amendment, we will be doing great violence to one of the very important aspects of education and that is a development of the physical abilities of a child to have the confidence to engage in the sports that interest that individual, wholly irrespective of sex.

This I think is a very, very important principle. So I would urge the House to vote down the gentleman's motion and give this House the kind of policy with regard to education that knows no barriers between men and women and boys and girls. This is the kind of education policy I think that was intended under title IX, so I would hope we would give the House this kind of support, vote down the gentleman's motion, and later on support the motion to recede and concur in the Senate amendment.

Mr. PEYSER. Mr. Speaker, will the gentlewoman yield?

Mrs. MINK. I yield to the gentleman from New York.

Mr. PEYSER. Mr. Speaker, I thank the gentlewoman for yielding.

I rise in support of the gentlewoman's statement. I think she has clarified many of the misconceptions Members may have had on this legislation. I think we should vote down the motion on the amendment and stay with the HEW regulations which really for the first time give young women in the schools the opportunity to have the same fair treatment that young men have had. I think it is in the best interest for all the people in our country.

Mr. FLOOD. Mr. Speaker, I yield 5 minutes to the gentlewoman from New York (Ms. ABZUG).

Ms. ABZUG. Mr. Speaker, I rise in opposition to the motion and I believe we should agree with the other body which rejected this motion. It has been very ably described by my colleague, the gentlewoman from Hawaii. The original Casey amendment dealt with many issues which have already been taken care of. We are not discussing the integration of social fraternities and social sororities. We are not discussing, as my colleague, the gentlewoman from Hawaii, pointed out, the integration of Boy Scouts and Girl Scouts and other youth groups. These organizations already are exempted from title IX, as was stated by my colleague, by an amendment passed by Congress last December. We are also not discussing contact sports, which have also been exempted by the title IX regulations.

What we are discussing is the right of a school to integrate physical education classes. It is important to understand that under the title IX regulations which will go into effect on July 21, in section 8634, groupings of students for physical education classes on the basis of individual ability and performance according to standards which have been developed and applied without regard to sex is not prohibited. Nor do the regulations prohibit the separation by sex during participation in contact sports. So there is no insistence that we must have integration of classes by sex in every case but we can integrate them if, on the basis of individual abilities and the type of sports being played, it would seem to make sense.

The other part of the Casey amendment which has not been addressed is that it seeks to continue the segregation by sex of honorary and service fraternities and sororities. This is totally unsustainable. The fact is that the maintenance of separate honorary fraternities and sororities constitutes a very serious discrimination against women. It constitutes a denial of valuable opportunities to an individual solely because of sex. We all know that honorary and service organizations often provide their members with special credentials, with special experience, and with job information that would not be available to an individual if the individual is excluded from participation in a service fraternity or an honorary fraternity or society.

It seems, therefore, that it is our obligation, having enacted title IX, to implement our enactment by eliminating this very serious discrimination against women which has already prevented women from having the same kind of opportunities and the same kind of success in occupations or professions as are available to men. To allow a group which is essentially a professional group to continue to deny an individual membership on the basis of sex and thus deny an individual access to the kinds of opportunities that these sororities and fraternities provide is, I think, extremely discriminatory.

What we have before us is an opportunity to reject an amendment that we originally passed in this House, and with which the Senate does not agree. By rejecting this amendment we will at last make available the opportunity for boys and girls and men and women to participate in integrated physical education classes and to have equal opportunity in securing and pursuing professions and occupations of their choice, by giving them the right to participate in these fraternities and sororities. These groups are not social, but are service and honorary fraternities and sororities which are often housed on the campuses of America and which receive Federal funds. It seems to me those funds should not continue to be given unless opportunity is made equal for young men and young women, boys and girls.

This is all that is involved. I believe these objectives of equal opportunity are in the hearts and minds and within the commitment of the Members of Congress.

Mr. Speaker, I urge you vote against this motion and after we vote it down that you vote for a motion that the House recede and concur with the Senate. This will enable us to eliminate this discrimination, an action which is long overdue. Title IX was enacted 3 years ago. This is a single opportunity we now have to implement the principle that there shall be no discrimination on the basis of sex in our educational system.

Mr. FLOOD. Mr. Speaker, I yield 3 minutes to the gentleman from Pennsylvania (Mr. DENT).

Mr. DENT. Mr. Speaker, some of us took an interest in this matter and sat down with some college football coaches and athletic managers. I have a school case that I would like to bring before the House. This school has 125 scholarships, limited by the nature of the school itself, being a land-grant college, as well as its membership in athletic nationwide organizations.

I am told that this does not affect contact sports, but if this school has to take 40 percent of its scholarships, as was laid out to us by the men who have studied this problem and this particular amendment, then they only have 60 percent of the scholarships for their football teams. There are 27 athletic and physical education activities on that school campus. Every one of them is provided in whole from the revenue obtained from football. The school does not spend 1 cent. This applies in every athletic competitive team they have, in golf and basketball, soccer, lacrosse.

Mr. PATTEN. Mr. Speaker, will the gentleman yield?

Mr. DENT. I yield to the gentleman.

Mr. PATTEN. Mr. Speaker, karate?

Mr. DENT. Probably. They all lose money. The only one that has had some margin of profit in its operation was very small, under $5,000. If they cannot give scholarships at this school, they have no other means, because their rules and their code of ethics are so tight that even a package of cigarettes or anything of value given to a football player would be prohibited. It has been said that it does not affect contact sports. If we have a contact sport like football and we have a losing team, brother, it surely affects them and the football players in every instance are those who cannot afford college in any way, shape, or form.

Mrs. MINK. Mr. Speaker, will the gentleman yield?

Mr. DENT. I only have 2 minutes, my dear. I treat them like women.

Mr. Speaker, this school cannot provide the funds for all the intramural sports and every other physical activity on campus.

That is, unless it has a team, that is, unless it has a team that draws to it the figures to the football field. I think we are acting very unwisely.

Mr. FLOOD. Mr. Speaker, I yield 3 minutes to the gentlewoman from Colorado (Mrs. SCHROEDER).

Mrs. SCHROEDER. Mr. Speaker, I would like quickly to answer some of the things the gentleman from Pennsylvania mentioned as he spoke. Contact sports are exempt, and so his concerns about football do not really apply here, since if there is anything that would be considered a contact sport, football is. We are not talking about scholarships in this either, so what we are talking about is whether or not HEW can go ahead and move under the law to allow women to participate equally in sports programs and other areas.

I think a lot of the dialog here has been very inflammatory, and I think that is why we passed the Casey amendment late one night when we did not realize what we were talking about. I find it interesting that women in this country have always been asked to pay taxes equally, and yet their taxes go to subsidize many programs and institutions which treat them unequally. Women are short changed on services they receive for their tax dollars.

Would you give women a tax deduction because since they are women they cannot participate fully in a lot of programs that receive their Federal tax dollars? That is what should be done if we do not move ahead.

Allowing women equal access to federally funded problems would be equitable or the tax deduction for women would be equitable, but otherwise women get short changed. I hear the dialog about the Girl Scouts, the YMCA, the Boy Scouts and all that is not applicable; the same with integrated restrooms and locker rooms. This will not do that either. It has nothing to do with integrated locker rooms.

This has to do with allowing a young woman to decide she wants to participate in a sports program, to participate in that program if they get tax moneys. They cannot tell her, "No, I am sorry, women at this school or university do not participate," for she has the right to ask that she can be allowed equal access to similar facilities. It also separates boys teams and girls teams for certain contact sports.

If boys now get free uniforms and training tables, the girls should have that too, rather than purchasing their own uniforms and playing after 10 o'clock at night, after everyone else is done with the gym. It is basically an equality issue.

Also, I cannot emphasize enough how important it is for all of the Members to know the kind of fraternities and sororities that people live in, social ones, are exempt, but the ones that are included would be professional ones which have so much to do with whether or not one can get a job—engineering societies, nursing societies, that kind of thing.

This is absolutely critical, if a girl wants to be an engineer, why should she not be allowed to join an engineering society? She is not living there; it is not social. It is rather one that deals with her profession and ability to get a job.

So, I hope the Members will all vote no on this, and I hope that they will all really look at the regulations, because so much has been said about what they say that is not true. Much has been said about whether football carries the whole bill for sports. Yes, it does, I understand, on about eight campuses, but there are many other campuses where it is different and they are still transferring funds around to pay for sports. I hope the Members will all vote "no."

Mr. FLOOD. Mr. Speaker, I yield 3 minutes to the gentleman from Michigan (Mr. O'HARA).

Mr. O'HARA. Mr. Speaker, I asked for this time—and I thank the gentleman from Pennsylvania for permitting me this time—to try to straighten out the factual situation. The HEW regulations as they will take effect on Monday require—they require—that physical education classes include both men and women in the same classes, with certain stated exceptions as during any portion of those classes that is devoted to sex education and during any portion of those classes that is devoted to contact sports. Otherwise, the regulations require that men and women, boys and girls, be in the same gym class, or physical education class.

What the Casey amendment proposes is that it be up to the school system to decide whether the "phys ed" or the "gym" class be boys and girls, men and women all in the same class, or whether they have separate classes.

If we vote down the motion, we will agree with the HEW regulation which says that, regardless of the wishes of the school, men and women, boys and girls, must be in the same gym class. If we vote up the motion and insist on the Casey amendment, we will be saying that a school system, if it wishes, can put them in the same classes or, if it wishes, it can put them in separate classes; but whichever way it goes, in the same classes or separate classes, it has to provide equal opportunities for girls and women. That would be the effect of voting for this motion and insisting on the Casey amendment.

The whole subject is one on which people have different opinions. In a lot of school systems the parents and teachers think that "gym" classes go better if boys and girls are in separate classes. I do not see anything wrong with that, as long as the girls are provided equal opportunities, and for that reason I am voting for the motion in support of the Casey amendment.

Mr. FLOOD. Mr. Speaker, I yield the remaining 6 minutes to the gentleman from Texas (Mr. Casey).

Mr. CASEY. Mr. Speaker, I want to thank the gentleman from Michigan (Mr. O'Hara) for his statement, because he is definitely involved, as chairman of the subcommittee, and is trying to put in perspective what the intent of Congress was when we adopted title IX, and he has a difficult job, as we can see from some of the arguments and statements here today.

I had the pleasure of appearing before his committee, and I think, with his great background and experience, especially with reference to athletics, that he is going to find a solution.

That is not the question here today. As he very ably stated, the question is whether we are going to take away completely the control of local school districts as to which physical education classes should and can be properly integrated by sex.

The HEW says all of them. That, in my opinion, is ridiculous. I think the local schools, and the students themselves, should have something to say about it. This will not eliminate the requirement that the schools determine what activities the girls are interested in, and it does not eliminate intramural sports. If the girls want to have a basketball team, they should have one. Mind you, I got a letter recently from a school in my district in which a young lady said that the boys were furnished uniforms, while the girls had to pay for their own. I wrote the young lady back and said:

> You tell your coach to go to the superintendent and tell him that under the law they have to buy your uniform, too, and if you have any trouble let me know.

We are gradually allowing the executive branch of Government to expand and enlarge upon laws that we pass, putting their interpretation and their philosophy into them, even though their interpretations may be completely contrary to the intent of the majority of this body.

The regulations we now consider, as written by HEW, are completely contrary to the concept of local school autonomy. Just because some Federal money goes in, I do not think that we should take the position of allowing some bureaucrat to write restrictions to the extent of saying, "You have got to integrate a physical education class."

My amendment in no way interferes with the thrust of title IX, which is to see that women are not made second-class citizens and girls are not made second-class citizens because they build a "gym" for the boys and they say the girls cannot have one. My amendment will not affect title IX at all in such cases.

I have an analysis by the Intercollegiate Association of Women Students, and they have a quarrel with the fact that HEW says they cannot have single-sex organizations in colleges. They say that is discriminating against them. It is just like saying that minority groups cannot have an organization just for that particular minority. And they do have such organizations.

If boys want to have a single organization and if women say they do too, they should have that right. Perhaps they do not want men in their organization. It was started by them, it is their organization, they want to control it, and they do not want anybody telling them they have to take men into their organization.

So let us be reasonable about this. Let us make the regulations reasonable.

I think our school districts can work compliance with title IX out themselves, not just in physical education but in everything else. However, I do think physical education is one place, as well as professional and social organizations, where the decision should be left up to the local school and to the organization.

If we want to turn everything over to HEW and say, "OK, boys, you can just write all the regulations you want and put all the regulations you want in that Federal Register, because you know best," we can vote "No." But if we want to say that this was not our intent, we should vote the other way. That is what former Representative Edith Green, the author, said, that "this is not our intent."

It does not say in title IX of the bill that we have to integrate boys and girls in all physical education programs. That is someone's interpretation.

Mr. Speaker, let us have an aye vote and insist on the House position.

Mr. MICHEL. Mr. Speaker, I yield 5 minutes to the gentlewoman from Massachusetts (Mrs. Heckler).

Mrs. HECKLER of Masachusetts. Mr. Speaker, we are at the point where we have before us such a tangled web that it is very difficult to sort out the strands. I think the comments by some prior speakers indicate that the objections raised against title IX, while motivated by genuine concerns, are based on a less than complete understanding of the real issues involved.

It seems to me that one can distill some of the rhetoric down to some basic concepts, concepts like separate but equal gradualism, and how do these concepts actually affect the educational opportunities in an athletic sense of young women in our school system?

I think what they really mean, in the end, will amount to the perpetuation of a system that does not in a very direct way discriminate against the girls, but nonetheless, in its own subtle, effective way perpetuates discrimination, and that is really what we are talking about.

I happen to be the mother of three children, two girls and a boy. One daughter is not athletically proficient, following her mother's example, and then I have an athletic daughter who does very well in sports and who feels that she does not get as much exercise in her gym classes as she ought, and who comes home from school as one with that ability and the muscle capacity to participate actively, comes home without the full workout.

I submit, with that kind of absence of equal opportunity, in the end it affects the equal educational opportunity of the children. My son, who has that athletic workout and then gets down to the books with a different attitude and a refreshed mental state, is one step ahead of the daughter who does not have that same opportunity and lacks his vigorous athletic ability.

I think that what we are talking about here is a subtle form of discrimination. The point that should be made about the HEW regulations is not that HEW would require integration of physical activities at all school levels, but that it requires integration based on ability and skill. It is not merely x number of girls and x number of boys in a specific class. It is x number of students up to a certain athletic skill and prowess, who would then be able to participate equally in a class in which both sexes would be equal to the challenge.

I think that a system based on a selection which is blind to sex, but sensitive to ability, is a fair system indeed.

The Casey amendment suggests that we ignore the talents and the skills of young women, and say, "No; your physical education opportunities will not be the same as those for young men."

A great deal is said about HEW exceeding the limits of its authority. In many cases I agree that bureaucratic power has been overused. In this case, however, HEW in responding to a congressional mandate has been selective, thoughtful, and rational. It has also been fair.

Mr. Speaker, this is not a contest against HEW. It is a contest or a debate in which the central issue is equality of opportunity for young men and young women.

It would be easy for this House to accept this amendment and to stand firm. However, if we do so, we violate our own procedures or our own approaches. We have not held hearings on the Casey amendment. The original Casey amendment included such organizations as Girl Scouts, Boy Scouts, and the Campfire Girls.

These issues have already been covered by the Bayh amendment which is part of existing law and which I support. What does the Casey amendment go to? It is the negation of title IX regulations which already exempt contact sports, and some of the other more troublesome aspects; but title IX promotes integration in physical education opportunity based on skill and ability.

I say this: If this House turns its back on the very fair regulations which have been suggested, in the end, it will be guilty again of separate and unequal treatment procedures or gradualism ending in discrimination and of perpetuating discrimination by default.

Mr. MICHEL. Mr. Speaker, I yield 2 minutes to the gentlewoman from California (Mrs. Burke).

Mrs. BURKE of California. Mr. Speaker, I rise in opposition to the amendment to the education appropriations bill by my distinguished colleague from Texas (Mr. Casey). This amendment has been reported in disagreement by the conference committee, as it does not appear in the Senate-passed version of the bill.

Mr. Speaker, this amendment would disastrously weaken the regulations promulgated under title IX of the Education Amendments of 1971, which prohibits sex discrimination in federally assisted education programs and activities. It provides that no funds appropriated under the act shall be used by HEW to "draft, publish, promulgate, or enforce" regulations requiring the integration by sex of physical education classes, sororities, and fraternities—whether honorary, service, or social—and certain named single-sex groups such as the Boy Scouts and the Girl Scouts. In effect, the provision would amend title IX and undermine its intent, which is to provide equal opportunity in physical education and sports.

The amendment has many failings, not the least of which is the fact that it does not define "physical education classes." Consequently, schools would be free to designate any part of their athletics program, including extracurricular and competitive teams as credit or noncredit "physical education classes," limited to males, thus effectively depriving females from participation in such activities. Furthermore, preference in the use of facilities and equipment would then be given to those persons—all male—who are enrolled in the "class."

In addition, women majoring in physical education could be denied access to specific courses in this department. If the number of women who requested a particular class, already offered to males, was small in number, the school could simply claim that there was "insufficient interest" for a separate class. HEW would be powerless to require their admission into either the all-male class or into a separate class.

A woman who has a great potential to become a professional tennis player might not have an opportunity to so compete, because that might not be defined as physical education. As a result, the woman player might not have a chance to compete with men, and test her standard of ability.

Today one of the reasons that women's tennis is not at the highest level is because in the early years women do not compete with men, and therefore do not develop their skills, and thus often do not develop their abilities.

Finally, it must be pointed out that many schools have already integrated their classes for boys and girls without any undue hardship. HEW's proposed regulations for the enforcement of title IX allow for the grouping of students by ability. It also allows separation of students within physical education classes during participation in contact sports.

The exemption of certain single-sex groups like the Boy and Girl Scouts and the YMCA and the YWCA is already part of title IX. It is contained in the Bayh amendment to title IX, passed by Congress on December 18, 1974. This redundancy speaks eloquently of the hasty drafting of this amendment and should cause Members to pause before casting an affirmative vote blindly.

Another invidious section in this amendment is that which would exempt honorary and service societies from the application of title IX. Many professional groups have single-sex honorary societies with student members. Delta Sigma Pi, the international business fraternity, is such an organization. It limits membership to males and has chapters at virtually every institution of higher education which has a school of business or economics, or which offers courses in these areas. The fraternity also maintains alumni clubs and states that it offers "programs of professional and social activities designed to benefit all business and economics majors." Women students are barred from these activities.

Such organizations serve a crucial role in helping new and prospective professionals to learn about their professions. Traditionally, these organizations have strengthened the "old boy" network which disseminates information about the profession and particularly about job opportunities within the profession. Women have been barred from this informal network and thus have been severely hampered in their attempts to take their rightful places in society. Furthermore, where there are two such organizations, one for men and another for women, the men's organization enjoys greater prestige and more chapters than does that of the women. Both groups are deprived of the kind of interaction that is necessary before a professional can realize his or her full growth potential.

Finally, if honorary societies are exempted from coverage by title IX, men will suffer also. For example, male nursing students will be deprived of the opportunity to join the honorary nursing society.

Mr. Speaker, honorary societies are not social groups. They play a significant role in the shaping and growth of our professional groups. Sex should not be used as a criterion of admission to these organizations anymore than it should be a criterion for admission to physical education classes. This amendment is still another attempt to deny equal educational opportunities to females solely on the basis of sex. It must be rejected as a perversion of congressional intent in this legislation and as unworthy of this legislative body.

Mr. EDWARDS of California. Mr. Speaker, the Casey amendment would deprive the Department of Health, Education, and Welfare of its only enforcement tool in fulfilling the title IX objectives, as they relate to equality of opportunity for women in physical education program and honorary and professional societies.

To even consider this issue in an appropriations bill is, I believe, in appropriate. The proponents of this amendment claim that it merely sets a limitation on funds. However, by depriving HEW of its enforcement authority in these areas, the amendment actually cuts to the heart of our intentions to insure equality of treatment for all, regardless of sex, through the language of title IX.

The proponents of this amendment explain that the amendment would not prohibit school districts and other educational institutions from providing integrated physical education programs if they so choose, but would merely not mandate such integration. I would point out in response that the Congress of the United States has recognized the elimination of sex discrimination in education as a national goal. It is the responsibility of the Federal Government to insist that educational institutions receiving Federal funds meet that national goal.

The proponents further claim that integration in physical education programs should not be imposed on school districts and other educational institutions, if such action is "costly" or an "administrative burden". In response I would ask whether questions of cost or administrative burden are at all relevant to the issue of securing equal treatment for women in education.

The amendment would also deprive HEW of enforcement powers over honorary and professional societies sponsored by educational institutions. It appalls me to think anyone would deny women equal opportunity for such memberships. The regulations would not effect any criteria for society memberships other than sex, and it is absurd to me that either men or women should be denied the benefits of such memberships as they enter their professions and pursue their careers.

In short, by prohibiting HEW's enforcement of the title IX mandate in these areas we are setting limitations on, rather than insuring, equal treatment for both men and women in educational institutions. I personally do not believe we have that right and I urge my colleagues to defeat the amendment.

The SPEAKER. If there are no further requests for time, without objection, the previous question is ordered on the motion.

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Pennsylvania (Mr. Flood).

The question was taken; and the Speaker announced that the ayes appeared to have it.

Ms. ABZUG. Mr. Speaker, I object to the vote on the ground that a quorum is not present, and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 212, nays 211, not voting 11, as follows:

[Roll No. 394]

YEAS—212

Abdnor
Alexander
Ambro
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Armstrong
Ashbrook
Bafalis
Barrett
Bauman
Beard, Tenn.
Bennett
Bevill
Biaggi
Bowen
Breaux
Brinkley
Brooks
Brown, Mich.
Broyhill
Burgener
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Butler
Byron
Carney

Carter
Casey
Cederberg
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Collins, Tex.
Conlan
Crane
D'Amours
Daniel, Dan
Daniel, R. W.
de la Garza
Delaney
Dent
Derrick
Derwinski
Devine
Dickinson
Dingell
Downing
Duncan, Oreg.
Duncan, Tenn.
Edwards, Ala.
Erlenborn
Esch
Eshleman
Evans, Colo.
Evins, Tenn.
Flood
Flowers
Flynt
Foley
Ford, Mich.
Forsythe
Fountain
Frey
Gaydos
Giaimo
Ginn
Goldwater
Goodling
Grassley
Guyer
Hagedorn
Haley
Hammerschmidt
Hansen
Harsha
Hastings
Hays, Ohio
Hébert
Hechler, W. Va.
Hefner
Helstoski
Henderson
Hightower
Hinshaw
Holt
Horton
Howe
Hubbard
Hungate
Hutchinson
Ichord
Jarman
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Tenn.
Kasten
Kazen
Kelly
Kemp
Ketchum
Kindness
Krueger
LaFalce
Lagomarsino
Landrum
Latta
Lent
Lloyd, Calif.
Lloyd, Tenn.
Lott
McCollister
McDade
McDonald
McEwen
McFall
McKay
Mahon
Mann
Martin
Mathis
Michel
Milford
Miller, Ohio
Mills
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Calif.
Morgan
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Obey
O'Hara
Passman
Patman, Tex.
Patten, N.J.
Pickle
Poage
Preyer
Quie
Quillen
Randall
Rhodes
Risenhoover
Roberts
Robinson
Roe
Rogers
Roncalio
Rooney
Rousselot
Satterfield
Schneebeli
Schulze
Sebelius
Shriver
Shuster
Sikes
Sisk
Skubitz
Slack
Smith, Nebr.
Snyder
Spence
Stanton, J. William
Steed
Steiger, Ariz.
Stephens
Stuckey
Sullivan
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thone
Thornton
Treen
Vander Jagt
Vigorito
Waggonner
Walsh
Wampler
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Winn
Wright
Wydler
Wylie
Yatron
Young, Alaska
Young, Fla.
Young, Tex.
Zablocki
Zeferetti
McCormack
McKinney
Macdonald
Madden
Madigan
Maguire
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Mikva
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Moorhead, Pa.
Mosher
Moss
Mottl
Nix
Nolan
Nowak
Oberstar
O'Brien
O'Neill
Ottinger
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Pettis
Peyser
Pike
Pressler
Price
Pritchard
Railsback
Rangel
Rees
Regula
Reuss
Richmond
Rinaldo
Rodino
Rose
Rosenthal
Rostenkowski
Roush
Roybal
Runnels
Ruppe
Russo
Ryan
St Germain
Santini
Sarasin
Sarbanes
Scheuer
Schroeder
Seiberling
Sharp
Shipley
Simon
Smith, Iowa
Solarz
Spellman
Staggers
Stanton, James V.
Stark
Steelman
Stokes
Stratton
Studds
Symington
Thompson
Traxler
Tsongas
Udall
Ullman
Van Deerlin
Vander Veen
Vanik
Waxman
Weaver
Whalen
Wilson, C. H.
Wilson, Tex.
Wirth
Wolff
Yates
Young, Ga.

NAYS—211

Abzug
Adams
Addabbo
Anderson, Calif.
Anderson, Ill.
Ashley
Aspin
AuCoin
Badillo
Baldus
Baucus
Beard, R.I.
Bedell
Bell
Bergland
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Brademas
Breckinridge
Brodhead
Broomfield
Brown, Calif.
Brown, Ohio
Buchanan
Burke, Calif.
Burton, John
Burton, Phillip
Carr
Chisholm
Clay
Cohen
Collins, Ill.
Conable
Conte
Conyers
Corman
Cornell
Cotter
Coughlin
Daniels, N.J.
Danielson
Davis
Dellums
Diggs
Dodd
Downey
Drinan
du Pont
Early
Eckhardt
Edgar
Edwards, Calif.
Eilberg
Emery
English
Evans, Ind.
Fary
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Florio
Ford, Tenn.
Fraser
Frenzel
Gibbons
Gilman
Gonzalez
Gradison
Green
Gude
Hall
Hamilton
Hanley
Hannaford
Harkin
Harrington
Harris
Hawkins
Hayes, Ind.
Heckler, Mass.
Heinz
Hicks
Hillis
Holland
Holtzman
Howard
Hughes
Hyde
Jacobs
Jeffords
Jenrette
Johnson, Calif.
Jones, Okla.
Jordan
Kastenmeier
Keys
Koch
Krebs
Leggett
Lehman
Levitas
Litton
Long, La.
Long, Md.
Lujan
McClory
McCloskey

NOT VOTING—11

Archer
Fulton
Fuqua
Karth
McHugh
Matsunaga
Mink
Mollohan
Riegle
Steiger, Wis.
Symms

So the motion was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Fulton for, with Mrs. Mink against.

Mr. Symms for, with Mr. Steiger of Wisconsin against.

Mr. Fuqua for, with Mr. Karth against.

Until further notice:

Mr. Matsunaga with Mr. Riegle.

Mr. McHugh with Mr. Mollohan.

The result of the vote for announced as above recorded.

A motion to reconsider the votes by which action was taken on the conference report and several motions was laid on the table.

GENERAL LEAVE

Mr. FLOOD. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous material on the subject of the conference report just agreed to.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Marks, one of his secretaries.

CONFERENCE REPORT ON S. 66, HEALTH SERVICES AND NURSE TRAINING

Mr. STAGGERS. Mr. Speaker, I call up the conference report on the Senate bill (S. 66) to amend title VIII of the Public Health Service Act to revise and extend the programs of assistance under that title for nurse training and to revise and extend programs of health revenue sharing and health services, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the Senate bill.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of July 11, 1975.)

Mr. STAGGERS (during the reading). Mr. Speaker, I ask unanimous consent to dispense with further reading of the statement.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

The SPEAKER. The gentleman from West Virginia (Mr. STAGGERS) is recognized for 1 hour.

Mr. STAGGERS. Mr. Speaker, I just say to the House that this is essentially the same bill passed by the House, and I urge its adoption.

Mr. CARTER. Mr. Speaker, will the gentleman yield?

Mr. STAGGERS. I yield to the gentleman from Kentucky.

Mr. CARTER. Mr. Speaker, so far as I know there is no objection to the conference report on this side. It was signed unanimously by the member of the conference committee on both sides of the aisle.

Mr. STAGGERS. I thank the gentleman from Kentucky.

Mrs. BOGGS. Mr. Speaker, I am particularly pleased to note that the Senate Committee on Appropriations has called our attention to an apparent legislative oversight in the enactment of section 626 of the Education Act Amendments of 1974, Public Law 93-380. This section relates to special regional programs for the deaf and other handicapped students. The Senate committee in its report to accompany this legislation called attention to an outstanding program to assit in the education of deaf students presently being conducted by Delgado College in Louisiana.

In 1968 Delgado, a comprehensive community junior college with a strong technical vocational orientation, was selected by the Department of Health, Education, and Welfare for a pilot project to provide post-secondary academic and vocational training for the deaf. This was the first program of its kind in the Nation.

Since that time the Delgado program has developed a solid curriculum which has very ably served the southeast region of our Nation. Students have been drawn from Louisiana, Florida, Alabama, Tennessee, North Carolina, Georgia, Mississippi, Illinois, Indiana, Pennsylvania, Massachusetts, Virginia, New Hampshire, and New York.

By every known measure, the program has continued to demonstrate its success in meeting the educational vocational and social needs of the college age deaf adult. Students have successfully completed a 2- to 3-year training program and entered employment as independent citizens contributing to the advancement of our society. Their occupations include purchasing order clerk, sorter clerk, postal clerk, bank clerk, typist, key punch operator, bookkeeper, accountant, computer programmer, wireman, draftsman, carpenter, cabinet maker, cement finisher, plumber, forklift operator, cook, baker, welder, commercial artist, and pressroom assistant.

Because these young deaf adults are able to utilize regular vocational technical training facilities provided for the general population by Delgado College the cost to the taxpayer is relatively low, while the output is high. Because this program is so important to the whole southeast region of the United States, I am sure that you will agree that it should continue to receive support from the Federal Government.

During consideration of the education amendments last year a floor amendment was offered in the House that stipulated continued support for similar projects in Washington, Minnesota, and California. Through an oversight Delgado was not included. The committee report to the Senate indicated the expectation that the Commissioner of Education continue to support this meritorius program through the Bureau of Education for the Handicapped. I trust that all of the Members of this House join me in endorsing this expectation.

Thank you.

Mr. CARTER. Mr. Speaker, the conference report of S. 66, Health Services and Nurse Training Act, contains authorizations for several existing programs. The health services program would be continued through 1977, with authorizations for nurse training through 1978.

The Senate bill, S. 66, as passed by the Senate, contained authorizations for health revenue sharing and health services in the amount of $1.859 billion, $437 million in excess of the House amendment. House conferees obtained agreement from the Senate to recede to the House level of $1.422 billion, reflecting budget restraint and meeting levels within the congressional budget resolution for the 1976 fiscal year.

Conference agreements included the following authorization levels:

[In millions]

	1976	*1977*	*Total*
Health revenue sharing	115	125	240
Family planning	176	182.5	358.5
Community mental health centers	103.75	113.75	217.5
Rape prevention and control	7	10	17
Migrant health centers	39	44	83
Community health centers	220	240	460
Rat control	20	---	20
Home health services	10	---	10
Hemophilia programs	7	9	16
Total	697.75	724.25	1422

The Nurse Training Act in the Senate bill contained authorizations through 1977, with levels of $213 million in 1976 and $244 million in 1977. The House amendment contained authorization levels of $156 million in 1976, $181 million in 1977, and $201 million in 1978. Senate conferees agreed to extension of authorization levels through 1978 and accepted the lower House authorizations, also within the congressional budget resolution for 1976.

Mr. CONTE. Mr. Speaker, I rise in strong support of the conference report on S. 66, the Nurse Training and Health Revenue Sharing and Health Services Act of 1975.

This bill extends, in improved form, several major established health programs. These include nurse training programs, grants to States for health services, community mental health center programs, and community health center programs.

Nurse training programs provide Federal support to schools of nursing and to nursing students. Improvements in the geographic distribution of nurses are encouraged by the project grant and nurse practitioner sections of the bill, as well as by revised eligibility requirements for capitation grants.

The program of grants to States for health services extends the authorizations of section 314(d) of the Public Health Service Act for 2 years, revises the planning and reporting procedures under that section, and authorizes funds for hypertension services. This is one of the more important sources of funds for our States to operate health service programs. We have all heard about the terrible fiscal straits which our States are in, and I believe that it is essential to continue this source of funding in order that vitally needed health services not be cut back.

I would also like to bring the hypertension section to the attention of my colleagues. Included under this program is authorization for establishing and maintaining programs for the screening, detection, diagnosis, prevention, and referral for treatment of hypertension. It is estimated that some 23 million Americans suffer from hypertension, which is a major risk factor for other forms of heart and vascular disease. It is estimated that about one-half of those with hypertension are unaware of that fact, and for that reason I believe that it is especially important to provide authorization for detection and screening for hypertension.

Mr. Speaker, this bill extends the Community Mental Health Centers Act, and revises the act to provide a new definition of and requirements for community mental Health centers. The legislation consolidates the existing grant authority into grants for planning, grants for initial operation, grants for consultation and education services, conversion grants, financial distress grants, and grants for facilities assistance. This legislation provides incentives to encourage fiscal self-sufficiency by CMHC's as well as actually defining for the first time the range of services which must be provided by a CMHC.

CMHC's make maximum use of outpatient and partial hospitalization services, keeping inpatient admissions low. This is not only better for the patient, but also means that CMHC's are able to provide fully comprehensive care at a reasonable cost and keep their patients in the community, returning them quickly to fully productive lives.

Since the cost of mental illness in terms of lost productivity alone is in the billions of dollars each year, the potential savings if all citizens had access to community mental health care is tremendous. Services for the mentally ill and emotionally disturbed must be provided, and the CMHC's have shown themselves to be an effective and economical means to provide fully comprehensive care within the patients' communities.

Mr. Speaker, I would also like to mention the community health center program. This bill authorizes 2-year planning and development and operation grants for community health centers to provide extensive health care services to medically underserved populations. This program has shown itself very valuable in both reducing hospital admissions and in providing services to those areas which are not adequately serviced by alternative health service delivery modes.

Mr. Speaker, the programs authorized under this bill comprise and strengthen the basic health service delivery web on which any future program of national health insurance must rest. We must maintain and keep viable these service programs until such time as we are ready to set in place a national health insurance program.

Mr. Speaker, I enthusiastically endorse this measure, and urge my colleagues to support it also. In addition, I have also recommended that the President approve this measure. This measure is more than $500 million less in authorization levels than previously vetoed versions of the bill. I believe that this is a necessary bill and a responsible bill, and I look forward to its rapid enactment.

Mr. FULTON. Mr. Speaker, while being in support of the entire measure conference report on S. 66 I would like to take this opportunity to express my particular interest in that section which involves nurse training. This is a most important provision and its need is demonstrated by an article which appeared in the Memphis Press-Scimitar, June 26, 1975. I commend it to the attention of my colleagues!

Nurses Express Concern for Federal Funding Act

(By Anna Byrd Davis)

When you think of nurses, you probably think of starchy white. Some Tennessee nurses, however, think of green—U.S. dollar green. They are afraid that all President Gerald Ford is thinking of is red—unbalanced U.S. budget red.

The Nurses Training Act is coming up for final Congressional action after the Fourth of July. It provides for federal spending to schools of nursing and nursing students throughout the country.

Last year the President killed an appropriations bill passed by the 93rd Congress with a pocket veto. He said it authorized "excessive appropriations levels."

According to Rosemary Bowman, assistant executive director of the Tennessee Nurses Association, the President will probably veto the authorization bill again this year.

The Nashville-based lobbyist said that federal funds are especially important for 1976 because state support is being cut back.

Federal funds to nursing schools and students this year are being allocated through a continuing resolution, said Mrs. Bowman. "But this can't go on forever. We'll eventually run out of steam."

Some $140.15 million was appropriated in 1974 for construction, financial distress grants, advanced training, nurse practitioner training and student assistanceships and loans.

The bill for 1976, which is in a joint House-Senate committee now, would authorize the spending of around $161 million, Mrs. Bowman said.

"The fund would go to 1,359 nursing programs and help some 230,000 students," Mrs. Bowman added.

Ruth Neil Murry, dean of the University of Tennessee School of Nursing, said that "loss of federal funds for nursing education will certainly affect us adversely.

"Presently 34 per cent of the group requires financial aid in order to remain in school," Dean Murry noted.

"As fees and other costs increase, it is reasonable to assume that the number of individuals requiring assistance would increase," she added.

The heads of three new graduate units at the U–T School of Nursing met to discuss the impact of a cut in federal funds on their programs.

Dr. Mary L. Morris, director of the graduate program in medical-surgical nursing, said a cut would come in a time of change in the profession.

"Some say there's not really a shortage of nurses, just poor utilization," said Dr. Morris. "There are numerically enough people—but not at the right levels."

The real shortages are in clinical specialists, practitioners, teachers and researchers, added Dr. Shirley Burd, head of the graduate program in community-mental health nursing.

"We must have these people to guide and update nurses at the lower levels," said Dr. Morris.

"We have a lot of drones and no chiefs," added Dr. Beverly H. Bowns, director of the community health nursing-family nurse specialist program.

The programs at U–T, in their second year, are just beginning to send graduates into the field. The need for master's level nurses is so great, said Dr. Burd, "I hate for May and June to arrive because that's when the letters start arriving asking for nurses."

A cut in funding, the professors predicted, would result in more of the 37 students enrolled in the three graduate programs dropping from full-time to part-time study. "Which would take considerably more time and money in the long run," said Dr. Bowns.

"We are largely a profession of women," Dr. Morris added. "And traditionally the salaries of women are not good, related to men's salaries. But graduate education for women is just as expensive as for men."

Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. BROYHILL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report on S. 66, health services and nurse training.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

TREASURY, POSTAL SERVICE, AND GENERAL GOVERNMENT APPROPRIATIONS BILL, 1976

Mr. DELANEY. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 600 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 600

Resolved, That during the consideration of the bill (H.R. 8597) making appropriations from the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain Independent Agencies, for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes, all points of order against the following provisions in said bill for failure to comply with the provisions of clause 2, Rule XXI are hereby waived: in Title III—"Executive Office of the President"—beginning on page 11, line 9 through page 12, line 17, beginning on page 15, line 5 through page 16, line 10; and in Title IV—"Independent Agencies"—beginning on page 21, line 12 through line 18.

The SPEAKER. The gentleman from New York is recognized for 1 hour.

Mr. DELANEY. Mr. Speaker, I yield 30 minutes to the gentleman from Mississippi (Mr. Lott) pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 600 makes in order the consideration of H.R. 8597, a bill making appropriations for the Treasury Department, the U.S. Postal Service, the Executive Office of the President, and certain Independent Agencies.

House Resolution 600 provides that all points of order against certain provisions of the bill for failure to comply with the provisions of clause 2 of rule 21—unauthorized appropriations—are waived.

H.R. 8597 appropriates $6,265,514,000 for fiscal year 1976 and $1,276,242,500 for the transition period ending September 30, 1976. H.R. 8597 makes appropriations for the U.S. Custom Service, the Internal Revenue Service, the Office of Management and Budget, the Civil Service Commission, the General Services Administration and other independent agencies.

Mr. Speaker, I urge the adoption of House Resolution 600 in order that we may discuss and debate H.R. 8597.

Mr. LOTT. Mr. Speaker, I yield myself such time as I may consume.

dent"—beginning on page 11 line 9 through

Mr. Speaker, as has been noted by the gentleman from New York, this rule, House Resolution 600, would waive points of order against provision in H.R. 8597, the Treasury, Postal Service, General Government appropriation bill for failure to comply with clause 2, rule XXI, relative to unauthorized appropriations.

Mr. Speaker, I would like to read the list of the other agencies involved here. They are: Administrative Conference of the United States; Advisory Commission on Intergovernmental Relations; Advisory Committee on Federal Pay; Civil Service Commission; Commission on the Review of the National Policy Toward Gambling; Committee for Purchase of Products and Services from the Blind and other Severely Handicapped; Federal Election Commission; GSA; Harry S. Truman Scholarship Foundation; U.S. Tax Court; and Civil Defense Preparedness Agency.

The sections in the legislation against which all points of order are proposed to be waived are as follows:

First, title III, page 11, lines 9 through 25, and page 12, lines 1 through 17, dealing with salaries and expenses of the Domestic Council; the unanticipated expenses and needs of the President in furtherance of the national interest, security or defense; and operating expenses of the Executive residence.

Second, title III, page 15, lines 5 through 25, and page 16, lines 1 through 10, with respect to special assistance to the President by the Vice President in connection with specially assigned functions and White House Office salaries and expenses.

Third, title IV, page 21, lines 12 through 18, relating to salaries and expenses of the Federal Election Commission.

Mr. Speaker, the purpose of this bill is to provide appropriations for the Treasury Department, the U.S. Postal Service, the Executive Office of the President, and certain independent agencies for fiscal year 1976 and the transition period ending September 30, 1976. The legislation includes total appropriations amounting to $7,541,756,500. This figure is $58,953,000 below the budget estimate for fiscal 1976 and the transition period and $1,928,395,000 below the fiscal 1975 appropriations.

I know of no serious objections to the passage of this rule and the consideration of H.R. 8597; and I would urge, therefore, the adoption of House Resolution 600.

Mr. ASHBROOK. Mr. Speaker, will the gentleman yield?

Mr. LOTT. I yield to the gentleman from Ohio.

Mr. ASHBROOK. I thank the gentleman for yielding. It is my understanding, and I ask the gentleman if it is a correct understanding, that there is an appropriation in this bill for the Federal Election Commission, although there is no authorization in law for said expenditure; is that correct?

Mr. LOTT. That is my understanding.

Mr. ASHBROOK. That is why the point of order is waived?

Mr. LOTT. That is one of the reasons.

Mr. ASHBROOK. Will the gentleman further yield and respond to the question as to whether or not there is in the President's budget a request for expenditures for the Federal Election Commission?

Mr. DELANEY. Mr. Speaker, if the gentleman will yield, the answer is: Yes.

Mr. ASHBROOK. The answer is: Yes. It is in the budget, but it has not been authorized?

Mr. LOTT. Mr. Speaker, that is my understanding.

Mr. ASHBROOK. Mr. Speaker, I thank the gentleman.

Mr. DELANEY. Mr. Speaker, I yield such time as he may consume to the gentleman from Arkansas (Mr. ALEXANDER).

(Mr. ALEXANDER asked and was given permission to revise and extend his remarks, and include extraneous matter.)

Mr. ALEXANDER. Mr. Speaker, as we discuss today appropriations for the Department of the Treasury for the next fiscal year, I would like to take this opportunity to cite the track record of the Department in performing its responsibilities in the area of delinquent foreign debt collection.

Though the matter of collection of these debts is a duty shared with the State Department, the Department of Treasury plays a vital information role in recordkeeping and providing the State Department with current information on the status of these past due accounts so that negotiations may get underway with foreign nations to secure terms for repayment.

The Treasury Department's performance in providing up-to-date information on the status of outstanding international debts is less than stellar. In fact, though Treasury personnel appear cooperative, my experience in securing such data reveals that retrieval of this information is slow and highly susceptible to error on the part of departments and agencies reporting to Treasury.

Mr. Speaker, since World War II it is estimated that we have provided economic and military assistance to foreign nations and international organizations, in one form or another, amounting to a total in excess of $164 billion. Interest alone on the money borrowed to loan to foreign nations has totalled $105 billion.

As of June 30, 1974, 158 nations and 17 international organizations owed the United States $32.5 billion. One hundred ten countries and seven of the organizations were at least 90 days overdue in their payments, a sum of over $562 million in delinquencies.

Updated statistics of December 31, 1974, are not encouraging. Delinquencies totaled over $609 million, an increase of 8 percent over the previous reporting period. Though some countries have made significant payments, 80 are falling even further behind in repaying their debts to the United States.

My amendment to the Foreign Assistance Act of 1974 makes it crystal clear to the executive branch that Congress, as well as every taxpayer in the country, expects that these just debts owed the United States be paid.

And, although it is the State Department which must ultimately press for payment, the Treasury Department must provide them with complete and current information on which to begin negotiations.

The following is a chart showing, by area and country, the principal and interest due and unpaid 90 days or more on U.S. Government foreign loans and credits:

PRINCIPAL AND INTEREST DUE AND UNPAID 90 DAYS OR MORE AS OF JUNE 30, 1974, AND DEC. 31, 1974, ON U.S. GOVERNMENT FOREIGN LOANS AND CREDITS

[In dollars or dollar equivalents]

Area country	Principal and interest due and unpaid 90 days or more as of—	
	June 30, 1974	Dec. 31, 1974
Total, all countries and international organizations	$562, 706, 773	$609, 425, 692
WESTERN EUROPE		
(Excluding Greece and Turkey)		
Austria	181	209, 379
Belgium	121, 682	765, 976
Denmark	259, 292	66, 313
Finland		
France	90, 965	503, 567
Germany, Federal Republic of	254, 280	152, 192
Iceland	898	
Ireland	13, 249	73, 724
Italy	5, 424, 420	4, 837, 245
Luxembourg		11, 057
Malta		
Monaco		
Netherlands	215, 605	490, 903
Norway	296, 656	190, 630
Portugal	11, 017	14, 616
Spain	262, 420	731, 121
Sweden	206	453, 819
Switzerland	64, 768	137, 355
United Kingdom	422, 952	856, 301
Vatican City		
Yugoslavia	38, 494	321, 192
European Atomic Energy Community		2, 038
European Coal and Steel Community		
North Atlantic Treaty Organization	17, 499	313, 434
Total, Western Europe	7, 494, 634	10, 444, 296
EASTERN EUROPE		
Czechoslavakia	6, 833, 203	7, 145, 980
Germany, Soviet Union		
Hungary	700, 167	700, 167
Poland		
Romania		
Union of Soviet Socialist Republics		2
Total, Eastern Europe	7, 533, 370	7, 846, 149
NEAR EAST (including Greece, Turkey, and Egypt)		
Cyprus	1, 573	1, 928
Egypt, Arab Republic of	47, 455, 318	59, 205, 813
Greece	18, 220, 771	21, 371, 519
Iran	39, 152, 815	42, 066, 979
Iraq	538	538
Israel	1, 056, 451	3, 086, 765
Jordan	13, 925	3, 187, 332
Kuwait		
Lebanon	3, 432	1, 061
Qatar		
Saudi Arabia	23, 138	386, 799
Syria	4, 268, 114	4, 679, 264
Turkey	87, 238, 793	88, 495, 660
United Arab Emirates		
Yemen Arab Republic		
Total, Near East	197, 434, 868	222, 483, 658
SOUTH ASIA		
Afghanistan	2, 823	2, 800
Bangladesh		310, 941
India	15, 579, 509	17, 400, 063
Nepal	183, 242	179, 149
Pakistan	18, 091, 171	35, 408, 733
Sri Lanka	1, 507, 896	250
South Asia—Regional		
Total, South Asia	35, 364, 641	53, 301, 936
AFRICA (excluding Egypt)		
Algeria	2, 396	6, 613
Angola		
Botswana	13, 678	
Cameroon	13, 052	504
Central African Republic		
Chad		
Dahomey	4, 228	4, 228
Ethiopia	14, 318, 976	14, 319, 208
Gabon		56, 300
Gambia		
Ghana	175, 253	175, 253
Guinea	1, 032, 317	1, 791, 177
Ivory Coast	70	27, 336
Kenya	875	208, 193
Liberia	29, 787	31, 881
Libya	13, 919	137, 381
Malagasy Republic		
Malawi	155	
Mali	40, 896	50, 430
Mauritania		
Morocco	2, 573, 553	78, 912
Niger		7, 893
Nigeria	1, 170, 211	2, 494, 668
Rhodesia	43, 579	43, 579
St. Helena		
Senegal	33, 666	322
Sierra Leone	135, 590	159, 631
Somali Republic	2, 052, 000	2, 292, 235
South Africa	12, 114	11, 195
Sudan		545, 585
Swaziland		
Tanzania	41, 536	20
Togo		
Tunisia	84, 648	80, 313
Uganda	2, 046	2, 782
Upper Volta		
Zaire	43, 849	48, 554
Zambia	6	
Council of Entente States	6	4
East African Common Services Organization		
University of East Africa	2	
West Africa Development Bank		
Africa—Regional	1, 578, 167	2, 142, 750
Total, Africa	23, 416, 575	24, 716, 947
EASTERN ASIA AND PACIFIC		
Australia	272, 027	912, 142
British Solomon Islands		
Brunei		
Burma	3, 687	3, 687
China, Peoples Republic of		237, 311
China, Republic of	93, 149, 972	96, 344, 051
Fiji Islands	2	172
Gilbert and Ellice Islands		
Hong Kong	38	106
Indonesia	137, 841	441, 819
Japan	483, 338	821, 759
Khmer Republic	2, 128, 289	2, 128, 289
Korea, Republic of	2, 218, 030	1, 978, 118
Laos	49, 695	54, 843
Macao		
Malaysia	387, 734	212, 395
Nauru		
New Calendonia		
New Guinea (Papua)	97	136
New Zealand	14, 721	185, 711
Philippines	48, 078, 728	48, 642, 518
Pitcairn Island		
Singapore	413, 220	2, 065, 004
Thailand	20, 273, 423	19, 080, 422
Tonga		
Trust Territory of Pacific	206	206
Vietnam, Republic of	865, 798	890, 742
Western Samoa		
Total, Eastern Asia and Pacific	168, 476, 846	173, 999, 431
WESTERN HEMISPHERE		
Antigua	416, 400	468, 800
Argentina	1, 044, 609	2, 113, 050
Bahamas	57, 299	59, 058
Barbados		
Belize	6, 125	24, 569
Bermuda		
Bolivia	1, 689, 827	1, 920, 155

Area country	Principal and interest due and unpaid 90 days or more as of—	
	June 30, 1974	Dec. 31, 1974
Brazil	84,593	568,374
British Virgin Islands		
Canada	248,298	319,194
Cayman Islands		197,744
Chile	19,148,088	4,000,651
Colombia	13,869,657	13,479,545
Costa Rica	584,484	1,427,928
Cuba	58,342,708	64,569,272
Dominica	130,810	
Dominican Republic	1,053,271	1,078,896
Ecuador	587,520	581,634
El Salvador	152,532	156,117
French Guiana		127,154
Grenada		
Guadeloupe	50	
Guatemala	170,252	256,154
Guyana	4,555	1,041
Haiti	248,973	544,148
Honduras	101,603	100,981
Jamaica	13,176	14,540
Martinique		
Mexico	2,776,755	2,926,902
Montserrat		
Netherlands Antilles	502	502
Nicaragua	159,020	175,426
Panama	6,225,849	6,820,573
Paraguay	1,780,453	1,796,437
Peru	1,415,661	2,455,849
St. Christopher-Nevis-Anguilla		
St. Lucia	67,812	
St. Pierre and Miquelon		
St. Vincent		
Surinam	16	16
Trinidad and Tobago	11,935	12,435
Turks and Caicos Islands	167	335
Uruguay	1,399,997	653,922
Venezuela	3,351,285	2,245,644
Caribbean Development Bank		
Central American Bank for Economic Integration		
Western Hemisphere—Regional	59	50
Western Hemisphere—Unspecified	494,399	494,399
Total Western Hemisphere	115,638,740	109,413,525
INTERNATIONAL ORGANIZATIONS AND UNSPECIFIED COUNTRIES		
International Finance Corporation		
United Nations	7,347,099	7,352,740
Unspecified countries		
International Atomic Energy Agency		2,514
Total, unspecified countries and official international institutions	7,347,099	7,355,254

Source: Department of the Treasury, OASIA, Office of International Financial Analysis, June 27, 1975.

Mr. DELANEY. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. STEED. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 8597) making appropriations for the Treasury Department, the U.S. Postal Service, the Executive Office of the President, and certain independent agencies, for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited to not to exceed 2 hours, the time to be equally divided and controlled between the gentleman from Ohio (Mr. MILLER) and myself.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Oklahoma.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 8597) with Mr. SISK in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the unanimous-consent agreement, the gentleman from Oklahoma (Mr. STEED) will be recognized for 1 hour and the gentleman from Ohio (Mr. MILLER) will be recognized for 1 hour.

The Chair now recognizes the gentleman from Oklahoma (Mr. STEED).

Mr. STEED. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I am very happy to be able to bring one of the major appropriations bills to the House today for its consideration.

As has been stated, this bill covers the funding for the next 15 months for the Treasury Department, the Postal Department, the Presidential offices, and certain independent agencies. The bill in total covers $64,331,264,152. Of this amount the sums under the direct jurisdiction of the subcommittee total $6,265,532,000.

The rest of the bill is covered in permanent new budget authority that is fixed by law.

The Federal funds under this item are $46,132 million, and the trust funds involved are $11,933 million, for a total of $58,065 million. This makes a total bill of $3,413 million more than the 1975 figure. However, the part under the jurisdiction of the subcommittee is $1,928,377,000 less than the 1975 figure.

The increase of $5,341 million in the trust funds of automatic items accounts for the fact that the total bill is above last year. The reason that the almost $2 billion cut in the amount of money under our jurisdiction could be made is mostly due to the fact that we did not have to repeat the item of $1,750 million that was in the 1975 budget to make the $50 payment to social security recipients.

The items that are in the nonjurisdictional category or the biggest item is the $36 billion estimated as needed to pay the interest on the national debt. In addition to this item, we have the refund that the Internal Revenue Service makes to people who overpay their taxes.

We also have the refund of customs and tax duties collected in Puerto Rico and in the Virgin Islands, which we refund to those jurisdictions. Also, of course, there are several other, lesser important items.

We covered these matters as thoroughly as we thought necessary in the report, and for those Members who are interested in a more detailed review of them, I commend the first four or five pages of the report.

As to the Treasury Department items, this is one of the oldest segments of our Government, and these agencies are old pioneer agencies and their activities are well-known.

What we have tried to do here is to take total increases and changes from last year, and one of the items that we had some difficulty with is that which affects the U.S. Customs Service. We had some difficulty last year in trying to get additional manpower for the Customs Service. We finally got that worked out late in the year; and although we were promised by the Office of Management and Budget that an added budget request would be sent, we did not get it before we had to mark up the bill. Therefore, this bill appears to be $3 million over the budget when, as a matter of fact, eventually that will be adjusted because this money is needed to annualize the 400 some-odd jobs that were affected by this difficulty last year.

We think this puts the Customs Service in good balance and straightens out their problem.

The Members will notice a sizable increase in the U.S. Secret Service funds, most of which are needed to provide the protection that the law gives major candidates for the Presidency of the United States. Since we are coming into that period of time when candidates for President will get Secret Service protection—and I think that will start along about January or February—we have tried to provide, as best as we could estimate, the amount of money needed for that purpose.

There is another item which I think will be of interest to the Members, because next year being the Bicentennial year, all of us are going to be concerned about the influx of visitors to the National Capital.

We have been working with estimates ranging all the way up to 30 million people who are expected to come here next year. To give the Members an idea about what a flood that will be, I think something like 16 million people were the most ever to come here before, and it averages more in the neighborhood of 4 or 5 million.

We are trying to make arrangements to cope with the influx of people and, of course, while it will create some problems and burdens, I think all of the Members will agree that it is a fine thing to have this manifest interest in the National Capitol during the Bicentennial year.

We are making whatever arrangements we can figure out will be helpful. One that this subcommittee is particularly happy to be able to tell the House about is the fact that down at the Elipse, at the White House, we will provide some bleachers with a covering for persons waiting to go through the White House tour. As the Members know, heretofore the people have had to stand outside on the sidewalk in the rain, and in the hot weather, and had absolutely no place to rest. So they are going to try to use this bleacher arrangement. They will also have facilities for drinking water that will be available.

They are also planning to have military bands and visiting bands and various chorus groups be there to entertain the visitors while they are waiting to go through the White House. And in this manner they will also be able to proceed in a more orderly way to send the people through the White House, and also accommodate a lot more people.

Also they are planning to try to keep the White House open for visitation more hours of the day. They are also planning to have all museums and public buildings that are the mecca for the tourists to be open earlier, and to stay open longer.

The Office of Management and Budget have discussed this, and are willing to provide additional manpower to handle these arrangements where these problems will be coming up.

There is also an item here for some money for the Postal Service, and we have put in very detailed information in the report, and I would refer the Members to pages 21 and 22 if they are interested in this.

The necessity to put in some money over and above the budget comes from the fact that the Congress last year passed legislation which extended the time for the raising of postal rates, and for revenue foregone, and we were trying to live up to the mandate of the Congress by providing the funds that would be involved. As I say, we have that detailed in the report.

I think it is only right and proper that we do pay attention to the will of the Congress by making these funds available as they have been required.

We have another problem, and one of the waivers of a point of order in the resolution just passed has to do with the Elections Commission.

Mr. KAZEN. Mr. Chairman, will the gentleman yield before he gets by the postal section?

Mr. STEED. Yes; I will be happy to yield to the gentleman from Texas.

Mr. KAZEN. Mr. Chairman, as the gentleman well knows, we have been getting a lot of mail from home about the poor postal service. We have tried to explain to our constituents that they are an independent corporation.

Now we are beginning to get a lot of flak over the fact that the Postal Service is going to close down a bunch of rural post offices in this country, so we are getting some flak there.

Is there any way that, by the control or the oversight of the money that we appropriate in this bill, that the wishes of the Congress could be made known to the Postal Service to try to keep these little post offices open?

Mr. STEED. I know of no way in this bill. As the gentleman knows, the Congress made the Postal Service an independent corporation. They operate solely under the jurisdiction of the Postmaster General, and their Board of Directors. The only jurisdiction left open to us is that we are to pay them 10 percent of the 1970 budget, which is something over $900 million, and then we pay them the amounts the law provides in the phasing out of the revenue foregone items on second-, third-, and fourth-class mail.

We have discussed all of these things, but that is about all it amounts to.

The legislation committee can and does go into these matters. I would suggest that there is some possibility that hearings could be arranged by the Committee on Post Office and Civil Service on this specific subject.

Mr. KAZEN. I understand that that committee is beginning to have hearings on it, but I was just wondering if there is any way that the money that we appropriate to the Postal Service could be directed, as far as this committee is concerned.

Mr. STEED. We explored that possibility on this, as well as some other items, and we found that we are foreclosed by the act itself from so doing. Therefore, all we can do is try to use our good offices with them to persuade them, and that is as far as it can go.

Mr. KAZEN. I thank the gentleman.

Mr. STEED. The authorization for the Election Commission as it left the House was $5,180,000, however, since the bill has not been finalized we sought a rule waiving points of order and have provided $5 million in this bill.

The Commission has been appointed. The new Commission has been functioning. However, they are in litigation. They have a lot of problems. They have been promulgating rules and regulations. They are being published in the Federal Register as required by law, and I have been putting these in the Appendix of the RECORD from time to time—there is one in this morning's; there will be another in tomorrow's—in the hope that Members would save these publications and make a collection of them, because this will be the quickest way they have of being advised what is going on in the Election Commission.

The other body passed the bill, but substantially increased the authorization. It is in conference now, and I do not know any more than other Members do about what the conferees will agree to. But at least we are safe in the amount of money we have here, because that is the least it could be.

I think if they do anything like the work that is facing them, they are going to have to have more resources than are now available. So this is a matter in which every Member of this Congress has a personal interest, as well as all the other interest they should have.

I think that all of us are going to want to know that this Commission, now that it has this new authority, is functioning in the way that it ought to function and that our own future at the polls will not be jeopardized by the fact that the Commission fails to do its duty or lacks the resources to do its duty. So we think we are in a position to keep them going and keep them provided with what they need and to make it a functioning organization.

This matching of funds for political campaigns for candidates for President is going to pose some problems. There are a lot of new headaches in it. We think they are doing a good job. I have been pleased with the experience I have had with them on how they approached these matters. We tried to make the report completely informative.

As the Members know, we deal with about 60 different items, in this bill. We have had over 200 hours of hearings. We have tried to reduce all of these different voices as nearly as we possibly could to a consensus.

We think we have a good bill. We have cut manpower requests about in half. We strongly urge the approval of the bill. This is a part of the Government that collects all the money to pay all the bills, and since Congress seems to have a great penchant for spending money, I am sure that they want to make sure that our bill to collect money to pay the bills is not impaired. That is what we have tried to do in this bill—to make the revenue-producing parts of the Government functional and efficient.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. STEED. I yield to the gentleman from California.

Mr. ROUSSELOT. I appreciate my colleague's yielding.

Is there anything in this appropriation that has not been fully authorized by the authorizing legislation?

Mr. STEED. There are two parts that are not authorized in the final sense of the word and that is what the rule was for. In title III, which deals with the Executive Office, the House has passed legislation that would authorize this but it has not completed the legislative course yet. We have made this bill conform generally to what the House version of the bill provided. Based upon the actions of the House we have asked for a waiver of the points of order on those items. The same thing is true of the Federal Election Commission, because it is in conference and pending. But everything in the bill either is authorized or conforms with legislation that has already had the approval of the House of Representatives.

Mr. ROUSSELOT. What about the Council on Wage and Price Stability? My understanding is that expires August 15. It is in our Banking and Currency Committee. Why has the gentleman's committee appropriated for a full year?

Mr. STEED. Of course, if the agency ceases to exist the appropriation does, too. So it is one of those things, like the chicken and the egg. We have no way of reading the mind of the committee, so the budget request was made for the whole year. They would have to have funds to go to the middle of August and we provided for it in this way knowing if they do not go beyond the middle of August the money will not be spent anyway.

Mr. ROUSSELOT. But the gentleman is not alone in not being able to read the committee. Some of us on the committee cannot read it. I will say to the gentleman there is a substantial amount of controversy on just whether or not this agency should or should not be extended and I am surprised the gentleman's committee has gone ahead and apropriated for the whole thing. Why not do it for 3 months or something like that?

Mr. STEED. Since we did not have the good fortune to have the committee complete its responsibility before ours came up, we have done the best we could under the circumstances.

Mr. ROUSSELOT. Then clearly the gentleman would not object to the amendment for 3 months?

Mr. STEED. Here is the problem. If in the wisdom of the committee it does continue this Agency, that would be coming at a time when the Congress is not in session and the agency would have life but no money. This is the only way we can have the money available so if there is an extension the agency can continue to extend, and if there is no extension the money lapses. I do not know of any other way we can do it.

Mr. ROUSSELOT. That is my question. Why not just have this for 3 months or something like that.

Mr. STEED. We would have the same problem.

Mr. ROUSSELOT. No, because we would be back after the August recess and we can add it on someplace if it is really necessary, but there is a substantial amount of controversy on this.

Mr. STEED. If the action has not been completed on the Commission before we adjourn in August, then the agency dies in the middle of August and it would have to be recreated and refunded.

Mr. ROUSSELOT. I thank the gentleman for his explanation, but I do not understand why it has been done the way it has.

Mr. STEED. Under the circumstances the only way we can give assurance there would be a continuation of this Agency's activity is to do it the way we have. Then if the Congress decides to continue the Agency it can continue. If the Congress decides to continue the Agency it can continue. If the Congress does not decide to continue the Agency, then the money will not be used. We have done this sort of thing many times before without any ill-consequences.

Mr. ROUSSELOT. If the gentleman will yield further, I was very appreciative of the fact that the committee has reduced from last year the amount of the subsidizing we do of the Postal Service under the so-called revenue foregone for the public services appropriations, but I wonder if we could have some kind of indication from the committee on this. When we passed the Postal Reform Act we were told this relatively soon would be put on a self-sufficient basis. Here we are with a higher appropriation for deficit financing than we had when this "great new Postal Service" was started. How are we coming and progressing in the effort to make sure we do not have to appropriate anything for this "great new Postal Service"?

Mr. STEED. We are retreating forward. The amount goes up every year. One of the problems is that 85 percent of our budget goes for wages.

Mr. ROUSSELOT. Which leads us to the next subject. The union contract is now under negotiation and my understanding is that it will require a substantial increase in wages so that the cost of the post office could well go beyond the 85 percent on the basis of the contract that is being negotiated. Has the committee contemplated in the appropriation here the potentially additional amounts or will the committee have to be back with a supplemental to fund that "new wonderful contract"?

Mr. STEED. We have funded it on the basis of their established revenues foregone now in effect.

If a wage increase is given to the employees, the Postal Service will have to raise the postal rates.

Mr. ROUSSELOT. By how much?

Mr. STEED. There is no way of telling.

Mr. ROUSSELOT. I am sure the gentleman is not talking about the figure they mentioned to us for that first change they intend to make, which is 10 cents an hour, going up to 13 cents. We in addition to this enabling action legislated just last year, Congress passed another act.

Mr. ROUSSELOT. I recall it very well.

Mr. STEED. So that has added some of the additional money we had to provide to comply with that decision of Congress. This delays the phasing in of the full rate for second- and fourth-class mail, so we had no choice but to abide by the law.

Mr. ROUSSELOT. I will only say this to my colleague, the gentleman from Oklahoma, who I know has been concerned about the whole issue. This is just another example how we legislate to reform in the name of making this a self-sufficient organization. It has gone exactly in the opposite direction. We have now given actually under the former act, it has made it possible for union contracts to come in here for incredible increases and in many cases because contracts contain provisions when the Postal Service wants to lay off people, it cannot do that; so by continuing this deficit financing we are not solving the problem. We are making it worse and we are, in fact, contributing to the problems of the Post Office, because we constantly finance this deficit.

Mr. STEED. All I want the gentleman to remember, as far as the subcommittee is concerned, we have only done what the law requires us to do. That has nothing to do with how we feel about other matters, as the gentleman has expressed himself. I do not know what the final answer is going to be as it is.

Mr. ROUSSELOT. The only point I wish to make again, as I said before, when this measure that put this committee in this position, the so-called postal reform bill was on this floor, we were told it was a great reform package, that it was really going to improve the service of the Post Office Department throughout the country, that it was going to reduce costs. The people that use the service were going to pay for it. Exactly the opposite has happened, perhaps not the fault of the postmasters. They have tried to cooperate with the problem; but this is another example how we legislated in the dark improperly in the name of reform. I hope we remember that when we get to other reform packages, like energy, that we will have in front of this body in the not-too-distant future.

Mr. STEED. All I can say, the committee tried to put all the facts and figures in here for the benefit of the Members.

Mr. ADDABBO. Mr. Chairman, will the gentleman yield?

Mr. STEED. I yield to the gentleman from New York.

Mr. ADDABBO. Mr. Chairman, I rise in support of H.R. 8597, the Treasury, Postal Service, and General Government appropriations bill for fiscal year 1976. As a member of the Appropriations Subcommittee which worked on this important legislation, I take this opportunity to commend the chairman and my colleagues for their dedicated efforts to report a responsible measure to the full House for consideration today and I would also like to praise Mr. Connelly and our committee staff for their many hours of research and work on the bill and the accompanying House report.

The legislation under consideration provides $6.3 billion in funds for fiscal 1976 and represents a cut of $65 million from the administration request.

I have been particularly interested in the activities of the Customs Bureau which has responsibility at Kennedy International Airport in New York City. The work of the customs agents in our area has been outstanding and I have supported additional funding to hire additional manpower to help those agents whose area of responsiiblity is so broad and so important to combating crime.

Other major provisions of this legislation include funds for the protection of Presidential candidates and funding for the Federal Election Commission. In separate views filed with my colleague, Mr. ROYBAL, I have expressed my concern over the use of general appropriations to finance interagency commissions, committees, and similar groups without specific congressional approval. There have been questionable practices, particularly those including domestic intelligence gathering or surveillance which must be curtailed. If the executive branch does not satisfy our committee that these practices have changed, further congressional investigation and action will be warranted.

Mr. Chairman, I commend the chairman for his diligent efforts. It is clear that this complicated bill, as far as the Post Office is concerned, if we do not give it the requested revenue foregone, they can easily and they will be entitled under the reform legislation to just increase the rates to bring in that return.

The only way we can correct that situation is if the Congress takes back, not the supervision of the Post Office, but at least a clear monitoring of the expenses by management for each category. A great portion of the increase has not gone to the members of the Postal Service, but a great portion of the additional cost of the Post Office Department has been in the supergrade increases over which we lost control.

Mr. STEED. Mr. Chairman, I agree with the gentleman entirely, with one amendment. One other thing they can do, if they do not get the funds the law says we should provide for them, in addition to raising rates they can reduce services.

Mr. MILLER of Ohio. Mr. Chairman, I believe the chairman of the Treasury and Postal Service and General Government Subcommittee has given a very accurate description of what is in the bill.

I do not intend to use 1 hour on this side. We have not had any requests for time, but I do have a few items I would like to cover.

Primarily, the bill is one of housekeeping. We have in the scope of the bill one department, two independent agencies, the Postal Service, 10 independent commissions, a tax court, executive offices of the White House, one agency in Department of Defense and 67 line items of appropriation. To give examples of the functions found in this bill, we know we must collect revenues. We must pay and account for our obligations.

Under the Department of the Treasury we have IRS, the Internal Revenue Service. As all the Members are aware, they are collecting various taxes amounting to about $275 billion. They collect approximately 90 percent of all of the revenues of the Government. The cost of collection will be approximately $1,634,000,000.

The Bureau of Alcohol, Tobacco, and Firearms in the Department of the Treasury will spend $101,339,000, and they will collect $7,600,000,000. The Customs Service will spend $310,947,000, and they will collect $4,900,000,000. Even the Bureau of the Mint that will spend $4,441,000 collects $52 million.

We must prepare a budget, and that is where the Office of Management and Budget comes in. We must provide currency and coinage. We have the Bureau of Government Financial Operations which writes the checks for the Federal Government. Incidentally, this year they will write approximately 670 million checks. They have a budget of approximately $120 million, and 54 percent of that is for postage. Their productivity has been such that the actual cost per unit is about the same as in 1955.

The Bureau of Engraving and Printing has been cited by a Civil Service Commission, General Accounting Office, and Office of Management and Budget study as having outstanding management. Arizona State University chose it for the special study because of a reputation for productivity. This is the only Government agency so chosen.

The Bureau of the Public Debt is in this bill. Most Members are aware that we are paying at the present time approximately $32 billion interest on the national debt, but I am not sure whether Members are aware that it is costing almost $100 million per year to manage the national debt. In the bill, we have a total of $98 million just to manage the national debt.

We might put in a good word for GSA. They have realized a 21-percent savings in energy consumption due to conservation programs that they have put into effect.

The Office of Management and Budget has approximately 600 employees. They have grown about 25 percent over the past 15 years, while the budget has quadrupled.

We have a little problem—and the Members will probably hear a little more about that when we arrive at the amending process—and that is compliance in IRS which has been reduced about $5 million from the level necesary to maintain their 1975 level. IRS feels that 2.5 percent of the returns should be audited, and with the reduction of some almost $5 million they will reduce their personnel by at least 500 people. That certainly will put IRS below 2.5 percent.

When we reach section 103—and this gives the GAO the opportunity to audit IRS—I intend to make a point of order against it.

First of all, how would GAO know exactly who to audit? We have set up no congressional guidelines. Who would have the authority to tell GAO who to audit? An individual Congressman? A committee of Congress?

Mr. VANIK. Mr. Chairman, will the gentleman yield on that point?

Mr. MILLER of Ohio. I will yield to the gentleman from Ohio.

Mr. VANIK. I thank the gentleman for yielding.

I would like to say to my distinguished colleague, the gentleman from Ohio (Mr. MILLER), that we have been in discussion on that very issue in the oversight subcommittee on the Committee on Ways and Means. We have been conducting hearings on that very issue of confidentiality, the conditions and circumstances of access, and the question of what kind of rules and regulations or what kind of guidelines should be set up in the statute relating to access which will insure confidentiality.

I might say to the gentleman that we are in the process of developing these recommendations, and if the point of order is sustained, I am sure that the Committee on Ways and Means will very soon consider administrative changes in the Code which will provide, I hope, adequate safeguards and provide a method by which access can be available.

I would agree that, with proper mandates that surround access, the General Accounting Office should certainly have access, but as the gentleman points out, there are dangers in granting access and extending access without first having in place a system which will insure the confidentiality of the individual tax return.

Mr. MILLER of Ohio. I thank the gentleman for his remarks.

Mr. STOKES. Mr. Chairman, will the gentleman yield further?

Mr. MILLER of Ohio. Yes, I yield to the gentleman from Ohio.

Mr. STOKES. I thank the gentleman for yielding.

Did I understand the gentleman to say that the subcommittee on which he sits and which has this bill before the House did not conduct any hearings with reference to Section 103?

Mr. MILLER of Ohio. That is correct. And that was inserted at the request from a Government Operations Subcommittee.

Mr. STOKES. But this committee that brings the bill before the House has not conducted any hearings with reference to any possible abuses that such a section might lend itself to?

Mr. MILLER of Ohio. That is correct.

As a matter of fact, we had a bipartisan vote of 4 to 3. That was the only vote we had in the subcommittee. At the present time, GAO can audit IRS operations and they can audit IRS tax administration as an agent of the Joint Committee on Internal Revenue Taxation.

Really, the dispute is, can GAO legally audit IRS tax administration? That has never been adjudicated.

Mr. Chairman, I really am not arguing the merits because we have not had the hearings, but I believe there are some serious unanswered questions on taxpayer confidentiality that may be turned loose. I have before me a publication of IRS. I have one, as a matter of fact, entitled "Everything You Wanted To Know About Disclosure But . . ."

IRS has a complete publication conveying the message to their employees that they are not to disclose what taxpayers pay. They reinforce it in many ways. They have a block on each one of the items with a warning and they send out newsletters concerning this.

That does not mean the GAO cannot do the same thing, but it does take some time to gear this up. They do not have that capability at the present time. IRS is controlling taxpayer confidentiality, and I think it is vitally important that we make sure that if the GAO becomes involved, they, too, will have complete control over confidentiality.

Mr. MEZVINSKY. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Ohio. I yield to the gentleman from Iowa.

Mr. MEZVINSKY. Mr. Chairman, as I understand section 103, the GAO under its authorities would not disclose and would not have the authority to disclose any individual tax returns to any Member of Congress. Is that a correct interpretation?

Mr. MILLER of Ohio. Mr. Chairman, I am not sure that there would be any difference for a Member of Congress than there would for any other person. I will ask: What are the guidelines? What would the GAO use? Would they use an accounting number instead of a name, or would they use a social security number instead of a name?

Mr. MEZVINSKY. Mr. Chairman, I would just like to point out that the report specifically states that the committee does not intend such access by the Comptroller General be allowed in any manner whatsoever to compromise the confidentiality of individual tax returns. It is specifically stated.

The Comptroller General stated in a letter to the chairman of the Subcommittee on Commerce, Consumer, and Monetary Affairs which requested this language, that, specifically:

> It is our view that GAO cannot disclose to any person outside of GAO any information which would identify directly or indirectly any taxpayer on any return.

I think it is very clear under the law that if GAO employees did, they would be subject to criminal penalty.

Mr. MILLER of Ohio. Mr. Chairman, I would like to make it clear that that is just report language that the gentleman is reading.

Mr. VANIK. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Ohio. I yield to the gentleman from Ohio.

Mr. VANIK. Mr. Chairman, I would like at the outset to state that I have full confidence in the integrity and in the high purposes of the General Accounting Office. But that notwithstanding, under the law any Member of Congress can ask the General Accounting Office to look into something, and one of the things that any Member of Congress may desire is an inquiry on another citizen's tax returns. This is the point at which the General Accounting Office, notwithstanding its own high purpose and its own integrity, might be compelled under existing law to provide and comply with the request of that individual Member of Congress.

When the information is disseminated in that way, we all know it can be readily let out in a way that no one can really find traces of how the confidentiality was breached.

My problem is this: The question I raise is that notwithstanding whatever the General Accounting Office might do, it is still under an obligation to provide every Member of Congress with a response concerning any inquiry, and that particular kind of inquiry could be the content of another person's tax returns.

Mr. ADDABBO. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Ohio. I yield to the gentleman from New York.

Mr. ADDABBO. Mr. Chairman, I thank the gentleman for yielding.

As the author of the amendment and at the request of the chairman of the Subcommittee on Commerce, Consumer, and Monetary Affairs of the Committee on Government Operations, the gentleman from New York (Mr. ROSENTHAL), I sent to all the members of the subcommittee a request for this amendment.

The basis for the amendment was the appearance before the Subcommittee on Commerce, Consumer, and Monetary Affairs of the Committee on Government Operations by Deputy Comptroller Keller, who set forth that regardless of the fact that there are several sections of law which permit auditing by GAO, the Internal Revenue Service has refused to permit the General Accounting Office to conduct reviews. That is all we are speaking of, Mr. Chairman, reviews and audits of the administration of the Internal Revenue law, and this regardless of the fact that GAO has that clear authority.

This is what we in the committee sought to do by making section 103 a part of this bill.

Mr. MILLER of Ohio. Mr. Chairman, I have one other area I would like to elaborate on. That is the Federal Supply Service under the General Services Administration.

Some time ago, we had a $65 million supplemental request for the Federal Supply fund that was turned down due to a lack of justification. But I think it is important that we understand that the great bureaucracy works in strange ways.

Earlier this year, because of the recession, we had many people who delivered to the Federal Supply Service before the contract date. GSA used up the funds that they had available in the Federal Supply Service.

At the same time we had a bill on the floor that would cost the taxpayers about $6 billion to create jobs. To show how the right hand does not know what the left hand is doing, GSA, through the Federal Supply Service, was canceling contracts to private industry where they were to furnish commodities GSA had contracted for. They were canceling contracts and putting people out of work because we did not provide the $65 million supplemental. Therefore, it means that the right hand did not know what the left hand was doing.

Mr. Chairman, I am sure that as we move along, we will know more about that because there undoubtedly will be funds requested for the Federal Supply Service so that GSA will be able to live up to their contracts.

I make that point because I think it is foolish for us to spend money in attempting to create jobs while another arm of the Federal Government is turning down and canceling contracts, which means that some people are put out of work in private industry.

A budget amendment for the $65 million was sent us too late to include in this bill. If the Senate incorporates such a provision, I will be sympathetic in conference.

Mr. Chairman, I would like again to state that our chairman has been very fair. He gave every person an opportunity to speak on the bill and to find out what was necessary from the witnesses who came in. I think we had very good hearings, and we certainly owe our chairman the kind words that he deserves.

Mr. Chairman, I would hope that this bill will be passed yet this evening.

Mrs. FENWICK. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Ohio. Yes, I yield to the gentlewoman from New Jersey.

Mrs. FENWICK. I thank the gentleman for yielding.

Some of my constituents have posed a question, and I wonder whether the gentleman would be able to answer it for me.

The question is this: Under the Postal Service, as now constituted, is it still a requirement that parcel post shall pay its way and will not be subsidized as other mail is subsidized?

Mr. STEED. Mr. Chairman, if the gentlewoman from New Jersey knows, the act that created the Post Service Corporation provided for a phasing out of the Government subsidies with the idea that at some time in the future the Postal Service would become self-supporting.

In order to give them the time that they figured would be needed to reorganize and to bring the thing into balance, it is provided that for 10 years we give them 10 percent of the 1970 budget, which happened to be a little over $900 million. It also provided that there would be some 5 to 8 years for rates to be gradually increased for certain other classes of mail, and that the Congress would pay the difference between what they should have charged and what they did charge. This provision has also been extended so that there will be now, I think, altogether, a total of 13 years before the subsidies now provided in the law will expire.

The other side of the coin is that as the postal service tries to increase its rates so that its income will keep pace with the increased costs since 85 percent of their budget is for wages, the inflationary pressure that they have been under has increased as these costs have gone up rather astronomically.

They have to go first on a temporary rate increase, and then go through the regulatory commission, and then, of course, the various users of the mail have a selfish interest in connection with this, and they make those hearings very long and very drawn out. So it happens to be very cumbersome and very difficult, and slow moving, for the corporation to be able to get all this into balance at the time of the expiration of the law.

But that is what the law provides that they should do.

Mrs. FENWICK. Mr. Chairman, if the gentleman will yield further, I thank the gentleman from Oklahoma for his answer, but I am afraid I did not phrase my question correctly.

As I understand it, according to the information that my constituents have given me, at the present time, as well as heretofore, parcel post paid its way by agreement, and I am asking whether parcel post will continue to pay its way.

Mr. STEED. If the gentleman will yield further, the old law provided that parcel post could make 4 percent over its actual costs, or go not less than 4 percent under its actual costs. So that it is up to the Postal Service, they have to find the money from somewhere, the rate is up to them, we have no control over them.

Mrs. FENWICK. That is what I was getting at. Will we be subsidizing parcel post?

Mr. STEED. We do it indirectly, but the revenue is forgone, part of it, under the 10 percent we give them is one part of it, and then if they may make a profit in first-class mail, and put that in as a subsidy for the fourth-class mail. There is no way we can do anything about that.

Mrs. FENWICK. If the gentleman will yield further, my concern is, and the concern of my constituents, the working people who told me about this, they work for a private, taxpaying, profitmaking organization, an organization which operates in many parts of this country called the United Parcel Service. As I say, they operate all over the country, almost in every corner of it. Their concern is that they may lose their jobs if we begin subsidizing parcel post, which heretofore has not been subsidized, then we are putting the Government, or a subsidized agency of the Government, a semigovernmental agency, into competition with this private, taxpaying business.

Mr. STEED. That is possible, I suppose, but I would point out to the gentlewoman from New Jersey that as far as I understand the parcel post service has lost business to the private carriers, rather than the other way around, so I do not think they need worry.

Mrs. FENWICK. But heretofore it has been against the law to go more than 4 percent in either direction for the parcel post service.

Would it be possible for me at the proper time to introduce an amendment to this bill saying that none of this money may be used by the Postal Service for subsidizing parcel post, since there is in being a viable, operating, and efficient private agency?

Mr. STEED. I must say that such an amendment would be totally out of place because of all the money that we pay these people to be used at the will of the Postmaster General. We have been by law precluded from having any opportunity to dictate anything to the Postal Service except to negotiate with them on the amount of money we owe them.

Mrs. FENWICK. If the gentleman will yield further, I think we must all regret the Government itself is subsidizing competition to a private and perfectly appropriate entity.

I thank the gentleman.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Ohio. I yield to the gentleman from California.

Mr. ROUSSELOT. Would the gentlewoman from New Jersey put a limitation on the money, the way the money subsidized under this bill is used? Would the gentlewoman provide a limitation in the way the money is spent? By the way, it is interesting to note that many of the Federal agencies are now using United Parcel Service because it moves the mail.

Mrs. FENWICK. If the gentleman will yield, how would it be appropriate to put such a limitation?

Mr. ROUSSELOT. If the gentleman will yield, I am sure the Chairman will be glad to show the gentlewoman how to write it.

Mr. STEED. If the gentleman will yield, may I say we cannot put a limitation in without changing the law. It would change the law if we did that, so it would be subject to a point of order.

Mr. MILLER of Ohio. Mr. Chairman, I yield 2 minutes to the gentleman from Minnesota (Mr. FRENZEL).

Mr. FRENZEL. Mr. Chairman, I thank the gentleman for yielding.

I notice that the rule provided for a waiver for the appropriation to the Federal Elections Commission which was necessary only because the House and Senate have not been able to get together to confer on the authorization which this House had originally passed. That occurs not because the House has not been ready, but because the other body, at least the significant committee of the other body, has been otherwise engaged in an election problem with respect to the State of New Hampshire. We appreciate, therefore, what this committee has done in doing only what it had to do, that is, to get a waiver and to make an appropriation so that this bill could go forward.

We do, however, assure the Chairman, while thanking him for his efforts, that we will attempt to secure the authorization just as soon as possible. Again, we appreciate his good work in moving this forward.

Mr. Chairman, I yield back the balance of my time.

Mr. MILLER of Ohio. Mr. Chairman, I yield 2 minutes to the gentleman from Illinois (Mr. McCLORY).

Mr. McCLORY. Mr. Chairman, it had been my intention to offer an amendment to increase the appropriation of the Bureau of Alcohol, Tobacco, and Firearms by $20.5 million to enable the Bureau to hire 500 new special agents.

In his crime message of June 19, the President dealt in depth with the problem of the illicit interstate commerce of firearms which is plaguing our cities. As the President pointed out in his message, "crminals with handguns have played a key role in the rise of violent crime in America." As the President in part concluded, the Federal Government can be of assistance to State and local law enforcement efforts by improving the Federal firearms laws and their enforcement.

In that regard, the President stated in his crime message that he has ordered the Treasury Department's Bureau of Alcohol, Tobacco and Firearms, which has primary responsibility for enforcing Federal firearms laws, to double its investigative efforts in the Nation's 10 largest metropolitan areas, in order that the illicit commerce in firearms might be controlled. As the President further stated in his message, he "has directed, therefore, that the Bureau of Alcohol, Tobacco and Firearms employ and train an additional 500 agents for this priority effort." For the information of the Members of the House, the cities in which this investigative effort will be centered are: Detroit, Philadelphia, Pittsburgh, Washington, D.C., Chicago, St. Louis, New York, Boston, Dallas, Fort Worth, Los Angeles, and San Francisco.

The Bureau has informed me that experienced agents will be transferred to these cities so that this new program will be conducted in the most efficient and successful manner. The ratio will be two experienced agents to every one new agent. These agents will be directing themselves against the criminal misuse of firearms and not against law-abiding citizens or federally licensed firearms dealers.

The Bureau is now engaged in indepth planning for the assignment of the new agents and the implementation of the program. If the money is not forthcoming soon, there may be a delay of some 6 months to a year in its implementation. More effective enforcement of the Federal firearms law is long overdue. Every day of delay means that crimes committed with firearms will not be curtailed in the manner which I believe the expanded ATF personnel will permit.

I am encouraged to know that the chairman will give early consideration to this request—with a view toward including this sum in a supplemental appropriation bill—at an early date.

Accordingly, I am withholding the offering of an amendment at this time, with the expectation that the necessary funds will be included in a supplemental appropriation bill to be brought to the floor soon.

Mr. STEED. Mr. Chairman, if the gentleman will yield, I am happy to note the gentleman's interest in this. I think that for the moment we have given this agency some additional manpower, and it will be able to cope while we wait for them to send out the new budget request to set the stage for these hearings. We will be happy to advise the gentleman when we get to that point. Since we are going into this 15-month situation, I am sure that it will require a supplemental appropriation.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. MILLER of Ohio. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. VANIK. Mr. Chairman, will the gentleman yield?

Mr. McCLORY. I yield to the gentleman from Ohio.

Mr. VANIK. First, I strongly believe that the Bureau of Alcohol, Tobacco and Firearms has fallen short in investigating the sale of ammunition to possible criminals. In early 1972, for example, our colleague from New York, the Honorable JONATHAN BINGHAM, conducted a study on the use of records that gun shops are required to keep on the sale of .22-caliber ammunition that can be used in handguns. Of 90 names that were picked at random by Congressman BINGHAM's staff, the FBI found 23 who had records of arrest or conviction. Had the Treasury Department been fulfilling the congressional intent under the 1968 Cun Control Act, a simple records check would have kept this deadly ammunition out of the hands of criminal offenders.

However, Director Rex Davis of the Bureau of Alcohol, Tobacco, and Firearms, maintained in a letter to me that the Bureau does not maintain computerized records on ammunition purchases for handguns because—

> The manpower effort and expense necessary to administer a computer storage and retrieval system for ammunition would not be justified by the results that may reasonably be expected through the use of such system.

I find these remarks quite contrary to Congressman BINGHAM's findings. The 1972 study found that an astonishing 26 percent of purchasers of .22-caliber ammunition alone have criminal records, yet the Bureau maintains that this is too insignificant an amount to work harder at inspecting places that sell ammunition.

It is my hope that the Bureau of Alcohol, Tobacco, and Firearms will make a more vigorous effort to monitor the sale of ammunition as well as firearms to criminal elements.

Mr. McCLORY. I thank the gentleman. I might say the entire impact of the additional personnel would be directed toward the criminal misuse of firearms and not directed toward law abiding citizens who use firearms for their own lawful purposes. I hope we can better implement and enforce existing firearms laws with the additional personnel who would be located primarily in 10 of our cities and it would result in one new agent and two experienced agents being placed in each of these municipal areas.

I am confident it is important for this Congress to do that and I am grateful to learn that the committee will give thoughtful consideration to this request in a supplemental appropriation at an early date.

Mr. MILLER of Ohio. Mr. Chairman, I have no request for time and I reserve the balance of my time.

Mr. STEED. Mr. Chairman, I yield 5 minutes to the gentleman from Arkansas (Mr. Alexander), a member of the committee.

Mr. MAGUIRE. Mr. Chairman, will the gentleman yield?

Mr. ALEXANDER. I yield to the gentleman from New Jersey.

Mr. MAGUIRE. Mr. Chairman, 1 month ago I said on the floor of this House that "I came to Congress committed to a principle which I thought most of us in this House shared: That we should affirm and enhance * * * the important investigative and oversight functions of Congress." Today, as we consider the appropriation for the Internal Revenue Service, we have the opportunity and the obligation to act according to that principle.

Mr. Chairman, I want to say simply that the investigations of the Commerce, Consumer, and Monetary Affairs Subcommittee of the Government Operations Committee have indicated beyond any doubt that the IRS has not had adequate auditing procedures. The IRS has admitted that it has engaged repeatedly in political surveillance activities and the collection of nontax-related information which it has itself described as unjustified and improper. Its own auditing division, which completely missed Operation Leprechaun in two separate audits and participated in another operation which illegally spied on more than 900 citizens, is clearly inadequate to uncover these activities, but the IRS has refused to permit the GAO to audit. The activities of Operations Leprechaun, Sunshine, and W, and the existence of the special services staff, the White House enemies list, and the information gathering and retrieval system raise serious questions about the fairness with which IRS has dealt with taxpayers. Under these circumstances it is essential that the Congress clarify the authority of GAO to conduct audits.

Consequently our subcommittee recommended to Mr. Steed's subcommittee that the bill we are now considering reiterate the GAO's right of access to IRS records on the administration of the tax laws. According to the Budget and Accounting Act of 1921, GAO's audit purpose is to provide independent, objective evaluations of how well agencies are carrying out their responsibilities, recommend necessary improvements, and assist the Congress in carrying out its oversight responsibility. Mr. Steed's subcommittee heeded our advice and wrote in section 103 a restatement of GAO's right to access.

I urge the House to keep section 103 in this bill despite the point of order which will be raised against it. Section 103 does not legislate in an appropriations bill; it merely reiterates the right of the GAO to audit IRS administrative records, a right the Congress recognized over 50 years ago. The IRS has chosen to ignore this right. Section 103 would not violate the confidentiality of individual tax returns. As my distinguished colleague from Iowa (Mr. Mezvinsky) noted earlier, Comptroller General Staats assures us that the GAO would not provide information about individual taxpayer returns to Members of Congress and would not be concerned with the identity of individual taxpayers. Section 103 is necessary to meet the oversight responsibilities of this Congress.

I also urge this House to pass Congressman Vanik's amendment to prohibit the use of any Treasury Department funds for the development of nontax-related political surveillance files within the IRS. The IRS has wasted entirely too much of our taxpayers' money in the accumulation of information it has no constitutional or legal right collecting. Operation Leprechaun, which gathered information on the sex lives of 30 Miami public officials, cost in excess of $50,000. Operation Sunshine, in which one agent collected personal information on 913 citizens, cost of $50,000. The expensive IGR computer index system included nontax information on IRS Commissioner Donald Alexander himself. These activities may only be the tip of the iceberg. Who knows what bad tidings the next newspaper may bring? Clearly the retention of section 103 of this bill and the passage of Mr. Vanik's amendment are necessary for us to learn the full extent of IRS activities and to bring illegal and unnecessary programs to an end.

Mr. ALEXANDER. Mr. Chairman, I was very pleased to witness and hear the dialogue today on the Postal Service. Since the U.S. Postal Service was established 4 years ago it has proven itself incapable of operating with any sense of fiscal responsibility. I personally believe that the purse strings for the Postal Service should be returned to the Congress. Its revenues should go into the general Treasury and it should be required to come to the Congress each year to request and justify its operations.

When the Postal Subcommittee's postal reorganization bill reaches the House I plan to offer an amendment in the nature of a substitute which will accomplish this objective if that reorganization bill does not accomplish this objective.

The Postal Service has announced that it will solve the latest money problem, the latest money shortage by closing rural post offices, the nerve center of the countryside.

Mr. Chairman, for the past 3 years I have not voted for this appropriation, because of the failure of the Postal Service to act in a fiscally responsible manner.

I cannot in good conscience today vote for further appropriations for the U.S. Postal Service until we see some significant overhauling of that question.

Mr. STEED. Mr. Chairman, I yield 5 minutes to the gentleman from Georgia (Mr. Ginn).

Mr. GINN. Mr. Chairman, I take this time to commend the gentleman on his usual fine presentation. I would also like to congratulate the gentleman for his expeditious handling of the funding for the Consolidated Federal Law Enforcement Training Center which is included in this appropiration bill.

As I expect many of my colleagues know, the gentleman from Oklahoma played the leadership role in establishing the law enforcement center to provide top quality training for our Federal law officers. At the same time, this improved training will be conducted at a greatly reduced cost to the Federal Government because of the consolidation of facilities now scattered around the Nation.

We will have a better training program at a lower cost. That reflects great credit on the gentleman from Oklahoma, his subcommittee and the entire House. I personally want the chairman to know just how much I appreciate his able leadership.

Mr. Chairman, as we know, both the House and Senate Committees on Public Works have concurred in this great work for a consolidated center by authorizing the location of the consolidated center at the former Glynco Naval Air Station. In this regard, I would like to quote part of the testimony of the Department of the Treasury at the hearings of the House Public Works Committee:

> The Glynco Naval Air Station would be adapted to accommodate all basic training and some Advanced, In-service, Refresher and Specialized Training—which we refer to as AIRS—provided by the Consolidated Federal Law Enforcement Training Center. The existing facilities at Beltsville would be retained by the Center to conduct certain other AIRS training as well as firearms requalification training for Washington based personnel and field personnel temporarily on duty in Washington.

In conjunction with that, Mr. Chairman, I would like to ask if it is not the understanding of the gentleman as well as that of the subcommittee, that all Federal agencies, with the exception of the FBI, participate fully in the Consolidated Federal Law Enforcement Training Center at Glynco?

Mr. STEED. Mr. Chairman, I believe that is the whole understanding.

Mr. GINN. Mr. Chairman, is it correct that the U.S. Postal Service would also realize a real cost savings by participating in the center, and that it is the position of the gentleman that the Postal Service should also take part in the consolidation of its law enforcement training at Glynco to the greatest extent possible?

Mr. STEED. Mr. Chairman, yes. I think this activity for the Postal Service to use this facility is a matter not only of contingency and economics and while they are not under our jurisdiction to require this, I think the facts of the matter are to persuade them to do it.

Mr. GINN. Mr. Chairman, I have a couple more questions, with the gentleman's understanding.

I understand that a portion of Secret Service training involves the use of a cavalcade training facility and some other specialized facilities already constructed in the Washington area. Is it not correct, however, that the Secret Service basic training and follow-on advanced training not requiring these specialized facilities will be conducted at the Consolidated Center at Glynco?

Mr. STEED. Mr. Chairman, that is our understanding and I am sure that is how they will be operated. This cavalcade is a special thing and only a part of the special training the field agents have to get.

As we know, in addition to the protective services the Secret Service does, about two-thirds of their work is in counterfeiting and forgery and that is where the work at Glynco would be done.

Mr. GINN. Mr. Chairman, I have one further question.

It is my understanding that some of the participating agencies in the center have a requirement for short advanced training programs of 5 days duration or less as well as such things as firearms requalification for personnel in the Washington area. Is it not correct that facilities for this type of training will continue to be made available on a first-come, first-served basis, and that no agency need be reluctant to participate in the consolidated center out of any fear that these facilities will not be available?

Mr. STEED. Mr. Chairman, I thank the gentleman for his earlier kind remarks. I would like to say that it has been my serious concern for several years that the U.S. Secret Service should have an adequate facility in which to train to provide for the protection of the President of the United States. I want to do everything in my power to make sure that this country never again experiences the trauma of a Presidential assassination. This was the reason that the committee which I chair provided funds to construct a Secret Service training facility. As the center developed, it became evident that other agencies had a need for training and that a consolidated training facility would best serve the needs of all law enforcement agencies. Congress appropriated funds to start construction of such a facility at Beltsville, Md. It is my understanding that most of the construction which has been completed at Beltsville, however, is of the specialized type required by Secret Service for protective training.

Earlier this year, the Senate and House Public Works Committees approved a change in the prospectus for the consolidated training center which would permit the utilization of the Glynco Naval Air Station at Brunswick, Ga., which had been declared excess by the Navy, for the consolidated training center. My committee fully endorses that proposal for such training as can be provided by a consolidated center. However, since the Beltsville facility is already constructed and will be retained, my committee strongly feels that it should be utilized almost exclusively for the specialized training needs of the Secret Service. The Secret Service should, of course, make available the firing ranges for use by law enforcement agencies in the Washington Metropolitan area for general arms requalification to the extent that it does not jeopardize essential Secret Service training.

In addition, it is my understanding that the Treasury Department will retain certain classroom space presently located in downtown Washington which will be made available to other agencies for training purposes.

In connection with U.S. Postal Service participation in the Glynco training center, I certainly would like to see them use that facility also, but I recognize that they must make their own decision in this regard. I think that any agency requiring this type of training would be missing a bet not to take advantage of such a consolidated training center.

I appreciate the gentleman's interest in this very important project.

Mr. GINN. Mr. Chairman, I thank the gentleman for answering my questions.

Mr. STEED. Mr. Chairman, I have no further requests for time.

Mr. MILLER of Ohio. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. There being no further requests for time, the Clerk will read.

The Clerk read as follows:

ACCOUNTS, COLLECTION AND TAXPAYER SERVICE

For necessary expenses of the Internal Revenue Service for processing tax returns, revenue accounting, providing assistance to taxpayers, securing unfiled tax returns, and collecting unpaid taxes; hire of passenger motor vehicles; and services of expert witnesses at such rates as may be determined by the Commissioner; including not to exceed $10,000,000 for employees on temporary appointments and not to exceed $183,000 for salaries of personnel engaged in preemployment training of data transcriber applicants; $765,000,000.

AMENDMENT OFFERED BY MR. VANIK

Mr. VANIK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. VANIK: On page 6, line 15, strike out "$765,000,000." and insert "$767,000,000."

Mr. VANIK. Mr. Chairman, the amendment I am offering would provide an additional $2 million for accounts, collection, and taxpayers service. It is my intent that this extra $2 million be made available to the taxpayer service program.

The Taxpayer Service Division is the unit which helps taxpayers, either personally or by telephone, resolve tax questions and even in some cases, fill out tax returns. The Division is badly understaffed. If you were to call the Taxpayer Assistance number for the District of Columbia right now, you would likely be placed on hold and kept waiting for 5 or 10 minutes or even longer. This tremendous pressure of calls and inquiries prevents the Division from providing more training to its employees. The result is that as many as 25 percent of the answers provided to the taxpayers are incorrect. It has been estimated that to adequately serve the American public, an additional 350 to 400 man-years of personnel are needed.

The amendment I am proposing will help provide additional staff and better quality staff.

Our tax system is one of self-assessment. In general, it is an amazing success—the envy of every other nation in the world. The least we can do is help the taxpayer in completing his filings and answering his questions. This amendment can help increase the citizen's support of his tax system.

I hope that the chairman, the distinguished gentleman from Oklahoma, and my colleague from Ohio and the committee can accept this amendment.

Mr. STEED. Mr. Chairman, I rise in opposition to the amendment.

I would like to have the attention of the author of the amendment.

I am not opposing this amendment on the merits. Here is the situation we are faced with: We are advised that the other body not only wants to restore this money, but some other items, too. And since we are going to have this matter under consideration when we go to conference, I would hope that the House would leave our figure as it is now.

I think I can assure the gentleman that the final version would be even more satisfactory than the amendment here. But since it does involve other matters besides the one the gentleman is interested in, I would like to have them all available so that we can work it out with the other body when we go to conference. I am fairly sure the other body has made a substantial increase in this amount, because it involves two or three other things besides what the gentleman has mentioned.

Mr. PICKLE. Mr. Chairman, will the gentleman yield?

Mr. STEED. I yield to the gentleman.

Mr. PICKLE. I am pleased the chairman of the subcommittee said he did not oppose it on the merits. During the hearings the subcommittee held on this matter, we have found, in many instances over the country, particularly here in this area, calls have been made in to the Internal Revenue Service, asking for information and advice, and quite often the line was busy, or when they did get an individual that would answer and begin to talk to them, then they had 30 or 40 or 50 calls holding at one time. Obviously this is a proper measure that could help in this area, whether we do it in this House or in the other body, or together.

Mr. STEED. I might say to the gentleman that this subcommittee has tried over the years to improve the tax service. It is not a matter of us opposing it, but since we do have some other involvements and since there may be a larger amount of money involved, I would urge the House to leave it where we are, and when we bring it back I assure the gentleman that he will be more than satisfied.

Mr. VANIK. Mr. Chairman, will the gentleman yield?

Mr. STEED. I yield to the gentleman from Ohio.

Mr. VANIK. I thank the gentleman for yielding.

On the basis of what the gentleman tells the committee, I ask unanimous consent to withdraw my amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

Mr. SEIBERLING. Mr. Chairman, reserving the right to object, I would like to say that I am gratified about what the distinguished chairman has said about this particular amendment and his intentions with respect to this money.

I would also like to say for the record that, the same sort of situation exists with respect to the Social Security Administration. In my particular community, because of vacations and other absences of employees in the social security office, at one point recently there were eight telephones in the office to handle social security recipients' problems and only two people available to handle the calls. So we had a situation where older people whose social security checks were delayed, or who needed help in some other way, were put on "hold" for as much as 30 or 40 minutes. Finally, in disgust, some would hang up and call the Congressman's office. Then we would try to make the contact for the constituent.

So I hope that the Committee on Appropriations would review this problem generally. I would emphasize that I am not implying any fault on the part of the local social security office. I suspect that part of the problem is that, even though we appropriate sufficient money, the Administration does not hire the people. Maybe there is no sure way to solve that kind of problem. But at least appropriating the necessary funds ought to provide a clear mandate to the Administration to hire a sufficient staff to provide adequate service to the public in these critical areas.

Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 103. None of the funds available under this Act shall be available for administrative expenses in connection with denying access by the Comptroller General or his designated representative to any books, documents, papers, records and individual tax returns in the custody or under the control of the Internal Revenue Service which are required in connection with the discharge of the responsibilities of the Comptroller General under the Budget and Accounting Act of 1921, as amended, and the Accounting and Audit Act of 1950, as amended: *Provided*, That such audits shall not affect the finality of findings of fact or decisions of the Secretary or his delegate under 26 U.S.C. 6406.

POINT OF ORDER

Mr. MILLER of Ohio. Mr. Chairman, I rise to make a point of order to section 103, on page 8, lines 8 through 19, as legislation on an appropriation bill.

Mr. Chairman, may I be heard on the point of order?

The CHAIRMAN. The Chair will be glad to hear the gentleman.

Mr. MILLER of Ohio. Mr. Chairman, the section reads: "None of the funds available under this Act shall be available for administrative expenses in connection with denying access by the Comptroller General * * *."

Effectively it states that the Commissioner of Internal Revenue cannot deny tax returns to the Comptroller General, which is the same proposition as that the Commissioner must grant the Comptroller General access to tax returns. Coupling a denial of an appropriation with a negative restriction on official duties, constitutes, by reason of the use of a double negative, an affirmative direction and is not in order.

Mr. Chairman, I ask that the point of order be sustained.

Mr. ADDABBO. Mr. Chairman, may I be heard on the point of order?

The CHAIRMAN. The Chair will hear the gentleman.

Mr. ADDABBO. Mr. Chairman, I rise in opposition to the point of order which seeks to strike section 103 from H.R. 8597. Section 103 prohibits the expenditure of appropriated funds by the Department of Treasury—

> * * * for administrative expenses in connection with denying access by the Comptroller General of the United States to any books, documents, papers, records, and individual tax returns in the custody of or under the control of the Internal Revenue Service * * * in connection with the discharge of the responsibilities of the Comptroller General * * *

The effect of section 103 is to prevent the IRS from denying or resisting the authority of the General Accounting Office under present law to conduct full management audits of IRS operations. Section 103 does specifically exclude GAO from intervening in any way in opinions or decisions of the IRS regarding the tax liability of any taxpayer.

Mr. Chairman, section 103 clearly does not violate clause 2 of House Rule XXI, which contains a prohibition against legislating in general appropriation bills. The precedents state clearly that only language in an appropriation bill which changes existing law or imposes duties not presently authorized by law, is legislation and thereby not in order.

Mr. Chairman, section 103 does not change existing law in any way and does not impose duties not presently authorized by law. Section 103 merely reaffirms the existing right of the General Accounting Office, under the Budget and Accounting Act of 1921, the Budget and Accounting Procedures Act of 1950, and the Legislative Reorganization Acts of 1946 and 1970, to conduct independent reviews and management audits of the operations of the Internal Revenue Service.

GAO's authority to audit IRS is clearly set forth in no less than four laws. For example section 213(a) of the Budget and Accounting Act of 1921 provides that the Comptroller General shall investigate all matters relating to the proposed disbursement and application of public funds and that he shall make recommendations to the Congress looking to greater economy or efficiency in public expenditures. Section 117(a) of the Budget and Accounting Procedures Act of 1950 reaffirms this authority by providing that—

> * * * except as otherwise specifically provided by law, the financial transactions of each executive agency shall be audited by the General Accounting Office in accordance with such principles and procedures and under such rules and regulations as may be prescribed by the Comptroller General of the United States.

Other previously mentioned statutes clearly buttress the GAO's authority to conduct management audits of IRS operations. The only specific exception to this right is a narrow one contained in 26 U.S.C. 6406—which makes the findings of fact and decisions on claims under revenue laws exempt from GAO review. This narrow exclusion is reflected in section 103 of H.R. 8597 which exempts from GAO access, "the finality of findings of fact or decision" or the IRS regarding the tax liability of any taxpayer.

Mr. Chairman, the Congress on many occasions and through many statutes has provided the Comptroller General of the United States with broad and ample authority to conduct management audits of the Internal Revenue Service. The IRS has been able to resist this authority in violation of the clearly stated purpose of the laws and to the detriment of the American people because GAO does not have standing to enforce its right in a court of law.

Section 103 of H.R. 8597 is merely a restatement and a reaffirmation by Congress of the existing authority and right of the GAO. Section 103 does not change existing law; it does not impose additional duties or responsibilities on anyone. Accordingly, it does not violate the general rule against legislation in appropriation bills and I respectfully urge that the point of order be overruled.

I would like to include at this point into the RECORD a General Accounting Office summary of legal positions on access to Internal Revenue Service records and the statement of the Deputy Comptroller General before the Commerce, Consumer and Monetary Affairs Subcommittee on this subject.

Mr. STOKES. Mr. Chairman, may I be heard on the point of order?

The CHAIRMAN. The Chair recognizes the gentleman from Ohio (Mr. STOKES) on the point of order.

Mr. STOKES. Mr. Chairman, I rise in support of the gentleman's point of order against this section, and I make a specific point of order against the entire section 103.

Mr. Chairman, this section of the bill was enacted as a result of an amendment sponsored by the gentleman from New York (Mr. ADDABBO) at the subcommittee markup. The gentleman from New York (Mr. ADDABBO) sponsored the amendment at the request of the chairman of the subcommittee of the Committee on Government Operations, the gentleman from New York (Mr. ROSENTHAL). The committee chaired by the gentleman from New York (Mr. ROSENTHAL) requested the Treasury, Post Office, and General Government Subcommittee to adopt this amendment as a result of oversight hearings held by the Subcommittee on Government Operations.

The Treasury, Post Office, and General Government Subcommittee, which brings this legislation to the floor, did not conduct any hearings on this matter. This amendment is an attempt by the Committee on Government Operations to resolve a jurisdictional dispute between the Internal Revenue Service and the General Accounting Office. The jurisdictional dispute, that is, the refusal of Internal Revenue Service records, has been the subject of discussion and correspondence between GAO and IRS for a number of years. This was the basis for the oversight hearings by the Government Operations Subcommittee. In fact, this dispute has been going on since the time of the enactment by Congress of sections 312(a) and 313 of the Budget and Accounting Act of 1921, as amended.

In proposing the language of section 103 to the Appropriations Subcommittee handling this bill, the Government Operations Subcommittee said in their letter:

> We believe that the issue can be resolved by a clear restatement of intent by the Congress that the Commissioner of Internal Revenue shall make any documents or records on IRS Administration of the tax laws available to GAO in accordance with sections 312(a) and 313 of the Budget and Accounting Act of 1921, as amended. A prompt and effective means of accomplishing this objective would be through the addition of the following suggested language to the IRS section of the Treasury, Postal Service and General Government appropriations bill for fiscal year 1976.

Mr. Chairman, I submit that it would be appropriate for the Government Operations Subcommittee to propose legislation to the Congress which would amend the Budget and Accounting Act of 1921 in accordance with their views. However, to attempt to accomplish this by adding language to an appropriations bill is legislating on an appropriations bill and is impermissible.

Additionally, Mr. Chairman, the language of section 103 makes funds available and at the same time makes funds not available in connection with denying access by the Comptroller General. I submit that such an ambiguity is meaningless. What does it mean to not get administrative expenses in connection with denying access?

Such is the result of permitting legislation on an appropriation bill.

Further, Mr. Chairman, the following language is definitely legislation on an appropriation bill, and would vitiate this entire section:

> *Provided*, That such audits shall not affect the finality of findings of fact or decisions of the Secretary or his delegate under 26 U.S.C. 6406.

In support of the above propositions, I cite section 1, 2, Deschler's Procedure citing 105 Congressional Record 12125, 86th Congress, 1st session, June 29, 1959 (H.R. 7978) which states:

> Language in an appropriation bill changing existing law is legislation and not in order.

I also cite section 1.11 of Deschler's Procedure which states that when part of a paragraph is subject to be stricken on a point of order as being legislation, the entire paragraph is also subject to a point of order. 106 Congressional Record, 10032, 86th Congress, 2d session, May 11, 1960 (H.R. 12117); 107 Congressional Record 19726, 87th Congress, 1st session, September 15, 1961 (H.R. 9169).

Finally, Mr. Chairman, I cite section 19.2 of Deschler's Procedure which states:

> Language in a general appropriation bill providing that none of the funds therein should be used unless certain procurement contracts were awarded on a formally advertised basis to the lowest responsible bidder was held to be legislation and not in order. 107 Congressional Record, 11502, 87th Congress, 1st session, June 28, 1961 (H.R. 7851).

Further, Mr. Chairman, I cite the opinion of the Attorney General in 34-OAG (1924) pages 311–319, which Attorney General's opinion was written at that time by a gentleman by the name of Harlan Stone, which held that the Comptroller General's office did not have authority under then existing law.

Since then there have been two Chief Counsel opinions concurred in by the General Counsel of the Treasury, September 5, 1967, and another on May 30, 1972, which held that they do not have this authority under present law except through the Joint Committee on Internal Revenue Taxation.

I submit to you, Mr. Chairman, that this is legislation on an appropriation bill, and the entire section should be stricken.

Mr. MEZVINSKY. Mr. Chairman, I would like to be heard on the point of order.

The CHAIRMAN. The gentleman will state his opinion on the point of order.

Mr. MEZVINSKY. Mr. Chairman, I rise in opposition to the point of order.

Mr. Chairman, the point has been made that this is a new piece of legislation, and does not belong in an appropriation bill. The gentleman from New York, I think, pointed out very clearly that all it does is simply reaffirm the right of the General Accounting Office specifically to look at the Internal Revenue Service. That is the role that it has as it oversees Federal expenditures and there is no reason why it should not have that right here. That is all our committee has done. The committee has specifically inserted a general provision, and this is on page 17 of the committee report, a general provision in the accompanying bill to permit access by the Comptroller General to books, documents, records, and tax returns in the custody or under the control of IRS.

It is basically reaffirming the right that was established as far back as 1920. It is not a new right. It reaffirms that right. That right has been restricted by the IRS in regard to the actions by the GAO and, as a result of this restriction, the committee rightly acted in saying that the GAO should have this access, and should have the right and the power to review the Internal Revenue Service. That is basically all section 103 is doing.

Let me say this, that as a Member who has looked at the Internal Revenue Service, as one who has served on the Committee on Government Operations that brought it to the attention of the Appropriations Subcommittee, it is critical, it is vital that that agency of government be subject to the same oversight that every other agency is subject to. For that reason, Mr. Chairman, I oppose the point of order.

Mr. PICKLE. Mr. Chairman, I wish to speak on the point of order.

The CHAIRMAN. The gentleman from Texas (Mr. Pickle) is recognized.

Mr. PICKLE. Mr. Chairman, I, too, agree that this is legislation on an appropriation bill. It would seem to me the argument is made that it is a double negative. It is actually changing the law, and certainly the last part of the bill does require an exercise in discretion. I would, therefore, think that the point of order does lie against it.

But aside from that fact—and I know the Chairman in his wisdom will rule on it and is apparently ready—I would want to point out one or two other things that I think perhaps have been overlooked at this stage. First, the Oversight Committee of the Ways and Means Subcommittee on matters overlooking the Internal Revenue Service is presently holding hearings trying to make a determination now about the confidentiality of returns as well as the requirement needed on the publication of letters of the various rulings of the IRS.

These hearings are already under way, and we have already had two sessions, and others are scheduled.

Second, during the hearings, not only in talking to the Internal Revenue people and the GAO office, we are also talking to Members who have introduced legislation on this very subject. There are three bills pending now, one by our colleague, the gentleman from Missouri (Mr. Litton) and Senator Weicker, and those are H.R. 606 and S. 199. They do establish the very stringent rules of confidentiality and the protection thereof. That bill does not have any provision that would allow for GAO access, but there is a bill by Senator Bentsen, S. 442, which does grant GAO access to audit and the right to oversee IRS activities in areas of political influence and tax return confidentialty. And there is another bill by Senator Montoya, S. 1511, which does grant GAO access in areas of return confidentiality.

Mr. Chairman, the committee does not oppose per se the right of the GAO to have access to these returns, and I would want to assure the gentleman from New York (Mr. Addabbo) that we are not trying to knock out or join in a measure that would eliminate the provision. We do not feel that GAO should have proper access. We have established in the hearings thus far that very properly GAO may be the agency, or certainly one of the agencies, that would have access to these returns, but at the present time primarily that is ruled on by the Joint Revenue Committee.

I do not think they have been as vigilant in that field as perhaps they should have. They have been more concerned about policy matters than they have in the oversight aspect. But we do not wish to keep GAO from having access. What we are trying to establish in the subcommittee is an overall recommendation for this body to consider. We do not want the House to act on a piecemeal basis, in a single-shooting this one particular right without establishing guidelines, and clear restrictions.

We must have that right I think. I join the gentleman from New York on that, but I do not think it ought to be done until we can establish clear guidelines as recommended by the subcommittee, the gentleman from Ohio (Mr. VANIK), and the full Committee on Ways and Means. For that reason I join in the feeling that this is legislation on an appropriate bill and that it ought to be eliminated. But we want the House to know that we are considering this confidentially. We will come to the Members with specific recommendations in short order and we, therefore, would like the Members not to single out this single approach, as stated in section 103, but give us a chance to come up with something that we can all properly live with. The Ways and Means Committee will bring such a measure to you soon.

The CHAIRMAN. The Chair is prepared to rule. The gentleman from Ohio (Mr. MILLER) makes a point of order against section 103 on the basis that it is legislation on an appropriation bill. The Chair has listened as attentively as possible to the arguments made both pro and con in connection with this matter. The Chair will say in fairness to the gentleman from New York that he is impressed with some of the arguments the gentleman makes as well as those made by the gentleman from Iowa. However, the Chair in examining the language of section 103 is particularly impressed with the statement by the gentleman from Ohio (Mr. STOKES) and his emphasis upon the proviso which in the opinion of the Chair, from a simple reading of it—

> *Provided*, That such audits shall not affect the finality of findings of fact or decisions of the Secretary or his delegate under 26 U.S.C. 6406.

—is obviously and clearly legislation and therefore the Chair sustains the point of order against section 103.

The Clerk will read.

The Clerk read as follows:

> SEC. 104. None of the funds available under this Act shall be available for administrative expenses incurred in connection with—
>
> (1) denying or terminating any organization's status as a tax-exempt organization for Federal income tax purposes, or
>
> (2) denying the deductibility for Federal income tax purposes of any contribution to any organization,
>
> on the basis that such organization has failed to demonstrate that it has adopted, operated in accordance with, or publicized a policy of racial nondiscrimination: *Provided*, That this limitation shall not apply to administrative expenses incurred in denying or terminating such tax status or deductibility with respect to organizations which any court or appropriate regulatory agency has found to be guilty of such discrimination.

AMENDMENT OFFERED BY MR. ROYBAL

Mr. ROYBAL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. ROYBAL: On page 8, strike out lines 20 through 25 and on page 9, strike out lines 1 through 10.

Mr. ROYBAL. Mr. Chairman, section 104 should in my opinion be a subject matter to be discussed and recommended by the legislative committee and not the Committee on Appropriations, but as long as the matter is here, my amendment would delete section 104 which prohibits the Internal Revenue Service from denying tax exempt status to any organization practicing racial discrimination without prior court or regulatory action. Further, section 104 would bar the Service from challenging the tax deductibility of any organization which has failed to adopt, operate or publicize a policy of nondiscrimination. It is opposed by both the Internal Revenue Service and the U.S. Commission on Civil Rights as raising grave constitutional issues, and in possible violation of the due process clause of the fifth amendment and the protections of title VI of the Civil Rights Act.

According to Internal Revenue "section 104 would legitimize racial discrimination in private schools by denying funds to the Service to enforce the public policy against such discrimination."

The U.S. Commission on Civil Rights concludes that passage of the Treasury Appropriations bill with the section 104 language, "would prevent the Internal Revenue Service from meeting its Constitutional and statutory responsibility to insure tax exemptions, a form of Federal assistance, are not used to subsidize racial segregation in the Nation's private schools."

The IRS memorandum points to three constitutional objections against section 104 under the due process clause of the fifth amendment.

First of all, the language may be defective, for it would place the Government in the untenable position of sanctioning discrimination in violation of the fifth amendment. IRS states:

> By forbidding the Service from enforcing its ruling position that would deny exemptions and deductions to private schools that practice racial discrimination, section 104 would represent affirmative Federal action designed to make private discriminations legally possible; would change the present situation where discrimination is prohibited to one in which it would be encouraged; and would make the Federal Government 'at least a partner' in the discrimination which would otherwise have been forbidden.

Second, section 104 may be constitutionally objectionable, because it would create a legislative classification based on race without establishing "some compelling or overriding governmental interest."

Not only would it prevent the IRS from carrying out Federal policy on nondiscrimination but would create a dual system of tax treatment. It would prevent initial IRS action against "classes of organizations that practice racial discrimination in violation of public policy," while leaving intact procedures against those violating such policy on other grounds.

Third, section 104 "interferes with the lawful order of a Federal court."

The U.S. Supreme Court ruled in affirming the case of Green versus Connally that—

> The Internal Revenue Code requires a denial of tax exempt status and deductibility of contributions to private schools practicing racial discrimination.

By the terms of its order, the court enjoined IRS from granting tax exemptions to these schools unless they had adopted and publicized a policy of nondiscrimination and had provided IRS with data on which it could determine compliance. The Service would risk contempt of court were it to stop enforcement activity as required under the Green injunction in order to satisfy the section 104 prohibition.

The court pointed out that while the facts of the case, and its ruling, involved only Mississippi private schools, "The underlying principle is broader, and is applicable to schools outside Mississippi with the same or similar badge of doubt." Consistent with that judicial principle, the Service has incorporated the data or recordkeeping requirements of Green—for example, racial composition of the school, recipients of scholarships and loans, listing of incorporators, board members and donors—into its revenue procedure of February 18, 1975.

In addition, in *McGlotten* v. *Connally* (1972), a Federal court held that "assistance provided through the tax system is within the scope of title VI of the 1964 Civil Rights Act." Under that title, IRS has the authority and obligation to issue regulations barring racial discrimination among tax exempt organizations.

Approximately 17,000 private schools have received tax exempt status under Internal Revenue Service Code Section 501(c)(3), which authorizes exemptions for nonprofit organizations operated exclusively for religious, charitable or educational purposes.

As both the IRS and Civil Rights Commission have pointed out, this exemption provides a substantial financial advantage to these schools, including income tax exemptions; eligibility to receive grants from foundations and other exempt organizations; deductibility of contributions; various Federal employment and excise tax exemptions; reduced mailing rates; and miscellaneous benefits of a State or local nature, such as the local property tax exemption, which stem from the Federal exemption.

The Civil Rights Commission emphasizes that while IRS should coordinate with HEW, nevertheless the Service has its own authority and resources in the civil rights area. For instance, with regard to private elementary and secondary education, HEW's authority is limited; it is restricted to those private schools which obtain surplus Federal property or receive property from public schools which are recipients of emergency school aid funds. In contrast, IRS has the responsibility to collect data and determine the compliance status of all private schools receiving tax exemptions.

It is clearly the responsibility of IRS to maintain a nondiscriminatory tax system—one that will not become an instrument of unequal and segregated education. It is for this reason that I oppose section 104 as contrary to the goals and commitments expressed in our civil rights laws.

Mr. STEED. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, my situation is simply this, that what we are trying to do here is make sure that the Internal Revenue Service did not get into another field that we do not think they need to be in. They are always putting on pressure for more manpower and diverting manpower from these operations would seem to be unwise to us. All we are doing here is making the proviso that they use existing facilities for this type of situation, instead of using their own manpower to go out and make these determinations.

I think those who are worried about this in the bill ought to stop and think just a minute. It is possible that having this out of the bill will permit the IRS to go into this field on their own. It could be a device to evade the Civil Rights Commission or the Equal Opportunities Commission, requirements that they might provide. So it could be this is a self-defeating move if it succeeds.

I have no strong feeling about it one way or another, except we have this pressure on us to provide manpower for the Internal Revenue Service. All we are trying to do is keep them in the tax collecting business, instead of another business. I thought for that reason it was useful to have it in the bill.

I would like to say this, that in the event the wisdom of the House is to take this out of the bill, I hope the people downtown at the Internal Revenue Service do not take this action as a signal to start using manpower in this field, because I still think that the subcommittee will take subsequent action on that, so it is of no major concern to me. I do not think it does any harm. I think it serves a useful purpose, but if the will of the House is to take it out, we can accept it.

Mr. EDWARDS of California. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I support the amendment by my distinguished colleague from California (Mr. ROYBAL) to strike section 104 of the Treasury Department Appropriations Act, 1976, because this section would effectively prevent the Internal Revenue Service from meeting its ultimate governmental responsibility in the area of civil rights. Section 104 would prohibit the Internal Revenue Service—IRS—from enforcing its well-established, published ruling position that denies tax-exempt status to organizations providing recreational facilities and private schools on a racially discriminatory basis.

This section proscribes the use of any funds by IRS to deny tax-exempt status on the basis of racial discrimination without court action. It also prohibits IRS to challenge the deductibility of any organization on the basis that such organization has failed to demonstrate that it has adopted, operated in accordance with, or publicized a policy of racial nondiscrimination without prior court action.

I believe that there are serious objections to section 104, some of them of constitutional magnitude. My position is supported by the U.S. Commission on Civil Rights who indicated in a letter of July 15, 1975, that:

> Passage of the "Treasury Department Appropriations Act, 1976" in its present form would prevent the Internal Revenue Service from meeting its constitutional and statutory responsibility to insure that tax exemptions, a form of Federal financial assistance, are not used to subsidize racial segregation in the Nation's private schools.

Further, the Internal Revenue Service, in a memorandum of July 11, 1975, expressed strong opposition to Section 104:

> The most fundamental objection is that section 104 attempts indirectly to accomplish a result that would contradict well-established and clearly articulated Congressional policy to the contrary. Rather than attempt to amend the Internal Revenue Code to accomplish the desired result, section 104 would legitimize racial discrimination in private schools by denying funds to the Service to enforce such discrimination. Because of this fundamental inconsistency, we believe that section 104 is unconstitutional in that it would violate the Due Process clause of the Fifth Amendment.

The Constitutional standards and statutory requirements pertaining to racial discrimination in education are clear and unequivocal. The 14th amendment forbids State support of segregated schools, and the fifth amendment operationally extends this prohibition to Federal action. Moreover, title VI of the Civil Rights Act of 1964 prohibits racial discrimination in any program or activity receiving Federal financial assistance and imposes upon the agency granting the aid the obligation to insure nondiscrimination in the assisted program of activity.

Recognizing the benefits that result from tax-exempt status, the U.S. Supreme Court has ruled that tax exemptions are a form of governmental financial assistance. *Evans versus Newton*, 382 U.S. 296 (1965); *Griffin versus County School Board of Prince Edward County*, 377 U.S. 218 (1964). Because tax exemptions constitute governmental financial assistance, they must necessarily be granted in strict accordance with Constitutional standards and applicable statutory requirements.

Section 104 would deprive IRS of the resources needed to collect data, not presently available in the Federal Government. This data would permit IRS to implement an effective review process which is needed to determine the compliance status of all private schools. Such a determination is the only means by which the Internal Revenue Service can fulfill its Constitutional and statutory responsibility to deny tax exemptions to private schools which practice racial discrimination—a responsibility that no other agency can carry out.

While the IRS does, indeed, bear the primary responsibility for Federal tax collection, the ultimate responsibility for all executive departments and agencies is to uphold the Constitution and laws of the Nation. Because section 104 of the Treasury Department Appropriations Act, 1976 would effectively prevent IRS from meeting its ultimate governmental responsibility in the area of civil rights, I urge the adoption of Mr. ROYBAL's amendment.

Mr. ARMSTRONG. Mr. Chairman, I move to strike the last word, and I rise in opposition to the amendment.

Mr. Chairman, I am dismayed by the flavor of the discussion in the last few minutes which portrays the issue as an up or down vote on whether we favor discrimination in the Nation's private colleges and universities. That is not the issue addressed in this amendment to any degree whatsoever. This issue is whether or not the right agency to enforce the national policy for equal opportunity in enrollment and employment is the IRS.

It is the position of the committee, as reflected in the bill, that other agencies, including the EEOC, HEW and others already clearly have that responsibility, and are exercising it. For the IRS to begin regulating in this field in which they have, first, no competence; and second, which is already well supervised, is simply to impose an unnecessary recordkeeping requirement, an unnecessary burden, on private colleges and universities and other charitable institutions affected. I urge defeat of the amendment.

Mrs. BURKE of California. Mr. Chairman, I move to strike the last word.

Mr. Chairman, section 104 constitutes a serious attempt to undermine policies prohibiting racial discrimination. It provides that none of the funds available in the bill shall be used to defray administrative expenses in denying or terminating the tax-exempt status of, or denying the deductibility of contributions to institutions organized or operated in a racially discriminatory manner. The provision sets forth an exception in cases of organizations found to be guilty of such discrimination by any court or appropriate regulatory authority.

In other words, section 104 would prevent IRS from enforcing its rulings and regulations denying tax-exempt status to organizations, such as private colleges and universities, which racially discriminate. This is clearly contrary to well-established congressional policy. Rather than attempting to further the cause of racial nondiscrimination, the provision completely reverses IRS policy in this matter. As such, I believe that the provision violates the due process clause of the fifth amendment.

Furthermore, even though the operation of private schools on a discriminatory basis is not prohibited by Federal statutory law, a significant State or Federal involvement in private racial discrimination can amount to unconstitutional government action. *Burton* v. *Wilmington Parking Authority*, 365 U.S. 715 (1961) (State action violates equal protection clause of 14th amendment); *Public Utilities Commission* v. *Pollak*, 343 U.S. 451 (1952) (Federal action violates due process clause of fifth amendment). Arguably, the connection between private discrimination and the Federal Government mandated by section 104 would be enough to involve the Government to an unconstitutional degree.

By forbidding IRS enforcement of its regulations denying exemptions and deductions to private schools that practice racial discrimination, section 104 represents affirmative Federal action to make private discrimination legally possible, actively encourages discrimination, and make the Federal Government at least a partner in such discrimination. In effect, the Federal Government would authorize racial discrimination in private schools and other charitable organizations. I cannot believe that this Congress would knowingly condone such a perversion of its own well-articulated policies.

Still another problem militates against the constitutionality of section 104. IRS is presently under a continuing injunction by a Federal court in Mississippi to deny or terminate the exempt status of, and deny the deductibility of contributions to, any private school in Mississippi that discriminates in its admission policies on the basis of race. *Green* v. *Connally,* 330 F. Supp. 1150 (D.D.C. 1971), *aff'd sub nom Coit* v. *Green,* 404 U.S. 997 (1971). Section 104 could thus be viewed as a direct attempt to interfere with the lawful order of a Federal court. As such, it would cause IRS to risk contempt of court proceedings were the Service to cease enforcement activity in Mississippi pursuant to the Green injunction.

One more point that must be made concerning these provisions is that supporters of the sections offer little justification for such a radical and possibly unconstitutional policy change. They offer two basic arguments—that the IRS regulations are burdensome and that race discrimination is not within the purview of IRS.

With respect to the first argument, which is weak at best, the Treasury Department has announced that IRS is reviewing its procedures with an eye toward relieving the process of some of its administrative burdens. In this connection, it is reasonable to assume that the organizations which will have the greatest burden to bear are those that are suspect on racial discrimination grounds. IRS is certainly not going to organize a completely new review of all tax-exempt organizations as a result of its new regulations.

The second argument—that IRS is a tax collection agency and should not be diverted from this primary mission—simply ignores the fact that IRS has in the past concerned itself directly with race discrimination. Its responsibility here has been to oversee compliance with laws and policies against racial discrimination in its application of the benefits of a tax-exempt status. The new regulations which section 104 seeks to stifle are simply an attempt to enable IRS to handle its mission more efficiently.

Mr. Chairman, I repeat my vehement opposition to section 104 of the Treasury Appropriations bill. It represents a serious setback to civil rights enforcement and put the Federal Government in the position of aiding and abetting racial discrimination. I sincerely hope my colleagues will join me in striking this section from this bill.

Mrs. FENWICK. Mr. Chairman, will the gentlewoman yield?

Mrs. BURKE of California. I yield to the gentlewoman from New Jrsey.

Mrs. FENWICK. I thank the gentlewoman from California for yielding.

Mr. Chairman, I hope that this section 104 will be removed from the bill. I think it must have been a surprise to many of us to discover it there. It seems to me unconscionable. We have been through so many of these debates through so many years. We should know by now what we intend. Tax deductibility, the gift of the American people, should not be given to institutions that discriminate, and I urge that section 104 be removed from the bill.

Mrs. BURKE of California. I thank the gentlewoman from New Jersey.

Mr. STOKES. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the amendment to H.R. 8597—Treasury, Postal Service, General Government appropriations, fiscal year 1976—striking section 104 of the bill. As presently constituted, section 104 would bar the use of appropriated funds by the Internal Revenue Service—IRS—to deny tax-exempt status or the deductibility of charitable contributions to private schools that have failed to prove their adoption and publication of a racially nondiscriminatory admissions policy.

It is abundantly clear from Mr. ROYBAL's opening statement on the proposed amendment, that, if we adopt section 104 of the bill, we will accomplish at least three things:

First. Place the IRS in contempt of the permanent injunction issued in the Green against Connally case—a case that was affirmed by the U.S. Supreme Court;

Second. Effectively put the U.S. Government in the very undesirable position of providing financial assistance to segregated private educational institutions, in direct contravention of the fifth amendment of the U.S. Constitution—*Bolling* v. *Sharp,* 347 U.S. 497 (1954)—fifth amendment forbids Federal action in support of segregated schools—Federal civil rights laws, and the resulting Federal public policy against racial discrimination in education in both public and private schools; and

Third. Invite a needless and damaging confrontation with the Supreme Court, in a battle we are bound to lose on the merits of the case.

Needless to say, we have far more important things to do than tinker around with "back-door" and dangerous attempts to either rewrite our Constitution and civil rights statutes or bar their enforcement.

What manner of foolishness would we be about in adopting section 104? Here section 501 of the Internal Revenue Code—IRC—requires the IRS to make a determination of eligibility on every application for tax exemption submitted by organizations "organized and operated exclusively for religious, charitable—or educational purposes." And section 170 of IRC makes contributions to such organizations deductible.

Section 104, in an appropriations bill, can only be considered as a "back door" attempt to amend section 501 of the Internal Revenue Code. In the meantime, IRS is required under pain of contempt of court, to enforce section 501 by determining, at the outset, whether a private educational institution has adopted a racially nondiscriminatory student admissions policy and is thus in compliance with section 501. The confusion thus created by proposed section 104 in this bill would bring us into a due process—fifth amendment—situation. No one, including IRS, will know what to do or how to proceed with respect to granting or denying tax exempt status to some 17,000 private schools.

In addition, the Supreme Court has given fair warning in a series of recent cases, including Green against Connally—affirming a three-judge district court—that the Federal Government cannot constitutionally provide financial assistance to segregated schools, either public or private. And yet that is what section 104 would have us doing.

For if IRS is prevented from abiding by the court's injunction in enforcing sections 501 and 170 of the Internal Revenue Code, the IRS will necessarily be granting tax-exemptions for segregated private schools—a form of Federal financial assistance as found by the Supreme Court in Bolling against Sharpe.

The fact that IRS would be allowed by proposed section 104 to deny tax-exempt status to these segregated schools once a "court or appropriate regulatory authority" has found the applicant for exemption guilty of racial discrimination, only makes matters worse, for the Internal Revenue Code and a permanent court injunction require IRS to make that determination, as a precondition for granting tax-exempt status.

I might add that section 104 undoubtedly would not be in this bill had there been any debate on it during committee hearings—but there was none, because it was apparently stuck in at the last moment. And the language in the committee report indicating the inappropriateness of IRS' recent issuance of a "burdensome" revenue procedure—guidelines—misses the point entirely. IRS was required by court injunction to issue effective guidelines and the IRS eligibility guidelines follow the dictates of that court order.

Nonetheless, the Secretary of the Treasury, Mr. William Simon, and the Commissioner of IRS, Mr. Donald Alexander, have indicated their willingness to revise the IRS guidelines to minimize, to the extent possible, the recordkeeping and reporting requirements.

But, most importantly, the Congress of the United States has no business engaging in activity the effect of which would provide Federal financial assistance, through tax-exemptions, to private racially segregated schools, only to wind up in a needless and "win-less" constitutional confrontation with the U.S. Supreme Court.

My distinguished colleagues, I strongly urge you to support Congressman ED ROYBAL's amendment to strike section 104 from the bill, in its entirety.

Mr. ASHBROOK. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. Fifty-one Members are present, not a quorum.

The Chair announces that he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN. One hundred two Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to rule XXIII, clause 2, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. ROYBAL).

The question was taken; and the Chair announced that the ayes appeared to have it.

RECORDED VOTE

Mr. ASHBROOK. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 284, noes 122, not voting 28, as follows:

[Roll No. 395]

AYES—284

Abzug
Adams
Addabbo
Ambro
Anderson, Calif.
Anderson, Ill.
Annunzio
Ashley
Aspin
AuCoin
Badillo
Baldus
Barrett
Baucus
Beard, R.I.
Bedell
Bell
Bennett
Bergland
Biaggi
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Brademas
Breaux
Breckinridge
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Brown, Ohio
Buchanan
Burke, Calif.
Burke, Mass.
Burton, John
Burton, Phillip
Carney
Carr
Carter
Chisholm
Clausen, Don H.
Clay
Cleveland
Cohen
Collins, Ill.
Conable
Conte
Conyers
Corman
Cornell
Cotter
Coughlin
D'Amours
Daniels, N.J.
Danielson
Davis
de la Garza
Delaney
Dellums
Dent
Derrick
Diggs
Dingell
Dodd
Downey
Drinan
du Pont
Early
Eckhardt
Edwards, Calif.
Eilberg
Emery
English
Esch
Eshleman
Evans, Colo.
Evans, Ind.
Fary
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Florio
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fraser
Frenzel
Gaydos
Giaimo
Gibbons
Gilman
Goldwater
Gonzalez
Goodling
Gradison
Green
Gude
Guyer
Hall
Hamilton
Hanley
Harkin
Harrington
Harris
Hastings
Hawkins
Hayes, Ind.
Hays, Ohio
Hechler, W. Va.
Heckler, Mass.
Heinz
Helstoski
Hicks
Hightower
Hillis
Holland
Holtzman
Horton
Hubbard
Hughes
Hungate
Jacobs
Jenrette
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Okla.
Jordan
Kastenmeier
Kazen
Keys
Koch
Krebs
Krueger
LaFalce
Lagomarsino
Leggett
Lehman
Lent
Litton
Lloyd, Calif.
Long, La.
Long, Md.
McClory
McCloskey
McCormack
McDade
McFall
McKay
McKinney
Madden
Maguire
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Mikva
Milford
Miller, Calif.
Mills
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Morgan
Mosher
Moss
Murphy, Ill.
Natcher
Neal
Nedzi
Nix
Nolan
Nowak
Oberstar
Obey
O'Hara
O'Neill
Ottinger
Patman, Tex.
Pattison, N.Y.
Perkins
Pettis
Peyser
Pickle
Pike
Pressler
Price
Quie
Railsback
Randall
Rangel
Rees
Regula
Reuss
Rhodes
Richmond
Rinaldo
Risenhoover
Roberts
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Roybal
Russo
Ryan
St Germain
Santini
Sarasin
Sarbanes
Scheuer
Schroeder
Schulze
Seiberling
Sharp
Shipley
Shriver
Simon
Sisk
Smith, Iowa
Solarz
Spellman
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steelman
Stokes
Stratton
Studds
Sullivan
Symington
Thompson
Thone
Traxler
Tsongas
Udall
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Vigorito
Walsh
Waxman
Weaver
Whalen
White
Wilson, C. H.
Wilson, Tex.
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Wirth
Wolff
Wright
Wydler
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Young, Ga.
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Andrews, N.C.
Andrews, N. Dak.
Armstrong
Ashbrook
Bafalis
Bauman
Beard, Tenn.
Bevill
Bowen
Brinkley
Broyhill
Burgener
Burke, Fla.
Burleson, Tex.
Burlison, Mo.
Butler
Byron
Casey
Cederberg
Chappell
Clancy
Clawson, Del
Cochran
Collins, Tex.
Crane
Daniel, Dan
Daniel, R. W.
Derwinski
Devine
Dickinson
Downing
Duncan, Tenn.
Edwards, Ala.
Erlenborn
Evins, Tenn.
Flowers
Flynt
Fountain
Frey
Ginn
Grassley
Hagedorn
Haley
Hammerschmidt
Hansen
Harsha
Hefner
Henderson
Hinshaw
Holt
Hutchinson
Hyde
Ichord
Jarman
Jeffords
Jones, Ala.
Jones, N.C.
Jones, Tenn.
Kasten
Kelly
Kemp
Ketchum
Kindness
Landrum
Latta
Levitas
Lloyd, Tenn.
Lott
McCollister
McDonald
McEwen
Mahon
Mann
Martin
Mathis
Michel
Miller, Ohio
Montgomery
Moore
Moorhead, Calif.
Mottl
Murtha
Myers, Ind.
Myers, Pa.
Nichols
Passman
Patten, N.J.
Poage
Pritchard
Quillen
Robinson
Rousselot
Runnels
Ruppe
Satterfield
Schneebeli
Sebelius
Shuster
Sikes
Skubitz
Slack
Smith, Nebr.
Snyder
Spence
Steed
Stephens
Stuckey
Talcott
Taylor, Mo.
Taylor, N.C.
Treen
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Wampler
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Howe
Karth
Lujan
McHugh
Macdonald
Madigan
Matsunaga
Mink
Murphy, N.Y.
O'Brien
Patterson, Calif.
Pepper
Preyer
Riegle
Steiger, Ariz.
Steiger, Wis.
Symms
Teague
Thornton

So the amendment was agreed to.

The result of the vote was announced as above recorded.

Mr. STEED. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. SISK, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 8597) making appropriations for the Treasury Department, the U.S. Postal Service, the Executive Office of the President, and certain independent agencies for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes, had come to no resolution thereon.

COMMUNICATION FROM THE SERGEANT AT ARMS—JEFFREY SIMON V. JAMES M. POWELL, ET AL.

The SPEAKER laid before the House the following communication from the Sergeant at Arms of the House of Representatives:

U.S. HOUSE OF REPRESENTATIVES,
OFFICE OF THE SERGEANT AT ARMS,
Washington, D.C., July 14, 1975.

Hon. CARL ALBERT,
The Speaker,
U.S. House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: I was served by a United States Attorney with the attached subpoena that was issued by the U.S. District Court for the District of Columbia. This subpoena is signed by Clerk of the Court, James F. Davey in the case of Jeffrey Simon against James M. Powell, et al., and commands me to answer the complaint within sixty days after service of the summons.

Also attached is a copy of a letter from Honorable William Wannall, Sergeant at Arms, U.S. Senate, and Chairman, U.S. Capitol Police Board to the Department of Justice requesting representation.

The subpoena in question is respectfully attached for such action as the House may in its wisdom see fit to take.

With kind regards, I am
Sincerely,
KENNETH R. HARDING,
Sergeant at Arms.

The SPEAKER. The Clerk will read the subpena.

The Clerk read as follows:

U.S. SENATE,
OFFICE OF THE SERGEANT AT ARMS,
Washington, D.C., June 23, 1975.

Hon. EDWARD H. LEVI,
Attorney General,
U.S. Department of Justice,
Washington, D.C.

DEAR MR. LEVI: This concerns *Jeffrey Simon* versus *James M. Powell, et al,* a civil action in the United States District Court for the District of Columbia, file No. 75–0973. This action arises from an arrest made by Officers Robert M. Jacques and Dale E. Brown, Capitol Policemen, on June 24, 1974. These officers, the Chief of the Capitol Police and the Capitol Police Board, of which I am Chairman, are named defendants in this action.

The purpose of this letter is to request that the Justice Department answer the complaint for the action mentioned above and undertake the defense of the named defendants. We were at all times acting as agents of the United States in our official capacity when the event referred to in the Simon complaint occurred.

I will appreciate very much having confirmation that the answer will be prepared on our behalf within the time limit prescribed in the enclosed summons. Please know that we appreciate very much your cooperation with respect to this matter.

Sincerely,
WILLIAM H. WANNALL,
Chairman, Capitol Police Board.

U.S. DISTRICT COURT FOR THE DISTRICT OF COLUMBIA, CIVIL ACTION FILE No. 75–0973

Jeffrey Simon, Plaintiff v. James M. Powell, et al. Defendant.

To the above named Defendant: Kenneth R. Harding You are hereby summoned and required to serve upon Peter H. Wolf, plaintiff's attorney, whose address is 103 Railway Labor Building, 400 First Street, N.W., Washington, D.C. 20001, an answer to the complaint which is herewith served upon you, within 60 days after service of this summons upon you, exclusive of the day of service. If you fail to do so, judgment by default will be taken against you for the relief demanded in the complaint.

[Seal] JAMES F. DAVEY,
Clerk of Court.
JOE A. WOOD, JR.
Deputy Clerk.

Date: June 17, 1975.

NOTE.—This summons is issued pursuant to Rule 4 of the Federal Rules of Civil Procedure.

U.S. DISTRICT COURT FOR THE DISTRICT OF COLUMBIA, CIVIL ACTION NO. 75-0973

Jeffrey Simon, *Plaintiff*, v. James M. Powell, Robert M. Jacques, Dale E. Brown, William H. Wannall, Kenneth R. Harding, George M. White, Defendants.

COMPLAINT

(For Assault and Battery, False Imprisonment, Conspiracy to Deprive and Deprivation of Civil Rights, Negligence.)

1. Plaintiff is a citizen of the State of Indiana and a resident of the Commonwealth of Virginia; defendants are citizens of different states and/or the District of Columbia; the amount in controversy, exclusive of interest and costs, exceeds ten thousand dollars; this action, as hereinafter more fully appears, arises under the Constitution and laws of the United States. This Court thus has jurisdiction under 28 U.S.C. §§ 1331 and 1332 (1970).

2. Defendants Jacques and Brown were at all times relevant to this complaint members of the Capitol Police and as such were employees of the United States of America and of the Capitol Police Board as specified in 40 U.S.C. § 206 (1970, as amended) *et seq.* Defendant James M. Powell was at all times relevant to this complaint the captain or chief of said Capitol Police. Defendants Wannall, Harding, and White were at all times relevant to this complaint members of the Capitol Police Board and as such, in conjunction with the chief of said police, charged with the selection, supervision, training, discipline, and control of the members of said police, including defendants Jacques and Brown.

3. A tort claim against the United States of America has been or shortly will be initiated by plaintiff pursuant to 28 U.S.C. ch. 171 (1970, as amended).

First count

4. On or about June 24, 1974, at approximately Constitution Avenue and First Street, N.E., Washington, D.C. plaintiff while driving his automobile was stopped by defendant Jacques. Defendant Brown arrived at that location shortly thereafter.

5. Defendant Brown claimed that while he had been directing traffic at Independence Avenue and First Street, S.E. plaintiff made a derogatory and obscene gesture as he drove by. Plaintiff denied that he had made any gesture but defendant Brown reportedly accused plaintiff of having made such a gesture.

6. Defendant Brown asked to see plaintiff's operator's license. Plaintiff responded that he had left his license at home. Defendant Brown then began to issue a citation.

7. Because defendant Brown was taking an inordinate length of time to issue the citation, two passengers whom plaintiff was taking to work asked how much longer they would be detained. Defendant Brown answered vaguely and when they tried to explain their situation, defendant Brown ordered them to shut up and to get back in the car.

8. Defendant Brown finally issued plaintiff two citations, one for driving without a license and another for disobeying an officer's signal.

9. Plaintiff protested to defendant Brown that the citation for disobeying an officer's signal was issued without any basis in fact. Defendant Jacques ordered plaintiff to shut up and began shaking his finger within an inch of plaintiff's face. Plaintiff asked defendant Jacques to refrain from this action several times, but defendant Jacques not only continued to order plaintiff to shut up and continued shaking his finger in plaintiff's face, but threatened to arrest plaintiff for disorderly conduct.

10. There was no shouting by plaintiff and there was no gathering of a crowd.

11. Without first requesting that plaintiff leave his car, defendant Jacques then opened the car door, and both officers, using unnecessary force, pulled plaintiff from his car, pushed him very hard against it, and frisked him in a rough manner.

12. Plaintiff was then told for the first time that he was under arrest. Said arrest was unlawful and without probable cause.

13. Plaintiff was then handcuffed behind his back and was taken to what appeared to be a U.S. Capitol Police station. Although plaintiff complained that the handcuffs were unnecessarily tight and were hurting his wrists, defendant officers ignored his complaint and handcuffed him to a radiator where he remained for an hour.

14. At one point defendant Jacques commented that he wished plaintiff would "make a funny move" and threatened to assault plaintiff.

15. Plaintiff was later taken to another station house where he was booked and released on his own recognizance.

16. All charges against plaintiff were subsequently dropped.

17. The above described conduct of defendants Brown and Jacques with respect to plaintiff was intentional and malicious, with full knowledge that what they were doing was unlawful.

18. Other Capitol Police officers were present and aware of the conduct of defendants Brown and Jacques alleged in paragraphs 13 and 14 above but did nothing to prevent it or stop it. All defendants therefore directly and/or impliedly ratified and adopted the conduct of the defendants Brown and Jacques.

19. The above conduct of defendants Brown and Jacques, their fellow police officers, their superiors, and their employers toward plaintiff constituted a conspiracy to deprive and a deprivation of plaintiff's First, Fourth, and Fifth Amendment rights, privileges, and immunities under the Constitution and laws of the United States and the District of Columbia, rendering all defendants liable under 42 U.S.C. §§ 1983 and 1985 (1970).

20. As a result of the above described unlawful assaults and battery, false arrest, false imprisonment, search, detention, and deprivation of civil rights and immunities by defendants against plaintiff, plaintiff suffered physical and emotional distress, including fear for his personal safety and dignity, was humiliated and embarrassed, and his personal privacy was invaded.

Second count

21. Count 1 of this complaint is incorporated herein by reference.

22. Defendants, Powell, Wannell, Harding, and White, by and through their agents and employees, knew or should have known of the dangerous and abusive propensities of defendants Brown and Jacques in the performance of their duties as Capitol Police officers.

23. The above described physical threats and abuse of plaintiff and the deprivation of his rights by defendants Brown and Jacques constitute a gross abuse of their powers and authority as Capitol police officers and their actions are directly attributable to the gross negligence on the part of defendants Powell, Wannall, Harding, and White in the performance of their duties to select, supervise, train, discipline, and control the members of the Capitol Police force.

24. Said defendants were further negligent in the performance of their duty to select, supervise, train, discipline and control the members of the Capitol Police force by their failure to instruct and require their police officers immedaitely to stop any unprovoked and unjustified abuse by a fellow officer or officers of any person under circumstances such as or similar to that of the plaintiff herein.

25. The Capitol Police Board's negligence alleged in the preceding paragraphs 22 through 24 was the direct and proximate cause of a deprivation of the plaintiff's First, Fourth, and Fifth Amendment rights, privileges, and immunities under the Constitution and laws of the United States and the District of Columbia, rendering said defendants liable under 42 U.S.C. § 1983 (1970) for any damages suffered by plaintiff.

Wherefore, plaintiff prays that this Court:

1. Award him judgment against all defendants jointly and severally in the amount of twenty-five thousand dollars compensatory damages and twenty-five thousand dollars exemplary damages.

2. Order the expungement from all records of any record or indication that plaintiff was arrested and/or taken into custody on June 24, 1974, and order the return and destruction of any records or information concerning such arrest and/or custody from all persons and agencies to whom they have been transmitted.

3. Award plaintiff reasonable costs and attorneys' fees.

4. Grant such other relief as is just.

Trial by Jury is demanded on all issues.

JEFFREY SIMON.

Wolf & Kovner, Attorneys for Plaintiff.

PETER H. WOLF.

Of Counsel: U.S. District Court for the District of Washington.

RALPH J. TEMPLE.

DISTRICT OF COLUMBIA, *ss:*

Jeffrey Simon, being duly sworn, hereby states that he has read the foregoing complaint by him subscribed and that the facts alleged therein are true and correct to the best of his knowledge, information, and belief.

JEFFREY SIMON.

Subscribed and sworn to before me this 16th day of June, 1975.

U.S. DISTRICT COURT FOR THE DISTRICT OF COLUMBIA, C.A. NO. —

Jeffrey Simon, Plaintiff, v. James M. Powell et al., Defendants.

INTERROGATORIES

To: James M. Powell, Chief, U.S. Capitol Police, 331 First St., N.E., Washington, D.C. 20002.

The following interrogatories are propounded under Rule 33 of the Federal Rules of Civil Procedure. Each interrogatory must be answered fully, under oath, in writing, and answers filed and served upon counsel for plaintiff within forty-five (45) days from the date of receipt of these interrogatories, which are being served with the summons and complaint herein.

1. What are the present home and employment mail addresses of defendant Dale E. Brown, former officer, U.S. Capitol Police?

2. Have any complaints, formal or informal,

directed against Officer Dale E. Brown, U.S. Capitol Police, ever been received by and/or filed with any agency, department, officer, or employee of the U.S. Capitol Police?

3. If so, list the date, a summary of each complainant's allegations, and the eventual disposition with respect to each such complaint received, including a description of any disciplinary action taken thereon.

4. Has said Officer Dale E. Brown ever been suspended, fined, censored, or in any way disciplined or punished by the U.S. Capitol Police or by any agent, board, or tribunal thereof?

5. If so, state the date, nature of, and reason for each such action taken.

6. Have any complaints, formal or informal, directed against Officer Robert M. Jacques, U.S. Capitol Police, ever been received by and/or filed with any agency, department, officer, or employee of the U.S. Capitol Police?

7. If so, list the date, a summary of each complainant's allegations, and the eventual disposition with respect to each such complaint received, including a description of any disciplinary action taken thereon.

8. Has said Officer Robert M. Jacques ever been suspended, fined, censored, or in any way disciplined or punished by the U.S. Capitol Police or any agent, board, or tribunal thereof?

9. If so, state the date, nature of, and reason for each such action taken.

10. Are there any rules, regulations, orders, or requirements instructing members of the U.S. Capitol Police in the proper means of effecting arrests of citizens for traffic offenses or other minor offenses such as disorderly conduct?

11. Are there any rules, regulations, orders, or requirements instructing members of the U.S. Capitol Police in the proper care and control of arrestees in their custody?

12. Are there any rules, regulations, orders, or requirements instructing members of the U.S. Capitol Police immediately to restrain any fellow officer who is unjustifiably threatening, assaulting, or otherwise violating the rights, privileges and immunities of an arrestee in U.S. Capitol Police custody?

13. Are there any prescribed disciplinary rules, regulations, orders, requirements, or procedures for investigating complaints and/or disciplining members of the U.S. Capitol Police for improper conduct toward members of the public, toward fellow officers, and/or toward superiors?

14. If yes to any of Questions 10, 11, 12, and/or 13, is defendant willing to supply counsel for the plaintiff with a copy of such rules, regulations, orders, requirements, or procedures? If yes, please attach said copy or copies to the responses to these interrogatories. If no, identify all documents and other communications relating to such rules, regulations, orders, or requirements and state the substance of the communications, documents, and information relating to such rules, regulations, orders, or requirements.

15. If no to Question 13, are there any *informal* procedures for investigating complaints and/or disciplining members of the U.S. Capitol Police for improper conduct toward members of the public, toward fellow officers, and/or toward superiors? If yes, please fully describe said procedures.

16. Fully describe the training and/or instruction U.S. Capitol Police officers receive, if any, prior to assignment of duty or during assignment to duty, relating to each of the matters referred to in Questions 10, 11, 12, and 13.

PETER H. WOLF,
Attorney for Plaintiff.

Of counsel:

RALPH J. TEMPLE,
American Civil Liberties Union Fund.

U.S. DISTRICT COURT FOR THE DISTRICT OF COLUMBIA, C.A. No. —

Jeffrey Simon, Plaintiff, v. James M. Powell et al. Defendants.

REQUEST FOR PRODUCTION OF DOCUMENTS

To: James M. Powell, Chief, U.S. Capitol Police, 331 First St., N.E., Washington, D.C. 20002.

The following Request for Production of Documents is propounded under Rule 34 of the Federal Rules of Civil Procedure. The party on whom the request is served with the summons and complaint herein must file a response within forty-five (45) days stating that inspection will be permitted as requested unless objected to, in which event the objection must be stated.

Plaintiff requests that copies of the following documents be delivered by mail or in person to the office of the undersigned counsel for plaintiff.

1. The complete U.S. Capitol Police service record and/or personnel file of defendant Dale E. Brown, specifically including, but not limited to, evaluation and/or progress reports on defendant Brown by fellow officers or supervisors; incident reports; and any formal or informal complaints by any citizens, superior or fellow officers about defendant Brown, and any U.S. Capitol Police investigative reports, witness statements, dispositions, or recommendations about any such complaints.

2. The complete U.S. Capitol Police service record and/or personnel file of defendant Robert M. Jacques, specifically including, but not limited to, evaluation and/or progress reports on defendant Jacques by fellow officers or supervisors; incident reports and any formal or informal complaints by any citizens, superiors or fellow officers about defendant Jacques, and any U.S. Capitol Police investigative reports, witness statements, or positions, or recommendations about any such complaints.

PETER H. WOLF,
Attorney of plaintiff.

AUTHORIZING CHIEF OF THE U.S. CAPITOL POLICE TO ANSWER INTERROGATIONS IN CASE OF SIMON AGAINST POWELL, ET AL.

Mr. O'NEILL. Mr. Speaker, I offer a privileged concurrent resolution (H. Con. Res. 342) and ask for its immediate consideration.

The Clerk read the concurrent resolution as follows:

H. CON. RES. 342

Whereas in the case of Jeffery Simon against James M. Powell, et al. (civil action no. 75–0973) pending in the United States District Court for the District of Columbia, a series of interrogatories was issued by the said Court and served upon James M. Powell, Chief of the U.S. Capitol Police, requesting him to answer such interrogatories in writing, under oath, and to serve the answers on counsel for plaintiff in such proceeding; and

Whereas information secured by officers and employees of the Congress of the United States pursuant to their official duties as such officers and employees may not be compelled by the mandate of process of the ordinary courts of justice but by the permission of the Congress: Therefore be it

Resolved by the House of Representatives (the Senate concurring), That James M. Powell, Chief of the U.S. Capitol Police, is authorized to answer the interrogatories before-mentioned; and be it further

Resolved by the House of Representatives (the Senate concurring), That a copy of this resolution be submitted to the said Court.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

FIFTH ANNUAL REPORT ON HAZARDOUS MATERIALS CONTROL—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Interstate and Foreign Commerce:

To the Congress of the United States:

I transmit herewith the Fifth Annual Report on Hazardous Materials Control as required by the Hazardous Materials Transportation Control Act of 1970, Public Law 91–458. This report has been prepared in accordance with section 302 of the act, and covers calendar year 1974.

GERALD R. FORD.
THE WHITE HOUSE, *July 16, 1975.*

THE 1975 CAPTIVE NATIONS WEEK

The SPEAKER pro tempore (Mr. RYAN). Under a previous order of the House, the gentleman from Pennsylvania (Mr. FLOOD) is recognized for 30 minutes.

(Mr. FLOOD asked and was given permission to revise and extend his remarks, and include extraneous matter.)

GENERAL LEAVE

Mr. FLOOD. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and include extraneous matter, on the subject of my special order.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. FLOOD. Mr. Speaker, this is the 17th observance of Captive Nations Week. Here, throughout the country, and even in numerous foreign countries, the week is being appropriately observed to manifest our steadfast convictions and hopes for the liberation and freedom of over 1 billion human souls from Communist captivity and totalitarian tyranny.

Penetrating the fog and mist of current détente, this combined manifestation reasserts the truths that one-half of mankind cannot remain free while the other half remains enslaved, that the dominant force of nationalsim cannot be repressed decisively in Eastern Europe, within the Soviet Union, or in the Peoples Republic of China, and that, as the leading nation of the world, the United States has a responsible and historic task to perform—namely, the advancement of national independence and self-determination throughout the Communist empire.

MEANING OF RESOLUTION

The Captive Nations Week resolution, which Congress passed in 1959 and has been Public Law 86–90 since, was never meant for us to look backward over the victims of Soviet Russian imperio-colonialism and Communist totalitarianism, though the already long list of captive nations is a necessary, annual reminder for many of our citizens and allies abroad.

On the contrary, based on solid, historical evidence and keen, long-run perspectives, the resolution and its principles impel us continually to look ahead, to maintain our senses of balance and perspective, and to uphold the fundamental principles and priceless traditions that enabled us to become the most powerful nation in the world.

Ironically enough, the presence of nuclear arms, the uncompromising ideologic threat of Moscow, Peiping, and their minions, the confident aggressiveness of both Communist capitals in all quarters of the globe, the ever-growing interdependency of all parts of the world, and the crucial need for peace are conditions that demand our highest resolve in terms of this resolution. In short, the best and most reliable allies of freedom are those who lost it and now seek to regain it.

Their determined search and efforts for freedom and national independence are also the most important source of insecurity and fear for the Communist totalitarians, ranging from Budapest to Moscow to Peiping to Havana. Are we to ignore this search and these efforts on the part of the captive peoples? It would be the height of folly to do so if we value our own national security and existence. This, Mr. Speaker, is what Captive Nations Week is all about.

THE LATEST ADDITIONS

Mr. Speaker, not only with firm conviction and confident hope do we observe this 17th observance, but also with an occasioned sense of sorrow and sadness over the very latest additions to the already long list of captive nations. The debacle in Southeast Asia has added South Vietnam and Cambodia to the list. Indeed, who is next? Our policies must be revised to preclude another "next" on the capitve nations list and to prepare for some liberated "firsts" on the list of freedom. And the observance of this week is an annual time for us to reassess our policy and give thought to both revision and the creation of opportunities for regained freedom by the captive peoples.

Toward these ends, Mr. Speaker, I call upon every Member to read the following items pertinent to the week's observance:

First, the Captive Nations Week Resolution—Public Law 86–90;

Second, the President's proclamation;

Third, proclamations by Gov. Edwin Edwards, of Louisiana, Gov. George Busbee, of Georgia, and Gov. Philip W. Noel, of Rhode Island, and

Fourth, a communication on the week by the National Captive Nations Committee.

The article follows:

Captive Nations Week

PUBLIC LAW 86–90; 73 STAT. 212

[*S.J. Res. 111*]

Joint Resolution providing for the designation of the third week of July as "Captive Nations Week".

Whereas the greatness of the United States is in large part attributable to its having been able, through the democratic process, to achieve a harmonious national unity of its people, even though they stem from the most diverse of racial, religious, and ethnic backgrounds; and

Whereas this harmonious unification of the diverse elements of our free society has led the people of the United States to possess a warm understanding and sympathy for the aspirations of peoples everywhere and to recognize the natural interdependency of the peoples and nations of the world; and

Whereas the enslavement of a substantial part of the world's population by Communist imperialism makes a mockery of the idea of peaceful coexistence between nations and constitutes a detriment to the natural bonds of understanding between the people of the United States and other peoples; and

Whereas since 1918 the imperialistic and aggressive policies of Russian communism have resulted in the creation of a vast empire which poses a dire threat to the security of the United States and of all the free peoples of the world; and

Whereas the imperialistic policies of Communist Russia have led, through direct and indirect aggression, to the subjugation of the national independence of Poland, Hungary, Lithuania, Ukraine, Czechoslovakia, Latvia, Estonia, White Ruthenia, Rumania, East Germany, Bulgaria, mainland China, Armenia, Azerbaijan, Georgia, North Korea, Albania, Idel-Ural, Tibet, Cossackia, Turkestan, North Viet-Nam, and others; and

Whereas these submerged nations look to the United States, as the citadel of human freedom, for leadership in bringing about their liberation and independence and in restoring to them the enjoyment of their Christian, Jewish, Moslem, Buddhist, or other religious freedoms, and of their individual liberties; and

Whereas it is vital to the national security of the United States that the desire for liberty and independence on the part of the peoples of these conquered nations should be steadfastly kept alive; and

Whereas the desire for liberty and independence by the overwhelming majority of the people of these submerged nations constitutes a powerful deterrent to war and one of the best hopes for a just and lasting peace; and

Whereas it is fitting that we clearly manifest to such peoples through an appropriate and official means the historic fact that the people of the United States share with them their aspirations for the recovery of their freedom and independence: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That: The President of the United States is authorized and requested to issue a proclamation designating the third week in July 1959 as "Captive Nations Week" and inviting the people of the United States to observe such a week with appropriate ceremonies and activities. The President is further authorized and requested to issue a similar proclamation each year until such time as freedom and independence shall have been achieved for all the captive nations of the world.

Approved July 17, 1959, by President Dwight D. Eisenhower.

A Proclamation by the President of the United States of America

The history of our Nation reminds us that the traditions of liberty must be protected and preserved by each generation. Let us, therefore, rededicate ourselves to the ideals of our own democratic heritage. In so doing, we manifest our belief that all men everywhere have the same inherent right to freedom that we enjoy today. In support of this sentiment, the Eighty-sixth Congress, by a joint resolution approved July 17, 1959 (73 Stat. 212), authorized and requested the President to proclaim the third week in July of each year as Captive Nations Week.

Now, therefore, I, Gerald R. Ford, President of the United States of America, do hereby designate the week beginning July 13, 1975, as Captive Nations Week.

I call upon the people of the United States to observe this week with appropriate ceremonies and activities, and I urge rededication to the aspirations of all peoples for self-determination and liberty.

In witness whereof, I have hereunto set my hand this twenty-seventh day of June, in the year of our Lord nineteen hundred seventy-five, and of the Independence of the United States of America the one hundred ninety-ninth.

Gerald R. Ford.

Proclamation

Whereas, the subversive policies of Russian and Chinese Imperialism have reached international frontiers to the very shores of America; and

Whereas, these policies have enslaved the citizens of free nations into a Colonial Empire serving the interest of Russia and Peking to the detriment of the historical and cultural values of the enslaved peoples of the captured nations; and

Whereas, the United States has a warm understanding and sympathy for all peoples to have the right to self-determination, which means the right freely to choose their own government and to pursue their own economic development; and

Whereas, Louisiana has been a haven for the many thousands of refugees who have fled the entrapped nations in the hope of continuing the good flight through peaceful means against the tyrants of totalitarianism; and

Whereas, in accordance with Public Law 86–90, wherein the Congress of the United States sets aside the third week of July each year as Captive Nations Week and urges the people of the United States to join in prayers and appropriate action to peacefully liberate these captives, for it is only in the freedom for all nations will we find a just and lasting peace.

Now, therefore, I, Edwin Edwards, Governor of the State of Louisiana, do hereby proclaim the week of July 14–20, 1975, as Captive Nations Week in Louisiana.

Proclamation: Captive Nations Week

Whereas: The imperialistic policies of Communists have led, through direct and indirect aggression, to the subjugation and enslavement of the peoples of many lands; and

Whereas: The desire for liberty and independence by the overwhelming majority of peoples in these conquered nations constitutes a powerful deterrent to any ambitions of Communist leaders to initiate a major war; and

Whereas: The freedom-loving peoples of the captive nations look to the United States as the citadel of human freedom and to the people of the United States as leaders in bringing about their freedom and independence; and

Whereas: In 1959 the Congress of the United States passed by unanimous vote Public Law 86–90, establishing the third week in July of each year as Captive Nations Week; now

Therefore: I, George Busbee, Governor of the State of Georgia, do hereby proclaim the week of July 13–19, 1975, as "Captive Nations Week" in Georgia.

Proclamation: Captive Nations Week

Whereas, The imperialistic politics of Russian Communists have led, through direct and indirect aggression, to the subjugation and enslavement of the peoples of Poland, Hungary, Lithuania, Ukraine, Czechoslovakia, Latvia, Estonia, Byelorussia, Rumania, East Germany, North Korea, Albania, Idel-Urel, Serbia, Croatia, Slovenia, Tibet, Cossackia, Turkestan, North Vietnam, Cuba, Cambodia, South Vietnam and others; and

Whereas, The desire for liberty and independence by the overwhelming majority of peoples in these conquered nations, constitutes a powerful deterrent to any ambitions of Communist leaders to initiate a major war; and

Whereas, The freedom loving peoples of the captive nations look to the United States as the citadel of human freedom and to the people of the United States as the leaders in bringing about their freedom and independence; and

Whereas, The Congress of the United States by unanimous vote passed Public Law 86–90 establishing the third week in July each year as Captive Nations Week and invited the people of the United States to observe such week with appropriate prayer, ceremonies and activities thereby expressing sympathy with and support for the just aspirations of captive peoples,

Now, therefore, do I, Philip W. Noel, Governor of the State of Rhode Island and Providence Plantations, proclaim July 13–19, 1975, as Captive Nations Week and call upon the citizens to join with others in observing this week by offering prayers and dedicating their efforts for the peaceful liberation of oppressed and subjugated peoples all over the world.

National Captive Nations
Committee, Inc.,
Washington, D.C., June 20, 1975.

Dear Senator: With South Vietnam, Cambodia and Laos as the latest additions to the long list of captive nations, the forthcoming 17th Observance of Captive Nations Week this July 13–19 will undoubtedly bear special significance for countless Americans who are critically assessing this latest tragedy and the policy of detente under which it occurred. Apart from the blunderous Moscow Agreement of '72 and grave shortcomings in understanding the USSR, the debacle in Southeast Asia in itself is sufficient cause for the removal of the Secretary of State and his motion diplomacy.

Your participation in the Week and in this reappraisal of detente as it has been compromisingly applied would be powerfully expressive of both the President's Proclamation and Public Law 86–90. Congress in its collective wisdom passed this law that to this day capsulates, accurately and totally, the reality of the captive nations. In its wording it even anticipated more, such as Cuba and now the three new captive entities in Southeast Asia. More, the substantial historical dominoism in the genetical captive nations analysis makes much of the discussion about the domino theory appear fruitless and puerile. The historical domino process from Soviet Russia to the Soviet Union, founded on numerous captive nations, to Red China and to the Southeast Asian nations is crystal clear. If we continue to pursue the type of detente we have, on the basis of this law and its well-founded contents one can predictably raise the question "Who's next?"

On this eve of our own American Revolution Bicentennial, Congress can once again innovate guidelines and directions under the significant theme of "Independence From Empire." This theme illuminates the uniqueness of our revolution as against the French or Russian; it is the same theme permeating Public Law 86–90. To dispel the present confusion and doubts, Congress can (1) declare forthrightly now that it will not accept any permanent Russian hegemony over Eastern Europe resulting from a European Security Conference; (2) in furtherance of a realistic detente and popular enlightenment, initiate studies of the earliest captive nations now in the USSR; and (3) review all the international treaties relevant to national and human rights signed by the USSR and its associates, determining for an informed public opinion the degree of their fulfillment. Such action would restore public confidence in our leadership in the Free World, reassert basic principles and values in our foreign policy, and serve in fitting preparation for our own ARB.

With much gratitude for your expressions on this 17th Observance and best wishes,

Sincerely,

Lev E. Dobriansky,
Chairman.

Proclamations Captive Nations Week

Whereas, on the threshold of our Nation's Bicentennial the people of the United States are celebrating the enduring socio-political qualities of Life, Liberty and the Pursuit of Happiness; and

Whereas, these inherent freedoms are reflected in the harmonious unification of the diverse ethnic, racial and religious elements of our society that have led the people of the United States to have a warm understanding and sympathy for the aspirations of people everywhere, and to recognize the natural interdependency of all nations; and

Whereas, the imperialistic aggression of world communism has led to the subjugation and enslavement of a substantial part of the world's population in Latvia, North and South Vietnam, Poland, North Korea, Mainland China, Hungary, Lithuania, Czechoslovakia, Bulgaria, Armenia, Cambodia Cuba, Russia, Ukrainia, Romania, Laos, Portugal, Azerbaijan, Estonia, and others; and

Whereas, it is vital that we steadfastly maintain the desire for liberty and independence of the majority of people behind the Iron Curtain, which constitutes a powerful deterrent to a major world war by the communists, and is the best hope for a just and lasting peace; and

Whereas, the people of these submerged nations look to the United States as the citadel of human freedom and for leadership in the restoration of their religious and civil liberties; and

Whereas, the Congress of the United States by unanimous vote passed Public Law 86–90, establishing the third week in July annually as CAPTIVE NATIONS WEEK, and inviting the people of the United States to observe such week with appropriate prayer, ceremonies and activities that express their support for the just aspirations of all captive peoples;

Now, therefore, I, John Garthe, Mayor of the City of Santa Ana, do hereby proclaim the Week of July 13-19, 1975, as Captive Nations Week in the City of Santa Ana and urge all citizens to join others in dedicating their efforts throughout the world.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. FLOOD. I am happy to yield to my colleague, the gentleman from California (Mr. Rousselot).

Mr. ROUSSELOT. Mr. Speaker, I appreciate the gentleman from Pennsylvania yielding to me. I want to compliment the gentleman on his continuing effort to make sure that this whole issue is kept before our own country, so that we may make it clear to all the captive people in those nations to which the gentleman addresses himself, that we have total appreciation for the situation of the captivity they find themselves in.

I also believe that many Members of the Congress probably have not expressed their appreciation as much as they would like to do to the gentleman from Pennsylvania for his insistence that we commemorate this date, and that we, in effect, make sure that these other captive people understand our interest and our continued determination to see the time that they are free.

Mr. Speaker, again I commend my colleague from Pennsylvania, Dan Flood, and my colleague from Illinois, Ed Derwinski, for taking this special order today to give us an opportunity to comment on the 17th observance of Captive Nations Week, July 13–19.

Not only does this week take on a special importance because this year we have seen the addition of South Vietnam and Cambodia to the list of Captive Nations, but also because of the recent escalation of the SALT II negotiations. In my opinion, the whole issue of détente with the Soviet Union reinforces rather than weakens Communist control over the peoples living under Communist dictatorship and rule in the captive nations. This point has been clearly made by one who is intimately familiar with oppression in captive nations and the duplicity of détente, Nobel Prize winner, Alexandr Solzhenitsyn. In a speech delivered in Washington, D.C., on June 30 and reprinted in the July 14 issue of U.S. News & World Report, Alexandr Solzhenitsyn stated:

> Nikita Khrushchev came here and said: "We're going to bury you." People didn't believe that—they took it as a joke.
>
> Now, of course, the Communists have become more clever in my country. They do not say, "We're going to bury you" any more. Now they say, "Détente."
>
> Nothing has changed in Communist ideology. The goals are the same as they were.
>
> Let me take the liberty of making a short historical survey of relations which in different periods have been called trade, stabilization, recognition, détente. These relations are at least 40 years old.
>
> Let me remind you with what sort of system the Communists started. They came to power by an abhorrent uprising. They drove away the constituent assembly. They introduced the Cheka and shooting and executions without trial; they crushed workers' strikes; they plundered the villages, and they crushed the peasants in the bloodiest possible way.
>
> They crushed the church. They brought 20 provinces of our country into a condition of famine—this was the famous Volga famine of 1921.
>
> A very typical Communist technique: to seize power without thinking of the fact that the productive forces will collapse, that the villages will stop producing, the factories will stop, that the country will go into poverty and famine, and when poverty and

hunger come, then they request the humanitarian world to help it.

We see this in Northern Vietnam today, and almost in Portugal as well, and the same was happening in Russia in 1921.

Civil war, which was started by the Communists, was a slogan of the Communists. When they got the country into a civil war, then they asked America: "Help feed our hungry."

And generous and magnanimous America did feed their hungry. The so-called American Relief Administration was set up, headed by your future President Hoover, and indeed, many millions of Russian lives were saved.

But what sort of gratitude did you receive for this? Not only have the Communists tried to erase this whole event from the popular memory so it's almost impossible today in the Soviet press to find any reference to the American Relief Administration, they even started to accuse you of a clever scheme of American imperialism to set up a spy network in Russia.

I continue: This was the system which introduced concentration camps for the first time in the history of the world. It's a system which in the twentieth century was the first to introduce a system of hostages, that is to say, not to seize the person whom they were seeking, but rather his family or anyone anywhere near him, and shoot this person.

This system of hostages and the persecution of families exists to this day. It is today their most powerful weapon of persecution because the bravest person, who is not afraid for himself, will still shiver at the threat to his family.

This is the system which was the first—long before Hitler—to use false registration. Namely, they would order such and such people to come in to register. People would come in. At that point, they are taken away to be annihilated.

They didn't have gas chambers in those days. They used barges. Hundreds and thousands of persons were put into these barges and the barges were sunk. It's a system which exterminated all other parties, and let me ask you to remember that it destroyed not only the party itself, but the members of every party.

It's a system which introduced genocide of the peasantry. Fifteen million peasants were sent off to extermination. It's a system which, in time of peace in the Ukraine, artificially created a famine causing 6 million persons to die of famine in 1932 and 1933—on the very edge of Europe they died. Europe didn't even notice it. That world didn't even notice it.

I could keep on enumerating these things endlessly, but I have to stop because we've got to 1933.

This is the year when, with all which I have enumerated in the background, your President Roosevelt and your Congress recognized the system as being one worthy of diplomatic recognition, of friendship and of assistance. This was the beginning of the friendship and, ultimately, of the military alliance.

There is another Russian proverb: The enemy is the yes man, but the friends will argue with you. It is precisely for that reason that I have come to tell you, my friends.

I'm not going to tell you sweet words. The situation in the world is not just dangerous. It isn't just threatening. It is catastrophic.

Something that is incomprehensible to the ordinary human mind has taken place. We, over there—the powerless, average Soviet people—couldn't understand year after year, and decade after decade, what is happening.

England, France, the United States—the states which were victorious in the second World War—the victorious states have to dictate the peace and they have to receive good conditions, firm conditions, and create an existence which accords with their philosophy, with their concept of liberty, their concept of national interest.

Instead of this, your statesmen of the West, for some inexplicable reason, signed one capitulation after another. And your President Roosevelt did not pose any conditions to the Soviet Union before he gave them unlimited aid.

In Yalta, without any need for it, the occupation of Mongolia, Moldavia, Estonia, Latvia, Lithuania were recognized. Immediately after that, almost nothing was done to protect Eastern Europe, and seven or eight countries of Eastern Europe were also surrendered.

Stalin had demanded that the Soviet citizens who did not want to return home be handed over to him. And the Western countires then handed over 1.5 million human beings—by force. English soldiers were killing Russians who did not want to become prisoners of Stalin, and pushed them by force to Stalin to be exterminated.

How could the Western democracies have done this? And immediately after that came the other 30 years that followed—the constant retreat, the surrender of one country after another, up to the point where now, in Africa, there are Soviet satellite countries; almost all of Asia is taken over by them; Portugal is rolling down into the precipice. During the 30 years, more was surrendered to totalitarianism than ever—ever in the world history after any war had any defeated country surrendered.

There was no war, but there might as well have been.

For a long time I couldn't understand this. We couldn't understand the flabbiness of this truce which was conducted in Vietnam. Any average Soviet citizen understood that this was a sly device which made it possible for Northern Vietnam to take over Southern Vietnam when it so chooses. And suddenly, this is being rewarded by the Nobel Prize for peace? A tragic and ironic peace.

This is a very dangerous sentiment, which may arise as a result of this 30 years' retreat. The feel for the world that comes as a result of it is to give in as quickly as possible, to give up as quickly as possible, and to get peace and quiet at any cost.

Many papers in the West have written: Let's hurry up and end the bloodshed in Vietnam and have national unity there.

One of your leading newspapers, after the end of Vietnam, gave a full, big headline: "The Blessed Silence." I would not wish that kind of blessed silence on my worst enemy. I would not wish that kind of national unity upon my worst enemy.

I have spent 11 years in the "archipelago." And for half of my lifetime I have studied this question. Looking at this terrible tragedy in Vietnam from a distance, I can tell you: A million persons will be exterminated. Four to 5 million—in accordance with the scale of Vietnam—will spend time in concentration camps and will be rebuilding Vietnam.

What is happening in Cambodia you already know. It is genocide. It is full and complete destruction, but in a new form.

Once again, the technology is not up to building gas chambers, so in a few hours the entire capital city, the guilty capital city is emptied out—old people, women, children are driven out without belongings, without food. Go, die!

Now we hear voices in your country and in the West: Give up Korea and we will live in peace. Give up Portugal, of course. Give up Japan, give up Israel, give up Taiwan, Philippines, Malaysia, Thailand, 10 African countries. Just let us live peaceably.

It is also said that "if the Soviet Union is going to use détente for its own ends, then we"—But what will happen then? The Soviet Union *has* used détente in its own interest, is using it now, and will continue to use it in its own interest.

For example, in China and in the Soviet Union they're both participating in détente, but they have grabbed three countries of Indo-China in a quiet way. True, perhaps as a consolation, they will send you a table-tennis team!

Years ago, the Soviet Union sent you the pilots who at one time crossed the North Pole on the way to America. I remember very well the year—this was June of 1937—when the Russian pilots accomplished their heroic flight across the North Pole and landed in the State of Washington. This was the year when Stalin had executed more than 40,000 persons a month, and Stalin knew what he was doing. The pilots were heroic—nobody will say anything against them—but this was a show, a show to distract you from the real events of 1937.

And what is the occasion now? Is it an anniversary, 38 years? Is 38 years some kind of an anniversary? No, simply they have to cover up Vietnam, and once again those pilots were sent here. The Chkalov Memorial was inaugurated in the State of Washington. Chkalov is a hero and is worthy of a memorial. But, in order to present the true picture, behind the memorial there should have been a wall, and on it there should have been a bas-relief showing the execution, showing the skulls and bones.

I apologize for quoting so many things, but there are so many things being said in your press and radio.

We cannot ignore the fact that North Vietnam and Khmer Rouge have violated the [Indo-China] agreement, but we are willing to look into the future. What does that mean? Does it mean let them exterminate people, but if these murderers—those who live by violence—these executioners authorize détente, we will be happy to participate in it?

They [in the U.S. leadership] looked into the future this way in '33 and in '41, but it was a nearsighted look into the future. Two years ago they looked into the future when a senseless, nonguaranteed, pointless truce in Vietnam was arranged, and it was a nearsighted thing. There was such a hurry to have this truce that they have forgotten to collect your own Americans back. They were in such a hurry to sign this document that some 1,300 Americans—well, they have vanished.

The Soviet Union and the Communist countries can conduct negotiations. They know how to do this. For a long time they don't make any concessions, and then they give a little bit. Then everyone says triumphantly: "Look, they have made a concession. It's time to sign."

The European negotiators for 35 countries for two years now have painfully, painfully been negotiating—their nerves are stretched to the breaking point. And the Communists finally make concessions. A few women from the Communist countries can now marry foreigners. And a few newspapermen are now going to be permitted to travel in some places they couldn't travel before. They give one thousandth of what natural law should provide, or natural right—matters which people should be able to do even before such negotiations are undertaken. And here in the West we hear all sorts of peoples raising their voices, saying: "Look. They are making concessions; we've got to sign."

During these two years of the negotiations, in all the countries of Eastern Europe, the pressure has increased, the oppression has increased—even in Yugoslavia and Rumania, leaving aside the other countries. And it is precisely now that the Austrian Chancellor is saying: "We've got to sign this agreement as rapidly as possible." What sort of an agreement would this be?

The proposed agreement is the funeral of Eastern Europe. It would mean that West-

> ern Europe would finally, once and for all, sign off Eastern Europe, stating that it's perfectly willing to see Eastern Europe be crushed and overwhelmed, but just don't bother us. And the Austrian Chancellor thinks that if he pushed all of these countries into a common grave, then Austria, at the very edge of this grave, will not fall into it, too.
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> From our lives there we have concluded this: that there is only one thing which can be raised against violence, and that is firmness.
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> You have to understand the nature of Communism, the very ideology of Communism. All of Lenin's teachings are that Communism considers to be a fool anyone who doesn't take what's given to him, what's lying in front of him. If you can take it, take it. If you can attack, attack. But if there's a wall, then go back.
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> The Communist leaders respect only firmness, and have contempt and laugh at persons who continually retreat. You are told—and this is the last quotation I'm going to give you from the statements of your leaders—that power without any attempt at conciliation will lead to a world conflict. But I would say that power with continual compliance, continual retreat, is no power at all.
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> From our experience, I can tell you that only firmness will make it possible to withstand the assaults of Communist totalitarianism. We see many historic examples. Let me give you some of them.
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> Look at little Finland in 1939, which with its own forces withstood the attack.
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> You, in 1948, defended and stood up for Berlin, and only because of your firmness of spirit there was no world conflict.
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> In Korea, in 1950, you stood up against the Communists by your firmness and unyieldingness. And there was no world conflict.
>
> In 1962, you compelled the rockets to be removed from Cuba. Again, it was your steadfastness and firmness of character, and there was no world conflict.

Mr. Solzhenitsyn concluded this speech by reminding us that whenever we help the peoples in captive nations, we are also helping ourselves and defending our own liberties—but this cannot be achieved by making concessions and sacrifices to the very governments that are the oppressors dedicated to world domination. Rather than being conciliatory, our policy should be one of firmness in our demands for the freedoms that are the basic rights of all persons. This is an important point to remember when we in Congress debate such issues as the exporting of American goods and products to the U.S.S.R., which are not only being used to build up the Soviet war machine, but also further entrench Communist control and domination and make the fight for freedom more difficult on those living in captive nations.

Mr. Solzhenitsyn's warning to America should be studied carefully by all of us who have been elected to represent the people of the United States, and uphold the liberties and freedoms that are guaranteed to all Americans under our Constitution. I urge all my colleagues to read his remarks carefully, and to give particular attention to his following statements which concluded his June 30 address:

> I started by saying that you are the allies of our liberation movement in the Communist countries, and I call upon you: Let us think together and try to see how we can adjust the relationship between these two processes. Whenever you help the persons being persecuted in the Soviet Union, you're not only displaying magnanimity and nobility, you are defending not only them but you're defending yourselves as well. You're defending your own future.
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> So let us try to see how far we can go to stop this senseless process of endless concessions to aggressors, these clever legal arguments for why we should make one concession after another and give up more and more and more.
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> Why have we got to hand over increasingly more and more technology—complex, subtle, developed technology—that it needs for its weapons, for crushing its own citizens?
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> If we can at least slow down that process of concessions, if not stop it altogether, and make it possible for the process of liberation to continue in the Communist countries, ultimately these two processes will combine and yield us our future.
>
> On our small planet, there are no longer any internal affairs. The Communist leaders say: "Don't interfere in our internal affairs. Let us strangle our citizens in quiet and peace."
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> But I tell you: Interfere more and more, interfere as much as you can. We beg you to come and interfere.

Mr. FLOOD. Mr. Speaker, I very much appreciate the remarks of the gentleman from California because year after year as I have stood in the well and spoken on this subject, the gentleman from California has also stood right where he is now standing, and has said very much the same things. I assure the gentleman that we shall continue to do this until this hope is achieved.

I am very grateful to the gentleman from California.

Mr. KEMP. Mr. Speaker, will the gentleman yield?

Mr. FLOOD. I am happy to yield to the gentleman from New York.

Mr. KEMP. Mr. Speaker, I appreciate the gentleman from Pennsylvania yielding to me.

I would like to point out to my colleagues in the Congress that the gentleman now in the well should be commended for his outstanding leadership both on this issue of the captive nations and many other issues that confront this country, this Congress, and the world.

The gentleman from Pennsylvania is one of those who is willing to stand up on behalf of all of those people around the world who do not know the meaning of the freedom that we have in this country.

It is indeed ironic that the gentleman is helping bring to the attention of not only this Congress, but this country and the world the fact that there are people living in captive nations who yearn for the freedom we have, and I repeat, it is a little ironic that at the time the efforts of the gentleman from Pennsylvania are being made they are being made at the same time that Mr. Solzhenitsyn, that courageous freedom fighter, is at the Capitol of the United States reminding us of our heritage.

Mr. FLOOD. Mr. Speaker, that was very well said. As a matter of fact I could not have said it better myself.

Mr. KEMP. That is the highest compliment I could imagine.

Mr. FLOOD. That is praise from Caesar.

Mr. KEMP. Mr. Speaker, again I commend the efforts of my good friends and colleagues Mr. FLOOD and Mr. DERWINSKI to focus congressional attention and concern upon the plight of the captive nations. It is very important to me that Congress fittingly observe the anniversary of Captive Nations Week.

In July 1959, the Congress passed Public Law No. 86–90 which authorized and requested the President to designate the third week of July as Captive Nations Week; "until such a time as freedom and independence shall have been achieved for all the captive nations of the world."

The peoples who live in these countries, are those who are imprisoned within the Communist-dominated states under dictatorship of the Communist parties, and their consummate experiences attest to the overall truth that both in theory and action, communism is the worst form of totalitarianism and imperio-colonialism in the history of mankind.

These submerged nations look to the United States as the citadel of human freedom for leadership in bringing about their liberation. All too many times, we treat the freedoms our forefathers struggled for too casually, and forget that there are those peoples who still live in the darkness of tyranny.

Citizens of the captive nations can look forward only to continued oppression, if we do not insist upon the Soviet Union fulfilling its responsibility for all of her people and in respecting fundamental freedoms. We must continue to assist the captive nations in their courageous and continued struggle for freedom.

It is imperative that our actions reflect our words. I, therefore, urge that my colleagues consider the immediate passage of the Baltic States resolution, by which the United States would reaffirm its refusal to recognize the Soviet Union's annexation of Estonia, Latvia, Lithuania and the other captive nations as well.

It is very significant that Alexandr Solzhenitsyn is here in the United States during the important commemoration of Captive Nations Week. I reiterate my earlier request to the leadership of the House that Alexandr Solzhenitsyn be immediately invited to address a joint session of Congress.

The Soviet hierarchy remains an instrument of oppression. By contrast, Solzhenitsyn offers one of the few voices of the oppressed peoples, and an appeal for freedom and hope. We work daily on the floor and in committees on issues which affect the foreign policy of the United States. We debate frequently the important questions of the use of America's strengths to achieve a more stable and peaceful world. It is of extreme importance for us to hear this learned, perceptive, and courageous man.

The peoples of the captive nations have been deprived of their national independence and their individual liberties. As Alexandr Solzhenitsyn said in a congressional reception yesterday, which many of us had the honor to attend:

> Let us attempt to break through that calamitous wall of ignorance or of unconcerned arrogance.

Mr. Speaker, let us demonstrate our concern for these nations by participating in Captive Nations Week. Let us transmit to our enemies the fact that we will never acquiesce to any permanent captivity of these nations and also to our captive allies, that we are determined to work for their freedom, which in essence means our national freedom as well.

Mr. WAGGONNER. Mr. Speaker, Captive Nations Week, which we observe this week, has never been a particularly joyous occasion. It commemorates the disturbing and tragic fact of our modern world that millions of people are presently subjected to domination by a system of government imposed against their will. They are being held captive within their own nations.

When Captive Nations Week was first approved by Congress and proclaimed by President Eisenhower in 1959, we were in a cold war with the Soviet Union. Sixteen years later, on the very day we gather to express our support for the captive people of the world, Soviet and American astronauts are linking their spacecrafts as a sign of international goodwill.

It would have been a much more productive and appropriate show of goodwill for the Soviets to have released their domination of the millions of oppressed people they have ruthlessly controlled for the past 30 years.

Despite the handshakes in space, détente and the champagne toasts, the lot of captive peoples behind the Iron and Bamboo Curtains has changed little in those 16 years. The fact is, additional millions of freedom-loving people in Southeast Asia and Latin America have forcibly come under Communist domination during the period. Captive nations and people have increased in number and their plight has only worsened.

In making the annual proclamation, President Ford spoke of "our belief that all men everywhere have the same inherent right to freedom that we enjoy today." For the people of the captive nations, that inherent right has been trampled by military force for years and continues to be abused and brutally repressed despite warm smiles by the Soviets during this era of détente.

It is important that captive people in Communist countries realize that their longing after liberty is a concern of Americans. The cause of freedom must be a deep and abiding concern of all free people, or we too may lose the freedom we now have.

Although our Government seeks to improve world relations through our diplomatic relations with Communist nations, we must not lose sight of the obligation we have as free men to work to improve the plight of these captive people.

Today, more than 100 million people are denied even the basic human rights we have taken for granted—freedom of speech, assembly, religion, and the right to choose where they will live. Their continuing struggle for liberty should serve as an inspiration to us, and as a constant reminder of the sacrifices which have been made in securing and preserving our own heritage of individual liberty.

Mr. RHODES. Mr. Speaker, it is with special interest that we observe Captive Nations Week, July 13–19. I am pleased to have this opportunity to join my colleagues in the House in reminding the world that there are millions of persons who have been displaced by force from their homelands, and who desire to return to their homes, and to establish self-rule for themselves.

It has been many years since the small countries of Europe were seized by the Communist regime, and their populations scattered, or oppressed by the harsh rule of a foreign government. Although meaningful resistance has been denied them, I know that many of these people, and their relatives and friends in this country, still carry the hope that eventually they can return and reestablish their national identities.

Now, we have added to the list of captive nations, those in Southeast Asia. Again the aggressor was communism. During this period of détente, I am sure that we will emphasize to the rulers of the Communist world, the desirability of allowing small nations to exist, and to determine their own destinies. The winds of change are blowing across the world. Events have a way of leavening the extremist elements in the world society. We can only continue to exert our best efforts toward the end that the long-held hopes and prayers of those in the captive nations and their supporters, may someday come to pass.

As we observe this week, established by Public Law 86–90, it is appropriate that we recognize and pay tribute to the determination, courage, and faith of those who have never ceased to insist that men and women have the right to live in freedom, to determine their own destinies and national alliances. This is the 17th observance of Captive Nations Week. Let us all dedicate ourselves to the proposition that we will see the day when this observance is no longer necessary.

Mr. HANLEY. Mr. Speaker, I want to take this opportunity to join with my colleagues and fellow Americans in commemorating the 17th Anniversary of Captive Nations Week, first passed by Congress in July 1959.

As we near the celebration of our Nation's Bicentennial, I feel saddened that the millions of oppressed people under Communist rule in the countries of Albania, Bulgaria, Czechoslovakia, Estonia, Hungary, Latvia, Lithuania, Poland, and Rumania are not free to choose under what flag they wish to live.

Captive Nations Week helps to serve as a reminder to the Communist rulers that Americans continue to care about the plight of the captive nations, that they have not been forgotten, and that their hopes and desires are shared by millions who have the privilege of living in freedom.

As we complete the final stages of the 35-nation Conference on Security and Cooperation in Europe, we must be reminded, in our talks with the Soviet Union, that we cannot relax our standards of justice and humanity for all, in our effort toward closer association.

As I have noted in the past a man's mind and spirit remain free so long as he has hope and so long as he believes. We must help the oppressed victims by giving them reason to believe, that as long as their spirit is free they will soon obtain the freedom of body. I join my colleagues in their support for the captive nations.

Mr. WALSH. Mr. Speaker, the 1975 Captive Nations Week anniversary is an observance that reminds us of the fate of 100 million East and Central European people, who are living silently under the blanket of totalitarian communism. In a continuing attempt to bring the situation to the public attention, I would like to participate in the commemoration of Captive Nations Week. For the past decade and a half this special week has recognized the principles of human rights and freedom of which the people of these captive nations have been deprived.

It is important for us to to remember these people even amidst the growing calls for détente with the Soviet Union. There is in my opinion a misunderstanding that now exists concerning captive people and détente. The citizens of these nations and critics of détente are not against détente, rather they support cooperation with the Soviet Union.

A letter that I received from the chairman of the National Captive Nations Committee, Dr. Lev E. Dobriansky, best expresses this misconception:

> We have always been for detente as a process, but for one pursued on grounds of knowledgeability, accurate conceptualization, and trained perception. When, in relation to the USSR—the only real critical threat to our national security—some of our leadership still think of the USSR as a nation-state, ignore the historical messages of Sakharov, Solzhenitsyn, and others, and have become party to such Moscow bred myths as peaceful coexistence, the urgency for this national forum is greater than ever. The over two dozen captive nations, nearly one-half of the USSR itself, are an internal problem for Moscow. Are they, therefore, of no life-or-death concern to us? By our silence are we prepared to consign them to permanent captivity in the naive hope of thereby securing peace?

I would like to assure our captive allies that we are willing to work with them for their freedom. This is of prime importance because we cannot afford to ignore the captive nations especially in light of the present international situation. A letter from the Assembly of Captive European Nations best expresses the current plight of these nations in respect to the United States today. It reads:

> The 35-nations conference on European Security and Cooperation in Geneva, now has been underway for almost two years, preparing under Soviet prodding the grand summit to be held in Helsinki, at which according to Soviet plans the heads of state, among them the president of the United States of America, are to gather and make the Soviet conquest of East-Central Europe legitimate.
>
> The Soviet Union considers the present occurrences in the international situation opportune to press for an early date of the

> supersummit, fully determined to accomplish changes in the present international situation in favor of the Communist power system.
>
> The European security, as planned by the Soviet, would not only give a Western blessing to a divided Europe, but it would also make clear the Soviet's domination of its European Empire was no longer to be challenged, and that Moscow had secured world acceptance of Soviet hegemony over Eastern Europe.
>
> Obviously the supersummit scheduled for Helsinki this year has an extraordinary meaning to the Soviet leaders. It would be a crowning achievement of their 30 year policy originated in Yalta, which resulted in whole nations being swallowed up behind the Iron Curtain and Communist governments being mercilessly imposed on them.
>
> . . . While the Western powers were still unwilling to put self determination and freedom of the captive nations on the agenda of the conference, the Soviets have offered minor concessions in matters which cannot alter or weaken their predominant position in East-Central Europe, or to consider anything which would result in the loosening of their grip on the nations they dominate. A refusal to agree to a freer movement of people and ideas and to permanently stop jamming by the Soviet and their satellites of foreign broadcasts cast a lurid light on their attitude toward Western endeavors to eliminate the artificial barriers dividing Europe. Obviously these barriers are essential to safeguard Soviet domination over the captive nations. The elimination of barriers to human and cultural contacts is of paramount importance to the captive nations severed from the roots of Western civilization to which they have belonged for centuries. Western demands in these matters should be pressed by the United States and her allies . . .

I do feel it is important not to deal a staggering blow to the captive people, but to continue to support them and their fight for freedom. We cannot abandon these people. We must continue to recognize them, yet within the framework of détente. As Dr. Dobriansky noted:

> We have always been for detente as a process, but for one pursued on grounds of knowledgeability, accurate conceptualization, and trained perception.

Mr. ADDABBO. Mr. Speaker, this week marks the 17th observance of Captive Nations Week and as we in Congress debate the many domestic and foreign policy issues facing our Nation, it is particularly appropriate for us to reassess the policy of détente. The subject of captive nations is not a pleasant one, yet it would be tragic for us to forget the past history of oppression by the Soviet Union.

Détente can only be an effective policy if we correct the record of past domination of captive nations and assure that basic international human rights are recognized by all nations.

I join my colleagues and others throughout the free world in expressing our concern for those less fortunate people who are captives in the true sense of that word. Their hope for freedom—spiritual, social, and cultural—remains alive and with our support will one day become a reality.

Mr. BROOMFIELD. Mr. Speaker, I think it is entirely appropriate that the United States of America, while preparing to embark on its third century of freedom and democratic government, should stand back and reflect on the tragedy of those nations that have fallen prey over the years to the rapaciousness of international communism.

This week we pay tribute to the steadfastness and bravery of millions of people around the globe forced to live against their will—many of them for decades—deprived of the freedom and dignity that we, as Americans, have come to take for granted. As we contemplate the future of détente, let us remember the victims of confrontation and aggressive Soviet expansionism.

Many sons of these brave nations live with us today as American citizens. They play an important role in the cultural, intellectual, and commercial life of this country. For the most part they are freedom fighters, or descendants of freedom fighters, veterans of the bitter struggle against totalitarianism around the world. We pause with them this week to remember their less fortunate kinsmen who remain behind, who must subsist on the hope of a better day while facing the rigors of an existence devoid of dignity and respect for fundamental human rights.

The tragedy of the captive nations of Europe and Asia would be compounded if citizens of these states were to sense that the rest of the world has ceased to care or has surrendered the hope for a more decent future for these people. The purpose of our remembrance this week is to send forth the word that the United States has not forgotten, that our outrage at this affront to human dignity is undiminished. We continue to oppose and to condemn the bondage of nations in the Baltic, in Central Europe, in areas of the Soviet Union, and in Southeast Asia. We look forward to the day when these nations are permitted an opportunity to assume their rightful place in the international community as independent masters of their own destiny.

Mr. LAGOMARSINO. Mr. Speaker, I rise to express my personal concern about the captive people to whom we dedicate this week. The list of countries is long: Latvia, Estonia, Lithuania, Tibet, Hungary, East Germany, Bulgaria, Poland, Rumania, Armenia, North Korea, and the newly captive nations of Indochina. I can think of no better words to express my concern than the words of a man who knows first hand what life is like in these countries: Alexandr Solzhenitsyn.

Solzhenitsyn has spoken on several occasions in this country recently, describing the political and social repression in the Soviet Union in poignantly human and compassionate terms. His prediction that "a million persons will be exterminated" in South Vietnam came from first-hand experience of the Stalinist purges, and knowledge of the way Communist regimes have systematically stifled all dissent. He deserves being listened to.

Solzhenitsyn also took the opportunity to analyze American foreign policy, and said that post-World War II history has consisted of "one capitulation after another" by the United States. Again speaking from experience, he said that "Communist leaders respect only firmness, and have contempt and laugh at persons who continually retreat."

But Solzhenitsyn was firm in asserting the desire for freedom among the captive people of Eastern Europe:

> Under the cast-iron shell of Communism in the Soviet Union and other Communist countries, there is a liberation of the human spirit.

It is this last statement that points out the purpose of Captive Nations Week. We have a moral obligation to provide hope to people who long for the freedoms we take for granted. As Solzhenitsyn said:

> You are the allies of our liberation movement in the Communist countries, and I call upon you: Let us think together and try to see how we can adjust the relationship between these two processes. Whenever you help the persons being persecuted in the Soviet Union, you're not only displaying magnanimity and nobility, you are defending not only them but you're defending yourselves as well. You're defending your own future.
>
> On our small planet, there are no longer any internal affairs. The Communist leaders say: "Don't interfere in our internal affairs. Let us strangle our citizens in peace and quiet."
>
> But I tell you: Interfere more and more, interfere as much as you can. We beg you to come and interfere.

Mr. ANDERSON of California. Mr. Speaker, this week, July 14–18, marks the 17th observance of Captive Nations Week, which was established in July of 1959.

Since that time, of course, our foreign policy has changed dramatically. We no longer speak of containment and confrontation. Instead, we live in a world of détente and accommodation with our neighbors.

However, the realities faced by millions of men, women, and children around the world, in many nations, remain the same. In Central and Eastern Europe, as well as in Asia, nations are still denied the right of self-determination. They are not allowed to pursue their own national destiny under the guidance of their own leaders.

Captive Nations Week provides us a chance to express our sympathy and solidarity with these captive peoples throughout the world. No matter what changes may occur in our policies with other nations, we must never lose sight of the fact that a great number of people around the globe are denied their freedom.

As a free nation, the United States, and her people, have both the right, and the duty, to speak out against such foreign oppression. Détente and trade benefits may be desirable. But we must never let it be said that the United States allowed itself to be deterred from its principles in the name of coexistence, or in order to obtain a favorable trade agreement with another nation.

These principles need not express themselves in misguided foreign adventures, or disastrous wars. We have no more right to impose our system of government on other peoples than do our friends in the Soviet Union.

Instead, it should express itself in a national determination to freedom for all nations, and in never forgetting that other nations may not be as fortunate as our own. We must always remember the plight of these captive nations, whether they lie in the streets of central Europe, or the windswept plateaus of the Himalayas.

Recently, we in this country, and others throughout the world, were witnesses to an incident which I hope will never be repeated. The highest official in the United States refused to meet with a distinguished writer from another nation, himself a man who has escaped from captivity.

Reportedly, the reason for this incident was that we did not want to aggravate certain of our foreign friends. Hopefully, this unfortunate scene will never be repeated.

This week, which also marks the first joint venture into outer space by two nations, will serve to remind us that despite our cooperation in some areas, gulfs of philosophy and international policy still separate the two greatest powers on the globe.

Cooperation and coexistence are still desirable, and both sides must strive to meet them.

But we must never allow our desire for peace to become more important than our principles as a nation. For if the United States ever condones the loss of freedom for other people, we will have taken the first step toward surrendering our own rights.

Mr. MICHEL. Mr. Speaker, with the arrival of the age of exploration in the 16th century, the doctrine of mercantilism came into prominence, holding that the best way for a nation to enrich itself was to acquire colonies, and to exploit those colonies for its own economic advantage.

For centuries, the theory was held to be fact, and the European powers built up vast colonial empires accordingly. But about at the time of the American Revolution, a new theory was developed, the theory of capitalism, first systematically expounded by Adam Smith in his remarkable book "The Wealth of Nations."

The new theory, along with political developments such as the birth of the United States, signaled the beginning of the end for colonialism, although it proved stubborn and difficult to wipe out entirely.

Now, however, it is a thing of the past. The Portuguese, the last Western nation to openly profess the colonial doctrine, have begun to dismantle their African empire, and the prescient independence of Angola and Mozambique will—almost—sound the death knell for mercantilism.

But that word "almost" is important. It is important because there is still one colonial power in the world, and that is Soviet Russia.

How remarkable it is that 200 years after the publication of "The Wealth of Nations," the one group that clings to the discredited and outdated theory of colonialism is the Communist Party, which is at the same time the most vigorous opponent of the capitalist theory that Adam Smith propounded.

The Communists claim that their thinking represents a newer and more modern idea than Smith's capitalism. But in the colonial policies of Soviet Russia, it can be seen that communism is but a throwback to the feudal era.

And make no mistake about it, the Soviet satellites in Eastern Europe and elsewhere are colonies, un-nations whose human and material resources are exploited by their colonial master for the benefit of the Soviets.

Life under communism is sterile and austere. It is also, as Alexandr Solzhenitsyn has shown us so dramatically and clearly, cruel. All of this is true in Russia as well as in the capitive nations that are her colonies.

But in the captive nations, the oppression is compounded by the fact of foreign domination.

As we observe Captive Nations Week, it is fitting that we pause to express our solidarity with the exploited people of the world's last remaining colonial empire. We yearn for the day when they may once again be free.

And we may also reflect that the modern world, for all its progress and enlightenment, has not yet rid itself of some pretty hideous anachronisms from the distant past. The Russian colonial empire is one of these, and any person who may think that communism is the wave of the future would do well to consider another possibility: That instead, communism is a relic of the barbarous past, and is, as the people of the captive nations know all too well, the last worst fear of mankind.

Mr. ANNUNZIO. Mr. Speaker, this 17th observance of Captive Nations Week—July 13–19—should be a time when All Americans and their leaders reaffirm their dedication to the ideals of liberty and to their duties as a free people, and express their concern in the strongest possible terms for the millions of unfortunate men and women who must live in those nations enslaved by the dismal tyranny of communism.

In Chicago, the week-long observance of this important event will culminate on Saturday, July 19, in a gigantic parade on State Street, coordinated under the able direction of Chairman Viktors Viksnins of the Captive Nations Committee. Americans who share the ancestry of many of the captive peoples or were born in these nations will march, wearing their native costumes, joined by city officials, Chicago civic and business leaders, and members of our Armed Forces. A reception will follow the parade at the Latvian Community Center, 4146 North Elston Avenue.

Many thousands will march in this parade in order to demonstrate their empathy and support for the captive peoples in their courageous and unrelenting efforts to resist the barbaric and dehumanizing Communist system of repression. I look forward to joining in this crucial demonstration of deep concern, which will contribute to the hope and aspirations of the captive peoples who are fighting against the hateful ideology of fear ruling their homelands.

Honorable Richard J. Daley, mayor of Chicago, has issued a proclamation on the plight of the peoples in the captive nations and the mayor's proclamation follows:

PROCLAMATION

Whereas, our city's annual observance of Captive Nation's Week will be highlighted by a State Street parade on July 19th; and

Whereas, under auspices of the Captive Nation's Friends Committee, the week's activities will direct public attention to the plight of people whose homelands have come under Communistic control; and

Whereas, many citizens of these countries are linked by ties of family relationships to residents of this community, and it is commendable that United States citizens, in appreciation of their freedoms, should extend sympathy and the hope of freedom to their fellow-men whose independence has been abrogated:

Now, therefore, I, Richard J. Daley, Mayor of the City of Chicago, do hereby proclaim the period of July 14 through July 19, 1975, to be Captive Nation's Week in Chicago and urge all citizens to take cognizance of the special events arranged for this time.

Dated this 26th day of May, 1975.

RICHARD J. DALEY,
Mayor.

Mr. Speaker, we as Americans must also provide these captive peoples with a sense of hope reflected through our policies as a nation. Even now, we are in negotiations with the Soviets on armaments reduction and the Conference on Security and Cooperation in Europe is entering its final phase. It is most important that the United States does not accept any ratification of the existing frontiers of Europe and refuses to legitimize the infamous "Brezhnev doctrine" of Soviet interference in the affairs of Eastern Europe, such as the brutal military occupation of Czechoslovakia in 1968.

Instead, our Nation should focus world attention on the need for improved visiting rights for relatives in these nations, for free and uncensored mail between these peoples and their relatives abroad, and also insist that the Soviet Union begin living up to its propaganda claims concerning the rights of the individual.

At the dinner given in his honor by the AFL–CIO, the Russian novelist, Alexsandr Solzhenitsyn, spoke on these crucial issues and I would like to quote a portion of his speech:

> It is almost a joke now in the Western World, in the 20th Century, to use words like "good" and "evil." They have become almost old-fashioned concepts, but they are very real and genuine concepts. These are concepts from a sphere which is higher than us—good and evil. And instead of getting involved in base, petty, short-sighted political calculations and games we have to recognize that the concentration of World Evil and the tremendous force of hatred is there and is flowing from there throughout the world. And we have to stand up against it and not hasten to give to it, give to it, give to it, everything that it wants to swallow.
>
> Today there are two major processes occurring in the world. One is the one which I have just described to you which has been in progress more than 30 years. It is a process of short-sighted concessions; a process of giving up, and giving up and giving up and hoping that perhaps at some point the wolf will have eaten enough. The second process is one which I consider the key to everything and which, I will say now, will bring all of us our future; under the cast-iron shell of Communism—for 20 years in the Soviet Union and a shorter time in other Communist countries—there is occurring a liberation of the human spirit. New genera-

tions are growing up which are steadfast in their struggle with evil. Which are not willing to accept, unprincipled, compromises; which prefer to lose everything—salary, conditions of existence and life itself—but are not willing to sacrifice conscience, not willing to make deals with evil.

This process has now gone so far that in the Soviet Union today, Marxism has fallen so low, that it has become an ancedote, it's simply an object of contempt. No serious person in our country today, not even university and high school students, can talk about Marxism without smiling, without laughing. But this whole process of our liberation which obviously will entail social transformations is slower than the first one—the process of concessions. Over there, when we see these concessions, we are frightened. Why so quickly? Why so precipitously? Why yield several countries a year?

I started by saying that you are the allies of our liberation movement in the Communist countries. And I call upon you: Let us think together and try to see how we can adjust the relationship between these two processes. Whenever you help the persons persecuted in the Soviet Union, you not only display magnanimity and nobility, you're defending not only them but yourselves as well. You're defending your own future.

So let us try to see how far we can go to stop this senseless and immoral process of endless concessions to the aggressor—these clever legal arguments for why we should give up one country after another. Why must we hand over to Communist totalitarianism more and more technology—complex, delicate, developed technology. Which it needs for armaments and for crushing its own citizens. If we can at least slow down that process of concessions, if not stop it altogether—and make it possible for the process of liberation to continue in the Communist countries—ultimately these two processes will yield us our future.

On our crowded planet there are no longer any internal affairs. The Communist leaders say, "Don't interfere in our internal affairs. Let us strangle our citizens in peace and quiet." But I tell you: Interfere more and more. Interfere as much as you can. We beg you to come and interfere.

Mr. Speaker, this year, perhaps more than at any other time since Captive Nations Week was legislated by Congress in 1959, we as Americans have been made aware that our own future, as well as the future of the captive nations, depends on our vigilance and our uncompromising will to stand firm in the face of totalitarian aggression.

Millions of Americans who trace their origin to the captive nations and to other lands join each year during this special observance to express their support for policies which will hopefully free the people of the captive nations from the yoke of Communist domination. We must never forget that détente has not changed the bitter realities for the captive peoples since the Soviet hierarchy has by no means ceased to be an instrument of oppression.

I am proud to join in this observance here in the House of Representatives and in Chicago for I feel that our commitment to freedom compels us to dedicate ourselves to the cause of freedom wherever it is denied and to support efforts to liberate the captive nations of the world. It is my hope that the time will not be too distant when the totalitarian form of government can be overcome and each country can function as a strong, independent nation in a free world.

Mr. HELSTOSKI. Mr. Speaker, the provisions of Public Law 86–90 passed by Congress in 1959 authorized the President and requested him to issue a proclamation designating the third week in July 1959 as "Captive Nations Week" and inviting the American people to observe that week with "appropriate ceremonies and activities." The President was further "authorized and requested to issue a similar proclamation each year until such time as freedom and independence shall have been achieved for all the captive nations of the world." Accordingly, the Presidents of the United States have issued proclamations commemorating Captive Nations Week each year since 1959.

The proclamation for this year's observance was made by President Ford on June 27, 1975, designating the week beginning July 13, 1975, as Captive Nations Week. I wish to introduce it at this point as part of my remarks. The proclamation follows:

Captive Nations Week, 1975—Proclamation 4381, June 27, 1975

By the President of the United States of America—A Proclamation

The history of our Nation reminds us that the traditions of liberty must be protected and preserved by each generation. Let us, therefore, rededicate ourselves to the ideals of our own democratic heritage. In so doing, we manifest our belief that all men everywhere have the same inherent right to freedom that we enjoy today. In support of this sentiment, the Eighty-sixth Congress, by a joint resolution approved July 17, 1959 (73 Stat. 212), authorized and requested the President to proclaim the third week in July of each year as Captive Nations Week.

Now, Therefore, I, Gerald R. Ford, President of the United States of America, do hereby designate the week beginning July 13, 1975, as Captive Nations Week.

I call upon the people of the United States to observe this week with appropriate ceremonies and activities, and I urge rededication to the aspirations of all peoples for self-determination and liberty.

In Witness Whereof, I have hereunto set my hand this twenty-seventh day of June, in the year of our Lord nineteen hundred seventy-five, and of the Independence of the United States of America the one hundred ninety-ninth.

GERALD R. FORD.

Mr. Speaker, Americans are once again joining together to speak in defense of the cause of freedom throughout the world. During Captive Nations Week, we not only renew our own commitment to freedom, but we are also telling those who live under the Communist yoke of imperialism that they should not give up hope.

We are now observing the 17th annual commemoration of Captive Nations Week. It is good that we take this time to focus attention on the fact that untold numbers of people still live under the totalitarian domination of communism. To these people freedom is denied. We owe it to them, as well as to ourselves, to protect freedom where it exists, and to dedicate ourselves once again to its extension whenever and wherever possible.

It is to these ends that we must rededicate ourselves during Captive Nations Week—toward a clearer recognition of the virtues of freedom as well as the wiles of tyranny.

The citizens of the captive nations may have lost their freedom temporarily, but there is strong evidence that they have not lost hope or their desire to regain it. As long as freedom exists somewhere in the world, as long as free people remain unswerving in their determination to keep freedom alive, hope will flourish in the captive nations of Europe, Asia, and the Western Hemisphere.

And so, during this week, we must reaffirm a twofold promise: To remain firm against further Communist usurpation in the world, and to do all within our power to work for the ultimate liberation of every captive nation.

Our heritage requires that we keep the lamp of liberty lit. Oppressed people have traditionally looked to us for hope and inspiration. I hope that the oppressors of the captive nations are listening and note well what is being said throughout America and elsewhere in the world this week, so they will fully realize that we are determined and steadfast in our intention to stamp out tyranny where it exists.

Mr. Speaker, this week should also remind each of us to give thanks to Almighty God for the liberty that we enjoy. We who possess the blessings of life, liberty, and pursuit of happiness as inalienable rights must never take our good fortune lightly. May we be aware of the great sacrifices that those who have gone before us made to make our freedom possible.

Captive Nations Week is a humanitarian cause. I am privileged to recognize and participate in the observance of this memorial to the nations who live unwillingly under the protracted tyranny of an alien force in their beloved homelands.

Mr. PATTEN. Mr. Speaker, the week of July 13–19 will mark the 17th annual observance of Captive Nations week. For these few days we direct our thoughts to the peoples living under Soviet rule in Eastern and Central Europe, and others exposed to the suppression by communism in Southeast Asia and the Far East.

For those Americans who once resided in, or have direct ancestral ties to Poland, Latvia, Lithuania, Estonia, the Ukraine, and other former free nations, this is a period to invoke special memories of previous happiness and liberties, and their subsequent undermining by the inception of Soviet rule in Russia in 1917. These individuals know the suffering of oppression.

However, this week should be of concern to all Americans and the other freedom-loving peoples in the world. It is a time for introspection and gratitude. We must appreciate the rights that we enjoy but are deprived to others. We must also confirm our commitment to the encouragement of self-determination, free expression, and unrestricted mobility for people everywhere.

I strongly support attempts to ease tensions between East and West, but our efforts should never be without keeping in mind the welfare of those people for whom freedom is only a faded memory of the past and a mere cherished hope for the future. They are our greatest allies in all steps to détente.

The United States has commenced its Bicentennial year. For the next 12 months we will commemorate the events which led to the formation of the most enduring democratic republic in the history of the human race. Let us take to heart those time-honored, self-evident "Truths" Thomas Jefferson cited when proclaiming our Nation—"That all men are created equal, that they are endowed by their Creator with certain unalienable rights, that among these are life, liberty, and the pursuit of happiness." In our reverence for these words we must not forget the plight of all oppressed people. We must demonstrate to them that their dreams, like those of the American colonists in 1776, can become a reality.

Mr. DINGELL. Mr. Speaker, this year's observance of Captive Nations Week affords special opportunity for all Americans to express strong and deeply felt support for mankind's aspirations for national and individual freedom. With America's Bicentennial at hand, we recall with special significance our own struggle to achieve national independence and to establish those foundations of democratic government which insure the right to voice dissent, the right to worship, and the right to exercise personal freedoms. As a free nation, we have a moral responsibility to aid with all available peaceful means those who are still engaged in the battle to secure rightful and basic human freedoms.

The ideological confrontation between the free and Communist world is a reality which permeates the international scene. In our dealings with the Communists, we must remain firm against further Communist usurpation and the continued denial of liberty. It is our earnest hope that the peoples of the captive nations soon regain self-government and the right to determine their own destiny.

Mr. CLEVELAND. Mr. Speaker, I am pleased to have this opportunity to salute President Ford on the occasion of his proclamation of July 13–19 as Captive Nations Week, yet saddened by the fact that an event such as this is still needed. For 17 years now, through five Presidents and nine Congresses of which I have served in seven, we have paused to take time to specially remember those people still suffering under totalitarian rule, and deprived of the blessings of self-determination and freedom.

The observance of Captive Nations Week this year has an added significance and a particular sadness. During the past 6 months South Vietnam and Cambodia have fallen under Communist control. The fate of these countries should serve to remind us again that we must always be vigilant to the dangers of communism and the efforts of those practicing that ideology to subjugate freedom throughout the world.

While the recent years have brought an increase in contact and cooperation between the United States and the Communist countries, most recently highlighted by the current Apollo-Soyuz space flight, we must not forget those individuals who are still denied their rights by these same Communist countries. Our responsibilities to these oppressed people have been forcefully pointed out by Nobel Prize winner Alexandr Solzhenitsyn in his recent speech. His chronicle of Communist brutality and his stern warning not to be deceived by "friendly" actions of the Communist powers are a most timely message.

Captive Nations Week should serve as a reminder to all free people of our benefits of freedom and self-determination and the need to guard them constantly.

Mr. CONABLE. Mr. Speaker, we are again observing Captive Nations Week to mark our continuing commitment to the right of self-determination for all people and all nations. We take this occasion to state again our belief that people should be free to shape their own society and institutions without interference from outside countries.

We are presently pursuing a policy of détente with the Soviet Union, and I have supported the direction of this policy; but this policy should not be interpreted as abandonment of our historic regard for self-determination and independence.

In areas of Central Europe and elsewhere that the Soviet Union has ignored these principles, we should look to détente as a means of bringing change in those areas if the people themselves want to change their political institutions. It should also be an opportunity to expand human and cultural contacts between those nations and ourselves. Our position does not imply acceptance of the existing conditions in those areas in the interest of détente.

Mr. Speaker, we all share the desire to improve relations among nations and our policies are directed toward that goal. When that goal is reached and self-determination is realized for all people, then will we be able to set aside observance of a Captive Nations Week.

Mr. DELANEY. Mr. Speaker, upon the eve of our Bicentennial celebration, we Americans rededicate ourselves to those ideals which gave us birth—that all men are equal—that they have the right to life, to liberty, to the pursuit of happiness—universal ideals which are the common heritage of mankind.

Tomorrow, U.S. astronauts and Soviet cosmonauts are scheduled to join hands in space, a crowning achievement for détente. But, Mr. Speaker, we must not be lulled into complacency by such spectacular events. For this also marks the 17th anniversary of Captive Nations Week and we are reminded of the vast throngs of oppressed peoples living in Communist occupied Europe, Asia, and Cuba who are denied the self-determination we hold so dear.

The Baltic nations have suffered greatly under the terror of Russian colonialism. We still weep for the Polish workers of Poznan so brutally suppressed when they rose in revolt against their puppet rulers. We are still outraged over the bloodbath in Hungary when security forces opened fire and Communist dictatorship called upon Soviet troops to put down a popular uprising. Our hearts go out to the people of Czechoslovakia, invaded by the U.S.S.R., and four other Warsaw Pact nations in a move to stamp out the freedoms being enjoyed by the Czechs and the Slovaks.

The Russian population itself constitutes less than 50 percent of its state; the remainder comes from those countries Russia conquered and absorbed. Albania, Bulgaria, Yugoslavia, Romania, North Korea, East Germany, Tibet, North Vietnam, have been wounded and debilitated by the marks of Sino-Soviet imperialism. Just this past year, three more Asian nations have tragically fallen under the yoke of aggression.

These captive nations have been subjected to determined and sinister manipulation of their national heritages. On the one hand, hundreds of thousands have been dragged from their lands by tyrannous powers bent on destroying their ethnic character. On the other, great hardships have been forced upon those who sought to emigrate freely to our Western World.

Mr. Speaker, in spite of their repression, these peoples inspire us with their valor, their bravery, their undying spirit.

As in the past, I am honored to join my colleagues in paying tribute to these gallant peoples and reiterate my firm commitment to their aspirations for political, economic, and cultural liberty. I appeal to the Supreme Judge for the coming of that day when the Communist overlords are finally expelled and the enslaved once again take their rightful place among the free nations of the world.

Mr. DERWINSKI. Mr. Speaker, I am pleased to join with my distinguished colleague from Pennsylvania (Mr. FLOOD) this afternoon as the House commemorates the 17th anniversary of the observance of Captive Nations Week. This week has been set aside as a time for all of us to solemnly pledge our commitment to the millions of oppressed people under Soviet domination.

Today, hundreds of millions of people continue to be denied such essential rights as freedom of speech, assembly, and religion. Others are denied the right to leave their home countries and live where they choose. Dissent is suppressed and those who dare to criticize the government in an attempt to gain their freedom of self-expression and cultural identity, are imprisoned or exiled.

As we mark the 17th annual observance of Captive Nations Week, it is especially significant that we remember the original proclamation instituted by Congress in 1959, in recognition that "the desire for liberty and independence by the overwhelming majority of the people of these submerged nations constitute a powerful deterrent to war and one of the best hopes for a just and lasting peace." However, no peace which is achieved at the expense of human dignity, or at the cost of turning our backs upon the suffering of those who yearn only for freedom and independence is in keeping with our own national tradition.

As we begin the celebration of the 200th anniversary of American freedom, it is easy for us to forget that the nations of Estonia, Latvia, Lithuania, Ukraine, Poland, Romania, North Korea, North and South Vietnam, Cambodia, and many others are still subject to the control of the Soviet Union.

Captive Nations Week serves as a valuable reminder of the people in East-Central Europe and those behind the Bamboo Curtain who are striving to assert their rights of freedom for a government of their choosing and to be masters of their own fate.

Those of us in the free world must continue to reject the tyranny over the lives and minds of these people and reaffirm our strong support for them and their struggle for self-determination. It must be recognized that détente has not significantly improved conditions for citizens of the captive nations with respect to the freedom of individual rights, and those men and women who are citizens of Communist states continue to express their view of communism by fleeing from it whenever the opportunity has arisen.

Mr. Speaker, at this time I would like to insert several formal proclamations of Captive Nations Week, which displays the nationwide interest on behalf of those people held under the Soviet reign, from the Governors of Illinois, Daniel Walker; Nebraska, J. James Exon; Michigan, William G. Milliken; South Carolina, James B. Edwards; and mayors of St. Petersburg, Fla., J. W. Cate, Jr.; Warren, Mich., Ted Bates; Chicago, Ill., Richard J. Daley; Newport News, Va., Harry E. Atkinson; and Livonia, Mich., Edward H. McNamara.

The proclamations follow:

State of Illinois—Proclamation

For more than two hundred years freedom-loving people have sought our shores, penetrated our wilderness or our cities, established homes and adopted the tenets of loyal citizenship. Their varied cultures have strengthened and enriched our nation and endowed it with varied characteristics and interests.

All people, however, do not have this freedom and many among us yearn for knowledge of oppressed relatives and friends, and are concerned for their comfort and needs. The week of July 14 is especially dedicated to those captive peoples this year and a colorful Captive Nations Parade is scheduled July 19 on State Street in Chicago.

In recognition of this seventeenth annual observance, I, Dan Walker, Governor of the State of Illinois, proclaim July 14 through July 19, 1975, Captive Nations Week in Illinois.

State of Nebraska—Proclamation

Whereas, the imperialistic politics of Russian Communists have led, through direct and indirect aggression, to the subjugation and enslavement of the peoples of Poland, Hungary, Lithuania, Ukraine, Czechoslovakia, Latvia, Estonia, Byelorussia, Rumania, East Germany, Bulgaria, Mainland China, Armenia, Azerbaijan, Georgia, North Korea, Albania, Idel-Ural, Serbia, Croatia, Slovenia, Tibet, Cossackia, Turkestan, North Vietnam, Cuba, Cambodia, South Vietnam and others; and

Whereas, the desire for liberty and independence by the overwhelming majority of peoples in these conquered nations constitutes a powerful deterrent to any ambitions of Communist leaders to initiate a major war; and

Whereas, the freedom loving peoples of the captive nations look to the United States as the citadel of human freedom and to the people of the United States as the leaders in bringing about their freedom and independence; and

Whereas, the Congress of the United States by unanimous vote passed Public Law 86–90 establishing the third week in July each year as Captive Nations Week and inviting the people of the United States to observe such week with appropriate prayer, ceremonies and activities; expressing their sympathy with and support of the just aspirations of captive peoples:

Now, therefore, I, J. James Exon, Governor of the State of Nebraska do hereby proclaim the week of July 13–19, 1975 as "Captive Nations Week" in Nebraska and call upon the citizens to join with others in observing this week by offering prayers and dedicating their efforts for the peaceful liberation of oppressed and subjugated peoples all over the world.

State of Michigan—Executive Declaration in Observance of July 13–19, 1975, as Captive Nations Week

The desire for freedom and liberty burns in the hearts of people throughout the world, including those living in nations dominated by the policies of Communist Russia.

Freedom-loving peoples of Albania, Armenia, Bulgaria, Byelorussia, Croatia, Czechoslovakia, Estonia, Hungary, Latvia, Lithuania, Poland, Rumania, Serbia, The Ukraine and other Captive Nations look to the United States as the vanguard of human freedom.

Therefore, I, William G. Milliken, Governor of the State of Michigan, do hereby declare July 13–19, 1975 as Captive Nations Week; and I urge all citizens to dedicate some of their time and efforts to the goal of freedom and liberty for all people throughout the world.

William G. Milliken,
Governor.

State of South Carolina—Proclamation

Whereas, the imperialistic politics of Russian Communists have led, through direct and indirect aggression, to the subjugation and enslavement of the peoples of Poland, Hungary, Lithuania, Ukraine, Czechoslovakia, Latvia, Estonia, Byelorussia, Rumania, East Germany, Bulgaria, Mainland China, Armenia, Azerbaijan, Georgia, North Korea, Albania, Idel-Ural, Serbia, Croatia, Slovenia, Tibet, Cossackia, Turkestan, North Vietnam, Cuba, Cambodia, South Vietnam and others; and

Whereas, the desire for liberty and independence by the overwhelming majority of peoples in these conquered nations constitutes a powerful deterrent to any ambitions of Communist leaders to initiate a major war; and

Whereas, the freedom loving peoples of the captive nations look to the United States as the citadel of human freedom and to the people of the United States as the leaders in bringing about their freedom and inpendence; and

Whereas, the Congress of the United States by unanimous vote passed Public Law 86–90 establishing the third week in July each year as "Captive Nations Week" and inviting the people of the United States to observe such week with appropriate prayer, ceremonies, and activities; expressing their sympathy with and support for the just aspirations of captive peoples.

Now, Therefore, I, James B. Edwards, Governor of the State of South Carolina, do hereby proclaim the week of July 13 through July 19, 1975 as: Captive Nations Week, in South Carolina.

City of St. Petersburg, Fla.—Proclamation

Whereas, the greatness of the United States is in large part attributable to its having been able, through the democratic process, to achieve a harmonious national unity of its people, even though they stem from the most diverse of racial, religious and ethnic backgrounds; and

Whereas, this harmonious unification of the diverse elements of our free society has led the people of the United States to possess a warm understanding and sympathy for the aspirations of peoples everywhere and to recognize the natural interdependency of the peoples and nations of the world; and

Whereas, the submerged nations look to the United States, as the citadel of human freedom, for leadership in bringing about their liberation and independence and in restoring to them the enjoyment of their Christian, Jewish, Moslem, Buddhist, or other religious freedoms, and of their individual liberties; and

Whereas, the desire for liberty and independence by the overwhelming majority of the people of these submerged nations constitutes a powerful deterrent to war and one of the best hopes for a just and lasting peace;

Now, therefore, I, J. W. Cate, Jr., Acting Mayor of the City of St. Petersburg, Florida, do proclaim the week of July 13–19, 1975 as Captive Nations Week, and urge the people of St. Petersburg to observe this week with appropriate ceremonies and activities and to renew their devotion to the high ideals on which our nation was founded and has prospered and to sustain with understanding and sympathy the just aspirations of the peoples of all nations for independence and human freedom.

City of Warren, Mich.—Proclamation

Whereas, the imperialistic politics of Russian Communists have led, through direct and indirect aggression, to the subjugation and enslavement of the peoples of Poland, Hungary, Lithuania, Ukraine, Czechoslovakia, Latvia, Estonia, Byelorussia, Rumania, East Germany, Bulgaria, Mainland China, Armenia, Azerbaijan, Georgia, North Korea, Albania, Idel-Ural, Serbia, Croatia, Slovenia, Tibet, Cossackia, Turkestan, North Vietnam. Cuba, Cambodia, South Vietnam, and others; and

Whereas, the desire for liberty and independence by the overwhelming majority of peoples in these conquered nations constitutes a powerful deterrent to any ambition of Communist leaders to initiate a major war; and,

Whereas, the freedom loving peoples of the captive nations look to the United States as the citadel of human freedom and to the people of the United States as the leaders in bringing about their freedom and independence; and,

Whereas, the Congress of the United States by unanimous vote passed Public Law 86–90 establishing the third week in July each year as Captive Nations Week and inviting the people of the United States to observe such week with appropriate prayer, ceremonies and activities; expressing their sympathy with and support for the just aspirations of captive peoples.

Now, therefore, I, Ted Bates, Mayor of the City of Warren, do hereby proclaim the week of July 13–19, 1975, as: "Captive Nations Week," in the City of Warren, and call upon the citizens to join with others in observing this week by offering prayers and dedicating their efforts for the peaceful liberation of oppressed and subjugated peoples all over the world.

City of Chicago, Ill.—Proclamation

Whereas, our city's annual observance of Captive Nation's Week will be highlighted by a State Street parade on July 19th; and

Whereas, under auspices of the Captive Nation's Friends Committee, the week's activities will direct public attention to the plight of people whose homelands have come under Communistic control; and

Whereas, many citizens of these countries are linked by ties of family relationships to residents of this community, and it is commendable that United States citizens, in appreciation of their freedoms, should extend sympathy and the hope of freedom to their fellow-men whose independence has been abrogated:

Now, Therefore, I, Richard J. Daly, Mayor of the City of Chicago, do hereby proclaim the period of July 14 through July 19, 1975, to be Captive Nations Week in Chicago and urge all citizens to take cognizance of the special events arranged for this time.

CITY OF NEWPORT NEWS, VA.—PROCLAMATION

Whereas, the imperialistic politics of Russian Communists have led through direct and indirect aggression, to the subjugation and enslavement of the peoples of Poland, Hungary, Lithuania, Ukraine, Czechoslovakia, Latvia, Estonia, Byelorussia, Rumania, East Germany, Bulgaria, Mainland China, Armenia, Azerbaijan, Georgia, North Korea, Albania, Idel-Ural, Serbia, Croatia, Slovenia, Tibet, Cossackia, Turkestan, North Vietnam, Cuba, Cambodia, South Vietnam and others; and

Whereas, the desire for liberty and independence by the overwhelming majority of peoples in these conquered nations constitutes a powerful deterrent to any ambitions of Communist leaders to initiate a major war; and

Whereas, the freedom loving peoples of the captive nations look to the United States as the citadel of human freedom and to the people of the United States as the leaders in bringing about their freedom and independence; and

Whereas, the Congress of the United States by unanimous vote passed Public Law 86–90 establishing the third week in July each year as Captive Nations Week and inviting the people of the United States to observe such week with appropriate prayer, ceremonies and activities; expressing their sympathy with and support for the just aspirations of captive peoples.

Now, therefore, be it resolved that I, Harry E. Atkinson, Mayor of the City of Newport News, Virginia, do hereby proclaim the week of July 13–19, 1975, as Captive Nations Week, and call upon the citizens to join others in observing this week by offering prayers and dedicating their efforts for the peaceful liberation of oppressed and subjugated peoples all over the world.

PROCLAMATION

Whereas, the imperialistic politics of Russian Communists have led, through direct and indirect aggression, to the subjugation and enslavement of the peoples of Poland, Hungary, Lithuania, Ukraine, Czechoslovakia, Latvia, Estonia, Byelorussia, Rumania, East Germany, Bulgaria, Mainland China, Armenia, Azerbaijan, Georgia, North Korea, Albania, Idel-Ural, Serbia, Croatia, Slovenia, Tibet, Cossackia, Turkestan, North Vietnam, Cuba, Cambodia, South Vietnam and others; and

Whereas, the desire for liberty and independence by the overwhelming majority of peoples in these conquered nations constitutes a powerful deterrent to any ambitions of Communist leaders to initiate a major war; and

Whereas, the freedom loving peoples of the captive nations look to the people of the United States as the leaders in bringing about their freedom and independence; and

Whereas, the Congress of the United States by unanimous vote passed Public Law 86–90 establishing the third week in July each year as Captive Nations Week and inviting the people of the United States to observe such week with appropriate prayer, ceremonies and activities; expressing their sympathy with and support for the just aspirations of captive peoples,

Now, Therefore, I, Edward H. McNamara, Mayor of the City of Livonia, do hereby proclaim the week of July 13 through 19, 1975 as Captive Nations Week in the City of Livonia, and call upon the citizens to join with others in observing this week by offering prayers and dedicating their efforts for the peaceful liberation of oppressed and subjugated peoples all over the world.

It is especially appropriate that we emphasize the significance of Captive Nations Week, and analyze it in the light of current international developments. We have had enough examples in the last year to tell us that the Communist struggle for control of small countries is not abating. The recent additions of South Vietnam, Cambodia, and Laos to the list of captive nations, and hundreds of millions of people who still remain captive behind the Iron Curtain, is certainly a resolve for us to stand by oppressed nations who continue to struggle for their freedom and independence. The greatest single enemy of those people who live without freedom would be an acceptance of their plight by those fortunate enough to live in free lands.

I join with my colleagues in expressing support to reaffirm the aspirations of independence and liberty that exist in the people of the nations caught in the grasp of their captors, and refuse to recognize Soviet Union's annexation of these nations.

Mr. CRANE. Mr. Speaker, each year, for the last 17 years, we in Congress have marked the observance of Captive Nations Week. All too often, it has been a pro forma thing—a lot of talk about the misfortune that has befallen the captive nations, but little action, either to help the nations which have lost their freedom to regain it or to prevent the same fate from befalling other nations.

This year, however, things should be different. Not only have three more countries joined the roll of captive nations, but another is teetering on the brink and still others are threatened. In addition, the European Security Conference threatens to put its stamp of approval on the actions that have made formerly free and independent states into what they are today—captive nations. If we have learned anything from the experience of the past 12 months, it should be that words alone are not enough to uphold the cause of freedom. In that light, I think the time has come to reassess the policy of détente, reevaluate the policy of granting most-favored-nation trade status to Communist regimes, and resist any impulse to sanction Communist expansion wherever it has occurred. As Alexandr Solzhenitsyn has so eloquently pointed out to us in recent days, helping those who oppress others is unlikely to further the cause of world peace. Rather, it will encourage the forces of tyranny and aggression to continue and expand their activities wherever possible.

Certainly, the course of modern history supports that view. Rather than the establishment of freely elected governments of their own choosing, the post-World War II era saw the Soviet Union reject, once and for all, any plebiscite in the Baltic States and tighten their control over all of Eastern Europe. By 1949, the Iron Curtain that Churchill had warned of 3 years earlier was a fact of life. Proof, if any was needed, of the Soviet intention to maintain its iron-fisted control came in 1956, when the Hungarian Revolution was ruthlessly crushed, and in 1968 when the Soviets invaded Czechoslovakia to stamp out the embers of freedom that had begun to glow in that country.

Likewise, it is quite apparent that the forces of communism still have, as their major objective, the expansion of the captive nations list. The war in Southeast Asia was no civil war; the desire of the Communists to control the whole area was no figment of somebody's imagination; and the domino theory was hardly a myth.

As soon as Cambodia and South Vietnam fell—thanks in part to our unwillingness to provide the aid we promised—Laos fell to the Communists and North Korea began making noises about attacking South Korea again. Simultaneously, and encouraged by the lack of response in Southeast Asia, the Communists of Portugal forged ahead with their program to take over that country.

Unless we, who believe in freedom, are willing to think in terms of action as well as words, there is no reason this trend will not continue. And, there is certainly no reason to expect that the forces of tyranny will ease their grip over those they already hold hostage.

What can be done? To my way of thinking, the first step is to stop making trade deals with the Communists that will help them keep people subjugated or expand their influence over others. Withholding most-favored-nation trade status subsidies, credits, and credit guarantees to those nations which trample on the rights of their citizens is one possibility. Another positive step would be to refuse to sell to the Soviet Union, Red China or other Communist nations technology or goods that could be used for military purposes. A third appropriate move would be to hold firm on our trade and diplomatic embargo against Castro's Cuba. None of these steps would require a drastic departure from American foreign policy, yet all would be a sign to those shackled by the chains of tyranny that we have not written them off.

In addition, the United States should not permit itself to become a party to any agreement at the European Security Conference that would put the seal of approval on Soviet expansionism. Security is a two-way street. While the Soviets may feel more secure with the people of Latvia, Lithuania, Estonia, Poland, Czechoslovakia, Hungary, Romania, and Bulgaria under their heel, the people of those nations can hardly feel secure in the knowledge that Soviet troops may knock on their door at any moment. The least we can do is insist on a plebiscite in the Baltic States, as President Roosevelt once did, and demand that the Soviets live up to their agreements at Yalta and Potsdam insofar as the rest of Eastern Europe is concerned. Until such time as all the people of the area are safe in the knowledge that they are free, European security, in its proper sense, can never be achieved.

Finally, we must carefully reconsider the direction that the whole policy of détente is taking and its implications insofar as the cause of freedom is concerned. With every passing day, it becomes more and more apparent that the Soviets favor détente, not because it might lead to world peace, but because it can help them achieve world domination. The continuing Soviet weapons buildup in the wake of the SALT agreements, the heavy flow of Soviet aid to North Vietnam in the wake of the Paris peace accords, and continued Soviet support of revolutionary movements in Portugal and elsewhere are clear indications that the Soviets are perfectly willing to risk détente to achieve policy objectives. Therefore, we should not feel guilty about taking the same risk; in fact, if we do not take it, there is little hope that détente can ever achieve its promise. If détente is not going to lead to peace, freedom and self-determination for all men, then we might as well know it now so we can prepare ourselves to defend the cause of freedom against the attack that is likely to follow.

For our own sakes, as well as for the sakes of all those enslaved behind the Iron Curtain, we cannot be lulled to sleep by hopes for détente. Better we should strive to free the captive nations from their oppressors than be condemned to follow their example.

Mr. BELL. Mr. Speaker, since 1959, Congress has seen fit to designate the third week of July as Captive Nations Week. Yet, as the observances of Captive Nations Week begin to add up, the significance of the week seems to diminish. And as our Nation enters into new relations with the Soviet Union, some people begin to question the need for such a week at all.

It is sometimes difficult for Americans to understand the heavy oppression under which the citizens of Eastern and Central Europe live. Having been blessed with almost 200 years of relative stability and domestic tranquillity, we cannot imagine the frustratingly helpless plight of the millions living east of the Berlin Wall.

Yet opposition to the Soviet-dominated governments is not merely a fleeting shadow of history. Resistance to Russian influences and domination did not end with the Hungarian revolt of 1956, nor with the resistance of the East Germans to the Berlin Wall in 1961, nor even with the courageous opposition of young Czechoslovak students and workers to Russian tanks in 1968. Opposition continues today.

Today, a new generation, a generation which has shown up totally under the Soviet system, has surprised the Russians by continuing the opposition begun by their parents. In Lithuania, students and the clergy have become a formidable factor in opposition to Moscow. Their "Chronicle of the Catholic Church in Lithuania" documents the suppression of religion in predominantly Catholic Lithuania. It has been so successfully circulated that Moscow has sent its top agents to try and suppress it. And even in great Russia itself, numerous scientists, authors, artists, and intellectuals have risen in support of basic human and civil rights through publications, such as the "Samizdat."

It is ironic that, at the same time as we are observing Captive Nations Week in the United States, our diplomats are sitting down with European officials at the European Security Conference. At the conference, the Soviet Union will propose to establish the present borders of the European map as the permanent borders, calling them "inviolable frontiers." This move would, in effect, mean the recognition of the incorporation of the Baltic Republics, Lithuania, Latvia, and Estonia into the Soviet Union. The United States has never recognized the military incorporation of the Baltic States, and in the spirit of Captive Nations Week, the American delegation should oppose such a move by the Russians.

In these times, when the policy of détente has become such an attractive commodity in the foreign policy market, the American public must not forget the dilemma of the people in East and Central Europe. We must always remember that, when we deal with the governments of these countries, we are not always dealing with the people of these countries.

Mr. SCHNEEBELI. Mr. Speaker, when Congress enacted Public Law 86–90, the world seemed like a different place than it does now. Dwight D. Eisenhower was President. The world had witnessed the brutality visited upon Hungary. The cold war raged, and the space race was on.

Sixteen years have gone by since Congress first designated the third week in July as Captive Nations Week. The fourth President since Ike now is in office. Vietnam is fading from our daily consciousness. Détente is the spirit of the day. Bitter rivalry in the effort to conquer space has turned to peaceful cooperation, with Soviets and Americans about to join hands and exchange gifts above the Earth.

Tragically, some things have not changed. Czechoslovakia tried to steer an independent course and, in the light of hindsight, the result seemed inevitable.

After 16 years, millions of people all over the world still are living in countries without freedom, unable to learn or speak the truth, if their governments do not want them to. Their national identities continue to be lost in the shadows of the Iron and Bamboo Curtains. Armenia, Azerbaijan, Byelorussia, Cossackia, Georgia, Idel-Ural, North Caucasia, Ukraine, Far Eastern Republics, Turkestan, Mongolian People's Republic, Estonia, Latvia, Lithuania, Albania, Bulgaria, Serbia, Croatia, Slovenia, Poland, Romania—a long list continues to grow.

Getting to know the people and governments of other systems is necessary if we hope to promote peace and understanding. At the same time, we must be realistic about the nature of the systems with which we deal. Captive Nations Week provides us with the incentive to reflect upon the freedom we cherish, and to assure the millions for whom freedom is no more than illusion that their hopes and aspirations are shared and supported by the American people.

Mr. McCLORY. Mr. Speaker, today I join in this 17th anniversary of Captive Nations Week and I would like to commend my colleagues from Pennsylvania and Illinois (Mr. FLOOD and Mr. DERWINSKI) for scheduling this special order today and for the excellent leadership on this important issue which they have exhibited over the years.

Mr. Speaker, the 17th anniversary of Captive Nations Week comes at an extremely important time in the history of East-West relations. With the convening of the European Security Conference later this month, it has become increasingly obvious that, in the name of "détente," State Department efforts are being directed toward de facto recognition of Soviet claims upon the Baltic nations. I think it is important that, in an effort to seek agreement and understanding with the Soviet Union, we not sacrifice our national commitment to the right of self-determination and the universality of human rights.

As cosponsor of House Concurrent Resolution 165, which instructs the U.S. delegation to the European Security Conference not to agree to the recognition of the Soviet Union's annexation of the Baltic States, I believe it would be most fitting if this resolution could come before the full House during Captive Nations Week for approval.

Mr. Speaker, the histories of each of these captive nations are embattled ones. Perhaps to some the plight of these people seems hopeless—certainly there are those who would comment that these people are now enjoying far greater freedoms than some few years ago. The past decade of international interplay has been heralded as the age of détente. We could do well, however, to match our accomplishments on the United States-Soviet political front with efforts on the very personal human level of securing an end to such tyranny. We need only look to the recent liberation of Simas Kurdirka, the Lithuanian sailor who made a bold jump for freedom, to be reminded of these people's abiding struggle and sacrifice in the pursuit of freedom.

I applaud the policy of détente for the way it has moved ideological fighting from the battlefield to the negotiating table. However, I think it is particularly important that we in the Congress must never abandon hope that one day the peoples of these Captive Nations enjoy the freedom which is so rightfully theirs. In the words of one of our former colleagues in 1971, now the President of the United States, Gerald R. Ford:

> We must ever champion their righteous cause. The truth is on their side—and there we must be also.

Mr. Speaker, many of the fine citizens of the 13th District of Illinois, which I have the honor to represent, have their roots in the captive nations behind the Iron Curtain. Many Americans of Albanian, Bulgarian, Czechoslovakian, Estonian, Hungarian, Latvian, Lithuanian, Polish, and Rumanian descent reside and work in the 13th District, and make a tremendous contribution to the quality of life in our part of northern Illinois. These excellent citizens love America greatly for its tradition of freedom and democracy, but they shall not rest in their defense of the inalienable rights of the captive nations to freedom and independence.

Mr. Speaker, as the American people begin celebrating the Bicentennial anniversary of America's Declaration of Independence, we should pause to reflect upon the many civil liberties we so often take for granted and which others still fight so valiantly to secure. Captive Nations Week is a glorious anniversary as well as a time of great sorrow for free men everywhere. As we acknowledge our 200th year of independence, our thoughts should go to the peoples of those East-Central European nations under the Soviet yoke of oppression, and their continuing struggle for human dignity and national recognition.

Mr. RODINO. Mr. Speaker, I would like to ask my colleagues to join me in the 17th observance of Captive Nations Week, July 13–19, 1975.

In 1959, the Congress of the United States adopted Public Law 86–90 to designate the third week in July as Captive Nations Weeks. The purpose of this law was to reaffirm American opposition to the Soviet Union's political and cultural strangulation of the captive nations of Central and Eastern Europe, and to staunchly reinforce the determination of those countries to achieve national independence. Given the legitimate expressions of opposition posed by the people of these occupied lands, it is clear that our effort has not been in vain.

The list of captive nations is unfortunately rather long. A review of this list is appropriate in order to remind my colleagues and the people of the United States that there exist literally tens of millions of human beings who are denied daily their fundamental rights. A reading of just some of these lands is sufficiently dramatic to imprint on one's mind the fact that self-determination, political independence and territorial integrity have been, and continue to be, contravened throughout much of the world. The lands are as follows: Armenia, Byelorussia, Cossackia, Georgia, the Ukraine, Turkestan, Estonia, Latvia, Lithuania, Albania, Bulgaria, Croatia, Serbia, Poland, Romania, Czechoslovakia, and Hungary.

As we, the American people, approach our Bicentennial, we must not fail to remember that many people have not been as fortunate as ourselves in their quest for independence. As a symbol of freedom and justice for all people—regardless of race, creed, color, or national origin—the United States must remain committed to the attainment of liberty for all people and must pledge to continue the promotion of this ideal. To do otherwise, would be to renege on our responsibility as a beacon of hope and justice for the millions of forlorn and oppressed people of the world. This is not rhetoric; this is fact. We have a moral obligation to those people—as well as to ourselves—to insure that subjugation neither proceeds unnoticed, nor becomes accepted as an unpleasant but necessary accommodation to be sacrificed in the interest of international relations.

To argue that the external policy of a state can be divorced from its repressive internal policies, would be a grave mistake. Terror, deportation, russification, restrictions on higher education, religious persecution, deprivation of property, and police control of private and public life are not by nature relative in severity and peripheral in importance. They are not activities which are to be excused or ignored in behalf of some allegedly "greater" concerns. They are tragic injustices which violate the very core of our American experience and which must be foremost in our minds when interacting with the Soviet Union. The predication of our economic policy on political and social concessions within the Soviet Union and its sphere of influence is to be seriously weighed, given further intransigence on the part of the U.S.S.R.

The ideals held so dear to the American people were best delineated by Thomas Jefferson. In the Declaration of Independence, Jefferson wrote:

> We hold these Truths to be self-evident, that all men are created equal, that they are endowed by their creator with certain unalienable Rights, that among these are Life, Liberty, and the Pursuit of Happiness—that to secure these Rights, Governments are instituted among Men, deriving their just Powers from the Consent of the Governed, that whenever any Form of Government becomes destructive of these Ends, it is the Right of the People to alter or abolish it, and to institute new Government, laying its Foundation on such Principles, and organizing its Powers in such Form, as to them shall seem most likely to effect their Safety and Happiness.

As we near our Bicentennial, we must not fail to encourage and support the captive nations of the world in their pursuit of freedom.

Mr. FISH. Mr. Speaker, I take this opportunity to join my colleagues in commemorating the 16th anniversary of Captive Nations Week. This week has traditionally served to focus the attention of Americans on the plight of millions of Eastern and Central Europeans who have been deprived of their liberty and political freedom by the force of external Soviet domination. The commemoration of Captive Nations Week assumes special significance this year, as South Vietnam and Cambodia are added to the list of nations held captive by Communist governments. Our observance of this week further serves to make both the Communist governments and the people they govern cognizant of the United States' continued concern over the lack of freedom that exists in these nations.

If our observance of Captive Nations Week is to have meaning it cannot be superficial, but rather it should be a 52 week a year commitment. Alexandr Solzhenitsyn has presented us with a disturbing commentary on détente with the Soviet Union. He has raised our consciousness to the point where no one, not even those who are most ambivalent toward communism, can ignore the implications of Communist rule. We are coming to realize that the Soviet Union itself is the first of the captive nations, the captive and victim of a closed society.

As the Soviet Union continues to persecute dissident intellectuals, we must make known our concern for the plight of these people. Courageous men, such as Valentyn Moroz, a 38-year-old historian, and Leonid Plyushch, a 34-year-old mathematician, are enduring totally unwarranted hardship and suffering. A concurrent resolution has been introduced in the House, which I have cosponsored, which urges President Ford to intercede with the Soviet Government on behalf of these two men.

Our responsibility to the captive peoples of the world does not end here—it merely begins. Our foreign policy should reflect far greater concern for the issue of human rights than it has in the past 16 years. Détente must not consist simply of concessions on our part. Movement in the area of human rights within the Soviet Union and in its satellites should be the price extracted in exchange for our technology.

As we approach the Bicentennial celebration of our Nation's freedom, let us grow in the realization of our responsibility to the peoples of the world who seek but who do not possess the freedoms we enjoy. Let us hope that in 16 years it will not be necessary to commemorate Captive Nations Week.

Mr. ESCH. Mr. Speaker, this year we have begun the celebration of 200 years of freedom here in the United States. For 2 centuries we have determined on our own course as a Nation and as a people. As individuals we are free of the fear of Government oppression. We enjoy the freedom to make our own career decisions, to choose our own friends and our own lifestyles; to worship as we please; to choose our national leaders.

For us freedom is an instinctive thing. It is something our children know at birth and come to expect for the rest of their lives. But, what about those for whom fear rather than freedom has become instinctive? All too often, I am afraid, our own casual acceptance of freedom obscures our awareness of the people who have been denied the freedom of choice for so long.

It is during Captive Nations Week, each year, that we set aside time to contemplate these people. This becomes particularly significant when we contrast their situation with the universal ideals of freedom enunciated so eloquently by our Declaration of Independence:

> We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain inalienable rights. That among these are life, liberty and the pursuit of happiness.

But these stirring words do not stop with the declaration of individual rights. They continue, laying forth the rights of the people in relation to, and in the formation, of their government. In my view, those rights too, are universal. The declaration says:

> That to secure these rights, governments are instituted among men, deriving their just powers from the consent of the governed . . . it is the right of the people . . . to institute . . . government, laying its foundation on such principles, and organizing

> its powers in such form, as to them shall seem most likely to effect their safety and happiness.

Perhaps it is incorrect to say that terror is a way of life in these captive nations—although there are certainly ample records of true periods of widespread murder, mass deportation, and terrorism. These days however, the fear is usually much more subtle—a dull and pervasive realization that you cannot do as you please; the enervating response to long lines; controlled stores with bureaucratic rules causing shortages; the muted threat that the police might come to prohibit your activities; or that the psychiatric ward awaits those who disagree with their government; the resignation to the fact that you cannot plan your own vacation; choose your children's schooling or practice your religion openly.

Unfortunately, it is easy for us in the United States to overlook this methodical deprivation of human rights. We have come not only to expect freedom, but want to enjoy it in peace and quiet. Increasingly, we do not want to concern ourselves with the fate of others. This is perhaps one of the most unfortunate results of our experiences in Vietnam; that we cannot—and perhaps should not—be involved in the fate of others. Somehow, we only seem to react forcefully when there are tanks and soldiers on the streets.

We must not forget those whose rights have been denied—we must support the aspirations of these millions of people for personal freedom and equal opportunity for self-expression. Our ideals of life, liberty, and the pursuit of happiness must be made accessible to all peoples.

Today I want to touch on two concepts that have received a great deal of attention here in the West—concepts that must be dealt with.

The first is the idea of legal realism—the view that if such and such laws have been enacted in such and such country then these laws must be recognized and respected. It is a concept that I feel this Government will use as a basis for decision at the ongoing European Security Conference. It is a concept that says that the law, regardless of its effect, is above morality. That concept is wrong. As Alexandr Solzhenitsyn has so eloquently stated:

> Law is our human attempt to somehow embody in rules a part of that moral sphere which is above us. We try to understand this morality and bring it down to Earth and present it in a form of laws.

No goal is so important that our concept of morality should be sacrificed to achieve it. If a law or a set of laws is wrong we should work to change them. It is for this reason that I and other Members of Congress have worked on the cases of Vladimir Bukovsky, a Soviet writer imprisoned in Russia; and Vitali A. Rubin, a Soviet Jew who is a Chinese scholar and a unique expert on Confucianism, whose only "crime" was a wish to continue his studies at Columbia University. It is for this reason that I cosponsored House Concurrent Resolution 176 that it be the sense of the Congress that the U.S. delegation to the European Security Conference should not agree to the recognition by the European Security Conference of the Soviet Union's annexation of Estonia, Latvia, and Lithuania.

The second concept we must deal with is that of détente. Many would have us believe that we cannot have both détente with the Communist world and freedom for the millions that live in that world. I believe that détente with the Soviet Union is a necessary and vital step. A lessening of these tensions and development of mutual trust is perhaps the only path that will lead us away from a third world war. Yet this is what our own policymakers so often forget. Détente must be much more than this.

I believe that much of our problem lies in our definition of détente. A number of weeks ago, Alexandr Solzhenitsyn gave a speech in Washington in which he said there are three main characteristics of détente. First, our disarmament must not only be from war, but also from the use of violence against our neighbors as well as our own people. Second, any détente must be built on solid ground—all actions of both parties must be subject to the scrutiny of public opinion, press, and parliament. Lastly, the ideological warfare of all must cease. Continued propaganda can only defeat the purpose of détente. I feel that we cannot have true and lasting détente without all of these characteristics. We cannot have peace if hostilities continue to grow among nations. I feel we must broaden our definition of détente from simply managing relations among countries to guard against possible hostilities, to include the ingredients for a sincere and everlasting peace. But, while we continue to strive for this peace, we must never lose sight of the fact that the vigorous aspirations for freedom must be realized for the peoples of the Captive Nations.

VALENTYN MOROZ

Mr. BLANCHARD. Mr. Speaker, the treatment of Soviet dissident Valentyn Moroz is a continuing source of shame to the U.S.S.R. and an affront to free people everywhere.

I have recently been informed by the Committee for the Defense of Valentyn Moroz that Moroz, a Ukrainian historian, has been transferred from Vladimir Prison, where he was serving a 14-year term for "anti-Soviet agitation and propaganda."

He is now in a special psychiatric hospital-prison in the city of Sychovka in the Smolensk region of the U.S.S.R., where he is receiving "treatment" consisting of injections of drugs and chemicals.

According to the committee, the excuse which has been given for the treatment is that no normal person could have survived a 145-day hunger strike, as Valentyn Moroz did last year in Vladimir Prison.

Mr. Speaker, this news should not be surprising. Others who have dared in the recent past to protest against the suppression of basic human rights in the Soviet Union have been treated in this same unspeakable fashion.

The Russians, not content with using force to prevent their citizens from speaking out, seek to control and alter the very minds of dissidents through subtle and sophisticated psychiatric methods.

Mr. Speaker, I believe the lesson we all should learn from the plight of Valentyn Moroz, imprisoned and subject to one of the most sadistic practices ever devised, without recourse except for friends in foreign countries far away, is clear.

"Détente" while it may be a public relation man's dream, is still far from a reality today. Between ourselves and the Russians, there is still a vast gulf in attitude toward freedom and the rights of man.

Surely that gulf must be spanned before the trust necessary to any meaningful improvement in relations between our countries can have a foundation.

I add my voice to those of others in this country and around the world who are calling for the release of Valentyn Moroz, and for an end to this shameful, disgusting business.

Mr. PRICE. Mr. Speaker, this week we celebrate the 17th observance of Captive Nations Week. During these 7 days we join with the descendants of the over two dozen countries burdened with the deprivation of those basic freedoms we take for granted in a free society.

The men and women of these countries, numbering in the millions, live without the rights of free religion, speech, and press, but not without the hope of someday regaining their independence. I am sure I speak for all my colleagues when I say that I share with these people their hopes of attaining self-government in the near future.

As we are all aware, Mr. Speaker, our Nation is beginning the celebration of its 200th anniversary of independence. Particularly, we will honor those few courageous men who made a dream of individual rights and freedom a reality. Let us consider—at this very hour men of this mettle, acutely aware of this same dream, are working and planning in the Captive Nations to break the chains now holding their countries in bondage.

We welcome these men of fortitude and encourage their persistence in achieving their long overdue goals and we hope that someday we shall welcome them and the heroic people they represent into the company of free nations of the world.

CAN THE WORLD FEED ITS PEOPLE?

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arkansas (Mr. ALEXANDER) is recognized for 60 minutes.

Mr. ALEXANDER. Mr. Speaker, can the world feed its people?

This is the question asked by an article bearing that title published in the July issue of National Geographic.

We have known for a long time that the world is not feeding all its people. We have liked to think that with the will to produce and improved technology the job would be done.

Last year representatives of the United States and many other nations met in

Rome to commit themselves to solving a food shortage crisis that had already ballooned to catastrophic proportions in some regions and to eventually putting an end to the chronic, debilitating hunger that is the plague of so many millions of people.

Growing awareness of the threats of uncontrolled population increases and changing climatological patterns have combined with energy-generated food production problems to raise serious new difficulties in the battle against hunger.

Even as the leaders of the United States gave commitments to new and greater efforts to expand food production, the Congress last year was failing to adopt legislation which could have helped insure significant new quantities of a food, rice, that is basic to the diets of millions.

I am happy to report that today the House Subcommittee on Oilseeds and Rice has voted to recommend the adoption of new rice legislation. The bill which has been sent to the Committee on Agriculture would, at least, temporarily end the counterproductive practice of artifically controlling rice production.

I have said before, and I will say again, I do not want our rice industry to be in a position of producing food for which there is no market. But, in view of the upward trend in demand we have seen in the past 2½ years, I am convinced that the demand not only is there but will grow.

It is my hope that the Congress will act expeditiously on this new rice legislation. This will help replace our Nation's promises to hungry humanity with performance. It is not just the socially desirable road to travel. It is the right one in terms of economic and national security.

Our Nation's economic position has been strengthened by billions of dollars generated by agricultural export sales. And, what nation can be secure in a world where hungry masses in country after country vent their frustrations in civil strife and toppling governments?

The hunger problems facing the world today and looming in the future are grave. But, as Thomas Y. Canby, author of "Can the World Feed Its People?" for the National Geographic found, there is hope.

Mr. Canby's article is excellent. I would make it a part of the RECORD at this time and commend it to my colleagues.

[From the National Geographic, July 1975]

CAN THE WORLD FEED ITS PEOPLE?

(By Thomas Y. Canby)

The struggle—the ceaseless war against hunger—is as old as man himself, and never across the face of our planet has the outcome been more in doubt.

Recent battles have been costly, as in famine-plagued Bangladesh. To head off future disasters, scientists are working feverishly to develop new weapons against starvation—some commonplace, some almost bizzarre. Consider:

Livestock breeders transplant embryos from prize cows to "substitute mothers." The inferior cattle then gestate and bear high-quality calves. Thus a single blue-ribbon cow can contribute a herd of valuable offspring every year.

A new variety of corn packs beef-quality protein, promising a nutritional revolution in many corn-dependent countries.

SCP—single-cell protein—can be grown as a fortifier for human and livestock food by "planting" yeast in a mixture containing a petroleum derivative. A 250-acre plant devoted to such "food from crude" could yield as much protein as a million acres of soybeans.

In Antarctic waters Soviet and Japanese vessels experimentally harvest krill—abundant planktonic crustaceans—to be converted into animal and human food. The Soviets speak of an annual haul of a hundred million tons, more than the total sea catch today.

Can such measures stave off mass starvation when each dawn finds 203,000 additional mouths to feed? Or is it already too late? In search of answers, I recently traveled more than 58,000 miles around the globe. From the world's food experts I heard words of warning, and of hope. And in many lands I saw the pinched, bleak face of hunger.

MALNUTRITION GETS A FOOTHOLD

A pestilence lay on the Indian village of Itaunja, lay with a malignance that was slowly sapping its life.

It showed itself in strange symptoms. Little heaps of rice, wheat, and beans dotted Itaunja's market, all for sale. Yet the hungry-looking who thronged the market-place took away little, as if unable to eat.

A frail woman named Bhagana, holding a small cotton bag of wheat in one hand and clinging to her wizened child with the other, told me how the scourge of inflation had afflicted her family. "A year ago," she related, "we could buy twice as much wheat, and we ate two meals a day, often three. Now we usually eat only a single meal."

I asked what this meal consists of.

"Chapaties and salt," she answered, referring to India's unleavened tortilla-type bread. "Sometimes with a vegetable, but usually just chapaties."

Certainly here was no famine in the classic sense of starved bodies and exhausted foodstocks; photographer Steve Raymer and I would see those elsewhere as we pursued our study of the world's food problem. In Itaunja, hunger took a far more prevalent form, that of insidious malnutrition. Striking at the poorest of the poor, it drags them down until they fall prey to disease.

Famine in both forms threatens a globe-girdling tropical zone that has been called the "hunger belt". Until three years ago the lot of those people at the bottom of the world's economic ladder had seemed to be getting better. Wondrous new seeds had been developed in a so-called Green Revolution; with these, and the alchemy of fertilizers, tired lands had miraculously shown promise of greater fertility than the people they nourished. And if drought or flood brought sporadic hardship, stricken governments could rely on the seemingly inexhaustible grain reserves of distant North America.

Those were times, observes Senior Economist Robert C. Tetro of the United Nations Food and Agriculture Organization, "when people tended to forget that the most important event on earth each year is the harvest."

1972 MARKED A GRIM TURNING POINT

With shattering suddenness a cross fire of forces converged in 1972 to disrupt the world's food supplies—disrupt them so profoundly as to revive the warnings of the English clergyman-economist Thomas Malthus, who nearly 180 years ago wrote, "The power of population is so superior to the power of the earth to provide subsistence" that man will succumb to "gigantic inevitable famine."

And if, indeed, such a prospect looms today, how bad might it be? Some experts have chosen figures that chill the blood. Famine, they say, could claim from 50 to 200 million lives around the globe within a decade.

Adverse weather played a key role in the upheaval of 1972. Drought and frost reduced grain yields in eastern Europe and the Soviet Union; dry weather withered crops in India, Australia, Argentina, and Africa. Typhoons and drought slashed harvests in the Philippines, and excessive rains bogged down United States corn and soybean crops.

Peru's fish catch, traditionally the world's largest, drastically declined—and with it, a major source of poultry and livestock feed. Ominously, the world's need for fertilizer, increasing each year by leaps and bounds, shot past manufacturing capacity.

Meanwhile the grain-short U.S.S.R., reversing a practice of belt tightening during times of poor harvests, quietly entered world markets and bought up a staggering 28 million tons of grain, most of it from the U.S.

COMFORTING SURPLUS SUDDENLY VANISHES

"The U.S. surpluses," notes economist Tetro, "had cushioned the world against food shortages and price fluctuations for two decades." With these all but gone, needy nations scrambled for what was left. Prices soared, and food switched roles from an anchor against inflation to a leader in the spiral. A year later the energy crisis struck, hitting hardest those poorer nations lacking both oil and fertilizer, and the money to buy them.

From a position of almost unwanted abundance, the world in a few short years had seen its food reserves drawn down to only a few weeks' supply. The international cupboard was nearly bare.

By May 1974 the United Nations Economic and Social Council had concluded that, though "history records more acute shortages in individual countries . . . it is doubtful whether such a critical food situation has ever been so worldwide."

At a campuslike research center outside Mexico City, where he carries on his crusade to help the world help itself. Dr. Norman E. Borlaug sketched the dimensions of the problem for me.

"Two-thirds of the human population of 3.9 billion," he explained, "live in the poorest countries—those least able to supply their peoples' needs. They also have the highest birthrates; of the 74 million people added to our population each year, four of five will be born in a have-not country."

Dr. Borlaug, geneticist, won world renown (and a Nobel Peace Prize) for his development in the 1950's of "miracle" strains of wheat that launched the Green Revolution in many countries. In his early experiments in Mexico, for lack of enough assistants and machinery, he sometimes yoked himself to a plow to till a test plot. He is no less dedicated and energetic today as the director of the wheat program of the International Maize and Wheat Improvement Center, known as CIMMYT, its Spanish acronym.

"When we talk about world food production," Dr. Borlaug said, "our best index is grain. Cereal grains are basic to the diets of peoples everywhere, whether they eat them directly, as in the poorer nations, or indirectly, as dairy products or grain-fed beef, pork, and chicken. Each year the world consumes a total of 1.2 billion metric tons of grain.

"This is equivalent to a highway 55 feet wide and six feet thick, built entirely of grain and stretching around the earth at the Equator. Each year it is eaten in its entirety and must be replaced. And expanding demand for food adds 625 miles more each year."

TECHNOLOGY GIVES U.S. THE EDGE

To fill its empty storehouses, the world must turn largely to the United States and Canada, whose dominance of global grain trade rivals the dominance of the Middle East nations over petroleum.

On his roaring tractor or combine, the U.S. farmer presents a Bunyanesque figure. Where his Soviet counterpart feeds six besides himself, the American supports 46; where an Asian or African spends five days in the field to produce a hundred pounds of grain, the American spends only five minutes. In 1974 his crops—with soybeans, wheat, and corn at the top of the list—brought in 20 billion dollars from abroad, enough to pay for four-fifths of the country's oil imports.

At the other end of the food scale, the United Nations identifies 33 countries that are seriously threatened by major food shortages.

No country, however, has lived more intimately with the specter of famine than China. During 1876–79 alone, drought claimed an estimated 13 million victims.

Today that land of 822 million appears to have the upper hand over hunger, according to a group of ten U.S. plant scientists. During a visit last year they saw widespread irrigation works and high-yielding rice varieties bred by Chinese genetics, and learned of crash programs to build fertilizer plants.

"Even China's population must be coming under control," says Rockefeller Foundation Vice-President Sterling Wortman, who led the delegation. "Marriages are delayed until the man is 28, the woman 25. The Chinese are ingenious in directing social and economic pressures toward smaller families."

The visitors heard repeated references to Chairman Mao's dictum, "Store grain everywhere." Households and communes are urged to store stocks of grain to guard against a bad year.

"They are still a poor people," says Dr. Wortman, "but I came away feeling I need not worry about China feeding her people, as long as she is not disrupted by war."

Today this worry shifts south to the soft underbelly of Asia, the Indian subcontinent.

Some 760 million people crowd the nations of India, Bangladesh, and Pakistan—more than live on the continents of Africa and South America combined. This population almost certainly will double within three decades unless curbed by climbing death rates—a rise some demographers believe may be inevitable in India and Bangladesh. Indeed, many fear that the 74 million people of Bangladesh have already started the slide into the Malthusian abyss.

SELF-SUFFICIENCY ELUDES INDIA

To the traveler arriving from Bangladesh, India seems almost underpopulated. But one person of every six on earth lives and dies in India, and at the current growth rate the nation has some 15 million additional mouths to feed annually—more than the entire population of Australia. Yet before the roof caved in in 1972, the bountiful seeds of the Green Revolution had brought India tantalizingly close to self-sufficiency.

In 1963 she and neighboring Pakistan invited Norman Borlaug to attempt the introduction of the high-yielding "wonder" wheats he had developed in Mexico. In research sponsored by Mexico and the Rockefeller Foundation, scientists had tackled a stubborn barrier to higher yields: When farmers fertilized their wheat, it responded not with more grain but by simply growing taller.

In wind or rain these tall plants toppled, reducing productivity. Patiently, Borlaug bred dwarfing genes into disease-resistant plants. Instead of growing taller when fertilized, they grew larger heads of grain that increased yields by 50, even 100 percent.

"Equally important," Borlaug explained to me, "was the development of a crop-production strategy. This meant determining the best techniques for growing the new varieties, assuring the farmer a fair price for his grain, providing the necessary inputs—seed, fertilizer, insecticides, weed killers, machines—and, vitally important, extending the credit with which to buy them."

Meanwhile research by the International Rice Research Institute in the Philippines brought forth dwarf rice strains comparable to Borlaug's wheats. Beginning its spread through Asia, the new rice found wide acceptance in India.

The Green Revolution took root; by 1968 harvests, particularly of wheat, had begun to climb. Soon India's wheat glutted markets. Officials commandeered schools and stadiums for storing grain, and India amassed reserves that eventually totaled 9.5 million tons.

"As a result, by 1971 we were able to feed our own growing population with few imports," Dr. M. S. Swaminathan, a key strategist of India's agricultural spurt, told me. "We also helped sustain the nearly ten million Bangladesh refugees who fled here during their war of independence.

"Then came the drought of '72. Before we recovered from that, we were jolted by the energy crisis—higher prices for fuel, fertilizer, pesticides—everything! The greatest tragedy," Dr. Swaminathan continued intensely, "is that this occurred just when our forward momentum was at a peak. I think our agriculture still is ready to move—our farmers are really great. We are used to obstacles. But when they become Himalayas. . . ."

Himalayas they are. With many farmers lacking fertilizer and fuel for irrigation pumps, India's harvests have yet to rebound to the 1971 peak. Last year she had to buy 600 million dollars' worth of grain.

In New Delhi I found Western economists worrying about backfiring government policies designed to feed the urban poor. "Government shops in the cities sell wheat and rice far below the market price," I was told. "To stock the shops, laws require farmers to sell part of their crop to the government. Because this price is set too low, the farmers hoard or sell on the black market, and many of the urban poor go hungry."

CATTLE DROPPINGS ASSUME NEW ROLE

India, nonetheless, possesses the capacity to feed herself, many experts agree. Her cropland area approaches that of the United States, even though she harvests only 110 million tons of grain a year compared with America's 250 million. India also is fortunate in the area known as "infrastructure"—she has good roads, vigorous universities, the ability to plan, and most important, a strong agricultural-research arm.

"Our research is fast developing a strategy for the fertilizer shortage," declared Director A. B. Joshi as I toured the mammoth Indian Agricultural Research Institute in New Delhi. He described progress of its 1,500 scientists in tailoring fertilizer applications to the exact need of soils—even in utilizing India's ommipresent cows.

"Now we simply burn cattle dung for fuel. But with simple home methane tanks we can pipe off combustible gas for cooking; the leftover slurry still makes good fertilizer."

Grave as it is, the fertilizer crisis pales before another potential disaster: failure of the summer monsoon—a failure that even now could be impending.

In the best of times, brief deviations of these rain-bearing winds threaten famine for parts of the subcontinent. Now, however, the monsoon may be growing spottier, and some climatologists believe they understand why. Coinciding with a cooling trend in the northern latitudes, the entire monsoon belt may be shifting away from vast areas of the subcontinent.

One of the world's foremost climatologists, Dr. Reid Bryson of the University of Wisconsin, believes that "such a shift in South Asia could be catastrophic," particularly if coupled with depleted grain reserves.

WEATHER TREND RAVAGES THE SAHEL

It was a southward shift in wind patterns, Dr. Bryson believes, that produced the recent devastating drought in the African Sahel, a 3,000-mile sweep of sub-Sahara savanna stretching from Senegal into Sudan.

For decades the Sahel's human and animal populations had been increasing rapidly. Farmers expanded thier millet and sorghum patches on ever more marginal acreage; herds denuded land of vegetation already precariously balanced with the harsh environment.

With the land thus overtaxed, the drought struck in the late 1960's; devegetation increased at an alarming rate, and in places the savanna yielded to desert. When news stories shocked the world into action in 1973, the human toll already stood at an estimated 100,000, the livestock loss in millions.[*]

Thirty nations responded with a herculean relief effort, administered by the stricken nations, FAO, and the U.S. Agency for International Development. In a year and a half 1.2 million tons of food, 46 percent of it from the United States, found its way to the Sahel's beleaguered towns and relief camps. AID experts estimate that some six million lives were saved by the outpouring of assistance.

Rains—rains hard and frequent—had magically transformed the Sahel when photographer Steven Raymer and I visited stricken Niger. Sparse grass grew again amid rocks and sand and bleaching animal bones. As our Land-Rover bounded along a desert trail from Agadez toward I-n-Gall, Tuareg and Fulani nomads once more were drifting like mirages across the desert steppe with their remnant herds. We pulled up at a sprawling relief camp near I-n-Gall.

"I lost all my camels," recounted Tuareg Mohammed Nakou as we crowded into his mat-covered hut with his wife, mother, ten children, and two chickens. "I lost my 12 cows. I lost my goats—all except one." He made a loud clicking in his throat, and up pranced a black-and-white billy.

No, Mohammed said, he had no plans to leave the camp; indeed, what could he do with his single goat? But I knew the Niger Government was already breaking up the camps, in part for fear that the once-independent nomads were growing too willing to accept the dole, and also to curb the epidemics that raged among the refugees.

We saw the haunting shapes of malnutrition—the nursing mother who herself was skin and bones, the listless child with shriveled limbs and hair discolored by lack of protein. "Measles is the children's worst enemy," said Bea Hulet-Dorne, a Belgian nurse working through the World Council of Churches. "Viruses invade their bodies. Those who escape often succumb to colds and bronchitis aggravated by the cold desert nights."

PLIGHT TAKES POLITICAL TOLL

Governments, too, were succumbing to the famine. A coup overturned the Niger regime, accused of fraud and inefficiency in distributing aid. Drought also contributed to the fall of Haile Selassie in Ethiopia, and to the assassination of President Ngarta Tombalbaye in Chad.

In villages all across the savanna we saw volunteers from Europe and North America helping local farmers take advantage of the rains by showing them how to grow vegetables, build low dams for capturing runoff, and plant trees that would restore the Sahel to what many believe it once was—a wooded realm in which man and game flourished.

Can the Sahel be saved? Many scientists fear that drought and overgrazing have tipped the balance irreversibly.

Others, such as Dr. N. H. MacLeod of the American University in Washington, D.C., have hope. They point to a satellite picture that shows a hexagonal island of green in the great tan sea of Sahel. Inspection revealed it to be a quarter-milion-acre modern ranch, fenced off with barbed wire from the surrounding desert. Inside, other fences divide the ranch into five sectors, with cattle grazing a single sector at a time.

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[*] See "Drought Threatens the Tuareg World," by Victor Englebert, National Geographic, April 1974.

Though the ranch has been in operation only seven years, the rotational grazing has made the difference between pasture and desert. Therein, feels Dr. McLeod, lies one chance for the battered Sahel.

HOW NEAR TO THE LIMITS OF POPULATION?

No "maximum-load" sign on the spaceship earth spells out its population capacity. But questions of what earth's limit may be, and what to do about it, obviously go to the heart of the food problem.

"It took the world a million years to achieve its present population of nearly four billion," notes Dr. J. George Harrar, President Emeritus of the Rockefeller Foundation. "In less than 40 years it will double at the present rate of increase." Each second, two more humans populate the earth.

Malthus expounded that population tends to increase up to the limits of the means of subsistence.

Here, happily, he has proved wrong. "Populations do not inevitably rise to absorb the resources available to them," observes British economist Barbara Ward. "At a certain level of health, wealth, and literacy their numbers cease to grow and they begin to approach stability or 'zero population growth.' "

The United States, most European nations, and Japan are nearing ZPG, with Luxembourg and East Germany almost there. Few demographers doubt that the rising population curve must eventually level off, even in developing lands. They differ over how this will come about. Through lower birthrates? Or higher death rates?

Last August experts and political leaders from 135 governments gathered in Bucharest, Romania, to grapple with the population problem. Debate, often acrimonious, reflected the sensitiveness of an issue that bears directly on national aspirations, religious convictions, resource allocation, survival itself.

They adopted the World Population Plan of Action recommending, among other things, that all countries "Respect and ensure . . . the rights of persons to determine, in a free, informed and responsible manner, the number and spacing of their children."

Many believe government possesses no right to such a role; others believe the plan recommends too little too late. Yet, in one form or another, many nations already have programs to reduce their birthrates—a trend that began in India.

"In 1952 India adopted the worlds first nationwide population-control policy," explained an official at the Department of Family Planning in New Delhi. "With a massive budget, our program mobilized the media—radio, billboards, press, films—all supporting the idea of small families. We gave away free contraceptives. And our vasectomy campaign! Offering hundred-rupee bounties for voluntary sterilizations, we organized mobile camps, one of which performed 100,000 vasectomies in 40 days! In a single year, 2.6 million were carried out.

"In the early '70's came war, drought, and budget cuts. We stopped to take stock. To our dismay, we found that during our campaign, India's population had increased 50 percent, with the highest growth rate ever.

"Now we understand that our program had been irrelevant to the villager's needs. His main, often his sole, concern is obtaining three meals a day. His children can help him get those meals. They become to him what Social Security is to you Americans.

"In India," he summed up, "children are looked upon not as units of consumption but as units of production. Break the cycle of poverty, and the villager will respond with fewer children, just as happened in the West."

How to escape this vicious cycle? Regions such as the Indian Punjab, suddenly prospering under the Green Revolution, show a new acceptance of small families. And, in the south a tiny beacon of hope shines from one of India's smallest states, Kerala.

There, officials report a portentous drop of nearly a fifth in the birthrate. They credit improved health care, and a rising level of literacy—at 61 percent the highest in India.

SPIRALING NUMBERS—AND THE BRAKES

In Kenya I found the family-planning director grappling with a population that is exploding at a near-record rate of 3.5 percent a year. "Until recently, tribal traditions assured the spacing of children," he explained. "Now these are fading, with no new restraints to take their place."

In Egypt, where 37.5 million crowd the thread of land along the Nile, I found refreshing optimism. "I am certain we will win the race between population and food," asserted Dr. Zeinab El Sobky, who directs family planning in Egypt's Central Committee.

"A quarter of our families are still polygamous," she declared, "and a man can divorce a wife simply by walking out of the house. To protect her marriage, the woman quickly bears as many children as possible, hoping her husband will not have the heart to abandon her. We hope to remedy this with a law allowing divorce only by court decree, and another abolishing polygamy.

"Another tool is education. If a woman can read, she is easier to reach with family planning. Also, if children must attend schools, then the father cannot hire them out to a neighboring farmer to earn 50 piastres a day. They become an expense instead of an asset, a fact families quickly catch on to."

While population growth still accounts for the major part of rising food demand, a ravenous new rival has emerged; affluence, reflected by the industrial world's consumption of meat. This glorification of steak and hamburger now extends from North America across Europe and the U.S.S.R. to Japan. As a result, one pound of grain in three goes into animal feed. "The livestock of the rich world," claims Dr. Georg Borgstrom of Michigan State University, "is in direct competition with the humans of the poor world."

MALNUTRITION KNOWS NO BORDERS

Malnourishment caused by calorie deficiencies and by too little protein and other nutrients afflicts an estimated 400 million to 1.5 billion of the world's poor. Even in the affluent U.S., poverty spells undernourishment for an estimated ten to twenty million. Hardest hit are children, whose growing bodies demand 2½ times more protein, pound for pound, than those of adults. Nutrition experts estimate that 70 percent of the children in low-income countries are affected.

In Colombia, where one can find a cross section of the food problems besetting much of Latin America, nutrition-related diseases claim two of every five children who die before the age of 6. At a hospital in Bogota, I saw rows of cribs holding pathetically shrunken figures, each 35 or 40 percent under normal size, suffering from edema and pellagra, and blotched with body sores. These were victims of chronic malnutrition. To stem the scourge, the government was launching an energetic nutrition campaign in cooperation with CARE, whose workers fight hunger around the world.

In the town of Leiva, I found 32 Peace Corps members meeting and comparing notes on their struggle with the phantom killer. "Because the average *campesino* is poor and doesn't understand nutrition," said one of them, Elizabeth Shipley of California, "they often eat only carbohydrates—rice, potatoes, corn, cassava, plantains—which supply calories but have little nutritional value." Children's stomachs cannot hold enough of the bulky diet to sustain them and intestinal parasites compete for what they eat. Teach about vegetables, teach about gardens—these were bywords of the conference.

Many experts contend that a major cause of malnutrition is the recent widespread abandonment of breast feeding. "Mother's milk is the best and safest of all foods," states Alan Berg of the World Bank. "Buying enough formula or cow's milk to replace it could consume a quarter to half of a laborer's wages in the needy nations. Aside from the cost in lives, forgoing available mother's milk represents an economic loss likely to be in the billions of dollars annually."

Why the decline? "Partly because the bottle has become a status symbol," Berg concludes, particularly among urban migrants.

A COMPENDIUM OF PROBLEMS

At a time when demands on them are increasing at the fastest rate in history, the farmers, herdsmen, and fishermen who feed us are suddenly finding their tasks more difficult. Some of the problems besetting them:

Weather's new uncertainties

Meeting last year in Bonn, West Germany, 21 scientists of many disciplines agreed unanimously that the cooling trend "can be ignored only at the risk of great suffering and mass starvation." They point out shortened growing seasons in Canada and Iceland. Recent droughts in the U.S. Midwest may also be related. "A benevolent climate can no longer be taken for granted," warns climatologist Dr. Stephen H. Schneider of the National Center for Atmospheric Research in Colorado.

Persisting fertilizer scarcity

Some experts question whether output will ever catch up with demand. One reason is the colossal size of the capital investment needed to build the necessary plants—eight to ten billion dollars each year. Another bottleneck lies in the limited pool of skilled personnel; building these enormously complex facilities has been compared to putting a man on the moon.

Ironically, enough gas is still uselessly flared off in the principal oil-exporting countries to produce twice as much nitrogen fertilizer as the world now uses.

As long as the shortage continues, it will inflict hunger and hardship, particularly in the poorer nations. A tribal farmer I talked with in Kenya typifies the problem. After having sold one of his 12 cattle to buy fertilizer, he still was able to grow only half as much wheat as last year. Nearby, a wealthy cattleman posted an armed guard outside his storage shed. "Fertilizer is like gold here," his wife told me.

The limitation on land

Until two decades ago, earth's burgeoning population met most of its food needs by breaking new land to the hoe and plow. Today the world's 3.6 billion farm acres have pushed cultivation to the outer edges of economically usable land.

Farmlands in many industrial nations are shrinking alarmingly—in the United States about 1¼ million acres are removed from production each year. The new Interstate Highway System alone, when completed, will have swallowed a land area larger than the State of Delaware. Encroaching suburbs devoured my father's farm in Maryland, and by the year 2000 half the state's remaining farmland could be taken out of production.

Agricultural frontiers still exist, largely in Africa and South America. But they must be fought for. The tsetse fly and its plague of sleeping sickness bar herdsmen and farmers from 2.8 million square miles of Africa—five times the area now farmed in the United States. Leaching, toxicity, and high temperatures of soil impede the cultivation of 2¼ million square miles of llanos and tropical rain forests in Latin America, primarily in the Orinoco and Amazon River Basins.

Shortages of water

The production of a single hen egg, traced back through its creation, requires about 120 gallons of water, calculates Georg Borgstrom of Michigan State. A loaf of bread requires 300 gallons; a pound of beef, 3,500. And these demands are but a drop in the bucket compared to irrigating a single acre of desert farmland.

We already have dammed most of our more accessible rivers. Those remaining tend to be located where the need is least; about a third of the planet's river water flows through South America, which embraces only an eighth of the land.

The meaning of this, many hydrologists believe, is that shortages of water, more than land, threaten our food future. Alternative sources, such as desalting ocean water, pose enormous costs.

The dependence on energy

When the U.S. farmer traded in his 22 million horses and mules for today's 4.4 million tractors, he severed bonds that in India still tie two-thirds of the people to the land. But in so doing, he became totally dependent on the petroleum that drives his machines.

The equivalent of 80 gallons of fuel is used to produce a single acre of corn. Because of corn's high yield, it returns about four calories of food for each calorie of energy used to produce it. Sugar beets give back only 1.2 calories for each one they require, and low-energy tomatoes create an actual deficit.

"Even with his reliance on fossil energy, the U.S. farmer consumes only about 5 percent of the nation's fuel budget," calcuates Dr. David Pimentel of Cornell University. "Twice as much—some 10 percent—goes into food processing, distribution, and marketing." And in the final step, a consumer may drive a two-ton auto to the supermarket for 30 pounds of groceries.

Threatened ecosystems

"Granary of Rome" . . . "Fertile Crescent" . . . these names tell of the abundance that once blessed the North African coast and an arc of land stretching from the Mediterranean to the Persian Gulf. Today, blighted by deforestation and overgrazing, they have become part of a semi-desert extending from Gibraltar to India.

This same scenario now unfolds on the Indian subcontinent, says Lester R. Brown, President of Worldwatch Institute, a private agency that focuses on emerging global problems. There, rampant deforestation strips the foothills of the Himalayas, birthplace of the region's great river systems. "With trees no longer holding the soil, erosion is rapidly silting up reservoirs on which Pakistan depends for irrigation water. The denudation also probably aggravated the recent flooding in India, Bangladesh, and Pakistan."

A leveling of productivity

With the passing of the farm frontier, our expanding needs must be met through larger yields per acre. Until recently, the mechanized farmer, aided by fertilizers, obliged with an upward spiral of productivity. Now this promising upsurge may be slowing, not only in the United States, but throughout the Western World.

"I believe we're reaching a yield plateau that only new breakthroughs in research can surmount," says University of California agronomist Dr. Milton D. Miller. "Use of fertilizer is reaching a point of diminishing returns, and the yields of many of our standby crops—corn, for example—appear to be nearing their biological ceilings."

HUNGER BELT HOLDS POTENTIAL

Food strategists mapping the ongoing war against hunger realize that their battlefield must be the tropics and semitropics, where two-thirds of the planet's people scrimp on a mere one-fifth of its food. But here, too, lies the greatest potential, most of the available new land, abundant sunlight, and a year-round growing season.

I saw some of this promise for myself on a visit to the Asian Vegetable Research and Development Center on Taiwan. "Our mission is to supplement the use of rice in Asia," said Robert F. Chandler, Jr., director of the newly established center. Here technicians are testing and developing new strains of tomatoes, potatoes, mung beans, soybeans, and Chinese cabbage.

"But the front-runner," Dr. Chandler told me, "is the unlikely sweet potato. We feel confident we can bring its protein content up to that of rice and at the same time assure the Asian farmer twice rice's yield—with an added bonus of abundant vitamin A."

Throughout the world's hunger belt, I visited other such institutions where dedicated scientists are deeply committed to the fight for food. Leading the assault is an international network of ten research programs supported by 29 governments and organizations under chairmanship of the World Bank.

At CIMMYT, near Mexico City, where Dr. Norman Borlaug still leads the experimental wheat program, I saw scientists perfecting a wheat-rye cross known as triticale, a high-protein barley, and a protein-rich corn called opaque-2 that could revolutionize nutrition in many countries.

EXPERIMENTS PROMISE TOUGHER RICE

In Colombia and Nigeria, sister institutions seek ways to tame vast llanos and tropical rain forests. A center in Peru is improving the yield of the indigenous potato; two African facilities focus on the needs of herdsmen. Another in India reexamines ancient methods of collecting and "harvesting" precious rainwater in the world's semiarid tropics.

In the Philippines geneticists of the International Rice Research Institute are building a second generation of improved rice strains on the foundations of the Green Revolution. Their techniques typify those that prevail in most of the international centers.

"We're aware that our earlier high-yielding rices demand a lot of the small farmer—pesticides, herbicides, fertilizer, know-how—often more than he can deliver," explained Director Nyle C. Brady. "Our tactic now is to breed this technology into the seed itself—pack it with resistance to diseases and insects, tolerance to drought and toxic soils, even to deep water and cold weather. We think we can do it; the genetic variability of the rice plant is incredible."

I saw short-season rices that allow two and even three crops a year; rices that resist the ravages of insects; a versatile rice that could withstand both drought and flood; varieties whose stems can elongate as much as 20 feet to keep their heads above high water.

A refrigerated building held the germplasm bank, some 30,000 strains of rice. These provide seeds for genetic experiments—and represent an insurance policy for the future. With new varieties fast displacing nature's originals, local strains possessing vital resistances to pests or diseases could be erased forever unless preserved in the bank.

"We've developed strains with a fifth more protein," said Dr. Brady. "That's important, because rice provides 80 percent of some Asians' protein." So far, though, yield has dropped when more protein is bred in.

High priority goes to solving the fertilizer problem. "Our best bet for the long haul," said agricultural economist Randolph Barker, "lies in finding rice plants whose roots will serve as hosts to nitrogen-fixing bacteria, just as those of soybeans do. This way they would provide much of their own nutrient." At research centers around the world I heard echoes of Dr. Barker's belief that development of nitrogen-fixing grasses—including not only rice but also wheat, corn, and pasture varieties—offers great opportunities for dramatic improvement in world agriculture.

IS DOOMSDAY IN THE OFFING?

Ultimately, all of my inquiries pointed to a single question: What are the prospects of feeding ourselves on our ever-more-crowded planet?

"The race between population growth and food production has already been lost," maintains biologist Paul R. Ehrlich of Stanford University. "Before 1985 the world will undergo vast famines—hundreds of millions of people are going to starve to death . . . unless plague, thermonuclear war, or some other agent kills them first."

Among some this pessimism has led even further, into the realm of how the "have" nations should react when massive famine strikes the "have nots." One such scenario is called the "lifeboat ethic." It prescribes that the self-sufficient nations must, at some point, refuse help to those who are stricken, lest the added burden swamp the survivors' lifeboat, dragging all to the bottom.

At the other end of the scale, Harvard population and resource specialist Roger Revelle computes that the earth's arable land area, if properly developed, could produce "edible plant material . . . for between 38 and 48 billion people"—ten times today's population.

Most experts with whom I talked take a position somewhere between Dr. Ehrlich's pessimism and Dr. Revelle's theoretical extreme. In large measure they share the conditional optimism of Dr. Don Paarlberg, Director of Agricultural Economics for the U.S. Department of Agriculture.

"Barring disasters caused by bad weather," he believes, "food production can stay half a step ahead of demand for a few decades. After that, unless population comes under control it may be hopeless."

Heading the list of hopeful auguries is the accelerated pace of worldwide agricultural research, particularly the new emphasis on the tropical hunger belt. But other elements also support this guarded optimism:

A new will to win

"For the first time," says Dr. Wortman of the Rockefeller Foundation, "the nations of the world may possess the will to concentrate on raising agricultural productivity. When leaders of developing countries could depend on food gifts or imports, then tended to ignore their own agricultural sector in favor of industrial schemes. But they know they can't stay in power with a lot of hungry people on their hands. Raising more food has become a matter not only of human, but of political survival."

Nowhere to go but up

"It may sound paradoxical, but the low level of productivity in most needy lands represents one of their brightest future hopes," asserts Dr. Chandler of the vegetable center. "The rice farmer of India or Bangladesh could readily double his yield of 1,500 pounds an acre with better varieties and techniques. Dr. S. R. Sen, an executive director of the World Bank, believes that India and Bangladesh can increase their productivity threefold. Others believe world food production can be doubled.

Crop monitoring by satellite

Beginning this year U.S. satellites are surveying the growth and health of part of the U.S. wheat crop. If this succeeds, the monitoring eventually will cover wheat plantings worldwide, and perhaps other crops. With accurate and timely warning of crop scarcity, the world could respond before disaster strikes.

Growing emphasis on small farmers

"Because of the attention they give their holdings," observes James P. Grant, President of the Overseas Development Council, "small farmers more than pull their own weight. An Indian farmer with five acres produces half again as much per acre as does one with ten times as much land. We tend to overlook the fact that per-acre yields in the U.S. are surpassed by farmers in Japan, Egypt, and Taiwan, and equaled by Korea's."

The example of Taiwan

This Switzerland-size island of 16 million people has written an Asian success story that provides a possible pattern for other developing nations. "And they did it largely with ingenuity and hard work," notes Dr. Chandler, whose vegetable center is on the island.

Burdened in the 1950's by soaring population and demand for food, the Taiwanese turned their economy around so dramatically that by 1965 U.S. aid was no longer needed, and the population was being stabilized.

They attribute their miracle to a blend of elements drastic land reform that harnessed the incentive of private ownership; universal education, including a vigorous family-planning program; farm cooperatives to provide credit, fertilizers, and marketing; balanced industrial growth.

The farming I saw on Taiwan is a precision process: rows of young plants intercropped between others now ripening; four and five crops from the same land in a single year; yields among the highest in the world.

Building emergency food reserves

"And let them gather all the food of those good years that come . . ." said Joseph unto Pharaoh, "and that food shall be for store . . . against the seven years of famine. . . ." Just such a "Genesis strategy" came out of the U.N. World Food Conference that met last year in Rome. As a result, international machinery is being put in motion to organize emergency stockpiles to help needy nations.

No one underestimates the thorny political questions involved. Who contributes to the stockpiles? How much? Where should they be located? Who controls access, decrees how much shall be withdrawn, and when?

Despite such obstacles, experts concur on the need for continuing action. "Unless the food problem is dealt with, and rather promptly," warns Sterling Wortman, "nation after nation will be shaken by political turmoil." Similarly, Dr. Borlaug foresees famine-torn nations "disintegrating into chaos," with Bangladesh, India, Egypt, and Indonesia possibly succumbing "by the end of the present decade."

Perhaps FAO economist Robert Tetro offers the best response to the challenge of feeding humankind:

"It *shall* be done," he believes, "because it *must* be done."

SECRETARY WILLIAM E. SIMON ADDRESSES THE FUNDAMENTAL CHOICES ABOUT THE FUTURE OF OUR FREE ENTERPRISE SYSTEM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. KEMP) is recognized for 15 minutes.

Mr. KEMP. Mr. Speaker, our Nation is now confronted with fundamental choices about our future. The state of our economy has forced us into an examination of where we are and where we are going as a nation and a people. It is unfortunate that it takes a decline to precipitate this review, but it is important that we take stock of ourselves, our freedom, and our future prosperity.

Monday evening the distinguished Secretary of the Treasury, William E. Simon, addressed a capacity audience of nearly 600 at the Statler-Hilton Hotel in Buffalo on the nature of these choices. Virtually all segments of the community were in attendance—business and finance, organized labor, civic and cultural affairs, local elected and appointed officials of both parties.

I cannot tell you how excited I am about the response to his remarks. It is not only that he received a tremendous standing ovation from this audience, but also that the clear message he brought to them was so positively received.

That message was threefold: That we must bring a halt to runaway Federal spending and introduce greater balance to our fiscal and monetary policies, that we must lift the dead hand of Government regulation that is in the process of strangling our private enterprise system, and that we must create a more favorable environment for the growth of capital investment so that we may create more jobs for our labor force and continue to raise the standard of living for all Americans.

My goal for America is the same as it is for the Buffalo area, jobs and freedom of choice for they are indeed concomitants as Mr. Simon pointed out.

Secretary Simon's summary was profound, when he said:

> What all this boils down to is a fundamental choice about the future of our great Republic. I sincerely believe that we have reached a crossroads in our Nation's history. For more than 40 years we have been gradually increasing the power of the central government in our daily lives. As our freedoms have been chipped away, year in and year out, we have also lost some of that glow that was particularly distinctive about the American experience—our boldness and vitality have been drained a bit, our ingenuity has been challenged by nations around the world. Why some nations have even come to believe they can play us for patsies. And alas, our free enterprise system—the greatest engine for social progress that the world has ever known—has slowed down perceptibly so that now it is chugging along in second gear, far below its potential.
>
> I believe that the time has now come to choose—to choose between a continuation of the last 40 years, a trend that will eventually mean our society will be run and managed by the same free spenders who have given us the worst inflation in our peacetime history and the worse recession in more than a generation, or as an alternative, that we restore our basic fredoms as Americans, revive our private enterprise system, and reassert America's sense of destiny in the world.
>
> This is the choice that we must have as a Nation in coming years. This is the choice that hangs over us as we prepare for November of 1976. And this is the choice that will shape the lives of our children and our children's children.
>
> I have always believed that every public official must take this as his highest goal: To turn over to our children a Nation that is stronger and better—that offers greater opportunities for personal and spiritual fulfillment than the Nation we have inherited. I first came to Washington because—as corny as it may seem—I wanted to repay a small amount of what this country has given me. And I am proud to be there. But when I see the abuses that Washington has inflicted and is continuing to inflict upon private enterprise and upon our freedoms, I can only shudder about the world that we are building for our children. I believe that the time has come for new directions in this country—to set the ship of state on a new course. And I believe the American people know this. There is no question in my mind that the people of this country want a fresh start, as the President has said. But I also believe that we will make the right choices about the future only if more of our citizens—Americans of strength and character like those of you here tonight—are willing to fight for their convictions. I urge you to stand up and be counted.

Mr. Speaker, this is the kind of articulate, strong and truthful message of hope that the American people are seeking. This is the kind of leadership which they seek and to which they will respond with their support. Based in factual premises and precise logic, it offers answers grounded in the realities—and successes—of our national experience.

I, therefore, commend these remarks to all my colleagues:

REMARKS BY THE HONORABLE WILLIAM E. SIMON, SECRETARY OF THE TREASURY

I want to thank my very good friend and your very fine Congressman, Jack Kemp, for this opportunity to speak to so many of the leading citizens of the Buffalo area.

In traveling across the country over the past three years, first to talk about the nation's energy needs and then about our economy, I have frequently found that the message we were trying to send out from Washington has been garbled or distorted in transmission. Just as you must wonder whether the Washington bureaucracy is listening to you, I am sometimes disappointed in our inability to get a clear message across to you, the American people.

So, I welcome a chance to meet on a face-to-face basis with you and I want to commend Jack Kemp for the way that he is trying to bring Washington and the Buffalo area closer together.

You have read and heard a good deal lately about Washington's view that the recession has ended—now it has either "bottomed out" or "saucered out". Looking at overall national statistics, there is substantial justification for that prognosis:

Personal income rose in May by 9.3 billion dollars—the biggest jump in eight months.

Housing is showing signs of recovery with a 34 percent increase in building permits between March and May and a — percent increase in housing starts.

Inventories are still being cleared at a rapid pace, and orders for durable goods and retail sales are both rising.

And the inflation rate is down—from an average annual rate of more than 12 percent last year to less than 6 percent today.

But let's not kid ourselves: when an economist says that he spots the end of the recession, that does not mean that we have also ended the human hardship and suffering that the recession has brought in its wake. Eight million people are still unemployed—4 million more than the pre-recession level—and there are pockets like Buffalo where the unemployment rate is still far above 10 percent. A recession is not like a summer thundershower which quickly gives way to blazing sunlight. It is more like a bleak northern snow storm that takes a long time before it fully melts away.

We can take heart from the fact that the downward slide of the economy appears to have ended—the worst is behind us—but we cannot be fully satisfied until people are back to work and we have conquered the major factor that caused the recession, which is inflation.

Our most important task now is to ensure that the process of recovery is firm and durable—that we climb steadily out of the valley without bringing about a new round of inflation which would only mean an even worse recession and even higher unemployment. I am confident we can succeed in this great task, but to do so, we must be absolutely clear about how the nation got into this mess and then we must formulate a hard-hitting, long-range program to get us out. That's what I want to talk about with you for a few moments before addressing your questions.

Over the past 10–15 years, I believe, there have been three major developments which have become the major source of our difficulties—three trends which have had an enormously destructive impact upon our economy.

First, there has been an enormous growth in governmental spending. It took this Republic 186 years before the Federal budget reached $100 billion. That was in 1962. Yet only nine years later the budget had doubled to $200 billion. Then four years later—in fiscal year 1975—it crossed the $300 billion mark, and if current trends prevail, we will cross $400 billion by 1977 or 1978. As New Yorkers well known, there has also been a significant increase in State and local governmental spending, so that looked upon as a whole, the government now occupies a very dominant role in our economic life. Just before the Great Depression, government spending accounted for 12 percent of our Gross National Product; today government spending at all levels accounts for some 33 percent of our GNP; and if recent growth patterns continue, it will reach 60% before the end of this century. It is my firm belief that any government which taxes away more than half of what people earn has robbed them of a great part of their economic freedom. And can there be any doubt that when our economic freedoms are destroyed, our personal and political freedoms will not be far behind?

It has never been politically popular, of course, to increase taxes, so that increased Federal spending has meant a string of Federal deficits—14 in the last 15 years. As a result, the Government over the past decade has been forced to borrow over a quarter of a trillion dollars from our private money markets—money that might otherwise have been used to build new plants and create new jobs in the private sector. This excessive governmental borrowing, I might add, has also prevented interest rates from falling as far as they should have. Moreover, partly in an effort to accommodate those deficits, monetary policy—which plays a critical role in our economy—has also pumped too much paper money into the economy over the past decade. The growth of the money supply over the past 10 years has been at twice the rate of the previous 10 years, significantly adding to inflationary pressures.

The reasons for this dramatic growth in Federal spending are not hard to find. For years, we have been electing politicians who promise us that we can rebuild our housing stock, put everyone through college, feed the world, explore the universe, and support everyone on a higher standard of living—all at the same time. It just can't be done, even by the most powerful nation on earth. We cannot afford guns and butter at the same time, just as we cannot buy a Great Society on the layaway plan, or abolish the business cycle. Neither man nor government can continue living beyond their means indefinitely. Eventually the price must be paid—either through higher taxes or through the cruelest and most regressive tax of all, inflation. That is one of the most important lessons we should have learned from the past decade.

Let us look now at a second and related trend which has had a destructive impact upon the economy in recent years: the enormous proliferation of Federal regulations and laws which restrict the operation of the private sector. Consider just a few examples of the regulatory process in action:

It is almost twice as far from San Francisco to Los Angeles than from New York to Washington, and yet the air fare on the California trip is almost a third cheaper. Why? Because airlines operating intrastate in California are not controlled by Federal regulators.

Professor Tom Moore at the Hoover Institute estimates that just in trucking and surface transportation alone, governmental regulations add about $10 billion a year to the bill paid by consumers. No one knows the precise cost of all governmental regulations, but it has been estimated by reliable sources that the total cost for consumers exceeds $100 billion a year.

While governmental intervention has proved costly in many areas of the economy, it is perhaps in the energy field that it is now causing the most significant problems. It has been apparent for more than 20 years that this nation was on a collision course with its energy policy. Experts have been warning us again and again that our demands were growing faster than our supplies. But instead of allowing the private enterprise system to rise to this challenge, as it can, we have allowed the government to erect one impediment after another to discourage greater production. It can fairly be said that our energy crisis, like our inflation and our recession should carry a label: Made in Washington, D.C.

Consider some of the ways that energy producers are being bound hand and foot by the government:

Despite continual warnings from experts, the Federal Power Commission has been required for more than two decades to keep the wellhead price of natural gas at an abnormally low level in order to hold down prices for consumers. But these controls have reduced the incentives for development of new domestic supplies, so that predictably there is much less natural gas than we need today.

Instead of learning from the natural gas experience, we are now repeating our mistakes in the oil industry where we have again imposed price controls. And again the result is predictable: By controlling the price of domestic oil and thus reducing the incentive for new production, we are forcing consumers to buy more expensive products from foreign oil sources and are willingly subjecting ourselves to their blackmail.

In the field of nuclear energy, the story is again a sad one. This country was a pioneer in the development of nuclear power. Yet today it can take up to 11 years to build a nuclear power plant in the United States and only 4 to 4½ years in Europe and Japan. Nuclear energy provides less than 2% of our current energy consumption—far below its potential. Why? Because of excessive governmental regulation which impedes the construction of more nuclear plants.

Or consider the case of coal. This nation has about a third of all the recoverable coal reserves in the world. We are the largest exporter of coal in the world, and at 1973 levels of consumption we have enough coal to burn for 800 years. Yet, because of excessive governmental intervention, coal production in the United States today is lower than it was thirty years ago.

I recognize that some of these impediments to energy production reflect public concern about public health and protection of our environment. But it is clear that through balanced policies we can meet those concerns and also expand our energy supplies. It is time for the Congress to stop debating and start acting on a national energy policy that encourages both conservation and greater production. Either we wake up to this challenge soon, or we are going to find that, like Samson, we have given it all away to these modern-day Delilahs of the Middle East.

Let me turn now to a third trend of recent years: It is a tragic fact that over the last decade, as the forces of big government have been overfed and overnourished, the private enterprise system has gradually been weakened. As we have strengthened the public sector, our policies have directed billions of dollars away from the private sector and our tax laws have discouraged vitally needed savings and investment in the future.

The record of capital investment in the United States in recent years has been the lowest of any major industrialized nation in the Free World. Not surprisingly, our record of productivity growth during this same period was also among the lowest of the major industrialized nations. The one relates to the other. Increased capital investment is essential for increases in productivity, and it cannot be said often enough that increased productivity, and it cannot be said often enough that increased productivity is the only means we have of raising the standard of living.

Why have we failed to build and expand our industrial base? A fundamental reason, I would argue, is that we have had policies which promote personal consumption and Federal spending at the expense of personal savings, investment and capital formation. Too many of our financial resources have been diverted to their least productive use, the Government, instead of their most productive use, the private sector. A related part of the problem has been the serious deterioration in corporate profits since the mid-1960s. Contrary to popular opinion, after-tax profits measured in real terms have dropped by 50 percent since 1965. It is not unfair to say that we have been and remain today in a profits depression in the United States.

The interaction of the various trends that I have mentioned here tonight—excessive fiscal and monetary policies, overzealous regulation by the government, and inadequate capital formation and economic growth—has had a number of effects within the economy, but none has been more significant than the general inflation that has resulted. Since the mid-1960s, we have been plagued with an inflation rate that has gradually climbed from one plateau to the next. In recent years, that rate was exacerbated by the quadrupling of oil prices and the increase in food prices, but as those special factors disappear, we're still going to be left with an unacceptably high base rate of inflation in the 6–7% range which will be a direct result of the misguided policies stretching back into the mid-1960s.

There is also general agreement today that more than any other factor, inflation was responsible for causing today's recession. As prices skyrocketed and real incomes were eroded, consumer confidence fell and we experienced the worst drop in retail sales in a quarter of a century. Similarly, as inflation drove up interest rates, funds were drawn out of the thrift institutions and the bottom fell out of the housing industry. We must never forget that inflation is our most fundamental economic problem, and unless we avoid making the mistakes of the past, we are doomed to repeat the agonies of the last two years.

When you see things in this light—when you recognize that inflation has been the major cause of recession and that our inflation is rooted in misguided policies of the past—then you can also understand the foundations of the Administration's economic policies.

Our first and primary goal, as I have said, is achieve an economic recovery that is sound and durable. You will frequently hear that we are too timid and cautious about the pace of the recovery. We know that the process could be speeded up by opening the floodgates of Federal spending and monetary policies, but those are precisely the kind of policies that got us into this mess. It would be a grave injustice—especially to the poor and the disadvantaged—if we tried to spend our way back to prosperity when we know full well that within a short time those policies would only produce greater inflation followed inevitably by another recession and higher unemployment. We must have balanced policies—policies that bring steady growth without new inflation, policies that warm up the economy without overheating it.

Beyond this central goal, we believe that the Nation must make a firm, dedicated effort to reverse the three trends that I have mentioned.

We must bring a halt to runaway Federal spending and introduce greater balance to our fiscal and monetary policies.

We must lift the dead hand of governmental regulation that is in the process of strangling our private enterprise system.

And we must create a more favorable environment for the growth of capital investment so that we may create more jobs for our labor force and continue to raise the standard of living for all Americans. Jack Kemp, I might note, has become one of the most articulate spokesmen in Washington on the need for the free enterprise system and greater capital formation. He recognizes that capital creation is really job creation, and that job creation means an expanded work force, higher real earnings and lower prices for consumers. Over the next decade, our total capital investment needs will be triple those of recent years. Let there be no doubt here tonight that meeting this capital investment goal is one of the best means we have of overcoming the industrial problems of cities such as Buffalo.

Ladies and Gentlemen: What all this boils down to is a fundamental choice about the future of our great Republic. I sincerely believe that we have reached a crossroads in our nation's history. For more than 40 years we have been gradually increasing the power of the central government in our daily lives. As our freedoms have been chipped away, year in and year out, we have also lost some of that glow that was particularly distinctive about the American experience—our boldness and vitality have been drained a bit, our ingenuity has been challenged by nations around the world. Why some nations have even come to believe they can play us for patsies. And also, our free enterprise system—the greatest engine for social progress that the world has ever known—has slowed down perceptibly so that now it is chugging along in second gear, far below its potential.

I believe that the time has now come to choose—to choose between a continuation of the last 40 years, a trend that will eventually mean our society will be run and managed by the same free spenders who have given us the worst inflation in our peacetime history and the worst recession in more than a generation, or as an alternative, that we restore our basic freedoms as Americans, revive our private enterprise system, and reassert America's sense of destiny in the world.

This is the choice that we make as a Nation in coming years. This is the choice that hangs over us as we prepare for November of 1976. And this is the choice that will shape the lives of our children and our children's children.

I have always believed that every public official must take this as his highest goal: to turn over to our children a nation that is stronger and better—that offers greater opportunities for personal and spiritual fulfillment—than the nation we have inherited. I first came to Washington because—as corny as it may seem—I wanted to repay a small amount of what this country has given me. And I am proud to be there. But when I see the abuses that Washington has inflicted and is continuing to inflict upon private enterprise and upon our freedoms, I can only shudder about the world that we are building for our children. I believe that the time has come for new directions in this country—to set the ship of state on a new course. And I believe the American people know this. There is no question in my mind that the people of this country want a fresh start, as the President has said. But I also believe that we will make the right choices about the future only if more of our citizens—Americans of strength and character like those of you here tonight—are willing to fight for their convictions. I urge you to stand up and be counted.

Mr. Speaker, more and more people around the country are standing up to be counted.

WHY FAVOR BLACK AFRICA?

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. ASHBROOK) is recognized for 15 minutes.

Mr. ASHBROOK. Mr. Speaker, some in this country are quick to support the actions of the black African countries and even quicker to condemn the actions of Rhodesia and South Africa. Is this fair or justified? Let us take a look at some of those countries and leaders who in the past and at the present time have received the support of liberal elements in this country.

On February 24, 1966, Dictator Kwame Nkrumah of Ghana was deposed by that country's military. Before being thrown out Nkrumah allowed the Soviet KGB to run throughout the country. There were 1,000 Soviets, 375 Chinese Communists, and about 200 East German Communists in the country.

When Ghana was the first British colony to gain its independence in 1957, it had more than $700 million in foreign reserves. By the end of Nkrumah's term $1.1 billion was owed. Numerous showcase projects—from a steel mill to a sugar refinery—were sitting idle. But Nkrumah himself had more than $7 million tucked away in banks abroad in addition to owning housing estates, office buildings, and numerous other enterprises in Ghana. His acquisitive urge was strong while he liked being called the Lenin of Africa.

While the country's economy was in a shambles and while hundreds of political prisoners were incarcerated, Nkrumah had schoolteachers instructing children the following:

> Nkrumah, who is able to provide you with food, with sweets in times of hunger, if any parent will try to tell you that Kwame Nkrumah is no good you do not try to argue with your father or your parents, because they may whip you, and you will have to suffer from that. What you need to do is to report to us, so that we will warn your parents not to do that to you again, because from now on you belong to Nkrumah, you don't belong to anybody else, not even your parents.

In Uganda the madness of that country's leader Idi Amin continues. Under Amin who in the past has claimed "visions from God," Asians who were Ugandan citizens have been expelled from Uganda. An estimated 80,000 to 90,000 people have been killed, various officials of the government have met peculiar fates, and foreigners have been arrested and threatened with death. Amin has recently set up a "Save Britain Fund" and also will donate goats, cows, and sheep to feed "the starving British." Recently Amin has arrested a British teacher who, in an unpublished manuscript, called Amin "a village tyrant." Nonetheless, the British continue to be the main supplier of weapons to Amin's Uganda.

Amin is scheduled to become the leader of the Organization of African Unity. It seems that his fellow African leaders are quick to criticize South Africa, Rhodesia, the United States, and numerous other Western countries but cannot find their voices when it comes to criticizing one of their own for his blatant disregard for human life and liberty.

This year in Dahomey the wife of the President was caught in bed with the Interior Minister. The President called some soldiers and had the Interior Minister shot. One account states the Minister was shot in bed. Another account stated that the Interior Minister was running down the street naked when he was shot. Dahomey has received $15.4 million in net U.S. foreign assistance through fiscal year 1974.

The former Belgian Congo, now known as Zaire, is a country born in blood. The Katanga secessionist movement, headed by the anti-Communist leader Moise Tshombe was brutally put down by U.N. troops with American financial aid. Tshombe's major crime was his pro-Western outlook and his program for a constitutional form of government based on the U.S. Constitution. Several years after the defeat of Tshombe's independence efforts he was kidnapped and imprisoned in Algeria where he mysteriously died.

Mobutu, while quick to urge "liberation" of Rhodesia and South Africa, seems unwilling to liberate his own people enough to have free elections—elections which Mobutu himself promised when first coming to power. The only kind of elections that have been allowed were a referendum in 1970 on Mobutu as President and an election to Parliament in which only candidates of one party were allowed to run.

Mobutu is another African dictator who has received millions of dollars from the United States including millions in military aid. A short while ago he threw out the American Ambassador because of an imagined CIA coup against him. The United States still gives aid to him even though he boasts of Zaire's "sincere and reciprocal friendship with the People's Republic of China and the Democratic People's Republic of North Korea." Not one to hide his light under a bushel basket, last year Mobutu moved Christmas to June 24, the anniversary of his constitution for Zaire.

Sekou Toure, President of Guineau, is an active participant in the so-called Third World bloc. A speech that he gave at the Sixth Pan-African Congress and which was reprinted in the Black Scholar last year gives an indication of his views:

> We should never forget that that imperialism which nearly exterminated us in Africa where it is still committing genocide daily, was not developed through the historical process which occurred in Africa. Modern imperialism was developed through capitalism and therefore concerns the whole world. The destruction of imperialism, in other words, the liberation of peoples, must be general if it is to be effective. So long as other peoples are smarting under oppression,

> exploitation and indignities, any victory over imperialism in Africa will remain uncertain. The universal nature of imperialism dictates that the struggle against imperialism should be of a universal nature and this realization, far from submerging our specific responsibilities in confusion, increases them and bestows on us giant status by giving to the consequences of our acts world dimensions.

His Marxism has allowed him to give political asylum to Nkrumah and to aid various African terrorist groups. But at least Toure does not hide his Marxist revolutionary views and actions.

Many American "experts" on Africa have viewed Julius Nyerere, leader of Tanzania, as a model leader fit for emulation by other Africans. He has been liberally aided with millions of dollars in foreign aid from the United States in addition to receiving additional millions from Communist countries.

Nyerere has allowed his country to be a base for training of terrorists. In a speech last year he described the necessity of "the fight for freedom in Rhodesia, Namibia, and South Africa." But then Nyerere has turned Tanzania into a base that gives training, logistical arms, and psychological support to numerous guerrilla groups. Advanced training is given to recruits with some sent to Communist China, Soviet Union, and Cuba for further specialized training. The terrorists are trained in everything from the handling of weapons to placing of road mines. Such mines have killed both black and white Rhodesians.

In the former and soon to be former Portuguese colonies in Africa the picture is no brighter. In Mozambique the Marxist Front for the Liberation of Mozabique has become the government. The Washington Post writes of Machel, the leader of the front:

> He has always been regarded as the pragmatist in Frelimo, a strategist well-versed in the military concepts of Che Guevara and Mao Tse-tung.

To identify Machel as a "pragmatist" and then tie him into Guevara and Mao says something either about Machel or the Washington Post or perhaps both. Machel has also stated that he wants Mozambique to follow Communist China as a model for development.

In Angola, the bloodshed of the terrorist groups in their battles against Portugal has continued, with them now fighting and murdering each other. Earlier the various "liberation" groups used such civilized methods against both whites and blacks as sawing them in half on lumber mill saws and hacking people into bits with machetes.

The above are only a few of the countries in Africa which are led by two-bit dictators who have little regard for the welfare of their own people while they have high regard for their own pretensions. They are all united in another way. They see as a threat to the peace, Rhodesia and South Africa. These two countries have not financed nor supported guerrillas or terrorists in other African countries. Yet they find themselves threatened by various terrorist movements which are financed abroad and they—South Africa and Rhodesia—are branded as the threats to the peace.

At the same time these same black African countries criticize Rhodesia and South Africa for various racial practices while not holding themselves accountable to anywhere near the same standards. A number of black African countries have expelled their own citizens of Asian background. Uganda has had members of other tribes slaughtered. Political prisoners abound. But where are the calls for hearings on political prisoners in Uganda, Zaire, or Tanzania? Where is the criticism of action taken on the basis of race against minorities and even majorities in these black African countries? It is all strangely absent. Could it be because Rhodesia and South Africa want to be friendly with the United States while most of these other nations would rather kick Uncle Sam in the teeth?

CONGRESSMAN DRINAN EVALUATES THE ADMINISTRATION'S RECENT STATEMENTS ON THE USE OF NUCLEAR WEAPONS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. DRINAN) is recognized for 30 minutes.

Mr. DRINAN. Mr. Speaker, one of the most alarming recent developments in American foreign policy is the emerging change in our attitude toward the use of nuclear weapons. Statements by President Ford and Secretary of Defense Schlesinger during the past few weeks indicate that the military is developing new options to employ nuclear weapons in situations short of "all-out war."

Secretary Schlesinger, in remarks delivered on July 1, stated that he contemplated the possible first use of strategic nuclear weapons, the devastating bombs and intercontinental ballistic missiles designed to destroy military and civilian targets in an enemy's homeland. He specifically mentioned the possible use of our most powerful missiles against selected military targets in the Soviet Union.

Unfortunately, most public reaction to Mr. Schlesinger's statement has centered on the first use issue, overshadowing the more subtle but far more important issue of "selective" or "limited" use of nuclear weapons. First use in itself does not constitute a departure from established American policy. The United States has always maintained that in certain extreme circumstances, such as a massive conventional attack by the Soviet Union against Europe or Japan, we might be the first party in the conflict to resort to nuclear weapons. I would hope, of course, that first use, or any use, of nuclear weapons by the United States or any other country will never occur.

The more significant and disturbing element of Secretary Schlesinger's remarks dealt with the concept of limited strategic nuclear war as a viable option. Mr. Schlesinger rejected the idea that "a nuclear firebreak, if ever breached, must inevitably lead to escalation to the top." On the contrary, he indicated that it would be possible to avoid escalation after the first exchange of nuclear weapons against "selected" targets. Appearing on ABC–TV's "Issues and Answers" on July 6, Mr. Schlesinger made the unbelievable statement that "if nuclear weapons were actually employed, there would be powerful incentives to suppress the conflict before it became destructive." At his press conference on June 25, President Ford indicated agreement with the statements of his Secretary of Defense. The President refused to rule out the first use of nuclear weapons and advocated a policy of "maximum flexibility" in their use.

This "limited nuclear war" option represents a substantial departure from the longstanding American policy that once these terrifying weapons are employed, their vast destructive power will quickly lead to total nuclear war, and the end of society as we know it. As a result of this fundamental premise, our policy until now has centered on making any potential American nuclear response so devastating and so reliable that no nation would be tempted to take any action which might force us to unleash our massive nuclear arsenal. Our efforts have focused on the deterrence of nuclear weapon use by any nation, under any circumstances, in the belief that such use would trigger a global disaster. Now, we are apparently moving away from a strategy aimed at deterring any use of nuclear weapons as prohibitively dangerous, toward a strategy which encompasses the use of nuclear weapons in a wide variety of situations. The underlying belief appears to be that total war is not an unacceptable risk inherent in such action.

THE MYTH OF THE LIMITED NUCLEAR WAR OPTION

Philip J. Farley, Deputy Director of the Arms Control and Disarmament Agency from 1969 to 1973, appearing at a meeting sponsored by the Arms Control Association on July 9, stated that—

> There is in that [Schlesinger's July 1] statement a readiness to think about selective strikes without saying, as I think all previous Secretaries of Defense and Presidents would have said, that of course once you get into that sort of thing, you'd be one step from holocaust.

Adrian Fisher, Farley's predecessor as Deputy Director of the Arms Control and Disarmament Agency from 1961 to 1969, rejected totally the possibility of limiting nuclear war once the United States or the U.S.S.R. had fired a missile at the other's homeland. At the same meeting of the Arms Control Association, Fisher described Schlesinger's theory of limited nuclear war as a "bankrupt policy."

A brief examination of a few salient facts confirms the danger inherent in the administration's new attitude toward nuclear weapons. The very notion of a "surgical" strategic nuclear strike against only military targets is a fantasy. According to Pentagon estimates, a minimum of 5 million American or Soviet citizens would perish in a nuclear attack limited to high priority military targets. A 1967 symposium of the National Academy of Sciences placed the figure at 20 million dead and 18 million injured, not counting future generations marred by serious birth defects. It is after such devastation that Secretary Schlesinger believes the conflict could be limited "before it became destructive." One can only wonder at the Secretary's definition of "destructive."

It is absurd to expect a carefully controlled, limited response from a Soviet leader in the wake of 5 to 20 million civilian deaths. Imagine a President of the United States reacting to a "selective" Soviet strike in the following manner: "They confined their attack as best they could to military targets, and in destroying the headquarters of the Strategic Air Command they really could not help wiping out Omaha, and there will be 5 or 10 million deaths, so we will limit our response, too, and then try to negotiate."

The most telling argument against the possibility of limiting a strategic nuclear exchange is that the preceding scenario probably would never have a chance to occur, for total nuclear war would start before any appraisal of the enemy's actual intentions could be made. Intercontinental ballistic missiles and long range bombers do not carry name tags identifying their targets as "military" or "civilian," or indicating whether or not more missiles are on the way. Once radar has picked up the planes and missiles, a Soviet leader would have less than 30 minutes to respond before the warheads reach their targets. It is realistic for him to wait and absorb a first strike of uncertain dimensions before retaliating? Again, consider the reaction of our President to the news that a flock of Soviet ICBM's had been spotted coming over the North Pole headed for the east coast. Would he refrain from unleashing the full measure of our terrifying arsenal, knowing that if he did so, some of those Soviet missiles would undoubtedly destroy our own, rendering our retaliatory capability that much less effective? Would he stand by and await the results of the Soviet strike, knowing that at the least 5 million Americans would perish? How much less of a provocation is 5 million deaths than 100 million?

In the light of these considerations, it is hardly surprising that such experts as Gerard C. Smith, former Director of the Arms Control and Disarmament Agency and the first chief U.S. negotiator at the SALT talks, and Herbert F. York, former Director of Defense Research and Engineering at the Department of Defense and Science Adviser to Presidents Eisenhower and Kennedy, consider that any use of strategic nuclear warheads reach their targets. Is it realis- weapons will almost immediately escalate into a total nuclear holocaust.

THE COSTS OF THE ADMINISTRATION'S STRATEGY

The virtual certainty of rapid escalation has always shaped American nuclear weapons policy. Since the use of these weapons involves unacceptable risks of disastrous consequences, our policy has always been to deter such use by ensuring that any provocation serious enough to call for a nuclear response would result in a certain, devastating retaliation which would destroy the aggressor. Now, this well-established policy of deterrence is being eroded by a new, far more dangerous approach based upon the myth of limited nuclear war.

This myth will increase significantly the risk of a nuclear holocaust. By creating the illusion of a relatively "nondestructive" nuclear war, we are making the use of these incredibly powerful weapons far more conceivable than in the past. The "unthinkable" has now become "thinkable," as Secretary Schlesinger's remarks indicate. By stating our willingness to use nuclear weapons first and threatening to destroy at least some Soviet missiles in their silos, we have increased the incentive for an attempted preemptive strike by the U.S.S.R. during a period of extreme international tension.

This dramatic erosion in our security against nuclear disaster will cost the American taxpayers many billions of dollars. An expensive generation of more accurate and powerful missiles to destroy more Soviet missiles in their silos is in the initial stages of development. Inevitably, the U.S.S.R. will also develop these capabilities, necessitating further enormous expenditures on our part to improve our missile defenses. Already the Pentagon is talking about maneuverable warheads, cruise missiles, laser- and television-guided missiles, and ICBM's mounted on railroad tracks, constantly in motion, in order to avoid the next generation of superaccurate missiles. We are laying the foundation for a decade or more of massive arms expenditures in the name of a policy which brings the entire world closer to nuclear destruction.

The adoption of Secretary Schlesinger's strategy will make it far more difficult for the United States and the Soviet Union to set any meaningful limits on the growth of offensive nuclear weapons. While numbers of missiles can be monitored by satellite, restrictions on accuracy and payload require that familiar obstacle to agreement: Onsite inspection. The congruence of present-day satellite and missile technology provide an unprecedented opportunity for arms control, but insistence upon the "maximum flexibility" approach would effectively remove the possibility of a meaningful disarmament pact for the foreseeable future.

THE PENTAGON'S DANGEROUS REVERSAL

Until 1972, the Pentagon had itself opposed this shift in American policy. In 1971, Senator Buckley proposed to the military procurement bill—

> To improve the guidance systems of our principal missiles, the Minuteman III and the Poseidon, to the point that in an emergency the President of the United States will have the option of utilizing them to destroy the enemy's strategic forces as an alternative to unleashing a nuclear holocaust aimed against the enemy's civilian population.

The Pentagon vigorously opposed the amendments in these words:

> The Department of Defense cannot support the proposed amendments. It is the position of the United States not to develop a weapons system whose deployment could reasonably be construed by the Soviets as having a first strike capability. Such a deployment might provide an incentive to the Soviets to strike first.

The amendments were overwhelmingly defeated.

Today, however, the Pentagon has reversed itself and has, in fact, one much further than Senator Buckley proposed to do 4 years ago. In the past several years, the yield and accuracy of our ICBM's have improved dramatically through the implementation of the advanced MIRV program. All of our missiles have been retargeted, with greater emphasis on military targets. Research into superaccurate maneuverable missiles and still more powerful warheads is currently in progress. This activity has culminated in the recent statements by President Ford and Secretary Schlesinger on the option of limited nuclear war and the development of "maximum flexibility" in the use of nuclear weapons.

VITAL NEED TO ALTER OUR DANGEROUS COURSE

Senator Thomas J. McIntyre, chairman of the Senate Armed Services Subcommittee on Research and Development, and Senator Edward W. Brooke have led the effort in the other body to halt the implementation of this dangerous strategy. Advocating the position adhered to until recently by the Pentagon, Senators McIntyre and Brooke have argued against research and development of these extremely powerful and accurate new weapons and corresponding improvements of existing weapons. The weapons already in existence are more than accurate enough to hit cities, military bases, and industrial concentrations. The improvements can have no other purpose than to increase our capability to hit individual missiles in their silos.

The McIntyre-Brooke amendment to the military procurement authorization bill would have deleted $109.7 million in fiscal year 1975 and $33.7 million in the transitional quarter designated for research and development of the following programs, each of which will contribute to the destabilization of the arms balance: Improved guidance for the mainstay of our nuclear force, the Minuteman III ICBM, to greatly increase accuracy; the Mark 12A reentry vehicle for the Minuteman III, to increase the yield of the warhead; MARV guidance technology, maneuverable homing or "smart" warhead, providing pinpoint accuracy; LABRV, the large advanced ballistic reentry vehicle, to increase yield far beyond even the Mark 12A improvements; and a program to develop superhard silo kill capability for submarine-launched ballistic missiles. Unfortunately, despite the recommendation of the Subcommittee on Research and Development, the amendment was defeated by a vote of 52 to 42.

These programs represent significant steps away from the "countervalue" strategy which has traditionally dominated American nuclear policy. This strategy is based on deterrence through the threat of massive retaliation against cities. We are introducing into our nuclear policy unprecedented emphasis on the "counterforce" strategy, which is based on the destruction of the enemy's nuclear force. "Countervalue" rests firmly on the principle of deterrence, while "counterforce" involves the dangerous new element of a limited nuclear war waging capability.

There is no doubt that the administration has embarked upon a dangerous new path. Herbert P. Scoville, Jr., former Deputy Director of the CIA and Assistant Director of the Arms Control and Disarmament Agency, stated at the meeting of the Arms Control Association on July 9 that—

> This major change of attitude is part of a very planned campaign to acclimate the American public and to get better support for a new policy in which we will consider using nuclear weapons much more freely than in the past.

He described recent statements by the President and the Secretary of State as "really a major escalation and a basic change in our military policy or at least laying the groundwork for such a change."

The United States is moving away from its policy of deterring nuclear war more surely. We are moving toward a dangerous and illusory policy of waging nuclear war more efficiently. We must return to our goal of reducing, rather than expanding, the possibility that nuclear weapons will ever be employed. We must reverse this shift in policy before it envelops all of humanity within a mushroom cloud which could mark the end of our civilization.

LET US PROBE THE LATEST "NECESSARY" GASOLINE INCREASE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Rhode Island (Mr. ST GERMAIN) is recognized for 5 minutes.

Mr. ST GERMAIN. Mr. Speaker, I am rising today to express my shock at the recent actions of the major oil companies which instituted higher prices of as much as 10 cents per gallon for gasoline over the July 4 weekend, knowing full well that this weekend would be a peak-time for travel. The machinations of the oil companies are well known to us, and we have long suspected that there have been some strange dealings surrounding our energy crisis. However, this latest action warrants more than mere squealing and then sheepish acceptance.

In a recent poll in my home State of Rhode Island, the question was asked:

> Do you feel that the energy shortage is predominantly real or contrived?

Forty-five percent of the people replying indicated that they felt the energy crisis was, indeed, contrived. Are these 45 percent representative of the cynicism which is spreading through our constituencies or is it perhaps that these 45 percent are more realistic than we are? I wonder what the response to the question of contrivance would be if we were to put it to the Members of Congress. And yet we have not acted to control this most out-of-hand situation.

How many gas station dealers have to tell us that they have more gas than they can sell and are being pushed by the suppliers to sell more? Does this indicate a gas shortage?

Will the result of the requested decontrol of "old" oil prices be that suddenly there is much more "old" oil at "new" prices than we have been previously led to believe? Should we wait to see the result and be prodded into action or should we react now, take the initiative, find out what is really happening?

I for one am not going to sit idly by and wait until winter, when the price of home heating oil in Rhode Island has increased by 20 cents a gallon, for people 85 percent of whom are totally dependent on heating oil. These people have not been given the full story, they have not been presented with viable alternatives. They have only received price increase upon price increase. Understandably, they are angry. And we too should be angry.

I have asked the Federal Energy Administration to conduct an immediate, thorough investigation into the reasons why this latest "necessary" gasoline increase has occurred. I hope that all Members would send similar requests to FEA. The administration must know that we will not meekly stand by and accept this action. If legislation is required, then let us draft the legislation. Our constituents deserve answers; let us start supplying them.

OVERSEAS TOBACCO PROMOTION FUNDS: WE ARE NO LONGER A WORLDWIDE "PUSHER"

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. VAN DEERLIN) is recognized for 5 minutes.

Mr. VAN DEERLIN. Mr. Speaker, our friends from the tobacco States may have wondered where VAN DEERLIN was on Monday, when the House considered and passed the annual agricultural appropriations bill.

For the first time in recent years, I was not in the well offering an amendment to delete funds for promoting cigarette sales overseas.

I am happy to report the reason for my failure to offer the deleting amendment again this year. It is that the battle is over. Victory has been achieved, and sanity restored. The U.S. Government will no longer play the role of cigarette pusher to young Austrians, Thais, and Icelanders through an expenditure of public funds that amounted to international payola, or plugola.

The sums involved were modest, in comparison with other Government programs. But the principle was large indeed: While banning cigarette commercials from airwaves in this country, our Government was not only encouraging such advertising abroad but actually helping to pay for it. Granted, the foreign ads thus subsidized were limited to nonbroadcast media, as a nod to our own laws, but the propagandizing was otherwise unabashed in newspapers and magazines, on billboards and posters.

American taxpayers helped underwrite the cost of ads for such exotic sounding cigarettes as "Smart Export" in Austria and "Moon," "Falling Rain," and "Gold City" in Thailand.

The gimmick, of course, was that U.S. tobacco was used in the manufacture of those cigarettes, and stepped-up foreign consumption was seen as a way to reduce mounting tobacco surpluses in this country.

This practice has gone on now for about 20 years. It has been very businesslike, but not very solicitous of the health of young foreigners. Presumably they are just as prone to cancer and the other diseases which the Government says are related to smoking I have never been able to understand why our Government appeared so indifferent to the fate of these foreign youngsters while striving mightily to protect our own young people from these same alleged evils.

That is why, in several successive years, I offered amendments to the Agriculture appropriation bill to knock out these dubious promotional programs.

In each case my proposal was defeated, a victim of legislative counterattacks skillfully directed by colleagues from North Carolina and Virginia. I felt a little like those Northern commanders during the War Between the States in their frustrating encounters with that wily Confederate tactician, Thomas Jonathan (Stonewall) Jackson. They had superior manpower, but he always outmaneuvered them.

So the tobacco promotions dragged on. The Foreign Agricultural Service spent $75,000 in Thailand and $50,000 in Austria for cigarette ads this year. A similar program, for $80,000 a year in Japan, was dropped in 1971.

I rise now to point out that good sense has finally prevailed, and our overseas plugola is really on the way out.

The Thailand project was terminated a year ago, and our contract with the Austrian tobacco monopoly will be allowed to expire, unmourned, on September 30.

After that date, our Government will no longer share responsibility for ad copy like "Have a good trip with Smart Export," or "Moon cigarettes—will make you happy day and night."

But even I must confess to a tinge of something like regret at the passing of the lavish message used to hook young Thais on the lyrically named "Falling Rain" brand:

> Fresh and delightful . . . When the boat cuts through the waves . . . cool breezes caress the skin . . . sea spray falls like raindrops. Now, the whole world is yours alone, together. So relax and enjoy the fresh air of the sea and satisfy yourselves with Falling Rain.

WHY CONGRESS SHOULD NOT VOTE TO SHIP U.S. ARMS TO TURKEY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr BRADEMAS) is recognized for 5 minutes.

Mr. BRADEMAS. Mr. Speaker, the House is expected soon to vote on S. 846, as amended, a bill to provide for resumption of shipments of arms from the United States to Turkey.

I believe, for a number of reasons, that it would be a profound mistake, in terms of the national interest of the United States, for the House to approve this legislation.

Let me, Mr. Speaker, here set forth the reasons that I believe the House should reject S. 846.

First, this bill, which has been described by President Ford as a "compromise" is no compromise.

Under the bill, Turkey gets arms from the United States but Turkey is required to do nothing with respect to the Turkish action which caused the cutoff, the use of American arms on Cyprus. Let me here note, Mr. Speaker, that opponents of arms to Turkey have consistently favored resumption of arms provided Turkey takes steps to remedy the consequences of its action on Cyprus, especially on the humanitarian problem of refugees.

There is a second reason the House should reject S. 846 and it is the resumption of arms to Turkey without action by Turkey to remedy its aggression on Cyprus condones clear violations of conditions of U.S. law and bilateral agreements between the United States and Turkey under which Turkey received the arms.

Mr. Speaker, the issue represented by S. 846 is an issue of the rule of law.

Both the Foreign Assistance Act and the Foreign Military Sales Act contain provisions prohibiting the use of arms supplied by the United States for aggressive purposes and both laws mandate an immediate cutoff in further arms to any country violating this condition.

Surely, Mr. Speaker, Congress cannot be accurately characterized as meddling in the conduct of foreign policy when Congress insists that the laws of the land be enforced.

A third reason S. 846 is a bad bill, Mr. Speaker, is that the approval of arms to Turkey which S. 846 authorizes only encourages other nations buying or receiving United States arms to use them without restraint.

The distinguished former Under Secretary of State, George Ball, in testifying last week against this bill, warned of the "explosive" effects of a failure by the United States to insist on restrictions on the use of arms that we supply to other countries. With arms exports now running at an estimated rate of $11 billion annually, the danger of which Mr. Ball warned are all too real. I here cite only the Persian Gulf states.

A fourth reason for the House to reject S. 846 is that approval of arms to Turkey now would condone aggression by Turkey.

Turkey continues to occupy Cyprus with American arms. Further arms shipments to Turkey have already been halted and for the United States now to resume arms without any remedial action on Cyprus by Turkey would only be to condone the massive invasion of Cyprus by Turkey of August 14, 1974.

Mr. Speaker, there is a fifth reason that S. 846 is bad legislation.

The resumption of arms to Turkey which this bill authorizes would have a very damaging impact in Greece.

Such resumption could threaten the new democracy there. Again to quote Mr. Ball, he told the Committee on International Relations last week that passage of this legislation would have "catastrophic" impact in Athens with little hope of bringing about constructive response in Ankara.

Moreover, approval of the legislation could endanger both U.S. bases in Greece and a revived role for Greece within NATO.

There is yet another reason the House should reject S. 846, Mr. Speaker. Resumption of arms to Turkey without remedial action by that country on Cyprus would be to yield to Turkish blackmail threats to shut down U.S. bases there.

Secretary of State Kissinger said in Atlanta, Ga. last month that the United States would not surrender to threats of this kind from other countries but, of course, that is precisely what S. 846 represents.

And, Mr. Speaker, for the United States to yield to such Turkish threats would be to invite similar threats to U.S. bases by other countries in which they are located.

Let me also say, Mr. Speaker, that I think it important that Members of the House have a picture of what S. 846, as amended, would do with respect to U.S. arms for Turkey.

Here is what the bill does in this respect:

First. Section 2 allows immediate shipment of $185 million of arms sales to Turkey contracted for prior to February 5, 1975.

Second. Section 2 also immediately allows unlimited commercial sales by U.S. arms manufacturers to Turkey, by cash or credit.

Third. Both of the above categories of arms sales are allowed notwithstanding any other provision of law. This means that Turkey could occupy all the Aegean islands or go to war with Greece, using the weapons specified above without violating any American law. Even the general provisions of the Foreign Assistance Act and the Foreign Military Sales Act prohibiting aggressive use of aid are suspended for the categories.

Fourth. Section 3 of the bill also automatically allows resumption this year of all sales by our Government of military goods to Turkey by cash or by credit subsidized by American taxpayers, immediately upon enactment of the regular military assistance bill.

Fifth. The only arms for Turkey not authorized by this bill are in grant assistance. However, the President already has waiver authority to give Turkey up to $50 million this fiscal year, more grant assistance than Turkey received in fiscal year 1974.

GEORGE BALL AND CYRUS VANCE OPPOSE THIS LEGISLATION

Mr. Speaker, I have earlier referred to the testimony of George Ball against this legislation. Mr. Ball was joined in his opposition by another distinguished American, former Secretary of the Army, Cyrus Vance.

At this point in the Record, I insert the text of their prepared statement of July 10, 1975, before the Committee on International Relations.

I also include an editorial dated July 15, 1975, from the Washington Post concerning the statement of Messrs. Ball and Vance:

STATEMENT BY GEORGE W. BALL AND CYRUS R. VANCE

POLICY OBJECTIVES

In deciding what modification, if any, should be made in the provisions regarding military assistance to Turkey which have been in effect since last February 5, this Committee faces some difficult decisions. It must try to fashion a course of action that will achieve at least four major objectives:

First, encourage Greece and Turkey to move their negotiations off dead center so that their differences, including the differences between the Greek and Turkish communities on Cyprus, can be permanently settled.

Second, preserve the principles under which the United States has supplied, by grant or sale, over $70 billion of arms to various countries of the world during the last three decades and avoid setting a precedent that might encourage the aggressive use of those arms by any grantee or purchaser.

Third, restore the vitality of NATO, and particularly its Southern wing, which has suffered severe deterioration as a result of the Greek-Turkish quarrel.

Fourth, preserve American bases and other installations, both in Greece and Turkey, which are important to the security of the United States and of its North Atlantic allies.

We both appear here this afternoon as private citizens, representing no one but ourselves. Any special credentials are limited primarily to the fact that we have both had experience on behalf of our Government in dealing with earlier phases of the Cyprus problem which is the central area of dispute. We have individually discussed the problem informally with acquaintances in the Greek and Turkish Governments and one of us has talked with both Prime Minister Caramanlis of Greece and former Prime Minister Ecevit of Turkey within recent months. However, we are not privy to the current diplomatic traffic or to current intelligence reports or to facts not available to any informed American who follows the unfolding of this drama in the newspapers.

We shall try to confine our comments this afternoon to the issues immediately facing the Committee. Each of us has in the past expressed views regarding the manner in which this affair was handled by the United States Government during its initial phases that took place just a year ago. But all that is moot. The problem now before this Committee is immediate and practical and we shall leave the autopsy of past events to future historians.

INCREASE IN AMERICAN ARMS SALES AND GRANTS

Although this committee must necessarily focus on the current Greece-Turkey dispute, the issues involved go well beyond the controversy to the whole question of American sales and grants of weapons and military equipment to foreign governments. That is a practice which began in the days immediately after the Second World War and, particularly in the last few years, has mounted to alarming proportions.

In the beginning, America provided arms primarily to enlist countries in a common effort to stop the spread of Communism; thus, for some years the emphasis was on persuading countries to become our allies rather than neutralists. Later, as the Soviet Union became itself a major arms supplier, the practice acquired competitive or preemptive overtones. Still later, we largely shifted our effort from grants to the sale of arms, primarily in order to reduce the then chronic deficit in the United States' balance of payments.

In spite of the fact that our worrying balance of payments position put considerable pressure on the Government to expand its arms sales, it has only been in the last two years that sales and grants of arms have taken a quantum jump. Until 1973 they remained in the area of $3 to $4 billion a year, but in 1974 the figure leaped to $8.2 billion, and this fiscal year it is likely to go to $8.5 billion for sales alone and, we understand, perhaps as much as $11 billion for both sales and grants.

These are disturbing figures when it is realized that a large part of these arms are being supplied to countries in areas of the world marked by local tensions and conflict—particularly the Middle East. In fact, it takes an optimist to believe that such a massive amount of hardware can be injected into an overheated area without the strong probability that, sooner or later, some nation will decide to use some of it.

SAFEGUARDS ARE NEEDED

Our one safeguard is that most of these arms are provided under explicit conditions that they will be used only for the purposes for which they are explicitly provided, which are solely for internal security, legitimate self-defense and to permit the recipient country to participate in collective security arrangements consistent with the United Nations Charter—which, of course, includes NATO. But that raises the central question: How can we preserve the credibility of these conditions if we are prepared to ignore them in the case of Turkey in a highly visible situation which all the world is watching?

That Turkey used the arms we provided in violation of the relevant American laws and of the express language of the bilateral agreement that governed their transfer is not in dispute. That issue has been settled by an opinion of the Comptroller General in unequivocal language.

The question now is: Should the Congress wipe out the penalties of violation which, in express terms, would render Turkey ineligible for further American weapons until the Turkish Government takes steps to purge itself by some serious move to settle its dispute with Greece and to remove its troops from Cyprus? To do so might dangerously undercut the conditions we have imposed on the use of all the arms we have provided up to this point under our various military aid and military sales programs.

TURKEY MUST MAKE CONCESSIONS

That Turkey must make some major concessions in order to create the conditions for long-term stability in Cyprus seems evident. The Turks invaded Cyprus with a military force of, perhaps, 40,000 men, a large part of which is still on the island. Even after negotiations had been started, they enlarged their beachhead on the island until they now occupy some 40 percent of the total land area and a much larger percent of the economically valuable land—in spite of the fact that the Turkish Cypriote population is only about 18 percent of the total. All this has resulted in—and is still resulting in—a tragic dislocation in the lives of many Greek Cypriotes.

Obviously, this is a situation which the Greek Government—with its sense of a special responsibility for the Greek Cypriote population—cannot possibly tolerate and long stay in office. Yet, in spite of the efforts of the United Nations Secretary General and proposals of good offices by the United States, the situation remains stalemated. The Turks take the position that they will not negotiate until the flow of United States arms is renewed, since that would amount, as they see it, to negotiating under duress. Whether—in view of the weakness and division of the Turkish Government—they would be prepared to negotiate reasonably if the arms flow is restored and the pressure is off, is a matter which it may be prudent to view with some skepticism.

GREEK GOVERNMENT UNDER PRESSURE

The Greek Government, for its part, is under great pressure from the people to rectify the situation and get on with a settlement. Many Greeks feel—whether rightly or wrongly is a matter of opinion—that the United States let them down when it did not deter Turkey from launching an invasion, as it had done on earlier occasions. This feeling is widespread in Greece and has evoked demonstrations of anti-American sentiment. The fact that the United States has cut off military supplies to Turkey has been the strongest argument to offset what many Greeks regard as a pro-Turkish "tilt" to American policy. Thus, if Congress were now to reverse its action of last December and let the arms flow to Turkey resume without relating it to progress in the negotiations, the Greek Government might well feel compelled to respond to public outrage and frustration by denying America the right to continue its bases and other installations on Greek territory.

Obviously, threats by either side to withdraw from NATO or evict America from its military installations cannot be justified in purely rational terms. If the two countries are members of NATO, it is for reasons of their own security and they might seriously impair their own security interests if they carried out such threats. But this is a situation dominated by passion and pride and ancient enmities, and one cannot expect reactions to be cool and reasoned.

This committee is, of course, thoroughly familiar with these facts and we have touched on them briefly only to indicate the basis for our own suggestions. This is not a situation where there are any easy or pat answers; it involves a balancing of interests and considerations under circumstances where the ultimate consequences are highly speculative.

Our own concern, as it is the concern of the Committee, is to see action taken that brings about a resumption of the negotiations if that is possible—which presumably means some course of action that minimizes the loss of face for either side and yet does not compromise principles that may have importance in the much larger context.

It is our understanding that the Administration has put forward a suggested compromise solution which would make immediately available to Turkey the $78 million of equipment and supplies (and spare parts) now on order or in storage, while permitting the Turkish Government to make unlimited military purchases on a commercial basis direct from United States suppliers. It does not explicitly require, as a condition, that the Turkish Government take any action with regard to Cyprus or make any move toward the resumption of negotiations. Thus, it is apparently hoped that, with the two issues disengaged, the Turkish Government, feeling free from duress, will voluntarily show a more flexible and spacious attitude toward negotiation and the solution of its quarrels with Greece than has been manifest in the past, in spite of the weakness and disunity at the top levels of the Turkish political structure.

It is apparently also felt that, though this solution would obviously not be well received by Greece, it would not create such severe problems for the Caramanlis Government as to make it difficult for it to negotiate with flexibility or to maintain its friendly relations with the United States and continue to permit American facilities to be maintained on Greek soil.

DOUBTS REGARDING ADMINISTRATION PROPOSAL

We express doubt on both scores. There is, it seems to us, grave danger that, in the highly political atmosphere that now prevails in Ankara, the Turkish Government would regard this measure as a vindication of its past actions and as removing any pressure to make significant concessions toward a Cyprus settlement. On the other hand, we think it likely that the action would go far to undercut the Greek Government and, if not jeopardize its tenure, at least drive it to such hard positions as to make the possibility of fruitful negotiations highly dubious.

Finally—and in many ways this is the most important point—we are seriously concerned that this so-called compromise would create a widespread impression that no nation that has acquired arms from the United States need any longer pay attention to the conditions on which those arms were made available but would be free to use them in pursuit of its own interests in local conflicts.

Although we recognize that this compromise is an effort to meet the position of the Turkish Government that it will not negotiate under duress, we doubt the desirability of any solution that does not continue to require some progress in negotiation as a condition to resuming—or, at least, long continuing—the arms flow. The strongest argument that can be made for the proposed compromise is that it would preserve American base rights and the right to maintain intelligence facilities in Turkey, which have substantial strategic value; and that Turkey is a country with three times the Greek population and substantially larger armed forces committed to NATO. However, we doubt that such a narrow calculation adequately comprehends the total American interest. A disaffected Greece would mean a serious weakening of NATO's Southern flank, *while* it would be highly dangerous to undermine the conditions and restrictions we have placed on the use of the weapons we have provided, particularly to the Middle Eastern nations, where tensions are high and the outbreak of conflict ever present.

ALTERNATIVE PROPOSALS

We would urge the Committee, therefore, to examine other possibilities that would not appear to make such an abrupt reversal of the position America has taken toward the Cyprus issue and the problems between Greece and Turkey. One possibility would be for the President to exercise the waiver contained in Section 614(a) of the Foreign Assistance Act, as amended, which would permit him to authorize the allocation of $50 million to Turkey each year. Presumably, the President could do this without Congressional action, although some expression of encouragement in a Congressional resolution might be useful to clear up any legal questions.

Another approach would be to suspend the legislation cutting off the arms flow to Turkey for three months, with the understanding that the matter would be reviewed at the end of that period to determine whether or not—in the light of the progress of negotiations—that suspension should be further extended. Although this might not fully meet Turkish resistance to negotiating under duress, it would not compel the Turks to act before the arms flow is resumed.

Obviously, there are a number of variants on any such formulae, and it should be possible to find some solution that would not represent such a severe compromise of the conditions this Government has consistently imposed with regard to military arms shipments. We would, therefore, urge this Committee to consider carefully all other solutions before going down the road of the proposed compromise which could, in our view, not only create serious problems with, and for, the Government of Greece, but also establish a precedent that might encourage adventurism and restrict the United States in dealing with other recipients of American arms.

THE BALL-VANCE COMPROMISE ON CYPRUS

The Cyprus issue builds toward yet another unhappy showdown. If arms shipments—embargoed by Congress in protest over Turkey's use of American arms in Cyprus—are not resumed promptly, Turkey threatens to begin squeezing the United States out of important bases on its soil. Fearing to lose the bases, and seeing Ankara's political stalemate, the administration has responded by supporting the Morgan "compromise" bill. It is some compromise: the Turks would get pretty much all the arms they want but would not have to budge, or even promise to budge, on Cyprus. And this is being offered, mind you, when Turkey has aroused Greek fears that by displacing Greek Cypriots from Turkish-occupied areas and settling Turks brought in from Turkey it is altering the whole demographic pattern on Cyprus. Whether the Morgan bill can overcome the three to one margin by which the embargo was earlier voted is uncertain. Fortunately, there is a better way.

It consists of the true compromise approach outlined in House testimony last week by George Ball and Cyrus Vance, formerly No. Two at State and Defense respectively and both old Cyprus hands of note. Under their approach, American interests in Greece as well as Turkey would be served, and the United States would establish the principle that American arms can be used just for the purposes for which they are explicitly provided—a weighty consideration at a moment when arms exports have reached the dizzying rate of $11 billion a year. To Mr. Bell and Mr. Vance, the principal need is to find a formula linking Cyprus and arms: "to require some progress in negotiation as a condition to resuming—or, at least, long continuing—the arms flow." The basic concept of conditioning arms deliveries on the policy questions is now well established, one notes, in respect to other American dependencies, such as Israel. One possibility suggested by Mr. Ball and Mr. Vance would be for the President to use an existing "national security" authority to grant Turkey up to $50 million in military aid; this would preclude an up-or-down vote in the House and would give the Turks some time and reason to move in Cyprus. Another possibility would be to suspend the embargo for three months, also to provide Turkey a Cyprus face-saver. "Obvously, there are a number of variants," Mr. Ball and Mr. Vance observe.

The value of the Ball-Vance approach, we submit, goes beyond the considerable merit of their proposals. For the administration, in what has been both an error of fact and an error of politics, has never stopped characterizing the opponents of unconditional arms shipments to Turkey as members of a "Greek lobby" motivated chiefly by considerations of ethnic politics. In fact, some leaders of this alleged "lobby" oppose the embargo-suspension proposal as something already tried (twice) and found wanting. In any event, Mr. Ball and Mr. Vance are plainly not members of any ethnic lobby. On the contrary, their distinguished service with respect to Cyprus has been in the role of trouble-shooters seeking middle ground. Their reasoning derives from hard-earned experience. Their purposes—to encourage negotiation on Cyprus, to preserve the Western Alliance, and to avoid setting a precedent that might encourage the aggressive use of American arms by grantees or purchasers—should be widely shared.

THE INVESTMENT TAX CREDIT—AN EFFECTIVE STIMULUS?

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. Rostenkowski) is recognized for 5 minutes.

Mr. ROSTENKOWSKI. Mr. Speaker, in the next few weeks, the Committee on Ways and Means will be required to make several difficult decisions in the area of capital formation. One of the areas that will be closely studied is the present investment tax credit. Both the level and the structure of the credit are certainly in need of review. In addition, the question of whether the Federal moneys spent on the credit are even the most efficient and effective methods of stimulating business investment will be studied closely by my colleagues on the committee.

In anticipation of the debate within the committee on the future role and direction of the investment tax credit, I have today introduced by request legislation which would, in my opinion, make the existing investment credit more effective. Although I have some concern about certain tax principles involved in this legislation, I do believe that it is a subject that should be before the committee as we begin our consideration of capital formation. As presently structured, the investment credit is not effective in the sense that it provides little of the intended long-term incentive for investment to companies which are unable to generate the profits and resulting tax liabilities required to make use of the credit. The bill that I have introduced today provides that previously earned but expiring tax credits shall be treated as refundable payments of tax.

If the congressional purpose in enacting the investment credit was, and is, to encourage investment in capital equipment was to stimulate the domestic economy through increasing production and employment, it has not worked uniformly among "have" and "have-not" enterprises. This results from the fact that like any other tax credit, it has no monetary value to a taxpayer who has no tax liability to offset.

This bill, while maintaining the existing periods for carry forward of investment tax credits, would provide for refunds after the close of the year in which the earned, but unused, credits expire. The bill would provide for the refund of credits expiring in 1975 and later years, as well as the refund of credits expiring by reason of tax loss carrybacks from 1975 and later years.

In considering the merits of this legislation, it must be remembered that loss companies and break-even companies need the cash benefit of the investment tax credit as much, or more, than do the profitable companies which have the cash benefit of the credit refunded to them immediately through a current reduction of tax liability.

It is my understanding that the effect of this legislation will most directly be felt by those industries who in recent years have continued to make extensive capital investments to expand and to modernize, but who have not had sufficient profits during that period to make use of the tax credit. If enacted, this change in the investment tax credit would greatly assist such capital-intensive industries as the airlines and the railroads for whom capital expansion is a must but for whom profits have become more and more uncommon.

As I stated at the outset, I am introducing this legislation not because I have an undying commitment to the investment tax credit but rather because I believe that if we are to continue the credit, its advantages should be available to those companies who have the greatest need of it. In addition, my introduction of this legislation does not exclude my support for other changes in the scope and direction of the credit. In particular, I hope that the committee can closely examine some of the other proposed changes in the credit that have been suggested, especially those put forward by President Ford in his message to the Congress on this subject in October 1974. For if we are to expand the credit to better assist the needs of business in capital formation, business must accept a better integration of the credit into our tax system.

A text of the bill follows:

H.R. 8670

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That—

(a)(1) Subchapter B of chapter 65 (relating to rules of special application in the use of abatements, credits, and refunds) of the Internal Revenue Code of 1954 is amended by adding at the end thereof the following new section:

"Sec. 6429. Refund Attributable to Expired Investment Credit.

"(a) Expired Investment Credit Treated as Payment of Income Tax.—If—

"(1) the amount of an unused investment credit carried to the last taxable year to which it may be carried under section 46(b), exceeds

"(2) the amount of such unused investment credit which may, by reason of section 46, be added to the amount allowable as a credit by section 38 for such last year,

then, for purposes of this title, the amount of such excess shall be considered a payment made on the last day of such last taxable year against the tax imposed by chapter 1 for such last taxable year. If a taxpayer dies or ceases to exist, the preceding sentence shall not apply but an amount equal to the sum of the unused investment credits carried to (but not allowed as a credit under section 38 for) the taxable year in which such death or cessation occurs, plus the excess of the credit determined under section 46(a)(1) for such year over the limitation provided by section 46(a)(2) for such year, shall be considered, for purposes of this title, a payment made on the last day of such year against the tax imposed by chapter 1."

"(b) Application for Adjustment.—

"(1) Time for Filing Application.—A taxpayer may, during the period after the close of the taxable year and on or before the 15th day of the third month (fourth month in the case of any person other than a corporation) thereafter and before the date of filing the return for the taxable year (or, with respect to any portion of an investment credit which expires by reason of a net operating loss carryback or a capital loss carryback from a subsequent taxable year, during the corresponding period after the close of the subsequent taxable year), file an application for an adjustment of an overpayment for such taxable year attributable to an expired investment credit. An application under this subsection shall not constitute a claim for credit or refund.

"(2) Form of Application, etc.—An application under this subsection shall be verified in the manner prescribed by section 6065 in the case of a return of the taxpayer, and shall by filed in the manner and form required by regulation prescribed by the Secretary or his delegate. The application shall set forth—

"(A) the amount which, at the time of filing the application, the taxpayer estimates as its income tax liability for the taxable year, "(B) the amount of the adjustment, and

"(C) such other information for purposes of carrying out the provisions of this section as may be required by such regulations.

"(3) LIMITED EXAMINATION OF APPLICATION.—Within a period of 45 days from the date on which an application for an adjustment is filed under this subsection, the Secretary or his delegate shall make, to the extent he deems practicable in such period, a limited examination of the application to discover omissions and errors therein, and shall determine the amount of the adjustment upon the basis of the application and the examination; except that the Secretary or his delegate may disallow, without further action, any application which he finds contains material omissions or errors which he deems cannot be corrected within such 45 days.

"(4) ADJUSTMENT CREDITED OR REFUNDED.—The Secretary or his delegate, within the 45-day period referred to in paragraph (3), may credit the amount of the adjustment against any liability in respect of an internal revenue tax on the part of the applicant and shall refund the remainder to the applicant."

(2) The table of sections for such subchapter B is amended by adding at the end thereof the following new item:

"Sec. 6429. Refund attributable to expired investment credit.".

(b) The amendment made by subsection (a) shall apply only in respect of an overpayment for a taxable year ending on or after June 30, 1975, or in respect to an overpayment which arises from (or is increased by) a net operating loss carryback provided in section 172(b) of the Internal Revenue Code of 1954, or a capital loss carryback provided in section 1212(a)(1) of such Code, from a taxable year ending on or after June 30, 1975.

LEGISLATION TO ESTABLISH A COMPETITION REVIEW COMMISSION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arizona (Mr. UDALL) is recognized for 5 minutes.

Mr. UDALL. Mr. Speaker, several months ago I delivered a speech to the American Bar Association Conference of Bar Presidents on the state of competition in American industry and the future of antitrust. I am today introducing legislation incorporating one of the proposals I made in that speech, dealing with the problems of economic concentration and the lack of competition in the American economy. I am pleased that the chairman of the Committee on the Judiciary, Mr. RODINO and the distinguished gentleman from Wisconsin, Mr. KASTENMEIER, have joined me in cosponsoring this bill.

There has been over the years endless rhetoric about free enterprise in the American economic system. Yet, in recent years we have come to realize that vigorous competition of the type that stimulates innovation, discovery of new techniques and which promote efficiency and cheaper and better goods and services for American consumers is painfully absent in many sectors of the American economy. If we mean what we say about free enterprise, we must make a real commitment to attain and maintain competition in an economy that is becoming dangerously concentrated. Many of our major industries are now dominated by a handful of giant corporations. The result of this lack of competition is often not only a lack of efficiency and innovation but higher prices regardless of market demand. The present antitrust laws have not proved sufficient to prevent this growing concentration of power. Consumer interests have also suffered because of Government regulation which in many cases has outlived its usefulness, does not protect consumer interests, and now best serves the interests of the regulated.

Take a few examples. In the steel industry, four firms control about half the market, follow-the-leader pricing is commonplace, and there have not been any major new American innovations in decades.

In the food industry, farmers continue to suffer from low prices yet the food and supermarket chains grow larger and larger and food costs to consumers go higher and higher. For example, three companies sell 85 percent of the cold breakfast cereal and one sells 90 percent of the soup in this country. The FTC has estimated that if the food oligopolies were broken up, prices would be 25 percent lower than they now are.

In automobiles, the big three make 97 percent of the cars manufactured in the United States and account for 83 percent of the total sales.

The Bureau of Competition in the Federal Trade Commission and the Justice Department have investigated competition in the oil industry and are actively pursuing antitrust violations by the major oil companies. The vertical and horizontal concentration in the energy industry has been widely discussed in recent months, and a number of legislative proposals have been introduced to restructure this vital industry.

The most recent and highly suspect price increases for gasoline have again brought home the need for a thorough look at the anticompetitive trends in the oil industry. In the past several years, many independent discount marketers have literally been driven from the marketplace by the major oil companies, all at tremendous cost to those American consumers who relied on the independents for cheaper gas.

The whole energy industry is becoming increasingly concentrated, with major oil companies now grabbing up a large percentage of the coal and natural gas and uranium and moving into the geothermal and solar energy fields. Exxon, Mobil, and Gulf have already entered the solar field through subsidiaries with multimillion-dollar investments. It would, indeed, be unfortunate if this new and relatively competitive industry which shows so much promise for the Nation's future energy needs were monopolized by big oil because of their large capital reserves.

The important thing now is to pull together the existing information, to treat the question of competition systematically and to come up with recommendations as to what can be done to stimulate and maintain a competitive economy. The answers, I suspect, will be diverse and there may well be different recommendations for different industries, proposals for more Government regulation in some areas and less of deregulation in others.

The legislation I am introducing would establish a Competition Review Commission charged with the task of making a comprehensive and thorough review of all laws, regulatory activities and governmental practices that affect competition and assessing the state of competition in the major sectors of our economy. The Commission would conduct an industry-by-industry study to determine the extent of concentration of economic power in those industries and the effect of that concentration on prices, profits, inflation, and employment; it then would make specific recommendations as to what should be done, legislatively or otherwise, to stimulate competition.

While I recognize that commissions have been proposed in the past and that some may question the establishment of yet another commission, I feel strongly that a thorough analysis of the state of the American economy in terms of competition is long overdue. Consumers pay billions each year in excess prices and other hidden costs because of a lack of competition in many industries and because of governmental policies which foster the concentration of economic power.

The antitrust laws, while they have done a creditable job over the years, are not by themselves adequate to assure a competitive atmosphere—and these laws may also be in need of amending.

I am heartened by the fact that Attorney General Levi, in a recent speech, has endorsed this concept and I am hopeful that the administration will support this proposal. In his speech on June 19, the Attorney General stated:

> It might be a valuable step to have legislation through which the President every five years would appoint a short-term independent Commission, composed of attorneys, economists and other experts from outside the government, which would report on the concentration and structure of Amercian industry from the standpoint of apparent anti-competitive or monopoly power. . . . [the Commission's] report would focus attention on apparent problem areas. A good report would enlighten public discussion. It would also enlighten the direction of the enforcement of the antitrust laws.

There are perhaps a dozen or so dominant or critical industries in our economy that the Commission should focus on. Each one should be looked at critically for its performance, in reference to criteria including efficiency, innovation, price levels, profit levels, and barriers to the entry of new competitors. If an industry is found wanting, remedies should be tailored to meet the specific problems—an approach not available on conventional antitrust litigation. There may, for example, be a need for governmental subsidies of new competitors in some sectors. In others, changes in Government procurement may be sufficient, while in others we may need specific legislation to divest or deconcentrate.

The Commission would have a clear-cut mission and a limited lifespan. While there have been other commissions from time to time to review the antitrust laws, this would be the first comprehensive approach to the economic problems created by the noncompetitive aspects of our economy.

The Competition Review Commission established under this act would be directed to perform a thorough study and analysis of the major industries and the laws, regulations, governmental policies, and regulatory practices which affect competition.

The structure of such a Commission is extremely important if we are to avoid a built-in bias and maintain an objective approach. Thus, the bill provides for four Commission members to be selected by the President, with the advice and consent of the Senate, representing labor, business, consumer, and academic interests. The Commission would also include the respective chairman and ranking minority members of the Subcommittees on Antitrust of the House and Senate Judiciary Committees. In addition, representatives of the Federal Trade Commission, the Antitrust Division of the Justice Department, and the Department of Commerce would serve as nonvoting ex officio members.

The Commission would pick its own Chairman and also an Executive Director who would be in charge of developing a staff to guide the Commission's work. The bill also would permit the President to assign to the Commission from Federal agencies or departments employees who have relevant experience and expertise in antitrust matters to assist the Commission in carrying out its duties under this act. The Commission is also encouraged to draw on existing studies and available information, and should serve as a central clearinghouse for synthesizing and analyzing previous efforts to compile data on the state of competition in the American economy.

As indicated, the Commission's primary duty will be a thorough study of the state of competition in the major American industries, including but not limited to the chemical and drug, electrical machinery and equipment, electronic computing and communication equipment, energy, iron and steel, motor vehicle, nonferrous metal, transportation, financial, and food industries. While this might seem an ambitious list, hearings in Congress in the recent years and other studies have produced a good deal of information about the state of competition in these industries. Indeed, legislation has been proposed to reorganize most of the above-mentioned industries based on a corresponding change in the antitrust laws redefining monopolistic power. But these have been sporadic, patchwork, ad hoc efforts, and few have produced concrete results. It is time for a systematic effort, one that will give us comprehensive proposals for legislation, administrative action or litigation 3 years hence.

Equally important, the Commission will also evaluate the effect of our whole regulatory structure, the antitrust laws, the patent and copyright laws, the tax laws, the National Labor Relations Act, and other governmental practices—such as procurement and bidding practices—and laws on competition in the American economy. I have, on earlier occasions, stated that it is time to reevaluate our whole approach to the regulation of certain sectors of our industrial society such as the transportation and communications industries. It may be that more regulation is required in some industries while deregulation is appropriate in others. The Competition Review Commission would be required to conduct such an appraisal.

In the course of its analysis, the Commission will assess the effect of Federal actions, policies, and procedures on competition and on the degree of concentration in the major industries. And, in looking at the major industries and the degree of concentration therein, it will consider the effect of such concentration on employment, price levels, profit levels, efficiency, quality of goods and services produced, the ability of U.S. corporations to compete abroad, and the overall net benefit or harm to the U.S. economy of this concentration.

The Commission is to report to the Congress and the President within 3 years with specific recommendations as to what changes in our laws and governmental practices should be made and what should be done industry by industry to stimulate competition.

The bill gives the Commission the necessary powers to receive evidence, subpena witnesses, administer oaths, and obtain from Government agencies and private industry the information it needs to complete the above-described tasks.

Mr. Speaker, for almost a century, America's political leaders have called attention to the ills of the free enterprise system. In 1888, President Grover Cleveland stated it thus:

> As we view the achievements of aggregated capital, we discover the existence of trusts, combinations, and monopolies, while the citizen is struggling far in the rear or is trampled to death beneath an iron heel. Corporations, which should be the restrained creatures of the law and the servants of the people, are fast becoming the people's masters.

And, in 1912, Woodrow Wilson expressed similar thoughts when he wrote:

> American industry is not free, as once it was free; American enterprise is not free; the man with only a little capital is finding it harder to get into the field, more and more impossible to compete with the big fellow. Why? Because the laws of this country do not prevent the strong man from crushing the weak.

Mr. Speaker, I submit that competition in this country today is even more of a myth than a reality, that it is, as Woodrow Wilson found, next to impossible for the small enterprise to compete with the corporate giant.

We have paid lip service to the concept of free enterprise long enough. It is time we took a positive step to set in motion the wheels of reform where reform is necessary. The Competition Review Commission is, in my opinion, essential to restoring competitive vitality to our economic system and I sincerely hope that the Members will support this proposal.

JOB QUOTAS IN CHICAGO POLICE DEPARTMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

Mr. ANNUNZIO. Mr. Speaker, the Justice Department has recently proposed that a quota system be introduced into the hiring and promotional practices of the Chicago police department. In a set of recommendations submitted at the end of the recent trial of alleged discriminatory practices of the Chicago police in hiring and promotions the Justice Department proposed the following:

That two of every three persons hired as police officers be blacks, Latinos, or women, and that 50 percent of those hired must be blacks or Latinos;

That half of all police officers promoted to sergeant must be black, Latino, or female, until the percentage of black, Latino, and female sergeants reflect their representation on the police force as a whole;

That one-third of all those promoted to lieutenant must be black, Latino, or female, until the percentage of black, Latino, and female lieutenants reflects their representation on the police force as a whole;

That blacks and women must be given priority on assignments to choice duty positions—again, until they are represented in these positions proportionately to the whole police force.

These proposals are misdirected on several counts. First, the way to increase job opportunities for minority groups on the police force is not through the imposition of job quotas for various social categories. Quota systems are not the "American way." Ethnics in America—whether they be Poles, Italians, Irish, or Jews—have always been opposed to quota systems. Rather, members of such groups have always fought for systems of equal opportunity in which hiring and promotion decisions were made according to the ability of the individual involved and not by his country of native origin.

The use of quotas to remedy past injustices is illusory because it is impossible to impose a quota in favor of some individuals or groups without discriminating against others. As a New Jersey judge noted in a recent ruling against the use of quotas on the Montclair, N.J., fire department: A plan to find jobs for one group by denying opportunities to another "piles discrimination on top of discrimination." The judge went on to point out that while the State has broad powers to prevent discrimination, "those powers must not be exercised in such a way as to discriminate against others."

Second, these Justice Department proposals are one more example of bureaucratic usurpation of the legislative function by not following what Congress intended in the original statutes—in this case the Civil Rights Act of 1964.

There is nothing in the Civil Rights Act of 1964—nor in any subsequent civil rights act—to justify the use of goals and timetables to secure certain percentages of minority groups in the work force.

What compliance with the Civil Rights Act of 1964 now requires—and always has required—is simply this: Employers must not discriminate on the basis of race, religion, ethnic origin, or sex in their hiring practices. This law, designed to provide equal opportunity for all citizens, implicitly forbids quotas. In the debate in Congress on this question Senator Clark of Pennsylvania, one of the principal sponsors of the 1964 Civil Rights Act, explicitly rejected the use of quotas as a device for insuring equality of opportunity. To attempt, then, to achieve equal opportunity through quotas is at best a grotesque contradiction of Congress' original statutory intent.

Third, the use of quotas is an insult to the minorities involved. It implies that such minorities can not "cut it" in the traditional system. Many black officers on the Chicago police force have been outraged by this implication of the Justice Department's proposals. One such officer called Chicago Tribune reporter Bob Weidrich to complain that the proposals were "a slap in our faces. It is a declaration that we can not make it on our own, that we are dummies."

The officer went further to say that:

> A quota system would be unjust to both black and white police officers. I don't want to get promoted under such circumstances. No matter how well I know my job, it would have a dirty taste about it. I wouldn't feel I had made it on my own.

Weidrich reports that like many of the minority police officers who contacted him, all this officer asked for was a "square shake"—not special treatment. Anyone familiar with the excellent records compiled by many black officers now on the Chicago police force can sympathize with this officer's desire to be recognized—and rewarded—on the basis of his achievements and not because he belonged to one or another social grouping.

Finally, the enactment of these Justice Department proposals would have a deleterious effect on the quality of law enforcement in Chicago. The mission of the police force is to provide the best possible law enforcement for the people of Chicago, not to serve as a mechanism for bureaucratic attempts at social engineering.

The Justice Department proposals in no way attempt to assure quality, ability or an upgrading of police talent. Their enactment would destroy initiative, lead to a demoralization of the police force and a deterioration in the quality of leadership and crime prevention.

In an era of rising crime our city needs the best possible police service carried out by the highest quality officers regardless of race, ethnic origin, or sex. Anything less is an affront to the dignity of the officers involved and less than what the people of Chicago deserve.

I certainly hope that Judge Prentice Marshal, who presided over the recent trial of alleged discriminatory practices of the Chicago police, will see fit not to include these proposals when he presents his final findings in the case in September. Quotas are intrinsically bad because they turn race, religion, ethnic origin, or sex into a criteria for employment—something which flies in the face of reason, civil rights legislation, and the American tradition. Quotas remain arbitrary and inequitable even when they are used in as laudable an endeavor as equal opportunity.

The only way to eliminate discrimination is to see that race, religion, ethnic origin, or sex are never used as job criteria for hiring or for not hiring. Only criteria which are directly related to the specific requirements of a job ought to be used in hiring or promotion.

History is littered with examples of the use of quotas as instruments of exclusion and discrimination. The families of many of my fellow Members were told "Irish need not apply." Such quota systems were wrong then. They are wrong now. We must do everything in our power to insure that every American has an equal opportunity to improve himself. However, we must also make sure that in trying to achieve this noble goal we do not limit or reduce the opportunities of other Americans.

BACK-TO-THE-SOIL: PART 7

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. BURKE) is recognized for 5 minutes.

Mr. BURKE of Massachusetts. Mr. Speaker, we all owe a great debt of gratitude to the home and community gardeners of this Nation. For too long we have assumed that it is the gardener alone who benefits from his toil. But this is not the case. Through his tender efforts and devoted care, even the most inexperienced gardener is able to produce vast quantities of food. As a natural result, he, his family, and oftentimes several of his neighbors, are able to avoid the high costs being charged for lower quality vegetables in the marketplace. This, of course, reduces demand at the stores, and serves to hold down the price which nongardeners must pay.

In addition, since most community gardeners are city dwellers who must make do with whatever land is available, abandoned city lots are being transformed into lush producing gardens. The rubbage, broken glass, beer cans, and old rags which once sat as monuments of cities in decay are rapidly disappearing. In their place, plump juicy tomatoes sit ripening in the sun. Golden corn, and crisp green cabbage compete with onions, carrots, radishes, and all manner of delicious crops. Fresh oxygen pours into air once filled with the odor of decay. People who once feared and avoided abandoned lots are now streaming to the bright green gardens to work the soil and sample the delightful rewards of nature.

Each year, the worldwide demand for food increases dramatically. We must be ever aware that our resources are not infinite. As we witnessed just this past weekend, weather conditions can suddenly arise to seriously threaten our national food production. Long term weather conditions could also arise such as the drought which has plagued Africa for so long. With prospects such as these, it is readily apparent that we can no longer take food for granted. As more and more people learn to provide for themselves by producing their own food supplies, our security is further enhanced. We cannot begin to meet the demand of the world unless our own supply is secure. Community and home gardeners are providing that security. In addition, they are learning the secrets of nature which can prove so vital during times when shortages might occur, and they are passing these secrets on. Concern has been raised over the increasing costs of the food stamp program. In the foreseeable future, however, as more and more land is placed in production, and larger numbers of people learn the self-sufficiency of the soil, we could experience a decreasing need for food stamps in America. At practically no cost, aside from some healthy exercise, the community gardeners of this Nation can produce billions of dollars worth of food. They are already approaching this goal. In the suburbs of our Nation's Capital alone, over 4,000 gardening sites have been made available this year which will produce close to $1 million worth of high-quality food. This is food which otherwise would not have been produced.

Mr. Speaker, I submit that we owe a great deal to the home and community gardeners of this Nation. They are providing a service which benefits us all, and I take pride in thanking them for their remarkable efforts.

The following articles appeared in the Wall Street Journal, and are well worth the attention and consideration of us all:

BLOOM IS ON SALES OF SEED, OTHER FIRMS AS GARDENING BOOMS

(By George Getschow)

There is an ancient Chinese proverb that advises: If you would be happy for a week, take a wife. If you would be happy for a month, kill a pig. But if you would be happy all your life, plant a garden.

Last year, more than 33 million Americans took the long-term advice to heart and surveys indicate that an additional three million are taking up gardening this year.

The gardening boom is being propelled by higher food costs, ecology ("growing your own") and the fact that, whether because of unemployment or high-priced gasoline, people are spending more of their leisure time at home.

Whipping inflation is certainly part of it. President Ford said he is planting a vegetable garden this year. General Mills Inc., Control Data Corp., Honeywell Inc. and other giant corporations are providing plots for their employes to do the same. Northrup, King & Co., a leading package-seed concern, says that "hundreds and hundreds of dollars can be saved" by the average gardener.

All of this is good news for home-garden vegetable-seed companies. They estimate that 1975 sales will climb about 30% this year from an estimated $100 million last year. Much of this is due to inflation. Seed prices have also climbed about 25% this season. So have prices of tilling equipment, fertilizer and other gardening needs.

But suppliers say that the American gardener is still getting a bargain. They note that he spends only about 25% as much on his hobby as does his European counterpart. In Britain, eight of 10 households have gardens, compared with only four in 10 in the U.S.

Seed companies contend that the higher prices were needed to offset higher labor, packaging and seed costs. That's why a package of corn or tomato seeds that sold for 35 cents last year costs 50 cents this year. Some biennial seeds such as carrots or beets are even higher (65% higher, in some cases), partially reflecting poor weather conditions for these crops two years ago.

Gardeners have been introduced to more varieties and kinds of seeds than ever before. W. Atlee Burpee Co., a division of General Foods Corp., for example, has come out with an "Ambrosia" cantaloupe. Hailed as food "fit for the gods," the Ambrosia has a sweet, musky flavor, is fleshier than conventional cantaloupe and ripens earlier.

Several seed companies are introducing a "Lady Godiva" pumpkin developed by the U.S. Department of Agriculture. The provocative vegetable seed purportedly produces a high yield of green seeds without shells that can be eaten as a snack, a cereal or as a crunchy addition to salads. The fruit is also quite tasty, producers say.

Joseph Harris Co., Rochester, N.Y. brought out a "supersonic" tomato seed this year that produces big, abundant tomatoes resistant to wilt and other soil-borne diseases. Other newcomers include Yellow Baby watermellon, Snow-Crown cauliflower and Emerald Bush winter squash.

These additions to the seed family show that "gardners are becoming more selective and sophisticated," says Richard Elam, a Chicago securities analyst who covers the seed industry. "They're buying seeds that are prolific and challenging."

They're also buying the latest in fertilizers and equipment that are designed to save time and reduce work. Manufacturers of rototillers, for example, are scrambling to fill orders, which have risen about 30 percent from a year ago. New "time-release" garden fertilizers that require just one application instead of the usual three or four are in heavy demand even though the price is nearly triple that of conventional fertilizers.

Though some observers think todays' gardeners have gone overboard in growing their own, Howard Schuler, a vice president of Northrup King, thinks gardening isn't different than any other pastime.

"It's like fishing," he said. "You can use a big boat and fancy gear or a hook and string. But the fancier fisherman will probably catch a lot more fish."

EXPENSIVE EATING: FOOD PRICES MAY RISE BY 15 TO 20 PERCENT IN 1975, DUE TO SMALL HARVESTS

(By Joseph M. WINSKI)

CHICAGO.—If you're still reeling from this year's rise in food prices and are wondering what can be done to prevent more of the same in 1975, here's the answer:

Nothing.

As far as next year's food prices are concerned, the trend is clear. And the numbers are coming up big.

Food price analysts fresh from digesting the latest crop estimates and other data say that the U.S. appears headed for its third straight year of double-digit increases in food prices. Next year's hikes probably will at least match this year's jump, now estimated at about 15 percent, the analysts say. (As measured by the Department of Labor's consumer price index, food prices rose 14.5 percent last year; they increased 4.3 percent in 1972 and by slightly less than 3 percent in 1971.) A few observers think that next year's food-price increase may come perilously close to the 21.5 percent surge posted in 1947, one of the largest on record.

This is very bad news for the wearers of WIN buttons, for it has become increasingly clear that the general inflation now raging in the U.S. can't be wiped without controlling food prices. Just as few weeks ago, a Federal Reserve Board study cited rising food prices as the major cause of inflation in the U.S. and six other industrial nations, accounting for 20% to nearly 50% of the overall price rises in those countries from mid-1973 to mid-1974.

"THE SEED OF FOOD RIOTS"

The continuing surge in food prices also will leave a bitter taste for the nation's consumers. They have been led by this fall's flurry of economic summit meetings and food-price conferences to think that something was being done about food prices. Now, as they discover that nothing is being—and probably can't be—done, they are losing their jobs in droves.

One consumer activist warned last week that the continual upward push of food prices "is the seed of food riots." Boycotts against sugar have been organized in California and other states, and last weekend demonstrations against rising prices were held in numerous U.S. cities.

Even as President Ford's economic summitry was suggesting the promise for action on 1975 food prices, those prices already had been largely determined, observers say. They were determined by 15 inches of rain in parts of the Corn Belt between May 15 and June 15, washing away planted seed and delaying planting time beyond optimum-yield dates. They were determined when Iowa corn baked and withered in the July sun. And they were determined in September when still-maturing crops in the nation's breadbasket were stopped short by early frosts.

"LITTLE CAN BE DONE"

"There will be a good deal of talk by politicians, but realistically little can be done now," says Wendell Earle, marketing professor at Cornell University. "We just can't change the fact that we've had a very disappointing crop year."

The nation's corn crop is now estimated at 4.6 billion bushels, 18% below last year's 5.6 billion and 31% below the 6.7 billion optimistically projected by the Agriculture Department early this year. Corn is the key feed ingredient used in producing the protein staples of the American diet: beef, pork, poultry, eggs and dairy products. Production of sorghum, another feed grain, will be down 35% from last year and the smallest in a decade. Soybean production is 21% below last year. Soybean meal is used as animal feed, and a host of products ranging from margarine to salad dressing use soybean oil. The Agriculture Department says that overall crop production is down 8% from last year to the lowest level since 1970.

Assessing the impact of all this, plus such things as increased costs for labor, packaging and transportation, Mr. Earle predicts that food prices will rise from 12% to 15% next year over 1974 levels. "There's been some talk of maybe a five-point decline in the rate of increase, but I just don't see that happening," he says. Mr. Earle has been preparing food-price projections for 25 years.

Forecasters at Wharton Econometric Forecasting Association Inc. at the University of Pennsylvania's Wharton School of Finance see food prices rising at the rate of 11% to 12% "at least through the third quarter" of 1975. David Rowe, association economist, says that raw agricultural-commodity prices will rise as much as 17%, but he thinks that the many costs of labor and materials that are added on to food prices between the farmer and consumer won't rise as rapidly. The association uses a sophisticated statistical model consisting of some 400 equations in coming up with its computerized forecasts. "Our forecasts have seemed a little high in recent years," Mr. Rowe says, "but when compared with actual results they always turn out low."

At least one forecaster thinks estimates in the 11%-12% range are low. "When I put all the pieces together, it adds up to a 15% to 20% increase in the food component of the consumer price index next year," says Walter Myers, agricultural economist at Connell Rice & Sugar Co. a privately owned Westfield, N.J., firm that other forecasters say has compiled a good track record in forecasting.

The food price increases that these economists forecast in 1975 follow on the heels of the third straight year of attempted all-out production of key crops. Except for rice, peanuts and cotton, "the government hasn't paid farmers to hold cropland out of crops for three years," says Clayton K. Yeutter, assistant Secretary of Agriculture. "Food prices have gone up in recent years despite our farm policy, not because of it."

The Agriculture Department won't put out its own food-price forecast until next month. Though department spokesmen recently conceded the possibility of sizable increases, they apparently have been shying away from specific projections. Other forecasters say that the Agriculture Department outlook probably will be considerably more optimistic than most others. "They're consistently low," says an economist for a farm organization. "I've been basing my own forecasts on some of theirs, and I've been terribly embarrassed in recent years."

The most pervasive impact on next year's food prices will be caused by this year's corn crop, observers say. The poor crop ensures that feed costs will remain high, that production of meat, poultry and dairy products will continue to be losing propositions and that farmers accordingly will cut back sharply.

Indeed, the cutback is well under way. Sow farrowings are down 16% this quarter from a year ago; that means pork supplies in 1975 will be extremely tight and more expensive. Center-cut pork chops again may climb to $1.70 a pound and higher in supermarkets. In September the placement of broiler chicks in incubators starting them on the way to market, was down 10%, indicating tight broiler supplies ahead. Whole fryers, now retailing for 60 cents a pound in Chicago, could reach 75 cents a pound, sources say.

"The only bright spot is beef," says Cornell's Mr. Earle. Beef producers also are reducing production, but they had been building it sharply in recent years and it takes more time to bring beef animals to market than hogs or chickens. Mr. Earle says that the number of cattle on farms on Jan. 1 may be a record high, and thus beef should be in abundant supply throughout 1975. That should mean lower prices, or at least slower increases. Beef has been one of the few key food items in the consumer price index to go down in price this year; from a February peak of $1.63 a pound, the average price has dropped to $1.33 a pound currently, according to a 19-city survey by the American National Cattlemen's Association.

But the beef sold next year won't be the choice beef that Americans have been accustomed to. Because of the high feed-grain prices, more cattle are being fed in pastures rather than in feedlots. According to one estimate, about half of the nation's beef is now being grass-fed; that meat will be cheaper but also a bit tougher.

Even with ample beef supplies, "I can't get too optimistic" about meat prices in 1975, says Mr. Myers of Connell Rice & Sugar. "You might have lower beef prices, but you're also going to have 5% to 10% higher pork prices and 20% higher broiler prices." The high pork and broiler prices also will increase demand and prices for beef, he says. He estimates that prices for meat, which accounts for about a third of money spent for food, will average 7% to 15% higher next year.

Wheat production set a record this year, but it is still a smaller crop than was originally expected and wheat prices remain higher than last year. So bakery and cereal-products prices aren't likely to come down and could shoot up if "the government lets too much wheat get out of this country" in the form of exports, Mr. Myers says.

Because farmers turned over much of their land to feed grains this year, production of canning vegetables such as peas and sweet corn is also down, and most canners are allocating products to customers. Such specialty items as white asparagus won't be found in most stores this year, industry sources say.

Packaged grocery items, many of which contain sugar, also are likely to cost more this year. Sugar, itself? "I don't know, I just don't know," Mr. Myers says. "Someday it's going to come down.

There were some bumper crops this year. Among them: potatoes, rice, edible beans, oranges, tomatoes, onions, and cabbage. There are enough turkeys on hand to assure an ample supply at least until Thanksgiving 1975 (but then they may be scarce). These items and food products made from them are the most likely candidates for lower prices.

But some critics of the food industry believe that abundant production and low farm prices no longer assure correspondingly lower retail prices. They point to retail beef prices, which they say still fail to reflect the much lower prices being received by cattlemen.

The alleged widening gap between farm and retail prices has made scapegoat hunting an increasingly popular game these days.

"We have a problem," Don Paarlberg, director of agricultural economics at the Agricultural Department, said at a recent conference on food productivity. He claimed that four-fifths of the 15% increase in food prices through October "were the result of increases in spreads or margins" between the farm and retail prices.

In rebuttal, Donald S. Perkins, chairman of Chicago-based Jewel Cos., told the same conference that the Agriculture Department statistics "are simply not accurate." He took the unusual step of disclosing that Jewel food stores lost more than $5 million before taxes and interest on $95 million in fresh-meat sales in the first half of 1974. Mr. Perkins also contended that Jewel and other supermarkets are as much the victims as the perpetrators of higher prices. In 1972, he said, suppliers passed along to Jewel stores cost increases on 966 grocery items; in the first 10 months of this year, Mr. Perkins said, the chain incurred cost increases on 14,671 items.

A TRIBUTE TO MICHAEL MINASIAN

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from California (Mr. DANIELSON) is recognized for 5 minutes.

Mr. **DANIELSON**. Mr. Speaker, on July 19 the Armenian community of Los Angeles will honor Michael Minasian, director and producer of the "Armenian Radio Hour," on his 20th anniversary of broadcasting.

From September 1955 to the present, Michael Minasian has directed the "Armenian Radio Hour," a weekly 1-hour bilingual broadcast on Sundays on KALI, Los Angeles, Calif. In Fresno, Calif., the "Armenian Radio Hour" under Mr. Minasian's direction was broadcast from 1970 to 1972 as a public service broadcast.

Mr. Minasian left Russia, where he was born, with his family in 1944 and they traveled through Rumania, Hungary, and Austria as displaced persons. He lived in Germany from 1945 through 1949, immigrated to Fresno, Calif., and later settled in the Los Angeles area.

Prior to becoming a U.S. citizen, Mr. Minasian joined the U.S. Armed Forces, serving in West Germany from 1953 to 1955. There he was attached to the Psychological Warfare Department as a linguist. He was naturalized as a U.S. citizen in April 1954 before a U.S. military court in Stuttgart, Germany.

In addition to being the director of the "Armenian Radio Hour," Mr. Minasian was coowner of the International Music Center from 1956 to 1959, and is a contributing correspondent to the Voice of America, Armenian section. As an advocate of preserving the Armenian culture. Mr. Minasian founded the Armenian Mesrobian School in Pico Rivera, Calif., and is serving as a member of the board of trustees. His initiative in helping to provide a full basic education, from first grade through high school, for students of Armenian descent, is an important factor in preserving the culture of the Armenian immigrants who have settled in the United States and have made such a rich contribution to the American culture, economy, and society.

As a citizen of his Los Angeles area community, Mr. Minasian has served as president of the Montebello Junior Chamber of Commerce; chairman of the Montebello Citizens Advisory Committee on Park Planning and Design; member of the Montebello American Legion; director of the Armenian Revolutionary Federation; director of the Armenian Educational Foundation; and a member of the board of directors of the Montebello Chamber of Commerce.

This outstanding member of the Montebello community has given his time for the benefit of others through actively raising funds for many charitable, educational and benevolent institutions. In appreciation for his fine work, he was nominated by the Montebello Junior Chamber of Commerce as "Outstanding Young Man of America" in 1966; he received from the California State Assembly an interim resolution commending the "Armenian Radio Hour," and him for public services rendered; he was elected to the board of directors of the Armenian Assembly in 1973; and in 1974 he was listed in "Who's Who in the Golden State."

It is with great pride that I ask my colleagues to pay tribute to a man so deserving of praise for his active role as an American citizen.

THE RIGHT OF PRIVACY

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, over the past weekend I happened to have been on a United Airlines plane and came across in that airline's magazine, Mainliner, of July 1975, an article authored by Dr. Alan Westin. The article sums up the citizen's rights as guaranteed by the Privacy Act of 1974, which goes into effect in September of this year. It is an excellent statement on the subject.

Of all the legislation with which I have been involved since coming to Congress, that which gives me the most satisfaction is the Koch-Goldwater bill, which ultimately in amended from became the Privacy Act of 1974. The article by Dr. Westin, a professor at Columbia University who has written extensively and testified before Senate subcommittees on the subject of privacy, follows:

HOW MUCH PRIVACY SHOULD YOU HAVE?

(By Alan Westin)

Have you ever wondered what information about you is in the files of large federal service agencies such as Social Security, the Veteran's Administration, or the Agriculture Department?

If you once served in the armed forces or worked for the federal government, have you wondered what ratings or evaluations were made about you, and to whom these have been released?

If you have applied for any license administered by the federal government to the Federal Aviation Agency as a pilot or to the Coast Guard as a boat owner, have you wondered what other government agencies or private organizations get access to the personal information you supplied?

If you were ever arrested including arrests for civil rights protests, political demonstrations, or marijuana offenses, have you felt worried about the FBI dissemination of that information to local and state licensing bodies, bonding agencies, banks, or local police departments?

If you work for a business covered by federal equal employment opportunity regulations, do you know how your minority designation is listed, and what is done with it?

Have your children been part of a federally funded social research project in school? If so, were you ever told what future uses would be made of the personal and family data that was collected?

Do you find yourself wondering sometimes what federal records may have been opened about you that you don't even know about, by the Internal Revenue Service, Army Intelligence, the Passport Office or even the White House?

Finally, have you ever asked to see what was in a federal agency's file about you and did agency officials make it difficult or even impossible for you to do so?

If such concerns about the federal government's collection and use of personal information have occurred to you over the past few Watergate-shrouded years, or if you have had similar thoughts about the data-collection activities of local and state governments, business corporations, schools and universities, and other organizational record-keepers in American society, you are far from alone. In 1970, a national Harris poll found that one out of three Americans was personally worried about invasions of his privacy. While eavesdropping on telephone conversations was mentioned, the most widely cited complaints involved personal data collection by organizations. These included "computers that collect too much information," credit inquiries by business, and the way the federal government collects taxes and takes the census.

Normally, what disturbs every third American gets some fairly serious attention from the nation's lawmakers. But the trouble with protection of privacy, from the surfacing of this issue in the early 1960s until 1974, was that American legislators treated it much like the weather—everyone talked about the problem but no one was willing or able to do anything about it.

CITIZEN'S RIGHTS—THE FEDERAL PRIVACY ACT OF 1974

Then came Watergate. Between 1972 and 1974, Americans learned to their shock and dismay that White House agents had ordered the tapping of the Democratic Party's telephones, the burglary of a psychiatrist's office to get confidential medical files on a Vietnam war critic, and the assembling of income-tax data and sex-life information on members of the press and political critics of the Nixon Administration.

By 1974, national polls reported that one out of two Americans now felt that his personal privacy was threatened.

In this Watergate-dominated atmosphere, Congress finally did act. In a move that has so far received far too little attention in the popular media, Congress passed the Federal Privacy Act of 1974, one of the potentially most important citizen's rights laws in the computer age. Since the new law governs the collection of personal data by virtually all federal agencies and gives individuals important new powers to protect themselves against abusive practices, it is crucial for the protection of privacy that the public learn just what the Privacy Act does for them.

By the time that Congress decided that it had to pass some major privacy legislation in 1974, at least covering the federal government's own files, three key issues of data privacy had come into focus:

What personal information ought to be collected at all by a given federal agency or department, to carry out its lawful functions?

If personal information is properly collected, how can we be sure it is kept confidential within the collecting agency, for the purpose originally intended, and not shared improperly with other government officials or private organizations?

Shouldn't individuals almost always have a legal right to inspect that record, if they wish, to check its accuracy, completeness, and lawful use?

As it faced these difficult questions of judgment, Congress was aware that far more was at stake than assuring the constitutional rights of political radicals or Mafia leaders Hearings chaired by Senator Sam Ervin, Jr., and other Congressional leaders had documented that "derogatory information files" were being amassed on hundreds of thousands of Americans by federal investigative agencies. Even more fundamentally, every American's access to the benefits and opportunities controlled by organizational recordkeepers could be imperiled by inaccurate, incomplete, or improper data-collection practices, especially by the federal government.

By 1974, Congress had also learned through studies by the National Academy of Sciences and a Citizen's Panel report for the Department of Health, Education, and Welfare that the basic issues were not caused by computers, and no "pull-the-plug" decision could resolve the problem. Computerized files and data banks were increasingly the setting in which the social policy issues had to be faced, and computers tend to magnify the injuries that can be done. But Congress realized that the basic issues concerned how Americans were to be judged for various rewards and opportunities in our society, and through what kinds of fair procedures.

So the Federal Privacy Act of 1974 took a major step forward, by requiring federal agencies to follow a code of fair information practices in handling citizen information, whether in computers or on cards. Stripped of technical language, some of the Act's main sections provide that:

Individuals must be told, whenever they are asked to give personal information, what legal authority the agency has to ask for this, whether supplying it is voluntary or required, and how it will be used.

Individuals can inspect their own records if they wish, obtain a copy of them, and have their accuracy verified and officially corrected if found to be inaccurate.

Individuals can find out who else besides the agency that collected the information has had access to their records.

GUIDELINES FOR FEDERAL AGENCIES

As its basic framework, the Act sets out standards and procedures for federal agencies to follow as "fair information practices." Federal agencies must collect only data "relevant and necessary" to their lawful function. They cannot collect information about how we exercise our First Amendment rights of speech, press, association and religion, unless such collection is expressly authorized by law. Agencies must take reasonable steps to see that our records are "accurate, relevant, timely and complete."

At least once a year, each federal agency must publish a public notice about each system of personal records it maintains. This must state the system's name, location, categories of persons covered, users of the system, policies as to storage and retrieval, controls over access, and procedures for individuals to inspect and challenge their records if they wish.

Most important of all, the Federal Privacy Act makes it a crime for federal officials knowingly to violate the Act's requirements. It also gives individuals the right to sue in federal court to enforce access, correction or compliance with the Act, with damages and even lawyers' fees provided in cases of willful violations.

The Act contains a few controversial exceptions, for investigative activities of law enforcement agencies, the CIA, and certain kinds of personnel-checking inquiries. But the Act's coverage is still remarkably wide, probably reaching more than 95 percent of the record-keeping activities of the federal government.

In order to give federal agencies a chance to get their enormous file collections into good order and to install new procedures, the Privacy Act does not take effect until September of 1975. That also gives us as citizens a chance to learn what the Act does and how we can use it.

B'NAI B'RITH WOMEN SPEAK OUT

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, on May 5–7 the national executive board of B'nai B'rith Women held a meeting in Washington, D.C. B'nai B'rith Women, an international women's service organization comprised of 140,000 members of the United States, maintains a deep interest in the affairs of the day and in matters of public and social concern. At the meeting, the executive board adopted resolutions on many crucial issues. I am pleased to state that I am completely in agreement with the sentiments expressed in those resolutions. I am appending them for the information of my colleagues:

RESOLUTION: SOUTHEAST ASIAN REFUGEES

B'nai B'rith Women has been, since its inception, committed to the ideals and precepts which are the bedrock of the American tradition.

For 200 years, the United States of America has been the symbol of freedom throughout the world and the crystallization of the hopes and dreams of millions of people who live in less fortunate circumstances in other lands.

And as the United States approaches its bicentennial celebration, these values are underscored in the face of trauma and bloodshed which confront the world community.

We are most cognizant of the words expressed by the great Jewish poetress Emma Lazarus which are engraved forever on the Statue of Liberty: "Give me your tired, your poor, your huddled masses yearning to breathe free." As the descendents of immigrants to this country, we are particularly appreciative of the role the United States has played in opening its arms to the homeless and needy of this world, regardless of race, color or creed. Indeed, this nation was originally settled and founded by immigrants from other lands.

We note, as well, the enormous contributions which have been made to the development of this nation by these immigrants—their children—and their grandchildren.

Today, thousands of citizens of Southeast Asia find themselves homeless and in danger of losing their lives. They are the new needy—and they have turned to this great democracy for help. These citizens are not responsible for the political developments in their homeland. They are merely victims of the cruelty of war.

We call upon the government of the United States, therefore, to reaffirm its role as a humanitarian nation and as an asylum for the homeless and oppressed—by exerting all efforts to provide for the unfortunate refugees from Southeast Asia, and to assist them in the difficult process of resettlement.

We applaud the heroic rescue efforts which the United States has undertaken to save these lives; and hope that these efforts will be continued by providing basic assistance to these peoples' immediate needs as newcomers to this country.

RESOLUTION: VOTING RIGHTS

B'nai B'rith Women is aware that 1975 is a critical year in the cause of civil rights, in that the historic Voting Acts of 1965 is up for renewal in the United States Congress.

There is little need to reiterate the massive changes which this important law has made possible, particularly in the South, by extending the franchise to those previously excluded because of their race. The ban on literacy and other tests, as well as federal supervision and enforcement of local procedures has demonstrated its success and has brought a new wave of democracy to a previously excluded people—the blacks—who now not only vote in large numbers but hold public office in many states where former laws did not even permit their registration. The terror and trauma and bloodshed of the 1960's has given way to a new participation in the political process by the Southern black, as a result of this landmark legislation.

We urge the Congress to renew the Voting Rights Act without delay, extending it for a period of ten years. Furthermore, we ask that the Act be amended to include a most important minority—the Mexican-Americans, who have frequently been the victims of oppression and discrimination in parts of the Southwest in matters of registration and voting because of their ethnic background. Coverage of the present law should be expanded to include the Mexican-American community in the Southwest, much as the original Act covered the blacks in the Deep South States. We support the drafting of an additional Title to the Voting Rights Act to bring to citizens of Hispanic background the guarantee of the basic rights of the 14th and 15th Amendments, which their American citizenship provides.

RESOLUTION: REGISTRATION TO VOTE

B'nai B'rith Women has always been in the forefront of efforts to increase the franchise and widen opportunities for more citizens to vote for the candidates of their choice, as a fundamental pillar of our democratic form of government.

We recognize that the turnout in U.S. national elections is appallingly low—the worst voting turnout record in the world. Less than 55 percent voted in the last election, indicating that 62 million voting-age Americans did not vote. Australia votes 94 percent of its voting-age citizens; West Germany 85%; Britain 80%; Japan 74%.

Yet studies show that nine out of ten Americans who are registered to vote do so. Quite obviously, the problem has been registration. Our country is the only country in the world which puts the burden of registration on the citizen rather than the government.

Unfortunately, many states have restrictive laws which make it very difficult for qualified persons to conveniently register to vote. These antiquated procedures create obstacles in terms of times, places and hours of registration, placing the greatest burden on those who cannot conveniently register at these times and places—such as isolated rural residents, farmers, the elderly, or those who work long hours during the day. Unfair residence requirements, as well, work against our increasingly mobile population. Sovereignty is thereby denied to large portions of citizens who, if registered, would doubtless cast their vote.

We support, therefore efforts to facilitate the registration process—such as the proposed worthwhile legislation to create a federal system whereby a qualified citizen may register to vote in federal elections by sending special postcard forms to appropriate state or local officials; as well as the establishment on the state level of similar registration systems for state and local elections.

We further support the establishment of a federal administration to collect, analyze and publish information concerning elections and to provide assistance to state and local officials concerning the postcard registration system.

We note that several states have already adopted this system, with excellent results. A three-fold increase in registration in New Jersey and a five-fold increase in parts of Maryland are examples of its success.

We are aware of the strong public support for such legislation from all sides of the political spectrum, and the unfortunate filibusters which, in the past, have prevented its passage. We urge, therefore, that the Congress of the United States approve this legislation, thus providing more accessibility for truly representative democracy.

Resolution: Handgun Ban

B'nai B'rith Women has, in past years, been an active proponent of the limitation of firearms in the United States, stating its public support of legislation which would prohibit mail-order sales and importation, as well as establish registration and licensing of firearms.

Recognizing, however, the pace at which crime rates have soared in the United States during recent years, we feel more stringent controls are necessary for the safety of our citizens. Serious crime in the United States rose 17% in 1974, the highest annual increase since the Federal Bureau of Investigation began collecting crime statistics 45 years ago. Some 25,000 persons are killed each year in the United States by guns, which includes deaths occuring by murder, suicide and accident. A startling proportion—53% of such killings—occur through the use of a handgun. Because the handgun is available, it is frequently used in so-called crimes of passion or in accidents, such as those occuring among family and neighbors—statistics show that a gun kept around the house is six times as likely to kill a family member as it is to kill an intruder. Because it is concealable, it is the weapon most often used in crime. It is estimated that more than 40 million handguns now exist in public hands—one for every five persons in the U.S.

A recent poll of taxicab passengers in Chicago revealed that 85% of the people support the banning of handguns; a similar poll in Washington, D.C. resulted in 82% to ban handguns. A study in Ohio shows that during the sixties, not only did the death rate from criminal use of firearms increase with the proliferation of handgun sales, but that accidental deaths increased by 100% in a suburban area, while increasing four-fold in the city of Cleveland. Mayor Abraham Beame of New York and former D.C. Police Chief Jerry Wilson comprise two of the many public figures asking for a ban on the sale and possession of handguns.

We are aware that the United States has the least effective gun laws of the civilized world today; and the highest gun death rates. We recognize that what is needed are not halfway measures such as the banning of the "Saturday Night Special" or licensing and registration laws, but a virtually complete elimination of easy access to handguns by private citizens.

B'nai B'rith Women, therefore, reiterates its long-standing policy in favor of gun control legislation, expanding our position to now seek to ban the importation, sale distribution and ownership of handguns to the general public (except for the military, police, antique dealers, and pistol clubs, where the weapons would be kept under secure conditions). Additionally, we would support proposals to ban the sale of ammunition for handguns, as a further deterrent to ownership. We urge the enactment in the Congress of the United States of legislation to achieve this critical goal, for the security of the citizens of this nation.

Resolution: Land Use

B'nai B'rith Women has been a consistent advocate of environmental goals which would promote the conservation of natural resources as well as preserve the beauties of the land. We oppose short-sighted, profit-seeking development which arbitrarily carves up a community without thought of future needs or the preservation of natural areas for the enjoyment of the citizenry.

We are aware that inconsistent land development swallows up natural areas, farm and tillable lands, and other open space at a rate of one million acres per year. The landscape is continually changing as our population grows, our economy expands, and technology demands an ever-increasing amount of natural resources.

B'nai B'rith Women feels that, as a nation, the United States can no longer afford the luxury of land use decisions which are essentially short-term and private. Land use decisions, resulting in either conservation or development, must reflect long-term and public goals. Delay could only lead to long-term costs of unwise decisions regarding resource use.

The thoughtless use of open land areas can be corrected by a most important proposal, the pending Land Use legislation, which would change the present fragmented planning and decision-making process and help anticipate growth and development needs. It would aid in protecting critical lands from environmental degradation, and set the framework through public plans, future alternatives for maintaining a liveable environment.

We wish to point out, as well, that good land use practices can help the nation move forward toward important goals, especially in the energy field. By curbing urban sprawl and building more compact communities, energy conservation plans can be advanced. Land use, as all experts agree, is an integral factor in the nation's energy policies.

We are pleased that this legislation includes provisions and incentives for states to set up their own land use plans, in addition to the federal plan—thereby permitting a more comprehensive planning system at all levels.

We urge the United States Congress to pass this urgently needed legislation, which clearly affects every community in this nation.

Resolution: Fair Trade Laws

B'nai B'rith Women, as a women's organization which has traditionally allied itself with the interests of consumers, joins the many voices across the nation which now ask for repeal of the outdated "fair trade" laws.

These laws exist in 36 states, and allow manufacturers to contract with retailers to set minimum prices for their brand-name products. Initially, the exemption was intended to protect the small businessman from the price-cutting competition of the large retailers. The laws grew out of the Depression, when sharply falling prices put many small retailers out of business. Such fixing of prices is no longer tolerable in the inflation economy of 1975—indeed, it is documented that the laws cost consumers an extra $2.1 billion each year. Further, the incidence of bankruptcy and business failure among retailers is actually higher in "fair trade" states.

We are gratified to see the national interest which this proposal has engendered, and that it has broad support in the Congress. And we are pleased to learn that many individual states, such as Connecticut and New York, have passed laws to repeal fair trade measures. President Ford has also endorsed the proposal, in relation to his call for more vigorous antitrust enforcement and elimination of inflationary government regulation of business. We understand, as well that the Senate committee which held hearings had some difficulty finding opponents to the measure, so broad is the support for repeal.

B'nai B'rith Women agrees with the broad variety of groups supporting abolition of "fair trade". Protection against deceptive and unfair pricing practices can effectively be controlled by existent federal and state anti-trust and trade laws. In light of the increasingly serious effects of the current recession, it is imperative that the "fair trade" exemption be eliminated, so that increased sales can be stimulated through the lower prices which would result.

Resolution: White House Conference for Women

As an international Jewish women's organization, B'nai B'rith Women is a firm supporter of the rights of women throughout the world—demonstrating this support in resolutions and in individual action by our chapters and membership; as well as by our participation in United Nations International Women's Year 1975.

In conjunction with International Women's Year, therefore, we endorse a recent proposal in the United States Congress which authorizes President Gerald Ford to convene a White House Conference on Women in 1976, as part of the Bicentennial celebrations of this country. We feel that the Bicentennial year is an appropriate time for such a conference.

By holding a White House Conference on Women, U.S. attention might more effectively focus on the status of women in America. Such a conference could recognize at the highest level the contributions of women to the development of our country and put forth goals and recommendations for further improvement of the status of American women.

This conference might also furnish the impetus for resolving those deficiencies and inequities in our statutes which still allow discrimination against both women and men, and would offer the nation a unique opportunity for self-examination and re-ordering of priorities.

We further suggest that the White House Conference be planned and conducted under the direction of a Citizens' Advisory Council on the Status of Women.

Resolution: WIC Program

B'nai B'rith Women, through its Operation Stork program, has a deep interest in the field of genetic screening and counseling, nutrition and education. Accordingly, we are most supportive of the Special Supplemental Food Program for Women, Infants and Children (WIC), under Section 17 of the Child Nutrition Act of 1966.

This legislation provides that the Secretary of Agriculture shall make cash grants to health agencies to enable them to carry out a program under which supplemental foods will be made available to pregnant or lactating women and to infants up to age four who are determined to be a nutritional risk.

The program provides the pregnant and nursing women and infants with supplementary milk, enriched cereals, fruit and vegetable juices and eggs in order to bring their nutritional intake more nearly in line with the recommended daily allowance of the National Research Council.

We support, therefore, pending legislation in the U.S. Senate which provides for an increase in the authorized funding up to $300 million and an administrative funding increase of 25 percent which includes the provision of nutrition education and outreach services. This bill also provides for an Advisory Committee to evaluate the program and also establishes a National Advisory Council on Maternal, Infant and Fetal Nutrition to make a continuing study of the program and the methods by which it can be improved.

In light of the active participation of our membership throughout the United States in this important area, we encourage the effort to increase funding for this worthwhile program.

Resolution: Older Americans Act

As a long-time supporter of the Older Americans Act, B'nai B'rith Women applauds the passage of its extension by the House of Representatives in the Older Americans Act of 1975. We concur fully with the $2.5 billion authorization to extend the present federal programs which serve the elderly for another four years.

We are particularly interested in the increase for funds for employment programs serving older persons; in the new prohibitions against discrimination on the basis of age; and in the clause which would prohibit discrimination on the basis of age in any program receiving federal assistance (such as those outlawing discrimination by sex and race).

We are aware that under the present economic crisis and tight job market, the middle-aged or older worker is frequently the victim of layoffs or is turned away from an opening in favor of a younger applicant. The $700 million provision to support community service jobs for persons aged 55 and over would provide, therefore, important alternatives.

We are also enthusiastic about the new special services section, which would directly respond to the increasing institutionalization of older people by helping them to meet some of their problems which force them to leave their homes—such as transportation, home health care and homemaking services; and direct assistance for the renovation and repair of their homes and for mortgage interest reductions and mortgage insurance payments.

We support, as well, the extension of existing programs for local senior citizens centers for supportive services, nutrition projects for the elderly, and volunteer activities such as the Retired Senior Volunteer Program and the Foster Grandparents program, which have been key programs under the Act.

In expressing our commendation to the House of Representatives, we urge the United States Senate to follow with its approval of this important legislation, which affects such a large proportion of the citizens of this country.

Resolution: Jury Selection

B'nai B'rith Women has always been conscious of the need to broaden every citizen's opportunity for participation in government at all levels. Such participation is the nucleus of a true democracy. Included in this participation is the very important role of serving on juries, not only as an educational experience but as a contribution to the basic concept of peer judgment of our judiciary system.

We realize, however, that many communities, in the selection of their jury members, use restrictive sources from which to make selections, thereby narrowing the opportunity for participation.

For example, voter registration rolls are frequently the only source of such selections, and because of various circumstances these lists do not always include many who might wish to be asked to serve on juries.

We encourage, therefore, all efforts on various levels of governmental jurisdiction to expand the opportunities for jury service by urging the official use of other sources for selection, such as telephone books, census lists, utility records or whatever lists may be conveniently available.

We encourage our membership to support such efforts in their respective communities, in order to further every citizen's individual role in the functioning of our system.

Resolution: Suspension of Peace Negotiations in the Middle East

B'nai B'rith Women views with disappointment the recent suspension of interim peace negotiations between Israel and Egypt.

We note that Israel was willing to withdraw from strategic territory in return for a commitment from Egypt to move toward peace; Egypt, however, would not grant these political concessions: Instead, that government rejected the Israeli proposal, asking for even more substantial withdrawals, yet refusing to make any guarantee toward the process of peace.

Although throughout the negotiations Israel indicated a willingness to compromise, Egypt was intransigent—offering no compromise whatsoever.

We express our continued confidence in U.S. Secretary of State Henry A. Kissinger in his efforts to affect a peaceful agreement in the Middle East. We know that the United States realizes that it is in the national interest to maintain a strong Israel in the Middle East, and that Israel remains a staunch friend of the United States government. Any indication that U.S. support for Israel will be reduced can only encourage new Arab aggression and create the potential for a big-power confrontation in the Middle East.

We offer our hope that negotiations may be resumed, and that the long-sought peace in the Middle East may be achieved, with Israel receiving the guarantees for peace from the Arab states which are so necessary for her continued existence.

Resolution: Arab Boycott

B'nai B'rith Women is deeply concerned about recent revelations that major United States companies and two federal agencies have been participants in an Arab anti-Israel, anti-Jewish campaign to discriminate against Israel in their business dealings, and to dismiss or refuse to hire Jewish personnel, in order to do business with the Arab nations. The release by the Senate Foreign Relations Subcommittee on Multinational Corporations of 1500 blacklisted firms, plus the revelations that a number of U.S. companies and two federal agencies are discriminating against Jews and refuse to do business with Israel is shocking, indeed.

We welcome the comments of President Ford in condemning such practices, but a more meaningful approach is needed through the law. Present law should be strengthened to prohibit compliance with unfair and discriminatory foreign trade and commercial practices; and foreign investments in American business should be regulated by prohibiting those harmful to national security, foreign policy and the domestic economy.

We support, therefore, passage of S. 425, the Foreign Investment Act of 1975, as an amendment to the Securities Exchange Act, to provide adequate, flexible and reasonable controls on foreign investments without discouraging them; and further, to seek enforcement of civil rights and anti-trust laws. We agree with the B'nai B'rith Anti-Defamation League that voluntary restraints are not enough.

The Constitutional doctrine of free treatment for all citizens must not be abridged. Legislation must be enacted which would penalize those who refuse to do business with any person because of his religion, race or national origin, and which would penalize those who discriminate against persons or companies who do business with or are otherwise connected to, any friendly country.

Resolution: Jew in Foreign Countries

I. JEWS IN BULGARIA

B'nai B'rith Women is aware that the government of Bulgaria has recently been falsely accusing Jews who hold important governmental positions in that country of espionage, as a deliberate effort to block their emigration.

Specific cases of prison sentences, fines and other forms of harassment are on public record, and we must assume many more unrecorded cases which have not come to our attention.

We appeal to the government of Bulgaria, as a civilized nation, to cease these discriminatory practices against its Jewish citizens.

We also call upon the Secretary-General of the United Nations to appeal to the government of Bulgaria, in the name of international humanity, asking that it desist from these forms of persecution and suppression.

II. SOVIET JEWRY

B'nai B'rith Women is aware that since the collapse of the trade agreement between the United States and the Soviet Union, the situation has worsened in the Soviet Union in regard to its Jewish citizens.

The Jewish leadership has been subjected to intensified harassment and persecution in an effort to destroy the movement and discourage Jews from applying for exit visas. The invasion of a synagogue by Soviet police on a Jewish Holiday is an example of the present climate in that nation.

We urge the government of the United States, as well as the Secretary-General of the United Nations, to intervene and appeal to the government of the Soviet Union to cease its cruel practices against citizens of the Jewish faith. We ask the diplomatic representatives of the United States, as well as the President and the Secretary of State, to exert all moral pressure in asking the Soviet Union to discontinue this new wave of harassment and permit freedom of emigration.

III. JEWS IN SYRIA

B'nai B'rith Women wishes to call attention to the plight of the Jewish citizens of Syria, who are being persecuted cruelly by the government of that country. While stripped of many civil liberties and harassed by economic restrictions, Jews are not allowed to emigrate from Syria. The 4,500 members of Syria's Jewish community have too long been sujected to arbitrary arrests, imprisonment and torture.

Restrictions of movement, constant police surveillance, severe economic restrictions, identification cards marked with the word "Jew," denial of the right to higher education and the right to practice their chosen professions, are only some of the indignities inflicted upon these unfortunate people.

We call upon President Gerald Ford to intervene personally, using the power and prestige of his office, to urge the President of Syria to cease the persecution of the Jewish citizens of Syria and to insure their human rights and dignity; and to request the Syrian government to permit the emigration of Syrian Jews.

We also call upon the Secretary-General of the United Nations to urge the government of Syria to comply with these requests.

ACTION NEEDED NOW ON MINERALS SHORTAGE

(Mr. MILLER of Ohio asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MILLER of Ohio. Mr. Speaker, the House begins consideration today of policies and choices aimed at easing the energy crisis in this country and providing for our future needs. A similar sense of urgency should be directed at the coming minerals shortage—whose impact will be as great on the Nation as our present energy difficulties. A recent report by the U.S. Geological Survey points out that by the year 2000 the United States will be completely dependent on imports for 12 commodities, more than 75 percent dependent for 19 commodities, and more than 50 percent dependent for 26 commodities. Congress must take steps now to prevent the United States from sliding into a minerals crisis over the next 25 years. In addition to developing a comprehensive program, we can take the first step today by urging the administration to implement the barter provision of the Foreign Assistance Act of 1974.

For the benefit of my colleagues I wish to insert a summary of the Geological Survey report in the RECORD at this point:

REPORT WARNS OF MINERALS COMPLACENCY

A sense of national urgency and public attention similar to that given to the energy situation should be directed to the mineral situation, the U.S. Geological Survey, Department of the Interior, warns.

A new USGS report, summarizing the status of mineral resources and mineral exploration in the United States, emphasizes that the entire U.S. economy is based on minerals as well as energy, and that the Nation does not have an adequate known domestic supply of all the minerals needed to maintain our society for the foreseeable future.

Underlining the economic importance of minerals, the report says that in 1972, the last full year prior to the pinch of the oil embargo, domestic raw materials valued at $32 billion were converted into energy and processed materials, the value of which exceeded $150 billion and formed the basis of the Gross National Product of $1.1 trillion.

The report notes that although the Nation has never had all of the minerals it needed, materials could easily be obtained from abroad in the past. Today, however, a decreasing percentage of our needs is met from domestic supplies. Minerals from overseas are increasingly costly, and in some cases, of uncertain availability. Nationalization of mines in some countries discourages participation by American mining companies; cartel agreements among major producing Nations can suddenly and dramatically raise prices or even halt supply, as has happened recently with petroleum; and many Nations are now competing in the world market for the purchase of mineral raw materials.

Stressing the increasing dependence on foreign sources of supply for essential mineral raw materials, the report notes that in 1974, the Nation was more than 90 percent dependent on imports of primary materials for seven commodities (manganese, cobalt, chromium, titanium, niobium, strontium, and sheet mica); 75 to 90 percent dependent for eight additional commodities (aluminum, platinum, tin, tantalum, bismuth, fluorine, asbestos, and mercury); 50 to 75 percent dependent for eight commodities (zinc, gold, silver, tungsten, nickel, cadmium, selenium, and potassium); and less than 50 percent dependent for 13 commodities (copper, iron, titanium, lead, silicon, magnesium, molybdenum, vanadium, antimony, tellurium, barite, rare earths, and pumice).

Forecasts for the year 2,000, according to the report, indicate that the U.S. shall then be completely dependent on imports for 12 commodities; more than 75 percent dependent for 19 commodities; and more than 50 percent dependent for 26 commodities.

The many facets of the problem become apparent, the report says, when the ways we might try to alleviate it are considered.

By reducing the demand for scarce minerals through substitution of others, reduction of waste, or elimination of some uses;

By supplementing the raw mineral supply through recovery and recycling of scrap and used materials; and

By increasing our domestic supply through discovery of new mineral deposits and through development of technology for the feasible recovery of low-grade deposits.

"From the perspective of the 1970's," the report says, increasing our domestic supply of minerals seems imperative. A widespread misconception, however, allows that this is simply a matter of economics and technology—that the Earth's crust is an infinite storehouse that can readily be tapped for new supplies of all kinds of mineral raw materials by either raising the price or developing new technology."

"The popular misconception that a steady supply of minerals from the crust of the Earth is simply a matter of favorable economics and technology has induced widespread public complacency," the report says, adding that "this notion ignores that fundamental factor governing mineral supply: geologic availability. Neither technologic magic nor astronomical dollar value can make it possible to extract iron, aluminum, gold, sulfur, or phosphorus from rocks in which they are not present."

Nor is "raising the price" as simple as it sounds, the report says. This may allow a company to mine lower grade ore, but the use of increasingly lower grades of ore to supply our mineral needs creates problems in that more energy is required to mine and process the ore, and the environmental impact of the mining is greater than with higher grade ores.

The report emphasizes the importance of making realistic appraisals of the quantities of mineral resources remaining to be developed and yet to be discovered. "Mineral resources cannot be inventoried like cans on a shelf," the report says. "Reserves," the report explains, "or mineral resources that have been found, sampled, and measured, and that can be legally and profitably mined under present conditions, can be inventoried. But in addition to these reserves, there are: known, low-grade deposits not profitable to mine now; new deposits of reserve quality that can be logically inferred to exist but are as yet undiscovered; and even new types of deposits not yet recognized. These are all mineral resources, and appraising them accurately is perhaps as difficult as appraising the 1985 wheat crop."

The report shows that U.S. reserves of many nonmetallic commodities (such as potash, gypsum, and phosphorus), are adequate to fulfill domestic needs well beyond the next 25 years. For many metals the report also shows that identified but as yet subeconomic resources are adequate for projected needs beyond 25 years. The Nation's resources, however, for tin, asbestos, chromium, antimony, mercury, and tantalum, are not adequate to fulfill projected needs past the turn of the century.

"Known U.S. reserves of many minerals represent only a few years' supply," the report says, "and the outlook for resources is somewhat better. To bring them into the category of available reserves will require enormous and costly efforts of exploration and research."

"Our total resources in 1975 are vast," the report concludes, "but they cannot be mined, much less used, until they have been identified, appraised, and finally moved into the category of reserves. We must begin now, in both industry and government, to inform the public about the real nature of our minerals problem, and to stimulate the research that will make our mineral resources available."

REVERSE DISCRIMINATION

(Mr. SCHEUER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SCHEUER. Mr. Speaker, when the Subcommittee on Health and the Environment and then the full Committee on Interstate and Foreign Commerce considered the Health Manpower Act of 1975, we engaged in a very informative, though ultimately inconclusive, discussion of discriminatory admissions policies by health-related professional schools and other institutions of higher learning. Among the issues considered were the proper limits of affirmative action efforts, and whether any preferences should be given to some applicants at the expense of others on the basis of race, color, sex, religion, or national origin.

The focus of debate was an amendment to the Health Manpower Act offered by myself and my distinguished colleague from California, HENRY WAXMAN. The intention of this amendment was to prohibit preferential admissions policies—based on race, color, sex, religion, or national origin—by health professional schools receiving Federal assistance under this act, while at the same time affirming the value and importance of compensatory affirmative action programs. Although this provision was not included in the final legislation presented to the House, the issue of reverse discrimination remains with us and must eventually be confronted. For this purpose, I am providing for my colleagues a series of documents and correspondence which illuminate some of the dimensions and implications of this issue.

It is my unalterable conviction that the Constitution prohibits discrimination on grounds of race, color, sex, religion, or national origin, and requires that each individual be judged on the basis of his or her individual merit without regard to any extraneous characteristics. In the past and, to some extent, today, some religious, racial, and ethnic groups have consistently been denied their full rights and equal opportunities. The time is long past for us to recognize that any such discrimination is abhorrent, no matter who benefits and at whose expense. Our goal must be to insure that every American man and woman has a full and equal chance to develop his or her full potential, and not be shackled by either discriminatory policies or inadequate educational opportunities. Instead of arguing who should be allowed to study medicine and who should be denied that chance, we should concentrate our efforts on expanding medical education opportunities so that everyone with the ability and desire to become a physician or to play any other meaningful role in health services may do so. Only in this way will we be able to develop the full complement of trained health professionals needed to provide quality health care to all the people of America.

The preservation of our civil rights requires the continual vigilance of the Congress and the people we have been elected to represent. The documents which follow demonstrate that the fight for true equal opportunity and full citizenship is a continuing one; that eternal vigilance is still the price of maintaining the constitutional integrity of our Government, and perfecting our rights as they are constantly challenged and threatened in a continuously evolving society. When we begin to take our rights for granted, we are certain to lose them.

The articles follow:

AMENDMENT TO H.R. 5546

"DISCRIMINATION PROHIBITED

"SEC. 704. (a) (1) No—

"(A) school of medicine, osteopathy, dentistry, veterinary medicine, optometry, pharmacy, podiatry, or public health, or

"(B) entity which provides training of allied or public and community health personnel,

may discriminate, on the basis of race, color, national origin, religion, or sex, in the admission of individuals to any of its training programs for any academic year which begins after calender year 1975 if during any part of such academic year the school or entity is receiving funds under a grant contract, loan, or interest subsidy under this title or if during any part of such academic year a loan guarantee under this title for the benefit of such school or entity is in effect

"(2) (A) (i) A school or entity shall be in violation of paragraph (1) if it utilizes admissions standards under which individuals are accorded a prefrence on the basis of their race, color, national origin, religion, or sex or if it utilizes any other means to effect the discrimination prohibited by such paragraph.

"(ii) A school or entity shall not be in violation of paragraph (1) because of appropriate affirmative actions taken by the school or entity to provide compensatory education and counseling or other assistance to disadvantaged individuals in meeting admissions requirements.

"(B) In the case of a school of medicine which—

"(i) on the date of the enactment of the National Research Service Award Act of 1974 was in the process of changing its status as an institution which admits only female students to that of an institution which admits students without regard to their sex, and

"(ii) is carrying out such change in accordance with a plan approved by the Secretary,

the provisions of paragraph (1) shall not apply with respect to such a school for academic years beginning before July 1, 1979.

"(b) The Secretary may not approve an application of a school or entity described in subsection (a) (1) for a grant, contract, loan, interest subsidy, or loan guarantee under this title for a fiscal year beginning after fiscal year 1976 unless the application contains or is supported by assurances satisfactory to the Secretary that the school or entity will not discriminate in violation of subsection (a) (1) in the admission of individuals to its training programs.".

INSTITUTE OF PUBLIC ADMINISTRATION,
New York, N.Y., March 18, 1975.
Hon. JAMES SCHEUER,
House Office Building,
Washington, D.C.

DEAR JIM: I note that you sponsored an amendment to HR 2956 which, as I read it, would limit severely if not totally bar any serious efforts by medical, dental and other professional schools to recruit minority group members. I know that the title of the amendment reads: "Discrimination Prohibited" but it seems to me that this is a euphemism which wil permit or encourage HEW to clamp down on such efforts. Such legislation seems to me a sharp departure from the principle of affirmative action which, while it bars quotas, encourages, indeed supports efforts to recruit as widely as possible, to offer positive encouragement to members of minority groups to apply, and to make sure that the criteria and procedures used in deciding admissions will fairly weigh the right criteria, and will not rely on indicators which may be, and often are, biased in favor of culturally preferred groups in the population.

I have a special interest in these questions which grows in part from my role as a Board member of the Health Manpower Development Corporation, which over the past five years has done much to improve the opportunities for non-whites and other minorities in health professions. Involvement in that work has shown me vividly how far a road remains to be traveled. Measures like this amendment would inevitably hamper if not totally derail the efforts which we and others are making. I was particularly unhappy to see your name on the amendment. Recalling how central a role you played in the New Careers efforts, I found it hard to believe that you would knowingly encourage a step which leads in pricisely the opposite direction, a retreat which is taking on alarming momentum.

I'd greatly appreciate your response.

Sincerely,

SUMNER M. ROSEN.

HOUSE OF REPRESENTATIVES,
Washington, D.C., April 10, 1975.
Mr. SUMNER M. ROSEN,
Institute of Public Administration,
New York, N.Y.

DEAR SUMNER: Thank you for your letter of March 18. As you well know, I've long been concerned that every individual in the U.S. receive all types of encouragement and opportunity to become constructive members of America's society—economic, cultural, and educational.

My purpose in sponsoring the New Careers Program was, indeed, to bring more people into productive employment. I do not believe, however, that aiding those who have been neglected by society can be done by thrusting aside others aspiring to the same fundamental American right of "equal opportunity."

I am disturbed, Sumner, that you appear unaware of the purposes of my proposed legislation. It clearly and precisely authorizes and encourages, in *haec verba*, "affirmative actions" to provide compensatory education and other aid to disadvantaged individuals to meet admission requirements. The actual language of H.R. 5546 is as follows:

"(ii) A school or entity shall not be in violation of paragraph (1) because of appropriate affirmative actions taken by the school or entity to provide compensatory education and counseling or other assistance to disadvantaged individuals in meeting admissions requirements." P. 14, line 22 to p. 15, line 2.

When two people compete for a position the only criteria that can fulfill that fundamental right of equal opportunity is that their objective merit alone will determine the results. I think it unjust and I've discussed this with academicians across the country—that two candidates for a position will be considered and the choice may be determined by the racial group to which the candidates are born.

I think that we ought to assure opportunity by creating specialized programs geared to individual aptitude to enhance the ability of people to meet society's needs.

I welcome your comments and, indeed, am eager to work with you to meet our mutual concerns.

With every warm best wish.

Yours,

JAMES H. SCHEUER, M.C.

RAUH, SILARD AND LICHTMAN,
Washington, D.C., April 16, 1975.
Hon. JAMES H. SCHEUER,
The House of Representatives, Rayburn House Office Building, Washington, D.C.

DEAR JIM: Say it ain't so, Joe [I mean, Jim].

I refer, of course, to the Scheuer-Waxman Amendment to the Health Manpower Bill which would prohibit medical schools of all kinds receiving funds under the bill from according a preference in admissions to qualified Blacks.

No one I know ever asks any medical school to admit unqualified persons or lower qualification standards for admission in any way. But in the light of 300 years of discrimination against Blacks, is it too much to ask that some preference should be given to Blacks among qualified candidates for admission? I think this ought to be an affirmative action requirement for any medical school receiving federal funds—that the school ought to be required to give preferences to qualified Black applicants in support of fair goals and timetables for Blacks in medical schools. What you have done is to turn affirmative action on its head by making illegal what ought to be mandatory.

Many medical schools have long been trying to integrate their student bodies with more Blacks. They do this voluntarily on the ground that past discrimination has left this nation with a minute percentage of Black doctors. Medical schools seeking to remedy this failure of our society by giving preference to qualified Blacks are doing noble service. I am shocked that you are trying to prevent this.

I cannot tell you how deeply many Blacks feel on this matter. For example, the NAACP last Annual Convention in 1974 in New Orleans unanimously passed a Resolution issuing "a stern rebuke to all who seek to short-circuit positive programs to end discrimination in fact, by raising the phony emotion-charged issue that the means to end 200 years of oppression is 'reverse discrimination.'"

I read in The New York Times on Monday how good Black-Jewish relations were. I thought the piece was greatly overdone, but even assuming it wasn't, I can think of nothing that can rupture those relations any faster than you and Congressman Waxman trying to keep qualified Blacks from getting some preference on admissions to medical school. Incidentally, don't get any foolish idea from the American Jewish Committee that the Jewish community is unanimously behind the kind of thing you are doing here. The National Council of Jewish Women and the Union of American Hebrew Congregations Social Action Commission joined in a brief in the Supreme Court in De Funis defending preferences of the very kind you are trying to render illegal by your amendment.

Of course, much of what I have written above applies to women applicants to medical school, but I assume Emily will take care of you on that point when she hears about it. It also applies to Spanish origin Americans and Native Born Americans as well.

I cannot believe the Jim Scheuer I know will, on reflection, want to throw his weight against more Black doctors and greater medical care for Blacks who many white doctors are too busy to help. The Jim Scheuer I know ought to be on the other side of this struggle.

I am going to your fund-raising tonight because I have a deep belief in your integrity and because I still hope that you will reconsider the tragic course you are following.

Sincerely,

JOSEPH L. RAUH, Jr.

House of Representatives,
Washington, D.C., April 17, 1975.
Mr. Joseph L. Rauh, Jr.,
Rauh, Silard and Lichtman,
Washington, D.C.

Dear Joe: It ain't so.

It ain't so that the amendment Henry Waxman and I have offered to the health manpower bill would prevent medical and other health-related professional schools from beginning to respond to 300 years of discrimination through affirmative action programs. In fact, the Scheuer-Waxman amendment explicitly affirms the principle of affirmative action. In a provision of Section 704 which was apparently not considered by the Civil Rights Commission before making its ill-considered judgment of several days ago, we state:

(ii) A school or entity shall not be in violation of paragraph (1) (which prohibits discrimination) because of appropriate affirmative actions taken by the school or entity to provide compensatory education and counseling or other assistance to disadvantaged individuals in meeting admissions requirements.

The principle underlying this amendment is simply that discrimination—on the basis of race, color, national origin, religion, or sex—is anathema. I had always believed that we were working together to eliminate all such discrimination and to achieve true equality of opportunity. Unless you have changed your position and now assert that racial discrimination is sometimes good and sometimes bad, I cannot understand why you oppose our amendment.

I defer to no one in my commitment to equal opportunity, and I have consistently advocated efforts to redress the historic exclusion of blacks and other groups from professions such as medicine and the law. You may recall that I was the author of the New Careers Program which was enacted in 1966 to enable low-income people without educational credentials—the overwhelming majority of whom were members of minority groups—to get on the civil service system ladder as para-professionals. This program has enabled its participants to perform meaningful jobs and—with assured access to release-time study and on the job training, and with assured opportunities for promotion and advancement—has enabled them to achieve professional status. The New Careers Program has been a spectacular success, bringing tens if not hundreds of thousands of people into the work force and immeasurably enriching the public sector.

I am proud of my record of leadership in creating unprecedented opportunities for minority group members in housing, education, and employment. The significant progress that has been made over the past decade indicates to me that a variety of affirmative action programs can be effective without substituting one kind of racial discrimination for another. All reasonable programs to increase the number of qualified minority and female applicants to professional training programs have had and will continue to have my full support. That is precisely the purpose of affirmative action programs and that is precisely why Henry Waxman and I have specifically supported affirmative action efforts in our amendment to H.R. 5546.

Racial discrimination, however benign or remedial its purpose, violates the principle of equal opportunity and the cause of civil rights to which we have both been devoted. Discrimination is immoral and unconstitutional, and discrimination in the future is unacceptable as a remedy for discrimination in the past. To prefer one group on grounds of race or color by prejudicing the opportunities of another group is to engage in discrimination—nothing more, nothing less. According such a preference means that some qualified applicants will be accepted or rejected because they are black or white, male or female, Italo-American or Irish-American. That is wrong, and in my opinion, is constitutionally-proscribed.

As you know, we have worked hard over the years to eliminate color discrimination and prejudice and to create equal opportunity. That was sound doctrine in the 1950's and it remains sound doctrine today. If we really believe in non-discrimination, then we cannot take superficially attractive shortcuts which would right old wrongs by doing new wrongs. Hard facts make good law. We have defended the Constitution's protection of free speech even when the ideas being expressed were repugnant to us. If my position in this case flies in the face of easy, simplistic answers, it is because the Constitution again demands it. Only if we recognize that equal opportunity cannot be achieved overnight will we continue to develop the educational programs which will achieve our goal while preserving social harmony and the civil rights guaranteed by the Constitution.

I repeat to you my willingness to support modifications in our amendment which may be useful in protecting and encouraging affirmative action programs. If your objections to our amendment are based on a misunderstanding of our intentions then we should be working together to clarify and improve the language of Section 704. But I cannot compromise my opposition to racial discrimination and racial quotas.

With every warm best wish.

Yours,

JAMES H. SCHEUER, M.C.

Rauh, Silard and Lichtman,
Washington, D.C., April 28, 1975.
Hon. James H. Scheuer,
The House of Representatives, Rayburn House Office Building, Washington, D.C.

Dear Jim: Your letter dated April 17 is the best evidence of your deep guilt feelings about the Scheuer-Waxman amendment, for you failed even to mention, much less answer, the basic problem I raised about your amendment: namely, where a Black applicant to medical school is fully qualified under the school's own standards of admission, may the school give him preference in admission as part of its affirmative action program even though a rival white male applicant has higher qualifications.

Your amendment says "no"; meaningful affirmative action requires that the answer be "yes."

The problem is not a qualified white against an unqualified Black; everybody agrees that the white should have the place in the medical school in that situation. The problem is whether, among both qualified whites and Blacks, the qualified Black should, after 300 years of discrimination, have preference over the white despite the fact that the latter's advantages of various sorts may cause him to have a better academic record and may cause him to do better in the medical school. You just won't face up to the fact that the Black's ability to get into the circle of qualified applicants at all is a remarkable achievement and he ought to be given the chance to become a doctor.

Instead of discussing competition of qualified Blacks and whites, you talk about your own ideas of affirmative action and of racial discrimination. But your idea of affirmative action is compensatory education and counselling. That may be valuable in many situations, but the Black applicants I am talking about don't need compensatory education and counselling. They have struggled and have become qualified for admission to medical school. They just happen not to have as high marks and other qualifications as young people from more advantaged homes.

You keep talking about racial discrimination and racial quotas and the like. What you cannot seem to understand is that equal treatment of unequals is inherently unequal. When you take races with different histories and apply identical rules to them, you are in fact discriminating against the disadvantaged race. The truth is that when a Black gets to the stage where he is qualified for a medical school, he has done a much harder job than the white who is also, and maybe better, qualified. By the way, your use of the words "racial quota" is a cheap shot. Nobody wants quotas. What the genuine affirmative action people in NAACP and ADA like myself want are fair goals and timetables for Blacks in medical schools and preferences for qualified Blacks until those goals and timetables are reached. That is all and, as a remedy for past racial discrimination, it doesn't become racial discrimination just because you repeat the words over and over again.

You ask for possible modifications of your amendment. One can't modify your amendment because it goes in the wrong direction. If there is to be an amendment, it ought to be a substitute requiring goals, timetables and preferences. Knowing you won't go for that, we ask you just to drop your amendment and leave to the good judgment of medical schools how they are going to get a few more Black doctors into the nation's life.

As I said to you before, much of what I have written applies to women applicants to medical schools as well. I mentioned this matter to Emily at the Harriman fund-raising for you and I got the distinct impression that you are not even carrying your home on this issue. Your true friends and former allies in the Civil Rights movement urge you to rethink your tragic course and give your constituents the leadership of your own conscience.

Sincerely,

JOSEPH L. RAUH, Jr.

Statement of the U.S. Commission on Civil Rights on the Scheuer-Waxman Amendment to the Health Manpower Bill

The Health Manpower Act of 1975, as passed by the Public Health and Environment Subcommittee of the House Committee on Interstate and Foreign Commerce, contains an amendment that would retard progress towards securing for all Americans an equal opportunity to training in the health professions. Originally proposed by Congressmen James H. Scheuer and Henry A. Waxman, this amendment was adopted by the Subcommittee without the benefit of a public hearing.

The first part of the Scheuer-Waxman Amendment contains a standard legislative provision prohibiting discrimination by institutions receiving federal funds. It is as follows:

"DISCRIMINATION PROHIBITED

"SEC. 704. (a) (1) No—

"(A) school of medicine, osteopathy, dentistry, veterinary medicine, optometry, pharmacy, podiatry, or public health, or

"(B) entity which provides training of allied or public and community health personnel, may discriminate, on the basis of race, color, national origin, religion, or sex, in the admission of individuals to any of its training programs for any academic year which begins after calendar year 1975 if during any part of such academic year the school or entity is receiving funds under a grant, contract, loan, or interest subsidy under this title or if during any part of such academic year a loan guarantee under this title for the benefit of such school or entity is in effect.

The amendment, however, goes on to state:

"(2) (A) (i) A school or entity shall be in violation of paragraph (1) if it utilizes admissions standards under which individuals are accorded a preference on the basis of their race, color, national origin, religion, or sex or if it utilizes any other means to effect the discrimination prohibited by such paragraph."

This legislatively unprecedented and legally vague provision can have but one effect: namely, to perpetuate the historic exclusion of members of racial minority groups and women from the more advanced and highly paid health professions.

The Commission believes it is important to examine closely many of the words and phrases which are used interchangeably and often foster misunderstanding and create controversy. The Commission has found it necessary to define conscientiously the concepts that it endorses to overcome the past and present consequences of discrimination. We have defined "affirmative action" in employment as steps taken to remedy grossly disparate staffing and recruitment patterns that are the present consequences of past discrimination and to prevent employment discrimination in the future. We believe there is a close analogy between affirmative action programs in employment and affirmative recruitment and admissions programs in higher education. The Commission has stated in that connection:

> In many cases an employer would want to consider additional factors in evaluating an individual's potential contribution to the establishment as, for example, the value which diversity in perspective and life experience may contribute to an academic program or the extent to which service to a Spanish speaking or black population might be improved by the employment of bilingual and bicultural staff. This does not imply that unqualified persons should be hired or that genuinely valid standards should be eliminated or diluted. It simply means that the criteria which have traditionally been used in hiring and promoting must be broadened to include consideration of minorities and women.[1]

Experience has demonstrated that the effects of institutional discrimination against minorities and women cannot be remedied by prohibitions against future discrimination. To bring about actual equality and the fullest possible utilization of human resources, programs of affirmative action must be undertaken to counter deeply entrenched patterns of discrimination.

Recognition of this fact compelled the Federal Government to promulgate a series of Executive orders during the last decade which require certain employers to undertake affirmative action programs to insure the prompt and full utilization of minorities and women at all levels and in all segments of the work force. The rationale underlying the issuance of these Executive orders was succinctly stated by the Director of the Office for Civil Rights of the Department of Health, Education, and Welfare. He wrote:

> The premise of the affirmative action concept of the Executive Order (11246) is that unless positive action is undertaken to overcome the effects of systemic institutional forms of exclusion and discrimination, a benign neutrality in employment practices will tend to perpetuate the "status quo ante" indefinitely.[2]

Although educational institutions effectively control the absolute size and racial and sexual composition of the pool of individuals qualified by formal instruction for numerous occupations and professions, they are not generally required to adopt affirmative action student admission programs. Except for specific actions mandated by courts to remedy an express finding of illegal discrimination, educational institutions are not required to take positive steps to recruit and admit a greater number of minorities and women to their various instructional programs.

The absence of legal compulsion, however, does not minimize the need for such programs. The rationale of affirmative action—"to overcome the effects of systemic institutional forms of exclusion and discrimination"—is as relevant to education as it is to employment. The fact that schools are not generally required to implement affirmative action admission programs only underscores the importance of strong governmental support for voluntary efforts undertaken by individual institutions to overcome the effects of prior and continuing discrimination against minorities and women.

The purpose of the Scheuer-Waxman amendment is clear—to prevent health training institutions from voluntarily undertaking affirmative action student admissions programs. If the authors of the amendment merely intended to provide for the elimination of the entrenched practices of institutional discrimination through which minorities and women have been excluded from the more advanced health professions, they would not have proposed section 704(a) (2) since the preceding section (704(a) (1)) adequately addresses this legitimate legislative objective.

There is no factual justification for the anti-affirmative action section (704(a) (2)) of the Scheuer-Waxman amendment. According to the Bureau of Census, women constituted 51.3 percent of the U.S. population in 1970. In that year, 11.0 percent of the U.S. population was black, and persons of Spanish heritage comprised another 4.5 percent of the total population.[3] In 1970, there were 538,746 persons employed as physicians, dentists, and related practitioners in the United States.[4] Of this number, only 45,655 or 8.4 percent were women, 11,436, or 2.1 percent were black, and 14,456 or 2.6 percent were persons of Spanish heritage.[5] As these statistics indicate, the underrepresentation of women and racial minorities in the ranks of practicing physicians, dentists, and related practitioners is a major national problem. As a result of individual prejudices and institutional discrimination, members of racial minority groups and women have been deprived of the opportunity to enter the health professions to which they aspire, and the nation has been deprived of the vital health services these persons could have provided if they had been accorded an equal opportunuity for professional training.

Minorities and Women are still grossly underrepresented in the student bodies of American medical schools. In 1973–74, women constituted only 19.6 percent of the students in the entering class of U.S. medical schools. Blacks represented only 6.4 percent of the entering class of U.S. medical schools that year, and Mexican-Americans, American Indians, and Puerto Ricans respectively represented 1.2 percent, 0.2 percent, and 0.3 percent of the 1973–74 entering class in U.S. medical schools.[6]

While these statistics depict the magnitude of institutional change which must take place before women and minorities have equal opportunity to advanced medical training, they also reflect recent progress towards the accomplishment of this national objective. In 1968–69, for example, blacks represented 2.7 percent of all first-year students in U.S. medical schools.[7] The following year, women represented 9.2 percent of the U.S. medical school entering class.[8] That an anti-affirmative action amendment would be attached to the Health Manpower Act at the very time when medical schools are beginning to open their doors to minorities and women is cruelly ironic.

In addition to retarding the achievement of equal opportunity in the health professions, the Scheuer-Waxman amendment would generate new confusion and controversy. Citizens, educators, government administrators and judges would be required to reconcile a newly created conflict between national goals and government policy. Finally, the amendment would inevitably engender further cynicism among minority groups and women who would view it as an unconscionable attempt to preserve the dominance of white males in the more advanced and highly paid strata of the health professions.

FOOTNOTES

[1] "Statement On Affirmative Action for Equal Employment Opportunities" U.S. Commission on Civil Rights Clearinghouse Publication No. 41 (February 1973) at 18.

[2] Higher Education Guidelines issues pursuant to Executive Order 11246, 37 Federal Register 24686, November 18, 1972 at p. 24687.

[3] U.S. Department of Commerce, Characteristics of the Population, Part 1, U.S. Summary (June 1973) pp. 596–597.

[4] Ibid., p. 739. Included in this professional category are Chiropractors, Dentists, Optometrists, Pharmacists, Physicians, Podiatrists, Veternarians and Health Practioners n.e.c.

[5] Ibid.

[6] American Medical Association, Medical Education in the United States 1973–74 (January 1975) p. 18.

[7] American Medical Association, Journal of the American Medical Association, November 20, 1972, p. 983.

[8] Medical Education, loc. cit.

U.S. COMMISSION ON CIVIL RIGHTS,
Washington, D.C.

MEMORANDUM TO THE COMMISSIONERS

Subject: Scheuer Waxman Amendment.

The Commission transmitted its views on the above subject amendment in response to a request from Rep. Ralph Metcalfe, a member of the Interstate & Foreign Commerce Committee. Identical letters, together with the attached statement, were sent to Committee Chairman Staggers and ranking minority member Devine. Rep. Metcalfe circulated a "Dear Colleague" letter to committee members transmitting our cover letter and statement.

Due to a conversation between Commissioner Saltzman and Hy Bookbinder of the American Jewish Committee several phone calls and questions have followed between me, Rep. Scheuer's assistant and Mr. Bookbinder. The conversations have centered on whether the Commissioners actually reviewed

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Footnotes at end of article.

the entire amendment, and if not, whether our comments would have remained the same. The purpose of this memo is to clarify or explain the staff's development of the Commission's position which had been requested by Rep. Ralph Metcalfe.

In preparing the Commission statement on the Scheuer-Waxman amendment staff did not quote or address that section of the amendment, which provides:

"2(a) (ii) A school or entity shall not be in violation of paragraph (1) because of appropriate affirmative actions taken by the school or entity to provide compensatory education and counseling or other assistance to disadvantaged individuals in meeting admissions requirements."

The staff did not include the 2(a) (ii) provision in our draft memorandum because this subsection does not address the basic thrust of the Commission's comments nor does it mitigate the effect of the prohibition against affirmative action programs contained in 2(a) (i). That prohibition, in our view, inhibits the infusion of presently qualified minorities and women into the medical professions. Despite protestations to the contrary, there is no factual basis to support a prohibition against the alleged "preference" for women and minorities in gaining admission to the health professions. Adequate data to rebut the need for a prohibition was provided in the Commission statement.

In addition, the subsection leaves the false impression that affirmative action is focused on upgrading unqualified minorities and women through compensatory education or counseling, rather than taking steps to recruit and admit (or employ) qualified minorities and women who have heretofore been discriminatorily denied educational opportunities and employment.

Mr. Bookbinder believes, as I believe Mr. Scheuer does, that the amendment is necessary to prevent a widespread evil—the hiring or admission of unqualified minorities and women into the health professions. For that reason Mr. Bookbinder has supported inclusion in subsection 2(a) (ii) the following language:

"Nothing in section 2(a) (i) is intended to interfere with appropriate affirmative action steps taken by the school or entity to enlarge the available pool of qualified applicants and to provide compensatory education and counseling . . . (same as present 2(a) (ii) . . . on a nondiscriminatory basis."

Although Representative Scheuer has not indicated his willingness to accept such language, the staff has the following concern in connection with its adoption. The proposed language makes a mockery of the proposed prohibition against "preferences" while calling attention to a very few cases of what some may call preferential admissions. Since what constitutes a "preference" is undefined, vague and is based on an unproven assumption, the staff feels that its inclusion reinforces two myths. Firstly, that a preference for women and minorities exists and is a widespread practice among schools or universities preparing persons for the health professions; secondly, it also reinforces the myth that minorities and women are not as qualified for advanced education as white males—a myth that deprecates the status of minorities and women and tends to perpetuate discrimination and exclusion.

It is ironic that the only medical or dental schools in America that have achieved a proportional reversal of the racial/ethnic makeup of its student body since 1954 are the colleges of Medicine and Dentistry at the Howard University—both of which have white-majority student bodies.

In the event you are contacted by Mr. Stanley Bach of Rep. Scheuer's office, I wanted you to have this background information and the staff's views. A copy of all correspondence is enclosed.

WILLIAM A. BLAKEY,
Director, Congressional Liaison.

EFFECT STATEMENT AND ANALYSIS OF CONSTITUTIONAL ISSUE INVOLVED IN THE WAXMAN-SCHEUER AMENDMENT—SECTION 204 OF H.R. 5546

The Scheuer-Waxman amendment to the House health manpower bill (section 204 of H.R. 5546) generally prohibits certain health-related schools and other health training entities from discriminating on the basis of race, color, national origin, religion, or sex, in admissions to their programs if those schools or entities receive Federal financial assistance. Except for the addition of a prohibition of discrimination based on religion, subsection (a) (1) is essentially a restatement of existing law in title VI of the Civil Rights Act of 1964 and section 799A of the Public Health Service Act, as those provisions apply to admission to an institution. However, subsection (a) (2) of the amendment adds the following elaboration to the prohibition of discrimination:

(2) (A) (i) A school or entity shall be in violation or paragraph (1) if it utilizes admissions standards under which individuals are accorded a preference on the basis of their race, color, national origin, religion, or sex, or if it utilizes any other means to effect the discrimination prohibited by such paragraph.

(ii) A school or entity shall not be in violation or paragraph (1) because of appropriate affirmative actions taken by the school or entity to provide compensatory education and counseling or other assistance to disadvantaged individuals in meeting admissions requirements.

PURPOSE OF THE AMENDMENT

The purpose of the amendment, as indicated in executive session before the subcommittee, is to prohibit health training institutions that receive Federal financial support from giving preference in the admissions process to individuals of particular race, color, national origin, religion, or sex. The problem, as presented to and perceived by the members of the subcommittee, has been that some health training institutions, in order to correct what they perceived to be an underrepresentation of certain groups in their student bodies and in order to correct what they saw to be the effects of past discrimination against those groups, had been guilty of "reverse discrimination" against the members of other groups. More specifically, the practices of the University of Washington Law School attacked by the plaintiff in *DeFunis* v. *Odegard*, 416 U.S. 312, illustrate the type of racially-oriented admissions procedures and standards that the amendment seeks to preclude.

EFFECT OF THE AMENDMENT

The effect of the prohibition contained in the amendment would be to prohibit a school from adopting a quota system or other admissions practice under which a preference is given to some applicants on the basis of race, color, national origin, religion, or sex. The prohibition would likewise apply to an admissions procedure in which individuals in one or more of those categories are considered separately under a different set of criteria, so as to give them a better opportunity of being admitted than equally qualified individuals who are not so classified.

The quoted language would preclude school administrators in the institutions covered from giving any weight to the race, color, national origin, religion, or sex of an individual in determining whether the individual should be admitted to the institution. Thus, the imposition of any racial bar or the use of any racial quota would be precluded. With respect to quotas, this would be true whether the quota was imposed by way of a maximum or a minimum—e.g., it would not matter whether institution determined it would enroll *no more* than 5% blacks in its entering class or *no less* than 5% blacks in its entering class. Quotas aside, the amendment would preclude any consideration of a named factor (even in conjunction with other considerations) in an effort to decrease or increase the enrollment of minorities. Thus, while the institution would still be permitted to consider such factors as state of residence, social status of the parents, recommendations of alumni, financial contributions to the institution by the family, and the presence of medical professionals in the applicant's immediate family in order to further various institutional goals, it could not consider the race, sex, etc. of the applicant.

The amendment should not be read to forbid racial or other distinctions in admission where necessary to rectify illegal discrimination. For instance, a school that had completely excluded blacks might well be precluded by court order from applying new and more stringent admission standards to black applicants previously excluded, even though the new standards were also applicable to whites. Any effort by Congress to preclude such remedial action where discrimination had been established would very likely be stricken down by the courts as contrary to the Fifth Amendment. For this reason, the use of the word "preference" in the language of the amendment should not be read as reaching remedial action of the type just described.

Nor would we read the amendment as prohibiting a medical school from revising its traditional admissions criteria in order to diversify its student body, from a cultural or socio-economic standpoint, so long as such a revision in admissions criteria did not accord a preference to individuals on the basis of their race, color, national origin, religion, or sex.

AFFIRMATIVE ACTION

Read in its entirety, the amendment seems to authorize an affected institution to take affirmative actions designed to overcome an individual's disadvantaged status so as to enable the individual to compete more effectively for admission to the institution. But this affirmative action may not favor an applicant on the basis of race, color, national origin, religion, or sex in making selections for admission. Thus we would not read the amendment as prohibiting, for example, a special outreach recruitment program directed at female college seniors by a medical school as a means of overcoming the underrepresentation of women in the student body.

The amendment explicitly would not prohibit affirmative action, such as counseling or other assistance provided to "disadvantaged individuals" in meeting admissions requirements. However, the scope of that term is unclear. It could apply to individuals who are economically disadvantaged, to those who are educationally disadvantaged, or to those disadvantaged because of past discrimination or as a result of continuing discrimination. Also, it might be read to cast a shadow, by implication, over affirmative action programs for women, described above, because women would not ordinarily be characterized as being "disadvantaged" in all of these regards. In spite of this lack of clarity, we do not interpret the amendment to prohibit any affirmative action which an institution might take, even though not directed at traditionally "disadvantaged" persons, unless that action takes place in the process of selecting between competing applicants.

CONSTITUTIONAL ISSUE

The issue is whether the amendment, by singling out for statutory prohibition the type of racial practices that were the subject of the *DeFunis* litigation, is creating a racial classification in a manner inconsistent with the due process clause of the Fifth Amendment.

This issue has not been directly confronted nor resolved by the Supreme Court. Arguments can be made on both sides.

ARGUMENTS THAT IT IS NOT CONSTITUTIONAL

The argument against Constitutionality runs as follows:

1. There is no Constitutional stricture against an institution of higher or professional education, though supported by Government funds, from increasing its enrollment of women, blacks, and other minorities by considering race, sex, or ethnicity along with the other factors bearing on the selection of students for enrollment from those who are educationally qualified.

(2) Even assuming Congress may require Federally-supported institutions to select their students *solely* on the basis of educational qualifications, it cannot select for proscription the consideration of a single otherwise permissible factor unless there is a legitimate Federal legislative purpose for singling out that factor.

3. Here, the Congress will have selected for proscription the consideration of race, color, national origin, sex and religion.

4. Inasmuch as the classification is based upon these suspect factors, it can be sustained only if the classification is necessary to satisfy a "compelling" Government interest, and there is no viable alternative.

5. The interest of the Government in preventing invidious discrimination is not furthered by the Scheuer-Waxman amendment because, in view of the historical context and the leigslative purpose, the amendment is directed to preventing the beneficent use of minority considerations.

6. Since the legislative classification embodied in the amendment is unrelated to a compelling Government interest, it must fall as an arbitrary classification inconsistent with the Due Process Clause of the Fifth Amendment.

ARGUMENT FOR CONSTITUTIONALITY

The argument that the amendment is Constitutional runs as follows:

1. The amendment simply forbids discrimination based upon any of the forbidden factors. It treats majority and minority, historically advantaged and historically disadvantaged, alike. Hence, it promotes, rather than impairs, equality.

2. The fact that other considerations in the admission process that detract from full equality of treatment are not dealt with in the amendment does not create an arbitrary classification. Discrimination based on race, color, national origin, sex or religion is more suspect than other forms of discrimination and may be specially and separately dealt with by the legislature.

3. The discrimination to which the amendment is directed cannot be considered "benign." Racial distinctions are not less discriminatory when drawn for the purpose of assisting a minority than when drawn for the purpose of putting the minority at a disadvantage; in either case, persons on one or the other side of the classification line are disadvantaged.

4. Inasmuch as the prohibition of types of discrimination described in the amendment is related to a proper Governmental purpose, and inasmuch as the failure to reach other types of discrimination does not involve an arbitrary classification, the amendment is not inconsistent with the Constitution.

FINAL RESOLUTION

Although the Constitutional issue might be disposed of upon some other basis, its final resolution probably turns upon how the Supreme Court ultimately decides the issue presented in *DeFunis*. If the admission procedures of the University of Washington violate the Fourteenth Amendment, clearly Congress can reach such procedures through the Scheuer-Waxman amendment. On the other hand, if the *DeFunis* practices are Constitutionally permissible, Congress probably cannot single them out in prohibitory legislation.

APRIL 25, 1975.

Representative JAMES H. SCHEUER,
New York City.

DEAR REPRESENTATIVE SCHEUER: Thank you for sending on to us the letter from Joseph L. Rauh and the statement of the United States Commission on Civil Rights concerning the Scheuer-Waxman Amendment to the Health Manpower Bill. Despite the arguments of both Mr. Rauh and the Commission in support of racial preferences in admission to medical schools, we remain firm in our conviction that the overall interests of society are best advanced by eliminating the use of an individual's race, religion, ethnic origin or sex as a factor in admission to health training schools or, for that matter, as a basis for any benefit or advantage in our society.

For many years the American Jewish Congress has labored to end discrimination in employment, education, housing and public accommodations. We have fought against stereotyping and argued that applicants should be judged on the basis of their individual attributes and not on the basis of group membership. Jews well know the dangers of quotas. We know how the "benign" quota of one day can turn into the invidious limitation of the next. It is our conviction that only by evaluating individuals on their merits, disregarding the attributes or handicaps that accrue to them as members of a particular group, can we achieve a just society and true equality of opportunity.

In his letter to you, Mr. Rauh argues that "in the light of 300 years of discrimination against Blacks . . . some preference should be given to Blacks." Our view is directly to the contrary; we believe that the short run expedient of granting racial preferences can only retard the fight against discrimination to which Mr. Rauh and you and we have so long been dedicated.

Experience with preferential programs during the past few years has shown that resentment, bitterness and envy are engendered in those rejected because they were not members of the "preferred minority," accompanied by reinforcement of the invidious stereotype—that minorities require special preference to get ahead. The result is to increase social tension, exacerbate racial issues and disrupt the educational process. The hostility generated in this way poses a serious threat even to racially neutral programs intended to advance minority well-being.

At the same time, the injustice to the qualified applicant who must give up his place to another qualified applicant of the preferred racial or ethnic group—despite the fact he has had no part in the past discrimination inflicted on this "preferred group"—is patent. The linkage of group membership to opportunity not only destroys individual aspiration; it carries a message that can only add to the polarization of an already fragmented society.

Perhaps most important, racially preferential admission policies—even those instituted to aid historically suppressed minorities—are constitutionally defective. As Justice Douglas asserted in his dissenting opinion in the *De Funis* case: "There is no constitutional right for any race to be preferred. ... a DeFunis who is white is entitled to no advantage by reason of that fact; nor is he subject to any disability, no matter his race or color."

A statement of the United States Commission on Civil Rights accompanying Mr. Rauh's letter emphasizes that preferential programs are needed because minorities and women are "under-represented" in the student bodies of medical schools. Justice Douglas in his dissent properly gave short shrift to this argument that such underrepresentation was a sufficiently compelling state interest legally or as a matter of social policy to justify racial classifications. He noted the lengths to which acceptance of such arguments could lead:

"To many 'compelling' would give members of one race even more than *pro rata* representation. The public payrolls might then be deluged say with Chicanos because they are as a group the poorest of the poor and need work more than others, leaving desperately poor individual Blacks and whites without employment. By the same token large quotas of blacks or browns could be added to the Bar, waiving examinations required of other groups, so that it would be better racially balanced. The State, however, may not proceed by racial classification to force strict population equivalencies for every group in every occupation, overriding individual preferences. The Equal Protection Clause commands the elimination of racial barriers, not their creation in order to satisfy our theory as to how society ought to be organized."

Currently, in the absence of the Scheuer-Waxman amendment and under the present regulations of the Department of Health, Education and Welfare (45 C.F.R., Part 80), each medical or health training school is wholly free to use its own discretion in deciding which minority groups have suffered historic discrimination so as to entitle them to preferential treatment; in determining whether any individual applicant is to be considered a member of the preferred minority; and in calculating the extent of the preference to be accorded the "preferred minority"—that is, the size of the minority quota.

The potentialities for abuse and for the creation of group friction in this situation are unlimited. Justice Douglas pointed out how difficult it would be for courts to adjudicate conflicting claims arising out of a quota system:

"But what standard is the Court to apply when a rejected applicant of Japanese ancestry brings suit to require the University of Washington to extend the same privileges to his group? The committee might conclude that the population of Washington is now 2% Japanese, and that Japanese also constitute 2% of the Bar, but that had they not been handicapped by a history of discrimination, Japanese would now constitute 5% of the Bar, or 20%. Or alternatively the Court could attempt to assess how grievously each group has suffered from discrimination, and allocate proportions accordingly; if that were the standard the current University of Washington policy would almost surely fall, for there is no western State which can claim that it has always treated Japanese and Chinese in a fair and evenhanded manner. . . .

"Nor obviously will the problem be solved if next year the law school included only Japanese and Chinese, for then Norwegians and Swedes, the Poles and the Italians, the Puerto Ricans and the Hungarians, and all other groups which form this diverse Nation would have just complaints.

"The key to the problem is consideration of such applications *in a racially neutral way.*"

Today medical school admissions committees—physicians skilled in medicine but not necessarily trained in law or social policy—are making these complex and fateful decisions. Unless the Scheuer-Waxman amendment is passed, they will continue to do so.

The American Jewish Congress is firmly committed to increasing opportunities for disadvantaged minorities and for women to gain greater access to the health professions. However, we believe such opportunities can be provided without the use of divisive and destructive racially preferential admission programs. We urge instead the use of admissions criteria which consider cultural, economic or educational disadvantage rather than race in determining an individual applicant's potential for professional training and for making a contribution to the community. Use of such criteria, coupled with broadened recruitment policies and substantial remedial training for those who need it, will we believe provide increased opportunities for disadvantaged minorities in the health training fields without sacrificing the traditional American ideal of judging individuals without reference to their race, religion, ethnic origin or sex.

The Scheuer-Waxman amendment permits and in fact encourages such an approach, and for that reason we support it.

Currently, racially preferential admissions programs are under severe challenge in the courts. A California court held recently that the preferential admissions program of the School of Medicine of the University of California at Davis violated the Equal Protection Clause of the Fourteenth Amendment (*Baker* v. *The Regents of the University of California* (Superior Court of the State of California) No. 31287, November 1974). Judge Manker concluded in an exhaustive 23-page opinion, in which he reviewed all the authorities in this area:

"This Court cannot conclude that there is any compelling or even legitimate public purpose to be served in granting preference to minority students in admission to the medical school when to do so denies white persons an equal opportunity for admittance. Rather the Court would prefer to be guided by the words of Chief Justice Warren in the *Brown* case when he said:

"Such an opportunity (for an education) where the State has undertaken to provide it is a right which must be made available to all on equal terms."

"And with the words of Judge Conti in the *Anderson* case as above quoted when he stated:

"'No race or ethnic group should ever be accorded preferential treatment over another. No race or ethnic group should ever be granted privileges or immunities not given to every other race. There is no place for race or ethnic groupings in America. Only in individual accomplishment can equality be achieved.'"

We believe prompt passage of the Scheuer-Waxman amendment is essential to assure equal justice and equal opportunity in the field of health training.

Sincerely,

Naomi Levine.

April 24, 1975.

Hon. James H. Scheuer,
The House of Representatives, Rayburn Office Building, Rayburn House Office Building, Washington, D.C.

Dear Jimmy: You deserve the heartiest congratulations for the legislation that you and Congressman Waxman are sponsoring in H.R. 5546.

You have addressed yourself, with consummate intelligence, to one of the sorriest problems afflicting our medical schools—preferential treatment and quotas in student admissions. Our investigative files are overflowing with documentation on this sorry situation.

As you no doubt know, the Anti-Defamation League has brought suit in Federal District Court against the Bio Medical Center in New York City for the very practices which your amendment would forbid.

We, of course, fully support the type of affirmative action which your amendment authorizes. As a matter of national policy we endorse affirmative action that would provide disadvantaged individuals with compensatory education and other appropriate assistance to enable such persons to qualify for admissions.

We, of course, endorse the idea that qualified persons of all descriptions should be given opportunity to enter the professions. We believe in that as a socially desirable objective unto itself. However, as you well know, it is patent nonsense to suggest that the act of producing more professionals of any group identification will automatically produce a commensurate increase in professional service to the other members of the same group. It simply isn't so.

Again, congratulations to you for your intelligent and forthright stand supporting equal opportunity for all Americans.

Sincerely,

Arnold Forster,
General Counsel.

April 29, 1975.

Hon. James H. Scheuer,
Congress of the United States, House of Representatives, Rayburn House Office Building, Washington, D.C.

Dear Mr. Scheuer: Thank you very much for sending me a copy of the legislation that you and Congressman Henry Waxman of Los Angeles are sponsoring. I wholeheartedly approve of this measure, and I sincerely hope that it will be passed into law substantially in its present form.

All of my acquaintances in the academic community strongly support the principles of equal opportunity, and real progress has been made to this end in recent years. This has been less a consequence of legal measures than of the efforts of faculty and university administrations. It is my observation, however, that so-called "Affirmative action" programs have been counter-productive in the achievement of this objective. To establish quotas on the basis of race, sex and color does great disservice to young people in general and, not least, to those who gain preferential treatment by this artificial means.

Please let me know if I may be of assistance in lending encouragement to the support of this measure.

Sincerely,

Paul J. Flory,
Nobel Laureate—1974.

April 29, 1975.

Hon. James H. Scheuer,
Congress of the United States,
House of Representatives,
Washington, D.C.

Dear Congressman Scheuer: The Scheuer-Waxman Amendment deserves the heartfelt appreciation of the entire academic community. It is a glimmer of rationality among the euphemistic perversions of the academic process that have received enunciation in the name of ending discrimination. In reality these programs have undermined academic standards and the quest for equal opportunity. As one who must live and deal with the impact of these policies on a day-to-day basis, I can personally testify to their detrimental effects.

I am not opposed to affirmative action as I understand its initial intentions. What troubles me and many others—many who do not come forward for fear of being unjustly labeled as racists—is how in fact affirmative action has evolved into an undemocratic and unjust quota system depriving individuals of equal justice and the academic community of the best available talent.

Keep up the good work.

Sincerely,

Abraham H. Miller,
Associate Professor.

April 28, 1975.

Dear Congressperson Scheuer: Bravo! It is high time that someone introduced the legislation which you and Congressperson Henry Waxman have. I wholeheartedly support your attempts to end preferential treatment of anyone or any group on the basis of race, ethnicity, or sex. The Supreme Court should have had the integrity to do this long before now. Since, however, they have not found the courage to act, I am glad that you and Congressperson Waxman have.

One argument in support of H.R. 5546 which I have not seen made is that *highly-qualified individuals* who are *also* members of "preferred" categories *are penalized* by preferential hiring and the use of quotas. Despite high qualifications, such an individual will have to wonder whether he obtained a position because of his or her accomplishments or due to preferential hiring practices. And so will that person's friends and colleagues. Quota systems make a mockery of individual achievement and threaten a vicious, new "democratic tribalism" in our nation.

I wish you and Mr. Waxman nothing but success in all future efforts along these lines.

Yours truly,

Frederick R. Lynch, Ph. D.,
Assistant Professor of Sociology.

April 25, 1975.

Congressman James H. Scheuer,
Rayburn House Office Building,
Washington, D.C.

Dear Congressman Scheuer: You solicit our thoughts on H.R. 5546. I hope that this hastily written letter reaches you prior to the vote on this legislation:

I, of course, strongly support this long overdue step toward the elimination of the absurd and unfair reversed discrimination which, under the euphemism of affirmative action, has harmed so many individuals and institutions in recent years.

As a native of Hungary, my ancestors moved to Europe from the Asian steppes many hundreds of years ago. Thus I am of Uralo-Altaic stock, which makes me an Asian American. Following the absurd logic of the new quota system, I should therefore receive preferential treatment. I am obviously joking, but at the same time pointing out the stupidity and harm inherent in the new racial quota system.

My colleagues and I—none of us "reactionary"—support you and other rational representatives who work to put an end to this nonsense. I have telegrammed my Representative, Congressman Moss. By all means, let us pass H.R. 5546, as amended and worded in your correspondence.

Sincerely yours,

Thomas M. Kando, Ph. D.,
Associate Professor of Sociology.

April 29, 1975.

Hon. James H. Scheuer,
Rayburn House Office Building,
Washington, D.C.

Dear Representative Scheuer: I was most pleased to have your letter of April 23, 1975, with regard to HR 5546 Health Manpower Act of 1975, which you are co-sponsoring. Permit me to add my warmest endorsement and support for your efforts in this matter, which stand in the finest tradition of liberal thought.

It seems to be self-evident that the cornerstone of legislation aimed at insuring non-discrimination must be the premise that each person is to be regarded and treated as an individual. It would appear that the opposition expressed by some to your proposal, though surely well intended, is based on a confused and divisive acceptance of the notion that members of our society are first members of "groups" and are only secondarily citizens. It rests on the tacit acceptance of a division of our society into pseudo-Marxist classes, some of which are quite arbitrarily labeled "minorities." It then proceeds to the dubious conclusion that injustice committed against one or more members of a "minority" in the last generation can somehow be remedied by the commission of an equal injustice against one or more members of a "majority"—or worse, those of another, though unlabeled "minority"—in the present. No linguistic exercise invoking such fragile constructs as "compensatory preferences" can possibly conceal this fundamental and repugnant distortion.

It is only through the insistence on the fundamental integrity of the individual as the only meaningful unit of the citizenry, as expressed in legislation such as yours, that both injustice and divisiveness can be brought to an end. You are to be sincerely congratulated for your courage in assuming this stance in the face of vocal and often strident assertions to the contrary.

Sincerely,

ALBERT GOLD,
Vice President.

APRIL 28, 1975.

Congressman JAMES H. SCHEUER,
Rayburn House Office Building,
Washington, D.C.

DEAR CONGRESSMAN SCHEUER: Thank you very much for your recent letter and the enclosed materials. My sentiments on your proposed amendment are represented by the enclosed copy of my letter to Congressman Stuckey.

I see nothing in your proposal that will discourage or interfere with affirmative action or other programs designed to improve manpower resources by more effectively developing the potential of our population. In addition, your proposed amendment makes clear that reverse discrimination should not occur. Unfortunately, many institutions formulate simple and expedient solutions to such problems and your proposal safeguards against simpleminded solutions.

You are to be congratulated for your statesmanship.

My very best wishes.

Sincerely,

JOHN T. DOBY,
Professor.

APRIL 28, 1975.

Congressman W. S. "BILL" STUCKEY,
Member, the Committee on Interstate and Foreign Commerce, U.S. House of Representatives, Rayburn House Office Building, Washington, D.C.

DEAR CONGRESSMAN STUCKEY: As an educator, and one who knows the importance of quality in higher education, I urge you to support the Scheuer-Waxman Amendment to the Health Manpower Bill. Their bill, H.R. 5546, allows affirmative action programs to compensate, through special educational programs, those with a history of educational disadvantage, while *banning quotas.* The quota concept is unworkable if any pretense to educational quality is maintained. If the quota concept is made a requirement, the Universities will more or less routinely select the required quota to fill their list and the result will be an educational disaster.

I have witnessed the existing confusions and fainthearted follies of the current affirmative action program which finally prompted H.E.W. to send a memorandum last December to all University and College presidents telling them that Affirmative Action did not mean quota assignments and the use of such is a violation. University bureaucracy is not famous for its courage when Federal funds are involved, and if the quota concept is not banned I have no doubt future generations will judge us harshly. I, therefore, strongly urge you to support the Scheuer-Waxman Amendment and to urge your Committee members to do likewise.

Sincerely,

JOHN T. DOBY,
Professor.

APRIL 29, 1975.

Congressman JAMES H. SCHEUER,
House of Representatives,
Washington, D.C.

DEAR MR. SCHEUER: I have received your communication of April 23 regarding the Scheuer-Waxman Bill H.R. 5546.

As a scholar who is a specialist in Afro-American History and who is training both black and white PhD students in the field, I am very much aware of the kinds of discrimination which have arisen under the affirmative action guidelines which HEW has laid down for university hiring policies. I am constantly findng that my most highly qualified white students, with PhD's and excellent publications records, find it just about impossible to get jobs in the field of Afro-American History, while black students with far less qualifications are eagerly sought by colleges and universities, even though they are nowhere near completing their degrees.

I personally know nothing of the situation in medical schools, but in view of my general concern about the whole problem, I certainly think that your bill is a step in the right direction. I received a communication from Todorovich which includes a copy of the letter which an old friend, whom I very much admire, Joe Rauh, has written to you on this subject. I certainly share Mr. Rauh's concern, and I am deeply aware of the kinds of discrimination which medical schools practiced in the past, against blacks and also against other minority groups. I hope, of course, that your legislation is done in such a way that it will not play into the hands of those elements in medical circles who would prefer to discriminate against blacks.

I am glad to see that people like yourself and Congressman Waxman have taken an active interest in this matter. Something certainly needs to be done to correct the kinds of new injustices which are developing in the attempt to correct past injustices to Negroes in American society.

Sincerely,

AUGUST MEIER,
University Professor.

APRIL 25, 1975.

Hon. JAMES H. SCHEUER,
The House of Representatives,
Rayburn House Office Building,
Washington, D.C.

DEAR CONGRESSMAN: You have probably been under considerable pressure from people who like and those who dislike your Bill HR 5546. Please do not let yourself be persuaded by the pleas of those who want to use coercion to achieve what they regard as social justice.

I have for several decades been a fighter against discrimination. As a past president of the American Association of University Professors, I have also been a champion of academic freedom.

I have thought hard about conflicts of ideals and have become firmly convinced that the idea of numerical goals in matters of academic admissions or appointments is a very dangerous one. Please stick to your guns: your Bill is a good one and ought to be strongly supported.

Sincerely yours,

FRITZ MACHLUP.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. ARCHER (at the request of Mr. RHODES), for the week of July 14, on account of official business.

Mr. KARTH, for Thursday, July 17, on account of continuation of official business on behalf of House Committee on Ways and Means.

Mr. MCHUGH (at the request of Mr. O'NEILL), for today, on account of illness.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. PATMAN, for 45 minutes, today and tomorrow, Thursday, July 17, 1975.

(The following Members (at the request of Mr. GRADISON) to revise and extend their remarks and include extraneous material:)

Mr. KEMP, for 15 minutes, today.
Mr. ASHBROOK, for 15 minutes, today.
Mr. ESCH, for 5 minutes, today.
Mr. FISH, for 10 minutes, today.

(The following Members (at the request of Mr. BALDUS) to revise and extend their remarks and include extraneous material:)

Mr. GONZALEZ, for 5 minutes, today.
Mr. DRINAN, for 30 minutes, today.
Mr. ST GERMAIN, for 5 minutes, today.
Mr. VAN DEERLIN, for 5 minutes, today.
Mr. BRADEMAS, for 5 minutes, today.
Mr. ROSTENKOWSKI, for 5 minutes, today.
Mr. UDALL, for 5 minutes, today.
Mr. VANIK, for 15 minutes, today.
Mr. ANNUNZIO, for 5 minutes, today.
Mr. BURKE of Massachusetts, for 5 minutes, today.
Mr. DANIELSON, for 5 minutes, today.
Mr. DENT, for 15 minutes, July 17, 1975.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. SCHEUER, and to include extraneous matter notwithstanding the fact that it exceeds two pages of the CONGRESSIONAL RECORD and is estimated by the Public Printer to cost $2,015.

Mr. ALEXANDER, to extend his remarks in the body of the RECORD, and to include extraneous matter, notwithstanding the fact that it exceeds two pages of the RECORD and is estimated by the Public Printer to cost $1,359.

Mr. KOCH, and to include extraneous matter during debate on H.R. 7014.

(The following Members (at the request of Mr. GRADISON) and to include extraneous matter:)

Mr. SCHULZE.
Mr. ARMSTRONG.
Mr. HEINZ in three instances.
Mr. ASHBROOK in seven instances.
Mr. FINDLEY.
Mr. BROOMFIELD.
Mr. LAGOMARSINO.
Mr. MYERS of Pennsylvania.
Mr. DERWINSKI in two instances.
Mr. SHRIVER.
Mr. RINALDO.
Mr. CONTE.
Mr. CRANE in two instances.
Mr. HASTINGS in two instances.
Mr. COLLINS of Texas in three instances.
Mr. MOORE.
Mr. RUPPE in three instances.
Mr. SHUSTER.
Mr. CONABLE.
Mrs. FENWICK.
Mr. MILLER of Ohio.

(The following Members (at the request of Mr. BALDUS) and to include extraneous material:)

Mr. GONZALEZ in three instances.
Mr. ANDERSON of California in three instances.
Mr. STEED.
Mr. FRASER.
Mr. HAWKINS.
Mr. RUSSO.
Mrs. BURKE of California in three instances.
Mr. ALEXANDER in two instances.
Mr. CHARLES H. WILSON of California.
Mr. HELSTOSKI.
Mr. MAZZOLI in two instances.
Mr. MOFFETT.
Mr. MCFALL.
Mr. JACOBS.
Mr. HOWE.
Mr. O'HARA.
Mr. CARR.
Mr. ROSENTHAL.
Mr. SISK.
Mr. DINGELL.
Mr. MCDONALD of Georgia in two instances.
Mr. PREYER.
Mr. UDALL.
Mr. BIAGGI in 10 instances.
Mr. MINISH.
Mr. ROE in two instances.
Mr. LONG of Louisiana.
Mr. MCCORMACK in two instances.
Mr. KOCH.
Mr. LEVITAS.
Mr. EILBERG.
Mr. FORD of Michigan.
Mr. DANIELSON.
Mr. SARBANES in five instances.
Mr. BRADEMAS.
Mr. RANGEL.
Mr. BLANCHARD.
Mr. HOLLAND.
Mr. NEDZI.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 1260. An act to authorize the Administrator of General Services to enter into multiyear leases through use of the automatic data processing fund without obligating the total anticipated payments to be made under such leases; to the Committee on Government Operations.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 66. An act to amend the Public Health Service Act and related health laws to revise and extend the health revenue sharing program, the family planning programs, the community mental health centers program, the program for migrant health centers and community health centers, the National Health Corps program, and the programs for assistance for nurse training, and for other purposes.

ADJOURNMENT

Mr. BALDUS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 50 minutes p.m.), under its previous order, the House adjourned until tomorrow, Thursday, July 17, 1975, at 10 o'clock a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1403. A letter from the Chairman of the Board of Governors, Federal Reserve System, transmitting the 61st Annual Report of the Board of Governors pursuant to section 10 of the Federal Reserve Act, as amended; to the Committee on Banking, Currency and Housing.

1404. A letter from the Mayor of the District of Columbia, transmitting a copy of his response to the Comptroller General's report entitled "Resource Management Can Be Improved By Greater Use of Productivity Techniques," pursuant to section 736(b)(3) of Public Law 93–198; to the Committee on the District of Columbia.

1405. A letter from the Executive Secretary to the Department of Health, Education, and Welfare, transmitting proposed regulations governing the education of the gifted and talented, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

1406. A letter from the Director, Office of Management and Budget, Executive Office of the President, transmitting two drafts of proposed legislation to provide for the orderly transition to the use of the new fiscal year, pursuant to section 502(b) of Public Law 93–344; to the Committee on Government Operations.

1407. A letter from the Secretary of the Interior, transmitting a proposed plan for the use and distribution of Cherokee Nation judgment funds awarded in docket No. 173–A before the Indian Claims Commission, pursuant to section 2(a) of Public Law 93–134; to the Committee on Interior and Insular Affairs.

1408. A letter from the Deputy Assistant Secretary of the Interior, transmitting an application by the Consolidated Irrigation District of Selma, Calif., for a loan under the Small Reclamation Projects Act, pursuant to section 4(c) of the act; to the Committee on Interior and Insular Affairs.

1409. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a copy of Presidential Determination No. 75–25, finding that it is important to the security of the United States to waive the provisions of section 3(b) of the Foreign Military Sales Act, as amended, with respect to Ecuador; to the Committee on International Relations.

1410. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to section 112 (b) of Public Law 92–403; to the Committee on International Relations.

1411. A letter from the Administrator, Federal Energy Administration, transmitting a report on changes in market shares for petroleum products during the months of February and March 1975, pursuant to section 4 (c)(2)(A) of the Emergency Petroleum Allocation Act of 1973; to the Committee on Interstate and Foreign Commerce.

1412. A letter from the Administrator, Federal Energy Administration, transmitting an amendment to the Federal Energy Administration's regulations to provide for the gradual removal of price controls from domestic crude oil, pursuant to section 4(g)(2) of the Emergency Petroleum Allocation Act of 1973, as amended (H. Doc. No. 94–216); to the Committee on Interstate and Foreign Commerce and ordered to be printed.

1413. A letter from the chairman and members, U.S. Commission on Civil Rights, transmitting the third in a series of reports on the extent of civil rights progress in the United States since *Brown* v. *Board of Education*, pursuant to Public Law 85–315; to the Committee on the Judiciary.

1414. A letter from the Secretary of Commerce, transmitting the third annual report on the effects of pollution abatement on international trade, pursuant to section 6 of the Federal Water Pollution Control Act Amendments of 1972; to the Committee on Public Works and Transportation.

1415. A letter from the Secretary of Transportation, transmitting a revised estimate of the cost of completing the National System of Interstate and Defense Highways, pursuant to 23 U.S.C. 104(b)(5); to the Committee on Public Works and Transportation.

1416. A letter from the Secretary of Transportation, transmitting a draft of proposed legislation to amend the provisions of title XIII of the Federal Aviation Act of 1958, as amended, relating to war risk insurance; to the Committee on Public Works and Transportation.

1417. A letter from the Administrator of General Services, transmitting a prospectus proposing alternations at the Washington, D.C., Agriculture Annex, pursuant to section 7(a) of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

1418. A letter from the Administrator of General Services, transmitting a prospectus proposing alterations at the Washington Navy Yard Annex, Building 159, pursuant to section 7(a) of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

1419. A letter from the Administrator of General Services, transmitting a prospectus proposing alterations at the Veterans' Administration Building in Washington, D.C., pursuant to section 7(a) of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

1420. A letter from the Administrator of General Services, transmitting a prospectus proposing alterations at the New York, N.Y., U.S. Customs House and Federal Building, 26 Federal Plaza, pursuant to section 7(a) of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

1421. A letter from the Administrator of General Services, transmitting a prospectus proposing alterations at the Franconia, Va., GSA Stores Depot (Warehouse "B"), pursuant to section 7(a) of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

RECEIVED FROM THE COMPTROLLER GENERAL

1422. A letter from the Comptroller General of the United States, transmitting a report that further action is needed to make all public buildings accessible to the physically handicapped; jointly, to the Committees on Government Operations, and Public Works and Transportation.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. HALEY: Committee on Interior and Insular Affairs. House Joint Resolution 549. Joint resolution to approve the "Covenant To Establish a Commonwealth of the Northern Mariana Islands in Political Union With the United States of America", and for other purposes (Rept. No. 94–364). Referred to the Committee of the Whole House on the State of the Union.

Mr. MORGAN: Committee on International Relations. S. 846. An act to authorize the further suspension of prohibitions against military assistance to Turkey, and for other purposes; with amendment (Rept. No. 94-365). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANNUNZIO:

H.R. 8661. A bill to amend the Fair Credit Reporting Act with regard to prohibiting the inclusion of information of records of arrest, indictment, or conviction of crime in consumer reports under certain specified circumstances; to the Committee on Banking, Currency, and Housing.

H.R. 8662. A bill to provide that no bank which has deposits insured by the Federal Deposit Insurance Corporation may refuse to honor certain checks drawn upon the U.S. Treasury; to the Committee on Banking, Currency and Housing.

By Mr. AuCOIN:

H.R. 8663. A bill to amend Public Law 566, Watershed Protection and Flood Prevention Act, as amended to remove the limitation on any single loan or advancement for watershed works of improvement; to the Committee on Agriculture.

By Mr. BIESTER (for himself, Mr. Hamilton, and Mrs. Fenwick):

H.R. 8664. A bill to provide for the participation of the United States in the African Development Fund; to the Committee on Banking, Currency and Housing.

By Mr. DRINAN:

H.R. 8665. A bill to amend the Social Security Act to provide that the term "dependent child" includes a needy child living with the father, mother, or any other relative, of such child; to the Committee on Ways and Means.

By Mr. DUNCAN of Tennessee:

H.R. 8666. A bill to amend the Internal Revenue Code of 1954 to provide an exemption from income taxation for certain income of condominium housing associations, homeowner associations, and cooperative housing corporations; to the Committee on Ways and Means.

By Mr. FINDLEY:

H.R. 8667. A bill to amend the National Environmental Policy Act of 1969; to the Committee on Merchant Marine and Fisheries.

By Mr. MILLER of Ohio (for himself, Mr. Mitchell of New York, Mr. Russo, and Mr. Fithian):

H.R. 8668. A bill to amend title 39, United States Code, to extend the period during which preferential mail rates shall apply with respect to certain publications mailed by veterans' organizations; to the Committee on Post Office and Civil Service.

By Mr. O'NEILL (for himself and Mr. Giaimo):

H.R. 8669. A bill to amend the Federal Property and Administrative Services Act of 1949, as amended, to provide for the disposal of surplus real property to States and their political subdivisions, agencies, and instrumentalities for economic development purposes; to the Committee on Government Operations.

By Mr. ROSTENKOWSKI (by request):

H.R. 8670. A bill to amend the Internal Revenue Code of 1954 to provide that expired unused investment credits shall be treated as refundable overpayments of tax; to the Committee on Ways and Means.

By Mr. RONCALIO:

H.R. 8671. A bill to amend the Federal Food, Drug, and Cosmetic Act to establish certain limitations respecting the authority of the Secretary of Health, Education, and Welfare to regulate vitamins and minerals under that act, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. ROONEY (for himself, Mr. Staggers, Mr. Adams, Mr. Metcalfe, Mr. Hefner, Mr. Santini, Mr. Florio, Mr. Moffett, Mr. Devine, Mr. Hastings, Mr. Brown of Ohio, and Mr. Heinz):

H.R. 8672. A bill to improve the reliability, safety, and energy efficiency of railroad transportation and to reduce unemployment by providing funds for work in repairing, restoring, rehabilitating, and improving essential railroad roadbeds and facilities; to the Committee on Interstate and Foreign Commerce.

By Mr. ROYBAL:

H.R. 8673. A bill to establish a Conservation Corps in the Departments of Agriculture and Interior, and for other purposes; to the Committee on Education and Labor.

By Mr. TEAGUE (for himself, Mr. Mosher, Mr. Hechler of West Virginia, Mr. Bell, Mr. Downing of Virginia, Mr. Jarman, Mr. Fuqua, Mr. Winn, Mr. Symington, Mr. Frey, Mr. Flowers, Mr. Goldwater, Mr. McCormack, Mr. Esch, Mr. Brown of California, Mr. Emery, Mr. Milford, Mr. Scheuer, Mr. Ottinger, Mr. Hayes of Indiana, Mr. Harkin, Mr. Lloyd of California, Mr. Dodd, Mr. Hall, and Mr. Krueger):

H.R. 8674. A bill to declare a national policy of converting to the metric system in the United States, and to establish a U.S. Metric Board to coordinate the voluntary conversion to the metric system; to the Committee on Science and Technology.

By Mr. TEAGUE (for himself, Mrs. Lloyd of Tennessee, Mr. Wirth, and Mr. McClory):

H.R. 8675. A bill to declare a national policy of converting to the metric system in the United States, and to establish a U.S. Metric Board to coordinate the voluntary conversion to the metric system; to the Committee on Science and Technology.

By Mr. UDALL (for himself, Mr. Rodino, and Mr. Kastenmeier):

H.R. 8676. A bill to establish a commission to study the laws and policies of the United States and major industries for their effect on competition and for other purposes; to the Committee on the Judiciary.

By Mr. VANDER VEEN (for himself, Mr. Nedzi, Mr. Ford of Michigan, Mr. Traxler, Mr. Brodhead, Mr. Ruppe, Mr. O'Hara, and Mr. Vander Jagt):

H.R. 8677. A bill to amend part A of title IV of the Social Security Act to eliminate the present prohibition against payment of aid to families with dependent children in cases where there is an unemployed father receiving unemployment compensation under State or Federal law; to the Committee on Ways and Means.

By Mr. CHARLES H. WILSON of California:

H.R. 8678. A bill to amend title 39, United States Code, to abolish the Postal Rate Commission, to provide that rates of postage, fees for postal services, and mail classifications shall be established by law, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. AuCOIN (for himself and Mr. Duncan of Oregon):

H.R. 8679. A bill to improve the quality of unshelled filberts and shelled filberts for marketing in the United States; to the Committee on Agriculture.

By Mr. BINGHAM (for himself, Ms. Abzug, Ms. Holtzman, Mr. Maguire, Mr. Matsunaga, and Ms. Spellman):

H.R. 8680. A bill to facilitate the economic adjustment of communities, industries, and workers who may be substantially and seriously affected by reductions in defense contracts and facilities which are undertaken to realine defense expenditures with changed national security requirements and to prevent the ensuing dislocations from contributing to or exacerbating recessionary effects on the aforementioned groups; jointly, to the Committees on Banking, Currency and Housing; Armed Services; Education and Labor; Government Operations; and Ways and Means.

By Mr. CORNELL (for himself, Mr. Baucus and Mr. Pattison of New York):

H.R. 8681. A bill to provide public financing of primary and general elections for the Senate and the House of Representatives; to the Committee on House Administration.

By Mr. CORNELL (for himself and Mr. Grassley):

H.R. 8682. A bill to amend title 38 of the United States Code to promote the care and treatment of veterans in State veterans' homes; to the Committee on Veterans' Affairs.

By Mr. FINDLEY:

H.R. 8683. A bill to require the testing of prototype exhaust emission control systems to determine whether they cause any harmful effects to the environment other than those they are intended to correct; to the Committee on Science and Technology.

By Mr. LONG of Louisiana (for himself, Mr. Jenrette, and Mr. Hillis):

H.R. 8684. A bill to amend the Federal Water Pollution Control Act relating to permits for the discharge of dredged and fill material, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. LONG of Maryland (for himself, Mr. LaFalce, Mr. Rosenthal, Mr. Harrington, Mr. Moakley, Mr. Riegle, Mr. Mikva, Mr. Stark, Mr. Obey, Mr. Carr, Mr. Duncan of Oregon, Mr. Waxman, Mr. Edwards of California, Mr. Hughes, Mr. Patterson of California, and Mr. Wirth):

H.R. 8685. A bill to prevent the proliferation of nuclear weapons by limiting the transfer of certain nuclear technology and materials; to the Joint Committee on Atomic Energy.

By Mr. LONG of Maryland (for himself and Mr. Hannaford):

H.R. 8686. A bill to prohibit the transfer of atomic technology to foreign powers without the express approval of the Congress; to the Joint Committee on Atomic Energy.

By Mr. MICHEL (for himself Mr. Sebelius, Mr. Kelly, Mrs. Pettis, Mr. Young of Florida and Mr. Johnson of Pennsylvania):

H.R. 8687. A bill to reform the Food Stamp Act of 1964 by improving and making more realistic various provisions relating to eligibility for food stamps and administrative responsibility for the food stamp program, and for other purposes; to the Committee on Agriculture.

By Mr. MINISH:

H.R. 8688. A bill to amend title 5, United States Code, to provide that for purposes of such title any individual who received a service-connected disability while serving on active duty, active duty for training, or inactive duty training in the armed forces shall be considered a disabled veteran; to the Committee on Post Office and Civil Service.

By Mr. PATTEN:

H.R. 8689. A bill to amend the Public Health Service Act to provide authority for health information, education, and promotion programs, to revise and extend the authority for disease prevention and control programs, and to revise and extend the authority for venereal disease programs; to the Committee on Interstate and Foreign Commerce.

By Mr. RUPPE:

H.R. 8690. A bill to establish a system for the development of mineral resources on public lands of the United States; to the Committee on Interior and Insular Affairs.

By Mr. STUDDS (for himself and Ms. Holtzman):

H.R. 8691. A bill to establish a policy for the management of oil and natural gas in the Outer Continental Shelf; to protect the marine and coastal environment; to amend the Outer Continental Shelf Lands Act; and for other purposes; jointly to the Committees on the Judiciary; Merchant Marine and Fisheries; Interior and Insular Affairs; and Science and Technology.

By Mr. WALSH (for himself, Mr. Kemp, Mr. Gilman, and Mr. Nowak):

H.R. 8692. A bill to permit signs and notices for motorists to get information about travel-oriented services and facilities; to the Committee on Public Works and Transportation.

By Mr. BELL:

H.J. Res. 562. Joint resolution to designate the week commencing with the third Monday in February of each year as National Patriotism Week; to the Committee on Post Office and Civil Service.

By Mr. EILBERG:

H.J. Res. 563. Joint resolution granting the status of permanent residence to certain aliens; to the Committee on the Judiciary.

By Mr. HELSTOSKI:

H.J. Res. 564. Joint resolution to authorize and request the President to issue annually a proclamation designating the fourth Sunday of November of each year as National Grandparents' Day; to the Committee on Post Office and Civil Service.

By Mr. MAZZOLI:

H.J. Res. 565. Joint resolution proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

H.J. Res. 566. Joint resolution proposing an amendment to the Constitution of the United States with respect to the right of life; to the Committee on the Judiciary.

H.J. Res. 567. Joint resolution proposing an amendment to the Constitution of the United States for the protection of unborn children and other persons; to the Committee on the Judiciary.

H.J. Res. 568. Joint resolution proposing an amendment to the Constitution of the United States to insure that due process and equal protection are afforded to an individual from conception; to the Committee on the Judiciary.

By Mr. REUSS:

H.J. Res. 569. Joint resolution proposing an amendment to the Constitution of the United States relative to a congressional vote of no confidence in the President; to the Committee on the Judiciary.

By Mr. BINGHAM (for himself Mr. O'Neill, Mr. Phillip Burton, Mr. Yates, Ms. Abzug, Mr. Koch, Ms. Holtzman, Mr. Downey of New York, Mr. Addabbo, Mr. O'Hara, Mr. Sarbanes, Mr. Rees, Mr. Scheuer, Mr. Stark, Mr. Drinan, Mr. Long of Maryland, Mr. Gude, Mr. Edwards of California, Mr. Pepper, Mr. Hechler of West Virginia, Ms. Collins of Illinois, Mr. Ottinger, Mr. Mitchell of Maryland, Mr. Udall, and Mr. Waxman):

H. Con. Res. 343. Concurrent resolution disapproving the proposed sales to Jordan of the Hawk missile and Vulcan antiaircraft systems; to the Committee on International Relations.

By Mr. FISH:

H. Con. Res. 344. Concurrent resolution requesting release of two Ukrainian intellectuals; to the Committee on International Relations.

By Mr. McDONALD of Georgia:

H. Con. Res. 345. Concurrent resolution requesting appropriate recognition of our servicemen who participated in the recapture of the *Mayaguez;* to the Committee on Armed Services.

By Mr. CONTE (for himself, Mr. Studds, Mr. Drinan, Mr. Stratton, Mr. Burke of Massachusetts, Mr. Emery, Mr. Jeffords, Mr. Leggett, Mr. Addabbo, Mr. Downey of New York, Mr. St Germain, Mr. Seiberling, Mr. Nix, Mr. Hawkins, Mr. Roe, Mr. LaFalce, Ms. Abzug, Mr. Badillo, Mr. Boland, Mr. Fithian, Ms. Burke of California, Mr. Beard of Rhode Island, Mr. Matsunaga, Mr. Pattison of New York, and Mr. Mikva):

H. Res. 604. Resolution disapproving the decontrol of crude oil prices proposed under section 4(a) of the Emergency Petroleum Allocation Act of 1973; to the Committee on Interstate and Foreign Commerce.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ADAMS:

H.R. 8693. A bill for the relief of Laird H. Hail; to the Committee on the Judiciary.

By Mr. AuCOIN:

H.R. 8694. A bill for the relief of Willia Niukkanen (also known as William Mackie); to the Committee on the Judiciary.

By Mr. FASCELL:

H.R. 8695. A bill for the relief of Eugene Homsy Phillips; to the Committee on the Judiciary.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 7014

By Mr. BROWN of Ohio:

Page 215, strike out lines 10 through 15, and insert in lieu thereof the following:

"(6) The term 'decline adjustment factor' means 4 per centum of the total number of barrels of domestic crude oil produced and sold from a property in July 1975 to which price ceilings set forth in section 212 of title 10 of the Code of Federal Regulations (as in effect on April 30, 1975) applied, multiplied by the number of months for which there occurred production and sales of crude oil from such property beginning with July 1975 and ending with the current month of production.

Page 217, strike out line 8 and all that follows down through line 20 on page 222, and insert in lieu thereof the following:

"(b) No producer may charge for the first sale of domestic crude oil a price which is higher than the ceiling price established under subsection (c) or (d).

"(c) Except with respect to a first sale of domestic crude oil described in subsection (d), the ceiling price for the first sale of a particular grade of domestic crude oil shall be—

"(1) the highest posted price at 6 o'clock ante meridian, local time, January 31, 1975, for that grade of crude oil at that field; or if there was no such posted price for that grade of crude oil at that field, the related price for that grade of crude oil which is most similar in kind and quality at the nearest field for which prices were posted at such time and date; or

"(2) $13.50 per barrel,

whichever is higher. Such price shall be subject to an inflation adjustment factor which is an amount equal to one-half of 1 per centum of the ceiling price, compounded for each month occurring between the first full month which begins after the date of enactment of this section and the current month of production and rounded to the nearest whole cent. A reference to the "highest posted price" or "related posted price" in paragraph (1) of this subsection does not include any field price applicable to "old crude petroleum" as defined in section 212.73 of volume 10 of the Federal Code of Regulations (as in effect on January 31, 1975).

"(d) The ceiling price for the first sale of a particular grade of domestic crude oil shall be the sum of (1) the field price on May 15, 1973; and (2) a maximum of $1.35 per barrel, in the case of sales from a 1972-producing property in any month which follows the date of enactment of this section in volume amounts equal to or less than the production volume subject to ceiling price.

"(e) The ceiling price for the sale of crude oil and petroleum condensates, including natural gas liquids, produced from any lease, of which the average daily production of such substances during the preceding calendar month or year did not exceed ten barrels per well, shall not be set by the provisions of this section.

"(f) The ceiling prices required pursuant to this section shall not apply after August 1, 1978."

Page 223, line 10, insert "or rule" immediately after the word "order".

Page 223, line 11, strike out the comma immediately after the word "Act" and all that follows down through the comma on line 12.

Page 246, line 6, strike out "Not" and all that follows down through the first "the" on line 8 and insert in lieu thereof "The".

Page 246, line 13, strike out "during" and all that follows down through "section" on line 15 and insert in lieu thereof "for a three-year period".

Page 250, line 9, strike out the quotation marks.

Page 250, immediately after line 9, add the following:

"(d) No authority may be exercised under this section unless—

"(1) the President has submitted to both Houses of Congress a plan which shall include a written justification and substantiation for the exercise of such authority and such plan has been approved by a resolution by each House of Congress in accordance with the procedures specified in section 752 of the Energy Conservation and Oil Policy Act of 1975, and

"(2) after such approval, (A) the President has found that the exercise of such authority is required by severe energy supply interruption or by the international energy program, and has submitted to the Congress in accordance with section 751 of such Act a request to implement such plan, and (B) neither Huose of Congress has disapproved (or both Houses have approved) such request in accordance with the procedures specified in section 751 of such Act.

"(e) Within 180 days after the date of enactment of this section, the President shall transmit to Congress a plan with respect to the mandatory gasoline allocation savings program required by this section. The President may at any time transmit additional plans."

Amendment to title I: H.R. 7014 Strike the last word.

Amendment to title I: Strike out the necessary number of words.

Amendment to title I: Strike out the requisite number of words.

Amendmen to title I: Strike out the penultimate word.

Amendment to title II: Strike the last word.

Amendment to title II: Strike out the necessary number of words.

Amendment to title II: Strike out the requisite number of words.

Amendment to title II: Strike out the penultimate word.

Amendment to title III: Strike the last word.

Amendment to title III: Strike out the necessary number of words.

Amendment to title III: Strike out the requisite number of words.

Amendment to title III: Strike out the penultimate word.

Amendment to title IV: Strike the last word.

Amendment to title IV: Strike out the penultimate word.

Amendment to title IV: Strike out the necessary number of words.

Amendment to title IV: Strike out the requisite number of words.

Amendment to title V: Strike the last word.

Amendment to title V: Strike out the necessary number of words.

Amendment to title V: Strike out the requisite number of words.

Amendment to title V: Strike out the penultimate word.

Amendment to title VI: Strike the last word.

Amendment to title VI: Strike out the necessary number of words.

Amendment to title VI: Strike out the requisite number of words.

Amendment to title VI: Strike out the penultimate word.

Amendment to title VII: Strike the last word.

Amendment to title VII: Strike out the necessary number of words.

Amendment to title VII: Strike out the requisite number of words.

Amendment to title VII: Strike out the penultimate word.

Amendment to title VIII: Strike the last word.

Amendment to title VIII: Strike out the necessary number of words.

Amendment to title VIII: Strike out the requisite number of words.

Amendment to title VIII: Strike out the penultimate word.

By Mr. BROYHILL:

Page 257, strike out line 17 and all that follows down through line 12, page 265, and renumber the subsequent sections accordingly.

By Mr. HEINZ:

On page 216, line 16, strike " 'production" and all other follows through "price' " on line 7, and insert in lieu thereof: " 'base period control volume adjusted for field decline' ".

On page 216, strike out line 24 and all that follows down through line 5 on page 223, and insert in lieu thereof the following:

(b) No producer may charge for the first sale of domestic crude oil a price which is higher than the ceiling price established under subsection (c) or (d).

(c)(1) Except with respect to a first sale of domestic crude oil described in subsection (d) and subject to paragraph (2), the ceiling price for the first sale of a particular grade of domestic crude oil shall be—

(A) the highest posted price at 6 ante meridian, local time, January 31, 1975, for that grade of crude oil at the field; or if there was no such posted price for that grade of crude oil at that field, the related price for that grade of crude oil which is most similar in kind and quality at the nearest field which prices were posted at such time and date or

(B) $11.50 per barrel:

whichever is less. A reference to the "highest posted price" or "related posted price" in paragraph (1) of this subsection does not include any field price applicable to "old crude petroleum" as defined in section 212.73 of volume 10 of the Federal Code of Regulations (as in effect on January 31, 1975).

(2) The President shall amend the regulation under section 4(a) to conform to the requirements of this subsection. The President may thereafter amend the regulation to adjust the ceiling price upward as he deems necessary to reflect increased costs of production. No such amendment may become effective unless neither House of Congress has disapproved (or both Houses of Congress have approved) such amendment in accordance with the procedures specified in section 751 of the Energy Conservation and Oil Policy Act of 1975.

(d)(1) Except as provided in paragraphs (2) and (3), in the case of sales from a 1972-producing property in any month which follows the date of enactment of this section in volume amounts equal to or less than the base period control volume, the ceiling price for the first sale of a particular grade of domestic crude oil shall be the sum of (A) the highest posted price at 6 ante meridian, local time, May 15, 1973, for that grade of crude oil at that field, or if there was no posted price for that grade of crude oil at that field, the related price for that grade of crude oil which is most similar in kind and quality posted at the nearest field for which prices were posted at such time and date; and (B) a maximum of $1.35 per barrel.

(2) If the Congress finds and so declares by concurrent resolution that there are in effect inflation minimization taxes consonant with the purposes of this section, the ceiling price specified in paragraph (1) shall apply only to sales from a 1972-producing property in any month which follows the date of enactment of this section in volume amounts equal to or less than the base period control volume adjusted for field decline.

(3)(A) In the case of sales from a 1972-producing property which the President, upon petition, certifies on a property-by-property basis,

(i) as having made bona fide application of tertiary recovery techniques, and

(ii) that such application has or will significantly enhance production from such property;

the ceiling price applicable to sales from such property shall be such price as the President may, by rule, establish for such property, based upon a determination that such price is reasonable and justified in relation to the increased costs associated with such recovery techniques and taking into consideration any enhanced recovery which has or will result from such techniques, but in no case may such price exceed $11.50 per barrel for sales from such properties.

(B) The President shall amend the regulation under section 4(a) to conform to the requirements of this subsection. The President may thereafter amend the regulation to adjust the ceiling price upward as he deems necessary to reflect increased costs of production. No such amendment may become effective, unless neither House of Congess has disapproved (or both Houses of Congress have approved) such amendment in accordance with the procedures specified in section 751 of the Energy Conservation and Oil Policy Act of 1975.

(4) For the purposes of this subsection—

(A) The term "1972-producing property" means a property from which domestic crude oil was produced and sold in one or more of the months of May through December, 1972.

any first sale from a property in any month which follows the date of enactment of this section in volume amounts greater than the base period control volume adjusted for field decline but less than the base period control volume without adjustment for such field decline, a tax which couples a redistribution of tax receipts mechanism with an excise tax applicable to such sales equal to: (a) in the first month which follows the date of enactment of this section, 95 per centum of the difference between the average price per barrel of such sales from the property in such month and a tax reference price of $5.75 per barrel; and (b) in each successive month thereafter, 95 per centum of the difference between the average price per barrel of such sales from the property in such month and such tax reference price adjusted by adding an inflation adjustment factor: *Provided*, That such tax shall not apply to sales from a property certified by the President pursuant to paragraph (d)(3) as having made application of bona fide tertiary recovery techniques; *and provided further*, That such tax shall not exceed 75 per centum of the net income attributed to a barrel of oil which is subject to tax determined by taking the net income from the property as calculated under the Internal Revenue Code of 1954 computed without allowance for depletion and intangible drilling costs divided by the number of barrels produced from such property which are subject to the inflation minimization tax; and (ii) in the case of any first sale of domestic crude oil, other than a sale described in clause (i) of this paragraph and other than a sale described in paragraph (d)(2), in any month which follows the date of enactment of this section, a tax which couples a redistribution of tax receipts mechanism with an excise tax applicable to such sales equal to (a) in the first month which follows the date of enactment of this section, 95 per centum of the difference between the average price per barrel of such sales from the property in such month and a tax reference price of $7.50 per barrel; and (b) in each successive month thereafter, 95 per centum of the difference between the average price per barrel of such sales from the property in such month and such tax reference price adjusted by adding an inflation adjustment factor: *Provided*, That such tax shall not apply to sales from a property certified by the President as having made application of bona fide tertiary recovery techniques; *and provided further*, That a credit against such tax in an amount not less than $1.00 per barrel shall be allowed for a qualified investment, and such tax shall not exceed 75 per centum of the net income attributed to a barrel of oil which is subject to tax determined by taking the net income from the property as calculated under the Internal Revenue Code of 1954 computed without allowance for depletion and intangible drilling costs divided by the number of barrels produced from such property which are subject to the inflation minimization tax.

(C) The term "inflation adjustment factor" means an amount equal to two thirds of 1 per centum, of the respective tax reference price, compounded, for each month occurring between the first month which begins after the date of enactment of this section and the current month of production, and rounded to the nearest whole cent.

(D) The term "redistribution of tax receipts mechanism" means a mechanism which distributes in full amount the tax receipts resulting from the inflation minimization tax and the production maximization tax making use of appropriate devices for the purpose of off-setting increases in energy-related costs which devices shall distribute—

(i) two-thirds of such receipts to low- and middle-income taxpayers and adult low-income nontaxpayers (other than a person who is a claimed dependent of a taxpayer) in a manner weighted in favor of lower-income members of such group of taxpayers and nontaxpayers;

(ii) one-half of such remaining one-third of tax receipts to States and local governments; and

(iii) the remainder to corporate taxpayers (other than corporate taxpayers which are required to pay inflation minimization taxes). Such distribution may be accomplished through means which include disbursements, refundable tax credits, permanent reductions in tax liability, and adjustments to withholding: except that, to the maximum extent practicable, benefits from distributions shall be available on a reasonably current basis within the taxable year.

(E) The term "qualified investment" means for any taxable period the amount paid or incurred by such producer during such taxable period (with respect to areas within the United States) for—

(i) intangible drilling and development costs, or geological and geophysical costs, as described in section 263(c) of the Internal Revenue Code of 1954 (as in effect for taxable years beginning after December 31, 1974),

(ii) the construction, reconstruction, erection, or acquisition of the following items, but only if the original use of such items begins with such producer:

(a) depreciable assets used for—

(1) the exploration for or the development or production of oil or gas (including development or production from oil shale),

(2) converting oil shale, coal, or liquid hydrocarbons into oil or gas, or

(3) refining oil or gas (but not beyond the primary product stage),

(b) pipeline for gathering or transmitting oil or gas, and facilities (such as pumping stations) directly related to the use of such pipelines.

(iii) secondary or tertiary recovery of oil or gas,

(iv) the acquisition of oil and gas leases (other than offshore oil and gas leases), but the aggregate amount which may be taken into account under this clause for any taxable period shall not exceed one-third of the aggregate of the amounts which may be taken into account by the taxpayer under subclauses (i), (ii), and (iii) for such period.

(F) The term "tertiary recovery techniques" means crude oil production enhancement practices which employ fluid, heat, or insert gas injection methods including miscible fluid displacement, microemulsion flooding, in situ combustion, cyclic steam injection, steam flooding, carbon dioxide injection, polymer flooding, caustic injection, and other chemical flooding designed to produce production in excess of that attributable to natural or artificially induced water or natural gas displacement.

(e) The President shall conduct a continuous study and analysis of, and report to the Congress by December 31, 1975, and thereafter by December 31 of each successive year for a period of the next four years on the effect of such price ceilings and taxes on (1) economic conditions, (2) production of domestic crude oil and other energy sources, (3) demand for crude oil and refined petroleum products and other energy sources, (4) imports of crude oil, residual fuel oil, refined petroleum products, and other energy sources (including the effect on balance of payments of such imports), and (5) economic efficiency. The President shall include in any such report his views and recommendations respecting the continuation, with or without modification, of the provisions of any such price ceiling or tax.

(i) This section shall take effect on the first day of the first full month following the data of enactment of this section.

By Mr. HEINZ:

Page 356, strike out line 6 and all that follows down through line 18 on page 365 and insert in lieu thereof the following:

TITLE VIII—GENERAL ACCOUNTING OFFICE

OVERSIGHT OF ENERGY-RELATED DATA COLLECTION AN ANALYSIS

SEC. 801. (a) The Comptroller General of the United States shall continuously monitor and evaluate the operations and activities of the Federal Energy Administration including its reporting requirements. The Comptroller General shall have access to information from any public or private source whatever, notwithstanding the provisions of any other law, as is necessary to carry out his responsibilities under this Title and shall report to the Congress at such times as he deems appropriate with respect to the operations and effectiveness of the Federal Energy Administration, including his recommendations for modifications in existing laws, regulations, procedures, and practices.

(b) Upon his own initiative or upon the request of a committee of the Congress or, to the extent personnel are available, upon the request of a Member of the Congress, the Comptroller General shall (1) review the energy-related data gathering procedures of any Federal agency to insure that the agency is obtaining all necessary information from the appropriate sources to carry out the requirements of any Federal law, (2) review the issues that arise or might arise in the collection of any of the types of energy-related data, including but not limited to issues attributable to claims of business establishments, individuals, or governments that certain information is proprietary or violative of national security and therefore entitled to be kept confidential or secret, (3) conduct studies of existing statutes and regulations governing collection of energy-related data, (4) review the policies and practices of Federal agencies in gathering, analyzing, and interpreting energy-related data, and (5) evaluate particular propects or programs.

SEC. 802. The Comptroller General or any of his authorized representatives in carrying out his responsibilities under this title shall have access to any books, documents, papers, statistics, data, information, and records of any persons engaged in whole or in part in the business of exploring, producing, transporting, refining, or distributing petroleum products, including but not limited to revenues, costs, assets, and liabilities. The Comptroller General may require any person to submit in writing such energy-related data as he may prescribe. Such submission shall be made within such reasonable period and under oath or otherwise as he may direct.

SEC. 803. To assist in carrying out his responsibilities, the Comptroller General may sign and issue subpenas requiring the production of the books, documents, papers, statistics, data, information, and records referred to in section 802 of this title.

SEC. 804. In case of disobedience to a subpena issued under section 803 of this title, the Comptroller General may invoke the aid of any district court of the United States in requiring the production of the books, documents, papers, statistics, data, information, and records referred to in section 802 of this title. Any district court of the United States within the jurisdiction in which the private organization is found or transacts business may, in case of contumacy or refusal to obey a subpena issued by the Comptroller General, issue an order requiring the private organization to produce the books, documents, papers, statistics, data, information, or records. Failure to obey such an order of the court is punishable by such court as a contempt thereof.

SEC. 805. Reports submitted by the Comptroller General to the Congress shall be available to the public at reasonable cost and upon identifiable request, except that the Comptroller General may not disclose to the public any information which could not otherwise be disclosed to the public by any Federal agency pursuant to any provision of law.

By Mr. JEFFORDS:

To amend title V, part B of H.R. 7014.

In section 551(a), paragraph (3), add a new sentence as follows: "For beverage containers the term energy use means 'energy efficiency.' "

In section 551(a), paragraph (4) add a new sentence as follows: "For beverage containers 'energy **efficiency' shall mean the** relationship of the average amount of energy required to produce, reuse and/or recycle a beverage container to the delivery of a specific quantity of beverage."

In section 551(a), add a new paragraph (16) as follows: "The term beverage container means a bottle, jar, can or carton of glass, plastic, or metal or any combination thereof used for packaging or marketing beer or any other malt beverage, mineral water, or soda water or a carbonated soft drink of any variety in liquid form and intended for human consumption."

In section 551(b) renumber item (12) as (13) and insert a new item (12) as follows: "Beverage Containers."

In section 552(a)(1) in paragraph (A) change the numeral (11) to "(12)".

In section 553(a)(1), in paragraph (A) after the numeral (9) add the following: "and (12)".

In section 553(a)(1), in paragraph (B) change the numeral (11) to "(12)".

In section 553(a)(2) in paragraph (A) change the numeral (11) to "(12)".

In section 553(c) add a new paragraph (4) as follows: "with regard to beverage containers, energy efficiency improvement targets (as designated in section 554 below), are designed to achieve savings through reuse, recycling and changes in design or composition of the beverage container. Should the Secretary determine that a beverage container type attains the energy efficiency improvement target, the manufacturer is not required to comply with the provisions of this section with regard to that specific beverage container type."

In section 554(a)(1) change the numeral (11) in the first sentence to "(12)".

In section 554(a)(2) change the numeral (11) to "(12)".

By Mr. JONES of Oklahoma:

Strike out all from the beginning of line 4, page 214, to the end of line 3, on page 223 (section 301 of the Committee substitute), and insert in lieu thereof the following:

"OIL PRICING POLICY"

"SEC. 8. (a) For the purposes of this section:

"(1) The term 'crude oil' means a mixture of hydrocarbons that existed in liquid phase in underground reservoirs and remains liquid at atmospheric pressure after passing through surface separating facilities, and lease condensate which is a natural gas liquid recovered in associated production by lease separators.

"(2) The term 'domestic crude oil' means crude oil produced in the United States.

"(3) The term 'producer' means a person who produces crude oil or any person who owns crude oil when it is produced.

"(4) The term 'property' means the right to produce domestic crude oil which arises from a lease or from a fee interest.

"(5) The term 'base period control volume' means—

"(A) the total number of barrels of domestic crude oil produced and sold from a property in the months of May through December 1972; divided by—

"(B) the number of months in which domestic crude oil was produced and sold during the months of May through December 1972 (excluding any month in which there occurred any shutdown in production from the property).

"(6) The term 'decline adjustment factor' means 1.2 per centum of the base period control volume of a property multiplied by the number of months for which there occurred production and sales of crude oil from such property beginning with May 1972, and ending with the current month of production.

"(7) The term 'adjusted base period control volume' means the base period control volume less the decline adjustment factor.

"(8) The term 'monthly production variance factor' means the current cumulative deficiency in base production control level crude petroleum, as defined in section 212.72 of title 10 of the Code of Federal Regulations (as in effect on April 30, 1975), for a property on the effective date of this section, plus the total number of barrels by which production and sales of crude oil after the effective date of this section has been less than the adjusted base period control volume for all months in which production and sale of domestic crude oil has been less than the adjusted base period control volume subsequent to the first month after the effective date of this section in which production and sale of domestic crude oil exceeded the adjusted base period control volume, minus the total number of barrels of domestic crude oil produced and sold in each prior month after the effective date of this section and prior to the current month of production which was in excess of the adjusted base period control volume for that month, but was not sold for a price in excess of the ceiling price established pursuant to subsection (c) of this section for sales made after the effective date of this section.

"(9) The term 'production volume subject to ceiling price' means the adjusted base period control volume plus the monthly production variance factor.

"(10) The term 'stripper well lease' means a property whose average daily production of domestic crude oil and production condensates, including natural gas liquids, per well did not exceed 10 barrels per day during the preceding calendar year.

"(11) The term 'tertiary recovery techniques' means techniques which employ fluid, heat, or inert gas injection methods including miscible fluid displacement, microemulsion flooding, in situ combustion, cyclic steam injection, steam flooding, carbon dioxide injection, polymer flooding, caustic injection, and other chemical flooding designed to produce production in excess of that attributable to natural or artifically induced water or natural gas displacement.

(12) The field price on a particular date for a particular grade of crude oil in a field is the highest posted price at 6 o'clock antemeridian, local time, on such date for such grade of crude oil at such field; or if there was no such posted price for such grade of crude oil at that field, the related price for such grade of crude oil which is most similar in kind and quality at the nearest field for which prices were posted at such time and date.

"(b) Except as provided in subsection (c), no price ceiling shall apply to any sale by a producer of domestic crude oil from a property.

"(c) Except as provided in subsection (d), no producer may charge a price in the case of sales from a property in a month in volume amounts equal to or less than the production volume subject to ceiling price which is higher than the sum of (1) the field price on May 15, 1973; and (2) a maximum of $1.35.

"(d) No price ceiling shall apply with respect to any first sale by a producer of any domestic crude oil produced from a property which the President, on a property-by-property basis, upon petition, upon receipt of evidence of approval by a State regulatory agency responsible for approval of tertiary recovery projects, or upon his own motion, certifies as having made bona fide application of tertiary recovery techniques which application the President has or will significantly enhance production from such property.

"(e) The General Accounting Office shall conduct a continuous study and analysis of, and report to the Congress by April 30, 1976, and thereafter of each successive year for a period of the next three successive years, on the effect of such pricing provisions on (1) economic conditions, (2) production of domestic crude oil and other energy sources, (3) demand for crude oil and refined petroleum products and other energy sources, (4) imports of crude oil, residual fuel oil, refined petroleum products, and other energy sources (including the effect on balance of payments of such imports), (5) profits of the petroleum industry, and (6) the investment activities of the petroleum industry.".

(b) Section 5(a) of the Emergency Petroleum Allocation Act of 1973 is amended by adding at the end thereof the following:

"(3) A violation of section 8(b) of this Act shall be treated as if it were a violation of the regulation promulgated under section 4(a) of this Act.".

(c) The amendments made by this section shall take effect on the first day of the first full month following the date of enactment of this Act.

Strike out all from the beginning of line 10 on page 279 to the end of line 14 on page 280.

On page 280, line 15 insert the following and renumber all subsequent subsections accordingly:

"(h) Prior the implementation of subsections (f) and (g), the Administrator shall submit to Congress an analysis of the resulting cost to the manufacturer, and in turn to the consumer, of subsections (f) and (g).

On page 265, line 13, insert the following:

"(m) The authority granted under this section shall extend only to purchases to create and maintain a National Civilian Strategic Petroleum Reserve.

Strike all from line 13 on page 336 to the end of line 25 on page 338.

On page 356, insert the following on line 22:

"(3) All auditing and information-gathering responsibility created pursuant to the Emergency Petroleum Allocation Act of 1973, the Energy Supply and Environmental Coordination Act of 1974, and the Federal Energy Administration Act of 1974 are hereby transferred to the office.

By Mr. MOSS:

Page 223, line 9, insert "(a)" after "Sec. 9.".

Page 223, line 14, strike out the quotation marks.

Page 223, after line 14, insert the following:

"(b) The President shall amend the regulation under section 4(a) to provide that the specification of (or manner for determining) prices of residual fuel oil and each refined petroleum product shall, to the maximum extent practicable, reflect the direct proportionate cost relationship among such oil and products."

By Mr. MURPHY of New York:

Page 59, after line 16, insert the following:

INCENTIVES TO EXPLORATION FOR AND DEVELOPMENT OF CRUDE OIL BY SMALL PRODUCERS

SEC. 306. (a) The Administrator may in accordance with regulations prescribed under subsection (d) guarantee loans made to small crude oil producers for the purpose of financing the exploration and development of cruude oil properties in the United States.

(b) (1) A small crude oil producer shall be eligible for a guarantee under subsection (a) only if the Administrator determines—

(A) that he is capable of successfully managing any oil-producing property to which the loan guarantee is sought;

(B) that there is a reasonable prospect of repayment of the guaranteed loan;

(C) that the loan will be adequately secured; and

(D) that such producer would not be able to obtain adequate financing without such guarantee.

(2) The amount of a guarantee issued with respect to a loan may not exceed the lesser of 90 percent of the loan or $5,000,000. Not more than one guarantee may be issued—

(A) to any small crude oil producer (including all persons affiliated with such producer), or

(B) with respect to any single property.

(3) The aggregate outstanding principal amount of loans which are guaranteed under this section may not at any time exceed $300,000,000.

(4) No loan guarantee may be issued under this section unless the small crude oil producer to whom the loan guarantee is issued agrees to pay to the Federal Energy Administration a royalty in such dollar amount as shall be determined by the Administrator of the Farmers Home Administration but in no case may such amount represent less than 5 per centum or more than 15 per centum of monies received from the sale of the crude oil which is produced by such small producer from the property to which the loan guarantee applies.

(c) For purposes of this section:

(1) A person shall be considered a small crude oil producer if such person (together with all persons affiliated with such producer)—

(A) did not produce an average of more than 3,000 barrels of crude oil per day or 5,000,000 cubic feet of natural gas per day during the calendar year preceding the year in which he makes application for assistance under this section; and

(B) did not have gross revenues in excess of $50,000,000 in such calendar year.

(2) A person is affiliated with another person if he controls, is controlled by, or is under common control with, such other person. The term "affiliate" means any person directly or indirectly controlling, controlled by, or under common control or ownership with any other person as determined by the Commission under its rulemaking authority. In promulgating such rules to implement this paragraph, the Administrator shall consider direct or indirect legal or beneficial interest or legal power or influence over another person, directly or indidirectly, arising through direct, indirect, or interlocking ownership of capital stock, interlocking directorates or offices, contractual relations, agency agreements or leasing arrangements.

(d) the Administrator shall prescribe such regulations as may be necessary or appropriate to carry out this section.

By Mr. SANTINI:

On page 273, after line 4, insert the following:

GOVERNMENT USE OF LIMOUSINES

SEC. 416. (a) As used in this section:

(1) The term "limousine" means a type 6 vehicle as defined in the Amendment to Interim Federal Specification, Automobile, Sedan, issued by the General Services Administration, December 1, 1974.

(2) The term "passenger automobile" has the same meaning as such term has under section 501 of this Act.

(3) The term "Government agency" means any department, agency, instrumentality, or authority of the executive, legislative, or judicial branch of the Federal Government, or any independent agency thereof.

(b) Except as provided in subsection (c), a Government agency may not—

(1) purchase, hire, lease, operate, or maintain any limousine;

(2) employ or procure the services of any person as a driver for a single officer or employee of a Government agency; or

(3) purchase, hire, lease, operate, or maintain passenger automobiles for the transportation of any officer or employee of a Government agency between his dwelling and his place of employment, except in the case of (A) a medical officer on outpatient medical service, or (B) an officer or employee engaged in field work in remote areas, the character of whose duties make such transportation necessary, and in either such case, only when such exception is approved by the head of the Government agency concerned.

(c) Subsection (b) does not apply to the purchase, hire, lease, operation, or maintenance of motor vehicles for—

(1) the transportation of Ambassadors stationed or conducting business abroad, or for the personal use by the President, and one each for use by the Vice President of the United States, the head of each executive department, the Chief Justice of the United States, the President pro tempore of the Senate, the Speaker of the House of Representatives, the majority and minority leaders of the Senate and of the House of Representatives, the majority and minority whips of the Senate and of the House of Representatives, and the United States Representative to the United Nations, and

(2) use by a Government agency in the performance of investigative, law enforcement, or intelligence duties, if the head of such agency determines that exclusive control of such vehicle is essential to the effective performance of such duties.

(d) No officer or employee of a Government agency, other than those referred to in subsection (b)(3) (A) or (b) or subsection (c), may be furnished a passenger automobile to be operated by a person other than such officer or employee.

By Mr. SNYDER:

On page 334, line 11, add new subparagraph (ix) as follows:

"The Administrator shall not under this section prohibit, impair, or alter the delivery of natural gas which would be used under emergency conditions including, but not limited to, air pollution alerts."

EXTENSIONS OF REMARKS

SECOND IN A SERIES OF TWO ARTICLES—SOVIET NAVAL POWER OUTSTRIPS THE WEST

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 15, 1975

Mr. McDONALD of Georgia. Mr. Speaker, the American people have a right to know the facts about Soviet naval power. American naval power is in the process of becoming inferior to the Soviet force, yet the popular misconception in this so-called age of detente lulls our Nation to sleep. While Secretary of State Henry Kissinger negotiates our country into submission, men like Prof. Wayne C. Lutton of the American Christian College are attempting to disseminate the truth about our weakened military capabilities to the American people. In turn, as a member of the Subcommittee on Seapower and a representative from the Seventh Congressional District of Georgia, I feel that it is my duty to assist persons like Professor Lutton in his work. The following article is the second in a series which appeared in Christian Crusade Weekly on March 2 of this year:

SOVIET NAVAL POWER OUTSTRIPS THE WEST

(By Wayne Lutton)

Last week, I traced the development of the Russian Navy in the post-World War II era and concluded by detailing the current strength of the Soviet surface fleet.

A further example of Soviet strength is the new and highly advanced Kresta II class frigates which the Russians began deploying in 1970. The Kresta II carries the new SS–N–10 antiship missile, heavier guns, more torpedo tubes, and ASW rocket launchers.

The Soviets have also been building even larger Kara class missile cruisers and the first of these heavily armed ships entered the Mediterranean in 1973.

As of January 1, 1974, the Soviets possessed a fleet of 29 modern cruisers, while the U.S. had a total of only seven, with Britain and France having an additional total of four. Clearly, the Russians have a surface fleet armed with guns and missiles that can now operate in waters that previously saw only Western warships.

Along with a fleet of the most powerful heavy cruisers in existence, Russia has also built, since the early 1960s, numerous missile destroyers, escort ships, small missile boats, torpedo boats, and other auxiliary ships. Many of these ships play a role in anti-submarine warfare.

As of January 1, 1974 the U.S. and the U.S.S.R. both had 192 destroyers and frigates apiece. However, the Soviet ships have, with few exceptions, been constructed since 1960. Most of the U.S. destroyers are an average of 20 years old. In the category of small missile craft and torpedo boats, the Soviets enjoy an overwhelming superiority, with 511 units to a total of only 32 for the U.S.

The U.S. is the pioneer in the field of nuclear-powered submarines. However, experts tend to agree now that the Soviets have about caught up to us.

The Soviets now have about 90 nuclear-powered submarines, while we have 102. The Soviets have built 33 Yankee-class missile submarines, which are similar to the U.S. Polaris, and are armed with 16 nuclear-tipped missiles with a range of about 1300 nautical miles. *Soviet Yankee-class submarines regularly patrol our Atlantic, Pacific, and Gulf of Mexico coasts.*

Starting in 1973, the Soviets introduced the first Delta class submarines. The Deltas are currently the largest undersea craft in the world, with an estimated displacement of 10,000 tons and length of 450 feet.

The Deltas have 12 missile tubes designed to fire the SS N–8 missile, which has a range of 4200 nautical miles. This means that *Deltas can hit targets such as San Francisco and New York without straying far from their sub bases at Vladivostok and Murmansk.*

Secretary of Defense Schlesinger has reported that by the middle of this year the Soviets will have 51 or 52 Yankee and Delta class submarines, carrying at least 744 nuclear-armed missiles.

In addition to their nuclear fleet, the Soviets have 260 advanced diesel-powered submarines. Over 150 of these are attack models intended to destroy merchant shipping. Others are equipped with ballistic missile tubes.

The U.S. has only 15 conventional craft in use. Thus, in terms of total numbers, the Soviets have around 350 modern submarines, *over three times the U.S. fleet of 117 ships.*

Our nominal NATO allies, France and Britain, have a further 55 submarines in operation. However, their governments are undependable and their units of doubtful fighting quality. In any case the combined U.S., French and British fleets in no way come close to matching the strength of the Soviets.

"Our ability to apply power overseas is shrinking at an impressive rate," warns recently retired Chief of Naval Operations Admiral Elmo Zumwalt.

Under the guidance of Henry Kissinger, the U.S. has entered into the SALT agreements—Strategic Arms Limitations Talks. SALT has been hailed by the liberal press as being giant steps forward in the quest for peace.

In truth, *the SALT agreements are a guarantee that the U.S. will descend into a permanent condition of strategic inferiority compared to the Soviet Union.*

Under SALT I the Soviets were given a 41 percent superiority in land-based missiles, a 34 percent superiority in sea-based missiles, and a 50 percent superiority in strategic submarines.

By mid-1977 the Soviets could have a fleet of 62 Delta-class submarines with up to 950 missiles, while remaining within the SALT "constraints." Not covered under SALT are the older Soviet Hotel-class and 22 diesel Golf-class submarines, armed with a total of almost 100 missiles.

Soviet warships are assisted in their operations by a fleet of 40 spy ships, jammed with electronic gear. These intelligence-gathering craft regularly keep watch off the U.S. Polaris submarine bases at Holy Loch, Scotland, Rota, Spain, and Apra Harbor, Guam.

Others operate along the southeastern coast of the U.S. in a position that permits surveillance of the Polaris base at Charleston, South Carolina, and missile launchings from Cape Kennedy.

All of the Soviet spy ships are under the direction of the 8th Directorate (code-breaking and surveillance) of the KGB in Moscow.

By comparison, the U.S. has phased-out its small fleet of spy ships, following the bombardment of the USS Liberty by Israel and the capture of the Pueblo by the North Koreans on the high seas.

Until the past few years the Soviets had few overseas naval bases available to their warships. This, too, has changed. The Soviets have several ports available to them in the waters of the Indian Ocean.

In 1971 the Russians signed a Treaty of Friendship, Peace and Cooperation with the leftist government of India. Soviet technical assistance has enlarged the capabilities of the Indian east coast naval base at Visakhapatnam.

The Soviets also have installations off the Gulf of Aden and astride the southern entrance to the Red Sea and Suez Canal.

Closer to the U.S., the Soviets have been giving increasing attention to the Caribbean since Fidel Castro took over Cuba in 1959. Since 1969 Russian submarines have been calling at Havana and Cienfuegos on a regular basis.

As the reliable *Times of the Americas* reported last April 3, Havana Harbor is being modernized to carry a larger volume. The importance of a Soviet naval base only 90 miles off the Florida coast need hardly be emphasized.

As a companion article by ACC President David A. Noebel points out, the Soviets hope to gain control of Portugal in the near future, thus checking the U.S. base at Rota, Spain and presenting the Russians with the possibility of closing the Mediterranean Sea and North Atlantic to Western shipping.

At a time when the Soviets have been vastly increasing their naval forces, the U.S. has cut its defense budget. In the last several years, the fraction of our Federal budget spent for defense has dropped from around 55 per cent to less than 30 per cent—a reduction of almost 50 per cent.

Our new Chief of Naval Operations, Admiral James L. Holloway, has noted that many Americans fail to realize what is happening with the Soviet Union on the high seas. He and others concerned with our national security have emphasized the need for the U.S. to modernize our surface fleet and give top priority to the Trident submarine program. The Tridents will carry 25 nuclear-missiles and can serve as a check upon the Soviet Deltas.

Lastly, it should now be clear to even the most casual observer that the foreign policy charted for the U.S. by Henry Kissinger can only lead to the eclipse of America as a great power. Kissinger has followed the lead established by Kennedy, Johnson, McNamara and Walt Rostow. *Our best guarantee of national survival rests upon a return to a defense policy based on U.S. superiority, assisted by dedicated diplomacy. The alternative policy of detente is actually "Surrender by the installment plan."*

THE RESOLUTIONS FROM THE HARTFORD COURT OF COMMON COUNCIL

HON. ANTHONY TOBY MOFFETT

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 16, 1975

Mr. MOFFETT. Mr. Speaker, I would like to place in the Record two resolutions recently passed by the Hartford Court of Common Council. The first suggests some of the possible implications for revenue loss as a result of the recent proposal by the Department of Health, Education, and Welfare that moneys under the Social Security Act be submitted monthly rather than quarterly to Washington. The other takes an admirable position in favor of genuine economic relief for retired homeowners. The resolutions follow:

Resolution

Whereas, Proposed U.S. Senate Bill 1685, presently before the U.S. Senate Finance Committee will amend section 218 of the Social Security Act thereby allowing states to continue to make social security payments and reports on a calendar-quarterly basis as opposed to HEW's proposal that said monies be sent to Washington on a monthly basis; and

Whereas, The HEW proposed monthly social security payment would result in an estimated loss of $700,000 in short-term investment money for the State of Connecticut; and

Whereas, HEW's proposed monthly social security payment would result in an estimated loss of as much as $250,000 in short term investment revenue for the towns and Cities in Connecticut; and

Whereas, This change to monthly social security payments would only create more red tape for every town and City in Connecticut; now, therefore, be it

Resolved, That the Hartford Court of Common Council does hereby go on record as strongly supporting Senate Bill 1685; and, be it further

Resolved, That the Town Clerk is hereby directed to forward copies of this resolution to all members of the Connecticut Congressional delegation in Washington, D.C.

Resolution

Whereas, The Present economic problems of this Country are placing particularly difficult hardships on elderly and retired persons who must live on fixed incomes; and

Whereas, Many retired people own their homes and are financially unable to provide adequate maintenance of their property; and

Whereas, The Elderly Homeowner Relief Bill, S-667, before the United States Senate Finance Committee, will provide various forms of economic relief to retired homeowners; now, therefore, be it

Resolved, That the Hartford Court of Common Council does hereby go on record as strongly supporting the passage of this elderly homeowner relief bill; and be it further

Resolved, That the Town Clerk is hereby directed to forward copies of this resolution to all members of the Connecticut Congressional delegation in Washington, D.C.

IS MASS TRANSIT AN UNREAL DREAM?

HON. BUD SHUSTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 16, 1975

Mr. SHUSTER. Mr. Speaker, mass transit had better not be an unreal dream because, if it is, America's great metropolitan centers are doomed. Nevertheless, there is much truth in the following editorial by David Wilson which appeared in the July 5 Boston Globe. The Urban Mass Transit Administration informs me that, even with unlimited resources, only 10 percent of America's passenger travel would be done on fixed rail mass transit. The point being that most mass transit will occur over highways. Once this fact is recognized, the most ardent mass transit enthusiasts may begin to see the need to modernize America's highway system. Without the highway trust fund, we would not have adequate roads for cars, trucks, or mass transit.

The editorial follows:

Mass Transit: Unreal Dream

(By David B. Wilson)

Nice people are for mass transportation. Wicked polluters are for gas-guzzling monsters, superhighways and parking lots.

The fact is, public transportation is a little like busing for school integration: The people most enthusiastically in favor of it are those least likely to have to encounter it.

The suburban mind's capacity for auto-therapeutic self-deception is apparently inexhaustible.

Support of busing downtown gives the liberal suburbanite a fine feeling of solidarity with the oppressed while protecting him from the necessity of much personal contact with them.

His support for mass transit is derived from the belief that if enough people can be induced to take the subway he will run into fewer traffic jams and less air pollution while operating his own car.

Nevertheless, the liberal litany has condemned the automobile and exalted the rapid transit train for so many years that attitudes have become petrified. People who should know better persist in thinking of the two systems as antagonistic and mutually exclusive alternatives.

They have failed to reckon with the outward spread of population and economic activity into the suburbs and beyond, the growth of lateral commuting, around the rim of the urban wheel rather than along its spokes to the hub, and the burgeoning cost of operating deficits characteristically accompanied by reduced ridership.

Prof. Alan A. Altshuler of the Massachuessts Institute of Technology, in recent testimony in Washington, expressed oncern over public misunderstanding of this situation.

Until recently secretary of transportation for Massachusetts, Altshuler still regards himself as an advocate of improved and extended mass transit.

But he is appalled by the possibility that billions may be poured into development and operation of transit systems for which there is in fact no foreseeable market.

About two-fifths of combined highway-transit aid from the Federal govenrment to urban areas in the coming fiscal year will be for transit, a mode that accounts for about 5 percent of urban passenger miles of travel.

Altshuler believes that urban dispersal "has already imposed very stark limits on the patronage potential of fixed route transit service," i.e., subway trains.

Existing routes and extension plans are largely predicated on the spoke-hub model of the city, one which is almost obsolete.

Even in metropolitan areas larger than 1 million, he points out, only 9.4 percent of employed residents worked in central business districts and fewer than half of these were suburban residents.

Altshuler calculates that public expenditures to meet operating deficits of transit systems in this country increased from $12.4 million in 1964 to $1.3 billion estimated for last year.

Facilities are constructed at high planning cost and top union pay scales. They are designed to run at a loss and to transport people who cannot afford to pay for the service. Operating employees recognize Federal subsidy to be a bottomless reservoir of potential pay increases and fringe benefits. Collective bargaining is a farce as transit unions whipsaw public management between the power to strike and the power to vote.

Meanwhile, 95 percent of the travel in urban areas continues to be by other means of transportation.

Altshuler sees a shift to car pools, vans, dial-a-ride and other flexible systems as the best prospect for achieving goals of fuel conservation, reduced traffic congestion, less pollution and adequate service. But massive Federal subsidy, he believes, is not the answer.

More likely to achieve these goals, he believes, is regulation by price—boosting the cost of fuel, vehicles, registration, parking and so on. The result would be creation of market for the cheap, more flexible, less capital-intensive modes of travel.

He may or may not be right about this. But the picture he paints of the economics of rapid transit should give pause to liberals still living in the toy-train dream world of a decade ago.

BEAVER COUNTY CONTRIBUTED TO U.S. HISTORY

HON. GARY A. MYERS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 16, 1975

Mr. MYERS of Pennsylvania. Mr. Speaker, during the month of August, Beaver County, in my district, the 25th of Pennsylvania, will celebrate its 175th birthday with appropriate ceremonies.

Beaver County, Mr. Speaker, served as the gateway to the West when our forefathers explored the wilderness and stayed to unite a great Nation.

The Beaver County Times, a fine newspaper in my district, commented on the history of Beaver County and its contributions to the Nation. I believe the occasion, and the editorial, is worthy of sharing with my colleagues:

BEAVER COUNTY CONTRIBUTED TO U.S. HISTORY

Beaver County will mark an important milestone in its proud history next month. Preparations are now underway for observance of the 175th anniversary of the establishment of the county as a political entity.

The event will be marked with a three-day celebration to be held Aug. 1, 2, and 3. It will take place at the Court House in Beaver, seat of the county government.

Beaver Countians have good reason to celebrate their rich historical heritage. For what is now Beaver County had great influence on the development of the then-young nation that has become the greatest country on earth.

In its infancy, Beaver County was the gateway to the wilderness to the west. It was the site of two military outposts, Fort McIntosh in what is now Beaver and the encampment where Gen. "Mad Anthony" Wayne trained his American Legion in preparation for the Battle of Fallen Timbers. (It was from the name given the troops who trained there that the name Legionville, now part of Harmony Township, is derived.)

In addition to its invaluable role in opening the West to settlement by the white man, Beaver County also had vast influence in the industrial development of the fledgling United States.

From that small beginning on what was then the country's western frontier, Beaver County has grown into the industrial giant that it is today, one of the nation's major manufacturing centers. Truly, Beaver Countians have much to celebrate as their home county marks its 175th anniversary, as they will have when the Bicentennial is observed.

In today's Times is a 104-page tabloid-size supplement which recounts many of the highlights in Beaver County's rich historical heritage. It is our hope that this will not only serve as a historical record of our county's inestimably valuable contributions to the development of our great country, but that it will, also, instill new pride in their county and their country among all Beaver Countians.

40-YEAR DRUNK

HON. WILLIAM L. ARMSTRONG

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 16, 1975

Mr. ARMSTRONG. Mr. Speaker, a few days ago the Colorado Springs Gazette Telegraph published a trenchant editorial which sums up in a few succinct paragraphs the folly of Federal spending policies. I commend it to the attention of my colleagues:

40-YEAR DRUNK

Bismarck's famous crack, "The less people know about how sausages and laws are made, the better they'll sleep at night," has a new and appropriate application.

The less people understand the portent of our explosive national indebtedness and the more they enjoy the political euphoria of "goodies" bought with billions in taxes they have paid Uncle Sam, the more they'll sleep.

For it threatens us more and more with the kind of financial disaster that struck Germany when a wheelbarrow of paper money was needed to buy a loaf of bread.

Going into more and more debt is like drinking hard liquor. One or two drinks may make you "feel good." "Feeling good" is contagious, you want to continue, so the more drinks you consume the more of a drunk you become.

Germany went bankrupt, a disaster which led to loss of freedom and the ascent of Adolph Hitler, then to World War II.

Since Franklin Roosevelt's election to four terms in the presidency our politicians have become addicts of that "good feeling" which comes from handing out more and more money and going further and further into debt until we now are faced with an astronomical debt of $487,600,000,000—or $2,600 for every man, woman and child in our country. Our government even has to borrow money to pay the interest on money it has already borrowed, now running $30 billions per year.

Historically, going back to the earliest times, unpaid national indebtedness has ended in dictatorships. Surely, nations through all history, like individuals, have borrowed money to meet temporary emergencies. Those that survived tightened their belts and paid off their indebtedness. This we have not done since Roosevelt. Instead, the cure for every need has become deficit spending. It has become a habit, even in good times.

The sums Congress and the President are proposing would bring our national indebtedness to $662,800,000,000.

It flabbergasts the mind. Digest it carefully.

PARAPLEGICS HAVE A CHAMPION

HON. BILL ALEXANDER

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 16, 1975

Mr. ALEXANDER. Mr. Speaker, Arkansas is blessed with many citizens who are dedicated to serving the needs of others. Few are as dedicated as Mrs. Maurice "Jane" Smith. Her untiring efforts on behalf of spinal cord injuries have resulted in the passage of landmark legislation by the 17th General Assembly of the Arkansas Legislature which creates a State Spinal Cord Commission. The act is the first of its kind in the Nation.

I would like to share with my colleagues an article which outlines the work of Jane Smith, truly an asset to the people of her State and all those across the Nation who are afflicted with spinal cord injuries:

PARAPLEGICS HAVE A CHANCE

LITTLE ROCK.—Mrs. Jane Smith has spent a lifetime working for better medical care for persons with spinal cord problems. And because of her efforts, the Seventieth General Assembly of the Arkansas Legislature passed a landmark bill in establishing a comprehensive care program for treatment and rehabilitation of spinal cord injured persons and those with associated problems. The Act, which is the first of its kind in the Nation, also established a State Spinal Cord Commission to administer the program.

Mrs. Smith became interested in this often forsaken medical problem almost two decades ago when her mother received a broken neck in an auto accident. Astonished at the lack of medical knowledge in this field and infuriated by the prevalent attitude, "The sooner she dies, the better," the librarian from Birdeye set out to make her mark in medical history. In belief that quadriplegics (persons with paralyzed arms and legs), such as her mother, deserved more than an early grave, she searched for help and later that year found Dr. Howard A. Rusk at the New York University Medical Center.

Dr. Rusk offered the first glimmer of hope that proved to be the light at the end of the tunnel. He subscribed to the belief that paralyzed persons not only deserved a better life, but were capable of leading one.

Through her association with Dr. Rusk, Mrs. Smith met other leading authorities in the field. She learned that the apathy toward paralyzed persons was universal and not confined only to Mid-South doctors. Appalled by the situation, Mrs. Smith pledged her life to helping correct this problem.

After almost twenty years of helping others receive better medical care, the lady from Birdeye made her largest contribution when she headed the first survey of spinal cord injured persons by the Arkansas league for Nursing. The survey, only the third of its kind in the Nation, found more than 1,100 Arkansans suffering from spinal cord injury or damage. Furthermore, it found that a fully coordinated approach to the early recognition, emergency care and transportation, definitive treatment and rehabilitation, and long-term management direction was lacking yet essential to guaranteeing these patients the opportunity to lead a more useful life. It also pointed out that only the wealthy can afford the medical support needed for these persons. Recommendations of the survey were that the State establish a funding mechanism, develop and operate a spinal cord treatment center and coordinate treatment and rehabilitation efforts.

As a result of the survey, the Arkansas General Assembly established a State Spinal Cord Commission and appropriated one million dollars to fund it. The nine commissions, appointed by the governor, are charged with developing an Arkansas Spinal Cord Treatment Center, and in the meantime coordinating the care given to the spinal cord injured patients. The commission would also arrange for financial assistance for persons unable to pay. Additionally, until a center could be opened, the commission will contract with other agencies or institutions to provide the services deemed necessary.

CAPTIVE NATIONS WEEK

HON. GARNER E. SHRIVER

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 16, 1975

Mr. SHRIVER. Mr. Speaker, the observance of Captive Nations Week is always a meaningful event, but it is of extra significance on this occasion. For the first time in 15 years, we have seen the list of captive nations grow, as Cambodia, South Vietnam, and Laos have fallen under the yoke of Communist distatorship.

There is no reason to hope that this will be the end of it. Unfortunately, the sad fact is that the Communists are never satisfied with what they already have. On the contrary, even today they are working hard in country after country to impose their will on the people.

Experience has shown that no nation

will ever willingly choose to be subjected to Communist rule. For example, just recently we have seen 87 percent of the people of Portugal repudiate the Communist choice in a free election. Yet, the Communists have never allowed the wishes of the people to stand in their way when it comes to taking over a country. In recent weeks the voices of non-Communist newspapers and radio stations have been brazenly silenced in that unhappy country. Perhaps the trend in Portugal is not yet irreversible. We pray that it is not. Yet the situation remains extremely dangerous and must serve to warn all free men of the readiness of the Communists to exploit any situation which can be turned to their gain.

Mr. Speaker, the United States has entered the period in which it is celebrating the Bicentennial of its own liberation from foreign domination. As we rejoice in the memory of those gallant men and women who gave their lives to secure our liberty two centuries ago, let us not forget our fellow men in Eastern Europe, Asia, and Cuba who yearn also to be free. Let us never waver in our resolve to work for the day when all nations and all men will live in liberty.

THE SECOND AMENDMENT—ITS MEANING TODAY

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 16, 1975

Mr. ASHBROOK. Mr. Speaker, I recently received a scholarly article on the meaning of the second amendment by David I. Caplan, Ph. D. Dr. Caplan is legal director of the Federation of Greater New York Rifle and Pistol Clubs.

Dr. Caplan presents a strong historical and legal argument that the second amendment constitutionally protects the right of the individual to keep arms for both self-defense and the common defense. For the information of my colleagues I am including the text of the article in the RECORD:

THE SECOND AMENDMENT—ITS MEANING TODAY

(By David I. Caplan, Ph. D.)

The Second Amendment to the United States Constitution is one of the first Ten Amendments, the Bill of Rights, and as such was passed by the First Congress in the year 1789 and then ratified by the original states in 1791. The purpose of each and every one of these amendments was to set forth specific limitations on the powers of the central (federal) government and thereby provide "every desirable safeguard for popular rights". (James Madison)

Thus, for example, the First Amendment specifically prohibits the federal government from abridging freedom of speech and press, religion, and "the right of the people peaceably to assemble, and to petition the Government for a redress of grievances".

Likewise, the Second Amendment provides: "A well regulated Militia, being necessary to the security of a free State, the right of the people to keep and bear Arms, shall not be infringed."

The news media of today continually trumpet the line that the Second Amendment merely guarantees to the States the right of the States to have militias, and that the Second Amendment does not guarantee any individual rights! This view is completely wrong, for several reasons.

Each and every other one of the Bill of Rights which speaks of a "right of the people" has been interpreted by the United States Supreme Court as guaranteeing an individual right. Thus, for example, the First Amendment "right of the people peaceably to assemble" has been construed as an individual right (to demonstrate). Moreover, the Fourth Amendment "right of the people to be secure in their persons, houses, papers, and effects, against unreasonable searches and seizures" has likewise been construed as an individual right.

And the Ninth Amendment recitation, that "The enumeration in the Constitution, of certain rights, shall not be construed to deny or disparage others retained by the people", has likewise been construed by the United States Supreme Court as guaranteeing an individual right (to use contraceptives).

Thus, every use of the phrase "right of the people" in the Bill of Rights refers to individual rights, not to States Rights. Indeed, the Tenth Amendment makes this distinction between individual and States rights even more sharp in stating: "The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people". Thus, the Framers of the Bill of Rights had a clear distinction in mind: When they intended individual rights they used the phrase "right of the people" (just as in the Second Amendment!).

The proposal for the Second Amendment in the First Congress (1789) originally contained the exemption: "but no person religiously scrupulous shall be compelled to bear arms". This exemption for those we now call "conscientious objectors" was opposed (ultimately successfully) by the famous Elbridge Gerry.

In undoubtedly the most important statement on the Second Amendment, which has been since then systematically gerrymandered (by legal "scholars", by the news media, by the U.S. Department of Justice, etc.), Elbridge Gerry said (in full):

"This declaration of rights, I take it, is intended to secure the people against the mal-administration of the Government; if we could suppose that, in all cases, the rights of the people would be attended to, the occasion for guards of this kind would be removed. Now, I am apprehensive, sir, that this clause would give an opportunity to the people in power to destroy the Constitution itself. They can declare who are those religiously scrupulous, and prevent them from bearing arms.

"What, sir, is the use of a militia? It is to prevent the establishment of a standing army. Now, it must be evident that, under this provision, together with their other powers, Congress could take such measures, with respect to a militia, as to make a standing army necessary. Whenever Governments mean to invade the rights and liberties of the people, they always attempt to destroy the militia, in order to raise an army upon their ruins. This was done by Great Britain at the commencement of the late revolution. They used every means in their power to prevent the establishment of an effective militia to the eastward. The Assembly of Massachusetts, seeing the rapid progress that administration were making to divest them of their inherent privileges, endeavored to counteract them by the organization of a militia; but they were always defeated by the influence of the Crown."

Several points were made by Gerry. First, the Second Amendment secures the people "against the mal-administration of the government", that is, the keeping of arms by the people in their homes and business establishments was to serve (in the words of Chief Justice Story in 1832) as a "strong moral check against the usurpation and arbitrary power of rulers".

Second, the government was not to have the power to declare who shall or who shall not be allowed to keep and bear arms on the basis of religion or any other artifice which might be used to disarm the people.

Third, the people's ability to form a militia, by the prior private keeping of arms, was not to be thwarted as had been perpetrated by the British Crown in Massachusetts where the inhabitants of Boston had been required to deliver up their arms in a mass confiscation scheme.

Fourth, the people's right to keep arms was not to depend upon the actual existence of a militia, for the federal Congress could always outlaw the militia or allow it to become nonexistent (pursuant to the powers of Congress "To provide for calling forth the Militia ..." and "To provide for organizing, arming, and disciplining the Militia . . ." as enumerated in the body of the Constitution at Article I, Section 8, clauses 15 and 16).

The original proposal for the Second Amendment declared that a well regulated militia was the "best" security of a free State, but this was changed to merely "necessary" to the security of a free State. Necessary, but not sufficient! For in constitutional law, "necessary" does not mean "absolutely necessary" or "indispensably necessary". When the United States Constitution means to imply "absolutely necessary", the Constitution explicitly uses the term "absolutely necessary". (Example: U.S. Constitution, Article I, Section 10, clause 2: "No State shall, without the Consent of Congress, lay any Imports or Duties on Imports or Exports, except what may be *absolutely necessary* for executing it's inspection Laws".)

Thus, the Framers of the Bill of Rights expressed the thought that the Militia was not the best guarantee of the security of a free society, nor was the Militia thought to be sufficient or even absolutely necessary to the security of a free State, but that other aspects and features of the people's right to keep arms would be required to add up to a sufficient guarantee of the security of a free State, namely, the private keeping of arms to serve as a fundamental check and balance in the hands of the people.

It is further instructive to note that a proposal in the First Congress to dilute the Second Amendment, by adding the qualification "for the common defense" to "the right of the people to keep and bear Arms", was voted down! Thus, the Framers explicitly refused to limit the right to keep arms to the common defense, such as the Militia, thereby showing that the private right of self defense with arms was to be continued as a Constitutional right, just as had been previously true under British common law (court decisions) which set the minimum standards for rights guaranteed in the Bill of Rights. And the British common law clearly provided for the right of "Gentlemen to ride armed for their Security" and for the right of every "private person" to "arm himself for the Purposes" of the "killing of those who are engaged in a Riot, or a Forcible Entry".

Indeed, the English Bill of Rights of 1688 (Section 7) explicitly provided that "the subjects which are Protestants may have arms for their defence suitable to their conditions and as allowed by law", and thus the famous Sir William Blackstone (with whose works the Framers were most familiar) numbered among the "absolute right of individuals" the right of "having arms for self-preservation and defense". Of course, the above qualifications on having arms, as stated in the 1688 English Bill of Rights ("suitable to their conditions and as allowed by law"), reserves certain powers of regulation to the Government and sets certain limitations on the type of arms protected by the

English Bill of Rights. Similarly, there may be certain room for Governmental action under the Second Amendment to regulate the right to bear arms. It is sufficient to say now that subsequent cases in the United States have held that the Second Amendment right to keep arms is limited to those arms "as are usually employed in civilized warfare, and that constitute the ordinary military equipment"; but as to those military arms useful for self-preservation and defense (not nuclear weapons of course) the right to keep them is "absolute" and "unqualified", but only the right to bear them for individual self-defense and for the defense of the State may be regulated, but not prohibited. However, the right to keep arms includes the right to "purchase and practice their use".

The question now arises as to the impact of the Second Amendment upon the power of the several States, as opposed to the Federal Government, with respect to regulating or prohibiting the keeping and bearing of arms by the people. For several reasons, these powers of a State are coextensive, as to all persons within its jurisdiction, with the powers of the Federal Government as limited by the Bill of Rights, including the Second Amendment. First, the inherent right of self-defense is "founded on the law of nature" and as such "cannot be superseded by the law of society," especially because the famous "due process" clause of the Fourteenth Amendment to the U.S. Constitution explicitly prohibits the States from depriving any person of his liberty. Second, this right of self-defense may always be exercised by an individual person using those arms which are encompassed by the Second Amendment, a federally protected right. Third, the several States simply may not, in the words of the U.S. Supreme Court, "prohibit the people from keeping and bearing arms, so as to deprive the United States of their rightful resource for maintaining the public security, and disable the people from performing their duty to the general government."

As explained in the oft-misinterpreted case of *United States* v. *Miller*, the Militia comprises all able-bodied males who were "civilians primarily" and "when called for Militia service, were expected to appear bearing arms supplied by themselves and of the kind in common use at the time", in order to provide an "adequate defense of country and laws." This statement, by the highest court in our land, confirms the idea of our Constitution's Founding Fathers that the most fundamental check and balance was to be served by this feature of the Militia—the passive keeping of arms in the hands of the individual. In the view of The Federalist Paper No. 24, the standing army was to guard the "western frontier", whereas the keeping of arms in the hands of the people was to guard against this standing army; for any such "permanent corps in the pay of government amounts to a standing army in time of peace; a small one indeed, but not the less real for being small." The fear of the Founding Fathers of any such standing army, or what we now call "police forces", "F.B.I.", "C.I.A.", "B.A.T.F.", etc., is precisely why the Second Amendment was adopted, that is, to prevent a "police state". And surely the States have no legal authority to interfere with the keeping of arms in the hands of the people so that the people can quickly and effectively join the State or Federal Militias whenever any standing army should illegally attempt to seize power, or when a military or civil dictatorship is attempted.

While the American people have come to trust the ordinary processes of government to secure their rights, recent "Watergate" events show all too clearly how readily even the leaders of such agencies as the F.B.I., C.I.A., etc. can be politicized for nefarious ends. As a strong preventive measure, the keeping of arms in the hands of the people serves to prevent any contemplation of executing such plans by government, State or Federal, along the lines of mass break-ins, mass searches, and mass arrest under guise of law. For, "one of the ordinary modes by which tyrants accomplish their purposes without resistance, is by disarming the people." This is the lesson of Nazi Germany, the Warsaw ghetto, the military junta in Chile, and the fears of our Founding Fathers.

Thus, the famous constitutional authority Judge Thomas M. Cooley well-stated that the right declared by the Second Amendment "was meant to be a strong moral check against the usurpation and arbitrary power of rulers, and as a necessary and efficient means of regaining rights when temporarily overturned by usurpation", and that the meaning of the Second Amendment undoubtedly is "that the people, from whom the militia must be taken, shall have the right to keep and bear arms, and they need no permission or regulation of law for the purpose", but "if the right were limited to those enrolled (in the militia), the purpose of the guaranty might be defeated altogether by the action or neglect to act of the government it was meant to hold in check."

Thus, neither the State nor Federal Governments have the constitutional power to dilute the strong moral check of arms in the hands of the people in their homes and places of business; and unless and until the Second Amendment is repealed, this right of the individual to keep (obtain and practice with and transport therefor) arms for both self-defense and the common defense will remain a constitutional right of every citizen.

STATEMENT ON H.R. 3510

HON. ALLAN T. HOWE

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 16, 1975

Mr. HOWE. Mr. Speaker, the Interior and Insular Affairs Committee on the House of Representatives on which I serve, voted today on H.R. 3510, the Land Use and Resource Conservation Act of 1975.

On May 14, when this bill was reported to the full committee by the Subcommittee on Energy and Environment, and the motion was made to table the bill without further consideration, I voted against that motion, because I felt that this legislation, and most other bills, should be considered and discussed by the full committee on their merits and not dismissed from further consideration in a peremptory manner. Consideration by both the subcommittee and the broader full committee membership was clearly necessary to properly examine and evaluate this legislation.

I have attended each session of the Interior and Insular Affairs Committee during which this legislation has been discussed, and I have participated fully in the amendment process in which the committee has been engaged in several sessions over many weeks. I have considered all arguments for and against the bill and evaluated them against my own judgment on behalf of Utah's Second Congressional District.

After very careful consideration, I voted against reporting out H.R. 3510, for the following reasons:

First, I strongly believe in the concept of local planning to give meaningful guidance to growth and development in our communities and counties. I strongly believe that this planning must be accomplished by the people who live in that community or county and must, therefore, either benefit or suffer by reason of that planning program. Many counties and communities in Utah have a planning commission or committee in operation and many are successful. But meaningful planning and implementation is not easy work. During my time as executive director of the Four Corners Regional Development Commission, I saw many illustrations of the failure of so-called "good plans" simply because there is a built-in resistance to implementation of planning in which people have no participation. I believe H.R. 3510 attempts to give emphasis to local planning responsibilities but the bill does so with substantial Federal direction and oversight. The bill itself outlines some of these requirements but the regulations, authorized by the bill, to be written by the administrators of the program, would materially add to the Federal direction over the entire program.

Second. Existing planning programs, now in operation, require some planning compliance to meet federal requirements. These programs include the Coastal Zone Management Act, Federal Highway Act, Federal Water Pollution Control Act, Clean Air Act, Housing Act of 1954, and the Housing and Community Development Act of 1974, and others. Sponsors of the bill allege that H.R. 3510 would assist in coordinating the various planning requirements of these several acts and thus bring order to the Federal requirements in the planning process. I am unable to see how adding one more layer of planning policy can do this without requiring repeal or modification of all or some of the preexisting planning acts. The provisions of H.R. 3510 do not address this problem and would, therefore, find great difficulty, if not failure, in serving a useful coordinating role. The need for the coordination of various planning programs is present but should be accomplished by the appropriate local body to which all local citizens have an opportunity to contribute ideas and suggestions free from preconceived or federally directed conclusions.

Third. Constructive planning is needed in our communities and counties to provide for water development, sewage treatment and disposal, transportation needs, and many other community service facilities. The use of the available land for these purposes or to serve the need to protect esthetic or environmental values, are important parts of the planning process. While each particular county or community must decide its own direction, the Federal Government might legitimately assist by a bloc grant program which could provide Federal tax dollars, leaving the planning and implementation completely in the hands of the local planning body. This is not possible under H.R. 3510, because I believe, in time, additional Federal direction would build upon that already provided in the act and thereby smother the local initiative and direction of the program.

For these and other reasons, I voted

"no" on H.R. 3510 in the Interior and Insular Affairs Committee.

OUR BICENTENNIAL AND OUR WORLD ROLE

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 16, 1975

Mr. LAGOMARSINO. Mr. Speaker, as we are approaching our 200th birthday, it is a time for reflection of our country's past and the challenges we have before us to keep America strong and preserve our first 200 years. Therefore, I would like to bring to the attention of my colleagues an excellent article by my constituent, Mr. Henry Huglin, entitled: "Our Bicentennial and Our World Role".

The article follows:

OUR BICENTENNIAL AND OUR WORLD ROLE

(By Henry Huglin)

As we are all now well aware, the hoopla of our celebrating our nation's 200th anniversary is in full swing—with the meanings of 1776 being widely propounded.

This is good. We Americans have much to celebrate. We are one of the world's most successful societies. We have more freedom of the mind and spirit, equality, opportunity, material abundance, diversity, and dynamism than most other countries.

Our political philosophy and the example of our achievements have been the strongest revolutionary force in the world for these past two centuries; basically, they still are—because they match the aspirations of most people everywhere.

Throughout our existance, our nation has been a shining global beacon, standing for: liberty over tyranny; the primacy of people's freedoms, rights, and interests over their institutions; a representative government of, by, and for the people, chosen in elections in which there is a true choice, and controlled by a constitution and duly enacted laws; equal justice; and opportunities and incentives for educational, economic, and social advancement according to one's talents and labors.

This is the American dream and, in large part, the American reality. What we have stood for and achieved have attracted many millions of immigrants from all over the world and have inspired the hopes and actions of countless others.

The idea of America's leadership in the world in political ideology has been a recurrent theme throughout our history.

Jefferson wrote in 1802: "We feel that we are acting under obligations not confined to the limits of our own society. It is impossible not to be sensible that we are acting for all mankind; that circumstances denied to others, but indulged to us, have imposed on us the duty of proving what is the degree of freedom and self government in which a society may venture to leave its individual members."

Lincoln said in 1862: "We shall nobly save or meanly lose the last, best hope of earth."

Kennedy said in 1960: "If we succeed in this country, if we make a great country to live in, if we reflect our vitality and energy and strength around the world, then the cause of freedom is strengthened. But if we fail, all fail."

The implication of our success or failure are certainly no less today.

In the past 30 years, nearly 100 nations have followed our lead in getting free of their colonial status, but most without war. Yet, few have achieved a truly representative democracy; it is apparent this is very difficult to achieve in new nations, just as it has been in old ones.

Most new, and indeed old, nations have been taken over by authoritarian regimes of the right or left, with the sacrifice of many values that we hold dear.

Present leaders in some new nations which have set up a functioning democracy—as in the Philippines, South Korea, and India—have eroded it or wiped it out.

The fundamental failure has been in most old and new nations not achieving a key to our success: an accepted procedure and tradition for the constitutional transfer of power without violence or usurpation.

So, although we may believe that most people in the world yearn for our way of life, may have to settle—by choice or repressive imposition—for order, stability, and a controlled existence, with no liberties. These things tyrannies provide.

Tragically, many oppressed people, unlike our 1776 forefathers, have no means, peaceful or violent, of throwing off their yokes, not even of changing their leadership or system of government.

Once in power, all communist, and some fascist, regimes establish their tyranny with such pervasive power that there is no effective way for people to challenge it. And the communists' so-called "war of national liberation" is only a deluding title for a violent overthrow of whatever regimes are in charge in vulnerable nations and installation of communist ones—which thereafter can never be changed. Some liberation!

Well, we can surely profit from reexamining our country's beginnings, reflecting on what really makes our system and way of life so relatively great, and reenergizing our striving to fulfill our American dream for all of us.

But our world role and the world itself are vastly changed from 1776.

We are now a superpower, with the unavoidable responsibilities, burdens, and agonies that go with that role. Hence, our involvement in the world since 1945 has been as much in geopolitics as in our exemplar role of a successful popular democracy.

We need to appreciate that, in the world of 1976, our economic, monetary, and military strengths will likely exert more influence on the rest of this troubled world than our democratic principles of 1776 or our way of life.

Because we are a superpower in a still-dangerous world, sustaining our way of life will, sadly, depend—even more than it has in the past 200 years—on realism rather than on idealism, on strength rather than on ideology, and on national will and steadfastness in carrying our world responsibilities than on goodwill and high-principled declarations on liberty and the rights of man.

TRIBUTE TO JOHN I. BOTT

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 16, 1975

Mr. CONTE. Mr. Speaker, I was saddened to learn of the death late last week of a dear friend, a man I know has a lot of friends in this Chamber, John I. Bott.

John Bott, for more than a decade served with the Defense Civil Preparedness Agency in its public information office. Prior to that, he headed a public relations firm in New York and here in Washington, D.C.

He also served his country with the Armed Forces during World War II, assigned, in the Navy, to the Office of Strategic Services in the European theater. He was born in Kingston N.Y., and attended New York schools.

John Bott was an outgoing man, generous with his friendship and his time. His sense of humor was outstanding. Time and again, I saw him lift the spirits of his companions as he found a bit of humor in most any situation. He delighted in making people laugh. He will be missed by all who were privileged to know him and share with him a smile

At this time, I want to express my sincere sympathy to his mother Mrs. Myra Bott, his son, John I. Bott, Jr., and his daughter Wendy Lyman Bott and his two grandchildren.

NAVY DISTORTS "NEED TO KNOW"

HON. BOB CARR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 16, 1975

Mr. CARR. Mr. Speaker, I submit for the RECORD an article describing yet another example of Government misinterpretation of the laws concerning classified information.

The incident discussed is a 1969 collision of a U.S. nuclear submarine with a Russian submarine in Soviet waters. It is questionable whether or not a full disclosure of this was made to the National Security Council or the State Department. The primary assertion of the article is that the principle of "need to know" was evolved into a principle of "they never need know."

Until these distortions of classified information regulations are eliminated, we will continue to have coverups and dissemination of misinformation in the name of national security. Security clearance and classification regulations were established to insure the secrecy of Government intelligence when necessary. We must be certain this does not develop into a policy of deliberately misinforming people or routinely denying them access to information that does not need to be classified.

Mike Jenkins, a former radioman on a nuclear submarine and a senior at Michigan State University, wrote this article, which was published in the State News July 11, 1975. I recommend his article to my colleagues.

The text of Mr. Jenkin's remarks follows:

NAVY DISTORTS "NEED TO KNOW"

(By Mike Jenkins)

The latest report of an alleged coverup within government bureaucracy involves the 1969 collision of the U.S. Navy nuclear submarine U.S.S. Gato (SSN 615) with a Russian submarine in Soviet waters.

The charge stems from the belief that the Navy did not make a full report of the incident to the National Security Council or the State Dept.

I believe the key to this particular coverup lies in the distortion of the U.S. military's security code regarding "the need to know." Essentially, this means that no classified information is to be disseminated to any person unless that person needs to know the information to perform his job.

Unfortunately, the slogan has deviated from its original meaning over the years. Too often "the need to know" has been construed to mean "they need never know." I believe this was the rationale used when the decision was made to suppress the sub collision incident.

To see why the Navy would try to keep the accident a secret, you have to view the period of time in which the incident took place.

From Jan. 1967 to June 1969, U.S. Navy ships were involved in at least eight collisions, six sinkings, six groundings, five serious fires, one capture (the USS Pueblo by the North Koreans) and one mutiny. One ship was fired on, one plane shot down (again by the North Koreans) and one plane crashed.

The above incidents resulted in the loss of 344 men, 99 of which were aboard the U.S.S. Scorpion, nuclear fast-attack submarine, when it was lost off the Azores sometime between May 21–27, 1968. There was speculation at the time that the Scorpion had collided with another submarine.

In Oct. 1968, Defense Secretary Clark Clifford restored Vice Admiral Hiram G. Rickover's $1.5 billion "quiet sub" construction project. The sub force would have hated to see this appropriation cut. The Pentagon had already canceled production of the Navy's F–111B fighter plane after the Navy had spent $571 million on it.

I believe the Navy decided that they did not need any more bad publicity. The submarine had returned to the U.S. intact without any loss of lives and the Russians had not made any public report of the incident. The Navy did not want the Rusians to know for sure that it was one of our submarines, operating in Soviet waters, that had collided with one of their subs.

Very simply, the big brass did not want to "make waves" or "rock the boat." They decided to "leave well enough alone." But the most important of all, I think they decided that if it were found out later, it couldn't be any worse than if it were found out now.

Not until that last rationale is proven wrong will coverups cease to exist.

DEFICIENCIES OF THE POSTAL RATE COMMISSION

HON. CHARLES H. WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 16, 1975

Mr. CHARLES H. WILSON of California. Mr. Speaker, in 1971, at the time of postal reorganization, a Postal Rate Commission was created to determine mail rates and classifications. It was hoped that by acting in an independent, businesslike manner, the Commission would fulfill four functions: First, remove any possibility of traditional political influences in ratesetting; second, inject expert, unbiased analysis and technical proficiency into the process; third, save time; and fourth, insure adequate checks and balances in the ratemaking procedure. Unfortunately in the 4 years since reorganization, not one of those hopes has been realized.

Instead the Postal Rate Commission has become a showcase for Presidential patronage, and a dumping ground for political hacks with little or no expertise in setting postal rates. The present Commission is made up of a former private consultant on gas pipeline energy, an ex-administrator from the Department of Transportation, an antitrust lawyer, a former press aide to President Ford, and a past staff member of the Senate Post Office Committee.

Furthermore, the Commission is, despite all the reassurances and denials to the contrary, a blatant example of partisan politics operating in direct opposition to title 39, which makes it illegal for more than three members of a single political party to sit on the Commission at any one time. At present there are five members of the Commission—none of them are Democrats.

Still another expectation which the Commission has failed to meet lies in the all-important area of technical expertise. The opportunity for expert testimony from outside interests, one of the real strengths of the previous congressional ratemaking process, has been severely limited for most small business by the exorbitant legal fees and acres of paperwork required of intervenors in the PRC proceedings. Total legal fees invested by intervenors in the PRC's two rate cases are on the order of $8 to $10 million, yielding the almost predictable result of a 50-percent decrease in the number of businesses, organizations, and individuals providing important and needed input into the rate determination process.

In spite of this reduction, however, PRC has been able to take any action whatsoever on classification and what action it has taken on rate hearings has been drawn out at least twice as long as the previous congressional rate hearing. The 1967 rate case, the last case heard by Congress, spanned 9 months. The 1971 rate case which the PRC handled, lasted 16 months. The most recent of PRC's rate cases originated on September 25, 1973, and is now in its 23d month. And meanwhile, every month's delay costs the U.S. Postal Service an additional $250 million.

Finally, there is this very important matter of cost. Based on detailed calculations prepared at my request, a comparison of the costs incurred in the earlier congressional hearings and the costs incurred by the Commission in its hearings yields the following figures:

Cost of 1967 congressional rate hearings: $60,000.

Cost of 1971 PRC rate hearings: $2.2 million.

Cost of 1974 PRC rate hearings: $4.3 million.

Clearly even after allowing for inflation and prorating costs the Commission has managed to jump the cost of holding rate hearings from $6,700 a month to $137,000 a month to $187,000 a month—a shocking increase of more than 2,000 percent over Congress' 1967 costs.

Part of this hike is due to the expense of printing the Commission's decisions. In 1971, this figure was $200,000, $195,000 more than the 1967 decision cost to print. This cost spiral obviously represents only a portion of the massive explosion in costs once the PRC assumed rate determination responsibility from Congress. It remains to be seen what other components share the blame for this mushrooming of the PRC budget.

There can be no doubt, however, that since the creation of the PRC there has been a steady deterioration in every area of the ratemaking process. And there can be no doubt that this deterioration has actually cost us more—in one case 20 times more. According to one senior level postal official, the "irresponsibility" of the PRC is a "major cause of our problems." My colleague on the Post Office and Civil Service Committee, Congressman JAMES M. HANLEY, has made perhaps the most succinct comment of all. PRC's handling of the two rate cases is, he says, "nothing short of a complete mess."

We are at a point in the Nation's history and in the history of the Postal Service where speedy, equitable consideration must be given to any Postal Service request for review of rates. For 4 years, certainly more than a generous period, the PRC has shown itself incapable of fulfilling that task. It is apparent to me that the PRC either will not or cannot discharge its functions to the Postal Service, the Congress, and the American people. I am therefore introducing a bill in Congress today which abolishes the Postal Rate Commission and returns ratemaking power to the Congress. In addition, I will offer this legislation as an amendment to H.R. 8603 which was voted out of the Postal Service Subcommittee last Friday and comes up before the full committee tomorrow morning. This legislation, H.R. 8603, increases public service funding for the Postal Service by about $1.7 billion a year and revises PRC procedures in an attempt to expedite the handling of rate hearings.

Before I conclude, Mr. Speaker, there is one further point I would like to add to my statement.

As you probably know, USPS management and the postal labor unions are currently involved in negotiations for a new labor contract. The current pact is due to expire at the end of this week.

The two sides have been unsuccessful as yet in reaching an agreement, however, and this failure can at least partially be blamed on the Postal Rate Commission, which by its inability to conclude the current rate case in a reasonable amount of time has left postal management in the position of not knowing when rate increases could be effected to meet any necessary labor cost increases. Thus, in effect, postal workers are bearing the burden of Rate Commission ineptitude.

PERSONAL EXPLANATION

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 16, 1975

Mr. MAZZOLI. Mr. Speaker, on Thursday, July 10, I was kept from responding to quorum call No. 372 because of the malfunction of a Capitol elevator. Several of my colleagues suffered a similar fate.

Had the elevator been working, I would have been present for this quorum call.

POSTAL SERVICE PROPOSALS

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 16, 1975

Mr. UDALL. Mr. Speaker, I read with interest a July 7 Time magazine editorial dealing with the Postal Service. It is a thoughtful essay regarding the problems of the Postal Service and the proposed increase in postal rates for second-third-, and forth-class users. Time asserts that the solution to these problems lies with Congress and, therefore, I feel their views deserve our attention.

The editorial follows:

WHY THE POSTAL SERVICE MUST BE CHANGED

(By Gerald Clarke)

The Post Office, an organization older than the republic itself, went out of existence four years ago. Amid proud speeches and high hopes, the new U.S. Postal Service took its place. The Post Office's emblem, a galloping pony express rider from the 19th century, was replaced by a sleek 20th century eagle, and the Postal Service, a quasi-independent Government corporation, was expected to be equally up to date. Its assignments was not only to deliver the mail fast and efficiently but also to pay its own way within just a few years, phasing out a 200-year-old subsidy from the American taxpayer.

So much for good intentions. Instead of combining the efficiency of private enterprise and the Government's concern for the public good, as its designers had anticipated, the Postal Service is increasingly unsuccessful as a business and hurtful to the public welfare. The new eagle has no wings. Today postal delivery is no better than it was under the old Post Office, and in some cases it is worse. The Postal Service, which has a current budget of $12.6 billion, is now running a deficit of more than $820 million, over and above a federal subsidy of $1.5 billion. Unless it receives a huge infusion of cash, it could face bankruptcy. (As a corporation, the Postal Service can actually go bankrupt, though the Government, of course, is always there to bail it out.)

Postal rates, moreover, have risen and are still rising so rapidly that many users will soon be priced out of the market. Major voices in America's free press, among the nearly 10,000 magazines and hundreds of mail-delivered newspapers, are threatened with extinction. Two questions must now be asked. What went wrong? And more important: What kind of postal service does the U.S. need?

The first question is the easier. Just about everything went wrong. To begin with, the top management, recruited from business, was remarkably unbusinesslike. Elmer Klassen, who was Postmaster General from January 1972 to February 1975, always seemed uncertain about what the Postal Service should be. He let people go, and then, when operations deteriorated, hired others to take their place. The Postal Service, which spends 85% of its budget on labor, now employs 700,000, making it, after the Bell System, the nation's second largest corporate employe.

To raise its wages to the level of private industry and also to win valuable allies against congressional critics, the Postal Service in 1973 gave the seven postal unions an overly generous settlement: an increase that amounted to 23% in wages and benefits over two years. Postal employees now earn considerably more than comparable Government workers; a beginning postal clerk, for example, makes $10,898, while a Government clerk in a roughly similar area starts at $8,500. Most remarkably, if postal workers were paid at the same rate as Government employees, there would be no postal deficit at all this year. Moreover, postal employees have also written into their 1973 contract something quite unusual: a guarantee against their being laid off, a *quid pro quo* supposedly for their pledge never to strike. That promise, however, has not prevented them from threatening to strike when their present contract expires on July 20.

Inflation has hit the Postal Service even harder than most other enterprises. Just the increases in fuel prices—the Postal Service is the nation's biggest gasoline user—have added $162 million to its costs since January 1973. The only successful cost cutting that the corporation has managed has been at the expense of service—reducing the number of collections, for example, and putting mailboxes by the curb in new housing developments rather than by the door, so that the homeowner and not the mailman has to do the walking.

Faced with all these problems, Klassen's successor as Postmaster General, Benjamin Franklin Bailar, a former vice president for international relations at American Can Co., gives the promise of providing more efficient administration. He is young (41), analytical and decisive. Even if the Postal Service had had good management from the start, however, it would still be in deep trouble today.

The law that created it contains such glaring contradictions that the Postal Service is virtually destined to fail. On the one hand, it is expected to break even; Government subsidies are even now being phased out, with 1984 as a hoped-for cut-off date. On the other hand, it is expected to provide all kinds of public services—many of them money losing—that Americans have depended on for generations, and still depend on today. "The Postal Service," says the law, "shall have as its basic function the obligation to provide postal services to bind the nation together through the personal, educational, literary and business correspondence of the people." Yet "postal rates and fees shall provide sufficient revenues so that the total estimated income and appropriations to the Postal Service will equal, as nearly as practicable, total estimated costs of the Postal Service." The past four years have shown that no U.S. postal operation can be a true public service and at the same time break even on costs.

Until recently, U.S. postal operations were no more supposed to pay their way than were the Army, Navy or dozens of other federal departments set up to serve the people. The Second Congress in 1792 started the practice of subsidizing the Post Office, and succeeding Congresses continued it. Those early legislators realized that the Post Office was something quite different from a business; it was a means of uniting a sprawling, diverse country and holding it together.

For that reason, the Post Office encouraged newspapers by offering them low mailing rates. During Washington's Administration, a congressional committee explained: "The circulation of political intelligence is . . . justly reckoned among the surest means of preventing the degeneracy of a free government." The policy worked; the Post Office's cheap rates were the most important single factor in the development of the U.S. press. From 1801 to 1830, the number of newspapers in the country increased from 200 to 1,200.

The press was not the only beneficiary of inexpensive service. Almost everyone benefited in one way or another. From the days of Daniel Boone onward, for instance, the pioneers had mail service, at great cost to the Treasury. Postal deficits—and Government subsidies—were expected as a matter of course. From 1851 until 1971, when it went out of business, the Post Office made money in only 13 years. Before the turn of the century, its subsidy was far larger in proportion to the national budget than it was in 1970, and postal officials were constantly seeking ways to extend—not curtail—services.

Today the U.S. is the only major country that expects its postal operations to be in the black. All other major nations subsidize their post offices, either directly—or indirectly by transferring funds from government-owned, moneymaking phone and telegraph operations. The fact is that the Postal Service cannot be run from its own revenues. Consider the pricing upheavals and dislocations in service that a truly "businesslike" postal service would cause:

A letter, which now costs as much to travel only a block in Manhattan as it does from New York to Los Angeles or Anchorage, would have to bear its actual cost. The local letter might cost a nickel, but the long-distance letter might be a dollar.

Postmen, who now deliver mail to the Havasupi Indians at the bottom of the Grand Canyon just as they do to the densely populated cities, would find it too expensive to continue such deliveries. The Havasupis, as well as Maine loggers, Wyoming ranchers, Kansas farmers and any other Americans who live in sparsely populated areas, would have to pay a great deal extra for service. Or do without mail.

The Postal Service, which maintains 30,780 post offices—18,000 of them in small towns, hamlets and hollows—would have to shut offices wholesale.

Residential deliveries, which used to be two a day, would have to be cut back even more, perhaps to twice a week.

A truly "businesslike" operation, in short, would serve perhaps two-thirds of the American people one-third of the time. Financially, it might break even, but politically and socially, it would break many links connecting Americans.

To provide the services that are rightly expected of it and still try to hold down its deficit, the Postal Service has instead raised its rates again and again. Since 1971, the cost of sending a letter has gone up 67%, second-class (magazine and newspaper) rates more than 90%, third-class (bulk advertising) rates 57% and fourth-class (parcel post and books) rates 6% to 39%. The rises are continuing on a step-by-step schedule. Next year, for example, the total increase for second-class service will bulge to 175%. On top of all that, Seymour Wenner, the chief administrative law judge for the independent Postal Rate Commission, recently recommended that second-, third- and fourth-class rates be raised still higher. First-class postage would be reduced from 10¢ to 8½¢, but the saving for the great majority of people would be more than outweighed by higher costs for everything else. If Wenner has his way, second-class rates would go up to five times what they were in 1971. Nor is that all. The new postal workers' contract now under negotiation will almost certainly raise costs and rates yet higher. Time, whose postal costs jumped from $3.7 million in 1970 to $7.5 million in 1974, would have to pay an estimated $36 million in 1980; other publications would face proportionate increases.

The figures are particularly ominous for publishers of magazines and newsapers, from the Wall Street Journal to many hundreds of rural dailies and weeklies that depend on mail delivery, and for book and record clubs. The most prosperous publishers, such as Time Inc. and the Reader's Digest Association, Inc., would probably survive, though under great strain. To meet their costs, they would either charge their subscribers far more than they do today, raising prices beyond the reach of many, or they would try to find cheaper means of distribution.

But hundreds of smaller publications would die. Americans would be deprived of many of their sources of information: those small journals from left, right and center that vent ideas ad minority points of view; religious journals; magazines for farmers, union members, children, hobbyists or anybody else with an unusual or special interest. Anything printed that is distributed by mail would suffer. The major loser would be the nation itself.

And for what gain? In dollars and cents for the Postal Service, very little. Magazines and newspapers now contribute only 3% of total postal income. If rates are doubled, the magazines' and newspapers' contribution to total postal revenues will rise to only 6% or less—and then quickly drop as many magazines and newspapers quit publishing while other lose subscribers or find other ways of delivering their issues. Already the Wall Street Journal, McCall's the Reader's Digest and Better Homes and Gardens are experimenting with alternative systems, including private delivery companies. Time will soon join them. (By law, only the Postal Service can deliver first-class mail and have access to private mailboxes; with certain exceptions, the other three classes are open to competition, though private deliverers cannot use mailboxes.)

If private distributors are successful, the Postal Service will sink into much deeper trouble. The private carriers would take away business in cities and suburbs, where high volume makes it easier to turn a profit and leave to the Postal Service the rural, low-population areas, which are gross money losers. The prospect would be a never-ending spiral of higher rates, lower volume and deteriorating service. As rates went up, more customers would flee, and rates would have to go up again.

Already the spiral is beginning. Since 1969, because of high rates and poor service, the Postal Service has lost about one-third of its parcel post business to private companies. This year, for the first time since the Depression, total mail volume—not just parcel post—is down. Reason: rising rates in a time of economic recession. Postmaster General Bailar, along with nearly everyone else who has studied the problem, warns that the vastly higher rates proposed by Wenner would shrink volume still further. Yet, adds Bailar, "the fixed costs of postal service would remain," and thus rates would have to jump even further.

What should be done? One suggestion in Congress is to turn the Postal Service completely over to private enterprise, making it either regulated monopoly, like the telephone industry, or setting up several competing postal systems. Illinois Representative Philip Crane has even introduced a bill to end the Government monopoly of first-class mail and open it up to private competition. Such systems might work in heavily populated areas, but there would be no profit in serving the rest of the country. Congress would then have to provide big subsidies to serve less populated areas or allow the private postal systems to charge much more for mail delivery to those points.

Another proposal, put forth in a bill by Texas Democratic Representative Eligio de la Garza, is kill the Postal Service and bring back the old Post Office under total Government control. The trouble with this idea is that it invites a return of the abuses and inefficiencies of the Post Office, which was inflexibly bureaucratic and ridden with politics. The virtue of a Government corporation is that it can make appointments on the basis of merit alone, transfer funds as it thinks best without bureaucratic controls, and plan ahead and borrow money for modernization.

Considering the alternatives, the quasi-independent Postal Service should be retained, but it must be changed—and quickly.

The solution lies with Congress. First, it should declare unmistakably that the Postal Service is in fact a service and not a business that should be expected to break even. It will always have to receive Government money if it is to do the job the public needs and wants. A bill now in Congress to provide the Postal Service with a subsidy of up to 20 percent of its operating expenses is a sensible recognition of this fact. Says New York Democratic Representative James Hanley, who is head of the House Panel Service Subcommittee and the sponsor of the bill: "There's no way the traditional concept and quality of the Postal Service can be maintained at a break-even level." Former Postmaster General Lawrence O'Brien agrees. Saye O'Brien, who proposed the idea of a separate corporation in 1967 and who now feels that various changes have turned it into a monster: "At no time did we envision the Post Office as a profit-making entity. There has to be an equity, a balance in the service to allow communication with the American people. We had no idea that this would be inhibited or destroyed."

Second, Congress must take back the power to review rates. Postal rates are so enmeshed with the public service role that they should be responsive to the will of elected representatives and not left simply to an administrative law judge and a commission appointed by the President without customary Senate approval.

Beyond that, while respecting the Postal Service's independence, Congress must oversee its functions much more closely. In washing its hands of postal matters in 1971, Congress abdicated a responsibility for postal affairs that was set out for it in the Constitution. The lawmakers might well refer to the words of George Washington, who spoke of the Post Office as the indispensable chain binding Americans together.

HALT AID TO INDIA

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 16, 1975

Mr. **ASHBROOK**. Mr. Speaker, arrests continue in India. Opposition leaders, students, and thousands of other Indians have been arrested. Labor leaders are threatened. No one seems to know for sure how many have been arrested. Censorship is being exercised not only on the domestic press but also on foreign correspondents.

Is this a reaction by Indira Gandhi to the threat of imminent invasion? No, it is simply a move by the tyrannical leader of India to stay in power after being found guilty of election irregularities. It is as abusive use of power as any banana republic or African Amin-type dictatorship has even seen.

The United States from fiscal year 1953 has given more than $9.3 billion to India. This does not include aid from multilateral sources of which the United States was the largest contributor.

This aid was usually defended by the rationale that while India might not always agree with us it was the largest democracy in the world and therefore we should give substantial aid. While I have never agreed to this, the United States has been giving substantial amounts of aid to India under this rationale. Now with the arrests and numerous other restrictions in India this rationale seems to be open to question.

With the present situation I call on the President to place an immediate halt on aid to India. Furthermore, I urge the House Committee on International Relations to begin immediate hearings on the question of human rights in India.

IRRESPONSIBLE REGULATORY REFORM

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 16, 1975

Mr. ROSENTHAL. Mr. Speaker, it has become painfully apparent that our so-called regulatory agencies, charged with overseeing the operation of various basic components of our national economic life, have not functioned as originally intended. Particularly in the transportation industry, these bodies have forsaken their mandated role, protection of the public's interest, in order to protect the profits of the industries they were established to regulate.

There are many reasons for this woefully inadequate performance. Many of the agencies are burdened with personnel who possess neither expertise nor sense of public duty; who have attained their positions through redemption of political I O U's. The revolving door between government and lucrative positions in industry, further undermines any chance for reasoned, objective decisionmaking. Appropriations are often inadequate to support the important tasks entrusted to these agencies. Finally, these bodies lack effective input from consumer and other public interest groups, a deficiency which passage of my bill for an Agency for Consumer Advocacy will help to correct.

The near unanimity of such criticism indicates that reform is sorely needed and is politically feasible. However, the focus such change should take is a subject of considerable controversy. Reform of the airline industry and the practices of its regulatory overseers, the Civil Aeronautics Board and the Federal Aviation Administration, is a case in point. Here, as elsewhere, the agencies have long subordinated the legitimate needs of the public in safe, efficient and reasonably priced air transportation to corporate demands for guaranteed level of profits.

What is most needed is the introduction of a real spirit of economic competition to the industry thorugh price competition and easing of the moratorium on route awards. Additionally, the current antitrust exemption, which sanctions collusion by the airlines in consumer-defrauding schemes such as capacity-limitation agreements, must be sharply curtailed or eliminated. These are all elements of economic deregulation needed to force efficiency in, and to trim the waste from, our bloated, overprotected airlines.

What is clearly not called for is a reduction in controls having to do with Americans who travel by air. Indeed, the appalling casualty counts in the air safeguarding the health and lives of crash disasters of the recent past, as well as the renewed threat to the life-sustaining ozone layer from aircraft emissions, indicates a critical need for increased vigilance in such regulatory activity. Yet, various administration officials, including President Ford, have failed to make this crucial distinction between these entirely different courses of action.

Instead, the President has uncritically inveighed against all forms of Government regulation in what amounts to a cynical attempt to capitalize on the current push for regulatory reform. This politically-inspired handwringing has been nothing less than a capitulation to plaintive business cries, aimed at loosening regulations designed to protect the lives and well-being of travelers and the public in general.

We should not discourage this well-deserved emphasis on reform of the regulatory process; but, we cannot afford to jettison those environment, health, and safety-related rulings which are so essential to the public welfare. The administration can and should play a crucial role in adapting the regulatory process to present conditions. However, crass appeals for the restoration of a laissez-faire attitude will only serve to wreck reform efforts and will do substantial injury to the public in areas where governmental protections are indispensable.

I recommend to my colleagues' attention a New York Times editorial of July 7, which ably discusses these themes and makes clear the distinction between responsible regulatory reform and the destructive and indiscriminate disfigurement recommended by the administration:

REGULATORY REFORM

There is fairly general agreement in Washington that the regulatory agencies require urgent attention. Economists in the White House and lawyers in the Justice Department have long thought that current modes of regulation in the transportation industries especially have decreased competition and kept prices unnaturally high. Furthermore, many of the regulatory agencies are burdened with purely political appointees as commissioners, who bring neither expertise nor sense of public interest to their high positions. Often, the regulators are too close to the industries they are supposed to regulate; in any event, agency resources are usually minuscule when measured against those of the industries they oversee.

The combined weight of the criticisms make it clear that some reform is desirable while the wide variety of the tasks performed by the various regulatory agencies indicates that intelligence and discrimination are required to do the job well.

However, in discussing these issues recently, President Ford seems to make no distinction between some outmoded forms of economic regulation and still desperately needed safeguards of health, environmental, consumer and other vital public concerns. He inveighs against a Government which is "an instrument of philanthropic collectivism," and is addicted to offering businessmen such emotional nonsense as, "I hear your cries of anguish and desperation. I will not let you suffocate."

Under such a rhetorical assault, it is reasoned regulatory reform, rather than American business, that is apt to suffocate. Mr. Ford indeed has a vital role to play in stimulating intelligent debate leading to needed modifications of the regulatory pattern. Clumsy attempts to wrest political advantage from the debate, however, are apt to wreck the reform effort and to do substantial injury to the public in areas where governmental protections are essential to a healthy and civilized society.

NAACP NEW CHAIRMAN PLANS APPEAL TO YOUTH

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 16, 1975

Mr. CLAY. Mr. Speaker, in this period of disillusionment and social disintegration, the NAACP is one of a few truly national organizations to maintain its integrity, stay on course and continue to provide the highest quality of leadership, not merely leadership for blacks, but genuinely national moral leadership at a time of greatest need.

Mr. Speaker, during the NAACP's national convention held in Washington last week, Washington Post staff writer Richard Prince had an opportunity to interview the venerable organization's new board chairman, Margaret Bush Wilson. Her views should be afforded the widest possible audience because her organization, in its values, policies and hopes for this Nation, symbolizes perhaps America's last chance for moral regeneration.

Mr. Speaker, I commend Mr. Prince's article to my colleagues for careful reading and now insert it in the RECORD:

[From the Washington Post, July 4, 1975]

NAACP NEW CHAIRMAN PLANS APPEAL TO YOUTH

(By Richard E. Prince)

If there is such a thing as being born into an organization, this is the case with the new board chairman of the NAACP, Margaret Bush Wilson.

Her family's involvement with the nation's oldest civil rights group goes back 50 years, from the days when she was a child in her native St. Louis, decades before the NAACP's successful Brown v. Board of Education fight or nationwide busing controversies.

Today, as head of the NAACP, she says she is dedicated to conducting it like the "sophisticated, large New York corporation" she says it is in the 1970s, reaching out to youth, and proselytizing for more members.

She is aware of the criticisms of the NAACP as old-fashioned, and she is bent on demonstrating its relevance in these days of economic upheaval and less blatant and terrifying forms of racism.

"The NAACP stands in a very unique position in this country today," she said in an informal interview she gave in her Shoreham Hotel suite during the organization's convention.

"It's among the few national institutions, public or private, whose integrity and credibility is intact.

"It's a unique position to provide leadership for this nation. I was listening to a popular talk show the other day. Alistair Cooke was saying America is teetering between decadence and vitality.

"The NAACP comes down fully on the side of vitality."

As NAACP board chairman, she says, she is committed to modernizing the $4 million corporation, giving youth a greater role in the NAACP and increasing the organization's membership to 1 million in five years.

The membership, now at about 57,000, declined in the 1960s with competition from other civil rights groups and, she says, the atmosphere created by the "Southern strategy" of the Nixon years.

At one meeting with youth delegates this week, she said she will propose dividing the NAACP's board of directors into seven groups to keep daily tabs on the status of national issues relevant to blacks—and appoint young people to chair each group.

Mrs. Wilson says she is particularly interested in automating the NAACP's membership operation—now done completely by hand—and attracting professionals who can combat the "subtle racism" of employment discrimination and the lack of job mobility for blacks.

"It's now subtly gotten through to us that we can't function like we did before. We've got to have a paid professional staff who know how to read a civil service manual, then be able to analyze whether employment tests have built-in biases.

"Memberships expire all during the year now, and a great many people expect to be asked to join up again. Because they're not asked, they don't join. We're not a mechanized organization, and I want to get the hardware in the office (to do that) before the year is out."

While in Washington, Mrs. Wilson said she hoped to meet cabinet officers to urge a greater role for blacks in administration policy-making.

Of her meetings with the cabinet officers, she said "they were all so ceremonial. I don't find these brief encounters very productive." She said she especially looked forward to meeting James T. Lynn, director of the Office of Management and Budget.

"I understand they don't have a single black person on the upward staff. I'm getting a little weary of public officials assuming the only spot we can hold is in civil rights or equal employment. I'm not interested in these special kinds of roles.

"It's cynical and insulting. Blacks should be providing some leadership not only on the problems of blacks, but all problems. We should be respected and heard."

As chairman of the organization's policy-making body, Mrs. Wilson is the NAACP's most powerful member. She not only chairs the board meetings, but she and director Roy Wilkins, who reports to her, are the group's most visible officials.

During this week's 66th annual NAACP convention, Mrs. Wilson's schedule has been jammed:

One typical day included an appearance on the "Today" show, greeting President Ford, several convention sessions, cocktail receptions, an interview with an African student writing a doctoral dissertation, and stopping to chat with numerous delegates.

NAACP officials and delegates say they expect Mrs. Wilson, who is 56 and looks 10 years younger, to set a more of a "now" image for the venerable NAACP.

The chairman she succeeded, Bishop Stephen Gill Spottswood of the African Methodist Episcopal Zion Church, had been in the job for 13 years when he died last December at age 77. Wilkins, 74, who has been executive director of the NAACP for 44 years, is said by association sources to be readying himself and the association for his retirement in another year or so.

Mrs. Wilson's new role as spokesman for the NAACP (Wilkins articulates board policy) is one for which in many she has been primed all her life.

Born in St. Louis on Jan. 30, 1919, she is the daughter of the late James T. Bush Sr., considered the first successful black real estate broker in that city. He and his colleagues launched a court battle which resulted in a 1948 Supreme Court decision that struck down racial covenants in real estate contracts.

Her late mother, Berenice Casey, was on

the executive committee of the local NAACP branch; her sister Ermine won the NAACP Baby Contest in 1924.

Mrs. Wilson graduated with honors from Summer High School in 1935, and graduated with honors with a bachelor's degree in economics from the predominantly black Talladega College in Alabama.

She went to Lincoln University Law School in St. Louis, then only recently opened to blacks.

In 1955, Mrs. Wilson became the first female president of the St. Louis NAACP branch, and four years later became president of the Missouri state conference of NAACP branches. She was elected to the national NAACP board in 1963 and became parliamentary chairman of the organization in 1973.

All the while, she held down several government jobs, including acting director of the St. Louis Model City Agency, lawyer for the War on Poverty agency and the Rural Electrification Administration and assistant attorney general of Missouri.

Mrs. Wilson lives in St. Louis, practices real estate law, and commutes to the NAACP's New York offices twice a month. Her only child, Robert E. Wilson III, 24, attends Harvard Law School and is working as a law clerk in New York this summer. She and her husband, Robert E. Wilson Jr., were divorced in 1968.

TRIBUTE TO CONGRESSMAN LARRY WILLIAMS

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 14, 1975

Mr. McCLORY. Mr. Speaker, it was with a sense of shock and sorrow that I learned of the passing of our late distinguished colleague, Lawrence G. Williams of Pennsylvania. Larry Williams was a man who held strong individual views and who was fearless in the expression of his convictions. His contributions as a Member of the House were substantial in enunciating in a forceful and eloquent way the position which he held with respect to legislative measures.

Mr. Speaker, I also sensed in Larry Williams a person of great tenderness and love who maintained a close and devoted relationship with his family. Larry Williams and his wife, Margery, were a particularly attractive couple who were seen frequently within the walls of this Capitol and at the many social events attended by Members of the Congress.

Congressman Larry Williams' contributions to this body were manifold and enduring, and his talents and accomplishments will be recorded in the minds of all of us who had the privilege of knowing him. Likewise, his personal qualities which combined firm conviction and dedication to his public office were enduring values represented by his useful life.

Mr. Speaker, at this sad hour my wife, Doris, joins with me in extending to Larry's wife, Margery Williams, and to all members of the late Congressman Williams' family, our affection and deep sympathy.

HOW MEDIC ALERT SAVED HIS LIFE

HON. B. F. SISK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 16, 1975

Mr. SISK. Mr. Speaker, I would like to call to the attention of my colleagues here in the House an article by columnist Sylvia Porter which appeared recently in several newspapers in my district regarding the Medic-Alert Foundation International which is located in Turlock, Calif.

Medic-Alert is an international organization which specializes in emergency medical identification. I have become very familiar with the foundation since Turlock was made part of my district last year, and I am extremely impressed with the outstanding work Mr. Alfred A. Hodder, executive director, and the other members of the foundation are doing to provide a lifesaving service to so many individuals throughout the world.

I would strongly urge my colleagues and any other individuals who may need medical identification services to contact Medic-Alert Foundation International, Turlock, Calif. 95380. Medical identification is one of the strongest—and least expensive—protective measures available to us in the event of medical emergency, and we should all take advantage of it.

I insert Ms. Porter's article to be printed in the RECORD:

HOW MEDIC ALERT SAVED HIS LIFE

(By Sylvia Porter)

"I was driving home from work hit an icy spot and crashed into a pole. The police pulled me from what was left of the car. On the way to the hospital they found my Medic Alert bracelet saying I am a hemophiliac and diabetic. Thanks to the warning on my Medic Alert emblem I am alive today. The doctors were able to know immediately what blood type I have and attended to the diabetic shock." Letter from a Medic Alert member.

"I was admitted to the hospital for severe migrane and dehydration with petit mal seizures and was totally incoherent. Although a friend had taken me to the hospital he was unable to provide my medical history. My bracelet gave the admitting physicians the necessary information for immediate treatment as well as Medic Alert's phone number to receive additional information on my particular medical needs." Another testimonial from a member with epilepsy and allergies to drugs.

"When I was in San Juan, Puerto Rico, I had an epleptic seizure on the street. The police started to take me to jail—they thought I'd been taking drugs—when they noticed my Medic Alert bracelet. I was immediately taken to the hospital." Still another letter from one of the more than 575,000 members of Medic Alert Foundation International, a non-profit charitable organization which for over 17 years has been helping to save the lives of people whose specific medical needs are not apparent.

You may be one of the 40 million Americans—one in five—who runs the risk of receiving inappropriate or incomplete medical treatment during medical emergencies that's the astounding total says the American Medical Assn. who flirt with death because they do not wear emergency medical identification.

The well-known corporation president who was wearing a Medic Alert bracelet when we lunched recently and whose response to my question about it sent me off on this story is dangerously allergic to penicillin for instance. He insists his bracelet has saved his life at least twice. Hospital emergency rooms often receive patients who are unconscious or are in a state of shock and are unable to communicate. Since physicians cannot elicit essential emergency information they follow the most expedient medical treatment to help save their patient's life.

But if the patient is allergic the administering of a particular drug could be precisely the wrong measure. Or again though no fault of the physician life-sustaining medications may not be provided to those with congentital diseases.

"There are more than 200 reasons why people become members of Medic Alert" explains John D. McPherson the foundation's president. In descending order the top six reasons are diabetes, allergy to penicillin, taking anticoagulants, wearing contact lenses, neck breather and epilepsy.

The system includes an emblem—worn on the wrist or around the neck—which has the internationally recognized caduceus and the words Medic Alert emblazoned in red on the outer side. On the reverse side are engraved the member's hidden medical situation (up to four lines) his or her file number and the phone number of Medic Alert's emergency answering service in Turlock, Calif. Emergency personnel throughout the world can call this 24-hour number collect to obtain additional information on the patient. There is a back-up wallet card too. The emblem is internationally recognized is registered in 41 countries in addition to ours and the foundation has affiliate organizations in 15 foreign nations.

If you're traveling the system does give you the security that language barriers will not prevent proper medical treatment should you need it fast.

With this kind of lifeguarding service it is not surprising that hundreds of medical and civic organizations have endorsed it—including the American College of Emergency Physicians and the American Nurses' Assn. In fact Nevada Blue Shield provides a complimentary lifetime membership to its subscribers if the subscriber's physician requests it. "If we can in any way help avert a hospital stay," says Earl Heckethorne Nevada Blue Shield's executive director "all of us benefit."

Lifetime membership costs $7.00. If you are among the one in five who needs the service, write to Medic Alert Foundation International, Box SP, Turlock, Calif. 95380.

JOSEPH MAZELIN, SR., RETIRED ATTORNEY, DIES

HON. ANDREW JACOBS, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 16, 1975

Mr. JACOBS. Mr. Speaker, well the thing is that in the sense of family and the community of all families, he was a saint. The obituary follows:

JOSEPH MAZELIN SR., RETIRED ATTORNEY, DIES

Joseph T. Mazelin, Sr., 61, Monticello, formerly of 6302 North Delaware street, a retired Indianapolis attorney, died yesterday in Methodist Hospital.

He was an attorney here 29 years, retiring in 1970. Early in his career he was employed by the Indiana State Supreme Court.

He was a member and legal representative of St. Pius X Knights of Columbus Council 3433.

A member of the Indianapolis and Indiana bar associations, Mr. Mazelin attended the University of Notre Dame and received his law degree from the Indiana University School of Law.

He also was a member of Immaculate Heart of Mary Catholic Church and was one of the organizers of Little League Baseball here.

Services will be held at 9:30 a.m. Tuesday in Lauck Funeral Home and at 10 a.m. in Blessed Sacrament Chapel of SS Peter and Paul Cathedral.

Burial will be in Calvary Cemetery.

Survivors include his widow, Mrs. Catherine Mazelin; three sons, Stephen P., James R., and Joseph T. Mazelin Jr., all of Indianapolis, and two daughters, Mrs. Theresa Sontag of Middletown N.J., and Miss Catherine M. Mazelin of Indianapolis.

INVESTMENT CAPITAL NEEDED TO CREATE JOBS

HON. RICHARD T. SCHULZE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 16, 1975

Mr. SCHULZE. Mr. Speaker, in a recent address to stockholders of his corporation, Mr. Leo Schoenhofen, chairman and chief executive officer of Marcor, discussed the need for capital investment to create jobs, increase productivity and reduce prices.

Mr. Schoenhofen suggests that the greatest threat to our Nation is inflation, the root cause of which is deficit spending by Government.

He states:

> Inflation is caused by government creation of money supplies at a rate too far in excess of the value of goods and services produced by the country. Inflation is caused by the confusion of government priorities, and can only be controlled by clarification of those priorities.

For the consideration of my colleagues, I include the following excerpts from Mr. Schoenhofen's remarks:

> I would like to spend the next few minutes discussing what I regard as the most serious long-term problem which all of us in this room share with the millions of stockholders and employees of other American corporations.
>
> That problem is adequate capital funds for investment in new job-creating facilities, and equipment to improve productivity and reduce prices. Our needs for capital in this country are high. How these needs will be met, and at what cost, is uncertain at this time . . .
>
> Our congressional and bureaucratic representatives in Washington must be made to understand that our economy is not investing enough to create the jobs needed by our growing work force. Retained earnings and depreciation are restricted by taxes and by the level of depreciation charges business is allowed. During our current period of inflation, corporations have been deducting inadequate depreciation, and paying taxes on unreal inventory profits. The net effect of these distortions was such that the actual federal corporate income tax rate last year was not 48 percent, but almost 75 percent. This severely limits our ability to generate capital internally. In addition, corporate profits have been declining for the past 25 years, both as a share of national income and in relation to payroll costs.
>
> During most years in the forties, fifties and early sixties, internally generated funds were almost equal to corporate capital expenditures and the need for borrowed funds was quite modest. During the past ten years, however—as after tax corporate profits have declined and as inflation has drastically reduced the value of depreciation for replacement of plant and equipment—corporations have greatly increased their dependence on borrowed funds. This source of business capital has been severely impacted by high interest costs—the direct result of inflation—and government competition in the loan market.
>
> Government limits the availability of our final source of capital—equity investment. Government discourages equity investment through the double taxation of corporate dividends—both as corporate income and as personal income of shareholders. While corporate dividends have generally increased in the past ten years, taxes have climbed faster, so that the federal government now takes from the corporation almost twice as much as the owners of the business receive on their investment.
>
> Capital investment in job creating facilities would be stimulated by making equity ownership more attractive to investors. One incentive might be to progressively scale down the rate of capital gains taxes on securities held for longer periods of time. In addition, stock dividends should be tax-deductible by the corporation, or by the stockholder.
>
> More rapid depreciation of capital facilities for income tax purposes would constitute another incentive to business investment. The rate currently permitted is one of the lowest among developed nations, and the resultant effect on capital investment in recent years has been magnified by inflation.
>
> By far the greatest disincentive to productive capital investment today is inflation, the root cause of which is deficit spending by government. This increases the supply of money at a faster rate than is warranted by increased productivity, and reduces the value of savings and other investments. Our recent inflationary spiral began with the erroneous government belief that our economy was strong enough to finance the Viet Nam war, assist numerous underdeveloped nations, and simultaneously solve all domestic social programs. Inflation later was stimulated by increased energy costs, as well as by dislocations created by wage and price controls, which resulted in shortages of numerous items. The build-up of excessive inventories to protect against possible shortages was the primary trigger for our current recession.
>
> Inflation discourages saving and encourages spending of dollars before they lose more value. In addition to fueling more inflation, this propensity to spend reduces savings, thus reducing the amount of total capital available for all purposes.
>
> I know it may seem strange to some of you to hear a voicing of concern about inflation when we are in the midst of a recession—but it is inflation, and not the present recession, which is the greatest threat to our corporation and to the economic, social and political well-being of the entire nation.
>
> And inflation—make no mistake about it—is not caused by union wage demands or manufacturer price increases. These factors are the result of inflation. Inflation is caused by government creation of money supplies at a rate too far in excess of the value of goods and services produced by the country. Inflation is caused by the confusion of government priorities, and can only be controlled by clarification of those priorities.
>
> The only difference between New York City's well publicized financial problems and those of the Federal Government is that the Federal Government can delay the day of reckoning by printing more money, which continues to feed inflation.
>
> To sum up, I quote one paragraph of the testimony of Arthur Burns, Chairman of the Federal Reserve Bank Board, before the Senate Banking Committee on May 1. "A better measure of discipline is needed in federal finances. The progressively diminishing fraction of the national income that goes to people who work and invest requires enterprise need to be relaxed or scrapped. Ways must be found to stimulate production of energy supplies, to increase incentives for expansion and modernization of productive capacity in other lines, and to strengthen the state of business finances. Attention to these longer-range problems is essential; for the critical task now facing our country is not only to encourage the process of economic recovery, but also to build a solid foundation for our nation's economic future."
>
> May I conclude with the reminder that it is the responsibility of the shareholders and employees of the corporations of America, whose investments and jobs are directly affected by present and future government actions, to have their representatives in Washington represent their interests.

MARK TWAIN DEARMIN, AN EMPLOYEE'S EMPLOYEE

HON. JOHN J. McFALL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 16, 1975

Mr. McFALL. Mr. Speaker, I would like to bring the Members' attention and provide additional recognition to the sustained work of Mark Twain Dearmin of Stockton, Calif., who has dedicated his life to serving the community and his fellow San Joaquin County employees.

Recently, Mr. Dearmin, a man I am privileged to have known for many years, was honored as San Joaquin County Employee of the Year for 1974 in ceremonies during the 14th Annual County Employees' Retirement Luncheon.

This recognition of Mr. Dearmin's exemplary work for the county in the probation department and his efforts to help found and continue to work for a progressive San Joaquin County Employees Association is the supreme award that a San Joaquin County employee can receive.

Mr. Dearmin was selected for this award by an independent committee that had the difficult task of choosing 1 person from 10 distinguished nominees.

I believe that it is appropriate to quote from Mr. Dearmin's nomination statement, as it provides a personal view of the respect and admiration that his fellow employees hold for him. The excerpts follow:

> Mark was raised in an orphanage in the state of Nebraska. Because of his upbringing, as he grew up he developed a desire to help young people. This way typified by his work in the First Baptist church in Stockton. For years he worked as the senior high counselor and athletic director, creating every opportunity he could to led a helping hand to the youth of the community. Because of this interest Mark sought employment where he could help the youth of the community on a full time basis.
>
> In 1960 on Fabruary 1, Mark found that

employment at Peterson Juvenile Hall as a counselor. Then after working with the youth there for over two years Mark became a probation Officer I, on May 14, 1962. It is true that Mark's normal duties mainly concerned working with the youth, but the zeal with which he did his job and the extra hours he put in far surpassed what was necessary to adequately do his job.

He did this with a very unselfish nature. At one time he even deprived himself of professional gain in order to remain working with youths.

Additionally, because he had an interest and a talent in athletics Mark began working with the youth in the local Little Leagues and Babe Ruth leagues, where he could counsel and also extend his knowledge of the game to them. Even though his current job does not pertain directly with counseling youth, he still receives phone calls at all hours on occasions from someone in need of advice or help. Mark, to my knowledge, has never turned away a request for help and gave what time and help he could, as his wife attested to:

More recently Mark has concerned himself with the relative community problems. He has taken it upon himself in the recent elections to research the different propositions to determine the pros and cons of how they would affect the community. He then, through the work of various committees, advises the citizens of the community of these factors. Once again Mark took the time to help other citizens understand something they hadn't before understood.

Mark's character or reputation in the city of Stockton County of San Joaquin, and state of California is surpassed by not many. He is considered by those he works for, with, and at times even against to be a man of true honesty and conviction.

Within his duties as a County Probation Officer he is considered to be one of the highest professional and competent men by his own contemporaries. He has been recognized not only by local judges and authorities for his complete, professional, and exemplary work, but from out of county and even state authorities. More than once he has received recognition in the form of letters from out of county judges and attorneys, commending him for his honest and professional reporting. He has also represented his department at seminar's related to his job. An example would be in '67 and '68 when the horrible gluesniffing craze hit our youth, Mark was assigned to look into the matter to see what was involved in the proper handling of the situation. During this time he represented the Probation Department at several meetings and conferences with local officials, and, I might add, in a very fine manner.

Mark is a person who is not just concerned with his own employment and working conditions but with that of every employee of the county. He is an "Employee's Employee." He is a charter member of the employee association and in fact was one of the creators of his high honor. From the time he became a member he actively began working for every employee in the county. He has held nearly every office in the association and served on nearly every committee, from the wee small positions to the highest, that of the president of the employee's association. This he held twice. He is currently on the county retirement board, again working for those employees who are or will be effected by this system, and trying to make this system the best possible in what ever way he can. From the day he started he has been an active worker for better employee conditions, soliciting information to assist in negotiating for better employee working conditions.

In conclusion I feel Mark well qualified for our Employee of the Year. He has shown his outstanding character, exemplary professionalism, deep concern and active participation in committee needs, and above all his tireless, enthusiastic, and thankless work for each and every employee to better each of their working conditions. I think it is time to honor a man who possesses such qualities and enthusiasm. I think it is time to say thank you to a man who works for each and every employee every time the opportunity arises, an "Employee's Employee."

DÉTENTE IS APPEASEMENT—I

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 16, 1975

Mr. ASHBROOK. Mr. Speaker, evidence continues to accumulate that détente means appeasement of the Soviet Union by the United States. A number of incidents give proof of what I am referring to.

When a request was first made for Alexandr Solzhenitsyn to meet with President Ford, it was turned down partially on the grounds that it might be harmful to détente. A President of the United States who determines whom he will and will not see because of a meeting's effect on détente is appeasing the Soviet Union.

Several other examples of such appeasement on a more private level have become public. Beverly Sills and David Bar-Illan have pointed out how ads have been forced out of programs due to threats of cancellation from the Soviet's Bolshoi Opera Company. In the words of Sills and Bar-Illan.

> The Bolshoi incident serves to illustrate even further how perverted the purpose of cultural exchange can become. Instead of promoting contact and liberalization, it has made us acquiesce to censorship . . . cultural exchange may become not only useless, but dangerous.

This is Captive Nations Week. It seems that the message of the U.S. Government leaders to the captive peoples be they in Europe or Asia is that deals must be made with the slavemasters for they are powerful. The United States does not seem able to stand up for even the most simple of decencies or the most fundamental of rights as such a stand might harm détente. The message is becoming clearer: détente is appeasement.

At this point I include in the Record the text of the letter by Beverly Sills and David Bar-Illan from the New York Times.

Perverting the Purpose of Cultural Exchange

To the Editor:

Two recent instances of censorship in the United States raise serious questions about the consequences of American-Soviet cultural exchange.

The first episode ocurred in Los Angeles in June. Three separate advertisements were placed in the Bolshoi Opera program at the Shrine Auditorium. One, sponsored by the local Jewish Federation Council, welcomed the Bolshoi visit, but pointed out that continued repressions of Jewish artists in the Soviet Union were incompatible with the spirit of cultural exchange.

The others were commercial: a piece promoting Solzhenitsyn's "Gulag Archipelago," and an announcement of the appearance of the San Francisco Ballet in Los Angeles featuring Valery and Galina Panov (who are not defectors, but legal emigrants). The Bolshoi threatened to cancel the company's appearance unless all three ads were eliminated, and the auditorium management bowed to this pressure, and had the three pages of ads torn out of the program.

The next episode took place in New York Here, the Greater New York Conference on Soviet Jewry sought space for an ad in the Lincoln Center playbill. When challenged that an ad might be considered offensive, the conference offered to purchase a blank page which would carry nothing but the signature of the organization. It was then told no space in the program was available for the entire three-week run of the Bolshoi.

The late Sol Hurok used to say that cultural exchange is "good" because it enabled a Russian ballerina to buy a $15 dress here and show it to her friends in the Soviet Union. Many of us have doubted that such exposure to the material benefits of free enterprise justifies the price, i.e., the respectability which the Russians felt cultural exchange gave them, and which carried within it the West's implicit approval of, or at least tacit indifference to, continued repressions in the Soviet Union. Now the Bolshoi incident serves to illustrate even further how perverted the purpose of cultural exchange can become. Instead of promoting contact and liberalization, it has made us acquiesce to censorship. Under conditions like these, cultural exchange may become not only useless, but dangerous.

Beverly Sills,
David Bar-Illan.

COMMENDATIONS

HON. ED JONES

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 16, 1975

Mr. JONES of Tennessee. Mr. Speaker, I would like to take this opportunity to commend the House's July 9 favorable action on a Senate bill, S. 555, that amends the Consolidated Farm and Rural Development Act. This is a very effective piece of legislation that I supported wholeheartedly.

This bill represents a very important change to the existing law. Its provisions will make credit more readily available to farmers affected by disasters, in that they will be assured of enough capital to remain in business. Such a provision is a very effective insurance policy for consumers in that the producers of food products will be able to remain in business even in event of a disaster. By giving the State directors of the Farmers Home Administration more flexibility in disaster situations, they will now be able to make decisions and act on the disasters that affect only small numbers of farmers.

The House Agriculture Subcommittee on Conservation and Credit is to be commended for the time and effort they put into this bill. The legislation is a credit to the 94th Congress. It is my sincere hope that a new understanding of farm problems is developing in Congress as evidenced by the fact that not a single vote was cast against this legislation.

MEDICAL MALPRACTICE AND DERMATOLOGY

HON. JAMES F. HASTINGS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 16, 1975

Mr. HASTINGS. Mr. Speaker, the recent National Conference on Medical Malpractice which I cosponsored was attended by two representatives of the American Academy of Dermatology, Max B. Rubin, M.D., and Denny L. Tuffanelli, M.D.

Their report on the conference and the malpractice issue as they apply to dermatologists is excellent, and should be very helpful to the members of my committee as we analyze the impact of the malpractice problems on the various medical specialties. I believe that there are several farsighted recommendations made in the report, including a comprehensive study on the actual experience of dermatologists with medical malpractice, including a survey of the membership of the academy, and the publication of the results. Also recommended is a continuing education program on malpractice prevention.

I am pleased to note that my bill, H.R. 6100 is reported on favorably in the report.

I understand this report to the academy has not been reviewed by the academy officers or its membership because of the lack of time, and is not necessarily its official position. However, I insert the report at this point in the RECORD so my colleagues may gain the benefit of reading its excellent analysis.

The report follows:

THE MEDICAL MALPRACTICE INSURANCE CRISIS

(By Max B. Rubin, M.D.)

Over the past several months the existing medical malpractice injury compensation system in the United States has become dangerously overloaded and is close to collapse in several states. This unparalleled crisis is one of both the availability of medical malpractice insurance and the cost of that insurance to health care providers. Physicians in at least seven states face the loss of all malpractice coverage within the next three months. Where coverage is available the cost is rapidly approaching the point where the individual high-risk provider can no longer afford the yearly premiums.

The recent National Conference on Medical Malpractice sponsored by Representative James Hastings and the American Group Practice Association provided a form for discussion of this critical problem.

MAGNITUDE OF THE PROBLEM

In attempting to assess any facet of the medical malpractice insurance problem, it is immediately apparent that there is a lack of accurate statistical information. The excellent report of the Secretary's Commission on Medical Malpractice (DHEW Pub. No. (05) 73-88) which is the most comprehensive study yet performed, is now over 2 years old and its conclusions may no longer be valid. It is estimated that at least 74% of all medical malpractice claims arise out of incidents occurring in hospitals. Since hospital records are obviously easier to study than records of private practitioners, very little data has been gathered in the area of greatest concern to dermatologists: the private office.

In 1960, the national cost of medical malpractice insurance was estimated to be 60 million dollars; the figure today approaches a billion dollars and is bound to go higher if present trends continue. If one includes the cost of "defensive medicine", which includes tests and procedures performed by physicians to protect themselves from future malpractice claims, the cost of medical malpractice in this country now approaches 5 billion dollars annually. The number of medical injuries per year may be as high as 2 million in hospitals alone and that the number of injuries caused by negligence may be as high as 700,000 per year.

There are probably over 20,000 medical malpractice *claims* per year and the number is increasing at a rate of between 9% to 13% per year. Only a small fraction of those individuals ever involved in an incident of medical negligence or injuries ever seek restitution through the courts. While there are many more injuries than malplactice claims, it should be noted that approximately 30% of the "claims" are in fact merely possible claims reported by doctors and hospitals to their insurers and are never brought to the attention of the insurer by the involved patient.

The average claim is settled for much less than is thought to be the case. In at least half the malpractice cases, the payment amount has been $2,000 or less, with over 90% of cases less than $20,000. When a malpractice case reaches the courts, the average settlement is approximately $8,000 and this amount is increasing at a rate of 13% per year. While the number of million dollar claims has been few in relation to the total number of claims, the impact on the system has been dramatic.

ROLE OF PROVIDERS

At the present time, one out of five physicians can expect to be sued in his professional lifetime. One out of seven doctors in some high risk specialties can expect to be sued each year. Physicians feel increasingly more vulnerable in the face of unilateral actions by insurers. The age, sex, training and qualifications of physicians has nothing to do with who gets sued.

Any physician may find himself the recipient of the anger and frustration of a patient or his family who has experienced an unavoidable medical accident in the course of treatment.

Malpractice insurance premiums for individual physicians are approaching $45,000 annually in some states. It is estimated that premiums for dermatologists in California and New York are approaching $7,000. New physicians entering the health care system in some states cannot obtain malpractice insurance coverage at any price. These pressures make it difficult for part-time practitioners and those nearing retirement, with reduced patient loads, to remain in practice. Thus, the effective number of providers of health care is reduced.

There is no doubt, however, that true medical malpractice negligence does exist. Poor communication between the physician and patient has been cited by both physicians and patients as the most common cause of suits. Failure to adequately inform patients of risks and possible outcomes of medical treatment, the depersonalization of the health care delivery system, and a weakening of the doctor-patient relationship has resulted in an increased number of suits.

No responsible physician would contend that negligent physicians should be exempt from responsibility for their action. Self-discipline by groups of physicians has been made extremely difficult because the courts often fail to support the attempts by local and state medical societies and licensing boards to expel poor doctors. It is all too easy for a physician whose license has been revoked to continue practicing and, thus, continue to commit negligent acts. It is often difficult for the plaintiff in a malpractice suit to obtain expert medical testimony due to a reluctance of physicians to testify against each other.

EFFECT ON CONSUMERS

Rapid advances in many areas of medical science have increased patient awareness of the possible benefits of medical treatment. The corollary of this is that patients are more likely to be disappointed if the health care system is unable to fulfill their expectations. The injured patient, whether the injury is due to medical malpractice or to the unfavorable outcome of treatment is, nevertheless, injured.

It has been estimated by insurers that 46% of all claims lodged with them are meritorious. It takes an average of five years to settle a malpractice claim arising in any one year, and it often takes ten years to settle all claims made for that year. Patients must therefore suffer the needless hardship of waiting for compensation. Settlement of a claim nets only 16 to 38 cents per dollar to the patient.

Inflation and changing costs of medical care also introduce inequities in the provision of long-term care for permanently injured patients. Juries have often awarded enormous lump sums to patients to provide for their care and maintenance for what would be expected to be a normal lifespan. Should the patient die in advance of this expected lifespan, these large lump-sum payments revert to the patient's heirs, thereby removing money from the system which must be replaced through premium increases.

THE ROLE OF THE LAW AND LAWYERS

The gradual evolution of precedents in the courts over the past 15 years has broadened the definition of malpractice to include more than just simple negligence.

The jury system of deciding negligence cases has been increasingly criticized as the malpractice problem has worsened. Lay persons, serving on juries, don't often have the expertise to properly evaluate medical results. They may be swayed by emotional arguments to find for the plaintiff even through no malpractice has been committed. Plaintiffs, however, are only successful in approximately 20% of the cases which reach the courts.

The contingency fee is at the heart of the attorney fee system. One-third to one-half of malpractice claim settlements is the usual attorney's contingency fee. The attorney must wait to recoup his investment in time and overhead until the claim is settled, probably insuring that non-meritorious cases reach the courts less frequently than if the lawyers operated on a purely fee-for-service system. However, when large lump-sum settlements are made, the contingency fee provides for astronomical dollar amounts to be paid to attorneys. This needlessly adds to the cost of the settlement of claims and further reduces the benefits paid to plaintiffs. Total abandonment of the contingency fee system would prohibit access to the courts to those unable to afford an initial retainer or attorney's fee. Thus, patients with limited resources and legitimate claims would be denied equal compensation for medical malpractice injuries.

ROLE OF INSURERS

Insurers are unable to accurately predict their risk due to the dramatic and rapid increase in the number of claims and the size of settlements. The so-called "long tail" of claims made for every given year makes it difficult to establish premium rates. It is estimated that it takes ten years to settle all claims arising in any given year.

FEDERAL SOLUTIONS

H.R. 6100 (Hastings): The Medical Malpractice Claims Settlement Assistance Act.

Provides for federal reinsurance over $200,-

000 for malpractice claims. Qualified states would have to establish programs of arbitration which would then be the required method of handling malpractice claims before the judicial approach is used. The bill provides for control of attorneys' contingent fees, reduces the statute of limitations to two years, provides for the establishment of patients' grievance mechanisms, establishes rules for the awarding of periodic rather than lump sum payments to injured patients, requires the establishment of risk-control programs, and provides for the cumulation and reporting of statistical information on malpractice. No penalties for federal assistance are imposed.

S. 188 (Nelson): Federal Malpractice Insurance Act.

Establishes in HEW a national medical malpractice development fund patterned after the federal riot and flood reinsurance programs. Insurance companies selling medical malpractice insurance could voluntarily pay into the fund and the fund would guarantee payments over $25,000. In addition, a variety of studies of medical malpractice problems would be ordered to evaluate alternative solutions to the current system of handling medical negligence injury.

Under the provisions of this bill insurance companies would be protected against catastrophic losses and would therefore be encouraged to remain in the medical malpractice insurance marketplace.

S. 215 (Inouye and Kennedy): National Medical Injury Compensation Act of 1975.

Creates a Federal no-fault compensation system for medical injuries which would rapidly compensate an injured patient (up to a maximum monthly dollar amount) regardless of whether the injury was caused by negligence or poor outcome.

The bill would be self-funded through premiums paid in by participating physicians. The physician would on a voluntary participation basis, pay an annual premium to the federal government and in return his patients would get benefits for injuries resulting from his treatment. In order to guarantee a high standard of quality medical care and prevent abuse of the system the provider would agree: 1) that his services be subject to review by his area's PSRO; 2) to comply with national standards of licensure; 3) to obtain a "confirming consultation" before performing specified types of surgery; and 4) to treat Medicare patients at the prevailing rate of reimbursement.

The bill would also abolish the contingency fee system, paying any fees to attorneys out of the medical injury compensation insurance fund. No part of any no-fault benefits would be paid to the lawyer. Patients would not be forced to accept no-fault settlements, but could go to court to recover damages instead.

S. 482 (Kennedy and Inouye): National Medical Malpractice Insurance and Arbitration Act of 1975.

Requires non-binding arbitration of medical malpractice disputes. The provisions of the legislation would allow providers to voluntarily join the plan and pay an annual premium to the federal government. They would receive insurance coverage and be required to abide by the same conditions of participation as described above for S. 215.

The claimant could either accept the decision of the arbitration panel or sue, but the result of the arbitration would be admissible as evidence in court. Contingent fees would be controlled on a sliding schedule of percentage of plaintiff's awards. The federal insurance would apply only in states which enacted legislation consistent with the federal act.

State solutions

A detailed analysis of alternative solutions now under consideration by the various state legislatures is beyond the scope of this report.

Approximately 25 states now have or are considering some form of arbitration. This method of settling malpractice claims is attractive because it can lead to the settlement of claims faster than the current system. Arbitration probably will eliminate expensive cost of defending malpractice insurance claims. Arbitrators, if selected carefully, would be able to bring specialized knowledge to bear on particular problems, and thus ensure fair compensation for medical malpractice injuries free from emotional arguments.

No-fault solutions

S. 215 and other no-fault solutions provide that the person injured by medical treatment be compensated regardless of the liability of the provider.

If a comprehensive no-fault insurance plan is adopted, we may potentially be exchanging one set of inequities for another. No studies have yet been done to estimate the cost of no-fault programs, which may be many times that of the present system.

What should be done by organized dermatology?

As has been stated, there is a striking lack of data about the malpractice experience of office-based physicians including most dermatologists. We believe it is absolutely essential that a comprehensive study be performed as soon as possible in order to determine the actual experience of dermatologists with medical malpractice. It may be possible to secure a government grant through the Department of Health, Education, and Welfare in order to expedite this survey. A detailed questionnaire should be constructed and mailed to all Academy members in order to gather statistical information on the causes of malpractice claims against dermatologists and the outcomes of these claims. It will be essential to guarantee anonymity to all respondents to insure their participation in the survey. It might be advisable to distribute the questionnaire with a covering letter signed by the President of the American Academy of Dermatology encouraging participation and guaranteeing that no individual questionnaire would be made available to anyone but those actually preparing results.

Based on the data provided by this survey, suggestions for the avoidance of malpractice by practicing dermatologists could be made. The results of the survey could be published in the Archives of Dematology outlining the most frequent malpractice pitfalls and presenting suggested remedies. The results of the survey could be incorporated into a special course or seminar to be held at the annual meeting of the American Academy of Dermatology.

Academy members could be encouraged to attend such a malpractice prevention course at least once every two years. This would increase attendance at the national meeting by just those physicians who would most benefit from exposure to the most recent developments in dermatology. The Academy should also encourage attendance by its members at regional and local clinical meetings.

We believe organized dermatology should attempt to encourage the development of solutions at the state level rather than at the federal level. Of the proposed federal solutions, however, H.R. 6100 (Hastings) offers a reasonable and efficient temporary solution to the problem and should be strongly supported by the American Academy of Dermatology. The Academy could support S. 188 the Federal Malpractice Insurance Act as long as no federal standards for providers are amended to that legislation. The Academy should also support H.R. 1378 (Rostenkowski), a bill which provides for studies of medical malpractice insurance problems to be performed by the National Academy of Sciences. We do not believe that the Academy should support the provision S. 215 or S. 482, as both these bills would needlessly limit the freedom of the individual dermatologist. We do not believe at present that the Academy should support any form of no-fault insurance.

We believe some form of arbitration system on the state level provides the most likely avenue for improvement of the present system. The Academy should explore the creation of a pool of objective expert witnesses who would be available to assist arbitrators or actually engage in the arbitration of malpractice claims involving dermatologists.

Operating on the state level, organized dermatology should support local legislation which provides for short-term solutions designed to maintain the availability of medical malpractice insurance; these solutions include Joint Underwriting Associations and state reinsurance funds. Model state bills should include provision for arbitration of malpractice claims but not completely prevent access to the courts by individual claimants.

All modifications of the present system should basically be directed toward providing comprehensive medical malpractice insurance at a reasonable cost. These changes must, however, provide for more rapid and more widespread compensation for medical injuries. We believe that much of the present problem has occurred because the current system has been called upon to provide compensation for non-negligent medical injury and the poor outcome of non-negligent medical treatment. If these factors are removed from the system, perhaps by including a provision for the compensation of these patients through a national catastrophic health insurance bill, and if the appropriate legislation is enacted, the overloaded medical malpractice insurance system can begin to function efficiently.

ENVIRONMENTAL ACT NEEDS AMENDMENT

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 16, 1975

Mr. FINDLEY. Mr. Speaker, during the past decade, the long overdue effort to protect our environment and its precious natural resources from potential ecological disaster has accelerated. Increasingly sensitive to nature's limits, the public has called for more prudent conservation of our Nation's natural assets and Congress has responded in kind, creating the Environmental Protection Agency and investing in it broad regulatory powers through such legislation as the Clean Air and Clean Water Acts. In recent years, however, we have witnessed a distressing tendency on the part of both Congress and the EPA to rush into the business of environmental protection without fully evaluating the implications of their actions. Instead, practical thinking and commonsense have all too often been preempted by unwarranted haste in requiring pollution controls. Really thorough research and consideration of the impact that a particular decision or device will have on both the environment and the economy has sometimes been neglected. As a result, our environmental policy has been plagued by the "leap before you look" syndrome, certainly not appropriate to the gravely serious matters with which we are dealing.

A case in point is the ill-fated catalytic converter for curbing automobile exhaust emissions. Only now, after literally millions of cars have been outfitted with these devices, do we find out that the catalytic converters themselves actually contribute to pollution, spraying sulfuric acid into the air. So now the EPA is reassessing the situation, taking another look at the emission standards. The only problem is that they are doing it now, after the gadgets are already on the road. The horse is already out of the barn.

The colossal waste represented by the EPA's abortive orders related to the catalytic converter could have been avoided. No one will ever know just how costly this misadventure has been. Certainly staggering is an appropriate adjective. Because of the converter, most new 1975 cars cost about $200 extra. Because of the converter, all major gasoline service stations have been required at great expense to install pumps, and in many cases tanks, to handle the no-lead gas required by the converter or to discontinue selling high octane gas. The average cost of the new installation has been estimated at $6,000. Add to that the costs underwritten by refineries to produce the no-lead fuel for the catalytic converters.

All of this expense came during a period of great inflationary stress. Indeed, it contributed significantly to this stress. It was a deadweight on the economy, depressing the new car market, throwing thousands out of work, inflating prices, and wasting valuable resources.

How many other misadventures similar to the catalytic converter are being perpetuated in the name of environmental cleanup? I do not know. But I suspect there are others. One possibility is the requirement being imposed on the construction of electrical generation equipment. It seems the new "scrubber" which removes particulate matter from industrial air emissions has its own rubbery emission. Will it present a new hazard to the environment?

If the misadventure with the catalytic converter leads to a more pragmatic approach to environmental procedures at last, its colossal cost will not have been altogether in vain.

Mr. Speaker, today I am introducing a bill which will, I hope, help to avert future ecological blunders. The bill would require the EPA to certify that all proposed environmental technology has undergone an extensive period of field testing, not less than 6 months, before it is approved for installation. Certainly, some technology, either more complex or revolutionary in nature than others, would require more time for adequate examination of its performance and characteristics. Accordingly, the Administrator of the EPA is required to take into consideration the professional comments and suggestions of environmental specialists in setting the appropriate period of testing.

In addition, my bill would augment an existing provision by requiring that a statement of the economic impact of the proposed technology be submitted along with the already required environmental impact statement prior to certification. The results of the field testing and impact evaluation would then be subject to public scrutiny.

Business firms and private citizens alike are being required to make substantial investments in technology whose performance, effects, and reliability are often unproven. It is my hope that this bill will encourage a more responsible attitude in determining environmental policy. When dealing with something so delicate as our environment, where small oversights sometimes result in huge catastrophies, it is incumbent upon us to develop and follow an environmental policy which attempts to achieve a reasonable balance between environmental necessity and economic reality.

FARM BUREAU TESTIFIES AGAINST AGENCY FOR CONSUMER ADVOCACY

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 16, 1975

Mr. ASHBROOK. Mr. Speaker, the American Farm Bureau has sharply criticized H.R. 7575, proposed legislation to create an Agency for Consumer Advocacy. Testifying before the House Committee on Government Operations, Farm Bureau representative, John Datt, called the bill "a clear danger" to the market system.

Datt stated that the ACA would "lead inevitably to unilateral Government decisions on many matters which are better left to the marketplace." He also added that "it is a mechanism which lends itself to Government control of the economy."

I agree with the views of the American Farm Bureau on the ACA. Government interference in our free enterprise system is already too great without piling on more Federal controls.

Following is the text of the article from the June 23 issue of the Farm Bureau News:

Consumer Agency Proposal Lends Itself to Government Control of Economy

The bill (H.R. 7575) to create an Agency for Consumer Advocacy was called "a clear danger" to the market system by Farm Bureau at a June 18 hearing by the House Committee on Government Operations.

"This agency for consumer protection will lead inevitably to unilateral government decisions on many matters which are better left to the marketplace," John C. Datt, director, AFBF Congressional relations, said. "Moreover, it is a mechanism which lends itself to government control of the economy."

Datt added, "Despite its assertions of consumer protection, the proposed ACP Act is, in fact, quite wide of that mark. It is instead a design for government agency chaos.

"It proposes agency versus agency confrontations with final resolution of differences to be made in the federal courts, if need be."

This will result, Datt said, "in what is rapidly becoming a quagmire of administrative law and procedure, which inevitably lends itself to more and more delay and uncertainty along with increased expenditures of time and resources.

"If the answer is that regulation has not served us well, and if some agencies have failed to discharge their obligations, then the creation of still another layer of bureaucratic authority," Datt said, "is not a truly credible alternative or choice."

"How much expertise will there have to be in the ACP to make it effective in its intervention into proceedings of other agencies?" Datt asked.

"Is it too not much to expect that one more agency—reducing no one knows how much of our future government operations to adversary proceedings—will provide all the better results and consumer protection that the existing agencies allegedly have not?"

On the matter of the exemption provided agriculture in the recently passed Senate bill (S. 200), Fred Poole, assistant director, AFBF Congressional relations, told the committee that "the bill is wrong in concept and wrong in principle and therefore no amendment will improve it.

"Moreover, exemptions granted by one Congress can easily be withdrawn by another. An exemption provided by one House of the Congress need not be agreed to by the other."

In referring to the exemption provided labor, Poole asked, "How can any agency allegedly conceived to protect the consumer on all such consumer concerns as listed in H.R. 7575 not be able to examine labor costs and/or practices as they relate to the cost of goods?"

Poole said that a labor exemption "casts a cloud over this legislation."

"Congressional oversight," Poole stressed, "will do more than a new bureau to cure any shortcomings of federal agencies."

SOVIET AUTHOR ALEXANDR SOLZHENITSYN

HON. JOSEPH G. MINISH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 16, 1975

Mr. MINISH. Mr. Speaker, yesterday, the renowned exiled Soviet author Alexandr Solzhenitsyn spoke before a gathering which included many Members of the House of Representatives and the Senate.

The Nobel Prize winning writer spoke of the oppressive and authoritarian nature of communism and warned of the pitfalls of détente.

I commend his remarks to all my colleagues in the House:

Speech by Alexandr Solzhenitsyn

Here, in the Senate Office Building, I must begin by saying that I have in no way forgotten the signal, and even exceptional honor paid me by the United States Senate in twice endeavoring to declare me an honorary citizen of the United States.

I interpret this to mean that you have in mind not just myself as a person, but the millions of my fellow countrymen who have been deprived of rights, and even those in the other communist countries—those millions who have never been able, and are still unable, to express their opinions in the press, in parliaments, or at international conferences.

In conveying to you my gratitude for the decisions of the United States Senate relating to myself, I am even more conscious of my responsibility as representative of those others—a responsibility almost too burdensome for the shoulders of a single human being. But since I have never lost sight of the suffering, the striving, and the yearnings of those other voiceless millions, and have had no other aim in life than to give voice to them, this has lent me strength for my public appearances in this country and for my appearance before you here today. There are as yet few back there, in the communist countries, who speak out, but millions understand how loathsome and repulsive the system is. Whoever can do so "votes with his feet," simply fleeing from this mass violence and extermination.

Here today I see not only members of the Senate, but also a group of Representatives. Thus, I am speaking for the first time to participants in your country's legislative process whose influence in recent years has spread well beyond the limits of American history alone.

In virtually every respect our Russian historical experience has been almost the opposite of yours. Our enormous sufferings in the twentieth century have made this Russian experience a bitter example, one which is too overwhelming, one which—as it were—comes to you from the future. Hence it is the more needful that we convey to one another our mutual experiences—persistently and with complete sincerity. One of the most terrible dangers of the present day is precisely that the destinies of the world are tangled together as never before, so that events or mistakes in one part of the world are immediately felt in all the others. At the same time the exchange of information and of opinions between populations is blocked by iron barriers on the one side, while, on the other, it is distorted by distance, by misinformation, by narrowness of outlook, or through deliberate misinterpretation by observers and commentators.

In my few addresses here in your country I have attempted to break through that calamitous wall of ignorance or of unconcerned arrogance. I have tried to convey to your countrymen constrained breathing of the inhabitants of Eastern Europe, in these very weeks when an amicable agreement of diplomatic shovels will bury and pack down bodies still breathing in a common grave. I have tried to explain to Americans that 1973, the tender dawn of detente, was precisely the time when the starvation rations in the prisons and concentration camps of the USSR were made even skimpier while in the very most recent months, when more and more Western speechmakers were pointing to the beneficial consequences of "detente," the Soviet Union put the finishing touches on an even more novel and important improvement in its system of punishment: retaining their undying primacy in the invention of forced labor camps, the Soviet jailors have now established a novel form of solitary confinement—forced labor in the solitary cells—cold, hungry, without fresh air, without sufficient light, and working according to impossible output norms. And failure to fulfill is punished by confinement under even more brutal conditions.

Alas, such is human nature that we never feel the sufferings of others until we ourselves have to share them. I am not certain that in my addresses here I have succeeded in conveying the breath of that terrible reality to American society which is complacent in its prosperity. But I have done what I was bound to do, and what I could. So much the worse if the justice of my warnings becomes evident only some years hence.

Your country has just recently passed through the extended ordeal of Vietnam, which so exhausted and divided your society. I can tell you with confidence that this ordeal was the least of the long chain of similar trials which awaits your country in the near future.

Whether or not the United States so desires, it stands at the peak of world history and takes the burden of leadership if not of the whole word, then of at least a good half of it. The United States has not had a thousand years to train for this. Maybe the 200 years of your existence has been time to weld together a sense of national awareness. The load of obligations and responsibilities has fallen on you unbidden.

That is why you members of the Senate and of the House of Representatives, each one of you is not just an ordinary member of an ordinary Parliament—you have been elected to a particular position in the contemporary world. I would like to convey to you how we—the citizens of the communist countries look upon your words, deeds, proposals, and enactments—as brought to us over the radio and sometimes with warm approval and sometimes also with horror and despair. But we never have a chance to respond out loud.

Perhaps some of you, in your minds, still feel yourselves just representatives of your state or party—but we from over there, far away from here, the whole world itself, does not perceive these differences. We do not look upon you as Democrats or Republicans, not as representatives of the East or West coast or the Midwest, we see you as figures upon each of whom depends whether the course of world history will tend to tragedy or salvation.

In the oncoming combination of a world political crisis with a shift in the spiritual values of a humanity exhausted and choked by the existing false hierarchy of values, you or your successors in the Capitol will have to confront, and are confronting today, tasks which are immeasurably greater, incomparably greater, than the petty calculations of diplomacy, the interparty struggle, or the clash between President and Congress. There is no choice but to rise to the tasks of the age.

Very soon, only too soon, your state will have need not only of exceptional men but of great men. Find them in your souls. Find them in your hearts. Find them in the heart of your country.

PROPOSALS FROM THE FEDERAL ELECTIONS COMMISSION

HON. TOM STEED

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 16, 1975

Mr. STEED. Mr. Speaker, in keeping with my previously announced policy of placing into the Record proposals from the Federal Elections Commission, I am offering the following for the benefit of my colleagues. I herewith include another installment of the materials provided by the Federal Elections Commission for publication in the Federal Register. For the Members who desire to retain a copy of the entire series, other installments were printed in the appendix of the Record on June 2, June 25, July 9, July 14, and July 15. Additional installments will be made available as soon as possible. The material follows:

AOR 1975-2: The Michigan Democratic Party—Multi-Candidate Political Committees

"Dear Sirs: 1. It is my understanding that 18 U.S.C. Section 608(f) entitles state committees and their subordinate committees to make independent expenditures on behalf of a candidate for federal office in an amount up to $10,000 for a United States House of Representatives candidate and up to $.02 times the VAP for a United States Senate candidate.

In order to meet all of the reporting requirements of the federal law and those of our state laws the Michigan Democratic Party maintains two separate accounts—one for federal elections and one for state elections. My question to the Commission which I seek guidance on is this: Even though the moneys for federal elections are not kept in the official account of the Michigan Democratic Party, can they nevertheless be used to make the types of independent expenditures that are permitted for State Central Committees?

2. "Section 608(f)(3) states that "A State committee of a political party, including any subordinate committee of a State committee" may not make an expenditure with regard to the election of a United States senator in Michigan of more than 2¢ times the VAP or for a United States representative, $10,000. How are we to interpret the phrase "subordinate committee"? Michigan statute establishes in addition to a State Central Committee, 83 county committees and 18 congressional district committees of each major party. There are some interlocking relationships between these organizations and the state committee but these relationships do not extend to our controlling their decisions on the raising or expenditure of campaign funds. Are we required under this act to institute a new system of control such as requesting them to file with us so that we can make a consolidated filing of all of their federal election expenditures or are they to be treated as any other political committee and therefore limited to an expenditure of $1,000 on behalf of any candidate or are both they and the state committee permitted to make separate $10,000 expenditures? If they are not subordinate committees, I would presume the entire expenditure limit cited above would apply to the state committee. Since an interpretation that would require consolidated reports would result in the necessity for a great deal of explanation and re-organization within our party, I would urge a prompt response to this question."

3. "Section 432(f)(2) and Section 433(e) and Section 434(2) all state that a political committee which is not a principal campaign committee "shall not file the required reports or statements with the Federal Election Commission" but instead with the appropriate principal campaign committee. Is there other language in the statute or legislative intent in the conference committee report that would indicate that these sections do not apply to state political party committees? A literal interpretation of this language would seem to indicate that we, as a state party, would have to file a complete statement of all contributions received and all expenditures made with every candidate whom we supported. If your answer to my first request also envisions the state party consolidating the reports of all of our local party committees, I believe you can immediately see the horrendous logistical problems such a requirement would create. It also appears to me the intent of this statutory language was to take care of those political committees who were supporting one candidate but were not the principal campaign committee. Since we support a number of candidates, I do not believe it would be practical to interpret the statute any other way but to have us file directly with your Commission. We will need an answer on this question well in advance of the first date on which we need to file.

4. "Section 431(f)(4)(C) excludes from the definition of expenditures, communication by any membership organization to its members. Since we are a membership organization in Michigan and since the state party is not organized primarily for the purpose of influencing the election of any person to federal office, are our expenditures for our newsletter not an expenditure under the scope of the statute?

5. "Does Section 437a. require the filing of reports by local political committees who do not receive contributions over $1,000 or make expenditures over $1,000 with regard to federal elections, to still report to the Federal Election Commission any moneys received or expended in a lesser amount which are used to influence the outcome of a federal election? Does the phrase "commits any act directed to the public" mean that such routine activities by a political committee as putting up a poster for a candidate for federal office must be translated into a dollar value and reported to the Commission? In the interest of not subjecting a large number of people to criminal prosecution for innocent actions, I suggest the Commission examine carefully the legislative intent behind this statute and write strict regulations regarding its interpretation.

(Signed) MORLEY A. WINOGRAD,
Chairperson.

AOR 1975-3: NATIONAL REPUBLICAN CONGRESSIONAL COMMITTEE—MULTICANDIDATE POLITICAL COMMITTEE

"Dear Commissioners: The National Republican Congressional Committee (hereinafter "NRCC"), a political committee as defined by 2 U.S.C. Section 431(d), hereby requests that the Federal Election Commission (hereinafter "FEC"), issue an advisory opinion pursuant to 2 U.S.C. Section 437(f) as to the legality of the transactions and activities described in this letter.

On the basis of the facts and law set forth in this letter, it is requested that the FEC advise the NRCC, a multi-candidate political committee as defined by 18 U.S.C. Section 608(b)(2), that the following services and property which it provides to Republican Members of the House of Representatives (hereinafter "Member"), are non-campaign in nature and, therefore, do not count against its $5,000 campaign contribution limitation to a candidate in any election (*See* 18 U.S.C. Section 608(b)(2)) and also do not apply to the Member's election expenditure limitations. (*See* 18 U.S.C. Section 608(c)(1)(E)). These services are:

1. The NRCC's preparing and printing newsletters, questionnaires and other printed matter to be mailed by Members under the Congressional frank.

2. The NRCC's reprinting of excerpts from the *Congressional Record* to be mailed by Members under the Congressional frank.

3. The NRCC's paying the cost of tabulating responses to questionnaires sent by a Member to his constituents under the Congressional frank including the cost of using a computer for such tabulation.

4. The NRCC's reimbursing a Member for the cost of newsletter paper purchased by the Member from the House of Representatives Stationery Room to be used by the Member in preparing materials to be mailed by the Member under the Congressional frank.

FACTS

The NRCC is a political committee as defined in 2 U.S.C. Section 431(d) and 18 U.S.C. Section 591(d) and also qualifies as a multi-candidate political committee pursuant to 18 U.S.C. Section 608(b)(2). The NRCC, which was founded in 1866, has traditionally provided various forms of support to Republican Members of the House of Representatives in connection with their fulfilling their duties as federal officeholders.

The NRCC provides to Republican Members of the House of Representatives a variety of services to assist the Members in fulfilling their duties as federal officeholders and in keeping their constituents informed on matters pending before the House. These services are not directed to a Member's campaign efforts. On the contrary, they permit a Member to provide citizens in his District with accurate and up-to-date information on the important issues in Congress as well as allowing the Member to receive and tabulate the opinions of his constituents on these same issues.

The monetary allowance which a Member receives from the federal government is not sufficient to cover the costs of these non-campaign services. The NRCC has for many years provided a certain percentage of the funds for said services and has furnished certain of these services in kind to Members.

The following services are among those which the NRCC has traditionally supplied to Members for non-campaign purposes:

1. The NRCC's preparing and printing newsletters, questionnaires and other printed matter to be mailed by a Member under the Congressional frank.

2. The NRCC's reprinting of excerpts from the Congressional Record to be mailed by Members under the Congressional frank.

3. The NRCC's paying the cost of tabulating responses to questionnaires sent by a Member to his constituents under the Congressional frank, including the cost of using a computer for such tabulation.

4. The NRCC's reimbursing a Member for the cost of newsletter paper purchased by the Member from the House of Representatives Stationery Room to be used by the Member in preparing materials to be mailed by the Member under the Congressional frank.

STEVEN STOCKMEYER,
Executive Director, National Republican Congressional Committee.

AOR 1975-5: CONTRIBUTIONS FOR CAMPAIGN DEBTS INCURRED PRIOR TO DECEMBER 31, 1972—REQUESTS SUMMARIZED BY THE COMMISSION

Facts: Candidates who ran for federal office in 1970 and 1971 have outstanding debts remaining from their respective election campaigns. Solely to liquidate these past debts, the former candidates and their campaign committees have been accepting contributions from a variety of legitimate sources. The former candidates and their campaign committees wish to continue accepting such contributions if this is permitted by the Federal Election Campaign Act of 1971 as revised by the Federal Election Campaign Act amendments of 1974 (hereinafter referred to as the "Act").

Source: William B. Stanley. 12-13-74, Taft '71 Committee. 5-21-75.

Issues: 1. To what extent is the Act applicable to current contributions made solely for repayment of debts stemming from federal election campaigns which ended prior to December 31, 1971?

Source: William B. Stanley. 12-13-74, Taft '71 Committee. 5-21-75.

2. If 18 U.S.C. Section 608 is applicable to current contributions made solely for the repayment of debts stemming from a federal election campaign ending prior to December 31, 1972, are these contributions to be reported to the Federal Election Commission as relating to a prior election or should these be included within and counted toward the limitations provided for the next forthcoming federal election campaign?

Source: Taft '71 Committee, 5-21-75.

3. If 18 U.S.C. Section 608 is applicable to current contributions made solely for the repayment of debts stemming from a federal election campaign ending prior to December 31, 1972, is a distinction made between contributions by the candidate and his immediate family, and contributions by some other person?

Source: William B. Stanley. 12-13-74, Taft '71 Committee. 5-21-75.

Sources (A.O.R. 1975-5): William B. Stanley, 17 Meadow Lane, Box 1129, Norwich, Conn. 06360.

Taft '71 Committee, through its Attorney, Richard Roberts c/o Richard Roberts, Esquire Taft, Stettinius & Hollister, Dixie Terminal Building, Cincinnati, Ohio 45202.

AOR 1975-6: CAMPAIGN DEBTS INCURRED DURING THE PERIOD OF JANUARY 1, 1973 THROUGH DECEMBER 31, 1974, INCLUSIVE—REQUEST SUMMARIZED BY THE COMMISSION

Facts: Candidates for federal office in 1974 have outstanding debts remaining from their respective campaigns. If there is no conflict with the Federal Election Campaign Act of 1974 as revised by the Federal Election Campaign Act Amendments of 1974 (hereinafter referred to as the "Act"), several different approaches are proposed in order to eliminate the outstanding financial obligation:

a. Former candidate wishes to personally pay her debts and the debts of her campaign committee.

Source: JoAnn Saunders, 2-3-75.

b. Former candidates and their campaign committee wish to accept from other political committees contributions to be used solely to liquidate past campaign debts.

Source: Republican Congressional Boosters Club, 2-5-75; Representative Richard Kelly, 5-6-75.

c. Former candidate wishes to cancel a debt owed to him by his campaign committee and, if appropriate, have the debt be treated as a contribution made in 1974. Creditor of a campaign committee wishes to cancel the debt owed him by the committee and treat it as a contribution made in 1974.

Source: Representative Richardson Preyer, 2-10-75; Democrats for Harlan, 5-22-75.

d. A campaign committee owed a private survey organization two thousand dollars for 1974 election campaign services. In 1974, a private individual pledged to pay this amount in behalf of the committee, and executed a note in this amount in favor of the survey company. This pledge was duly reported by the committee to the previous supervisory officer in the report covering the last quarter of 1974. However, the survey company did not agree to accept the note in satisfaction of the committee's debt until after January 1, 1975.

Source: Hart for Senate Committee, 4-23-75.

Issues: 1. Is 18 U.S.C. Section 608 applicable to current contributions made solely to pay debts from a federal election campaign held during the period of January 1, 1973 through December 31, 1974, inclusive?

Source: JoAnn Saunders, 2-3-75; Republican Congressional Boosters Club, 2-5-75; Representative Richard Kelly, 5-6-75; Representative David Emery Committee, 5-14-75; James R. Soles, 4-30-75.

2. If 18 U.S.C. Section 608 is applicable to current contributions made solely for the repayment of debts stemming from a federal election campaign held during the period of January 1, 1973 through December 31, 1974, inclusive, are these contributions to be reported to the Federal Election Commission as relating to a prior election or should these be included within and counted toward the limitations provided for the next forthcoming campaign?

Source: Republican Congressional Boosters Club, 2-5-75; Representative Richard Kelly, 5-6-75; Representative David Emery Committee, 5-14-75.

3. If 18 U.S.C. Section 608 is applicable to current contributions made solely for the repayment of debts incurred during the period January 1, 1973 through December 31, 1974, inclusive, is a distinction made between contributions by the candidate and his immediate family and contributions by some other persons?

Source: JoAnn Saunders, 2-3-75; Republican Congressional Boosters Club, 2-5-75; Representative Richard Kelly, 5-6-75; Representative David Emery Committee, 5-14-75; James R. Soles, 4-30-75.

4. Is the 1974 Act applicable in a situation in which (a) a political committee owed a private research group $2,000 for 1974 campaign services, (b) an individual supporter of that political committee executed a promissory note in that amount in favor of the creditor in 1974 (c) the committee acknowledged the note as a pledge which was duly reported in the committee's report covering the last quarter of 1974, (d) but the note is not itself accepted by the creditor in satisfaction of the committee's debt until January 1, 1975?

Source: Hart for Senate Committee, 4-23-75.

5. If a creditor of a campaign is willing to cancel a campaign debt incurred during the period of January 1, 1973 through December 31, 1974, inclusive, does the cancellation constitute a personal contribution under 18 U.S.C. Section 608 and should it thus be treated as any other contribution to repay campaign debts?

Source: Representative Richardson Preyer, 2-10-75.

Sources (A.O.R. 1975-76): Democrats for Harlan, adopted request by Murray T. Johnson, c/o Democrats for Harlan, 236 Argyle Avenue, San Antonio, Texas 72809, By its Request Dated: 5-22-75.

Representative David Emery Committee, c/o Robert N. Pyle, 425 Cannon House Office Building, Washington, D.C. 20515, By its Request Dated: 5-14-75.

Hart for Senate Committee, c/o Harold A. Haddon, Esquire, Suite 1130 Capitol Life Center, 16th at Grant Street, Denver, Colorado 80203, By its Request Dated: 4-23-75.

Representative Richard Kelly, adopted request by Representative John J. Rhodes, c/o Honorable Richard Kelly, 1130 Longworth House Office Building, Washington, D.C. 20515, By its Request Dated: 5-6-75.

Representative Richardson Preyer, c/o Honorable Richardson Preyer, 403 Cannon House Office Building, Washington, D.C. 20515, By its Request Dated: 2-10-75.

Republican Congressional Boosters Club, c/o New Jersey Avenue, S. E., Suite 522, Washington, D.C. 20003, By its Request Dated: 2-5-75.

JoAnn Saunders, 2123 Alameda Drive, Orlando, Florida 32804, By her Request Dated: 2-3-75.

James R. Soles, 215 Vassar Drive, Newark, Delaware 19711, By his Request Dated: 4-30-75.

THOMAS B. CURTIS,
Chairman, for the Federal Election Commission.

GIRLS NATION

HON. RICHARDSON PREYER

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 16, 1975

Mr. PREYER. Mr. Speaker, as many of my colleagues are aware, Girls Nation is meeting in Washington this week and many of them have been visited by representatives of their State who are attending this gathering.

Girls Nation is a very fine program which recognizes and encourages leadership among the young women of our country.

The delegates to this year's session are clearly among the most outstanding in years because they have elected Alma Washburn of Greensboro, N.C., as their president.

Alma is the daughter of Mr. and Mrs. W. F. Washburn and her parents and all of us who are her neighbors in Greensboro are particularly proud of her.

THE SECOND RUSSIAN WHEAT DEAL

HON. MARTIN A. RUSSO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 16, 1975

Mr. RUSSO. Mr. Speaker, in recent days it has become readily apparent that the Soviet Union is preparing to purchase American grain. I am sure my colleagues are well aware of the manipulations engineered by the Department of Agriculture 3 years ago that wondrously managed to increase prices to American housewives and at the same time bilking American wheat farmers out of millions of dollars. Dealing in secrecy and utilizing the "sweetheart" contacts between USDA officials and the major grain corporations, "The Great Grain Robbery", was a disgraceful performance on the part of a Government agency that is supposed to protect and serve American citizens.

Mr. Speaker, American farm exports are our most valuable economic weapon in establishing a strong balance-of-payments position. I applaud our industrious farmers, especially in the Midwest, who have produced when called upon. However, our massive trading in grain commodities must be done in an orderly and open manner within a vigorous free market. I have serious doubts about the present Secretary of Agriculture's ability to accomplish this goal given his track record. In my judgment the Congress must devise a control mechanism to better monitor these important market transactions, if Mr. Butz and his cohorts continue to bungle.

At this time I would like to call my colleagues' attention to this morning's lead editorial in the Washington Post dealing with prospective foreign grain deals:

THE NEXT RUSSIAN WHEAT DEAL

Once again the Russians are apparently preparing to buy large quantities of American grain. Once again the U.S. government says it has no precise information on the Russians' intentions. Once again the Department of Agriculture seems to have become aware of the prospective sale mainly through accidental and indirect hints, in this case the reports from London of the Soviets' having chartered freighters to carry the grain. The whole episode is a salutary reminder that this country still has no reliable protection against massive invasions of its grain markets, which in turn disrupt meat production and push food prices up for the consumer.

Selling grain to the Russians is a perfectly reasonable and acceptable thing to do—within limits. The limits are imposed by the size of our crops and the size of the other claims on them. If this country sells too much, as it did in the famous Russian wheat deal three years ago, prices shoot up drastically. That injures not only domestic buyers but our regular foreign customers, the countries that depend upon us for food shipments year in and year out. By letting the Russians buy large amounts, at irregular and unpredictable intervals, the Agriculture Department has introduced a new element of dangerous instability into the economics of farming in this country.

Estimating the Russians' requirements is extremely tricky. The Russians themselves are highly secretive, regarding the whole subject of crops and stocks as a matter of national security. Most of their productive land lies at high latitudes with short growing seasons and undependable rainfall. It appears that the U.S. Department of Agriculture in recent months substantially overestimated the current Russian crops. The point is not to chide the department's technicians for a bad guess, but to emphasize that these estimates are always and inherently imprecise. It is a great mistake to base national food policy on the assumption that they can be made exact. Even the forecasts of the American grain crops can shift substantially through the summer, as last year's bad weather demonstrated. The Secretary of Agriculture, Earl Butz, is pretending that he knows exactly how big the coming harvest is going to be, but his past record as a forecaster does not inspire any very profound confidence. Despite the very hopeful signs of record-breaking grain production this year, a prudent secretary would set a rather conservative limit on export sales this early in the season. But that is not Mr. Butz' style.

If he is wrong, grain prices will go up substantially. As the past several years have shown, the direct effects on the consumer are not the important ones. Even a heavy increase in the price of wheat has only a modest effect on the cost of a loaf of bread, since there is only a few cents' worth of wheat in a loaf that sells for half a dollar. The larger impact is the indirect one that turns up eventually in the prices of meat, poultry, eggs and dairy products. Most of the grain raised in this country is fed to animals. The rapid rise in the price of meat at the supermarkets, over the past several months, is the result of high grain prices last fall. That, in turn, was related to the Agriculture Department's overestimates of the size of the harvest a year ago. It is not as though we had not been down this road before. The wild swings in grain prices over the past three years have done serious damage to the American meat industry in particular.

The question is not whether to encourage American exports of food. These exports serve the national interest by helping the balance of trade and the standard of living. This country possesses the most productive agricultural system in the world, and it has a moral duty to keep shipping foodstuffs to less happily endowed nations overseas. Food costs here are necessarily and properly going to be higher in the future than in the past, to sustain the unprecedented levels of production that this country and the world now need.

The trouble arises when large government trading corporations—of which the Soviets' is the biggest and richest—suddenly descend upon our markets without warning to make purchases on a scale that shakes our whole agricultural economy. A more sensible system would make sales of this sort conditional on the size of the crops—not at the middle of the growing season, when the Russians seem to like to buy, but after it has actually been harvested.

It is still not clear how much the Russians intend to import this year, how much of it they intend to import from us, or precisely which commodities they want. The administration here remains firmly committed to the open bin policy: Anyone can shovel as much as he likes out of that bin, paying a price that rises as the bin gets emptier. Unfortunately the bin gets refilled only once a year. When the Agriculture Department makes a mistake in its calculations, that mistake is not quickly or cheaply remedied. The department now seems to be teetering on the brink of another of those mistakes.

DESEGREGATION AND INTEGRATION IN MINNEAPOLIS

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 16, 1975

Mr. FRASER. Mr. Speaker, sometime this week the House is scheduled to consider the conference report on the education appropriations bill for fiscal year 1976. Included in the bill is $241.7 million for the Emergency School Aid Act—ESAA—a relatively small, but extremely important, program which provides funds to assist school districts meet the special expenses incident to either voluntary or court-mandated school desegregation.

In Minneapolis, the Emergency School Aid Act has been instrumental in facilitating the district's desegregation and integration program. Serving almost 13,000 students, the program is comprised of two components: First, the instruction of remedial reading and mathematics to students attending high school need elementary and junior high schools; and second, the provision of desegregation aides to targeted schools so as to help students adjust successfully to their new environments.

The desegregation of the Minneapolis public schools has been free of many of the tensions and dislocations which have accompanied the desegregation efforts of other school systems. This is in part attributable to the impact of the ESAA program. I would like to call my colleagues attention to an article entitled, "Integration Comes Quietly to Minneapolis." The article, which recently appeared in the Milwaukee Journal, describes Minneapolis' 3-year desegregation efforts. It provides an informative appraisal of the district's successes and shortcomings. The article follows:

INTEGRATED COMES QUIETLY TO MINNEAPOLIS

MINNEAPOLIS, MINN.—In 1971, the Minneapolis School Board began an experimental program of forced desegregation in two of the city's 94 public schools. Some parents shouted protests, others quietly packed up their families and moved away. And two anti-integration candidates won easy victories in that year's board elections.

Now the schools are nearing completion of the final phase of an expanded three year desegregation program under the supervision of the Federal Court.

And Marilyn Borea, a 37 year old white housewife who rode the crest of the anti-integration wave to victory in 1971, is spending more time urging an expanded girls' athletic program than answering phone calls from parents hassled by desegregation.

"No one discusses the pros and cons of desegregation anymore. It's a moot issue," she said recently. "By and large, it's working." Besides, Mrs. Borea added, "the court ruling has said that this is the way it's going to be."

SOME PROGRESS

But W. Harry Davis, the 52 year old black chairman of the board, is cautious. "There has been progress," he acknowledged. "But there hasn't been enough for us to sit back on our laurels."

Parents and school officials are waiting to see how and if academic achievement will change. They're also pondering the fate of one-third of the system's schools that are still nearly all-white and unaffected by the court ruling.

And in the local American Indian community, there are fears that dispersal of Indian students throughout the district is jeopardizing positive cultural identity.

Minneapolis, a city of 434,400, has a relatively small minority population: 4.4% of the people are black, 1.3% American Indian and seven-tenths of 1% Asian and Latin, according to the 1970 U.S. census.

But similar to other urban areas of the country, minority enrollment in Minneapolis public schools is disproportionately high and growing higher.

CAMPAIGN BEGAN IN '60S

In 1963, there were 4,708 minority pupils, comprising 6.6% of the city's 71,530 students. By last fall, minority enrollment had increased to 10,722 or 19.1%, while total enrollment decreased to 56,161. There were 7,040 blacks, 2,676 American Indians, 583 Latins and 423 Asians.

The campaign of local blacks to desegregate public schools began quietly in the 1960s, without the citywide boycotts and spot demonstrations on construction sites that marked similar efforts in Milwaukee.

The School Board adopted a voluntary busing program in 1967 and established guidelines for voluntary desegregation in 1970. But it was not until the following year that the first attempt at forced desegregation was made on an experimental basis.

Two elementary schools on the city's South Side—Hale School, mostly white, and Field School, mostly black—were paired into a single attendance district. All students in kindergarten through third grade went to Hale, while those in fourth through sixth grades attended Field.

LITTLE RACIAL CONFLICT

Despite frequent parent protests before the program began, there was virtually no racial conflict once it got underway.

The following year, the board adopted a sweeping plan for forced desegregation in 53 schools, following many hearings throughout the city at which throngs of parents—most of them white—criticized the proposal.

At the same time the board was deliberating the plan, Federal Judge Earl R. Larson was hearing a class action suit brought by the local NAACP on behalf of three black children.

DISTRICT COURT RULING

One month after the board adopted the plan, Larson ruled that the board had maintained segregated schools through its pupil and staff assignment, school construction and pupil transfer policies. He also said that housing patterns helped foster racial isolation in the city's schools.

But Larson rejected the plaintiffs' request for city desegregation immediately, and instead said he would supervise the board's adopted plan which would phase in desegregation over a three year period.

The plan called for the redrawing of high school district boundaries beginning in the first year, and complete desegregation of 13 junior high schools, including the busing of 2,800 students, in the second year. Last fall, elementary schools were added to the operation in the third and final phase. Now 11,000 children on buses and 4,000 others attend schools outside their immediate neighborhoods.

The board included pairing and clustering schools into larger attendance areas in the same fashion pioneered in the Field-Hale experiment of 1971.

This approach was feasible in part because the city's black population is centered in two separate areas, a highly concentrated one on the near North Side and a more dispersed one throughout South Side areas.

The linchpin of Larson's original decision was that by the end of the current school year, there be no school in the city where minority enrollment exceeded 35%, roughly twice the percentage of minority enrollment in the district as a whole at the time of the decision.

Before the ruling, 19 schools had minority enrollments greater than that figure.

9 SCHOOLS ABOVE LIMIT

The board, claiming it was working as diligently as possible, nevertheless expected nine schools to still be above the 35% minority limit next fall. School officials said the primary reasons were delays in school construction and failure of magnet programs to attract enough whites to racially mixed schools.

The desegregation program was successful, however, in reducing the concentration of minorities. Two schools that previously had minority enrollments of 88% and 67%, for instance, were cut to 47% and 49%, respectively.

Charles Quaintance, attorney for the plaintiffs, criticized the school system for relying so heavily on the concept of magnet schools to desegrate. He said it was unlikely to attract enough whites and that progress under the program was too slow.

Quaintance asked Larson in April to require the board to comply more closely with the original court order.

LEVEL RAISED TO 42%

In response, on May 7, Larson raised the 35% level to 42% with the provision that no single minority such as black could constitute more than 35% of a school's population.

Larson said he made the adjustment because of the growth of the city's minority population since 1972, particularly the growth of the Indian community.

Raising the ceiling left only one school potentially above the 42% legal limit for next fall. And on May 27, the School Board adopted a proposal to add another school, 91% white, to the desegregation plan. Judge Larson approved this plan and presumably the action will bring the district into full compliance by fall.

Quaintance said he did not oppose raising the limit. He said he was pleased with the court for enforcing desegregation efforts and not allowing the schools to backslide.

AIMED AT BLACK SCHOOLS

The entire court effort has been aimed primarily at desegregating schools that were predominantly black. It has done nothing about many schools that are mostly white. Of 86 schools in the city, 28 have minority enrollments of less than 10%, a fact that worries Supt. John B. Davis.

The superintendent and the board have always contended that housing patterns affected school segregation. One place where that is most evident is in northeast Minneapolis, a tight ethnic enclave of Poles and Swedes across the Mississippi River from the main portion of the city.

Of more than 17,000 blacks living in the city in 1970, only 16 lived in the northeast; seven of the 28 schools with minimal minority enrollment are in that part of the city.

INDIAN COMMUNITY

Although the Indian population, which is also located in two different sectors of the city, was included in the court order, it has not greeted the desegregation program with allout enthusiasm.

The activist American Indian Movement (AIM) has its national headquarters here, and its organizing has sparked a general cultural awakening among Indians.

Some Indians have requested transfers to schools where they are collectively in greater numbers. And at one point last year, there were some confrontations, but no violence, between blacks and Indians at one high school.

MINORITY STAFFING

Larson's order also affected minority staffing, which had previously been concentrated in schools with the highest minority enrollments.

Now every elementary school has at least one black teacher, and the minority staff ratio in each secondary school is at least 6%.

Several studies of student achievement have been made during the three years of the Field-Hale program. Officials say they show that black achievement has been improved and white achievement has not been harmed.

2 STUDIES CRITICAL

The bulk of the citywide program started last fall, and few evaluations have been made since then. However, two conceptual studies of the desegregation plan released in October were sharply critical.

One report, undertaken by a school administration task force, concluded that both the voluntary and mandatory busing plans were perpetuating values of white superiority.

The second report, compiled by the Atlanta based firm of Tillman Associates, said the board's program was more concerned with meeting constitutional requirements of the court order than eradicating the root causes of racism in the schools.

THE COMMUNIST PLANS FOR PORTUGAL

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 16, 1975

Mr. ASHBROOK. Mr. Speaker, to say the NATO alliance is being eroded is clearly an understatement. The problems in the Mediterranean are obvious. Just as obvious is the serious situation in Portugal.

There seems to be little understanding in this country of what the Communists are attempting to do. Supposedly, Secretary of State Kissinger has told Moscow that there are limits on how far the Soviets can help the Portuguese Communist Party in destroying any remnants of democracy in Portugal without there being a reaction in Soviet-American relations.

Even if this is the case, however, there seems to be once again the prospect of the Communists seriously outmaneuvering this country. The Portuguese Communist leader Cunhal has made clear his plans for the future of Portugal. He has stated:

> For me, democracy means getting rid of capitalism, the monopolies. In Portugal there is now no possibility of a democracy like the one you have in West Europe. . . .

With the present situation in Portugal it seems to be once again an example of two-level diplomacy. On one level—the public one—there are the assurances that Portugal will be able to be developed in a free way. On the second level—the hidden level—there is the bankrolling of the Portuguese Communist Party and encouragement of their dictatorial methods.

Unfortunately, American diplomacy seems incapable of taking into account the two-level practice. The result continues to be the retreat of free societies in the face of a more determined and more organized Communist foe.

At this point I include in the Record the text of a column from the Washington Post of June 27, 1975, entitled "Portugal's Communist Future." This column contains portions of an interview of the Portuguese Communist Party head, Alvaro Cunhal, which appeared in the Milan Weekly-Europe. The full text of the column follows:

PORTUGAL'S COMMUNIST FUTURE

(By Stephen S. Rosenfeld)

Nothing yet published imparts such a keen—and profoundly dispiriting—sense of where Portugal is headed as a recent interview with the head of the Portugese Communist Party, Alvaro Cunhal, conducted by Italian journalist Oriana Fallaci in the Milan weekly, Europe.

Cunhal, slicing through the thick fog generated over Portugal by confusing reportage, liberal wishful thinking and conservative alarms, makes it absolutely plain that his country is headed for a tight military dictatorship steered by the Communist Party.

The only thing that could stop him, his interviewer suggests, is that the Soviet Union might dump him "because you are too arrogant. Too Stalinist. Because you have the Socialists' newspapers closed down and are organizing a load of trouble for Communists in [West European] countries. Because you will end up by breaking the eggs in the Soviet Union's basket and damaging the agreement between Kissinger and Brezhnev on Portugal."

"The agreement?" Washington apparently has told Moscow that there are limits to how far the Russians can go in helping Cunhal destroy the prospects of democracy in Portugal and sever Lisbon's NATO-Western ties, without a spillover onto Soviet-Ameriacn relations. Just what the indicated limits are is uncertain.

Whether Cunhal accepts any such Soviet leash has to be questioned, however, in light of the remarkably raw assertions in this interview. Indeed, it is hard to read his words without feeling that Henry Kissinger, whose forebodings about Portugal have been criticized (in this corner, too) as gratuitously dark, is all too squarely on the mark.

"We Portugese Communists need the military," he says. "A popular front with the Socialists . . . is of no use to us. We have already signed such a pact with the Armed Forces Movement [the officers who ousted the old dictatorship on April 25, 1975, and who run the country now]. A popular front is not possible here without the military. The Socialists' mistake was . . . to isolate themselves from the military despite all the votes they received.

"We Communists do not accept the game of elections," states the man whose party took only 12 per cent of the vote in elections to a constituent assembly last April. "No, no, no! I could not care less. If you think that the Socialist Party with its 40 per cent and the Popular Democratic Party with its 27 per cent constitute a majority, you are mistaken!"

Asked Fallaci: "Did you really say that there will be no parliament in Portugal?"

Answered Cunhal: "I promise you that there will be no parliament in Portugal . . . For me, democracy means getting rid of capitalism, the monopolies. In Portugal there is now no possibility of a democracy like the one you have in West Europe . . .

"There are two options here: either a monopoly with a strong reactionary government or the end of monopoly with a strong Communist democracy. In Portugal, capitalism has had a very unique development, based on backward industry, primitive agriculture and poverty which has never been alleviated by technology. It has, moreover, always had the protection of the state apparatus."

"You really love these soldiers," Fallaci went on.

"Yes, I really love them because they are necessary to me."

"And if the military were to discover they do not love you as much as you love them, Cunhal? If they were to turn Portugal into a Peru?" she asked.

"I deny that there is a political force in Portugal which can survive without the Communist Party."

"Is it or is it not true that you approved the Soviet intervention in Czechoslovakia?" Fallaci concluded.

"It is absolutely true that I approved and supported Soviet intervention in Czechoslovakia, the so-called tanks in Prague. And it is not shameful to admit it. At the most, and at times, it is inopportune. But this was my choice, our choice, and we were right. . . ."

""And another point, too, I repeat and conclude: Portugal will not be a country with democratic freedoms and monopolies, it will not be a fellow traveler of your bourgeois democracies, because we will not allow it. Perhaps we will again have a fascist Portugal. That is a risk which must be run, even though I do not believe it, because I do not believe in a fascist coup. We Communists can prevent it thanks to our alliance with the military. But we will certainly not have a social democratic Portugal. Never. Make that quite clear, won't you?"

MODEL FEDERAL EEO PROCEDURAL RULES

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 16, 1975

Mr. HAWKINS. Mr. Speaker, I wish to include in the Record the attached summary and section-by-section analysis of model procedural EEO regulations which were proposed to the Civil Service Commission on July 10 as well as the announcement of these proposals which was made in a press release issued on July 15:

HAWKINS PUSHES CSC EQUAL EMPLOYMENT OVERHAUL

Congressman Augustus F. Hawkins (D.-Cal.), Chairman of the Subcommittee on Equal Opportunities, last Thursday, July 10, 1975, formally took the unusual step of proposing model federal equal employment opportunity procedural regulations to the U.S. Civil Service Commission.

Representative Hawkins, in a letter dated July 10, called upon the Chairman of the Civil Service Commission, Mr. Robert Hampton, to submit a detailed response to the model regulations.

"At present", the Congressman stated, "the Civil Service Commission, in violation of the law, refuses to handle class action complaints of discrimination. By responding only to individual cases, the Commission is effectively denying the rights of large numbers of federal employees and has contributed to the bottleneck of complaints currently before the Commission and has greatly aggravated the costs of equal employment opportunity enforcement, in terms of both the increased level of man-hours spent on individual cases and the loss in effective labor power and increase in potential backpay liability."

In addition to the provision for class action complaints, the model regulations include measures that would give federal employees the same rights to discovery that exist in court, limit complaint dismissals based on technicalities, alter the Commission's restrictive standard to prove discrimination, and establish the right to have an attorney to help with the processing of their complaints.

"In my judgment", the Congressman stated, "we should be doing everything that we possibly can to encourage, and not hinder federal employees' access to effective justice guaranteed by Title VII of the Equal Employment Opportunity Act of 1972—an access presently more real in the private sector. These proposed regulations are in marked contrast to the obstacle-course rules presently being utilized by the Civil Service Commission."

Chairman Hawkins' Subcommittee on Equal Opportunities is presently holding extensive hearings on discrimination in employment. Representative Hawkins has specifically invited Mr. Hampton to appear again in the near future before the Subcommittee to deliver his response to the proposed model regulations.

SUMMARY

The proposed regulations are intended to bring the rules for handling administrative complaints of discrimination into conformity with Title VII, and to render the procedures more fair and equitable. Virtually every section in the existing regulations is materially altered. The new regulations would give federal employees in the administrative process rights similar to those of private employees in court.

The most important changes are as follows:

Class Actions.—The old regulations prohibited class actions by federal employees. An employee could not include a complaint of class discrimination with his individual complaint. If the employee filed a third party complaint, it was either rejected because related to his own complaint or inadequately processed. Under section 713.211 (d)(1) every complaint of discrimination will have to be treated as a class action.

Dismissal for Technicalities.—Under the old regulations thousands of complaints were rejected for trivial technical reasons; such as minor delays or failure to bring the same problem to an E.E.O. Counselor. Sections 713.211, 713.212, 713.215 and 713.233 drastically limit the power of an agency to dismiss a complaint and extends the relevant deadlines that employees must meet.

Discovery.—In private lawsuits employees are usually able to obtain the relevant evidence and prove their case only through discovery, including interrogatories and depositions. Federal employees lack these rights under the present system.

Section 713.216(c) would give federal employees the same rights to discovery that exist in court. Section 713,216(e) also requires the investigator to collect essential statistical evidence in each case. Section 713.214 gives every federal employee the right to an attorney to help with the processing of his complaint.

"But For" Rule.—Sections 713.217(b) and 713.271 abolish the so-called "but for" rule. The present regulations require that an employee prove, not only that there was a general policy of discrimination, but that when the agency took the action complained of it was motivated by prejudice. The Supreme Court has rejected this rule, on the ground that it places an unfair burden on the employee, and requires instead that the defendant prove the action complained of was *not* a result of the policy of discrimination. The new regulation follow the Supreme Court's decision.

SECTION BY SECTION ANALYSIS

Section 713.211.—Subdivision (b) provides in general terms that the rights and procedures applicable to administrative proceedings shall be at least as generous as those in Title VII actions by federal employees. This principle is incorporated in many of the specific changes and is stated expressly to cover problems not presently foreseeable.

Subdivision (c) is intended to end the practice of dismissing substantial complaints on technicalities. Every agency has an absolute duty to investigate and remedy every instance of discrimination, and that responsibility is not removed merely because the injured employee files a defective complaint or does not file one at all. In the past, agencies have generally refused to take action to deal with well-known discrimination unless there is a well-pleaded complaint. See *Penn v. Schlesinger*, 497 F.2d 970, 975 (5th Cir. 1974). This subdivision also ends the practice, common in the past, of rejecting a complaint because the employee invoked the wrong administrative procedure and then refusing to process the complaint under the correct procedure on the ground it is too late.

Where a federal employee was subjected to a series of discriminatory acts, the general practice has been to require him to file a series of complaints and to refuse to consider the overall pattern. Subdivision (d) reverses this procedure and allows the employee to consolidate his grievances in a single proceeding.

Subdivision (d)(1) mandates that all complaints be treated as class action complaints. This is the long standing practice of E.E.O.C. in processing charges. No allegations of class discrimination are required. In addition, the processing of every complaint must cover all forms of discrimination which are "like or related" to that alleged. Thus all types of racial discrimination would be considered in connection with a complaint alleging denial or promotion on account of race. If additional similar or related problems of discrimination are discovered or alleged, they too must be considered.

Subdivision (e) assures that employees pursuing an administrative complaint will be fully advised of all of their rights.

Subdivision (f) requires all federal agencies, including the Civil Service Commission itself, to take special care that equal employment opportunity is reflected in the personnel chosen to administer these regulations.

Section 713.212.—Subdivision (a)(4) gives a third party, such as the N.A.A.C.P. or the National Organization for Women, the same procedural rights in processing a complaint as are available to an employee. Under the old regulations such third parties had virtually no rights, and could do little more than write the Civil Service Commission a letter. This provision is important in agencies where, for fear of retaliation, the actual employees are unwilling to file a complaint.

The old regulations were structured so as to require "counseling" before a complaint could be filed. This was not only unlawful but served to deter the filing of complaints. Frequently the counselors were under great pressure to persuade employees not to file complaints. The earlier practice also incorporated formalistic requirements as to what constituted a complaint, and permitted an agency to refuse to accept a complaint or to spend months deciding that question. That practice, plus the delays involved in counseling, impermissibly extended the 180 days which was supposed to be the maximum time for processing a complaint. Subdivision (b) eliminates all of these problems, and makes any written or oral complaint a complaint adequate for this subpart and to begin the 180 day waiting period until suit can be filed.

Subdivision (c) makes clear that processing of any complaint must begin at once without delays to decide whether to accept the complaint.

Section 713.213.—Under the old regulations the E.E.O. Counselors were responsible for conciliating any charge of discrimination, but had little ability to do so. The Counselor usually works under the supervisors who are the defendants charged with discrimination, and thus lacks the independence and bargaining power enjoyed by E.E.O.C. when it engages in conciliation. Counselors with the best of intentions are unable to persuade the defendants to end discrimination, and other Counselors try to win favor with their superiors by pressuring employees not to file complaints.

Subdivision (d) gives Counselors the authority they need to bring about settlements. When a Counselor recommends that the agency offer a settlement, that suggestion becomes the agency's offer unless promptly disapproved in writing with an explanation. Subdivision (a) requires that offers be in writing and remain in effect for 30 days to avoid pressuring employees on a "take it or leave it" basis and to provide a written record of what is being agreed upon.

Section 713.214.—In the past the defendant agency generally directed a government lawyer to represent it in all proceedings, but most aggrieved employees did not have the assistance of counsel. This one-sided situation was clearly unfair and tended to hinder rather than help the effect to identify and remedy discrimination. Although the old regulations permitted a government attorney to represent an employee, the employee was limited to attorneys who worked for the defendant agency, and thus had an impermissible conflict of interest. Employees found it difficult to obtain the assistance of private counsel since the regulations made no provision for counsel fees in the event a case was won.

Subdivision (c) provides that every employee will be given a list of competent government employees willing to handle these types of proceedings, and gives each employee the right to choose an attorney from that list.

Subdivision (e) requires an award of counsel fees to any successful employee who is represented by a private attorney.

Section 713.215.—This section drastically limits the power of an agency to refuse to process a complaint because of a technicality. Previously the regulations required that the complaint procedure be invoked within 30 days, although a private employee is given 180 days. Subdivision (b)(1) adopts the 180 day rule, subject to (b)(2) which requires even older complaints to be processed unless laches are present. Subdivision (b) also recognizes the "continuing violation" rule, which is applied by courts under Title VII but which the Civil Service Commission has refused to recognize.

Section 713.216.—Subdivision (a) requires that an employee's complaint cannot be investigated by a federal employee who works for the defendant agency. In the past the investigators were generally employed by the defendant and thus had an impermissible conflict of interest and were subject to improper pressures. This provision also ends the practice of deliberately sending men to investigate female complaints of sex discrimination, whites to investigate minority complaints, etc.

Subdivision (c) reforms the investigation process in several ways. In the past the investigator allowed defendant witnesses to protect themselves by giving a prepared written statement, rather than conducting an aggressive and recorded interview. This mandates the latter procedure.

In addition an employee will be entitled to the same forms of discovery which are available in a United States District Court and are essential to learning the facts.

Subdivision (e) requires that in each case the investigator assemble relevant statistics. In private Title VII cases this is almost always done and is the best way to determine if discrimination is present, but it is virtually unknown under the present regulations. SMSA or regional statistics are required to give a general picture of agency performance. The smaller unit surveyed must be "appropriate"; the investigator cannot limit that inquiry to a subunit of 3 or 4 people, as has occurred in the past. Frequently a denial of promotion or other action is justified on the ground of a low performance or other rating; in such a case data showing whether the minority involved is systematically given low ratings.

Subdivision (f) guarantees the investigator a certain measure of independence by providing that his recommendations for corrective or remedial action are binding unless rejected within 15 days in writing.

Section 713.217.—This section is intended to assure that federal agencies do not require more proof of discrimination than is necessary in a private Title VII action. Subsection (a) invokes the independent expertise of the E.E.O.C. to prepare written materials regarding relevant Title VII law.

Subdivision (b) abolishes the "but for" rule. This requirement in the old regulations required an employee to show, not only that there was a general practice of discrimination against his group, but that his supervisors were motivated by that discrimination in treating him. The "but for" rule is clearly unlawful under *McDonnell-Douglas Corp.* v. *Green*, 411 U.S. 792 (1973). It is usually impossible for an employee to prove such motivation; this subdivision conforms to *McDonnell-Douglas* by placing the burden of proof squarely on the agency once pattern is shown. In addition, the regulation makes clear that the primary responsibility for developing the facts is on the agency, and whenever the agency has failed to produce enough facts on which to decide an issue that issue must be decided in favor of the employee.

Section 713.218:

Subsection (a) is designed to assure that hearing examiners are knowledgable as to Title VII law and procedures by providing that at least half the examiners in each region must be connected with E.E.O.C. or the Civil Rights Commission or have been certified by a local district court. Discrimination in the selection of examiners is precluded by a requirement that examiners be assigned at random.

Subsection (b) ends the common practice of remanding a case for a new investigation whenever more information is needed. This procedure unfairly delays the holding of a hearing. In the past hearings have been called without adequate notice or time for preparation; that is now forbidden. Employees other than the complainant who might be adversely affected by a decision, such as a supervisor charged with misconduct or a fellow employee whose promotion is challenged, are entitled to participate.

Subsection (c) (1) (ii) gives the complaining employee a right to a public hearing.

Subsection (c) (2) gives the complainant the right to call witnesses; in the past the hearing examiner had unfettered discretion as to whom he would call to testify.

Subsection (e) makes it clear that the hearing examiner may and shall direct the appearance of necessary witnesses. In the past he could only request them, and the defendant agency could deny the request.

Subsection (g) requires that the hearing examiner divide his recommendation into findings of facts, conclusions of law, and recommended remedy. This division is used in all United States District Courts and helps to clarify the issues involved. Under the present regulation these recommendations are kept secret until the head of the agency has ruled on them; under this subsection they must be disclosed at once to the complainant.

Section 713.219.—In the past, where a complaint was subject to several different grievance procedures, the employee was forced to make an "election of remedies" and give up his rights under all but one procedure. Often the employee was not told what rights would be lost by a particular decision. This section abolishes that practice, and assures the employee will retain all rights under all applicable procedures.

Section 713.220.—Under the existing procedures there is no provision for interim relief when prompt action is needed pending the normal processing. Federal courts, of course, provide such relief in the form of preliminary injunctions. Interim relief is especially important to stop harassment or reprisals during or in connection with a pending complaint. Moreover, in the absence of a provision for interim administrative relief it is difficult for an employee to seek interim court relief under section 717 of Title VII for at least 180 days. Subsection (d) remedies this problem by providing for interim relief and requiring that requests therefore be promptly decided. If interim relief were not granted an employee could immediately seek such relief from a court under Title VII.

Section 713.221.—Under the present system the head of an agency is completely free to accept or reject the hearing examiner's recommendation. This is inappropriate for four reasons. First, since the agency is also the defendant, it puts the agency head in the position of judging his own case, a situation entirely inconsistent with the principles of Anglo-American jurisprudence.

Second, because of this bias, agency heads rarely overturn a recommendation against an employee but far more commonly overturn recommendations which go against the agency. (c) The first two problems have a great deterrent effect on the hearing examiners, who naturally see little point in writing a decision which they know the defendant agency can and probably will reject. (d) Insofar as questions of fact are concerned, the head of the agency clearly knows far less than the examiner who conducted the hearing and saw the witnesses testifying.

Subsection (b) (2) curbs the potential for abuse in the present system by providing that, when the hearing examiner makes finding of fact favorable to the complainant, those findings are binding on the agency. Questions of law, of course, are subject to such review.

Section 713.—Under subdivision (b) an appeal related to a pending appeal is consolidated with it or heard separately, rather than being dismissed.

Section 713.233.—Subdivision (a) extends the time limit for an appeal from 15 to 45 days. More time is necessary at this critical juncture so that an employee can consult with an attorney and decide whether to sue or appeal. Forty-five days are appropriate so that, if an employee is unable to sue within 30 days, there is still time for an appeal.

Subsection (b) requires an extension of the deadline where the employee did not know of or was unable to meet the time limit, and gives the Board discretion to extend that period whenever the interest of justice requires or so doing will advance the goal of eliminating discrimination.

Section 713.234.—Although under the present regulations an employee is entitled to file a brief or other written statement with the Board, he is not told of that right or when it must be exercised. In some cases employees have failed to exercise this right because they did not know about it or because they waited in vain for a briefing schedule. This section requires the sending of an appropriate notice.

The present regulations place no time limit on the Board's handling of an appeal; the new regulations require a decision within 180 days.

Section 713.262.—The present regulations require that questions of reprisal be treated separately from the complaint of discrimination to which they are related. Subsection (1) provides that such questions may be consolidated with the original complaint.

Section 713.271.—The "but for" rule, discussed supra, is eliminated from this section. Also deleted is the 2 years limitation for back pay: the federal government's obligation to make whole victims of its own misconduct should not be limited in this way. Subsection (b), consistent with the elimination of the "but for" rule, requires remedies whenever there was a policy of discrimination and the agency fails to prove it did not affect the agency action complained of.

Section 713.282.—Title VII gives an employee a right to sue if final agency action is not taken within 180 days. The agencies now notify employees of this right when they file complaints, but not after 180 days when they need the information. This section requires a notice after 180 days and at succeeding intervals thereafter.

OPPOSITION TO PLAN TO INCREASE PROPANE PRICES

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 16, 1975

Mr. ASHBROOK. Mr. Speaker, propane plays a very important role in meeting the energy needs of people living in the 17th Congressional District of Ohio. Therefore, I am very concerned about a Federal Energy Office proposal that would lead to another increase in propane prices.

The proposed FEA regulation would allow propane producers to retroactively recompute their selling price. The increased costs would be ultimately passed on to the consumer.

Propane costs already are too high. Many persons are finding it difficult to pay the high costs. This is not the time for the FEA to authorize another price increase.

I have written to FEA Administrator Frank Zarb urging him to reconsider this ill-timed and ill-conceived proposal. Following is the text of my letter.

HOUSE OF REPRESENTATIVES,
Washington, D.C., July 15, 1975.

Hon. FRANK ZARB,
Administrator, Federal Energy Administration, Washington, D.C.

DEAR MR. ZARB: Many of my constituents in the 17th District of Ohio depend on propane as an energy source. Consequently I am very disturbed by a recent FEA ruling and proposed class exemption on propane.

The ruling and exemption apparently would allow producers of propane to retroactively recompute their selling price. Firms could bank the difference between what they actually sold the product for in the past, and what they would have been permitted to sell it for on January 1, 1975. The increased costs would be ultimately passed on to the consumer.

I join with Congressman Gen. Taylor and a number of my colleagues in urging the FEA to reconsider its position on this matter. Before taking any further action the FEA should conduct a comprehensive study on the inflationary impact to consumers that would result from the proposal. This study should be published in the Federal Register and thoroughly evaluated before the exemption is allowed to go into effect.

I will be looking forward to a reply at your earliest possible convenience.

Sincerely,
JOHN M. ASHBROOK,
Representative to Congress,
17th District.

TO REVISE PUBLIC LAND MINERAL DEVELOPMENTS

HON. PHILIP E. RUPPE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 16, 1975

Mr. RUPPE. Mr. Speaker, the Subcommittee on Mines and Mining of the House Interior Committee, of which I am ranking minority member, begins this week a series of hearings to review the present legal system under which minerals on our Federal public lands are discovered, developed and, ultimately, brought into production.

Among the acts to be appraised are the Mineral Leasing Act of 1920, as amended, which applies to such minerals as oil, gas, oil shale, phosphate, potassium, sodium and native asphalt, the Materials Act of 1947 which provides for the sale of specific common materials such as sand, stone, gravel, pumice, pumicite, cinders, and clay; and the Mining Law of 1872 which permits individuals to search for, discover and acquire title to the so-called hard rock minerals, such as copper, lead, zinc, silver, gold and uranium, lying within the public domain.

The distinguished chairwoman of our subcommittee, Mrs. MINK, has introduced legislation which would, in essence, repeal all of these laws and substitute a completely revised system for public land mineral development.

The Department of Interior is expected to send to the Congress in the very near future legislation which would revise the Mining Law of 1872.

The hard rock mining industry, through its national trade association, the American Mining Congress, has drafted legislation to correct many of the outmoded provisions of the Mining Law, modernize many of its other provisions, and, in general, simplify administration of the current act. I am told that this bill was prepared by a panel of outstanding experts in the field of mining law and attempts to follow the recommendations made on this subject by the Public Land Law Review Commission.

I think that it is important that the recommendations of the mining industry for changes in the mining law be before the Congress and it is for that reason that I am introducing this bill today. I am not prepared to endorse the proposal at this time nor have I made any commitment to support it in the Interior Committee. Like many of my colleagues I embark upon these hearings with an open mind. Therefore, I regard it as essential that the viewpoints of all those concerned with changes in our mineral development laws be before our subcommittee as it begins its important work.

REMARKS OF ALEXANDR SOLZHENITSYN

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 16, 1975

Mr. CRANE. Mr. Speaker, yesterday I felt honored to have the opportunity to meet and listen to the remarks of Alexandr Solzhenitsyn. As one single individual who was willing to stand up to the monolithic totalitarianism of Communist rule in Russia and who not only survived but flourished, Mr. Solzhenitsyn is a testament to the will of all men everywhere who believe in freedom and liberty.

In a recent address before a meeting of the AFL–CIO in Washington, a portion of which I inserted in yesterday's RECORD, he said that he believes Americans are deceiving themselves in thinking that true détente lies in "smiles and verbal concessions."

At this time I would like to insert the remaining portions of his remarks:

REMARKS OF ALEXANDR SOLZHENITSYN

We cannot ignore the fact that North Vietnam and Khmer Rouge have violated the [Indo-China] agreement, but we are willing to look into the future. What does that mean? Does it mean let them exterminate people, but if these murderers—those who live by violence—these executioners authorize détente, we will be happy to partipicate in it?

They [in the U.S. leadership] looked into the future this way in '33 and in '41, but it was a nearsighted look into the future. Two years ago they looked into the future when a senseless, nonguaranteed, pointless truce in Vietnam was arranged, and it was a nearsighted thing. There was such a hurry to have this true that they have forgotten to collect your own Americans back. They were in such a hurry to sign this document that some 1,300 Americans—well, they have vanished.

How is that done? How can this be? It is possible in war for some of those Americans to be missing in action. But the leaders of Northern Vietnam have admitted that a part of them is still being kept in prison. Do they give you back your compatriots? No. They are not giving them back, and they are putting new conditions before you. At first they said, "Remove Thieu from power." Now they are saying, "Have the United States restore Vietnam; otherwise, it's very difficult for us to find all these people."

If the Government of North Vietnam has difficulty explaining to you what happened with your American POW's who have not been returned, I, on the basis of my experience in the "archipelago," can tell you this quite clearly:

There is a law in the "archipelago" that those who have been treated the most harshly, and who have withstood the most bravely—the most honest, the most courageous, the most unbending—they never again come out into the world. They are never again shown to the world because the tales they will tell will not fit into the human mind.

Some of your returned POW's have told that they were tortured. This means that those who remain were tortured even more horrendously, but they have not given an inch. These are your best people. These are your first heroes, who in a solitary combat have stood the test.

And today, unfortunately, they cannot hear and take courage from our applause. They can't be here because they are in their solitary cells where they may either die or sit 30 years like Raoul Wallenberg, the Swedish diplomat who was seized in 1945 in the Soviet Union. He has been in prison for 30 years, and they will not yield him up.

And you have some hysterical public figures who have said: "I will go to Northern Vietnam. I will get on my knees and beg them to release our prisoners of war." This isn't a political act. This is masochism.

Do you understand properly what détente has meant all these 40 years? Friendship, stabilization of the situation, trade, et cetera—I have to tell you something which you've never seen or heard—how it looks from the other side. Let me tell you now:

A mere acquaintance with an American—and God forbid that you should sit with him in a restaurant—means a 10-year term for espionage. In the fourth volume of the "Archipelago," I will tell of an event. One Soviet citizen was in the United States, and when he came back he told people that in the United States they have wonderful automobiles, roads. The State Security arrested him and they demanded a term of 10 years. But the judge said: "I don't object, but there's not enough evidence. Couldn't you find something else against him?" So the judge was exiled because he quarreled with the State Security, and they gave the other man 10 years. Can you imagine what this means? He said there were good roads in America. He got 10 years for that.

In 1945, 1946, 1947, through our prison cells, we saw pass a lot of persons and these were not ones who were cooperating with Hitler—there were some of those, too—they were not guilty of anything, but rather they were people who had just spent some time in the West and had been liberated from German prisons by the Americans. This was considered a criminal act—to be liberated by the Americans. That means he had seen the good life on the other side. And the most terrible thing to the Communists is not what he did, but what he would tell about. All of these people got 10-year terms.

During Nixon's last visit to Moscow, your American correspondents were reporting about the Western way of life and reporting in the streets of Moscow, for example, in the following way: "I am going down a Russian street with a microphone and asking the ordinary Soviet citizen, 'What do you think about the meeting between Nixon and Brezhnev?' " And amazingly everybody said: "Wonderful, I'm delighted, I'm absolutely overjoyed by this fact."

What does this mean? How could we understand this? If I am going down the street in Moscow and some American comes up to me with a microphone, and I know that one yard away from him is a member of the State Security also with a microphone, who's recording everything I say, of course I'll say—do you think I'm going to say something that's going to put me in prison in a few minutes?—of course I say: "It's wonderful, I'm delighted, I'm overjoyed."

But what is the value of such correspondents if they simply transmit to you here in the West without thinking twice about it?

You helped us many years with Lend-Lease, but the Communists have done everything to make us forget this, to erase it from our minds, not to remember it.

Before I came into this hall, I delayed my visit to Washington a little bit in order to take a look at some ordinary parts of America, go into various States and talk with people. And I was told—and this I learned for the first time—that in every State during the war years, there were Soviet friendship societies which were collecting assistance for Soviet people—warm clothes, gifts—and all these things were sent to the Soviet Union.

But we not only never received them, we never saw them. They were distributed among the privileged persons. And furthermore, no one there ever even told us that this was being done. I only learned about it this month, here in the United States.

Everything poisonous which could be said about the United States was said in Stalin's days. And all of this creates a heavy sentiment. It's a sentiment which can be stirred up any time—any time the newspapers can come out with headlines: "Bloodthirsty American Imperialism Wants to Seize Control of the World." And this poison will rise up from the sentiment that has been created. Many people in our country will believe this and will be poisoned by it and will consider you aggressors. This is what détente means in our country.

The Soviet system is so closed that it's almost impossible for you to understand it here. And your theoreticians and scholars write works trying to explain how things occur there. There are some naive explanations which emerge from the United States that are actually funny to Soviet citizens.

Some say that the Soviet leaders have now given up their inhumane ideology. Not at all, not at all. They haven't given it up one step.

Some say that in the Kremlin there are some on the left and some on the right, and they are fighting with each other and we've got to behave in such a way so as not to affect the left side. They're all the same. There's some sort of a struggle for power, but they all want the same thing.

Or the third possible explanation: that thanks to the growth of technology, there's a technocracy in the Soviet Union which is growing—there is a growing number of engineers and the engineers are now running the economy and will soon determine the fate of the country rather than the party. I tell you, though, that the engineers determine the fate of the economy just as much as our generals determine the fate of the Army. That means zero. Everything is done the way the party demands. That's their system.

Judge for yourself. It's a system where for 40 years there haven't been genuine elections, but simply a farce. It's a system which has no legislative bodies, legislative organs. It's a system without an independent press, a system without an independent judiciary, where the people have no influence on external or internal policy—where any thought which is different from what the State thinks is crushed.

And let me tell you that electronic bugging is such a simple thing; it's just a matter of everyday life. You had an instance in the United States where a bugging caused an uproar which lasted for years. Not in the Soviet Union. Every factory, every apartment, every house has got its bug in it. It doesn't surprise us in the least.

It's a system where unmasked butchers of millions like Molotov, and others lesser than him, have never been tried in the courts, but retire on tremendous pensions. It's a system where these farces continue today—where every foreigner is surrounded by secret agents. It's a system where the very constitution has never been carried out for one single day, where all the decisions are made somewhere high up by a small group in secret, and then released on the country like a bolt of lightning.

What is the signature of these persons worth? How could one rely on their signatures to a document of détente? You yourselves might ask your specialists and they'll tell you that in recent years the Soviet Union has succeeded in creating wonderful chemical weapons, and missiles which are even better than those which are used by the United States.

So what are we to conclude from that? Is détente needed or not? Not only is it needed, it's needed like air. It's the only way of saving the earth; that is, instead of having a world war, we must have détente, but a true détente. I would say that there are very definite characteristic marks of what a genuine détente would be.

There are only three. In the first place: that there be a disarmament—not only a disarmament from the use of war, but also from the use of violence—not only arms, but also violence; not only the sort of arms which are used to destroy your neighbors, but the sort of arms which are used to destroy your fellow countrymen.

This is not a détente, if we here with you today can spend our time in a friendly way, while over there people are groaning and dying and in psychiatric insane asylums. The doctors are going around and putting injections in people which destroy their brain cells.

And the second sign of true détente is the following: that it be not one based on smiles, not on verbal concessions. It has to be based on a firm foundation. You know the word from the Bible, "Not on sand, but on rock." There has to be a guarantee that this will not disappear overnight or be broken overnight. And for this, we need that the other party to the agreement have some control over attacks, some control by public opinion, some control by the press, control by a freely elected parliament. Until such controls exist, there's absolutely no guarantee.

And the third simple condition: What sort of détente is it when they employ the inhumane propaganda which is called, in the Soviet Union, "ideological war"? Let us not have that. If we're going to have détente, let's be friendly—and end ideological warfare!

The Soviet Union and the Communist countries can conduct negotiations. They know how to do this. For a long time they don't make any concessions, and then they give a little bit. Then everyone says triumphantly: "Look, they have made a concession. It's time to sign."

The European negotiators for 35 countries for two years now have painfully, painfully been negotiating—their nerves are stretched to the breaking point. And the Communists finally make concessions. A few women from the Communist countries can now marry foreigners. And a few newspapermen are now going to be permitted to travel in some places they couldn't travel before. They give one thousandth of what natural law should provide, or natural right—matters which people should be able to do even before such negotiations are undertaken. And here in the West we hear all sorts of peoples raising their voices, saying: "Look. They are making concessions; we've got to sign."

During these two years of the negotiations, in all the countries of Eastern Europe, the pressure has increased, the oppression has increased—even in Yugoslavia and Rumania, leaving aside the other countries. And it is precisely now that the Austrian Chancellor is saying: "We've got to sign this agreement as rapidly as possible." What sort of an agreement would this be?

The proposed agreement is the funeral of Eastern Europe. It would mean that Western Europe would finally, once and for all, sign off Eastern Europe, stating and it's perfectly willing to see Eastern Europe be crushed and overwhelmed, but just don't bother us. And the Austrian Chancellor thinks that if he pushed all of these countries into a common grave, then Austria, at the very edge of this grave, will not fall into it, too.

From our lives there we have concluded this: that there is only one thing which can be raised against violence, and that is firmness.

You have to understand the nature of Communism, the very ideology of Communism. All of Lenin's teachings are that Communism considers to be a fool anyone who doesn't take what's given to him, what's lying in front of him. If you can take it, take it. If you can attack, attack. But if there's a wall, then go back.

The Communist leaders respect only firmness, and have contempt and laugh at persons who continually retreat. You are told—and this is the last quotation I'm going to give you from the statements of your leaders—that power without any attempt at conciliation will lead to a world conflict. But I would say that power with continual compliance, continual retreat, is no power at all.

From our experience, I can tell you that only firmness will make it possible to withstand the assaults of Communist totalitarianism. We see many historic examples. Let me give you some of them.

Look at little Finland in 1939, which with its own forces withstood the attack.

You, in 1948, defended and stood up for Berlin, and only because of your firmness of spirit there was no world conflict.

In Korea, in 1950, you stood up against the Communists by your firmness and unyieldingness. And there was no world conflict.

In 1962, you compelled the rockets to be removed from Cuba. Again, it was your steadfastness and firmness of character, and there was no world conflict.

We dissidents in the U.S.S.R. don't have any tanks, we don't have any weapons, we have no organization. We don't have anything. Our hands are empty; we have only a heart and what we have lived through in the last half century under this system. When we have found the firmness within ourselves to stand up for our rights, we have done so. It's only by our firmness of spirit that we have withstood, and I'm standing here before you, not because of the kindness or the good will of Communism, not thanks to détente, but thanks to my own firmness and your firm support.

The Communists knew that I would not give up one inch not one hair, and when they couldn't do more, they themselves fell back. This was taught to me by the difficulties of my own life.

I don't want to mention a lot of names because when we resolve a question with two or three names, that means we forget the others and we have betrayed the others. We should rather just mention figures. There are tens of thousands of political prisoners, and by the calculation of English specialists, 7,000 persons are now in insane asylums under compulsory confinement.

But let's take Vladimir Bukovsky as an example. He was told: "Go away. Leave. Go to the West and shut up." And this young man—a youth on the verge of death—said: "No, I won't go. I have written about the persons whom you have put in insane asylums. You release them and then I'll go West." This is what I mean by firmness of spirit to stand up against tanks.

In evaluating everything I have said to you today—and I'm coming to my conclusion now—I could say we don't even have to have our conversation on the political level—why such and such a country acted in such and such a way, how they—what they were counting on in acting in such a way. We should rather rise above this to the moral level and say: "In 1933 and in 1941, your leaders and the whole Western world in an unprincipled way made a deal with totalitarianism. We will have to pay our cost for this and for 30 years we've been paying for it, and we're still paying for it, and we're going to pay for it in a worse way."

One cannot think only in the low level of political calculations. It's necessary to think also of what is noble, what is honest and what is honorable, not only what is useful.

The adroit Western legal scholars have now introduced the term "legal realism." By this legal realism, they want to push aside any moral evaluation of affairs. They say: "Recognize realities. You have to understand that if such and such laws have been established in such and such countries, then these laws, which provide for violence, have to be recognized and respected."

At the present time, this concept is widely accepted among lawyers—that law is higher than morality; law is something which is worked out and developed, whereas morality is something inchoate and amorphous. That isn't the case. The opposite is rather true—morality is higher than law.

Law is our human attempt somehow to instill in the laws a part of that moral sphere which is above us. We try to understand this morality, bring it down to earth and present it in the form of laws—sometimes we are more successful, sometimes less. Sometimes you actually have a caricature of morality, but morality is always higher than law. And we cannot forget this ever.

In our heart and soul, we have to recognize that it's almost a joke now to talk in the Western world in the twentieth century about words like "good" and "evil." These are almost old-fashioned concepts, but these are very real and genuine concepts. These are concepts from a sphere which is higher than us.

And instead of getting involved in shortsighted political calculations, we have to recognize that the concentration of world evil and the tremendous force of hatred is there, and it's flowing from there throughout the world. And we have to stand up against it and not trying to give to it, give to it, give to it everything which it asks for.

Today, there are two major processes occurring in the world. One is the one which I have just described to you which has been in progress more than 30 years. It is a process of shortsighted concessions, a process of giving up, giving up and giving up in hope that at some point the wolf will have eaten enough.

The second process is one which I consider the key to everything. Under the cast-iron shell of Communism in the Soviet Union and in other Communist countries, there is a liberation of the human spirit. A new generation is growing up, one which is steadfast in its struggle with evil, one which is not willing to accept unprincipled compromises, which prefers to lose everything—life, salary, conditions of life, conditions of existence—but is not willing to sacrifice its conscience in making deals with evil.

This process has now gone so far that in the Soviet Union today, Marxism has fallen so low it's simply an object of contempt. No serious person in our country today, even students in schools, can talk about Marxism without smiling.

But this whole process of our liberation, which obviously will entail social transformations, is a process which is slower than the first one—the process of concessions.

We there—when we see these concessions, these surrenders, we are frightened. Why so quickly? Why so headstrong? Why so rapidly? Why every year?

I started by saying that you are the allies of our liberation movement in the Communist countries, and I call upon you: Let us think together and try to see how we can adjust the relationship between these two processes. Whenever you help the person being persecuted in the Soviet Union, you're not only displaying magnanimity and nobility, you are defending not only them but you're defending yourselves as well. You're defending your own future.

So let us try to see how far we can go to stop this senseless process of endless concessions to aggressors, these clever legal arguments for why we should make one concession after another and give up more and more and more.

Why have we got to hand over increasingly more and more technology—complex, subtle, developed technology—that it needs for its weapons, for crushing its own citizens?

If we can at least slow down that process of concessions, if not stop it altogether, and make it possible for the process of liberation to continue in the Communist countries, ultimately these two processes will combine and yield us our future.

On our small planet, there are no longer any internal affairs. The Communist leaders say: "Don't interfere in our internal affairs. Let us strangle our own citizens in quiet and peace."

But I tell you: Interfere more and more, interfere as much as you can. We beg you to come and interfere.

DETROIT FREEDOM FESTIVAL HONORS PAUL LUTZEIR

HON. LUCIEN N. NEDZI

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 16, 1975

Mr. NEDZI. Mr. Speaker, earlier this month the cities of Detroit, Mich., and Windsor, Ontario, honored the late Paul Lutzeir, the father of the "International Freedom Festival."

Paul Lutzeir was known to many of us in the Michigan delegation, and he was highly respected as a dedicated and imaginative public servant. His untimely death while on vacation in Brazil was a serious loss to Michigan and Ontario.

Under leave to extend my remarks in the Record an article from the Detroit News of June 28 is set forth below:

Freedom Fest To Honor Its "Father," Paul Lutzeir

The late Paul Lutzeir, the man they call the "father" of the International Freedom Festival, which begins today in Detroit and Windsor, will come in for special honors this year.

Lutzeir, who while still a student editor at Wayne State University, conceived the idea of a festival on both sides of the U.S.-Canadian border to celebrate U.S. Independence Day and Canadian Dominion Day, lived to see his suggestion become a reality.

But last March at age 66 he was struck by a car and killed while on vacation in Rio de Janeiro.

So this year the International Freedom Festival Committee is establishing the "Annual Paul Lutzeir Award" that will be presented to persons who volunteer five years of service to the festival.

A man with an immense joy in life and a curiosity about people, Lutzeir, while still in college in 1929, took a trip covering 12,000 miles around the United States, hiking and hitching rides. The trip, he said later, cost him just $95.

Lutzeir, who had a career in education and public relations that was long and varied, had served most recently as director of community relations for Livonia public schools.

He formerly was chief educational and information officer for the Michigan Department of State and was the principal publicist for the Detroit City Plan Commission.

For several years he served as assistant to the dean of the College of Education at WSU and also served as chief of employe relations for the U.S. military government in Germany, serving in Wiesbaden, Berlin and Frankfort.

He received his bachelor's degree from WSU and a master's degree from the University of Michigan.

For several years he was chairman of the state working committee on educational television and was instrumental in promoting educational TV throughout Michigan.

THE VICISSITUDES OF OPEC

HON. MILLICENT FENWICK

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 16, 1975

Mrs. FENWICK. Mr. Speaker, as we resume debate on H.R. 7014, the Energy Conservation and Oil Policy Act, I would like to bring to my colleagues' attention a report on financial difficulties among countries of the Organization of Petroleum Exporting Countries. The *report* was issued by the Federal Reserve Bank of Chicago in their July 11 International Letter. I think that with the information which is presented below, we should be prepared to question some of our assumptions about the strengths of OPEC and the impact that it is going to have over the course of the next decade.

The article follows:

The Vicissitudes of OPEC

An oil price reduction due to a reduced tax on oil was announced this week by Ecuador. It is estimated that the tax reduction will result in a price decrease of 3 to 4 percent for oil shipped to the Caribbean and to the Central and North American West Coast, the primary markets for Ecuadorian oil and the markets for which the reduced tax applies. The tax/price cut was apparently decided upon in an attempt to increase oil exports through a relatively more competitive price. Ecuador began recording trade deficits in the third quarter of 1974, after several surplus quarters during early stages of the OPEC's high price policy. International reserves have also fallen sharply from a peak of SDR 368 million in the second quarter of 1974 to SDR 253 million at the end of April 1975.

The action by Ecuador is the first price reduction by an OPEC member since their joint action raising oil taxes and royalty rates in October 1973. Although Ecuador is a minor oil producer, its action—viewed in conjunction with difficulties experienced by other OPEC members (see below)—raises a question about the continued cohesion of the oil-pricing cartel and about the success of the OPEC's announced intention to raise prices again in October.

Financial difficulties of certain OPEC countries due to reduced oil production and overambitious commitments have been forcing them to seek loans in Western money markets to supplement their oil revenues. Algeria is seeking to raise up to $1 billion in medium-term syndicated loans by the end of the year. Last month Algeria raised about $135 million abroad. Indonesia's government-owned mining and oil corporation, Pertamina, is negotiating with Western private creditors, the World Bank, the Asian Development Bank, and other OPEC members to consolidate its foreign debts totaling nearly $2.5 billion. Iraq is completing arrangements to borrow $500 million over five years in the Euromarket from a syndicate headed by the Union des Banques Arabes et Francaises. The same bank is heading another group that intends to lend up to $100 million to Oman for five years.

Other OPEC countries are also feeling the impact of the sharply lower world demand for oil. In Iran, where the oil output in May was running some 20 percent below last year, a government spokesman confirmed pending plans for scaling down the country's five-year development plan goals. In Venezuela, however, the government announced that it expects to carry out all of its priority development programs despite an expected 20 percent contraction in the country's oil revenues in the second half of this year.

SUPPORT FOR H.R. 7014

HON. ANTHONY TOBY MOFFETT

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 16, 1975

Mr. MOFFETT. Mr. Speaker, the support for the Eckhardt pricing provision contained in the Commerce Committee's H.R. 7014 has been widespread and impressive. I am inserting in the RECORD today a copy of a letter distributed by the Communications Workers of America explaining their position on this most important issue:

COMMUNICATIONS
WORKERS OF AMERICA,
Washington, D.C., July 14, 1975.

In the near future, the House will consider H.R. 7014, the Energy Conservation and Oil Policy Act of 1975, produced by the Interstate and Foreign Commerce Committee.

H.R. 7014, if enacted into law without crippling amendments, would stimulate continued exploration for domestic oil and stabilize the price of petroleum at a level that consumers can afford to pay. The bill would lay the cornerstone for a sensible energy policy for the coming years.

The Commerce Committee legislation would provide for federal purchase of foreign oil, prescribe automobile fuel economy standards, authorize energy efficiency criteria for other consumer products and establish a means of collecting information about the finances and records of the major oil companies.

The most important component of the legislation, located in Title III, focuses on the crucial question of an oil pricing policy for petroleum produced in the United States. This issue has taken on even more dramatic and ominous meaning in view of the recent decision of the Organization of Petroleum Exporting Countries (OPEC) to raise the price of foreign crude oil this fall. Because of this decision, as winter approaches the United States may find itself sailing into the uncharted waters of foreign oil prices that have more than quadrupled during the last three years.

The crude oil pricing provisions contained in H.R. 7014 would phase out the current price of "old" oil (that petroleum produced from properties in production before May 1972, which is currently controlled at $5.25 per barrel) over a five-year period. Under the legislation, "new" oil would sell at an average price of $7.50 per barrel, a rollback from the current market level of $13 per barrel. Beginning at the end of the decade, the price of all domestically produced oil would begin rising at a rate of 8 per cent a year.

The Communications Workers of America firmly believes that the price of domestic energy should be set by Congress. By contrast, complete deregulation sanctioned by Congress or a substantive weakening of the oil pricing standards established in H.R. 7014 would abandon this crucial question to the vicissitudes of the OPEC oil ministers. These are the same petroleum officials who have already wreaked havoc on the economy during the past three years, leaving workingpeople caught between the twin pincers of inflation and recession while the United States experiences its worst economic distress since the Great Depression. Deregulation could send the struggling economy on a harrowing and more precipitous slide downward, a slide greased with oil.

A study prepared by the Library of Congress has forecast that if decontrol of domestic crude oil is permitted to take effect, the cost increase to consumers that would occur as a result of the combined oil, natural gas and coal price rise would equal about $21.1 billion per year. Ironically, this amount is virtually identical with the recently enacted record tax cut legislated by Congress, a tax cut whose avowed purpose was to stimulate the economy by putting money in workers' pockets.

The effect of domestic petroleum price deregulation would be to cancel the anti-recessionary effects of the tax cut and to sanction a massive transfer of an amount nearly equal to the tax rebate funds from the pockets of workingpeople to the coffers of energy producers.

Moreover, the Joint Economic Committee has estimated that immediate decontrol of domestic crude oil, a $2 a barrel tariff and a $2 jump in the OPEC price would, by the end of 1976, inflate prices by 5.4 per cent, cost 760,000 jobs and reduce automobile sales by 800,000 units.

At CWA, the memories of our members are longer than the lines at the gas pumps nearly two winters ago. We see no reason for the new 94th Congress to countenance renewed price gouging by the same OPEC nations and energy companies which reaped enormous profits just a year and a half ago while wage earners and their families suffered through a winter of discontent with lower thermostat settings, chilly workplaces and gasless Sundays.

In conclusion, H.R. 7014 provides an excellent opportunity to formulate a rational oil pricing policy. We urge you to utilize this opportunity to hold the line against inflation and to stand firm against all efforts to weaken H.R. 7014.

Sincerely yours,

GLENN E. WATTS,
President.

OIL PRICING POLICY

HON. KENNETH L. HOLLAND

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 16, 1975

Mr. HOLLAND. Mr. Speaker, today the House has under consideration the bill H.R. 7014, the Energy Conservation and Oil Policy Act. My colleague from Texas, BOB KRUEGER, will offer an amendment to title III, Oil Pricing and Measures To Maximize Availability of Energy Supplies, which I believe has merit. I commend it for your consideration and intend to generally support it.

However, the Krueger amendment has one characteristic in common with President Ford's approach; that of near total decontrol of oil prices. While I feel that a change in price control policies is essential at this time, I feel that total decontrol would place an overwhelming burden on the already overburdened consumer, while filling the already full pockets of the major oil producers.

The Krueger amendment seeks to balance the interests of the oil producers and the oil consumers, providing excellent incentives for increased oil production, plus rebate provisions to insure that consumers are not overtaxed.

In my judgment, the incentives for increased production in Mr. KRUEGER's amendment are such that very little of the increased price will ever be rebated to the consumer. It is much to the advantage of the producer to plow all increase profits into exploration, rather than donating it to the Federal Treasury for consumer rebates.

Therefore, my amendment will set a maximum ceiling of $9 a barrel on all oil produced in this country, both old and new, rolling back the presently uncontrolled $13 a barrel price by approximately $4 and allowing controlled $5.25 a barrel oil prices to rise by a maximum of $3.75. Placing a decontrol price ceiling on the Krueger amendment serves the best interests of both the consumer and producer. It allows the price of gas at the pump to rise by a mere 1.4 cents a gallon, but retains the incentives to increase production which one found in the Krueger amendment.

"Energy shock" to the economy as a whole, caused by a sudden increase in energy prices, has occurred during painfully recent history. It caused one-third of 1974's devastating inflation, and contributed markedly to unemployment and decreases in the gross national product. This amendment would shield us from future energy shock to a large extent.

Additionally, my amendment would have a salutary effect on coal and unregulated natural gas prices which are determined by oil's price leadership. This measure will save oil consumers, users of home heating oil, gasoline and other fuels more than $7 billion a year over any measure imposing a ceiling of $11 or more on Mr. KRUEGER's amendment.

The Krueger amendment, as amended by this plan, is $13 billion cheaper annually for consumers than the President's decontrol plan, a saving of 6 cents a gallon on gasoline at the pump over his plan. The President's plan, according to senior experts of the Congressional Research Service of the Library of Congress, will have a secondary effect on gas and coal prices, causing them to rise proportionately. An additional ripple effect of such Presidential decontrol could cost the consumers as much as $30 billion a year and a commensurate number of jobs.

In conclusion, I would state that my amendment retains all the advantages of the Krueger plan, but none of its disadvantages. I respectfully request your careful consideration of my amendment and your vote for its passage.

LAWRENCE G. WILLIAMS

HON. BUD SHUSTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 14, 1975

Mr. SHUSTER. Mr. Speaker, I was deeply saddened over the weekend to learn of the untimely death of a fellow Pennsylvanian and a former Member of this distinguished body, Lawrence G. Williams.

Larry Williams was a dedicated member of Congress during his 8 years in the House of Representatives. His extensive background and training in the area of local government and his service on the

House Committee on Banking and Currency contributed to his record of achievement on behalf of his constituency.

Larry Williams' presence will be missed in this Chamber and his many years of dedicated service will be sorely missed by the thousands of people he assisted during his career in public life.

NON-NEWS: THE SOVIET BASE IN SOMALIA

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 16, 1975

Mr. McDONALD of Georgia. Mr. Speaker, despite the efforts of Somalian officials to restrict inspection, eight of our colleagues who visited Somalia at the request of the Somalian Ambassador were able to determine that the new Soviet military base, in the words of Mr. Stratton of New York:

> Will represent the most comprehensive naval support facility available to the Soviets anywhere outside the Soviet homeland, including Cuba.

Senator BARTLETT and his staff discovered in addition missile crates and bunkers, missile handling equipment and other evidence absolutely confirming Defense Secretary Schlesinger's testimony that the Soviets have breached the Indian Ocean's "zone of peace."

The liberal and radical supporters of "détente" have vigorously attempted to downplay this evidence of Soviet military aggression which clearly supports the need for this country to maintain a naval presence in the Indian Ocean through a base at the island of Diego Garcia.

The following column by George F. Will which appeared in the July 16 edition of the Baltimore Sun may be enlightening as to the hypocrisy practiced by the advocates of détente in their last ditch defense of Somalia's "scientific socialism," a term the New York Times and most modern Marxist-Leninists use instead of the older word, "communism."

The article follows:

THE GREAT SOMALIA-SOVIET MISSILE "GAP," OR HOW THE NEW YORK TIMES MISSED THE STORY

(By George F. Will)

WASHINGTON.—The great Somalia missile controversy, still green in memory, provided the grandest political entertainment—the death throes of a theory slain by facts.

Some congressman, opposed to a United States naval facility in the Indian Ocean, latched on to the theory that the ocean is a "zone of peace" that would remain free from great power contamination if the U.S. would show restraint. This theory was minted by, among others, Indira Gandhi, the Indian prime minister, and applauded by the Soviet Union.

Faith in Soviet restraint and truthfulness is the rock, such as it is, on which the theory of détente rests. So true believers in détente believed what the Soviet government said about abhorring the very thought of military bases around the ocean.

Thus the true believers were understandably non-plussed when James R. Schlesinger, the Defense Secretary, provided reconnaissance photographs of what he called large Soviet missile and other facilities in Somalia. There the Red Sea meets the Indian Ocean, on which more than half the world's seaborne oil is in transit at any given time.

In what it smilingly calls its news as distinct from opinion columns, the New York Times counterattacked, with a story that began coyly:

"There are critics of the Pentagon who say that whenever the military wants money from Congress, a new Communist scare is discovered—a Soviet fleet movement here, a missile base there—and that it often works."

The Times dismissed the photographs as "very grainy," noting that "Mr. Schlesinger said the dots and other things" showed the presence of missiles. What looked like "dots" to the Times looked to Mr. Schlesinger like, among other things, an airstrip capable of handling the largest Soviet bombers, barracks facilities for 1,500 Soviet personnel and the odd-shaped building the Soviet military uses for missile handling.

The Soviet Union denounced Mr. Schlesinger as a "liar" who had seen a "mirage" and was helping "reactionary circles" spread "absurd rumors" to undermine Somalia's "scientific socialism." The Soviet Union denounced as a "hackneyed trick" the suggestion it has a base in Somalia, where Soviet activity involves only construction of a meatpacking plant and other innocent developments.

Somalia's foreign minister denounced Mr. Schlesinger for disseminating propaganda fabricated by international zionism. The mines and water minister weighed in with the thought that Mr. Schlesinger was guilty of "the quintessence of political blackmail and dishonesty."

Faced with the choice of believing U.S. photographs or the words of Soviet and Somali politicians, Senator John C. Culver (D., Iowa) suggested agnosticism pending an onsite inspection by congressmen. Mr. Culver and kindred spirits thereby affirmed the principle that they do not trust, and hence the Soviet Union can disparage, the aerial reconnaissance technology that is the United States' only means of verifying Soviet compliance with arms agreements.

The Somali ambassador in Washington gave written assurance there would be "no restrictions" on inspections. So eight congressmen and a Senator jetted off for a tour in the scorching heat of the East African summer.

Representative Samuel S. Stratton (D., N.Y.), says the congressmen were given a hasty and restricted tour, but one sufficient to establish that, when completed, the Soviet base "will represent the most comprehensive naval support facility available to the Soviets anywhere outside the Soviet homeland, including Cuba."

Senator Dewey F. Bartlett (R., Okla.) and his aides saw more, including a missile crate, missile bunkers, cranes and dollies for handling missiles, sophisticated communications gear and other military equipment that "absolutely confirms" Mr. Schlesinger.

While his colleagues were sweltering in Somalia, surrounded by the proof of Soviet lying, Mr. Culver was in Moscow, conferring with the liars. He came home serene, the liars having assured him they would be receptive to "discussions" for "mutual" restraint in the Indian Ocean area.

Presumably these discussions will lead to restraints—mutual, of course—on U.S. bases and Soviet meatpacking plants.

The *Times*, like any gifted advocate saddled with a losing argument, quickly changed the subject, implying the congressional inspection visit proves Somalia's scientific socialists are a clever lot. The *Times* noted the Somalians invited congressmen to see a Soviet base "that could not be concealed," but in so doing they exposed the congressmen to the shattering sight of Somalia's famine and poverty, and thereby strengthened their claim to U.S. foreign aid.

Presumably, such aid is the missing ingredient in Somalia's scientific socialism.

CHANGING MOOD OF THE NATION OVER THE PAST 15 MONTHS

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 16, 1975

Mr. DINGELL. Mr. Speaker, this House can take justifiable pride in our record of progressive action to improve the quality of the world we live in. Substantial improvement is being made in the cleanliness of our air and water.

But, in the economic turmoil that grips the Nation, attempts are being made to slow or even reverse this trend. Our colleague, Mo UDALL, analyzed these attempts in a speech last week to the national convention of the Izaak Walton League.

In his remarks, Representative UDALL assessed the changing mood of the Nation over the past 15 months, and the implications for environmentalists. He points out that—

> Conservationists have continued to mature in their thinking, to move ahead of the general public—and the government—in understanding the subtle but growing interrelationship of energy, the environment and the economy. But we have not yet translated our advance into public perception.

He then outlines a tough agenda for those who believe in protecting our land, including a concerted effort to debunk this myth that environmental protection somehow costs jobs. In the 69 plant closings in which pollution control has been claimed as a factor, some 12,000 jobs were involved; in contrast, more than a million new jobs have been created in carrying out the mandate of our environmental laws—and we have still made less than 10 percent of the investment we need.

Representative UDALL's speech merits the serious consideration of every Member of this House. We must recognize that any "recovery" based on environmental retrenchment will prove illusory. At best we would gain a temporary respite from serious structural problems in our economy—at a great cost in time, money and lives.

The text of his remarks follows:

ENVIRONMENT VERSUS ECONOMY—EXPLODING A PHONEY ISSUE

It's a great privilege to appear before the Izaak Walton League of America, an organization I have long admired. I have worked with many of your leaders, both in Washington and in the states and communities. I commend you for the long fight you have waged in the Upper Mississippi Valley, and particularly for your present effort to stop the needless rebuilding of Lock and Dam 26. I am also especially impressed by your Bicentennial program to teach local citizens how to clean up and maintain their streams. This is the environmental movement at its best.

I know from my own experience in Arizona what it means to have a group of smart, dedicated people take hold of an issue, to put aside partisanship and get the job done. Unfortunately, I spend most of my time in the nation's capital, which I regret to say is too often infected by blind partisanship. In this context, issues of broad, bipartisan appeal like strip mining and land use planning become checkers in a power game that has little or nothing to do with substance.

Some of you may have heard the report that I'm running for President. It is true. And one of the main reasons I'm running is that the environmental issues are no longer a compartmentalized side show of our political life. I've been talking all over this country about the three E's—energy, environment and economy. They are inextricably intertwined, and decisions about them will determine the quality of our lives in the decades ahead.

It is a lamentable fact that the environmental issues I'm talking about today were not really debated in 1968 or 1972. The fate of my campaign isn't all that important—what is important is that this time we make very sure that there is a debate on this whole range of quality-of-life problems, and that it be a central part of the 1976 campaign.

For conservation remains a major national issue. Fifteen months ago I got a good deal of criticism from some of my colleagues in the environmental movement when I observed that we had been put on the defensive, and that we stood in danger of losing much of what we had achieved.

Last November we thought we had elected a basically environmentally aware Congress. But, important as this election was, it wasn't really a victory for our conservation troops. The environment wasn't a major issue in most Congressional districts. In a real sense, we rode the coattails of Richard Nixon and Herbert Hoover—of scandal and recession. We benefited from the negatives. But the pressures for retreat on environmental positions have not abated; they have grown.

That is the bad news.

The good news is that major conservation groups like yours continue to grow, and to hold their own financially. Equally important, conservationists have continued to mature in their thinking, to move ahead of the general public—and the government—in understanding the subtle but growing interrelationship of energy, the environment and the economy. But we have not yet translated our advance into public perception. Indeed, we are still painted by the Administration and by the reactionary segments of industry as barefoot elitists insensitive to the material needs of our fellow citizens.

So we have some tough challenges before us—tougher in many ways than the "Valley Forge" situation I described last year. Here are the challenges that lie ahead.

We must resist pressures to halt our quest for clean air and water.

We must continue the battle for reasonable curbs on energy resource development, for meaningful conservation of energy, and for sound, forward-looking land use planning.

We must convince the American people that conservation means more and not fewer jobs.

We must build bridges to labor and to our minorities, and convince them that in the long run, the true environmental issues—energy conservation, wise resource use and re-use—are the only road to more jobs and a healthy economy.

And we must defeat an Administration that pays lip service to environmental goals while systematically blocking every effort for substantive progress.

Let me elaborate on these five critical tasks.

First, clean air. Since these programs were enacted, we have seen repeated attempts by the electric power industry, some local jurisdictions, and the automobile industry to weaken standards and extend deadlines. Most have been resisted, but the Ford Administration again is pushing to extend the 1977 deadline on auto emissions, already pushed back from 1975, to 1981. If we allow that to happen, we might as well give up the fight, because we all know the Big Three will be back in four or five years to push through yet another extension, with plenty of precedent to back them up.

Industry and the Administration would have us believe that there really isn't much at stake here—just some minor aesthetic considerations that must be sacrificed in the name of economy. Where is the economy in 4 million illness-restricted days caused by automotive pollution each year? Are the deaths of 4,000 people each year, deaths caused by automobile air pollution, a "minor aesthetic consideration"? For them, there is no hope of a Presidential pardon.

Still, there are some who would have us believe that clean air, clean water and environmental monitoring are radical proposals that undermine the free enterprise system. We can answer them with words of the eloquent conservative columnist James J. Kilpatrick, who wrote:

"One of the most serious problems in American society goes to the quality of life in the world around us. Our rivers and lakes are dying of pollution. Our cities stifle in smog. Our littered streets insult the eye. Concern mounts at the residual damage done to man's environment by such pesticides as DDT. Year by year our loveliest countrysides are yielded up.

"The problem essentially is a problem of conservation—of conserving some of the greatest values of America; and conservatives, of all people, ought to be in the vanguard of the fight."

Happily, many conservatives took his advice, joining with liberals and those in between to form a strong, continuing national consensus behind programs for clean air, waste disposal. Against the efforts of the current Administration, we must battle to maintain and expand this coalition.

The events of the past two years have driven home the fact that our 30-year joyride, fueled by cheap and plentiful energy resources, has come to an abrupt halt. We need and will develop additional sources and new technologies, but we must resist the dangers of the reckless dig-and-drill philosophy being voiced today. We should recall the words of the political economist Stuart Chase, who wrote 40 years ago:

"Natural resources and inanimate energy . . . were left by God or by geology to mankind, and not to the Standard Oil Company of California. If this is not sound moral doctrine, I do not know what is."

If we could achieve nothing else, our most urgent priority is a strong but sensible energy conservation policy. Democrats as well as Republicans must be faulted for the failure of Congress and the Executive to see the truth and act. The President has proposed, in effect, rationing by wealth. The Congress has splintered ineffectually on a hard problem 535 representatives and senators have, on the whole, failed to face. What will be required, in my opinion, are a whole set of new attitudes and a strong dose of structural change in our monopolistic energy business.

One of my deepest beliefs is that we must challenge the conventional wisdom that holds that slowing energy growth means slowing economic growth. To the contrary, economists at the University of Illinois have demonstrated that investment in energy production produces fewer jobs than almost any other sector of the economy. It costs $22,000 to create a job in general manufacturing. The investment needed for a job in oil is $125,000; in the utilities it's $175,000; and on the Alaska Pipeline, it is upwards of $250,000.

Indeed, continuing the kind of energy expansion we have seen in the past would be economic suicide. A 5% energy growth rate—the kind we've had for 30 years—means that we have to double our power production every 14 years. It means accelerating the drain on our economy, paying extortionate prices to unreliable foreign producers. It means turning Colorado, Montana, Arizona and Utah into wall-to-wall power plants. And it means a capital investment of $600 billion in the next decade. Try to imagine what that means for businessmen and homebuyers trying to compete in the lending markets—what kind of prosperity will it buy?

Now think about a 2% energy growth rate—a goal we could achieve without losing a single job, without relaxing a single environmental standard, simply by squeezing out unnecessary driving in oversized cars, by putting better insulation into our homes and offices, by stopping thoughtless waste in our factories. It means that we have 35 years—It buys us time to free ourselves from OPEC's blackmail. It buys time to answer rationally the grave questions in nuclear power, to improve conventional generating technology, and to harness the power of sun and earth and wind and tides. It means, too, that we will have the capital to put into the other great needs of our society, like housing, mass transit and better schools.

Even with such an effort, much of our future energy will come from coal, like it or not. And I think all of you here are probably aware of the flight my colleagues and I have been waging to make strip miners responsible for restoring the surface of lands they disrupt. We simply have no right to pass on this scarred, ruined land to our grandchildren and call it their birthright.

Gerald Ford, Frank Zarb and the most reactionary segment of Congress have blocked us temporarily, but we will win. Zarb and Co. are supported by phoney statistics and an unelected President; on our side are common sense and the American people. We will have a good, workable strip mining bill, we will enact it into law, and it will increase coal production and employment—if not in this Administration, then in the next.

An energy conservation program will give us time to make a reasoned decision on nuclear energy as well. There are compelling arguments on both sides—arguments my Subcommittee on Energy and the Environment is proceeding to weigh in our "National Nuclear Debate" hearings—but it would be foolish, perhaps fatal, to proceed hastily with the next generation of nuclear plants before we answer tough questions with a degree of certainty. The same holds true of offshore oil and deepwater port development, issues I'm studying as a member of a new House Ad Hoc Committee and it's also true of oil shale. We in the conservation movement have a duty to marshal the facts, fairly and reasonably, to convince the nation of the need to bring our energy demands under control while we give these fateful issues the consideration they require.

One field where we can and should move forward now is harnessing the power of the sun. There is a popular myth that holds solar energy to be impractical, too expensive, or in the realm of future technology. The National Science Foundation has dispelled that myth. It found that, using present technology, we could install solar heating units in the nation's homes and reduce the national energy budget by 12 to 15 per cent. And the cost could be recovered in fuel savings in 10 to 12 years.

Imagine that—10 to 12 years. Compare that with the cost recovery of a hydroelectric project—not 12 years but 50 years.

Putting it another way, such a program emphasizing conservation and solar heating and cooling could cut down our need for fossil fuels by 15 to 20 per cent.

If we did that, we would have further reason to carefully limit this nuclear technology which poses such a threat to mankind.

There is a second front that deserves our best efforts, too. And that is research and development—modest by standards of the fast breeder reactor—into the technology of solar cells for the production of electricity. Considering the wide flexibility of solar power units with regard to size, they could then be manufactured for all sorts of adaptations depending on the degree of centralization that seemed desirable.

Don't let anyone tell you that being for the environment means you have to be against progress.

Now let's think about the implications of this alternative—conservation combined with solar technology—for international relations. Barry Commoner rightly points out that if industrial countries continue on the conventional path—especially nuclear—they will have little to offer in the way of useful energy technology to the developing nations, which lack capital, are rich in natural materials and labor, and are usually favored with intense sunlight. If we and other industrial nations instead develop new, productive technologies that emphasize the use of natural materials, rather than synthetics, and techniques for solar power, they could provide real help in the struggle of the poor countries to develop their economies. It requires little imagination to see how important this could be in the efforts of western democracies to foster in the developing countries and the world at large economic and social structures which will foster democracy and peace.

On the decisions we make relating to energy in coming years, a great deal depends—a lot more than might first meet the eye.

Closely tied with energy conservation and development of energy resources is land use planning. Two years ago, Richard Nixon called it his top environmental goal. Today the Administration refuses to support it. But in the next week I think we will win a showdown vote to get my land use bill out of committee and onto the House floor—where with your help I predict passage by a substantial margin.

We are no longer a frontier nation, and land is not a commodity any more. It is a resource—the most fundamental resource of all. Every year we lose two million acres of our best agricultural land to often sprawling, energy-wasting urban uses. Millions of additional acres are threatened by strip mining and speculation by land syndicators with the morals of riverboat gamblers. Once lost, they may be gone forever. We can build the housing and commercial developments we need without committing this crime against a hungry world. The many enlightened developers who support our bill realize this. But we who believe in conservation must battle a hysterical campaign by the extreme right, in league with the unscrupulous speculators who have bilked tens of thousands of our people. Our watchword must be, as I said in the final debate on strip mining, that a nation which does not love and respect its land and beaches and mountains and streams does not respect itself.

Bringing the facts into the light, and convincing the American public of the only really sound energy course, will not be easy. We will be blocked—we are today being blocked—by those who would profit in the short run from slowing down the environmental movement. I'm speaking of those in industry and in politics who have posed this phoney choice for the nation between jobs and environmental quality.

The environmental movement has been chosen as a scapegoat by those who don't want to be blamed for rising unemployment. Because people don't have the facts there is a real danger that this sort of tactic will work.

I am reminded of a meeting I heard about within the inner circles of the Administration last year. Fortunately, there were one or two friends of the environment in the room. As the story is told, various participants began by saying that the Clean Air Act ought to be tabled for a while so power projects could move ahead. "I think it's helpful to define a problem before we start to solve it," a cooler head responded. "I can't think of any examples of projects being held up by the Clean Air Act. I wonder if anyone here can cite an example." No one could. They adjourned to think up examples. When they met again, there still were no examples to cite. The matter was dropped.

The same kind of thing is happening right now in the debate over jobs versus the environment. Someone needs to define the problem. Perhaps the President's own Council on Environmental Quality can help.

CEO reported three months ago that its studies indicate that the net impact of environmental programs on employment is not a drag, a barrier, an impediment to the creation of jobs for people. On the contrary, the net impact is positive—jobs are added, not subtracted. Because of these environmental programs, there are more people at work today than would be employed if we didn't have them.

CEO says that while pollution controls have been a factor in the closing of a number of old, obsolete plants, there is no evidence that these plant closings have been significant in terms of total employment or that pollution control regulations have been a prime cause. In the 69 plants closed between 1971 and the end of 1974, presumably in part because of environmental regulations, there was a total of approximately 12,000 jobs involved, some of which simply moved to other plants in the same companies. In most cases, the plants were old, small, only marginally profitable and headed for closing anyway.

In contrast to these job losses, America has created more than a million new jobs in its efforts to protect the environment. The Environmental Protection Agency says this total may double in the next year—and we've made less than 10 per cent of the needed investment in pollution control. There are literally millions more jobs waiting—and they depend on this movement going forward, not backward. Let me cite some examples.

There are 15,000 people at work running facilities built under the Federal Water Pollution Control Act of 1970—people who can thank the Izaak Walton League, among others, for their paychecks. Another 20,000 are manufacturing the equipment, and last year 55,000 construction workers labored to build waste-water plants. And this year, 300,000 more people can be put to work under this program.

In solid waste control and resource recovery there are nearly 100,000 people at work. Under the Clean Air Act, there are 5,400 working to manufacture and operate controls—and that number will increase 12-fold by next year if Federal standards are maintained. In pesticide, noise and pure water control there are now 73,000 at work because of our environmental efforts, and that will rise to 95,000 by EPA estimates.

These are jobs for every kind of worker: not just for the highly trained reesarch scientists, but for factory workers and construction workers to build the facilities, for technicians to run them, and for the whole supporting cast needed to run any enterprise of this magnitude.

And this could be only the beginning. Think about other aspects of the job we face to make America livable again. With a sluggish, only slowly reviving economy, there is much that we can do not only to step up economic activity but to improve the environment of our cities and the quality of life in America.

Meeting low and moderate income housing goals is one way we can help ourselves. Compared to virtually any other industrialized nation our record is shameful, as a trip through any urban slum will tell you. The new housing law passed by the Congress this summer is a start toward this end, but much more needs to be done. The important point is that this kind of program helps in two ways—first, improving our urban environment through meeting real human needs, and second, creating jobs that will help our entire economy.

Let me suggest still another positive course we can follow that will help create jobs while simultaneously removing a whole array of local environmental conflicts. I'm speaking of the advantage we would gain by shifting some funds now earmarked for highways to mass transit. The benefits are at least three in number:

1. Mass transit can improve life in the cities by getting auto traffic off the streets.

2. Many of the remaining highway projects now on the drawing boards need thorough review before they go forward. The thinking that went into them may now be 20 years out of date.

3. In terms of energy as well as jobs there are advantages on the side of mass transit. One study indicates a shift of $5 billion from highways to railroad and mass transit construction would mean a 61 per cent saving in energy and a 3 per cent gain in the number of people employed.

To sum up, environmentalists certainly recognize that the unemployment problem is serious and demands attention. But you should know—and let the world know—that there is no basis whatsoever for the contention that the environment is to blame for it or that the time has come to gut our environmental laws in the name of employment.

I want to reiterate one of the things I said in that speech 15 months ago:

"Part of the reason the environmental movement finds itself in trouble today is that we failed during the heady years of the 60's to make friends and forge alliances with groups that might be largely with us now: blue collar America, enlightened industry, the minorities who inhabit our rundown cities. But in those days, environmentalists were not in a mood to compromise or to play a role in 'their' issues, and we predictably find few friends around to sustain us during the dark days of the energy crisis."

The economic crisis has redoubled this problem. We still have not broken down these barriers of distrust, built in part on our own unconscious elitism, but the potential remains. We must make the most of the job-creating potential I have already described.

We must also demonstrate that we have learned—that we understand that the many problems of cities are at heart environmental problems.

We look, for example, at the financial problems of New York, and the dozens of other cities just half a step behind. This is an environmental problem, for in many cities up to half their operating budget goes for solid waste disposal. Beyond that cost, there is the land use question—where do we dispose of 1,700 pounds of rubbish produced by every American every year (and that doesn't count industrial waste)?

As environmentalists, we have answers to urban problems. Recycling, a cottage industry today, offers a tremendous potential: by burning the paper and plastic we now throw away, we could produce three to four percent of the nation's energy budget. It doesn't sound like much, until you realize that it is twice the power needed for all residential and commercial lighting in the United States.

The metals left over amount to $5 billion a year—nearly the amount of emergency aid being sought by the nation's mayors today. These are answers—environmentalist answers—that can save land, produce jobs and meet city budgets without ruinous tax increases.

And we should join the coalition supporting far-reaching, visionary approaches to solving the boom-and-bust cycle that makes human suffering—the material deprivation and psychic devastation of massive unemployment—the price of stability. There is in Congress today legislation to implement a real full employment policy—one that guarantees jobs in the public interest for every American willing and able to work.

This is the straightest, surest path to restored prosperity. It is a human conservation measure, and it promises to be a landmark environmental conservation program as well. It will put hundreds of thousands of our people to work restoring and preserving our countryside and our cities—restoring stripped hillsides, poisoned waters, dilapidated railroads, devastated communities and ruined croplands. It is not makework but needed work, jobs our consumer-oriented private sector cannot or will not provide. It is the kind of program that can reunite us with our natural allies, the working people and the poor who have suffered from the "full employment" policies of the past half-dozen years.

But I don't think we can make major progress on any of the tasks I've outlined without a change at the top—a new Administration sensitive to the needs of our people and our land. One of the most distressing facets of the Ford Administration has been the betrayal of the great Republican tradition of conservation.

Two of the greatest heroes of my youth were Theodore Roosevelt and Gifford Pinchot, Republicans and conservatives. They gave us much of our national park and monument and forest systems, and they gave us a bipartisan conservation ethic that has benefited this nation immeasurably for the past 70 years. We conservationsts owe much to our Republican brethren like John Saylor, Clifford Case, Paul McCloskey and Russell Train.

Against their record, we measure the brief Administration of Gerald Ford, seeker of "detente with nature":

A shrill, last-ditch battle to defeat sensible strip mining legislation, marked by twisted and phoney statistics, half-truths and distortions;

Abandonment of last year's "top environmental priority", modest assistance to help our states and cities plan for the use of our disappearing land;

Attempts to pile delay upon delay in auto emission standards:

Ill-considered efforts to speed up offshore oil, oil shale and nuclear energy plants before the full environmental dangers and economic costs are known;

Crippling understaffing of programs to protect our wildlife for observation and recreation;

Hints from the Attorney General that he would not be inclined to defend the Clean Air Act;

Transfer of Wildlife Ranges to the exploitation-oriented Bureau of Land Management.

I suspect that if John Saylor were alive, these things never would have happened. He would have stormed the White House!

Teddy Roosevelt wrote in 1910 that:

"(T) he true conservative is he who insists that property shall be the servant and not the master of the commonwealth; who insists that the creature of man's making shall be the servant and not the master of the man who made it."

The conservatism of Gerald Ford and William Simon, in contrast, views corporate profit as the sole index of economic health, without regard for efficient economic operation or a rational distribution of benefits. It is a 19th-century business philosophy that views protection of our resources for future generations as an obstacle, not a goal.

I'd like to leave you with a thought from the concluding program in Jacob Bronowski's marvelous television series, "The Ascent of Man." Speaking of man's future, he said:

"It sounds very pessimistic to talk about western civilization with a sense of retreat. I have been so optimistic about the ascent of man; am I going to give up at this moment? Of course not. The ascent of man will go on. But do not assume that it will go on carried by western civilization as we know it. We are being weighed in the balance at this moment. If we give up, the next step will be taken—but not by us. We have not been given any guarantee that Assyria and Egypt and Rome were not given. We are waiting to be somebody's past too, and not necessarily that of our future."

Sobering words. Yet while man's supply of given resources is finite, his mind is infinite, his capacity to solve problems infinite. I believe in the greatness of western civilization, its inventiveness, its great dedication to science and the pursuit of knowledge, and in what the economists call "intangible human capital". I believe we can solve our problems and that the 20th century need not be, will not be, the dawn of a new Dark Age.

TRIBUTE TO FORMER MEMBER AND COLLEAGUE LARRY WILLIAMS

SPEECH OF

HON. FRED B. ROONEY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 14, 1975

Mr. ROONEY. Mr. Speaker, I wish to join with my Pennsylvania colleagues in the expression of personal sadness at news of the death of our former colleague and member of the Pennsylvania Delegation, Lawrence G. Williams.

Larry Williams represented Pennsylvania's Seventh Congressional District from the 90th through the 93d Congresses. A resident of Springfield, his constituency consisted of much of Delaware County, southwest of Philadelphia.

His years in Congress were an extension of the popularity he had enjoyed as an official in his home county, a county commissioner for 14 years and a voice for his community in such regional governmental endeavors as the Penn-Jersey Transportation Study, the Delaware Valley Regional Planning Commission, and the Southeastern Pennsylvania Transportation Authority.

While in Congress, Larry served as a member of the American Revolution Bicentennial Commission helping lay the groundwork for our Nation's 200th anniversary, and as a member of the National Commission on Consumer Finance.

He took great pride in his work in public office and espoused a conservative philosophy which repeatedly won the endorsement of his constituents during more than two decades of public service. Although our views often differed, I knew Larry well and I share the deep sense of loss felt by all who knew him as friend and colleague.

Mrs. Rooney and I extend our sincere sympathy to his wife Margery and children, Kathy and James.

CUBAN COMMUNIST TO ATTEND U.S. PROPAGANDA FEST

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 15, 1975

Mr. McDONALD of Georgia. Mr. Speaker, plans for this year's 26th of July propaganda extravaganza to celebrate the Cuban Communist holiday marking the anniversary of Fidel Castro's armed attack on the Moncada barracks are well underway. This year the principal attraction is to be the presence of a Cuban leader, Melba Hernandez, a member of the Central Committee of the Cuban Communist Party, who participated in that attack on the Moncada in 1953.

The Committee for the 26th of July, operating from the Venceremos Brigade post office box—PO Box 3169, New York, N.Y. 10001—is sponsoring "A People's Salute to Cuba" on Thursday, July 24 and Friday, July 25 at New York's Manhattan Center.

Although the Communist Party, U.S.A.'s newspaper, Daily World, describes the Committee for the 26th of July as "a coalition of labor, political, church and community organizations," the Venceremos Brigade newsletter clearly stated in May that the brigade was in process of forming these committees as its annual "united front" effort to generate U.S. support for the Cuban Government. In the words of the newsletter:

> The Brigade is initiating the formation of Committees for July 26th in 14 U.S. cities, to plan and carry out rallies, film festivals, exhibitions and cultural programs in honor of the date. The Committees will include individuals, local and national political organizations, church, community, labor and professional groups.

"A People's Salute to Cuba" is the latest in the series of propaganda festivals extolling the virtues of Cuban communism which began with the 1973 Expo Cuba and continued with Cuba Chile '74 exposition attended nationally, the Venceremos Brigade asserts, by some 8,000 people who "expressed solidarity not only with the Cuban Revolution—but at a most crucial moment, with the people of Chile in their fight against fascism."

Last year, the political highlight of the organizing for Cuba Chile '74 was the visa campaign conducted for Beatriz Allende, daughter of the deposed Marxist president of Chile, wife of a high ranking official of the Cuban secret police who served Allende as a personal assassin, and executive secretary of the Havana-based Chilean Committee in Solidarity with the Anti-Fascist Resistance in Chile, an organization supporting the use of armed struggle and guerrilla warfare to reestablish a Marxist-Leninist regime in Chile.

Politically far more important to the Cubans and their supporters than the mere fact of the expositions was the successful visa campaign on Beatriz Allende's behalf which, in their words, "forced the State Department to grant the first U.S. visa to a person carrying a Cuban passport since the blockade was imposed."

Now the annual Venceremos Brigade front has made a further gambit to gain visas for aliens excluded by provisions of the Immigration and Naturalization Act. The brigade reported in its newsletter:

> The organizing for this year's July 26th celebration across the country opened early in May with the announcement that a representative from Cuba will be invited to the U.S. to address audiences attending the events in major cities. "If a successful visa campaign is waged, this will be the first time that large public gatherings in this country will be able to hear a representative from revolutionary Cuba since the U.S. government imposed its criminal blockade 13 years ago," stressed a spokesperson for the National Committee of the Venceremos Brigade, which made the announcement.

The article continued quoting the Brigade National Committee representative:

> This year's 26th of July is an important step forward. Inviting a representative from Cuba means we will need to build a strong national campaign, with broad support, to pressure the U.S. State Department to issue a visa. We must mobilize the thousands of people who believe the U.S. public has the right to hear the voice of revolutionary Cuba, and who know that the people of our country must take a forceful stand in opposition to the criminal U.S. policies still directed today against socialist Cuba.

Melba Hernandez, selected as the Cuban Government's representative to the Venceremos Brigade's affair, is one of the highest ranking women in Castro's government. Since 1963, she has served as head of the Cuban Committee of Solidarity with Vietnam, Cambodia, and Laos and is a permanent member of the International Commission Investigating U.S. Crimes in Indochina in Hanoi, and as such is responsible for coordinating propaganda with other Communist countries. She represented Cuba in May at the victory celebrations in Hanoi and Saigon.

At the New York City "salute," tickets will cost $3 for either the Thursday or the Friday event. However, to encourage an inflated attendance, a $1 discount is being offered for a ticket to both nights.

The Thursday evening event will consist of an "evening in solidarity with Puerto Rican independence." Performers are to include Roy Brown, the Cemi theater group; folksinger Rev. Frederick Douglas Kirkpatrick, a regular attraction at radical events, particularly those involving the Communist Party, U.S.A.; dancer Betty Garcia; and Mike Glick, a regular performer for the Communist Party's youth group, the Young Workers Liberation League.

Principal speaker at the Thursday evening event will be Noel Colon Martinez, one of the attorneys representing three Puerto Rican Socialist Party members detained in the Dominican Republic on charges of having transported three Cuban-trained Dominican guerrillas to that country. Dr. Colon is also president of the Puerto Rican branch of the international Soviet-controlled front, the World Peace Council. The announced topic of his speech, not unexpectedly, is "the historic role Cuba has played in the struggle for the independence of Puerto Rico."

Colon Martinez will also promote the International Conference of Solidarity with the Independence of Puerto Rico, to be held in Havana September 5–7, 1975. Colon attended the March 30–31 planning meeting for this conference which is being held at the instigation of the World Peace Council.

Another feature at the Thursday "People's Salute to Cuba" will be the U.S. premiere of the new Cuban film, "Puerto Rico." This film, produced by the state-run Cuba Institute of Cinema Arts, was described by its producers, Jesus Diaz and Fernando Perez, in Granma, the self-described "official organ of the Central Committee of the Communist Party of Cuba" as "a weagon for decolonization."

Granma's analysis of "Puerto Rico" read in part:

> Puerto Rice is a film of counterinformation and historical analysis. One of its main objectives is to present * * * a broader picture of the Puerto Rican people's struggle and the anti-imperialist strategy in this part of the world.
>
> * * * the producers said, "It is the duty of all Latin-American film producers to carry on this work of counterinformation, whether through fictional movies or documentaries * * * Practically all the mass media are geared to serve the interests of the cultural colonization that follows or accompanies political penetration. * * * any work aimed at the recovery and affirmation of Puerto Rican culture is a revolutionary and patriotic endeavor, and this film is permeated with this spirit."

Producers Diaz and Perez continued to discuss their propaganda effort:

> * * * we felt duty-bound to express the Puerto Rican people's heroic tradition of struggle. Therefore we had to find a structure that would permit us to organize all this information in such a way as motivate the public, because we had made up our minds to make a political film. * * * Our immediate goal was to make this film an instrument for mobilization. * * *

The film, "Puerto Rico," opens with film clips "of the attack on the U.S. Congress in 1954 by a nationalist commando group led by Lolita Lebron and scenes of uprisings led by Pedro Albizu Campos, including the Ponce "massacre" riots and the 1950 Jayuya uprising.

Although this footage of carnage was considered first-rate by the Cubans for "dramatic impact and revolutionary importance," they state that "in our search for added information, we were helped by the Puerto Rican Socialist Party's mission—office—in Cuba and by the nationalist fighters now residing in our country."

"By the nationalist fighters now residing in our country"—it might be appropriate to ask the Cubans, who now so intensely desire the United States to end its economic blockade of Communist Cuba and normalize relations with this indefatigable exporter of revolution, whether the fighters now again include Filiberto Ojeda Rios and the terrorist cohorts of the FALN.

If there were any possible doubt that the film was produced as part of Cuba's participation in the World Peace Council's upcoming Havana conference, the concluding paragraph of the statement of the film's producers should end them:

> For us in ICAIC [Cuban Institute of Cinema Arts], Puerto Rico is an instrument of solidarity and internationalist battle, and, in this sense, we hope it will contribute to the internationalist campaign for the independence of Puerto Rico now being launched by the revolutionaries and progressive forces in several countries who will meet in Havana from September 5 through 17 to analyze the colonial situation in Puerto Rico, the strategic importance of the liberation of the Puerto Rican and other peoples as a part of the worldwide struggle against U.S. imperialism, the struggle of the Puerto Rican people for their sovereignty and independence and international solidarity with the Puerto Rican people's just cause—as stated in the call for the International Conference of Solidarity with the Independence of Puerto Rico.

The Friday evening "People's Salute" will feature Angela Davis, member of the Central Committee of the Communist Party, U.S.A.; Antonio Rodriguez of the Center for Autonomous Social Action, generally known as CASA, who is also a member of the U.S. Support Committee for the Havana solidarity conference; Cleveland Robinson of the Distributive Workers of America, long a Communist-dominated union, and a member of the National Afro-American Labor Council; and peace activist David Dellinger, a self-described "Communist, though not of the pro-Soviet variety" and member of the board of the Puerto Rican Solidarity Committee.

The Venceremos Brigade's Committees for the 26th of July will hold commemorations of the Moncada assault in 14 other cities including Atlanta, in my home State; Charlotte and Durham, N.C.; Chicago and Champaign, Ill.; Nashville, Tenn.; Washington, D.C., Kansas City; Albuquerque; Los Angeles; San Francisco and Seattle.

Signers of the letter of invitation to Melba Hernandez and sponsors of the "People's Salute to Cuba" include many associated with the Puerto Rican Socialist Party, the Puerto Rican Solidarity Committee, the Communist Party, U.S.A.—CPUSA—the National Interim Committee for a Mass Party of the People, the Venceremo Brigade; and various "Chile Solidarity" groups, among others.

As reported by the Daily World and the Committee for the 26th of July, they include:

> Rev. Lee H. Ball, Methodist Federation for Social Action (an identified Communist front).
>
> Dennis Banks, American Indian Movement (an organization noted for its use of violence and terrorist tactics which is affiliated with the CPUSA front for infiltration of the prison and civil rights movements, the National Alliance Against Racist and Political Repression (NAARPR)).
>
> David Barkin, Union for Radical Political Economics (URPE), (a self-stated Marxist organization; previously active with the Center for Cuban Studies in New York).
>
> Phil Berrigan.
>
> Leonard Boudin, National Emergency Civil Liberties Committee, (an identified CPUSA front).
>
> Anne Braden, Southern Institute for Propaganda and Organizing (and identified CPUSA member).

Katherine Camp, Women's International League for Peace and Freedom. Nelson Canals.

Rev. Ben Chavis, Wilmington 10 Defendant (and co-chairperson of the CPUSA's National Alliance Against Racist and Political Repression).

Noam Chomsky, (active in various World Peace Council projects and a supporter of the Communist and Castroite front, the Medical Aid to Robert Chrisman, The Black Scholar. Cuba Committee).

Dr. June Jackson Christmas.

Hon. George W. Crockett, Jr., Judge, Recorder's Court of Detroit (and for many years a leader of the National Lawyers Guild, "legal bulwark of the Communist Party.)

Angela Davis, Co-chairperson, National Alliance Against Racist and Political Repression (and member of CPUSA's central committee.)

Eddie Demmings, Venceremos Brigade.

Carlos F. Diaz-Alejandro, Yale University.

Daniel Ellsberg.

Richard Fagen, president, Latin American Studies Association.

Stanley Faulkner, World Peace Council and International Association of Democratic lawyers (both international Soviet-dominated fronts).

Carol Bernstein Ferry (Mrs. W. H. Ferry), (a financial "angel" for many left-wing groups).

W. H. Ferry.

Jane Fonda (Mrs. Tom Hayden, actress and propagandist for the North Vietnamese).

Henry Foner.

Rev. David Garcia, St. Marks Church on the Bowery (and supporter of innumerable revolutionary groups and causes) and former Venceremos Brigade traveler to Cuba).

Margaret Gilpin, Co-Chairperson, U.S.-Cuba Health Exchange.

Sidney Gluck.

Mary Harding, Common Front for Latin America (COFFLA), (a former Maryknoll nun expelled from Bolivia in 1973 who publicly admitted to having been a member of and recruiter for the ELN guerrillas founded by Che Guevara).

James Haughton, Fightback (a member of the Puerto Rican Solidarity Committee for a Mass Party of the People).

Lennox Hinds, Executive Director, National Conference of Black Lawyers (and a former Cuban visitor who also is one of the leaders of the National Alliance Against Racist and Political Repression).

Florynce Kennedy, lawyer (and member of the National Lawyers Guild).

Arthur Kinoy, National Interim Committee for a Mass Party of the People (and member of the national board of the Puerto Rican Solidarity Committee who participated in the March meeting in Havana of the U.S. Preparatory Committee for the coming international solidarity conference on Puerto Rico).

William Kunstler, Center for Constitutional Rights (National Lawyers Guild activist who states he intends to "tear down the system through the system).

Saul Landau, Institute for Policy Studies (and consistent propagandist for the Cuban communist regime).

Denise Levertov.

Sandra Levinson, Center for Cuban Studies (a New York clearinghouse for Cuban government propaganda).

Walter Lowenfels, poet (and, long-time CPUSA member).

Betita Martinez, author.

Florencio Merced [Florencio Merced Rosa], Political Committee, Puerto Rican Socialist Party.

Dr. Arden Miller.

Elizabeth Moos, long-time Communist Party functionary and mother-in-law of convicted Soviet spy William Remington.

Marion and Alex Munsell.

George Murphy, National Representative, Afro-American Newspapers (active for four decades in the Communist Party, U.S.A.).

Bobbye Suckle Ortiz, *Mnothly Review*, (an "independent" Marxist-Leninist magazine).

Linus and Ava Pauling.

Sidney Peck, (formerly a leader of the People's Coalition for Peace and Justice, a CPUSA-dominated organization active on behalf of the North Vietnamese communists).

Pedro Perez, N.Y. Coordinator, National Committee for Fair Immigration Laws & Practices.

James Petras, SUNY [State University of New York] at Binghamton (and active with several organizations supporting Latin American Marxist guerrillas).

Richard Post, Quakers.

Earl Robinson, American Guild of Authors and Composers.

Cleveland Robinson (president of the Distribution Workers of America and secretary-treasurer of the Communist-dominated District 65).

Dr. Helen Rodriguez-Trias.

Dr. Samuel and Helen Rosen (twice visitors to Red China).

Pete Seeger.

Don Shaffer, president, Great Neck Reform Democratic Association.

John Simon, publisher (member of the National Council of the National Emergency Civil Liberties Committee, a Communist Party front).

Dr. Benjamin Spock.

Dorothy Steffens, executive secretary, Women's International League for Peace and Freedom (an organization which frequently takes positions in line with those of the USSR's World Peace Council).

Edith Tiger, director, National Emergency Civil Liberties Committee (a Communist Party, U.S.A. front.)

Sidney vonLuther, president, National Coalition to Fight Inflation and Unemployment (a Communist Party front organization developed in 1974).

Joe Walker, N.Y. Bureau Chief, *Muhammad Speaks* (newspaper of the Nation of Islam or Black Muslims. Walker was selected as the first chairman of the U.S. chapter of the International Organization of Journalists, an international Soviet-controlled front, and has been active with the American-Korean Friendship and Information Center, a CPUSA operation in support of the North Korean regime.)

Doron Weinberg, president of the National Lawyers Guild.

Peter and Cora Weiss (Peter Weiss is an attorney and founder of the Center for Constitutional Rights also active with the American Committee on Africa, a support group for various African Marxist guerrilla organizations. His wife was outstanding for her efforts in support of the North Vietnamese during the 1960's and 1970's).

Helen Winter, International Affairs Secretary, Communist Party, U.S.A.

Jane Wood, Chelsea Coalition on Housing (the oldest Venceremos Brigade member).

Quentin Young, M.D. (founder of the Medical Committee for Human Rights who evaded stating whether or not he was a member of a Communist Party doctors' cell in Chicago known as the Bethune Club in testimony in 1968).

Howard Zinn, a supporter of the revolutionary group known as the National Interim Committee for a Mass Party of the People.

On Friday, July 11, the Daily World reported that Melba Hernandez and her four companions had been denied visas. However, her attorney, Michael Ratner, of New York, has filed a waiver with the State Department and Attorney General asking for an unrestricted visa for the Cuban revolutionary leader. The Venceremos Brigade's Committee for the 26th of July has called for "all progressive people in the United States" to write the Secretary of State and Attorney General "demanding that a non-restricted travel and speaking visa be granted to her."

Hopefully, even in this era of "détente," the Attorney General and the Secretary of State will continue to enforce the provisions of the United States Code which bar Hernandez and her companions from this country.

TRIBUTE TO WILLIAM L. HUNGATE

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 16, 1975

Mr. CLAY. Mr. Speaker, at the end of the current term, a distinguished colleague and friend, Bill Hungate, will be leaving our ranks. To restate the inestimable credit he has done this body seems somehow conclusory and therefore, a shade inappropriate. For Bill leaves with the same vigor for leadership and uncompromised clarity of insight with which he arrived seven terms ago. We would do well then to acknowledge his contribution by homing in on the first-order problem he has helped cause us to focus: how the Government can be made through maximal application of human ingenuity to operate more efficiently.

Mr. Speaker, Washington Post staff writer Richard Lyons has written an article on Bill Hungate's coming departure from Government. I commend it to my colleagues' attention and now insert it in the Record.

[From the Washington Post, July 4, 1975]

Hungate To Retire; Cites Camelot End, Watergate Arrival

(By Richard L. Lyons)

Rep. William L. Hungate, (D-Mo.), whose droll humor brought some relief to the House Judiciary Committee's impeachment deliberations last summer, announced yesterday he will retire at the end of next year because he has lost his "passion" for the job of congressman.

"Politics has gone from the age of 'Camelot' where all things were possible to the age of 'Watergate' when all things are suspect," Hungate said.

Last year, as the House Judiciary Committee considered charges against then President Nixon on national television, Hungate voiced impatience at the refusal of some Republicans to accept what he considered obvious facts.

If an elephant walked into the committee room, he said then, some members might insist that it could be a "mouse with a glandular condition."

Hungate presided last fall over what is believed to be the only presidential testimony before a congressional committee, when President Ford explained his pardon of Nixon for any crimes he may have committed as President.

Hungate is considered a hardworking, competent congressman. Recently he guided through the House a bill making changes in the federal rules of criminal procedures.

But, age 52 and a House member for 13 years, Hungate said yesterday his "enthusiasm for public service has been waning" because of frustrations, pressures and demands of the job.

"The years erode tolerance, stamina and patience," said Hungate in announcing his plans to retire at the end of the 94th Congress and return to the practice of law.

"Where once criticism fell without impact, it now lands heavily, Since I entered office, the duties have increased dramatically, exceeded only by public dissatisfaction with Congress. Politics has gone from the age of 'Camelot' where all things were possible to the age of 'Watergate' when all things are suspect."

Hungate said he came to Washington intending to stay only one term "to straighten things out," but found it would take longer. After six years he became a subcommittee chairman but felt "invisible restraints" and decided that even if he stayed 10 more years or longer and became chairman of the Judiciary Committee he couldn't achieve all the things he wanted.

He likened the public life to a hammock—hard to get into and hard to get out of. But he said he thought it time to step aside and give others a chance for service. Dismissing suggestions that he run for governor of Missouri, he said he is leaving public life.

White-haired with a youthful face, Hungate comes from Mark Twain country along the Mississippi and has a collection of Twain-like stories for any occasion. He succeeded the late Clarence Cannon, crusty old long-time chairman of the House Appropriations Committee, who looked like Grumpy of Walt Disney's Seven Dwarfs and talked like Donald Duck. Hungate can mimic Cannon perfectly.

A graduate of Harvard Law School and a former Missouri prosecutor, Hungate said he entered public life in part because of an experience in World War II. Five of the 12 men in his rifle squad were killed, five were wounded—and Hungate was transferred to headquarters because he played saxophone and the colonel wanted a band. Hungate said he could find no rational reason for that experience and "felt a responsibility to serve my country in some way that might at least partially repay their sacrifices."

SENIORITY RULE MUST BE RETAINED AS MINORITY RIGHTS ARE SAFEGUARDED, SOCIAL DEMOCRATS SAY

HON. JAMES G. O'HARA

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 16, 1975

Mr. O'HARA. Mr. Speaker, the problem of how to deal with layoffs during this critical economic period, without undoing the good that has been achieved in ending on-the-job discrimination against minorities, poses serious problems with which industry, labor and government must deal. At issue is the seniority system, to which workers have looked in order to compensate them for years of faithful service with their employer, and upon which minorities look as a perpetuation of discrimination in employment since, under the last-hired first-fired principle, the bulk of those being involuntarily idled are the members of minority groups who have only just been hired to end discriminatory employment practices.

In pursuit of solutions to this problem, I commend to my colleagues a recent statement entitled "Seniority and Social Justice," adopted by the National Committee of Social Democrats, U.S.A., at their meeting in New York last month. It has some thought-provoking points that need to be made, as to who should be required to pay the penalty for past discrimination—the newly hired members of minority groups, veteran employees, or the employers who perpetrated the discriminatory practices which we are all now seeking to end.

Mr. Speaker, the statement of the Social Democrats follows:

SENIORITY AND SOCIAL JUSTICE

The steady intensification of America's economic crisis has borne out what social democrats have long insisted: that racial and sexual equality can only be achieved within the context of an expanding, full employment economy. We do not intend to minimize the economic and psychological impact of discriminatory practices which, in some areas of the economy, are still widespread. However, the experience of the past year, when the jobless rate has risen from 4.6 to 9.2 per cent, clearly demonstrates that fundamental economic policies, and not racial or sexual bias, constitute the principal impediment to the full economic participation of traditionally excluded groups.

Massive unemployment has had a devastating effect on working people of all races and sexes, a fact that is ignored by those who interpret inequality exclusively in terms of racism or sexism. Blue collar workers are currently suffering an unemployment rate of 13 per cent, a figure which approximates the jobless rate of 14.7 per cent for the black community. Even more significant—and outrageous—is the 21.8 per cent unemployment level for construction workers, a group which has been frequently excoriated by the mass media and the liberal community as greedy, overpaid, and unduly secure.

Yet despite the fact that economic scarcity cut across racial, sexual and age lines, there is an increasing clamor for solutions that would grant preference to certain groups while requiring additional sacrifice of others. To the demands for racial and sexual quotas have been added proposals for other forms of preferential treatment. Most notable among these is the demand that seniority provisions in union contracts be modified or dispensed with altogether and that, when lay-offs are necessary, low seniority women and minority workers be retained while higher seniority white male workers are furloughed in their place.

In the past Social Democrats, U.S.A. has spelled out its opposition to the quota principle. Our attitude toward preferential seniority—which is, in fact, a form of quota—is based upon similar principles. We are opposed to placing limitations on seniority primarily because of our conviction that seniority represents an essential safeguard for working people against the arbitrary practices of their employers. *The Wall Street Journal* has already reported frequent instances where non-unionized firms have laid off long time employees, while retaining younger workers, as a means of cutting costs. To dismiss the plight of these workers is inhumane for it is the older worker with a family to support who finds re-entry into the work force most difficult because of the prevalence of age discrimination. It should also be noted that the importance of seniority protection is recognized by black workers, most of whom oppose the challenges to seniority rules. They realize that, in addition to the implied issue of equity, the weakening of seniority rules would substantially diminish a union's position in the collective bargaining process.

The attacks on seniority furthermore reflect an attitude towards white male workers that we reject in its totality. Some critics imply and others openly assert that seniority was designed to ensure the dominance of white workers over black workers and men over women.

Such notions are the latest example of a deep-seated anti-worker bias which in recent years has predominated in certain liberal circles and in the media. It has taken the form of requiring workers, who have already suffered grievously from the economic crisis, to sacrifice even more by giving up the hard-won right of seniority. Ironically, though not surprisingly, many of the same liberals who are attacking seniority have objected to quota systems when applied to university hiring policies.

We also believe that the institutionalization of seniority quotas could have devastating political ramifications. Nothing would be more certain to ignite the most serious racial polarization than to penalize individual white workers to advance the interests of other workers.

The current challenges to seniority are being made in the courts and through government agencies. Although we have fundamental objections—both philosophical and practical—to seniority quotas, we are also concerned with the growing tendency of courts and bureaucracies to issue decisions and guidelines which entail substantive changes in public policy, as opposed to the interpretation of constitutional issues. In adopting the 1964 Civil Rights Act, Congress clearly did not intend that requiring equal employment opportunity meant the abrogation of seniority clauses. For judicial bodies and government agencies to formulate policies which violate the intent of Congress is inherently undemocratic.

We sympathize with those civil rights leaders who propose, as an alternative to mass lay-offs, that work sharing schemes, shortened work weeks, and other similar concepts be instituted to minimize the impact of unemployment on minority workers. Such formulas have already been implemented on a voluntary basis by workers in some industries, and we favor this approach when democratically adopted by unions or workers. But we are opposed to the adoption of such techniques as matters of national policy. Once again, the consequences would be to impose additional sacrifices on a working class whose standard of living has already been significantly diminished through inflation.

Although we oppose the weakening of seniority rules, we believe that the recent moves towards plantwide seniority in many industries is a positive development. Plantwide seniority is an effective means of ending the traditional policy of employers channeling minority and women workers to the least skilled and lowest paying jobs within a plant. We also favor granting senioirty rights and back pay to workers denied a job because of discrimination.

There is no debate in the labor movement on this issue. However, we reject the notion that white male workers should pay—through the loss seniority rights—for the discriminatory practices of their employer.

Finally, we are opposed to seniority quotas because they imply an acceptance of the economic status quo. The most compelling problem America faces is not the racial or sexual inequity of a shrinking economy, but the fact that millions of working people simply cannot find work. The immediate answer to this problem entails a huge federal effort to stimulate the economy and create jobs. In the long run, there must be transformation of the entire workings of the economy to ensure a positive public policy of full employment as a fundamental civil right.

The achievement of a full employment economy, moreover, would be the most effective answer to the persistence of racial inequality. Indeed, the convergence of the racial and labor agendas has been a significant phenomenon of the past decade. Today, they are almost identical. If the ideals of the civil rights movement are to be realized, it will not be because one group of workers is advanced over the backs of other workers. Equality will only be won by a strategy which guarantees a full measure of justice for both the have-nots and have-littles of society.

FREEDOM IS ONLY A WORD IN MANY NATIONS OF THE WORLD

HON. PHILIP E. RUPPE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 16, 1975

Mr. RUPPE. Mr. Speaker, one of the most persistent and distressing problems which faces the world today is that of the captive nations. As this country has just celebrated its 199th birthday, I believe that it is altogether fitting that the Congress and the Nation pause to remember that there are still many nations in the world where freedom is only a word and not a meaningful reality. Captive peoples all over the world look to this country as their hope, and it should be our responsibility to let them know that they have not been forgotten. The fight for independence and freedom is a continuous one. I hope that the time will soon come when there is no longer the need for a Captive Nations Week, and that the freedom of America will be that of the world.

LAWRENCE G. WILLIAMS

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 16, 1975

Mr. EILBERG. Mr. Speaker, along with my colleagues from the last Congress, I was saddened to learn of the death of former Congressman Lawrence G. Williams.

Although Larry Williams and I were on opposite sides philosophically, we were able to remain friends. He had been born in what is now my district and he was always concerned about the people who lived there now.

The one issue Larry and I did agree on was the need for cooperation by the members of the Philadelphia area delegation and we often worked together on matters which concerned the residents of both districts.

Larry was a good friend. We were always able to discuss our differences without rancor or bitterness and I want to express my sympathy to his wife, Marge, and to his family.

HOUSE OF REPRESENTATIVES—*Thursday, July 17, 1975*

The House met at 10 a.m.

Rev. Victor Lopez, pastor, Our Lady of Mount Carmel, Joliet, Ill., offered the following prayer:

Let us pray: Father, You are the Creator. You are the Father of all peoples and tongues, nations and tribes, cities and towns, both great and small.

We call upon Your creative Spirit. So that, You may heal the wounds of our Nation; erase the cynicism of our people; animate our leaders in their tiredness and in their weakness.

In celebrating Your Fatherhood, Your living presence amongst us, we recognize the respectful order. We establish a sense of authority that is founded on You. Encourage us to be truly Your cocreators, extending Your justice and peace amongst men.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed with amendments in which the concurrence of the House is requested a bill of the House of the following title:

> H.R. 7728. An act to suspend until the close of October 31, 1975, the duty on catalysts of platinum and carbon used in producing caprolactam.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4035) entitled "An act to provide for more effective congressional review of proposals to exempt petroleum products from the Emergency Petroleum Allocation Act of 1973 and certain proposed administrative actions which permit increases in the price of domestic crude oil; and to provide for an interim extension of certain expiring energy authorities."

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

> S. 586. An act to amend the Coastal Zone Management Act of 1972 to authorize and assist the coastal States to study, plan for, manage, and control the impact of energy facility and resource development which affects the coastal zone, and for other purposes.

REV. VICTOR LOPEZ

(Mr. O'BRIEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. O'BRIEN. Mr. Speaker, on behalf of all Members present here, I would like to thank Father Lopez for a beautiful and inspiring prayer.

The Joliet area, which I have the great honor of representing, has a large, dynamic, and rapidly growing Spanish-surname population. Many of these people are newcomers to our city, and like newcomers anywhere, they experience many adjustment problems. But in addition to unfamiliarity, the Spanish-speaking newcomer has the extra burden of overcoming language and cultural barriers.

Father Lopez is one of the best friends these new arrivals have during their difficult transition period. Under his wise and strong leadership, and with the help of Manuel Juarez and many dedicated helpers, a Spanish center was formed in Joliet. Today the center is a growing, vital operation that plays a most valuable and critical role in meeting the needs of Joliet's Spanish-speaking residents.

I have had the pleasure of participating in several of the center's activities and of seeing the strength and cohesiveness it has brought to the community.

As the executive director of the center, Father Lopez has become one of Joliet's outstanding leaders, enjoying the respect and admiration of all. Again, I want to thank him for taking time from his work to share his company and his blessing with us.

Mr. Speaker, in the litany of the Roman Church, when the prelate of a church entered the cathedral, his presence was announced by the singing of a hymn which was captioned "Ecce Sacerdos." Translated freely into English, it means:

> Behold a good priest, whom in his own day God made great.

Today, Mr. Speaker, behold a good priest who I predict by the grace of God and the favor of the Holy See might one day be, indeed, a great one.

PERMISSION FOR COMMITTEE ON RULES TO FILE CERTAIN PRIVILEGED REPORTS

Mr. SISK. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file certain privileged reports.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

ONE EARTH IS ALL WE HAVE

(Mr. STARK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. STARK. Mr. Speaker, Tuesday the Land Use and Resource Conservation Act (H.R. 3510) failed to clear the Interior and Insular Affairs Committee by a vote of 23 to 19.

It is extremely disappointing that this critical piece of legislation was rejected. In my opinion, now is the time to develop a system of protecting our valuable natural land resources—and the vehicle for this preservation was provided in H.R. 3510.

The bill would have encouraged States to examine their valuable land resources and plan accordingly to protect them in the future. It did not, as many critics alleged, authorize the State or Federal Government to take control of private property. In fact, the States were not compelled to participate in the program even if the measure was passed into law.

We cannot afford to continue to abuse and destroy our natural environment. In the future we are going to need to develop new facilities to accommodate our ever-growing energy needs. This development, however, should be preceded by comprehensive land use planning on the State and local levels. The monumental growth we can expect in the next several decades, if allowed to go uncontrolled, will adversely affect the quality of life in this Nation.

I am sorry that this measure was not successfully reported to the House. Someone once said that we treat the world as though we had a spare in the trunk. It is time to realize that there just is not any "spare" land around any more. A good hard look at what we have and where we are going—by taking inventory of the Nation's land resources—is needed. The land use bill would have furnished us with this direction and purpose in planning for the future. Our course now remains aimless.

LEGISLATION TO PROHIBIT ILLEGAL ALIENS FROM OBTAINING FOOD STAMPS

(Mr. WYLIE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WYLIE. Mr. Speaker, I am today introducing a bill that would prohibit illegal aliens from obtaining food stamps. The declared intention of the Food Stamp Act is to "safeguard the health and well-being of the Nation's population and raise levels of nutrition among low income households," a concept which I wholeheartedly support.

The food stamp program is being abused and undermined by giving food stamps to illegal aliens. This development has imposed an unnecessary cost on the already overburdened taxpayer in addition to being contradictory to the will and intent of Congress. I will offer the language of this bill as an amendment to the Food Stamp Act which will soon be reported from the House Agriculture Committee.

CALL OF THE HOUSE

Mr. BAUMAN. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. THOMPSON. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 396]

Adams
Ambro
Andrews, N.C.
Archer
Ashley
Bingham
Boggs
Breaux
Brown, Calif.
Buchanan
Burke, Calif.
Byron
Casey
Chisholm
Conte
Conyers
Derrick
Diggs
Dingell
Drinan
Edwards, Calif.
Esch
Eshleman
Fountain
Fraser
Fulton
Gibbons
Goldwater
Gradison
Hannaford
Harsha
Hébert
Heckler, Mass.
Hefner
Heinz
Hyde
Ichord
Jones, Ala.
Karth
McClory
McCormack
McKinney
Matsunaga
Milford
Mink
Moorhead, Pa.
Murphy, N.Y.
Nowak
Patman, Tex.
Pike
Quie
Rangel
Rees
Reuss
Rhodes
Riegle
Risenhoover
Roncalio
Rose
St Germain
Santini
Scheuer
Shuster
Steelman
Steiger, Ariz.
Steiger, Wis.
Symms
Teague
Udall
Wiggins

The SPEAKER. On this rollcall 364 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

PERMISSION FOR SUBCOMMITTEES ON THE JUDICIARY AND ON COMMERCE, HOUSING AND TRANSPORTATION OF THE COMMITTEE ON THE DISTRICT OF COLUMBIA, TO MEET TODAY DURING 5-MINUTE RULE

Mr. HARRIS. Mr. Speaker, I ask unanimous consent that the Subcommittees on the Judiciary and on Commerce, Housing and Transportation of the Committee on the District of Columbia be permitted to sit today while the House is proceeding under the 5-minute rule.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

PERMISSION FOR MANAGERS TO FILE CONFERENCE REPORT ON H.R. 6950

Mr. MAHON. Mr. Speaker, I ask unanimous consent that the managers may have until midnight tonight to file a conference report on the bill (H.R. 6950) making appropriations for the legislative branch for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

PARLIAMENTARY INQUIRY

Mr. ROUSSELOT. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. ROUSSELOT. Mr. Speaker, how many committees have asked permission to sit today while we are in session?

The SPEAKER. All committees have permission, under the rule, and the unanimous-consent agreement, until noon.

Mr. ROUSSELOT. Until noon, Mr. Speaker?

The SPEAKER. Yes.

Mr. ROUSSELOT. Mr. Speaker, what about when we get to the 5-minute rule?

The SPEAKER. They have to get special permission if it is in the afternoon.

Mr. ROUSSELOT. Only after 12 o'clock?

The SPEAKER. After 12 o'clock.

Mr. ROUSSELOT. I thank the Speaker.

TREASURY, POSTAL SERVICE, AND GENERAL GOVERNMENT APPROPRIATION BILL, 1976

Mr. STEED. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 8597) making appropriations for the Treasury Department, the U.S. Postal Service, the Executive Office of the President, and certain independent agencies, for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from Oklahoma?

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 8597, with Mr. SISK in the chair.

The CHAIRMAN. Before the Committee rose on yesterday, the Clerk had read through line 10, page 9 of the bill.

AMENDMENT OFFERED BY MR. VANIK

Mr. VANIK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. VANIK: Page 9, immediately after line 10, insert the following new section:

"SEC. 103. No part of any amount appropriated by this Act shall be used by the the Internal Revenue Service to disseminate other than under the provisions of section 552 or 552a of title 5, or to acquire, collect, classify, or preserve, any information concerning the activities or beliefs of any organization, association, group, or any person who is not an officer or employee of the Internal Revenue Service, except to the extent such information is acquired in the course of determining and collecting the taxes levied by title 26 of the United States Code."

Mr. VANIK. Mr. Chairman, the amendment I am offering would prevent the development of political surveillance files within the Internal Revenue Service.

I hope that when the Ways and Means Committee considers the general tax reform bill later this year, it will include an amendment to prohibit the collection of unnecessary political data by the IRS.

In the meantime, I believe we should add an amendment to the appropriations bill files during fiscal year 1976.

Now the IRS has a duty and an obligation to be aware of some political activities by organizations and individuals. There are a number of provisions in the tax code, particularly section 501(c), which list prohibited political activities—such as lobbying—by tax exempt organizations. Obviously, it may be necessary from time to time for the IRS to study the political activities of such groups. My amendment does not impair the ability of the IRS to operate in these areas.

Instead, the amendment is designed to prohibit the type of abuse which occurred in the establishment of the IRS Special E Service Staff Office in 1969. This Office, which was terminated by Commissioner Alexander in August 1973, developed some 11,000 files on generally leftwing individuals and organizations. Most of this information—one would guess 90 percent—had little or nothing to do with legitimate IRS tax collection needs.

There is some recent evidence that the type of data collected by the SSS staff may be finding its way into a new computerized filing system called IGRS—the intelligence gathering and retrieval system. There seems to be some danger that prominent citizens—as well as average taxpayers—who say something controversial or something against the IRS may be entered into the IGPS computerized files.

The IRS is an agency of incredible economic power over the lives of every citizen. We must never permit the IRS to collect needlessly data on citizens' political beliefs and expressions.

I urge the adoption of this amendment to the Treasury appropriations bill.

Mr. STEED. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I would like to say that this amendment is closely related to the action that was taken by the House yesterday when section 103 was stricken from the bill. In the colloquy I had with the gentleman from Ohio (Mr. VANIK) I thought we had reached an understanding that this problem he has, related to the amendment here and the colloquy we had yesterday, more properly belongs under the jurisdiction of his committee.

I believe the use of manpower at IRS is something that goes broader than the language we struck out yesterday. With respect to this amendment, since the gentleman is going ahead in this field, I would like to urge him to withdraw the amendment here without having to make any record and complicate what his committee might want to do in a legislative way.

I believe that both of these propositions here show how difficult it is to cope with this type of problem with the Internal Revenue Service. I do not want to do anything unfair to the Service, but I am just trying to work awfully hard to make sure that we leave these legislative matters in the proper legislative committees.

Therefore, Mr. Chairman, I would like to urge the gentleman from Ohio to let us do that here by withdrawing his amendment.

Mr. VANIK. Mr. Chairman, if the gentleman will yield, in an earlier colloquy on other amendments to this section, I did suggest that our committee was in the process of conducting hearings to develop some legislative rules relating to confidentiality and the use of IRS files. I would agree that any action could probably develop a wider base and broader participation in the writing of such language.

Consequently, Mr. Chairman, in the light of our previous discussion on this matter, I will be very happy to comply with what the gentleman suggests.

Mr. Chairman, I ask unanimous consent to be permitted to withdraw my amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio (Mr. VANIK)?

There was no objection.

The CHAIRMAN. The amendment is withdrawn, and the Clerk will read.

The Clerk read as follows:

COUNCIL ON WAGE AND PRICE STABILITY

SALARIES AND EXPENSES

For expenses, including compensation for the Deputy Director at a rate not to exceed the rate for level V of the Executive Schedule, necessary for the Council on Wage and Price Stability as authorized by the Council on Wage and Price Stability Act of 1974 (Public Law 93-387) $1,550,000.

AMENDMENT OFFERED BY MR. ROUSSELOT

Mr. ROUSSELOT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ROUSSELOT: page 11, line 8, strike out "$1,550,000" and insert "$500,000".

Mr. ROUSSELOT. Mr. Chairman, this is a simple amendment of reduction in annual expenditure for the Council on Wage and Price Stability.

In a colloquy in which I engaged with the gentleman from Oklahoma (Mr. STEED) yesterday in a discussion of this item, it was pointed out that the law expires on August 15.

There is no necessity for appropriating $1.5 million for an agency or for a part of the President's office when there is clear doubt as to how it will be structured. The Banking and Currency Committee has not passed the authorizing legislation for the continuation of this Council.

Mr. Chairman, this amendment merely reduces the appropriation from $1.5 million to $500,000. The $500,000 would be more than enough funding to continue through the recess and even beyond. By then we will know what the direction, on the basis of legislative action what will be needed.

So, Mr. Chairman, my belief is that this is the place where we could clearly save funding that has not been proven to be needed because the Committee on Banking, Currency and Housing, on which I serve, and which is now in subcommittee debating what the future of this Council will be. The continuation of the agency is in great controversy, and we have not had a chance to bring it either to the floor or in the full committee for debate. So I think it is unwise to fund it for a full year. I am not saying we should not give it sufficient funding to continue it at least through the August recess, but I clearly believe we can save $1 million here in this bill.

In my colloquy yesterday with our good chairman of the subcommittee, the gentleman from Oklahoma, Mr. STEED, the gentleman admitted that the legislation for the continuation of this office has not been determined by the legislative body as a whole, and/or even the Committee on Banking, Currency and Housing.

Mr. Chairman, I believe this is a simple straightforward amendment. I am hopeful that the good chairman of the subcommittee will accept this amendment. I am also hopeful that my colleagues will support this reduction of a million dollars for an agency that is under a cloud, and is in controversy. About a year ago the Committee on Banking, Currency and Housing had extensive debate and vote on this Council to discontinue its activity. I urge a favorable vote for this amendment.

Mr. STEED. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I would first like to advise the House again that the subcommittee had this problem: We have here an ongoing agency of the Government working into the upcoming fiscal year; therefore we had a responsibility to fund their activities for that amount of their lifetime. We also had the difficulty that the legislative committee had not made its final determination as to whether this agency would or would not be continued. So we have adopted the only sensible thing that we could devise to meet this situation.

If the amount of money we have put in here, if the agency is permitted to continue, they are going to need this amount of money to do the job they are set up to do. If they are not to continue on, it may well be it will save a lot more money than the gentleman's amendment proposes.

If the agency does not continue, or if we adopt the gentleman's amendment and continue the agency, it will not have sufficient funds to continue to do the job they are set up to do. The action on the life of this agency will occur in August during the middle of the recess. Without the amount of money, including the amount of money the amendment would take out, there is no way the Congress could provide additional money *until* some time later in the year, which would put the agency in a crippling condition.

The recommendation of the administration on the activities of this commission were very strong. The work they are doing has been very beneficial.

So, we have no right, on the subcommittee, to try to read the minds of the legislative committee, and therefore we have just tried to make this bill cover it so that whatever decision will be made, it will fit the circumstances.

I would like to urge the Members to defeat the amendment, because the saving of the money that the gentleman from California (Mr. ROUSSELOT) would like to accomplish will automatically take place if it is the will of the Congress that they no longer continue, but if it is the will of the Congress to continue the agency, then we will have given them sufficient money to do a creditable job.

Mr. KETCHUM. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. Thirty-two Members are present, not a quorum.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

The CHAIRMAN. A quorum of the Committee of the Whole has not appeared.

The Chair announces that a regular quorum call will now commence.

Members who have not already responded under the noticed quorum call will have a minimum of 15 minutes to record their presence. The call will be taken by electronic device.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 397]

Adams
Ambro
Andrews, N.C.
Archer
Ashley
Brown, Calif.
Casey
Cederberg
Conyers
Daniel, Dan
Derrick
Diggs
Drinan
Edwards, Calif.
Esch
Eshleman
Foley
Fraser
Fulton
Gibbons
Hannaford
Hébert
Heinz
Holland
Jarman
Karth
Kastenmeier
Latta
Matsunaga
Mills
Mink
Moss
Murphy, N.Y.
Pattison, N.Y.
Pepper
Rees
Reuss
Riegle
Roberts
Rose
Santini
Satterfield
Scheuer
Staggers
Steelman
Steiger, Wis.
Symms
Teague
Ullman
Vander Jagt
Wiggins
Wilson, C. H.
Young, Alaska
Young, Ga.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. Sisk, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 8597), and finding itself without a quorum, he had directed the Members to record their presence by electronic device, whereupon 381 Members recorded their presence, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

Mr. LEVITAS. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, this is a very important amendment, even though it deals with only $1 million out of a bill which spends over $7 billion—but they are the taxpayers' dollars. It is an amendment that deserves the attention of this Committee.

I commend the distinguished subcommittee and its chairman for working hard and reporting a good bill generally, but what we are doing in considering this amendment is that we are bringing some fiscal responsibility into our appropriation process.

We are talking about the Council on Wage and Price Stability, which, under the law as it is now written, expires on August 15 of this year.

The authorization legislation, which is still in committee, is very controversial; and there is no assurance as to whether the agency will be extended or not. There is no justification for spending money ing to expire, by operation of law, on for a full year on an agency that is go- August 15.

We are frequently accused of spending money on agencies in excessive amounts and giving money to agencies that waste these funds, and now we are about to appropriate money for an agency that is going to have expired by the middle of August. I suggest to the Members that it is just commonsense for us not to fund an agency which by operation of law is not going to exist 30 days from today, and yet we are about to fund it for another entire year without any authorizing legislation extending its life.

There is a very good reason why this agency, the Council on Wage and Price Stability, should expire on August 15, because the agency is a fraud on the public. It was created last year to monitor wage and price increases. It was given the responsibility of overviewing the entire Government and private economic sector, and to do something about inflation. Yet it has no price fixing or wage fixing powers, and it has no subpena powers. It has a professional staff of a mere 16 people with the responsibility of monitoring all decisions in private business and all decisions of the Federal Government. Because we are telling the people that there is some Council on Wages that is looking into the causes of inflation. But in the year it has been in existence obviously it has not been able to do anything for inflation, and they are not really set up to do anything about inflation. It was set up so people could tell the public that we are going to do something about inflation, and it could not do this.

We know that this Council during the period of time of its existence, with no enforcement powers, with no ability to get anything done, has had only 17 inflationary studies made during this entire period of its existence in the Government, and that a third of it had to do with the prices of airline tickets which really does not affect too many consumers.

Mr. Chairman, I serve on the Subcommittee on Commerce, Consumer, and Monetary Affairs of the Committee on Government Operations, and during recent oversight hearings representatives of this Council were asked, "How do you go about finding out the areas in our economy that you are going to investigate for inflation?" And their answer was a remarkable response. They said that they check the Federal Register, and they get letters from the public, and complaints from Members of the Congress on a haphazard, catch-as-catch-can basis.

Using this less than systematic procedure, they have done absolutely nothing, because they were not created to do anything.

I suggest, Mr. Chairman, that those of us who continually talk about reducing the cost of government and eliminating unnecessary agencies now have a golden opportunity to speak to the American people rather significantly, because here is a phony Council that is going to expire by the middle of August, and we should not fund it for a year. It has not done anything up to this point except to act as a deceit on the American public. It is a useless body. It should be terminated. It will expire. There is no purpose in funding it for an entire year. Let us stop kidding the public, and let us begin a conscious effort to reduce the Federal bureaucracy and wasteful spending.

Mr. ARMSTRONG. Mr. Chairman, I move to strike the last word.

Mr. Chairman, as I understand it, the pending business before the Committee of the Whole is the amendment offered by the gentleman from California (Mr. Rousselot). Since I was one of many not present to hear his explanation of this amendment, I wonder if the gentleman would be good enough to explain it again.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. ARMSTRONG. I yield to the gentleman from California.

Mr. ROUSSELOT. I appreciate the gentleman's yielding to me. I would be delighted to provide an explanation.

In this bill there is an appropriation for $1,500,000 for the Council on Wage and Price Controls. As the gentleman from Georgia just stated, that authority expires on August 15. The authorizing committee, the Committee on Banking and Currency, is now debating its life and what the functions will be for that particular council. There is great controversy over it. Therefore, my amendment would reduce this by $1,500,000 to $500,000. That is more than adequate to cover the cost of operation for the time until the authorizing committee decides what to do.

Mr. ARMSTRONG. Could I ask the gentleman from California what will happen if we are in recess during the month of August? Under his amendment, will the money run out?

Mr. ROUSSELOT. If the gentleman will yield further, no. The $500,000, on the basis of the committee report, will be more than adequate to carry the council for a third of the year. But since the authorizing committee has not authorized beyond August 15, there is great controversy on the Council on Wage and Price Stability as to the direction that it should take. Therefore, I do not think we should be appropriating money for a council for which the future is not fully defined.

Mr. ARMSTRONG. Mr. Chairman, I appreciate the gentleman's explanation.

I would say to the members of the Committee of the Whole that I am somewhat reluctant to support amendments to this bill because I know that it has been developed with great care. In fact, by comparison with other appropriations measures that have come to the floor, it seems to me a model of prudence and responsibility. It is under the budget. It has been brought forward carefully and responsibly and is in sharp contrast to the bloated and swollen appropriations that have previously come before us.

However, in this particular instance it does seem to me that the amendment proposed by the gentleman from California is a proper and useful one, and I, for one, will support it.

Mr. BROWN of Michigan. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, the question before us I think should be put in perspective. The Senate of course, has passed legislation to continue the Wage and Price Stabilization Council. The subcommittee of the Committee on Banking and Currency on the House side is reporting out its bill today. The bill, in addition to just extending the life of the Council, gives it some authority that will help it to do its job better than it has been able to do in the past. The legislation reported by the Senate, the bill that will be reported by the subcommittee of the House, both give the Council subpena power with protection for the confidentiality of the data that is acquired and obtained by subpena. I know there are those who oppose a continuation of this Council. There are those who analogize it to a continuation or a reinstitution of wage and price controls. It is not that. I think that with its limited resources, with its limited personnel, with its life so far, that it has performed a function that has been a worthwhile function. I think with the obtaining of the subpena power that it will do a better job of monitoring wage and price activities.

I respectfully suggest that the Committee on Appropriations had an opportunity to look into this matter and determine whether or not the funding should be continued and at a level that has been pretty much agreed upon by both sides.

I, therefore, respectfully suggest that since the very rule under which this bill is before us waived points of order because there are appropriations which have not been authorized, that it is entirely appropriate, and it certainly is meritorious, that this amendment be defeated and that the funding of the Wage and Price Stabilization Council be continued.

Mr. STEED. Will the gentleman yield?

Mr. BROWN of Michigan. I yield to the gentleman from Oklahoma.

Mr. STEED. Of course the gentleman is correct. In addition to the inflation, everybody here is aware of the fact that we are coming up to another very serious problem area which we call energy. There is going to be a great deal of work done in that field and I do not know how the Commission can perform if it is extended unless it has these resources. All we are going to have here is to fix it so if it is extended the Commission can perform its work, whereas if it is not extended, it all goes down the drain anyway. We had no other choice but to be prepared for either way it would go because we had no way of knowing what the committee would do.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Michigan. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, when the gentleman speaks as though it is almost a fait accompli, the legislation has not come before the full Banking and Currency Committee. It is not even out of the subcommittee yet. So I think it would be wrong to leave this body with the impression that the issue has in fact been resolved and to believe that just because the Senate has passed a bill that that constitutes final action. I think it would be a mistake to leave that impression.

Mr. BROWN of Michigan. Mr. Chairman, the gentleman usually is much more careful in his attention to what is being said. I have said the Senate reported this bill in this way and passed it and it is expected the subcommittee will pass the bill with a very similar arrangement. I did not say what would happen before the full committee. It is a controversial matter. I think it should be passed and I think it will be passed.

Mr. MILLER of Ohio. Mr. Chairman, I rise in opposition to the amendment.

The chairman of our Treasury-Postal Service-General Government Subcommittee said a few minutes ago that we do have a problem concerning energy and it is so true. One of the items the Council on Wage and Price Stability is working on at the present time is to prevent motor carriers returning with an empty back haul. In other words we have many carriers today that are trucking a full load across the Nation and coming back in many cases empty. The Council is attempting to save energy my making sure that we do have full loads in both directions.

Also the Council was very instrumental last December in rolling back steel prices. No, they do not have the authority directly to roll back steel prices, but they were instrumental in seeing that we did not have such a large increase which would again only start the cycle going higher for all commodities.

Mr. SNYDER. Mr. Chairman, will the gentleman yield for a question?

Mr. MILLER of Ohio. I yield to the gentleman from Kentucky.

Mr. SNYDER. Mr. Chairman, if the amendment is defeated and then the full amount requested is appropriated and if the legislation is not extended, can the money be spent?

Mr. STEED. The money would not be spent.

Mr. SNYDER. I thank the gentleman.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Ohio. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, I appreciate the gentleman yielding. I think we have had enough experience in this body to know that once we appropriate dollars to an agency, even though they go out of existence they always take 6 months or 8 months to terminate and they always will use every dollar we appropriate for them. To believe this $1.5 million will not be used if in fact the Banking and Currency Committee decides to allow the agency to expire I think is a naive position.

Mr. MILLER of Ohio. The gentleman said we did not have authorization from the committee.

If the Council is not working, they will not be spending.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. ROUSSELOT).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. ROUSSELOT. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 167, noes 243, not voting 24, as follows:

[Roll No. 398]

AYES—167

Abdnor
Anderson, Calif.
Armstrong
Ashbrook
Aspin
AuCoin
Bafalis
Bauman
Beard, Tenn.
Bedell
Bell
Bennett
Bevill
Boggs
Bonker
Breaux
Brown, Ohio
Buchanan
Burgener
Burleson, Tex.
Burton, John
Burton, Phillip
Butler
Byron
Carr
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Collins, Tex.
Conlan
Crane
D'Amours
Daniel, Dan
Daniel, R. W.
Davis
de la Garza
Dent
Derrick
Derwinski
Devine
Dickinson
Dodd
Duncan, Tenn.
Emery
English
Eshleman
Evans, Colo.
Evins, Tenn.
Fish
Fithian
Florio
Flowers
Frey
Fuqua
Gaydos
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Grassley
Guyer
Hagedorn
Haley
Hammerschmidt
Hansen
Harkin
Harris
Harsha
Hastings
Hébert
Hechler, W. Va.
Heckler, Mass.
Hightower
Hinshaw
Holland
Holt
Horton
Howe
Hubbard
Hungate
Hyde
Jacobs
Jeffords
Jenrette
Johnson, Colo.
Johnson, Pa.
Kelly
Kemp
Ketchum
Keys
Kindness
Krebs
Krueger
Lagomarsino
Landrum
Lent
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Lott
McCollister
McDonald
Maguire
Mann
Martin
Miller, Calif.
Mitchell, N.Y.
Moffett
Montgomery
Moore
Mottl
Myers, Ind.
Myers, Pa.
Nichols
Nolan
O'Brien
O'Hara
Patterson, Calif.
Pettis
Poage
Pressler
Quillen
Railsback
Randall
Regula
Robinson
Rose
Rousselot
Roybal
Runnels
Russo
Satterfield
Schneebeli
Schroeder
Schulze
Sebelius
Sharp
Shuster
Simon
Smith, Nebr.
Snyder
Spellman
Spence
Steiger, Ariz.
Stuckey
Talcott
Taylor, Mo.
Treen
Van Deerlin
Waggonner
Walsh
Wampler
Whitehurst
Wiggins
Wilson, Bob
Wilson, Tex.
Winn
Wydler
Wylie
Yatron
Young, Alaska
Young, Fla.

NOES—243

Abzug
Adams
Addabbo
Alexander
Ambro
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Ashley
Badillo
Baldus
Barrett
Baucus
Beard, R.I.
Bergland
Biaggi
Biester
Bingham
Blanchard
Blouin
Boland
Bowen
Brademas
Breckinridge
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Broyhill
Burke, Calif.
Burke, Mass.
Burlison, Mo.
Carney
Carter
Casey
Cederberg
Chisholm
Clay
Cochran
Cohen
Collins, Ill.
Conable
Conte
Conyers
Corman
Cornell
Cotter
Coughlin
Daniels, N.J.
Danielson
Delaney
Dellums
Diggs
Dingell
Downey
Downing
Drinan
Duncan, Oreg.
du Pont
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
Erlenborn
Evans, Ind.
Fary
Fascell
Fenwick
Findley
Fisher
Flood
Flynt
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fraser
Frenzel
Fulton
Giaimo
Gibbons
Gradison
Green

Gude
Hall
Hamilton
Hanley
Harrington
Hawkins
Hayes, Ind.
Hays, Ohio
Hefner
Helstoski
Henderson
Hicks
Hillis
Holtzman
Howard
Hughes
Jarman
Johnson, Calif.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Kasten
Kastenmeier
Kazen
Koch
LaFalce
Leggett
Lehman
Long, Md.
McClory
McCloskey
McCormack
McDade
McEwen
McFall
McHugh
McKay
McKinney
Macdonald
Madden
Madigan
Mahon
Mathis
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Michel
Mikva
Milford
Miller, Ohio
Mills
Mineta
Minish
Mitchell, Md.
Moakley
Mollohan
Moorhead, Pa.
Morgan
Mosher
Moss
Murphy, Ill.
Murtha
Natcher
Neal
Nedzi
Nix
Nowak
Oberstar
Obey
O'Neill
Ottinger
Patman, Tex.
Patten, N.J.
Pattison, N.Y.
Pepper
Perkins
Peyser
Pickle
Pike
Preyer
Price
Pritchard
Quie
Rangel
Rees
Reuss
Rhodes
Richmond
Riegle
Rinaldo
Risenhoover
Roberts
Rodino
Roe
Roncalio
Rooney
Rosenthal
Rostenkowski
Roush
Ruppe
Ryan
St Germain
Sarasin
Sarbanes
Scheuer
Seiberling
Shipley
Shriver
Sikes
Sisk
Skubitz
Slack
Smith, Iowa
Solarz
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Stephens
Stokes
Stratton
Studds
Sullivan
Symington
Taylor, N.C.
Teague
Thompson
Thone
Thornton
Traxler
Tsongas
Udall
Ullman
Vander Veen
Vanik
Vigorito
Waxman
Weaver
Whalen
White
Whitten
Wilson, C. H.
Wirth
Wolff
Yates
Young, Tex.
Zablocki
Zeferetti

NOT VOTING—24

Archer
Bolling
Burke, Fla.
Esch
Hannaford
Heinz
Hutchinson
Ichord
Karth
Latta
Lujan
Matsunaga
Mink
Moorhead, Calif.
Murphy, N.Y.
Passman
Rogers
Santini
Steelman
Steiger, Wis.
Symms
Vander Jagt
Wright
Young, Ga.

So the amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

THE WHITE HOUSE OFFICE

SALARIES AND EXPENSES

For expenses necessary for the White House Office as authorized by law, including not to exceed $3,850,000 for services as authorized by 5 U.S.C. 3109, at such per diem rates for individuals as the President may specify, and other personal services without regard to the provisions of law regulating the employment and compensation of persons in the Government service; hire of passenger motor vehicles, newspapers, periodicals, teletype news service, and travel (not to exceed $100,000 to be accounted for solely on the certificate of the President); and not to exceed $10,000 for official entertainment expenses to be available for allocation within the Executive Office of the President; $16,763,000.

For "Salaries and expenses" for the period July 1, 1976, through September 30, 1976, $4,191,000.

AMENDMENT OFFERED BY MR. HARRIS

Mr. HARRIS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HARRIS: Page 16, immediately after line 8, insert the following:

That part of the funds appropriated under this title for the White House Office equal to the total of the pay of the employees detailed for full-time duty in the White House Office from any department, agency, or independent establishment in the executive branch may not be obligated or expended for any purpose.

POINT OF ORDER

Mr. STEED. Mr. Chairman, I make a point of order against the amendment.

The CHAIRMAN. The gentleman will state his point of order.

Mr. STEED. Mr. Chairman, the point of order is that this amendment is in violation of clause 2, rule XXI, because it is legislation on an appropriation bill.

The language of the limitation fails to provide that "no part of the appropriation under consideration shall be used for a certain designated purpose," as provided in section 843 of the House rules.

The proposed amendment provides that funds calculated in the manner prescribed in the amendment "may not be obligated or expended for any purpose" rather than for a certain designated purpose required under clause 2, rule XXI.

Failure to state that certain designated purpose for which the funds cannot be used has the effect of legislation on an appropriation bill and is in violation of clause 2 of rule XXI.

Mr. Chairman, if this amendment were adopted, it would impose a lot of bookkeeping duties on the White House that they do not now have. There are only about 20 people assigned to the White House, most of them for less than 6 months. There would be no way on Earth that they could ever determine how to comply with this rule until the end of the year, and then they would have to perform an extensive bookkeeping function not now provided for.

Therefore, Mr. Chairman, I think this is clearly legislation in an appropriation bill because, in addition to the other reasons I have stated, it also imposes duties upon the White House staff that do not now exist.

The CHAIRMAN. Does the gentleman from Virginia (Mr. HARRIS) desire to be heard on the point of order?

Mr. HARRIS. Yes, I do, Mr. Chairman.

I am sorry that my chairman did not wait for me to explain the amendment before objecting.

I do not believe that the objection is valid or that the point of order is valid.

Obviously, the funds being appropriated by this section are for a very specific purpose. What this amendment does is make sure that when other in-kind services are used from other agencies, to replace this use, obviously, the funds appropriated shall not be used for the same purpose.

It is clearly a meaningful limitation on the appropriation and bears specifically on the appropriation and on the use being made.

With respect to the argument that it requires a great deal more bookkeeping, I just do not believe that argument has any merit whatsoever. Obviously, a detailed employee from another agency has to be designated for White House service. Obviously, certification of his employment and responsibilities at the White House has to be made. Obviously, those records have to be kept.

The only question here is if, in fact, he is being paid from the agency, should the appropriation exist at the White House for the same payment? I think, obviously, the best policy would require that it should not, and obviously, this sort of limitation on the appropriation is appropriate under the rules.

The CHAIRMAN. The Chair is prepared to rule.

The gentleman from Oklahoma (Mr. STEED) makes a point of order on the language of the amendment offered by the gentleman from Virginia (Mr. HARRIS) in connection with certain White House funds.

The Chair has examined the amendment, particularly as it pertains to clause 2 of rule XXI. The Chair is constrained to feel that it amounts primarily to a limitation on availability of a part of the funds in this paragraph, and further, that even if it could be construed as legislation on an appropriation bill, the amendment appears to the Chair to amount to a retrenchment and a certain cut, actually, in funds in the bill, which, under clause 2, rule XXI, makes it in order, notwithstanding the contention of the gentleman from Oklahoma. The gentleman concedes that personnel are being detailed from other agencies to the White House, and the amendment would therefore be operable.

Therefore, on that basis, the Chair overrules the point of order.

The CHAIRMAN. The Chair recognizes the gentleman from Virginia (Mr. HARRIS).

Mr. HARRIS. I thank the Chairman.

Mr. Chairman, I am introducing an amendment to title III of H.R. 8597 which is intended to deal with the practice of detailing employees from executive agencies to the White House Office for full-time service.

Section 107 of title 3 of the United States Code authorizes the detail of employes from the executive departments to the White House Office "for temporary assistance." There is no statutory requirement that the White House reimburse agencies employing these detailees. According to the May 20, 1975, Post Office and Civil Service Committee report on the White House authorization bill, H.R. 6706:

> . . . it is the practice to require reimbursement for the agencies for any detail extending over six months.

This, I must emphasize is a practice of the White House, not a statutory requirement.

The White House reported to the House Post Office and Civil Service Committee that as of April 1, 20 employes were detailed to the White House Office, only two of whom were detailed on a reimbursable basis. This figure of 20, however, does not indicate how many employees were detailed over a period of a year or how many are detailed now or for how long. There is no limitation—not even budgetary—on the number of persons who can be detailed to the White House; thus, this number can increase indefinitely.

My amendment would require that the White House not spend the sum equal to the total salaries of all employees detailed. Since there is no limit on detailing and since there is no way of determining how many employees are or will be detailed at what cost, the amendment does not hold the White House to a precise figure. What it does do is to require the White House not to spend funds for other things that it should be using to pay the salaries of detailed employees.

The purpose of my amendment is to curb the practice—enjoyed by many Presidents—of adding on and adding on ad infinitum to the White House staff. We must look at White House staffing in perspective. First, the President has the White House staff of 500 people, as intended in this bill. On top of that he has the Vice President's staff—called special assistance to the President—of 30 more people. Under this bill the President would have the "unanticipated needs" fund of $1 million which can be used to hire further staff. Also available are 86 employees for the Executive Residence. Add to this the President's unlimited authority to hire experts and consultants; in April there were 12. On top of all these, the President has the rest of the Executive Office of the President—over a dozen councils and commissions. On top of all of these, the President can detail an unlimited number of employees to the White House to serve him.

All I am trying to do is exercise some control over a small group of employees. All my amendment contemplates is to require the White House to withhold from spending the amount of money being paid for salaries by other agencies for the detailed employees.

My purpose is very simple: It is my belief that the White House staff has grown and grown in recent years. It is an endless labyrinth of layers and layers of people. There is no question that the President should have some assistants to carry out his many and complex duties. But my point is that it is time we remove major policymaking from a few cloistered, unknown, faceless special Executive assistants and associate counsellors surrounding the President. We must return Government to the people, to our Cabinet officials where decisions should be made out in the open and where top officials are accessible and accountable. Adding on to the White House staff by detailing employees is just one small element of a growing bureaucracy and an unlimited hiring authority down on Pennsylvania Avenue. What I propose, in effect, is if the White House wants to use detailed employees, so be it. But the White House should reduce proportionately the other employees and not pad and mushroom the staff.

This amendment, similar to my efforts last week on the White House authorization bill, is part of an overall policy question which this Congress must face. I am very concerned, as I said last week, at the congressional "undersight" that has occurred in monitoring the White House operations. Watergate is not far behind us and just this week we have heard reports of CIA detailees in the White House. Sooner or later we must confront and curb a growing concentration of power behind the impenetrable walls of the White House. My amendment is one small step.

Mr. STEED. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

We are facing a proposition here that unless we want to do something very unfair—and I do not think it would serve any useful purpose but would be mischievous—we ought to defeat this amendment.

Mr. Chairman, we just got through passing a bill that treats this whole problem. This idea was not apparently worthy of being considered in the legislation that dealt with the White House staff. So now here coming in the back door we have this tricky little matter. At the current time they have a rule down at the White House that if anybody is drafted out of an agency for more than 6 months, he is automatically transferred over on the White House staff. This was done several years ago with the urging and the cooperation of our subcommittee so we could know what they are doing down there.

There are about 20 people on assignment there at the present time, over half of whom will be there less than 6 months. I think we have got to stop here and just think for a minute about how the White House staff operates and how the President of the United States operates. He is the head of the executive branch of this Government. They carry on all sorts of activities down there that require the cooperation and help of all of the agencies of the Government. Sometimes these projects go on for a considerable length of time. Many times no one has any way of knowing when they start out how long they will take. Sometimes emergencies nobody has ever heard of come up.

So to give the President any leeway at all, I think the system we now have is one that meets all of the reasonable requirements anybody could bring up. Remember that we have, whatever else one thinks, a limitation on this whole White House staff thing by the fact that we have a certain amount of money in the appropriation bill, and there is no way this amendment or any other amendment can exceed that amount of money.

So I think we can assume that the President is going to be circumspect in the way he uses this. They have set it up this way. They have got it now especially so that we would know what is going on, and we do know. So I think we ought to let the President have enough leeway to get his work force to where it will do the job he has to do.

Mr. ADDABBO. Mr. Chairman, will the gentleman yield?

Mr. STEED. I yield to the gentleman from New York.

Mr. ADDABBO. I thank the gentleman for yielding.

Is it not a fact, Mr. Chairman, that anyone assigned to the White House staff for an extended period of time is on a reimbursable basis and is paid out of this appropriation?

Mr. STEED. Yes. That is also part of the program. I do not know of any improvement this could make. It could cause some difficulties, because when they ask for people out of the Department to come over there and take part in some of the functions at the White House, very rarely do they know specifically how much time that is going to require.

Members have been asking me all day how long it is going to take on this bill. I could not tell anybody because I cannot read the minds of all of my colleagues.

Mr. Chairman, the Chair and I participated in a meeting at the White House this morning where a number of people from agencies were involved. Are we going to have to keep books on each and every time anybody under the President's jurisdiction has to go down to the White House and work with him and his staff in carrying out the mandates? They have a book that is about a foot thick of demands and missions and assignments that this Congress by its own legislative action has already imposed on the President to perform, and it involves all sorts of agencies of the Government. I just do not know what we want to do. We cannot expect the President of the United States to be a miracle man. What we are trying to do here is give him the tools to do the most difficult job in the world.

For goodness' sake, why do we not play fair with the man and defeat this amendment?

Mr. HARKIN. Mr. Chairman, will the gentleman yield?

Mr. STEED. I yield to the gentleman from Iowa.

Mr. HARKIN. I thank the gentleman for yielding.

I am just curious. Are there people delegated into the White House from other agencies who are not paid under the White House authorization? Maybe I misunderstood the gentleman, but I thought he said that whenever they come to the White House they are reimbursed with White House salaries. Is that true?

Mr. STEED. If they are going to be brought over there for a prolonged period of time, they are transferred onto the White House staff.

Mr. HARKIN. If the gentleman will yield further, what is a prolonged period of time?

Mr. STEED. Six months or more, or a year. Also it depends a lot on what they are doing. Many of these people go over there on a temporary basis because of a specific thing that is going on. When that is finished, they go back to their agencies.

Mr. HARKIN. If the gentleman will yield further, but they are still paid out of the agency funds?

Mr. STEED. The President has to have all the experts from the agencies if he is going to perform his duties, so that is mostly what this going and coming of the people from the agencies is all about.

Mr. HARKIN. I rise, Mr. Chairman, in support of the amendment.

I just wonder if the chairman would answer a couple more questions on this. I guess I am concerned that we are not seeing really a true picture of exactly how many people are employed or how much they are being paid in the White House if we do not have the amendment offered by the gentleman from Virginia so that we have a true accounting and true picture of exactly what is going on down there. We have that in the Congress and I do not know why we cannot have that in the White House.

Mr. STEED. If the gentleman will yield, here is what we are up against. They have a White House staff that performs most of the duties, but special things come up that require people who have to know special things and the White House has to get those persons from the agencies, sometimes for a day or an hour or a year. It all depends. On the other hand there are some people who work in the White House because it is the agency's business they are looking after and not the White House business. It is almost impossible to know sometimes whether those assigned persons are doing White House work or agency work because they are assigned the duties sometimes together.

We get a list of every assignment they are working on all year long so we know if there is an excess on this. It is going in the opposite direction. It used to be hundreds of people who did this.

Mr. HARKIN. How many people were delegated to the White House from the agencies for long periods, let us say for 6 months or 3 months, who took positions at the White House but were not paid out of the White House authorization or appropriation?

Mr. STEED. I think about the largest number they have had recently who stayed around for more than 6 months was between 8 and 10.

Mr. HARKIN. How many stayed 3 months?

Mr. STEED. I do not know.

Mr. HARKIN. There has to be a schedule.

Mr. STEED. We have a list of last year's use of this which is in the hearings. Currently there are about 20 people on assignment there, most of them on a very short term, and they keep going and coming all the time because the White House business is changing, just like the gentleman's office business.

Mr. HARKIN. That is what bothers me.

Mr. STEED. What does the gentleman find wrong with letting the President of the United States have access to people in the administrative branch of the Government to carry out the duties we put on him? What else can he do?

Mr. HARKIN. The only thing I have difficulty with is that this White House staff seems to be enlarging every year. The gentleman from Virginia pointed out in his amendment earlier there would not be a reduction. What I understand on this amendment is that it does not in any way cut down, it just makes the White House report the number.

Mr. STEED. I want to correct the gentleman on one thing. The White House staff has been going down. That is a reduction from last year.

Mr. HARKIN. That goes down but we do not know how many are being brought in from other agencies to take those positions.

Mr. STEED. Not over 8 or 10 on any prolonged time at all. I do not know how else to answer the gentleman. I have said that right now there are not over 20 people there on assignment.

Mr. HARKIN. It seems difficult for me to understand why this increase in staff is coming up at a time when we have a re-election campaign coming up in the White House.

Mr. STEED. I do not know what the President needs to do his job and I do not know who else's word to take except his word, and that is what we have done.

Mr. PATTEN. Mr. Chairman, will the gentleman yield?

Mr. HARKIN. I yield to the gentleman from New Jersey.

Mr. PATTEN. Mr. Chairman, I will give an illustration. It was around Easter time when something was bubbling in the Middle East which caused the President to say we will take another look at it and we may change our policy, and the ambassadors from Israel and Egypt and Jordan all were flown quickly back to the United States and the experts from the State Department were all meeting in the White House with the President and they went out to the west coast for something. I believe he had his picture taken there with some refugees.

Another time we were trying to get copper from Chile.

In the White House we had people from the Commerce Department. We had people from the International Policy Commission that are around the White House when they are needed; but we have to give the President that leeway.

Mr. HARKIN. He already has the Cabinet System set up to do these things.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. HARKIN. I yield to the gentleman from Virginia.

Mr. HARRIS. Mr. Chairman, I appreciate the gentleman's concern. I think the President needs that discretion. In every single instance here the President will retain that discretion. All this amendment does is apply to full-time people.

Mr. MILLER of Ohio. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise to oppose the amendment.

Mr. Chairman, I have heard a great deal of concern expressed by the gentleman from Iowa and the gentleman from Virginia that we do not know as a legislative body how many people are detailed to the White House.

I would like for the people who are so concerned to convey to me how many people from the various agencies are detailed to the legislative body. Can the gentleman tell me how many people are here on the Hill maintaining offices at the present time? Why are we not concerned about the legislative body?

Mr. HARRIS. If the gentleman will yield, all I can tell the gentleman, as a Congressman I am allowed 18 staff members and if I want one of the other agencies to come down and work for me for 6 months, I doubt that the President would pick up the tab for that.

Mr. MILLER of Ohio. The gentleman misunderstands exactly what I asked. Liaison offices are here from all the agencies, so we can gain assistance for our constituents.

Mr. HARRIS. Mr. Chairman, will the gentleman yield further?

Mr. MILLER of Ohio. Yes, if the gentleman can answer the question.

Mr. HARRIS. I think this is a valid question. I will have to leave it up to my colleagues to see whether I answer or not, but I will try. The point is that the liaison officer from the Department of Defense to the White House or the liaison from the Department of Defense to the Hill, those liaison offices would not be covered by this amendment. We are talking about someone detailed full time to the White House as an employee of the White House to function in a slot we are appropriating in this bill. All this amendment says, if someone is taken from another agency, paid by that agency and put in a full-time slot, as prescribed by this bill, then this appropriation is reduced by that amount.

Mr. MILLER of Ohio. The gentleman made one statement I would like to correct, or at least understand, that people from an agency are detailed as full-time employees of the White House.

Mr. HARRIS. Yes, sir.

Mr. MILLER of Ohio. Did the gentleman make that statement, that they are full-time employees?

Mr. HARRIS. Yes, sir.

Mr. MILLER of Ohio. They are under the appropriation and paid for by the appropriation.

Mr. STEED. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Ohio. I yield to the gentleman from Oklahoma.

Mr. STEED. Let me point out one thing about these liaison people. Liaison people are here in the Congress, the same as they are in the White House, because they have expertise that the Congress needs. I cannot see why all the furor or why any one could see something evil in this.

Mr. MILLER of Ohio. Mr. Chairman, I have one point to clear up and then I will yield further to the gentleman.

Mr. Chairman, in the year 1961 there were 134 people detailed to the White House. We have 20 now.

In 1962, there were 123.

In 1963, there were 111.

In 1964, there were 125.

In 1965, there were 154.

In 1966, there were 219.

In 1967, there were 246.

In 1968, there were 206.

In 1969, there were 232.

And in 1970, there were 287.

It has now been reduced to 20.

Mr. PATTEN. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Ohio. I yield to the gentleman form New Jersey.

Mr. PATTEN. Mr. Chairman, right now the President is watching TV, because within a minute we are going to join in space with the Russians. So, we have got the military and everybody in the space program probably surrounding the President in the White House right now.

Mr. MILLER of Ohio. I thank the gentleman.

Mr. MARTIN. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Ohio. I yield to the gentleman from North Carolina.

Mr. MARTIN. Mr. Chairman, I want to say that this amounts to little more than nit-picking. If the committee already has information about the numbers and salaries of the people to be detailed to the White House, and their purposes, then this amendment amounts to no more than simple harassment.

I thank the gentleman for yielding to me.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia (Mr. HARRIS).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. HARRIS. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 141, noes 274, not voting 19, as follows:

[Roll No. 399]

AYES—141

Abzug
Alexander
Ambro
Anderson, Calif.
Aspin
Badillo
Baldus
Barrett
Baucus
Beard, R.I.
Bedell
Bennett
Bingham
Blanchard
Blouin
Bonker
Brademas
Brodhead
Burke, Calif.
Burton, John
Burton, Phillip
Carney
Carr
Chisholm
Clay
Collins, Ill.
Corman
Cornell
D'Amours
Daniels, N.J.
Danielson
Dellums
Derrick
Dingell
Dodd
Downey
Drinan
Early
Eckhardt
Edgar
Edwards, Calif.
Eilberg
Evans, Ind.
Fisher
Fithian
Florio
Ford, Mich.
Gaydos
Gonzalez
Grassley
Green
Hall
Hanley
Harkin
Harrington
Harris
Hawkins
Hayes, Ind.
Hechler, W. Va.
Hefner
Hightower
Holland
Holtzman
Howe
Hughes
Hungate
Jacobs
Jenrette
Kastenmeier
Keys
Koch
Krebs
Krueger
LaFalce
Leggett
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, Md.
McHugh
Maguire
Mann
Meeds
Melcher
Metcalfe
Mezvinsky
Mikva
Miller, Calif.
Mineta
Mitchell, Md.
Moakley
Moffett
Moss
Mottl
Neal
Nolan
Oberstar
O'Hara
Ottinger
Patman, Tex.
Patterson, Calif.
Pattison, N.Y.
Pike
Rangel
Reuss
Richmond
Riegle
Rodino
Rosenthal
Roush
Roybal
Russo
St Germain
Sarbanes
Scheuer
Schroeder
Seiberling
Sharp
Simon
Spellman
Stanton, James V.
Stark
Stokes
Studds
Sullivan
Thompson
Traxler
Tsongas
Udall
Van Deerlin
Vander Veen
Vanik
Vigorito
Waxman
Weaver
White
Whitten
Wirth
Wolff
Yatron
Young, Ga.

NOES—274

Abdnor
Adams
Addabbo
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Armstrong
Ashbrook
Ashley
AuCoin
Bafalis
Bauman
Beard, Tenn.
Bell
Bergland
Bevill
Biaggi
Biester
Boggs
Boland
Bolling
Bowen
Breaux
Breckinridge
Brinkley
Brooks
Broomfield
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Butler
Byron
Carter
Casey
Cederberg
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Cohen
Collins, Tex.
Conable
Conlan
Conte
Conyers
Cotter
Coughlin
Crane
Daniel, Dan
Daniel, R. W.
Davis
de la Garza
Delaney
Dent
Derwinski
Devine
Dickinson
Diggs
Downing
Duncan, Oreg.
Duncan, Tenn.
du Pont
Edwards, Ala.
Emery
English
Erlenborn
Eshleman
Evans, Colo.
Evins, Tenn.
Fary
Fascell
Fenwick
Findley
Fish
Flood
Flowers
Flynt
Foley
Ford, Tenn.
Forsythe
Fountain
Fraser
Frenzel
Frey
Fulton
Fuqua
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Goodling
Gradison
Gude
Guyer
Hagedorn
Haley
Hamilton
Hammerschmidt
Hansen
Harsha
Hastings
Hays, Ohio
Hébert
Heckler, Mass.
Helstoski
Henderson
Hicks
Hillis
Hinshaw
Holt
Horton
Howard
Hubbard
Hutchinson
Hyde
Ichord
Jarman
Jeffords
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Kasten
Kazen
Kelly
Kemp
Ketchum
Kindness
Lagomarsino
Landrum
Latta
Lehman
Lent
Levitas
Long, La.
Lott
Lujan
McClory
McCloskey
McCollister
McCormack
McDade
McDonald
McEwen
McFall
McKay
McKinney
Madden
Madigan
Mahon
Martin
Mathis
Mazzoli
Meyner
Michel
Milford
Miller, Ohio
Mills
Minish
Mitchell, N.Y.
Mollohan
Montgomery
Moore
Moorhead, Pa.
Morgan
Mosher
Murphy, Ill.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Nedzi
Nix
Nowak
Obey
O'Brien
O'Neill
Passman
Patten, N.J.
Pepper
Perkins
Pettis
Peyser
Pickle
Poage
Pressler
Preyer
Price
Pritchard
Quie
Quillen
Railsback
Randall
Rees
Regula
Rhodes
Rinaldo
Risenhoover
Roberts
Robinson
Roe
Rogers
Roncalio
Rooney
Rose
Rostenkowski
Rousselot
Runnels
Ruppe
Ryan
Sarasin
Satterfield
Schneebeli
Schulze
Sebelius
Shipley
Shriver
Shuster
Sikes
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spence
Staggers
Stanton, J. William
Steed
Steiger, Ariz.
Stephens
Stratton
Stuckey
Symington
Talcott
Taylor, Mo.
Taylor, N.C.
Thone
Thornton
Treen
Ullman
Vander Jagt
Waggonner
Walsh
Wampler
Whalen
Whitehurst
Wiggins
Wilson, Bob
Wilson, Tex.
Winn
Wright
Wydler
Wylie
Yates
Young, Alaska
Young, Fla.
Young, Tex.
Zeferetti

NOT VOTING—19

Archer
Brown, Calif.
Esch
Hannaford
Heinz
Karth
Macdonald
Matsunaga
Mink
Moorhead, Calif.
Murphy, N.Y.
Nichols
Santini
Steelman
Steiger, Wis.
Symms
Teague
Wilson, C. H.
Zablocki

So the amendment was rejected.

The result of the vote was announced as above recorded.

Mrs. FENWICK. Mr. Chairman, I ask unanimous consent that we be permitted to return to page 9, line 21, of the bill for the purpose of amendment.

The CHAIRMAN. Is there objection to the request of the gentlewoman from New Jersey?

Mr. STEED. Mr. Chairman, I very reluctantly object.

The CHAIRMAN. Objection is heard.

The Clerk will read.

The Clerk read as follows:

GENERAL PROVISIONS—CIVIL DEFENSE

SEC. 1. Appropriations contained in this Act for carrying out civil defense activities shall not be available in excess of the limitations on appropriations contained in section 408 of the Federal Civil Defense Act, as amended (50 U.S.C. App. 2260).

Mr. SEBELIUS. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I would like to comment briefly regarding H.R. 8597 regarding appropriations, in part, for the U.S. Postal Service.

This morning I received a number of complaints, as I do every day, regarding postal service problems. These complaints primarily involve service problems as they affect rural areas, since I am privileged to represent 57 counties in western Kansas.

As a result of ever-increasing complaints, my office conducted a special listening and inspection tour regarding postal problems in rural areas back in the spring of 1973. Since that time I have testified before the Subcommittee on Postal Service and have introduced or cosponsored a number of bills I felt could improve the situation.

In order to be brief, I am probably oversimplifying the facts but I think we have a situation whereby the following takes place: Postal authorities here in Washington are: Negotiating contracts which will involve locked-in labor costs, facing ever-increasing costs to move the mail, trying to meet a directive from Congress to make postal service pay for itself and facing political opposition to raising postal rates. The managers here in Washington insist the USPS can be run like a big business and have their own figures to prove it. These past few weeks postal officials in the Midwest have been trying to iron out the problems connected with routing mail through the new bulk mail center in Kansas City. Mail and parcel post was originally being delivered from Wichita to communities in my district in western Kansas on a 1-day basis. Now, however, the mail must go to Kansas City through the new processing center and it is taking from 1 to even 5 or 6 days longer.

The postal officials in Kansas assure me they are working on this problem and that the system will eventually work. Nevertheless, in a case where a farm implement dealer paid special handling costs for parts needed during harvest time it was necessary to find a way to circumvent the new system and deliver the parts on a next-day basis.

I make mention of this because we are embarked upon a national postal system that is geared to moving the tremendous mail load in our urban areas via new equipment and computers. This system is complete with a testing arrangement that in fact tests the success of the system, not actual mail delivery time. Armed with these figures and with a sharp pencil, cost dictates filter down through regional, district and sectional center offices with success being measured by how much costs can be cut and standardized.

It is a beautiful system on paper. But I submit while all of this is going on patrons in rural areas have been going through 5 years of seeing personnel and service capability taken from local post offices, and in general, service deteriorate significantly from what they were accustomed to prior to enactment of the Postal Reorganization Act.

Through these past 5 years I have repeatedly brought complaints to the attention of postal authorities here in Washington. About a year ago, tired of receiving four- or five-paragraph form letters, I gave up. We now work with district and section center personnel in Kansas and we have had some success.

Nevertheless, Mr. Chairman, the system is not working in our rural areas. I believe Congress must closely scrutinize all appropriations regarding the justification and amount of money needed from the Federal Treasury to cover the cost between postal revenues and postal costs. It is with regret I find it necessary to cast my vote in opposition to this appropriations measure. I do so knowing these appropriations are needed and justified in terms of amount. My vote is being cast as a protest as to how these funds are being spent and to overall postal policy that has led to the continued deterioration of service in our rural areas.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 612. None of the funds available under this Act shall be available for administrative expenses for the purpose of transferring the border control activities of the United States Customs Service to any other agency of the Federal Government.

AMENDMENT OFFERED BY MRS. FENWICK

Mrs. FENWICK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mrs. FENWICK: Add a new section 613 on page 45, line 21: "None of the funds appropriated under this Act shall be available to permit Parcel Post to be handled at less than its attributable cost."

Mr. STEED. Mr. Chairman, I reserve a point of order against the amendment.

The CHAIRMAN. The gentleman from Oklahoma reserves a point of order.

Mrs. FENWICK. Mr. Chairman, the purpose of this amendment is to provide that we should not depart too far from the established custom which ruled in the Postal Service when it was part of the Government. As the distinguished chairman told us yesterday, this regulation provided that parcel post should not be handled at a cost of more than 4 percent of its attributable cost, or less than 4 percent of its attributable cost.

For many years now we have had a private, taxpaying, unionized, good parcel delivery service, and the effect of allowing tax money to be used to subsidize Parcel Post would be in effect to put this company out of business. I was not approached by the company on this but by constituents who are workers. They have completed a new contract and they are very anxious about their jobs. It seems unfair that we should take tax money and subsidize this section of the Postal Service. We know that we need to subsidize service for educational and religious and other philanthropic mail, and for newspapers and magazines. We cannot endlessly subsidize every use of the Postal **Service.**

It seems to me unnecessary, an unwise use of tax money, and a danger to those jobs, that we should begin to subsidize the delivery of Parcel Post.

POINT OF ORDER

The CHAIRMAN. Does the gentleman from Oklahoma insist on his point of order?

Mr. STEED. I insist on my point of order, Mr. Chairman. This amendment would have the effect of changing existing law. The Congress enacted the Postal Service Corporation bill and created the Rate Commission and delegated to the Rate Commission the sole and final authority on all postal rates. The impact of this amendment would be to limit and change that postal ratemaking power that is inherent in the law creating the Postal Corporation.

If the amendment here is permitted to prevail then all sorts of amendments affecting the operation of the Postal Service would be applicable and the whole purpose of the Postal Service Corporation law would be destroyed. So I think it is very imperative since this does change the law and the powers invested in the Rate Commission that we hold it is obviously legislation on an appropriation bill.

The CHAIRMAN. Does the gentlewoman from New Jersey desire to be heard on the point of order?

Mrs. FENWICK. No, Mr. Chairman.

The CHAIRMAN. Permit the Chair to direct a question to the gentleman from Oklahoma.

Is the gentleman's position such that in his opinion this amounts to a change in law? Would the gentleman speak to that point?

Mr. STEED. Yes. The sole authority to determine what will be charged for parcel post, whether it is more or less than cost, is vested in the Postal Rate Commission and to accept this amendment here would limit that authority which would change the law which vests that total power in that Commission. So it would require an action on the part not only of the ratemaking Commission but the Postmaster General in that he does not now have to abide by this sort of demand.

The whole purpose of the corporation was to take the power to do that sort of thing out of Congress and leave it in the Postal Corporation for the postal rate commitment.

The CHAIRMAN (Mr. SISK). The Chair is prepared to rule. The gentleman from Oklahoma makes a point of order against the amendment offered by the gentlewoman from New Jersey dealing with the availability of funds in connection with the matter of parcel post where the Postal Service permits parcel post to be handled at less than attributable costs.

The Chair feels that the point of order made by the gentleman from Oklahoma to the effect that, in essence, this changes basic law, must be sustained in light of the fact that the Chair does not feel that the gentlewoman from New Jersey has made a sufficient case that it would be otherwise.

Therefore, the Chair is constrained to sustain the point of order.

Mr. KOCH. Mr. Chairman, with regret, I will vote "no" on this appropriation bill. Why? Because it contains an appropriation of $181,000 for the former discredited President, Richard M. Nixon, and I cannot bring myself to vote 1 cent for him.

I am not opposed to the many other worthwhile appropriations in the bill, but want to show my continued objection to funding the former President with staff and other allowances, which he does not deserve.

The Clerk will read.

The Clerk concluded the reading of the bill.

The CHAIRMAN. Are there further amendments?

Mr. STEED. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill, as amended, do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. SISK, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 8597) making appropriations for the Treasury Department, the U.S. Postal Service, the Executive Office of the President, and certain independent agencies, for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes, had directed him to report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill, as amended, do pass.

Mr. STEED. Mr. Speaker, I move the previous question on the bill and the amendment thereto to final passage.

The previous question was ordered.

The SPEAKER. The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. MILLER of Ohio. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 393, nays 18, not voting 23, as follows:

[Roll No. 400]

YEAS—393

Abdnor
Abzug
Adams
Addabbo
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Armstrong
Ashbrook
Ashley
Aspin
AuCoin
Badillo
Bafalis
Baldus
Barrett
Baucus
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Bell
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brooks
Broomfield
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burlison, Mo.
Burton, John
Burton, Phillip

Butler
Byron
Carney
Carter
Casey
Cederberg
Chappell
Chisholm
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Conable
Conlan
Conte
Conyers
Corman
Cornell
Cotter
Coughlin
Crane
D'Amours
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Danielson
Davis
de la Garza
Delaney
Dellums
Dent
Derrick
Derwinski
Devine
Dickinson
Diggs
Dingell
Dodd
Downey
Downing
Drinan
Duncan, Oreg.
Duncan, Tenn.
du Pont
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
Emery
English
Erlenborn
Eshleman
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fary
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Florio
Flowers
Flynt
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fraser
Frenzel
Frey
Fulton
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Grassley
Green
Gude
Guyer
Hagedorn
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Hansen
Harrington
Harris
Harsha
Hastings
Hawkins
Hayes, Ind.
Hays, Ohio
Hébert
Heckler, Mass.
Hefner
Helstoski
Henderson
Hicks
Hightower
Hillis
Hinshaw
Holland
Holt
Holtzman
Horton
Howard
Howe
Hubbard
Hungate
Hutchinson
Hyde
Ichord
Jarman
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Kasten
Kastenmeier
Kazen
Kelly
Kemp
Ketchum
Keys
Kindness
Krueger
LaFalce
Lagomarsino
Landrum
Latta
Leggett
Lehman
Lent
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lujan
McClory
McCloskey
McCollister
McCormack
McDade
McEwen
McFall
McHugh
McKay
McKinney
Macdonald
Madden
Madigan
Maguire
Mahon
Mann
Mathis
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Michel
Mikva
Milford
Miller, Ohio
Mills
Mineta
Mitchell, Md.
Mitchell, N.Y.
Moakley
Mollohan
Montgomery
Moore
Moorhead, Pa.
Morgan
Mosher
Moss
Mottl
Murphy, Ill.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nix
Nowak
Oberstar
Obey
O'Brien
O'Hara
O'Neill
Ottinger
Passman
Patman, Tex.
Patten, N.J.
Pattison, N.Y.
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Poage
Pressler
Preyer
Price
Pritchard
Quie
Quillen
Railsback
Randall
Rangel
Regula
Reuss
Rhodes
Richmond
Riegle
Rinaldo
Risenhoover
Roberts
Robinson
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Roybal
Runnels
Ruppe
Russo
Ryan
St Germain
Sarasin
Sarbanes
Satterfield
Schneebeli
Schroeder
Schulze
Seiberling
Sharp
Shipley
Shriver
Shuster
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steiger, Ariz.
Stephens
Stokes
Stratton
Stuckey
Studds
Sullivan
Symington
Talcott
Taylor, Mo.
Taylor, N.C.
Thompson
Thone
Thornton
Traxler
Treen
Tsongas
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Vigorito
Waggonner
Walsh
Wampler
Waxman
Weaver
Whalen
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolff
Wright
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NAYS—18

Alexander
Brodhead
Carr
Collins, Tex.
Gradison
Harkin
Hechler, W. Va.
Hughes
Jacobs
Koch
Krebs
McDonald
Miller, Calif.
Moffett
Nolan
Rousselot
Scheuer
Sebelius

NOT VOTING—23

Archer
Brown, Calif.
Burleson, Tex.
Clancy
Collins, Ill.
Esch
Hannaford
Heinz
Karth
Martin
Matsunaga
Minish
Mink
Moorhead, Calif.
Murphy, N.Y.
Patterson, Calif.
Rees
Santini
Steelman
Steiger, Wis.
Symms
Teague
Udall

So the bill was passed.

The Clerk announced the following pairs:

Mr. Matsunaga with Mr. Burleson of Texas.

Mrs. Mink with Mrs. Collins of Illinois.

Mr. Hannaford with Mr. Patterson of California.

Mr. Minish with Mr. Heinz.

Mr. Murphy of New York with Mr. Archer.

Mr. Teague with Mr. Moorhead of California.

Mr. Santini with Mr. Steelman.

Mr. Karth with Mr. Symms.

Mr. Udall with Mr. Steiger of Wisconsin.

Mr. Rees with Mr. Brown of California.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. STEED. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and include extraneous matter, on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

REQUEST FOR PERMISSION FOR SUBCOMMITTEES ON TRANSPORTATION AND COMMERCE AND ON CONSUMER PROTECTION AND FINANCE TO SIT TODAY WHILE HOUSE IS IN SESSION

Mr. VAN DEERLIN. Mr. Speaker, I ask unanimous consent that the Subcommittee on Transportation and Commerce and the Subcommittee on Consumer Protection and Finance be permitted to sit in public session today while the House is in session.

The SPEAKER. Is there objection to the request of the gentleman from California?

Mr. ROUSSELOT. Mr. Speaker, I object.

The SPEAKER. Objection is heard.

REQUEST FOR PERMISSION FOR COMMITTEE ON POST OFFICE AND CIVIL SERVICE TO SIT TODAY DURING THE 5-MINUTE RULE

Mr. WHITE. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be permitted to sit today for the purpose of deliberation during the 5-minute rule.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. THONE. Mr. Speaker, I object.

The SPEAKER. Objection is heard.

AMENDING SECTION 5(c) OF HOME OWNERS' LOAN ACT OF 1933 TO CLARIFY AUTHORITY OF FEDERAL SAVINGS AND LOAN ASSOCIATIONS TO ACT AS CUSTODIANS OF INDIVIDUAL RETIREMENT ACCOUNTS

Mr. ST GERMAIN. Mr. Speaker, I ask unanimous consent for the immediate consideration of the Senate Joint Resolution (S.J. Res. 102) amending section 5(c) of the Home Owners' Loan Act of 1933 to clarify the authority of Federal savings and loan associations to act as custodians of individual retirement accounts.

The Clerk read the title of the Senate Joint Resolution.

The SPEAKER. Is there objection to the request of the getleman from Rhode Island?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, would the gentleman from Rhode Island (Mr. St Germain) assure us that the clarifying amendment is necessary because there is one phase of the law that is not clear?

Mr. ST GERMAIN. If the gentleman will yield, yes, I can assure the gentleman from California that the purpose of the resolution is to allow savings and loan associations to act as trustees and custodians of individual retirement accounts.

Under the original act, the Home Loan Bank Board's counsel objected to the fact that there was not an amendment to the Home Owners' Loan Act. Subsequently, an amendment was passed. This included the word "trustee," but they neglected to include the word "custodian."

This amendment merely adds the word "custodian," so that the Federal Savings and Loan Associations can act as trustees and custodians of individual retirement accounts.

Mr. ROUSSELOT. Mr. Speaker, I appreciate the gentleman's explanation, and I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. Res. 102

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the first sentence of the paragraph of section 5(c) of the Home Owners' Loan Act of 1933 which was added by section 708 of the Emergency Home Finance Act of 1970 is amended—

(1) by striking out "or section 408(a)";

(2) by inserting after "1954" the following: "and to act as trustee or custodian of an individual retirement account within the meaning of section 408 of such Code"; and

(3) by inserting "or account" after "such trust".

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PERMISSION FOR SUBCOMMITTEES ON TRANSPORTATION AND COMMERCE AND ON CONSUMER PROTECTION AND FINANCE TO SIT TODAY WHILE HOUSE IS IN SESSION

Mr. VAN DEERLIN. Mr. Speaker, I renew my unanimous consent request that the Subcommittee on Transportation and Commerce and the Subcommittee on Consumer Protection and Finance be be permitted to sit in public session this afternoon while the House is in session.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

RENEWAL OF REQUEST FOR PERMISSION FOR COMMITTEE ON POST OFFICE AND CIVIL SERVICE TO SIT TODAY DURING THE 5-MINUTE RULE

Mr. CHARLES H. WILSON of California. Mr. Speaker, may I renew the unanimous consent request that the Committee on Post Office and Civil Service be permitted to sit during the 5-minute rule this afternoon?

The SPEAKER. The Chair will advise the gentleman that the gentleman cannot do that in the absence of the person who made the objection.

ESTABLISHING A SELECT COMMITTEE ON INTELLIGENCE

Mr. BOLLING. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the resolution (H. Res. 591) establishing a Select Committee on Intelligence.

The SPEAKER. The question is on the motion offered by the gentleman from Missouri (Mr. Bolling).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the resolution (H. Res. 591), with Mr. Evans of Colorado in the chair.

The Clerk read the title of the resolution.

The CHAIRMAN. When the Committee rose yesterday, the Clerk had read through the first section ending on page 2, line 4, of the resolution.

Are there further amendments to the first section?

AMENDMENT OFFERED BY MR. LATTA

Mr. LATTA. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Latta: On page 1, line 6 after the words "composed of", strike the word "thirteen" and insert in lieu thereof "seven."

Mr. LATTA. Mr. Chairman, this is a very simple amendment, and is easily understood, I do not think we will need a lot of time to debate it. This reduces the members on this committee from the proposed 13 to 7.

I might say that when the Committee on Rules was discussing this proposed select committee, the gentleman from California indicated before the Committee on Rules that he had considered reducing the then existing committee from 10 members to 7. To show that there is nothing sacred about the number, the gentleman from Missouri came up with the figure of 13, believing that perhaps we could eliminate some of the problems the prior committee had had by increasing the membership. I believe just the opposite is true. I believe that we can eliminate some of the troubles by reducing the membership. Not only that, I believe that by reducing the membership the opportunity for leaks will be reduced. Since we are dealing with our intelligence gathering agencies, that is vital to the security of this Nation, I do not think we should treat this amendment lightly. Therefore, Mr. Chairman, I propose that the proposed number of 13 be reduced to 7.

Mr. BOLLING. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Ohio (Mr. Latta).

Mr. Chairman, the number 13 is not just drawn from the sky. It provides room for those who might be reappointed and some additional members. It seems to me clear that a seven-member committee is simply not large enough to be a representative cross section of the House as seems to me to be very necessary in this very important and comprehensive study.

I hope that we can move along on these matters promptly. The gentleman from Ohio has indicated that he agrees with that notion, and I would hope we could have a vote on the amendment.

Mr. LATTA. Mr. Chairman, will the gentleman yield?

Mr. BOLLING. I yield to the gentleman from Ohio.

Mr. LATTA. Mr. Chairman, I thank the gentleman for yielding to me.

When the gentleman indicated a larger committee was necessary, namely, 13 members, that that would give us a cross section of the House, it seems to me that we do not have that many cross sections in the House, and that 7 members would be adequate.

For that reason, Mr. Chairman, I do not think there is any logic or anything sacred in the proposition that we have 13 rather than 7 members.

Mr. BOLLING. I have no pretense that the matter is sacred; I just think it is wiser.

Mr. Chairman, I hope the amendment offered by the gentleman from Ohio (Mr. Latta) will be defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. Latta).

The question was taken; and on a division (demanded by Mr. Latta) there were—ayes 27, noes 44.

RECORDED VOTE

Mr. LATTA. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 125, noes 285, answered "present" 3, not voting 21, as follows:

[Roll No. 401]

AYES—125

Abdnor
Alexander
Andrews, N. Dak.
Armstrong
Ashbrook
Bafalis
Bauman
Beard, Tenn.
Bell
Biaggi
Broomfield
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Fla.
Burleson, Tex.
Butler
Byron
Carter
Casey
Cederberg
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Cohen
Collins, Tex.
Conable
Conlan
Coughlin
Crane
Daniel, R. W.
Dent
Derwinski
Devine
Dickinson
Downing
Duncan, Tenn.
Emery
Eshleman
Florio
Forsythe
Frenzel
Frey
Gaydos
Goldwater
Goodling
Gradison
Grassley
Guyer
Hagedorn
Hammerschmidt
Hansen
Harsha
Hastings
Hébert
Heckler, Mass.
Hillis
Hinshaw
Holt
Hutchinson
Ichord
Jarman
Johnson, Pa.
Kelly
Kemp
Ketchum
Lagomarsino
Latta
Lent
Lott
Lujan
McCollister
McDade
McDonald
McEwen
Madigan
Martin
Mathis
Michel
Miller, Ohio
Moore
Myers, Ind.
O'Brien
Pettis
Peyser
Poage
Pressler
Quie
Quillen
Regula
Rhodes
Rinaldo
Robinson
Rousselot
Schneebeli
Schulze
Sebelius
Shriver
Shuster
Skubitz
Smith, Nebr.
Snyder
Spence
Steiger, Ariz.
Stratton
Taylor, Mo.
Thone
Treen
Van Deerlin
Walsh
Wampler
Whitten
Wiggins
Wilson, Bob
Winn
Wydler
Wylie
Yatron
Young, Alaska
Young, Fla.
Zeferetti

NOES—285

Abzug
Adams
Addabbo
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Annunzio
Ashley
Aspin
AuCoin
Badillo
Baldus
Barrett
Baucus
Beard, R.I.
Bedell
Bennett
Bergland
Bevill
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Brown, Mich.
Burke, Calif.
Burke, Mass.
Burlison, Mo.
Burton, John
Burton, Phillip
Carney
Carr
Chisholm
Clay
Collins, Ill.
Conte
Conyers
Corman
Cornell
Cotter
D'Amours
Daniel, Dan
Daniels, N.J.
Danielson
Davis
de la Garza
Delaney
Dellums
Derrick
Dingell
Dodd
Downey
Drinan
Duncan, Oreg.
du Pont
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
English
Erlenborn
Evans, Ind.
Evins, Tenn.
Fary
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Flowers
Flynt
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fraser
Fulton
Fuqua
Giaimo
Gibbons
Gilman
Ginn
Gonzalez
Green
Gude
Haley
Hall
Hamilton
Hanley
Harkin
Harrington
Harris
Hawkins
Hayes, Ind.
Hays, Ohio
Hechler, W. Va.
Hefner
Heinz
Helstoski
Henderson
Hicks
Hightower
Holland
Holtzman
Horton
Howard
Howe
Hubbard
Hughes
Hungate
Hyde
Jacobs
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.

Jordan
Kasten
Kastenmeier
Kazen
Keys
Kindness
Koch
Krebs
Krueger
LaFalce
Landrum
Leggett
Lehman
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
McClory
McCloskey
McCormack
McFall
McHugh
McKay
McKinney
Macdonald
Madden
Maguire
Mahon
Mann
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Mikva
Miller, Calif.
Mineta
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moorhead, Pa.
Morgan
Mosher
Moss
Mottl
Murphy, Ill.
Murtha
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
Obey
O'Hara
O'Neill
Ottinger
Passman
Patman, Tex.
Patten, N.J.
Pattison, N.Y.
Pepper
Perkins
Pickle
Pike
Preyer
Price
Pritchard
Railsback
Randall
Rangel
Reuss
Richmond
Riegle
Risenhoover
Roberts
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Roybal
Runnels
Ruppe
Russo
Ryan
St Germain
Sarasin
Sarbanes
Satterfield
Scheuer
Schroeder
Seiberling
Sharp
Shipley
Sikes
Simon
Sisk
Slack
Smith, Iowa
Solarz
Spellman
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Stephens
Stokes
Stuckey
Studds
Sullivan
Symington
Talcott
Taylor, N.C.
Thompson
Thornton
Traxler
Tsongas
Udall
Vander Jagt
Vander Veen
Vanik
Vigorito
Waggonner
Waxman
Weaver
Whalen
White
Whitehurst
Wilson, C. H.
Wilson, Tex.
Wirth
Wolff
Wright
Yates
Young, Ga.
Zablocki

ANSWERED "PRESENT"—3

Breckinridge
Milford
Young, Tex.

NOT VOTING—21

Archer
Brown, Calif.
Diggs
Esch
Evans, Colo.
Hannaford
Karth
Matsunaga
Mills
Minish
Mink
Moorhead, Calif.
Murphy, N.Y.
Patterson, Calif.
Rees
Santini
Steelman
Steiger, Wis.
Symms
Teague
Ullman

So the amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 2. The select committee is authorized and directed to conduct an inquiry into—

(1) the collection, analysis, use, and cost of intelligence information and allegations of illegal or improper activities of intelligence agencies in the United States and abroad;

(2) the procedures and effectiveness of coordination among and between the various intelligence components of the United States Government;

(3) the nature and extent of executive branch oversight and control of United States intelligence activities;

(4) the need for improved or reorganized oversight by the Congress of United States intelligence activities;

(5) the necessity, nature, and extent of overt and covert intelligence activities by United States intelligence instrumentalities in the United States and abroad;

(6) the procedures for and means of the protection of sensitive intelligence information;

(7) procedures for and means of the protection of rights and privileges of citizens of the United States from illegal or improper intelligence activities; and

(8) such other related matters as the select committee shall deem necessary to carry out the purposes of this resolution.

SEC. 3. In carrying out the purposes of this resolution, the select committee is authorized to inquire into the activities of the following:

(1) the National Security Council;

(2) the United States Intelligence Board;

(3) the President's Foreign Intelligence Advisory Board;

(4) the Central Intelligence Agency;

(5) the Defense Intelligence Agency;

(6) the intelligence components of the Departments of the Army, Navy, and Air Force;

(7) the National Security Agency;

(8) the Intelligence and Research Bureau of the Department of State;

(9) the Federal Bureau of Investigation;

(10) the Department of the Treasury and the Department of Justice;

(11) the Energy Research and Development Administration; and

(12) any other instrumentalities of the United States Government engaged in or otherwise responsible for intelligence operations in the United States and abroad.

SEC. 4. The select committee may require, by subpena or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memorandums, papers, and documents as it deems necessary. Subpenas may be issued over the signature of the chairman of the select committee or any member designated by him, and may be served by any person designated by the chairman or such member. The chairman of the select committee, or any member designated by him, may administer oaths to any witness.

SEC. 5. To enable the select committee to carry out the purposes of this resolution, it is authorized to employ investigators, attorneys, consultants, or organizations thereof, and clerical, stenographic, and other assistance.

SEC. 6. (a) The select committee shall institute and carry out such rules and procedures as it may deem necessary to prevent (1) the disclosure, outside the select committee, of any information relating to the activities of the Central Intelligence Agency or any other department or agency of the Federal Government engaged in intelligence activities, obtained by the select committee during the course of its study and investigation, not authorized by the select committee to be disclosed; and (2) the disclosure, outside the select committee, of any information which would adversely affect the intelligence activities of the Central Intelligence Agency in foreign countries or the intelligence activities in foreign countries of any other department or agency of the Federal Government.

(b) No employee of the select committee or any person engaged by contract or otherwise to perform services for the select committee shall be given access to any classified information by the select committee unless such employee or person has received an appropriate security clearance as determined by the select committee. The type of security clearance to be required in the case of any such employee or person shall, within the determination of the select committee, be commensurate with the sensitivity of the classified information to which such employee or person will be given access by the select committee.

(c) As a condition for employment as described in section 5 of this resolution, each person shall agree not to accept any honorarium, royalty, or other payment for a speaking engagement, magazine article, book, or other endeavor connected with the investigation and study undertaken by this committee.

SEC. 7. The expenses of the select committee under this resolution shall not exceed $750,000 of which amount not to exceed $100,000 shall be available for the procurement of the services of individual consultants or organizations thereof. Such expenses shall be paid from the contingent fund of the House upon vouchers signed by the chairman of the select committee and approved by the Speaker.

SEC. 8. The select committee is authorized and directed to report to the House with respect to the matters covered by this resolution as soon as practicable but no later than January 3, 1976.

SEC. 9. The authority granted herein shall expire three months after the filing of the report with the House of Representatives.

SEC. 10. The Select Committee established by H. Res. 138 *is abolished immediately* upon the adoption of this resolution. Unexpended funds authorized for the use of the Select Committee under H. Res. 138 and all papers, documents, and other materials generated by the select committee shall be transferred immediately upon the adoption of this resolution to the select committee created by this resolution.

Mr. BOLLING (during the reading). Mr. Chairman, I ask that House Resolution 591 be considered as read, printed in the record and open to amendment at any point.

The CHAIRMAN. Is there objection to the gentleman from Missouri?

There was no objection.

AMENDMENTS OFFERED BY MR. LATTA

Mr. LATTA. Mr. Chairman, I offer amendments.

The Clerk read as follows:

Amendments offered by Mr. LATTA: On page 2: On line 9, strike all after the word "of", through line 10, and insert in lieu thereof: "the CIA";

On line 11, strike all after the word "of", through line 13, and insert in lieu thereof: "the CIA";

On line 15, strike all after the word "of", and insert in lieu thereof: "the CIA";

On line 17, strike all after the word "of", and insert in lieu thereof: "the CIA";

On line 19, strike all after the word "by", through line 20, and insert in lieu thereof: "the CIA";

On line 25, strike all the language and insert in lieu thereof: "the CIA"; and

On page 3, strike lines 1, 2, 3, 7, 8, 9, 10, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, and on page 4, lines 1 and 2.

Mr. LATTA (during the reading). Mr. Chairman, I ask unanimous consent that the amendments be considered as read and printed in the record.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. LATTA. Mr. Chairman, I ask unanimous consent that the amendments be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. LATTA. Mr. Chairman, these amendments would restrict this inquiry to the CIA alone. Mr. Chairman, I think that irreparable damage has been done to the CIA, which is essential to the security of this country. I know that the CIA has done many things that are in violation of law which many Members of this Congress disagree with.

Let me just direct the attention of the Members to the scope of the proposed resolution, and ask them whether or not they feel that a committee of this Congress should be getting into these areas that have not even been mentioned in the press:

The National Security Council. Have the Members heard or read of anything about the National Security Council that would cause this Congress to investigate it?

The U.S. Intelligence Board. Have the Members heard or read anything about the U.S. Intelligence Board—I just overheard a Member say, "I never even heard of it"—which would necessitate an inquiry into their intelligence activities by the Congress?

The President's Foreign Intelligence Advisory Board. I might say that this Congress has unwisely gotten into certain foreign policy matters in the last several months, perhaps to our regret, and I cannot for the life of me understand why we should be investigating the intelligence activities of the President's Foreign Intelligence Advisory Board.

The Defense Intelligence Agency. Do we really want to get into investigating the intelligence agency in the defense establishment? Is this what this resolution is all about? We have been hearing about the CIA. Perhaps we do need, as the gentleman from Illinois attempted to provide, a Joint Committee on Intelligence, but we are not now proposing a Joint Committee on Intelligence.

The intelligence components of the Departments of the Army, Navy, and Air Force. Do we want to do that?

The National Security Agency. Have the Members heard anything that would lead them to vote to investigate the National Security Agency? Yet it is in this resolution.

The Intelligence and Research Bureau of the Department of State. Do we want to get into the Department of State intelligence activities?

Oh, yes, recently we have seen where the Federal Bureau of Investigation had gotten into print and, just as I mentioned when this matter was before the Committee on Rules the other day, all we have to do to run scared is to have something come out in print between the time it came out in the Committee on Rules and the time it got down on the floor and, sure enough, we had something in print about the Federal Bureau of Investigation.

So now we want to investigate the Federal Bureau of Investigation. I think not.

The Department of the Treasury and the Department of Justice intelligence matters.

And here is one: On page 3, line 21, item No. 11, the Energy Research and Development Administration intelligence activities. Do we want to get into that matter?

And if they have not covered everything, they do it in item 12, "any other instrumentalities of the U.S. Government engaged in or otherwise responsible for intelligence operations in the United States and abroad." Could one have a broader blanket of investigative authority than is contained in that item? Absolutely not.

I am certain that every Member of this House realizes that intelligence activities properly carried on are absolutely necessary to the security of this country.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. LATTA was allowed to proceed for 2 additional minutes.)

Mr. LATTA. Mr. Chairman, I do not believe we want to start investigating agencies of our Government involved in intelligence, that have not even gotten into print. As a matter of fact, I was somewhat surprised the other day to hear the Members say that what we should do on intelligence matters is to let the sunshine in. If we start doing that, opening up the intelligence activities of this country to the world, we might just as well see our intelligence estabishment go down the drain. I do not believe we want to make this investigation that broad.

So I urge the Members, regardless of partisanship—and I hope on this matter we are not going to divide on partisan lines—to ask themselves whether or not this inquiry as set forth here is in the best interests of your country and mine. And I believe, as truly as I stand before the Members now, that to get into all of these intelligence agencies that I have mentioned, and include item No. 12 that makes it all-inclusive, is not in the best interest of our country—and that is your country as well as mine.

Mr. MARTIN. Mr. Chairman, will the gentleman yield?

Mr. LATTA. I yield to the gentleman.

Mr. MARTIN. I thank the gentleman for yielding.

I ask the gentleman whether it would be his understanding, referring to page 3, line 23, subsection (12), which says, "any other instrumentalities of the U.S. Government engaged in or otherwise responsible for intelligence operations in the United States and abroad," whether that might, for example, include such diverse groups as the Democratic study group, which has staff members who are employed from the salary accounts of Members of the House of Representatives, and which does have some responsibilities for investigating?

The CHAIRMAN. The time of the gentleman from Ohio (Mr. LATTA) has expired.

(By unanimous consent, Mr. LATTA was allowed to proceed for 1 additional minute.)

Mr. LATTA. Mr. Chairman, in all truthfulness, as I read the item (12) on page 3, it says: "any other instrumentalities of the U.S. Government * * *" and I would not think that the Democratic study group would be classified as an instrumentality of the U.S. Government.

Mr. MARTIN. Mr. Chairman, I thank the gentleman.

Mr. McCLORY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, in rising on this subject, I want first of all to indicate I hope this will not be a partisan decision which we reach, but a bipartisan one. As a matter of fact, one of the principles we have adhered to with respect to the selection of staff for our select committee has been to have a bipartisan professional staff for this committee. Whatever becomes of this select committee, I hope that principle is adhered to.

The problems with the select committee have not been because of the scope of the mandate. The problems have been quite separate and apart from that. As a matter of fact, it seems to me that the most important part of the work that we can do, the most important role that we can fulfill is perhaps not to duplicate what the Rockefeller Commission has done or what the Church committee is doing with regard to the CIA.

As a matter of fact, it would make more logic, as far as I am concerned, to eliminate our mandate with regard to CIA and include all the rest of these intelligence agencies, because what we have here is a widespread conglomerate, a confused and uncoordinated intelligence setup or intelligence community, which certainly seems to be illogical and which does not seem to be complying with the congressional mandates and the law now written.

Theoretically, all of these agencies are supposed to be funneled in through the CIA and the U.S. Intelligence Board and then on to the President. But what has occurred according to the reference material from the Legislative Reference Service, is that the Central Intelligence Agency is circumvented in a number of instances by a number of intelligence agencies. As presently existing we have duplications, we have waste, we have expense, and we have inefficiency. That is really unfortunate, as far as the intelligence community is concerned.

Mr. Chairman, the authority of this committee is not to go into details, not to go into secret information with regard to individual activities or projects, but it is moreover, on the other hand, to go into the question of the cost of intelligence activities and other aspects of the entire intelligence community.

Under paragraph 2 of the authority it says: "To inquire into the procedures and effectiveness of coordination among and between the various intelligence components of the U.S. Government."

In other words, the whole impact of this mandate of the select committee's authority is to cover the entire gamut of our intelligence agencies and to try to bring some order out of this complex situation, and to try to bring some logic and understanding into this area of legitimate congressional concern.

It is certainly my hope that this amendment will be defeated.

Mr. Chairman, I might say further that we should determine whether or not the law is being followed. Of course, these agencies are operating in accordance with the law which we have provided, but I think there may be some question about that. That is the kind of inquiry we should make. And perhaps we should make some recommendations on how we can oversee the intelligence agencies, bring them together, and coordinate them and see if we can do a better job.

Our purpose is not to sensationalize. I do not think that is the purpose of this committee, and I hope that will not be the result of the reconstituting of this committee. I hope we will do the kind of responsible job which needs to be done in order that we can conduct the kind of oversight we need. We must come up with the recommendations that can improve the CIA and improve all the intelligence agencies so that we can have them do what we intended for them to do. They should not be overlapping, they should not be getting in each other's way, they should not be refusing to communicate with each other when they should be communicating, and they should not be invading individual rights in violation of the legal and constitutional rights of our American citizens. The intelligence agencies should not be doing these things; they should be performing in the way the Congress intended under the legislation we enacted.

Mr. LATTA. Mr. Chairman, will the gentleman yield?

Mr. McCLORY. I yield to the gentleman from Ohio.

Mr. LATTA. Mr. Chairman, I thank the gentleman for yielding.

Let me get clear in my mind what the gentleman is saying.

Is the gentleman saying that this resolution does not provide for an inquiry into the activities of these various intelligence groups and that this should be confined to a matter of overlapping jurisdiction and costs, et cetera? Is that what the gentleman is saying?

Mr. McCLORY. I am saying this, that there is specific authority to establish rules to prevent the disclosure of secret and confidential information which is received by the committee, and I hope appropriate rules will be adopted and will be adhered to. It should be.

Mr. LATTA. The gentleman from Illinois (Mr. McClory) did not answer my question. I am asking him for the second time whether or not he believes that this resolution, House Resolution 591, would not permit this committee to get into an inquiry of the kind of activities these various intelligence groups are engaging in. Is that what the gentleman is saying?

Mr. McCLORY. Let me say in response to that that in my previous discussions with the former chairman or the existing chairman of the select committee, we agreed that insofar as names of individuals, insofar as individual involvement, and individual projects were concerned that might jeopardize any individual rights of any persons involved in the intelligence activities, that those rights and prerogatives would be protected.

The CHAIRMAN. The time of the gentleman from Illinois (Mr. McClory) has expired.

(On request of Mr. Latta and by unanimous consent, Mr. McClory was allowed to proceed for 1 additional minute.)

Mr. LATTA. Mr. Chairman, if the gentleman will yield further, I would like to call his attention to the language on page 3, line 4, section 3, which says:

> In carrying out the purposes of this resolution, the select committee is authorized to inquire into the activities of the following . . .

Then it recites the intelligence groups. That is just as plain as the English language can be written.

Mr. McCLORY. Let me say to the gentleman that in section 2 we find an outline of the work that we are directed to perform. That is the mandate of the committee, and section 3 gives the authority. We are authorized or permitted to inquire into the activities of these agencies, but we do not have to. It is permissive. We are authorized to do it, and it does have wide scope, but it is an overall limit, not a requirement, as to what we can do.

Mr. Chairman, I hope that the amendment will be defeated.

Mr. BOLLING. Mr. Chairman, I move to strike the requisite number of words.

I rise in opposition to the amendment, and I hope we can vote on this matter very quickly.

The gentleman from Illinois (Mr. McClory) has made the points necessary, and I think he has made them very well.

The only thing that I would like to emphasize is that what we want from this committee is more than an investigation. We want from this committee recommendations for the improvement of the whole process of intelligence-gathering. We want to avoid having in the future the kind of situation that we have had in the past, where it would seem that the intelligence-gathering agencies, more than one, in fact, have gone beyond the mandate that I believe the Congress expected them to pursue.

Unless they have the opportunity in the select committee to deal with all the different aspects of intelligence, I cannot see how they could possibly pretend to make a recommendation on improvements to the Congress.

Mr. Chairman, it seems to me, therefore, very important that the select committee have this broad writ, and I therefore urge that the amendment be voted down.

Mr. MARTIN. Mr. Chairman, will the gentleman yield for a question?

Mr. BOLLING. I will be glad to yield to the gentleman from North Carolina.

Mr. MARTIN. I would like to pursue the meaning of the words at the bottom of page 3, lines 23 and 24.

Does this language include such agencies as the Bureau of the Census, which does gather, collect, and analyze information about U.S. citizens? And would it include the Departments of Housing and Urban Development and Health, Education, and Welfare, which also keep records on private citizens, besides any other U.S. agency as to which the standing committees already have oversight responsibility?

Mr. BOLLING. I think it would be easy to speak of those and argue over what the intelligence activity is, but I doubt that one would normally expect routine statistical gathering for purposes other than policymaking would come under the heading of intelligence activities.

I think that one would have to expect that the committee, both sides of the committee, the whole committee and its members, would be reasonable as to what was the intelligence activity. I think we know rather well what we should require.

I do not think we are trying to deal with the Bureau of the Census or a variety of other entities.

It happened a long time ago that I was a chairman of a seemingly unimportant subcommittee of the Joint Economic Committee, the Subcommittee on Statistics, which dealt with most of these agencies. It would never occur to me to include them as part of the investigation and recommendation that would be made by this resolution. I think we have to expect that the members of the committee would be reasonable.

Mr. MARTIN. Mr. Chairman, if the gentleman will yield further, I would say that that is a helpful reply because it might very well occur to the members of the committee to pursue some of these agencies. The Department of HEW collects and analyzes data on specific individuals, not so much for policy purposes, but for the day-to-day operation of decisionmaking of grants, and so forth. I believe that the gentleman from Missouri is saying that it is not his intention or expectation that the committee would delve into these kinds of areas?

Mr. BOLLING. I would not expect it to be involved in anything than what is commonly associated with intelligence gathering.

Mr. MARTIN. And if the purpose of subsection 3(12) is a catchall, it is not intended to catch anything?

Mr. BOLLING. The gentleman is correct, it is merely to give them broad enough a base so they would not be limited in their investigation.

Mr. MARTIN. I thank the gentleman.

Mr. LATTA. Mr. Chairman, will the gentleman yield?

Mr. BOLLING. I yield to the gentleman from Ohio.

Mr. LATTA. Mr. Chairman, then my question is that this is the same resolution, with very few changes, that appears on page 6, that was previously brought before this House, in addition to striking the word "ten", and inserting the word "thirteen"?

Mr. BOLLING. That is of course correct.

Mr. LATTA. That is correct.

The committee that will be dissolved by the passage of this resolution was in fact investigating the activities of the CIA. Is the gentleman from Missouri telling the House that if we pass this resolution they are not going to investigate the activities of the CIA and these other intelligence agencies?

Mr. BOLLING. I did not intend to do that.

Mr. LATTA. I know the gentleman did not.

Mr. BOLLING. I have no intention of suggesting that they are not going to investigate any of the enumerated agencies, and perhaps some others that are not enumerated.

Mr. LATTA. What did the gentleman mean by his statement that they had gotten into too many areas prior to this time, and had gotten into trouble? What does the gentleman mean by that?

Mr. BOLLING. I do not remember saying that. I do not remember using words to that effect.

Mr. LATTA. Then let us get back to the language in this resolution.

The CHAIRMAN. The time of the gentleman has expired.

(On request of Mr. LATTA, and by unanimous consent, Mr. BOLLING was allowed to proceed for 1 additional minute.)

Mr. LATTA. On page 3, would the gentleman from Missouri agree there is an amendment to strike the inquiry into the activities of these agencies?

Mr. BOLLING. There must be some misunderstanding between the gentleman and me. I do not think I said anything that would indicate that I wanted to alter that aspect of it.

What I did try to say was that I hoped we were going to get from this committee some recommendations, and those recommendations could only be made if they had the overall authority.

Mr. LATTA. And this would include activities of those agencies?

Mr. BOLLING. They are part of the overall picture.

Mr. LATTA. But this is still the language in the resolution that created the existing committee which is in trouble now.

Mr. BOLLING. They may have to look into the activities of another organization's activities.

Mr. LATTA. I thank the gentleman for clarifying that point, because I think there was a misunderstanding among the Members on this floor that we were not giving the same broad authority in this resolution as we had given them prior to this, and they are in fact given the same authority.

Mr. BOLLING. I would certainly not have intentionally misled the Members.

Mr. Chairman, I would ask for a vote on the amendment.

The CHAIRMAN. The time of the gentleman has expired.

(On request of Mr. MARTIN, and by unimous consent, Mr. BOLLING was allowed to proceed for 1 additional minute.)

Mr. MARTIN. Mr. Chairman, will the gentleman yield?

Mr. BOLLING. I yield to the gentleman from North Carolina.

Mr. MARTIN. Mr. Chairman, further pursuing the point that was raised earlier, could the gentleman clarify whether it would be his intention and expectation that the committee could look into such agencies as the postal inspectors, Bureau of Customs, the Border Patrol, and so forth?

Mr. BOLLING. I do not think so, unless they led into one of the agencies that gathers intelligence, such as for postal purposes, the Postal Service being used for mail covers, and such, as was done in the past. I can conceive of an examination of the Postal Service activities where they are being used by one of these intelligence gathering agencies to gather intelligence. But I cannot conceive of their just investigating the Postal Service, the Inspection Service, just on its own in terms of its responsibilities within the Postal Service.

Mr. MARTIN. I thank the gentleman.

Mr. BOLLING. Mr. Chairman, I ask for a vote on the amendments.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Ohio (Mr. LATTA).

The question was taken and the Speaker announced that the noes appeared to have it.

Mr. LATTA. Mr. Chairman, I demand a recorded vote.

A recorded vote was refused.

So the amendments were rejected.

AMENDMENT OFFERED BY MR. MOSS

Mr. MOSS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. Moss: On page 1, line 7 and 8, strike out "to be appointed by the Speaker" and insert in lieu thereof:", including those members of the Select Committee established by House Resolution 138 who choose to be members of the select committee established by this resolution, with additional members to be appointed by the Speaker".

The CHAIRMAN. The Chair recognizes the gentleman from California (Mr. MOSS).

Mr. MOSS. Mr. Chairman, I offer this amendment from a sense of deep personal conviction that the means being employed here today are inappropriate to the occasion. Actually what we are doing to attack one problem is to dissolve a committee and create a committee with the precise same jurisdiction and three additional members. That may be a very wise thing to do, but somehow it offends my sense of justice. I would not want to be deprived of membership on any committee of this House by such a circuitous method. I would far prefer, if I were alleged to have transgressed the Rules of this House, to be brought before the bar of this House and answer to the Members of this House. I think that is the appropriate way for us to deal with matters of this type.

In my judgment, when I reach the point where I have a matter of conscience, I am going to exercise my conscience, rules or no rules, make no mistake. I think that is a right that is, to paraphrase Burke, a matter on which I am answerable only to the Almighty God and not to any Member of this House.

I think that we have a serious crisis in this House as an institution. We have a crisis of confidence, a crisis of credibility, and I do not think these kinds of actions do anything to restore public confidence in the credibility of this House as a responsible and responsive institution of Government.

I think it is in the interest of the public that this committee continue with its members originally selected who desire to continue to serve, and let the committee tackle the problem of resolving its own crisis. There are many ways it can do it. The committee does have the authority to act against a recalcitrant chairman, if that is the problem.

Or it has the authority where a Member transgresses the rules of the House to act against the Member.

I think this should have been handled in a different manner. I know I will be accused undoubtedly by my good friend, the gentleman from Missouri, of coming into this at a very late hour and perhaps I did. But I have no less responsibility to do what I feel is appropriate and to do what I feel is right because I entered it at a late hour. I still have to cast a vote and I still have to render a judgment and I do not want to have to select between the Members who serve on this committee. I do not think there is one for whom I have not great respect and I do not think there is one that I cannot call a friend. I do not want to be put in the position of rendering a judgment through the back door. That is what we are doing here.

It will be alleged that we are now or will be casting a reflection upon the Speaker by the mere action of offering this amendment. I want to say there is not any intent on the part of this Member nor should any conclusion inferring that be drawn from the action of this Member in offering this amendment.

It is very simple to me and I reaffirm what I said as I opened my remarks. This is a simple matter of my conscience telling me what I feel is a just, a fair, a decent way of dealing with my colleagues. It is the way I would want to be dealt with. I would not want to be taken off and deprived of any of my committee assignments through this method and I do not want this as a precedent for depriving Members of their rights.

The CHAIRMAN. The time of the gentleman from California has expired.

(On request of Mr. ECKHARDT, and by unanimous consent, Mr. MOSS was allowed to proceed for 2 additional minutes.)

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield?

Mr. MOSS. I yield to the gentleman from Texas.

Mr. ECKHARDT. Mr. Chairman, I compliment the gentleman in the well for devising this solution. I think it is a cautious solution and it is one which both breaks the deadlock and avoids the condemnation of either side on the Committee.

It surprises me that we seem to have given up that means we have always used to break deadlocks here. When we had deadlocks and had difficulties with the old Rules Committee we enlarged the Rules Committee. We did not destroy it or abolish it or create a new committee. When there were problems with the Ways and Means Committee and it was necessary to get enough Members to break it into subcommittees we enlarged that committee. We did not abolish the old committee.

Why should we not use that tried and tested means of breaking deadlocks, simple enlargement?

Mr. MOSS. The gentleman is correct. In fact the great committee reporting this resolution has gone through several redoings where it has had its membership enlarged rather than having the committee abolished and reconstituted with perhaps different membership. I recall when we increased the membership on the Rules Committee to achieve what was recognized by everybody in the House. I believe in fact my very good friend, the gentleman from California (Mr. SISK), was one of those who was put on at that time, when the Rules Committee was enlarged to break deadlocks which the House felt, the majority of the Members of the House felt were impeding the work of the House.

This is a very bad precedent.

Mr. ECKHARDT. If the gentleman will yield further, even such a bold President as President Roosevelt did not propose the abolition of the Supreme Court and replacement by a "Paramount Court." He tried to provide for enlargement.

Mr. MOSS. It was just a case of enlargement. And this is one instance where a little expansion, a little growth could well lead to the development of the solution which will not deprive Members of their rights.

Mr. YOUNG of Georgia. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to this amendment. I tried to rise early, because I wanted to see if we could keep this amendment on target and keep the discussion on target and not let it become a referendum on any particular Member's conduct or character.

I have participated in the debate in the Committee on Rules on this measure and through a period of almost two months there were constant meetings with the Speaker and with the present Select Committee on Intelligence and there was a deadlock there that just could not be resolved.

I would say that everybody that was involved in it tried to offer a solution and simply could not resolve the difference.

Now, I happen to respect the difference. I think there are going to be many issues in this House and in the conduct of the affairs of this Nation where good men and honest men will differ on the basis of principles which they hold dear to their own hearts. I probably will not agree with one side or the other, maybe with neither side; but I do think that in spite of the fact there are differences, we have got to as a democratic institution have the authority to find points of reconciliation and if the principles are so hard and fast in any given selection of persons that they cannot be resolved, then I would think it is in order to dissolve the committee and reconstitute it among people who might have the same principles, but who may just be able to find ways of reconciling the points of disagreement.

Now, interestingly enough, the Committee on Rules itself operates at the pleasure of the Speaker. In fact, in the Democratic caucus I supported the right of the Speaker to name members of the Committee on Rules each term, simply because I felt that that would give a measure of freedom of conscience, but so long as I was locked into the Committee on Rules and had been put on the Committee on Rules by the Speaker and the Democratic caucus, there was a kind of undue obligation that I would feel to serve those interests if they could not put me off. I voted for that resolution in the Democratic caucus, beause I wanted to be free to disagree with the leadership, with the Speaker, whenever I wanted to, and knowing that I was not taking advantage of any authority vested in me by the caucus of the Speaker or by the House, because they could remove me. I think the right of the leadership to remove anybody or any group of people in the interest of getting the job done is something that I have got to respect.

Now, more than I want to protect the Members of this committee, I want to have a committee investigating the intelligence-gathering apparatus of this Nation and given the choice of going through any difficulties of resolving tensions and proceeding ahead with the investigation, I am afraid that the interest of this Nation and the interest of the House have to rise above the interest of any particular person or any group of persons. It is on that basis that I oppose this amendment and that I hope we can vote it down.

Mr. DRINAN. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Georgia. I yield to the gentleman from Massachusetts.

Mr. DRINAN. Mr. Chairman, I thank the gentleman for his comments.

I wonder if the same objective could be achieved by enlarging the committee even further. I do not know of any example, at least in the recent history of the House of Representatives, where a committee has been dissolved and then simultaneously reconstituted.

I worked for some 4 years to dissolve a particular Committee on Internal Security and it was a long, hard fight. I am wondering whether or not to achieve the objective the gentleman mentioned that the committee could be enlarged, as has been suggested by our colleagues here on the Committee on Ways and Means, the Committee on Rules and similar examples. I wonder if the Committee on Rules had thought of that particular possibility?

Mr. YOUNG of Georgia. Mr. Chairman, that is, in fact, what we did. We enlarged the committee to 13 members. We have not in any way stipulated who those 13 members would be or called for the abolition or the ignoring of the existence of the committee.

Mr. DRINAN. If the gentleman will yield further, I think the key question that keeps coming back to me and to other Members is that I recall that the gentleman from Connecticut (Mr. Giaimo) asked, "Why is it necessary to dissolve the existing committee? Why is not enlargement enough in and of itself?"

Mr. YOUNG of Georgia. Mr. Chairman, let me say why I think—and I am not speaking for anyone but myself—I think that in dealing with all kinds of sensitive material that this committee has got to deal with, even before anybody has been appointed, especially, I think, the chairman of the present committee, I think that there should have been some discussion as to the nature of this investigation, the kind of material that it would be dealing with. I would think that before people were even appointed to this committee, there should have been some understanding.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

(On request of Mr. Giaimo and by unanimous consent Mr. Young of Georgia was allowed to proceed for 1 additional minute.)

Mr. GIAIMO. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Georgia. I yield to the gentleman from Connecticut.

Mr. GIAIMO. Mr. Chairman, as a member of the original task force on creating a select committee, I met with many Members, including the present chairman of this committee and almost all of the Members who are presently members of the existing committee. We had very thorough talks of what the scope of the investigation would be of looking into alleged improprieties by members of the intelligence community. There were those discussions. It is quite clear—it is quite clear what the scope and purpose was to be before any Members were assigned to the committee.

Mr. YOUNG of Georgia. Then I stand corrected.

Mr. GIAIMO. And, the question of the suitability of any member on the present committee never arose—never arose until the very instant that there arose a conflict, that there arose a conflict with the present chairman of this committee.

The CHAIRMAN. The time of the gentleman from Georgia has again expired.

(On request of Mr. Dellums and by unanimous consent Mr. Young of Georgia was allowed to proceed for 2 additional minutes.)

Mr. DELLUMS. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Georgia. I yield to the gentleman from California.

Mr. DELLUMS. Mr. Chairman, I thank the gentleman from Georgia, my distinguished colleague, and I reluctantly rise to challenge the basis of my distinguished colleague's arguments, but I must.

Let me first see if I can understand exactly what the gentleman is saying. First, the gentleman has suggested that he would not like to see a vote that would result in a referendum of any one or several persons who are presently members of the special select committee, if so I appreciate that thought by the gentleman.

The second argument that the gentleman proposes is that the integrity of the questions; this is, the ability of this House to investigate and come to the floor of the Congress with solutions in dealing with the intelligence community, outweighs any particular, single personality or individual. Is that correct?

Mr. YOUNG of Georgia. I think so.

Mr. DELLUMS. I would simply suggest to the gentleman that I would agree that the integrity of the question; that is, that we must investigate, evaluate abuses, wrongdoings, violations of constitution or charter, and come back with recommendations, but I would simply suggest to the gentleman that in attempting to address the integrity of the question, we should not in any way thwart the legitimate rights of any one individual.

Let me move with even greater candor. It is clear throughout this House, on both sides of the aisle, that the gentleman in controversy at this moment is the gentleman from Massachusetts (Mr. Harrington), our distinguished colleague. All I am suggesting to the gentleman is that in his pursuit of protecting the integrity of the investigation, we should not in any way thwart the legitimate rights of any distinguished Member of this House to be challenged on legitimate grounds rather than surrepitiously being discredited by virtue of the fact that we could remove that person from this committee without an appropriate hearing on the floor of the Congress. That is my argument. On 99 percent of the issues, the gentleman from Georgia and I are in solid agreement on those, but I am diametrically opposed to his position here.

Mr. MITCHELL of Maryland. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I take to the well to support the amendment. Since being in the Congress, I have seen a committee of the Congress perform well, this committee was accused of leaks to the press, committee members who were accused of having prejudged the subject, committee members were accused of having a bias one way or another over the subject matter that it was to investigate. I have seen that committee vilified, ridiculed, scorned, laughed at, and insulted by Members of this House. The committee that I am talking about, the committee of which I speak, was the House Judiciary Committee and its inquiry into impeachment. However, please remember that the committee performed in such a manner as to bring credit to every single Member of this House. That committee won the respect for this Congress from the people because it saw a job that had to be done and did it.

Let me go one step further. I think my colleague from California (Mr. DELLUMS) is absolutely right. The issue is one Congressman MICHAEL HARRINGTON.

And let me say to you, MIKE, I pray to God that I will have the courage to do what you did, to move toward the highest level of your conscience and therefore benefit all of us.

But apart from that, let me try to speak to the merits of this particular amendment. What this amendment does is to prevent this House from slandering, smearing, impugning the motives of every single Member who serves on that present committee.

Unless we adopt the amendment offered by the gentleman from California, this House will have, in effect, tried every single member of the committee and without any sort of real investigation will have found them guilty of not being able to do the job mandated to be done.

If we do that, if we follow that procedure, all that we are doing is resurrecting the days of the McCarthy era when it was possible to smear and impugn and lie on people, distort their motives and discredit them so thoroughly that they became almost nonentities in a system.

I entreat the Members—I entreat you—to protect the rights and integrity of every Member who presently serves on that committee. I urge the Members, do not destroy some of your colleagues in this senseless, needless way. I urge this House to overwhelmingly support the amendment.

Mr. TSONGAS. Mr. Chairman, will the gentleman yield?

Mr. MITCHELL of Maryland. I yield to the gentleman.

Mr. TSONGAS. I thank the gentleman for yielding. I would like to commend the gentleman for his comments. I think what he has done is to point out that the larger issue here is not the investigation of the CIA—the Church committee is doing that, and I think there is real question as to what we can contribute—the larger question is the behavior of a Member and his courage in the situation referred to where none of us know what we would have done in that situation.

Mr. Chairman, I would like to associate myself with the gentleman's remarks.

Mr. STEIGER of Arizona. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I think the previous speaker has articulately and accurately nailed the issue down in this amendment. I asked for recognition to strike the requisite number of words, which I guess was really a subterfuge because I am opposed, strongly opposed, to the amendment for the very reasons that the gentleman articulated, in that this is indeed a referendum of behavior.

I am very, very sorry that the amendment was brought—I mean that very sincerely—because I feel the House is in a position in which the CIA and the investigation is secondary. What the author of the amendment has asked us to do very unfairly is to sanction or disapprove the actions of Members, about most of which none of us have any specific idea except from the publicity.

So I share the concern of my friend from Baltimore, the gentleman from Maryland (Mr. MITCHELL), that we would slander a Member out of hand based on minimal information.

On the other hand, I will tell my friend that to ask us to sanction the behavior that we know of and that we have heard of is again to place the House in a very unfair position, because this indeed is not the place to hear or try this matter.

Mr. MITCHELL of Maryland. Mr. Chairman, will the gentleman yield?

Mr. STEIGER of Arizona. I yield to the gentleman from Maryland.

Mr. MITCHELL of Maryland. Mr. Chairman, I assume the gentleman has made reference to the gentleman from Massachusetts (Mr. HARRINGTON).

As I sat throughout these hearings, one thing has been made manifestly clear to me—whatever he did, whenever he did it, it was not within the purview of the proceedings of the committee. He has the right to do as he sees fit with reference to his conscience and to a higher authority.

Above and beyond that, the House has a remedy I am not at all sure that the committee which will hear the Harrington issue is the proper remedy, but it is offered as a remedy.

Mr. STEIGER of Arizona. Mr. Chairman, my friend has stated his point well, but I will just tell my friend, the gentleman from Maryland, that I just do not agree it is that simple a matter.

If I may, I would like to explain to my friend what I think is the problem with this amendment. The gentleman from Massachusetts (Mr. HARRINGTON) is indeed the problem. The gentleman from Massachusetts (Mr. HARRINGTON) is indeed the issue in the minds of those who are concerned about the amendment.

My friend, the gentleman from Maryland, has stated he believes whatever the gentleman from Massachusetts (Mr. HARRINGTON) has done has no bearing on the committee. In the minds of those Members who are not on the committee and who have not been associated with the conflict therein, he has a great deal to do with it.

By this amendment this House is being asked to sanction the membership of the committee in advance and thereby sanction indeed the same kind of blanket amnesty, if you will, that so offended people in the case of Mr. Nixon. That is the view of this Member or that is at least the position this Member feels he is being placed in.

I will tell my friend that I am not alone in this position. Therefore, I will tell my friend further that I think the amendment is patently unfair to the House and to the gentleman from Massachusetts (Mr. HARRINGTON). That is my first point. I think it is patently unfair, because whatever is done here is going to be seen either as an approval or a disapproval of the gentleman from Massachusetts (Mr. HARRINGTON). I will tell my friend I think that is unreasonable.

By the same token, the gentleman cannot ask this House and its membership on a bipartisan basis to make a judgment in this matter with no more information than we have now.

Mr. MITCHELL of Maryland. Mr. Chairman, will the gentleman yield just briefly? The gentleman has been very patient with me.

Mr. STEIGER of Arizona. Certainly, I yield to the gentleman from Maryland.

Mr. MITCHELL of Maryland. Mr. Chairman, I just wish to point out to the gentleman that the mere fact that he used the words "blanket amnesty," and links those words to amnesty in Mr. Nixon's case, really buttresses my argument. What the gentleman is saying in effect is that somebody has already tried every member of the committee prior to any sort of investigation or any sort of official proceeding. That is why I support this amendment, because it will deny that kind of prejudgment by Members.

Mr. DELLUMS. Mr. Chairman, will the gentleman yield to me for a question?

Mr. STEIGER of Arizona. I yield to the gentleman from California.

Mr. DELLUMS. Mr. Chairman, let me ask a hypothetical question.

If one of the constituents of the distinguished gentleman from Arizona alleged crime on the part of the distinguished gentleman and that allegation appeared in the local newspaper, would the gentleman think it fair if the House of Representatives voted to remove the gentleman from the floor of Congress, precluding the gentleman from carrying out his duties as a Member of Congress, without due process?

Will the gentleman answer that question?

Mr. STEIGER of Arizona. Mr. Chairman, if the gentleman is asking: Would the allegation preclude me from participation in some sort of activity of the House? I will say again I do not think the House ought to be placed in the position of making that judgment regardless of how meritorious it might be or regardless of the lack of merit.

I will simply tell the gentleman that I do not want to be in the position of prejudging the so-called Harrington case. I am being put in this position by this amendment, and that, I will tell my friend, is what I think is patently unfair in the amendment presented by the author of this amendment.

The CHAIRMAN. The time of the gentleman from Arizona (Mr. Steiger) has expired.

(By unanimous consent, Mr. Steiger of Arizona was allowed to proceed for 1 additional minute.)

Mr. STEIGER of Arizona. Mr. Chairman, I have asked for the additional time not to engage in colloquy, but I want to make it very clear to my friend and colleague that, in fact, it is my earnest hope—and I know it is a baseless one—that the author of the amendment will withdraw it for the very reason which I have stated, because the author of the amendment is forcing people into the position of appearing to either sanction or reject the behavior of one Member in a very obtuse fashion. That is a very unfair position for the House to be placed in, and not to recognize that is a kind of sophistry which I do not think is a credit to the House.

Mr. KOCH. Mr. Chairman, will the gentleman yield for a question?

Mr. STEIGER of Arizona. Yes, I yield to the gentleman from New York.

The CHAIRMAN. The time of the gentleman from Arizona (Mr. Steiger) has expired.

(On request of Mr. Koch and by unanimous consent, Mr. Steiger of Arizona was allowed to proceed for 1 additional minute.)

Mr. KOCH. Mr. Chairman, will the gentleman yield?

Mr. STEIGER of Arizona. I yield to the gentleman from New York.

Mr. KOCH. Will the gentleman acknowledge the fact that when the gentleman from Massachusetts (Mr. Harrington) was placed upon the committee, the information that the gentleman now brings up was a matter of public record and the gentleman did not protest at that time? Will the gentleman acknowledge that as a fact?

Mr. STEIGER of Arizona. I will say to my friend, the gentleman from New York, that I was not aware either of the information or, at the time, of any confirmation of it. I will tell the gentleman from New York that the focus of attention and the clear concern of this House and many others, including the gentleman from Massachusetts (Mr. Harrington) himself, has been caused by the treatment he has gotten, which has focused new attention and given new meaning to it.

I am not questioning the legal situation with respect to what my friend, the gentleman from New York, has said. If my firend wishes to accuse me of being less than attentive to my duty at that time, I will stipulate to it.

The point is that what I am saying, and saying as sincerely as I know how, is that this amendment is unfairly asking the House really to render a judgment that it is not prepared to render, and that is very unfair.

The CHAIRMAN. The time of the gentleman from Arizona (Mr. Steiger) has expired.

(On request of Mr. Koch and by unanimous consent, Mr. Steiger of Arizona was allowed to proceed for 1 additional minute.)

Mr. KOCH. Mr. Chairman, will the gentleman yield?

Mr. STEIGER of Arizona. I yield to the gentleman from New York.

Mr. KOCH. Mr. Chairman, the fact is that this House passed on that very question when the Speaker appointed the gentleman from Massachusetts (Mr. Harrington) to that committee with other members.

I want to reiterate, the matter which the gentleman has raised now for the first time was a matter of common knowledge, known to the Speaker, known to the Members of this House, and did not in anyway make a difference at that time and ought not make a difference at this time because there is nothing that the gentleman from Massachusetts (Mr. Harrington) did that violated the law.

Mr. STEIGER of Arizona. Again I would tell my friend, the gentleman from New York (Mr. Koch), that that is not the way this amendment appears.

The appointment of the committee was a routine matter in which, as we normally do, we respected the Speaker's appointment.

I would simply tell the gentleman that I am sorry that the amendment is here. I am urging my friends and colleagues to vote against it on the basis that they should not be asked to sanction activity that has been seriously questioned.

Mr. SISK. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I think it becomes very evident why this is a bad amendment. Merely sitting here and listening to what has been said, unfortunately, seemingly, at least to my mind, distorts what the basic issue is here.

As the individual who introduced the first resolution to abolish this committee back over a month ago now, I want to make it abosolutely clear that my intention at that time was to abolish the committee, period, and then, hopefully, to proceed as expeditiously as the Committee on Rules could, since it did have the jurisdiction, to create a permanent oversight committee in connection with our intelligence community.

The reason for the abolishment of the committee was the fact that it had ceased to function; in fact, it had never functioned to any basic extent. After a certain period of time had gone on, a great many discussions had been held, which many of us were familiar with, and it became evident in my mind that there was no way that that particular committee was going to achieve any substantial results.

Let me hasten to say here that I do not indict any member of that comittee because some of my very best friends are on that particular committee, men whom I have worked closely with, men whom I know and appreciate. We are not here challenging the integrity, the patriotism or the loyalty of anyone, including the gentleman from Massachusetts (Mr. Harrington) and other Members who from time to time may be mentioned. That is not the issue.

At the time that we held hearings in the Committee on Rules in reference to the initial resolution and in regard to the matter that we have here before us today, which is a substitute offered by the distinguished gentleman from Missouri (Mr. Bolling) we had a number of Members appear and testify. The gentleman from Massachusetts (Mr. Harrington) appeared, and testified at considerable length before the committee. The gentleman from California (Mr. Dellums) appeared and testified at length.

To the extent that anyone is being questioned or being challenged, I think it very well goes to their judgment. I have no doubt but what every member of that committee did those things which he believed to be right in his own mind.

I recall hearing my friend, the gentleman from Massachusetts (Mr. Harrington) make a statement with reference to what he believed to be his duty in connection with the revealing of matters where an agency of the Government was involved in what would be violations of law. I firmly believe that the gentleman from Massachusetts (Mr. Harrington) was totally sincere in doing what he in his conscience believed to be right. I totally disagree with his judgment in the matter, because it seems to me—and I am not expressing any thought here that I did not attempt to express at the time the gentleman from Massachusetts was before our committee—that neither the gentleman from Massachusetts nor I, nor anyone else, I believe, has the right to sit as judge and jury in matters of this kind, where we have very strict rules of procedure to go by, as we have in connection with the House of Representatives, as we have in connection with procedures and in connection with intelligence matters, and so on.

Let me say that the testimony offered before the Committee on Rules dealing with this matter caused me some concern because the charge was made very flatly that the fault was primarily that of the Speaker.

Those who made that charge before the Committee on Rules will have an opportunity if they wish to rebut anything that I have said here. But as I understand—and the record is a public record—that he made a mistake, and that he even was warned ahead of time by virtue of the fact that he appointed the distinguished gentleman from Michigan (Mr. Nedzi) to be chairman of this committee.

Let me make it unalterably clear to all my friends on the committee, as well as other Members, that I for one—and I am sure many of you will challenge this as a matter of judgment or disbelieve me—but I again say as individuals we have to use such judgment as we have, that I for one would not have voted to create this committee had we not been assured ahead of time in the testimony that the gentleman from Michigan (Mr. Nedzi) would be the Chairman.

I want to make that unalterably clear. The Members can challenge my judgment, maybe it was wrong.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. Sisk was allowed to proceed for 5 additional minutes.)

Mr. SISK. Mr. Chairman, let me go back for a moment to the point at which this issue first was raised in connection with the investigation of the CIA. And I hope my friends on the Republican side will bear with me, because they were not present at that time.

It was raised in a Democratic Caucus in which the gentleman from Massachusetts proposed a resolution to investigate the CIA. After some brief discussion, the gentleman from Michigan (Mr. Nedzi) arose and offered a substitute in the Democratic Caucus, and that resolution, that substitute offered by the gentleman from Michigan (Mr. Nedzi) was overwhelmingly adopted. I do not recall the exact vote. I am not certain it was a recorded vote, but it was substantially adopted, and that was to refer this matter to the Democratic Steering and Policy Committee.

A great many of us hoped—and I, for one, voted for the referral of this matter in line with the gentleman's resolution to refer it—that a great deal of care and concern will be given before we moved on this matter. I think, to some extent reflected in that, again there was never a question certainly in my mind, and I doubt seriously in the minds of any Democratic Member, of the integrity of the gentleman from Massachusetts (Mr. Harrington) or of his loyalty, or of his patriotism, or anything in connection with it. But there could have very well been questions of matters of lack of confidence in his judgment in handling such a committee. I think there is no point, it seems to me, in pussyfooting around about this situation. To a large extent, as I say, I deplore the fact that this amendment was offered, even though by one of the best friends that I have in this House, and a longtime personal friend and colleague, the gentleman from California (Mr. Moss). But I think it was unfortunate because to some extent, as the gentleman from Maryland and the gentleman from Arizona in their colloquy pointed out, it really puts every Member in a position, it seems to me, where it could become a trial to these people.

The intent of the Committee on Rules, as the matter developed, is to hopefully be able to proceed to complete as quickly as possible a reasonable investigation of this matter and to bring it to a close with a group of Members which the Speaker of the House shall select.

I do not agree with a good deal of the criticism that I have indicated already was made of the Speaker, but then again that is a matter of judgment. So I would hope and urge my colleagues to vote down this amendment because let me say to them, if I understand the English language at all, and if I understand what Members have been saying to me for the past months because of my involvement in a matter where I introduced the original resolution, and I say this with considerable deliberation, if, in fact, the total membership of this committee were reappointed, it would not operate and, in my opinion, there would very well shortly be another resolution to abolish the committee and in all probability it would be abolished. That is my belief. Wrong it may be, but I would hope and trust that we might proceed expeditiously to vote down this amendment and to proceed with permitting the appointment of what we hope will be a number of new faces on that committee.

I do not and will not interpret that as any reflection upon good personal friends of mine who at present are serving on it—my good friend right here, the gentleman from Illinois, whom I served with on the Committee on Rules. One of the best friends I have in the House is on that committee. I see my good friend, the gentleman from Connecticut (Mr. Giaimo) with whom I worked very closely in connection with a whole variety of activities. I have a great deal of respect for his integrity and knowledge and understanding.

I see my friend, the gentleman from Ohio (Mr. James V. Stanton) and others—the gentleman from California (Mr. Edwards) and so on.

I am not here indicting any one of these men. I am hopeful, though, that the Speaker of the House will see fit to appoint to that committee men who are objective enough and who have not gotten themselves so involved.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. Sisk was allowed to proceed for 2 additional minutes.)

Mr. SISK. Mr. Chairman, I hope the Speaker in his deliberation and in his judgment will appoint to this 13-man committee, assuming it should pass, men who have not become emotionally involved to the extent that their objectivity is in question. We all sometimes get up tight. I sometimes get up tight. I have seen that sometimes in statements before our committee. I have great respect for the gentleman from California (Mr. Dellums) and the gentleman from Massachusetts (Mr. Harrington) but they made a most impassioned plea which caused me some concern as to how deeply they may have become involved emotionally and how objectively they might be able to look at these problems. But that is beside the point, and if the Speaker sees fit the gentlemen may be reappointed, but I hope we do wind up with 13 men and women—and after all we do not want to bar any women—who will do an outstanding job.

Mr. DELLUMS. Mr. Chairman, will the gentleman yield to me? He mentioned my name.

Mr. SISK. I mentioned a number of names and in view of that fact I am not going to yield. I mentioned the gentleman from Massachusetts and the gentleman from Connecticut and others.

I think my time is up. I am going to conclude because I think I have taken enough time.

I urge the amendment be voted down.

Ms. ABZUG. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in support of the amendment. I have discussed this issue, as some Members know, in the course of this debate on the floor and proposed the essence of this amendment for a very special reason, most of which has become quite clear in the debate here today. It was my thought that the Members of this House recognized that and should not permit ourselves to make judgments about individuals on the committee, that they were duly appointed by the Speaker and they were duly competent men.

I indicated the other day that the men—not women, it is true, and it might have made it more interesting if we had some variety—but in any case they were duly appointed and duly constituted members and all are duly competent persons. A deadlock arose on the committee. Some people say it was because the chairman was unwilling to investigate. Some say it was because others were too vigorous in what they wished to investigate or to expose.

The chairman came in and offered his resignation. The other members of the committee were prepared to act despite that. This House rejected the resignation. And yet the chairman who had been reinstated in that way did not act and there was a deadlock.

It seems to me if one wanted to make certain there was a vigorous investigation—and we have all agreed that we want that—there had to be some reconstitution of the committee. The normal way would be to enlarge it. The way is not first to put on trial members of the committee, and I say this bearing in mind that but for our not having been appointed we might have been one of the committee now being put on trial.

It seems to me despite what is being said here, what we are being asked to do is to put these members on trial. I believe the main issue is that many people here wish to punish the gentleman from Massachusetts (Mr. Harrington) for what I and others believe to have been an important act of conscience and courage. That is what we are seeking to do. That is what many, in seeking to abolish and reconstitute the committee, are trying to do.

I would say simply this. What has this led to? It has led to the following. On the floor of this House some Member got up the other day and criticized the behavior of the gentleman from California (Mr. Dellums), and criticized the behavior of the gentleman from Wisconsin (Mr. Kasten), and criticized the behavior of the gentleman from Ohio (Mr.

JAMES V. STANTON). We are all Members of the Congress of the United States. This is not how we act toward our peers.

Why do we not simply use a resolution of expansion? Why should we condemn this one or that one. We disagree with this one or that one and that is why we want to reconstitute the committee. Well, that is not our right.

Members presently on the committee will continue if they choose and those who are not interested in continuing will not serve and the balance left will be chosen by the Speaker. That is the only fair way to reconstitute a committee which is presently deadlocked. We have no right to make a judgment on any member of this committee other than competence and no one has raised that. Without the other results have occurred. This resolution has even resulted in my colleague, the gentleman from Georgia, saying we did not question whether the persons who were put on this committee are the right ones to deal with the material they have to deal with in this investigation.

Since when do we question the competence, the ability, the conscientiousness, the capability or the devotion or loyalty of any member of a committee? This is not our responsibility. We only have to be certain that the individual is prepared to function.

I say that the resolution as it comes before us is just forcing us to make judgments about the individuals on this committee. It is forcing the Speaker to make judgments about the individuals on this committee when he fails to appoint or reappoint those who are presently on the committee. I say this is inappropriate for us.

We are all in the same identical position as every other member on this select committee. If anyone on this committee thinks as, indeed, the Committee on Armed Services thinks, that someone is acting beyond their responsibilities or their duties or their oath of office, then they can place this before an appropriate forum to determine it, as was done with the gentleman from Massachusetts (Mr. HARRINGTON).

I think the gentleman from Massachusetts (Mr. HARRINGTON) recognized that we were all being asked to participate in covering up illegal activities and he refused to do that. I disagree that he should be censured for it, but those who think he should be will have another opportunity to say so. HARRINGTON is entitled to a hearing. Do not use this resolution for the purpose of expressing a judgment about this. This would be an unfair way. Everybody is entitled to his or her day in court if, indeed, any wrongdoing has taken place and, indeed, none has. MICHAEL HARRINGTON has shown enormous leadership and courage. The question is simply a matter of how would we feel if we were on that committee.

The CHAIRMAN. The time of the gentlewoman from New York has expired.

Ms. ABZUG. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

Mr. GOODLING. Mr. Chairman, reserving the right to object, I do that after this extension, I will object, simply to bring the Congress together to get the job done. It is my opinion we are doing more damage than good. I cannot stop the damage, but I can limit the amount of time in which the damage is done.

The CHAIRMAN. Is there objection to the request of the gentlewoman from New York?

There was no objection.

Mr. YOUNG of Georgia. Mr. Chairman, will the gentlewoman yield?

Ms. ABZUG. I yield to the gentleman from Georgia.

Mr. YOUNG of Georgia. Mr. Chairman, I agree, everyone should have their day in court, but I hope that we do not constitute this in any way as a day in court for any member of this committee. That is the reason I think the amendment is inappropriate.

Ms. ABZUG. Mr. Chairman, it does just the reverse. It says every member of this committee is competent to serve on it. There is no evidence to the contrary. It simply says the Speaker should appoint an additional number of persons because there is a deadlock and if any person desires to remain on the committee, that person can remain and if that person desires to remove himself, that person can remove himself; but we should not participate in removing any member from this committee. That is the effect of what we are doing when we pass the resolution without it being amended.

It also forces the Speaker to make a judgment as to the members on this committee. There have been many charges and countercharges which are unproven and which an individual has a right to take up in a proper forum. This committee resolution is not the proper forum. Let us not kid ourselves about this resolution. It inherently forces a judgment that none of us should be placed in a position to make. I may not agree with the way the gentleman from Michigan (Mr. NEDZI) has conducted himself, and I do not. I do not agree that his resignation should have been rejected by this body. I still say even the gentleman from Michigan should make a decision whether he can remain on this committee, just as the gentleman from Massachusetts (Mr. HARRINGTON) has a right to make a decision to remain on the committee. The activities of both these gentlemen were before us at the time they were appointed to their respective positions on this committee. I believe that those who do not recognize that we ourselves are making judgment, even though we are not in control of it, are making a big error. All this amendment says is there should be some change in the committee because it is deadlocked.

This is an important investigation. It must go forward, but the Members of this House, not one of them—not the gentleman from Massachusetts (Mr. HARRINGTON)—should be sacrificed by making believe that we are not being asked to make a judgment on him in this way.

I beg the Members not to do that, because each Member could be in the exact same position and this would be many.

Mr. BOLLING. Mr. Chairman, I seek to see if we could limit time in some reasonable fashion. I would propose by unanimous consent that all debate on this matter conclude in 40 minutes, with the last 5 minutes reserved to the committee.

The CHAIRMAN. What matter is the gentleman referring to?

Mr. BOLLING. On the whole matter of this amendment and all amendments thereto.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

Mr. DE LA GARZA. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. PEYSER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I was not going to take the floor on this issue. I have listened carefully to debate and have determined to vote against this amendment, but my friend from Arizona, when he took the floor, made his case quite clear in his mind, that a vote against this amendment was a vote against the members on the committee.

I disagree with that because I do not view the issue here as either the committee or its makeup. I think very honestly that if the CIA itself had been trying and aiming to confuse the whole issue here, it could not have introduced a better amendment than the one that was introduced.

This amendment, as far as I am concerned, is simply striking at the Bolling resolution that is going to let the Speaker create a new committee which can, as I understand it, include any of the members of the existing committee. If any Member wants to correct me on that, I will be glad to listen right now. The Speaker, as I understand it, has the right of appointing anybody to that committee, and so I do not view my vote of no, and I do not think anybody ought to view his or her vote of no, as a vote against the gentleman from Massachusetts, MIKE HARRINGTON, or anybody else. The gentleman from Massachusetts is a friend of mine, and I certainly hope he remains a friend of mine, but my vote has nothing to do with him or any other member of the committee.

Mr. STEIGER of Arizona. Mr. Chairman, will the gentleman yield?

Mr. PEYSER. I yield to the gentleman from Arizona.

Mr. STEIGER of Arizona. Mr. Chairman, was the gentleman suggesting that the gentleman from California (Mr. MOSS) was the CIA contact man in the House? Was that the gentleman's intent?

Mr. PEYSER. I thank the gentleman for his comments. I was not making that suggestion.

Mr. MOSS. Mr. Chairman, will the gentleman yield?

Mr. PEYSER. I yield to the gentleman from California.

Mr. MOSS. Mr. Chairman, I think only the gentleman from Arizona can possibly have reached that conclusion.

Mr. PEYSER. I thank both gentlemen for their comments. I seem to have a wonderful ability of getting caught between two people who want to get at each other when I am up here. I would hope that we can act on this measure, only viewing it for what it is, an amendment that is trying to amend the Bolling resolution, that says the members who are on the committee have a right of staying on the committee. I think that if we agree with that, that is fine, but it has nothing to do with saying that someone on the committee did or did not do his job or that he is innocent or guilty of anything.

If the Members vote against the amendment, as I am going to do, they are simply saying that they do not agree with the amendment of the gentleman from California to the Bolling resolution and the action that it calls for is the right way to proceed. I refuse to get caught in this situation that says that I am voting somebody guilty or innocent because I am absolutely not, and I do not believe any of us should be in that position.

Mr. DE LA GARZA. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman and my colleagues, I take this time to try to see if we cannot get back to the issue of the amendment before us, and I do so because I have had an experience, and I am personally aggrieved that so many of my dear friends on this side are speaking now of a matter of right, that an individual has the right to remain on a committee. Those of us who have served on committees on our side are the creatures of the caucus and then generally of this House, and no Member has a right to serve or not to serve on the committee because of his demeanor or whatever one might bring up.

Ask the gentleman from Texas (Mr. POAGE) if he had a right to remain as chairman of the Committee on Agriculture.

Ask the gentleman from Louisiana (Mr. HÉBERT) if he had a right to remain as chairman of the Committee on Armed Services.

Did the Members worry about their integrity, about what it would do to them in their districts, about their reelection? The Members did not.

I say to my dear friends—and I hate to bring this out—there was something called the Hansen committee in the caucus of the Democrats to which I had the honor to have been named by the chairman of the caucus because of no other attribute than that I was next in line. Without informing me, I was taken off of that committee. When I confronted the chairman later, when I had read in the paper that someone else had been appointed, he said, "You would not attend the meetings."

"Mr. Chairman," I said, "I did attend the meetings. There has to be some other reason why I was taken off."

The chairman then informed me that I had been taken off because he had to name a black or a woman, and that was the only reason that I was taken off.

And none of my friends from my Democratic caucus came up to my defense about right or not right. So do not talk to me today about the right of anybody.

My friend smiles. And they smiled at me when I got taken off of this Hansen committee. But I was personally aggrieved. It could have been detrimental to me in my reelection. Fortunately, it was not, because I had no opposition. But none of my friends here worried about that.

So I say to the Members that we should let the House work its will, and no one has a right here, not in the caucus and not in the House.

The whole issue of this committee, the impasse and everything, I am not discussing. I am only discussing this amendment. Does a Member have the inherent right as a Member of this House to name himself as chairman? No, no, no.

Mr. GIAIMO. Mr. Chairman, will the gentleman yield?

Mr. DE LA GARZA. I yield to the gentleman.

Mr. GIAIMO. I thank the gentleman.

I admire the gentleman's thoughts about whether or not a Member has an inherent right, and I know there are procedures for removing a Member, and it has been done in the committees with regard to chairmen and others. But is the gentleman suggesting then, that this is, in fact, an antiremoval amendment of the gentleman from Massachusetts (Mr. HARRINGTON), or someone else?

Mr. DE LA GARZA. I have not mentioned any names. I am not saying anyone is being removed. The resolution speaks for itself. I did not get up to discuss the resolution. I got up to try to refute my colleagues up here who keep talking about a right, an inherent right. One of my colleagues said, "You might be in the same spot some day." I have been there. I have been there. And if the Members want to vindicate me, they will vote against this amendment. Now is their chance.

Mr. BOLLING. Mr. Chairman, I would like to see if we can set a limitation on time, and I want to be entirely reasonable about this.

Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 40 minutes, with 5 minutes at the end reserved for the committee.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

Mr. ASHBROOK. Mr. Chairman, reserving the right to object, I wonder if we can make the agreement or at least have the understanding that no time will be transferred, and that only those Members who really desire to speak will be recognized?

The CHAIRMAN. The Chair will inform the gentleman that the Chair cannot rule on that.

Mr. ASHBROOK. Mr. Chairman, further reserving the right to object, I will object to any request for transfer of time. I will not, however, object at this moment.

Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The CHAIRMAN. Members standing at the time the unanimous-consent request was agreed to will be recognized for approximately 1½ minutes each.

PARLIAMENTARY INQUIRY

Mr. RYAN. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. RYAN. Mr. Chairman, is it too late to object to the unanimous-consent request?

The CHAIRMAN. The answer is: "Yes."

Mr. RYAN. I thank the Chairman.

The CHAIRMAN. The Chair recognizes the gentleman from California (Mr. RYAN).

Mr. RYAN. Mr. Chairman, I regret the fact that I only have this length of time to speak, because I believe this whole discussion has been jarred so far off from the real issue it is almost useless to take this time.

This is a very simple matter. The activities of the CIA and of other intelligence agencies have come under question in this country and before this House. The question is whether this House should look into this matter or whether we should leave the matter to the Senate alone. The answer to that was given last week, by a vote of this body and the answer was: Yes, we should look into it.

Then the question arises: How shall we do it? Shall we go over this matter with the last committee we had, or shall we begin all over with a new committee?

We have heard for some time in this House arguments about whether we are for or against individual Members. If this continues, any investigation by this House is absolutely useless, because it will become a question of the right fighting the left and the left fighting the right; it will become a question of whether we should get into the question of prior members conduct or not and whether the activities involved were legal or illegal.

The fact is that we need to have some kind of general consensus by a committee that this House can accept, by a group that starts from scratch and starts anew.

Mr. Chairman, that is the reason I oppose this amendment.

If I were asked to vote for or against the actions taken by the gentleman in question, the gentleman from Massachusetts (Mr. HARRINGTON), I would vote to absolve him of what he did, because I do not think he did anything wrong.

In the same way, I would vote to absolve the gentleman from Michigan (Mr. NEDZI). But that is not the purpose of the resolution. It is to investigate the intelligence community, not convict or vindicate individual Members.

The CHAIRMAN. The Chair recognizes the gentleman from Connecticut (Mr. MOFFETT).

Mr. MOFFETT. Mr. Chairman, I rise in support of the amendment offered by the gentleman from California (Mr. MOSS).

I hope that we will keep in mind the public perception of this Congress. We do not really know, none of us knows, what the public wants on this particular issue, but we do know something about the public perception of this situation.

Yes, we might say it does not reflect

on any individual Member and perhaps we will be all right back home, but we do know that the public has quite a negative opinion of what we have been doing here in general.

I think all of us are concerned and legitimately concerned about that. We also know that the public has seen on this issue a committee with oversight responsibility that did not do the job that a special committee was created, that there was a fight within that committee, that the chairman who, I believe, had a conflict of interest, was reconfirmed, for lack of a better word, and that now we are in the middle of another fight on the floor in which we seek to dismember the committee.

The public also knows that there have been illegal bombings in Cambodia, embassy break-ins, disruption of peace groups, opening of mail illegally and the Chilean intervention without nearly as much attention given to incidents—those gross illegalities that the Congress knew or should have known about—as has been devoted to an alleged disclosure of such illegal action.

I think that what the public is seeing here is a very bad precedent if we do not adopt this amendment, a bad smell of a witch-hunt and a bad impresssion on the public.

We have been called the aggressive 94th Congress. Not many people believe that anymore. We have been called a veto-proof Congress. We have been called the do-nothing Congress.

I know that the gentleman from Arizona agrees with that, but I know that none of us want the label of the cover-up Congress.

Mr. Chairman, I think that is where we are headed if we do not adopt the amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Connecticut (Mr. GIAIMO).

Mr. GIAIMO. Mr. Chairman, I rise in support of the amendment.

I think it has been clearly identified as the Harrington amendment, as to whether or not the gentleman from Massachusetts should serve on this committee.

As I said on an earlier day, I do not wholly agree with the gentleman from Massachusetts (Mr. HARRINGTON). There are many areas in which we disagree. However, I find it very offensive that we move in this way to challenge the right of a Member to sit on a committee.

I recognize that this is not the purpose of some members of the Committee on Rules or of others, but I do know that this is inherently what has been the issue in this debate. This debate which for many reasons, questions in the House not whether or not the intelligence agencies of the United States may have in some way violated the law and infringed on the rights of American citizens, but instead of that, is used as a vehicle by those who would divert us from that investigation. Instead they divert us from that by charging that Members of Congress may have acted improperly and may have spoken on the floor of the House or elsewhere and informed the people that a possible crime had been committed by some governmental agency.

How reminiscent of other recent events in American history that is.

The CHAIRMAN. The time of the gentleman from Connecticut (Mr. GIAIMO) has expired.

The Chair recognizes the gentleman from New Jersey (Mr. MAGUIRE).

Mr. GIAIMO. Mr. Chairman, will the gentleman yield?

Mr. MAGUIRE. I will be happy to yield to the gentleman from Connecticut.

Mr. GIAIMO. Mr. Chairman, I suggest that we not allow this to happen. I suggest that if the gentleman from Massachusetts (Mr. HARRINGTON) has violated any rules or laws of the House, he be challenged in a proper place, but that this is not the place to do it. His right to serve on this committee should have been questioned when he first went on it and not months later.

I find something else very offensive here, and I must become political for a moment, if I may. That is the questioning of the right of any Democratic Member of this body to serve on any committee. I think the right of a Democratic Member to serve on this committee should be decided by Democrats in this House, and there has been altogether too much involvement by the minority party, the Republican Party, in a matter which should have been the responsibility of the Democratic Party to determine, rather than to have done it in this way.

This could be the precedent for many other dangerous situations which could confront us and certainly which could confront my friends in the minority. Rest assured that there will be a time when they will have this type of dispute and would wish those of us in the majority to absent ourselves.

I will say to my friend, the gentleman from California, that he surely would not want us helping to resolve it for the minority, even though we might be most happy to do so.

Therefore, I say, in simple fairness, let us get on with the business of this committee. It has fiddled and done nothing since February. Let us get on and show the American people that this House can do something, can conduct an investigation, and let us be fair to the gentleman from Massachusetts (Mr. HARRINGTON).

Mr. MAGUIRE. Mr. Chairman, I wish to associate myself with the remarks of the gentleman from Connecticut (Mr. GIAIMO), and I urge the adoption of the amendment.

The CHAIRMAN. The Chair recognizes the gentleman from California (Mr. DELLUMS).

Mr. DELLUMS. Mr. Chairman and members of the committee, the gentleman from California thinks that in the last hour or so he has seen a great deal of dust covering, where we confuse the issues. A great American, Frederick Douglass, once said that dust covering is an activity engaged in by those in pursuit of victory, not of truth.

The gentlewoman from New York, whom I think is in pursuit of the truth, has spoken eloquently and precisely as to what the issue is here. We should not in any way be engaged in trials of any of the Members who have served on this committee. The only fair and equitable thing to do is to reappoint all of the various members of the original committee back to the committee. If the Members want to expand the size of the committee, then they can do so. We should also allow those Members who do not wish to serve on the committee to leave the committee. No one Member of the House, even my distinguished colleague, the gentleman from California (Mr. SISK), has a right to remove my privilege. We both represent districts of some 464,000 constituents. His constituents elected him and my constituents elected me, and I presume that neither one of us could get reelected were we to change our respective districts.

None of us have any right to try each other on the floor of the Congress.

I say that in fairness, with a sense of equity and with the desire for the pursuit of truth, that we should pass this amendment, and allow all of the Members to return back to the committee who were members of it. And if the gentleman from Michigan (Mr. NEDZI) or the gentleman from Massachusetts (Mr. HARRINGTON) or the gentleman from Connecticut (Mr. GIAIMO) or any other member of that committee seeks to remove himself from that committee, or if the other Members desire to serve, then I say give us the right and privilege to do that. But I repeat that the Members have no right to try us on the floor of the House without due process.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio (Mr. ASHBROOK).

Mr. ASHBROOK. Mr. Chairman, I think this very episode signifies and exemplifies just what is wrong with this body. I think it is also a good example of what the public perceives to be wrong with this body. The Congress that represents itself to be able to answer everybody's problems throughout the country now finds itself completely inadequate when it comes to its own problems. This special investigating committee has been a problem.

I am sorry the gentlewoman from New York (Ms. ABZUG) is not on the floor. I was absolutely shocked when I listened to the gentlewoman, because she totally reversed the arguments she has made over the years. She absolutely swept them under the rug in this particular instance.

She spoke in terms of the old buddy-buddy system in Congress she talked about the club approach—The "let us not look into each other" arguments approach which she so often discredited before today's debate. The "everybody has the right to set their own standards," approach. The "every Member has the right to do what he wants" approach. She ratified this old guard, "we all look the other way" attitude the young reformers have rejected.

All these attitudes are what the public perceive to be wrong with this body.

After I listened to my colleague from New York talk of the club approach, I remembered a few years ago when this Member was raising questions about a committee chairman regarding nonexisting staff people on the payroll of my committee, I was told "No, no, do not do that. The chairman is all right. Do not question what he is doing."

Well, I thought that is what we were getting rid of, but it sounds like the arguments today are leading us in the opposite direction: Let us not look into all of our own problems, let us just sweep them under the rug.

The CHAIRMAN. The Chair recognizes the gentleman from California (Mr. Miller).

Mr. MILLER of California. Mr. Chairman, I take the floor because I am truly disturbed by the discussion I have heard on the floor today; because I think my own worst fears and the worst fears of many others have been realized because of this resolution, in the way it is being handled. We have heard that the motives of some of the committee members have been questioned, and I am disturbed by this. I heard earlier that perhaps the gentleman from California (Mr. Dellums) could not serve on this committee because he was impassioned, he was overenthusiastic; that also the gentleman from New York (Mr. Stratton) could not serve on the committee, and the gentleman from Connecticut (Mr. Giaimo) could not serve on the committee, and the gentleman from Massachusetts (Mr. Harrington) could not serve on the committee. Let me tell the Members that I want impassioned people on this committee. I want them as impassioned and as zealous in the protection of our liberties as those people they are investigating, who have been alleged to have violated those liberties, because I have seen the work of those who violate our liberties and our civil rights, because they too are overzealous in trying to restrict our freedoms. I say that our country cannot stand that sort of activity.

So, Mr. Chairman, I would hope that whoever serves on this committee, while I believe it should be the same committee, I hope that they can and will do their best to protect those liberties, because I think that this is the most important charge that they can have. I think that is the most important thing we can do. I think that what we have seen as a result of this resolution is a derogation of many Members of this House without base, based upon innuendo, based upon slander, and I think it has been very detrimental to this House in the public eye. I think that this committee can bring great respect to this House and can bring great trustworthiness by the American people in the democratic process, but we cannot now start selecting Members of this House who can serve and who cannot serve because they are overzealous, because they are enthusiastic, because we are talking about the fundamental rights of people in this country.

The CHAIRMAN. The time of the gentleman has expired.

The Chair recognizes the gentleman from Maryland (Mr. Bauman).

Mr. BAUMAN. Mr. Chairman, I yield back my time.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois (Mr. McClory).

Mr. McCLORY. Mr. Chairman, I think the House has a legitimate role in the establishment and the operation of the Select Committee on Intelligence. An impasse has been reached on the other side of the aisle. I have not involved myself in that impasse.

I think the gentleman from Missouri (Mr. Bolling) has brought forth a logical, workable solution under which this House of Representatives can exercise the authority that it should be exercising. I feel strongly that we do need intelligence agencies and a strong intelligence community. I agree that this is essential for our own national security. I agree also that the rights of individuals should not be abused or denied because of excesses or illegal actions of any intelligence agency.

I think that this select committee should fulfill its role of investigating all aspects of this subject, with due protection to the agencies themselves, with due protection to the individual constitutional and legal rights of all, and without any conflict of personalities wrecking the opportunity for our carrying out our legitimate prerogatives.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The Chair recognizes the gentleman from Connecticut (Mr. Dodd).

Mr. DODD. Mr. Chairman, I would like to associate my remarks with those of the gentleman from California (Mr. Miller) and the gentleman from Connecticut (Mr. Giaimo).

I would like to point out to the Members of this body that there is only one issue facing us in this particular amendment. The issue is clear, and we all know what it is. The issue revolves around the propriety of certain alleged actions of a Member of this body, specifically, the gentleman from Massachusetts (Mr. Harrington).

If the Members of this body should decide that the actions of the gentleman from Massachusetts (Mr. Harrington) deserve investigation, then so be it. Let the House work its will and proceed. But to deny the gentleman from Massachusetts (Mr. Harrington) the opportunity to defend himself, or to deny an opportunity for a full hearing of this issue, is a backdoor, backhanded censorship of a Member of this body. A vote against the amendment by the gentleman from California (Mr. Moss) will be tantamount to such a backhanded censorship of Mr. Harrington.

I think the Members ought to clearly understand that when they vote on this amendment, they will be voting on the propriety of alleged activities of a fellow Member without according to that Member a most basic and fundamental guarantee—the presumption of innocence until proven guilty.

I would urge the Membership to support this amendment.

The CHAIRMAN. The time of the gentleman has expired.

The Chair recognizes the gentleman from New York (Mr. Koch).

Mr. KOCH. Mr. Chairman, there are very few votes that come before this House that can be deemed votes of conscience in the classic sense—very few, perhaps 2 or 3 a year. This happens to be one of them.

We really cannot destroy the gentleman from Massachusetts (Mr. Harrington). In his own district he is a hero, and if this vote were to be adverse, he would be a hero in the country. But the fact is that we can destroy the integrity of the Congress if we do not vote to support this amendment. I say that because I believe that the gentleman from Massachusetts (Mr. Harrington) has done nothing illegal. And we know that. Indeed other Members, I have been told, have done exactly what he has done without any questions of propriety being raised.

The chairman of one of our distinguished committees has stated that he has on a number of occasions refused to be bound by secrecy classifications made by the executive branch and in pursuit of his duties has made public classified information. He said that the executive branch when it classifies material can only impose that classification on members of the executice branch itself and cannot bind Members of Congress.

My friend, Michael Harrington, performed his obligations as a Member of Congress to uphold the Constitution by bringing to the attention of the Congress and the American public, acts of illegality performed by the executive branch. I would hope that we would all, when faced with a similar situation, perform our obligations as well.

So if we are going to cast a vote of conscience—which this one is—I do not think we have any alternative but to support this amendment.

The CHAIRMAN. The Chair recognizes the gentlewoman from New York (Ms. Holtzman).

Ms. HOLTZMAN. Mr. Chairman, I rise in support of this amendment because I think the issue is a very simple one. I do not think the issue is the gentleman from Massachusetts (Mr. Harrington). I do not think the question is whether what he did was right or wrong. I think the issue is one of due process and of fair play.

Somebody said the House of Representatives has no right to censure or punish or discipline Members of the House. I disagree. But I think it has to be done at a proper time and place.

I think the integrity of the House is involved here. This amendment permits each member of the present Select Committee on Intelligence to serve on the new committee. If we do not adopt this amendment we will have stigmatized those members of the select committee who are not reappointed and we will have done so without giving them a fair hearing. It seems to me that is unworthy of the House of Representatives. Surely we ought to afford all Members a right to a hearing and to defend themselves and to do it in an appropriate time and place.

I urge the House to follow its best traditions and support this amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Montana (Mr. Baucus).

Mr. OBEY. Mr. Chairman, will the gentleman yield?

Mr. BAUCUS. I yield to the gentleman from Wisconsin (Mr. Obey).

I thank the gentleman from Montana.

Mr. OBEY. Mr. Chairman, first of all I want to associate myself with the remarks of the gentleman from Connecticut (Mr. Giaimo).

Let me say this amendment institutionally has problems, I know. Some say it is impractical. But on balance I am going to support it because I am not going to accept without challenge any action, the practical result of which will be to penalize an individual for doing in this instance what Congress did collectively last year on impeachment, namely, to strip away the inappropriate use of terms like "national security" and "secret" in order to reveal truth.

I may disagree with some specific techniques used by the gentleman from Massachusetts, Michael Harrington, but on balance I honestly believe his revelations about the CIA have done the country more good than bad.

I voted against the resignation of the gentleman from Michigan, Mr. Lucien Nedzi. I did it not to be practical but because I have confidence in the gentleman from Michigan (Mr. Nedzi). I disagreed with those who said the gentleman from Michigan (Mr. Nedzi) should not serve because he did not announce publicly what he had learned about the CIA.

The CHAIRMAN. The time of the gentleman from Montana has expired.

The Chair recognizes the gentleman from Wisconsin (Mr. Obey).

Mr. OBEY. Mr. Chairman, I do not think an individual has an obligation around here to always be a hero. I think he has an obligation to use his best judgment and I think that is what the gentleman from Michigan, Mr. Lucien Nedzi, did. Some perhaps might have acted differently. Who knows. But I give him credit for and have confidence in his judgment and his integrity.

But it seems to me if some here feel the gentleman from Massachusetts, Mr. Michael Harrington's action was wrong, then the place to challenge it under the normal rules and procedures of this House is first of all not here, it is in the Democratic Caucus. Second, it seems to me the time to challenge it is not now but when that action took place almost a year ago, not now, a year later after he had been appointed to this committee with the full knowledge of what his past actions had been.

I think fairness requires we support this amendment. I understand institutionally it has some problems, as I have said, but I think the country has a right to see Congress act fairly and I do not think we will act fairly in this instance if we do not adopt this amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Louisiana (Mr. Long).

Mr. LONG of Louisiana. Mr. Chairman, there is one point I would like to make. In discussions we held before the Rules Committee trying to work out a solution to this problem and in the discussions that were held by many of us outside the Rules Committee, never once was this possible solution even suggested nor was it suggested by any witness that appeared before the Rules Committee. It was not suggested by any present member of the committee as a possible solution to this problem, and we on the Rules Committee were looking hard for a workable solution.

I must admit in all frankness I as an individual did not think of this. But I do say that should we adopt this amendment which has today or since yesterday been presented as a possible solution, that it does not necessarily resolve the problem. The reason it does not is because should the chairman of the committee decide that he wants to stay on the committee, under this amendment we would find ourselves in exactly the same position that led us to take the action that we in the Rules Committee so reluctantly had to take. Consequently, this is no solution to the problem at all.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan (Mr. Brown.)

Mr. BROWN of Michigan. Mr. Chairman, I think it is truly unfortunate that this amendment is before us. I think the tenor of the debate would cause anyone in the Chamber to believe it is unfortunate that it is before us. What is the only justification for it being before us? It is that it is a tradition of the House that when a committee is changed and expanded that its present membership is retained. Now, that is the regular and ordinary thing. But is this a regular and ordinary event? I suggest that it is not. I suggest the reason the matter is before us today is unprecedented. How many times have we voted to reject the resignation of a chairman of a committee?

I reject totally the discussions that have been held on the floor here today that this is an item that involves the gentleman from Massachusetts. I think it just as much involves my colleague, the gentleman from Michigan, and there is not a finer man in the House. But are we as the membership in this House going to, in effect, perpetuate ten-thirteenths of a committee that found itself at an impasse, that found itself in an intolerable situation that led to these unprecedented events? I cannot imagine the House conscientiously and intentionally doing that, and that is the only issue before us.

I urge defeat of the amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Missouri (Mr. Bolling) to close the debate.

Mr. BOLLING. Mr. Chairman, I regret that this amendment is offered for two reasons. One, because it allows in the minds of some this matter to turn into a referendum on a Member.

I proposed the resolution and the resolution was designed to avoid that, if possible, simply because I thought that any Member deserved the opportunity to go through a process more rational than a floor debate, but that is not really the reason I oppose this amendment.

There have been a lot of arguments made that are not valid. There has been some conversation about how the Democratic caucus should have dealt with it, but I have worked pretty hard to have a live Democratic caucus that has some power, but it is more than 30 days since the House first acted on the impasse and I have not seen any very vigorous effort to bring the matter before the caucus for a vote.

As a matter of fact, I have gained the impression, perhaps erroneously, that nobody really wanted to have it in the caucus for a vote.

But I oppose this amendment on narrow, procedural grounds. This could set the worst possible precedent.

For all the time that the Congress has existed, the House has existed, select committees have been appointed solely by the Speaker. There has never been a direction to the Speaker that I can find to put a Member on or keep a Member off in connection with the appointment of a select committee. As far as I can figure out, that is a direct line from the beginning, from Jefferson's manual on; and for the institution to decide suddenly, as what may appear to some to be a tactic, to change that approach not only to select committees but to conference committees, seems to me a very, very serious mistake.

I have spoken several times on this matter, and I am not inclined to use words loosely. In my first speech, I said that I honored every member of this select committee, and I repeat it now. The issue today is very simple. Is the House of Representatives going to have a committee of its choice which successfully carries out the mission, given to the committee that we will abolish, some months ago?

I think that is the only issue. I think that is the fundamental issue, and I repeat a little of what I said on Monday night, that I think this institution and its successful performance is far more important than all the other matters that have been discussed and all the other individuals that are involved.

Mr. Chairman, I hope this amendment will be roundly defeated.

The CHAIRMAN. All time for debate has expired.

The question is on the amendment offered by the gentleman from California (Mr. Moss).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. MOSS. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 119, noes 274, answered "present" 24, not voting 17, as follows:

[Roll No. 402]

AYES—119

Abzug
Addabbo
Ambro
Anderson, Calif.
Anderson, Ill.
Badillo
Baldus
Baucus
Beard, R.I.
Bedell
Biester
Bingham
Blouin
Bonker
Brinkley
Brown, Calif.
Burke, Calif.
Burton, John
Carney
Carr
Chisholm
Clay
Cohen
Collins, Ill.
Conte
Conyers
Corman
Cornell
Cotter
Danielson
Dellums
Dent
Dodd
Downey
Drinan
Early
Eckhardt
Edgar
Edwards, Calif.
Evans, Ind.
Fascell
Florio
Ford, Tenn.
Giaimo
Gibbons
Green
Gude
Hall
Hamilton
Hanley

Harkin
Harrington
Harris
Hawkins
Hechler, W. Va.
Hicks
Holland
Holtzman
Howard
Howe
Hughes
Jacobs
Jenrette
Jordan
Kastenmeier
Keys
Koch
Leggett
Lloyd, Calif.
McCloskey
McCormack
McHugh
Macdonald
Maguire

Metcalfe
Meyner
Mezvinsky
Mikva
Miller, Calif.
Mineta
Mitchell, Md.
Moakley
Moffett
Moss
Mottl
Nolan
Oberstar
Obey
Pattison, N.Y.
Rangel
Rees
Reuss
Richmond
Riegle
Rodino
Roncalio
Rosenthal
Roybal

St Germain
Sarbanes
Scheuer
Schroeder
Seiberling
Sharp
Simon
Solarz
Stanton, James V.
Stark
Stokes
Studds
Tsongas
Vanik
Waxman
Weaver
Whalen
Wilson, Tex.
Wirth
Wolff
Yates

NOES—274

Abdnor
Adams
Alexander
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Armstrong
Ashbrook
Ashley
AuCoin
Bafalis
Barrett
Bauman
Beard, Tenn.
Bell
Bennett
Bergland
Bevill
Biaggi
Blanchard
Boggs
Boland
Bolling
Bowen
Brademas
Breaux
Brodhead
Brooks
Broomfield
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, Phillip
Butler
Byron
Carter
Casey
Cederberg
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Collins, Tex.
Conable
Conlan
Coughlin
Crane
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Davis
de la Garza
Delaney
Derrick
Derwinski
Devine
Dickinson
Diggs
Dingell
Downing
Duncan, Oreg.
Duncan, Tenn.
du Pont
Edwards, Ala.
Eilberg
Emery
English
Erlenborn
Esch
Eshleman

Fary
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Flowers
Ford, Mich.
Forsythe
Fountain
Fraser
Frey
Fuqua
Gaydos
Gilman
Ginn
Goldwater
Goodling
Gradison
Grassley
Guyer
Hagedorn
Haley
Hammerschmidt
Hansen
Harsha
Hastings
Hays, Ohio
Hébert
Heckler, Mass.
Hefner
Heinz
Helstoski
Henderson
Hightower
Hillis
Hinshaw
Holt
Horton
Hubbard
Hungate
Hyde
Ichord
Jarman
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kasten
Kazen
Kelly
Kemp
Ketchum
Kindness
Krebs
Krueger
LaFalce
Lagomarsino
Landrum
Latta
Lehman
Lent
Levitas
Litton
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lujan
McClory
McDade
McDonald
McEwen
McFall

McKay
Madden
Mahon
Mann
Martin
Mathis
Mazzoli
Meeds
Melcher
Michel
Miller, Ohio
Mills
Minish
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Natcher
Neal
Nedzi
Nichols
Nix
Nowak
O'Brien
O'Hara
O'Neill
Ottinger
Passman
Patten, N.J.
Pepper
Perkins
Pettis
Peyser
Pickle
Poage
Pressler
Preyer
Price
Pritchard
Railsback
Randall
Regula
Rhodes
Rinaldo
Risenhoover
Roberts
Robinson
Roe
Rogers
Rooney
Rose
Rostenkowski
Roush
Rousselot
Runnels
Ruppe
Russo
Ryan
Satterfield
Schneebeli
Schulze
Sebelius
Shipley
Shriver
Shuster
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder

Spellman
Staggers
Stanton, J. William
Steed
Steiger, Ariz.
Stephens
Stratton
Stuckey
Sullivan
Symington
Talcott
Taylor, Mo.
Taylor, N.C.

Thompson
Thone
Thornton
Traxler
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vigorito
Waggonner
Walsh
Wampler
White
Whitehurst

Whitten
Wiggins
Wilson, Bob
Wilson, C. H.
Winn
Wright
Wydler
Wylie
Yatron
Young, Alaska
Young, Fla.
Young, Ga.
Zablocki
Zeferetti

ANSWERED "PRESENT"—24

Aspin
Breckinridge
Cochran
D'Amours
Flynt
Foley
Frenzel
Gonzalez

Hayes, Ind.
Hutchinson
Jeffords
McCollister
McKinney
Madigan
Milford
Mitchell, N.Y.

Myers, Pa.
Pike
Quie
Quillen
Sarasin
Spence
Treen
Young, Tex.

NOT VOTING—17

Archer
Evans, Colo.
Evins, Tenn.
Fulton
Hannaford
Karth

Matsunaga
Mink
Patman, Tex.
Patterson, Calif.
Santini

Sikes
Steelman
Steiger, Wis.
Symms
Teague
Udall

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. BOLLING

Mr. BOLLING. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BOLLING: In section 8, on page 6, line 8, strike out "January 3" and insert "January 31".

Mr. BOLLING. Mr. Chairman, this is the matter that the gentleman from Illinois (Mr. McCLORY) and I were discussing on Monday. It changes the dates from January 3, 1976, to January 31; that is the correct date.

Mr. Chairman, I would ask for a vote of approval on the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri (Mr. BOLLING).

The amend was agreed to.

AMENDMENTS OFFERED BY MR. TREEN

Mr. TREEN. Mr. Chairman, I offer amendments, and I ask unanimous consent that they may be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

The Clerk read as follows:

Amendments offered by Mr. TREEN: Page 1, line 4, after the word "oversight" strike out the remainder of the sentence, and insert: "Of certain intelligence agencies of the United States Government."

Page 2, line 5, through line 3 on page 3 strike out all of section 2, and insert:

"SEC. 2. The select committee is authorized and directed to conduct an inquiry into the intelligence agencies identified in section 3, with regard to—

(1) the collection, analysis, use, and cost of intelligence information and allegations of illegal or improper activities;

(2) the procedures and effectiveness of coordination among and between said agencies;

(3) the nature and extent of executive branch oversight and control of said agencies;

(4) the need for improved or reorganized oversight by the Congress of said agencies;

(5) the necessity, nature, and extent of overt and covert intelligence activities of said agencies;

(6) the procedures for and means of the protection of sensitive intelligence information by said agencies; and

(7) procedures for and means of the protection of rights and privileges of citizens of the United States from illegal or improper intelligence activities by said agencies."

Page 3, line 4, through line 2, page 4, strike out all of section 3 and insert:

"SEC. 3. In carrying out the purposes of this resolution, the select committee is authorized to inquire into the activities of the following:

(1) the Central Intelligence Agency;

(2) the Federal Bureau of Investigation; and

(3) the Department of the Treasury and the Department of Justice."

Page 4, line 20, strike out the word "Central", and all of lines 21 and 22, and insert: "intelligence agencies identified in section 3."

Mr. TREEN (during the reading). Mr. Chairman, I ask unanimous consent that the amendments be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. TREEN. Mr. Chairman, I know the hour is late, and we have been on this matter a long time, I had prepared this amendment several days ago because I think it is important that the committee address the problem that the gentleman from Ohio (Mr. LATTA) focused on, and that is the breadth of this inquiry.

I have supported continuously, as a member of the original Select Committee on Intelligence, that we go forward with our investigation. I feel that when we have these sort of allegations, founded or unfounded, that it is important for the Congress of the United States, and particularly the House, as well as the Senate, to respond with an inquiry.

I have supported an inquiry, but I do think we have a very serious problem as to the extent of the mandate set forth in this resolution. Those Members who have copies of the resolution available might look at page 3, which lists the 14 different agencies that this committee is authorized to look into.

If the Members will look at section 2, they will find language that provides that the select committee is "authorized and directed" to conduct an inquiry into all intelligence activities of this Government.

On page 3 we are directed to make an inquiry into the National Security Council; the U.S. Intelligence Board; the President's Foreign Intelligence Advisory Board; the CIA; the Defense Intelligence Agency; the intelligence components of the Army, Navy, and Air Force; the National Security Agency; the Intelligence and Research Bureau of the Department of State; the FBI, the Department of Justice, the Treasury and the Department of Justice, the Energy Research and Development Administration, and then all other instrumentalities of the U.S. Government engaged in or responsible for intelligence activities.

My amendment would limit this to those agencies that really have been accused, rightly or wrongly, of improper activities. My amendment would limit the inquiries to the CIA, the FBI, the

Department of the Treasury, and the Department of Justice; and, of course, in covering the Department of the Treasury, we cover IRS.

We have 5 months to do this job and to report by January 31 of next year, and it is impossible for us to do, it seems to me, the job mandated by this resolution if we cover all of these areas. I think it is impossible to do a good job even with the four that are left in by my amendment if adopted.

Some may say the committee can decide which agencies it will look into. I say if we leave it to the committee, the committee will be criticized if it elects not to investigate certain agencies, just as the Rockefeller Commission was criticized for not going further than it did.

Indeed, the language in section 2, as I mentioned before, not only authorizes but directs this committee to collect, analyze, et cetera, all intelligence information and allegations of illegal improper activities of all intelligence agencies in the United States and abroad. I say let us confine our inquiry, at this time, with the 5 months that we have left, to these four agencies or departments. Given the fact that we are going to have 13 people instead of 10 asking questions, and given the fact that all of the committee members have other committees on which they serve and other duties, it is going to be extensively difficult to cover even four areas. Let us be realistic about how much this committee can accomplish and accomplish satisfactorily. I urge adoption of the amendment.

Mr. BOLLING. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I hope we can vote on this matter very quickly, and I will be very brief.

I remain convinced that the select committee should have the opportunity to deal with the whole complicated difficult problem. Without that opportunity and responsibility, I do not think it can acquit itself fully and bring forth the kind of report that I anticipate from it. I think that on Monday, if the committee is successful in organizing and beginning its processes, if it needs addition time, no doubt the House will give it additional time, but I think it would be a mistake to narrow the jurisdiction to a limited number of agencies.

I think it is imperative that we have a thorough, complete, and full investigation. I, therefore, urge the Members to vote against the amendment.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Louisiana (Mr. Treen).

The question was taken; and on a division (demanded by Mr. Treen) there were—ayes 34, noes 138.

So the amendments were rejected.

The CHAIRMAN. Are there further amendments?

AMENDMENT OFFERED BY MR. TREEN

Mr. TREEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Treen: Page 3, after line 3, insert: "*Provided*, That the authority conferred by this section shall not be exercised until the committee shall have adopted the rules, procedures, and regulations required by section 6 of this resolution."

Mr. TREEN. Mr. Chairman, this is a very simple amendment. As a matter of fact I hope the author of the resolution will accept it. I did not ask for a record vote on the last amendment because it was pretty obvious I would lose and I do not want to prolong this discussion of the resolution, but I think this is an important matter.

What this amendment does is tell the new committee that it shall not begin its investigation or its inquiry until it has done what section 6 of this resolution states it should do. It is identical with section 6 of the prior resolution. It mandates that we adopt rules of procedure. It says the committee must adopt security regulations; it must adopt the language of a contract to prevent any staff member from writing a book or an essay or receiving an honorarium based on information he receives as a member of the staff, and it also mandates that all members of the staff have a security clearance as required by the committee before they begin the investigation.

The fact of the matter is that the present committee hired staff, and the staff has done a great deal of investigating, taking statements, and receiving documents although the select committee never adopted the security regulations necessary for the control of the information we received.

I really believe that this is one of the problems that our committee faced in its functioning. We were interrupted in our consideration of the security regulations by the controversy over the chairmanship of the committee and never adopted security regulations. We have had a number of staff members going all around conducting investigations in the name of our committee without there ever having been security regulations adopted.

Mr. BOLLING. Mr. Chairman, will the gentleman yield?

Mr. TREEN. I yield to the gentleman from Missouri.

Mr. BOLLING. Mr. Chairman, I have consulted a variety of people who are more expert in this matter than I. I can see no possible objection to this. It may be redundant but it is harmless redundancy. Therefore I am prepared to accept the amendment.

Mr. TREEN. I thank the gentleman from Missouri.

I will say with respect to the question of redundancy, one would have thought so, but the fact of the matter is the committee proceeded without having done this in the first instance, so I think the history of the situation directs that we mandate that the section 6 requirements be met before the committee commences its inquiry.

Mr. QUILLEN. Mr. Chairman, will the gentleman yield?

Mr. TREEN. I yield to the gentleman from Tennessee (Mr. Quillen).

Mr. QUILLEN. Mr. Chairman, this side accepts the amendment.

Mr. McCLORY. Mr. Chairman, will the gentleman yield?

Mr. TREEN. I yield to the gentleman from Illinois.

Mr. McCLORY. Mr. Chairman, I thank the gentleman for yielding.

I commend the gentleman for his amendment. It is a good amendment and it should be adopted.

The CHAIRMAN. The question is on the amendment.

The amendment was agreed to.

The CHAIRMAN. There being no further amendments, under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker resumed the chair, Mr. Evans of Colorado, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the resolution (H. Res. 591) establishing a Select Committee on Intelligence, pursuant to House Resolution 596, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PERMISSION FOR AD HOC COMMITTEE ON OUTER CONTINENTAL SHELF TO SIT DURING 5-MINUTE RULE TOMORROW

Mr. BREAUX. Mr. Speaker, I ask unanimous consent that the Ad Hoc Committee on the Outer Continental Shelf be allowed to sit tomorrow during the 5-minute rule.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

PERSONAL EXPLANATION

(Mr. PICKLE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PICKLE. Mr. Speaker, due to an appointment with the doctor on Monday, July 14, 1975, I was unavoidably absent during a portion of the debate on the Agriculture appropriations, H.R. 8561.

During my absence, the House adopted an amendment by Mr. John Burton of California which provided moneys to the Farmers Home Administration revolving loan fund for soil and water conservation use.

Since most farmers are required to have pollution control facilities built within the next 2 years to meet EPA water standards, these 40-year loans at 5 percent, would be most beneficial.

Mr. Burton's amendment called for exacting standards for those seeking loans and was wisely approved by the House. If I had been present, I would have voted aye on the amendment.

ENERGY CONSERVATION AND OIL POLICY ACT OF 1975

Mr. DINGELL. Mr. Speaker, I move that the House resolve itself into the

Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 7014) to increase domestic energy supplies and availability; to restrain energy demand; to prepare for energy emergencies; and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from Michigan.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 7014) with Mr. BOLLING in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on Tuesday, July 15, the Clerk had read through the first section ending on page 165, line 24, of the substitute committee amendment.

The Clerk will read.

The Clerk read as follows:

TABLE OF CONTENTS

TITLE I—FINDINGS, PURPOSE, AND DEFINITIONS

Sec. 101. Findings.
Sec. 102. Statement of purposes.
Sec. 103. Definitions.

TITLE II—STANDBY ENERGY AUTHORITIES AND NATIONAL CIVILIAN STRATEGIC PETROLEUM RESERVE

PART A—STANDBY ENERGY AUTHORITIES

Subpart 1—General Emergency Authorities

Sec. 201. Conditions of exercise of energy conservation and gasoline rationing authorities.
Sec. 202. Energy conservation contingency plans.
Sec. 203. Gasoline rationing contingency plan.

Subpart 2—International Authorities

Sec. 211. International oil allocation.
Sec. 212. International voluntary agreements.
Sec. 213. Advisory committees.
Sec. 214. Exchange of information.

Subpart 3—Materials Allocation

Sec. 221. Materials allocation.

PART B—NATIONAL CIVILIAN STRATEGIC PETROLEUM RESERVE

Sec. 251. Declaration of policy.
Sec. 252. Definitions.
Sec. 253. National Civilian Strategic Petroleum Reserve and National Civilian Strategic Petroleum Reserve Plan.
Sec. 254. Early Storage Reserve.
Sec. 255. Congressional review and implementation of the National Civilian Strategic Petroleum Reserve Plan.
Sec. 256. Authorization and review of extraordinary measures to implement the Plan.
Sec. 257. Purchase of petroleum products for storage in the Reserve.
Sec. 258. Disposal of the Reserve.
Sec. 259. Authorization of appropriations.
Sec. 260. Coordination with import quota system.

TITLE III—OIL PRICING POLICY AND MEASURES TO MAXIMIZE AVAILABILITY OF ENERGY SUPPLIES

Sec. 301. Oil pricing policy.
Sec. 302. Limitations on pricing authority.
Sec. 303. Production of oil or gas at the maximum efficiency rate and temporary emergency production rate.
Sec. 304. Federal oil, gas, and coal leasing arrangements.
Sec. 305. Domestic use of energy-related materials and equipment.
Sec. 306. Domestic use of energy supplies.
Sec. 307. Entitlements.
Sec. 308. Recycled oil.

TITLE IV—ENERGY CONSERVATION MEASURES

PART A—ALLOCATION ACT AMENDMENTS AND OTHER ENERGY CONSERVATION MEASURES

Sec. 401. Restructuring of Allocation Act.
Sec. 402. Conversion to standby authorities.
Sec. 403. Definitions in Allocation Act.
Sec. 404. Amendment to section 4 of the Allocation Act.
Sec. 405. Mandatory gasoline allocation savings program.
Sec. 406. Retail distribution control measures.
Sec. 407. Direct controls on refinery operations.
Sec. 408. Inventory controls.
Sec. 409. Hoarding prohibitions.
Sec. 410. Supplemental authorities to assure reasonableness of petroleum prices.
Sec. 411. Energy conservation in policies and practices of Federal agencies.
Sec. 412. Public information program.
Sec. 413. Report on enforcement of national maximum speed limit.
Sec. 414. Energy conservation through van pooling arrangements.
Sec. 415. Use of carpools.

PART B—INDUSTRIAL ENERGY CONSERVATION

Sec. 451. Findings.
Sec. 452. Definitions.
Sec. 453. Energy efficiency targets for major industrial energy consumers.
Sec. 454. Dissemination of energy efficiency guidelines.
Sec. 455. Effects on employment.

TITLE V—IMPROVING ENERGY EFFICIENCY OF CONSUMER PRODUCTS

PART A—AUTOMOBILE FUEL MILEAGE

Sec. 501. Definitions.
Sec. 502. Average fuel economy standards applicable to each manufacturer.
Sec. 503. Determination of average fuel economy.
Sec. 504. Judicial review.
Sec. 505. Information and reports.
Sec. 506. Labeling and advertising.
Sec. 507. Prohibited conduct.
Sec. 508. Civil penalty.
Sec. 509. Effect on State law.
Sec. 510. Use of fuel efficient passenger automobiles by the Federal Government.

PART B—ENERGY LABELING AND EFFICIENCY STANDARDS FOR CONSUMER PRODUCTS OTHER THAN AUTOMOBILES

Sec. 551. Definitions and coverage.
Sec. 552. Test procedures.
Sec. 553. Labeling.
Sec. 554. Energy efficiency standards.
Sec. 555. Requirements of manufacturers and private labelers.
Sec. 556. Effect on State law.
Sec. 557. Rules.
Sec. 558. Authority to obtain information.
Sec. 559. Exports.
Sec. 560. Imports.
Sec. 561. Prohibited acts.
Sec. 562. Enforcement.
Sec. 563. Injunctive enforcement.
Sec. 564. Administrative procedure and judicial review.
Sec. 565. Cooperation with other agencies; delegation.

TITLE VI—CONVERSION FROM OIL OR GAS TO OTHER FUELS

Sec. 601. Extension of authority to issue orders.
Sec. 602. Extension of enforcement authority.
Sec. 603. Additional installations subject to prohibition orders.
Sec. 604. Additional installations required to be constructed with a coal-burning capability.
Sec. 605. Authority to prohibit use of natural gas as boiler fuel.
Sec. 606. Incentives to open new underground mines producing low sulfur coal.

TITLE VII—GENERAL PROVISIONS

PART A—PROCEDURE, REVIEW, ENFORCEMENT, AND OTHER GENERAL PROVISIONS

Sec. 701. Administrative procedure and judicial review.
Sec. 702. Prohibited acts.
Sec. 703. Enforcement.
Sec. 704. Delegation of authority and effect on State law.
Sec. 705. Prohibition on certain actions.
Sec. 706. Expiration.
Sec. 707. Transfer of authority.

PART B—CONGRESSIONAL REVIEW

Sec. 751. Procedure for congressional review of Presidential requests to implement certain extraordinary authorities.
Sec. 752. Expedited procedure for congressional consideration of certain authorities.

TITLE VIII—ENERGY DATA BASE

Sec. 801. Energy data base.

Mr. DEVINE (during the reading). Mr. Chairman, I ask unanimous consent that the table of contents be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

TITLE I—FINDINGS, PURPOSE, AND DEFINITIONS

FINDINGS

SEC. 101. The Congress hereby finds that—

(1) the United States needs adequate and available supplies of petroleum products and other energy supplies at the lowest possible cost to meet the present and future needs of commerce and national security;

(2) disruptions in the availability of imported energy supplies, particularly petroleum products, pose a serious risk to the national security, economic well-being, and health and welfare of the American people;

(3) the dependence of the United States upon insecure, high-priced foreign energy supplies must be lessened through governmental action designed to make the United States independent from such supplies;

(4) the United States needs adequate data including data of an independent nature from which to make judgments about energy policy so as to increase domestic energy supplies at the lowest reasonable and equitable cost to meet present and future energy needs of commerce and national security; and

(5) in order to have available adequate petroleum products and energy supplies at the lowest reasonable and equitable costs to meet present and future needs of commerce and national security, competition in the petroleum industry is to be encouraged.

STATEMENT OF PURPOSES

SEC. 102. The purposes of this Act are—

(1) to grant specific standby authority to the President, subject to congressional review, to impose rationing, to reduce demand for energy through the implementation of energy conservation plans and to fulfill obligations of the United States under the international energy program;

(2) to provide for the creation of a National Civilian Strategic Petroleum Reserve capable of reducing the impact of disruptions in oil imports;

(3) to increase the supply of fossil fuels in the United States, through price incentives and production requirements;

(4) to conserve energy supplies through an allocation program and the regulation of wasteful energy use;

(5) to provide incentives for improving energy efficiency of motor vehicles, major appliances, and other consumer products;

(6) to increase the use of domestic energy supplies other than petroleum products and natural gas through conversion to the use of coal; and

(7) to provide adequate data, including data of an independent nature, from which to make judgments about energy policy.

DEFINITIONS

SEC. 103. As used in this Act:

(1) The term "Administrator" means the Federal Energy Administrator.

(2) The term "congressional review" means the congressional approval or disapproval, as the case may be, in accordance with the procedures specified in section 751 or 752 of this Act.

(3) The term "person" includes any individual, corporation, company, association, firm, partnership, society, trust, joint venture, joint stock company, and the government and any agency of the United States or any State or political subdivision thereof.

(4) The term "petroleum product" means crude oil, natural gas liquids, residual fuel oil, or any refined petroleum product.

(5) The term "State" means a State, the District of Columbia, Puerto Rico, or any territory or possession of the United States.

(6) The term "United States" when used in the geographical sense means all of the States and the Outer Continental Shelf.

(7) The term "Outer Continental Shelf" has the same meaning as such term under section 2 of the Outer Continental Shelf Lands Act (43 U.S.C. 1331).

(8) The term "international energy program" means the Agreement on an International Energy Program, signed by the United States on November 18, 1974, including (A) the annex entitled "Emergency Reserves", (B) any amendment to such Agreement which includes another nation as a party to such Agreement, and (C) any technical or clerical amendment to such Agreement.

(9) The term "severe energy supply interruption" means a national energy supply shortage which the President determines—

(A) is of significant scope and duration, and of an emergency nature;

(B) may cause major adverse impact on national safety or the national economy; and

(C) results from an interruption in the supply of imported petroleum products, or from sabotage or an act of God.

(10) The term "antitrust laws" includes—

(A) the Act entitled "An Act to protect trade and commerce against unlawful restraints and monopolies", approved July 2, 1890 (15 U.S.C. 1, et seq.);

(B) the Act entitled "An Act to supplement existing laws against unlawful restraints and monopolies, and for other purposes", approved October 15, 1914 (15 U.S.C. 12, et seq.);

(C) the Federal Trade Commission Act (15 U.S.C. 41, et seq.);

(D) sections 73 and 74 of the Act entitled "An Act to reduce taxation, to provide revenue for the Government, and for other purposes", approved August 27, 1894 (15 U.S.C. 8 and 9); and

(E) the Act of June 19, 1936, chapter 592 (15 U.S.C. 13, 13a, 13b, and 21A).

(11) The term "Federal land" means all federally owned lands and any land in which the United States has reserved mineral interests, except lands—

(A) held in trust for Indians,

(B) owned by Indians with Federal restrictions on the title, or

(C) within national parks, monuments, wildlife or wilderness areas.

Mr. DINGELL (during the reading). Mr. Chairman, I ask unanimous consent that title I be considered as read, printed in the RECORD and open to amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. DINGELL. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BOLLING, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 7014) to increase domestic energy supplies and availability; to restrain energy demand; to prepare for energy emergencies; and for other purposes, had come to no resolution thereon.

CONFERENCE REPORT ON H.R. 4035, PETROLEUM PRICING REVIEW ACT

Mr. STAGGERS. Mr. Speaker, I call up the conference report on the bill (H.R. 4035) to provide for more effective congressional review of proposals to exempt petroleum products from the Emergency Petroleum Allocation Act of 1973 and certain proposed administrative actions which permit increases in the price of domestic crude oil; and to provide for an interim extension of certain expiring energy authorities, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

Mr. BAUMAN. Mr. Speaker, reserving the right to object, I would like to ask the gentleman from Michigan precisely what the schedule is for the House this afternoon.

Mr. Speaker, we seem to be skipping from one bill to another, with no explanation to the membership. Are we going to finish this conference report and then go back to the Energy Conservation and Oil Policy Act of 1975?

Mr. DINGELL. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman.

Mr. DINGELL. Mr. Speaker, it had been our intent to proceed immediately on H.R. 4035, the conference report. Regrettably, the chairman of the committee (Mr. STAGGERS) was not present, and for that reason it was necessary to go forward with H.R. 7014. Mr. STAGGERS has now returned from the Committee on Rules and we are, therefore, now going forward with H.R. 4035. And after that is disposed of, we will go ahead with H.R. 7014.

Mr. BAUMAN. Further reserving the right to object, we will end our deliberations at 6:30?

Mr. DINGELL. If the gentleman will yield, that is my understanding.

Mr. BAUMAN. I thank the gentleman.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore (Mr. MCFALL). Is there objection to the request of the gentleman from West Virginia?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see Proceedings of the House of July 14, 1975.)

Mr. STAGGERS (during the reading). Mr. Speaker, I ask unanimous consent that the statement be considered as read.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. STAGGERS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the conference substitute for H.R. 4035 contains all of the provisions of the House bill—including the extension until December 31, 1975, of the Emergency Petroleum Allocation Act and the provisions for more effective review of exemptions from, or significant increases in, ceiling prices for petroleum products.

The conference substitute also contains two important additions from the Senate bill: First, it requires establishment of a ceiling price—averaging about $11.28 per barrel—for currently uncontrolled domestic crude oil.

Second, it provides a limited exemption from the crude oil entitlements program for certain small refiners.

The establishment of a ceiling price for currently uncontrolled crude oil is vitally necessary to insulate our economy from predatory increases in OPEC's crude oil prices and to assure that the President's ill-advised tariffs on crude oil do not result in unjustifiably high prices to American consumers and equally unjustifiable profits for domestic producers.

Let me spell out in greater detail the provisions of the conference substitute:

The conference substitute strengthens the procedures contained in existing law for congressional review of Presidential proposals to exempt petroleum products from the allocation or pricing controls currently in effect under the Emergency Petroleum Allocation Act of 1973. The substitute would expand from 5 to 20 days the congressional review period and would provide expedited procedures which assure that the question of whether to disapprove a proposal to remove allocation or price controls can be brought to the floor of either House of the Congress within the 20-day review period.

The substitute contains the provision from the Senate bill which would require the President to administratively establish price controls for classifications of domestic crude oil which are today not price regulated.

The President would be required to establish price ceilings no higher than the January 31, 1975, prevailing prices—which averaged $11.28 per barrel on a national basis.

The conference substitute also provides for congressional review of any proposal to permit the price of "old oil" to increase by more than 50 cents above its national average price of $5.25. However, the President, without congressional acquiescence, could alter present controls to allow a price incentive for natural decline in fiield production or for secondary or tertiary recovery, so long as the increase does not raise the national average price of old crude oil above $5.75.

The conference substitute also includes provisions of the House bill which would extend certain expiring energy authorities. The Allocation Act would be extended an additional 4 months, from August 31 to December 31, 1975; the authority to issue coal conversion orders under the Energy Supply and Environmental Coordination Act and the authority to gather energy data under that Act—both of which terminated on June 30, 1975—are to be extended until December 31, 1975.

Also included in the conference substitute is the provision of the Senate amendment which provided a limited exemption for small refiners from the crude oil entitlements program in effect under current Federal Energy Administration regulations.

The conference substitute does not include provisions contained in the Senate amendments which restricted the President's ability to establish price floors for petroleum products.

Mr. KAZEN. Mr. Speaker, will the gentleman yield?

Mr. STAGGERS. I yield to the gentleman from Texas.

Mr. KAZEN. Mr. Speaker, just to clarify the situation, on January 31 new oil was selling for $11.28? Did I understand the gentleman correctly?

Mr. STAGGERS. That is correct.

Mr. KAZEN. And at the present time new oil is selling for $13?

Mr. STAGGERS. Well, it depends.

Mr. KAZEN. Is that the average price that the committee has come up with?

Mr. STAGGERS. The producers charge different prices in different fields. The average is about $12.50, as I understand it.

Mr. KAZEN. Mr. Speaker, I was speaking about the figures contained in the whip advisory.

Mr. STAGGERS. I understand from my colleagues that the average is about $12.50.

Mr. KAZEN. About $12.50. And this rolls the price back to $11.28?

Mr. STAGGERS. The gentleman is correct.

Mr. KAZEN. Mr. Speaker, if the gentleman will yield further, what figures do we have with respect to imported oil? About what does that sell for at the present time?

Mr. STAGGERS. At about $14.50, including $2 per barrel import fees. That is one of the reasons why I say to the gentleman that we realize we must put a ceiling on. Every time their price rises, ours is going to have to rise. We have been at the whim of the OPEC countries for 2 years.

If we do not do something now, we are going to continue to be at their whim, and they are going to be running our economy and all our money will be transferred over there.

Mr. KAZEN. Mr. Speaker, I understand the gentleman's explanation, but let me get this clear. At the present time imported oil, over which we have no control, is selling for approximately how much?

Mr. STAGGERS. $14.50.

Mr. KAZEN. $14.50. Yet the gentleman wants our domestic producers to sell their oil and only get $11.28, a barrel?

Mr. STAGGERS. That is the only way we can control OPEC or have anything to do with protecting our economy from further unnecessary price increases.

Mr. KAZEN. I do not see how we can control OPEC by buying their oil and paying what they are asking while keeping our domestic production at a much lower price, thus adding another disincentive to new exploration and discovery.

Mr. STAGGERS. Mr. Speaker, the point is that we do not want them to come up to us and tell us what we should do. That is what they are doing right now. If we stand fast, we will be getting their oil at the price we are paying for our oil in this country at this time. The OPEC countries are producing oil at a cost of less than $1; they are making $12 or $13 profit right now.

I will ask the gentleman: Who is making that profit?

Mr. KAZEN. Mr. Speaker, I wish that were true.

Mr. STAGGERS. It is true.

Mr. KAZEN. Mr. Speaker, I will venture to say they will continue to get the price they are asking for as long as we must rely on imports for our energy uses. We will continue to pay that price, to the detriment of our own producers in this country.

Mr. STAGGERS. Mr. Speaker, I disagree with the gentleman.

Mr. ADAMS. Mr. Speaker, will the gentleman yield?

Mr. STAGGERS. I yield to the gentleman from Washington.

Mr. ADAMS. Mr. Speaker, I just want to clarify the statement on the price for foreign oil. That includes the $2 tariff which has been placed on imported oil. That, therefore, gives this a different price structure, relating it to the price at which it is actually landed in the United States.

Mr. STAGGERS. Mr. Speaker, the gentleman is correct.

Mr. BROWN of Ohio. Mr. Speaker, I yield myself such time as I may consume.

CALL OF THE HOUSE

Mr. MILLER of Ohio. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER pro tempore (Mr. McFALL). Evidently a quorum is not present.

Mr. O'NEILL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 403]

Andrews, N.C.
Archer
Bell
Biaggi
Brademas
Burton, John
Cederberg
Chisholm
Cochran
Dent
Diggs
Edgar
Edwards, Calif.
Esch
Eshleman
Evins, Tenn.
Ford, Mich.
Fraser
Frey
Fulton
Giaimo
Gibbons
Goldwater
Hall
Hannaford
Harsha
Hastings
Hefner
Horton
Karth
Kasten
Kastenmeier
Landrum
McClory
Matsunaga
Melcher
Mikva
Mink
Mosher
Myers, Ind.
Patterson, Calif.
Pike
Preyer
Rangel
Rees
Rhodes
Rosenthal
Santini
Scheuer
Sikes
Sisk
Skubitz
Stanton, James V.
Stark
Steed
Steelman
Steiger, Wis.
Stuckey
Sullivan
Symms
Teague
Thompson
Udall
Wiggins
Wydler
Yatron
Young, Alaska

The SPEAKER pro tempore (Mr. McFALL). In this rollcall 367 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

PERMISSION FOR COMMITTEE ON SCIENCE AND TECHNOLOGY TO FILE REPORT ON H.R. 8674, METRIC CONVERSION ACT OF 1975

Mr. SYMINGTON. Mr. Speaker, I ask unanimous consent that the Committee on Science and Technology have until midnight tonight to file a report on H.R. 8674, the Metric Conversion Act of 1975.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

CONFERENCE REPORT ON H.R. 4035, PETROLEUM PRICING REVIEW ACT

The SPEAKER. The Chair recognizes the gentleman from Ohio.

Mr. BROWN of Ohio. Mr. Speaker, I think it is important that the Members who are in the Chamber understand that we are not now in debate on H.R. 7014 but that we are considering the conference report on H.R. 4035, the conference report which was completed last week to extend the Emergency Petroleum Allocation Act, roll back the price on new oil, and lengthen the period of time that Congress has to consider plans by the President for the adjustment of the price of oil and also for allocation.

Mr. Speaker, I rise in strong opposition to that conference report on H.R. 4035. None of the Members in the minority signed the conference report. The conferees have succeeded in choosing the worst features of both bills, H.R. 4035 and S. 621, and putting them together in the so-called Petroleum Pricing Review Act.

This conference report contains three disastrous provisions, none of which leads to the establishment of a positive energy program.

Mr. Speaker, first the conference report would extend the Emergency Petroleum Allocation Act until December 31 of this year instead of its present August 31, 1975 termination date. Thus the current system of price controls and supply allocations, the very system which has caused many dislocations, administrative burdens, expenses, and other problems for oil consumers and oil producers alike would be continued.

For example, this legislation extends the entitlement program, that wonder of bureaucratic bungling, whereby producers who have traditionally invested in domestic sources of petroleum are punished by being forced to pay for the right to refine cheaper domestic crude oil and by being forced to make cash payments to refiners of higher-priced new and foreign crude oil. That is exactly the opposite of what we need in this country. We need to encourage our domestic production. This bill picks from those who have been producing domestic oil and gives to those who have been producing foreign oil.

Second, not content with the simple extension of this onerous system, the conferees agreed to include the Senate provision which would roll back the price on new domestic oil to the average price of new domestic oil on January 1, 1975. Our total domestic oil production has declined over the past 3 years due to the price control system and inadequate price incentives to sustain further extended controls and a price rollback, there can be little doubt that this decline trend will continue and in all probability sharpen. The objectionability of the pricing provision of this bill is heightened because of the failure to decontrol old oil prices. Decontrol is a critical element of the President's energy program. It is an essential element in the reduction of domestic energy consumption and the increase of domestic energy production.

The impact of decontrol has been vastly overstated by some of my colleagues quoting studies which do not address the plan actually submitted by the President yesterday. None of these critics nor the analyses from which they quoted so liberally takes into account the President's proposal of an excise tax and rebate system to soften the impact of decontrol on lower income groups, which up to now has been totally ignored by this Congress, a proposal made back in January which the Congress has steadfastly refused to address itself to. Over a 2½-year decontrol period, as in the President's recent proposal, the impact of decontrol would be 2.8 cents per gallon increase per year and with the rebate system in place, the consumer least able to afford such increase would hardly be affected because he would be a beneficiary of the rebate.

Additionally and most importantly, the country needs the additional domestic supplies that decontrol would bring so as to reduce our dependence of foreign sources. Given our oil-based economy, we can either pay the OPEC nations $13 or more per barrel of oil and remain dependent upon them for our supplies, or we can pay our domestic producers a domestic free market price, which has consistently run $1 to $3 below the OPEC-set world price, and decrease our dependence on OPEC supplies, with increased domestic supplies. The U.S. consumer and the economy will be infinitely better served if that price is paid to U.S. oil companies and those companies which supply them and those people who work in those companies and recycled through our economy to develop additional sources of energy, rather than sending that money to the OPEC nations.

I would much rather pay the Alaskans, the Texans, and the Alabamians, to dig oil than I would to pay the OPEC nations.

Finally, this conference report includes a provision which amends the Emergency Petroleum Allocation Act to give either House of this Congress 20 days to pass a motion of disapproval on any Presidential amendment to modify or remove the price regulations and allocation system currently in effect. This is a most punitive action which in esssence tells the American people that although Congress has been unable to develop its own energy plan, it will prevent the President from implementing his.

It would be ridiculous for the Members of this House to vote for legislation which will impair the President's ability to respond to our country's urgent energy needs when this body has yet to develop and put in place its alternative program. What is the message that this sends to our Arab friends?

In conclusion, the conferees have taken a bad bill and made it worse by adding a rollback provision guaranteeing to decrease domestic supplies. This legislation can only be termed negative, as it does nothing to address the problem of dwindling domestic supplies and our increased dependence on the countries of the OPEC cartel. Republican Members and several Democratic Members of the Commerce Committee and the administration have been coming closer together on a compromise decontrol plan over the last several days. The passage of this conference report runs counter to that spirit, that spirit of compromise so needed to send a message to those people who would keep us in thrall to the Arabs and the OPEC nations for the oil. It is counter—simply counter—to the interests of our Nation.

I urge my colleagues to vote against passage of this irresponsible legislation.

Mr. STAGGERS. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan (Mr. DINGELL.)

Mr. DINGELL. Mr. Speaker, this is a good proposal. Very simply put, it does several things. It extends the Emergency Petroleum Allocation Act for 4 months and prevents the chaos that will occur in the petroleum industry and the absolutely disastrous consequences to the economy which would result from expiration of that act at midnight on August 31, 1975.

Second, it requires the President to impose a national average price ceiling of $11.28 per barrel on currently unregulated domestic crude oil. It frees the United States economy from the shackle of domestic oil prices set by international oil prices which are, in turn, fixed by the OPEC cartel.

Third, it gives us a better procedure for congressional review of petroleum price increases. It provides for a 20-day review period, 5 days longer than the House bill and 10 days less than the Senate bill.

Fourth, it extends certain authorities for coal conversion under the Energy Supply and Environmental Coordination Act. It gives small refiners a limited exemption from the current crude oil entitlements program.

My good friend from Ohio (Mr. BROWN) has complained about the entitlement program. The entitlement system was put in place by the administration, not by the Congress. That is a regulatory program, not a statutory one, and if there are complaints with regard to the entitlement program, it is up to the administration to correct it. That is not beyond its power. The administration giveth, and if it is so bad, let the administration taketh away.

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. Mr. Speaker, as the gentleman in the well knows, I think the entitlement system is a necessary balancer of this two-tiered price system we have that freezes prices at $5.25 for certain oil and lets other oil float freely in the market. It is a bad system.

Mr. DINGELL. I would answer my good friend from Ohio by pointing out to him that this is a creature of the administration. It is within the power of the administration to correct deficiencies which it clearly contains.

I do not think it is too much to expect the administration to exercise its regulatory powers to correct the defects the gentleman from Ohio finds, and I would commend to him the course of communicating to the administration the defects of the creature entrusted to their custody.

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield further?

Mr. DINGELL. I yield to the gentleman.

Mr. BROWN of Ohio. It is a creature more of the legislation that sprang from this Congress and legislation which my colleagues, including the gentleman in the well, want to continue, and I want to end it.

Mr. DINGELL. On that I would say I would have to ask the Members in the House, Who wrote the entitlement program? It bears the signature, as I recall, of Mr. Zarb.

Furthermore, if complaints with regard to the pricing structure develop from the bill, there is a very simple cure. The bill provides, and the conference report provides, first of all, that the President may raise old oil prices 10 percent, if he chooses, to $5.75 per barrel. It also provides that if he wishes, he can at any time, during the 4-month extension period on the basis of sound economic advice, send proposals to the Congress for decontrol or for price increases. And if that is unfair, it is the best we can make of it. We are saying that if the President wants to, during this period, he may at any time send to the Congress programs to deregulate old oil or to increase the price. This is not unreasonable. If the threatened veto materializes, I think it should be very plain that the President has rejected the power we would give him to deregulate or to change the allocation structure or to change the price control structure in any fashion he sees fit. But I think it should be known that if the President does veto this bill, and disaster occurs to the economy, in the nature of increases in unemployment, inflation, and other evil consequences already documented in the staff study of the Subcommittee on Energy and Power, then that burden belong to the President alone.

The crude oil pricing structures in this bill merit the careful consideration of the House.

The crude oil pricing provisions in this bill merit the careful consideration of the policy presently being pursued by the President of permitting uncontrolled domestic crude oil prices to be ratcheted ever upward by the imposition of fees on imported petroleum products. In January of this year uncontrolled crude oil prices had reached in excess of $11 per barrel. By all accounts this level was more than adequate to assure maximum production of our domestic crude oil resources. This price was not established by the cost of domestic exploration and development. This price was established solely by the landed cost of imported crude oil in the United States, a cost based upon the OPEC cartel's pricing policies. Since that time the President has imposed an import fee of $2 upon crude oil imports. The imposition of this fee has increased the landed cost of imported crude oil in the United States. This increased landed cost of crude oil imports has ratcheted the prices of uncontrolled domestic petroleum far beyond the $11 range. The redistribution of wealth which this policy effects and the windfall profits which accrue to petroleum producers as a result of the combined policies of the OPEC cartel and the President, cannot and must not be permitted to stand. This Congress must establish a crude oil pricing policy which does justice to both producers and consumers of petroleum products.

Mr. BROWN of Ohio. Mr. Speaker, I yield 4 minutes to the gentleman from California (Mr. MOORHEAD).

Mr. MOORHEAD of California. Mr. Speaker, I rise in strong opposition to this conference report. The conferees met once to attempt to meld together so-called improvements in the Emergency Petroleum Allocation Act. The conference was a miserable failure, as a result of which I refused to sign the statement of managers, and I urge that the House reject this report and send the bill back to conference.

The conference bill not only extends the restrictive provisions and economic dislocations of the Emergency Petroleum Allocation Act, but also adds to it an additional restriction in the form of an $11.50 price freeze on all oil presently uncontrolled. Such a price freeze amounts essentially to a rollback since the uncontrolled oil is currently selling at a higher price.

To those who believe that we can solve our energy crisis by reducing the price of domestic oil, they are living in an unreal world. To do this, we are only helping the OPEC nations in getting a higher price for the oil that they produce by making our country more dependent upon that source of oil. We will prevent the development of oil in many areas of this country where it cannot be produced and sold for $11.28 a barrel.

Among the other areas we have heard testimony in our committee that certain tertiary recovery costs considerably more than this amount. We have also heard testimony that developing oil from oil shale costs a higher price than this, and it may very well disrupt the development of oil in the great Alaskan oil fields, which is going to be so important to this country in the future.

It is a very, very foolish step for this Nation to try to solve a problem by preventing the development of oil in our country and making us more dependent upon foreign oil. This is certainly designed to help the OPEC countries and to make us fall into their hands.

Mr. Speaker, H.R. 4035 does nothing to decontrol old oil and, as such, does nothing to increase our production in any area.

The conferees also took the objectionable provision of the House bill extending the period of congressional review of a Presidential attempt to decontrol from 5 days to 15 days, and then added an additional 5 days, making the congressional review period 20 days long.

The whole purpose of the Emergency Petroleum Allocation Act is to give a significant amount of flexibility to the Executive to deal with the question of petroleum pricing and allocation. Congress kept itself in the game by giving itself a general oversight and a veto of Executive action to be exercised in an expeditious fashion.

This bill completely undermines the flexibility of the Executive to deal with our energy crisis, thus making it possible for Congress, which has not had a noteworthy record of dealing with our energy difficulty, to completely frustrate the Executive in its attempts to solve this most important of our Nation's problems.

Mr. Speaker, it is important that people on both sides work together to solve this very important problem for the people of this country. To take this kind of action at this time will frustrate those efforts made toward solving our overall energy problems.

Mr. Speaker, I urge very strongly that the Members of the House vote "no" on this conference report.

Mr. STAGGERS. Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. ROBERTS).

Mr. BROWN of Ohio. Mr. Speaker, I yield 1 additional minute to the gentleman from Texas (Mr. ROBERTS).

Mr. ROBERTS. Mr. Speaker, I thank the Chairman for yielding this time to me.

I rise in opposition to this conference report.

Mr. Speaker, I make no plea for the major oil companies, but I wish to state that I represent one county that has 26,000 oil wells. That is in one county, in one field, the great East Texas Field.

Under the Texas law, one-eighth of all the oil produced, one barrel out of every eight barrels, belongs to the landowner. That is the royalty. Those royalties are paid to little people.

This section I am speaking of is an area of farms of 15 to 30 acres each, and it takes 160 acres to have enough land to drill one new oil well.

So what we are doing is this: We are placing a ceiling of $5.25 on the oil from that farm property, which is just as much an asset as the land surface, when the actual value is $12 or $14 a barrel. If that is not depriving a man of his assets without due process, I do not know what is.

By the same token, let us say that General Motors has got to deliver a new Cadillac for $3,500 or that somebody cannot get more than $25,000 for a home, or that the steel mills can only charge $4 per foot for drill pipe instead of $12 or $14 per foot. Let us not expect the oil man or the landowner to carry the economy.

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield?

Mr. ROBERTS. I will be happy to yield to the gentleman from Ohio.

Mr. BROWN of Ohio. Mr. Speaker, I think the gentleman is making an excellent statement. He is making a good point.

The fact of the matter is that 80 percent of all the oil wells found in this country are drilled by independent wildcatters who go out and look for oil. It is not the Exxons and the big business people out there, but it is the little guys who are looking for oil.

Mr. ROBERTS. Mr. Speaker, it is not just who finds the oil; regardless of who finds the oil, one-eighth of it belongs to the landowner. The landowner gets royalties.

I have some little oil interests out there, and recently I got a check covering 3 months and it was only $12.96.

So let us be reasonable. Let us try to take care of the people. Let us try to be fair to the people on whose land this oil is located.

Mr. Speaker, I urge the Members to vote "no" on this conference report so we can straighten this matter out.

Mr. BROWN of Ohio. Mr. Speaker, I yield 4 minutes to the gentleman from Illinois (Mr. ANDERSON).

Mr. ANDERSON of Illinois. Mr. Speaker, I thank the gentleman from Ohio (Mr. BROWN) for yielding.

My very delightful friend, the gentleman from Michigan (Mr. DINGELL), said that there may be some things in this conference report that may trouble my colleagues. I want to assure him that there certainly are.

It seems to me that if anyone had deliberately set out to write the most confusing scenario possible that they could think of on how this Congress should responsibly deal with the energy question, they could not have improved one whit on the scenario that seems to be unfolding before us this afternoon.

Could anyone possibly imagine, I suggest, anything more confusing than the fact that in the very middle of the consideration of H.R. 7014, a bill which is to roll back the prices of new oil to $7.50 a barrel or $8.50 a barrel, depending on certain circumstances, that on the day before we are asked to vote on that bill, we bring in a conference report and are told, "Go ahead, fellows, this afternoon roll back the price of new oil to $11.28 a barrel"?

The very same people who are going to be standing here in the well of the House tomorrow and the next day and maybe on Monday are urging that I vote that way and are telling me, at 10 minutes after 5 this afternoon, that I ought to support a conference report that rolls back those prices to $11.28.

If that makes any sense to the Members or if that makes any sense to the American people, I would like to have somebody try to explain it.

Either we want to engage in political gamesmanship or we want a compromise of some kind that will bring us a solution to the energy crisis.

I had thought, as a result of some of the conversations that I had earlier today with Members on both sides of the aisle, that some very serious and substantial efforts were underway to bring about a meeting of the minds. Yet, this afternoon I think we are doing the very thing that is calculated to frustrate those good-faith efforts to reach a compromise by suggesting that willy-nilly we go ahead and adopt this conference report.

My dear friend, the gentleman from Michigan (Mr. DINGELL), has suggested that we will beat our chests when we pass this bill and we will free ourselves from the tyranny of OPEC.

I do not think that the King Khalid over there in Saudi Arabia or the Shah of Iran or any of the other 13 members of OPEC are going to be shivering in their boots if this House adopts this conference report this afternoon as long as they are secure in the knowledge that at the present rate of consumption and the present rate of importation, we are still going to be importing 40 percent of our crude oil from abroad.

About 65 percent of that imported oil came from the Middle East during the last 3 months of this year, 1975. I do not think that it is going to bother them one bit if this Congress this afternoon says, like Moses when he ordered the waters of the Red Sea to divide, "We are going to tell you that from now on oil is going to be $11.28."

It may have worked for Moses, but it is not going to work for this House this afternoon.

Mr. DINGELL. Mr. Speaker, will the gentleman yield?

Mr. ANDERSON of Illinois. Yes, I now yield to the gentleman from Michigan.

Mr. DINGELL. Mr. Speaker, I thank the gentleman for yielding.

I would point out to my good friend, the gentleman from Illinois (Mr. ANDERSON), that under the bill, the President may raise the price at any time he wishes simply by complying with the terms, sending us a message, and allowing us to vote on the question.

In the last 2 or 3 years, oil has gone from $3.25 a barrel to $13 a barrel, and production has declined 12 percent. I would beg that we not be deceived by statistics with respect to prices. That is a magnificent price increase. Yet, there is a significant decline.

Mr. ANDERSON of Illinois. Mr. Speaker, before my time is up, I want to salute the gentleman from Michigan (Mr. DINGELL), who has appeared before the Committee on Rules recently and demonstrated that he certainly has worked most industriously in an effort to reach a solution to this difficult problem. However, I cannot imagine that he, of all people, after laboring for months in his Subcommittee on Energy and Power on the question of oil pricing, would take the position he does in view of the question involved in H.R. 7014 that we are going to be considering tomorrow and Monday.

The SPEAKER pro tempore. The time of the gentleman from Illinois (Mr. ANDERSON) has expired.

Mr. BROWN of Ohio. Mr. Speaker, I yield 1 additional minute to the gentleman from Illinois (Mr. ANDERSON).

Mr. ANDERSON of Illinois. It is that bill which is the proper place to debate this question of the appropriate cap price, or the appropriate price level for new domestic oil. That bill on which extensive hearings were held, that bill to which amendments will be proposed under an open rule tomorrow, and the next day, that is the time and place to deal with the oil pricing system that we want in this country, not to adopt this conference report. Not this conference report with quite extraneous language and with an extension of the mandatory or emergency Petroleum Allocation Act, that has introduced this question of oil prices.

If we keep getting the cart before the horse—and that has been the problem of this Congress for the last 6 months—that we have not been able to proceed in an orderly and logical manner so as to preserve some priorities in the decision-making process. I hope the gentleman from Michigan will join me in opposing this conference report, and then I will work as hard as I can during the remainder of the time that we consider his bill to work out a solution.

The SPEAKER. The time of the gentleman has expired.

Mr. BROWN of Ohio. Mr. Speaker, I yield 1 additional minute to the gentleman from Illinois.

Mr. Speaker, speaking of carts and horses, and parts thereof——

Mr. ANDERSON of Illinois. Mr. Speaker, if the gentleman will yield me back some time, we may be back to horses and carts at the rate we are moving with our solutions to the energy problem.

Mr. BROWN of Ohio. The gentleman in the well may be further confused, as well as the Members of the House, by the fact that tomorrow we are going to take up a rule on the President's decontrol plan.

The Members may not be aware of this, but in this conference report that we have come out with, it says in section 5(c) that if we should approve that plan and then if we pass this conference report, the plan is rescinded within 30 days, and we start all over again. So, if this is passed, any effort to get a compromise with the President and get a plan that can save us this trouble with the OPEC nations, and produce more oil in this country, if this is passed, would be rescinded, and we would start all over. What kind of sense does that make?

Mr. ANDERSON of Illinois. I agree with the gentleman, it makes no sense.

Mr. STAGGERS. Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. KRUEGER).

Mr. KRUEGER. Mr. Speaker, I rise rather reluctantly to speak in opposition to this conference report. I do so because I believe that the government is effective as a gatherer of taxes, but the Government proves a very poor judge of how to set prices.

It is clear that the people in this Chamber do not understand, as well as the marketplace understands, at what level prices should go.

It is also clear that, regardless of what we say here or what we speak of as to what the price for any particular product should be, that the marginal barrel oil at this time is still going to come from the OPEC countries until we get our own productive capacity to the point that we can again exercise leverage on these countries.

I personally would like to see a very heavy tax imposed on any windfall profits that oil companies might receive, but every economist that one can encounter, whether Otto Eckstein, Charles Schultz, or Adelman, favors some form of price decontrol.

The decontrol that would probably result if this conference report is not accepted would be a faster decontrol than I would wish to see, but if we have that decontrol then we can, in turn, impose a tax. If we simply extend this and once again seek to impose what prices we expect the American people should pay for particular products, we are, in my judgment, being economically very shortsighted.

Mr. STAGGERS. Mr. Speaker, I yield 5 minutes to the gentleman from Washington (Mr. ADAMS).

Mr. ADAMS. Mr. Speaker, we should put into perspective in this conference report what the committee is dealing with and why the various bills have come up in the fashion that they have. If on August 31 we have not passed this bill that is presently before us in conference, we will have a complete decontrol of oil. The effect of that in the U.S. economy—and this comes from the econometric model, but I also can trace it back to 1973 if the Members have some question—is we will lose about 800,000 more people out of work, have about 120,000 fewer housing starts, sell a half million fewer automobiles, raise the price of gasoline about 7 cents a gallon, drop the gross national product about $20 billion, and see that our real disposable income is down $16 billion.

Why do I say that this is possible and that this will happen? A lot of people in this chamber forget that we have been through this exercise before. The Congress has come up with an energy program. The energy program was embodied in the bill that we passed in 1973 and went to President Nixon in 1974. We said, "If you do not sign this bill and use our domestic sources to protect our consumers from a cartel operation abroad that is waging economic warfare on us, then you are going to have a recession in this country, and you are going to have inflation in this country, and you are going to have unemployment go up."

Right on schedule it came in 1973 and 1974. We have had that depression; we have had that unemployment; we have had that inflation. We have not had an increase in production. Production has gone down 340,000 barrels a day, and we have not controlled new oil.

In answer to those who say price controls have stopped production, there have been no price controls. They have been able to charge anything they want for new oil coming on, which is new production, which is drilling, and we have had a decrease in production. There are those who say there is going to be a decrease in consumption. There has been an increase in consumption in the last year because basic transportation in this country is inelastic. We have had this kind of change.

We have had a drop in production from 9.2 million barrels per day to 9 million barrels per day. We have had consumption increase from 6.8 million barrels per day to 7 million barrels per day. What we are trying to do with this bill—and we will debate extensively 7014—is pass this bill and hold the situation where it is—and that is all the $11.28 does is it holds domestic prices where they are—until the Congress can work its will and try to arrive at a compromise.

Certainly the gentleman from Michigan has tried this, and we asked in committee, give us a compromise, give us a place where we can go. We did not get it. We got flatly back: There is decontrol or nothing. Now we are getting a little bit of motion, and I hope we will have a little more motion, I want to say to the gentleman from Michigan, before this is over.

We indicated we will try to help them with it, but we simply cannot go to decontrol with a weakened economy where we have the situation now, and we have the fact of transferring another $21 billion—more than the total effect of the tax cut—into the hands of both the OPEC countries and the oil producers, out of the pockets of the consumers, and produce the effects that I have earlier outlined in terms of recession and in terms of inflation in this economy.

Everything that we wear is based basically on a petroleum economy. Our transportation is based on a petroleum economy. The petrochemical stocks in this country are based on it. Why did we put the allocation system in? Because the first thing they did in cracking a barrel of oil after we had the Arab embargo go on was raise the price of butane 300 percent.

Those in the agricultural economy who represent those districts in the Congress remember that they came in and they had to have this.

The second thing that happened was fertilizer prices went out of sight because it is easier and quicker and more profitable to produce the other products within the barrel.

The result of this was we allocated and gave control to the FEA to try to protect our people and prevent the recession we have had. If President Nixon had not vetoed that we might be much better off than we are today.

We are going down the same path. I say: Do not do it. Vote for this conference report. We need it desperately.

Mr. BROWN of Ohio. Mr. Speaker, I yield 3 minutes to the gentleman from North Carolina (Mr. Broyhill).

Mr. BROYHILL. Mr. Speaker, I thank the gentleman for yielding.

I rise in opposition to the conference report.

The present system of control and regulations obviously is not in the long-range interest of the country. The continued regulation does nothing to encourage domestic production of petroleum and we are going to have to take the necessary steps to free the United States from the stranglehold that the OPEC countries have over the supply of gas and oil to American consumers.

It is obvious, when we consider only 60 percent of the petroleum needs are produced here in the United States, that the whole scheme is not working. Continued control is going to create only more uncertainty.

The gentleman who preceded me in the well made a beautiful speech, and he was talking about a bill a number of us worked on a couple of years ago, one that was vetoed by the President. This veto was sustained in the other body. I recall the provisions in that bill called for a price rollback. I see no way that a price rollback as advocated by the gentleman who preceded me in the well would have resulted in increased production. That certainly does not make sense to me.

I ask, what is it that the Congress wants to do? It seems that all the proponents of this bill want to do is to work for delay and delay.

The President has come a long way since last January. The President at that time was advocating an immediate decontrol plan and a certain tax scheme, not only on imports but also on domestic production. Now he has modified his views and he is advocating a far more moderate approach on decontrol over a considerable period of time as well as a ceiling on the price of new production. He has also asked Congress for a windfall profits tax on oil companies.

What has been the response? The response is for more delay. I say that the time for action is now. We can work out a compromise. If necessary we can cancel our August recess and accomplish this well before the August 31 deadline. The time for action is now, not in December. It is already too late. The Congress has not come up with a plan but has only delayed, and all this bill amounts to is more delay.

Mr. BROWN of Ohio. Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. Pickle).

Mr. PICKLE. Mr. Speaker, this is the fourth or fifth time that this bill has been extended. It came about because we thought there would be a shortage of gasoline to some of the service stations in the North and East. It has been renewed over and over. Privately the members of the Commerce Committee will tell Members that they are as disappointed and disgusted at the operation of the Mandatory Allocation Act as we are on the Hill. It is not just the FEA, or the men who run it, but what the agency is being asked to do—

The situation is not improving. Unless we change this we are going to get bogged down further with more controls.

What we have done with this conference report proves just that point. We got not only a floor under our old oil but now we also put a ceiling on the new oil. We have created an agency down there that has thousands of people issuing hundreds of regulations and consequently gets into everybody's business.

We prophesied that some dire things would happen if we removed price controls on food and other things, under the Wage Stabilization Act. That basically did not come about.

I do not think it will come about in this particular program. We have created sort of an overlord. We are sort of hooked on dope and do not know how to get off of it.

I have been opposed to this measure from the beginning, because I think this type of program brings about controls and sectionalism in the worst sort of way. If we want to pick out one individual flaw, just take the entitlement program and the complexities involved there. It literally takes from one section, or one group, and gives to others. These regulations and rules build upon each other. It is better that we make the break now. I do not know if we have the courage to do it or not, but I am convinced it is the best thing to do.

Mr. STAGGERS. Mr. Speaker, I yield 2 minutes to the gentleman from Colorado, a member of the committee (Mr. Wirth).

Mr. WIRTH. Mr. Speaker, I rise in support of the conference report and would like to associate myself with the remarks of the gentleman from Washington (Mr. Adams).

Mr. Speaker, the reason we support this is not that we like the control measure, because I think most of us would like ultimately to get out of price regulation. The point is not that the bill does not focus on production, because it was not designed to do that. The point is that we need time to work out a compromise.

For example, many Members of the Congress started from a perspective of wanting to roll the price of oil back to $4.25 and have come to a point quite above that. The President started at a point of total decontrol immediately and last week made a move to $13.50 cap and 30 months decontrol. Both ends are moving toward the middle.

I hope we have time to come to agreement. I think most Members are suggesting in this debate that we have to have time to come to agreement. This bill is designed simply to do that. If we vote "no" on this bill, however, Members should be aware of the incredible implications we face by having no controls on the price of oil.

I would refer the Members to the study done by the Committee on Interstate and Foreign Commerce. The impact of total, immediate decontrol on unemployment would be an increase in the last quarter of 1976 of 460,000 more unemployed, an average of 1,000 jobs per district, 1,000 more people out of work. The impact on the already depressed automobile economy would be more than 700,000 cars not built. The wholesale price index would be up more than 18 percent. The inflation factor on food up more than 5 percent on an already rising base. There are other implications if we do not pass this.

Mr. Speaker, I urge the membership to vote in support of the conference report.

Mr. BROWN of Ohio. Mr. Speaker, I yield myself 30 seconds.

Mr. Speaker, I would just like to say that I think we ought to lay the ghost to rest on a couple of these studies. The studies that are quoting these figures about unemployment and so forth have been made to assume such things as $4 OPEC price increases as fundamental parts of the study. That does not have anything to do with decontrol. Throw that in and we do have some problems as a result of this. It does not cover the decontrol question.

Mr. Speaker, I yield 5 minutes to the gentleman from Arizona (Mr. Rhodes).

Mr. RHODES. Mr. Speaker, the real specter has not been discussed too much today. I have heard a lot of people talking about increased prices of gasoline at the pumps, increased prices of butane. These are important, there is no doubt about it. If prices go up too much we will have another turn on the wheel of inflation. It is certainly something to be avoided, but the real specter I have is the specter of long lines of people waiting for gasoline at the pumps of the various cities and towns of the United States of America. The real specter I have is farmers in the Midwest or the South or in other parts of the agricultural belt who are unable to harvest their crops because of the fact that gasoline is not available to drive the cultivators, to drive the harvesters and to drive the trucks.

So, the real name of the game, Mr. Speaker, is to provide the energy which is needed in the country, and to do it at the lowest possible price, not necessarily today or tomorrow, but looking forward 1 year, 2 years, 3 years hence. I submit to the Members that the plan which the President has offered is the best, and I think perhaps the only way which has been brought forward, that can accomplish this fact.

I would also like to remind my good friends on my right that the President of the United States has brought forward various plans. One of them has to do with doing away with the $2 which he has put on as an import tax on crude oil in exchange for a tax which would have been levied by the laws. This would then have been mainly rebated to the consumers of the country. I think the Members will recall that was part of the President's program which he submitted, I believe, in February.

Had that been done, this money, instead of going into the Treasury—which is not all bad—would have gone back into the economy. Therefore if we are talking about effects on the economy, I think we should recall that we missed a great opportunity back in February due to the fact that the President's recommendation was ignored. This would have given the economy a shot in the arm. It also would have done the job necessary to conserve our use of oil and gasoline, but that, of course, was not done.

We have before us this conference report. The first thing it does is to provide that the House and Senate will have, instead of 5 days, 20 days in which to disapprove a plan of decontrol offered by the President of the United States. Now, at first blush, perhaps that does not seem so bad, but look at what it does. It gives 20 days of actual suspense for the country wondering whether or not the plan will be put into effect or whether it will not. Can the Members imagine all the speculation, the abortive investments, and all the uncertainty which will be caused by the country wondering just exactly what is going to happen because of the failure of the Congress to either act or not to act on the plan offered by the President?

Another thing, of course, that this does is to roll back the price of oil. It rolls back the price of old oil. It does not decontrol old oil, but it also rolls back the price of new oil. In other words, instead of having a two-tier system for oil, we are going to have a three-tier system if the conference report is adopted. I cannot believe that this is good. In fact, I cannot believe that it is good for the main objective which I have, and which I hope all the Members share, which is to produce more oil domestically than we now produce.

In order to do this, we have got to drill. We have got to drill deeper wells than we ever have before. I said before and I say again that the things that this Congress has done in the field of energy really are anti-energy rather than pro-energy.

We repealed the depletion allowance as it refers to major companies. I am told that, as a result, the drilling rigs for deep wells in Texas and Oklahoma and some of the other major oil producing States are idle. They are rusting alongside the road because nobody wants to make that kind of investment in an oil field which could be a duster unless he has some assurance of the possibility of recouping some of the capital he invests.

Capital formation is one of the important problems of this country. The depletion allowance was one of the means whereby we could form capital. It was not a ripoff of the consumer. It was instead a means by which we could form capital to do the necessary things to produce more oil.

Third, let nobody doubt that if we allow the domestic price of crude oil to go down, we are asking for one of two things. First is that we will have to import more oil from the Arabian countries or other countries such as that in OPEC in order to keep going at the rate we are going now. The second thing is that we will have to have rationing or some very drastic means of conservation.

Members of the House, when Members vote for a conference report such as this, which will have the result of producing less oil rather than more oil, what they are really doing is either voting for rationing or for bigger and bigger importation and higher prices.

You are voting for more money to go abroad, which will have to be redeemed as deficits in the balance of payments by American goods and products being shipped abroad at some time. I do not think we want to do this. I think we should vote no on this conference report and get on with the business of providing more fuel for the American people.

Mr. STAGGERS. Mr. Speaker, I yield 1 minute to the gentleman from Texas (Mr. Eckhardt).

Mr. ECKHARDT. Mr. Speaker, I rise only to point out that I would hope that some of my friends who may oppose permanent controls will recognize that all we are doing here is giving ourselves an opportunity to try to solve our problems. We are doing it in the most moderate of ways. What we are doing is continuing the existing allocation program. I think my friend, the gentleman from Texas (Mr. Charles Wilson), indicates that prices on old oil would be too high if raised much above $5.25. With reference to new oil, what we are doing, we are putting a ceiling on price at the level that that new oil brought before the OPEC tariffs artificially carried it up. The average price was $11.28 at that time, and we are permitting it to stay there.

Mr. STAGGERS. Mr. Speaker, I yield one-half minute to the gentleman from New York, a member of the committee (Mr. Ottinger).

Mr. OTTINGER. Mr. Speaker, the specter raised by the gentleman from Arizona, the distinguished minority leader, about production shortages, gas lines at the gas stations and shortages on the farms if we freeze the price of oil at $11.23 per barrel is just plain preposterous.

The oil companies themselves, the Independent Petroleum Association, said just last year, before the Committee on Ways and Means, that an average price of about $6.65 per barrel for crude oil would produce full production.

Mr. STAGGERS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would like to say that we are reasonable men, and I am sure we want to be reasonable men in the House. This is only an extension for 4 months, to provide us with an opportunity to work out something.

In the last 2 years the unregulated price of crude oil in this country has increased by over 300 percent, and it has hurt the consumers of this land. It has taken millions out of their pockets.

Mr. Speaker, I traveled in my district for 8 days.

There are winds of change blowing in America, I can tell the Members that, and there are a lot of people who distrust this Government. They fear that the oil companies of America are running this Government and they are running the Congress. I tell them that this is not true, that the Congress is going to do the job to protect them. I think it is high time that each Member of this Congress votes his conscience and respond to the needs of their constituents. I tell the Members that there are winds of change blowing. In the next 5 years, if it keeps on the way it is, there will be a call for a nationalization, and there may even be an uprising in America to see what is going on. I can tell Members that our people are agitated and frustrated, and they feel that millions of dollars are unnecessarily being transferred to the oil companies.

This bill has a simple purpose. It merely intends to provide 4 more months to work out a sensible policy on oil pricing. The people of America are going to understand that this is a reasonable request.

The SPEAKER. Without objection, the previous question is ordered on the conference report.

There was no objection.

The SPEAKER. The question is on the conference report.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. BROWN of Ohio. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 239, nays 172, not voting 23, as follows:

[Roll No. 404]

YEAS—239

Abzug
Adams
Addabbo
Alexander
Ambro
Anderson, Calif.
Annunzio
Ashley
Aspin
AuCoin
Badillo
Baldus
Barrett
Baucus
Beard, R.I.
Bedell
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blanchard
Blouin
Boland
Bolling
Bonker
Brademas
Breckinridge
Brinkley
Brodhead
Brown, Calif.
Burke, Calif.
Burke, Mass.
Burlison, Mo.
Burton, John
Burton, Phillip
Carney
Carr
Carter
Chappell
Chisholm
Clancy
Clay
Collins, Ill.
Conte
Conyers
Corman
Cornell
Cotter
D'Amours
Daniels, N.J.
Danielson
Delaney
Dellums
Derrick
Dingell
Dodd
Downey
Drinan
Duncan, Oreg.
Early
Eckhardt
Edwards, Calif.
Eilberg
Emery
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fary
Fascell
Fisher
Fithian
Flood
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fraser
Fulton
Fuqua
Gaydos
Giaimo
Gilman
Ginn
Green
Gude
Hall
Hamilton
Hanley
Harkin
Harris
Harsha
Hawkins
Hayes, Ind.
Hays, Ohio
Hechler, W. Va.
Heckler, Mass.
Hefner
Heinz
Helstoski
Henderson
Hicks
Holland
Holtzman
Howard
Howe
Hubbard
Hughes
Hungate
Jacobs
Jeffords
Jenrette
Johnson, Calif.
Jones, Ala.
Jones, N.C.
Jones, Tenn.
Jordan
Kastenmeier
Keys
Koch
Krebs
LaFalce
Leggett
Lehman
Levitas
Lloyd, Calif.
Lloyd, Tenn.
McCormack
McDade
McFall
McHugh
Macdonald
Madden
Maguire
Mann
Mazzoli
Meeds
Metcalfe
Meyner
Mezvinsky
Mikva
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Morgan
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Natcher
Neal
Nedzi
Nichols
Nix
Nowak
Oberstar
Obey
O'Hara
O'Neill
Ottinger
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Peyser
Pike
Pressler
Preyer
Price
Randall
Rangel
Reuss
Richmond
Riegle
Rinaldo
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Roybal
Ruppe
Russo
Ryan
St Germain
Sarbanes
Scheuer
Schroeder
Seiberling
Sharp
Simon
Sisk
Slack
Smith, Iowa
Snyder
Solarz
Spellman
Staggers
Stanton, James V.
Stark
Stephens
Stokes
Stratton
Stuckey
Studds
Sullivan
Symington
Taylor, N.C.
Thompson
Traxler
Tsongas
Ullman
Van Deerlin
Vander Veen
Vanik
Vigorito
Waxman
Weaver
Whalen
Wilson, C. H.
Wirth
Wolff
Yates
Yatron
Young, Ga.
Zablocki
Zeferetti

NAYS—172

Abdnor
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Armstrong
Ashbrook
Bafalis
Bauman
Beard, Tenn.
Boggs
Bowen
Breaux
Brooks
Broomfield
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Fla.
Burleson, Tex.
Butler
Byron
Casey
Cederberg
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Collins, Tex.
Conable
Conlan
Coughlin
Crane
Daniel, Dan
Daniel, R. W.
Davis
de la Garza
Derwinski
Devine
Dickinson
Downing
Duncan, Tenn.
du Pont
Edwards, Ala.
English
Erlenborn
Esch
Eshleman
Fenwick
Findley
Fish
Flowers
Flynt
Forsythe
Frenzel
Frey
Gibbons
Goldwater
Gonzalez
Goodling
Gradison
Grassley
Guyer
Hagedorn
Haley
Hammerschmidt
Hastings
Hébert
Hightower
Hillis
Hinshaw
Holt
Horton
Hutchinson
Hyde
Ichord
Jarman
Johnson, Colo.
Johnson, Pa.
Jones, Okla.
Kasten
Kazen
Kelly
Kemp
Ketchum
Kindness
Krueger
Lagomarsino
Landrum
Lent
Litton
Long, La.
Long, Md.
Lujan
McClory
McCloskey
McCollister
McDonald
McEwen
McKay
McKinney
Madigan
Mahon
Martin
Mathis
Michel
Milford
Miller, Ohio
Mills
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Calif.
Mosher
Murtha
Myers, Ind.
Myers, Pa.
O'Brien
Passman
Patman, Tex.
Pettis
Pickle
Poage
Pritchard
Quie
Quillen
Railsback
Rees
Regula
Rhodes
Risenhoover
Roberts
Robinson
Rousselot
Runnels
Sarasin
Satterfield
Schneebeli
Schulze
Sebelius
Shipley
Shriver
Shuster
Skubitz
Smith, Nebr.
Spence
Stanton, J. William
Steiger, Ariz.
Talcott
Taylor, Mo.
Teague
Thone
Thornton
Treen
Vander Jagt
Waggonner
Walsh
Wampler
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Wilson, Tex.
Winn
Wright
Wydler
Wylie
Young, Alaska
Young, Fla.
Young, Tex.

NOT VOTING—23

Archer
Bell
Cohen
Dent
Diggs
Edgar
Hannaford
Hansen
Harrington
Karth
Latta
Lott
Matsunaga
Melcher
Mink
Nolan
Santini
Sikes
Steed
Steelman
Steiger, Wis.
Symms
Udall

So the conference report was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Dent for, with Mr. Sikes against.

Mr. Matsunaga for, with Mr. Steelman against.

Mr. Harrington for, with Mr. Steiger of Wisconsin against.

Mr. Diggs for, with Mr. Lott against.

Mr. Cohen for, with Mr. Hansen against.

Mrs. Mink for, with Mr. Symms against.

Mr. Karth for, with Mr. Archer against.

Mr. Hannaford for, with Mr. Steed against.

Until further notice:

Mr. Santini with Mr. Udall.

Mr. Edgar with Mr. Melcher.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. Pursuant to the provisions of House Resolution 591, 94th Congress, the Chair appoints as members of the Select Committee on Intelligence the following Members of the House: Mr. PIKE of New York, chairman; Mr. GIAIMO of Connecticut; Mr. EDWARDS of California; Mr. JAMES V. STANTON of Ohio; Mr. DELLUMS of California; Mr. MURPHY of Illinois; Mr. ASPIN of Wisconsin; Mr. MILFORD of Texas; Mr. HAYES of Indiana; Mr. MCCLORY of Illinois; Mr. TREEN of Louisiana; Mr. JOHNSON of Colorado; and Mr. KASTEN of Wisconsin.

PERMISSION FOR COMMITTEE ON WAYS AND MEANS TO FILE REPORT ON H.R. 8598, AMENDING TITLE IV OF SOCIAL SECURITY ACT

Mr. CORMAN. Mr. Speaker, I ask unanimous consent that the Committee on Ways and Means may have until midnight tonight, July 17, 1975, to file a report on H.R. 8598, a bill to amend title IV of the Social Security Act to make needed improvements in the recently enacted child support program.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

DO YOU SUPPORT YOUR LOCAL GUN-SLINGER? ANSWER YES OR NO

(Mr. VAN DEERLIN asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. VAN DEERLIN. Mr. Speaker, for good old American objectivity, you cannot beat the National Rifle Association.

The NRA has never shied from taking strong stands in support of the inalienable right of our fellow citizens to blow themselves to bits—but in a new mass fundraiser mailing they have outdone themselves.

Best of all are the four "questions," each on its own computer card. Many House Members periodically poll their constituents; I know they will be interested in observing the subtle techniques used by the NRA.

And I am sure everybody in Congress will await with bated breath the results of this "survey." Gen. Mexwell E. Rich, NRA executive vice president, promises to send them to us.

A "Dear Friend" letter from General Rich accompanies the questions, and it also makes interesting reading. We are all indebted to the general for exposing the sinister forces now at work to disarm a law-abiding citizenry.

As General Rich points out, the would-be gun regulators "are not talking of control; they want complete and total

confiscation. This will mean the elimination and removal of all police revolvers, all sporting rifles and target pistols owned by law-abiding citizens."

Wow.

Following, unedited and just as they flowed from General Rich's inquiring mind, are the questions NRA is using to marshal progun sentiment for its campaign on Capitol Hill, together with the general's call to arms:

NRA QUESTIONS

QUESTION NO. 1

Do you believe you have a right to personally defend yourself and your property against a violent criminal attack? Yes, no, undecided.

QUESTION NO. 2

Do you believe your local police need to carry firearms to arrest robbery and murder suspects? Yes, no, undecided.

QUESTION NO. 3

Do you believe that by banning the ownership of firearms (including sporting and antique guns) that the number of murders and robberies would significantly be reduced in your community? Yes, no, undecided.

QUESTION NO. 4

If a new firearms law was enacted in your state banning all ownership of guns, do you believe that hoodlums and organized criminals would volunteer their guns to your local police department? Yes, no, undecided.

NATIONAL RIFLE ASSOCIATION
OF AMERICA,
Washington, D.C.

DEAR FRIEND: Even if you don't have time to completely read my letter, I strongly urge you to answer the four questions in the special survey packet I've enclosed for you.

The questions involve your personal safety and the safety of your home and family.

As I write you this letter, many law abiding citizens are deeply concerned over new and radical laws outlawing the use of guns which are being proposed in the U.S. Congress and State legislatures. These laws will directly affect your right to a safe home.

Many Congressmen and State Legislators are undecided on how to vote on this extremely important issue which may well decide on how your local police are able to protect your family.

Your opinion, and the opinion of other law abiding citizens, can influence their vote, so please answer these four extremely important questions in our National Opinion Survey on Crime Control and rush them to me today.

The survey results will be released by NRA to the national press, radio and TV, U.S. Congress and your State Legislature within the next few weeks.

In my five years as the Executive Vice President of the National Rifle Association I have never seen such an organized and politically powerful effort to outlaw the use of firearms throughout America.

If these radical and outspoken pressure groups completely succeed, I firmly believe the safety of each and every person in your neighborhood will be in jeopardy.

Even though you may not own or have any direct interest in firearms, I believe you must be informed of the terribly serious consequences of what the liberal press refers to as "Gun Control".

My friend, they are not talking of "CONTROL"; they want complete and total "CONFISCATION". This will mean the elimination and removal of *all police revolvers, all sporting rifles* and *target pistols* owned by *law abiding* citizens.

In 1973 the occurrence of violent crime increased 23%. Throughout our country a crime of violence, like murder, robbery, assault or rape, occurred once every 36 seconds in 1973.

This means that in 1973 over 869,460 men, women, children or elderly persons fell victims to thieves and hoodlums. *Our courts have done little to protect us.*

The fact is that 65% of the criminals released from prison are re-arrested for new crimes within four years. Oftentimes *the criminal is back on the street before his victim is recovered enough to leave the hospital.*

Tell me, what would the crime rate be if the criminals knew our police were unarmed or a store owner or private home owner could not legally own a gun to protect his property?

I don't believe we can sit back and allow the "Gun Confiscation" people in this country to pass laws that would set the stage for the *most terrifying crime wave* ever to occur in modern history.

The "Gun Confiscation" people tell us that:

"Gun Control means Crime Control".

They say:

"All we have to do is take all the guns from all the citizens and violent crime will automatically stop".

I don't believe it.

If this so-called solution to the terrible suffering and pain caused by violent crimes in our country would work, I would be for total control of guns. But it just isn't that simple.

You and I know that laws are obeyed by the good, decent members of our community . . . not by the professional crooks and murderers who live by stealing and killing.

All of this is why I need your personal help today. I need your opinion so that I can take your case, our case, to the legislators voting on these laws.

That's why we are conducting this National Survey of Americans, so we can tell our side of the gun control issue to the State and Federal Legislators.

The situation is extremely serious. In the last election 27 Congressmen who supported private ownership of firearms were defeated. At the same time every Congressman who sponsored antigun legislation was re-elected.

Right now there are 51 different bills before Congress restricting the ownership of firearms. Many states in the Union have bills in their State Legislatures to restrict private gun ownership.

We cannot sit back and wait. You and I cannot afford to have laws passed that will give criminals control of our homes and neighborhoods, without any fear of punishment.

I have set every available resource at the National Rifle Association into this important fight. The cost is over $40,000 each month. This includes detailed research, up-to-date information services and expert legal advice.

You may have heard the National Rifle Association referred to as a large, extremely rich, private interest group by the liberal press. This is simply not so. Our million member organization barely has the funds to support our sporting activities like the U.S. Olympic Shooting Team and Training Programs.

We are not rich. And our interest is not private. Our fight is for the protection of you, your family and all other decent, law abiding Americans.

I'm not used to writing letters like this. But I do need your financial support to help pay the important legal expenses needed to defend American's right to protect their homes from criminals and their right to own and use sporting firearms.

I beg of you to act now:

First, answer your 4 survey questions. Let me know how you think the removal of guns will affect you and your community. Remember, the results of this National Survey will be tabulated soon and sent to the National Press, TV and Radio, the U.S. Congress and your State Legislators, many of whom are yet undecided on this issue.

Write a letter directly to your U.S. Senators (c/o Senate Office Building, Washington, D.C. 20510) and tell them how you feel on this issue of your private safety.

Send the largest contribution you can to NRA today so we can lead the legislative fight against the anti-gun forces in America. I hope you will consider sending a contribution of at least $25.00.

Inform others. Pass this letter along to friends and relatives. If you write and ask me, I will send you a special information brochure on how you can influence others in your community.

It's important to do all you can to help . . . it could mean the difference between our success or failure.

I believe if guns are outlawed, murderers and thieves will have control of our lives and property. We will have no defenses. So please act now.

Sincerely,

Gen. MAXWELL E. RICH,
Retired, Executive Vice President, National Rifle Association of America.

P.S.—When you return your special survey packet, I will not record your name with your response. Only totals will be released to the public to maintain your confidential opinions. If you feel as I do about the desperate need to fight the outlawing of private ownership of guns, I hope you will send me the largest contribution you can today. Anything you can send will help in this fight.

ANNOUNCEMENT AS TO VOTE

(Mr. DANIELSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. DANIELSON. Mr. Speaker, I missed votes on rollcall Nos. 361, 375, 376, 377, 379, 380, 381 and 388. I wish the RECORD to show how I would have voted on each of these questions had I been present.

THURSDAY, JUNE 26, 1975

Rollcall No. 361. H.R. 8121 making appropriations for the Departments of State, Justice and Commerce, the Judiciary, and related agencies for the fiscal year ending June 30, 1976, and the period ending September 30, 1976. I would have voted "yea."

THURSDAY, JULY 10, 1975

Rollcall No. 375. H.R. 8365 making appropriations for the Department of Transportation and related agencies for fiscal year 1976 and the transition period. I would have voted "yea."

Rollcall No. 376. H.R. 7108 to authorize appropriations for environmental research, development and demonstration. I would have voted "yea."

FRIDAY, JULY 11, 1975

Rollcall No. 377, House Resolution 584, the rule under which H.R. 5546 was considered. I would have voted "yea."

Rollcall No. 379. An amendment to H.R. 5546 to require payback of capitation grants or alternate service in a rural or urban area of medical need in lieu of the payment. I would have voted "no."

Rollcall No. 380. An amendment to H.R. 5546 to strike title VIII. Title VIII would have established geographic and specialty requirements for medical residency training programs. I would have voted "yea."

Rollcall No. 381. H.R. 5546, to amend the Public Health Service Act to revise and extend the programs of assistance under title VII for training in the health and allied health professions, and to revise the National Health Service Corps scholarship training program. I would have voted "yea."

TUESDAY, JULY 15, 1975

Rollcall No. 388. House Resolution 599 provided for an open rule with 4 hours of debate on H.R. 7014, the Energy Conservation and Oil Policy Act of 1975. I would have voted "yea."

DEFICIENCIES IN POSTAL SERVICE

(Mr. **SKUBITZ** asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. **SKUBITZ**. Mr. Speaker, I have often brought to the attention of my colleagues my concern and frustration over the failure of the Postal Service to provide the high standard of mail service the citizens of this country rightly deserve and expect.

A letter I recently received serves to further provide examples of deficiences in the Postal System. In furtherance of my efforts to generate increased awareness in the Congress of the need for constructive changes in our mail service, I insert into the RECORD a copy of this letter. The name of the writer is omitted because I have not obtained his permission to reprint this letter:

July 7, 1975.

Representative JOE SKUBITZ,
Rayburn House Office Building,
Washington, D.C.

DEAR JOE: I probably write as few letters to members of the Congress as anybody in Kansas. But here is one and I mean every syllable of it. I'm fed up.

I rent a box in the post office here in Atchison for our personal mail because Mrs. —— and I are away from Atchison quite a bit during the year, and because we subscribe for the Topeka Daily Capital which has no carrier route here and we want to get it on the day of publication, including Sundays and holidays. Mrs. —— was born and reared in Topeka, we both went to Washburn University, and I've spent half my life in Topeka what with appearing before state board and commissions, spending 18 years in the Legislature, and now since April 1974 on the Governmental Ethics Commission.

It's bad enough to have observed during the past few years the general deterioration in the mail service in which both my late grandfather and my late father spent most of their adult lives, but now it has gone to the place where it is a public disgrace.

Three Sundays lately and on July 4th the mail was not even put in our box. I complained to a friend of mine who works in the post office. In an apologetic way he said they didn't have enough help to do it, and then he said "And the force here is being cut down further by three transfers from this office."

There is no excuse for the United States Government not to run a decent mail service. I know they keep talking about deficits—so what, everything else it does is run at a deficit, and the mail service might as well be subsidized as some of the other programs which pale into insignificance by comparison. The postal department has always been run at a deficit, but at least it used to be run efficiently, which is more than can be said of it anymore. If you think I'm hot under the collar you ought to hear some of the other people around here.

Sincerely,

—— ——.

PUBLIC EMPLOYEE UNIONIZATION

The **SPEAKER** pro tempore (Mr. DANIELSON). Under a previous order of the House, the gentleman from Illinois (Mr. DERWINSKI) is recognized for 60 minutes.

Mr. **DERWINSKI**. Mr. Speaker, in just a few months, this great country will be celebrating its 200th anniversary—the Bicentennial celebration of a Revolution aimed at guaranteeing all Americans certain inalienable rights such as life, liberty, and the pursuit of happiness.

A bloody 8-year Revolution was fought to establish and permanently guarantee individual freedom for the free man. Liberty, not equality, was the guideline for the Founding Fathers. That Revolution was guaranteed in writing by our Constitution and Bill of Rights.

As one Supreme Court Justice said recently:

> The very purpose of a Bill of Rights was to withdraw certain subjects from the vicissitudes of political controversy, to place them beyond the reach of majorities and officials, and to establish them as legal principles to be applied by the courts. One's right to life, liberty, and property, to free speech . . . and assembly, and other fundamental rights may not be submitted to vote; they depend on the outcome of no elections.

Despite the fine sounding rhetoric, we are approaching the 200th anniversary of this great country with many millions of Americans still being denied some very fundamental and basic individual rights. And it is quite possible that this Congress may well celebrate the 200th anniversary of a Revolution fought for liberty by passing legislation that will deny liberty to almost 14 million more Americans.

Eighty years ago Samuel Gompers, the founder of the American Federation of Labor, said:

> I want to urge devotion to the fundamentals of human liberty—the principles of voluntarism. No lasting gain has ever come from compulsion.

Gompers added that:

> Working people should reject compulsory institutions because they would prove to be not only impractical, but a menace to their rights, welfare and their liberty.

Despite the beliefs of Mr. Gompers, compulsory collective bargaining and compulsory exclusive representation is the law of the land in the private sector. And millions of American working men and women are forced to pay dues to a private organization in order to work.

Bad as this compulsion is in the private sector, it seems to me that the extension of compulsory collective bargaining laws to the public sector is inconceivable. It would not only be violently incompatible with a sovereign, responsible government but would be incompatible with everything this country stands for.

As I understand it, the key ingredients in various public sector collective bargaining legislation now being considered are:

First. Federal imposition of compulsory public sector bargaining on all government—in other words, the law would force a sovereign government to negotiate as an equal with a private organization—in this case, a labor union.

Second. Monopoly bargaining privileges—that is, individual public employees would be compelled to accept unwanted union officials as their "exclusive representatives" in dealing with their own government employer.

Third. Compulsory membership where all public employees, including those who do not want the alleged "services" of the union, will have to join or pay money to the union—or lose their right to work for their own government.

Such legislation would enormously increase the power of individual union officials at the expense of the individual working man. As Alexander Hamilton said:

> Power over a man's subsistence is power over his will.

Post Office and Civil Service Committee's subcommittee on Manpower will begin active consideration of H.R. 13, H.R. 1837, H.R. 4800 in the near future. We need to begin debate on the merits, if any, and drawbacks of these kinds of proposals.

It is the desire of my colleagues that the discussion today will generate a serious national dialog about compulsory public sector bargaining laws and governmental sovereignty particularly as such laws relate to individual rights and the meaning of liberty according to the Founding Fathers.

Mrs. **HOLT**. Mr. Speaker, I want to thank my colleague for reminding us of our heritage and for reminding us of the principles on which this Nation was founded.

Liberty is a fragile thing and once lost is not easily regained. It is my opinion that it is time to take a careful look at the wide range of legislative proposals covering public employees. We contend that these proposals, if enacted, will severely damage the public interest. Our quality of life will be diminished through the wanton disregard of the individual rights of millions of Americans. And the free spirit of democracy will be crushed by those who seek to compromise it.

The first question one might well ask is, what has led us to the point at which we can actually seriously discuss the transfer of any of the sovereign functions and powers of government to a private, independent organization not subject to public control and rarely subject to scrutiny?

The answer can be found in the enormous growth of employment in Federal, State, and local governments. The Bureau of Labor Statistics estimates that public employment has grown faster than any other sector of the economy. There are now some 14 million Government workers—3 million Federal employees and 11 million State, county, and municipal employees—and their number is growing by leaps and bounds. Public employment unions, having discovered that Government unionism holds the most lucrative potential of all, are the fastest growing and best organized labor unions in the country. From 1951 to 1972, Government work forces grew by 151 percent, payrolls by 596 percent, and strikes by public employees by 1,000 percent. And I might add that one need not be a Philadelphia lawyer to realize the cost of these strikes to the taxpayer both in terms of higher taxes and in terms of disruption to the community.

Therefore, it is hardly unexpected that Americans have begun to take a closer look and active interest in labor relations of State, local, and Federal governments. And, as a result, several States and legislatures have passed legislation governing labor relations of public employees.

If we are to be prepared to act responsibly on bills under consideration, we need to look into all aspects of these various legislative proposals as well as the development of a new spoils system through public employee political action, the rights of State and municipal governments and their employees, compulsory arbitration, and the role of individual freedom in an orderly society.

We must also define the distinctions between the public sector and the private sector. The public and the private sectors are as different as night and day. And, a fundamental problem lies in the fact that private sector models are being applied to the public sector where they are not appropriate. By definition collective bargaining suggests a parity of powers which is essential to the bargaining process. In the public sector this parity is nonexistent. Management in the private sector is granted a greater degree of economic leverage than its counterpart in the public sector. Because of market restraints, it is possible for an employee of private industry to negotiate himself out of a job. However, because Government supplies essential services for the public, it is not possible for him to "lock out" the employees or go out of business.

The most fundamental question we need to address in this dialog is whether Government sovereignty can survive in the wake of compulsory public-sector bargaining. Noted law professor, Dr. Sylvestor Petro, states:

> There is an absolute and ineradicable incompatibility between government sovereignty and compulsory public-sector bargaining, an incompatibility which must necessarily weaken if not ultimately destroy effective governing power and the integrity of government vis a vis the general citizenry, since the necessary consequence of according public-employee unions exclusive bargaining status is to encourage among government employees a tendency to repose their loyalties primarily in the units which they have been induced to believe are their protagonists.

Obviously, what we need asked and answered is whether the Government—by its nature, a monopoly and the protector of all citizens' rights and liberties, has the authority legally or morally, to transfer any of its functions to a private, independent organization. When public officials acting under authority granted to them by other public officials, give union organizers the right to say who will perform public service and how these services will be performed, do not we have a situation in which the authority of Government has been divested from the public?

Mr. ROUSSELOT. Mr. Speaker:

> A strike of public employees manifests nothing less than an intent on their part to obstruct the operation of government until their demands are satisfied. Such action, looking toward the paralysis of government by those who have sworn to support it, is unthinkable and intolerable.

The author of those remarks was President Franklin D. Roosevelt. FDR clearly was stating the case for the sovereignty of Government, a principle which Americans have recognized and supported for 200 years.

Advocates of the right to strike for Government employees regard this ultimate weapon as an inherent right in the bargaining arena. In the process, proponents overlook certain clear distinctions between Government and the private sector.

In the first place, Government is a monopoly. It can be argued that Government is in direct competition with private enterprise in many areas, but there is no sensible rebuttal for the necessity of a monopoly which provides for the Nation's common defense, coins its money and protects the innocent and prosecutes the guilty in its court system.

Second, Government is unique in that its operations, unlike the private sector, are not profit motivated. When Government workers walk off the job, vital Government services are disrupted. A chain reaction results. The public clamors for resumption of service. The Government responds by acceding to union demands which frequently bear no relationship to the realities of the existing job market.

In the private sector, unions realize there is always the possibility of employer bankruptcy. As a result, there are compromises. No similar restraints temper the demands of unionized government employees. Why compromise when a new round of wage increases can be provided by another tax increase or another deficit? The recent action of government employees in New York City is a dramatic case in point.

Even in the private sector there is mounting evidence of opposition to strikes which disrupt essential services. In the steel industry, the United Steelworkers and the major steel companies adopted a plan to avoid industrywide strikes by submitting contract disputes to binding arbitration.

Certainly, Government workers are entitled to representation and bargaining, but strikes against the public cannot be tolerated. I believe this is a position shared by a majority of the American people.

The question of strikes in the public sector is patently simple. If Government is to maintain its sovereignty, it must be solely responsible for the health, welfare, and safety of the public. It cannot share this responsibility with a handful of professional union men who are not answerable to an electorate.

There is nothing capricious or arbitrary in denying Government workers the right to strike. The fact is, there is no constitutional right to strike for Government workers.

Any discussion of public sector collective bargaining must include an examination of public sector strikes. There should not be any difficulty in realizing that these strikes have a negative impact on the community. The public is forced to pay a high price; first, in social costs and second, in political costs.

The social costs entail the disruption of monopoly government services. These disruptions often go beyond mere inconveniences and result in an actual lowering of the life quality in the affected area. Examples of this are, unfortunately, all too common.

San Francisco was, for all intents and purposes, virtually shut down by a massive strike of its employees. Disrupted were public transportation, schools, hospitals, and sanitation, resulting in 100 million gallons of raw sewage a day being dumped into the bay.

Just last summer, Baltimore suffered through a strike of its police, prison guards, and sanitation workers. Garbage piled up in the streets and looting and arson caused property damage in the millions of dollars.

An ever-growing list of cities have experienced similar difficulties. Through all of this, the attitudes of the public sector unions have been anything but concerned with public welfare. During the Baltimore strike, the union president threatened Governor Mandel that the city would burn to the ground unless the union's demands were met. After the San Francisco strike, a local labor leader told his strikers:

> I want to compliment you on the way you mounted your picket line—the way you kept this city in turmoil until your demands were met.

Far more subtle, but equally dangerous, are the political costs that result from public sector strikes. The monopolistic character of government services and the political nature of public sector labor relations give striking public sector unions a degree of power not realized by other interest groups or their counterparts in the private sector.

Wellington and Winter have described this phenomenon as a "distortion of the normal political process." In a 1970 Yale Law Journal article, they state:

> We have argued that distortion of the political process is the major, long-run social cost of strikes in public employment. The distortion results from unions obtaining too much power, relative to other interest groups, in decisions affecting the level of taxes and the allocation of tax dollars.

The dangers are obvious. We cannot tolerate the use of this kind of force against the citizens and their Government. We cannot tolerate this distortion of our political process if we wish to retain government of the people, by the people, and for the people. We cannot tolerate public sector strikes. But we are bound to have strikes by public employees if we put a government stamp of approval on arrangements to force public employers—governments—to bargain with union organizers as co-equals.

Mr. STEIGER of Arizona. Mr. Speaker, I hope my colleagues in the House will give thoughtful consideration to a resolution adopted earlier this year during the winter meeting of the National Governors' Conference.

Approved unanimously by delegates to that meeting, the resolution reads as follows:

> The United States Congress is considering legislation which would provide to State and

> local government employees the right to organize and collectively bargain. This legislation would substantially replace individual State laws and procedures which now regulate these activities with a uniform federal law.
>
> The National Governors' Conference opposes federal intervention in this area. It is the belief of the nation's Governors that matters relating to the employees of State and local governments are within the sole jurisdiction of these units and are not properly the subject of federal legislation.
>
> The National Governors' Conference, in adopting this statement, takes no position on the principle of collective bargaining for public employees, but states its firm commitment to the view that this is an area which should be left to the discretion of the several States.

Mr. Speaker, I do not subscribe to the notion that Members of the Congress are wiser and more discerning than the people back home. In my view, the citizens of Arizona are far better qualified than is the Congress to solve Arizona's problems.

This is especially true with respect to legislation governing the relationship between a State or local government and its employees.

We have the option of preserving, or destroying, the basic authority of the States and localities as governments in our federal system.

If we wish to infringe drastically upon that vital authority, then we will obligate the States and their political subdivisions to bargain with unions purporting to represent their employees. We will subject public employers and public employees in all of the 50 States to uniform regulations which are certain to be more harmful than beneficial. It is beyond the ability of men to fashion a public employee collective bargaining law which would be suitable for all the States.

Mr. Speaker, I contend that the limitations placed upon the Congress by the Federal Constitution preclude our preempting this particular legislative field. The tenth article of the Bill of Rights provides:

> The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States, respectively, or to the people.

There is no language in the Constitution which empowers the Federal Government to dictate to the sovereign States pertinent to their relationship with their own employees.

Mr. LAGOMARSINO. Mr. Speaker, my colleague has ably pointed out the dangers of public sector strikes. Their undesirability should be obvious, as should be the need to prevent them. How can this be accomplished?

Legislated strike bans and penalties have not worked. Most public sector strikes have been and continue to be illegal. Penalties for illegal strikes are rarely enforced, even in jurisdictions where the law is constructed to make these penalties automatic and mandatory.

A more recent course of action has been to legalize public sector strikes. In 1971, Pennsylvania passed such legislation, and in 1972 had the distinction of leading the Nation in public sector strikes.

Neither of these approaches has protected the public from disruptions of vital services. Actual experience with public sector collective bargaining verifies this. Michigan passed bargaining legislation in 1965. In the 7 years prior to this, there had been one strike. In the 3 years immediately after, there were 103 strikes. An average of all States shows 1.93 strikes per year before the passage of bargaining legislation and 7.21 per year after.

Experts in the field of labor relations have held that under a system of compulsory collective bargaining these strikes are unavoidable. Theodore H. Kheel, the well-known arbitrator, said that "collective bargaining and strikes are like Siamese twins." Robert Hillman, the former Labor Commissioner of Baltimore, said "collective bargaining means strikes." He went on to describe those who support collective bargaining but not strikes as "hypocritical."

Labor leaders, in word and deed, have echoed this. At the founding convention of the AFL–CIO's Public Employee Department, George Meany said:

> You just quit working for the guy who's kicking you around. And if that guy happens to be the mayor of the city or the governor of the state, it doesn't make a damn bit of difference.

The simple fact is that public sector collective bargaining is the reason for public sector strikes. We can have bargaining and strikes, or no bargaining and no strikes. We, as legislators, must make that choice. The rational course is to stand with the public's right to uninterrupted Government services and oppose compulsory public sector collective bargaining.

Mr. CRANE. Mr. Speaker, in any discussion such as the one we are engaged in today, we must consider what policies would best serve the public interest in the matter of public sector employer-employee relations. Legislation has been introduced that would use the power of Government to base that relationship on collective bargaining.

I hope that in this discussion we can consider one point which may well be more important than all the others, but because of its abstract nature may be overlooked.

That is the question of sovereignty. No matter how pluralistic our society becomes, the sovereignty of Government will be the glue that holds it together. Sovereignty—the absolute power of Government to rule—is essential to any free and orderly society.

Government derives its sovereignty from the people—from popular sovereignty. Those who tell us that sovereignty is dead are as much as saying that the people no longer matter, that democratically elected representative government is a thing of the past.

Any legislation which institutes a system of compulsory collective bargaining for employer-employee relations in the public sector attacks the very heart of the concept of governmental sovereignty.

Collective bargaining—negotiations at a bargaining table between two supposedly equal parties—is impossible in government unless we use the power of Government to elevate a small private special-interest group to a status equal to government. Put more plainly, no government can call itself sovereign if it is forced to submit important public policy decisions to negotiations with private parties.

We are confronted with this question: "Shall Government be sovereign or shall there be collective bargaining with Government? To attempt to have both is a logical contradiction and very unsound public policy.

I, for one, when forced to choose between the two, must in good conscience choose sovereignty. I am convinced that when the American people understand the dire consequences of the alternative, they will support this position.

I want to make it clear from the beginning that my position stems from no antiworker or antiunion feelings on my part. Quite to the contrary. The workers of America, be they union or nonunion, be they employed in the private sector or the public sector, are all citizens. They will all benefit by sound Government policy as they will all suffer from unsound policy.

Public employees need a system to redress grievances. They deserve compensation comparable to their counterparts in the private sector. They, like all employees, have the right to associate in unions.

This is not the question. The question is whether Government should recognize and enter into collective bargaining with unions. The public sector and the private sector are different. Because the public sector is so unique it is beyond question, in my view, that a system of collective bargaining designed for the private sector is inappropriate in the public sector.

Almost without exception, the collective bargaining systems we are being asked to adopt for the public sector of employment were developed in the private sector. Such a transplant completely ignores the truly profound and fundamental differences between the two.

There are several areas of difference.

Government is a monopoly not subject to normal competitive market forces. In the private sector monopoly is prohibited or regulated by law.

In Government there is no profit motive. Government provides services to the people without regard for their economic efficiency. In the private sector profit motive is the driving force behind economy and production efficiency.

However, the most profound difference between the private and public sector is the very nature of Government—that is, sovereignty. Government and Government alone, if it is sovereign, has the power to use force. In the private sector everything is done by free contract. Everything that is purchased, every employment situation, all of our other economic activities are based on the principle of free contract.

This is completely different from the public or governmental sector where the ruling principle is compulsion. Government has the power to compel taxes. Government has the power to conscript the services of its citizens. Everything that Government does is backed up by the potential use of force.

Public sector collective bargaining has grave implications for governmental sovereignty. True collective bargaining is impossible without strikes. Strikes against government are intolerable if for no other reason than the fact that they represent the use of force against a soverign government by its own employees.

I urge that serious consideration by every Member be given to this important aspect of policy and that each of you will join me in rejecting any attempt to impose a system of collective bargaining on any level of government.

Mr. DEL CLAWSON. Mr. Speaker, thanks to our distinguished colleague we all now have a better understanding of the concept of "exclusive representation" and union monopoly.

Individual workers are subject to all sorts of punishment, and have been held guilty of committing unfair labor practices, for daring to try to represent themselves rather than go through the unwanted union "agent"

If any member of this body feels such an individual is enjoying his rights as a citizen of a supposedly free country, I am embarrassed by the naivete of that Congressman.

There are several bills before us which would put the Federal Government in the business of granting monopoly powers to public sector unions. This is not only inappropriate, but morally unsound. Rather than having to defend the country against such injustice, we should be attempting to amend the Wagner Act to protect the liberties of industrial employees.

After all, we took away their rights. It's up to us to restore them.

In government, the case is even more compelling against granting monopoly status to unions.

The case was stated with near perfection by Federal Judge Hiram H. Ward, in a case involving an attempt by a North Carolina teachers union to invalidate a State law banning contracts between public sector unions and Government agencies.

Getting to the heart of the matter, Judge Ward wrote that:

> The granting of collective bargaining rights to public employees involves important matters fundamental to our democratic form of government.
>
> The setting of goals and making policy decisions are rights inuring to each citizen.
>
> All citizens have the right to associate in groups to advocate their special interests to the government.

He stressed, however,

> It is entirely different to grant any one interest group special status and access to the decision-making process.

By granting unions the right to speak exclusively for all employees, we would indeed be cutting off many citizens from the decisionmaking process and denying them access to their own Government.

Not only would this be a wrong we would be hard put to justify, it is a wrong which any reasonable court in this country would have to find unconstitutional.

Mr. DICKINSON. Mr. Speaker, as legislators, we are especially sensitive to words: we are sensitive to their meanings and to their use as tools of persuasion. We should be the first to recognize that the arguments given by unions in favor of forced membership or forced payment of union dues are loaded with emotional words and phrases designed to misdirect our attention. For example, unions say they do not want "freeloaders" or "free riders" and they call the dues they will extort from nonmembers a "fair share" payment. Americans have always been in favor of justice and fair play so the union words are powerful persuaders—to those who do not think about the matter. A "free rider" according to the unions is someone who gets the benefits—higher salaries, fringe benefits, and other protections—of a union contract but who does not pay any of the costs of contract negotiation or administration because he or she does not belong to the union or support it with dues. A free rider is a scab in union terminology so you can see what kind of terrible person unions think nonmembers are. Of course, since only about 25 percent of the work force is unionized, I guess that makes nearly all of us scabs.

Ignoring for the moment the question whether the unions are really responsible for all the contract benefits they claim, it is a fact that everyone in this country is a free loader to some degree or another, including every union member. American society is properly praised precisely because we have what social scientists call a "pluralist system." We enjoy literally thousands of private and public interest groups who seek to do good for citizens in numbers which far exceed their own memberships. When the chamber of commerce expends its time, personnel, and resources to obtain legislation favorable to business, the chamber does not demand that all businessmen join nor does the chamber assess all businessmen a fee for having their collective lot improved. Churches, civic groups, ethnic associations, and all manner of other organizations carry nonmembers as so-called free loaders. Why should unions be the only, repeat only, private organization given the power to force membership or financial support? In fact, why should unions be given a power which only governments possess?

The unions claim their need to have dues money from everyone in the bargaining unit rests upon the legal requirement that they must represent everyone in the bargaining unit. Even if this were really a compelling reason—which it is not because it fails miserably to justify such a terrible blow to personal freedom, we would be less than honest if we neglected to note that the unions were the chief architect of the NLRA section on exclusive representation. It is a well-established principle of law that one may not easily escape the consequences of one's own mistakes, especially if they were consciously and freely though unknowingly committed. If the union leaders who called so strenuously for the coveted right to speak for all employees even though elected by only a simple majority of those voting because they could not do their job properly without this right claim now they cannot do their job unless they are also handed the power to blackmail workers into membership, we should perhaps remove their stumbling block by repealing exclusivity. The argument is a very strange one. The union is not effective without exclusivity, and exclusivity is not effective without union shop or agency shop. So, because the unions earlier trapped themselves by pushing for the first, we are now obligated to save them by giving them the second. It is like going to a bank and asking them for a loan to buy a tractor and then coming back a few months later and telling the bank they have to loan even more money to buy a farm because the tractor is no good without some place to use it. The banker is likely to say just what we should say to the unions—get rid of the tractor.

Mr. ARMSTRONG. Mr. Speaker, during the last few months, as Congress and the Nation have discussed the issue of collective bargaining for Government employees, I have been hearing more and more talk about arbitration.

I am concerned so many people seem to think binding arbitration is some kind of panacea, a sort of cure-all solution that eliminates strikes and provides a fair solution to labor-management disagreements. While arbitration is a useful tool, particularly in the private sector, binding arbitration involving Government employees has many pitfalls. I would like to discuss some of these today.

Arbitration means that a third party, some impartial person supposedly beholden to neither labor nor management, is brought in to "arbitrate" a dispute. Often this outside "decider" knows nothing of the real situation in the town, city, or State. He is not cognizant of the finances of the governmental unit or of the area. His decision, "binding" as it is supposed to be, could well mean raising taxes. Raising taxes is a decision the electorate placed in the hands of the elected government, not with an outsider. This points out the difference between the interests of public officials who bargain and the public in whose name they bargain and that of the third party "arbitrator."

Over the past several years, with the recession and high rate of unemployment, many of the Nation's cities are approaching financial disaster. In most cases, and the example of New York City is the most glaring, this can and has been attributed mainly to the acquiescence of elected officials over the years to the demands, both political and managerial, of the public sector unions.

In a study, "A More Effective Municipal Labor Policy," the prestigious and nonpartisan City Club of New York charges that:

> Compulsory, binding arbitration will tend to inhibit good-faith bargaining and place the power to make crucial city decisions in the hands of an arbitrator, a person outside of government with no long-range responsibility, who tends to attribute a resolution of the specific conflict between management and labor to be of greater importance than its long-range public consequences.

Mr. Speaker, I wish to emphasize that "compulsory and binding arbitration" is not the answer to the growing number of labor/management problems which are besetting our various governmental units across the Nation and is not the panacea to the strike issue which some would have us believe.

The only sound public policy is to retain public policy decisions in the hands of elected public officials. Any public sector bargaining legislation which contains provisions for arbitration should be rejected by this body.

Mr. BAUMAN. Mr. Speaker, at this time I would like to ask you and my other colleagues to pause for a moment, and to reflect on what is perhaps the central question to be answered here today.

So far, we have been reminded of the problems and abuses which are inherent in public sector bargaining. We have had described to us a practice which while originally intended to be used in the worker's behalf, has in fact led to his detriment, and has contributed to social injustice and the plagues of increased costs, frequent strikes, and infringed rights.

Despite these abuses, however, we daily contend with those who would have them increased. Since the beginning of this session alone, the Congress has been confronted with a myriad of bills which would impose compulsory bargaining on all Federal agencies and employees. We are asked to vote for bills which make compulsory bargaining mandatory at all levels of State and local government whether it is desired or not.

In my State, alone, I have received representatives from Government workers' unions opposed to such legislation which is reportedly pushed on their behalf. The Maryland Classified Employees Association—MCEA—for example, is a standard bearer among opponents to such forced bargaining legislation.

The question arises, why is this so? With all its obvious defects as a practice and injustice as a concept, why is there even a question on the matter?

We wait for the answer, and it comes to us in the form of one word, Inevitability. Yes, some will tell us that it is inevitable that we must enact legislation which at the very most attempts to avoid some of the more flagrant abuses which have become synonymous with the term, compulsary public sector bargaining.

I for one cannot accept this. Are we, after all, a body without a will? Were we not sent here to determine policy in the public interest? Are we not bound to vote against policy when it is considered bad, and are we not constitutionally obliged not to decide the fate of legislation on the basis of a theory of historical determinism but on the grounds of conscience?

Compulsory public sector bargaining is so obviously contrary to the public interest that the very thought of enacting it into law should be repugnant to every responsible citizen—certainly to those of us who in our positions of public trust are guardians of that interest.

We cannot, we must not violate that trust. We must not adopt totally inappropriate policy merely because a well-financed, well-organized special interest group tells us to do so.

Compulsory bargaining would only serve to empower, enrich and permanently entrench the same small special interest group which now demands it. Any effort to seek so-called reasonable solutions or compromises now will only be cast aside next year or the year after when the monster we create returns more powerful than ever to exact its final tribute, and to demand that we sacrifice to its hairy altar the complete control of vital public services to union domination.

We must never forget that we are the ones who must deliberate and decide. Future generations will prosper or decline by the decisions we make here. I suggest that so long as we have the power to use, it must be used wisely. I suggest that public sector bargaining is only as inevitable as we, the people's representatives, make it so. I suggest that so long as we are considering the future direction of our country on this complex and controversial issue, we ought to consider the alternative.

The State of North Carolina has an answer. The State has a law which declares that all contracts between the government and unions are void. This is not an ideal policy, but it has proven to be a workable one. It has certainly worked better than the number of miserable failures of forced bargaining in other States.

I would suggest that compulsory bargaining is not inevitable. I would suggest that our cause would better be served by making North Carolina's law, the Federal law, and returning to the people their liberty. Such a law would serve the public interest far better than any other such law under consideration in this Congress.

We have the knowledge, the responsibility, and the power. Let us use it wisely.

Mr. ASHBROOK. Mr. Speaker, on many occasions I have warned my colleagues that legislation extending collective bargaining privileges to the public sector is not in the public interest. There is a serious danger that public employee unions could become a private government. We would in effect be turning Government functions over to private organizations unaccountable to the public.

I would like to briefly look at one particular aspect of this problem, that of public employee unionization and education. Public employees, of course, include teachers and educators in all public schools. Legislation imposing compulsory collective bargaining in the public sector would have a profound impact on these teachers, educators, and the entire educational system.

The heart of our educational system is the student. It is a mistake to think just in terms of teacher power and American education. We must also consider the important role of parents, as it is their children.

If we yield to the demands by the few teacher unions who seek monopoly control of all educators, how have we served the millions of children and their parents, who entrust their children to our schools? Where in all the demands posed by the union leaders is the concern for quality education? Is teacher power to replace teacher concern with the quality of education?

I submit that the sole reason for the existence of the teacher unions is the student, for whom teachers are necessary. Entrusting control of the educational system to a few union leaders is giving them control of our youth and, thereby, our Nation's future.

Before the Congress considers any measures which would implement control over educators, we must consider the real majority which would be controlled. Clearly our educational system is not composed of a majority of teachers, but a majority of students and they are the true victims of this kind of legislative mandate.

No successful argument can be made that passage of compulsory bargaining legislation for public employees will insure quality education for our children. Many arguments can be presented to show the potential negative effect of such legislation on our children.

We saw fit as a nation to provide free public education for all our children, and that freedom in education is envied by countless other countries. We must not pass legislation that would allow the possibility of bias in the classroom by those few to whom we would give control of the educational system. Whether or not Federal legislation is judged to be the desire of some educators, it is not in the best interests of the consumers of education—the students.

Mr. BURGENER. Mr. Speaker, the argument over the collective bargaining "rights" of public employees involves very basic assumptions concerning the relationship between employer and employee.

The underlying assumption behind collective bargaining rights in the private sector is that the employee, through his labor, contributes to the product—the productivity—the "wealth" of the employing company or organization. It is his contribution to a productive effort, to the profit of a profitmaking organization, that legitimizes his claim to a role in the decisionmaking process.

Added to this legitimate claim on the part of the employee to having made a contribution to the profit of his employer is a widespread belief that the employer's main concern is the maximizing of the level of profit. While many, if not most, employers have very real concerns for the welfare of the employees, their function in the decisionmaking process is not always easy to reconcile with the needs or desires of the employees.

Neither of these basic assumptions can be made when we stop talking about profitmaking organizations and start considering public services provided by governments.

The "managers" or "employers" in this case are not charged with maximizing profits but are, instead, charged with a responsibility to the public good. Employees in this case are a part of the public and their rights and interests are an integral part of this public good.

The contribution of private employees to profit is missing in public endeavors. The function of public service is not profitmaking but providing services—services which are by their very nature vital to the operation of the entire society.

Without the claim to responsibility for a substantial portion of the profits—for there are no profits—the argument that employees have a right to participate as employees in the decisions on the use of those profits falls by the wayside.

When these two assumptions fall, another rises to take their place. The assumption underlying the relationship between public employee and public employer is that they both are responsible to the same society and that they both owe an allegiance to the general welfare.

It is not probable that the general public would sit idly by and allow its representatives to mistreat those who are employed to provide vital services. It is not probable that the agents of the general public, the elected representatives of the people, would ignore the sizable section of the public which is employed to provide vital services.

All of this is amplified by the fact that the leverage which makes collective bargaining effective in private industry—the withholding of profitmaking work—becomes a threat to public welfare in the public sector. Private employees derive their power through the threat of withdrawing their profitmaking efforts. Public employees would not be withdrawing profitmaking efforts—they would be withdrawing services which are vital to the well-being of the entire society.

These arguments are not new. They need restatement at this time, however, because of the deliberations of this body on the subject. As it is our duty to serve the public welfare, it is surely our duty to recognize these factors. We can and we should adopt those measures which tend to protect the rights, privileges, and welfare of those citizens who serve in public employment. But we must not extend to them a bludgeon which can disrupt the working of the society as a whole simply on the basis of a comparison with the rights of those workers who must contend with the profit motive of private employers.

Mr. GRASSLEY. Mr. Speaker, this Congress doubtless will be urged to adopt new legislation authorizing the forced unionization of the 14½ million citizens employed at all levels of government. In fact, committee consideration of such legislative proposals dealing with Federal employees will commence any day now.

Proponents of this legislation would have us believe that labor organizations cannot survive unless union officials are granted dictatorial power over all employees within bargaining units.

Is there any evidence indicating that the survival of labor unions depends upon our giving union officials a license to exact dues or fees from all workers?

I submit there is no such evidence.

There is, however, abundant evidence showing clearly that many labor organizations are growing and prospering as voluntary organizations.

Nineteen States have outlawed compulsory unionism in their private sectors by enacting right-to-work laws authorized by section 14(b) of the Taft-Hartley Act. The first of these laws was adopted by a vote of the people of Florida more than 30 years ago.

Have labor unions withered on the vine under Florida's policy of voluntarism?

An impartial and authoritative answer to that question is provided by union membership statistics compiled by the U.S. Labor Department's Bureau of Labor Statistics.

Its most recent study discloses that in 1972 there were 318,000 Florida members of unions affiliated with the AFL–CIO. Ten years earlier the AFL–CIO claimed only 150,000 members in the Sunshine State.

This means, of course, that the national labor federation realized a membership increase of 112 percent in Florida during that 10-year period.

Mr. Speaker, during the decade which ended in 1972 AFL–CIO unions in the 19 right-to-work States, collectively, achieved a gain of 714,000 members.

I repeat, unions affiliated with the AFL–CIO realized a net gain of 714,000 members in the 19 States forbidding compulsory unionism between 1962 and 1972.

The labor federation achieved an increase of 830,500 members in the remaining 31 States.

The average AFL–CIO membership gain in the right-to-work States was 35,579 members per State.

The average increase in the remainder of the country was 26,790 members per State.

Mr. Speaker, these indisputable facts refute the suggestion that unions cannot expand their ranks without compulsory membership. They also illustrate that employees will voluntarily join and support labor organizations which merit their support.

In my view, only a completely irresponsible legislative body would expose Government employees to compulsory unionism and its inevitable abuses.

I urge my colleagues to reject all such proposals.

No other organization in American society seeks the extraordinary, special privileges that labor unions seek through the coercive power of the union shop and the captive membership. If allowed to grow unchecked these special privileges are destined to turn America—the land of the free—into America—the land of the fee. For that is what the coercive force of the union shop is all about—the exacting of a fee from an individual for the privilege of working. When European peasants voluntarily came to America 70 to 100 years ago, they came here because of freedom and opportunity. Now the descendants of those same peasants find an economic sanction attached to their opportunity; they find the fee compromising their freedom; they find the freedom of association changed to coerced associations, they find themselves threatened with unemployment because they choose not to associate. The forced fee becomes a sanction on the freedom to work—the right to work.

Besides being an economic sanction, the union shop agreement potentially violates the religious freedoms of certain small sects in America. Recorded cases indicate that some people's worshiping habits dictate against belonging to any "worldly" organizations. Labor unions fall into that category. Forced membership and even voluntary membership are a compromise of religious teaching. If these people choose to follow the dictates of their conscience and not join a union, they find themselves unemployed. If they choose to work and are forced to join the union, they find themselves violating their religious teachings. No free man should be forced into such a compromising position. Hence, freedom of religion is integrally tied to the right to work for some.

Mr. Speaker, despite the current emphasis placed upon the Nation's Bicentennial and its meaning, most of us continue to take for granted the numerous rights promised by the Constitution.

Each of us is free to join and support a variety of private associations, including churches and political parties. We are likewise free to refrain from joining and supporting such organizations.

It will be profitable for us to recall that before the American Revolution a legally established church existed in nine of the original colonies, a church supported by tax funds.

Residents of those colonies were obligated by law to embrace the ideology of the sanctioned church, to be members of it, and to pay taxes to support it. In 1784 the General Assembly of Virginia, then the most populous State in the infant republic, was confronted by a proposed tax for the maintenance of the Christian religion. The bill was endorsed by then Gov. Patrick Henry. He argued that every Virginian should be required by law to support the teaching of religion because such teaching was beneficial to everyone.

The general assessment bill was rejected, and 1786 saw the enactment of the "Statute of Virginia for Religious Freedom," which was drafted by Thomas Jefferson and supported vigorously by James Madison. The preamble to that act declares:

> That to compel a man to furnish contributions of money for the propagation of opinions which he disbelieves and abhors is sinful and tyrannical.

The 1786 Virginia statute was the forerunner of article I of our Bill of Rights, which precludes the establishment of an exclusive, government-sanctioned church in this country.

Mr. Speaker, history does, in fact, repeat itself.

Today the Congress is confronted by proposals which would sanction the forcible collection of union dues from employees of the Federal Government and of the 50 States and their political subdivisions. This legislation is presented under the guise of extending collective-bargaining privileges to civil servants. Union spokesmen contend that public employees are "second-class citizens" because the Congress has not mandated collective bargaining at all levels of government and has not authorized strikes in the public sector.

Would union officials demand a license to collect monthly dues or fees from Government employees if they were genuinely concerned about the well-being of those employees?

Mr. Speaker, the forced unionization of public employees is now prohibited by laws, constitutional provisions, and executives orders in 34 of the 50 States.

Those 34 States are heeding the recommendations of the prestigious Advisory Commission on Intergovernmental Relations. Its recommendations were contained in a report published in 1970 after a year-long study of employer-employee relations in the public sector. I quote from a portion of that report dealing with union membership:

> While recognition of the right to membership is fundamental, of equal importance is the principle that no public employee should be required or coerced into joining an organization as a condition of employment—the right to refrain is just as basic and precious as the right to join, and the Commission supports this position.

Mr. Speaker, this position is also supported by an overwhelming majority of our constituents. A nationwide public opinion survey was conducted earlier this year by the respected Opinion Research Corp., of Princeton, N.J. Respondents were asked:

> Should the U.S. Congress pass a law which would allow agreements requiring employees to join or pay dues to a union in order to work for state, county and municipal governments?

That question was answered in the negative by 79 percent of all respondents, by 73 percent of the Nation's union members, 79 percent of all Democrats, 78 percent of all Republicans, and 84 percent of all independent voters.

A second question asked by ORC in that same survey was:

> Should the U.S. Congress pass a law with would allow agreements requiring employees to join or pay dues to a union in order to work for the Federal government?

This question also was answered "No," by 79 percent of all respondents, by 71 percent of the Nation's union members, 77 percent of all Democrats, 78 percent of all Republicans, and 84 percent of all independent voters.

If any Member of this body questions these results, I challenge them to poll their own constituencies to find out what the people they represent think about the issue.

I have seen results of polls on public sector bargaining by Senator EAGLETON, by our colleague from Ohio, Mr. ASHBROOK, by the representative to the Missouri State House of Representatives from that State's 157 District, and by California Assemblyman Greene; results were all consistent with the ORC results—the public is opposed.

Passage of new laws authorizing the forced unionization of public employees would represent a betrayal of the American people.

Mr. Speaker, from 1962 to 1971 I was a member of the International Association of Machinists, while employed as a production worker at the Waterloo Register Co., in Cedar Falls, Iowa. I joined voluntarily and of a free will. Indeed, the union bettered my life as a worker. My freedom of choice is more valuable to me than the potential security I might gain from joining a union. If the unions are so fearful that they cannot carry out their functions without forced membership, then there must be a large number of individuals such as myself who feel that the freedom to deal with one's employer as one wishes is more important than surrendering such freedom to the union. Remember, the union represents masses of people rather than individuals, and at a cost. To my mind, the land of the free must not become the land of the fee.

Mr. MARTIN. Mr. Speaker, by the union's own argument, the primary reason for demanding that State legislatures and this Congress give unions the power to require membership or financial support for all workers is that the unions are themselves required to represent all workers in the bargaining unit. This derives from the so-called exclusive representation principle which the unions managed to have included in most labor legislation.

A union becomes the exclusive representative if over half of those voting in a unit—no matter how small that number may be—name the union as their bargaining agent. The unions like to say that there is nothing new about this principle because it has long been an integral part of any governmental system. They point to legislators and say that we represent everyone in an election district even though we may have been elected by only a bare majority of a small turnout. But think of the audacity of this argument! True, the principle of exclusive representation exists in government, but only in government. Are the unions, through some sort of unconscious Freudian impulse, actually confessing a secret covetousness when they seek to claim a privilege which has historically been considered so dangerous that only governments have been authorized to exercise it?

It should be clear now, as it should have been clear for the past several decades, that the only purpose to be served by asking for this peculiarly governmental privilege is that the unions want to become governments. Such an astounding conclusion illuminates several heretofore mysterious situations. We can now understand the emphasis given by unions to the discipline of members, to taxation in the form of dues and assessments, and to certain monarchical or dynastic tendencies in the union movement.

Here and now we must say, "we are the government, not you." No private organization has the right to assume what are essential and inherent government privileges: what is more, we are derelict in our duty to uphold the Constitution if we transfer any of our power to a private group. The privilege of exclusive representation is such a power. And it becomes particularly reprehensible to grant the power to others when it can be applied in an employment situation. Short of taking a citizen's life, there is no more powerful coercion that can be applied to someone than to threaten his ability to earn a living in the profession of his chosen training.

Mr. HAGEDORN. Mr. Speaker, our form of government with its divided powers encourages the testing of ideas and theories in the individual States before committing the entire Nation to certain legislative policies.

This testing in 50 different laboratories is one of the hallmarks of our system of government.

Many of our States are presently testing collective bargaining laws in their public sectors. More than 30 States have enacted laws to regulate relations between governmental units and their employees. These laws reflect local circumstances and local preferences.

In lieu of supplanting those statutes with a new Federal law, the Congress should encourage the continuation of that testing by the States. In my view, it is highly questionable whether the Federal Government has authority to intrude itself into the employment practices of school boards, local governments, and other public employers.

At the present time the laws of 34 States forbid the practice of compelling workers to join or pay monthly fees to labor organizations as a condition of employment. It would be inexcusable for the Congress to deny the States their authority to outlaw all forms of compulsory unionism.

The Federal Government would be well-advised to heed the counsel of the bipartisan and widely respected Advisory Commission on Intergovernmental Relations.

In 1970, after a year-long study, the Commission circulated its findings and recommendations relative to employer-employee relations in the public sector. Its report warned against "any Federal effort to mandate a collective bargaining, meet and confer, or any other labor-relations system for the employees of State and local jurisdictions or for any sector thereof."

Commission members also recommended:

> In the absence of overwhelming evidence of the unwillingness or inability of State and local governments to act, the Federal Government should refrain from preemptive action. Such evidence clearly is lacking at present. States and localities have developed and are developing their own response to the challenge of employee militancy, especially teacher militancy. Given the nature of this challenge, experimentation and flexibility are needed, not a standardized, Federal, preemptive approach.

Mr. Speaker, we cannot justify putting the more than 11 million State, county and municipal employees and their employers in a Federal straitjacket. I am irrevocably committed to preserving the power of the States to decide whether to extend collective bargaining privileges to their employees and the employees of their political subdivisions.

Mr. BAFALIS. Mr. Speaker, I hope I

can speak for you in thanking our many colleagues who so eloquently addressed themselves to this emotion-charged and highly controversial issue.

While some may disagree with what was said here today, we are sure every Member of Congress now has a better understanding of the issues involved.

We have been made aware of many different problems.

There is the injustice of denying any citizen or group of citizens a voice in the decisionmaking process which is what happens when we grant unions "exclusive representation" rights.

There is the matter of compulsory union membership requirements—union shops, and agency shops—which are a natural consequence of the exclusivity "principle."

We have seen how union power can determine decisions which have extreme consequences on the Government's ability to provide services. We have seen how the taxpayer, in the end, must always foot the bill for whatever wage concessions Government officials are forced to make.

We have analyzed the matter of governmental sovereignty—and have listened to a persuasive argument against any sort of "bargaining" between Government and a private organization.

We have heard chapter and verse how strikes by Government workers threaten the public welfare, and how strike prohibitions simply do not work.

Out of all this emerges a set of facts we must keep in mind at all times: First. That Government must be the servant of all people at all times; Second. That Government is indeed different from private industry, where profit is the motive for operation; Third. That disruptions of vital public services cannot be tolerated; and Fourth. That because of its very nature, Government must remain in the hands of elected officials, lest it become the property of any special interest. Problems—points of agreement—points of disagreement.

Now I would like to propose a solution.

I would like to suggest that the special conditions and responsibilities which are unique to government and government service would appear to preclude collective bargaining in public employment.

This does not mean that public employees should be prohibited from joining employee associations, or that representatives of these associations should not be able to discuss grievances—and even public policy matters—with the elected officials of government. All citizens must have that right.

It does mean that elected officials, in order to maintain the sovereignty of government, should never enter into agreements with any private organization, since such agreements—by definition—compromise both governmental sovereignty and the rights of citizens who are not members of the association.

It means that "collective bargaining" as we know it today, is simply incompatible with representative government, and monopoly trade unionism, as we know it, incompatible with the civil service merit system.

I would suggest that the relationship between State and local governments and their employees is their own affair, and that the Congress ought to keep its hands out of the pudding.

We have enough problems to deal with.

One of the first, perhaps, ought to be to correct the imbalances and injustices we created when we enacted the National Labor Relations Act.

To strap America's 14-and-a-half million public employees with the same problems would be utter folly.

GENERAL LEAVE

Mr. GRADISON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include therein extraneous material on the subject of the special order today by the gentleman from Illinois (Mr. DERWINSKI).

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

FOREIGN CAR DUMPING PRICES REVEALED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. DENT) is recognized for 15 minutes.

Mr. DENT. Mr. Speaker, on June 19, 1975, I asked the Secretary of the Treasury to begin an investigation into the possible dumping into the American market of automobiles by manufacturers who produce abroad. Pursuant to that request, Treasury indicated a need for additional pricing information which was provided to them last week by my staff, and which I am making public today.

The following pricing information lists home market prices, domestic market prices, and in some cases, third market prices for those auto manufacturers who are in apparent violation of the Antidumping Act of 1921, as well as the various trade agreements that the United States maintains with her trading partners. These prices support the Subcommittee on Labor Standards previous suspicions that foreign auto makers are selling their cars at a less than fair market value in this country, as indicated in hearings before the subcommittee, as well as in staff investigations.

The absence of home market prices for both Japan and Sweden is temporary, inasmuch as the subcommittee expects to receive additional home market price information early next month. In all cases, the "basic" home market prices are comparable to the U.S. "wholesale" price.

With respect to the issue of dumping, it should be pointed out that last Friday, the United Auto Workers also filed a petition with the Department of the Treasury, requesting an antidumping investigation of foreign automobiles.

The price information lists follow:

GERMANY

Name of vehicle	Home market price		U.S. market price		3d market price	
	Basic[1]	Total[2]	Wholesale[3]	Retail[4]	Basic[5]	Total[6]
Audi: 100 LS: 2 door	$5, 265	$5, 844	$4, 687	$5, 695	$5, 349	$6, 259
Capri II: Ghia	6, 219	6, 903	4, 000	4, 699	6, 268	7, 328
Mercedes:						
450 SE sedan	14, 554	16, 155	13, 755	17, 713	19, 384	22, 679
450 SEL sedan	16, 524	18, 341	14, 837	19, 106	21, 546	25, 206
450 SE coupe	15, 694	17, 420	13, 361	17, 056	18, 572	21, 729
450 SLC coupe	17, 572	19, 504	16, 689	21, 307	22, 541	26, 734
Opel: Manta sport	4, 926	5, 444	3, 302	3, 744	4, 839	5, 662
Volkswagen:						
Rabbit, 2 door (golf)	3, 255	3, 613	2, 619	2, 999	2, 777	3, 250
Rabbit, 4 door (golf)	3, 424	3, 801	2, 738	3, 139	3, 091	3, 615
Sirocco TS	4, 901	5, 441	3, 758	4, 450	4, 698	5, 496

[1] German blue book titled "Schwacke: Marketbericht fur Gebrauchtfahrzeuge" that included new car prices as well as used car prices. Feb. 2, 1975. Basic price is less 11 percent VAT. DM=2.29.

[2] German blue book, ibid. Total price includes 11 percent VAT. DM—2.29.

[3] American invoice service price, less 3 percent import duty. 1975 prices.

[4] American invoice service price, 1975.

[5] Price in the United Kingdom as published in "Autocar," IPC Transport Press. May 10, 1975. Base price is without car tax or VAT. Pound 2.34.

[6] Price in the United Kingdom as published in AUTOCAR, loc. cit. Total price includes car tax and VAT. Pound=2.34.

FRANCE

Name of vehicle	Home market price		U.S. market price		3d market price	
	Basic	Total	Wholesale	Retail	Basic	Total
Renault[1]						
17 TL convertible	[2 3] $4, 282		[4] $3, 976	[5] 4, 935		
17 TL convertible automobile	[2 3] 4, 627		[6] 4, 252	[7] 5, 265		
17 TL coupe	[2 8] 4, 006		[4] 3, 673	[5] 4, 535	[9] 4, 563	[10] 5, 339

[1] All prices for Renault are 1974 prices. Franc = 3.88.

[2] Ex works price as found in "World Cars, 1974," published by the Automobile Club of Italy, less 33 % for VTA.

[3] Includes 1900 francs for leather upholstery which is standard in exports to the United States.

[4] American invoice service price, less 3 percent import duty. May 1, 1975.

[5] American invoice service price, May 1, 1975.

[6] Ibid., but includes $284, less 3 percent import duty, for automatic transmission.

[7] Ibid., but includes $330 for automatic transmission and 3 percent import duty.

[8] 17TL coupe automatic price, less 2,000 francs for automatic transmission, plus 1,900 for leather upholstery which is standard in exports to the United States. Total of preceding is less 33 percent for VAT.

[9] Price in the United Kingdom as published in "Autocar," IPC Transport Press, May 10, 1975. Base price is without car tax and VAT. Pound = 2.34.

[10] Price in the United Kingdom as published in "Autocar," loc. cit. Total price includes car tax and VAT. Pound = 2.34.

GREAT BRITAIN

Name of vehicle	Home market price		U.S. market price	
	Basic	Total	Wholesale	Retail
MG:				
Coupe, MGB/GT	$4,853	$5,679	$3,771	$4,649
Midget	3,119	3,744	2,851	3,549
MGB	4,265	[1] 4,991	3,446	[2] 4,249
Jaguar: XKE series III, V-12	7,485	[3] 8,758	7,205	[4] 8,878
Triumph:				
Spitfire convertible 1500	3,378	3,952	2,969	3,745
TR 6 convertible	5,204	[3] 6,088	3,866	[4] 4,895

[1] All British home market prices from "Autocar", IPC Transport Press, May 10, 1975. Base price is without car tax or VAT. Pound=2.34.

[2] American invoice service price, less 3 percent import duty. Jan. 2, 1975.

[3] Ibid.

[4] Ibid., Mar. 28, 1975.

ITALY

Name of vehicle	Home market price		U.S. market price		3d market price	
	Basic	Total	Wholesale	Retail	Basic	Total
Fiat:[1]						
124 Sport Spider, 1,800	[2] $3,812		[3] $3,739	[3] $4,703		
128 sedan, 2 door	[2] [4] 2,475		[3] 2,171	[3] 2,664	[5] $2,648	[5] $3,098
128 sedan, 4 door	NA		[3] 2,233	[3] 2,740	[5] 2,798	[5] 3,273
128 SL coupe	[2] [6] 2,524		[3] 2,475	[3] 3,037		
Alfa Romeo:[7] Spider 2000 veloce	NA		[7] 5,470	[7] 6,795	[7] 6,086	[7] 7,120

[1] All prices for Fiat are 1974 prices. Lira=602.

[2] Ex works price as found in "World Cars, 1974," published by the Automobile Club of Italy.

[3] American invoice service price, less 3 percent import duty. 1974 price is the only available at this date.

[4] This price is that of the Rally 128, a comparable, although somewhat larger and more expensive car.

[5] Prices in the United Kingdom as published in "Autocar," IPC Transport Press, May 10, 1975. Base price is without car tax or VAT. Pound=2.34.

[6] This price is that of the 128 S 1300 sport coupe, a comparable car.

[7] Ibid.

CANADA

Name of vehicle	Home market price [1]—Factory price	U.S. market price [2] [3]—Wholesale
American Motors:		
Gremlin 6 cylinder, No. 46-5	$2,703	$2,701
Hornet 6 cylinder, No. 02-7	$3,103	$2,975
Chrysler Corp.:		
Valiant Duster, 6 cylinder, VL-29	$3,126	$3,043
Dodge Dart, 6 cylinder, LL-41	$3,186	$3,070
Ford Motor Co.:		
Pinto, 4 cylinder, No. 12	$3,094	$2,953
Maverick 6 cylinder, No. 91	$3,111	
General Motors:		
Vega 4 cylinder, V-11	$2,738	$2,588
Chevelle Malibu, 8 cylinder, C-37	$3,646	$3,186
Monte Carlo S coupe, H-57	$4,300	$3,905

[1] The Canadian "Red Book", a document comparable to the U.S. Blue Book. Available through National Marketing Reports, 900 S. Wabash, Chicago, Ill. 312-427-3464. Jack Heffinger, Publisher. Home market price is less 15 percent tax.

[2] Includes dealer preparation and excise taxes. "United Buying Service Guide to Automobiles, 1975."

[3] The Commerce Department advised the subcommittee that irrespective of whether or not the car is made in the United States or Canada, the price of the car is the U.S. price.

SWEDEN

Name of vehicle	Home market price		U.S. market price		3d market price	
	Basic	Total	Wholesale	Retail	Basic	Total
Saab: 99EMS, 2 door	NA	NA	[1] $4,868	[2] $6,048	[3] $5,250	[4] $6,205
Volvo: 244 GL	NA	NA	[1] 5,292	[2] 6,595	[3] 7,569	[4] 8,856

[1] American invoice service price, less 3 percent import duty. May 1, 1975.

[2] American invoice service price. May 1, 1975.

[3] Price in the United Kingdom as published by "Autocar," IPC Transport Press, May 10, 1975. Base price is without car tax or VAT. Pound=2.34.

[4] Price in the United Kingdom as published by "Autocar," loc. cit. Total price includes car tax and VAT. Pound=2.34.

PRICE OF TYPICAL POPULAR MODEL, 2-DOOR HARDTOP, 8 CYLINDER WITH COMPARABLE STANDARD EQUIPMENT IN THE UNITED STATES AND CANADA

	Price in United States (U.S. dollars)	Price in Canada		Canadian price differential over (under) U.S. price	
		Canadian dollars	United States dollars [5]	Amount (U.S. dollars) [5]	Percent [5]
1974 model introduction:					
Factory list price	6,475	7,206	7,211	735	11.4
Sales/excise tax [6]	[9] 17	602	602	585	
Dealers delivery and handling	50	40	40	(10)	
Manufacturer's suggested retail price [8]	6,542	7,848	7,853	1,311	20.0

PRICE OF TYPICAL MODEL, SUBCOMPACT 2-DOOR SEDAN WITH COMPARABLE STANDARD EQUIPMENT IN THE UNITED STATES AND CANADA [4]

	Price in United States (U.S. dollars)	Price in Canada		Canadian price differential over (under) U.S. price	
		Canadian dollars	United States dollars [5]	Amount (U.S. dollars) [5]	Percent [5]
1974 model introduction:					
Factory list price	2,228	2,398	2,399	171	7.7
Sales/excise tax [6]	[7] 9	237	237	228	
Dealers delivery and handling					
Manufacturer's suggested retail price [8]	2,237	2,635	2,637		17.9

PRICE OF TYPICAL POPULAR MODEL, 4-DOOR SEDAN, 8 CYLINDER WITH COMPARABLE STANDARD EQUIPMENT IN THE UNITED STATES AND CANADA

1974 model introduction:					
Factory list price	3,852	4,209	4,211	359	9.3
Sales/excise tax [6]	19	360	360	341	
Dealers delivery and handling	40	40	40		
Manufacturer's suggested retail price [8]	3,911	4,609	4,612	701	17.

[4] 8th annual report of the President to the Congress on the Operation of the Automotive Products Trade Act of 1965. U.S. Government Printing Office, 1974.

[5] Based on the exchange rate in December 1973 C$1=1.00958 US.

[6] Canadian sales tax 11 percent 1964-67, 12 percent 1968; U.S. excise tax 10 percent 1964-65, 7 percent 1966-August 1971. U.S. excise tax on passenger cars and light trucks repealed as of Aug. 15, 1971.

[7] 1972 model prices are as of December 1971 after company responses to end of Phase 1 price freeze.

[8] Manufacturer's suggested retail price includes factory list price, sales tax or excise tax and dealer delivery and handling, but excludes destination charges, State and local taxes, license and title fees.

[9] Excise tax on tires and tubes.

JAPAN (ADDITIONAL HOME MARKET PRICES ARE EXPECTED BY AUG. 1)

Name of vehicle	Home market price		U.S. market price		3d market price	
	Basic	Total	Wholesale	Retail	Basic	Total
Honda:						
Civic 2 door	(1)	(1)	$2,389	$2,799	$2,398	$2,805
Civic 2 door automatic	(1)	(1)	2,485	[2] 2,979	2,538	[3] 2,969
Mazda:						
RX3 coupe	(1)	(1)	3,030	3,697	3,449	4,139
RX4 sedan	(1)	(1)	3,686	4,497	4,275	5,129
RX4 wagon	(1)	(1)	3,849	[2] 4,967	4,782	[3] 5,740
Toyota						
Corolla 2 door, 1200E	(1)	(1)	2,366	2,711	2,702	3,161
Celica 4 sport, 2 door	(1)	(1)	3,093	[3] 3,694	3,720	[3] 4,352
Subaru: Leone 1400 4WD station wagon	[4] 3,072		[4] 2,997		(1)	(1)

[1] Not available.

[2] American invoice service, 1975 prices, less 3 percent import tax from wholesale price.

[3] "Autocar", published by IPC Transport Press, London, May, 1975. Pound [3]=2.34.

[4] "World Cars, 1974", Automobile Club of Italy, Herald Books, Pelham, N.Y.

ABSENCE ON OFFICIAL BUSINESS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. KASTEN), is recognized for 5 minutes.

Mr. KASTEN. Mr. Speaker, I was absent from the House on July 14 and 15 on official business. For the RECORD, I would like to indicate how I would have voted if I had been present:

Rollcall No. 383.—I would have voted for the amendmnet to H.R. 8561, the Agriculture Appropriations Act, to provide an additional $250 million to the Farmers Home Administration revolving loan fund to help small farmers meet federally imposed water pollution control standards.

Rollcall No. 384.—I would have voted for the amendment to H.R. 8561 to delete $3 million appropriated for Cotton, Inc.

Rollcall No. 385.—I would have voted no on the motion to recommit H.R. 8561 to the Committee on Appropriations.

Rollcall No. 386.—I would have voted final passage of H.R. 8561.

Rollcall No. 388.—I would have voted no on House Resolution 599, providing a rule for the consideration of H.R. 7014.

TURKEY AND GREECE

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Alabama (Mr. Edwards) is recognized for 10 minutes.

Mr. EDWARDS of Alabama. Mr. Speaker, problems stemming from the tense situation in Cyprus are building toward yet another uphappy showdown.

Turkey has threatened to make us remove our military bases and close down our very sensitive intelligence installations on the Russian border if arms shipments are not resumed. These shipments have been embargoed by the Congress as a protest to Turkey's use of American arms in Cyprus.

Greece, on the other hand, has said that to restore this military aid to Turkey would reward Turkish "blackmail" and would sanction Turkey's illegal occupation of Cyprus which, in itself, is a continuing violation of American laws governing the use of U.S.-supplied arms.

The Athens government, upset over previous decisions in Washington, already has pulled out of NATO's military-command structure and has insisted that we close down some of our bases in Greece, including our Navy facility near Athens where we have "home ported" six destroyers. We had also intended to station an aircraft carrier at the facility, but we have been requested not to pursue this plan.

So, we find ourselves caught in the middle between two friends and NATO allies and it is not a pleasant position to be in.

The United States, almost unbelievably, has managed to alienate both Turkey and Greece.

Greeks charge that Secretary of State Henry Kissinger "tilted" American policy in favor of Turkey. They condemn what they say was his failure to deter the Ankara government in Turkey from invading Cyprus and subsequently occupying 40 percent of the island.

Turkey, for its part, is on a collision course with the U.S. as a result of the ban on military aid. The ban, strongly opposed by President Ford, is aimed at pressuring the Turks into withdrawing their army from Cyprus.

President Ford earlier this month proposed a compromise of the arms situation to key congressional leaders that could help to avert a showdown. If approved, the sale of arms, but not U.S. aid to Turkey, will be resumed.

The United States has a big defense investment and an extremely sensitive national interest in the outcome of this situation. More than $3 billion in American military aid has been pumped into Turkey since 1950 for only one reason—to build a strong ally in a strategic spot—on the Soviet Union's southern border.

Of particular interest to U.S. defense planners is the potential loss of electronic intelligence facilities in Turkey. Listening posts along Turkey's border provide the United States with information on missile testing in Russia and these posts also stand watch against a possible missile attack. The truth is that they are so vital and so sensitive that I am not permitted to discuss them further.

Suffice it to say that these are extremely important bases to the defense of our own country.

And we have a responsibility to look first to our own defense. I have voted against giving arms aid to Turkey several times in the past year and I think we have made our point. Turkey is now willing to sit down and talk about Cyprus and I think this will result in some solution to the Cyprus problem.

Well, I will have many Greek friends who will not understand this. To them, I can only say that I have stood with them just as long as I could without putting our own country in jeopardy. Now, the time has come to consider America first and I think this of necessity dictates that we accept the compromise and sell arms to Turkey the same as we do to Greece and other NATO countries.

We have too much to lose to do otherwise.

HEINZ OFFERS AMENDMENT FOR WORKABLE GAO AUDIT OF ENERGY INDUSTRY

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. Heinz) is recognized for 5 minutes.

Mr. HEINZ. Mr. Speaker, I will be offering an amendment to H.R. 7014, to correct many of the controversial and unworkable aspects of title VIII, which establishes an Office of Petroleum Auditing and Accounting within the GAO.

The intention of the provision in the bill was to effectively monitor data from energy related industries. However, complaints from Government agencies, like the SEC, as well as from respected private organizations and auditing groups, like the American Institute of Certified Public Accountants, attest that title VIII of the bill cannot achieve its goal. Members of both parties also opposed this section in the committee in part because no hearings were held. But the most damning criticism came from the GAO itself, which would be charged with collecting energy related data.

In a letter to Chairman Staggers of the Interstate and Foreign Commerce Committee dated July 11, 1975, he wrote:

> While we undersand the concern for Federal access to accurate energy information, we are convinced that the assignment of this responsibility to the GAO is not a desirable means of achieving this purpose. As an independent agency of the Legislative Branch, the GAO is responsible for reviewing the effectiveness and efficiency of programs carried out by Executive agencies and for reporting the results of its reviews to the Congress. If we are to maintain both the independence and objectivity necessary for performance of these functions, and the reputation for independency and objectivity which lends credibility and authority to our reviews, we must scrupulously avoid becoming involved in carrying out functions which we then must monitor, review and report on to the Congress. We have long opposed placing operating functions of this type in the GAO as being incompatible with our oversight role.

What is more, Mr. Staats strongly opposed title VIII in its present form because it would compromise GAO's independence and objectivity as an oversight agency by making it an operating agency.

My substitute amendment for title VIII does not alter the basic monitoring and evaluative functions of the GAO, but instead strengthens it by providing power to subpena required information. In addition, it directs the Comptroller General when he "deems appropriate" or when a committee, subcommittee or member requests, to:

First, review energy related data gathering procedures of agencies;

Second, review a broad range of issues that are in the collection of pertinent data;

Third, conduct studies of existing statutes and regulated governing data collection;

Fourth, review policies and practices of Federal agencies gathering, analyzing and interpreting energy related data; and

Fifth, evaluate particular projects of programs.

This amendment also provides protection from public disclosure for trade secrets and proprietary information.

I would appreciate your support of my amendment to clarify and strengthen existing energy data gathering procedures of the Federal Government.

A letter from the Comptroller General follows:

Comptroller General of
the United States,
Washington, D.C., July 11, 1975.

Hon. Harley O. Staggers,
Chairman, Committee on Interstate and Foreign Commerce, House of Representatives.

Dear Mr. Chairman: H.R. 7014, which is scheduled for consideration by the House of Representatives on July 14, contains provisions which would require the General Accounting Office (GAO) to collect energy-related data, to conduct extensive financial audits of individuals and companies in the petroleum industry and to prescribe rules for uniform accounting practices in the petroleum industry. These provisions, contained in title V of the bill, were adopted by the Committee on Interstate and Foreign Commerce on June 24 shortly before the Committee voted to report the bill favorably. Because of the very substantial effect that H.R. 7014 as reported would have on the responsibilities and workload of the GAO, we would like to offer our comments for your consideration.

Title V of the bill would establish in the GAO an Office of Petroleum Auditing and Accounting whose purpose would be to:

Collect energy-related data,

Audit the financial operations of persons engaged in whole or in part in the business of exploring, producing, transporting, refining, or distributing petroleum products, and

Report annually to the Congress on the results of such audits.

In addition, the GAO would be required to prescribe standards for uniform accounting practices for persons engaged in the business of exploring, producing, transporting, refining, or distributing petroleum products for the purpose of reporting and varifying energy-related data. To enable the GAO to expeditiously develop such standards, the amendment would create an Advisory Committee on Uniform Accounting Standards for the Petroleum Industry.

1. While we understand the concern for Federal access to accurate energy information, we are convinced that the asignment of this responsibility to the GAO is not a desirable means of achieving this purpose. As an independent agency of the Legislative Branch, the GAO is responsible for reviewing the effectiveness and efficiency of programs carried out by Executive agencies and for reporting the results of its reviews to the Congress. If we are to maintain both the independence and objectivity necessary for performance of these functions, and the reputation for independency and objectivity which lends credibility and authority to our reviews, we must scrupulously avoid becoming involved in carrying out functions which we then must monitor, review and report on to the Congress. We have long opposed placing operating functions of this type in the GAO as being incompatible with our oversight role.

If Congress deems it desirable that the Federal Government audit business operations concerned with petroleum products, establish accounting standards for the petroleum industry and collect data from persons in that industry, we believe that a more appropriate place for the assignment of this responsibility would be with an executive agency or an independent regulatory agency. GAO would then be in a position to exercise independent and objective oversight and to report to the Congress on the manner in which the designated agency carries out its responsibilities under the Act.

2. There are significant potential conflicts between the activities proposed by title V and other responsibilities both within the GAO and with other Government agencies.

The enactment of title V would place the GAO in the energy data collection business and thus would conflict with our responsibility under Pub. L. 93–153 to review the data collection forms of independent regulatory agencies for the purpose of determining whether the collection of data is duplicative and/or unduly burdensome on respondents. Within the last 2 years we have reviewed under this authority numerous forms relating to the collection of energy data by the Federal Trade Commission, the Federal Power Commission, and the Federal Energy Administration. We believe it completely inappropriate for us to carry out both our responsibility for approval of independent regulatory agencies' request for data and this new responsibility. Furthermore, because we would be establishing uniform accounting standards for the petroleum industry we could be considered a regulatory agency and therefore responsible for approving our own forms requesting energy data.

The Federal Energy Administration Act of 1974 (Pub. L. No. 93–275) established the Federal Energy Administration (FEA) as a focal point within the Federal Government for energy data collection and analysis. FEA has authority to collect data from oil companies or persons operating in the petroleum industry and to examine the records of those companies and persons to the extent necessary.

Section 12 of the Federal Energy Administration Act mandates that the GAO continuously monitor and evaluate the operations of FEA and, in particular, its collection and analysis of energy data. To provide the GAO this responsibility on top of the responsibility already given to FEA would be duplicative at a time when there is concern about lessening the burden of reporting requirements placed by the Federal Government on private industry.

Within the last 2 years there has been a tremendous increase in the amount of energy data being collected by the Federal Government. Aside from the agencies mentioned, several bureaus within the Department of the Interior and a number of other agencies collect substantial energy information. Though FEA is supposed to be the focal point for Federal energy data collection, it has not been at this point able to coordinate its efforts with that of the other Federal agencies. The GAO, together with the Office of Management and Budget, is sponsoring an interagency panel on energy data collection with the objective of improving coordination among the several agencies.

To create new energy data-related activities within the Federal sector without provisions for specific interface, modification, or replacement of voluminous existing programs would, in our opinion, be a mistake at this point in time. The mandating of additional data collection activities would aggravate the already serious and growing problems of fragmented and uncoordinated Federal energy data programs. In addition, the questions of what data should be available, to whom, and how soon after collection, are chronic in dealing with energy problems. A periodic assessment of data collection is imperative if the process is to be responsive to user needs.

3. The auditing duties which would be imposed upon the GAO by title V of the bill are so enormous as to be impracticable to be carried out by this Office. Even if practicable, the task would be such a dominant part of our work as to change the entire character of the organization.

Section 501(a)(2) provides for an audit of "the financial operations of persons engaged in whole or in part in the business of exploring, producing, transporting, refining, or distributing petroleum products * * *." A "person" is defined in section 103(3) of the bill to include "individuals, corporations, companies, associations, Federal, State or local governments and any subdivision or agency thereof, firms, partnerships, societies, trusts, joint ventures, and joint stock companies." A "petroleum product" is defined in section 103(4) to mean "crude oil, natural gas liquids, residual fuel oil, or any refined petroleum product." Thus, as presently worded, the bill extends auditing responsibilities to employees of companies engaged in various segments of the petroleum industry, as well as all gasoline stations in the United States plus those outside the United States operated by companies doing business in the United States, and retail outlets selling petroleum products in any form or quantity.

Even if examinations are limited to the major integrated oil companies, we would audit 16 of the top 50 industrial corporations in the country. The sales of these 16 companies amount to $180 billion or 44 percent of the total sales dollars of the top 50 companies. The relative asset size of these companies is similar to their share of sales dollars.

The amount of audit work required to accomplish the objectives of title V would be enormous. For GAO to assume direct audit responsibility for those companies in petroleum related industries would present substantial staffing problems. Currently, the public accounting firms, American industry, and governments at all levels employ most of the available audit resources in this country. The public accounting firms engaged in auditing the major oil companies alone devote substantial personnel and resources to this work. Even if it were more desirable, it would take a long time for GAO or any other agency to obtain enough additional competent staff to comply with the requirements of this amendment.

Section 501(b)(2) would require that a report of the results of the audits undertaken be submitted to Congress no later than 3 months after the end of each calendar year. We believe that this requirement is unrealistic in view of the detailed and comprehensive information to be obtained and submitted.

Under title V there would appear to be a potential for considerable duplication of effort and confusion as to the responsibilities of various parties, including the GAO, FEA, Federal Power Commission, the Securities and Exchange Commission and the public accounting firms currently auditing companies in the petroleum industry. The expenditures required for such dual audits do not seem to be efficient uses of audit resources. Under title V the GAO audit report would not seem to replace those reports currently being issued by public accounting firms.

4. Section 501(c) would require the GAO to prescribe standards for uniform accounting practices for persons engaged in the business of exploring, producing, transporting, refining, or distributing petroleum products within 21 months after the enactment of the bill. The economics of oil and the accounting therefor is the subject of continuing study by the accounting profession. For example, the May 1975 issue of the Journal of Accountancy contains discussion on alternatives to traditional historical cost methods for extractive industries, which include the petroleum industry. Principles and practices within this industry are still emerging and it would be extremely difficult to set standards within the specified time frame. The GAO would not be required to develop just accounting principles, difficult to codify in themselves, but uniform accounting practices requiring detailed uniform methods of bookkeeping—a substantial departure from the prevailing practice and an extremely complex task. The procedure outlined in section 501(c) does not, but should, provide affected parties the opportunity to be heard prior to the issuance of final standards and to raise any objections they may have to the standards. Also, the procedure does not, but should, provide for subsequent changes of issued standards when such changes become necessary.

5. There are several provisions of title V which appear unclear or ambiguous, making the purpose of the provisions difficult to ascertain. Several types of data seem to be confused. For example, section 501(a) requires the GAO to audit and report upon the financial operations of persons in the petroleum industry. Section 501(c)(3)(B) requires the accounting standards to be developed to facilitate the compilation of a data base including "disclosure of reserves and operating activities, both domestic and foreign, to facilitate evaluation of effort and result * * *." This refers to geological and geophysical data and evaluation of operating efficiency, not financial data and operations.

Section 501(b)(1)(B) requires that GAO's report to Congress include "the results of such other audits (including audits of persons supplying energy information as defined in section 11(e) of the Energy Supply and Environmental Coordination Act of 1974 (Pub. L. No. 93–319) to another Federal agency)." Except for the audits specifically mentioned, it is unclear what "such other audits" refers to.

In summary, title V of H.R. 7014, because of the novel features discussed above and because of its extraordinary features calling for the regulation of many aspects of the petroleum industry, provides an exercise of unique Federal governmental authority over private as well as corporate persons which are active within the industry. Some of the problems we have discussed might be cured or at least reduced by amendments to the title. However, we believe that legislation having such significant impact warrants detailed and thoughtful debate prior to its enactment. For the reasons discussed above, we oppose enactment of title V of the bill.

With respect to the type of authority we would regard as appropriate for GAO in these circumstances, we have set forth the general framework for such authority in reports and testimony to both Houses of Congress. Enclosed is a draft of legislative language which would accomplish this.

Sincerely yours,

ELMER B. STAATS,
Comptroller General
of the United States.

In lieu of the suggested amendment prepared by Comptroller Staats I am asking permission to print my own amendment which is based on it.

The amendment follows:

AMENDMENT TO H.R. 7014

Page 356, strike out line 6 and all that follows down through line 18 on page 365 and insert in lieu thereof the following:

TITLE VIII—GENERAL ACCOUNTING OFFICE

OVERSIGHT OF ENERGY-RELATED DATA COLLECTION AND ANALYSIS

SEC. 801. (a) The Comptroller General of the United States shall continuously monitor and evaluate the operations and activities of the Federal Energy Administration including its reporting requirements. The Comptroller General shall have access to information from any public or private sources whatever, notwithstanding the provisions of any other law, as is necessary to carry out his responsibilities under this Title and shall report to the Congress at such times as he deems appropriate with respect to the operations and effectiveness of the Federal Energy Administration, including his recommendations for modifications in existing laws, regulations, procedures, and practices.

(b) Upon his own initiative or upon the request of a committee of the Congress or, to the extent personnel are available, upon the request of a Member of the Congress, the Comptroller General shall (1) review the energy-related data gathering procedures of any Federal agency to insure that the agency is obtaining all necessary information from the appropriate sources to carry out the requirements of any Federal law, (2) review the issues that arise or might arise in the collection of any of the types of energy-related data, including but not limited to issues attributable to claims of business establishments, individuals, or governments that certain information is proprietary or violative of national security and therefore entitled to be kept confidential or secret, (3) conduct studies of existing statutes and regulations governing collection of energy-related data, (4) review the policies and practices of Federal agencies in gathering, analyzing, and interpreting energy-related data, and (5) evaluate particular projects or programs.

SEC. 802. The Comptroller General or any of his authorized representatives in carrying out his responsibilities under this Title shall have access to any books, documents, papers, statistics, data, information, and records of any persons engaged in whole or in part in the business of exploring, producing transporting, refining, or distributing petroleum products, including but not limited to revenues, costs, assets, and liabilities. The Comptroller General may require any person to submit in writing such energy-related data as he may prescribe. Such submission shall be made within such reasonable period and under oath or otherwise as he may direct.

SEC. 803. To assist in carrying out his responsibilities, the Comptroller General may sign and issue subpoenas requiring the production of the books, documents, papers, statistics, data, information, and records referred to in section 802 of this Title.

SEC. 804. In case of disobedience to a subpoena issued under section 803 of this Title, the Comptroller General may invoke the aid of any district court of the United States in requiring the production of the books, documents, papers, statistics, data, information, and records referred to in section 802 of this Title. Any district court of the United States within the jurisdiction in which the private organization is found or transacts business may, in case of contumacy or refusal to obey a subpoena issued by the Comptroller General, issue an order requiring the private organization to produce the books, documents, papers, statistics, data, information, or records. Failure to obey such an order of the court is punishable by such court as a contempt thereof.

SEC. 805. Reports submitted by the Comptroller General to the Congress shall be available to the public at reasonable cost and upon identifiable request, except that the Comptroller General may not disclose to the public any information which could not otherwise be disclosed ot the public by any Federal agency pursuant to any provision of law.

WARREN REPORT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. GONZALEZ) is recognized for 5 minutes.

Mr. GONZALEZ. Mr. Speaker, a group of summer interns have prepared in outline form a critique of the Warren Commission's findings from start to finish. Other people, and here I refer specifically to a group of students from the University of Virginia, have written detailed analyse's of the major points of controversy contained in the Warren Report. This outline will serve a very useful purpose in that it ties these major points together while showing the progression of less significant but equally damaging oversights throughout the Commission's findings.

In addition, there is a copy of an informant's report to the Miami Police Department subsequently handed to the FBI which became Warren Commission File CD1347. It is an example of material which it seems would have been relevant to the Commission's work but, the report on Milteer was not considered at length. I would like to call each of these documents to the attention of my colleagues as they are supportive of my resolution H.R. 204 which currently has 40 cosponsors. I am still seeking cosponsors for this resolution and I ask that any Members who might be interested contact my office at extension 5–3236.

THE WARREN COMMISSION: FROM START TO FINISH

". . . to appraise this tragedy by the light of reason and the standard of fairness. . . ." [1]

Preparing a statement of this type is an extremely difficult task. The history of conspiracy theorists has unfortunately been clouded by sensational journalistic efforts where assumptions are drawn from poorly substantiated "facts." This is in part due to the unavailability of crucial documents, photographic evidence and eyewitness testimony. A recent interpretation of the Freedom of Information Act has enabled investigators to procure some of this evidence. With available and carefully documented evidence, this outline attempts to demonstrate primarily, that there is reasonable doubt Lee Harvey Oswald acted alone in the assassination of President John F. Kennedy and, secondly, that executive agencies charged with protection of the president should not be solely relied upon for information when their failure to do so is investigated.

PLACING OSWALD AT THE SCENE OF THE CRIME—JFK ASSASSINATION

The Warren Commission's only witness to identify Oswald as being in the sixth floor, southeastern corner window of the Texas School Book Depository (TSBD) at the time of the assassination was Howard Brennan—a man who also testified that:

1. Oswald was standing when he fired the shots (an assassin would have had to be kneeling because the window sill was only 13" high);
2. He dove *into* the line of fire from the sixth floor to get out of danger (. . . off the firewall to the right);
3. He could not identify Oswald until after Oswald's death and after seeing his picture on TV twice.

Although described by the Commission as an accurate observer, he incorrectly identified the window from which the shots were fired; the windows in which he saw two Negroes viewing the parade (even though there was only one other open window on the fifth floor in the photo he was shown); he claimed to have seen 75–80% of the rifle in the window but not the scope; and he never saw the rifle discharge or the recoil, or the flash although the Commission infers that he did.[2]

AP photographer Ike Altgens, in a photograph the Warren Commission included in its report (because the photo showed the President reacting to the first shot to hit him) also picked up a man very similar in features to Oswald wearing a distinctively patterned shirt open nearly to the waist standing in the doorway of the Texas School Depository Building. When arrested, Oswald was wearing a shirt with a very similar, if not identical pattern and his shirt was missing buttons from the base of his rib cage to his neck. The FBI identifies the man in this photo as Billy Nolan Lovelady but the shirt is not the one Lovelady or his wife claim he wore that day.

Dallas police officer Marrion L. Baker was the first person to sight Oswald after the assassination. He saw Oswald in the second floor lunchroom approximately one minute and fifteen seconds after the last shot was fired. Baker's testimony was supported by the manager of the Texas School Book Depository, Roy Truly. Two timings (one a walk the other a kind of trot) during a commission-sponsored reenactment resulted in an estimate that Oswald had between one minute, fifteen seconds and one minute, thirty seconds after the last shot to:

1. withdraw his rifle from the window;
2. clean the rifle, clip and shells of all prints;
3. carefully hide the rifle;
4. walk the four floors to the lunchroom;
5. enter and be twenty feet inside the lunchroom when spotted . . .
6. through a door with an automatic closure that had to have time to shut before Truly ran past the door on his way to the third floor.

There was one other way Oswald could have been in the lunchroom when patrolman Baker spotted him. He could have entered the lunchroom through its other accessway—a hallway that leads to the first floor—which would lend additional credence to the Altgens photograph.

OSWALD AND THE MURDER WEAPON—THE MANNLICHER-CARCANO RIFLE

Witnesses who saw Oswald carry a package to the car driven by Buell Wesley Frazier, including Frazier himself testified that the package was between 24–28" long. The largest component of a disassembled Mannlicher-Carcano is the wooden stock which measures 34.8". FBI tests discovered no traces of oil on the package which is alleged to have born the disassembled rifle and was found on the sixth floor near the south-east corner window after the assassination.

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[1] *Warren Report*, p. 1.

[2] *Warren Report*, p. 5.

THE FIRST SHOT

Phillip L. Willis, a retired Air Force major was standing on the curb in front of the TSBD taking pictures of the motorcade at the time President Kennedy was shot. Willis took the fifth of a series of pictures in response to the first shot fired—as Willis put it, "the shot caused me to squeeze the camera shutter."[3] Willis and his daughter are visible in the Zapruder film. Zapruder is seen in the Willis photo along a direct line over Secret Service agent Clint Hill's shoulder. Using this information it is possible to establish that the Willis photo, triggered by the first shot, coincides with Zapruder frame 202. The Secret Service determined that prior to frame *210* in the Zapruder film the President was not in view of the sixth floor, southeastern corner of the TSBD.

COMMISSION EXHIBIT NO. 399

This is the "magic bullet." Found by Darrell C. Tomlinson (a hospital engineer who would not, in good faith, swear even that the bullet fell from Governor Connally's stretcher) this bullet had to:

1. enter JFK's back;
2. exit JFK's adam's apple;
3. enter Connally's right back;
4. shatter one of Connally's ribs;
5. exit Connally's chest;
6. break the governor's wrist;
7. exit the wrist and enter Connally's thigh.[4]

While doing this damage, C.E. 399 had to gain weight and maintain the shape of its manufacture. When found, the bullet was in nearly pristine condition having lost fewer metal fragments than were left after surgery in Governor Connally's rib, wrist and thigh. In testimony by both Gov. Connally and his wife Nellie, they deny he was struck by the same bullet that hit Pres. Kennedy. All other eyewitnesses in Dealey Plaza offering opinion on this confirmed Gov. Connally and his wife's belief.

THE SERIES OF SHOTS

The Warren Commission states that three shots were fired and that one shot missed; another bullet did all the non-fatal damage to President Kennedy and Governor Connally; the final shot was President Kennedy's fatal head injury. The Commission was unable to determine which of the three shots missed. If the first or third shot missed, a maximum time of 7.1–7.9 seconds may be chosen as the time available to the marksman for firing all three shots. If the second shot missed then the maximum time for the three shots ranges from 4.8–5.6 seconds. None of the experts the Warren Commission called were able to duplicate Oswald's feat although the scope on the Mannlicher-Carcano was repaired, stationary targets were used and experts were much better shots than Oswald.

THE INTERIM—FROM THE TSBD TO THE BOARDING HOUSE

Fifteen minutes after the assassination (12:45 p.m.) the Dallas Police broadcast this description of a suspect in the JFK shooting, "white, slender, weighing about 165 lbs., about 5'10" tall and in his early thirties."[5]

The Commission cites Howard Brennan as the source of this description but Brennan gave three different accounts of what he saw—one to a policeman on the scene, one to the Dallas Police Department immediately following the assassination and one to the Warren Commission. He also thought the man in the window was standing up. The Commission states he had to be kneeling, but Brennan apparently estimated the height, weight, age and neatness of this individual while not knowing his body position.

At this time, Oswald's movements are attested to by first, a busdriver (Cecil McWatters) who could not identify him at a police line-up; second, an ex-landlady of his (Mary Bledsoe) who identified his shirt but testified that the first time she saw it was when federal agents showed it to her; and finally, a cabdriver (William Whaley) who testified:

1. that Oswald wore either a light gray . . . or a light blue . . . or *both* jackets (Oswald had neither on at the time);
2. that he delivered Oswald to three different addresses (one the intersection of two streets that run parallel);
3. that a four man police line-up had six people in it;
4. that Oswald was number two in that line-up (Oswald was number three).

PLACING OSWALD AT THE SCENE—OFFICER J. D. TIPPETT'S MURDER

The Dallas Police Log registers J. D. Tippett's shooting at 1:16 p.m. The Warren Commission states that Oswald left the rooming house at 1:03 p.m. This leaves Oswald thirteen minutes to:

1. walk a route timed by Commission Counsel David Belin at 17 minutes and 45 seconds;
2. rest his forearms on Officer Tippett's passenger window and chat with him a moment;
3. watch Officer Tippett get out of the car and come around to his side;
4. shoot him four times;
5. dump two spent shells at the scene and two further down the block.

Before calling in the shooting at 1:16, witnesses Bowley and Benavides first checked on Officer Tippett's condition and then spent a moment before operating the police radio correctly.

OSWALD AND THE MURDER WEAPON—.38 CALIBER REVOLVER

An automatic shell was dropped by Officer Tippett's killer near the scene of the murder which could not have been fired from Oswald's gun. None of the four remnants of bullets recovered from Officer Tippett's body have been identified by the FBI as having come exclusively from Oswald's .38 caliber revolver.

UNINVESTIGATED AREAS

The Warren Commission allowed several important questions to remain unresolved when they concluded their study. Briefly, they are:

1. The burning of the first draft used for JFK's autopsy by Commander James J. Humes;
2. The many confusing statements made by several key witnesses (i.e.—Marrion L. Baker, Howard L. Brennan, Mary E. Bledsoe, William W. Whaley, Helen E. Markham) and the reasons why other possible key witnesses were not called to testify before Commission members;
3. The FBI and Secret Service "protective custody" of Marina Oswald for nearly three months;
4. The Backward Head Movement (see the UVA brief for details) visible in Zapruder frames 313–314 and the adjustment of frame numbers done in the Archives' copy of the Zapruder film;
5. The neutron activation analysis tests that are referred to by J. Edgar Hoover in memoranda but supposedly do not exist now;
6. The identification of two Secret Service agents (one of whom produced credentials) by three Dallas Policemen on the grassy knoll immediately following the assassination;
7. The testimony of Silvia Odio, a Cuban exile, and an FBI informant's report from Miami that suggest a need for further study of plans to kill JFK formulated as early as September 1963.

DIVIDED RESPONSIBILITIES

There is cause for concern that the Warren Commission did not appoint their own investigative staff to secure independent testimony and perform necessary tests. It is likely that a conflict of interests existed among FBI and Secret Service agents asked to pass judgment on agency actions they themselves may have participated in. Available documents support the supposition that important facts were withheld by the FBI, the Secret Service and the Dallas Police force which may have altered the findings of the Warren Commission.

WHY REOPEN THE JFK INVESTIGATION?

A recent ruling under the *Freedom of Information Act* released a Jan. 22, 1964 transcript of an executive session held by the Warren Commission that indicates this tragedy has not yet been appraised in ". . . the light of reason and the standard of fairness." The investigation was never completed, the crime was not solved and the legislative measures needed to insulate the fact-finding process from conflicts of interest have not been formulated. Congress, alone, may complete the job.

FOOTNOTES

Footnotes from the original Warren Commission Report are labeled "R" and then the page number from the hardcover edition follows. Sources from the twenty-six volumes of testimony begin with the volume number and are then followed by the letter "H" and the page number cited (i.e.-3H445 means you will find the reference in volume three of the hearings on page 445). Each sentence from other than the first or last two paragraphs will have a corresponding footnote. Our Group hopes to put together complete sets of the documents and testimony referred to in this outline distributed and distribute them.

Our group hopes to put together a complete set of the documents and testimony referred to in this outline and then distribute a copy of the set to a central location in each of the five House and Senate office buildings for individuals wishing to see them in context.

PLACING OSWALD AT THE SCENE OF THE CRIME—JFK ASSASSINATION

1. R 5, 63.
2. 22 H484, Commission Exhibit (C.E.) 1311, 1312.
3. 3 H144.
4. 3 H148–50.
5. a) R62, C.E. 477.
   b) *ibid.*
   c) 3 H144.
   d) 3 H154.
6. R 113, C. E. 900.
7. R 77, C.E. 1797, Shaneyfelt Exhibit 24.
8. R. 644, R 149.
9. R 149.
10. R 152, 3 H253.
11. *Ibid.*
12. R 63–5.
13. R 140–1, C.E. 1301.
14. 7 H106–7.
15. 3 H241–70.
16. 24 H199, Commission File 1546.
17. R 151, 3 H255, C.E. 1118.
18. 17 H212.
19. C.E. 1118.

OSWALD AND THE MURDER WEAPON—THE MANNLICHER-CARCANO RIFLE

1. 2 H248–50, 2 H225–6, R 133, 7 H531, 6 H376–7.
2. R 133, 3 H395, C.E. 139.
3. 4 H77–8, R 592.

THE FIRST SHOT

1, 2. R 112, 7 H492–5.

3. 15 H696, C.E. 885, Shaneyfelt Exhibit 25.
4. *Ibid.*
5. 7 H571, Weisberg, Harold, *Whitewash II,* p. 200–1.
6. R 98.

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[3] Vol. 7, H 493–4.

[4] Congressman Downing's "Dear Colleague," June 20, 1975.

[5] Footnote not supplied.

COMMISSION EXHIBIT NO. 399

2. R 81.
3-9. R 582-5.
10. 6 H105-6, newly released document also supports this.
11. R 150, 4 H132-6, 4 H147.
12. R 106-10, 6 H221.

THE SERIES OF SHOTS

1. a) R 111.
b) R 106-9.
c) R 109-10.
2. R 111.
3. R 117, 3 H407.
4. R 115.
5. R 191-95, 3 H411, 445, 17 H241, 19 H16-8, 25 H759.

THE INTERIM

1. R 144, 649.
2. R 5, 144, 19 H470, C.E. 2005.
3. 22 H484.
4. C.E. 1311.
5. a) R159, 2 H280-3.
b) R159, 6 H412-4.
6-9. 2 H260, 2 H261, 2 H292-4, 6 H430-1.

PLACING OSWALD AT THE SCENE—OFFICER TIPPETT

1. R 7, R 166.
2. R 163-4.
3. R 167.
4. 3 H306-8.
5. R 166-7.
6. 6 H434.
7. 3 H334.
8. R 7, R 166, 6 H451-2, Bowley Affidavit.

OSWALD AND THE MURDER WEAPON—.38 CALIBER REVOLVER

1. R 171, 17 H417.
2. R 172.

UNINVESTIGATED AREAS

1. 2 H352-69.
2. 3 H244-55, 7 H592-3; 3 H141-85; 6 H401-11; 2 H253-62, 6 H428-34; 3 H306-17, 7 H500-6. . . .
3. 1 H59-60, 1 H125-6.
4. The Zapruder Film.
5. *Weisberg* v. *U.S. Government* (1975).
6. Affidavit not cited in the report.
7. 11 H368-85, 11 H370-4, C.E. 2907, 2942.

[From Warren Commission File, CD 1347, pp. 119-20]

THREAT TO KILL PRESIDENT KENNEDY, NOVEMBER 9, 1963

Re: Threat to kill President Kennedy by J. A. Milteer, Miami, Florida, November 9, 1963.

On November 10, 1963, a source who has furnished reliable information in the past and in addition has furnished some information that could not be verified or corroborated, advised Sa Leonard C. Peterson that J. A. Milteer on November 9, 1963, at Miami, Florida, made a statement that plans were in the making to kill President John F. Kennedy at some future date; that Milteer suggested one Jack Brown of Chattanooga, Tennessee, as the man who could do the job and that he (Milteer) would be willing to help. Milteer reportedly said that he was famliar with Washington and that the job could be done from an office or hotel in the vicinity of the White House using a high-powered rifle.

U.S. Secret Service was advised of the foregoing information.

Re: Threat to kill President Kennedy by J. A. Milteer, Miami, Florida, November 9, 1963.

On November 26, 1963, a source who has furnished reliable information in the past and in addition has furnished some information that could not be verified or corroborated, advsed Sa Peterson as follows:

On November 23, 1963, J. A. Milteer was in the Union Train Station, Jacksonville, Florida, and at about 4:25 p.m. on that date stated he was very jubilant over the death of President Kennedy. Milteer stated, "Everything ran true to form. I guess you thought I was kidding you when I said he would be killed from a window with a high-powered rifle." When questioned as to whether he was guessing when he originally made the threat regarding President Kennedy, Milteer is quoted as saying, "I don't do any guessing."

On the evening of November 23, 1963, Milteer departed Jacksonville, Florida, by automobile en route to Columbia, South Carolina. During this trip, Milteer stated that he had been in Houston, Ft. Worth, and Dallas, Texas, as well as New Orleans, Louisiana, Biloxi and Jackson, Mississippi, and Tuscaloosa, Alabama. Milteer said he was acquainted with one R. E. Davis of Dallas, Texas, whom he described as a "good man," but did not indicate he was personally acquainted with Davis. Milteer did not indicate on what dates he was in the above cities, except for Tuscaloosa, Alabama.

Milteer related that he was in Tuscaloosa, Alabama, and contacted Robert Shelton of the United Klans of America, Inc., Knights of the Ku Klux Klan (United Klans), on the evening prior to the bombing * * *.

[From the Washington Post, July 14, 1975]

SCIENTIFIC UNIT BACKS RFK PROBE

(By Jim Morice)

ST. LOUIS, July 13.—Further investigation of the June, 1968, slaying of Sen. Robert F. Kennedy (D-N.Y.) "could be of value in clarifying circumstances" of the presidential candidate's death, a resolution adopted today by the executive committee of the National Academy of Forensic Sciences says.

While officials of the group declined further comment on the brief resolution, sources said it followed the presentation of an ad hoc committee report based on testimony given at the trial of Sirhan B. Sirhan, convicted murderer of Kennedy, photographic evidence and other documents.

Of central importance in the ad hoc committee's report is a controversy over ballistic evidence concerning the shooting, sources said.

"The executive committee of the American Academy of Forensic Sciences has reviewed a committee report related to the Robert F. Kennedy assassination, and concluded that a re-examination of the physical evidence in the case could provide additional information which could be of value in clarifying the circumstances of the death of Robert F. Kennedy," reads the resolution, which academy members called a public pronouncement.

The academy represents more than 1,500 forensic scientists in 10 disciplines. Members have participated in investigations of the deaths of actresses Marilyn Monroe and Sharon Tate and Black Panther leader Fred Hampton, said Dr. Robert J. Joling, a Tucson physician who is president of the academy.

Kennedy was shot June 5, 1968, at the Ambassador Hotel in Los Angeles while passing through the hotel kitchen on the way to a news conference. He was felled by bullets allegedly fired from a .22-caliber pistol carried by Sirhan. Sirhan was convicted of first-degree murder.

Last January, Sirhan's attorney, Godfrey Isaac, filed a writ before the California Supreme Court to reopen the case, on alleged new ballistics evidence. Isaacs said then that new evidence showed more than the eight bullets in Sirhan's gun were fired at the scene of the assassination. Isaac contended that there is a possibility that Kennedy and one of five bystanders wounded in the shooting were hit by shots fired from a second gun.

FRENZY OVER TURKEY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. BRADEMAS) is recognized for 5 minutes.

Mr. BRADEMAS. Mr. Speaker, I believe the following editorial, published in the New York Post of July 11, 1975, and entitled, "Frenzy Over Turkey," contains further telling arguments against passage by the House of S. 846, the bill to resume arms to Turkey without requiring any action on the part of Turkey to remedy the consequences of its massive invasion and military occupation of Cyprus.

The editorial follows:

[From the New York Post, July 11, 1975]

FRENZY OVER TURKEY

To each Administration its own obsession, but what is there in Henry Kissinger's and Gerald Ford's deep dark pasts—otherwise so dissimilar—that gives them this "thing" about Turkey?

It's as if the sun rose and set on the necessity of restoring the flow of American armaments to that not notably kindly country. Worse, as if the sun should not be *allowed* to set until a foolish, feckless U.S. Congress reverses the cut-off of arms it instituted during last year's primitive Turkish "solution" to the Cyprus problem.

Lyndon Johnson in his prime never twisted so many elbows at one sitting as President Ford did when he had 140 members of the House in to breakfast the other day—while Mr. Kissinger was separately cozening 100 others. (The vote of Dec. 11 they are seeking to be upset was a whopping 297 to 98.) It is the Secretary of State's apparent if unspoken thesis—or blackmail, to use a plainer word for it—that peace for the Middle East can only be bought at the price of hold-your-nose-and-vote-for-palship with our poppy-growing ally at the far end of the Mediterranean.

On the table now is a "compromise," lifting the arms embargo while reaffirming friendly U.S. relations with both Greece and Turkey and requiring bimonthly White House progress reports on an equitable settlement for Cyprus. Will it wash? Not according to Rep. John Brademas (D.-Ind.), who believes he speaks for his 3 million fellow Greek-Americans—and many other citizens—in calling the deal "fraudulent."

Brademas has perhaps special personal provocation. He was not invited to the President's breakfast. While enemies lists may be things of the past, heavy-handedness isn't. The tilt toward Turkey is becoming an absurd spectacle.

SHORTAGES AND TOTAL ABSENCE OF CANNING JAR LIDS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. VANIK) is recognized for 60 minutes.

Mr. VANIK. Mr. Speaker, for a year and a half I have endeavored to determine the reasons for the shortages in canning jar lids throughout the country. Last year, because of various controls, there were shortfalls in supplies of tin and soda ash, key components in the manufacture of jar lids.

This year, we were assured numerous times that proper planning resulting in increased production would allow five lids to be manufactured for each jar produced. We were told that lid allotments would first go to the South where the crops come in first. Then supplies of lids would be made readily available to the rest of the Nation's stores.

To verify the status of supplies of lids, and the level of gardening activities in my congressional district, I recently conducted a large sample survey of over

13,000 families. We received over 8-percent reply. A sample of the survey and results follows at the conclusion of my remarks. Over 50 percent—50 percent—of the respondent gardeners complained of the lack of canning jar lids. Obviously, from this small survey in one congressional district the problem of lids not being available has not abated at all, contrary to all of the assurances many of us in Congress have received to date.

The continuing shortage and, in fact, absolute absence of lids, is particularly tragic because so many more people in the country are becoming serious home gardeners out of necessity as store food prices continue to soar. Now we are faced with the consequences of official governmental buckpassing whereby assurances are given of plentiful supplies, none are to be found on shelves as the produce is ready for canning, and now we face the prospect of large quantities of vegetables and fruits going to waste. Not only is this an enormous loss of time and energy but a lot of hard-to-come-by money as well. Further, all of this effort expended to save money will now mean that my constituents and thousands of others will be forced to buy higher priced canned and fresh vegetables and fruits at the market place because of lack of candor and assistance from the very Federal agencies which were established to help the consumer.

I wish to include in my remarks at this point the letter I have sent to the Chairman of the Federal Trade Commission asking for specific documentation upon which the FTC assurances to me and other Members of Congress indicating in early spring that no shortage or absence of lids at the marketplace would exist this year. I further request indications to me of what course of action the FTC plans to take to determine the facts concerning present supply situation around the country and what will now be done to correct this problem.

I am also including a copy of the letter I sent today to my colleague, the Honorable Charles Carney, chairman of the Subcommittee on Commodities and Services of the House Committee on Small Business. Congressman Carney and his fine subcommittee are in the forefront of the effort to correct this bureaucratic, anticonsumer mess. It is my sincere hope that they will keep up their good work to assure the home gardener-canner that supplies can still be made available this year to try to salvage much of the produce which will otherwise go to waste.

The letter to the FTC and Chairman Carney, and the sample survey and results are as follows:

House of Representatives,
Washington, D.C.

Dear Friend: Your cooperation in completing this questionnaire would be sincerely appreciated. Please forward it to me at 2371 Rayburn Building, Washington, D.C.

Have you planted a garden this year? Yes, 616; No, 88.

A. Did you have a garden last year? Yes, 563; No, 128.

B. How large was it? 0–100 Sq. Ft., 114, 100–300 Sq. Ft., 102; over 300, 257.

C. What kinds of vegetables did you grow? (See back.)

D. How long were you able to enjoy the produce from your garden? (No. of Months) under 3, 104; 3–8, 287; 8–12, 93; over 12, 18.

E. How much do you estimate you spent to plant your garden? Cost of seeds—fertilizer—other—see back.

Is this year's garden larger or smaller than last year's? Larger 249, same 221, smaller 36.

A. How much do you estimate you spent to plant this year's garden? Seeds—fertilizer—other—see back.

B. How much time have you devoted to this year's garden? Hours per week see back.

C. Compared to last year, was there a price increase in your gardening items used this year? Yes, 412; No, 86; How much—.

D. Do you contemplate having a garden in the future? Yes, 561; No, 26.

Did you preserve the produce from your garden last year? Yes, 384; No, 154.

A. By what method? Canning 282, freezing 335, other 17 (includes drying, pickling and cooking).

B. Do you plan to do the same this year? Yes, 420; No, 48.

C. Are you having difficulty getting supplies to preserve your garden produce? Yes, 253; No, 219.

D. If you are having trouble getting the supplies you need, please give details here: (for additional space, write on back of questionnaire).

Jar lids, 224.

If you have any specific suggestions as to what the government can do to help home gardeners, please include them here or on the back of the questionnaire.

Thank you very much for your assistance in completing this survey.

Sincerely yours,
Charles A. Vanik,
Member of Congress.

	Under $5	$6 to $10	$10 to $20	Over $20
Seeds	235	157	64	30
Fertilizer	162	163	44	22
Others	98	103	34	51
Examples of others (pesticides, plowing, seedlings, plants, bulbs):				
Costs (this year):				
Seeds	187	155	75	41
Fertilizer	124	129	67	22
Others	85	87	50	46

HOURS PER WEEK

1–5, 221; 6–10, 153; 11–20, 53; over 20, 15.

PER CENT PRICE INCREASE

Under 25 percent, 84; 26–50 percent, 62; 50–100 percent, 21; over 100 percent, 14.

Under $5, 58; $5–10, 27; $10–20, 7; over $20, 8.

TYPES OF VEGETABLES

Beans, 282; cucumbers, 207; garlic, 4; onions, 220; peas, 77; tomatoes, 485; corn, 129; potatoes, 66; carrots, 182; beets, 140; cabbage, 99; peppers, 262; parsley, 24; celery, 11; melons, 18; greens, 5; okra, 3; squash, 132; lettuce, 268; pumpkins, 22; brussel sprouts, 9; brocoli, 28; radishes, 129; string beans, 7; egg plant, 38.

Cauliflower, 14; basil, 1; pimentoes, 1; asparagus, 7; turnips, 13; endive, 14; leek, 2; dill, 10; kohlrabi, 11; sweet corn, 1; oublage, 1; cantelope, 10; lima beans, 12; parsnips, 1; swiss chard, 21; chives, 5; herbs, 6; sunflowers, 1; rhubarbs, 9; strawberries, 13; spinach, 14; zuccini, 16; raspberries, 9; grapes, 7; sweet potatoes, 1; peaches, 3; kale, 4; mustard, collards.

House of Representatives,
Washington, D.C., July 16, 1975.

Hon. Charles Carney,
Chairman, Subcommittee on Commodities and Services, House Committee on Small Business, Rayburn House Office Building, Washington, D.C.

Dear Mr. Chairman: I wish to congratulate you and the members of your Subcommittee for taking the leadership in investigating the reasons behind the inexcusable absence of canning jar lids on store shelves throughout the country.

I have been deeply involved in this issue for the past year and a half. I had hoped that last year's shortages were temporary, based on reportedly short supplies of critical manufacturing materials such as soda ash and tin. Unfortunately, this has proved not to be the case. The market situation for canning supplies is as bad, if not worse, than it was last year.

Early this spring, when my office again investigated the reasons for the current shortage of canning supplies, the Federal Trade Commission, the Department of Agriculture, the Office of Consumer Affairs, and the manufacturing companies assured us that no real problems were anticipated for this summer's canning season. Overly anxious consumer purchasing, a need to supply the South first, and distributing problems reportedly had caused the temporary shortage of supplies in the North, Midwest, and West. However, Mr. Chairman, conditions have not improved one bit in my District, nor in many others as of this date.

I am enclosing for your interest, the questionnaire that I sent to a wide sampling of my constituents to determine how many new gardens were being established, how many were being continued from past years, and what problems home gardeners were experiencing with increased costs.

As you can see, prices for every item used in home gardening and storage, from fertilizers to seeds, to *plants*, to canning items, have soared due to inflationary pressures.

The most alarming problem, however, is the difficulty that the gardener is having procuring canning supplies. As you know, a person who has been canning his home produce for some time has accumulated a large quantity of reusable jars. Each year he must purchase new lids for his old jars. However, it now appears that the gardener or canner must now buy a brand new supply of jars with lids to save his surplus produce from going to waste. He is effectively prevented from using his accumulated supplies and forced to buy new, expensive jars. The purpose of having a home garden is destroyed by the lack of jar lids for canning the produce.

I know that you have already exposed this problem generally. However, the enclosed survey of my district demonstrates conclusively that the shortage of canning jar lids is a continuing problem. Meanwhile, northern garden crops will soon be ready for harvest and canning. The responsible federal agencies, such as the Department of Agriculture, the FTC, and Mrs. Knauer's office have not offered any solutions to the shortage, nor have the companies. The home gardener and canner is in effect being given short shrift by all of these agencies and companies as valuable crops are about to go to waste. It is unconscionable that this should occur at any time in America, but I find it especially outrageous in the current economic situation.

My survey clearly demonstrates that people are canning their produce out of necessity and no longer purely for pleasure. Gardeners are merely trying to store their produce for later months when they may not otherwise be able to afford off-season vegetables and fruits.

I hope that your Subcommittee on Commodities and Services will now contact the responsible government agencies and the manufacturers and suppliers of canning supplies in order to determine the real causes of the shortage of lids throughout the country. Indeed, it is virtually impossible to purchase lids in many areas. The answers to date simply do not bear out the facts as we know them. It is essential that the canning lid shortage be corrected as soon as possible. Time is running out for hundreds of thousands, even millions of families who will soon see their crops go to waste despite all the money, time, and effort which they have already invested in their gardens.

Best personal regards.

Sincerely yours,

Charles A. Vanik,
Member of Congress.

House of Representatives,
Washington, D.C., July 16, 1975.

Hon. Lewis A. Engman,
Chairman, Federal Trade Commission,
Washington, D.C.

Dear Mr. Chairman: As you may know, my office has been in touch with the FTC in regard to the canning jar lid shortages in my Congressional District and others across the country.

Since my last communication, I have sent a rather comprehensive survey questionnaire to over 13,000 families in my District. A copy of that questionnaire is attached for your information.

For your further information, I am enclosing a copy of the current tally of the various sections.

As you can see, the greatest problem cited by my constituents is the continuing shortage of canning jar lids. The shortage will soon be affecting consumers as they try to store produce from home gardens, despite reassurances from your Commission, Mrs. Knauer, the Department of Agriculture, and even the manufacturing and supply companies involved. In fact, the problem appears to have grown from a shortage to a complete lack of supplies. Gardeners in my Congressional district and across the country, according to comments by numerous colleagues in the Congressional *Record*, have been unable to find a single lid in their supply stores.

I have been assured that the companies involved in the manufacture and distribution of lids were producing nearly five lids for every jar produced. I was further advised that there was no shortage this year, as opposed to last, of the critical materials needed to manufacture canning lids. Congress was told that the problem stemmed from excessive purchases by consumers who feared they would be caught short. Further, it was indicated that supplies of lids were first being shipped to the South where the early crops would normally mature first and would have to be preserved first.

However, continuing shortages and total lack of supplies bring these explanations into grave question. In fact, I now maintain that there must be a more direct answer to explain the total unavailability of lids. Either the companies did not manufacture adequate supplies because they wanted consumers to buy jars with lids, or lids are now being withheld from the market to accomplish the same goal.

I would like to have the Commission's assessment of the current lack of supplies of canning lids. I would also like to know the course of action which the Commission will take immediately to determine how the present inexcusable situation will be corrected. At this point, every agency with which I have dealt has passed the buck. No one appears to be ready to take charge and correct this situation. The consumer is again placed in a most untenable position of having invested a great deal of money, time, and effort to produce a garden with few inexpensive ways to preserve the crops which are produced.

In view of the seriousness of this matter, it is imperative that your Commission act to correct this unconscionable situation immediately. My own in-depth survey would indicate that the FTC has neglected its mandate to the consumer by not thoroughly investigating the production, distribution and purchase of canning supplies in each of your regions. Such investigation should determine in writing, through correspondence and interviews, the validity of the claims that have been made by consumers and Members of Congress concerning this shortage.

I am taking the liberty of sharing this letter with the Chairmen of the Congressional committees looking into this issue.

I hope that the Federal Trade Commission will reply to this letter as soon as possible, outlining the specific evidence upon which the Commission based the comments to my office dated May 21, 1975. This letter stated that there was no effort on the part of the manufacturers to withhold production to force the purchase of jar-lid combinations; that five lids were being produced for each jar; and that shipments were first being sent to the South and would have shifted northward as the crops matured in other areas. I would appreciate having any and all other information and evidence in the possession of the FTC which substantiates the position taken by the Commission. To date, this position has been of no assistance to the consumer-gardener-canner.

Sincerely yours,

Charles A. Vanik,
Member of Congress.

STEVE PREFONTAINE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. Weaver) is recognized for 10 minutes.

Mr. WEAVER. Mr. Speaker, here are words given in memorial to Steve Prefontaine, a young man whose death we grieve deeply. They are by a friend of his, Kenny Moore, and they belong in the Congressional Record.

Memorial to Steve Prefontaine

(By Kenny Moore)

These remarks are not mine so much as they are those of all runners who knew Steve Prefontaine, and who grew with him here (at Hayward Field).

He conceived of his sport as a service in the way an artist serves. Without that, he would never have given us all the records. They were out beyond winning or losing, which a runner does for himself. They came from those furious minutes near the end of a race when his relentlessness and his people's excitement got all scrambled together in that thrilling madness. All of us who have said in these past few days, "I had no idea how much this man meant to me," have done so because we had not realized how much we meant to him. He was our glory, and we his.

Commensurate with the ferocity of his loyalty to us, to Oregon, to working people, to those he respected, was the severity of his resistance to those who had not won his respect. He most visibly embodied that streak of defiance that must be in all runners. He bucked the traditions of accumulation and power, for the freedom of his own way.

There were times, especially before the Munich Olympics, when he was wrapped in his obsession, when he was struggling against rain and wind and the limitations of his body, going on to rage against unnecessary impediments—as he saw the enmeshing, throttling rules of officials—times that too much of his life seemed based on defiance. Nothing he had ever learned out there trying to break free, trying to force himself into more discomfort than any pursuer could bear, none of that argued for diplomacy or resignation. And we worried about him, about whether he was happy.

In Munich he lost. And afterward he showed us, not for the first or last time, how meager was our faith. When he came home we began to perceive that while the competitive fury was still there, he was no longer driven. He began to channel and refine the prodigious energy that ran in him. He visited schools, and spoke so graphically about juvenile delinquency and venereal disease that the teachers blushed. He organized a sports club in the Oregon State Prison. He stormed at state legislators about field burning and said later he preferred the company of the prisoners. He answered every single critical letter he ever received. He and his grandfather together built a sauna, of which he was insufferably proud. He continued to give powerful and profane voice to the right of all athletes to be free to compete when and where they chose. And combining that cause with his sense of his roots and of his people, he brought athletes from Finland for a month's competition and training in Oregon. And I know he was happy.

He was a man of all these parts, and more that I have not mentioned, and still more that we never knew. It is up to us now to hold him in mind clearly, to remember him as he touched us, and infuriated us, and challenged us.

ENERGY: CAN WE AFFORD TO LOSE CONTROL?

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. Koch) is recognized for 10 minutes.

Mr. KOCH. Mr. Speaker, I rise in support of H.R. 7014, the Energy Conservation and Oil Policy Act. I feel a particular obligation to speak out now because President Ford has announced what he calls a "compromise" on his plan for the decontrol of domestic oil prices. The plan would phase out control over a 30-month period, raise gasoline prices, and the price of all domestic oil at least 7 cents a gallon, and would cost each American family between $200 and $900 a year in additional energy bills. The President's rationale seems plausible: Allow the price of oil to rise to the level where the oil companies will find it profitable to develop reserves. Basically, President Ford is saying: Let the oil companies take care of the energy crisis. Mr. Speaker, I am totally opposed to his plan and urge that the Congress reject it.

I am not one of those who does not want to see oilmen receive a fair return on their investment. I support a fair price within the structure of regulation, as is done in the Eckhardt pricing policy section of H.R. 7014. But I am opposed to decontrol for two basic reasons. First, I do not believe that this country can or should rely on oil and gas in our search for greater energy development. Domestic oil production peaked in 1970 and has dropped ever since. The U.S. Geological Survey has recently acknowledged that for years it has been overestimating the Nation's oil and gas reserves. Dr. M. King Hubbert, a geologist who for 20 years has predicted the present decline in production, has stated flatly that—

> If your hopes for independence are to supplant imports with domestic production of oil and natural gas, I say it can't be done.

What Dr. Hubbert is telling us is that no matter how high the price is, there is only so much domestic oil that we can develop. For this reason I am particulaly encouraged by the inclusion of title VI in H.R. 7014, which encourages and enforces conversion from oil and gas to other fuels.

Perhaps more importantly, I oppose decontrol of domestic oil and gas prices because that plan is based on the belief that there is a free market in the oil industry. Actually, **there are two cartels** which control the price of oil. Decontrol would allow domestic oil prices to rise to the price set by OPEC. Is that a free market? Also, the vertical and horizontal integration in the energy industry inhibits competition, which generally has the effect of lowering prices. Not only do the oil companies monopolize the production, refining, transportation, and retailing of oil and gasoline, but they are taking increasing control of other energy sources, such as coal and uranium. Oil companies own 30 percent of the Nation's privately owned coal reserves, 30 percent of the uranium reserves, and 75 percent of the natural gas reserves. While I support H.R. 7014, it does not deal with this essential problem. Sooner or later, this Congress must.

I readily admit that the energy crisis is one of the most complex and difficult problems facing our country. There are no easy answers. I think the outcome of the debate on the Ways and Means energy bill, H.R. 6860, reflects the frustration all of us feel. But on the issue of the oligopolistic structure of the energy industry, I do sense that the Congress can reach a consensus. Before the debate on H.R. 6860, I offered for discussion several issues concerning energy which the Congress did not seem to be dealing with: the structure of the energy industry, the need for coal gasification development, and ways to combat OPEC's pricing policy, which I discussed in the Record of June 4, page 16923, "Energy Alternatives". I am appending **the re**sponses which I have received from the chairmen of the various committees with jurisdiction over energy matters to demonstrate that, despite the many differences over the other two matters, there is consensus on making the energy industry more competitive. Especially encouraging is the response from House Judiciary Committee Chairman Peter Rodino, who indicates that the Subcommittee on Monopolies and Commercial Law is pursuing this subject "with an eye toward eventual legislation". I support this development wholeheartedly and urge that those hearings proceed without delay.

If we ever do rid ourselves of the cartels both in the Middle East and in our own country, we might not need control of domestic oil and gas prices. If there were truly a free market with real competition, that would make sense. Until such time as there is, I will remain opposed to the President's plan for decontrol. His plan will not significantly stimulate domestic oil production. It will only stimulate unemployment and inflation. Instead, I urge that the Congress support H.R. 7014 for equitable domestic oil prices.

I would also like to say that there are many other good reasons for supporting H.R. 7014, including the provisions which mandate maximum production by the oil companies, require a GAO audit of oil company data, and mandate automobile fuel efficiency standards of 28 miles per gallon by 1985.

The correspondence on energy follows:

Washington, D.C., *June 4, 1975.*

Hon. Al Ullman,
Chairman, Ways and Means Committee, Longworth House Office Building, Washington, D.C.

Dear Mr. Chairman: I listened to today's presentation in the Democratic Caucus of the Ways and Means Committee legislation dealing with our energy problem with interest and with a feeling of deja vu. All of the proposals incorporated in the pending legislation have been discussed and rediscussed ad nauseam since 1973, and while I am sure that, if enacted into law, the legislation will have some impact on the energy crisis, I am equally convinced that it does not go to the heart of the problem. I, like many members, would like to know why it is that we have not had legislation which would address itself to the following:

1. Promoting the immediate use of existing technology which would permit the conversion of coal and oil shale into oil and gas. As I understand it, that technology, while available, is not commercially used in the U.S. because of the fear that any time it became competitive with oil, the oil companies could immediately stifle the competition by lowering the price of oil. That valid fear could be overcome were we to guarantee the investor in such technology against loss for some reasonable time as a result of such action by the oil companies. That guarantee could take different forms, to wit: having the U.S. build, own, and lease the conversion facility, or a "hold harmless" provision relating to the cost of such a facility if privately built in the event oil prices were to fall and make the conversion process noncompetitive, or a floor price for the fuel produced for a fixed period of time, to list just three alternatives of which I am sure there are many more.

2. The noncompetitive aspects that control the various forms of energy sources. The oil companies own most of the coal companies as well as nuclear facilities, indeed, almost all of the possible competing sources of energy. And in the oil business itself, companies have vertical control from raw material to ultimate retail sale. Those existing patterns of control prevent the normal competitive processes which generally have the impact of lowering prices. And so I am asking the basic question which so many ask, which is, why do we not propose legislation which would break up the domestic cartels requiring that no company can own a competing source of energy, or have vertical domination of any fuel industry.

3. Why we have not adopted what appears to be a successful approach by France, to wit, not limiting the amount of imported oil by barrels but rather by dollars and requiring that no foreign country can provide more than 15% of the total oil annually imported and that all bids be secret to encourage members of OPEC to violate their cartel agreement and undersell one another.

I have talked to a great number of Members who, in all candor, are distressed with the fact that we in Congress and the President, have failed the American public in grappling with the most important issues facing this country: providing adequate fuel at reasonable prices to keep our industries going and becoming reasonably self-sufficient so as to prevent foreign blackmail impacting on our foreign policy.

Because you are a Chairman of one of the four committees (of Ways and Means, Interstate and Foreign Commerce, Judiciary, and Interior) having jurisdiction over this matter, I am writing to you as I am to each of the other appropriate chairmen, asking these same questions. It is my intention since this matter is of the utmost gravity, and one that every Member of this House must consider when the legislation from Ways and Means comes to the Floor next week, to place our correspondence in the Congressional Record so as to continue the dialogue and invite the insight and wisdom of the other Members. Therefore, I would appreciate a full exposition of your position on any of those matters relating to your committee and your evaluation of the merits of these suggestions. Time is of the essence because of the pending debate on H.R. 6860.

Sincerely,

Edward I. Koch.

Washington, D.C.,
June 11, 1975.

Hon. Edward I. Koch,
House of Representatives,
Washington, D.C.

Dear Ed: I was happy to receive your letter of June 4th. I share your concerns about both the types of energy legislation presently under consideration by the House and those more fundamental—and more difficult—questions concerning the general structure of the "energy" industry.

Early in April of this year, I directed the staff of the Subcommittee on Monopolies and Commercial Law of the House Judiciary Committee to begin the planning of hearings to explore those more fundamental questions and, in particular, whether any company should engage in development or production of two or more competing sources of energy and whether vertical integration can itself be a barrier to effective competition.

The staff presently is preparing the groundwork for such hearings (tentatively scheduled to begin in July). These hearings are being designed with an eye toward eventual legislation and not as an exercise in the type of "ad nauseam discussion" that we agree will aid neither the Congress nor the American public.

I hope that the Judiciary Committee, through the initial efforts of the Subcommittee, will move us closer to the heart of the problem and its correction.

Sincerely,

Peter W. Rodino, Jr.,
Chairman.

Washington, D.C.,
July 11, 1975.

Hon. Edward I. Koch,
U.S. House of Representatives,
Longworth House Office Building,
Washington, D.C.

Dear Ed: Your recent letter raises several points concerning our national energy policy. You raise several points in connection with this question:

First, you suggest encouraging conversion of coal and oil shale. As you may know, this is an area in which there is still a great deal of research and development activity called for; that responsibility is within the jurisdiction of another committee of the House, to which you did not write: the Science and Technology Committee, under the Chairmanship of the Honorable Olin E. Teague. You should note, however, that the Energy Conservation and Oil Policy Act, which has been under most intensive consideration by the Subcommittee on Energy and Power, does address itself to the need to encourage conversion of existing oil and gas fired plants to other fuels, such as coal. I would refer you specifically to Title VI of that bill, H.R. 7014, and invite your careful consideration of these proposals when the legislation reaches the House Floor.

Second, you deplore the lack of competition between energy sources. This is, again, a matter of considerable concern to the Committee. For this reason, members of the Subcommittee have introduced legislation directed to this question: H.R. 7012 and H.R. 7025. For a number of reasons, which should be immediately obvious, our Committee concluded that it would be unwise to handle the divestiture question in the context of H.R. 7014. I would invite your attention to the legislation, however, and solicit your views on these bills.

Three, you suggest that there be a national policy to limit the value of oil which might be imported annually. This is a subject within the jurisdiction of another committee than ours and I would defer to the judgements of the members of that committee as to the workability of such a proposal and how it might be implemented.

With every good wish.

Sincerely,

JOHN D. DINGELL,
Chairman.

WASHINGTON, D.C.,
June 20, 1975.

Hon. EDWARD I. KOCH,
U.S. House of Representatives,
Washington, D.C.

DEAR ED: I sincerely appreciate the opportunity to comment on the important issues regarding this nation's energy policy that you have raised in your letter. I will address them in the order presented.

(1) I am afraid that I cannot agree with your premise that acceptable technology is available to develop oil shale or successfully convert coal into oil and gas. Some coal gasification technologies are practical and are being developed while improved gasification and liquefaction methods are still in the R&D stage. Moreover, it is not at all clear that environmentally acceptable methods of extracting and retorting oil shale are presently available and more R&D is needed.

Personally, I would like to see emphasis on *in situ* methods of oil shale extraction, but unfortunately it has not been the policy of the Administration to encourage this technology.

I quite agree, however, that the answer to this problem lies in developing an R&D program that will sufficiently protect the commercial development of acceptable technologies and that should be done on a case by case basis using such methods as price supports or joint Federal-industry corporations where appropriate.

I thus disfavor the across-the-board floor on the price of petroleum proposed by the President which is analogous to using a meat-axe where the situation calls for a surgeon's scalpel.

I should point out that the Federal Nonnuclear Energy Research and Development Act, P.L. 93-577, which was reported by the Subcommittee which I chair and enacted into law last year, does provide a design for either a program of price supports or establishment of Federal-industry corporations to pursue such R&D as oil shale or coal conversion.

(2) I think you have made an excellent point on the second issue you raise regarding the increased concentration of all energy sources by the oil industry. I favor both a horizontal and vertical breakup of these new energy conglomerates. I am thus a co-sponsor of H.R. 5213, Congressman Seiberling's bill, which would achieve this result.

(3) I believe that the best method for decreasing reliance on imported petroleum is through a system of limiting imports. A number of plans have been proposed, including direct bidding, government negotiation, or the so-called Adelman plan and you mention the system adopted by France. The question is why such a program has not been adopted and thus far the answer must be found in the resistance from the White House which rejects any such concept in favor of the application of import fees. This is an unacceptable approach, and I believe that we should pursue an import restriction system.

You are certainly to be congratulated for your initiative in this matter, and I have been happy to participate in this dialogue.

Sincerely,

MORRIS K. UDALL.

WASHINGTON, D.C.,
June 23, 1975.

Hon. EDWARD I. KOCH,
House of Representatives,
Washington, D.C.

DEAR MR. KOCH: This letter is in response to your request for comments on proposals to promote the conversion of coal and oil shale into oil and gas, to make the energy industry more competitive, to adopt a dollar limitation on the amount of imported oil, to limit oil imports from any one country to 15 percent of total imports and to require that the source of our oil imports be determined by a system of competitive bidding using sealed bids.

It is my understanding, based on information from people involved in the industry, that oil shale development has been hindered by extremely high costs, largely capital costs; but that coal liquefaction and gasification, although also quite expensive, are feasible at today's prices. In order to reduce the after-tax cost of capital to these industries, the Energy Conservation and Conversion Act provides for 5-year amortization of both oil shale and coal liquefaction and gasification facilities. The increase in the investment tax credit from 7 to 10 percent in the Tax Reduction Act of 1975 should also help. The solution to many of our economic problems, including energy, pollution, and housing, require the accumulation of large amounts of capital, and the Ways and Means Committee plans to consider how best to promote capital formation later this year.

I am personally in favor of encouraging competition in the energy industry. However, the issue of the competitiveness of the energy industry is, of course, not within the jurisdiction of the Ways and Means Committee.

The Ways and Means Committee considered imposing a dollar limit on oil imports, instead of a volumetric limit, but rejected the idea for several reasons. With a dollar limit, the quantity of imports allowed into the United States would increase if the price dropped. Thus, if the price of oil falls, the dollar limit would operate to make the United States more dependent on oil imports than is desirable from the standpoint of national security. Also, if the price of oil rises, the dollar limit would work to restrict the quantity of imports below the level that is needed to fuel economic prosperity. In the energy bill, the Ways and Means Committee tried to establish import quotas at a level which provides sufficient imports to prevent economic disruption but is also safe from the security standpoint. This balance could not be achieved with a dollar limit on imports. A further problem with the dollar limit is that it encourages the importation of high-sulphur oil, which is cheaper but generates more air pollution.

The committee saw no reason to limit imports from any one country to 15 percent of the total. If the United States can develop good relations with an oil exporter so that the country is willing to provide relatively inexpensive and secure oil supplies, there seems to be no reason to limit imports from that country to 15 percent.

The committee also found problems with the idea to have a government purchasing authority buy all U.S. oil imports under a secret competitive bidding system. It is not at all clear that the Organization of Petroleum Exporting Countries would be willing to play the game under our rules at the present time, and they would presumably just submit identical bids. Also, different oil refiners and marketers require different kinds of oil, and there is a risk that a government purchasing authority will purchase the wrong kinds of oil.

Sincerely yours,

AL ULLMAN.

LEGISLATION TO PROMOTE MEDICAL EQUIPMENT ECONOMIES UNDER MEDICARE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Rhode Island (Mr. ST GERMAIN) is recognized for 5 minutes.

Mr. ST GERMAIN. Mr. Speaker, on June 26, I introduced a bill, H.R. 8309, which would make it clear that payment may be made under the supplementary medical insurance program for wheelchairs and other durable medical equipment furnished on a lease-purchase basis.

Today I am pleased to reintroduce this legislation with 25 cosponsors. This is certainly indicative of the need to legislate this important detail of law.

This bill was the outcome of my investigation into the medicare process of either renting or purchasing durable medical equipment, a process which, because it does not allow for lease-purchase agreements, has resulted in many instances where a rental fee has far exceeded the original price of purchase of the equipment.

The General Accounting Office issued a report on this subject in May 1972, entitled "Need for Legislation To Authorize More Economical Ways of Providing Durable Medical Equipment Under Medicare." This report presents in the most concise terms the need for the legislation which I have proposed.

I would like to include in the RECORD a most valuable chapter of this report, which I believe will clarify the issue for my colleagues:

SAVINGS AVAILABLE BY PURCHASING DURABLE MEDICAL EQUIPMENT WHEN WARRANTED BY ANTICIPATED PERIOD OF NEED

Under the present law Medicare beneficiaries often rent durable medical equipment even though the periods of need—as estimated by their physicians or as indicated by other information supporting their claims—were long enough to justify its purchase.

To determine whether savings to the Government and to the beneficiaries could result if the Medicare law were amended to authorize alternative methods of providing durable medical equipment, we analyzed the claims histories for a statistically selected group of 560 beneficiaries for whom durable medical equipment reimbursement claims had been processed by six carriers in five States.

At five carriers in four States (Illinois, Michigan, Washington, and Wisconsin), we analyzed the claims histories for durable medical equipment reimbursements for statistical samples of 420 of the approximately 13,000 beneficiaries for whom such claims were processed by the carriers during calendar year 1970. On the basis of our analysis, we estimate that savings of about $234,000—including savings to beneficiaries of about $47,000 for their coinsurance amounts—could have been realized had equipment been purchased when the anticipated period of need indicated that purchase would have been more economical than rental.

At a sixth carrier in another State (California), our sample was limited to beneficiaries whose durable medical equipment reimbursement claims were processed during August 1971, because it was impracticable for the carrier to identify claims processed during calendar year 1970. On the basis of our analysis of claims histories for a statistical sample of 140 of the approximately 7,000 beneficiaries for whom claims were processed during August 1971, we estimate that savings of about $763,000—including savings to beneficiaries of about $153,000 for their coinsurance amounts—could have been realized had the equipment been purchased when the anticipated period of need indicated that purchase would be more economical than rental.

Other cases at the six carriers in which rental charges exceeded the purchase prices were *not* included in the above estimated savings. These were cases for which (1) the required data on the estimated periods of need at the time the equipment was acquired had not been obtained by, or was not available from, the carriers or (2) the physicians' prescriptions showed estimated periods of need which would have justified rental rather than purchase but for which subsequent events showed that the actual periods of need were longer than anticipated.

CHARACTERISTICS OF CASES SAMPLED

The 560 beneficiaries acquired—purchased or rented—765 items of durable medical equipment. The charges applicable to the 765 items from the time of acquisition through August 1971 totaled about $135,000, of which about 18 percent was for purchases and about 82 percent was for rentals.

The frequency with which equipment items in various purchase price ranges were either purchased or rented is summarized below:

Current or actual purchase price	Number of equipment items			Percent rented
	Total	Rented	Purchased	
$50.00 or less	247	146	101	59
$50.01 to $100	159	134	25	84
$100.01 to $200	181	123	58	67
$200.01 to $300	69	58	11	84
$300.01 to $400	52	38	14	73
$400.01 to $500	33	28	5	84
$500.01 and over	24	20	4	83
Total	765	547	218	71

Of the 547 items that were rented, 401, or 73 percent, were priced in excess of $50. Of the items priced at $50 or less, 59 percent were rented compared with 77 percent of the items priced over $50. This indicates to us that beneficiaries are more likely to purchase an item when they can be reimbursed on a lump-sum basis. On the other hand the authority to make a lump-sum reimbursement does not always ensure that an item will be purchased when warranted, because, of the items under $50 that were rented, about 12 percent were rented even though the physicians' prescriptions or other information indicated that purchases would have been more economical.

RESULTS OF ANALYSIS OF EQUIPMENT RENTALS

For those beneficiaries in our samples who rented durable medical equipment, we analyzed the claims histories and other data available at the carriers and compiled the savings that could have been realized from the date of acquisition through August 1971 by purchase of those items for which the physicians' prescriptions, or other data, indicated that purchases would be more economical than rentals. When the indicated purchase of an item did not prove to be more economical than rental, we considered the excess of the purchase price over the rental to be a loss and deducted the amount from the computed savings for the other items.

Our projection of the net savings that could have been realized by purchasing the equipment included in our samples to the universes from which the samples were drawn indicated that the total estimated savings shown below could have been attainable:

Sample universe	Number of beneficiaries in sample	Number of beneficiaries in universe	Projected estimated savings had rented equipment been purchased
Calendar year 1970 (5 carriers combined)	420	13,064	$234,300
August 1971 (1 carrier)	140	6,982	763,400

Sampling errors for the projected estimated savings were calculated at the 90-percent-confidence level. This tells us that there are nine chances in 10 that the true value of savings for the five carriers is plus or minus about $130,000, or 56 percent of the $234,300, and for the sixth carrier is plus or minus about $420,000, or 55 percent of the $763,400.

A significant factor contributing to the relatively large sampling errors was the fact that the majority of the computed sample savings were applicable to about 15 percent of the rental items; the aggregate rentals for these items were at least three times the amounts for which the items could have been purchased. Examples of items for which rentals were three or more times the purchase prices and for which physicians' prescriptions or other data indicated that purchase was warranted follow.

A Medicare patient having heart trouble rented a walker for 16 months. Her physician's prescription stated that the duration of medical necessity was 1 year. The monthly rental charges would have equaled the $90 purchase price for the item in 5 months. The rental charges through August 1971 were $290.

A Medicare patient having emphysema rented a respirator for 3 years. (See picture on p. 16.) His physician's prescription indicated that the patient would need this equipment indefinitely. The rental charges from September 1968 through August 1971 were $1,932. The purchase price of this item was $396.

A Medicare patient having a chronic, destructive skin condition rented a manual-crank bed with a trapeze bar for nearly 4 years. (See picture on p. 17.) His physician's prescription indicated that the patient's condition was irreversible and that the equipment would be needed indefinitely. The rental charges from November 1967 through August 1971 for the bed and trapeze bar were $1,654 and $342, respectively. The purchase prices for the items were $284 and $34, respectively.

A Medicare patient suffering from paralysis rented a wheelchair (see picture on p. 20) and a portable bedside commode (see picture on p. 21) for about 2 years. His physician's original prescription stated that the duration of medical need was indefinite, and an updated prescription stated that the duration of need was permanent. The rental charges for the wheelchair from July 1969 through August 1971 were $551. The purchase price was $161. The rental charges for the commode from August 1969 through August 1971 were $487. The purchase price was $36.

A patient having congestive heart failure and emphysema rented an oxygen regulator for about 3 years. Although, contrary to SSA instructions, the carrier had not required that the physician's prescription indicate the length of medical need for the equipment, the carrier's consulting physician advised us that, on the basis of the diagnosis on the original claim, a long-term need was indicated. The rental charges for the regulator from January 1967 through April 1970 were $406. The purchase price was $78.

OTHER CASES IN WHICH RENTALS EXCEEDED PURCHASE PRICES

In addition to including those cases in which rental charges in excess of purchase prices reasonably could have been foreseen on the basis of the anticipated periods of need, our samples included cases in which other beneficiaries had rented durable medical equipment for periods of time that had resulted in rentals in excess of the purchase prices.[1] These cases were not included in our projections of the estimated savings because (1) the required data on the estimated periods of need was not available at the carriers or (2) the physicians' prescriptions indicated that rentals would be more economical than purchases but the anticipated periods of need had been underestimated.

Lack of data on prescriptions

As discussed on page 10, SSA instructions to its carriers provide that claims for reimbursement of rentals or purchase cost of durable medical equipment be accompanied by physicians' prescriptions indicating the estimated number of months that the equipment will be needed. About 700 prescriptions type of information regarding length of medi- equipment were applicable to the 560 beneficiaries in our samples. A breakdown of the type of information regarding length of medical necessity shown on those prescriptions is summarized below:

Information on physicians' prescriptions

	Percent
Duration of need not stated	45
Duration of need expressed in months	24
Duration of need indicated as indefinite	21
Duration of need indicated as permanent or for life	10
Total	100

In those cases where specific periods of need for equipment were not shown, the carriers often were able to infer estimated durations of need based on the physicians' diagnoses and prognoses. Nevertheless we believe that stricter compliance with SSA instructions would have indicated more clearly whether it would have been more economical to rent or purchase the equipment.

Anticipated period of need understated

Our sample analyses revealed a number of cases where the rental of the equipment seemed to be economical on the basis of physicians' estimates of the periods of need. The equipment, however, was rented for longer than had been estimated, with the result that rentals exceeded the amounts for which the equipment could have been purchased. Such unanticipated long-term rentals occurred, for example, for about 10 percent of the beneficiary rentals in our sample at the carrier in California. By projecting these excess rental charges to the carrier's August 1971 universe, we estimate that excess rental charges which could *not* have been reasonably foreseen because of underestimates of the anticipated periods of need were $110,000. To illustrate:

The physician's prescription for a patient suffering from a variety of ailments stated that she would need a wheelchair for 6 months. Because the rental charges would not have exceeded the $161 purchase price of the wheelchair until the 9th month, the decision to rent the wheelchair seemed appropriate. As of August 1971, the beneficiary had rented the wheelchair for 16 months and the rental charges had totaled $304, or almost twice the amount for which the item could have been purchased.

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[1] For the five carriers in four States, we estimate that, for those beneficiaries in the 1970 universe, the overall rental charges exceeded the purchase prices by about $550,000 with a sampling error at the 90-percent-confidence level of $147,000, or about 27 percent of the $550,000. For the sixth carrier, we estimate that, for those beneficiaries in the August 1971 universe, the overall rental charges exceeded the purchase prices by about $1,010,000 with a sampling error at the 90-percent-confidence level of $357,000, or about 35 percent of the $1,010,000. These estimates included those cases for which we made rent-or-purchase analyses.

CARRIER'S COMMENTS

Our analyses showed, that when the beneficiaries, rather than the carriers, decide whether to rent or purchase durable medical equipment, the beneficiaries often rented even though the anticipated periods of need were long enough to justify purchase. Therefore we requested the carriers' views as to the feasibility of adopting a system of acquiring durable medical equipment for Medicare beneficiaries on the basis of the carriers' evaluation of whether to rent or purchase.

Officials of the six carriers included in our review advised us that the carriers were capable of making rent-versus-purchase decisions, if SSA requested them to do so and provided them with specific guidelines for making such decisions. Officials at two carriers indicated that administrative costs would be increased if the carriers assumed this responsibility. Some of the potential problems cited by the carriers' officials in administering such a system are summarized below.

Need for prescriptions showing specific durations of need

Carriers' officials stated that the patients' physicians were in the best position to make judgments as to the estimated periods of need for equipment and that it would be difficult for carriers to judge the probability of rent-versus-purchase economies unless the physicians' prescriptions included specific estimates of the periods for which the equipment would be needed. The carriers said that existing Medicare instructions did not ensure specificity because a physician's statement that the equipment was needed "indefinitely," "until cured," etc., was acceptable.

Officials at one carrier pointed out, however, that this potential problem might be solved once the physicians understood what was required from them in order for the carriers to process claims for the physicians' patients.

Timeliness of rent-versus-purchase evaluation

Carrier officials said that beneficiaries should not be delayed in acquiring equipment when it is medically needed and that, to avoid delays, equipment might have to be acquired before a rent-versus-purchase decision could be made. They also pointed out that a carrier's decision would be based on the physician's prescription accompanying the claim but that the claim was allowed to be submitted up to 27 months after the equipment had been acquired.[2]

Officials of one carrier advised us that a program under which carriers would evaluate physicians' prescriptions as the basis for advising beneficiaries of the most appropriate choices between rental and purchase of equipment would necessitate the submission of claims sooner than then allowed.

Of 23 suppliers interviewed, 19 informed us that they allowed the 1st month's rental of an item of equipment to be applied toward its purchase price. Therefore rent-versus-purchase decisions for equipment acquired from those suppliers would not have to be made at the time of acquisition but could be made within the 1st rental month, to permit exercise of the purchase option if warranted.

Mandatory nature of any carrier evaluations

Some carrier officials said that a beneficiary should decide whether to rent or purchase equipment but that, if the equipment was acquired by a means not indicated by the carrier's evaluation, the beneficiary should be reimbursed only to the extent of the method indicated by the carrier as being the more economical. Another carrier official said that third-party evaluations should be mandatory for beneficiaries covered under both Medicare and Medicaid so that the benefits under both programs could be administered consistently.

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[2] Section 1842 of the Medicare law allows reimbursement of bills submitted by the beneficiaries or suppliers up to 27 months after the services have been rendered.

BACK-TO-THE-SOIL: PART 8

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. Burke) is recognized for 5 minutes.

Mr. BURKE of Massachusetts. Mr. Speaker, the Secretary of Agriculture, Earl L. Butz, has to be one of the truly amazing public officials of all time. After all, who could forget the Russian Wheat Deal of 1972? Who could forget the cattle ranchers going without feed-grain, or the effect which that had on meat prices? Who could forget the bakeries being forced out of business, or the bread prices doubling? Apparently Mr. Butz can.

The Department of Agriculture has just announced the sale of 1.3 billion metric tons of wheat to the Soviet Union. In addition, we are told that negotiations are underway which could result in the sale of over 10 million tons to the Soviets. Now, maybe I am just a poor city boy, unschooled in the ways of the country, but there is one thing I do know, and that is that you cannot sell that much wheat to Russia without the American people paying for it. As more and more wheat is transferred to Russia, the cost of grain, flour, and bread will increase sharply. Shortages will develop as they did before. Fat cat cattle barons, unable to obtain adequate supplies of feed grains, will soon be known as skinny-cat cattle barons. The consumer who has already shifted from beef to chicken will again have to lower his sights—perhaps feathers taste good.

Naturally, I feel a slight twinge of guilt criticizing any United States-Soviet agreements on this day when Astronauts and Cosmonauts will meet in space to exchange detentisms. Détente with the Soviet Union might not be such a bad idea, but détente with the American people is considerably better. Secretary Butz is all in favor of sending our food to Russia. But will he allow the American consumer to grow tomatoes behind his apartment building? Apparently not. The Department of Agriculture has consistently refused to endorse my "Bicentennial Seed Bill" which would provide vegetable seeds to the American public on request. They do not mind sending our food overseas, but sending seeds to American citizens is something else. The Department of Agriculture is opposed to that.

It is no wonder that the American people are clamouring to grow their own food. They have no assurance what-so-ever that the abundant produce of our Nation will ever reach American markets. In increasing amounts, Americans are going back-to-the-soil to reestablish their self-sufficiency. They have asked that their Government provide some small assistance through the enactment of the "Bicentennial Seed Bill," yet all they see is the Government shipping more and more food overseas. Secretary Butz is an amazing public official all right. but we should certainly not allow this fact to prevent us from enacting legislation which would truly benefit the American people for a change.

NEW PROCEDURES NEEDED FOR COMMODITIES EXCHANGE AUTHORITY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. Mezvinsky) is recognized for 15 minutes.

Mr. MEZVINSKY. Mr. Speaker, for over 15 years, a commodities trader, Bernhard Rosee, has been seeking damages resulting from his being wrongfully deprived of his seat on the Chicago Board of Trade—CBOT—in 1961. Mr. Rosee has finally received a judgment against the individuals who caused his removal from the CBOT but questions arising from the roles of the CBOT and the Commodities Exchange Authority—CEA—in the actions against Mr. Rosee have not yet been settled.

Mr. Rosee has filed a petition raising these charges against the CBOT with the Commodities Futures Trading Commission—CFTC—the successor agency to the CEA, challenging the CBOT's right to be designated as a contract market under the new CFTC Act. Knowing of the problems faced by commodities traders under the old CEA, I believe it is critical that we insure that the new CFTC's procedures are not subject to charges such as those raised by Mr. Rosee.

Clark Mollenhoff of the Des Moines Register has been following Mr. Rosee's case and, without objection, I would like to submit for the Record the latest of his articles on this matter:

Reveal CEA Failed To Assist Commodity Trader in Fraud Case

(By Clark Mollenhoff)

Washington, D.C.—A top Agriculture Department official stated that the Commodity Exchange Authority (CEA) had no duty to protect commodity traders "from being cheated or defrauded" by a Chicago commission firm that had been found to be in violation of the laws, according to long secret internal papers of the CEA.

That unusual view was expressed by CEA Administrator Alex C. Caldwell in 1961 in rejecting the pleas of Chicago trader Bernhard Rosee for government help in obtaining records of the Baggot and Morrison Commission House, which he claimed would establish that he did not owe the firm $27,308.

The law establishing the CEA placed upon it the responsibility "to protect market users against cheating, fraud, and abusive practices in commodity transactions."

COURT AWARD

Although an Illinois circuit court in 1972 awarded Rosee a $700,000 judgment against Baggot and Morrison, both the CEA and the Chicago Board of Trade have resisted the veteran trader's efforts to regain his seat on the Chicago Board of Trade.

He lost the seat as a result of a 1961 ruling for Baggot and Morrison by a Chicago Board of Trade arbitration committee.

Rosee is currently challenging the Chicago Board of Trade's right to be designated as a commodity contract market, and charges that the Chicago Board was a party to a conspiracy to cheat and defraud him in ruling for the Baggot and Morrison firm.

Rosee's challenge to the Chicago Board is now pending before the new Commodity Futures Trading Commission (CFTC) for investigation and decision.

REQUIRED BY LAW

The records Rosee sought—commodity trading cards and daily segregation statements of customer accounts—were required to be kept under the Commodity Exchange Law to make it possible to detect frauds and manipulations of the markets.

Caldwell's 1961 comments in a memorandum to the office of general counsel in the Department of Agriculture barred Rosee from the original records for use in a Chicago Board of Trades arbitration hearing, and set the tone that has prevailed 14 years.

Caldwell was administrator of the CEA until his retirement in April, when the Commodity regulator agency was replaced with the five-member Commodity Futures Trading Commission (CFTC). The CFTC made the internal records of the Rosee case available to The Des Moines Register under the Freedom of Information Act. Caldwell had claimed confidentiality of his communications in resisting Rosee's pleas for access to the material.

DEMANDED CEA HELP

Rosee, relying on the governmental manual on the responsibility of the CEA demanded help from the CEA for proof Baggot and Morrison had cheated him.

Caldwell in a July 2, 1961 memorandum to Benjamin H. Holstein, a lawyer in the agriculture department, stated: "We question the statement (by Rosee's lawyer) that the Commodity Exchange Authority owed a duty to Mr. Rosee to protect him from unfair practices by Baggot and Morrison and prevent him from being cheated or defrauded by that firm."

Caldwell said that "our duty as we see it is to enforce the CEA Act and take action against violators of that act. Of course, these enforcement actions are intended to cause futures Commission merchants to act in such a way that customers will, as a result, not be cheated or defrauded."

FIRM'S PENALTIES

In the memorandum Caldwell stated that CEA had taken action against the Baggot and Morrison firm for being consistently undersegregated in its customers accounts for a period of two years. For this law violation the firm was suspended from trading for 90 days, but the partners—James Baggot and Donald Morrison—were suspended for only 30 days.

He declared that CEA investigators had not obtained original daily trading cards of Baggot and Morrison in concluding that the commission house had misused its customers' accounts, but had relied upon the firm's own daily segregation ledgers.

"Auditing procedures does not require such examination (of original trading cards) and it is not a part of our audit program," Caldwell said in resisting Rosee's request for a full audit.

Significantly, Caldwell's action to bar Rosee from Baggot and Morrison's records took place in the months immediately after the CEA had found Baggot and Morrison in violation of the law in the manner it had handled its customers accounts.

Its soft treatment of those violations was in keeping with generally light penalties for violators.

CALDWELL'S THESIS

Following Caldwell's thesis that the CEA had no responsibility to protect Rosee or other traders, the Agriculture Department refused to further investigate Baggot and Morrison, refused to compel the firm to produce original trading cards for Rosee, refused to produce CEA records for Rosee, refused to produce the records even when directed to produce them for an Illinois court, and refused to investigate alleged "lack of due process of law" in a Chicago Board of Trade hearing on Rosee's dispute with Baggot and Morrison.

Also, Caldwell refused to conduct a thorough investigation of the regional CEA office in Chicago after Rosee had alleged that CEA investigators Albert Kibby, Sam Gordon and G. Edward Piala had conspired with Baggot and Morrison officials and had filed false and misleading reports with federal and state courts on the disputed accounts.

The internal records of the Agriculture Department made available to The Register show Caldwell kept control of the investigation to the point that he discouraged action against Baggot and Morrison even after the office manager for the firm, Harris Haywood, was forced to admit in court that he had deliberately stripped about 90 pages from a commodity record book covering the crucial period of time.

DISCOUNTED DECISION

Caldwell admitted that such an act would amount to a law violation if it could be proved willful, and discounted an Illinois Circuit Court decision that had found it a malicious destruction of a relevant record in 1972 in awarding Rosee a $700,000 judgment against the Baggot and Morrison firm, which he has not been able to collect.

Illinois Circuit Court Judge Nathan Cohen and U.S. District Judge Hubert Will, have stated that they had no doubt that Baggot and Morrison had "cheated and defrauded Rosee" in the manner they had handled his trading accounts, and had falsified records to cover their misdeeds.

Both judges had commented critically on the lack of due process of law in the Chicago Board of Trade arbitration hearing, and Cohen had referred to it as "a travesty," because Rosee was not permitted to have a lawyer, subpoena witnesses or subpoena even the documents required to be kept under the Commodity Exchange Act.

The internal communications of the Department of Agriculture dealing with a 1974 and 1975 investigation demonstrate that Caldwell was permitted to answer Rosee's complaints and to control the investigation, even after a representative of Agriculture Secretary Earl Butz had said Caldwell would not be permitted to take part in the reinvestigation made necessary by Rosee's appeal to the Commodity Exchange Commission (CEC).

BUTZ' REPRESENTATIVE

Butz, chairman of the interagency CEC, appointed Erwin Peterson, administrator of the Agriculture Marketing Service (AMS), to be his personal representative to conduct so-called new investigations of the Rosee matter in 1974 and early 1975.

It was the first investigation in the 50-year history of the CEC, and Peterson promised Rosee and his lawyer, Melvin Brandt, a thorough and independent investigation of the activities of everyone in the CEA up to and including Caldwell. Records show that even Caldwell agreed in the first stage of the investigation that he should stand back from it because of the charges that he was a part of the conspiracy.

However, within a few weeks records show Peterson was not conducting an independent investigation, but was constantly asking his good friend Caldwell to write letters answering the letters from Rosee, his lawyers, and others who asked critical questions on the past handling of the case.

And, it was in keeping with Caldwell's advice that Peterson and the Agriculture Department concluded they could not compel the production of records by the Chicago Board of Trade without extensive litigation, and they dropped their request for those records.

Peterson and the office of general counsel for the Agriculture Department did little to direct investigating of the charges of mishandling of the Rosee case, but relied for the most part on Caldwell and G. Edward Piala, of the Chicago regional office—both of whom were objects of Rosee's complaint.

ALEXANDR SOLZHENITSYN: DEFENDER OF DISSENT

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, I was truly shocked to read today the statement of Secretary of State Henry Kissinger acknowledging that he had advised President Ford not to see Alexandr Solzhenitsyn because it would have been "disadvantageous" to the U.S. foreign policy in its efforts toward détente with the Soviet Union. Even more shocking was Secretary Kissinger's statement that he regarded Solzhenitsyn as one of the greatest writers of this period, adding that he had enormous respect and admiration for Solzhenitsyn as a writer.

Mr. Speaker, contrast that with the reception Alexandr Solzhenitsyn received on July 15 from Senators and Congressmen, staffers, and members of the American public when he came to the Russell Senate Office Building. I had the good fortune to be present when his car drove up and he was greeted by Senators JACKSON, CASE, HELMS, and BIDEN. People awaiting Solzhenitsyn's arrival in front of the building burst into spontaneous applause and as he entered the Senate building the corridors were filled with hundreds of people who again, spontaneously broke into applause, not for Solzhenitsyn the writer but for Solzhenitsyn the defender of dissent—a man of heroic proportions considering that as a lone individual caught up in the Soviet police state he would not be silent. During his remarks when there were perhaps 70 to 80 Senators and Members of Congress present, he said:

> Alas, such is human nature that we never feel the sufferings of others until we ourselves have to share them. I am not certain in my addresses here that I have succeed in conveying the breath of that terrible reality to American society which is complacent in its prosperity . . . I have tried to explain to Americans that in 1973, the tender dawn of detente, was precisely the time when the starvation rations in the prisons and concentration camps of the U.S.S.R. were made even skimpier. . .

Solzhenitsyn admonished those of us in his audience to oppose the Soviet regime's suppression of human liberty. He said:

> There is no choice but rise to the task of the age. Very soon, only too soon, your state will have need, not only of exceptional men but of great men. Find them in your souls. Find them in your hearts. Find them in the heart of your country.

It boggles one's mind to think that President Ford on the advice of the Secretary of State would hesitate to greet a man of this stature, a Nobel Prize winner acclaimed throughout the democratic world and now a visitor in our Capitol. Mr. Speaker, think of the impact of what can only be described as stupidity or pusillanimity on the part of our leaders, it will have on dissenters in the Soviet Union who have two sources of strength: their own intestinal moral fiber and that which comes from supportive world opinion. Clearly those dissenters must now rely more on their own intestinal moral fiber than on world opinion because that world opinion has two less supporters today, President Ford and Secretary of State Henry Kissinger. How sad.

For me, a memorable and moving moment was to stand in the presence of this brave world hero and shake his hand. Alexandr Solzhenitsyn, you make us proud. Secretary Kissinger and President Ford, your actions were not your proudest moments. Mr. Speaker, I am for détente, but I am also for the truth.

BLUEPRINT FOR A POWER GRAB

(Mr. PATMAN asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. PATMAN. Mr. Speaker, the Federal Reserve Board, under the chairmanship of Arthur Burns, is now in the process of attempting to carry out a long-range plan aimed at direct and complete domination of the Nation's financial system.

The latest evidence of this campaign is a Federal Reserve Board drafted bill which would extend the Board's authority to impose reserve requirements on all depository lending institutions and thereby control the volume of their lending activity.

The public rationale given for the measure is that is needed to allow the Board to implement monetary policy in a more effective way. As it is now, the Federal Reserve Board is only enpowered to manipulate reserve requirements of Federal Reserve System member banks for the purpose of carrying out monetary policy.

The bill would allow the Board to extend this power to control the volume of lending activity to all nonmember commercial banks, mutual savings banks, savings and loan associations, and even credit unions. In effect, the measure would allow Arthur Burns & Co. to inflict their tight money, high interest rate policies at will on all depository lending institutions. Only life insurance companies and privately controlled pension funds, of all the major types of financial institutions, would escape their grip and I am sure it is only a matter of time before they get around to these institutions as well.

The measure, S. 2050, has been introduced by request in the State. A companion measure has been submitted to the House Banking, Currency and Housing Committee and I expect that it too will soon be introduced, thus setting the stage for congressional action.

There is no doubt in my mind that the Federal Reserve will next move to foster enactment of legislation to create a single Federal bank regulatory agency which will be part and parcel of the Federal Reserve System. Chairman Burns has already publicly stated that he thinks the Federal Reserve should also have this power.

Mr. Speaker, there is concrete evidence that S. 2050 and advocacy of a single bank regulatory agency controlled by the Federal Reserve Board are parts of a blueprint for the future of the Federal Reserve System. Acquisition of this power is spelled out in a 35-page paper entitled, "Scenario for Federal Reserve System in Year 2000", written in 1974 by what is labeled the "Long-Range Planning Group" of the Cleveland Federal Reserve Bank.

Of course, the Federal Reserve Board denies it has such grandiose schemes. Federal Reserve Board Vice Chairman George Mitchell describes the scenario as only one of a variety of methods to stimulate staff thinking in order to improve the Cleveland Federal Reserve Bank's ability to anticipate future needs of the banking and financial system. It should be noted that Governor Mitchell's denial was stated only a short time before S. 2050 surfaced.

Mr. Speaker, I include the Federal Reserve power-grab blueprint, "Scenario for Federal Reserve System in Year 2000", printed in its entirety in the Record so that Members of Congress and the American public can be forewarned and thus forearmed against a possible disaster to our financial system:

SCENARIO FOR FEDERAL RESERVE SYSTEM IN THE YEAR 2000

I. COMMERCIAL BANKING IN THE YEAR 2000

For purposes of this scenario, a "bank" is defined as any corporation or other organization engaged in the business of accepting deposits of money and making loans or investments. All such organizations will be subject to uniform Federal regulation and supervision by a single Federal agency, the Federal Reserve. The term will cover present-day commercial banks, savings banks, savings and loans, credit unions and other similar bodies that accept deposits and make loans under a variety of laws and regulations and supervisory authorities.

Regulation will be in the form of Congressional legislation augmented by regulations promulgated by the Federal Reserve. The objective will be to prescribe conditions for doing business that will promote the soundness of individual institutions and the financial system as a whole, and result in optimum service to individuals, businesses, and government.

All banks will be subject to the same tax laws, reserve requirements, and restrictions on their lending, borrowing and investment activities, and all will have the privilege of permitting deposits to be subject to third party transfers. All banks will be chartered by the Federal Reserve, and will be required to obtain the approval of such authority for branches, mergers and acquisitions. Branching will be permitted across state lines, and in foreign countries where reciprocal privileges have been arranged. All banks will also be limited in their activities to those directly incidental to the deposit, lending and payment functions. A bank may, however, be an affiliate of a holding company engaging in a wider range of financial activities, as permitted by the Federal Reserve under criteria that may be broader than today's "closely related" standard, but basically designed to protect the soundness and liquidity of all bank affiliates.

As the supervisory authority, the Federal Reserve will not only promulgate all regulations and control entry into the field of banking, but will examine all banks (and other affiliates of bank holding companies as deemed necessary), and administer deposit insurance to them. The Federal Reserve will also prescribe reserve requirements and provide certain services for all banks such as it now provides primarily for "member" banks.

The functions and operations of the banking institution envisioned are described in detail in the attached Exhibit A.

II. ROLE OF THE FEDERAL RESERVE

The Federal Reserve System will continue to exist as a decentralized central bank with a Board of Governors located in Washington and a number of regional Reserve Banks supervising, serving and maintaining contact with banks throughout the country. The principal functions of the Federal Reserve will be administration of monetary policy, regulation and supervision of the nation's banks, and the provision of certain services to the government, banks and the public.

A. Monetary policy

Objectives: The basic objective of monetary policy will be to facilitate full employment growth of the economy and to protect financial markets from unnecessary disruptions by regulating the growth of money and credit. This may involve efforts to achieve a mix of conflicting goals, as defined by the System in the context of its legislative mandate. These goals will be much the same as those currently perceived, but their weights in decision-making will be different. For example, the rate of unemployment may be a less significant consideration than at present, because manpower programs, employment exchanges, and some form of guaranteed annual income will have reduced the extent and costs of cyclical unemployment. There will be a shift toward greater emphasis on inflation, interest rates, and the exchange rate vis-a-vis other nations, and toward the maintenance of financial market stability in the context of shocks from abroad, as opposed to the promotion of domestic growth of real output and a high level of employment. Some of the reasons for this shift will be rapid growth of world population, multinational corporations, and instantaneous international communication, bringing greater international economic interdependence. This, and more internationally diverse portfolios in all nations, will generate a broader, more integrated international capital market.

It is recognized that policy actions will have unequal impacts on sectors, corporations and individuals. This is one of the reasons for the maintenance of System independence—to insulate hard choices from the pressures that might be exerted by shifting coalitions of self-interested groups. In general, the job of the Fed will be to pursue mandated goals without regard to distributional effects. Realistically, policymarkers' judgments will be tempered by mercy and an instinct for self-preservation. Redirecting credit toward disadvantaged groups by direct lending or special inducements to private lending will have little chance of success in a world of competitive financial markets and effective monetary policy. Explicit subsidies and tax rates designed for the benefit of particular sectors by Congress will be more effective.

Independence in defining and pursuing goals cannot be absolute. Some periodic public performance review will be required. The general citizen and the Congress are increasingly more sophisticated in analyzing the national economy and the dependence of individual welfare on national policy decisions. As a creation of Congress, the Fed will be subject to an annual performance review including full disclosure of quantified goals and actions. This review should not include disclosure of individuals' positions (other than yea and nay votes), in order to minimize chances of pressure group infiltration of the System.

Ultimate criteria of policy success will be the personal conviction of the administrators that they have come as close as they could to achieving their objectives,—and the survival of the institution. Continued internal monitoring of deviations of performance from goals, and continuing basic and applied research aimed at policy improvements are fundamental requirements for satisfactory policy performance. Research should be carried out in open dialogue within the System, and between the System and all other research institutions except in cases where access by outsiders would bestow some immediate market advantage."

Congressional review will point up discrepancies between System goals and public perceptions of proper goals. Except for new legislation specifying particular goals, there should be no mechanism, such as control of budget, staff, or operations, for Congressional or executive control of System policy.

Implementation. Formulation and execution of policy will be the responsibility of a body similar to the present Federal Open Market Committee, equipped with a somewhat broader set of tools. The FOMC will be composed of all members of the Board of Governors and five rotating Reserve Bank Presidents. Reserve Banks will have research staffs to assist Presidents in developing unique regional and intellectual perspectives on policy issues. FOMC will meet at relatively short intervals, such as once a month. Video conference calls will make more frequent sessions feasible if circumstances warrant. Controlling the stock of cash assets (currency, coin, and bank reserves) and foreign exchange reserves requires continuous monitoring and frequent reassessment. Both areas require judgment to assess the relative strengths of fundamental and transitory elements in economic and financial developments that will not be capable of precise modeling and prediction, and should not be based on automatic rules.

Execution of policy will be achieved through domestic open market operations (buying and selling securities in exchange for Federal Reserve created cash) and foreign exchange market operations (buying and selling foreign currencies in exchange for Federal Reserve created cash), supplemented by changes in reserve requirements and the possible use of stand-by authority for both domestic selective credit controls and controls on international capital flows.

Secular growth of the economy and international payments require market purchases to maintain growth in currency, coin and bank reserves, and in foreign exchange reserves; continuing market operations are also the best vehicle for unobtrusive policy implementation.

Reserve requirement changes can be used for more visible policy actions and will be more feasible in a system with universal reserve requirements on certain deposit liabilities. These reservable deposit liabilities will consist of the kinds of deposits that are included in the set of financial instruments that make up the dominant intermediate target of policy operations, analogous to M_1 today. Thus the System will control the supply of cash, much of which banks will hold in proportion to their reservable liabilities. There will be no "membership" problem because all banks will face similar reserve requirements, and only banks will issue the instruments against which reserve requirements are assessed.

Whether reserves bear interest or not will not be a critical problem for banking, because the cost of maintaining reserves will simply be one common operational element applicable to all banks. Influencing the cost competitiveness of banks vis-a-vis other intermediaries could be accomplished by other means, notably by varying the level of reserve requirements. If interest were to be paid on reserves (explicitly, or implicitly as a credit against clearing charges, for example), it should be set lower than market rates to assure continuous economizing on excess reserves and, thereby, a "tight" relation between reserves and the instrument being controlled.

Discount lending and the discount rate will remain as instruments for System management of money and credit conditions. Banks will rely on the Federal funds and other private markets to finance temporary and permanent reserve needs. Discount lending will supplement these markets as a source of short-run reserve adjustment for banks that have difficulty in gaining access to private sources of funds. In addition, the Reserve Banks will retain a true last resort lending function for banks and others arranged by negotiation in special situations such as the aftermath of natural disasters, bank reorganizations, or other instances where private markets fail to supply credit but institutions need not fail. An announced discount rate would be set by the Board of Directors of a Reserve Bank with the approval of the Board of Governors.

Selective credit controls applicable to particular loan markets (e.g., consumer, real estate, corporate) will be available on a standby basis for use in special situations. Past experience suggests that such controls would be used in support of a national program of resource direction and could be made contingent on Congressional approval.

Margin requirements on stock purchases will become the responsibility of the SEC as part of a broadened program of supervision of securities markets. An automated national securities market will diminish or eliminate the role of the New York and other exchanges, including their margin rules for carrying securities. Regulating margin requirements for both purchasing and carrying securities will then properly belong to the SEC.

The context in which foreign exchange operations take place will be a world-wide system of managed flexible exchange rates. Fundamental changes in supply and demand for currencies will require judicious central bank tolerance of rate changes within internationally accepted guidelines, while smoothing out transitory fluctuations through foreign exchange market intervention. Foreign exchange purchases in the spot and forward markets will be financed by System credit creation. Spot sales and deliveries on forward contracts will be financed from accumulated inventories of foreign currencies, from swap lines, and from purchases financed by loans in an international reserve currency generated by an international fund like the IMF. Capital controls will be available as a last resort device when market intervention is not feasible.

B. Regulation and supervision of banks

All banks will operate under a single set of Federal banking laws that will supersede the multitude of State and Federal statutes that now apply to commercial banks, mutual savings banks, savings and loan associations and credit unions. Such laws will be designed to provide conditions for operation that will, in the mind of Congress, foster the soundness of individual institutions and the banking system as a whole for the benefit of depositors and the general public, and provide a competitive environment that will encourage efficient operations, reasonable charges, and maximum service to the public.

The role of the Federal Reserve will be to issue regulations to implement provisions of the Federal banking code; to perform certain control functions such as chartering banks, and for the formation and acquisitions of holding companies; and to examine banks for compliance with laws, regulations and standards for sound banking practice developed by the Fed in accordance with the principles and objectives stated below. In any of these areas a regulation or a decision made by the Fed may be challenged in a Federal court if a bank or holding company believes the Fed has exceeded its authority or been unreasonable in the exercise of discretion.

In the field of banking legislation the Federal Reserve will have an opportunity to make proposals and provide significant input to Congress with respect to the desirability or feasibility of specific statutes.

The role of the Federal Reserve will be more extensive than now, since it will be regulating and supervising all of the institutions now classified as commercial banks (including national and state nonmember banks) plus other institutions that now operate as mutuals, savings and loans, and credit unions. The Federal Reserve will thus succeed to the duties of the Comptroller of the Currency, the Federal Home Loan Bank Board, and the supervisory authority for Federal credit unions, as well as the duties of parallel supervisory authorities in the States. The merging and blending of these various institutions into "banks" will tend, however, to reduce the overall number of depository institutions as well as some of the specialized problems that now exist because of the differentiation made.

The Federal Reserve will also administer the deposit insurance system for all banks, assuming the functions of the F.D.I.C. and F.S.L.I.C. Insurance will be compulsory up to a specified dollar amount for all deposits. This will be set at a level that will protect the savings of a typical individual depositor. There will be a uniform premium schedule for all institutions, based on the experience of the banking system as a whole. This approach will be taken to keep administration simple and will be based on the assumption that the Fed's supervisory and examining activities will hold the risks to a relatively low level in all institutions.

Examinations conducted by the staffs of Federal Reserve Banks will not only cover a much larger group of banks than is now the case, but will extend over a much larger area due to widespread branching—going beyond District lines, across the country, and even into foreign countries. A procedure will be developed to cope with this situation, with one Reserve Bank drawing on Federal Reserve personnel in other Districts to assist in examining branches in such Districts. A procedure will be devised for the examination of holding companies that will limit investigations to manageable proportions at the same time that they produce the information necessary to determine whether any activities of the parent company or its other affiliates may be having an adverse effect on the operations of the banking affiliates.

An area which will involve broader responsibility and some new techniques is the regulation and supervision of foreign banks and branches operating in the U.S., as well as U.S. banks operating abroad. The Federal Reserve will perform this function under statutory authority and guidelines.

Examination techniques will be steamlined through the use of direct electronic communication between the computers of the Federal Reserve and individual banks. Data can be obtained more readily, and at more frequent intervals, if desired; and there will be less need for examiners to spend time on the premises of banks, although limited visitations will be necessary or desirable on occasion to examine documents and software and to evaluate management on a personal basis. A secondary objective of the examination function will be to provide the maximum possible current information about banking operations and conditions for guidance of the Fed in its regulatory, monetary policy, and service functions. Coverage of the whole range of banking institutions will make this a more effective source of information than it presently is.

An effort will be made to foster and enhance a unique characteristic of Federal Reserve supervisory activities, which is to provide constructive guidance and encouragement to comply with standards, rather than to emphasize the discovery of exceptions and imposition of penalties. This approach is not only an effective way to strengthen the industry, but tends to set the Fed apart from other regulatory agencies, enhancing its chances for remaining independent and its effectiveness in its monetary policy role.

C. Services for government, banks and public

For Federal Government. As the nation's central bank, it will be appropriate for the Federal Reserve to continue serving as the government's banker and the provider of certain services as fiscal agent. As a minimum this will include the maintenance of accounts for the Treasury Department, with the acceptance of deposits and the making of payments to third parties, mostly in electronic form. An aspect of this particular service will be the administration of TTL accounts held in commercial banks. While these will not be as vital, from an operational stand point, in an era of electronic funds transfers, they may continue to have value in the administration of monetary policy and as a means of compensating commercial banks for services rendered to the government.

With regard to Federal financing, the Fed will act for the Treasury Department in the issuance, exchange, and redemption of government securities, as well as payment of interest. As a result of the extensive development of book entry, very little paper will be involved in servicing the public debt—even for that portion held by individuals. Institutions serving as issuing and paying agents will be able to complete transactions through the Fed computer while customers are at the counter or in contact with the bank via their home or office terminals. Most payments of interest and the redemption value of matured securities will be made automatically by crediting the accounts of holders at the bank that maintains the record of their holdings.

The Fed may be called upon to perform a number of miscellaneous services for government agencies analogous to the operations involved in the issuance and redemption of food coupons today, although it is envisioned that no documents will be involved and that "welfare" programs of this type will be replaced by direct subsidies or some form of negative income tax payment electronically transferred to the recipient's bank account. The Fed will be prepared to accommodate all such requests from the government and will be reimbursed for costs incurred.

By a mechanism similar to the present V-loan program, the government will use the Fed to administer guaranteed loans to businesses or other groups that cannot obtain funds from other sources for the performance of socially desirable programs. It is anticipated that in the year 2000 there will be socially desirable objectives over and above the national security and military preparedness objectives to which the V-loan program now applies which the government will want to achieve through private enterprise. The guaranteed loan will provide an alternative to direct subsidy for situations where this approach may be preferred.

The Federal Reserve will also continue its services in the international field. These will include, and extend beyond, such operations as those presently performed, including holding assets for foreign countries and international organizations, making loans to foreign countries against collateral, acting as depository and fiscal agent for international and regional organizations, operating the Exchange Stabilization Fund, and administering foreign assets control regulations.

In the area of currency and coin, the Federal Reserve will continue to be the issuer of paper currency and the distributor of currency and coin, as more fully described in the next section.

Services for Banks. The Federal Reserve will continue to provide certain services to the banking community such as the distribution of currency and coin, maintenance of reserve and clearing accounts, execution of electronic funds transfers, and the purchase, sale and safekeeping of securities. All such services will be priced, and the banks will be charged for the services provided.

With respect to currency and coin, the basic task of making cash available to the public (through banks) is a governmental responsibility that the Federal Reserve is peculiarly qualified to perform by virtue of its role as fiscal agent, its relationship to the banking industry, its regional character, and its mandate to provide the "elastic currency" the country needs. Continued distribution through Federal Reserve banks will be more efficient than the re-establishment of separate entities such as the Subtreasuries, which would otherwise be necessary for this purpose.

Arranging and paying for the transportation of currency and coin to and from banks, however, is more of a special service for banks than government or central banking function. Historically it has been one of the valued "benefits of membership". This will not be a relevant rationale when the membership concept is abandoned and all banks will face the same reserve requirements and have the same relationship with the Fed. Under arrangements whereby services are priced, it will be appropriate for the Fed to continue transportation arrangements to all banks willing to pay for such service—through credit for reserve balances or otherwise. Transportation will be provided to branches or certain depots designated by banks, as well as their main offices, because the wide branching privilege afforded to banks will make it impracticable for banks to service all their own branches. They will, however, have to service their own networks of automated stations.

The Federal Reserve will be the issuer of paper money as it is today, although there will be only one issue of Federal Reserve notes as opposed to a separate issue for each District.

The Federal Reserve will also continue to perform essentially the same role in the nation's payments mechanism as it does today. It will "clear" electronic transfers of funds at it presently clears checks. This service need not be exclusive, but it is vitally important to the development and maintenance of an efficient national payments mechanism that the Fed provide a service equally available to all banks under standard rules and procedures. Hopefully, the Fed standards will be the national standards, but the offering of Fed service will in any event serve to preclude such undesirable developments as monopolies by private systems, incompatible subsystems with attendant circuitous routing, denial of access to any bank that desires to participate, and unreasonably high or nonuniform charges. As with other services, the Fed clearing service will be priced, but the rates will be uniform for all banks regardless of differentials in the cost of putting different banks on-line. Insofar as checks are used, they will be held by the bank of deposit, which will complete the transfer electronically, and subsequently forward the instruments direct to the drawer bank for return to the drawer.

In the area of safekeeping and purchase and sale of securities for banks, the Fed will also offer a priced service. With the full development of book-entry, including its extension to municipal and corporate securities, safekeeping will not present the physical problems that it now does for a Reserve Bank. Under such a system a Reserve Bank will be able to handle purchases and sales of securities for banks through their reserve accounts and maintain a complete record of a bank's investments if so requested. To the extent that TTL balances, deposits of public funds or loans to banks must be collateralized, appropriate documents and records pertaining to pledged securities will be handled by the Reserve Bank.

The Fed will be in a peculiarly favorable position to provide helpful information to banks. This will include general data that it has collected about banking operations on a national scale or in a particular area, and comparative information about loans, rates, operating ratios and operating costs for banks of various sizes and types.

An indirect benefit of the service activities of the Federal Reserve System will be an enhancement of its image as a source of benefits as well as regulation. This will be particularly important in view of the great expansion of the supervisory and regulatory activities of the Fed. Still another indirect benefit will be the maintenance of contacts with the banking community that will provide an opportunity for firsthand observation of banking conditions and the communication of ideas and opinions from the banking community to Fed personnel. Apart from the value and appropriateness of the service functions being performed, these indirect benefits flowing from the administration of services by the regional Reserve Banks provide a strong argument for the retention of the Reserve Banks as operating subsystems in the Federal Reserve System.

Services to Public. Services to the public will consist primarily of dissemination of economic information generated through the Fed's activities in the monetary policy and regulatory and supervisory areas. This will consist of data, raw and analyzed, and also the results of research efforts undertaken to improve the Fed's performance. In its sophisticated forms, the information will be of value to Congress and the Administration, as well as other government agencies, and also to the business and academic communities. In less sophisticated forms the information will be offered to the general public to increase understanding of bank operations, the monetary policy role of the Fed, and the state of the economy in general as seen from the Fed's point of view.

It is not anticipated that specific efforts will be made to become the educator of the public on economics in general or to provide guidance to the consumer in his choice of a bank. There will be some "fallout" in these areas as a result of other efforts, but this will not be a primary responsibility of the Federal Reserve. Nor will the Fed undertake to tap any data from its EFT networks to use directly in the guidance of consumers.

III. STRUCTURE OF THE FEDERAL RESERVE SYSTEM

A. General nature of organization

The Federal Reserve will be an independent agency or instrumentality of the Federal government, operating pursuant to authorizations and mandates provided in Congressional legislation. It will constitute the central bank of the United States, functioning as a "system" with a Board of Governors and a number of semi-autonomous regional Reserve Banks to perform the functions outlined in the preceding section of this paper. The Board will take the lead in the fields of monetary policy and regulation of banks, but substantial input will be provided by the staffs of the Reserve Banks. The Reserve Banks will perform most of the service functions and such parts of the bank supervision function as are delegated by the Board or relate to the examination of banks.

The Board will provide general direction and coordination for all the activities of the System. It will be governmentally oriented in that Governors will be appointed by the President, and will function as an "agency" in Washington having contacts with Congress and the Administration. The Reserve Banks, on the other hand, will be somewhat insulated from direct contact with the government but in close touch with the banking community. This will serve to retain the present public-private mix that provides strength through the opportunity provided to private financial interests to furnish input and exert influence without any direct control.

Vital to the performance of the monetary policy function of the Federal Reserve as conceived is the retention of a measure of independence of the System from direct control by Congress, the Administration, and the Treasury Department. It is recognized that the System cannot avoid being a part of the government and responsible to Congress for the manner in which it carries out its many functions, including the administration of monetary policy. Nor can it operate in a manner that is completely independent of, or indifferent to, the programs and point of view of the Administration. Nevertheless, the System as conceived must have some insulation from direct political pressures to use its powers to achieve short term objectives that may be at variance with the dominant mood of the government. It should be accountable to Congress for achievement of its general objectives, but free from short-term control of operations or budgets.

Some mechanism for review and accountability will be necessary, not only to make sure that monetary policy is conducted in a manner that is both responsible and responsive to the long-term goals established by Congress, but also to keep the Fed from becoming an arbitrary, bureaucratic and unresponsive monolith in the field of bank supervision and regulation, and to provide some safeguard against improprieties and inefficiency in Reserve Bank operations. It is believed that an appropriate degree of accountability will result from the measures described in the following paragraphs.

At the level of Federal Reserve Bank operations (internal administration and performance of service functions), an audit of assets and procedures will be conducted by an established and reputable independent accounting or management consulting firm. Congress and the public are entitled to know that the System actually possesses and takes good care of the valuables with which it is charged, and that it carries out its operations in an honest and prudent manner, without waste, favoritism, or laxity, and in accordance with sound accounting and management principles. This type of review will be in addition to action taken by the Fed to keep its own house in order through internal Reserve Bank audits and Board examinations.

The manner in which commercial banks are regulated and supervised will also be subject to an independent review in order to determine that laws, regulations, and standards are being effectively and impartially enforced, and that regulations and standards initiated by the Federal Reserve are well designed to achieve the intended results. This review will be undertaken by a different group than that which audits internal operations of the Federal Reserve Banks; a group that includes representatives of both Congress and the banks is proposed.

In the area of monetary policy a review of performance will be conducted by high level, professionally competent, "nonpolitical" individuals selected by Congress. This group will focus on the effectiveness of action taken with a view to evaluating it in terms of the prescribed goals of monetary policy and the intelligent use of the instruments available for the job.

It will be important to separate the reviews of the three different phases of Federal Reserve activities, not only because different expertise is required, but also because alleged lack of performance in one area should not be allowed to influence judgments rendered about performance in another, nor should it be allowed to provide any leverage for influencing performance in the field of monetary policy.

B. Board of Governors

The Board of Governors will continue to consist of seven members appointed by the President with the advice and consent of the Senate for terms of 14 years (or some other sufficiently long period to avoid the appointment of a large number by any one administration). Requirements similar to those that now exist for representation of various geographic areas and economic interests will be important, but most vital will be consideration of other qualifications of appointees, such as professional competence, judgment, public mindedness, courage and dedication. The public and Congress will expect and demand appointments based on such factors. To assist in obtaining persons of the highest caliber, salaries will be on a par with those provided for cabinet officials and/or Supreme Court justices.

In the area of monetary policy, the Board will function much as it does today. It will be backed by a strong research capability and will act with five Reserve Bank presidents to constitute the Federal Open Market Committee (meetings to be attended by *all* presidents). The balance of power on the Committee will continue to be in favor of the Governors because of their national outlook and their closeness to the political realities within the Federal government. For the same reason, Washington will continue to be the site of the Board's offices.

For the performance of functions other than monetary policy, the Board will be structured into a much stronger administrative body in order to improve the quality and timeliness of decisions and programs of implementation. Overall responsibility for administering Board responsibilities will be assigned to the Vice Chairman, who will function in the manner of an executive vice president and be an ex officio member of the various executive committees. Other members of the Board will operate in small executive committees to exercise general supervision over major divisions such as bank regulation and supervision, services and operations of the Federal Reserve Banks, economic and banking research, and operations of the Board staff. Each such division will have a strong director with authority to run his division under the general direction of one of the executive committees of Governors.

The executive committees will be responsible for clearing major policy questions with the whole Board, deciding lesser policy questions on their own under guidelines, outlining the goals and objectives of the divisions under their supervision, and reviewing the performance of such divisions. Goals and objectives and general budgetary controls will be sufficiently well defined for a division director to manage with a minimum of interference from Board members.

Division directors will be highly competent professional managers, who can be compensated at a higher level than at present if the salaries of Board members are also higher. This will also make possible the attraction and retention of capable lower level members of the staff who can be counted on to have a good understanding of problems of the Reserve Banks and commercial banks as they proceed with the formulation of regulations and directives, review of operations, and collection and interpretation of data. Their duties and schedules will allow time for extended visits to the Reserve Banks to gain firsthand knowledge of personnel and operations.

The division concerned with services and Reserve Bank operations will oversee programs for services rendered to both the banking community and government agencies, as well as internal administration of the Federal Reserve Banks. While techniques for directing and reviewing such operations will be more sophisticated and efficient than at present, the scope of the activities of this division will not be significantly greater than at present except insofar as the number of banks and/or banking offices may be significantly increased by virtue of the larger number of institutions receiving services from the Fed.

The division concerned with bank regulation and supervision will have significantly larger responsibilities because the Fed will be the sole supervisory agency for all banks. Four different branches of work will be involved. One will be the formulation of regulations pursuant to statutory authority. Another will be the administrative task of reviewing and approving applications for bank charters, branches, mergers and acquisitions. While a substantial amount of work in this area will be delegated to Reserve Banks, the executive committee and the whole Board will be responsible for the review of delegated decisions upon request, and for the initial consideration of novel or complex cases. The third type of work will be general supervision of the bank examination process. While examinations will be conducted by staffs of examiners based at Reserve Banks, the complexity and inter-District activity resulting from national and international branching, and extensive holding company operations, will require a certain amount of supervision and coordination by the Board. The fourth type of work will be administration of the deposit insurance operation.

The division concerned with research will undertake to provide the highest possible quality of economic data, analyses, and forecasts designed to guide the Board in its monetary policy functions.

Each division of the Board will have operations research capability that will enable it to design, monitor and evaluate controlled experiments to test the efficiency of new services, procedures, or methods of operation. These may be executed systemwide or on a limited basis, as circumstances warrant. The result will be quicker and more appropriate responses to new conditions and a shorter period of uncertainty about the value of new ideas. This will enable the Board to be a highly adaptive organization on all fronts. Experiments can include attempts to link more closely the supervision and monetary policy and services functions that are mutually supportive as conducted by the Federal Reserve.

C. Federal Reserve Banks

The Federal Reserve System will have regional Federal Reserve Banks as an integral part of the institution. These will be individually chartered, semi-autonomous corporate organizations operating within constraints imposed by Congressional statutes, Board supervision, and a defined role to play as part of a "system". Regional Reserve Banks represent a solution to a need for decentralization and a need for careful attention to alternative perspectives within a powerful, independent public institution. Their existence reflects the complex interaction of three forces: (1) a geographically dispersed set of banking institutions, requiring (2) geographically dispersed Federal Reserve facilities and personnel that (3) perform most effectively when decision making power is delegated to them.

It is expected that the number of banks will be much smaller by the year 2000 (in spite of enveloping present thrift institutions) at the same time that their branch systems will extend over a wider area. The resulting configuration of banks, however, will retain a regional orientation, with headquarters of both large and small banking institutions distributed across the nation. The present set of Federal Reserve Banks and District boundaries may not survive as the optimal deployment of Federal Reserve facilities, but some comparable geographical arrangement of a comparable number of Federal Reserve Banks will survive. The System will have the capacity for adapting to such changes in banking by altering District boundaries and the number of location of Reserve bank offices when conditions require.

It will be desirable to retain regional facilities of the Federal Reserve in order to serve and supervise the banking community most effectively. Regional depots will be necessary for the warehousing and distribution of currency and coin efficiently on uniform terms nationwide, and regional offices will facilitate the performance of fiscal services that involve banks and members of the public. Moreover, the administration of a payments system and reserve accounting will be accomplished more effectively from regional centers. In the area of bank supervision, it also seems most efficient to have regionally based staffs to examine bank offices and holding company affiliates within the District, whether the bank or holding company is headquartered in the District or elsewhere.

Knowledge of the territory, in addition to technical and cost considerations, will require regional staff and facilities. Effective supervision and examination of banks depends on knowledge of local market conditions and local personalities both in assessing risks and in making judgments about branches, mergers, affiliations, and bank formations. Sensible last resort lending requires similar regional expertise in making judgments. FOMC deliberations will reflect the diversity of national sentiment and economic conditions if District Bank Presidents make judgments based on intimate observation of private economic interests in their respective regions.

A large degree of autonomy for Reserve Banks will assure fuller realization of the benefits of decentralized decision making and responsible System control. Inserting the chief officers of a Reserve Bank into the line of authority between Board and District provides a good mechanism for implementing System programs in each District, and for adding weight to feedback from Districts to the Board. The combined Bank functions of services, supervision-examination, and monetary policy constitute a synergy such that the "Fed" represents more to bankers and to the public than a set of unrelated items in the banking environment. The institutional reality of a Reserve Bank is able to speak for the System to the public, and listen for the System to the public. In addition, the provision of a Reserve Bank career ladder for employees will maintain a sense of identity of employees with each Bank as a microcosm of the System that will assure better coordination of functions and more responsible delegated decision making.

The present concept of "membership" and of stock ownership by member banks will not exist in 2000. All banks will be subject to Federal Reserve regulations and entitled to full services on an equal basis. All banks will participate in the election of six Directors, and the Board of Governors will appoint an additional three, as at the present time. Six will be drawn from non-bank businesses, and from labor, consumer and educational interests. Directors will have three major functions: general control of management within limits set by the Board of Governors, setting the discount rate, and advisory input and evaluation of the System's performance of all its functions. Because of their value in the latter connection, there will also be directors for branches as well as main offices of Reserve Banks, drawn from the territory served by the branch.

Coordination of functions among Reserve Banks will be achieved by the Board of Governors through the executive committee-staff director organization. In addition, System "conferences" and Committees of Reserve Bank officers will exist to coordinate implementation of programs by Banks and to coordinate Reserve Bank pressures on the Board of Governors for desired changes in policies and programs.

Since banks will be allowed to establish branches on a national scale, a bank headquartered in one Federal Reserve District may have branches in one or more other Districts. This will have consequences for both services and supervision. Services for remote branches will be provided by the Federal Reserve office that can do so most conveniently, with appropriate accounting entries transferred by wire. Similarly, in the case of examinations of banks with large branch systems, the examination effort will be organized and supervised by the Reserve Bank in whose District the head office is located, but examiners in other Districts where branches are located will be called upon to assist.

The possibility of extensive foreign operations of U.S. banks will also have consequences for the Federal Reserve, both in its supervisory activities and the strategic location of Fed offices. One or more overseas offices may have to be established, perhaps as joint ventures of Reserve Banks. It does not appear that the establishment of new District and Federal Reserve Banks in overseas areas will be necessary.

For any given Federal Reserve Bank, it appears that the regulatory and supervisory function may be the least "autonomous" one. Uniform examination standards and techniques will be necessary in dealing with national and multinational banks and holding companies. Nevertheless, each Reserve Bank will have its own staff of examiners, and also personnel capable of handling supervisory functions delegated by the Board, such as preliminary or full processing of applications for charters, branches, mergers, holding company acquisitions, etc.

In the operations of a Federal Reserve Bank having to do with services, there will be more opportunity for innovation and experimentation, although even in this area a substantial amount of uniformity will be necessary or appropriate in view of the fact that the Fed will be dealing with institutions that carry on business in several Districts.

In its internal operations, a Reserve Bank will have fewer problems in connection with the handling of valuables and documents than at present. Currency and coin may be the only valuables in definitive form; it is anticipated that the volume flowing in and out of the Reserve Banks may be about the same as today—reflecting some reduction in the amount used per person or per transaction as a result of the extensive use of electronic point-of-sale transactions. Checks will have disappeared from Reserve Banks as the result of EFTS and truncation. Most securities will be in book entry form. Internal transactions will be effected almost entirely by direct communications between the central accounting computer and departmental terminals.

The drastic reduction in the volume of valuables and documents in definitive form will have consequences for both the personnel and physical facilities of Federal Reserve Banks. A secure installation for the computer facilities and for currency and coin processing and storage will be necessary, but this will be the only aspect of the structure that need be a fortress. It could be the basement or the inner core of a building that is not otherwise "monumental" in its architectural style. Or it could be separated altogether from the rest of the bank, so that the administrative staff may occupy a corporate headquarters type of office structure in a convenient location for employees and contact with the rest of the banking and business community.

Relatively few manual, menial, or tedious jobs will exist. The staff will consist primarily of technicians, systems specialists, operations and economic research personnel, managers, and executives. The emphasis will be on developing new techniques for rendering service, collecting and interpreting data, and resolving banking and monetary policy questions. While most employees will come to the bank as specialists, an effort will be made to expose them to other fields than their own and to broaden their experience and horizons. This will increase the value of their efforts and help to place them where they can make the most effective contributions. Employees who come with relatively low level skills will be assisted in their efforts to upgrade their qualifications. By stimuli to self improvement, humanization of work, and decentralized decision making the Reserve Banks will undertake to develop and retain (at least within the System) career employees in a number of areas.

Management will make maximum use of planning, budgeting, and goals/objectives techniques, together with effective communication to employees, so that the direction is clear and progress can be measured. The Reserve Banks in turn will be the beneficiaries of such management techniques on the part of the Board of Governors. This process should provide a forum for Reserve Bank views and an opportunity for participation relatively early in the planning stage with the result that friction and indecisiveness and policy making crises are held to a minimum.

Within the guidelines provided by the Board for performance of vital Federal Reserve functions, each Reserve Bank will be expected to be an adaptive organization, taking the initiative to experiment and meet changing conditions and new needs as it sees them emerging within its District. It will have the capacity to design, implement and evaluate new techniques tried under controlled conditions. The Board will encourage such efforts and assist in the communication and sharing of the results.

STATUS REPORT ON DELLUMS SPONSORED LEGISLATION

(Mr. DELLUMS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. DELLUMS. Mr. Speaker, periodically I enter into the RECORD a status report on legislation I have sponsored. Following is such a report covering all legislation I have sponsored so far during the 94th Congress:

LEGISLATIVE STATUS REPORT: JULY 1975

AGRICULTURE

H.R. 6737 (Seiberling): Research funds for improved fertilizer and food production methods.

ARTS AND HUMANITIES

H.R. 2898 (Krueger): Establish folklife center in the Library of Congress. (Scheduled for full House Administration Committee action.)

H.R. 4030 (Whitehurst): Assistance to zoos and aquariums.

H.C. Res. 97 (Bingham): Authorize bust or statue of Dr. Martin Luther King, Jr., to be placed in the Capitol.

ASIAN-AMERICAN AFFAIRS

H.R. 5548 (Anderson of Calif.): Cabinet Committee for Asian-American Affairs.

BUDGET

H.R. 7449 (Moorehead of Pa.): Intergovernmental Countercyclical Assistance Act.

CHILD WELFARE

H.R. 2967 (Brademas): Comprehensive child care.

H.R. 3408 (Daniels): Youth Camp Safety Act. (Passed the House).

H.R. 5702 (Mitchell of Md.): Grants for pre-school education programs.

CIVIL LIBERTIES

H.R. 353 (Dellums): Amnesty. (Judiciary Subcommittee hearings held.)

H.R. 354 (Dellums): Gun Control. (Judiciary Subcommittee hearings held.)

H.R. 3235 (Goldwater): Comprehensive protection of Constitutional rights of privacy.

H.R. 3837 (Dupont): Allow women in military academies (Identical bill H.R. 1051 in conference).

H.R. 4134 (Drinan): Abolishes capital punishment.

H.R. 5129 (Abzug): Amends the Privacy Act of 1974, to allow individuals to correct personal files.

H.R. 5452 (Abzug): Gay Rights.

COMMERCE

H.R. 3229 (Frenzel): Accelerated capital formation through employee stock ownership.

H.R. 3352 (Seiberling): Mandatory interest on bank accounts.

H.R. 3823 (Addabbo): Aid to small businesses affected by relocation.

H.R. 4318 (Patman of Texas): Audit of Federal Reserve.

H.R. 5524 (McFall): Price controls for concentrated industries.

H.R. 6833 (Mitchell of Md.): Moratorium on certain S.B.A. loan repayments.

CONGRESSIONAL REFORM

H.R. 1268 (Dellums): Congressional review of Executive agreements.

H.R. 3045 (Railsback): Public disclosure of lobbying.

H. Res. 442 (Stark): Additional staff for certain House members.

CONSUMER AFFAIRS

H.R. 352 (Dellums): Bans war toys.

H.R. 4149 (Ford of Tenn.): Requires all packages to have individual prices.

DISTRICT OF COLUMBIA

H.J. Res. 432 (Fauntroy): Full District of Columbia representation in Congress. (Judiciary Subcommittee hearings held.)

DRUGS

H.R. 5170 (Koch): Recall of unsafe drugs.

H.R. 6108 (Koch): Decriminalization of marijuana.

EDUCATION

H.R. 349 (Dellums): Grants to the Deganawidah-Quetzalcoatl University.

H.R. 2600 (Meeds): Comprehensive school health programs.

EMPLOYMENT

H.R. 345 (Dellums): Eliminate employment discrimination on the basis of military discharge status.

H.R. 346 (Dellums): Extend Age Discrimination Act to states.

H.R. 1609 (Hawkins): Full Employment Act.

H.R. 2394 (Riegle): Puts price stability as goal of 1946 Employment Act.

H.R. 6730 (Riegle): Unemployment compensation program extension.

ENERGY

H.R. 1768 (Green): Suspends power of the President to raise oil tariffs. (Passed Congress; vetoed.)

H.R. 6870 (Fish): Halt nuclear power plant license grants.

ENVIRONMENT

H.R. 3246 (Jeffords): Returnable Beverage Container Act. (Subcommittee mark-up pending—Interstate and Foreign Commerce)

H.R. 4328 (Rogers): Ozone Protection Act.

H.R. 4836 (Brown of Calif.): Strengthening of Clean Air Act.

H.C. Res. 308 (Miller of Calif): Postpone offshore oil leases in California.

H.J. Res. 539 (Bell): Imposes an embargo on the products of all foreign enterprises engaged in commercial whaling

FOOD STAMPS

H.R. 6417 (Richmond): Food Stamp Program improvements.

H.R. 7695 (Harrington): Prohibits cuts in Food Stamps because of increases in monthly social security payments.

H. Res. 45 (Peyser): Rescind Administration's Food Stamp regulations (enacted as P.L. 94-4).

FOREIGN AFFAIRS

H.R. 350 (Dellums): Indochina Peace Pledge Legislation.

H.R. 1845 (Fraser): Rhodesian chrome import ban.

H.R. 2438 (Findley): Development of land-grant type universities in developing nations.

H.R. 5162 (Drinan): Requires submission of reports to Congress on exports of arms and ammunition.

H.R. 6632 (Drinan): Increased Congressional oversight of foreign military arms sales.

H.R. 6937 (Fauntroy): U.S. participation in African Development Fund. (Scheduled for hearings by Banking, Currency, and Housing Subcommittee).

H.R. 7223 (Diggs): Bans transfer of nuclear materials to countries which have not ratified treaty on non-proliferation of nuclear weapons.

H.C. Res. 191 (John Burton): Cut off military aid to South Vietnam and Cambodia.

H.J. Res. 535 (Ottinger): Renounces the first use of nuclear weapons.

H. Res. 28 (Gude): Seeks agreement with U.N. members on prohibition of weather modification activity as a weapon of war.

H. Res. 536 (Harrington): Directs the Secretary of State to furnish information to the House of Representatives concerning the *Mayaguez* incident. (Full International Relations Committee hearings held.)

GOVERNMENT OPERATIONS

H.R. 343 (Dellums): CIA Control Act.

H.R. 351 (Dellums): Continuing Congressional Oversight Act.

H.R. 355 (Dellums): Provides for receipt of testimony and information from Executive agencies and bodies.

H.R. 1267 (Dellums): CIA Disclosure Act.

H.R. 3000 (Clay): Hatch Act amendments. (Employee Political Rights and Intergovernmental Programs Subcommittee hearings held.)

H.R. 3050 (Rosenthal): Conflict of interest of public servants.

H.R. 5007 (Drinan): Controls on impoundment.

H.R. 5300 (Mitchell of Md.): Establishes Federal Protective Service Police force within the General Services Administration.

H.R. 6026 (Fascell): Opens meetings of government agencies to the public.

H.R. 6939 (Gude): Procedures for location of Post Offices.

H.R. 8201 (Dellums): Bureaucratic Accountability Act.

H.R. 8388 (Kastenmeier): Code of accountability and liability for Government officials engaged in making and implementing national security policy.

H. Con. Res. 138 (Mitchell of Md.): Appreciation to Frank Wills.

H. Res. 106 (Holtzman): Directs the President to provide information on CIA activities to the House Committee on the Judiciary.

HEALTH

H.R. 4155 (Fraser): Establishes emergency health benefits program for the unemployed.

H.R. 5265 (Mitchell of Md.): Control of vitiligo.

H.R. 7345 (Pepper): Aid for graduate programs in geriatrics and gerontology.

H.R. 7364 (Koch): Assistance for geriatrics schools and departments.

H.R. 7367 (Koch): Continuing educational grants for geriatrics programs.

H.R. 7375 (Koch): Paramedical education assistance.

HOLIDAYS

H.R. 1810 (Conyers): Designates the birthday of "Martin Luther King, Jr." as a legal public holiday.

HOUSING

H.R. 344 (Dellums): Defray mortgage payments for the temporarily unemployed. (Similar to H.R. 5398 which passed the House)

H.R. 6240 (Mitchell of Md.): Building of three million low income homes.

H.R. 8095 (Ashley): Emergency assistance for Housing.

LABOR

H.R. 5023 (Mitchell of Md.): Collective bargaining for Postal employees.

H.R. 5042 (Phillip Burton): Strikes on construction sites.

H.R. 7348 (Pepper): Prevents fining of employees for giving Congressional testimony.

H.R. 7552 (Clay): Equal treatment of craft and industrial workers.

H.R. 7770 (Ryan): Service Contract Act amendment.

LEGAL SERVICES/COURT REFORM

H.R. 2986 (Conyers): Grand Jury reform.

MILITARY AFFAIRS

H.R. 1820 (Dellums): Establish the Office of Assistant Secretary of Defense for Equal Opportunity.

H.R. 2964 (Bennett): Regulate discharge certificate issuance.

H.R. 4220 (Moss): "Jerry L. Pettis Memorial Veterans' Hospital".

H.R. 5413 (Ottinger): Prohibits production of binary nerve gases.

H.R. 5895 (Fraser): Increase in veterans' educational assistance.

H.R. 6261 (Holt): Assistance to states for veterans cemeteries.

H.R. 6890 (Schroeder): Alternative Defense Authorization Bill.

H.R. 7225 (Drinan): Repeal Selective Service.

H.R. 7848 (Hicks): Military Health Care Program amendments.

PENAL REFORM

H.R. 2803 (Dellums): Omnibus Penal Reform Act.

H.R. 3603 (Mitchell of Md.): Limit use of prison inmates for medical research.

H.R. 1689 (Badillo): Prisoner's rights.

PUBLIC LANDS

H.R. 2241 (Pettis): Establish conservation area in California desert.

H.R. 2620 (Stark): Feasibility of Ridgelands Park Area.

H.R. 3510 (Udall): Land use planning. (Scheduled for Full Interior and Insular Affairs mark-up.)

H.R. 6637 (O'Neill): Disposal of surplus government property.

H.R. 6883 (Miller of Calif.): Enlarge Sequoia National Park.

H.R. 6898 (Bell): Santa Monica Mountains and Seashore National Park.

H.R. 7631 (Phillip Burton): Enlarge Redwood National Park.

H.R. 7819 (Krebs): Land use study of Kaiser Ridge in the Sierra National Forest.

H. J. Res. 154 (Dingell): Establishment of the Tule Elk National Wildlife Refuge. (Full Merchant Marine and Fisheries Committee hearings.)

SENIOR CITIZENS

H.R. 2396 (Riegle): Food Allowance for Older Americans Act.

H.R. 3601 (Mitchell of Md.): Provides for monthly consumer price indexing for older Americans.

H.R. 7255 (Pepper): Tax changes for nursing home expenses.

H.R. 7258 (Pepper): Assistance for provision of long term care in rural areas.

H.R. 7261 (Pepper): Social Security funds for nursing homes.

H.R. 7264 (Pepper): Required MD visits to nursing homes.

H.R. 7267 (Pepper): Twenty-four hour professional care in nursing homes.

H.R. 7270 (Pepper): Handling of medication in nursing homes.

H.R. 7273 (Pepper): Medical directors for nursing homes.

H.R. 7276 (Pepper): Staff ratios in nursing homes.

H.R. 7279 (Pepper): Social Services in nursing homes.

H.R. 7282 (Pepper): Admissions contracts for nursing homes.

H.R. 7285 (Pepper): Safety provisions in nursing homes.

H.R. 7288 (Pepper): Requirements for nursing homes.

H.R. 7291 (Pepper): Reporting of diseases in nursing homes.

H.R. 7294 (Pepper): Procedures for nursing home state plans.

H.R. 7297 (Pepper): Ratings of nursing homes.

H.R. 7300 (Pepper): Nursing home ombudsman program.

H.R. 7303 (Pepper): Inspector General for Health Administration.

H.R. 7306 (Pepper): No fees for referrals to nursing homes.

H.R. 7309 (Pepper): Controls for safety of nursing home valuables.

H.R. 7312 (Pepper): Outlaws bribe as means of getting in nursing homes.

H.R. 7315 (Pepper): Standards for long-term care facility personnel.

H.R. 7318 (Pepper): Nursing Home payment form changes.

H.R. 7321 (Pepper): Increased Federal inspection of nursing homes.

H.R. 7324 (Pepper): Increased Federal funding of nursing home audits.

H.R. 7327 (Pepper): Inspections of nursing homes.

H.R. 7330 (Pepper): Class action suit for nursing home patients.

H.R. 7333 (Pepper): Financial incentives for nursing homes.

H.R. 7336 (Pepper): Construction loans for non-profit nursing homes.

H.R. 7339 (Pepper): Nursing homes in minority areas.

H.R. 7342 (Pepper): Aid to repair and remote nursing homes.

H.R. 7357 (Koch): National Home Health Care Act.

H.R. 7361 (Koch): In-service training of nursing home personnel.

H.R. 7372 (Koch): Veteran training for paramedical programs in nursing homes.

H.R. 7378 (Koch): In-home care for elderly individuals.

H.R. 7384 (Koch): Training grants for nurse practitioners to provide primary health care in nursing homes.

H.R. 7385 (Koch): Demonstration projects for elderly care.

H.R. 7388 (Koch): Full disclosure of ownership interests of nursing homes.

H.R. 7391 (Koch): Improved audits of nursing homes.

H.J. Res. 474 (Pepper): Calls for White House conference on aging care.

H. Res. 493 (Koch): Action plan on nursing homes.

SOCIAL SECURITY

H.R. 3149 (Burke of Mass.): Social Security rate changes.

H.R. 3765 (Collins of Ill.): Provide cancer tests under Medicare.

H.R. 6333 (Koch): Cost-of-living increase in social security benefits.

H.R. 6769 (Holtzman): Cost-of-living and other benefit increases.

H.R. 6934 (Burke of Mass.): Allows blind to receive disability benefits.

H.R. 7138 (Ottinger): Special housing allowance for social security insurance.

H.R. 7252 (Pepper): Intermediate care services under Medicare.

H.R. 7696 (Harrington): No cut in social security insurance because of social security increases.

H.R. 7697 (Harrington): No cuts in AFDC programs because of social security increases.

H.C. Res. 71 (Brademas): Calls for no restrictions on social security cost-of-living increases.

SPORTS

H.R. 347 (Dellums): Athletic Safety Act.

H.R. 348 (Dellums): Athletic Care Act.

H.R. 2355 (Seiberling): Protects the Civil and constitutional rights of professional athletes.

TAXES

H.R. 1040 (Corman): Tax Equality Act.

H.R. 3447 (Mitchell of Md.): Tax exemption for handicapped.

H.R. 4195 (Litton): Restrict use of income tax returns.

H.R. 4897 (Dellums): World Peace Tax Fund.

H.R. 6229 (Drinan): Denies tax deductions for oil company ads.

TRANSPORTATION

H.R. 2149 (Karth): Terminates airlines mutual aid agreement.

WOMEN'S RIGHTS

H.Con. Res. 301 (Fraser): International Women's Year.

H.J. Res. 212 (Burke of Calif.): Study of the local, state, and federal criminal justice systems as they affect women.

NAVY'S "LOW-COST" FIGHTER QUESTIONED

(Mr. MILFORD asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MILFORD. Mr. Speaker, I just have to take a few minutes today to call to your attention, and to the attention of our distinguished colleagues, the fact that costs for the F–18 are $1.6 billion more then estimated.

Just recently, the Navy Department awarded a contract to Northrup/McDonald-Douglas, to build the F–18, on the basis of low costs.

Now we find a "secret paper" in the Navy Department which says that these planes are going to cost at least $1.6 billion more to develop than estimated.

At the time of the contract award, I asked for a congressional investigation of the purchase practices leading to this contract. I did this because the Navy had instructions from the Congress to select a derivative of the lightweight fighter chosen by the Navy.

The Navy rebelled.

They wanted their own plane.

When asked to compare the costs and performance of the F–18 to the F–16—the Air Force lightweight fighter—Navy brass quoted scripture and verse on F–18 performance as opposed to F–14 performance. In other words, they did not compare either cost or quality to the F–16 which they rejected over the congressional mandate.

And now, even before the airplane is designed, they are stuck with a big cost overrun.

I contend, ladies and gentlemen, that the purchase practices of the Navy in this instance still need further congressional investigation in addition to the GAO report which is to be made at the end of this month.

For, if they were going to select a completely new plane, then all defense contractors should have been notified in order to have an opportunity to submit plans and bids.

Today, we see the results of poor purchase practices. We see that competition was eliminated for the Navy's low-cost fighter. And now, we have an additional $1.6 billion bill to pay that was never brought out in earlier testimonies.

Mr. Speaker, so that you and my colleagues may read the same data I did, I am attaching a copy of the New York Times article that appeared today.

I hope that the Members of this body will take time to read and become informed on this issue which is vital to our national defense arsenal.

The article follows:

[From the New York Times, July 17, 1975]

NAVY'S ESTIMATES ON F–18 FOUND $1.6-BILLION SHORT

(By John W. Finney)

WASHINGTON, July 16.—The Defense Department has concluded that the Navy, which was under instructions to come up with a "low-cost fighter," has understated by at least $1.6-billion the long-term cost of its program to build a new carrier plane.

The finding, contained in a secret "issue paper" made available by Navy sources, introduces a new complication in the Navy's announced plans to buy the F–18 as its "low-cost fighter" for modernizing carrier squadrons in the nineteen-eighties.

One alternative would be to raise the projected Navy budget over the next five years to accommodate the increased costs of the F–18 program. But this solution would be difficult for the Navy, which already finds itself $2-billion short on the projected costs of its shipbuilding program over the next five years.

Another alternative—and one raised by the Defense Department—would be to scrap the F–18 program and have the Navy go back to industry to design a lower-cost fighter that would fit within the Navy's original budget. This alternative might not be too unacceptable to the admirals, who were never enthusiastic in the first place about building the F–18.

Under pressure from both the Defense Department and Congress, the Navy in May announced that it had selected the F–18 as its lightweight, low-cost fighter for the future rather than the F–16 chosen by the Air Force.

The twin-engine F–18 is a version of the plane unsuccessfully entered by the Northrop Corporation in the Air Force Competition for a lightweight fighter. Northrop then teamed up with McDonnell Douglas Corporation, which will build the carrier version of the F–18, to win the Navy competition.

The Navy at that time estimated that each F–18 would cost about $7.8-million (in 1975 dollars), including production as well as development costs. While this estimate did not seem completely to meet the definition of "low cost," the Navy quickly pointed out it was about half the cost of its F–14 fighter being built by the Grumman Aerospace Corporation on Long Island.

In its five-year budget projections, however, the Navy, according to Defense Department analyses, understated the future cost of developing and producing the F–18.

For its budget plans for 1976 to 1981, the Navy included $2.6-billion to develop and produce the first 128 F–18's out of the 800 that it ultimately wants to buy. An analysis by the Defense Department, supported by studies done by the White House Office of Management and Budget, finds that the five-year costs would be close to $4.3-billion.

The future of the F–18 program is emerging as one of the major issues in next year's defense budget, which is now being drafted within the Pentagon.

In an "issue paper" sent to the Navy on July 1, the Defense Department suggested the two alternatives it called "viable"— to proceed as planned or to cancel the program. It said that the choice would have to be made in drafting next year's budget.

If it chose to proceed, the Navy would have to increase its five-year budget, plan by $1.6-billion "to accommodate the shortfall" in Navy cost projections, the paper said.

If the Navy decided to cancel the program according to the paper, it would be permitted to buy 72 F–4 fighter-bombers from McDonnell Douglas to meet its fleet modernization needs in the early nineteen-eighties while designing a cheaper plane than the F–18.

A THIRD ALTERNATIVE

Some admirals would prefer another alternative: Increasing production of the F–14 fighter, which they would much rather have than the F–18.

The Defense Department analysis gives some support to the admirals' case by saying that Navy estimates indicate that 500 more F–14's could be bought for about the same $6-billion investment required to develop the same number of F–18's. The analysis adds, however, that the operating costs of the F–18's squadrons would be about $150-million less a year than the F–14.

Aside from such budgetary issues, the F–18 program is now coming under a legal challenge that could lead to its death by Congress. The LTV Corporation, which lost out with its carrier version of the F–16, has filed a complaint with the General Accounting Office charging that the Navy violated a Congressional mandate that its "low-cost" fighter should be a "derivative" of the plane selected by the Air Force.

The G.A.O. is scheduled to make its finding within the next two weeks. The present inclination within the office, according to Congressional sources, is to find that the Navy's F–18 is not really a "derivative" of the Air Force's F–16 but leave it up to Congressional committees to decide whether the Navy violated the Congressional mandate.

LIMITED NUCLEAR WAR—THE CREEPING IRRATIONALITY OF THE PENTAGON

(Mr. SEIBERLING asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SEIBERLING. Mr. Speaker, as we all know, the dividing line between rational and irrational behavior is often rather narrow and sometimes difficult to detect. This is particularly true with respect to the thinking of military experts, who must frequently choose between alternative strategies, any one of which involves potential death and destruction.

The killing of any human being by another borders on the irrational, even when it is done in the name of self-defense. But when the killing involves millions and the likely escalation into mutual suicide of the participants, it would seem that the borders of the irrational have been reached.

We must have some sympathy for the military planners who are required to think the unthinkable day after day. At the same time, we must recognize that because their work is divorced from everyday human life and considerations of normal decency and humanity, there is a very grave danger that they will eventually become so far separated from normality that their thinking will verge on madness. Such appears to be the case now with the nuclear strategists in the Pentagon, starting with Secretary of Defense Schlesinger, whose most recent announcements about limited nuclear warfare and counterforce strategies have the earmarks of a "Dr. Strangelove" syndrome.

The anomalies and quirks that are produced by this set of mind were brilliantly and ironically set forth in an article in the Washington Post on July 11, 1975, by Nicholas von Hoffman, entitled "The Precision of Death in an Era of Universal Jitters." I offer it for insertion in the RECORD following these remarks:

THE PRECISION OF DEATH IN AN ERA OF UNIVERSAL JITTERS

(By Nicholas von Hoffman)

The Korean war scare evaporated a few days ago. It ended on an ABC television talk show and a few squiggly inches in the papers the next day quoting Defense Secretary Schlesinger saying, "Whatever possibilities (of war) there were, which were basically low, have receded in recent weeks."

The end.

Before that there were days and days of nervous-making publicity. North Koreans digging tunnels into South Korea, fistfights, infiltrators, atomic warnings and poof! it's over, but we live in what Charles A. Beard in 1939 called "the era of universal jitters over foreign affairs ... The daily press and the radio, thriving on hourly sensations, do their best to inflame readers, listeners and lookers with a passion for putting down the wicked abroad . . ."

Beard dated the beginning of the era of jitters around 1890; it has intensified exponentially in our time when war chases peace around the hours of the clock. Schlesinger had not yet pronounced the Korean crisis in remission until next time it's needed before introducing us to a new peril.

Somalia.

Where is Somalia and does it matter? The Soviets are putting missiles there, Schlesinger says, and a touring American senator from Oklahoma confirms that he saw missile bunkers, dollies and a crate, clearly of Soviet origin, in the port of Berbera. You'll know where that is once you've found Somalia, and then as you stare at the open page of your altas you can ask yourself why a person from Oklahoma would care.

He might have a care about what happens to a people when they have the jitters too long. Does going through decades of this unstring us? Do perceptions and values begin to change after several generations live out their lives being told by those with prestige and authority that there may not be a tomorrow, but if there is one, they may wish they had died yesterday? Once upon a time people imagined the end of the world would come when the sun got cold. No more.

When you're in the foxholes long enough, do you remember how you came to be in one or why? The eye of the mind locks onto an infinite Hindu cartwheel of Americans, Egyptians, Cambodians, Jews, Irishmen, Turks, Christians frozen forever putting daggers into each other. Life as a way of rolling death. If cancer doesn't get you, the Commies will.

Smoke cigarettes or jog through the parks chased by cardiologists imploring you to allow them to measure your serum cholesterol. Hopes for peace in the Middle East rose today but on the other side of the world a U.S. and a Russian sub rammed each other when the radar on both craft were disabled by schools of tuna with aluminum scales. A Navy Department spokesman refused to confirm or deny.

Schlesinger says the American Presidium might conceivably start a nuclear war but within moderation. No missile fusillade is contemplated, only one shot, an atomic shell over the bow of the Ukraine. Comrade Dictator, the loss of Kiev is not to be regarded as a hostile act but a warning that our government would regard the seizure of Albania in the most serious light.

The Secretary of Defense is a practitioner of the military doctrine that one way to immobilize potential enemies is to appear slightly unpredictable, a tich mad. Never let them presume they understand the logic of our self interest. Keeps 'em off balance and guessing. So from time to time we must do things that are not in our self interest in order to serve our self interest. But what is the difference between feigning emotional instability in high places and official madness? Will the other side know, and does it give us a clue as to who wrapped the tuna fish in the tin foil?

The President, against the advice of his Defense Department, has asked Congress for money to build a $1.2-billion nuclear cruiser. There are so many new weapons. Have you heard of the PGM's? Precision guided munitions. Ours are called Maverick and TOW; the Russians' are called Sagger and Snapper; the British version is Swingfire and the Franco-German seeing-eye cannon ball is called HOT. Automatic death from a long way off.

Half a million scientists and engineers around the globe spend their full time working on new weapons. Their collective accomplishment has been to make war so automatic as to drain from it the appearances of valor. Soldiers dress like businessmen and the determination of victory is a computational procedure. The Cambodians capture 39 seamen on the Mayaguez; we lose 40 men getting them back so they win, but hold on, a recount reveals only 37 lost. We win and the liberated seamen celebrate by threatening to file suit. To have meaning, death and the threats thereof must come at gracious intervals.

"You won't catch me complaining of any war," wrote Robert Frost in September, 1914, "much less a great war like this that we wage on both sides like mystics for a reason beyond reason." Six decades of death later, mysticism is replaced by madness and no reason by too many. Put us out of our jitters, kill us, but stop explaining why.

IRS RULING ON CONTRIBUTIONS TO FUNDS USED TO PAY FOR QUESTIONNAIRES TO CONSTITUENTS

(Mr. SEIBERLING asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SEIBERLING. Mr. Speaker, I recently received a reply from the Honorable Donald C. Alexander, Commissioner of the Internal Revenue Service, in response to an inquiry I made regarding the tax deductibility of contributions to newsletter funds if such funds are used to pay for printing questionnaires mailed to constituents by Members of the House.

According to Commissioner Alexander's letter, the IRS is of the opinion that Public Law 93–625 provides a tax benefit for contributors to funds established exclusively for the purpose of furthering communication between elected public officials and their constituents and that questionnaires that focus exclusively on national issues likely to be facing Congress and that are mailed to all postal patrons in a congressional district are within this intended category of publications.

The text of Commissioner Alexander's letter follows:

INTERNAL REVENUE SERVICE,
Washington, D.C., June 23, 1975.

Hon. JOHN F. SEIBERLING,
House of Representatives,
Washington, D.C.

DEAR MR. SEIBERLING: This is in reply to your letter, and enclosures, of February 4, 1975, concerning whether contributions to a separate fund established to defray the costs of newsletters and questionnaires are eligible for a credit or deduction under sections 41 and 218 of the Internal Revenue Code of 1954, as amended by Public Law 93-625, 93d Cong., 2d Sess. (Jan. 3, 1975), in the following circumstances.

You state that during the past four years that you have been a member of the House of Representatives, it has been your practice to send annually to every postal patron in your Congressional District one questionnaire and three or four newsletters.

Your enclosed questionnaire, which you consider representative of your mailings, focuses exclusively on national issues that you believe will be facing Congress during the year. The tabulated results of the questionnaires are incorporated into subsequent newsletters and make possible a two-way communication between your constituents and yourself.

You feel strongly that the constituent feedback you receive from your questionnaires is extremely helpful in carrying out your responsibilities as a member of the House of Representatives. You also receive favorable comments from your constituents on the fact that you report the results of your survey to them in your subsequent newsletter.

Sections 41 and 218 of the Code, as amended, now provide, respectively, subject to certain limitations, a credit or deduction in the case of an individual for political contributions or newsletter fund contributions (as defined in section 41(c)), payment of which is made within the taxable year.

Section 41(c)(5) of the Code states that the term "newsletter fund contribution" means a contribution or gift of money to a fund established and maintained by an individual who holds, has been elected to, or is a candidate for nomination or election to, any Federal, State, or local elective public office for use by such individual exclusively for the preparation and circulation of a newsletter.

S. Rep. No. 93-1357, 93d Cong., 2d Sess. (1974), states, in pertinent part:

"In the Revenue Act of 1971 (Public Law 92-178) Congress added a provision to allow an individual taxpayer a credit against his income tax liability (or an itemized deduction) for a limited amount of political contributions. This was done to encourage more widespread financing of political campaigns by small contributions. By encouraging small-scale contributions and broadening the base of political financing, these provisions were designed to help reduce the dependency of candidates on large contributors and special interest groups.

"No similar credit or deduction is at present allowed for contributions to newsletter funds. However, the committee believes that the governmental process is strengthened by encouraging such contributions. It is vital that citizens know what their elected public officials are doing in office, so the voters can evaluate their performance for future elections and can tell their officials what they want them to do and not to do. Consequently, the committee has extended the existing credit and deduction provisions for political contributions to contributions to newsletter funds."

We are of the opinion that the legislative history of Public Law 93-625 clearly indicates Congress intended to provide a tax benefit for contributors to funds established exclusively for the purpose of furthering communication between elected public officials and their constituents. We consider a questionnaire such as yours to be within his intended category of publications.

Accordingly, individuals' contributions of money to your fund to be used exclusively to defray the costs of preparing and circulating your newsletters and questionnaires are eligible for the credit or deduction under sections 41 and 218 of the Code, for taxable years beginning after December 31, 1974.

We appreciate your interest in proper tax reporting that prompted your request to us.

With kind regards,

Sincerely,

DONALD C. ALEXANDER,
Commissioner.

CONFERENCE REPORT ON H.R. 6950

Mr. CASEY submitted the following conference report and statement on the bill (H.R. 6950) making appropriations for the legislative branch for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes:

CONFERENCE REPORT (H. REPT. No. 94-370)

The Committee of Conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 6950) "making appropriations for the Legislative Branch for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 48, 71, 72, 89, 90, and 104.

That the House recede from its disagreement to the amendments of the Senate numbered 36, 37, 38, 41, 42, 43, 44, 45, 46, 47, 52, 53, 54, 55, 56, 57, 62, 63, 64, 66, 67, 68, 79, 80, 81, 82, 83, 84, 85, 86, 88, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100, and 102, and agree to the same.

Amendment numbered 39: That the House recede from its disagreement to the amendment of the Senate numbered 39, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$1,168,000"; and the Senate agree to the same.

Amendment numbered 40: That the House recede from its disagreement to the amendment of the Senate numbered 40, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$292,000"; and the Senate agree to the same.

Amendment numbered 49; That the House recede from its disagreement to the amendment of the Senate numbered 49, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$6,050,000"; and the Senate agree to the same.

Amendment numbered 51: That the House recede from its disagreement to the amendment of the Senate numbered 51, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$1,512,000"; and the Senate agree to the same.

Amendment numbered 69: That the House recede from its disagreement to the amendment of the Senate numbered 69, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$57,285,000"; and the Senate agree to the same.

Amendment numbered 70: That the House recede from its disagreement to the amendment of the Senate numbered 70, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$14,895,000"; and the Senate agree to the same.

Amendment numbered 74: That the House recede from its disagreement to the amendment of the Senate numbered 74, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$16,606,000"; and the Senate agree to the same.

Amendment numbered 75: That the House recede from its disagreement to the amendment of the Senate numbered 75, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$4,433,000"; and the Senate agree to the same.

Amendment numbered 76: That the House recede from its disagreement to the amendment of the Senate numbered 76, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$15,872,000"; and the Senate agree to the same.

Amendment numbered 77: That the House recede from its disagreement to the amendment of the Senate numbered 77, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$3,742,000"; and the Senate agree to the same.

Amendment numbered 78: That the House recede from its disagreement to the amendment of the Senate numbered 78, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$4,078,000"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 50, 58, 59, 60, 61, 65, 73, 87, 101, 103, 105, 106, 107, and 108.

BOB CASEY,
GEORGE E. SHIPLEY,
ROBERT N. GIAIMO,
JOHN J. MCFALL,
SIDNEY R. YATES,
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EDWARD R. ROYBAL,
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WILLIAM L. ARMSTRONG,
RALPH S. REGULA,
Managers on the part of the House.

ERNEST F. HOLLINGS,
JOHN L. MCCLELLAN,
WALTER D. HUDDLESTON,
RICHARD S. SCHWEIKER,
CHARLES MCC. MATHIAS, JR.,
MILTON R. YOUNG,
Managers on the part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 6950) making appropriations for the Legislative Branch for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes, submit the following joint statement to the House and Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

TITLE I

Senate

Amendments Nos. 1 through 35: Reported in technical disagreement. Inasmuch as these amendments relate solely to the Senate and in accord with long practice, under which each body determines its own housekeeping requirements and the other concurs therein without intervention, the managers on the part of the House will offer motions to recede and concur in the Senate amendments Nos. 1 through 35.

TITLE II

Amendment No. 36: Inserts heading as proposed by the Senate.

House of Representatives

Administrative provisions

Amendmen No. 37: Inserts section number as proposed by the Senate.

TITLE III

Amendment No. 38: Inserts heading as proposed by the Senate.

Joint Items

Joint Economic Committee

Amendment No. 39: Appropriates $1,168,000 for salaries and expenses instead of $1,283,800 as proposed by the House and $1,084,615 as proposed by the Senate. The conferees are agreed that a fair share of the allowance should be made available for minority staffing.

Amendment No. 40: Appropriates $292,000 for salaries and expenses for the transition period instead of $320,950 as proposed by the House and $271,150 as proposed by the Senate.

American Indian Policy Review Commission

Amendment No. 41: Appropriates $1,500,000 for salaries and expenses for fiscal year 1976, and $300,000 for the transition period as proposed by the Senate.

Joint Committee on Congressional Operations

Amendment No. 42: Appropriates $635,000 for salaries and expenses as proposed by the Senate instead of $835,000 as proposed by the House.

Amendment No. 43: Appropriates $158,750 for salaries and expenses for the transition period as proposed by the Senate instead of $208,750 as proposed by the House.

Capitol Police

Amendment No. 44: Appropriates $564,820 for general expenses as proposed by the Senate instead of $540,225 as proposed by the House.

Capitol Guide Service

Amendment No. 45: Appropriates $374,350 for salaries and expenses as proposed by the Senate instead of $368,450 as proposed by the House.

Amendment No. 46: Appropriates $93,600 for salaries and expenses for the transition period as proposed by the Senate instead of $91,700 as proposed by the House.

TITLE IV

Amendment No. 47: Inserts heading as proposed by the Senate.

Office of Technology Assessment

Amendment No. 48: Deletes language authorizing the rental of space in the District of Columbia in the North Capitol Plaza Building at 400 North Capitol Street N.W. proposed by the Senate.

Amendment No. 49: Appropriates $6,050,000 for salaries and expenses instead of $5,600,000 as proposed by the House and $6,500,000 as proposed by the Senate.

Amendment No. 50: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate reappropriating not to exceed $435,000 of the funds remaining unobligated as of June 30, 1975 which shall be merged with and also be available for the general purposes of this appropriation.

Amendment No. 51: Appropriates $1,512,000 for salaries and expenses for the transition period instead of $1,400,000 as proposed by the House and $1,625,000 as proposed by the Senate.

TITLE V

Amendment No. 52: Inserts heading as proposed by the Senate.

Architect of the Capitol

Office of the Architect of the Capitol

Contingent expenses

Amendment No. 53: Appropriates $120,000 as proposed by the Senate instead of $113,000 as proposed by the House.

Amendment No. 54: Appropriates $30,000 for the transition period as proposed by the Senate instead of $28,250 as proposed by the House.

Capitol Buildings and Grounds

Capitol buildings

Amendment No. 55: Deletes language relating to the preservation of historic drawings proposed by the House and stricken by the Senate.

Amendment No. 56: Appropriates $4,144,500 as proposed by the Senate instead of $4,189,800 as proposed by the House.

Capitol grounds

Amendment No. 57: Appropriates $1,685,000 as proposed by the Senate instead of $1,686,700 as proposed by the House.

Master Plan for Future Development of the Capitol Grounds and Related Areas

Amendment No. 58: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate adding the Legislative Branch Appropriations Subcommittees of the House and Senate to other officials to whom the Architect is subject to control in carrying out his duties under this appropriation.

Senate Office Buildings

Amendment No. 59: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate appropriating $8,000,000 for fiscal year 1976, $2,050,000 for the transition period, and reappropriating not to exceed $225,000 of the unobligated balance of the appropriation under this heading for fiscal year 1975.

Construction of an Extension to the New Senate Office Building

Amendment No. 60: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate restricting the use of funds appropriated for "Construction of an Extension to the New Senate Office Building".

Senate Garage

Amendment No. 61: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate appropriating $127,300 for fiscal year 1976 and $34,000 for the transition period.

Library Buildings and Grounds

Amendments Nos. 62 and 63: Appropriate $1,821,000 for structural and mechanical care, of which $78,000 shall remain available until expended, as proposed by the Senate, instead of $2,050,000, of which $104,000 shall remain available until expended, as proposed by the House.

Amendment No. 64: Appropriates $485,000 for structural and mechanical care for the transition period as proposed by the Senate instead of $524,000 as proposed by the House.

Administrative Provision

Amendment No. 65: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate authorizing the Architect of the Capitol to withhold State income taxes on a voluntary basis for those employees under his jurisdiction.

TITLE VI

Amendment No. 66: Inserts heading as proposed by the Senate.

Botanic garden

Amendment No. 67: Appropriates $1,205,000 for salaries and expenses as proposed by the Senate instead of $1,208,600 as proposed by the House.

TITLE VII

Amendment No. 68: Inserts heading as proposed by the Senate.

Library of Congress

Salaries and Expenses

Amendment No. 69: Appropriates $57,285,000 instead of $57,096,000 as proposed by the House and $57,525,000 as proposed by the Senate.

Amendment No. 70: Appropriates $14,895,000 for the transition period instead of $14,838,500 as proposed by the House and $14,976,500 as proposed by the Senate.

Copyright Office

Amendment No. 71: Appropriates $6,753,500 for salaries and expenses as proposed by the House instead of $6,883,500 as proposed by the Senate.

Amendment No. 72: Appropriates $1,768,000 for salaries and expenses for the transition period as proposed by the House instead of $1,800,500 as proposed by the Senate.

National Commission on New Technological Uses of Copyrighted Works

Amendment No. 73: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate appropriating $337,000 for salaries and expenses for 1976 and $114,000 for the transition period.

Congressional Research Service

Amendment No. 74: Appropriates $16,606,000 for salaries and expenses instead of $16,136,700 as proposed by the House and $17,050,000 as proposed by the Senate.

Amendment No. 75: Appropriates $4,433,000 for salaries and expenses for the transition period instead of $4,286,300 as proposed by the House and $4,584,000 as proposed by the Senate.

Books for the Blind and Physically Handicapped

Amendment No. 76: Appropriates $15,872,000 for salaries and expenses instead of $15,813,000 as proposed by the House and $15,941,000 as proposed by the Senate.

Amendment No. 77: Appropriates $3,742,000 for salaries and expenses for the transition period instead of $3,728,000 as proposed by the House and $3,760,000 as proposed by the Senate.

Furniture and Furnishings

Amendment No. 78: Appropriates $4,078,000 instead of $4,036,500 as proposed by the House and $4,100,000 as proposed by the Senate.

Amendment No. 79: Appropriates $145,300 for the transition period as proposed by the Senate instead of $138,700 as proposed by the House.

Administrative Provisions

Amendments Nos. 80 through 86: Insert section numbers as proposed by the Senate.

Amendment No. 87: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate authorizing the Library of Congress to acquire additional automatic data processing equipment directly rather than in accord with regulations issued by the General Services Administration under the terms of 40 U.S.C. 759.

TITLE VIII

Amendment No. 88: Inserts heading as proposed by the Senate.

Government Printing Office

Office of the Superintendent of Documents

Amendment No. 89: Appropriates $36,765,700 for salaries and expenses as proposed by the House instead of $33,250,000 as proposed by the Senate. The conferees are agreed that there should be no special subsidy of the Federal Register program as proposed by the Public Printer. These publications should be priced so as to recover their costs.

Amendment No. 90: Appropriates $9,191,400 for salaries and expenses for the transition period as proposed by the House instead of $8,312,000 as proposed by the Senate.

TITLE IX

Amendment No. 91: Inserts heading as proposed by the Senate.

General Accounting Office

Amendment No. 92: Appropriates $135,930,000 for salaries and expenses as proposed by the Senate instead of $136,565,000 as proposed by the House.

Amendment No. 93: Appropriates $35,800,000 for salaries and expenses for the transition period as proposed by the Senate instead of $35,955,000 as proposed by the House.

TITLE X

Amendment No. 94: Inserts heading as proposed by the Senate.

Cost-accounting standards board

Amendment No. 95: Appropriates $1,635,000 for salaries and expenses as proposed by the Senate instead of $1,642,000 as proposed by the House.

TITLE XI

Amendment No. 96: Inserts heading as proposed by the Senate.

General provisions

Amendments Nos. 97 through 100: Change section numbers as proposed by the Senate.

Amendment No. 101: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate providing that consolidated foreign travel reports prepared by the Chairman of the Committee on Foreign Relations of the Senate shall be filed with the Secretary of the Senate rather than with the Committee on Appropriations as proposed by the House.

Amendment No. 102: Changes section number as proposed by the Senate.

Amendment No. 103: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate repealing section 106 of the Legislative Branch Appropriation Act, 1975, which allows the Senate to employ an alien.

Amendment No. 104: Deletes language proposed by the Senate repealing section 40 of the Revised Statutes (2 U.S.C. 39) which provides for deductions by the Secretary of the Senate and the Sergeant at Arms of the House, from the monthly salary payments of each Member or Delegate, of the amount of his salary for each day that he is absent from the Senate or House, respectively, unless such Member or Delegate assigns as the reason for such absence the sickness of himself or some member of his family.

Amendment No. 105: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate exempting the U.S. Capitol Police from the limitations on the purchase price of motor vehicles.

Amendment No. 106: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate providing that no part of any appropriation in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein, except as provided in section 204 of the Supplemental Appropriation Act, 1975 (Public Law 93-554) relating to the transition period.

Amendment No. 107: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate providing that none of the funds in this Act shall be used to pay pages of the Senate and the House of Representatives at a gross annual maximum rate of compensation in excess of that in effect on June 30, 1975. It is the intent of the conferees that the pages not be included in the cost of living comparability pay raise anticipated in October, 1975. It is not the intent of the conferees to exclude the supervisory personnel in the Office of the Chief Page and the Floor Telephone Service of the House of Representatives from the comparability pay raises. The restriction with regard to the House would apply only to those positions designated as bench pages, telephone pages, and temporary pages.

Amendment No. 108: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate directing the Architect of the Capitol to study and submit to the Congress, within three months, a plan to reduce by at least 50 percent the number of persons operating automatic elevators within the Capitol complex.

Conference total—with comparisons

The total new budget (obligational) authority for the fiscal year 1976 and the transition period recommended by the Committee of Conference, with comparisons to the fiscal year 1975 amount, the 1976 budget estimates, and the House and Senate bills for 1976 follows:

New budget (obligational) authority, fiscal year 1975	$767,692,828
Budget estimates of new (obligational) authority (as amended), fiscal year 1976	838,265,425
Transition period	209,731,115
House bill, fiscal year 1976	698,076,800
Transition period	175,001,355
Senate bill, fiscal year 1976	825,302,485
Transition period	206,887,115
Conference agreement	[1] 827,546,570
Transition period	207,391,365
Conference agreement compared with:	
New budget (obligational) authority, fiscal year 1975	+59,853,742
Budget estimates of new (obligational) authority (as amended), fiscal year 1976	−10,718,855
Transition period	−2,339,750
House bill, fiscal year 1976	[1] +129,469,770
Transition period	+32,390,010
Senate bill, fiscal year 1976	+2,244,085
Transition period	+504,250

[1] Includes $126,963,875 for Senate items not considered by the House. Conforming to long practice, funds exclusively for operations and activities of the Senate—including two items jurisdictionally under the Architect of the Capitol—are left for decision and insertion by that body.

BOB CASEY,
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RICHARD S. SCHWEIKER,
CHARLES MCC. MATHIAS, Jr.,
MILTON R. YOUNG,
Managers on the Part of the Senate.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. STEELMAN (at the request of Mr. RHODES), for today, on account of illness.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. GRADISON) to revise and extend their remarks and include extraneous matter:)

Mr. KASTEN, for 5 minutes, today.

Mr. EDWARDS of Alabama, for 10 minutes, today.

Mr. KEMP, for 15 minutes, today.

Mr. BURGENER, for 5 minutes, today.

Mr. HEINZ, for 5 minutes, today.

(The following Members (at the request of Mr. HUBBARD) to revise and extend their remarks and include extraneous material:)

Mr. GONZALEZ, for 5 minutes, today.

Mr. WOLFF, for 10 minutes, today.

Mr. BRADEMAS, for 5 minutes, today.

Mr. VANIK, for 60 minutes, today.

Mr. WEAVER, for 10 minutes, today.

Mr. KOCH, for 10 minutes, today.

Mr. DENT, for 10 minutes, today.

Mr. ST GERMAIN, for 5 minutes, today.

Mr. BURKE of Massachusetts, for 5 minutes, today.

Mr. MEZVINSKY, for 15 minutes, today.

Mr. DODD, for 5 minutes, today.

Mr. REUSS, for 60 minutes, July 21, 1975.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. PATMAN, and to include extraneous matter, notwithstanding the fact that it exceeds two pages of the RECORD and is estimated by the Public Printer to cost $1,287.

Mr. Koch, to include extraneous matter in his remarks in Committee of the Whole today.

(The following Members (at the request of Mr. Gradison) and to include extraneous material:)

Mr. Forsythe.

Mr. Armstrong.

Mr. Horton in two instances.

Mr. Ketchum.

Mr. Michel.

Mr. Kasten.

Mr. Wydler in two instances.

Mr. Hammerschmidt.

Mr. Steiger of Arizona in two instances.

Mr. Johnson of Pennsylvania in two instances.

Mr. Martin in two instances.

Mr. Beard of Tennessee.

Mr. Rhodes.

Mr. Moore in two instances.

Mr. Cohen.

Mr. Shuster.

Mr. Fish in two instances.

Mr. Derwinski in two instances.

Mr. Rousselot.

Mrs. Smith of Nebraska.

Mr. Crane.

Mr. Pritchard in three instances.

Mr. Dickinson.

Mr. Wydler.

Mr. Anderson of Illinois in two instances.

Mr. Young of Alaska.

(The following Members (at the request of Mr. Hubbard), and to include extraneous matter:)

Mr. Anderson of California in three instances.

Mr. Gonzalez in three instances.

Mr. Stephens.

Mr. McCormack.

Mr. Brodhead in two instances.

Mr. Rodgers in five instances.

Mr. Mazzoli.

Mr. McDonald of Georgia in five instances.

Mr. Rangel.

Mr. Zeferetti.

Mr. Breckinridge in five instances.

Mr. Mitchell of Maryland.

Mr. Maguire in six instances.

Mr. Reuss in five instances.

Mr. Ottinger.

Mr. Steed.

Mr. Seiberling in 10 instances.

Mr. Dominick V. Daniels in two instances.

Mr. Nowak.

Mr. John L. Burton in two instances.

Mr. Teague.

Mr. Milford in two instances.

Mr. Brinkley.

Mr. Russo.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 586. An Act to amend the Coastal Zone Management Act of 1972 to authorize and assist the coastal State to study, plan for, manage, and control the impact of energy facility and resource development which affects the coastal zone, and for other purposes; to the Committee on Merchant Marine and Fishery.

ADJOURNMENT

Mr. HUBBARD. Mr. Speaker, I move that the House to now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 10 minutes p.m.), under its previous order, the House adjourned until Friday, July 18, 1975, at 10 o'clock a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1423. A letter from the Acting Secretary of the Army, transmitting a draft of proposed legislation to amend section 2575 of title 10, United States Code, to provide for more efficient disposal of lost, abandoned, or unclaimed personal property that comes into the custody or control of military departments; to the Committee on Armed Services.

1424. A letter from the Director, District of Columbia Bail Agency, transmitting the annual report of the Agency for the year ended May 31, 1975; to the Committee on the District of Columbia.

1425. A letter from the Administrator, Federal Energy Administration, transmitting an analysis of the economic impact of the President's phased decontrol program; to the Committee on Interstate and Foreign Commerce.

1426. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting reports concerning visa petitions approved according certain beneficiaries third and sixth preference classification, pursuant to section 204 (d) of the Immigration and Nationality Act, as amended [8 U.S.C. 1154(d)]; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. PRICE: Joint Committee on Atomic Energy. Report on development, use, and control of nuclear energy for the common defense and security and for peaceful purposes (Rept. No. 94–366). Referred to the Committee of the Whole House on the State of the Union.

Mr. EVINS of Tennessee: Committee on Small Business. Report on the Small Business Administration certificate of competency program (Rept. No. 94–367). Referred to the Committee of the Whole House on the State of the Union.

Mr. ULLMAN: Committee on Ways and Means. H.R. 8598. A bill to amend title IV of the Social Security Act to make needed improvements in the recently enacted child support program; with amendment (Rept. No. 94–368). Referred to the Committee of the Whole House on the State of the Union.

Mr. TEAGUE: Committee on Science and Technology. H.R. 8674. A bill to declare a national policy of converting to the metric system in the United States, and to establish a U.S. Metric Board to coordinate the voluntary conversion to the metric system (Rept. No. 94–369). Referred to the Committee of the Whole House on the State of the Union.

Mr. CASEY: Committee of conference. Conference report on H.R. 6950. (Rept. No. 94–370). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ARMSTRONG:

H.R. 8696. A bill to amend the Federal Tort Claims Act to allow a U.S. citizen to bring a civil action against the United States on certain claims arising in foreign countries; to the Committee on the Judiciary.

By Mr. BEARD of Tennessee (for himself, Mr. Bafalis, Mr. Brown of Michigan, Mr. Collins of Texas, Mr. Conlan, Mr. Derwinski, Mr. Jenrette, Mr. Kasten, Mr. Kemp, Mr. Ketchum, Mr. Kindness, Mr. Litton, Mr. Lott, Mr. Treen, Mr. Weaver, and Mr. Whitehurst):

H.R. 8697. A bill to amend title 18 of the United States Code to increase certain penalties for gun control offenses and to allow the United States to obtain appellate review of certain sentences relating to gun control offenses; to the Committee on the Judiciary.

By Mr. BRINKLEY:

H.R. 8698. A bill to amend title 38, United States Code, in order to treat vocational school attendance certification requirements on the same basis as college attendance certification requirements; to the Committee on Veterans' Affairs.

By Mr. DAVIS:

H.R. 8699. A bill to provide recomputation of the retired pay of persons who served as sergeant major of the Marine Corps before December 16, 1967; to the Committee on Armed Services.

H.R. 8700. A bill to amend title II of the Social Security Act to double the amount which may be earned by an individual without suffering deductions from his or her benefits thereunder in the case of an individual who is receiving old-age, wife's, or husband's insurance benefits and whose spouse is disabled; to the Committee on Ways and Means.

By Mr. DICKINSON:

H.R. 8701. A bill to eliminate involuntary active duty requirements for members of the Ready Reserve who have completed not less than 22 months on active duty; to the Committee on Armed Services.

By Mr. FRENZEL:

H.R. 8702. A bill to amend the Internal Revenue Code of 1954 to provide an exemption from income taxation for condominium housing associations and certain homeowners associations and to tax the unrelated business income of such organizations; to the Committee on Ways and Means.

By Mr. GUDE:

H.R. 8703. A bill to amend title II of the Social Security Act to provide a special rule for determining insured status, for purposes of entitlement of disability insurance benefits, of individuals whose disability is attributable directly or indirectly to meningioma or other brain tumor; to the Committee on Ways and Means.

By Mr. GUDE (for himself, Mr. Ottinger, Mr. Bafalis, Mr. Pepper, Mr. Maguire, Mr. Scheuer, Mr. Mazzoli, Mr. Bedell, Mr. Miller of California, Mr. Rose, Mr. Downey of New York, Mr. White, Mr. Edgar, Mr. Emery, Mr. Studds, Mr. Wirth, Mr. Fascell, Mrs. Spellman, Mr. Melcher, Mr. Mitchell of Maryland, Mr. Brown of California, Mr. Edwards of California, Mr. Moakley, Mr. Helstoski, and Mr. Patterson of California.

H.R. 8704. A bill to amend the Small Business Act to establish within the Small Business Administration a new direct low-interest loan program to assist homeowners and builders in purchasing and installing solar heating (or combined solar heating and cooling) equipment; jointly to the Committees on Small Business, and Banking, Currency, and Housing.

By Mr. GUDE (for himself, Mr. Ottinger, Mrs. Keys, Mr. Forsythe, Mr. Roybal, Mr. Hawkins, Mr. Bonker, Mr. Sisk, Mr. Harkin, Mr. Weaver, Mrs. Pettis, Mr. Lehman, Mr. Richmond, Mr. Fraser, Mr. Pressler, Mr. Coughlin, and Mr. Rodino):

H.R. 8705. A bill to amend the Small Business Act to establish within the Small Business Administration a new direct low-interest loan program to assist homeowners and builders in purchasing and installing solar heating (or combined solar heating and cooling) equipment; jointly to the Committees on Small Business, and Banking, Currency, and Housing.

By Mr. JOHNSON of Pennsylvania:

H.R. 8706. A bill to prohibit the military departments from using dogs in connection with any research or other activities relating to biological or chemical warfare agents; to the Committee on Armed Services.

By Mr. LENT:

H.R. 8707. A bill to amend the Internal Revenue Code of 1954 to increase the amount of dividends which may be excluded from gross income to $1,000 in the case of certain individuals who have attained age 62 or $500 in the case of other taxpayers; to the Committee on Ways and Means.

By Mr. MAGUIRE (for himself, Ms. Chisholm, Mr. Fithian, Mr. Fraser, Mr. Miller of California, and Ms. Spellman):

H.R. 8708. A bill to amend title II of the Social Security Act to liberalize the earnings test, to provide that cost-of-living benefit increases shall be made semiannually (and on the basis of a separate senior citizen price index), and to provide that the remarriage of a beneficiary shall not terminate or reduce his or her benefits; to the Committee on Ways and Means.

By Mr. MELCHER:

H.R. 8709. A bill to amend title 38 of the United States Code to make certain that recipients of veterans' pension and compensation will not have the amount of such pension or compensation reduced because of certain increases in monthly social security or railroad retirement benefits; to the Committee on Veterans' Affairs.

By Mr. MITCHELL of Maryland:

H.R. 8710. A bill to amend the Controlled Substances Act to exclude from the forfeiture provisions of that act any conveyance which is used, without the actual knowledge of the owner of the conveyance, for the transportation by a person other than the owner of any illegal controlled substance; to the Committee on Interstate and Foreign Commerce.

By Mr. OTTINGER (for himself, Mr. Gude, Mr. Bafalis, Mr. Pepper, Mr. Maguire, Mr. Scheuer, Mr. Mazzoli, Mr. Bedell, Mr. Miller of California, Mr. Rose, Mr. Downey of New York, Mr. White, Mr. Edgar, Mr. Emery, Mr. Studds, Mr. Wirth, Mr. Fascell, Mrs. Spellman, Mr. Melcher, Mr. Mitchell of Maryland, Mr. Brown of California, Mr. Edwards of California, Mr. Moakley, Mr. Helstoski, and Mr. Patterson of California):

H.R. 8711. A bill to require that buildings financed with Federal funds utilize the best practicable measures for the conservation of energy and the use of solar energy systems; to the Committee on Public Works and Transportation.

By Mr. OTTINGER (for himself, Mr. Gude, Mrs. Keys, Mr. Forsythe, Mr. Roybal, Mr. Hawkins, Mr. Bonker, Mr. Sisk, Mr. Harkin, Mr. Weaver, Mrs. Pettis, Mr. Lehman, Mr. Richmond, Mr. Fraser, Mr. Pressler, Mr. Coughlin, Mr. Rodino):

H.R. 8712. A bill to require that buildings financed with Federal funds utilize the best practicable measures for the conservation of energy and the use of solar energy systems; to the Committee on Public Works and Transportation.

By Mr. RODINO (for himself, Mr. Eilberg, Mr. Dodd, Mr. Russo, and Mr. Fish):

H.R. 8713. A bill to amend the Immigration and Nationality Act, and for other purposes to the Committee on the Judiciary.

By Mr. STAGGERS:

H.R. 8714. A bill to amend the Railroad Unemployment Insurance Act to increase unemployment and sickness benefits and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. STUDDS (for himself, Mr. Downey of New York, and Mr. Foley):

H.R. 8715. A bill to extend on an interim basis the jurisdiction of the United States over certain ocean areas and fish in order to protect the domestic fishing industry, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. WYLIE:

H.R. 8716. A bill to amend the Food Stamp Act of 1964 for the purpose of prohibiting any alien who has not been lawfully admitted into the United States for permanent residence from participating in the food stamp program; to the Committee on Agriculture.

By Mr. ST GERMAIN (for himself, Mr. Badillo, Mr. Burgener, Mr. Carney, Mr. Coughlin, Mr. Dominick V. Daniels, Mr. Eilberg, Mr. Gaydos, Mr. Harrington, Mrs. Heckler of Massachusetts, Mr. Helstoski, Mr. Hyde, Mr. Jeffords, Mr. LaFalce, Mr. Melcher, Mr. Mitchell of Maryland, Mr. Moakley, Mr. Montgomery, Mr. Nix, Mr. Ottinger, Mr. Pepper, Mr. Rodino, Mr. Roe, Mr. Stark, and Mrs. Sullivan):

H.R. 8717. A bill to amend title XVIII of the Social Security Act to make it clear that payment may be made under the supplementary medical insurance program for wheelchairs and other durable medical equipment furnished on a lease-purchase basis; to the Committee on Ways and Means.

By Mr. DANIELSON:

H.R. 8718. A bill to create a Federal Disaster Insurance Corporation to insure the people of the United States against losses due to major natural disaster, and for other purposes; to the Committee on Banking, Currency and Housing.

By Mr. GUDE (for himself, Mr. Mann, Mr. Stuckey, Mr. Mazzoli, Mr. Harris, Mr. Nowak, Mr. Railsback, Mr. McKinney, and Mrs. Spellman):

H.R. 8719. A bill to provide for an amendment to the Washington Metropolitan Area Transit Regulation Compact to provide for the protection of the patrons, personnel, and property of the Washington Metropolitan Area Transit Authority; to the Committee on the District of Columbia.

By Mr. HAMMERSCHMIDT:

H.R. 8720. A bill to reform the Food Stamp Act of 1964 by improving and making more realistic various provisions relating to eligibilty for food stamps and administrative responsibility for the food stamp program, and for other purposes; to the Committee on Agriculture.

By Mr. LEHMAN:

H.R. 8721. A bill to authorize equalization of the retired pay of certain members and former members of the uniformed services; to the Committee on Armed Services.

By Mr. MURPHY of New York (for himself, Mr. Badillo, Mr. Derwinski, Mr. Edwards of California, Mr. Eilberg, Mr. Helstoski, Ms. Holt, Mr. Koch, Mr. Rodino, Mr. Ottinger, Ms. Spellman, and Mr. Symington):

H.R. 8722. A bill to establish the National Trust for the Preservation of Historic Ships; to the Committee on House Administration.

By Mr. RICHMOND:

H.R. 8723. A bill to amend title 38 of the United States Code in order to make certain individuals eligible for war orphans' and widows educational assistance if the veteran concerned has no children, wife, or widow; to the Committee on Veterans Affairs.

By Mr. RUNNELS:

H.R. 8724. A bill authorizing the Secretary of the Navy to sell certain types of aircraft no longer needed by the Navy to persons engaged in the business of controlling or extinguishing fires in national forests; to the Committee on Armed Services.

By Mr. SIKES (for himself, Mr. Haley, Mr. Taylor of North Carolina, Mr. Sebelius, and Mr. Lott):

H.R. 8725. A bill to amend the act establishing the Gulf Islands National Seashore to increase the amount authorized for the acquisition of private property to be included in the seashore; to the Committee on Interior and Insular Affairs.

By Mr. WINN (for himself, Mr. Badillo, Mr. John L. Burton, Mr. Dingell, Mr. Eilberg, Mr. Hansen, Mr. Ketchum, Mr. Pepper, Mrs. Pettis, Mr. Pressler, Mr. Rodino, Mrs. Spellman Mr. Stark, and Mr. Wirth):

H.R. 8726. A bill to authorize the establishment of the Tallgrass Prairie National Park in the State of Kansas, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. BRINKLEY:

H.J. Res. 570. Joint resolution to designate Christmas week as "Blood Donor Week"; to the Committee on Post Office and Civil Service.

By Mr. BYRON (for himself, Mr. Dent, Mr. Annunzio, and Mr. Rodino):

H.J. Res. 571. Joint resolution authorizing and requesting the President to issue a proclamation designating Sunday, September 14, 1975 as "National Saint Elizabeth Seton Day"; to the Committee on Post Office and Civil Service.

By Mr. MELCHER:

H.J. Res. 572. Joint resolution to amend the joint resolution entitled "Joint resolution to codify and emphasize existing rules and customs pertaining to the display and use of the flag of the United States of America"; to the Committee on the Judiciary.

By Mr. BINGHAM (for himself, Mr. Traxler, Mr. Moakley, Mr. McHugh, Mr. Edgar, Mr. Vanik, Mr. Cohen, Mr. Beard of Rhode Island, Mr. Blanchard, Mr. Sisk, Mr. Pressler, Mr. John L. Burton, Mr. Murphy of Illinois, Mr. Brodhead, Mr. Eilberg, Mr. Ambro, Mr. Mezvinsky, Mr. Florio, Mr. Oberstar, Mr. Bell, Mr. Young of Georgia, Mr. Badillo, Mr. Lehman, Mr. Biaggi, and Mr. Richmond):

H. Con. Res. 346. Concurrent resolution disapproving the proposed sales to Jordan of the Hawk missle and Vulcan antiaircraft systems; to the Committee on International Relations.

By Mr. YATRON:

H. Con. Res. 347. Concurrent resolution calling for freedom and self-determination for Lithuania, Latvia, and Estonia; to the Committee on International Relations.

By Mr. STAGGERS (for himself, Mr. DINGELL, Mr. MACDONALD of Massachusetts, Mr. MOSS, Mr. ROGERS, Mr. ROONEY, Mr. MURPHY of New York, Mr. ECKHARDT, Mr. OTTINGER, Mr. WIRTH, Mr. SHARP, Mr. BRODHEAD, Mr. MAGUIRE, and Mr. MOFFETT):

H. Res. 605. Resolution disapproving the proposed amendment by the President to remove existing price controls relating to crude oil; to the Committee on Interstate and Foreign Commerce.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DODD:

H.R. 8727. A bill for the relief of Robert Allain; to the Committee on the Judiciary.

By Mr. HUGHES (by request):

H.R. 8728. A bill for the relief of Madeline Schaeffer Broomall Condon; to the Committee on the Judiciary.

By Mr. SISK:

H.R. 8729. A bill to permit O. J. Shaw and Haroldine L. Shaw, his wife, and O. J. Shaw, Jr., a married man, and Richard A. Shaw, a single man to name the United States as a defendant in a suit to determine title to certain parcels of real property herein described; to the Committee on the Judiciary.

By Mr. TALCOTT:

H.R. 8730. A bill for the relief of Jose Ramon Valenzuela-Barrera, his wife, Elvia Luz Ochoa-Santiesteban, and their minor children, Maria Leticia Valenzuela-Ochoa, Juan Ramon Valenzuela-Ochoa, and Lucia Maria Valenzuela-Ochoa; to the Committee on the Judiciary.

By Mr. McDONALD of Georgia: H. Con. Res. 348. Concurrent resolution to award honorary U.S. citizenship to Aleksandr Solzhenitsyn; to the Committee on the Judiciary.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 7014

By Mr. HECHLER of West Virginia:

On page 173, in section 103(11), delete all of lines 16 and 17 and isert in lieu thereof the following: "owned lands, the Outer Continental Shelf, and any land in which the United States has mineral interests, except lands—"

On page 173, line 20, strike "or"; and strike all on lines 21 and 22 and insert therein the following in lieu thereof:

"(C) within any area of the National Park System, the National Wildlife Refuge System, the National Wilderness Prevention System, the National System of Trails, the Wild and Scenic Rivers System, or the National Forest System, or"

"(D) within military reservations."

On page 225, line 24, strike "1969)" and insert "1969, the Federal Water Pollution Control Act, the Clean Air Act, the Refuse Act of 1899, and other laws and regulations concerning health and safety of persons)".

On page 345, between lines 15 and 16 insert the following new section:

"Sec. 708. Any employee of the Administrator, or of the Secretary of the Interior, who performs any function or duty under this Act, and who has a direct or indirect financial interest in any corporation, company, association, firm, partnership, or other private entity engaged in the business of exploring, developing, producing, refining, transporting by pipeline, or selling (other than at the retail level) coal, natural gas, or petroleum products, or has any interest in property from which coal, natural gas, or petroleum is commercially produced, shall, beginning on February 1, 1977, annually file with the Administrator (or the Secretary of the Interior, as the case may be) a written statement concerning all such interests held by such employee during the preceding calendar year. Such statement shall be available to the public. Whoever knowingly violates the provisions of this section shall, upon conviction, be punished by a fine of not more than $2,500, or by imprisonment for not more than one year, or both. The Administrator (and the Secretary of the Interior, as the case may be) shall (1) within ninety days after enactment of this act publish regulations, in accordance with 5 U.S.C. 553, to establish the methods by which the provisions of this section will be monitored and enforced, including appropriate provisions for the filing by such employees and the review by the Administrator (or the Secretary of the Interior, as the case may be) of such statements, and (2) report to the Congress on June 1st of each calendar year on the actions taken and not taken during the preceding calendar year under this section."

By Mr. HOLLAND:

In the proposed new section 8, strike out subsections (b) through (d), and insert in lieu thereof the following:

"(b) No producer may charge for the first sale of domestic crude oil a price which is higher than the ceiling price established under subsection (c) or (d).

"(c) Except with respect to a first sale of domestic crude oil described in subsection (d), the ceiling price for the first sale of a particular grade of domestic crude oil shall be—

"(1) (A) the highest posted price at 6 ante meridan, local time, January 31, 1975, for that grade of crude oil at that field; or if there was no such posted price for that grade of crude oil at that field, the related price for that grade of crude oil which is most similar in kind and quality at the nearest field which prices were posted at such time and date less (B) $2.32; or

(2) $9.00 per barrel;

whichever is less. A reference to the "highest posted price" or "related posted price" in paragraph (1) of this subsection does not include any field price applicable to "old crude petroleum" as defined in section 212.73 of volume 10 of the Federal Code of Regulations (as in effect on January 31, 1975).

"(d) (1) Except as provided in paragraphs (2) and (3), in the case of sales from a 1972-producing property in any month which follows the date of enactment of this section in volume amounts equal to or less than the base period control volume, the ceiling price for the first sale of a particular grade of domestic crude oil shall be the sum of (A) the highest posted price at 6 ante meridian, local time, May 15, 1973, for that grade of crude oil at that field, or if there was no posted price for the grade of crude oil at that field, the related price for that grade of crude oil which is most similar in kind and quality posted at the nearest field for which prices were posted at such time and date; and (B) a maximum of $1.35 per barrel;

"(2) If there are in effect inflation minimization taxes consonant with the purposes of this section and a production maximization taxes consonant with the purposes of this section, the ceiling price specified in paragraph (1) shall apply only to sales from a 1972-producing property in any month which follows the date of enactment of this section in volume amounts equal to or less than the production volume subject to ceiling price.

"(3) In the case of sales from a 1972-producing property which the President, upon petition, certifies on a property-by-property basis,

(A) as having made bona fide application has or will significantly enhance production from such property;

the ceiling price applicable to sales from such property shall be such price as the President may, by rule, establish for such property, based upon a determination that such price is reasonable and justified in relation to the increased costs associated with such recovery techniques and taking into consideration any enhanced recovery which has or will result from such techniques, but in no case may such price exceed $9.00 per barrel for sales from such properties.

Strike out subsection (e), and reletter the succeeding subsections accordingly.

By Mr. WIRTH:

Page 215, strike out line 10 and all that follows down through line 18 on page 216.

Page 217, strike out line 9 and all that follows down through line 19 on page 218 and insert in lieu thereof the following:

"(12) The term 'inflation adjustment factor' means an amount which equals thirty-five one hundredths of one per centum (rounded to the nearest whole cent) of the respective ceiling price established by subsections (c) (2) or (c) (3) (without addition of inflation adjustment factor), compounded, for each month commencing between the effective date of this section and the current month of crude production.

Page 219, lines 11 and 12, strike out "production volume subject to ceiling price" and insert in lieu thereof "base period control volume".

Page 219, lines 19 and 20, strike out "production volume subject to ceiling price but less than."

Page 219, strike line 22 and all that follows down through line 13 on page 222 and insert in lieu thereof the following: "$5.60 per barrel plus an inflation adjustment factor, but in no case may such price exceed $11.50 per barrel.

"(3) except as povided in paragraphs (1), (2), and (4), in the case of sales from a property

"(A) located above the Arctic Circle,

"(B) located on the outer Continental Shelf, or

"(C) located in the contiguous forty-eight States of the United States, which did not produce domestic crude oil during any of the months of May through December 1972 but did produce domestic crude oil on or before the effective date of this section,

the sum of $9.50 per barrel plus an inflation adjustment factor, but in no case may such price exceed $11.50 per barrel.

"(4) (A) in the case of sales

(i) from any stripper well lease,

(ii) from a property certified by the President

(I) as having made bona fide application of tertiary recovery techniques and

(II) that such application has or will significantly enhance production from such property, or

(iii) from a property, located in the contiguous forty-eight States of the United States, which did not produce domestic crude oil on or before the effective date of this section,

$11.50 per barrel.

"(B) If the President determines that the $11.50 per barrel amount specified in paragraph (3) (A) of this subsection should be modified, he shall publish notice of such determination in the Federal Register and afford interested persons an opportunity to present written and oral data, views, and comments with respect to such modification. The modification shall become effective—

"(i) if the President transmits to the Congress a proposal to modify such amount in accordance with section 751(b) of the Energy Conservation and Oil Policy Act of 1975, accompanied by his findings with respect to the following matters:

"(I) the need for the proposed modification;

"(II) the prices of imported and domestic crude oil, residual fuel oil, and refined petroleum products, and other fuels and forms of energy which are in fact anticipated to result from such modification;

"(III) the impact of such modification upon domestic production and consumption of crude oil, residual fuel oil, and refined petroleum products, and other fuels and forms of energy;

"(IV) the impact of such modification and of the resulting prices of crude oil, residual fuel oil, and refined petroleum products, and other fuels and forms of energy upon living costs, employment and unemployment, and real incomes; and differential economic impacts among regions, socioeconomic groups, and industrial sectors of the United States;

"(V) the impact of such modification on competition in the petroleum industry; and

"(VI) the anticipated effects, with respect to the considerations in clauses (iii) and (iv) of this subparagraph, of reasonable alternatives to such modification; and

"(ii) if neither House disapproves (or both Houses approve) such proposal in accordance with the congressional review procedures specified in section 751 of such Act.

Page 222, line 20, strike out the quotation marks.

Page 222, after line 20, insert the following:

"(e) The provisions of this section shall terminate at midnight, March 31, 1981."

SENATE—*Thursday, July 17, 1975*

(Legislative day of Thursday, July 10, 1975)

The Senate met at 10:45 a.m., on the expiration of the recess, and was called to order by Hon. Patrick J. Leahy, a Senator from the State of Vermont.

PRAYER

The Reverend Carl Scott, D.D., pastor, Central Baptist Church, Clovis, N. Mex., offered the following prayer:

Almighty Father, we welcome all Your dealings with us as a nation and as individuals. Defend and guide the United States of America. In danger be her shield—in darkness her hope.

Guide our statesmen to seek a just basis for international action in the pursuit of peace.

Lord, You were the God of our fathers in whom they trusted and were not ashamed and who in prayer laid securely the foundation of this Nation.

May we be witnesses, our Father, bearing testimony for You in a world that needs to be convinced.

Bless America. Make her among the nations as the dawn ushering in a day of righteousness, and as a torch passing on the salvation of God. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. Eastland).

The legislative clerk read the following letter:

U.S. Senate,
President pro tempore,
Washington, D.C., July 17, 1975.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. Patrick J. Leahy, a Senator from the State of Vermont, to perform the duties of the Chair during my absence.

James O. Eastland,
President pro tempore.

Mr. LEAHY thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Journal of the proceedings of Wednesday, July 16, 1975, be approved.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR RECESS UNTIL 10 A.M. TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 10 a.m. tomorrow.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider nominations under the Executive Calendar.

There being no objection, the Senate proceeded to the consideration of executive business.

The ACTING PRESIDENT pro tempore. The nomination will be stated.

COMMODITY CREDIT CORPORATION

The assistant legislative clerk read the nomination of Richard E. Bell, of Maryland, to be a member of the Board of Directors of the Commodity Credit Corporation.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

DEPARTMENT OF AGRICULTURE

The assistant levislative clerk read the nomination of Richard E. Bell, of Maryland, to be an Assistant Secretary of Agriculture.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be notified of the confirmation of the nominations.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate return to the consideration of legislative business.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

CONSIDERATION OF CERTAIN MEASURES ON THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 273 and Calendar No. 274.

SUSPENSION OF DUTY ON CERTAIN FORMS OF ZINC

The Senate proceeded to consider the bill (H.R. 7716) to amend the Tariff Schedules of the United States to suspend the duty on certain forms of zinc until the close of June 30, 1978, which had been reported from the Committee on Finance with amendments as follows:

On page 2, beginning with line 1, insert the following:

Sec. 2. Items 911.10, 911.11, and 911.12 of the Appendix to the Tariff Schedules of the United States (19 U.S.C. 1202) are amended by striking out "6/30/75" each place it appears therein and inserting in lieu thereof "6/30/78".

On page 2, at the beginning of line 6, strike "Sec. 2." and insert "Sec. 3(a)";

On page 2, beginning with line 10, insert the following:

(b) The amendments made by section 2 of this Act apply with respect to articles entered, or withdrawn from warehouse, for consumption on or after the date of enactment of this Act.

(c) Upon request therefore filed with the customs officer concerned before the 121st day after the date of enactment of this Act, the entry or withdrawal of any article classified under the items amended under section 2 of this Act which was made after June 30, 1975, and before the date of enactment of this Act, shall, notwithstanding the provisions of section 514 of the Tariff Act of 1930 or any other provision of law, be liquidated or reliquidated as though such entry or withdrawal had been made on the date of enactment of this Act.

The amendments were agreed to.

The amendments were ordered to be

engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

The title was amended so as to read as follows:

An Act to amend the Tariff Schedules of the United States to suspend the duty on certain forms of zinc until the close of June 30, 1978, and for other purposes.

SUSPENSION OF DUTY ON OPEN-TOP HOPPER CARS EXPORTED FOR REPAIRS OR ALTERATIONS

The Senate proceeded to consider the bill (H.R. 7731) to suspend the duty on open-top hopper cars exported for repairs or alterations on or before June 30, 1975, which had been reported from the Committee on Finance with amendments as follows:

On page 1, beginning in line 8, strike "on or after the date of enactment of this Act." and insert "after September 1, 1974, and before July 1, 1975."

On page 2, beginning with line 3, strike out the following:

(b) Upon request therefor filed with the customs officer concerned on or before the ninetieth day after the date of enactment of this Act, the entry of any article—

(1) which was made after September 1, 1974, and before the date of enactment of this Act, and

(2) with respect to which there would have been no duty if the amendment made by the first section of this Act applied to such entry shall,

notwithstanding the provisions of section 514 of the Tariff Act of 1930 or any other provision of law, be liquidated or reliquidated as though such entry had been made on the date of enactment of this Act.

And insert the following in lieu thereof:

(b) Upon request therefor filed with the customs officer concerned on or before the ninetieth day after the date of enactment of this Act, any entry to which the amendment made by the first section of this Act applies shall, notwithstanding the provisions of section 514 of the Tariff Act of 1930 or any other provision of law, be liquidated or reliquidated as though such entry had been made on June 30, 1975.

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Does the acting minority leader seek recognition?

Mr. DOMENICI. I do not seek recognition at this time.

The ACTING PRESIDENT pro tempore. Under the previous order the Senator from Iowa (Mr. Culver) is recognized for not to exceed 15 minutes.

LET US EXPLORE THE POSSIBILITIES OF NEGOTIATIONS IN THE INDIAN OCEAN

Mr. CULVER. Mr. President, in deciding whether or not to proceed with the proposed U.S. base expansion on the island of Diego Garcia, we must answer two important and related questions: Does proceeding with the expansion at this time serve our foreign policy and national security interests? Is there a realistic, safe alternative?

Last Friday, I spoke to the Senate on Diego Garcia in the context of our perceived national objectives in foreign and defense policy.

Today, I want to discuss an alternative to going ahead with the base expansion at this time—the initiation of negotiations with the Soviet Union on mutual arms restraint in the Indian Ocean.

Unfortunately, the diplomatic approach to arms control agreement with the Soviets in the Indian Ocean region has been tried only once. This was in 1971 when Soviet officials indicated some interest in mutual naval restraint in that area. When American officials sought clarification on this matter, they received no specific answer and the matter was dropped.

Much has happened since 1971. An American President visited Moscow for the first time and concluded a landmark agreement limiting the development and deployment of defensive and offensive strategic weapons. The two nations signed a treaty banning nuclear weapons tests above a certain threshold. The original strategic arms limitations were extended and broadened by subsequent agreements in Washington and Vladivostok. In addition to these accords, we have concluded an extensive array of agreements in scientific, economic, and cultural areas which signify what is called détente. In the present hour—virtually at this very moment—we are witnessing the near-miracle of United States and Soviet astronauts joining hands in the conquest of outer space—an accommodation that would have been considered beyond belief only a few short years ago.

We have cooperated with the Soviet Union in efforts to achieve peace in the Middle East and to reduce tensions in Europe.

After having achieved this formidable series of major accords and diplomatic understandings with the U.S.S.R., many of them of a high-risk nature, why should we be reluctant to explore now the possibilities of mutual arms restraint in the Indian Ocean before reverting to cold war escalation? We are not talking about foreclosing the expansion, but we are proposing that we try the peaceful initiative before proceeding with military escalation. By postponing the Diego Garcia expansion this year, we would not realistically prejudice our security interests or endanger the strategic balance. Our strength combined with that of our allies in the Indian Ocean area gives us this low-risk option of buying time to avert a probable major extension of the world arms race in an area that, up to now, has been comparatively stable.

Up to this point, we have not seriously tried to tap the potential of détente by raising this question of mutual naval arms restraint in the Indian Ocean. Inexplicably, this issue has been left off of the diplomatic agenda.

In a series of letters to Secretary of State Kissinger, beginning on June 12, I have urged the initiation of discussions with the Soviet Union on this vital objective and have sought explanation for our Government's lack of constructive action along these lines.

Only Tuesday did I receive an official reply.

I ask unanimous consent that the texts of these letters be printed in the Record at this point.

There being no objection, the letters were ordered to be printed in the Record, as follows:

Washington, D.C., *July 12, 1975.*

Hon. Henry A. Kissinger,
Secretary of State, Department of State,
Washington, D.C.

Dear Mr. Secretary: The Senate next week will consider whether or not to approve the proposed U.S. base expansion on the island of Diego Garcia. A key issue for many Senators is whether or not the Soviet Union is establishing major, permanent military installations of its own in the Indian Ocean area.

In testimony before the Senate Armed Services Committee on June 10, it was asserted that the Soviet Union is building such a base at Berbera in Somalia. But press reports today carry a denial of that claim by the Somali Foreign Minister Omar Arteh Ghalib, who was quoted as saying: "We invite friends and foes alike to come and visit Somalia and particularly Berbera to see the reality."

In view of these reports, I urge you to instruct the U.S. Ambassador in Somalia to request to visit Berbera this weekend and report to you on his findings. I also respectfully request that the Ambassador's report be furnished to members of the Senate Armed Services Committee prior to our action on this issue next Tuesday morning.

In addition, I urge you to initiate discussions with the Soviet Union on the question of limiting naval activities and base construction in the Indian Ocean, pursuant to the resolutions of the United Nations General Assembly in 1971 and 1973. It is highly regrettable that no such United States initiative on this question has been made since 1971, and now may be the last chance to forestall a dangerous and unnecessary arms race in the Indian Ocean area.

Sincerely,

John C. Culver.

Washington, D.C., *July 15, 1975.*

Hon. John C. Culver,
U.S. Senate,
Washington, D.C.

Dear Senator Culver: The Secretary has asked me to respond to your letter of June 25, raising the question of US-USSR arms limitations in the Indian Ocean.

Before certifying to Congress that the expansion of facilities on Diego Garcia was essential to the national interest, the Administration re-evaluated the military and foreign policy implications of the Diego Garcia proposal, including the matter of the arms limitations talks with the Soviet Union. On the basis of that review, it was decided not to approach the Soviets at the present time.

A significant factor in this decision was the evident lack of Soviet interest in such talks. As you know, in 1971 we responded officially and favorably to a Soviet suggestion that we explore the possibilities of arms limitations in the Indian Ocean area. We heard nothing from them since that time, despite several public iterations of our willingness to consider constructive suggestions. Moreover, we need to resolve the issues relating to our proper role in the Indian Ocean. Debate on this began in early 1974, centered around our expansion plan for Diego Garcia. From extensive experience of negotiations on arms control, we believe the chances for any useful talks with the Soviets would be improved were the Diego Garcia matter resolved in such a way as to demonstrate that the US is determined, and has the means, to protect its security interests in the Indian Ocean. As the Secretary has indicated, we would be prepared in these circumstances, to explore the possible methods of limitations which we have been studying within the Government.

Our periodic deployments to the Indian Ocean—and our proposed limited expansion of facilities at Diego Garcia to support them more efficiently and effectively—do not, we believe, fuel an arms race in the area. We remain interested in constructive proposals for limitations, but an adequate level of U.S. presence in that important area is essential.

I can assure you that we take seriously the concerns you have mentioned in your letter, and we have read with interest accounts of your recent discussions in the USSR. As you know, we are pursuing improved relations with the Soviet Union on a broad front. Arms limitations talks with the USSR are a part of that process and, in each case, specific negotiations have been undertaken when we thought mutual interests, timing, and circumstances were most propitious. Experience has shown that this approach is best calculated to produce a successful outcome.

If I can be of further assistance on this subject, please do not hesitate to contact me.

Sincerely yours,
ROBERT J. MCCLOSKEY,
Assistant Secretary for Congressional Relations.

WASHINGTON, D.C., *June 25, 1973.*

Hon. HENRY A. KISSINGER,
Secretary of State,
Department of State,
Washington, D.C.

DEAR MR. SECRETARY: On June 12 I wrote to you regarding the proposed U.S. base expansion on Diego Garcia and urged you to have the U.S. Ambassador in Somalia seek to visit the Soviet-built facilities at Berbera. I appreciate your prompt action on this matter, and I hope that the Somali Government will respond soon and favorably.

In that same letter, I urged you to initiate discussions with the Soviet Union on the question of limiting naval activities and base construction in the Indian Ocean, pursuant to resolutions of the United Nations General Assembly.

Assistant Secretary Robert McCloskey's reply to me, on your behalf, failed to respond to this recommendation.

I believe that this is a most urgent matter if we are to forestall a dangerous and unnecessary arms race in the Indian Ocean. I hope that you will consider this suggestion and also explain the reasons the United States Government has taken no such initiatives for mutual arms restraint in that area since 1971.

Sincerely,
JOHN C. CULVER.

WASHINGTON, D.C.
July 11, 1975.

Hon. HENRY A. KISSINGER,
Secretary of State,
Department of State,
Washington, D.C.

DEAR MR. SECRETARY: As members of an official Senate delegation to the Soviet Union earlier this month, we had occasion to express to several Soviet officials our concern about naval activities in the Indian Ocean. We sought some evidence of Soviet willingness to discuss the question of mutual arms restraint in that region.

Although initial Soviet responses to our queries were generally vague, we were subsequently given reason to believe that the Soviet Union would respond favorably to an American initiative to seek means of reducing tension in that area.

We believe that this signal should not be dismissed or disregarded, for it may indicate a possible reversal of previous Soviet unresponsiveness on this crucial issue. Since no American approach on this question has been made since 1971, we believe that a serious initiative should be attempted.

In view of the pending Senate action on funds for U.S. base expansion on the island of Diego Garcia, in which the matters of increased Soviet naval presence and construction of military facilities in Somalia have figured prominently, we believe it is urgent to explore the possibilities of mutual naval restraint before both nations become locked into a no-win contest for naval superiority.

At the very least, we believe that an understanding should be sought regarding limitations in ship-day deployments to the Indian Ocean. Such a first step, if successful, could lead to broader agreements on measures to forestall a new and dangerous arms race in that area.

Sincerely,
JOHN CULVER.
GARY HART.
PATRICK LEAHY.

Mr. CULVER. Mr. President, in the course of these remarks, I would like to call the attention of my colleagues to a few key points in the State Department letter signed by Assistant Secretary Robert J. McCloskey.

First, the letter admits that the U.S. Government decided, at the time of the President's certification of the essentiality of the Diego Garcia base on May 12, 1975, not—and I emphasize "not"—to approach the Soviet Union on the question of arms limitations. I ask my colleagues: Why? Why should we not at least mount the initiative toward negotiations before proceeding, in martial isolation, to expand the already formidable military capability we and our allies have in the Indian Ocean, in clear disregard of the opinions of the nations of the area and at the risk of major escalation of the arms race and open-ended defense outlays?

Mr. President, I would like to make one point clear that seems to have somehow remained obscure thus far. We are presently strong, not weak, vis-a-vis the Soviet Union, in the Indian Ocean area, notwithstanding Soviet activities in Somalia.

We have a permanent facility at Bahrein in the Persian Gulf. We have an important communications facility already on Diego Garcia. We have periodically deployed a carrier task force in the Indian Ocean, and, of course, our global Navy can deploy vast firepower in the event of any emergency.

Moreover, we are allied with other nations—France, Britain, Australia—which also have naval forces and facilities in the Indian Ocean. France alone currently maintains a more active presence in that region than any other nation, including the U.S.S.R. We have fully capable aircraft carriers, with wide-ranging, well-armed planes, while the U.S.S.R. has none.

In short, we have tactical superiority if we should choose to deploy it. And our strategic parity with the Soviet Union remains unchanged by present Soviet activities in the Indian Ocean.

Thus, we have strong leverage for negotiations based on our capability to deploy forces, if required, and our option to proceed with base expansion if negotiations are unsuccessful.

This fact negates the introduction by the State Department of the familiar bargaining chip theory. In this instance, the value of the bargaining chip will not be diluted by a prior effort to pursue negotiations. Indeed, the value may even be enhanced, since the Soviet Union is well aware of our capacity to expand our facilities and presence in the Indian Ocean if the necessity arises.

It makes no sense to invest many millions of dollars in a theory when true Soviet intentions can be much better determined in a few months of diplomatic effort.

It should be made clear, also, that postponing construction on Diego Garcia for the sake of negotiations in no way undermines our determination to maintain an adequate presence in the Indian Ocean region. We who favor initiatives toward negotiations and restraint are not, under any circumstances, willing to permit the United States to fall into an inferior status which jeopardizes the protection of our vital national interests in that area or anywhere else.

However, a decision to proceed with the Diego Garcia expansion now could quite conceivably diminish our overall strength by undercutting our negotiating position and resulting in long-run adverse consequences to our foreign policy.

First, we would clearly harm our relations with the 29 littoral nations of the Indian Ocean, none of whom support our plans for Diego Garcia and many of whom now permit our naval ships access to their ports. At the present time, we have access to some 36 different refueling ports in the Indian Ocean. Those that are open today may well be closed tomorrow if anti-American opinion in those nations should intensify.

Second, we would lock the Soviet Union into its facilities in Somalia and provide an incentive for them to equal or exceed whatever capabilities we put into the Indian Ocean, as the CIA predicted last year.

Third, with both nations ensconced in major, permanent facilities, the chances for reduction of force to avoid a superpower naval arms race would be virtually nil. We would have passed the point of no return.

At no real risk to our national security or interest, we have the opportunity to undertake a major initiative for peace that would demonstrate to the nations of that part of the world that we respect their interests and concerns, and that if there is to be a major superpower escalation in the Indian Ocean, the responsibility must be clearly laid upon the Soviet Union.

The State Department letter admits that the United States has not yet resolved "the issues relating to our proper role in the Indian Ocean."

I suggest, Mr. President, that it is high time we should resolve our proper role before proceeding with a move that risks escalating the superpower confrontation in the area.

No one should doubt for a moment the determination of the United States to defend American interests and to protect the freedom of the high seas.

But now is not the time to undertake new involvements and expanding commitments in far off regions of the globe, particularly areas that are relatively stable and tranquil.

We are involved in a fundamental reassessment of our overall national security policy in the wake of Vietnam. This is the time to make certain that our defense spending is geared to our carefully thought-out foreign policy objectives. It is a time for caution, for careful analysis, for exploring every promising diplomatic initiative for mutual restraint. It is definitely not a time to relapse into the conditioned reflexes of the cold war era unless we are forced to do so.

The fact that the Soviet Union has been expanding its naval capabilities and its presence in the Indian Ocean area is not anything we can afford to take lightly. But we are strong, by comparison, and can try the option of negotiations from a position of strength. Clearly the mutual interest of both great powers is in avoiding confrontation and an open-ended naval arms race.

Mr. President, as we consider the Diego Garcia issue, we need to ask ourselves if we are ready to make a basic change in our foreign policy, which until now has kept the Indian Ocean relatively free of superpower rivalry.

In order to maintain a permanent deployed carrier task group in the Indian Ocean, it would cost, according to the Brookings Institution, an additional $800 million per year in operating costs and from $5 to $8 billion for new ship construction.

From this it can be seen that the political, military, and economic stakes involved in risking the opening up of a new phase of the arms race run very high. This is why so much rides on exercising the option to try the negotiations route.

Earlier this month, an official senatorial delegation traveled to the Soviet Union for discussions with Soviet officials. As a result of recent discussions in Moscow, we have reason to believe that the Soviet Union would respond favorably to a U.S. initiative to reduce tensions in the Indian Ocean through discussions on mutual naval restraint.

I recognize that there are those among us who sincerely doubt that the Soviets would enter into such negotiations in good faith. I can only say that we will never know until we have made the effort. And, as I have already pointed out, by postponing rather than ruling out the base expansion on Diego Garcia, we can exercise the option without jeopardizing our national security.

In addition, if the Soviet response is not positive and constructive on this issue, then it will be clear to all nations that America has exerted every responsible effort to achieve arms restraint and to accommodate the preponderant opinion of those nations most directly affected.

In the light of all the risks we have taken in war and power diplomacy, it is time, Mr. President, it is high time, to exercise a low-risk option for peace.

I yield back the remainder of my time.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. CULVER. I am glad to yield to the distinguished majority leader.

Mr. MANSFIELD. Mr. President, I commend the distinguished Senator from Iowa for calling our attention to his views on Diego Garcia and doing so in view of the fact that the Senate must act before the 28th of this month, I belive, if this matter is to be disposed of insofar as the Senate's responsibility is concerned.

I note that the distinguished Senator refers to the so-called bargaining chip theory in which he states:

> It makes no sense to invest many millions of dollars in a theory when true Soviet intentions can be much better determined in a few months of diplomatic effort.

The PRESIDING OFFICER (Mr. Bumpers). The 15 minutes of the Senator from Iowa have expired.

Mr. McCLURE. Mr. President, I ask unanimous consent to yield to the distinguished majority leader 2 minutes of my time.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. May I say that the bargaining chip has not been used. There has been no executive agreement—if there is an executive agreement, there certainly is no treaty—to come before the Committee on Foreign Relations. It appears to me that, instead of using the words, "bargaining chips," we might well use the words, "chips on the shoulder," because that is what will happen. We will get involved in an arms race there. We will go in, they will go in; we will build, they will build. And who will pay as far as we are concerned but the American people?

The President, the other day, came out and recommended to Congress the building of a $1.2 billion missile cruiser, going beyond the budget which he sent down to us; going beyond the budget which we have laid down and agreed to. If my information is correct, there will be 25 to 28 of those $1.2 billion missile cruisers.

I do not know where all the money is coming from. I do not think we ought to have a third ocean Navy. We have a hard time policing two oceans at the present time.

I wonder if there is not a connection between what the administration and the Defense Department are attempting to do in Diego Garcia—and they have been attempting to do it for more than a decade—and the oil in the Middle East.

I commend the distinguished Senator and I am delighted that he is sticking to this subject, which I think is most important.

I yield to the Senator from Vermont the remainder of my time, if I may.

Mr. LEAHY. I thank the distinguished majority leader. I also commend the Senator from Iowa. I wish to be associated with his remarks.

Mr. President, as one of those whom the Soviets approached on our recent senatorial delegation visit to the Soviet Union on this question of Diego Garcia, I know that they did state specifically that they want to enter into negotiations on this question. I find it terribly frustrating that the United States has not had negotiations on this question. I think it is a dangerous part of the arms race. I concur completely with the distinguished majority leader that it will also lead to enormous expenditures of money. Certainly, from what I have been told by the Secretary of the Navy and others, there is no question that we are talking about ultimate expenditures in billions and billions of dollars in the Indian Ocean for what I see as a very, very limited purpose, a purpose that, in many ways, is quite counterproductive to the interests of world peace.

I thank the distinguished majority leader for yielding.

I commend the distinguished Senator from Iowa.

ORDER OF BUSINESS

The PRESIDING OFFICER. Under the previous order, the Senator from New York (Mr. Buckley) is recognized for not to exceed 15 minutes.

CONFERENCE ON SECURITY AND COOPERATION IN EUROPE

Mr. BUCKLEY. Mr. President, we are in the final stages, it would seem, of negotiations under a conference that is perhaps as significant as any we have had since the end of World War II, one that has been inadequately commented upon in our press, certainly, and on the floor of the Senate, one whose implications too few are aware of. I speak of the Conference on Security and Cooperation in Europe that was inaugurated in 1972, involving, I believe, the participation of the 35 nations in Europe, plus the United States and Canada.

By way of background, the Soviet Union has, almost since the end of the Second World War, sought such a conference with a particular objective in mind. That was to sanctify and to gain international recognition of Soviet domination of Eastern Europe, of the new boundaries that were carved out in conquest, many of them, of the incorporation into the Soviet state of the Baltic States of Latvia, Lithuania, and Estonia, and of the prime Soviet area of influence that incorporates the states in Eastern Europe. The political significance of such a sanctification, I think, is self-apparent.

Psychologically they are enormous as far as any of the hopes of the peoples concerned are involved in what are commonly referred to as the captive nations. That is of enormous importance.

But also the Soviets have sought—and this is generally conceded by all observers—another objective, and that is to create an entity of sorts that would enable them to begin eroding the NATO alliance, the concept of a united Europe, and that would have as its ultimate aim the removal of an American presence, an American position, in the affairs of Europe, West as well as East.

For many years the West has resisted continuing suggestions and demands on the part of the Soviets that we proceed with such a conference. In 1972 we finally acceded only because this was presented as part of a package deal in which the NATO nations would be able to proceed with a conference in which we were vitally interested; namely, a conference on mutual and balanced force reductions, the so-called MBFR, in Central Europe.

In effect, we would agree to talk about things that were of prime concern to the Soviet Union if they would agree to talk about those that were of prime concern to us, to our security, to our deployment of American forces in Western Europe.

One of the initial reactions at the first meeting in Helsinki to discuss the framework for the CSCE Conference on the part of the ministers of the Western European nations was that there could be no long-term cooperation and security in Europe, that there could be no long-term and meaningful détente, unless one of the outgrowths of the conference in question would guarantee a significant freeing up of access within the Eastern Bloc of Western ideas, people, newspapers, journalists. There was a feeling that peace ultimately depends on people-to-people communications and not the communications between governments, especially when one of those governments or one system of government was totally totalitarian in its concept, in its makeup.

In any event, this was the framework in which necessary negotiations were to be proceeded with, and we now have 3 years of history behind us.

What has happened is we find, not unexpectedly, that the Soviets have brought the MBFR Conference virtually to a halt while insisting on progress, on sweeping motion or movement, on the CSCE.

Over a period of time those things that we wanted were gradually eroded out, whereas those things the Soviets wanted were, by and large, kept in.

So we find ourselves in the month of June 1975, coincidentally, in a week commemorating the plight of the captive nations, and it is now proposed that we rush forward with a summit conference in Helsinki at the end of this month for the purpose of signing and ratifying the handiwork of the CSCE, even though we do not yet have anything that remotely approaches agreement on a mutual and balanced force reduction.

What the logic is of moving forward at this rate I do not know. But I think we must understand that if we do sign unconditionally agreements issuing out of CSCE, this act will have the greatest symbolic importance not only for the people of Eastern Europe but for the perception as to what is happening on the globe today that has been so eloquently spoken to by Alexandr Solzhenitsyn during his past few weeks here in the United States, a seeming willingness of the Western Powers to totally abdicate any further interest in the ultimate freedom of the Eastern European states, that is, in a sense that they are separate from Soviet domination.

In effect, we will have tacitly agreed to the Brezhnev doctrine that allows the Soviet Union with impunity to move in with all their divisions, and so forth, any time they feel socialism is endangered in their particular empire.

What are the concessions that the West will have gained from agreeing, in effect, to consolidation and recognition on a permanent basis of the boundaries emerging and the power relationships emerging from the Second World War? The answer is virtually nothing. We do have some assurances from the Soviet Union, some pledges, that they will allow freer passage of a few Western ballet troupes, perhaps, some journalists, some businessmen, and so on, into Eastern Europe; and, of course, American and other Western businessmen are welcome, especially when the trade to result from their visits is to be subsidized by the taxpayers of their respective nations in the West.

Another concession that is asserted to be important is the willingness of the Soviet Union to provide the Western nations with advance notice of maneuvers involving forces larger than 25,000 troops.

The short distances involved in Europe always give an advantage to the side which mobilizes first, and it is well known that the Soviets, in Soviet practice, mobilize only through a process of first conducting extensive maneuvers.

It happens, incidentally, that the size of their divisions and their military organization is such that they can operate with units of less than this magic number of 25,000 troop forces that can unite, can coalesce, on very short notice. They did this most recently in the Yom Kippur war when airborne divisions went on maneuvers prior to being deployed in the East.

The Soviets also had maneuvers prior to their invasion of Czechoslovakia, 6 weeks prior to the invasion, by having maneuvers in southern Poland.

What I am suggesting, Mr. President, is that the concession that we have from the Soviet Union in this respect is one that is helpful, no doubt, but that does not necessarily preclude the sudden coalescence of major forces that can engage in large military operations in time for us to respond adequately.

There is another point about the CSCE agreements that is particularly troublesome. Throughout the agreements terms are used that are imprecise and, I believe, as a result we will be inviting the same kind of troubles we have already experienced in terms of the SALT agreement where differences in nuances in language have enabled the Soviets to do all kinds of things that we had not anticipated when we ratified that agreement, that have enabled them to claim borderline situations to be licit whereas we have defined them unilaterally as illicit, such as the deployment of a mobile ABM. I could go through the litany of those areas where many believe the Soviets are in clear violation of some of the safeguards of the SALT agreement, yet they can, because of the imprecision of language, claim to be acting in good faith.

Mr. President, I am today introducing a joint resolution that, if adopted and accepted, would contain an expression of the determination of Congress that prior to any portion of the CSCE conference agreements becoming operative, Congress must be provided with all appropriate documentation from the CSCE which bears on the definitions and the significance of the terms in the agreements, including any understandings or other ancillary documents. In other words, I think it is important that we insist that if we ratify these agreements, we know precisely what it is we are ratifying, precisely the nature of the understanding that exists between the Soviet bloc and the Western bloc, so that we can know precisely when we can claim that violations have occurred.

The PRESIDING OFFICER. The time of the Senator from New York has expired.

Mr. McCLURE. Mr. President, I ask unanimous consent that 2 minutes of my time be granted to the Senator from New York.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BUCKLEY. Mr. President, second, because the terms of this agreement involved limitations on the ability of the United States to deploy its own arms and forces in Europe, I believe the Congress should assert that the CSCE documents must be submitted for ratification by both Houses of the Congress under the terms of the Arms Control and Disarmament Act of 1961.

Third, the resolution provides that no portion of the CSCE accords can become operational with respect to the United States until we have a satisfactory agreement on the mutual and balanced reduction of forces treaty in Central Europe.

In other words, we will not affirm or confirm or be bound by CSCE until we have the other side of the bargain that was struck in 1972, a mutually satisfactory, enforceable treaty for the mutual and balanced reduction of forces.

I thank my colleague from Idaho for yielding me the time to complete my presentation.

ORDER OF BUSINESS

The PRESIDING OFFICER. Under the previous order, the Senator from North Carolina (Mr. HELMS) will be recognized for not to exceed 15 minutes.

Mr. HELMS. I thank the Chair.

CSCE AND FREEDOM

Mr. HELMS. Mr. President, I want to commend my distinguished colleague from New York for his very eloquent expression, to which I hope I may add a few thoughts.

Mr. President, there is great irony in the situation that exists today. Once again we come to "Captive Nations Week." Once again a President routinely issues a proclamation which is required by law. Yet at the same time, the substance of hope, the substance of freedom is eviscerated by the actions which the United States is bringing to a conclusion this month. I refer to the Conference on Security and Cooperation in Europe, the final session of which will be convened on July 30, less than 2 weeks away.

This meeting of the CSCE is ironic in that the final session has been announced during Captive Nations Week. At the very time that Solzhenitsyn has warned us of the moral imperatives of freedom, our Government has agreed to the final form of a document that will lock the prison door on the captive nations and throw away the key. If we finally agree on this document in Helsinki which will set forever the boundaries of the Eastern European nations—the nations that were delivered to communism at Potsdam—we will have entered into a final capitulation to the Communist view of history. It is tragically unfortunate that we have not even obtained concrete concessions on human rights, yet we are ready to trumpet forth the success of yet another Sovietized "agreement."

It was only the day before yesterday that Solzhenitsyn was here at the Senate and spoke to a group of us in the caucus room. He warned specifically of the pitfalls of a foreign policy that failed to include the moral dimension.

He said, and I quote:

> One of the most terrible dangers of the present day is precisely that the destinies of the world are tangled together as never before, so that events or mistakes in one part of the world are immediately felt in all the others. At the same time, the exchange of information and of opinions between populations is blocked by iron barriers on the one side, while, on the other, it is distorted by distance, by misinformation, by narrowness of outlook, or through deliberate misinterpretation by observers and commentators.
>
> In my few addresses here in your country I have attempted to break through that calamitous wall of ignorance or of unconcerned arrogance. I have tried to convey to your countrymen the constrained breathing of the inhabitants of Eastern Europe, in these very weeks when an amicable agreement of diplomatic shovels will bury and pack down bodies still breathing in a common grave.

It is quite obvious that here Solzhenitsyn was referring to the captive nations about to be buried forever by the July 30 CSCE meeting. And these "diplomatic shovels" are indeed to be watched very closely.

Due to the secret nature of the negotiations at the CSCE, neither the Congress nor the American people have had an opportunity to scrutinize the details of what is being arranged. Just as the secret deals were made at Potsdam, sealing the fate of millions without their own participation in what is being done, so too the people of the same geographical areas have no participation in the settlement. On neither side are there conditions for a valid and lasting agreement—the free democracies of the West are unable to learn what is happening, so as to call their present leaders into account, while in the Communist states there have never been free elections, and so the actions of their rulers are unaccountable. Indeed, even if the free nations were aware of the progress of the negotiations, the validity and justice of the final agreement would be questionable because of the lack of participation of the captive nations in their fate.

This is indeed a scandal of history—3 years of secret negotiations by 35 governments, all conducted by middle echelon diplomats, completely beyond the control of the people. The Communist diplomats, of course, are controlled from the top; the free nation diplomats are controlled only by their own conscience.

Yet conscience alone is not enough. For many diplomats, negotiations take on a dynamic of their own. The aim becomes getting an agreement—any agreement; because if an agreement is not reached, then diplomacy has failed. And such failures reflect upon the careers of the diplomats themselves.

It is particularly unfortunate that the CSCE agreement will take the form of a mere executive agreement, and will never come before the Senate as a treaty for advice and consent. It will never, therefore, have the proper forum for debate and explanation, and for accountability to the people of this Nation. World War II was a turning point in our history, and thousands fought and died for freedom. After the way our diplomats threw away much of that hard-earned victory; now they wish to seal away any hope of the restoration of freedom to the nations betrayed by the West.

Mr. CURTIS. Mr. President, will the distinguished Senator yield?

Mr. HELMS. I will be delighted to yield.

Mr. CURTIS. Is it not true that this agreement is being fostered at a time when we have a generation of voters, writers and speakers in this country who are not aware of the betrayal of Eastern Europe in the early settlements of World War II? They were not alive and participating at that time in public affairs. Is that correct?

Mr. HELMS. The Senator is eminently correct, yes, sir.

Mr. CURTIS. It seems to me that those who are driving for this agreement have taken advantage of that very situation. When the American people see an injustice taking place somewhere in the world right now, they are just as alert to it as they ever were. But several decades have gone by since the nations of Eastern Europe lost their freedom and became a part of the Soviet orbit. Their private enterprise system was done away with and they live under socialist governments. Their liberties are gone.

To many people, no doubt, that seems so far in the long ago that that happened that there is a tendency to say, "Well, we cannot do anything about it now. We just better agree to let the status quo be the status quo."

Is that somewhat the situation?

Mr. HELMS. That is exactly the situation. Let me say to the Senator just this week Mrs. Helms and I had as a guest in our home a young lady who this fall will become a member of the faculty at Duke University in North Carolina. As the Senator indicated, she belongs to a generation that has had no way to become familiar with, aware of, the early postwar period when, one by one, the Communists took over the governments of Eastern Europe. She has just returned from a year's study in Europe, in both East and West Germany, including extensive travels in which she was able to make comparisons. She had her first confrontation with communism during this period. She told us that when she went to Europe she was not really concerned about communism, that she thought communism was "just another political system." She said, "Senator, now I realize how wrong I was, and what I did not understand before I went to Europe."

So the Senator is exactly correct in his observation.

Mr. CURTIS. Even if it were permissible in the minds and hearts of free men and women in America to forget Eastern Europe and agree to the status quo and forever shut the door, so far as any escape to liberty is concerned, are we getting anything in return so far as the real security of the Western nations of Europe?

Mr. HELMS. I would say to the Senator that, in the judgment of the Senator from North Carolina, we never get anything in return. I would like to have the Senator advise me of any negotiations with the Communists in which the cause of freedom has not been set back.

Mr. CURTIS. I believe that in the American Government, in our diplomatic arm, in our State Department, there perhaps may well be a few people who know exactly what is taking place. But then, with a great many others they are being taken advantage of. Their goodness is being imposed upon.

After a war is over, Americans are so happy that the killing has stopped, it is natural for us to assume that if we rush to a peace table everybody there will be of good will and they will want to fix things up right and establish justice so there will be no more war. But is it not true that the objective of a Communist at the peace table is exactly the same objective that he has on the battlefield, the advance of communism?

Mr. HELMS. The Senator is exactly correct.

Mr. CURTIS. In their terminology, a common error of peace means a lack of resistance to communism?

Mr. HELMS. That is true.

Mr. CURTIS. I thank the Senator for his presentation.

I believe that this wave or trend that has gone across the country that everything ought to be exposed to the broad daylight, the right to know, the right to access to information, should be applied to this agreement that is being finalized in reference to Eastern Europe. I can think of no better service to mankind than if the appropriate committee of the Senate would hold a public hearing and gather all the information they can as to what is going on and lay it out before the American public. If it should develop that the views of the Senator from North Carolina and the views of the Senator from Nebraska were wrong, and that it was a document to defend liberty, to bring peace, and hold up hope to mankind, I am sure we could be the first to rejoice. But in any event, the whole matter should be laid before the American people before they proceed any further. Does the Senator agree?

Mr. HELMS. I could not agree more with the Senator. As the Senator indicated, he and I would be delighted to be proved wrong in this set of circumstances.

Mr. CURTIS. I thank the Senator.

Mr. HELMS. I thank the Senator for his comments. He has come right to the point. This agreement will not only settle problems of intergovernmental and international relations. It is not just about security and borders; it deals also with the fate of the human rights of individuals and families. It is doubly ironic that the agreement deals only with "security" and "cooperation." What we really need is an agreement that deals with human rights—both liberty of person and liberty of property ownership—and freedom. "Freedom" is a word that is never mentioned.

Now let us look at some of the specific problems involved. We are entering into an agreement that has a completely different meaning for East and West. There is a fundamental disagreement on the nature of the CSCE document. The West looks on the document as a political declaration of intent; the East looks upon it as a document with legally binding force, and looked upon it in that manner from the beginning. As far as the Communists are concerned, this is a Sovietized "Magna Carta" legitimizing the ill-gotten gains of World War II and the immediate postwar developments. This fundamental difference in interpretation will be the basis of further, deep disputes. Until there is a clear definition of the nature of the document, no document should be signed.

Another problem concerns the principle of the "inviolability of frontiers." Under this principle, a peaceful change of frontiers could come about only through agreement by the states exercising sovereignty. This means that the inhabitants of a local area could not declare their freedom without the agreement of the Communist government in the central capital.

Obviously the Communists fear that, for example, parts of East Germany might attempt to unite themselves with West Germany. No one can tell what opportunities will be available for such action in the future. No one can foresee what anarchy or deterioration of the central power might develop.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. TAFT. Mr. President, I shall be happy to yield the Senator from North Carolina such portion of my time as he may require.

Mr. HELMS. If I could have 2 minutes, I would be most grateful to the Senator.

No one can tell under what circumstances a plebiscite might become feasible. Yet all such possibilities are foreclosed by this agreement. It is highly significant that the Soviets have tried to give the principle of the inviolability of frontiers precedence over all the other ten principles established. What we need are clear definitions that all the principles have equal value, that they are all interrelated, and that they can be interpreted and implemented only in the context of this mutual relationship. An agreement that cannot be interpreted so as to bring about liberation is not worthy of our signature.

A third point is that the much-touted agreements in "basket three"—the human rights category—are practically meaningless. All that has been achieved is a mere recognition of bilateral agreements that are already in existence between many countries. I thought that the main intention of the United States in this area would have been to press for substantial concessions for human rights—not just as far as east-west contacts are concerned, but for the internal situations in the Communist countries. Why should the United States agree to a document that legitimizes Communist rule and practices? It is the East that has been pressing for this document for some time; why not use the opportunity to alleviate the lot of the oppressed? Not only is the achievement in this area marginal, but the substance of those agreements will be completely neutralized in the application of Communist law. The east insists that all such agreements are subject to the priority of their own law, which leaves their citizens in the same situation they were in before.

As for concessions on trade relations and technology, this topic has already been much debated on this floor. But here is an opportunity to make the Communists conform to acknowledged international standards of trade and cooperation throughout the world. Why not require the U.S.S.R. to enter GATT? Why not give MFN only to those states which are prepared to take over all their international obligations. As usual, we press for nothing, and we get nothing.

Finally, I am disturbed that such agreements as the CSCE document are too often considered in isolation. For the Soviets, it is an important step in building up the web of agreement and international law that will buttress their position in the future. It is another exercise of the use of détente to get the West so enmeshed in legal agreements that we can not move freely and can not protest in the future. Why is CSCE considered separately from SALT? Why is CSCE considered separately from MBFR? Technically, of course, these are separate questions. But why accept the Soviet strategy of considering them as separate questions? From the standpoint of a comprehensive foreign policy, we are missing the point. At a time when the Soviets are close to a breakthrough in the takeover of Portugal, at a time when the Soviets are very active in Italy, why do we have to accept the Soviet version of the way the world should look? We are locking in the Soviet conquests, at the same time that the Soviets are proceeding to bring the rest of Europe under their domination and influence.

It is for these reasons that I have been pleased to join in the resolution of the distinguished Senator from New York, Mr. BUCKLEY. Unless the Senate has an opportunity to assess the developments in CSCE and to be fully informed of their significance, the final agreement on the CSCE document should not take place when the session of July 30 is over.

ADDITIONAL STATEMENT BY MR. CURTIS ON CSCE AND FREEDOM

Mr. CURTIS. Mr. President, ever since 1954 when the Soviet delegate to the Berlin Foreign Ministers Conference proposed an initial draft treaty on European collective security, the Communists have incessantly pressed for a completed agreement. Now, possibly at the end of this month, such an agreement may be finalized. Thirty-five nations have participated in negotiations since the initial conference convened in Helsinki a little over 2 years ago on July 3, 1973.

Yet, despite the number of countries involved and the length of negotiations, we have remained largely ignorant of both the details and potential consequences of such an agreement being worked out. On that basis alone public hearings should be held prior to any agreement just so we can be informed about the proceedings and what they may possibly imply about the future of Europe and East-West relations.

But a much more basic reason for demanding public hearings exists. The apparent agreement, from what we do know about it, both in substance and general thrust almost undoubtedly serves the interests of neither the United States nor our friends in Europe. Instead, the agreement, both conceived and now pushed vigorously by the Communist bloc countries, undoubtedly serves their own objectives much more than ours.

In his recent speech here in Washington, Alexandr Solzhenitsyn warned us with his usual candor about the results of the Conference on Security and Cooperation in Europe. He states that:

> The proposed agreement is the funeral of Eastern Europe. It would mean that Western Europe would finally, once and for all, sign off Eastern Europe, stating that it's perfectly willing to see Eastern Europe be crushed and overwhelmed, but just don't bother us.

And while we accede to total Soviet hegemony in Eastern Europe, what has been their corresponding policy in Western Europe? While the West has foresworn interference in the affairs of Communist bloc countries, the Soviet Union has nonetheless continued to undermine countries of Western Europe and destroy the NATO alliance system. In particular the Soviets have extended tremendous financial support to Alvaro Cunhal's Communist Party. In visits to Moscow Cunhal has met with Boris N. Ponomarev, the Soviet Communist Party specialist on relations with nongoverning Communist parties in the West. Through substantial Soviet support the Communists in Portugal have been able to effectively upset the results of the democratic elections in April. Although getting only 13 percent of the vote the Communists now dominate the ruling military junta in Lisbon.

If we are about to agree to Soviet domination of Eastern Europe can we not expect as a minimal concession that they cease to interfere in the internal affairs of our NATO allies? Unfortunately no quid pro quo relation exists in the expected agreement from the European Security Conference.

Instead of making any substantive concessions, however, the Soviets have only made minimal gestures in order to break through the various impasses of the negotiations. Once again I call attention to a terse pointed summary of the negotiating process given by Solzhenitsyn:

> The European negotiators for 35 countries for two years now have painfully, painfully been negotiating—their nerves are stretched to the breaking point. And the Communists finally make concessions. A few women from the Communist countries can now marry foreigners. And a few newspapermen are now going to be permitted to travel in some places they couldn't travel before. They give one thousandth of what natural law should provide, or natural right-matters which people should be able to do even before such negotiations are undertaken. And here in the West we hear all sorts of peoples raising their voices, saying: "Look. They are making concessions; we've got to sign."

Rather than concretely pledging to loosen the straitjacket placed upon the captive peoples of Eastern Europe, the Soviets only inform us they will consider various proposals directed toward a liberalization of restraints. In an editorial several weeks ago the New York Times commented that through the agreement:

> Moscow will thereby get what it wants immediately—the summit meeting that will seem to consecrate the status quo. But it will be years before the West will know how much, if at all, the Soviet Union will carry out its own vague promises. So far, detente has brought a severe tightening-up of police controls within the U.S.S.R.

Signing agreements and exchanging accolades about the momentum of détente must not cause us to ignore the underlying substance of what is actually transpiring. The Soviets have pressed strongly for this agreement for over two decades as an element of their overall strategy in Europe to remove American influence. Although no real security for Europe will result from the document, the impressive title and our own enthusiastic announcements may seriously mislead us about the continuing need we have for our current alliance system.

In a lengthy analysis of the Soviet strategy and its implication for Western Europe, Dr. Charles Baroch has placed the role of the European Security Conference into an understandable framework. He notes that the absence of active military warfare between the Soviet and Western governments has led to the false belief that a conflict no longer remains. Instead, he writes:

> The Soviet view of a confrontation is predominantly a sociopolitical conflict fought by means of revolutionary class struggle, since the correlation of forces in present-day Europe does not permit the Communists direct use of military force outside their zone of control.

The Kremlin has always maintained that the presence of American forces in Europe exacerbates tensions there and demands our withdrawal. Through this so-called security agreement the Soviets undoubtedly hope that pressure will build in the United States for the reduction of our forces in Europe. As Dr. Baroch concludes in his article, the Soviet Union eventually hopes to replace—

> NATO and the Warsaw Treaty Organization by the collective security system, which would facilitate the class-struggle operations of powerful West European revolutionary organizations (Communist Parties in France and Italy, for example) in their effort to achieve governmental power. This will result in the gradual Finlandization of Western Europe and change in the socioeconomic status quo in favor of the Communists.

Only when we consider more broadly the role of the Security Conference in the context of East-West relations and Soviet strategy in Europe can we fully appreciate the importance and potential dangers of any document arising from the Conference. We can only carefully examine the details of the agreement and their implication by holding public hearings before the Congress. Consequently I join with my colleagues today in support of a resolution designed to bring this important matter into the spotlight so that we can make an intelligent and balanced judgment about the agreement prior to any Presidential signature in Helsinki.

I ask unanimous consent that the article by Dr. Baroch that I have referred to be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From Strategic Review, Summer, 1974]

SOVIET WESTPOLITIK: MOTIVATION AND AIMS

(By Charles T. Baroch)

(This is the pseudonym of an authority on Soviet affairs who, because of his present employment, prefers to remain anonymous at this time.)

IN BRIEF

The Iron Curtain is the great socioeconomic divide of Europe. Two hostile systems confront each other. In Soviet perception, the conflict is between the socialist and capitalist systems, with national differences receding in importance. This systems conflict is seen as following the basic law of dialectics. Soviet policies and actions must conform to this law in order to be effective and permissible.

The Soviet push for an all-European security system is the continuation of a design inaugurated at Berlin in 1954 with the proposal of the "Molotov Plan." The plan has been revised and renewed periodically as conditions allowed. The continuing Soviet purpose is to achieve U.S. withdrawal from Europe. Its designs were aided by the Ostpolitik of Chancellor Brandt.

Soviet authorities ridicule talk of convergence, holding this to be the wishful thinking of the imperialists. "Peaceful coexistence" is the continuation of struggle in a period of peace. Capitalist states remain the target of the socialist class struggle. The Soviet interest is above the United Nations Charter and international law.

Immediate Soviet goals are to win ratification of the status quo in Eastern Europe, the withdrawal of the United States from Europe, the harnessing of West European industrial production and the creation of a Soviet-dominated instrument for consultation on European problems. These measures would fulfill the guidance given by V. I. Lenin.

A glance at the map of Europe will establish a simple fact of political life: the European continent, once composed of a number of states representing different nationalities, has now been split in half by the "great socioeconomic divide" extending from the Arctic to the Mediterranean.

This new frontier separates states no longer only according to their national character but also according to their socioeconomic system. Actually, one important European country, Germany, is divided into two states of the same nationality but with opposite socioeconomic systems. West of this demarcation line are European countries organized as free enterprise or, as the Communists would say, "capitalist" systems. To the east of it are the socialist system countries or, as the non-Communists would say, the Communist-controlled countries.[1]

This is the systemic or intersystem division of Europe, an historical fact of immense consequence because of the built-in antagonism between the two systems.

In the Communist worldview, this objective antagonism is a factor of paramount importance in the relations between the systems and their member states.[2] It overshadows conventional international or interstate relations and its impact on the foreign policy of the Communist-controlled states calls for a most attentive examination on our part.

The "European" foreign policy of the USSR has been in the making for a considerable number of years but there is one most important principle constant to all Soviet foreign policy:

> The Marxist-Leninist theory offers to the [Party] leadership of a socialist state a powerful weapon for understanding the surrounding world. This leadership need not be limited to observing superficial phenomena: it is equipped to analyze the fundamental processes generating all historic development. With this doctrine it is possible to make an accurate analysis of the correlation of class forces within each country as well as on the international scale.[3]

This Marxist-Leninist class-system outlook, it may be said without exaggeration, has created havoc in international relations.

In this context World War I was the last historical military clash caused by conflicting *national* (territorial, political and economic) interests of the European Great Powers. The October 1917 Revolution in Russia and the emergence of the USSR as a dictatorship of the proletariat (as a *class* state, in other words) mark a turning point in world history: in the Communist interpretation, from that time on socioeconomic (class) systems, not national states, are in basic confrontation.

The results of World War II confirmed the accuracy of the Communist viewpoint. The Second World War, which began as a military "interimperialist" conflict of the conventional type, became by the mere fact of later Soviet participation an intersystem confrontation, with Nazi Germany as imperialist enemy number one. Thus, understandably, Hitler's Germany, immediately following her defeat in 1945, gave place to the United States as enemy number one of the Soviet Union, since the U.S. was then the most powerful element in the capitalist, i.e., imperialist system.

Soviet foreign policy toward Western Europe, reflecting the class struggle outlook, has certain specific and practical aims, which ultimately coalesce in the creation of an all-European collective security system, a project of which we have been made increasingly aware by persistent Communist promotion for almost two decades. Indications are that it will be brought to fruition this year in Helsinki during an all-European super summit in which the United States and Canada will participate.

THE MOLOTOV PLAN

Contrary to widespread belief, the first formal attempt by the Soviets to introduce the idea of an all-European collective security system was made almost twenty years ago, when it became clear that the non-Communist world would not sit idly by and allow the Communists to exploit the disorganization of Western Europe following World War II. The Marshall Plan (1948) and the North Atlantic Treaty Organization (1949) were the Free World's reaction to an attempt by the Communist Parties to expand control even farther westward (into

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Italy and France) and southward (into Turkey and Greece). The need for self-defense in Western Europe, including military participation of the Federal Republic of Germany, generated the plan of a European Defense Community (EDC), with an integrated European Army. The EDC treaty signed in 1952 in Paris would undoubtedly have promoted Western European political integration.

Alarmed by this prospect the Soviet government launched a massive propaganda offensive against the EDC, describing it as "a cover to revive German militarism". Although the EDC was defeated in the French General Assembly (1954), the Soviet maneuver to mislead Free World opinion could not prevent participation in NATO by the Federal Republic of Germany in 1955.

In order to disrupt Western unity cemented by NATO's existence, the Soviet government conceived the idea of an All-European Collection Security System. Originally offered in 1954 as the Soviet alternative to EDC, it has become a major instrument of Communist "Westpolitik".

In 1954, for the first time, a draft treaty on European collective security was submitted at the Berlin Foreign Ministers Conference by the Soviet delegation. Its original formula, known as the "Molotov Plan," has since been promoted periodically by various Communist-controlled governments or by Warsaw Pact countries *en bloc*. It calls for creation of an all-European system of security on the basis of the collective effort of all the states of Europe.

All the European states, irrespective of social structure, including Germany, may be participants in the treaty, and until the unification of Germany, the German Democratic Republic and the German Federal Republic could be participants in the treaty.[4]

In the late 1950s and early 60s, allegedly for the purpose of relaxing international tension and ensuring European security, there was a proliferation from the Soviet and other Communist-controlled governments of diplomatic notes, statements, draft treaties, and speeches concerning disarmament, reduction of armed forces, nonaggression pacts, dismantling of foreign military bases and withdrawal of foreign troops from European soil, topped off by the proposal to disband simultaneously all military blocs, including NATO and the Warsaw Pact. Several genuinely neutral states (especially Sweden and Finland), it is worth noting, began to show considerable interest in the Soviet initiative.

Sensing a more favorable atmosphere, the Soviet government opened a new offensive to promote the Molotov Plan in an updated version with the 1966 Bucharest meeting of the Warsaw Pact Political Consultative Committee. Its main document reflected increased confidence on the part of the ruling Communist Parties to force the non-Communist states, especially the U.S. and the FRG, to accept what they called the "real situation" in postwar Europe. Since the non-Communist countries showed very limited interest in the Bucharest proposal, the Communists sought to promote mass political support for an All-European Collective Security Conference, by means other than conventional government-level diplomacy.

A major meeting of the twenty-four European Communist Parties, both ruling and nonruling was called at Karlovy Vary (Karlsbad), Czechoslovakia in April 1967. Despite its "nongovernmental" character, its official statement contains a most comprehensive and detailed version of the Molotov Plan for the 1970s. As summarized in a *Pravda* communiqué:

"The statement emphasizes the danger created by American imperialism's collusion with West German imperialism and the importance of a concrete initiative for peace dictated by the situation in Europe. . . . It proposes to replace the opposing military blocs (the North Atlantic and Warsaw Treaty Organizations) with a system of collective European security based on the principles of peaceful coexistence between states with different social systems."[5]

To achieve this goal the Karlovy Vary statement specified that all European states must first of all accept the existing situation as it emerged in the postwar period. After listing several non-negotiable "European realities" as prerequisites—among them recognition of the inviolability of existing frontiers in Eastern and Central Europe as well as of two sovereign and equal German states, the FRG and GDR—the statement called on "all progressive and peace-loving forces" for active support of the convocation of an All-European Collective Security Conference. Reflecting the new political circumstances, an agenda for the Conference was prescribed to include three chief aims:

1. conclusion by all European states of a treaty renouncing the use of force or threat of force in their relations and also renouncing interference in internal affairs;

2. a treaty guaranteeing the solution of all disputes by peaceful means only, in accordance with the principles of the U.N. Charter;

3. normalization of relations between all states and the GDR, as well as between both German states and between the GDR and West Berlin as a separate political entity.[6]

European détente and collective security could be strengthened, the statement continues, by even partial agreements, such as: concerning the withdrawal of foreign troops from the territory of European states, liquidation of foreign military bases, establishment of denuclearized zones in Central Europe, the Balkans, the territory of the Danubian countries, the Mediterranean area and Northern Europe . . . [concerning] also zones of thinned-out or frozen armaments and, in general, of zones of peace and cooperation in various regions of the continent.[7]

Calling for a "congress of the peoples of Europe on the broadest possible basis", the Karlovy Vary meeting also appealed to social-democratic parties, labor unions, peasant political parties, and even Christian churches, for cooperation. Since that meeting virtually every final communique of Warsaw Pact and Communist Party conferences as well as major pronouncements by the Communist leadership of the Soviet Union and other Communist-controlled countries has included strong endorsement of the all-European collective security system and called for a conference. Due to the persistent Soviet policy, most of the so-called non-negotiable realities have been accepted by now by the non-Communist world (Germany's division into two sovereign states, recognition of the GDR, and Communist control over Central and Eastern Europe, as well as West Berlin's status as a political entity separate from the FRG.

The Soviet effort has been greatly facilitated by a new FRG coalition government, composed of the Socialist Party of Germany and the Free Democratic Party and headed by the Socialist Chancellor Brandt. His Ostpolitik led to the conclusion in 1970 of the Basic Treaty with the USSR, the text of which gives satisfaction to virtually every prerequisite listed in the Karlovy Vary statement. Also, the Brandt government gave continuous support to the Soviet-sponsored European Security Conference, an important factor in the Communist action plan for Western Europe.

Despite years of an illusory detente, the non-Communist states of Western Europe, Canada, and the United States agreed to take part in a Conference on Security and Cooperation in Europe. After lengthy preliminary consultations, an agenda was adopted by the foreign ministers of the thirty-five participating countries during the first stage of the Conference, which opened in Helsinki on July 3, 1973. On September 18, 1973, the second stage of the Conference began work in Geneva, in three committees.

The first committee deals with questions relating to collective security in Europe. It is defining the basic principles governing mutual relations of the participating states. The second committee is drafting recommendations to stimulate common efforts for increased cooperation in the fields of economics, science and technology, and the environment. The non-Communist participants attach great importance to the third committee, which has on its agenda cooperation in humanitarian and other fields, hopefully in order to facilitate freer movement and contacts, individually or collectively, privately or officially, among persons, institutions, and organizations of the participating states. The Communist-controlled states have shown much less enthusiasm for this topic, considering Western proposals as interference in their internal affairs and contrary to one of the basic principles which the first committee seeks to reaffirm.

It remains to be seen which group of states, the Communist-controlled led by the USSR or the non-Communist group where the United States is the most powerful but not dominant power, will be the more successful in these negotiations. There are strong indications, however, that the Soviet-controlled bloc of states will achieve many of its objectives and avoid major concessions.

Meanwhile, the motivation and aims of Soviet Westpolitik call for a close look.

A SCIENTIFIC FOREIGN POLICY

As its history shows, Soviet and Communist foreign policy towards Europe has been characterized by underlying continuity over the last twenty years, despite apparent differences in approach and application. Far from accidental, this continuity in international relations is the result of the Marxist-Leninist world outlook put into practice.

Soviet writers make what sounds to many of us like a rather extravagant claim for Soviet foreign policy when they assert that it is scientific. One specialist writes, for example:

"The scientific foundations of the theory of international relations and of foreign policy of the working class and the socialist state were originated by K. Marx, F. Engels and V. I. Lenin by applying the tenets of dialectical and historical materialism to that branch of science whose study topic is international relations."[8]

The scientific principles of the working class foreign policy and the Marxist-Leninist science of international relations have for the Communists the validity of the natural or exact sciences, where immutable laws exist and operate objectively, i.e., independently of man's will.

For those who do not accept the Marxist-Leninist "scientific" interpretation of historical development of human society, the disagreement, ultimately, is based on differing views of human nature and man's destiny in history shaped by his free will. It is imperative, nevertheless, to grasp Marxist-Leninist dialectics as it is applied to society and history. However subjective and irrational this thinking appears to others, the Communists are not deterred from seeing society through their Marxist-Leninist lenses and trying to implement "objective laws" allegedly governing social and political life, including interstate relations.

To non-Communists the existence of objective laws would be a definite limitation to freedom of action, while the Communists reject the accusation of being philosophical determinists. Under the entry "Freedom and Necessity" a recent edition of the Soviet *Dictionary of Philosophy* states that behavior

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conforming with the laws of dialectics is freedom.

A genuinely scientific, dialectical-materialistic solution of the problem of Freedom and Necessity is based on the recognition of necessity as primary in the epistemological sense and man's will and consciousness as secondary, derivative. Necessity exists in nature and society in the form of objective laws.[9]

Unexpectedly, this Marxist-Leninist concept of "freedom and necessity" imparts a considerable degree of predictability to the general, main trends of Communist behavior in foreign policy—as in all fields of human activity—provided we apply the Marxist-Leninist dialectical method to the study of international relations and Soviet foreign policy.

This unusual, complicated method is best briefly explained in the words of a Soviet specialist:

"In this sphere, as in other areas of social development, the basic law of dialectics—that of unity and struggle of opposites—is in force. In the realm of international relations and foreign policy this law manifests itself in a specific form, in the laws of class struggle which is the basic motive force of change and development within the entire system of international relations.[10]

The Communists are convinced that foreign policy or individual foreign policy measures can be *successful* only if formulated with due regard for the inevitable development of international relations which the laws of class struggle generate. Consequently, only "the foreign policy of the working class, of its political [Communist] parties and of governments of Communist-controlled states" is assured of success, and the writer gives the reason:

Such a policy aims at the revolutionary transformation of the entire existing system of contemporary international relations in conformity with the requirements of objective laws of development. In other words, this policy aims at creating favorable international conditions for the liquidation of capitalism and victory of socialism in all countries.[11]

In addition, Soviet foreign-policy-makers have an important advantage, as Communist sources increasingly stress. The Marxist-Leninist *science* of international relations makes it possible to formulate that policy not simply on a day-to-day basis but to plan it for years ahead with the aid of prognostication based on computer technology.

By applying the Soviet "scientific" class-conflict oriented worldview when we attempt to analyze the Communist foreign policy for Europe, we may be able to get to its roots. If we disregard "superficial phenomena", we may detect the actual motivation and aims of the Soviet-sponsored all-European collective security system.

A GLOBAL CONFRONTATION STRATEGY

Soviet foreign policy toward every free-enterprise (capitalist) country actually has a dual character. Leaving aside a detailed country-by-country picture of Soviet relations with European states, we see that the all-European collective security system in terms of Soviet long-range aims on that continent is part of Soviet global confrontation strategy. It may be called the Communist *intersystem foreign policy.*

Western Europe seen from an "objective" (a Communist) viewpoint is part of the imperialist-capitalist system of states and as such finds itself in irreconcilable confrontation with its "socialist" (Communist-controlled) counterpart. However, this confrontation is not presently of a conventional military type, despite the presence of NATO and Warsaw Pact armies along the intersystem frontier. It is predominantly a sociopolitical conflict fought by means of revolutionary class struggle, since the correlation of forces in present-day Europe does not permit the Communists direct use of *military* force outside their zone of control.

The U.S. military presence in Europe through NATO is, of course, the major cause of this unfavorable "correlation of class forces". Logically, then, the "peaceful" elimination of that presence is one of the basic goals of the Soviet all-European collective security system.

Communist sources openly describe the United States as "the world gendarme," the main obstacle to the Communist-promoted revolutionary transformation of society, including Western Europe. In analyzing the motive forces of U.S. foreign policy one Soviet specialist refers to the World War II Soviet-American alliance and concludes that between the two countries "there are no territorial or economic disputes or conflicts nor are national interests clashing either on a global or regional scale".[12]

He immediately qualifies this apparently positive evaluation however.

"This . . . very important feature of Soviet-American relations . . . does not eliminate a deep and all-embracing antagonism between the two countries, resulting from the antagonistic nature of their socioeconomic systems (socialism against capitalism), of their ideologies (Marxism-Leninism against bourgeois "anti-communism"), and of their military-political camps (systems of states) confronting each other in the "cold war".[13]

Despite the present detente rhetoric, this evaluation—made about ten years ago—is still upheld by Soviet writers. The use of negotiation techniques and less aggressive language have successfully replaced the "Cold War" methods in the continuing "struggle of the two systems".

Soviet sources ridicule as wishful thinking the view popular in the West and even encouraged by certain Communists and Marxist dissidents that symbiosis is possible between the West European and American "imperialist" states and the Soviet-type socialist states. A prominent *apparatchik* who is also Director of the Institute of Marxism-Leninism attached to the Central Committee of the Communist Party of the Soviet Union writes:

"These two camps into which the contemporary world is divided are not conventional rival coalitions of countires like many in history, but two different socioeconomic formations: the moribund capitalist and the new, rising communist formation.[14]

He emphasizes that this division of the world into two hostile systems is an historical outcome of the class struggle and can never be overcome by a policy of nonalignment and convergence.

While the "U.S. monopolies" are always singled out in major Communist policy documents as the chief antagonist, West Germany, Britain, France, Italy and Japan are also considered to be important targets in the general anti-imperialist struggle. The 1969 International Meeting of Communist and Workers' Parties in Moscow stated:

"Determined class struggle for the abolition of monopolies and their rule, for the institution of a genuinely democratic system, for the establishment of socialist power, *whatever the road leading to the achievement of this* goal, is an inalienable right and duty of the working people and their Communist Parties *in the capitalist countries.* The Communists of the world are in solidarity with this just battle." [15] (Emphasis added.)

This document also calls for a collective system of European security to guarantee the peaceful coexistence of European states. However, it duly clarifies the meaning of peaceful coexistence as an instrument facilitating the Communist struggle for revolutionary transformation of the world.

The policy of peaceful coexistence does not contradict the right of any oppressed people to fight for its liberation by any means it considers necessary—armed or peaceful. This policy in no way signifies support for reactionary regimes . . . neither does it imply the preservation of the sociopolitical status quo or a weakening of the ideological struggle. It helps to promote the class struggle against imperialism on a national and worldwide scale.[16]

This brings us to the other level of the Soviet dual-track foreign policy, the one which regulates parallel conventional relations with European non-Communist states to be formalized in the collective security system.

The "peaceful" coexistence policy represents the Soviet tactical approach to Western Europe for the protracted period of transition from capitalism to socialism (i.e., Communism). It includes "normal", "peaceful" interstate relations in the fields of diplomacy, trade, cultural and technological exchange. It bolsters the sagging and inefficient "socialist" economy by pirating the "capitalist" advanced technology, thus warding off Soviet technological backwardness and recurring food crises through purchase of agricultural surpluses from the West. It is chiefly based on exploitation of interimperialist contradictions, a policy inaugurated fifty years ago by Lenin. It stirs existing animosities and frictions deep-seated in the historical memories of European nations (for example, fear of German militarism, French nationalism, resentment of United States economic penetration).

The Soviet proposal for a collective security system in Europe should be given a careful, lengthy look with full awareness that both Soviet foreign policy levels—the conventional interstate *coexistence* (*sosushchestvovaniye*) and the revolutionary intersystem *confrontation* (*sorevnovaniye*)—are *dialectically united*. The Marxist-Leninist class-struggle outlook in the area of international relations sees no contradiction in this "coexistence" of two apparently irreconcilable attitudes. As the Communists say, in dialectics there is no either/or, however illogical it sounds to us.

Within the context of peaceful coexistence Soviet style, collective security means protection against external conventional aggression by armed forces in violation of the territorial status quo. However, internal revolutionary aggression promoted by the Communist Parties in their role of self-styled vanguard of the working class does not violate peaceful coexistence, neither can it be invoked by member-states of a collective security system as a *casus foederis.*

It is well known that all Communists consider it their internationalist duty to assist the revolutionary class struggle on a global scale, according to the principle of proletarian internationalism.

The struggle for the liberation of the working class has an international character, since the final solution of the problem *"kto-kogo"* [It's them or us!—Lenin] in the confrontation between socialism and capitalism is possible only on an international scale.[17]

The all-European collective security system, then, will not protect "capitalist" participants from the dangers of internal revolutionary aggression, which—in view of Communist-declared commitments—sooner or later must assume the character of international civil war.

On the contrary, any assistance to a "capitalist" government in danger of overthrow by Communist-led uprising (Greece and Turkey, for example, were helped by the United States in the late 1940s under the Truman Doctrine) would be strictly illegal under the all-European security system as export of counter-revolution. If, however, the established socialist (Communist-controlled) order in a country were threatened by open rejection on the part of large segments of the population (the case of Czechoslovakia in 1968 and Hungary in 1957), military intervention by other "socialist states" would not

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constitute external aggression in violation of the U.N. Charter but fraternal assistance to preserve the "socialist system," i.e., the controlling role of the local Communist Party. The so-called Brezhnev Doctrine, i.e., proletarian-socialist internationalism, is above the U.N. Charter and general international law.

GOALS OF WESTPOLITIK

Examination of the Soviet-sponsored European security system in terms of Soviet confrontation strategy and peaceful coexistence tactics discloses several distinct goals:

1. ratification by heads of states participating in the Conference for Security and Cooperation in Europe of a new charter for East-West relations based on the principles of peaceful coexistence. Recognition of the inviolability of existing European frontiers, part of the package particularly sought after by the Soviet Union, would insure a permament division of Germany along the Oder-Neisse line and consolidate the post World War II *territorial status quo*—which is equivalent to division of Europe between the two systems and Communist hegemony east of the intersystem frontier. (The Warsaw Pact intervention in Czechoslovakia, the treaty between the Soviet Union and the Federal Republic of Germany, and the treaty between the Federal Republic of Germany and the German Democratic Republic are all part of this policy.)

2. withdrawal of the United States armed forces from Europe, replacing NATO and the Warsaw Treaty Organization by the collective security system, which would facilitate the class-struggle operations of powerful West European revolutionary organizations (Communist Parties in France and Italy, for example) in their effort to achieve governmental power. This will result in the gradual Finlandization of Western Europe and change in the *socioeconomic status quo* in favor of the Communists.

3. thwarting West European integration based on the free-enterprise system; harnessing West European industrial potential through trade and technological exchange for the revolutionary transformation of the world;

4. establishing a permanent all-European organ, a type of consultative committee, to implement the decisions of the Conference and serve as a clearing house for problems which may arise in future relations of European states. This is clearly a device intended to supersede the existing, West European integrated institutions, such as the European Economic Community and Euratom and, ultimately, of course, NATO.

Thus it may safely be asserted that Soviet foreign policy towards Western Europe—its Westpolitik—follows the Leninist course faithfully. At the April 1973 Central Committee Plenum of the CPSU, important among other things for promoting Ministers of Foreign Affairs and Defense, Gromyko and Marshal Grechko as well as the KGB (Committee for State Security) Chairman Andropov to the *Politburo*, Secretary General Brezhnev made a keynote report, "On the International Activity of the CC CPSU in Implementing the Decisions of the XXIV Party Congress". This report remains secret except for one quotation in which he solemnly reaffirmed the Leninist course.

"The principled foundations of our *socialist revolutionary course in international politics* have been laid down by *the great Lenin*. We remain unswervingly faithful to his directions and his legacy. And in this faithfulness to the creative spirit of Marxism-Leninism and its principled clarity of purpose lies the guarantee of new successes and new victories of our just cause."[18] [Emphasis added.]

FOOTNOTES

Sources are in the Russian language unless otherwise noted.

[1] In the context of this essay the qualifying adjective "socialist" is used in the Marxist-Leninist sense, implying state ownership of the means of production. The "capitalist" state, by contrast, is a "free enterprise" institution, irrespective of limited restrictions imposed by the state upon the private owners of the means of production.

[2] This analysis relies heavily on writings of three prominent *apparatchiks* who also function as directors of Party institutes or Academy of Sciences (AS USSR) institutes. They are P. N. Fedoseyev, Vice-President of the Academy of Sciences and Director of the Institute of Marxism-Leninism; N. N. Inozemtsev, Director of the Institute of World Economics and International Relations; and G. A. Arbatov, Director of the Institute for the Study of the USA. Also, it is based on programmatic statements issued by world or regional conferences of the Communist Parties.

[3] A. A. Arzumanyan, ed., *Socialism and Communism, Vol. V: Building Communism and the World Revolutionary Process*, Moscow: Institute of World Economics and International Relations, Academy of Sciences of the USSR, 1966, p. 424.

[4] Her Majesty's Stationery Office, *Text of a Note from the Soviet Government Regarding Collective Security, Moscow, March 31, 1954* (in English), London: 1954, p. 4.

[5] "Communiqué of the Conference of European Communist and Workers' Parties," *Pravda*, April 27, 1967, p. 1.

[6] Ibid., p. 2.

[7] Ibid.

[8] A. V. Sergiyev, *Service and Foreign Policy*, Moscow: "Znaniye" Publishing House, 1967, p. 3.

[9] M. Rosenthal and P. Yudin, eds., *A Dictionary of Philosophy* (in English), 1967, p. 167.

[10] Sergiyev, op. cit., p. 33.

[11] Ibid., p. 32.

[12] I. I. Lemin, ed., *Motive Forces of U.S. Foreign Policy*, Moscow: Institute of World Economics and International Relations, Academy of Sciences of the USSR 1965, pp. 507–508.

[13] Ibid.

[14] P. N. Fedoseyev, "V. I. Lenin, Great Theoretician of Communism." *Kommunist*, No. 1, 1969, pp. 18, 19.

[15] "Documents of the International Meeting of Communist and Workers' Parties," *Moscow News, Supplement to Issue No. 25 (964)* (in English), 1969, p. 14.

[16] Ibid.

[17] P. N. Fedoseyev, *Dialectics of the Contemporary Epoch*, Moscow: 1966, p. 253.

[18] *Pravda*, April 29, 1973.

The PRESIDING OFFICER. Under the previous order, the Senator from Ohio (Mr. TAFT) is recognized for not to exceed 13 minutes.

CAPTIVE NATIONS

Mr. TAFT. Mr. President, as I am certain my colleagues are aware, the European Security Conference may soon be drawing to what we hope will be a successful conclusion. I think we are all pleased to see another step forward in improving East-West relations, and in providing the mutual trust between states with differing social systems which is necessary for the prevention of war. We must never forget that the object of such steps as the European Security Conference is to prevent war—war of a type that could devastate both East and West.

We must, however, also recognize that steps to improve international understanding and reduce tensions do not in any way mean the end of peaceful disagreement between the West and the East bloc countries. The West should not in any way lessen its concern over policies of the Eastern bloc states, in particular the Soviet Union, which are contrary to the basic principles of national and individual freedom.

One of the most fundamental ways in which the Soviet Union continues to refuse to recognize international standards is in its oppression of the captive nations—those nations which were absorbed into the Soviet Union against the will of the majority of their people.

The captive nations which stand out in particular as continuing victims of Soviet oppression are the Ukraine, Latvia, Lithuania, and Estonia. The peoples of these nations continue to struggle for their national rights, and for the preservation of their national cultures. In response, the Soviets not only refuse to acknowledge these rights, but also they work to suppress the national cultures of these people—to deny them their national histories as peoples, and to wipe out their unique traditions and customs.

We must clearly understand that the European Security Conference agreement in no way involves a reduction in our concern for the oppressed peoples in the captive nations. We must work within the framework of peaceful relations between states to continue to express our concern for the victims of Soviet oppression, and to renew our efforts to bring relief from persecution to the peoples of the captive nations.

Mr. President, in the forming of U.S. foreign policy today, I have said often, as I said when we worked on the war powers resolution, that I consider that a sound foreign policy for a nation such as the United States, a democratic nation, requires not only that we keep in close relationship to each other our military and our diplomatic policies, but also that there is a third principle which we must now recognize and follow. That, to me, is the principal lesson of the Vietnam war. It is that in addition to our military and diplomatic policies being in close juxtaposition to each other, our public opinion must be in close juxtaposition to each.

The American people have long felt, and I think correctly, that while we have to be cautious in areas of foreign policy, and should not get ourselves into positions which may necessarily lead to direct head-on conflict with other powers, at the same time there are moral aspects to our foreign policy that are vital and cannot be forgotten.

The plight of the captive nations today represents one of those issues, an issue where morality does come into the picture. The American people are a moral people, and will not support a foreign policy over any period of time that is not based on moral principles, even though they know also that they must be pragmatic in approaching the problems of the world today. To me, the captive nations issue is the very essence of that principle in our foreign policy today.

That is why I am glad to speak out on this issue in Congress and bring it to the attention of the American people again and again. Indeed, the American people, I think, are ahead of Congress insofar as their recognition of what I am saying and of the immorality of the Soviet policy toward captive nations behind the

Iron Curtain are concerned. The American people recognize, I think, that we do have an obligation, that while there may not be a practical way of going about this in a direct or military confrontation at this time, we do have an obligation to recognize these people, and that their rights are being abrogated by the Soviet Union.

It is in that spirit that I think we ought to view the entire question of détente today. We should work to try to improve our relations with other major powers where we have agreements, but where we have disagreements based on moral principles, I for one am not willing to give up those principles.

Mr. President, I yield to the Senator from New York.

Mr. BUCKLEY. Mr. President, the Senator from Ohio has underscored the necessity for a moral continuity, a moral base for a viable foreign policy for the United States. He mentioned, of course, the need to be pragmatic, to meet today's problems in a manner that recognizes today's hazards and today's conditions.

But unless we have that continuing thread of a moral objective and a moral understanding, not only can we not maintain continuity of policy, which is desperately needed in order that both our friends and our foes understand where we stand today and where we probably will stand tomorrow, but also it is only on this basis that we can have continuing support and willingness to sacrifice, if need be, on the part of the American people.

I personally feel that one of the great problems with the policy of détente is that it has scrapped a moral perspective in the name of pragmatism. I believe that the concept of our current policy of détente may be very appropriate if we have continuity of ministries of foreign affairs, as was true in the European countries of the 19th century; but I feel that it has caused confusion at home.

It has certainly been hard to muster support for huge infusions of military equipment for the South Vietnamese, even though this is required of us under the Paris accords, to match the infusions of arms being poured into North Vietnam by the Soviets and the Chinese Communists, when at the same time we were clinking champagne glasses in Moscow and Peking.

This is not to say that we do not want to pursue a policy in which we keep open doors of communication, in order to make sure that neither side misunderstands what the objectives or the positions of the other side are. It does not mean we do not want to encourage open channels of communication at all times, so that we can avoid confrontations with the Soviet Union. But I believe the American Government is so constituted and the American people continue to be so constituted that we have to have long-term objectives, and there is no objective more consonant with our position of leadership in this world than that we should maintain the principle that captive nations have to be restored to freedom.

I believe that the Senator from Ohio and before him the Senator from North Carolina have clearly outlined the history that resulted in bringing the states of Eastern Europe within the Soviet orbit.

It is one thing to deal on a pragmatic basis day by day with the Soviet Union. It is something entirely different and totally unthinkable, in my judgment, for us to say that because 20 years, 25 years have passed, we will now acknowledge as a matter of right that those territories acquired by conquest, acquired by trickery, shall forever more be relegated to serfdom.

I believe this is implicit in CSCE. I believe that CSCE might have served a useful purpose if it could have resulted in effective and forcible freedom of information and people, such as bans against jamming of programs aimed in Eastern Europe and Soviet Union. In this way there would have been a tradeoff.

Perhaps as a practical matter the only ultimate hope these people will be able to throw off their own shackles, under the circumstances that the Senator from Ohio outlined, is if they have a continuity of contact with the ideas and people from the West. This has been the essential element that made it possible for so many of the Ministers of Western Europe to go to Helsinki and initiate the negotiations.

Yet this prime objective, the objective that person after person at that first conference said was essential to a policy of meaningful détente, has been destroyed.

I think that unfortunately the American people have been really unaware, not only of the significance of the CSCE, but of its very existence. I hope that this colloquy will in some small part make up for that deficiency. But I also believe that those of us who see the importance of what is happening return time and again to this Chamber to insist that one way or another we do have hearings on what it is we are about to do, that we insist under the terms of the Arms Control Act that this is a matter that must be submitted both to the House of Representatives and to the Senate for ratification.

I thank the Senator for his time.

Mr. TAFT. I thank the Senator.

Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The Senator from Idaho under the previous consent order is recognized for a period not to exceed 11 minutes.

CAPTIVE NATIONS

Mr. McCLURE. Mr. President, I commend first the Senator from New York, my distinguished colleague (Mr. BUCKLEY), for his initiative in stimulating this discussion today, and I commend the others, who have participated in the discussion, because I think we are inclined in this day of détente to forget the millions of people who have been enslaved by actions of dictatorial governments other than of their own choosing.

I think the people of this country should thank the junior Senator from New York for having brought this matter to the attention of the Senate and of the people of this country, and particularly, Mr. President, I join my distinguished colleague from New York in his call "for a full and complete disclosure in public hearings of all proceedings and agreements reached during the Conference on Security and Cooperation in Europe prior to the President's participation in the Helsinki summit."

This is a particularly appropriate time to call for public hearings on this issue. As this week is Captive Nations Week, we reflect upon the circumstances surrounding the Soviet conquest of Eastern Europe. We should reexamine the ambiguities in, and misunderstandings of the terminology used during discussions with the Soviet Union during World War II. It was precisely due to a failure to know how the Communists would interpret agreements at Yalta, Potsdam, and elsewhere which substantially contributed to the demise of liberty in Eastern Europe.

For example, at Yalta the Russians agreed to the restoration of democratic government in Poland. Yet by this they meant Soviet style one-party puppet "democracy" as practiced in their own country. They thus demanded the exclusion of genuinely democratic Polish leaders from the government. Since an entirely different set of definitions must be used in negotiations with Communist regimes, we must be totally aware of what inferences the Soviets may eventually draw from any agreement with the West before—and I particularly stress the word "before"—we sign any agreement.

Even now we continue to learn through bitter experience of the so-called Paris Peace Accord what can be done with an agreement ostensibly designed to end the war. We now witness the ludicrous spectacle of the North Vietnamese maintaining that they never violated the basic terms of the cease-fire, and even that the United States committed the violations of the cease-fire and must now fulfill the agreement by extending them aid for the reconstruction of the country they destroyed through their aggression. They contend that without such reparations they will continue to refuse to give us information on our MIA's that had been promised even before the so-called cease-fire took effect. The Communists have thus managed to construe the words of the Paris Accords in such a manner to solidify their aggression and frustrate our efforts to salvage the lives of a few refugees. It is our efforts which have been denounced as gross violations of the accords. The Soviet Union, Communist China, and other Communist allies of Hanoi have completely supported this dishonest interpretation of a solemn agreement.

With that painful memory before us, we are still haunted by the spectacle of the enslavement of the people of Eastern Europe. We must be more vigilant than ever before about agreements with Communist regimes. I believe that prior to any agreement concerning Europe in the Conference on Security and Cooperation, we must have an opportunity to examine such an agreement here.

The President never submitted the

Paris Peace Accord to the Senate but simply signed it as an executive agreement. Euphoria produced by the thought that the war would end prevents questions about the failure to consult Congress on the specific provisions of the accords. Now, again, we are told to anticipate a Presidential signature to the European Conference on Security and Cooperation which was negotiated secretly with the Soviet Union. It would allegedly resolve problems resulting from World War II. If this agreement climaxes the end of World War II the way the Paris accords terminated the Vietnam war we are again courting disaster.

Technically this vehicle is not a "treaty," but only an agreement of intent. Therefore, no Senate approval is required. Nonetheless, the Congress should have an opportunity to examine this agreement of intent prior to a Presidential signature. We can only have united American support for our foreign policy when we know what that foreign policy is. Presidential agreements are now the major instruments used to devise American foreign policy. The legislative branch of the Government can only be expected to support the agreements of the executive branch if they are fully informed about their nature and content. Therefore, before the final document is signed we should be publicly apprised of the terms of the completed agreement.

So far only a few bits and pieces of the anticipated agreement have leaked out. This limited information should give us considerable cause for concern about the final product. Even the New York Times reflected substantial skepticism about the results of the Conference. In an editorial on "The 35-Nation Summit" the Times on June 20, 1975 summarized the proceedings as follows:

> The lengthy document drafted at Geneva by hundreds of diplomats over thousands of hours has as many holes in it as a Swiss cheese and has been converted into a declaration of intent, rather than a binding agreement. Otherwise, no accord at all would have been possible.

The major result of the Conference appears to be a final agreement that will confirm the boundaries of Eastern Europe as the Soviet Union has determined them by force of arms since the Second World War. The Soviet Union has attempted to ratify its conquests in this manner since the end of the war. It would give them an added weapon in the event of uprisings as in Hungary and Czechoslovakia. In an article appearing in the New York Times on June 23, the Nobel prize winning writer Alexandr Solzhenitsyn expressed his concern about the plight of others who, like himself, has suffered under Communist rule. On the European Conference he wrote as follows:

> Soon, at the 35-nation European security talks, the countries of Western Europe will confirm the slavery of their brother countries of the East, all the while believing they are strengthening the prospects of peace.

Because of what we have been able to learn of the prospective agreement we should question, as Solzhenitsyn does, whether the true security of either Europe or the United States is served by the impending agreement. Through the so-called Basket I section of the agreement, the Soviets receive assurances of the inviolability of frontiers and a confirmation, in effect, of their right to rule over the peoples of Eastern Europe. While we tacitly acknowledge the validity of the so-called Brezhnev doctrine by this agreement, we must seriously ask just what security do we gain in return. While the Soviets still may interfere massively in the affairs of Eastern Europe, as they did in 1968 in Czechoslovakia, we do not secure their pledge to cease interference in the internal affairs of the countries of Western Europe, including our NATO allies.

In fact, during the very negotiations which were to guarantee the security of Europe, the Soviet Union was extending massive assistance to the Communist Party of Portugal. Reliable estimates place direct Soviet assistance to the Portuguese Communists at upward of $50 million. It is certainly a tribute to Soviet skill that they can balance negotiations which would keep the West from interfering with "their affairs," and at the same time preserve their "right" to engage themselves in the internal affairs of others, driving a valuable ally out of NATO as they attempt to undermine Portugal's April election results.

This is just one illustration of how the Soviets interpret noninterference in the affairs of other nations. Thus, while the security of the Soviet Union may well be enhanced by this agreement, the security of Western Europe will not be increased. But to the extent Western countries delude themselves into believing that this paper agreement provides them some additional security, their mistake may prove dangerous.

Lastly, I wish to touch upon a frequent apology given for the nature of the agreement. We have been told that the agreement is only a statement of intent and, consequently, the final document should not be regarded as particularly important. This reasoning has been given for both the dirth of news coverage on the Conference and the seemingly casual attitude toward it taken by our Government. But this explanation is inadequate.

If the agreement is unimportant, why have we been attending periodic meetings for the last 2 years, in order to negotiate and sign such a document?

If the agreement has no immediate importance, why do we set an arbitrary deadline for a final agreement before we have either all the difficulties resolved or before we have any opportunity to examine the specific details of the document?

If the concluding result of the Conference has little significance, why have 35 nations seen fit to send representatives to the meetings and insist that their own particular problems be addressed in the final document?

If it is of little consequence, why must the details of both the negotiations and the final text be kept under lock and key? Why cannot even this allegedly limited "agreement of intent" be openly arrived at?

And a final and most disturbing question: Why does the Soviet Union press so vigorously for a final agreement now? Should not the Kremlin's anxiety for a speedy agreement make us doubly suspicious about the potential use they might make of the final document?

Only when these questions receive satisfactory answers can the American people be expected to support the final agreement. Therefore, I urge that before he signs, the President should advise the Congress and the American people of what he is committing them to, and what will be the implications for our allies and those citizens of the captive nations. This much at least we owe to ourselves and the people of Eastern Europe whose plight we reflect upon this week.

I request unanimous consent that the article by Solzhenitsyn and the editorial from the New York Times to which I have referred be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

[From the New York Times, June 23, 1975]

The Big Losers in the Third World War

(By Alexsandr I. Solzhenitsyn)

Paris.—When the Second World War followed on the heels of the First, the question that obsessed everyone was whether World War III would follow in turn. How many concessions and sacrifices were made to delay it, in the hope of perhaps avoiding it altogether?

But very few have noticed, or have had the courage to admit, that World War III has already happened, that it has already passed into history. It ended this year—with the free world soundly defeated.

World War III began immediately after World War II. The seeds were planted as that war ended, and it first saw the light of day at Yalta in 1945, as the cowardly pens of Roosevelt and Churchill, anxious to celebrate their victory with a litany of concessions, signed away Estonia, Latvia, Lithuania, Moldavia, Mongolia, condemned to death or to concentration camps millions of Soviet citizens, created an ineffectual United Nations Assembly, and finally abandoned Yugoslavia, Albania, Poland, Bulgaria, Rumania, Czechoslovakia, Hungary, and East Germany.

World War III began differently from its two predecessors, not with an exchange of notes breaking off relations, or with massive air raids. It began clandestinely; it insinuated itself into the world under cover of pseudonyms: "democratic" change approved by 100 per cent of the population; Cold War; peaceful coexistence; normalization; realpolitik; detente, or trade agreements that served only the aggressor. Trying to avoid World War III at any price, the West permitted it, allowed it to devastate and enslave twenty countries, and to change the face of the earth.

Under careful scrutiny, the last thirty years are clearly a long, though tortuous, decline of the West—nothing but a descent, a plummeting downward, nothing but enfeeblement and decadence. The powerful Western countries that emerged victorious from the first two World Wars have been intent on courting weakness during these thirty years of peace, squandering real or potential allies, ruining their credibility abandoning territory and populations to an implacable enemy: immense, populous China, their most important ally during World War II, North Korea, Cuba, North Vietnam, and now South Vietnam and Cambodia; Laos is about to go; Thailand, South Korea and Israel are threatened; Portugal is leaping into the same abyss. Finland and Austria await their fate with resignation, impotent to defend themselves and clearly with no reason to expect assistance from abroad.

It is impossible to mention all the small African and Arab countries that have become the puppets of Communism, as well as so many others, even in Europe, that must submit in order to survive. The United Nations, a total failure, the worst democracy in the world, the plaything of irresponsibility, has become a platform from which to ridicule the West, a reflection of its brutal fall from power.

Therefore, if the victors have been transformed into the vanquished by surrendering more countries and peoples than were ever surrendered following any military capitulation in history, it is no mere figure of speech to say that World War III has already taken place and has ended in the West's defeat.

Today, as the longest and most dramatic battle of this war, that of Vietnam, ends tragically in the assassination of thousands and the imprisonment of millions of others, we rack our brains in vain to uncover occasions during the last thirty years when the West succeeded in maintaining its positions.

We might indeed say there were three: Greece in 1947, West Berlin in 1948, and South Korea in 1950. These three cases inspired faith and hope in the West. But review them in the present context: Which of the three today has sufficient strength to resist enslavement? Who will defend them when they are threatened? What Senate will ratify the shipment of arms and aid? Who will not prefer tranquillity to their freedom? Does the Atlantic alliance, which has already lost four countries, still exist? When valiant Israel was defending itself with unfailing solidarity, Europe capitulated, country after country, before the threat of fewer Sunday afternoon outings in the family auto.

Two or three glorious decades of this kind of peaceful coexistence and the very concept of the West will disappear from the face of the earth.

World War III was precipitated in the West's most vulnerable spot, the human desire to prolong prosperity at the price of illusory concessions. Which explains the joy expressed at each new agreement (as if any one of them had ever been respected by the Soviet Union except when it served its purposes). Soon, at the 35-nation European security talks, the countries of Western Europe will confirm the slavery of their brother countries of the East, all the while believing they are strengthening the prospects for peace.

I have described the situation as it appears clearly to the average man of the Eastern countries, from Poznan to Canton. But Western spirits will need considerable firmness and Western eyes will need to be particularly clear-sighted to discern and accept the evidence of the methodical, constant, and triumphant instigation of violence and bloodshed throughout the world emanating from one source for almost sixty years.

They need only consult the map of the world to see which countries are already marked for the next holocaust.

Of course, no one has the right to demand that the West undertake the defense of Malaysia, Indonesia, Formosa, or the Philippines; no one can dare blame it for not wanting to do so. But those young men who refused to bear the pain and anguish of the far-away war in Vietnam will not have passed the age of military service before they—not their sons—must fall in defense of America. But by then it will be too late.

There is no longer any point in asking how to prevent World War III. We must have the courage and lucidity to stop the Fourth. Stop it we must; not fall to our knees as it approaches.

[From the New York Times, June 20, 1975]

THE 35-NATION SUMMIT

Soviet concessions in the past few weeks on many of the issues still outstanding in the 35-nation Conference on Security and Cooperation in Europe have brought one of history's strangest diplomatic transactions close to completion.

In 31 months of negotiation, Moscow has sought a surrogate World War II peace treaty to ratify the territorial status quo. The Western and neutral participants have been intent on improving, not freezing, the status quo. The lengthy document drafted in Geneva by hundreds of diplomats over thousands of hours has as many holes in it as a Swiss cheese and has been converted into a declaration of intent, rather than a binding agreement. Otherwise, no accord at all would have been possible.

The whole enterprise could still be blocked by Soviet refusal to go the last mile on advance notice of military maneuvers, the most important issue not yet fully resolved. But the likelihood now is that final compromises on the document will be made, perhaps even in time to permit its ceremonial signing at a 35-nation summit meeting in Helsinki in late July as Leonid Brezhnev desires.

To dignify the document in this way will be sad—and may even be demeaning for the Western leaders who participate. But what would be particularly dangerous would be to permit the meeting to confirm in American and West European eyes the illusion that all the basic questions dividing the Soviet and Western worlds have been satisfactorily settled.

In return for accepting the principle of the "inviolability of frontiers," the West has obtained a reference to the possibility of border changes by peaceful means and a series of modest Soviet pledges to freer movement of persons and information. Moscow will thereby get what it wants immediately—the summit meeting that will seem to consecrate the status quo. But it will be years before the West will know how much, if at all, the Soviet Union will carry out its own vague promises. So far, détente has brought a severe tightening-up of police controls within the U.S.S.R.

More serious, détente has failed to inhibit Soviet arms shipments to Vietnam and the Middle East and the seizure of most of the levers of power in Portugal by a Moscow-aligned Communisst party. No progress of importance has been made in the NATO-Warsaw Pact mutual force reduction talks in Vienna. The Soviet-American strategic arms limitation talks (SALT II) are running into difficulty.

If a 35-nation summit conference cannot be delayed until these uncertainties are cleared away, it should at least be utilized for some frank talk—privately and publicly—to avoid euphoria in the West and to put Moscow on notice that détente must be a two-way street.

ADDITIONAL STATEMENT BY MR. THURMOND ON EUROPEAN SECURITY CONFERENCE RESOLUTION

Mr. THURMOND. Mr. President, the Washington Post and the New York Times recently reported that the Conference on Security and Cooperation in Europe will be concluded in a major ceremony beginning on July 30, 1975. It has been reported that both President Ford and First Secretary Brezhnev will attend.

The CSCE has been in progress for over 2½ years, with 35 nations participating in an effort to design a treaty ending many long-standing disputes in Europe. The document the Conference has been working on apparently encompasses four major areas of international concern: European security, scientific and technological cooperative, human contact, and the construction of some type of European collective security machinery.

These proceedings, which will affect the lives of millions of Americans as well as the fate of other nations, have been conducted largely in a veil of secrecy with virtually no press coverage until the last few weeks. Unfortunately, it now appears that the administration is prepared to venture to Helsinki at the end of this month to sign the document without fully exploring whether such an act is in the American interest.

There are a number of things which should be looked into first. The Conference was initiated largely as a result of Soviet efforts. The Soviet Union has been pushing the idea of such a proceeding since 1954. Thus, although the Conference has been thought of by some as an aspect of the recent era of détente, this is not strictly true.

In fact, the original Soviet proposals specifically did not include participation by the United States in the Conference. Clearly if we did not participate in discussions of European security, the Soviets could practically dictate terms to our West European NATO partners. Any sort of European collective security arrangement made without our participation would leave the Soviet Union as undisputed arbiter of all European affairs. Obviously, this proposal was not acceptable to ourselves or our NATO partners.

Furthermore, the major Soviet goal in the Conference now appears to be the legitimization of the status quo in Europe, or Western acceptance of the Breshnev doctrine of Soviet domination in Eastern Europe. In return, we are to receive a "declaration of intent" from the East Europeans to allow freer movement of persons and publications, and increased scientific and technological cooperation. Considering how readily the Communists have broken and subverted treaties in the past, it seems unlikely that a "declaration of intent" from them is worth the paper it is written on.

All available evidence concerning the CSCE thus appears to bear out the New York Times view that "it looks, feels, and smells like a typical Moscow sucker play—all take and no give."

Mr. President, this should not be allowed to happen. The CSCE document should be carefully scrutinized by more than the select few who are preparing to rush our Nation's approval, at Soviet request. Along with the President, the Members of Congress are entrusted to act in behalf of the American people, and we must be accountable to them for our actions and those of the Nation. Therefore, in this instance, we cannot abdicate our responsibility in dealing with the Soviets. The world has become too interdependent, and some of the adverse developments of our détente policy have shown we should and must maintain a constant vigil.

Mr. President, I wish to express my enthusiastic support for the European Security Conference resolution.

CAPTIVE NATIONS WEEK

Mr. HANSEN. Mr. President, I am honored to join with my colleagues during this annual observance of Captive Nations Week to emphasize and reiterate the support of the American people for the objectives of human freedom and national self-determination throughout the world.

In many parts of the world, people do not enjoy as we do the most basic of human rights—the right to freedom of speech; the right of free emigration; the right of personal freedom; and the right of equal opportunity. We are obligated as beneficiaries of these basic freedoms to reaffirm our belief that these rights should be extended to the citizens of Albania, Bulgaria, Czechoslovakia, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, the Ukraine, and other captive nations.

One has only to listen to the words of those who have been denied basic human rights to experience a renewed appreciation for the freedoms Americans sometimes take for granted, and a revived hope that these freedoms will be extended to the peoples of the world. I am reminded of the warning issued only this week by Alexandr Solzhenitsyn, who said:

> Alas, such is human nature that we never feel the sufferings of others until we ourselves have to share them. I am not certain in my addresses here that I have succeeded in conveying the breadth of that terrible reality to American society which is complacent in its prosperity.

Let us demonstrate that we need not experience oppression and loss of freedom in order to identify with and commit ourselves to the desire of other peoples to achieve freedom and self-determination.

Many Americans have involved themselves in the international effort to insure human rights for those in all countries where these rights are not now recognized. I am pleased to pay tribute to the members of organizations committed to these objectives, and to reaffirm my own commitment.

FEDERAL RULES OF CRIMINAL PROCEDURE AMENDMENTS ACT

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of H.R. 6799, which will be stated by title.

The legislative clerk read as follows:

> A bill (H.R. 6799) to approve certain of the proposed amendments to the Federal Rules of Criminal Procedure, to amend certain of them, and to make certain additional amendments to those rules.

The PRESIDING OFFICER. Time for debate on this bill is limited to 1 hour, to be equally divided between and controlled by the Senator from Nebraska (Mr. HRUSKA) and the Senator from Arkansas (Mr. McCLELLAN), with 30 minutes on any amendment, debatable motion, appeal, or point of order.

Mr. MANSFIELD. Mr. President, will the Senator yield me 1 minute, to submit a House concurrent resolution pertaining to the Chief of the Capitol Police?

Mr. McCLELLAN. I yield.

AUTHORIZATION FOR THE CHIEF OF THE CAPITOL POLICE TO ANSWER INTERROGATORIES

Mr. MANSFIELD. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on House Concurrent Resolution 342.

The PRESIDING OFFICER. The clerk will state the resolution by title.

The legislative clerk read as follows:

> A concurrent resolution (H. Con. Res. 342) authorizing the Chief of the Capitol Police to answer interrogatories in a civil action.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of the concurrent resolution.

There being no objection, the concurrent resolution was considered and agreed to.

FEDERAL RULES OF CRIMINAL PROCEDURE AMENDMENTS ACT

The Senate resumed the consideration of the bill (H.R. 6799) to approve certain of the proposed amendments to the Federal Rules of Criminal Procedure, to amend certain of them, and to make certain additional amendments to those rules.

Mr. McCLELLAN. Mr. President, I ask unanimous consent that Marvin Loewy, of the staff of the Subcommittee on Constitutional Rights, have the privilege of the floor during the debate and vote on H.R. 6799.

The PRESIDING OFFICER (Mr. MORGAN). Without objection, it is so ordered.

Mr. McCLELLAN. Mr. President, on April 22, 1974, the Supreme Court forwarded to Congress a series of amendments to the Federal Rules of Criminal Procedure, promulgated and adopted by the Supreme Court, pursuant to title 18, United States Code, section 3771 and section 3772. The amendments were to become effective on August 1, 1974.

The proposed amendments were so numerous, diverse, and controversial that Congress did not have adequate time to evaluate and consider the proposals before they were to become effective. Consequently, Congress passed, and the President approved, legislation delaying the effective date of the proposed amendments until August 1, 1975.

Out of the hearings and deliberations before the Subcommittee on Criminal Justice of the House Committee on the Judiciary has emerged H.R. 6799, which passed the House on June 23, 1975.

H.R. 6799 provides in section 2 that, except as otherwise provided, the amendments and additions to the Federal Rules of Criminal Procedure proposed by the Supreme Court and submitted to the Congress are approved. H.R. 6799 then makes some 35 amendments to the Supreme Court proposal.

Mr. President, it is my judgment that the House bill makes a good many improvements in the proposal submitted by the Supreme Court. I think that only a few changes in the House bill are desirable, and some of those are simply clarifying changes.

The important matter at this time is to obtain consideration of the proposed legislation and enact a bill that will improve the effective operation of our criminal justice system.

Mr. President, I observe that the distinguished Senator from Nebraska (Mr. HRUSKA) is not in the Chamber. I know he is at a committee meeting and that he wants to be present during the consideration of this bill. Pending his being able to arrive in the Chamber, I ask unanimous consent that there be a quorum call and that it not be charged to the time of either side.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCLELLAN. I suggest the absence of a quorum, Mr. President.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. GOLDWATER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

A GOOD JOB

Mr. GOLDWATER. I am asking the indulgence of my friend from Arkansas. I thought it might be interesting to my colleagues and to our friends in the gallery to know that the hook-up has just been completed; it is so'id. The Russians have said in English that it was a good job; we have said to them in Russian that it is a good job.

The PRESIDING OFFICER. Who yields time?

[Applause in the visitors gallery.]

Mr. ROBERT C. BYRD. Mr. President, may we have order in the Senate?

The PRESIDING OFFICER. The galleries will refrain from showing their pleasure.

FEDERAL RULES OF CRIMINAL PROCEDURE AMENDMENTS ACT

The Senate continued with the consideration of the bill (H.R. 6799) to approve certain of the proposed amendments to the Federal Rules of Criminal Procedure, to amend certain of them, and to make certain additional amendments to those rules.

Mr. McCLELLAN. Mr. President, while we are awaiting the arrival of Senator Hruska, who is cosponsoring this measure, I am advised that the distinguished Senator from Texas (Mr. BENTSEN) has an amendment that he wishes to propose. We have a 30-minute time limit on amendments. I believe that in the meantime, we can be hearing his amendment if the Senator desires to offer it at this time.

Mr. President, I reserve the right, following the offering of this amendment and the disposition of it, to offer a substitute to be regarded and treated as the original text for the purpose of amendment.

The PRESIDING OFFICER. For the bill?

Mr. McCLELLAN. For the bill. With that understanding, I have no objection to this amendment being offered to the bill at this time.

The PRESIDING OFFICER. That will be in order.

AMENDMENT NO. 680

Mr. BENTSEN. I thank the Senator, the chairman of the committee.

Mr. President, I ask that my amendment No. 680 to H.R. 6799 be called up and considered.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

> At the end of the bill, add the following new section:
>
> SEC. 4. (a) Section 808 of the Act en-

titled "An Act To Establish a Code of Law for the District of Columbia", approved March 3, 1901, as amended (D.C. Code, section 22-2801), is amended (1) by designating the existing text as subsection (a), and (2) by adding at the end thereof the following new subsections:

"(b) (1) In any prosecution for the offense of carnal knowledge of a female forcibly and against her will under subsection (a) of this section—

"(A) no information concerning the previous sexual conduct of such female may be received and considered by the court except for the purpose of determining the issue of consent;

"(B) no information concerning the previous sexual conduct of such female may be received and considered by the court for the purposes of determining the issue of consent, unless the defendant can show a pattern of past conduct relevant to the facts in the case and relevant to the consent issue.

"(2) In any such prosecution, however, before information (otherwise admissible) is received in evidence concerning the sexual history or conduct of any such female, the judge shall, out of the presence of the jury, determine any and all issues concerning the question of admissibility.

"(c) Notwithstanding any other provision of law in any such prosecution the court shall not require the prosecution to produce evidence that corroborates the victim's testimony, if the victim's testimony, if believed, establishes every element of the crime of forcible rape.

"(d) Except when physical injury to the victim is alleged by the prosecution, in any such prosecution, physical injury or evidence of resistance by such female, shall not be required for the prosecution to meet its burden of proof, and the judge shall so instruct the jury to that effect.

"(e) Notwithstanding any other provision of law this section or of any other law, information or other evidence of prior sexual relations or acts between such female and the defendant shall be admissible on the issue as to consent.".

(b) Section 2031 of title 18, United States Code, is amended (1) by designating the existing text as subsection (a), and (2), by adding at the end thereof the following new subsections:

"(b) (1) In any prosecution for the offense of rape under subsection (a) of this section—

"(A) no information concerning the previous sexual conduct of such female may be received and considered by the court except for the purpose of determining the issue of consent;

"(B) no information concerning the previous sexual conduct of such female may be received and considered by the court for the purpose of determining the issue of consent, unless the defendant can show a pattern of past conduct relevant to the facts in the case and relevant to the consent issue.

"(2) In any such prosecution, however, before information (otherwise admissible) is received in evidence concerning the sexual history or conduct of any such female, the judge shall, out of the presence of the jury, determine any and all issues concerning the question of admissibility.

"(c) Notwithstanding any other provision of law in any such prosecution the court shall not require the prosecution to produce evidence that corroborates the victim's testimony, if the victim's testimony, if believed, establishes every element of the crime of forcible rape.

"(d) Except when physical injury to the victim is alleged by the prosecution in any such prosecution, physical injury or evidence of resistance by such female, shall not be required for the prosecution to meet its burden of proof, and the judge shall so instruct the jury to that effect.

"(e) Notwithstanding any other provision of this section or of any other law, information or other evidence of prior sexual relations or acts between such female and the defendant shall be admissible on the issue as to consent.".

Mr. BENTSEN. Mr. President, I ask unanimous consent that Senators CRANSTON and DOMENICI be added as cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BENTSEN. Mr. President, this amendment, the "1975 act to reform trial standards for the crime of rape," would amend the D.C. Code, section 22-2801 and title 18 U.S.C. section 2031 by adding evidentiary standards relating to the substantive elements of the crime of rape.

The purpose of the amendment is to direct the judge to:

First. Closely scrutinize the admissibility of evidence relating to the victim's previous sexual conduct;

Second. Determine such admissibility out of the presence of the jury;

Third. Not require the prosecution to produce corroborative evidence of the victim's testimony, if the victim establishes every element of the crime of forcible rape; and

Fourth. Not require evidence of physical injury or resistance by the plaintiff unless it is so alleged in the charges.

These provisions seek to encourage victims of rape to report the crime and prosecute.

The need for this legislation is illustrated by the recent articles in the Washington Post revealing the numerous rapes committed in the Washington, D.C. area. The facts are still unfolding.

The Wall Street Journal recently reported the latest FBI statistics on forcible rape. I quote from the July 14, issue page 1:

> In 1973, 51,000 forcible rapes were reported, compared with 21,250 in 1964. Preliminary 1974 reports indicate a 9% increase last year.

In the District of Columbia the uniform crime report in 1972 listed 769 reported rapes. Of those reported, 48 percent were prosecuted; 45.7 percent of those reported were convicted. In this year, the District of Columbia Sex Squad has reported 248 rapes between January and July 10, 1975.

The District of Columbia City Council established a task force on rape in 1973 to study the crime. The following recommended changes in the Federal statute were made, among others:

> 1. Under no circumstances should a victim's prior sexual activity be admitted if the circumstances which led up to it are not similar to that which the defendant alleges precipitated the act of consensual sexual activity with him.
>
> 2. Prior instances where a defendant has claimed consent to a charge of rape should be admissible in a trial where he raises a defense of consent.
>
> 3 Explicit legislation should be enacted abolishing the corroboration requirement as to all the offenses in the revised criminal statutes.

My amendment addresses these recommendations.

First, the amendment provides that no information concerning the previous sexual conduct of the victim may be received and considered by the court except for the purpose of determining the issue of consent.

The task force concluded that under no circumstances should a prior act of sexual conduct by the victim be admitted if the circumstances which led up to it are not similar to that which the defendant alleges precipitated the act. This conclusion is based upon findings of misuse of such evidence and adverse prejudicial inferences that the victim is not worthy of legal protection; that she is a "loose woman." To avoid these prejudicial conclusions, prior sexual acts of the victim should be excluded upon condition.

Some believe that prior sexual acts should never be admitted because prior acts are ipso facto not relevant to the specific act before the judge. Another view would be to recognize prior sexual acts with the same defendant as being relevant. Still another view would limit the evidence to prior sexual activity under circumstances similar to that alleged in order to prove the issue of consent. The D.C. task force proposed that previous sexual conduct of the victim be admissible to determine the issue of consent if the defendant can show a pattern of past conduct relevant to the consent issue. My amendment adopts the task force standard.

This allows the defendant to introduce evidence to prove the plaintiff has had previous sexual relations voluntarily with the defendant and that the defendant is not guilty of rape. In this event, previous sexual acts may establish a pattern of past conduct relevant to the issue of consent as claimed by the defendant.

Second, my amendment provides that the admissibility of such evidence be determined out of the presence of the jury.

This protects the defendant by continuing to allow him to rebut the victim's charges without prejudicing him in the eyes of the jury. It places the burden upon the judge to determine whether evidence of the victim's prior sexual acts is relevant to consenting to sexual conduct as charged against the accused. As a matter of law, this burden is upon the judge to determine the admissibility of evidence which may be misused or prejudicial. This legal duty should be exercised with the view for the trier of fact to hear the case, rather than summarily dismissing it.

Third, the amendment eliminates the requirement on the prosecution to produce evidence that corroborates the victim's testimony, if the victim's testimony, if believed, establishes every element of the crime of forcible rape. This does not create a more lenient standard of proof because the victim must still prove all elements of the crime beyond a reasonable doubt. Corroborative evidence of the rape and the identity of the assailant will usually be presented to substantiate the charges. However, corroboration is sometimes virtually impossible.

The requirement of corroboration in rape cases is for the protection of the defendant against false accusation, but it has many disadvantages:

First. Some rapes entirely lack corroboration, because it is a crime that usually occurs not in the presence of witnesses and because victims frequently do not seek immediate medical attention.

Second. The requirement is a significant factor in the non-prosecution of forcible rape.

Third. It discourages the reporting of rapes.

Fourth. It is a built-in issue raised at the trial and appellate level in most rape cases by defense counsel solely as a tactical measure.

It has been reported that at least 35 States have dispensed with the requirement that the plaintiff's testimony be corroborated. It has proven to be an obstacle to the criminal justice system and should be repealed.

My amendment would not require corroboration of the victim's testimony if all the elements of the charge have been established by the testimony of the victim. For the crime of forcible rape, she must prove: First the defendant had sexual relations with her, and second, that such act was forcible and against her will as to place her in reasonable fear of death or grave bodily harm.

Fourth, the amendment requires that except when physical injury to the victim is alleged by the prosecution, physical injury or evidence of resistance by the victim shall not be required, and the judge shall so instruct the jury to that effect.

The D.C. task force found that all rapes do not result in the kind of physical injury which is apparent, absent medical examinations. Those victims which have not had medical treatment should not be precluded from bringing charges when physical injury is not a part of the charge. Although medical evidence is probative and may substantiate the charges, a case should be heard when medical evidence is not obtainable.

Finally, information or other evidence of prior sexual relations or acts between the victim and the defendant shall be admissible on the issue of consent. This explicitly directs the judge to admit the defendant's evidence that the victim has consented to previous acts with him. Thus the inference may be drawn by the jury that she consented to the particular act in question.

In conclusion, Mr. President, each of these provisions is necessary to encourage victims to report and prosecute rape charges, and I urge support by each of my colleagues.

I thank the distinguished chairman.

Mr. McCLELLAN. Has the Senator completed his statement?

Mr. BENTSEN. Mr. President, I understand from the distinguished Chairman that consideration is being given to some of these provisions under S. 1; is that correct?

Mr. McCLELLAN. Mr. President, I yield myself such time as I may use on the amendment.

The amendment offered by the Senator from Texas would amend section 2031 of title 18 of the United States Code and section 22–2801 of the District of Columbia Code concerning rape to eliminate any special corroboration proof requirement, to limit inquiry into the past sexual conduct of the victim and to eliminate any necessity to prove physical injury or evidence of resistance on the part of the victim.

The Senator has made a strong case at least for careful study of the proposal. Indeed, the amendment is substantially identical to S. 1244 introduced by the Senator from Texas (Mr. Bentsen) on March 19, 1975, and subsequently referred to the Subcommittee on Criminal Laws and Procedures, which I am privileged to chair. Although that bill has not yet been acted upon, the subject matter of the bill has received close scrutiny in connection with the processing of S. 1, the "Criminal Justice Reform Act of 1975." Two of the provisions—corroboration requirements and rape by threats—were included in S. 1 as introduced. A current subcommittee staff working draft of S. 1 also includes provisions dealing with inquiry into the past sexual conduct of the victim. So these issues will, in due time, I hope, be considered by the Committee on the Judiciary and the Senate.

Mr. President, I really believe that the amendment as offered to this bill is not germane because this bill deals only with the Federal Rules of Criminal Procedure. Adoption of this amendment, I may say, might well delay agreement in conference, particularly if the Senate conferees insisted and the House conferees resisted this amendment, so it could prevent, it could be an obstacle to getting this bill enacted by August 1 of this year, which is the deadline, and which is necessary for us to get the bill signed by that time.

I would hope the Senator would consider withdrawing his amendment at this time and let us consider his proposal at a more appropriate occasion when we have a bill to which it would be germane.

Mr. BENTSEN. I appreciate very much the point made by the distinguished chairman. In light of the sympathetic consideration that has been given to some of my recommendations on S. 1 and the incorporation of some of those suggestions, in light of that and the expeditious nature in which we must approach the particular piece of legislation before us, I will withdraw the amendment.

Mr. McCLELLAN. May I say to the distinguished Senator this proposal is under active consideration.

Mr. BENTSEN. I withdraw the amendment.

Mr. McCLELLAN. I thank the Senator from Texas.

The PRESIDING OFFICER. The amendment is withdrawn.

Mr. McCLELLAN. Mr. President, does the Senator from Nebraska want to speak before I continue?

Mr. HRUSKA. Mr. President, will the Senator yield for 1 minute for me to make a comment on the amendment that the Senator from Texas proposed?

Mr. McCLELLAN. Yes, I yield to the distinguished Senator from Nebraska on the amendment's time.

The PRESIDING OFFICER. The amendment has been withdrawn, so the time is not on the amendment; the time is on the bill.

Mr. HRUSKA. I ask for 1 minute on the bill.

Mr. McCLELLAN. Very well.

The PRESIDING OFFICER. The Senator has 30 minutes in his own right.

Mr. HRUSKA. Mr. President, I want to corroborate the observations made by the Senator from Arkansas in regard to the amendment proposed by the Senator from Texas. There is extensive testimony in the hearing record on S. 1, the bill to revise the Federal Criminal Code, as the Senator from Texas knows, on this point. We are grateful to him for his interest in this subject and the record he has made.

Two of the provisions were earlier included in S. 1, and the third aspect, relating to prior conduct, has been incorporated into the most recent draft of this bill.

Mr. BENTSEN. I thank the distinguished Senator.

AMENDMENT NO. 690

Mr. McCLELLAN. Mr. President, I ask unanimous consent that amendment No. 690, which is pending at the desk, be offered in the nature of a substitute for H.R. 6799, that it be agreed to, and that the bill, as thus amended be considered as original text for purpose of further amendment.

Mr. President, this amendment is sponsored by myself and the distinguished Senator from Nebraska and also by the distinguished Senator from Mississippi, the chairman of the Judiciary Committee.

The amendment is as follows:

Strike all after the enacting clause and insert the following:

That this Act may be cited as the "Federal Rules of Criminal Procedure Amendments Act of 1975".

Sec. 2. The amendments proposed by the United States Supreme Court to the Federal Rules of Criminal Procedure which are embraced in the order of that Court on April 22, 1974, are approved except as otherwise provided in this Act and shall take effect on December 1, 1975. The amendments made by section 3 of this Act shall also take effect on December 1, 1975.

Sec. 3. The Federal Rules of Criminal Procedure, as amended by the amendments that were proposed by the United States Supreme Court to the Federal Rules of Criminal Procedure which are embraced by the order of that Court on April 22, 1974, are further amended as follows:

(1) Rule 4 (a) and (b) are amended to read as follows:

"(a) Issuance.—If it appears from the complaint, or from an affidavit or affidavits filed with the complaint, that there is probable cause to believe that an offense has been committed and that the defendant has committed it, a warrant for the arrest of the defendant shall issue to any officer authorized by law to execute it. Upon the request of the attorney for the government a summons instead of a warrant shall issue. More than one warrant or summons may issue on the same complaint. If a defendant fails to appear in response to the summons, a warrant shall issue.

"(b) Probable Cause.—The finding of probable cause may be based upon hearsay evidence in whole or in part.".

(3) Rule 4(d) is amended by redesignating it as Rule 4(c).

(4) Rule 4(e) is amended by redesignating it as Rule 4(d), and paragraph (3) thereof is amended to read as follows:

"(3) Manner.—The warrant shall be executed by the arrest of the defendant. The officer need not have the warrant in his possession at the time of the arrest, but upon request he shall show the warrant to the defendant as soon as possible. If the officer does not have the warrant in his possession at the time of the arrest, he shall then inform the defendant of the offense charged and of the fact that a warrant has been issued. The summons shall be served upon a defendant by delivering a copy to him personally, or by leaving it at his dwelling house or usual place of abode with some person of suitable age and discretion then residing therein or by mailing a copy of the summons to the defendant's last known address.".

(5) Rule 9(a) is amended to read as follows:

"(a) Issuance.—Upon the request of the attorney for the government the court shall issue a warrant for each defendant named in the information, if it is supported by oath, or in the indictment. The clerk shall issue a summons instead of a warrant upon the request of the attorney for the government or by direction of the court. Upon like request or direction he shall issue more than one warrant or summons for the same defendant. He shall deliver the warrant or summons to the marshal or other person authorized by law to execute or serve it. If a defendant fails to appear in response to the summons, a warrant shall issue.".

(6) Rule 1(e) (1) is amended to read as follows:

"(1) In General.—The attorney for the government and the attorney for the defendant or the defendant when acting pro se may engage in discussions with a view toward reaching an agreement that, upon the entering of a plea of guilty or nolo contendere to a charged offense or to a lesser or related offense, the attorney for the government will do any of the following:

"(A) move for dismissal of other charges:

"(B) make a recommendation, or agree not to oppose the defendant's request, for a particular sentence, with the understanding that such recommendation or request shall not be binding upon the court;

"(C) agree that a specific sentence is the appropriate disposition of the case.

The court shall not participate in any such discussions.".

(7) Rule 11(e) (2) is amended to read as follows:

"(2) Notice of Such Agreement.—If a plea agreement has been reached by the parties, the court shall, on the record, require the disclosure of the agreement in open court or, on a showing of good cause, in camera, at the time the plea is offered. Thereupon the court may accept or reject the agreement, or may defer its decision as to the acceptance or rejection until there has been an opportunity to consider the presentence report.

(8) Rule 1(e) (3) is amended to read as follows:

(3) Acceptance of a Plea Agreement.—If the court accepts the plea agreement, the court shall inform the defendant that it will embody in the judgment and sentence the disposition provided for in the plea agreement.".

(9) Rule 11(e) (4) is amended to read as follows:

"(4) Rejection of a Plea Agreement.—If the court rejects the plea agreement, the court shall, on the record, inform the parties of this fact, advise the defendant personally in open court or, on a showing of good cause, in camera, that the court is not bound by the plea agreement, afford the defendant the opportunity to then withdraw his plea, and advise the defendant that if he persists in his guilty plea or plea of nolo contendere the disposition of the case may be less favorable to the defendant than that contemplated by the plea agreement.".

(10) Rule 11(e) (6) is deleted.

(11) Rule 12(e) is amended to read as follows:

"(e) Ruling on Motion.—A motion made before trial shall be determined before trial unless the court, for good cause, orders that it be deferred for determination at the trial of the general issue or until after verdict, but no such determination shall be deferred if a party's right to appeal is adversely affected. Where factual issues are involved in determining a motion, the court shall state its essential findings on the record.".

(12) Rule 12(h) is amended to read as follows:

"(h) Effect of Determination.—If the court grants a motion based on a defect in the institution of the prosecution or in the indictment or information, it may also order that the defendant be continued in custody or that his bail be continued for a specified time pending the filing of a new indictment or information. Nothing in this rule shall be deemed to affect the provisions of any Act of Congress relating to periods of limitations.".

(13) Rule 12.1 is amended to read as follows:

"Rule 12.1. Notice of Alibi

"(a) Notice by Defendant.—Upon written demand of the attorney for the government stating the time, date, and place at which the alleged offense was committed, the defendant shall serve within ten days, or at such different time as the court may direct, upon the attorney for the government a written notice of his intention to offer a defense of alibi. Such notice by the defendant shall state the specific place or places at which the defendant claims to have been at the time of the alleged offense and the names and addresses of the witnesses upon whom he intends to rely to establish such alibi.

"(b) Disclosure of Information and Witness.—Within ten days thereafter, but in no event less than ten days before trial, unless the court otherwise directs, the attorney for the government shall serve upon the defendant or his attorney a written notice stating the names and addresses of the witnesses upon whom the government intends to rely to establish the defendant's presence at the scene of the alleged offense and any other witnesses to be relied on to rebut testimony of any of the defendant's alibi witnesses.

"(c) Continuing Duty To Disclose.—If prior to or during trial, a party learns of an additional witness whose identity, if known, should have been included in the information furnished under subdivision (a) or (b), the party shall promptly notify the other party or his attorney of the existence and identity of such additional witness.

"(d) Failure To Comply.—Upon the failure of either party to comply with the requirements of this rule, the court may exclude the testimony of any undisclosed witness offered by such party as to the defendant's absence from or presence at, the scene of the alleged offense. This rule shall not limit the right of the defendant to testify in his own behalf.

"(e) Exceptions.—For good cause shown, the court may grant an exception to any of the requirements of subdivisions (a) through (d) of this rule.

"(f) Inadmissibility of Withdrawn Alibi.—Evidence of an intention to rely upon an alibi defense, later withdrawn, or of statements made in connection with such intention, is not admissible in any civil or criminal proceeding against the person who gave notice of the intention.".

(14) Rule 15(a) is amended to read as follows:

"(a) When Taken.—Whenever due to exceptional circumstances of the case it is in the interest of justice that the testimony of a prospective witness of a party be taken and preserved for use at trial, the court may upon motion of such party and notice to the parties order that testimony of such witness be taken by deposition and that any designated book, paper, document, record, recording, or other material not privileged, be produced at the same time and place. If a witness is committed for failure to give bail to appear to testify at a trial or hearing, the court on written motion of the witness and upon notice to the parties may direct that his deposition be taken. After the deposition has been subscribed the court may discharge the witness.".

(15) Rule 15(b) is amended to read as follows:

"(b) Notice of Taking.—The party at whose instance a deposition is to be taken shall give to every party reasonable written notice of the time and place for taking the deposition. The notice shall state the name and address of each person to be examined. On motion of a party upon whom the notice is served, the court for cause shown may extend or shorten the time or change the place for taking the deposition. The officer having custody of a defendant shall be notified of the time and place set for the examination and shall, unless the defendant waives in writing the right to be present, produce him at the examination and keep him in the presence of the witness during the examination, unless, after being warned by the court that disruptive conduct will cause him to be removed from the place of the taking of the deposition, he persists in conduct which is such as to justify his being excluded from that place. A defendant not in custody shall have the right to be present at the examination upon request subject to such terms as may be fixed by the court, but his failure, absent good cause shown, to appear after notice and tender of expenses in accordance with subdivision (c) of this rule shall constitute a waiver of that right and of any objection to the taking and use of the deposition based upon that right.".

(16) Rule 15(c) is amended to read as follows:

"(c) Payment of Expenses.—Whenever a deposition is taken at the instance of the government, or whenever a deposition is taken at the instance of a defendant who is unable to bear the expenses of the taking of the deposition, the court may direct that the expense of travel and subsistence of the defendant and his attorney for attendance at the examination and the cost of the transcript of the deposition shall be paid by the government.".

(17) Rule 16(a) (1) (A) is amended to read as follows:

"(a) Disclosure of evidence by the government.

"(1) Information subject to disclosure.

"(A) Statement of Defendant.—Upon request of a defendant the government shall permit the defendant to inspect and copy or photograph: any relevant written or recorded statements made by the defendant, or copies thereof, within the possession, custody or control of the government, the existence of which is known, or by the exercise of due diligence may become known, to the attorney for the government; the substance of any oral statement which the government intends to offer in evidence at the trial made by the defendant whether before or after arrest in response to interrogation by any person then known to the defendant to be a government agent; and recorded testimony of the defendant before a grand jury which relates to the offense charged. Where the defendant is a corporation, partnership, association or labor union, the court may grant the defendant, upon its motion, discovery of relevant recorded testimony of any witness before a grand jury who was, at the time of his testimony, so situated as an officer or employee as to have been able legally to bind the defendant in respect to the activities involved in the charges.".

(18) Rule 16(a) (1) (B) is amended to read as follows:

"(B) Defendant's Prior Record.—Upon request of the defendant, the government shall furnish to the defendant such copy of his prior criminal record, if any, as is within the possession, custody, or control of the government, the existence of which is known, or by the exercise of due diligence may become known, to the attorney for the government.".

(19) Rule 16(a)(1)(D) is amended to read as follows:

"(D) Reports of Examinations and Tests.—Upon request of a defendant the government shall permit the defendant to inspect and copy or photograph any results or reports of physical or mental examinations, and of scientific tests or experiments, or copies thereof, which are within the possession, custody, or control of the government, the existence of which is known, or by the exercise of due diligence may become known, to the attorney for the government, and which are material to the preparation of the defense or are intended for use by the government as evidence in chief at the trial.".

(20) Rule 16(a)(1)(E) is deleted.

(21) Rule 16(b)(1)(C) is deleted.

(22) Rule 16(c) is amended to read as follows:

"(c) Continuing Duty To Disclose.—If, prior to or during trial, a party discovers additional evidence or material previously requested or ordered, which is subject to discovery under this rule, he shall promptly notify the other party or his attorney or the court of the existence of the additional evidence or material.".

(23) Rule 16(d)(1) is amended to read as follows:

"(1) Protective and Modifying Orders.—Upon a sufficient showing the court may at any time order that the discovery or inspection be denied, restricted, or deferred, or make such other order as is appropriate. Upon motion by a party, the court may permit the party to make such showing, in whole or in part, in the form of a written statement to be inspected by the judge alone. If the court enters an order granting relief following such an ex parte showing, the entire text of the party's statement shall be sealed and preserved in the records of the court to be made available to the appellate court in the event of an appeal.".

(24) Rule 17(f)(2) is amended to read as follows:

"(2) Place.—The witness whose deposition is to be taken may be required by subpoena to attend at any place designated by the trial court, taking into account the convenience of the witness and the parties.".

(25) Rule 20(d) is amended to read as follows:

"(d) Juveniles.—A juvenile (as defined in 18 U.S.C. 5031) who is arrested, held, or present in a district other than that in which he is alleged to have committed an act in violation of a law of the United States not punishable by death or life imprisonment may, after he has been advised by counsel and with the approval of the court and the United States attorney for each district, consent to be proceeded against as a juvenile delinquent in the district in which he is arrested, held, or present. The consent shall be given in writing before the court but only after the court has apprised the juvenile of his rights, including the right to be returned to the district in which he is alleged to have committed the act, and of the consequence of such consent.".

(26) Rule 32(a)(1) is amended to read as follows:

"(1) Imposition of Sentence.—Sentence shall be imposed without unreasonable delay. Before imposing sentence the court shall afford counsel an opportunity to speak on behalf of the defendant and shall address the defendant personally and ask him if he wishes to make a statement in his own behalf to present any information in mitigation of punishment. The attorney for the government shall have an equivalent opportunity to speak to the court.".

(27) Rule 32(c)(1) is amended to read as follows:

"(1) When Made.—The probation service of the court shall make a presentence investigation and report to the court before the imposition of sentence or the granting of probation unless, with the permission of the court, the defendant waives a presentence investigaton and report, or the court finds that there is in the record information sufficient to enable the meaningful exercise of sentencing discretion, and the court explains this finding on the record.

"The report shall not be submitted to the court or its contents disclosed to anyone unless the defendant has pleaded guilty to nolo contendere or has been found guilty, except that a judge may, with the written consent of the defendant, inspect a presentence report at any time.".

(28) Rule 32(c)(3)(A) is amended to read as follows:

"(A) Before imposing sentence the court shall upon request permit the defendant, or his counsel if he is so represented, to read the report of the presentence investigation exclusive of any recommendation as to sentence, but not to the extent that in the opinion of the court the report contains diagnostic opinion which might seriously disrupt a program of rehabilitation, sources of information obtained upon a promise of confidentiality, or any other information which, if disclosed, might result in harm, physical or otherwise, to the defendant or other persons; and the court shall afford the defendant or this counsel an opportunity to comment thereon and, at the discretion of the court, to introduce testimony or other information relating to any alleged factual inaccuracy contained in the presentence report.".

(29) Rule 32(c)(3)(D) is amended to read as follows:

"(D) Any copies of the presentence investigation report made available to the defendant or his counsel and the attorney for the government shall be returned to the probation officer immediately following the imposition of sentence or the granting of probation, unless the court, in its discretion otherwise directs.".

(30) Rule 43(b)(2) is amended to read as follows:

"(2) after being warned by the court that disruptive conduct will cause him to be removed from the courtroom, persists in conduct which is such as to justify his being excluded from the courtroom.".

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The question is on agreeing to the amendment of the Senator from Arkansas.

The amendment in the nature of a substitute was agreed to.

Mr. McCLELLAN. Mr. President, I yield myself about 5 minutes time on the bill. Before proceeding to a more detailed discussion, I might summarize a number of the differences between the House bill and the amendment under consideration.

Rule 11 proposed by the Supreme Court for the first time establishes a plea agreement procedure. Subdivision (e)(6) of rule 11 deals with use of statements made by a defendant in a plea hearing. The Senate amendment would strike this provision altogether and leave it to the Rules of Evidence, which would permit on the record statements to be used for impeachment and in a prosecution for perjury or false statement. The Supreme Court proposal would not permit any use and the House bill would permit use of such statements in a perjury or false statement prosecution, provided it was made under oath on the record and in the presence of counsel.

Rule 16(a)(1)(A), in pertinent part, deals with discovery of testimony of a witness before a grand jury where the defendant is a corporation. The Supreme Court proposal, which was approved by the House, would permit such discovery as to officers or employees of the defendant who were in a position legally to bind the defendant in respect to activities involved in the charges either at the time of the charged acts or at the time of the grand jury proceeding. This drastically changes the present law which limits such discovery to officers or employees acting in that capacity at the time of their testimony before the grand jury. In essence, the new rule would create a limited discovery of prosecution witnesses no longer connected with the defendant well in advance of trial and open such witnesses up to bribery and intimidation. The Senate version amends the Supreme Court proposal to codify present law.

Rules 16(a)(1)(E), 16(b)(1)(C), and 16(c) deal with pretrial discovery of witnesses. Unlike present law, the Supreme Court proposal would provide for a right of discovery of both sides for the names and addresses of their witnesses. H.R. 6799 amended the rule to limit the obligation to disclose its list of witnesses until 3 days in advance of trial. Our proposed amendment deletes 16(a)(1)(E) and (b)(1)(C) from the Supreme Court proposal, thereby retaining the present practice in which prosecution witnesses are made known in the course of the trial as they appear.

Rules 16(a)(2) and 16(b)(2) deal with the "work product" exception to discovery. The Supreme Court proposal retains present law which prevents discovery of Government or defense documents made by attorneys or their agents in connection with the investigation or prosecution of the case. The House bill would permit discovery of the documents but permit excising of the "mental impressions, conclusions, opinions, or legal theories" of the attorneys or agents. The Senate amendment adopts the Supreme Court proposal.

The amendment makes some changes in H.R. 6799 as to rules 16(b)(1)(A), 16(b)(1)(B), and 16 (b)(1)(C). Unlike the Supreme Court proposals the House bill would permit discovery in the Government only if, and after, the defendant requests disclosure of comparable material in the possession of the Government. The Senate amendment returns to the Supreme Court proposal permitting independent discovery by both prosecution and defendant.

Mr. President, I will turn now to a brief reference to the history of the criminal rules being considered and a more detailed explanation of the amendment in the nature of a substitute.

The proposed amendments to the rules were the result of much work and effort by the Advisory Committee on Criminal Rules of the Judicial Conference of the United States. This Advisory Committee did the initial drafting of the recommendations for the conference's standing Committee on Rules and Practice and Procedure. The standing committee made some changes in the draft and then sent it to the Judicial Conference. The Judicial Conference forwarded the draft along with its recommendations to the Supreme Court which transmitted the proposals to the Congress on April 22, 1974.

The Court's submission of the proposed amendments was referred to the Committee on the Judiciary on April 23, 1974.

The Committee on the Judiciary held 1 day of hearings on the proposed amendments on June 20, 1975. In the meantime, the House passed H.R. 6799 on June 23, 1975.

When H.R. 6799 was received in the Senate it was held at the desk, and later placed on the calendar, with the view that the Committee on the Judiciary would shortly report an original bill. In view of the time limitations, that procedure is not feasible. Therefore, amendment No. 690 to H.R. 6799 was proposed and printed. This amendment is in the nature of a substitute bill and made some changes in proposed amendments submitted by the Supreme Court and differs in a number of respects from the House-passed bill.

Mr. President, both H.R. 6799 and the amendment provide that the amendments proposed by the Supreme Court are approved except as otherwise provided in this act. The amendment we have offered retains most of the House modifications of the Supreme Court proposals, while making some 10 changes which hopefully will improve the measure to some degree.

For whatever light it may shed on the amendment offered to H.R. 6799, it might be useful for me to give some of my thoughts about the meaning of some of its provisions and the reasons why I feel they should be adopted.

Rules 4(a), and 9(a) deal with the method of bringing an accused before a court upon a finding of probable cause to believe that he has committed a Federal offense. Under the rules now in force, once probable cause has been determined, the U.S. attorney may require the issuance by the court of a warrant for the arrest of the suspect. The U.S. attorney may in his discretion obtain the issuance of a summons in lieu of an arrest warrant. This less onerous alternative is frequently utilized by Federal prosecutors when there is little basis to doubt that the recipient of the summons will appear in response thereto.[1]

The Supreme Court proposed to amend these rules to make a summons rather than a warrant the preferred process for obtaining control over a suspect; the Government would have to present a "valid reason" to the court in order to secure an arrest warrant. The House Committee on the Judiciary did not alter the essential thrust of the Court's amendments to these rules in reporting H.R. 6799.[2] The House, however, voted to reject their committee's action and to preserve the rules in their existing form. In this regard, the amendment we have offered is the same as the House-passed bill. In my judgment, adoption of rules 4(a), 4(b), and 9, as proposed by the Supreme Court, would have the following undesirable consequences, as noted by the Department of Justice, which strongly endorsed the action of the House with respect to these rules.[3]

First, a significant increase in fugitivity among individuals charged with Federal offenses would probably occur. Fugitivity is a serious problem today. For example, 20 to 25 percent of the persons charged with felonies in the District of Columbia become fugitives. A rule of procedure which places an affirmative burden on the Government to demonstrate to a magistrate why a summons would be inadequate before an arrest warrant will issue inevitably will result in a number of suspects who would not otherwise have the opportunity to choose to flee rather than appear pursuant to the summons.

It is even arguable that society's interest would be better served if doubts were resolved in favor of issuance of an arrest warrant. Moreover, no Federal statute prohibits such flight, even when done for the purpose of avoiding prosecution for a Federal crime. A person who flees after a summons has alerted him to the criminal prosecution and who remains a fugitive long enough to make it impossible to convict him for the offense charged would escape punishment altogether. Lapse of time could simply make prosecutions unnecessarily difficult. Such a result should not be invited or encouraged.

Second, forewarned by a summons, many guilty persons will destroy or conceal incriminating evidence or contraband. Required use of a summons will cause the Government to forgo discovering evidence or fruits of criminal conduct on the person of the suspect during a permissible search incident to the arrest. As a general rule, I can see no sound reason to deprive Government agents of the chance of arresting a person at a time and under circumstances most advantageous to successful discovery and prosecution of the offense, for example, when the suspect may have incriminating evidence or objects in his possession.

Third, Federal law enforcement agents as a general rule have the right, by statute, to arrest without a warrant if they have probable cause to believe the person to be arrested has committed a felony. Since, under the Court's proposal, a summons is the "preferred" method, agents could not be guaranteed of obtaining an arrest warrant rather than a summons from a magistrate. Under these circumstances, many would probably choose to exercise the authority to arrest without a warrant far more frequently. This could have harmful consequences because on the street determination of probable cause by the police officer, without review by a magistrate in an application for a warrant or summons, will inevitably result in more illegal arrests, infringement of personal liberties, and the suppression of evidence.

Fourth, failure to appear upon issuance of a summons would require duplication of equivalent procedure with respect to the obtaining and service of an arrest warrant. Court personnel, prosecutors, marshals, and witnesses will be subjected to considerable inconvenience by the lack of appearance of a certain percentage of summoned suspects. With the enactment of the Speedy Trial Act of 1974,[4] this is hardly an opportune time in which to burden the criminal justice system with such delays and increased paperwork.

Mr. President, in my opinion, all of these basic reasons dictate adhering to present rules 4(a), 4(b), and 9(a). The existing practice under these rules has functioned well and without any notable abuses. There is, therefore, no occasion to legislate or promulgate new rules in this area.

The proposed amendment also deletes from the Supreme Court's proposal on rule 4(c) two sentences which would have permitted a magistrate, in a probable cause hearing for issuance of an arrest warrant or summons, to question the complainant and other witnesses under oath and would have required the magistrate to keep a record or summary of such a proceeding. The House adopted an identical amendment. The probable cause hearing before a magistrate should not become another time-consuming and expensive layer of pretrial process, with witnesses being examined and records maintained. A dissatisfied magistrate might indicate his difficulties to the complainant to see if the affidavit could be expanded, or he might refuse to issue a warrant until more proof of probable cause is developed.

Rule 11 of the Federal Criminal Rules deals with entry of pleas in criminal cases. The amendments to this rule proposed by the Supreme Court, particularly those relating to plea bargaining, have provoked much comment and some criticism. Plea negotiation is a fact in the present criminal system and crowded court dockets make it unlikely that the situation will or should change. It is therefore probably a good idea that such a widespread practice should be dealt with by the criminal rules and our proposed amendment accepts the basic structure of rule 11 as proposed by the Supreme Court.

Rule 11(c), as proposed by the Supreme Court, provided that the court could not accept a plea of guilty or nolo contendere without informing a defendant of the direct consequences of his plea.[5] H.R. 6799 expanded upon the warning list to be given to a defendant before accepting a plea of guilty or nolo contendere to include such matters as rights afforded at trial, for example, right to confront witnesses, and right against self-incrimination. The more abbreviated list suggested by the Supreme Court seems preferable. The advice given to the defendant at the time of his plea should include those consequences of his plea most meaningful to the defendant at that particular stage of the criminal process. It is not desirable to mandate a judge to conduct a long plea ritual repetitive of advice given at prior proceedings or through counsel. If, in a particular case, the judge deems it appropriate to go into more detail concerning some aspect of the trial, the rule leaves the procedure flexible enough to do this.

With respect to subdivision (e) of rule 11, the proposed amendment recasts paragraph (1) to clarify it. The rule as redrafted clearly indicates the basic types of plea agreements that the rule is concerned with. The defendant can plead guilty or nolo contendere to the charged offense or a lesser or related

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offense in return for any of the following: first, a Government motion to dismiss other charges; second, a Government recommendation of or acquiesence in a particular sentence on the understanding that the court is not bound thereby; and third, a Government agreement that a particular sentence is the appropriate disposition of the case.[6] This change makes express what was implicit to a degree in the Supreme Court's proposal.[7]

The amendment adds language in paragraphs (e)(2) and (e)(4) of rule 11 to permit a plea agreement to be disclosed to the court, or rejected by it, in camera. There must be a showing of good cause before the court may conduct such proceedings in camera. The language does not address itself to whether the showing of good cause may be made in open court or in camera.

That issue is left for the courts to resolve on a case-by-case basis. This provision permitting in camera disclosure of the plea agreement is identical with that in the House-passed bill. Although cognizant of the arguments advanced by the Judicial Conference that all such proceedings should occur in open court so as to alleviate public suspicion and promote confidence in the plea bargaining system, disclosure of the terms of a plea agreement should not occur when it could jeopardize a defendant's safety, for example, where the defendant had agreed as part of the plea bargain to cooperate with the Government in a pending prosecution or investigation. Moreover, the amendment will permit a fair trial when there is substantial media interest in a case and the court is rejecting a plea agreement.[8]

In paragraph (3) of rule 11(e), the Supreme Court proposed to confer upon the court the option, if it accepts a plea agreement, of imposing a sentence more favorable to the defendant than that embodied in the agreement. The House Committee on the Judiciary eliminated this option in H.R. 6799 and amended the rule to require the court to impose the sentence agreed upon by the parties. The House reaffirmed its committee's action by rejecting on the floor an amendment offered to restore the Supreme Court's version of the rule.

The amendment under consideration makes no change in the House provision. If the court is not satisfied as to the disposition contained in the plea agreement, it should reject the agreement and require the parties either to renegotiate or to go to trial on the original charge. Otherwise, the rule would have the effect of requiring the Government to abide by its end of a plea bargain—for example, an agreement to drop multiple counts in exchange for a plea of guilty to a single count with an agreement as to sentence—while permitting later alteration of the bargain only in the defendant's favor.

Rule 11(e)(6) as proposed by the Supreme Court, would render statements made in connection with a plea of guilty inadmissible in any civil or criminal proceeding against the person who made the plea or offer. H.R. 6799 would permit the use of such statements in a perjury or false statement prosecution of the declarant, but only if the statement was made "on the record—under oath and in the presence of counsel."

In my judgment, rule 410 of the Federal Rules of Evidence sets the proper policy and should be left unchanged. That rule provides that "voluntary and reliable statements made in court on the record" in connection with pleas of guilty or nolo contendere would be admissible "where offered for impeachment purposes or in a subsequent prosecution of the declarant for perjury or false statement." This is probably the current Federal rule,[9] and is consistent with the philosophy that the immunity from direct use of such statements to promote candor by defendants who make statements in open court in connection with their pleas should not be extended to grant a license to lie.

The rule addresses a question of the admissibility of evidence rather than one procedure, therefore, the better solution is to leave unchanged rule 410 of the Federal Rules of Evidence, which the Senate approved in the last Congress.

Moving to rule 12, the amendment modifiies rule 12(e) to permit the court to defer its ruling on a pretrial motion until after the trial only for good cause. Further, the court cannot defer its ruling if to do so would adversely affect a party's right to appeal. The House adopted an identical amendment. The rule proposed by the Supreme Court could deprive the Government of its appeal rights under statutes like 18 U.S.C. 3731. In addition, it is desirable to discourage the tendency to reserve rulings on pretrial motions until after verdict in the hope that the jury's verdict will make a ruling unnecessary.

Mr. President, rule 12.1 deals with notice of alibi. As proposed by the Supreme Court, the rule was defense-triggered; that is, the prosecution could not obtain discovery as to a defendant's intention to offer an alibi, and the witnesses he anticipated using in connection with that defense, unless the defendant initiated the process by advising the Government of an intent to rely on an alibi defense. Although the defendant's obligation to do so was mandatory, considerable opportunity for abuse was present with respect to defendants who would falsely assert such an intent in order to obtain discovery of the Government's witnesses who would place him at the scene of the offense. As a practical matter, to show that the defendant did not genuinely intend, when he initiated the rule 12.1 discovery process, to rely upon an alibi defense would be extremely difficult.

To deal with these problems, the proposed amendment would amend rule 12.1 to make it prosecution-triggered. The House provision is identical. The major purpose of a notice of alibi rule is to prevent unfair surprise to the prosecution. Thus, it should be up to the prosecution to trigger the alibi defense discovery procedures. To prevent being surprised by an alibi defense, the prosecution can trigger the alibi defense discovery procedures. If the Government fails to trigger the procedures and if the defendant raises an alibi defense at trial, then the Government cannot claim surprise and get a continuance of the trial.

This approach to the "notice of alibi" rule is similar to the one used in the District of Columbia.[10] If the prosecutor notifies the defendant of the time, place, and date of the alleged offense, then the defendant has 10 days in which to notify the prosecutor of his intention to rely upon an alibi defense, specify where he claims to have been at the time of the alleged offense, and provide a list of his alibi witnesses. The prosecutor, within 10 days, but no later than 10 days before trial, must then provide the defendant with a list of witnesses who will place the defendant at the scene of the alleged offense and those witnesses who will be used to rebut the defendant's alibi witnesses.

The rule would not operate only to the benefit of the prosecution. In fact, it will provide the defendant with more information than the rule proposed by the Supreme Court. The rule proposed by the Supreme Court permits the defendant to obtain a list of only those witnesses who would place him at the scene of the offense. The rule proposed in the amendment under consideration not only requires the prosecution to provide the names of witnesses who would place the defendant at the scene of the crime, but also requires the prosecution to turn over the names of those witnesses who would be called in rebuttal to the defendant's alibi witnesses.

Mr. President, rule 12.2 provides that a defendant who intends to rely upon the defense of insanity at the time of the offense must give notice to the Government in writing of this intention. Failure to give the notice would bar the insanity defense at trial. Subdivision (c) of this rule, as proposed by the Supreme Court, would authorize the court to order the defendant to submit to a psychiatric examination.[11] It does not address the admissibility of statements made by the defendant in the course of the examination, thereby permitting their use consistent with the privilege against self-incrimination. The House, in H.R. 6799, added restrictions which would prohibit use of such statements for any purpose before the judge or jury which determines the guilt of the defendant *prior* to the determination of guilt. The purpose was to "secure the defendant's fifth amendment right against self-incrimination."[12] The proposed amendment adopts the Supreme Court version of rule 12.2(c) since the Constitution may not preclude the use of such statements of the defendant in all situations. This is an area that could well benefit from some illumination by the courts on a case-by-case basis before any effort is made to place limits through the rulemaking process.

Rule 15 deals with the taking of depositions. The present rule permits only the defendant to move that a deposition of a prospective defense witness be taken. The Supreme Court proposed to broaden the rule to permit either a defendant or the Government to depose one of its own witnesses, under special circumstances in the interest of justice.

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The Court's general thrust of the proposals in this rule is sound, but a number of minor changes seem beneficial. In subdivision (a) the phrase "exceptional circumstances of the case" is adapted from 18 U.S.C. 3503 to describe the class of cases in which a deposition may be ordered. In subdivision (b) a provision is added to parallel the provision of rule 43 (b)(2) to make it clear that a disruptive defendant may be removed from the place where a deposition is being taken. The House adopted identical amendments. H.R. 6799's proposed amendment of subdivision (g) which defined "unavailability" for deposition purposes seems undesirable. The definition proposed by the Supreme Court is the same as that used in rule 804 of the Federal Rules of Evidence. The House deleted from this definition the first category dealing with situations where the declarant "is exempted by ruling of the court on ground of privilege from testifying concerning the subject matter of his statement." This provision was consistent with current Federal case law when the Rules of Evidence were enacted in the 93d Congress, and I see no sound reason to eliminate this category of situations. It should be noted that the definition of "unavailability" does not, in itself, determine the use of a deposition. Depositions can be used at trial or other hearings only to the extent "otherwise admissible under the rules of evidence."[23] It is important, therefore, that the definitions be consistent with the Rules of Evidence.

Mr. President, the next rule dealt with is rule 16 concerning pretrial discovery. In general, this rule, as proposed by the Supreme Court, provided an independent right of discovery of certain things from the opposing side. The House, apparently concerned that an independent discovery right on the part of the prosecution might impinge upon a defendant's fifth amendment privilege against compulsory self-incrimination, amended the various subdivisions of rule 16 so as to make the rule defense-triggered—the prosecution was given a right to discovery parallel to the defense, but only if, and after, the defendant sought discovery from the Government.

Mr. President, a procedure that permits an independent right of discovery by the prosecution raises no substantial fifth amendment question.[24] As a matter of policy, the Advisory Committee of the Judicial Conference observation is sound that "on balance" an "independent right of discovery for both the defendant and the Government is likely to contribute to both effective and fair administration."[25] Accordingly, our proposed amendment retains this feature of rule 16 as proposed by the Supreme Court.

Rule 16(a)(1)(A) deals with disclosure of statements in possession of the prosecution made by the defendant. The second sentence treats the situation where the defendant is an organization. As proposed by the Supreme Court and left unchanged by the House in H.R. 6799, the Government would be required to reveal the grand jury testimony of officers or employees of the defendant organization who were in a position legally to bind the defendant in respect to the activities involved in the charges either at the time of the charged acts or of the grand jury proceedings. The change, which is totally new to rule 16, would inevitably result in the disclosure of the grand jury testimony of persons who, at the time of their testimony, were no longer connected to the corporate defendant by any employment relationship. During investigations, these ex-employees and ex-officers of potential corporate defendants are a critical source of information regarding activities of their former corporate employers. It is not unusual that, at the time of their testimony, these persons may have interests which are substantially adverse to or divergent from the putative corporate defendant. It is also not unusual that such individuals, though no longer sharing a community of interest with the corporation, may nevertheless be subject to pressure from their former employers. Such pressure may derive from the fact that the ex-employees or ex-officers have remained in the same industry or a related industry, are employed by competitors, suppliers, or customers of their former employers, or have pension or other deferred compensation arrangements with former employers.

In order to preserve these sources of information which are vital particularly in complex fraud and antitrust cases, the amendment under consideration would require pretrial disclosure of grand jury testimony only of persons who were, at the time of their testimony, so situated as to legally bind the organization. Corporation or labor union officials who are not connected with the organization at the time of their testimony should not be treated as its agents for purposes of discovery; rather, they should be treated as ordinary Government witnesses, whose testimony is available, under provisions of 18 U.S.C. 3500, only after they have testified on direct examination at trial. This is in accordance with the overwhelming weight of current case law.[26]

While corporations can never act or speak except through employees and therefore must be held vicariously liable for the conduct or statements of persons acting within the scope of their employment, it does not follow that a corporation is, or should be, entitled to greater pretrial discovery than a similarly situated individual defendant. For example, under rule 16(a), even an individual defendant may not have pretrial discovery of a coconspirator's grand jury testimony relating to acts or statements of the coconspirator for which the individual may be held vicariously liable at trial.[27] In Percevault, the second circuit reviewed and followed the overwhelming weight of authority against using imputed liability for the acts of others as a ground for pretrial disclosure, in light of the congressional concern for pretrial protection of government witnesses evident both in 18 U.S.C. 3500 (Jencks Act)[28] and in present rule 16(b). This same strong public policy concern applies with equal force to the ex-employee who turns in his former "partner in crime," the corporation.[29]

Rule 16(a)(1)(B), concerning a defendant's prior record, governs the Government's obligation to provide a defendant with pretrial disclosure of his prior criminal record. The Supreme Court proposal only required the Government to furnish the defendant with such copy of his criminal record, if any, as is "then available" to the attorney for the Government. H.R. 6799 amended the rule to require the disclosure of such copy of the defendant's criminal record "as is within the possession, custody, or control of the Government, the existence of which is known, or by the exercise of due diligence may become known, to the attorney for the Government." This is a desirable change. However, there is no intent to burden the Government with any substantial new administrative procedure and the Government's obligation under this Rule should be deemed met by obtaining a copy of the FBI "rap" sheet.

Mr. President, the next subject is disclosure of witnesses. Rule 16(a)(1)(E) (Government witnesses) and rule 16(b)(1)(C) (defense witnesses), which deal with independent pretrial discovery of Government and defense witness lists, probably are the most controversial of those suggested by the Supreme Court. Under current Federal law, prosecution disclosure of a witness list is required only in capital cases.[30] The defendant is never required to turn over a list of his witnesses. The Supreme Court, in rule 16 (a)(1)(E), proposed to grant the defendant a right, shortly after the indictment, to learn the names and addresses of all witnesses the U.S. attorney intended to call in his direct case. A corresponding right was proposed to be given the Government under rule 16(b)(1)(C).

H.R. 6799 amended the rule to limit to Government's obligation to disclose its list of witnesses until 3 days in advance of trial, while under rule 16(d)(1) providing that this time period could be extended upon motion of a defendant in the discretion of the court.

During the hearings, the committee heard vigorous testimony on both sides of this issue.[31] The Department of Justice strongly urged deletion of the provision. Representatives of the Judicial Conference, Congressman HUNGATE and Congresswoman HOLTZMAN urged their retention, albeit in differing forms.

Our proposed amendment reflects a conviction that the rules concerning the disclosure of witnesses should be stricken. Although their purpose is to enhance fairness, any minor enhancement of fairness in the criminal trial process that might flow from compulsory pretrial exchange of witness lists should not be at the expense of witnesses and victims of crime. It should be emphasized that criminal trials today are not unfair. Defendants enjoy more rights under our Federal criminal justice system than defendants under the laws of any other nation. As examples, our law requires defendants to be given ample pretrial notice. The indictment itself must contain a statement of all the essential facts. Defendants may then be given bills of particulars elaborating the facts charged. Defendants can use present rule 16 to

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Footnotes at end of article.

obtain their own statements and grand jury testimony, if any, as well as copies of reports of examinations and tests, and of other books, papers, documents, and tangible objects material to the case. Additional discovery is given informally by Federal prosecutors in many cases, in an effort to induce a guilty plea by acquainting the defendant and his counsel with the strength of the Government's evidence. Moreover, in the very rare situation where a defendant may properly claim unfair surprise from the calling of a particular Government witness, a continuance may be granted by the court.

In short, the case has not been made for pretrial disclosure of witnesses in the face of potential harm. Indeed, pretrial disclosure of witnesses could weaken the search for truth in the criminal trial. Unscrupulous defendants would use the information obtained with respect to the identity of the Government's witnesses to tailor their defenses and fabricate alibis.

Over and above these misgivings, however, is the very real and disquieting concern, strongly voiced by the Department of Justice and virtually all of the U.S. attorneys, that pretrial revelation of the names and addresses of all known Government witnesses would likely add to the already major problem of witness bribery, intimidation, injury, or assassination, as well as witness refusal to cooperate or "get involved."

The Department of Justice furnished the Committee on the Judiciary a compilation of over 700 instances of witness intimidation, arising in all manner of serious criminal prosecutions over the past few years. If that represents the size of the problem today, with no pretrial discovery of witnesses, the number of such incidents may well be expected to increase if the proposed Supreme Court amendment to rule 16 is adopted.

The exposure of witnesses to intimidation and reprisals, moreover, has another aspect in terms of its predictably chilling effect on the willingness of people to come forward and testify in serious felony cases. Obtaining the public's cooperation with law enforcement is a serious problem. Anyone who has been a witness knows that it is a real sacrifice and often a terrifying experience to cooperate and testify in our criminal system, although it is a burden many witnesses are more than willing to assume. The problem is particularly acute in the Federal Government's more important cases which involve prosecution in organized crime and vice, political corruption, narcotics pushing, and large-scale criminal enterprises. These are areas in which the Federal Government has taken on a singular responsibility for law enforcement.

Concern over possible intimidation or reprisal by the criminal defendant is foremost in the minds of many witnesses. A study of the problem of cultivating witness cooperation was begun last year by the Institute for Law and Social Research, under a grant from the Law Enforcement Assistance Administration. Persons who had cooperated in some way with law enforcement and persons who had been uncooperative were asked the nonleading question: "What changes do you think would make witnesses more willing to testify?" Roughly 30 percent in each group answered in one of the following ways: "Keep witness identification from defendants;" "Better protection of witnesses by police;" or "Assure witness protection after testimony."

The Judicial Conference recognized the threat to witness safety inherent in its proposal and sought to supply solutions to this problem. The House also recognized the threat and attempted to add to the protective features of the rule. Unfortunately, none of the solutions proposed is likely to be effective. Subdivision (d)(1), in both the Supreme Court proposal and H.R. 6799, provides for protective orders under which a court may deny or order only part of the normal discovery "upon a sufficient showing." There are, however, theoretical difficulties in making a showing why the normal rule should not be followed on the basis of the nature of the charges, or an arrest record or even a reputation. The problem is with risks and probabilities, not near certainties. The paramount focus should be on the impact on witnesses' cooperation in the criminal justice process.

A second safeguarding provision to minimize witness intimidation would allow for the taking of depositions to eliminate some of the incentive for the defendant to intimidate or kill the witness. The proposed remedy does not seem practical. Under rule 15, the defendant may be present and cross-examine the witnesses. Not only does he obtain the details of the Government case but he finds out which witnesses must be induced to change their story at trial. Moreover, deposition procedures do not deal with intimidation techniques that fall short of making the witness "unavailable" at the trial.[22]

There is another deficiency in the deposition concept. It is another ordeal or source of worry, particularly to the reluctant and frightened witness. It gives the defendant a chance at unnerving the witness at the deposition proceeding and again at trial with, it might be added, the deposition in hand at trial to impeach and harass the witness for any minor inconsistency in his testimony the second time.

Finally, the 3-day limitation adopted by the House was intended as further response to the concerns regarding witness safety. The provision is illusory. As stated by the Department of Justice in its testimony:[23]

> It only takes one day, or less, for a defendant or his friends to work an obstruction of justice or to intimidate a witness.

Moreover, the 3-day limitation is no more than a "paper" safeguard. In most districts, trial dates are not "certain" until 24 hours or less before the trial is scheduled to begin, thus rendering the 3-day rule meaningless. This results from scheduling a group of cases for trial within a 2 or 3 week period. The uncertainties as to the disposition of other cases within the group makes it impossible to predict until shortly beforehand which cases will actually go to trial on a particular day. In most districts, therefore, compliance with the 3-day rule would be a haphazard guess probably resulting in disclosure as much as 2 weeks in advance of trial.

A further problem with the 3-day provision is that cases do not always get to trial on the date originally set. It frequently happens that continuances are granted within 3 days of a scheduled trial, and the existence of rule 16, as proposed, would surely cause many more defendants to seek such continuances, in derogation of the policy favoring speedy trials. A rule that counts backward from an unknown and traditionally unstable date leaves wide open most of the concerns surrounding unrestricted pretrial discovery of prosecution witnesses.

In summing up, those citizens who willingly accept and perform the duty of testifying as witnesses in Federal criminal cases are owed a paramount consideration. The proposed rules change would add little, if anything, to the fairness or efficiency of our criminal trials, while at the same time imposing onerous new obstacles in the path of prosecutors and jeopardize those innocent persons who agree, often with understandable reluctance, to give evidence against vicious racketeers. Accordingly, the substitute amendment for H.R. 6799 deleted rules 16(a)(1)(E) and 16(b)(1)(C) from the Supreme Court's proposal in order to retain present law concerning witness disclosure.

Mr. President, subdivisions (a)(2) and (b)(2) of rule 16 deal with the so-called work product exception to disclosure of information. The work product exception is universally recognized as vital to the effective operation of our adversary system, particularly in the criminal justice system. As stated recently by the Supreme Court:[24]

> Although the work product doctrine most frequently is asserted as a bar to discovery in civil litigation, its role in assuring the proper functioning of the criminal justice system is even more vital. The interests of society and the accused in obtaining a fair and accurate resolution of the question of guilt or innocence demand that adequate safeguards assure the thorough preparation and presentation of each side of the case.
>
> At its core, the work product doctrine shelters the mental processes of the attorney, providing a privileged area within which he can analyze and prepare his client's case. But the doctrine is an intensely practical one, grounded in the realities of litigation in our adversary system. One of those realities is that attorneys often must rely on the assistance of investigators and other agents in the compilation of materials in preparation for trial. It is therefore necessary that the doctrine protect material prepared by agents for the attorney as well as those prepared by the attorney himself.

Changes in language of the criminal rules dealing with the work product doctrine in criminal cases should be made only after careful study.

The proposed rule 16(a)(2) and (b)(2) as submitted by the Supreme Court made no substantive change in the work product exception in subdivisions (b) and (c) of present rule 16. Taking one as an example, present subdivision (b) provides in pertinent part that:

> . . . this rule does not authorize the discovery or inspection of reports, memoranda, or

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Footnotes at end of article.

> other internal government documents made by the attorney for the government or other government agents in connection with the investigation or prosecution of the case, or statements made by government witnesses or prospective government witnesses. . . .

The House, with stated justification, adopted language from the corresponding provision of the Federal Rules of Civil Procedure (rule 26(b)(3)). Although apparently not intended,[25] the House amendment might produce a very substantial change from the current practice. The difference is that under the existing criminal rule, the work product document itself is clearly not admissible, whereas the civil provision permits withholding only those portions of a document that contain "mental impressions, conclusions, opinions, or legal theories of the attorney for the Government or other Government agents in connection with the investigation or prosecution of the case." Not only does it introduce into the criminal case the prospect of hours by the Court to laboriously review work product documents to excise the so-called work product portions of it, but it has other serious implications.

For example, the recital in a Government attorney's or agent's report of the name of a witness would not be deemed privileged from discovery under the language of the civil rule adopted by the House. Such was the precise holding in a case[26] which construed the civil rule as not excusing compliance with demands for a document listing the names of all experts consulted by the other party in preparation for the case, but not intended to be called as witnesses. Application of that principle in criminal cases would permit defendants to discover, not only all prospective Government witnesses, but all individuals interviewed yet not intended to be called. No one would desire such a result in criminal cases. I believe the rule proposed by the Supreme Court in this instance is sound and the House changes should be rejected. The different considerations that prevail in criminal as opposed to civil litigation require, in this context, the existence of parallel, rather than identical, "work product" rules. Indeed, with study of the operation of the work product doctrine under the civil rules, it might well be concluded that the better option would be to change the civil rule. Accordingly, the amendment under consideration approves the Supreme Court proposal without change.

Rule 16(d)(1) deals with protective orders in discovery matters. As proposed by the Supreme Court, paragraph (d)(1) required the court to conduct an ex parte proceeding whenever a party so requested. The present amendment changes the mandatory language to permissive language, affording the court discretion whether or not to conduct an ex parte proceeding. H.R. 6799 contains an identical amendment. Also changed is the word "request" in the second sentence of this rule to "motion" to emphasize the concept that general notice to the other party must be given when a protective order is sought. This also is in accord with the House action.

As to rule 17(f)(2), which deals with subpenas, the amendment adds language to this rule as proposed by the Supreme Court that directs the court to consider the convenience of the witness and the parties when compelling a witness to attend a place wherc he will be deposed. The House bill contains identical language.

Subdivision (d) of rule 20—transfer from the District for plea and sentence—is amended to require the consent of both the U.S. attorney for the district where a juvenile is charged, as well as of the U.S. attorney for the district where the juvenile has been apprehended or is present, in order to permit a proceeding against the juvenile in the district where he is present. H.R. 6799 contains an identical change.

Mr. President, although the amendment under consideration does not change that submitted by the Supreme Court, rule 29.1, which regulates the procedure to be followed in the making of closing arguments, requires a comment. The report of the House Committee on the Judiciary indicates a view that if the prosecutor waives an opening argument, he waives a closing argument as well. Although that may be appropriate under unusual circumstances, in the situation described in general, the prosecutor should forfeit no more than the right to go beyond the defendant's argument, but should properly be able to rebut any argument advanced by defense counsel.[27] That is my understanding of the situation.

Subdivision (a)(1) of rule 32—sentence—is amended to codify the practice in most Federal districts of affording the attorney for the Government a right to address the court prior to sentencing. The input of the prosecutor may be valuable and he should have a right to speak to the sentencing issue if he desires. H.R. 6799 contains an identical amendment.

Subdivision (c)(1) of rule 32 is recast to make it slightly more difficult for a judge to waive a presentence report. The report can be dispensed with only if there is in the record sufficient information to enable a meaningful exercise of sentencing discretion. The phrase "on the record" may refer to the record of another case, so that if a judge has before him a defendant who only a short time before was convicted of a Federal offense and as to whom a presentence report was prepared in that connection, no new report need be sought. The House-passed bill contains an identical amendment.

Mr. President, our proposed amendment adds language to subdivision (c)(3)(A) of rule 32, dealing with disclosure of presentence investigations, that permits a defendant, in the court's discretion, to introduce testimony to rebut alleged inaccuracies in the presentence report and that affords him as of right the opportunity to comment thereon. H.R. 6799 contains an identical amendment.

Subdivision (e)(3)(D) of rule 32 is amended to give the court discretion to permit either party to retain a copy of the presentence report. The House adopted an identical change.

Finally, the amendment adds language to subdivision (b)(2) of rule 43 designed more accurately to track the Supreme Court's holding[28] with regard to the circumstances in which a defendant may be excluded from the courtroom during his trial. H.R. 6799 contains an identical amendment.

FOOTNOTES

[1] See testimony of Paul Curran, U.S. Attorney for the Southern District of New York, Hearings before the Senate Committee on the Judiciary, June 20, 1975, pp. 210, 211, (Hereinafter cited as "Hearings").

[2] The House Committee changed the "valid reason" requirement to one of "good cause," which it regarded as less burdensome, and also adopted a provision (Rule 4(f)) insuring that no evidence could be suppressed as a result of a magistrate's discretionary decision to issue an arrest warrant rather than a summons, once probable cause was established.

[3] See Hearings, pp. 163, 164. See also, H. Rept. No. 94–247, pp. 39–41 (Supplemental Views).

[4] P.L. 93–619, January 3, 1975.

[5] E.g., nature of the charge; mandatory minimum penalty, if any; maximum penalty; right to plead "not guilty;" and a plea of guilty or nolo contendere waives the right to trial. This replaces the present Rule's requirement that the court determine that the plea is made with "understanding of the nature of the charge and the consequence of the plea."

[6] Although not explicitly stated, in my judgment Rule 11(e) also contemplates that the plea agreement may bind the defendant to do more than just plead guilty or nolo contendere. For example, the plea agreement may obligate the defendant to cooperate with the prosecution in a different investigation. A similar view was expressed by the House Committee. See H. Rept. No. 94–247, p. 6, note 8.

[7] See Advisory Committee Note on Rule 11 (e)(1), H. Doc. 93–292, p. 33.

[8] It might be noted that as present Rule 11 permits a court to refuse to accept a plea of guilty so the Supreme Court proposals establishing a plea agreement procedure permits the court to accept or reject a plea agreement. Proposed Rule 11(e)(2). This carryover is not intended to confer any greater discretion in the court as to dismissal or reduction of criminal charges than now exist under Rule 48 of the present Federal Rules of Criminal Procedure. See *United States* v. *Ammidown*, 497 F.2d 615 (D.C. Cir. 1973); 121 Cong. Rec. p. H 5643 (daily ed.), June 18, 1975.

[9] Cf. *Harris* v. *New York*, 401 U.S. 222 (1971).

[10] See Rule 2–5(b) of the Rules of the United States District Court for the District of Columbia. See also Rule 16–1 of the Rules of Criminal Procedure for the Superior Court of the District of Columbia.

[11] A similar provision for determining an accused's competency to stand trial is contained in 18 U.S.C. 4244. The need for a provision like 18 U.S.C. 4244 in the Federal Rules of Criminal Procedure arises because that statute has been construed by the courts as not conferring judicial authority to order a psychiatric examination into insanity at the time of the offense. The source of the court's authority to order such an examination is derived from the inherent power of the court. See *United States* v. *Malcolm*, 475 F. 420, 424 (9th Cir. 1973) and cases cited therein.

[12] H. Rept. No. 94–247, p. 10.

[13] See proposed Rule 15(e).

[14] See *United States* v. *Nobles*, —— U.S. —— (decided June 23, 1975), slip opinion, p. 7–8; *Wardius* v. *Oregon*, 412 U.S. 470 (1973); *Williams* v. *Florida*, 399 U.S. 78 (1970).

[15] H. Doc. 93–292, p. 63.

[16] E.g., *United States* v. *Venn*, 41 F.R.D. 540 (S. D. Fla. 1966); *United States* v. *Aeroquip Corp.*, 41 F.R.D. 441 (E. D. Mich. 1966); *United States* v. *Zirpolo*, 288 F. Supp. 993

(D. N.J. 1968); *United States* v. *Deardorff*, 343 F. Supp. 410 (E. D. La. 1972); *United States* v. *Marx*, 364 F. Supp. 1022, 1030 (E. D. Ky. 1973).

[17] *United States* v. *Percevault*, 490 F. 2d 126, 130–131 (2d Cir. 1947).

[18] *Jencks* v *United States*, 353 U.S. 657.

[19] See Hearings, pp. 170–172.

[20] See 18 U.S.C. 3432.

[21] Hearings, pp. 142, 145, 147, 160, 161, 164, 166, 174. An amendment to delete Rule 16(a)(1)(E) was offered on the Floor of the House and failed by a narrow vote, 216 to 199. See 121 Cong. Rec., pp. H 5650–5658, June 18, 1975 (daily ed.).

[22] See Rule 15(g), as proposed by the Supreme Court, H. Doc. 93–292, p. 12.

[23] Hearings, p. 166.

[24] *United States* v. *Nobles*, *supra* note 18.

[25] See 121 Cong. Rec., p. H 5057, Une 6, 1975 (daily ed.); but see, Separate Views of Ms. Holtzman and Mr. Drinan, H. Rept. 94–247, p. 38, stating that one of the "improvements" made by H.R. 6799 was "narrowing the work product exception by conforming the definition of work product in criminal cases to that contained in the Federal Rules of Civil Procedure."

[26] Footnote not printed.

[27] *Sea Colony, Inc.* v. *Continental Insurance Co.*, 63 F.R.D. 113, 114 (D. Del. 1974).

[28] See also 121 Cong. Rec., pp. H 5057–5058, June 6, 1975 (daily ed.)

[29] *Illinois* v. *Allen*, 397 U.S. 337 (1970).

Mr. President, I ask unanimous consent to have printed in the Record a comparison between the proposed Senate amendment and H.R. 6799.

There being no objection, the comparison was ordered to be printed in the Record, as follows:

Federal Rules of Criminal Procedure

COMPARISON BETWEEN PROPOSED SENATE AMENDMENT AND H.R. 6799

(* Denotes Differences)

1. Rule 4 (a) and (b)—same as H.R. 6799.

2. Rule 4(c)—same as H.R. 6799.

3. Rule 4(d)—same as H.R. 6799.

*4. Rule 4(e)(3). Senate amendment re-adopts present law which permits a summons to be served upon a defendant by leaving a copy with a responsible adult at his usual place of abode or mailing a copy to his last known address. The House bill amended present law to require both.

5. Rule 9(a)—same as H.R. 6799.

*6. Rule 11(c). Senate amendment approves the Supreme Court rule concerning advice to a defendant in a plea hearing. The House expanded the list.

*7. Rule 11(e)(1). Senate amendment clarifies the Supreme Court proposal without substantive change. House bill has no counterpart.

8. Rule 11(e)(2)—same as H.R. 6799.

9. Rule 11(e)(4)—same as H.R. 6799.

10. Rule 11(e)(4)—same as H.R. 6799.

*11. Rule 11(e)(6). Deals with use of statements made by a defendant in a plea hearing. Senate amendment would strike this provision altogether and leave it to the Rules of Evidence, which would permit on the record statements to be used for impeachment and in a prosecution for perjury or false statement. Supreme Court proposal would not permit any use and the House bill would permit use of such statements in a perjury or false statement prosecution, provided it was made (a) on the record, (b) under oath, and (c) in the presence of counsel.

12. Rule 12(e)—same as H.R. 6799.

13. Rules 12(h)—same as H.R. 6799.

14. Rule 12(1)—same as H.R. 6799.

*15. Rule 12.2(c). Deals with the authority of a court to order a psychiatric examination when a defendant gives notice that he intends to raise an insanity defense at trial. The House added a restriction which would not permit use of statements made by the defendant in the course of the examination before the trier of fact prior to determination of guilt. Senate amendment approves the Supreme Court proposal without the language added by the House. This is done to give the courts an opportunity to develop appropriate uses on a case-by-case basis under the Constitution before placing limits through the rule-making process.

16. Rule 15(a)—Same as H.R. 6799.

17. Rule 15(b)—Same as H.R. 6799.

18. Rule 15(c)—Same as H.R. 6799.

*19. Rule 15(g). Defines "unavailability" for purposes of use of depositions. Supreme Court proposal duplicates the definition in Rule 804 of the Rules of Evidence. The House bill narrows the definition by dropping unavailability based on a court exemption on the ground of privilege. The Senate amendment approves the Supreme Court proposal on the ground that the definition should be consistent with the Rules of Evidence or eliminated as unnecessary in the Criminal Rules. It also should be noted that the definition of "unavailability" does not, in itself, determine the use of a deposition. Depositions can be used at trial or other hearing only to the extent "otherwise admissible under the rules of evidence."

*20. Rule 16(a)(1)(A). In pertinent part, deals with discovery of testimony of a witness before a grand jury where the defendant is a corporation. The Supreme Court proposal, which was approved by the House bill, would permit such discovery as to officers or employees of the defendant who were in a position legally to bind the defendant in respect to activities involved in the charges *either* at the time of the charged acts *or* at the time of the grand jury proceeding. This drastically changes the present law which limits such discovery to officers or employees acting in that capacity at the time of their testimony before the grand jury. In essence, the new rule would create a limited discovery of prosecution witnesses no longer connected with the defendant well in advance of trial and open such witnesses up to bribery and intimidation. The Senate version amends the Supreme Cout proposal to codify present law.

21. Rule 16(a)(1)(B)—Same as H.R. 6799.

22. Rule 16(a)(1)(D)—Same as H.R. 6799.

*23. Rules 16(a)(1)(E), (b)(1)(C), and (c). These rules deal with pre-trial discovery of witnesses. Unlike present law, the Supreme Court proposal would provide for a right of discovery of both sides for the names and addresses of their witnesses. H.R. 6799 amended the rule to limit the obligation to disclose its list of witnesses until three days in advance of trial. Senate amendment deletes 16(a)(1)(E) and (b)(1)(C) from the Supreme Court proposal, thereby retaining the present practice, and makes conforming amendments to 16(c).

*24. Rule 16(a)(2) and (b)(2). Deals with the "work product" exception to discovery. Supreme Court proposal retains present law which prevents discovery of government or defense *document* made by attorneys or their agents in connection with the investigation or prosecution of the case. The House bill would permit discovery of the documents but permit excising of the "mental impressions, conclusions, opinions, or legal theories" of the attorneys or agents. The Senate version adopts the Supreme Court proposal.

*25. Rules 16(b)(1)(A), (b)(1)(B), and (b)(1)(C). Unlike the Supreme Court proposals, the House bill would permit discovery in the government only if, and after, the defendant requests disclosure of comparable material in the possession of the government. Senate amendments return to the Supreme Court proposal permitting independent discovery.

*26. Rule 16(d)(1). Senate bill makes a conforming amendment to this provision required by the deletion of discovery of witnesses, i.e., eliminates reference to the three-day rule.

27. Rule 17(f)(2)—Same as H.R. 6799.

28. Rule 20(d)—Same as H.R. 6799.

29. Rule 32(9)(i)—Same as H.R. 6799.

30. Rule 32(c)(1)—Same as H.R. 6799.

31. Rule 32(c)(3)(A)—Same as H.R. 6799.

32. Rule 32(c)(3)(D)—Same as H.R. 6799.

33. Rule 43(b)(2)—Same as H.R. 6799.

Mr. McCLELLAN. Mr. President, I now yield the floor.

Mr. HRUSKA. Mr. President, I rise in support of amendment No. 690 to H.R. 6799 pertaining to Rules of Criminal Procedure.

Revision of the Rules of Criminal Procedure is a necessary part of the continuing evolution and improvement of the criminal justice system. Taking from the lessons learned under the experience with the old rules, the Supreme Court and the House in turn have labored diligently in drafting the proposed rules. Hearings were subsequently held in the Senate on these rules, and in a number of respects, further improvements have been made in this area as are reflected in amendment No. 690.

I would like to address a few of the issues that have been made during the process of revision from the Supreme Court proposals through H.R. 6799 and the amendment presently before us.

Rules 4 and 9 address the question, of whether the method of beginning the criminal process ordinarily should be by means of summons, whereby the accused would remain at large, or by means of an arrest warrant, with the Government having the burden in a particular case to show that an arrest warrant is preferable.

Present law does not require the Government to make such a showing, rather the Government has the option of arrest or summons.

After careful consideration of both the undesirability of undue interference with the freedom of an individual only accused of crime and the possibilities of disappearance of offenders, evidence, and fruits of crimes, across the wide range of crimes, and after careful consideration of the complexity of proof, on balance it was concluded that the proposals as made in the Court version are too restrictive of arrest warrants. It is therefore my thought that the position reflected in H.R. 6799, as approved by the House and the Senate amendment, are preferable.

Rule 11 raises the question as to whether the judge, in addition to the power to accept or reject a plea agreement containing an agreed sentence, should have the power to accept the agreement but lower the sentence. As he may not fully appreciate all the considerations leading the Government to agree to a certain sentence—that is, it may have been deemed by the prosecution that dropping certain heinous charges was appropriate only because society would be fully protected by a certain high sentence—the resulting "package" approved by the judge might be one the prosecution would never have agreed to. In accord with H.R. 6799, as it passed the House, and as is reflected in the amendment at hand, it was decided that the judge should not be accorded the proposed discretion. There are other methods to accomplish the desired result, that is, the judge could reject the plea agreement and require the parties to renegotiate if he does not like the sentence.

Among the issues posed by rule 16 is whether and when there should be compulsory pretrial discovery of the prosecution's witness list. Again, there is an admittedly difficult balancing of competing interests here. On the one hand, militating in favor of such discovery, is the principle that a trial should not be a game, with the advantage going to he who can surprise most, so as to possibly hinder the other side from bringing out the real truth and weaknesses in the testimony. On the other hand, it is clear that witness tampering and intimidation is a very real problem impeding the search for truth in criminal cases, and that the more in advance of trial a witness is known to the other side, the greater the opportunity for and invitation to such tampering.

Therefore, it is urged that the pending amendment and the position it contains on this point be approved, which would mean the rejection of the positions of both the Supreme Court proposals and the measure as adopted and approved in the other body.

Bear in mind the extreme difficulty that is encountered in obtaining truthful testimony and involvement of witnesses, the timidity of witnesses and the danger of witness harassment and worse, in criminal cases generally. Couple this general reluctance to testify with a case involving violence—or involving an organization behind the defendant as in organized crime cases, white-collar company crimes which depend often on testimony of employees, or crimes involving extremist groups. In view of these factors, I am firmly convinced that pretrial discovery of a prosecution witness list beyond what is voluntarily given by the prosecution, or what may be done pursuant to facilitating operation of the Jencks Act, is unwise. This is so especially in light of the practice by which, where necessary to avoid surprise, a judge can order a continuance in court after it is revealed a witness is being called by the prosecution, in order to allow the defendant to prepare respecting the witness. I thus urge rejection of the positions of both the Supreme Court proposals and H.R. 6799 as it passed in the House, which allow such discovery; I urge rather the adoption of the position of the amendment before us which continues current law.

Two other issues deserve mention. In rule 12.2(c), the Supreme Court proposal authorizes the court to order a psychiatric examination, but does not address the use of statements made by the accused in the course of such examination. An analogous provision, regarding examination to determine competency to stand trial, found in 18 U.S.C. 4244, which is not changed by the Supreme Court proposal, provides that statements shall not be admitted in evidence on the issue of guilt. H.R. 6799, as passed by the House, expands the principle of nonuse by prohibiting use of statements made in the examination prior to the determination of the issue of guilt or innocence, before the judge or jury who will determine that issue. Broadly read, this provision in H.R. 6799 could exclude any statements completely, because all issues—the issue of the insanity defense, as well as all others—are issues of "guilt or innocence." The problem is, of course, how can the fact finder evaluate the psychiatrist's findings as to sanity without these statements? If the House rule means them to be admissible on the defense of insanity, what about other times in the trial when they can become important—for example, on the issue of the specific intention required for crimes; on which the defendant may or may not have claimed mental defect?

A strong case could be made for the argument that when defendant raises the defense of insanity, he waives the privilege against self-incrimination as to these matters, at least insofar as they relate to the issue of sanity, and perhaps beyond, as was provided in an analogous context—the psychotherapist-patient privilege—in rule 504 of the Supreme Court's version of the Federal Rules of Evidence.

But the important point is that the privilege against self-incrimination has not yet been interpreted in this context, and the courts should be free to work out how it applies in the context of particular cases, in some of which, on some issues, tried in a certain way—that is, bifurcated or nonbifurcated—the privilege may demand exclusion, and in others not. A blanket prohibition of a valuable means of getting at the truth should not now be placed on the evidence. A further practical difficulty is seen with the House language or this subject in that it would require that the issue of guilt be determined before that of sanity, or before another fact finding body than the one that determines the issue of guilt.

Thus, I support the position of the Supreme Court's proposal, on this point, as it reflected in the subject amendment.

Rule 16(a)(2) and (b)(2) of H.R. 6799 as passed by the House phrase the well-known work-product exemption from compulsory discovery in terms of "mental impressions, conclusions, opinions, or legal theories" of attorneys and investigators, et cetera, rather than exempting whole documents if they are prepared by attorneys, investigators, et cetera, as under present law continued in the Supreme Court proposal. I submit that the whole documents approach is superior, and avoids the endless arguments as to the nature of the material, and the mechanical problems of separating permitted from unpermitted material found in a single document, that are engendered by the other approach, which has been tried, and found wanting in many cases, under the current Rules of Civil Procedure.

On balance, Mr. President, in view of the many points which are pertinent in this regard, the position of the Supreme Court's proposal regarding work product, as reflected in the subject amendment, is desirable.

Mr. President, I ask unanimous consent that a staff memorandum prepared under my supervision and at my request regarding the work product exemption be printed in the Record following my remarks.

I commend the chairman of the subcommittee, Mr. President, and his staff for the diligent work that was done in pursuing the subject to the point we now enjoy. It will represent a very splendid contribution to the improved quality of the administration of justice and the trial of criminal cases.

In conclusion, Mr. President, I urge support of the amendment at hand and urge speedy action thereon to meet the August 1 deadline.

There being no objection, the memorandum was ordered to be printed in the Record, as follows:

Staff Memorandum on the House Amendment to the Work Product Exception to Discovery in Rule 16(a)(2) as Proposed by the Supreme Court

In the course of proposing extensive amendments to Rule 16 of the Federal Rules of Criminal Procedure so as to greatly broaden the discovery rights of defendants, the Supreme Court nevertheless left intact the language of existing Rule 16(b) (Rule 16(a)(2) in the amendments submitted by the Supreme Court) precluding "the discovery or inspection of the reports, memoranda, or other internal government documents made by the attorney for the government or other government agents in connection with the investigation or prosecution of the case, or of statements made by government witnesses or prospective government witnesses except as provided in 18 United States Code § 3500."

When the Supreme Court amendments were considered in the House Judiciary Committee, an amendment was proposed to Rule 16(a)(2), striking the words, "reports, memoranda, or other internal government documents made by", and substituting the words, "the mental impressions, conclusions, opinions or legal theories of." The basis urged for this proposed change was the need for consistency between the Federal Rules of Criminal Procedure and the Federal Rules of Civil Procedure, that Civil Rule 26(b)(3), which was promulgated in 1970 when the Civil Rules were extensively amended, had substituted the new language for old language comparable to that in existing Rule 16 of the Federal Rules of Criminal Procedure. Thus, it was argued it was important to make the discovery provisions of the Federal Criminal Rules with reference to "work-product" consistent with the language of the Civil Rules which had been most recently amended.

However, an examination of the history and Advisory Committee Notes to Rules 16(b) of the existing Federal Rules of Criminal Procedure and 26(b)(3) of the Federal Rules of Civil Procedure discloses that the rules were intended to serve entirely distinct functions and that, prior to the promulgation of existing Civil Rule 26(b)(3), there was never a provision in any of the Civil Rules comparable to Rule 16(b) of the existing Criminal Rules.

Civil Rule 26(b)(3) provides in pertinent part: "In ordering discovery of such materials when the required showing has been made, the Court shall protect against disclosure of the mental impressions, conclusions, opinions, or legal theories of an attorney or *other representative of a party* concerning the litigation." (Emphasis added.) The Advisory Committee Note to Rule 26 discloses that this language was inserted in the Rule *not* to broaden discovery in civil cases but to *constrict* discovery in view of the interpretations given to the work-product rule established by the Supreme

Court in *Hickman* v. *Taylor*, 329 U.S. 495 (1947), by a number of Federal District and Circuit Courts. In *Hickman*, the Supreme Court indicated that the work-product of an attorney was protected from pretrial disclosure and discovery; however, the Court left open the question as to whether the work-product doctrine extended to preparatory work only of attorneys, or also of other representatives of a party to the litigation. Subdivision (b) (3) of Civil Rule 26 was promulgated to reflect the trend of those cases which protected from disclosure under the work-product doctrine not only materials prepared by an attorney, but also "materials prepared in anticipation of litigation or preparation for trial by or for a party or any representative acting on his behalf." *See* 28 U.S.C.A. Rule 26, Advisory Committee Note, p. 159.

Prior to the amendment of the Federal Criminal Rules in 1966, there had similarly been no rule pertaining to discovery or inspection of reports, memoranda or other internal government documents. However, because the extensive 1966 amendments to Rule 16 broadened discovery by, inter alia, authorizing the Court to require the government to permit inspection and copying "all other books, papers, documents, tangible objects, buildings or places, or copies or portions thereof, which are within the possession, custody or control of the government", it was felt necessary to limit the "broad and general terms in which the items to be discovered are described" by excluding several defined areas of material from disclosure, including "reports, memoranda, and other internal government documents made by government agents in connection with the investigation or prosecution of the case." See 18 U.S.C.A. Rule 16 and Advisory Committee Notes, p. 19. The single Supreme Court case cited as authority for this exclusion was not *Hickman* v. *Taylor*, but rather *Palermo* v. *United States*, 360 U.S. 343 (1959); and the *Palermo* case was concerned not with the parameters of the work-product rule, but of the Jencks Act (18 U.S.C. § 3500).

In Palermo, the petitioner was convicted of income tax evasion for the years 1950, 1951 and 1952 and a critical issue in the case focused upon whether his handwritten record of dividends received in 1951 and 1952 had been given to an accounting firm while it was preparing his returns for those years rather than in 1953, after revenue agents had begun investigating his returns. To impeach the testimony of a partner in the accounting firm that they had not received this record until 1953, petitioner called for and obtained the production of certain documents in the possession of the government; but he was denied production of a 600-word memorandum summarizing parts of a three-and-a-half hour interrogation of the witness by a government agent. In holding that the memorandum was not a "statement" of the type required to be produced under the Jencks Act, the Supreme Court in an opinion by Mr. Justice Frankfurter traced the history of the Jencks Act, observing that "one of the most important motive forces behind the enactment of this legislation was the fear that an expansive reading of *Jencks* [*Jencks* v. *United States*, 353 U.S. 657 (1957)] would compel the undiscriminating production of agents' summaries of interviews regardless of their character or completeness." 360 U.S. at 350. The Court then went on to hold in Palermo:

". . . The purpose of the Act, its fair reading and its overwhelming legislative history compel us to hold that statements of a government witness made to an agent of the government which cannot be produced under the terms of 18 U.S.C. § 3500 cannot be produced at all. 360 U.S. at 351."

Thus, it is clear that the language concerning "reports, memoranda, or other internal government documents. . ." contained in existing Criminal Rule 16(b) and retained by the Supreme Court in its proposed amendments to Rule 16 had a focus of concern different from the 1970 amendments to Civil Rule 26 which sought to expand the definition of "work-product" and thus constrict discovery in civil cases. The 1966 amendment to Criminal Rule 16 was rather concerned with protecting from disclosure to the defendant in criminal cases the statements of witnesses, except at the time of trial for purposes of impeachment, and except under circumstances where those statements had clear indicia of reliability and trustworthiness. See *Palermo v. United States, supra*, 360 U.S. at 349. Clearly, even in expanding the discovery available under Rule 16 in the amendments it recently forwarded to Congress, the Supreme Court intended to adhere to the strictures of the *Palermo* case and old Rule 16, for while the Court proposed the disclosure of the *identities* of both government and defense witnesses, the Court continued to expressly preclude disclosure of statements of such witnesses.

The language adopted by the House would plainly undercut that purpose by permitting pretrial disclosure of witness statements, where the witnesses involved are agents of the government and their statements reflect something other than their "mental impressions, conclusions, opinions, or legal theories. . ." Inasmuch as the House Judiciary Committee rejected a proposal that proposed Rule 16(a)(1)(E) be modified to *expressly* provide for pretrial discovery of statements of government witnesses, it hardly seems that the House intended to provide for such discovery through the back door of an amendment to proposed Rule 16(a) (2). Rather, it appears from a colloquy on the floor of the House between Representative Hungate and Representative Wiggins, that the existing language of the rule concerning "reports, memoranda, or other internal . . . documents" was erroneously construed by the Committee in the House as defining a limited "work-product" concept such as that defined in Civil Rule 26. When the language of existing Rule 16(b) and proposed Rule 16(a) (2) as promulgated by the Supreme Court is examined in the context of the *Palermo* case (from which it had its genesis) and a continuing purpose on the part of both the Supreme Court and the Congress to preclude pretrail disclosure of witness statements in criminal cases, it seems clear that the action of the House in adopting its amendments to Rule 16(a) (2) and 16(b) (2) was inconsistent with other action taken by the House Judiciary Committee when that Committee was explicitly presented with the issue of whether to authorize pretrial discovery of witness statements, as well as with the history and purposes of the *Jencks Act* and the criminal discovery rules.

Mr. THURMOND. Mr. President, I am pleased to support amendment 690 to the Federal Rules of Criminal Procedure, H.R. 6799.

The Supreme Court and the House of Representatives have contributed significantly to improving the proposed amendments to the rules. However, it is my opinion that amendment 690 clarifies and improves upon H.R. 6799 in several areas.

Under rule 4 of the House bill, service of a summons is accomplished by leaving a copy of the summons at the place of the person's residence and by mailing to the person's last known address. Under present law, a summons may be served by leaving a copy at the person's place of residence or by mailing it to the person's last known address. Amendment 690 retains the present law, and, in my opinion, the flexibility afforded under the present law should be retained.

In the area of plea hearings, the present law states that the court must advise the defendant as to what the consequences of making a plea might be. H.R. 6799 greatly expanded the responsibility of the court in advising defendants. The proposed amendment 690 would retain the present law, and I support this approach.

Pretrial discovery is another area of conflict between amendment 690 and H.R. 6799. As the law now stands, the defendant has no right to pretrial discovery of prosecution witnesses. Under H.R. 6799, a 3-day discovery period prior to the trial would be allowed. Amendment 690 would delete this 3-day discovery period, and I concur in that decision. If pretrial discovery of prosecution witnesses is allowed, the possibility of harassment of witnesses would exist, and such a decision could play havoc with our judicial system.

Mr. President, I urge my colleagues to join in approving amendment 690.

Mr. HRUSKA. Mr. President, I offer an amendment and send it to the desk for immediate consideration.

The PRESIDING OFFICER (Mr. ALLEN). The clerk will state the amendment.

The legislative clerk read as follows:

On page 10, before line 1, insert the following:

"(17) Rule 15(e) is amended by striking after the word 'unavailable' the words 'as used in subsection (g) of this section' and in lieu thereof insert 'as defined in Rule 804(a) of the Federal Rules of Evidence'."

"(18) Rule 15(g) is deleted" and subdivision (h) is redesignated as "(g)"

Subsequent paragraphs of the amendment are redesignated accordingly.

Mr. HRUSKA. Mr. President, the amendment I am offering is simply a technical amendment. It does not change the substance of rule 15 in any way. Rule 15, as submitted by the Supreme Court, and as carried forward in the amendment in the nature of a substitute, provides for the admissibility of depositions in certain limited cases. It contains a definition of when a witness is "unavailable" which is virtually identical with rule 804(a) of the Federal Rules of Evidence.

When these rules were initially proposed, the Federal Rules of Evidence had not yet been adopted. Therefore, the draftsmen included a definition of unavailability in rule 15 to that in the proposed rules of evidence. Since the rules of evidence incorporating this rule of unavailability have now been adopted, this amendment eliminates this redundant definition and simply references rule 804(a) directly.

I yield back the remainder of my time on this amendment.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. McCLELLAN. Mr. President, I am prepared to accept the amendment. It is just as the distinguished Senator from Nebraska says; it is a perfecting amendment. It is appropriate. I am prepared to accept it. I yield back the remainder of my time.

Mr. MORGAN. Mr. President, I ask

unanimous consent to call for a quorum, and that the time not be charged against either side.

The PRESIDING OFFICER. Is there objection?

Mr. McCLELLAN. We are trying to expedite this, not for ourselves but for the whole Senate.

Mr. MORGAN. Mr. President, I will be glad to explain my reason, if there is no objection.

The PRESIDING OFFICER. The question is on the amendment, unless unanimous consent is granted.

Mr. McCLELLAN. Let us get this amendment.

Mr. MORGAN. I think——

Mr. McCLELLAN. Mr. President, I yield time.

The PRESIDING OFFICER. All time has been yielded back which would open the way for recognition of the distinguished Senator from North Carolina. The distinguished Senator is recognized for suggesting the absence of a quorum.

Mr. HRUSKA. Mr. President, I do not understand the request.

Mr. MORGAN. Mr. President, the reason I suggest it, and I do not know whether I am in order or not, is that I find myself in a parliamentary box.

The PRESIDING OFFICER. The Senator is in order for suggesting the absence of a quorum but not for discussion. Does the Senator suggest the absence of a quorum?

Mr. HRUSKA. Reserving the right to object, Mr. President——

The PRESIDING OFFICER. The clerk will please call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MORGAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCLELLAN. Mr. President, I ask for disposition of the pending amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Nebraska.

The amendment was agreed to.

Mr. McCLELLAN. Mr. President, I yield 10 minutes to the distinguished Senator from North Carolina.

Mr. MORGAN. Mr. President, I find myself in a dilemma, in that I had prepared myself for debate this morning on the original act, and in preparing for the debate I, of course, had called and talked with numerous persons in my home State, including a judge of the U.S. District Court and a number of practicing lawyers.

I personally was in favor of and supported the bill as it was proposed, though I had a couple of relatively minor amendments that I had planned to offer. But the manager of the bill, the distinguished Senator from Arkansas, asked that a substitute bill be considered, and I did not interpose any objection, which of course was my own fault, but now I find that the substitute bill is rather detailed, and in my own opinion would probably be substantially different from the original bill.

The Senator from Nebraska and the Senator from Arkansas have been good enough to let me read their explanations, but these explanations refer back to some Federal Rules of Criminal Procedure which are not available to me here now, and refer back to other laws that are on the books, and it would take more time than I think is available to the Senate for me to try to make an adequate comparison and voice either my approval or my objection.

Because of that fact, I can only express to the Senate the fact that I do have or would oppose some of the differences in the substitute from the original bill, but again because of time limitations which we all have agreed to, I would not be in a position to debate those adequately and fully. So I just simply state my views and, if time permits and if the House of Representatives fails to concur in the amendments, I may very well submit a brief to the conferees to the end that my views may be given some consideration by the conference committee.

I thank the Chair.

The PRESIDING OFFICER (Mr. McINTYRE). The bill is open for further amendment.

Mr. McCLELLAN. Mr. President, I have two perfecting amendments at the desk, and I ask that they be stated.

The PRESIDING OFFICER. The amendments will be stated.

The assistant legislative clerk read as follows:

The Senator from Arkansas (Mr. McCLELLAN) proposes the following amendments:

The amendments are as follows:

> On page 12, line 9, after the word "discovery" add the words "or inspection."
>
> On page 14, line 14, the word "to" should be changed to the word "or."

Mr. McCLELLAN. Mr. President, I ask that the amendments be considered en bloc.

The PRESIDING OFFICER. Without objection, the amendments are considered en bloc.

Mr. McCLELLAN. Mr. President, I yield back the remainder of my time on the amendments.

Mr. HRUSKA. Mr. Prsident, I yield back the time I have on the amendments.

The PRESIDING OFFICER. The question is on agreeing to the perfecting amendments (putting the question).

The perfecting amendments were agreed to.

AMENDMENTS TO RULES OF CRIMINAL PROCEDURE

Mr. PHILIP A. HART. Mr. President, I am going to support the amendment in the nature of a substitute to H.R. 6799 offered by the able Senator from Arkansas. Were the Senate not in the position of having before it the important question of a contested Senate seat for New Hampshire, and a bill to extend the Voting Rights Act, upon which the Congress must act to allow the President to sign a law by August 6, I would seek full consideration by the Judiciary Committee on this measure. However, this bill to amend the amendments to the Criminal Rules, is also under a time deadline; action must be completed by August 1.

Therefore, I intend to offer no amendments to the substitute. However, I would like to comment briefly on certain matters. First, rules 4 and 9, as passed by the House and as contained in the Senate bill, preserve existing law under which the U.S. attorney determines whether to issue a warrant for arrest or a summons. The Supreme Court rule, on the other hand, would have permitted the issuance of a warrant only upon a showing of a "valid reason." The Department of Justice criticized this criteria as giving too vague a standard to determine when an arrest warrant was justified. Moreover, in their testimony before the Senate Judiciary Committee, several U.S. attorneys said they customarily issue a summons in minor cases or in cases of nonviolent offenses. There is no extensive evidence of widespread abuse in the issuance of arrest warrants in the hearing record—though the record is far from complete.

Given this state of affairs, I would like to recommend that the Judiciary Committee request that the Attorney General conduct a study of the arrest practices of each U.S. attorney—and that he develop guidelines of the issuance of arrest warrants. I would recommend as a starting point the criteria suggested by James Thompson, attorney of the northern district of Illinois, in the House hearings at pages 66 and 67. Perhaps after experience under some uniform criteria such as these—and I do not agree completely with his criteria—a decision could be made as to whether review by a magistrate on the decision to arrest is desirable. But I would urge that the Attorney General look into this matter.

Second, I have grave reservations about the independent right of discovery of certain documents and tests permitted under rule 16, which conforms to the Supreme Court rule. However, the House amended the rule to preserve present law to permit such discovery only upon its initiation by the defendant. Placing this decision in the hands of the defendant obviates any self-incrimination issue because it is the defendant who initiates the disclosure process. On the other hand, providing an independent right of discovery to the prosecution does raise fifth amendment questions because the fifth amendment basically provides that a defendant may remain silent and the Government must prove its case beyond reasonable doubt. Although the ostensible purpose of this pretrial discovery may be to assist the Government in rebutting the defendant's case in chief, nothing in the rule, and no practical limitation could prevent the Government from using this information or leads obtained from it in the prosecution's case in chief. As Prof. Charles Alan Wright, a noted constitutional scholar, said:

> But this appealing argument (for independent discovery) may not be a complete answer. Defendant will shortly reveal those things he intends to produce only if the Government has first made a case against him sufficient to survive a motion for directed verdict. Unless the Government can prove a case sufficient to go to the jury, a defendant need prove nothing. There is nothing in Rule 16, as amended which prevents the Government from using material which it has obtained by discovery as part of its own case-in-chief and thus it may be that there will be cases where the Government is able to

make a prima facie case only with the aid of evidence it has obtained by discovery.

For this reason, I hope that the Senate conferees will adopt the House amendment requiring reciprocal defendant-initiated discovery.

Mr. President, while I do not agree with every provision in the amendment offered as a substitute to the House bill, I want to commend the able Senator from Arkansas and his staff for their efforts under the difficult circumstances in which we find ourselves, including the unavailability of the chairman, which prevented the Judiciary Committee from acting on this measure, as well as the Senate's preoccupation with several matters of overriding importance.

Mr. McCLELLAN. Mr. President, if there are no further amendments I yield back all remaining time I have on the bill.

Mr. HRUSKA. Mr. President, I yield back all remaining time I have on the bill.

Mr. McCLELLAN. Mr. President, I ask for the third reading of the bill.

The PRESIDING OFFICER. The question is on the engrossment of the amendments and the third reading of the bill.

The amendments are ordered to be engrossed and the bill to be read a third time.

The bill (H.R. 6799) was read the third time, and passed.

Mr. HRUSKA. Mr. President, I move that the Senate reconsider the vote by which the bill was passed.

Mr. McCLELLAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MORGAN. Mr. President, I was over in this corner trying to vote "no" on the bill. I am not sure if my vote was heard.

I ask that the Record reflect that I did vote "no" on the bill.

The PRESIDING OFFICER. The Record will so reflect.

Mr. McCLELLAN. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make such technical and clerical corrections as necessary in the engrossment of the Senate amendments to H.R. 6799.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCLELLAN. Mr. President, I move that the Senate insist upon its amendments and request a conference with the House of Representatives and that the Chair be authorized to appoint conferees on the part of the Senate.

The motion was agreed to, and the Presiding Officer (Mr. McIntyre) appointed Mr. McClellan, Mr. Philip A. Hart, Mr. Abourezk, Mr. Hruska, and Mr. Hugh Scott conferees on the part of the Senate.

EDUCATION DIVISION AND RELATED AGENCIES APPROPRIATIONS, 1976—CONFERENCE REPORT

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of the conference report on H.R. 5901, which will be stated by title.

The assistant legislative clerk read as follows:

> The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 5901) making appropriations for the Education Division and related agencies, for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The Senate proceeded to consider the report.

(The conference report is printed in the House proceedings of the Congressional Record of July 11, 1975, at p. 22421.)

The PRESIDING OFFICER. Time for debate on this conference report is limited to 2 hours, to be equally divided and controlled by the Senator from Washington (Mr. Magnuson) and the Senator from Massachusetts (Mr. Brooke), with 30 minutes on the amendment in disagreement.

QUORUM CALL

Mr. McCLELLAN. Mr. President, I suggest the absence of a quorum with the time not to be charged to either side.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk called the roll, and the following Senators entered the Chamber and answered to their names:

[Quorum No. 56 Leg.]

Allen
Bentsen
Brooke
Byrd, Robert C.
Chiles
Dole
Fannin
Fong
Ford
Hart, Gary W.
Haskell
Hathaway
Hruska
Magnuson
Mansfield
McClellan
McClure
McIntyre
Morgan
Nunn
Pearson
Stafford
Stennis
Stevens
Taft
Talmadge
Thurmond

The PRESIDING OFFICER (Mr. McIntyre). A quorum is not present.

Mr. MANSFIELD. Mr. President, I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

The motion was agreed to.

The PRESIDING OFFICER. The Sergeant at Arms will execute the order of the Senate.

Pending the execution of the order, the following Senators entered the Chamber and answered to their names:

Abourezk
Baker
Bartlett
Bayh
Beall
Bellmon
Biden
Brock
Buckley
Bumpers
Burdick
Byrd, Harry F., Jr.
Case
Church
Clark
Cranston
Culver
Curtis
Domenici
Eagleton
Garn
Glenn
Goldwater
Gravel
Hansen
Hart, Philip A.
Hartke
Hatfield
Helms
Hollings
Huddleston
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Leahy
Long
Mathias
McGee
McGovern
Metcalf
Mondale
Montoya
Moss
Muskie
Nelson
Packwood
Pastore
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Scott, William L.
Sparkman
Stevenson
Stone
Symington
Tower
Tunney
Weicker
Williams
Young

Mr. ROBERT C. BYRD. I announce that the Senator from Mississippi (Mr. Eastland) is necessarily absent.

I also announce that the Senator from Nevada (Mr. Cannon) is absent attending the funeral of Congressman Baring.

Mr. HUGH SCOTT. I announce that the Senator from Michigan (Mr. Griffin) is absent due to a death in the family.

I also announce that the Senator from Nevada (Mr. Laxalt) is absent attending a funeral.

The PRESIDING OFFICER (Mr. McIntyre). A quorum is present.

The Senator from Washington.

Mr. BAYH. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. MAGNUSON. Yes.

Mr. BAYH. Mr. President, I ask unanimous consent that Barbara Dixon of my staff be granted privilege of the floor during the debate.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MAGNUSON. Mr. President, I move that the Senate agree to the conference report.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

Mr. ALLEN. I have a question in connection with the conference report.

Mr. MAGNUSON. I wish to make a statement on it.

Mr. ALLEN. I wanted to ask a question on it before the conference report was agreed to.

Mr. MAGNUSON. There will be plenty of opportunity.

Mr. ALLEN. The Senator asked that it be agreed to. I wanted to ask a question before it is agreed to.

Mr. MAGNUSON. I asked that it be agreed to get it before the Senate.

Mr. ALLEN. No. If it is agreed to it is taken away from the Senate.

Mr. MAGNUSON. We will simply vote on the items in agrement, but go ahead and ask the question.

Mr. ALLEN. I just want to know how much money is involved in the overall appropriation.

Mr. MAGNUSON. If the Senator from Alabama will be a little bit patient, the chairman of the committee has a statement with which I will point those things out. I will put them into the Record.

The PRESIDING OFFICER. Prior to the question of agreeing to the conference report we will hear the explanation.

Mr. ALLEN. Very well.

Mr. MAGNUSON. Mr. President, I will be very brief but I want to say a few words about this bill. It is an important bill for many reasons.

It is the first regular appropriations bill to be passed this fiscal year. We began work on this bill months ago. From the beginning, the Congress committed itself to getting this bill through early, so the schools and colleges can better plan for next year.

Earlier this year, as part of the new budget reform, the Congress set up ceilings on appropriations bills. This bill is the first test of that new system. As far as I am concerned, we passed the test with flying colors. Not only is the bill under the ceiling—it is under by about $700 million—$700 million.

Those who are looking for the inflationary impact of this bill will have to look awfully hard. The bill totals $7.5 billion—but most of the money will not be spent until fiscal year 1977 and beyond.

But this bill is important for other reasons. Next year's costs are small compared to the benefits in years to come. Education is not a spigot we can turn off and on. A good education system is a national challenge. If we are to meet this challenge, we need to commit scarce resources. If we let down our guard, it will be the children who suffer. The cities and towns and their school districts around the country recognize this, and they face the problem every day. If we allow the system to flounder for just 1 year, we weaken a whole future generation of our young people. If that happens, you cannot make it up later. If anyone is wondering what difference this bill will make to this country's future:

It will make a difference to the poor and disadvantaged children who would otherwise leave school without a good education. They will not end up in low-paying, unskilled jobs.

It will make a difference to some of the million handicapped children in this country. As it stands now, about one-third of them go on welfare because they do not have a proper education.

It will make a difference to the young people who want to go to college but cannot afford it. Without this help, many of them will end up in the unemployment lines.

This is not a "quick-fix" bill, as some people downtown believe. This is a carefully-thought-out step in the right direction. This is not a collection of new and glamorous programs. It is simply carrying on tried and proven programs to help educate our children, programs enacted by Congress and signed into Public Law by the President. Many of the programs are continued at last year's level. Our main concern was to take in the children and students who may have been shut off from help before.

I think the Members should also be aware that a large part of the increase in this bill—$414 million—is to keep the impact area aid program going. The way the law is written for this program, impact aid must be funded at certain levels before any of it can be funded. The Congress has simply met the basic requirements in the law.

We all realize that there is a strong chance that this bill will be vetoed.

I am not in a position to tell anyone what to do in that light. But I wonder, if this bill is vetoed, who is going to tell the school people back home—where they now get less than 8 percent of their support from the Federal Government. Who is going to tell them?

Who is going to tell the needy children and the handicapped that the bill is over the budget request, so it is automatically unacceptable? Who is going to tell them that the latest so-called saving is at their expense and sacrifice? I underline "so-called."

I hope the Senate will agree to the conference report. And I hope those who are advising the President will take a long, hard look at what is in this bill.

I ask unanimous consent to have printed in the RECORD at this point a detailed table of the amounts contained in this bill.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

EDUCATION DIVISION AND RELATED AGENCIES APPROPRIATIONS BILL, H.R. 5901

Agency/appropriation	1975 appropriation	1976 budget estimate	1976 House allowance	1976 Senate allowance	Conference agreement	Conference agreement compared with—			
						1975 appropriation	Budget estimate	House allowance	Senate allowance
TITLE I—EDUCATION DIVISION									
OFFICE OF EDUCATION									
Elementary and Secondary Education									
1. Grants for disadvantaged	$1,876,000,000	[1] ($1,900,000,000)	[1] ($1,900,000,000)	[1] ($1,900,000,000)	[1] ($1,900,000,000)	−$1,876,000,000			
Advance for 1977		1,900,000,000	2,050,000,000	2,050,000,000	2,050,000,000	+2,050,000,000	+$150,000,000		
2. Support and innovation grants	141,495,000	[1] (172,888,000)	[1] (172,888,000)	[1] (172,888,000)	[1] (172,888,000)	−141,495,000,000			
Advance for 1977		172,888,000	172,888,000	184,521,852	184,521,852	+184,521,852	+11,633,852	+$11,633,852	
3. Bilingual education:									
(a) Grants to school districts	53,370,000	46,900,000	60,000,000	65,000,000	62,500,000	+9,130,000	+15,600,000	+2,500,000	−$2,500,000
(b) Training grants	21,000,000	16,000,000	25,370,000	25,370,000	25,370,000	+4,370,000	+9,370,000		
(c) Curriculum development	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000				
(d) Bilingual vocational grants	2,800,000		2,800,000	2,800,000	2,800,000		+2,800,000		
(e) Advisory councils	100,000	100,000	100,000	100,000	100,000				
Subtotal	84,270,000	70,000,000	95,270,000	100,270,000	97,770,000	+13,500,000	+27,770,000	+2,500,000	−2,500,000
4. Right to read	12,000,000	12,000,000	12,000,000	22,000,000	17,000,000	+5,000,000	+5,000,000	+5,000,000	−5,000,000
5. Follow through	55,000,000	41,500,000	59,000,000	59,000,000	59,000,000	+4,000,000	+17,500,000		
6. Drug abuse education	4,000,000		2,000,000	2,000,000	2,000,000	−2,000,000	+2,000,000		
7. Environmental education	1,900,000		2,000,000	4,000,000	3,000,000	+1,100,000	+3,000,000	+1,000,000	−1,000,000
8. Educational broadcasting facilities	12,000,000	7,000,000	10,000,000	15,000,000	12,500,000	+500,000	+5,500,000	+2,500,000	−2,500,000
9. Equipment and minor remodeling	250,000					−250,000			
10. Assistance to States for State equalization plan				10,000,000					−10,000,000
Total	2,187,415,000	2,203,388,000	2,403,158,000	2,446,791,852	2,425,791,852	+238,376,852	+222,403,852	+22,633,852	−21,000,000
School Assistance in Federally Affected Areas									
1. Maintenance and operations:									
(a) Payments for "A" children	223,900,000	162,000,000	248,737,758	248,737,758	248,737,758	+24,837,758	+86,737,758		
(b) Payments for "B" children	354,616,000	40,000,000	341,597,262	341,597,262	341,597,262	−13,018,738	+301,597,262		
(c) Special provisions	14,500,000	8,000,000	12,664,980	12,664,980	12,664,980	−1,835,020	+4,664,980		
(d) Payments to other Federal agencies	43,000,000	46,000,000	46,000,000	46,000,000	46,000,000	+3,000,000			
(e) Savings provisions				51,000,000	11,000,000	+11,000,000		+11,000,000	−40,000,000
Subtotal	636,016,000	256,000,000	649,000,000	700,000,000	660,000,000	+23,984,000	+404,000,000	+11,000,000	−40,000,000
2. Construction	20,000,000	10,000,000	10,000,000	25,000,000	20,000,000		+10,000,000	+10,000,000	−5,000,000
Total	656,016,000	266,000,000	659,000,000	725,000,000	680,000,000	+23,984,000	+414,000,000	+21,000,000	−45,000,000
Transition budget		5,000,000	70,000,000	70,000,000	70,000,000	+70,000,000	+65,000,000		

Footnote at end of table.

EDUCATION DIVISION AND RELATED AGENCIES APPROPRIATIONS BILL, H.R. 5901—Continued

Agency/appropriation	1975 appropriation	1976 budget estimate	1976 House allowance	1976 Senate allowance	Conference agreement	Conference agreement compared with—			
						1975 appropriation	Budget estimate	House allowance	Senate allowance
Emergency School Aid									
1. Special projects:									
(a) Bilingual education projects	9, 052, 000		8, 000, 000	9, 052, 000	8, 600, 000	−452, 000	+8, 600, 000	+600, 000	−452, 000
(b) Educational television	6, 794, 000		6, 000, 000	6, 794, 000	6, 450, 000	−344, 000	+6, 450, 000	+450, 000	−344, 000
(c) Special programs and projects	11, 309, 000	74, 250, 000	10, 000, 000	11, 309, 000	10, 750, 000	−559, 000	−63, 500, 000	+750, 000	−559, 000
Subtotal	27, 155, 000	74, 250, 000	24, 000, 000	27, 155, 000	25, 800, 000	−1, 355, 000	−48, 450, 000	+1, 800, 000	−1, 355, 000
2. State apportionment:									
(a) Pilot programs	33, 948, 000		30, 000, 000	33, 948, 000	32, 250, 000	−1, 698, 000	+32, 250, 000	+2, 500, 000	−1, 698, 000
(b) Special programs and projects	18, 103, 000		16, 000, 000	18, 103, 000	17, 200, 000	−903, 000	+17, 200, 000	+1, 200, 000	−903, 000
(c) General grants to school districts	133, 537, 000		128, 000, 000	133, 537, 000	137, 600, 000	+4, 063, 000	+137, 600, 000	+9, 600, 000	+4, 063, 000
Subtotal	185, 588, 000		174, 000, 000	185, 588, 000	187, 050, 000	+1, 462, 000	+187, 050, 000	+13, 050, 000	+1, 462, 000
3. Civil rights advisory services	26, 700, 000	26, 700, 000	26, 700, 000	26, 700, 000	26, 700, 000				
4. Evaluation	2, 257, 000	750, 000	2, 000, 000	2, 257, 000	2, 150, 000	−107, 000	+1, 400, 000	+150, 000	−107, 000
Total	241, 700, 000	101, 700, 000	226, 700, 000	241, 700, 000	241, 700, 000		+140, 000, 000	+15, 000, 000	
Transition budget		325, 000	325, 000	325, 000	325, 000	+325, 000			
Education for the Handicapped									
1. State assistance:									
(a) State grant program	100, 000, 000	[1] (100, 000, 000)	[1] (100, 000, 000)	[1] (100, 000, 000)	[1] (100, 000, 000)	−100, 000, 000			
Advance for 1977		50, 000, 000	110, 000, 000	110, 000, 000	110, 000, 000	+110, 000, 000	+60, 000, 000		
(b) Deaf-blind centers	12, 000, 000	16, 000, 000	16, 000, 000	16, 000, 000	16, 000, 000	+4, 000, 000			
(c) Severely handicapped projects	2, 826, 000	3, 250, 000	3, 250, 000	3, 250, 000	3, 250, 000	+424, 000			
Subtotal	114, 826, 000	69, 250, 000	129, 250, 000	129, 250, 000	129, 250, 000	+14, 424, 000	+60, 000, 000		
2. Innovation and development:									
(a) Early childhood education	13, 330, 000	22, 000, 000	22, 000, 000	22, 000, 000	22, 000, 000	+8, 670, 000			
(b) Specific learning disabilities	3, 250, 000	4, 250, 000	4, 250, 000	5, 000, 000	5, 000, 000	+1, 750, 000	+250, 000	+250, 000	
(c) Regional vocational, adult, and postsecondary programs	575, 000	2, 000, 000	2, 000, 000	2, 000, 000	2, 000, 000	+1, 425, 000			
(d) Research and demonstration	9, 341, 000	11, 000, 000	11, 000, 000	11, 000, 000	11, 000, 000	+1, 659, 000			
Subtotal	26, 496, 000	39, 250, 000	39, 250, 000	40, 000, 000	40, 000, 000	+13, 504, 000	+250, 000	+250, 000	
3. Media and resource services:									
(a) Media services and captioned films	13, 250, 000	16, 000, 000	15, 250, 000	16, 250, 000	16, 250, 000	+3, 000, 000	+250, 000		
(b) Regional resource centers	7, 087, 000	9, 750, 000	10, 000, 000	10, 000, 000	10, 000, 000	+2, 913, 000	+250, 000		
(c) Recruitment and information	500, 000	1, 000, 000	500, 000	500, 000	500, 000		−500, 000		
Subtotal	20, 837, 000	26, 750, 000	26, 750, 000	26, 750, 000	26, 750, 000	+5, 913, 000			
4. Special education manpower development	37, 700, 000	39, 750, 000	39, 750, 000	41, 750, 000	40, 375, 000	+2, 675, 000	+625, 000	+625, 000	−1, 375, 000
Total	199, 859, 000	175, 000, 000	235, 000, 000	237, 750, 000	236, 375, 000	+36, 516, 000	+61, 375, 000	+1, 375, 000	−1, 375, 000
Transition budget		13, 100, 000	10, 500, 000	10, 500, 000	10, 500, 000	+10, 500, 000	−1, 600, 000		
Occupational, Vocational, and Adult Education									
1. Vocational education:									
(a) Grants to States for vocational education:									
(1) Basic vocational education programs	$420, 978, 000	$358, 684, 000	$395, 080, 200	$435, 978, 000	$415, 529, 100	−5, 448, 900	+56, 845, 100	+20, 448, 900	−20, 448, 900
(2) Programs for students with special needs	20, 000, 000		20, 000, 000	20, 000, 000	20, 000, 000		+20, 000, 000		
(3) Consumer and homemaking education	35, 994, 000		35, 994, 000	45, 994, 000	40, 994, 000	+5, 000, 000	+40, 994, 000	+5, 000, 000	−5, 000, 000
(4) Work-study	9, 849, 000		9, 849, 000	9, 849, 000	9, 849, 000		+9, 849, 000		
(5) Cooperative education	19, 500, 000		19, 500, 000	19, 500, 000	19, 500, 000		+19, 500, 000		
(6) State advisory councils	4, 316, 000	4, 316, 000	4, 316, 000	4, 316, 000	4, 316, 000				
Subtotal	510, 637, 000	363, 000, 000	484, 739, 200	535, 637, 000	510, 188, 100	−448, 900	+147, 188, 100	+25, 448, 900	−25, 448, 900
(b) Vocational research:									
(1) Innovation	16, 000, 000	160, 000, 000	16, 000, 000	16, 000, 000	16, 000, 000		−144, 000, 000		
(2) Curriculum development	1, 000, 000		1, 000, 000	1, 000, 000	1, 000, 000		+1, 000, 000		
(3) Research	18, 000, 000		43, 897, 800	18, 000, 000	18, 000, 000		+18, 000, 000	−27, 897, 800	
Subtotal	35, 000, 000	160, 000, 000	60, 897, 800	35, 000, 000	35, 000, 000		−125, 000, 000	−25, 897, 800	
2. Adult education	67, 500, 000	[1] (67, 500, 000)	[1] (67, 500, 000)	[1] (67, 500, 000)	[1] (67, 500, 000)	−67, 500, 000			
Advance for 1977		67, 500, 000	71, 500, 000	71, 500, 000	71, 500, 000	+71, 500, 000	+4, 000, 000		

EDUCATION DIVISION AND RELATED AGENCIES APPROPRIATIONS BILL, H.R. 5901

Agency/appropriation	1975 appropriation	1976 budget estimate	1976 House allowance	1976 Senate allowance	Conference agreement	Conference agreement compared with—			
						1975 appropriation	Budget estimate	House allowance	Senate allowance
TITLE I—EDUCATION DIVISION—Continued									
OFFICE OF EDUCATION—Continued									
3. Educational personnel:									
(a) Teacher corps	37,500,000	37,500,000	37,500,000	37,500,000	37,500,000				
(b) Other education professions development:									
(1) Elementary and secondary training	8,139,000	5,212,000	5,212,000	5,712,000	5,462,000	−2,677,000	+250,000	+250,000	−250,000
(2) Vocational education	9,000,000		9,000,000	11,000,000	10,000,000	+1,000,000	+10,000,000	+1,000,000	−1,000,000
(3) Higher education	2,100,000					−2,100,000			
(4) Educational leadership		3,000,000					−3,000,000		
Subtotal	56,739,000	45,712,000	51,172,000	54,212,000	52,962,000	−3,777,000	+7,250,000	+1,250,000	−1,250,000
Total	669,876,000	636,212,000	668,849,000	696,349,000	669,650,100	−225,900	+33,438,100	+801,000	−26,698,900
Transition budget		17,000,000	151,000,000	151,000,000	151,000,000	+151,000,000	+134,000,000		
Higher Education									
1. Student assistance:									
(a) Basic opportunity grants	660,000,000	1,050,000,000	660,000,000	795,000,000	715,000,000	+55,000,000	+335,000,000	+55,000,000	+80,000,000
(b) Supplemental opportunity grants	240,300,000		240,093,000	240,093,000	240,093,000	−207,000	+240,093,000		
(c) Work-study	300,200,000	250,000,000	360,000,000	420,000,000	390,000,000	+89,800,000	+140,000,000	+30,000,000	−30,000,000
(d) Subsidized insured loans—interest subsidies	382,400,000	452,000,000	452,000,000	452,000,000	452,000,000	+69,600,000			
(e) Direct loans:									
(1) Federal capital contributions	321,000,000		321,000,000	300,000,000	321,000,000		+321,000,000		+21,000,000
(2) Loans to institutions	2,000,000		2,000,000	2,000,000	2,000,000		+2,000,000		
(3) Teacher cancellations	6,440,000	8,960,000	8,960,000	8,960,000	8,960,000	+2,520,000			
(f) Incentive grants for State scholarships	20,000,000	44,000,000	44,000,000	44,000,000	44,000,000	+24,000,000			
Subtotal, Student aid	1,932,340,000	1,804,960,000	2,088,053,000	2,262,053,000	2,173,053,000	+240,713,000	+368,093,000	+85,000,000	−89,000,000
2. Special programs for the disadvantaged	70,331,000	70,331,000	70,331,000	70,331,000	70,331,000				
3. Institutional assistance:									
(a) Strengthening developing institutions:									
(1) Basic program	52,000,000	52,000,000	52,000,000	52,000,000	52,000,000				
(2) Advanced program	58,000,000	58,000,000	58,000,000	58,000,000	58,000,000				
(b) Language training and area studies:									
(1) Centers, fellowships, and research	11,300,000	8,640,000	11,300,000	15,300,000	13,300,000	+2,000,000	+4,660,000	+2,000,000	−2,000,000
(2) Fulbright-Hays fellowships	2,700,000	1,360,000	2,700,000	2,700,000	2,700,000		+1,340,000		
(c) University community services	14,250,000		10,000,000	14,250,000	12,125,000	−2,125,000	+12,125,000	+2,125,000	−2,215,000
(d) Aid to land-grant colleges	9,500,000		9,500,000	9,500,000	9,500,000		+9,500,000		
(e) State postsecondary education commissions	3,000,000		3,000,000	5,000,000	3,500,000	+500,000	+3,500,000	+500,000	−2,500,000
(f) Veterans cost of instruction	31,250,000		23,750,000	23,750,000	23,750,000	−7,500,000	+23,750,000		
(g) Cooperation education	10,750,000	8,000,000	8,000,000	10,750,000	10,750,000		+2,750,000	+2,750,000	
Subtotal, Institional aid	192,750,000	128,000,000	178,250,000	191,250,000	185,625,000				
4. Personnel developments:									
(a) College teacher fellowships	4,000,000	1,000,000	1,000,000	2,000,000	1,000,000	−3,000,000			−1,000,000
(b) Fellowships for disadvantaged	750,000	750,000	750,000			−750,000	−750,000	−750,000	
(c) Ellender fellowships	500,000	500,000	500,000	500,000	500,000				
(d) Public service fellowships	4,000,000		4,000,000	4,000,000	4,000,000		+4,000,000		
(e) Mining fellowships	1,500,000		1,500,000	3,000,000	3,000,000	+1,500,000	+3,000,000	+1,500,000	
Subtotal	10,750,000	2,250,000	7,750,000	9,500,000	8,500,000	−2,250,000	+6,250,000	+1,750,000	−1,000,000
5. Ethnic heritage studies	1,800,000		1,800,000	1,800,000	1,800,000		+1,800,000		
Total	2,207,971,000	2,005,541,000	2,346,184,000	2,534,934,000	2,439,309,000	+231,338,000	+433,768,000	+93,125,000	−95,625,000
Transition budget		124,000,000	124,000,000	124,000,000	124,000,000				

EDUCATION DIVISION AND RELATED AGENCIES APPROPRIATIONS BILL, H.R. 5901—Continued

Agency/appropriation	1975 appropriation	1976 budget estimate	1976 House allowance	1976 Senate allowance	Conference agreement	Conference agreement compared with—			
						1975 appropriation	Budget estimate	House allowance	Senate allowance
Library Resources									
1. Public libraries	51,749,000	10,000,000	51,749,000	51,749,000	51,749,000		+41,749,000		
2. School libraries and instructional resources	135,580,000	[1] (137,330,000)	[1] (137,330,000)	[1] (137,330,000)	[1] (137,330,000)	−135,580,000			
Advance for 1977		137,330,000	147,330,000	147,330,000	147,330,000	+147,330,000	+10,000,000		
3. College Library resources	9,975,000		9,975,000	9,975,000	9,975,000		+9,975,000		
4. Training and demonstration	3,000,000			3,000,000	1,500,000	−1,500,000	+1,500,000	+1,500,000	−1,500,000
5. Undergraduate instructional equipment	7,500,000			15,000,000	7,500,000		+7,500,000	+7,506 000	−7,500,000
Total	207,804,000	147,330,000	209,054,000	227,054,000	218,054,000	−10,250,000	+70,724,000	+9,000,000	−9,000,000
Innovative and Experimental Programs									
1. Metric projects		2,090,000	2,090,000	2,090,000	2,090,000	+2,090,000			
2. Gifted and talented		2,560,000	2,560,000	2,560,000	2,560,000	+2,560,000			
3. Community schools		3,553,000	3,553,000	3,553,000	3,553,000	+3,553,000			
4. Career education	10,000,000	10,135,000	10,135,000	10,135,000	10,135,000	+135,000			
5. Consumer education		3,135,000	3,135,000	3,135,000	3,135,000	+3,135,000			
6. Women's educational equity		6,270,000	6,270,000	6,270,000	6,270,000	+6,270,000			
7. Arts in education programs	500,000	750,000	750,000	750,000	750,000	+250,000			
8. Packaging and field testing	1,400,000	3,500,000	1,400,000	1,400,000	1,400,000		−2,100,000		
9. Educational TV programing	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000				
Total	18,900,000	38,993,000	36,893,000	36,893,000	36,893,000	+17,993,000	−2,100,000		
Student loan insurance fund	197,600,000	201,787,000	201,787,000	201,787,000	201,787,000	+4,187,000			
Transition budget		30,000,000	30,000,000	30,000,000	30,000,000	+30,000,000			
Higher education facilities loan and insurance fund	2,701,000	2,192,000	2,192,000	2,192,000	2,192,000	−509,000			
Transition budget		548,000	548,000	548,000	548,000	+548,000			
Education activities overseas (Special Foreign Currency Program)	1,000,000	2,000,000	2,000,000	2,000,000	2,000,000	+1,000,000			
Interim budget (July 1 to Oct. 30, 1976)		200,000	200,000	200,000	200,000	+200,000			
Salaries and Expense									
1. Program administration	91,915,000	100,684,000	98,000,000	96,000,000	96,000,000	+4,085,000	−4,684,000	−2,000,000	
2. Planning and evaluation	6,383,000	9,000,000	7,000,000	6,383,000	6,383,000		−2,617,000	−617,000	
3. General dissemination	500,000	500,000	500,000	500,000	500,000				
4. Advisory Committees	1,681,000	2,041,000	2,041,000	2,041,000	2,041,000	+360,000			
5. Information clearinghouses	150,000	300,000	300,000	300,000	300,000	+150,000			
Total	100,629,000	112,525,000	107,841,000	105,224,000	105,224,000	+4,595,000	−7,301,000	−2,617,000	
Interim budget (July 1 to Oct. 30, 1976)		24,643,000	24,643,000	24,643,000	24,643,000	+24,643,000			
Total, Office of Education	6,691,471,000	5,892,668,000	7,098,658,000	7,457,674,852	7,255,475,952	+564,004,952	+1,362,807,952	+156,817,952	+202,198,900
Total, transition budget		214,816,000	214,816,000	214,816,000	214,816,000	+214,816,000			
NATIONAL INSTITUTE OF EDUCATION									
1. Research and development	58,700,000	69,300,000	69,300,000	59,300,000	59,300,000	+600,000	−10,000,000	−10,000,000	
2. Program administration	11,656,000	10,700,000	10,700,000	10,700,000	10,700,000	−956,000			
Total, NIE	70,356,000	80,000,000	80,000,000	70,000,000	70,000,000	−356,000	−10,000,000	−10,000,000	
Transition budget		20,000,000	20,000,000	20,000,000	20,000,000				
ASSISTANT SECRETARY FOR EDUCATION									
1. Improvement of post-secondary education	11,500,000	17,500,000	13,500,000	11,500,000	11,500,000		−6,000,000	−2,000,000	
2. Salaries and expenses	6,795,000	8,669,000	8,000,000	8,000,000	8,000,000	+1,205,000	−669,000		
3. National Center for Education Statistics	10,565,000	16,665,000	14,000,000	13,000,000	13,000,000	+2,435,000	−3,665,000	−1,000,000	
Total, ASE	28,860,000	42,834,000	35,500,000	32,500,000	32,500,000	+3,640,000	−10,334,000	−3,000,000	
Transition budget		5,599,000	5,599,000	5,599,000	5,599,000	+5,599,000			
Total, Education Division	6,790,687,000	6,015,502,000	7,214,158,000	7,560,174,852	7,357,975,952	+567,288,952	+1,342,473,952	+143,817,952	−202,198,900
Total transition budget		240,415,000	436,815,000	436,815,000	436,815,000	+436,815,000	+196,400,000		
TITLE II—RELATED AGENCIES									
SPECIAL INSTITUTIONS									
American Printing House for the Blind	1,967,000	2,408,000	2,408,000	2,408,000	2,408,000	+441,000			
Transition budget		602,000	602,000	602,000	602,000	+602,000			
National Technical Institute for the Deaf									
1. Academic program	7,838,000	9,836,000	9,836,000	9,836,000	9,836,000	+1,998,000			
2. Construction	1,981,000					−1,981,000			
Total	9,819,000	9,836,000	9,836,000	9,836,000	9,836,000	+17,000			
Transition budget		2,932,000	2,932,000	2,932,000	2,932,000	+2,932,000			

Footnote at end of table.

EDUCATION DIVISION AND RELATED AGENCIES APPROPRIATIONS BILL, H.R. 5901—Continued

Agency/appropriation	1975 appropriation	1976 budget estimate	1976 House allowance	1976 Senate allowance	Conference agreement	Conference agreement compared with— 1975 appropriation	Budget estimate	House allowance	Senate allowance
TITLE II—RELATED AGENCIES—Con.									
SPECIAL INSTITUTIONS—Continued									
Gallaudet College									
1. Academic program	10, 591, 000	12, 155, 000	12, 155, 000	12, 155, 000	12, 155, 000	+1, 564, 000			
2. Construction	4, 445, 000	5, 334, 000	5, 334, 000	5, 334, 000	5, 334, 000	+889, 000			
3. Kendall School	2, 328, 000	2, 691, 000	2, 691, 000	2, 691, 000	2, 691, 000	+363, 000			
4. Construction	18, 231, 000	2, 255, 000	2, 255, 000	2, 255, 000	2, 255, 000	−15, 976, 000			
Total	35, 595, 000	22, 435, 000	22, 435, 000	22, 435, 000	22, 435, 000	−13, 160, 000			
Transition Budget		5, 606, 000	5, 606, 000	5, 606, 000	5, 606, 000	+5, 606, 000			
Howard University									
1. Academic Program	49, 788, 000	54, 559, 000	54, 559, 000	54, 559, 000	54, 559, 000	+4, 771, 000			
2. Construction	12, 500, 000	10, 000, 000	10, 000, 000	10, 000, 000	10, 000, 000	−2, 500, 000			
3. Freedman's Hospital	19, 412, 000	19, 599, 000	19, 599, 000	19, 599, 000	19, 599, 000	+187, 000			
Total	81, 700, 000	84, 158, 000	84, 158, 000	84, 158, 000	84, 158, 000	+2, 458, 000			
Transition budget		18, 728, 000	18, 728, 000	18, 728, 000	18, 728, 000	+18, 728, 000			
Total, Special Institutions	129, 081, 000	118, 837, 000	118, 837, 000	118, 837, 000	118, 837, 000	−10, 244, 000			
National Commission on Libraries and Information Sciences				3, 500, 000					−3, 500, 000
Grand total	6, 919, 768, 000	6, 134, 339, 000	7, 332, 995, 000	7, 682, 511, 852	7, 480, 312, 952	+560, 544, 952	+1, 345, 973, 952	+147, 317, 952	−202, 198, 900
Consisting of—									
Current year funds	6, 919, 768, 000	3, 806, 621, 000	4, 781, 277, 000	5, 119, 160, 000	4, 916, 961, 100	−2, 002, 806, 900	+1, 110, 340, 100	+135, 684, 100	−202, 198, 900
Advance year funds		2, 327, 718, 000	2, 551, 718, 000	2, 563, 351, 852	2, 563, 351, 852	+2, 563, 351, 852	+235, 633, 852	+11, 633, 852	
Total transition budget		268, 283, 000	464, 683, 000	464, 683, 000	464, 683, 000	+464, 683, 000	+196, 400, 000		

[1] Advance appropriation for fiscal year 1906.

Mr. MAGNUSON. Mr. President, overall, the conference bill totals $7.5 billion, an increase of $1.3 billion over the budget request and $560 million over the 1975 level. The conference bill represents an increase of $147 million over the House and $202 million below the Senate bill. In total, the Senate was able to sustain about 45 percent of its changes—both increases and decreases.

In addition to these amounts, the conference bill contains $464.6 million to fund the transition to a new fiscal year basis.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point a summary of the bill, together with some of the major changes over the budget request.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

EDUCATION DIVISION AND RELATED AGENCIES (H.R. 5901)

SUMMARY OF CHANGES

Conference agreement	$7, 480, 312, 952
Senate bill	7, 682, 511, 852
House bill	7, 332, 995, 000
Budget estimates	6, 134, 339, 000
1975 comparable appropriation	6, 919, 768, 000
Conference agreement compared with—	
Senate bill	−202, 198, 900
House bill	+147, 317, 952
Budget estimates	+1, 345, 973, 952
1975 comparable appropriations	+560, 544, 952

	Million
Title I—Grants for the disadvantaged	+$150
Impact area aid	+414
Emergency school aid	+140
Bilingual education	+27.7
State grants for the handicapped	+60
Student aid:	
Basic grants (BOG's)	−$335
Supplemental grants	+240
Work-study	+140
Direct loans	+321
Public library services	+41.7

Mr. MAGNUSON. There are two items of special interest which we hope will help improve the National Institute of Education. The first deals with educational laboratories and centers. The conferees agreed to Senate language which would continue the centers at or near last year's level. It is our intention that existing centers be allowed to compete for funds on an open, fair basis.

In another area, it is our intention that $5 million of the NIE appropriation be used to continue satellite communication experiments and demonstrations, using the soon-to-be-launched communications technology satellite and other satellites such as the applications technology satellite. Senator STEVENS and myself feel very strongly about this. It appears to be a good, sound investment of NIE time and effort. More importantly, this will result in the education community reaping the benefits of technology.

Mr. President, at this point I wish to yield to Mr. STEVENS, who has a special interest in the National Institute of Education.

Mr. STEVENS. Mr. President, I welcome this opportunity to speak briefly in favor of Senator MAGNUSON's support of continuing the educational satellite program through the National Institute of Education. Several years ago, HEW in conjunction with NASA began planning a project based on the premise that satellites could provide a practical and innovative means of delivering education and health information to people in remote and isolated areas of the United States.

HEW and NASA agreed that the ATS-6 satellite set for launch in 1974 would be used for a year-long series of education and health experiments. As many of my colleagues in the Senate—including our esteemed chairman of the Aeronautics and Space Sciences Committee—know, the project has proved to be enormously successful. Regrettably, the ATS-6 satellite moved to India in May for a 1-year tour of duty and so these experiments have been temporarily suspended.

Over the past year three interrelated education experiments were developed using the ATS-6. One-hundred and five rural communities in 15 States were able to meet some of their pressing educational needs through participation in this project. These programs have had a most positive impact in the 13 Native villages in Alaska where Native cultural programs were included along with the standard educational programs in oral development, health education, and teacher training.

Perhaps because of the fact that the ATS-6 has moved to India, the National Institute of Education has not requested specific funding for fiscal year 1976 to carry on the educational experiments associated with the satellite. It has come to my attention, however, that the communications technology satellite, a joint Canadian-American venture which will be launched in December, will be capable of carrying on these experiments. Additionally, we must act now to insure that funding is available for the ATS–6 program upon its return to the Western Hemisphere.

I am, therefore, most pleased with the comments of the distinguished chairman of the subcommittee, Mr. MAGNUSON, and I thank him for his support.

Mr. MAGNUSON. If the Senator from Alabama will allow me, I wish to yield to the ranking minority member, who would like to make a statement on the bill.

Mr. BROOKE. I thank my distinguished chairman.

Mr. President, I am pleased to recommend the conference report on H.R. 5901, the bill providing funds for our important Federal education programs.

This is one of the most important bills we will pass this year. In it we provide funds for elementary and secondary education, impact aid, emergency school aid, handicapped education, occupational, vocational and adult education, higher education and library resources, to mention only a few of the areas covered.

In all we have agreed to appropriate $7,480,312,952 for education programs. Our conference bill is $202.1 million less than the Senate amount, but $147.3 million higher than the House, $1.3 billion higher than the budget estimates and $560.5 million above the 1975 level. In addition we provide $464.6 million for the 3-month transition period beginning next July 1 and ending September 30. After that future fiscal years will start on October 1.

Let me run through some of the highlights of our conference bill: The bill provides more than $2 billion for disadvantaged students under title I, part A, of elementary and secondary education. These are advance funds for the 1976–77 school year. Within this amount, the bill provides $24.7 million for so-called part B incentive grants for States which make special efforts to educate the disadvantaged.

Also, we provide almost $100 million for bilingual education; $3 million for environmental education; $17 million for reading improvement; $12.5 million for educational broadcasting facilities and $11.6 million, together with appropriate bill language, to prevent a number of smaller States from losing money in 1977 under a consolidation of several education programs authorized by law.

I regret that the conference agreement provides no funds for assisting States plan for equalization of public education financing. The conference decision is based on the fact that few State plans are expected to be completed before the end of fiscal 1976. We do, however, expect the Commissioner of Education to submit appropriate budget requests once State plans have been approved. Also, we have directed the Commissioner to complete the final regulations for the program expeditiously and to publish them in the Federal Register without further delay.

For maintenance and operations under impact aid, the conference bill provides $660 million rather than the $700 million allowed by the Senate. The difference relates to the difficulty of estimating the cost of two "hold harmless" provisions provided in the education amendments of 1974. We have provided $11 million for these two provisions. When we have more precise estimates, additional financing can be made available.

Construction funds in the amount of $20 million also are provided. This is $5 million under the Senate allowance.

For emergency school aid, I am pleased to report that the House agreed to my request for $215 million for the basic program, an increase of $15 million over the House level. This maintains the program at the same level as in 1975. The additional money will permit HEW to provide a somewhat higher level of funding for eligible, approved applications than would have been possible under the House allowance.

We have discovered that ESA funds are very much in demand. In allocating money for 1975, HEW found that it could have used an additional $64 million for eligible, approved applications.

This, of course, helps to justify increasing funding for the ESA program over the House level. An equally compelling reason is that many school districts are only at the beginning stage of the school desegregation process. They will require financial assistance for some time to come. It is well that we understand the long-term nature of this need.

The conference bill provides $236.3 million for education for the handicapped. The conference bill includes additional funds for training special education teachers, and specifically earmarks $750,000 of the increase for specific learning disabilities, as I requested. The learning disabilities program thus is increased from the $4,250,000 provided in the budget request and in the House bill to an even $5 million.

This is an important program to assist children with such problems as inability to read. HEW says that the learning disabled are the largest category of handicapped children not presently served.

For occupational, vocational and adult education, the conference report provides $669.6 million, including $433.5 million for basic grants, $40.9 million for consumer and homemaking programs and additional funds for training teachers of Indians and for teachers in the vocational education field.

With enrollments in vocational education courses expected to increase by 10 percent, it is essential that we maintain basic grants at an adequate level, thereby stimulating the States to do more in this field. The current recession has, I believe, helped to underscore the importance of training and retraining for marketable skills.

For higher education, the conference agreement provides $2.4 billion, picking up some or all of the increases provided by the Senate. I was particularly glad the House agreed to increase funding for basic opportunity grants from $660 million to $715 million. This is a new, but expanding program that assists eligible students in freshman through junior years. In 1976–77, BOG funds provided in this bill will begin assisting students in freshman through senior years. In addition, the program is open to part-time students.

We also provide $390 million for college work study; $321 million for direct loans; $12.1 million for university community services; and $3.5 million for State postsecondary education commissions, to cite a number of the higher education programs funded in this bill.

Our appropriations for library resources is $218 million and includes, among other matters, $7.5 million for undergraduate instructional equipment, a program not proposed for funding either by the budget or by the House bill.

On the subject of libraries, I urged acceptance of the Senate amount of $3.5 million for the proposed White House Conference on Libraries and Information Services. I believe the Conference is important to the future of library work in America and it is clear to me that this seed money is necessary to help initiate pre-Conference activities at the local level. I regret the conferees did not agree to provide funds at this time. However, our report states that if a budget request for the White House Conference is submitted, it will be considered in connection with the next supplemental appropriation bill. I urge that such a budget request be submitted to Congress promptly.

For the National Institute of Education, NIE, we have provided $70 million, with up to $30 million of this amount to be available for education laboratories and centers where a good deal of educational research and development is conducted. NIE now has a new director and I am hopeful that it will begin to show results that justify the money Congress is investing in it.

Our confrence bill provides $11.5 million, the Senate level, for the fund for the improvement of postsecondary education. This is a substantial reduction from the budget request of $17.5 million and reflects congressional concern with the work carried out by the fund.

I believe there may be some misunderstanding about this program. The purpose of the fund is to develop innovative solutions to real problems in postsecondary education. Thus the fund entertains proposals for new or unproven ideas as well as proven ones. This suggests a certain element of risk but I believe this is unavoidable in a program attempting to find new, better, and less costly ways of doing things in a field as large and complex as postsecondary education.

The fund does seem to have a good deal of promise and I hope that it will be able to prove itself to Congress in the months ahead.

The conference bill wisely, in my judgment, amends House language designed to impede enforcement of title VI of the Civil Rights Act of 1964. We have had the same House provisions on a number of HEW bills over the last year and each time we restored the more acceptable language of existing law. We have done so again on this bill.

Also, the conference reported itself in disagreement over a House provision relating to sex discrimination. The Senate, in its original action on the education bill, struck out the House language which is legislative in nature and has no place in an appropriations bill. It would be regrettable if this unnecessary provision were permitted to delay the progress of the education appropriation for fiscal year 1976.

I intend to offer an amendment subsequently which will be in disagreement with the House position and insist upon the Senate amendment.

I also am concened about talk that the President may veto this bill. The first indication of this came in a June 26 letter from HEW Secretary Weinberger who complained about the size of the Senate bill and some of the programs it contains.

Our answer to the Secretary, of course, is that the education budget request simply was not adequate.

We could not in good conscience accept its proposed reductions for programs of crucial importance to groups disadvantaged by race, by language or by physical inability. Nor could we accept cutbacks in assistance to poor children in urban ghettoes and rural areas, or to college students who are facing impossible increases in tuition.

This is not simply a matter of rushing in with financial help for hard-pressed groups, as desirable as that may be. Rather it is recognition of the importance of investing in education with the expectation that it will return dividends later in the form of individuals better equipped to find jobs and take their places in society. Thus, the education bill has strong implications for economic betterment over the short as well as the long term.

The bill also should be viewed from the perspective of what it contributes to the future of our people, to improving the quality of their lives and to the strengthening of the Nation in all respects.

From this as well as the economic perspective the education appropriations bill looms large indeed. The bill deserves to be passed by Congress and signed by the President.

Mr. President, I again commend my distinguished chairman (Mr. MAGNUSON) and our staff members, particularly Mr. Harley Dirks, Mr. Gar Kaganowich, and Mr. Dom Ruscio, who have worked so diligently in conference on this important piece of legislation. It was not an easy matter to work with the House conferees on this bill, but finally we came to a conclusion and came forth with a bill which we hope the President of the United States will sign for the good and welfare of so many millions and millions of Americans.

With the exception of this one disagreement in title IX, the conference has come to its conclusion with what we believe to be, even in these times of fiscal difficulty, a sound, solid education appropriations bill, and we are proud to present it to the Senate for its adoption.

The PRESIDING OFFICER. Who yields time?

Mr. MAGNUSON. I thank the Senator from Massachusetts.

I join him in commending the staff on this bill. It is a large, complicated bill. It takes a lot of work, and without the help of Harley Dirks, Dom Ruscio, and Gar Kaganowich we would not have been able to have it in the Chamber this quickly.

Mr. ALLEN. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. ALLEN. I thank the distinguished manager of the bill, the distinguished Senator from Washington, and the distinguished Senator from Massachusetts (Mr. BROOKE) and ranking member of the committee. They have answered most of the questions that I had in mind. Apparently, the bill appropriates some $7,480,000,000, which is $1,345,000,000 more than the President's budget, even though I believe the Senator stated it is $700 million below the congressional budget.

Mr. MAGNUSON. Yes. That is correct.

Mr. ALLEN. I think it will be well to discuss the impact of amendment in disagreement 44, even though we have not yet come to that, because I think it might have a bearing on the action that might be taken with respect to the conference report and agreeing to the various amendments.

As I understand amendment 44, which is in disagreement and is the only matter in disagreement, this is the Casey amendment, which prohibits the HEW from demanding or requiring the integration of the sexes in athletic programs of the schools and colleges. Is that correct?

Mr. MAGNUSON. That is correct, yes.

Mr. ALLEN. The Casey amendment was agreed to by the House of Representatives.

Mr. MAGNUSON. Right.

Mr. ALLEN. All that remains now for implementing this tremendous bill, in addition to the President's signature, is agreement on amendment in disagreement No. 44?

Mr. MAGNUSON. Right.

Mr. ALLEN. So that, if the Senate would go along with the House of Representatives in accepting this amendment and this prohibition on the HEW taking this action, then, if all the other amendments are agreed to and the conference report agreed to, this appropriation would become available.

According to the continuing resolution under which the program is now being operated, that is at least $1,345 billion less than the conference figure.

So the longer we delay the agreement on amendment 44, the longer the educational institutions would be deprived of the additional $1.345 billion per annum. Is that correct?

Mr. MAGNUSON. That is correct.

Mr. ALLEN. So I hope that the chairman is going to support the Casey amendment. I am sure he will state at the proper time his attitude on this. I feel that it should be adopted. We should agree with the House of Representatives. We should send this package to the President for his action.

I think it most important because the provisions of title IX are going to be implemented, I believe as of July 21, and the passage of the conference report, with the disagreement resolved by agreement with the House of Representatives, would stop the implementation of the title IX by the HEW. Is that correct?

Mr. MAGNUSON. That is the interpretation of some. I do not think it need take any great deal of time. I suspect that the Senate today will vote on this appropriation, and I would be abided by how the Senate votes. Originally, this so-called Casey amendment was in the House bill, and we took it out in order to go to conference. Then we stood by our agreement not to have the Casey amendment and asked them to take it back in disagreement, which they did yesterday, and the amendment was sustained in the House by one vote, 212 to 211. That would mean that the Senate should act on this.

I voted in the committee to take out the Casey amendment, and I intend to support that view because this was the committee's view in the beginning. But if the Senate votes to keep the Casey amendment, then, of course, naturally I would abide by the wishes of the Senate.

Mr. BAYH. Mr. President, will the Senator yield?

Mr. ALLEN. I understand the Senator's position.

Mr. BROOKE. Mr. President, will the Senator yield?

Mr. MAGNUSON. Yes.

Mr. BROOKE. I certainly can understand the Senator's concern. It is an important bill, as has been said; and, as Senator MAGNUSON said, perhaps the most important appropriations bill we have this year. We would like to get this bill acted upon by both Houses and sent to the President for his signature—we hope for his signature—even though, as the Senator has pointed out, it does go considerably above the President's budget request, though as he also pointed out it is under the congressional budget request.

Mr. MAGNUSON. May I say right there to the Senator from Alabama, who has expressed the rightful concern about this amount, $750 million of this is in the impacted area aid program, including the transition period.

Mr. BROOKE. Right.

Mr. MAGNUSON. The impact aid law says that payments under tier 2 cannot be partial. If appropriations fall short, then all the money goes back to the Treasury.

Mr. Weinberger, Secretary of HEW, in his last appearance, said that he disagreed with us—that we did not have to fund the program. To us, the wording of the law is quite clear. This point certainly was not raised last year when the White House and HEW held big ceremonies downtown when the law was signed.

The Office of Management and Budget and the President must have known when the budget was transmitted to the Congress that impact aid was not going to be phased down.

We are not very far over the budget, when you take out this $750 million that we believe is need to help out the local schools.

Mr. BROOKE. That is the point I was

leading up to, because in that sense it is not the $1.3 billion over the budget that they claim. That can be seen when the millions for impacted aid are taken out. So we really do not feel that we are that much over even the President's budget request.

Mr. MAGNUSON. This is a barebones budget.

Mr. BROOKE. A skimpy budget, right. Since it is under the congressional budget, we really feel that we have done a good job, and at the same time we have not shortchanged the educational programs in the country.

The question of the Casey amendment is a question of principle, and it is still a matter of whether the Senate wants to do as the House has done and uphold the Casey amendment, or do as it has done in the past, as the Senator well knows—eliminate the Casey language in this bill.

As soon as the conference report has been adopted, I intend to offer an amendment, as I have indicated, that we further insist upon the Senate's position on amendment 44. But that is a question that will be open to debate. The distinguished Senator from Indiana is here to debate it. He has been one of the true leaders in the field of women's rights. I know that he wants to be heard. I am sure the Senator wants to be heard and that the others still want to be heard on the matter.

We thought that since we did not have any other matter in disagreement, that would be the one issue to be debated thoroughly by the Senate and then acted upon.

Mr. ALLEN. I thank the distinguished Senator from Massachuetts. I know that the opportunity for debate on amendment 44 will be given.

The purpose of these questions is to get an overall view of what is presented here. I am hopeful that the Casey amendment will be sustained; that the Senate will agree to implement the provisions of the Casey amendment, so that HEW will be prevented from implementing title IX. While an opportunity is given here to request some 44 rollcall votes, I certainly would not want to do that, and I would agree to consider many of these amendments en bloc. But at the appropriate time, I will request a rollcall vote on any motions or amendments with respect to amendment 44.

Mr. President, while a sufficient number of Senators are in the Chamber, I ask for the yeas and nays on the conference report.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. MAGNUSON. Mr. President, in view of the Chair's ruling that we have to wait until the conference report is adopted to present these other matters—these are not in disagreement—in order to clear up the matter, I move that the Senate adopt the conference report, and then we can go ahead with the 44.

Mr. ALLEN. I understand. We would have to get action on these other amendments, and I am not going to request a yea-and-nay vote; but I do want a yea-and-nay vote on the conference report.

I believe there has been a sufficient second, has there not, Mr. President?

The PRESIDING OFFICER (Mr. Curtis). The yeas and nays have been ordered.

Is all time on the conference report yielded back?

Mr. MAGNUSON. I yield back the remainder of my time.

Mr. BROOKE. I yield back the remainder of my time.

Mr. MUSKIE addressed the Chair.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Washington.

Mr. BROOKE. Mr. President, the Senator from Maine wishes to be heard on this matter.

Mr. MUSKIE. Yes.

Mr. BROOKE. I yield 3 minutes to the Senator from Maine.

The PRESIDING OFFICER. The Senator from Massachusetts has yielded back the remainder of his time. The Chair will entertain a unanimous-consent request.

Mr. BROOKE. I did not see the Senator in the Chamber.

Mr. President, I ask unanimous consent that I may withdraw the yielding back of my time.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BROOKE. I yield 3 minutes to the Senator from Maine.

Mr. MUSKIE. I thank my good friend, the Senator from Massachusetts and the distinguished manager of the bill.

Mr. President, I have tried to develop the habit, in connection with spending bills, of giving the Budget Committee's evaluation in terms of the first concurrent resolution; and I would not want to ignore this particular piece of legislation. So, in my capacity as chairman of the Budget Committee, I am glad to report to the Senate that the amounts included in the education appropriations bill fit within the budget targets for education, manpower and social services.

But, Mr. President, I do wish to express my concern about one aspect of the conference report (94–237) on the education appropriations bill (H.R. 5901). In two instances the conferees agreed to spending figures lower than that proposed by the Senate. The conferees, in resolving amendment 4, dropped the $10 million appropriation for State equalization plans that had been proposed by the Senate; in resolving amendment 12, the conferees agreed to provide $11 million for holding harmless impact aid recipients—an amount $40 million less than the Senate proposed. In both cases the justification was, in effect, that the estimates for spending were not yet firm and that funding for these items would be provided in a supplemental appropriations bill for education.

Mr. President, supplemental appropriations are a potential threat to the budget process, particularly when those supplementals are offered after the second budget resolution has transformed the budget targets into budget ceilings.

If more money is expected to be appropriated this year for education, we will need to know how much to provide in the budget when we act upon the second budget resolution. Moreover, we need this information to determine whether the current functional targets are in jeopardy of being exceeded.

But the most important fact about this bill remains that the amounts appropriated fit within the budget resolution we passed last spring. Specifically, the 1976 appropriations for education from this bill and from last year's forward funding total $7.2 billion—an amount that is somewhat less than our committee staff estimates of the education funding in the first concurrent resolution. For that, I believe that the distinguished Senator from Washington (Mr. Magnuson), the distinguished Senator from Massachusetts (Mr. Brooke), and the members of the committee should be commended.

Mr. MAGNUSON. Mr. President, will the Senator yield me one-half minute?

Mr. MUSKIE. I yield.

Mr. MAGNUSON. The Senator from Massachusetts and I are impressed by the Senator's concern about supplementals. That is correct. We have had several supplementals this year on HEW matters. It is pretty hard to pass a regular bill when supplementals keep coming up. And there have been administrative requests. But on this regular bill, we have kept the potential for supplementals down. I appreciate the Senator discussing it with us here today.

Mr. MUSKIE. I thank the Senator.

This comment was directed more toward the OMB and the agencies downtown than to the committee.

Mr. BROOKE. Mr. President, Chairman Magnuson has expressed our opinion on the supplementals, and I certainly agree with him wholeheartedly.

I say to the distinguished Senator from Maine, who is also the distinguished chairman of the Senate Budget Committee, that we are very pleased to have his remarks in the Record at this time. We think the committee is performing a great service. It appears that they are going to speak on every appropriations bill that is presented to the Senate, as to whether it is below or above the Budget Committee's proposals. We are very pleased that we were able to stay below the budget proposal.

We appreciate the clear signal that the Senator from Maine is sending to those who should be listening. We are very grateful.

Mr. BUCKLEY. Mr. President, I regret that I must again vote against this measure because it is still far too high—$1.3 billion, or almost 20 percent over the budget request. We cannot pursue policies that will trigger a new round of inflation that will add new burdens on the public.

NEED FOR ADDITIONAL LIBRARY FUNDS

Mr. JOHNSTON. Mr. President, today the Senate considers the conference report on H.R. 5901. Under title II–B of the Higher Education Act, the bill contains $500,000 for training of librarians and $1,000,000 for demonstration projects.

I, and I am sure many of my colleagues, have continually supported libraries and the invaluable contributions which they make to higher education. Aiding scholars and students in research efforts, acting as depositories for documents pertaining in both local and State communities, as well as furthering the circulation of ideas among all citizens, libraries contribute many services to the Nation as well as to those directly involved in the educational field.

The developing discipline of library science has broadened the reach of libraries and has added an important and needed ordering element to a mushrooming and increasingly bewildering body of written materials. Scholars, students, and citizens, faced with voluminous sources of information, will find the need for trained librarians even more critical in the future than today.

The amount appropriated therefore appears disproportionate to the various current and projected needs served by libraries and the field of library science. Additional financial support may well be necessary and I hope that we will remember that when supplemental appropriation measures come before the Senate in several months.

Mr. BAYH. Mr. President, will the Senator yield me 30 seconds for a unanimous-consent request?

Mr. BROOKE. I yield.

Mr. BAYH. Mr. President, I ask unanimous consent that Stephen Wechsler and Jean Froehlicher have the privilege of the floor during debate on this matter.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BROOKE. Mr. President, if no one else wishes to be heard on this matter, I yield back the remainder of my time.

Mr. MAGNUSON. Mr. President, I yield back the remainder of my time, and I have a parliamentary inquiry.

Mr. THURMOND. Mr. President, will the Senator yield me 1 minute?

The PRESIDING OFFICER. The Senator will state his parliamentary inquiry.

Mr. MAGNUSON. We will now have a rollcall vote on the conference report—yes or no.

The PRESIDING OFFICER. When the time has been yielded back.

VOTE

Mr. MAGNUSON. I yield back the remainder of my time.

Mr. ROBERT C. BYRD: I announce that the Senator from Mississippi (Mr. Eastland) is necessarily absent.

I also announce that the Senator from Nevada (Mr. Cannon), is absent attending funeral of Congressman Baring.

Mr. BROOKE. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back. The question is on the adoption of the conference report. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. HUGH SCOTT. I announce that the Senator from Michigan (Mr. Griffin), is absent due to a death in the family. I also announce that the Senator from Nevada (Mr. Laxalt) is absent to attend a funeral.

The result was announced—yeas 80, nays 15, as follows:

[Rollcall Vote No. 293 Leg.]

YEAS—80

Abourezk
Allen
Baker
Bayh
Beall
Bellmon
Bentsen
Biden
Brooke
Bumpers
Burdick
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Case
Chiles
Church
Clark
Cranston
Culver
Dole
Domenici
Eagleton
Fong
Ford
Glenn
Gravel
Hart, Gary W.
Hart, Philip A.
Hartke
Haskell
Hatfield
Hathaway
Hollings
Huddleston
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Leahy
Long
Magnuson
Mansfield
Mathias
McClellan
McGee
McGovern
McIntyre
Metcalf
Mondale
Montoya
Morgan
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Sparkman
Stafford
Stennis
Stevens
Stevenson
Stone
Symington
Taft
Talmadge
Tunney
Weicker
Williams
Young

NAYS—15

Bartlett
Brock
Buckley
Curtis
Fannin
Garn
Goldwater
Hansen
Helms
Hruska
McClure
Proxmire
Scott,
  William L.
Thurmond
Tower

NOT VOTING—4

Cannon
Eastland
Griffin
Laxalt

So the conference report was agreed to.

Mr. MAGNUSON. Mr. President, I yield to the Senator from Maine briefly.

Mr. HATHAWAY. Mr. President, I ask unanimous consent that Larry Gage and Greg Fusco of the Committee on Labor and Public Welfare be granted privilege of the floor during consideration of this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will state the amendments in disagreement.

The legislative clerk read as follows:

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 10 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert: For carrying out title IV of the Elementary and Secondary Education Act an additional $11,633,852 for fiscal year 1977: *Provided*, That none of such funds may be paid to any State for which the allocation for fiscal year 1977 exceeds the allocation for comparable purposes for fiscal year 1974.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 21 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed in said amendment, insert: $433,529,100.

Resolved, That the House insist on its disagreement to the amendment of the Senate numbered 44.

Mr. MAGNUSON. Mr. President, I move that the Senate concur in amendments of the House to the amendments of the Senate numbered 10 and 21.

I understand the Senator from New York wishes, just briefly, to discuss amendment 10, is that correct?

Mr. JAVITS. That is correct.

Mr. MAGNUSON. Then I will ask if the Senator will yield to the Senator from Florida for a unanimous-consent request?

Mr. JAVITS. Yes.

Mr. STONE. Mr. President, I ask unanimous consent that a member of my staff, Mrs. Adele Mann, be granted privilege of the floor during consideration of this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, I claim the time in opposition, although I shall not use it.

I yield myself 2 minutes.

Mr. President, the Senate will recall that this was a question of an appropriation to deal with an effort to hold harmless certain small States in respect of title IV of the Elementary and Secondary Education Act. I objected on the ground that the money would have to come out of the majority of States which would be benefited by that hold harmless and had been penalized by a previous hold harmless in a different amount.

Therefore, the amendment as it left the Senate required authorization legislation before the appropriation could take effect.

The amendment has been brought back to us appropriating the required money for the hold harmless, but which adds what would have been taken away from the rest of the States, but it does set a limit on what any State may receive of the amount that it recovered for the comparable purpose in fiscal 1976.

As a practical matter, my own State and I gather many other States neither gain nor lose on the exchange, and as I said before when we argued this matter, I had no desire to penalize the States which were successfully held harmless by the amendment.

I am agreeable to accepting the motion of the Senator from Washington.

Mr. MAGNUSON. I thank the Senator.

I move that the Senate concur in the amendments of the House to the amendments of the Senate numbered 10 and 21.

The PRESIDING OFFICER. Is all time yielded back?

Mr. MAGNUSON. I yield back my time.

The PRESIDING OFFICER. All time has been yielded back. The question is on the motion to concur in the amendments of the House to the amendments of the Senate numbered 10 and 21.

The motion was agreed to.

The PRESIDING OFFICER. The clerk will report the next amendment in disagreement.

The assistant legislative clerk read as follows:

Resolved, that the House insist on its disagreement to the amendment of the Senate numbered 44.

The PRESIDING OFFICER. The Senator from Washington.

Mr. MAGNUSON. Mr. President, this is the only amendment left in disagreement. It involves a highly sensitive matter, somewhat controversial to say the least, the so-called Casey amendment, which was sustained in the House yesterday by a 212 to 211 vote.

The Casey amendment was in the original House bill. The Senate struck out the language. We would not agree with the Casey amendment and asked that the House take it back in disagreement—which they did. That resulted in the 212 to 211 vote. The Senate can take a choice between two actions: either recede to the House or insist on its position to strike the Casey amendment.

Because of his deep interest in this matter, my distinguished colleague from Massachusetts, who conducted many hearings on the matter, is ready to make a motion that would put the matter squarely before the Senate, up or down.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. BROOKE. Mr. President, amendment No. 44 is the so-called Casey amendment named after its sponsor, the Congressman from Texas. The Casey amendment has been rejected by the Senate in committee, on the Senate floor and in conference with the House of Representatives.

Today, we are being asked to vote on it again. And I urge that we reject it again.

Just yesterday the House came within one vote of defeating this amendment. The vote for many was a heartbreaking 212 to 211. What the House tried to do yesterday the Senate should do today, defeat the Casey amendment.

And today we are a little stronger in our allies. I am pleased to report that last night I was advised that the Department of Health, Education, and Welfare opposes the Casey amendment.

What is the Casey amendment?

The amendment is aimed at title IX of the Education Amendments of 1972 which prohibit, with certain exceptions, discrimination based on sex in federally assisted education programs.

The Casey amendment would prohibit the use of any funds appropriated by H.R. 5901 to "draft, publish, promulgate, or enforce" regulations requiring the integration by sex of:

Physical education classes;

Honorary, service or social sororities and fraternities;

Boy Scouts, Girl Scouts, YMCA, YWCA, Campfire Girls, Boys Clubs, and Girls Clubs.

It would also prohibit the withholding of funds appropriated by H.R. 5901 to compel integration by sex in any of the classes or organizations that I have listed.

Much of the Casey amendment relating to social fraternities and sororities and youth service organizations, such as the Girl Scouts, duplicates existing law. I refer to the Bayh amendment which Congress enacted on December 16, 1974. This law exempts these organizations from title IX.

As for physical education, the forthcoming title IX rules do require coeducational classes. There really is nothing startling in this for many schools already are integrating gym classes and we hear that the students find them rewarding.

Mr. MAGNUSON. Will the Senator yield to me for 10 seconds?

Mr. BROOKE. Certainly.

Mr. MAGNUSON. Mr. President, when this agreement was placed on these amendments to limit them to one-half hour, 15 minutes to a side, I do not think the Senator from Massachusetts was present. I was here at the time. We were busy with the coastal zone bill.

Mr. President, there are so many people interested in this I am going to ask unanimous consent that the time be extended to 30 minutes on a side.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. BROOKE. The pending rules are anything but hardline, permitting segregation of the sexes in body contact sports and by ability groupings. Further, the rules permit a 1- to 3-year adjustment period for elementary and secondary schools, a period during which there may be segregation by sex.

Passing the Casey amendment at this time could throw this process into confusion and, in fact, might even result in reversing many of the gains that have been made.

This leaves honorary service fraternities and sororities which Senator BAYH declined to cover with his exemption. However, the Casey amendment seeks to put these organizations out of the reach of title IX.

The primary function of honorary service fraternities and sororities which often include students is not social, but rather to help new and prospective professionals learn the ropes of their professions, make useful contacts in finding and effectively performing their jobs and learn news of their profession.

Most careers in which women are trying to break job barriers have prestigious honoraries or fraternities whose membership is restricted to males. Where there is a similar women's organization on a campus, it usually is smaller in size and less prestigious than the male group.

Thus, I think it is fair to say that to exclude women from participation in honorary groups would be to impair their ability to get into the mainstream of their profession or intended profession.

HEW has said it believes title IX should apply to these organizations when their activities are a part of the institution's educational program. In an April 24 letter to Chairman MAGNUSON, Secretary Weinberger stated:

> Any exception of these activities from that title would be directly contrary to its basic purpose of providing equal educational opportunity for both sexes.

I think the Secretary has hit the nail on the head. It would be directly contrary to title IX, for a major goal of title IX is to increase, not to decrease, the access of women to the professions.

This process of access often begins before and not after graduation. The experience with honoraries and fraternities during college days may significantly influence a woman's professional career. Any qualification for entry into these groups should be based on merit and academic standing—not the sex of the candidate.

And, it is clear, too, that schools which get Federal assistance should not support organizations which discriminate.

The Casey amendment is the outgrowth of a way of thinking that opposes every broadening of equality of opportunity.

But the broadening of equal opportunity fortunately is the trend of our times. We have begun to shake loose from the stale traditions and prejudices of the past to redress wrongs too long committed against disadvantaged groups in our society.

The civil rights movement continues. The courts are recognizing the rights of those handicapped by language or physical inability. Here in Congress we are called upon to give legislative expression to the appeal for equal rights from many groups, certainly not the least of them women.

In the Casey amendment we are asked to turn back the clock, to undo progress made or to block progress forthcoming. Thus, we face the issue squarely: to go forward or go back, to continue the journey toward the bright day of equality of opportunity for women, or to step back into the dark night of sex discrimination.

I do not believe the Senate will turn its back on the women of this country. I believe it will choose to go forward toward the full vindication of women's rights.

The near-miss on the House floor yesterday should impel the Senate to do what the House may yet do—and that is to reject the Casey amendment. That would be consistent with the record of the Senate on this issue. That would be the right and proper thing to do and we must do it.

Mr. President, I move that the Senate further insist on its amendment No. 44.

Mr. HELMS. Mr. President, I favor amendment No. 44, precluding any requirement of integration on the basis of sex in physical education classes, Boy Scouts, Girl Scouts, YMCA, YWCA, Campfire Girls, Boys Clubs, Girls Clubs, and sororities and fraternities, whether honorary, service, or social, which was reported by the Conference Committee in disagreement.

Certain aspects of the provision have already been deleted from the application of the HEW regulations purporting to implement title IX of the Education Amendments of 1972, relative to nondiscrimination on the basis of sex in education programs and activities receiving Federal financal assistance.

However, the HEW regulations still require mixed classes of boys and girls in that portion of physical education programs not involving contact sports. Additionally, the regulations still apply to sororities and fraternities other than purely social organizations.

As I pointed out in this chamber as recently as July 8, 1975, section 86.34 of the HEW regulations provides that an educational institution "shall not provide any course or otherwise carry out any of its educational program or activity separately on the basis of sex." As stated, there are a couple of limited exceptions such as body contact sports and sex education classes in elementary and secondary schools. However, as I indicated on July 8, such traditional physical education activities as lifting barbells, doing push-ups, and chinning bars are all not body contact sports, and under the HEW regulations such activities must be taught in mixed groups of both sexes.

Further, the regulations provide that "where use of a single standard of measuring skill or progress in a physical education class has an adverse effect on members of one sex, the recipient shall use appropriate standards which do not have such effect." Presumably this provision is intended as a caveat to a prior subsection of the regulations which permits the "grouping of students by ability as assessed by objective standards of individual performance developed and applied without regard to sex."

Thus, in the example mentioned, taking those HEW provisions together, the inevitable conclusion is that an educational institution may use whatever standards its chooses to group students by ability in physical education programs, provided that a proportional balance of members of both sexes results in each group. Therefore, if the teachers use muscular development as the objective standard for grouping students in the aforementioned physical education activity, and if the resulting groups consist of disproportionate numbers of boys and girls, that standard for grouping must be discontinued, and the teacher must select other "appropriate standards which do not have such effect." One wonders what the other "appropriate standards" would be?

Clearly, it is not the purpose of title IX of the Education amendments of 1972 to require that boys and girls lift barbells together, in the same groups, and following the same pace of weight progression, but the HEW regulations say they must.

The language of the amendment in disagreement would rectify this ridiculous situation, and it would allow teachers and local school officials to determine which physical education programs and activities should be taught on a coeducation basis, and which are more properly offered in separate groups of boys and girls.

I urge that this necessary provision be retained in the bill.

The PRESIDING OFFICER (Mr. Helms). Who yields time?

Mr. MAGNUSON. Does the Senator from Indiana wish time?

Mr. BAYH. I yield to the Senator from Alabama.

Mr. ALLEN. I ask for the yeas and nays, Mr. President.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. MAGNUSON. So that the members are on this, the Casey amendment would prohibit HEW from enforming the integration of gym classes and honorary and service sororities and fraternities. With that, Mr. President, I yield the Senator from Indiana—10 minutes?

Mr. BAYH. That will be adequate, I am sure.

Mr. President, I think our distinguished colleague, the ranking Republican member of our subcommittee, touched the bases very well. I can perhaps make a slight additional contribution as the primary author of title IX and as the mover to strike the Casey language from the bill in committee. As I pointed earlier, this provision was stricken from the bill, and the Senate position is very clear.

I think it is important to point out that the Casey language flies directly in the face of title IX, which is in the process of being implemented after generations of discrimination against women, some intentional and some unintentional. Title IX was designed to wipe this out, to give our daughters the same kind of benefits in the educational process as our sons have been receiving.

We can pass the equal rights amendment, and I hope to God we will get those four additional States; but, Mr. President, you do not pass a constitutional amendment and immediately the next morning when the sun comes up you have equal opportunity.

One of the bases of true equality for all our citizens is equality of educational opportunity. The Casey amendment is not a giant step, but I do not see how anyone can deny that it is at least a small step flying in the face of title IX.

We have to recognize that the law is title IX. The HEW regulations are trying to implement title IX. The Casey amendment is on the appropriation bill, and its force and effect will terminate when the appropriation bill expires. From a practical standpoint, if you want to strike a blow for what is in the Casey amendment, this measure is a very weak reed. If we really want to come to grips with this issue, we had better come to grips with amending a basic law, and not hook it on an appropriation measure, which is of short duration.

The House did vote to support the Casey amendment by one vote. I think it is important to know that the colleague handling the amendment, Representative Mink, was called off the floor, because of a personal matter, an accident that had occurred in her family. She was not even there to vote, or it would have been tied. In discussing the matter with our colleagues over there, we have learned it is felt that there was a great deal of confusion, and that some of the Representatives who voted for the Casey amendment intended to vote the other way.

But the Senate position, as I say, is unequivocal. The Senate has expressed opposition to cluttering up this very strong, fine appropriation bill dealing with educational opportunities with that kind of trivia.

Let us deal with why the Senate position is good. There has been a great deal of pressure—I use that word in a fine sense, because I think those who feel that changes need to be made in our educational and other processes should be encouraged to communicate with us—but there has been a great deal of pressure in the area of educational opportunity. Some of our educational institutions have felt that title IX, for example, will destroy their athletic programs.

Frankly, I think that is not well founded. I understand their concern, but I do not see how giving little girls equal opportunity will necessarily deny the men athletes of this country the opportunity to go ahead and make the kind of records they have been making.

But be that as it may, that is not the question before us. The Casey amendment does not deal with the complaints of the NCAA. The Casey amendment is designed to deal with physical education classes.

I suggest to the Senate that those who are concerned about the need to exempt physical education classes need to understand that title IX and the regulations that are in the process of being promulgated by HEW make exceptions for contact sports, so that boys and girls, little or large, do not have to have comingling in contact sports.

It does permit differences of ability, Mr. President. As a specific example, they can segregate classes—that is hardly a good word to use in this connection—a better word, they can differentiate classes based on skill. I suppose most boys will be able to do 25 push ups, and girls may well not be. But what we are really after is to have physical education classes as a part of the educational process, training the body as well as the mind, and for all boys and girls to have an equal opportunity to participate there will have to be some ability grouping, so that those who have lesser skills, both men and women, may have an equal opportunity to participate and thus to train their bodies.

Also, HEW regulations do provide for the opportunity—and I would imagine that anyone who is sane, and most of those individuals who run our school systems I think are, would agree—do provide the opportunity for, and we will have, separate locker rooms. For those who feel that their sixth grade boys and girls are going to comingle together in the shower rooms, I say they are beating a dead horse. That is not going to be required, nor indeed will it follow.

One final area of thought, as far as the why's and wherefore's, as to the business organizations, fraternities, and sororities:

I think it is important to recognize that we are only talking about business and honorary fraternities and sororities where there is a significant contribution from the university. It does not automatically apply across the board to all.

Second, I think it is important to recognize that if we are talking about educational opportunity, we have to recognize that the opportunity for a woman student to be a full-fledged member of the honor society in the profession of her choice has a direct relationship to her ability to get into a graduate school. Competition is tough in these professional and graduate schools, and if you indeed belong to the honor society, that is an additional ingredient to put into your biography weighing in favor of your access to graduate school.

One of the reasons for education is to provide one with the opportunity to be gainfully employed. The record is clear that many of the business fraternities are out there promoting their members for jobs; and if a woman student at the top of her class is not permitted access to the business fraternity that is out there hustling for jobs for its members, there is no way that that woman, well trained and highly skilled as she may be, will have equal access to the job market.

That is one reason why we are trying to wipe away this recrimination, and let the men and women have equal access to these organizations, not because they are social organizations—the Bayh amendment, as the Senator mentioned, exempted truly social fraternities and sororities. I do not think it is the proper business of Government to force men and women to live together; but we are talking about those organizations that are a direct part of the access up the ladder into graduate schools, and those organizations that are directly a part of getting a job.

It seems to me that men and women ought to be admitted, not based on their sex, but on their capability, to produce the skills that are directly attributable to access to those institutions.

I thank my colleague for yielding.

Mr. BROOKE. Mr. President, I am very pleased the distinguished Senator from Indiana has so eloquently articulated just exactly what the Casey amendment would do and what the position of the Senate is.

He has truly been a leader in this field and, as I mentioned in my earlier remarks, the one most responsible for title IX, and he has truly fought against any attempts to in any way infringe upon the rights of women. I am very pleased that he has entered into the colloquy so eloquently.

Mr. President, Senator MAGNUSON, in response to a statement by Senator ALLEN, said that he intended to vote for a motion which I have introduced which would be in opposition to the Casey amendment. We now have time equally divided on this particular motion, where both Senator MAGNUSON is a proponent of the motion and I am a proponent of the motion, and we are controlling time. I want our colleagues to know that either Senator MAGNUSON or I would be most willing to allocate time for any Senator who wishes to speak in opposition to the motion that I have introduced.

While any Senator is considering requesting that time, I am very pleased to yield to the distinguished Senator from Maine (Mr. HATHAWAY), who I believe would like to speak in support of the motion.

Mr. HATHAWAY. I thank the Senator from Massachusetts.

I think Senator BAYH and Senator BROOKE have both made excellent statements against the Casey amendment.

I, of course, go on record as fully supporting their position and the arguments that they made.

I do not think it can be stated strongly enough that Congress has already gone on record as being in opposition to sex discrimination in education. It should retreat from that position only with a great deal of conscious deliberation, especially here at the beginning of the International Women's Year.

This amendment is in fact a piece of substantive legislation on an appropriations bill, which is a clear violation of the rules by which we operate in the Senate.

We are planning in the Subcommittee on Education of the Committee on Labor and Public Welfare to consider this issue in a great deal of detail.

Senator PELL, who is chairman of the Education Subcommittee, said only yesterday that he would agree to hold hearings in the very near future on the merits of a legislative proposal, made by Senator TOWER of Texas, which would modify title IX considerably.

If Congress wants to make any inroads into the existing law, I think we should do it only after we have had serious hearings, in which all parties involved would be given an opportunity to express their views. We must not do it by tacking on an amendment to an appropriations bill, with our deliberations confined to the few moments we have to debate the issue here in the Chamber.

In addition, half, at least, of the amendment proposed by the House is moot, because Congress already adopted the Bayh amendment last year, specifically exempting organizations like Boy Scouts, Girl Scouts, and YMCA, as well as social and youth service fraternities and sororities.

On the subject of physical education classes, the regulations already restrict equal participation to noncontact sports.

On the question of exempting honorary fraternities and societies from title IX, this, as the Senator from Indiana has very well pointed out, is simply something that Congress should not do. There is little doubt in my mind that prohibiting women from belonging to these various honorary fraternities does inhibit their chances of going on to graduate school. It does inhibit their chances of getting as good a job as the men who have been members of these honorary societies.

Finally, the Senate conferees, as we know, have stood firm in conference on this very important matter, and I think that we should plan to back them up.

As has been pointed out, the support by the House of Representatives for its own amendment has eroded from a 108-vote margin to a 1-vote margin. What is more, if one Member of the House of Representatives, the gentle lady from Hawaii (Mrs. MINK) had been able to be present at the time that this amendment was considered yesterday, it would not have been sent to the Senate at all.

So, in conclusion, I can see no reason whatsoever to support the Casey amendment. This is certainly not the time, at least, to make any inroads into an area where we have debated for a long period of time. We have taken many, many years to eradicate sex discrimination. I do not think we should be taking a step backward at this time by demonstrating any support for this amendment.

The PRESIDING OFFICER. Who yields time?

Mr. BROOKE. Mr. President, I thank the distinguished Senator from Maine.

I ask unanimous consent that the memorandum, in opposition to the Casey amendment, to which I referred in other remarks be printed in the RECORD in full.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

MEMORANDUM TO MEMBERS OF CONGRESS

JULY 17, 1975.

The Secretary has asked me to convey to you the Department's position on the Casey Amendment. The Department opposes the adoption of the Casey Amendment for the following reasons:

EXEMPTION OF BUSINESS, SERVICE, AND HONORARY ORGANIZATIONS

Honor, service and professional organizations open doors for members, especially in admissions to graduate schools. The heart of title IX is to open graduate admissions, thus increasing employment opportunities.

At the professional level, many business fraternities "go shopping" at graduate schools for members to work in their businesses, etc. If women are not admitted to such organizations, they will not be afforded the same professional opportunities as the men.

Many honorary and service fraternities and sororities act as placement guides for members, thus limiting job opportunities to those not admitted to membership.

In many fields, such as engineering, there are no female counterparts for male professional societies.

Institutions which hold themselves out as providing training and educational opportunities for students in professions should not be allowed to support professional organizations which discriminate on the basis of sex.

EXEMPTION OF PHYSICAL EDUCATION CLASSES

The regulation proposed by HEW is reasonable. It allows not only for a distinction to be made in contact sports but also permits institutions to allow for ability groupings in physical education classes.

Contact sports are defined as wrestling, boxing, rugby, ice hockey, football, basketball or other sport the purpose or major activity of which involves bodily contact.

Students may be grouped by ability or skill level or special training may be offered within the class room to those who need it, which may result in limited segregation of students during some part of class time.

The regulation permits separate locker room, toilets and showers.

The courts have ruled that a rational basis may exist for separation of the sexes in competitive athletic activities involving contact sports. The Department has provided for this distinction in providing for separation for contact sports taught during physical education classes.

Many schools have already initiated co-ed phys ed classes. A program in Shaker Heights, Ohio is in its fifth year, a program in Rhode

Island is in its fourth year and many other schools have started programs on their own or in anticipation of Title IX becoming effective.

Neither the statute nor the legislative history permits exceptions to provide provisions for nondiscrimination in treatment of students in the area of physical education.

Physical Education is instructional in nature and skill is not relevant to admission to the class, there is no reason to require separation on basis of sex except where contact sports are involved.

The regulation provides an adjustment period from one to three years.

Stephen Kurzman,
Assistant Secretary for Legislation.

Mr. **JAVITS**. Mr. President, the Casey amendment relates to discrimination on the grounds of sex in athletic activities.

The Committee on Labor and Public Welfare acted yesterday on a resolution which had been submitted by our colleague, Senator Helms, and which I had personally on the floor told him I would do everything I could to get it on the floor, even if we reported it unfavorably.

I made that motion in our committee and a motion to table was made against me and that motion prevailed, though I am very pleased to report that every member of the minority voted against the motion to table.

As the matter now stands, an adequate opportunity to test those regulations of the Department of Health, Education, and Welfare will be before the Senate in connection with this particular discussion which reaches the matter in a different way; that is, by an inhibition on the funds.

I wish to state for myself, Mr. President, that I favor the regulations and I think they are a reasonable effort to carry out the law and that the law does apply and I drew the compromise in conference on the higher education bill myself.

The law does apply to athletics, it says so in just so many words and, therefore, the proper course is not to try to undo in an appropriation bill or by turning down the regulations what the Congress has passed in law, but to amend the law, if those who feel that way have the votes to prevail.

Senator Tower has taken exactly that course and yesterday Senator Williams, Senator Pell, and I assured those who maintained that point of view, notably Senator Laxalt of Nevada, that we would give an early hearing to that proposition and, of course, while I cannot control the committee votes, I think we have enough influence to get a hearing. I believe that is the proper and intelligent way to settle this particular controversy.

I hope very much that the Senate, therefore, will sustain its committee in refusing to agree to this proposition from the House and take the route of an amendment to the law, if that amendment commends itself to the Senate.

I thank my colleagues.

Mr. **PERCY**. Mr. President, I wish to express my disappointment that the House by a one-vote margin yesterday insisted on retaining the Casey amendment as a part of the education appropriations bill (H.R. 5901). The Senate has never approved this amendment, and the House gave it totally inadequate consideration before approving it.

The Casey amendment would in effect amend title IX of the 1972 Education Amendments by exempting physical education classes, honorary societies, and certain single-sex groups from the prohibition against sex discrimination. The technical flaws contained in the amendment indicate the hastiness in which the measure was approved. The amendment would exempt single-sex organizations that are already exempted. More important, it neglects to define its terms with any degree of adequacy. The amendment contains no definition whatsoever of the term "physical education classes." Schools could thus designate any part of their athletic program as "physical education classes," and limit girls and women from participation in virtually all such activities.

An amendment with such wide-ranging implications for equality of opportunity for girls and women should receive careful and thorough deliberation by the appropriate committees. The House held no hearings before approving the amendment, and floor debate was any thing but comprehensive. The Senate in all its wisdom has an obligation to disapprove this amendment at this time so that it may receive the necessary review and deliberation.

It must also be noted that the Casey amendment should not be a part of this appropriation bill. It should not be a part of any appropriations bill; it is a policy provision and not a funding provision. In my judgment it is unfortunate that proponents of this amendment have chosen to encumber the education appropriations bill with this amendment and, thus, possibly delay much needed funds for children and schools across the country.

I hope my colleagues will join me in disapproving this amendment.

Mr. **BROOKE**. Mr. President, if there are any Senators who wish to speak either in support of the Casey amendment or in opposition to the Casey amendment, as I said earlier, both Senator Magnuson and I are willing to yield time. If there are no Senators who are desirous of speaking at this time, then we are willing to yield back our time.

I think the yeas and nays already have been ordered. We can have a vote on the Casey amendment, if the distinguished chairman is ready to yield back his time.

Mr. **MAGNUSON**. Yes, I yield back what time I have unless a Senator wants to say something.

Mr. **BROOKE**. I yield back my time.

The **PRESIDING OFFICER**. All time having been yielded back, the question is on agreeing to the motion of the Senator from Massachusetts. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. **ROBERT C. BYRD**. I announce that the Senator from Mississippi (Mr. Eastland) and the Senator from Louisiana (Mr. Long) are necessarily absent.

I also announce that the Senator from Nevada (Mr. Cannon) is absent attending the funeral of Congressman Baring.

Mr. **HUGH SCOTT**. I announce that the Senator from Michigan (Mr. Griffin) is absent due to a death in the family.

I further announce that the Senator from Nevada (Mr. Laxalt) is absent to attend a funeral.

The result was announced—yeas 65, nays 29, as follows:

[Rollcall Vote No. 294 Leg.]

YEAS—65

Abourezk
Baker
Bayh
Beall
Bellmon
Bentsen
Biden
Brock
Brooke
Burdick
Case
Church
Clark
Cranston
Culver
Dole
Domenici
Eagleton
Fong
Garn
Glenn
Gravel
Hart, Gary W.
Hart, Philip A.
Hartke
Haskell
Hatfield
Hathaway
Humphrey
Inouye
Jackson
Javits
Kennedy
Leahy
Magnuson
Mansfield
Mathias
McGovern
McIntyre
Metcalf
Mondale
Montoya
Muskie
Nelson
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Sparkman
Stafford
Stevens
Stevenson
Stone
Symington
Taft
Tunney
Weicker
Williams

NAYS—29

Allen
Bartlett
Buckley
Bumpers
Byrd, Harry F., Jr.
Byrd, Robert C.
Chiles
Curtis
Fannin
Ford
Goldwater
Hansen
Helms
Hollings
Hruska
Huddleston
Johnston
McClellan
McClure
McGee
Morgan
Moss
Nunn
Scott, William L.
Stennis
Talmadge
Thurmond
Tower
Young

NOT VOTING—5

Cannon
Eastland
Griffin
Laxalt
Long

So Mr. Brooke's motion that the Senate further insist on its amendment No. 44 was agreed to.

Mr. **BROOKE**. Mr. President, I move to reconsider the vote by which that motion was agreed to.

Mr. **MAGNUSON**. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. **MAGNUSON**. Mr. President, for the information of the Senate, this finishes the conference action over here at the present time. The conference report now goes directly back to the House, which will have to act on it one way or another, hopefully—the Senator from Massachusetts and I hope within the next day or two.

Mr. **BROOKE**. Within today, if they can do it.

Mr. **MAGNUSON**. I agree.

APPALACHIAN REGIONAL DEVELOPMENT ACT AMENDMENTS OF 1975

The **PRESIDING OFFICER**. Under the previous order, the Senate will now proceed to the consideration of S. 1513, which the clerk will state by title.

The assistant legislative clerk read as follows:

A bill (S. 1513) to extend the Appalachian Regional Development Act of 1965.

The Senate proceeded to consider the bill (S. 1513) which had been reported from the Committee on Public Works with amendments as follows:

On page 1, line 3, strike out:

"Appalachian Regional Development Act Amendments of 1975"

And insert in lieu thereof:

Regional Development Act of 1975";

On page 1, beginning on line 6, insert the following:

Sec. 102. Section 2 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 2) is amended by inserting "(a)" after "Sec. 2." and adding the following new paragraph:

"(b) The Congress further finds and declares that while substantial progress has been made toward achieving the foregoing purposes, especially with respect to the provision of essential public facilities, much remains to be accomplished especially with respect to the provision of essential health, education, and other public services. The Congress recognizes that changes and evolving national purposes in the decade since 1965 affect not only the Appalachian region, but also its relationship to a nation now assigning higher priority to conservation and the quality of life, values long cherished within the region. Appalachia now has the opportunity, in accommodating future growth and development, to demonstrate local leadership and coordinated planning so that housing, public services, transportation and other community facilities will be provided in a way congenial to the traditions and beauty of the region and compatible with conservation values and an enhanced quality of life for the people of the region. The Congress recognizes also that fundamental changes are occurring in national energy requirements and production, which not only risk short-term dislocations but will undoubtedly result in major long-term effects in the region. It is essential that the opportunities for expanded energy production be used so as to maximize the social and economic benefits and minimize social and environmental costs to the region and its people. It is, therefore, also the purpose of this Act to provide a framework for coordinating Federal, State, and local efforts toward (1) anticipating the effects of alternative energy policies and practices, (2) planning for accompanying growth and change so as to maximize the social and economic benefits and minimize social and environmental costs, and (3) implementing programs and projects carried out in the region by Federal, State, and local governmental agencies so as to better meet the special problems generated in the region by the Nation's energy needs and policies, including problems of transportation, housing, community facilities, and human services.".

Sec. 103. Section 101 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 101) is amended as follows:

(a) The third sentence of subsection (a) is amended to read as follows: "Each State member shall be the Governor.".

(b) The last sentence of subsection (a) is amended by striking the period and inserting the following: "for a term of not less than one year.".

(c) Subsection (b) is amended by adding the following: "No decision involving Commission policy, approval of State, regional, or subregional development plans or implementing investment programs, any modification or revision of the Appalachian Regional Commission Code, or any allocation of funds among the States may be made without a quorum of State members present. The approval of project and grant proposals shall be a responsibility of the Commission and exercised in accordance with section 303 of this Act.".

(d) The first sentence of subsection (c) is amended to read as follows: "Each State member may have a single alternate, appointed by the Governor from among the members of the Governor's cabinet or the Governor's personal staff.".

(e) Subsection (c) is amended by adding at the end thereof the following: "A State alternate shall not be counted toward the establishment of a quorum of the Commission in any instance in which a quorum of the State members is required to be present. No Commission powers or responsibilities specified in the last two sentences of subsection (b) of this section, nor the vote of any Commission member, may be delegated to any person not a Commission member or who is not entitled to vote in Commission meetings.".

Sec. 104. Subsection (d) of section 101 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 101) is amended to read as follows:

(d) The Federal Cochairman shall be compensated by the Federal Government at level III of the Executive Schedule in subchapter II of chapter 53 of title V, United States Code. His alternate shall be compensated by the Federal Government at level V of such Executive Schedule, and when not actively serving as an alternate for the Federal Cochairman, shall perform such functions and duties as are delegated to him by the Federal Cochairman. Each State member and his alternate shall be compensated by the State which they represent at the rate established by law of such State.".

Sec. 105. Section 102 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 102) is amended by inserting "(a)" after "Sec. 102." and adding the following new subsection:

"(b) In carrying out its functions under this section, the Commission shall identify the characteristics of, and may distinguish between the needs and goals of appropriate subregional areas, including central, northern, and southern Appalachia.".

On page 5, line 15, strike "102." and insert "106."

On page 5, line 19, strike "such sums as may be necessary." and insert "not to exceed $4,600,000 for the period beginning July 1, 1975, and ending September 30, 1977 (of such amount not to exceed $800,000 shall be available for expenses of the Federal Cochairman, his alternate and his staff).";

On page 5, line 25, strike "103." and insert "107.";

On page 6, line 3, strike out:

"September 30, 1979"

And insert the following in lieu thereof:

"September 30, 1977";

On page 6, line 5, insert the following:

Sec. 108. Paragraph (2) of section 106 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 106) is amended by inserting after the first sentence the following: "The executive director shall be responsible for carrying out the administrative functions of the Commission, for direction of the Commission staff, and for such other duties as the Commission may assign.".

Sec. 109. Section 107 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 107) is amended by inserting "(a)" after "Sec. 107." and adding the following new subsection:

"(b) Public participation in the development, revision, and implementation of all plans and programs under this Act by the Commission, any State or any local development district shall be provided for, encouraged, and assisted. The Commission shall develop and publish regulations specifying minimum guidelines for such public participation, including public hearings.".

On page 6, line 23, strike "104." and insert "110.";

On page 7, beginning with line 1, strike out the following:

(1) The first sentence of subsection (c) is amended by inserting "under subsection (a) of this section" after the parenthesis following "acquisition".

(2) Subsection (f) of such section is amended by—

(i) inserting "subsection (a) of" after "under"; and

(ii) adding the following sentence: "Notwithstanding any provision of law, including the foregoing, limiting Federal assistance to any such construction project where a State uses funds appropriated under subsection (g) of this section for at least 45 per centum and not more than 60 per centum of the costs of such project, the State is authorized to use funds available under title 23, United States Code, for not more than 45 per centum of such costs, but in no event shall the Federal assistance to any such project exceed 90 per centum of such costs.".

(3) Subsection (g) of such section is amended as follows: by inserting, in the first sentence "excepting subsection (j)," after "section,".

(4) Such section is amended by adding at the end two new subsections, as follows:

"(i)(1) In order to obtain the maximum benefit from the public investment in the Appalachian development highway system and accelerate the potential for economic development afforded by such system, the Secretary and the Commission shall jointly develop and issue guidelines designed to assure that, in the location, design, and construction of any development highway, full account shall be taken of the development objectives of such system and the scarcity of sites suitable for development in many areas of Appalachian region, and that special effort shall be made to identify and preserve any such sites, and assist in the establishment of additional sites.

"(2) The Secretary may authorize any State highway department in the Appalachian region to transfer or convey any land in the region acquired by such department for the development highway system, when no longer needed for highway purposes, to any State or other public or private nonprofit entity for carrying out a development program approved by the Commission. Any transfer or conveyance or subsequent disposition of such lands shall be subject to such terms and conditions as the Secretary and the Commission shall prescribe, and may be without monetary consideration: *Provided*, That to the extent that the consideration is below the fair market value of the land transferred, no portion of the difference between the fair market value and the consideration shall accrue as a profit to any firm, association, corporation, or other entity organized or operated for profit or as profit to any individual.

"(j)(1) The Commission is authorized to make grants to public bodies and nonprofit entities for planning, engineering, and reasonable site acquisition or development costs, including necessary offsite improvements, whenever such a grant is required for specific projects, such as the expansion and stimulation of industry, energy conservation and energy production and resource development, recreation and tourism, community development and housing, or associated projects contributing to the protection or improvement of the environment, which are essential elements of a development program approved by the Commission.

"(2) Such grants shall be paid solely out of funds appropriated to carry out this subsection and the Federal share shall not exceed 80 per centum of the total costs thereof.

"(3) For the purposes of this subsection—

"(A) 'planning' may include site identification, evaluation, utilization, or financial feasibility studies and technical assistance;

"(B) 'site acquisition' costs shall not exceed the reasonable value of the real property and expenses incidental to its acquisition or, in the case of publicly owned lands which cannot be made available without monetary consideration, the amount required to reimburse the costs of such land to its owner;

"(C) 'site development' costs may include clearing, moving utilities, grading and drainage, land stabilization, flood protection, storm sewers, sanitary sewage systems, water systems, access and internal distributor roads, rail spurs, or other ancillary facilities.

"(4) Whenever any State or other public body or private nonprofit entity shall undertake to secure lands required for a development program approved by the Commission, and when it has been determined by the Secretary that such State or other entity is unable to acquire such lands, or is unable to acquire such lands with sufficient promptness—

"(A) the Secretary, upon the request of such body or entity and the approval of the general purpose local government in which such lands are located, the Governor of the State, and the Commission, is authorized in the name of the United States and prior to the approval of title by the Attorney General, to acquire, enter upon, and take possession of such lands or interests in lands by purchase, donation, condemnation or otherwise in accordance with the laws of the United States (including the Act of February 26, 1931 (46 Stat. 1421));

"(B) such body or entity shall pay the non-Federal share of all expenses of said acquisition and any award that may be made under a condemnation proceeding, including costs of examination and abstract of title, certificate of title, appraisal, advertising, and any fees incident to acquisition. Pending such payment, the Secretary may expend from any funds made available to him from appropriations to carry out this subsection such sums as may be necessary to carry out this subsection. To secure payment, the Secretary may require any such State or other entity to execute a proper bond in such amount as he may deem necessary before acquisition is commenced;

"(C) the Secretary is further authorized and directed by proper deed, executed in the name of the United States, to convey any lands or interests in land acquired in any State under the provisions of this subsection to such body or entity under such terms and conditions as the Commission shall prescribe: *Provided*, That to the extent that the consideration is below the fair market value of the land transferred, no portion of the difference between the fair market value and the consideration shall accrue as a profit to any firm, association, corporation, or other entity organized or operated for profit or as profit to any individual.".

An insert the following in lieu thereof:

(a) The third sentence of subsection (a) is amended by striking "two thousand seven hundred miles" and inserting in lieu thereof "two thousand nine hundred miles"; and the fourth sentence of subsection (a) is amended by striking "one thousand six hundred miles" and inserting in lieu thereof "one thousand four hundred miles".

(b) Subsection (g) is amended by striking "and $180,000,000 for the fiscal year ending June 30, 1978." and inserting in lieu thereof "$250,000,000 for fiscal year 1978; $300,000,000 for fiscal year 1979; $300,000,000 for fiscal year 1980; and $170,000,000 for fiscal year 1981.".

On page 12, line 6, strike "105." and insert "111.";

On page 12, line 10, strike out:

(a) inserting "of land and" after "acquisition", and (b) by striking "made in accordance" and inserting in lieu thereof "compatible".

And insert in lieu thereof:

(a) inserting after "not operated for profit" the phrase ", or previously operated for profit where the acquisition of such facilities is the most cost-effective means for providing increased health services,", and (b) inserting after "made in accordance" the phrase "with section 223 of this Act and shall not be incompatible".

On page 12, line 21, strike out the following:

SEC. 106. Section 204 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 204) is amended as follows:

(1) Subsection (a) is amended to read as follows:

"(a) In order that the region shall more fully benefit from the timber stands that are one of its prime assets, the Secretary of Agriculture (hereinafter in this section referred to as the 'Secretary') is authorized to provide technical assistance and make grants to States, other public bodies, and timber development organizations, for the planning, equipment, operation, and the construction of necessary facilities, of nonprofit timber development organizations established under State law for the purposes of carrying out long range timber development programs on a self-supporting basis that will improve timber productivity and quality thereby increasing returns to landowners, by providing such services and activities as (A) good forest management, including continuity of management, good cutting practices, and marketing information and services, (B) consolidation of small holdings or administrative consolidation for efficient management under long-term agreement, and (C) reforestation of cut-over lands and afforestation of strip mined lands.".

(2) Such section is amended by redesignating subsection (b) as a subsection "(g)" and inserting after subsection (a) the following new subsections:

"(b) No grant under this section for planning necessary to the establishment of timber development organizations or for equipment, or construction shall exceed 80 per centum of the total costs thereof.

"(c)(1) Grants under this section for operation (including initial operating funds and operating deficits) of a timber development organization may be made for up to 90 per centum of the costs thereof for not more than two years of operation. For the next three years of operation, such grants shall not exceed 75 per centum of such costs. No such grants shall be made for operations of a timber development organization after five years following the commencement of the initial grant for operation of the timber development organization.

"(2) Such operation grants also may include costs of financial assistance by timber development organizations under agreements of not more than ten years with owners and occupiers of lands in the Appalachian region for carrying out programs approved by the Commission which will provide for the reforestation of cut-over lands or afforestation of strip mined lands and intensive multiple purpose management of forest resources: *Provided*, That such financial assistance shall not exceed 75 per centum of the costs (including labor) of carrying out a program on five hundred acres of land of an owner or occupier unless the Commission determines, in consultation with the Secretary of Agriculture, that assistance on a greater acreage, or in excess of such percentage, is required in furtherance of this Act.

"(d) Any Federal grant contribution referred to in this section may be provided entirely from funds appropriated to carry out this section or in combination with funds provided under other Federal grant-in-aid programs for assistance related to the programs and activities of a timber development organization. Notwithstanding any provision of law limiting the Federal share in such other programs, funds appropriated to carry out this section may be used to increase such Federal grants to the maximum percentage cost authorized by the applicable provision of this section.

"(c) The Secretary is authorized to make loans under the applicable provisions of the Consolidated Farmers Home Administration Act of 1961 (7 U.S.C. 1926 et seq.) for not more than half of the capital requirements of timber development organizations (including, but not limited to, costs of construction, equipment, and operations).

"(f) No grant or loan under this section shall be used for the construction or acquisition of facilities for manufacturing of forest or wood products.".

On page 15, line 18, strike "107." and insert "112.";

On page 16, line 18, strike "(1)";

On page 16, *line 22, after* "law" insert "to be used";

On page 16, line 23, strike "development" and insert "facilities";

On page 16, line 24, after the word "and" insert the word "public";

On page 16, line 24, strike "or industrial, commercial, or other economic development purpose";

On page 18, beginning with line 1, strike the following:

"(2) The transfer or conveyance of lands reclaimed under this section shall be subject to such terms and conditions as the Commission shall prescribe. Such terms and conditions may permit a transfer or conveyance without monetary consideration or require that any proceeds be applied to purposes specified in paragraph (1): *Provided*, That to the extent that the consideration is below the fair market value of the land transferred, no portion of the difference between the fair market value and the consideration shall accrue as a profit to any firm, association, corporation, or other entity organized or operated for profit or as profit to any individual.".

On page 17, line 13, strike "108." and insert "113.";

On page 19, line 15, strike "109." and insert "114.";

On page 19, line 24, after the word "counseling" strike ", and" and insert a period;

On page 19, line 24, after the period, insert "Projects shall be selected with";

On page 20, line 19, strike "110." and insert "115."

On page 21, line 21, after the semicolon, insert "the housing repair program for homeowners authorized by section 1319 of title 42, United States Code; grants under the Indian Health Service Act (42 U.S.C. 208);";

On page 22, line 1, strike "111." and insert the following:

SEC. 116. Paragraph (1) of section 223 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 223) is amended by striking "compatible" and inserting in lieu thereof "not incompatible".

On page 22, line 13, after the word "controlling" insert "and which shall be accepted by the Federal agencies.";

On page 22, line 15, strike "112." and insert "117.";

On page 22, beginning with line 17, strike the following:

as follows:

(1) Subsection (b) of such section is amended to read as follows:

"(b) No financial assistance shall be authorized under this Act to be used to assist establishments relocating from one area to another or to enable plant subcontractors to undertake work theretofore performed in another area by other subcontractors or contractors.".

On page 23, line 1, strike "(2) Such section is amended";

On page 23, line 10, strike "113." and insert "118.";

On page 23, line 17, after the period, insert the following:

The State development plan shall reflect the goals, objectives, and priorities identified in the regional development plan and in any subregional development plan which may be approved for the subregion of which such State is a part.

On page 24, line 19, after the comma, insert "local units of government, and citizen groups";

On page 24, at the beginning of line 22, strike "districts." and insert "bodies.";

On page 24, beginning in line 25, strike "and provide incentives for";

On page 25, line 21, strike "114." and insert "119.";

On page 25, beginning with line 24, strike the following:

(1) Subsection (a) is amended to read as follows:

"(a)(1) The President is authorized to make grants to the Commission for—

"(A) State management, technical assistance, and other activities to strengthen the State development planning process for the region and the coordination of planning under this Act, the Public Works and Economic Development Act of 1965, and other Federal, State, and local programs;

"(B) administrative expenses, including the development of areawide plans or action programs and technical assistance activities, of local development districts certified under section 301 of this Act; and

"(C) investigation, research, studies, evaluations, and assessments of needs, potentials, or attainments of the people of the region, technical or managerial assistance, training programs, enterprise or service development activities, demonstrations, and the acquisition or development of lands and the construction of necessary facilities incident to such activites, which will further the purposes of this Act.

"(2) The Federal share of grants under paragraphs 1 (A) and (B) shall not exceed 80 per centum of such expenses and the non Federal share may be in cash or in kind, fairly evaluated, including but not limited to space, equipment, and services. Grant funds under this section may be provided entirely from appropriations to carry out this section or in combination with funds available under other Federal or Federal grant in aid programs or from any other source. Nothwithstanding any provisions of law limiting the Federal share in any such other program, funds apropriated to carry out this section may be used to increase such Federal share to the maximum percentage cost thereof authorized by this section.".

(2) Subsection (b) is amended to read as follows:

"(b) The Commission is directed to give special attention to demonstrations and other activities focused on the improvement of rural transportation in the region. In order to assist in meeting national priorities for increased food and energy production, the Commission shall conduct, in cooperation with other appropriate agencies and organizations, research and demonstrations designed to utilize in a balanced manner the water, land, and mineral resources of the region.".

And insert in lieu thereof:

(1) Subsection (a)(1) is amended by striking "including technical services," and inserting in lieu thereof "including the development of areawide plans or action programs and technical assistance activities,".

(2) Subsection (a) is amended by striking "and" after paragraph (1), by redesignating paragraph (2) as paragraph (3), and by inserting the following new paragraph:

"(2) to make grants to the Commission for assistance to States for a period not in excess of two years to strengthen the State development planning process for the region and the coordination of State planning under this Act, the Public Works and Economic Development Act of 1965, as amended, and other Federal and State programs; and".

(3) Subsection (b) is amended to read as follows:

"(b)(1) Notwithstanding the provisions of section 224(b) (2), (3), or (4), the Commission may provide assistance under this section for demonstrations of enterprise development, including site acquisition or development where necessary for the feasibility of the project, in connection with the development of the region's energy resources: *Provided*, That no more than $3,000,000 shall be obligated for such demonstrations in any fiscal year.

"(2) In carrying out the purposes of this Act, including section 2(b), and in implementing this section, the Federal Energy Administration, the Energy Research and Development Administration, the Environmental Protection Agency, and other Federal agencies shall cooperate with the Commission and shall provide such assistance as the Federal Cochairman may request.

"(3) The Commission shall conduct a study and report on the status of Appalachian migrants in the destinations to which they have migrated, current migration patterns and implications, and the impact which the Commission program has had, and the potential for such impact, on out-migration and the welfare of Appalachian migrants. The Commission is authorized to conduct pilot projects and demonstrations within the region in connection with such study.".

"(4) The Commission shall conduct a study of physical hazards which are constraints on land use in the Appalachian region (with emphasis on mudslides, landslides, sink holes, and subsidence) and the risks associated with such hazards. To the extent practicable, such study shall identify high-risk hazard areas throughout the Appalachian region. The Commission shall submit its report on such study, together with recommendations for means to remove or avoid such constraints on land use, to the Congress not later than twenty-four months after the enactment of this paragraph."

Sec. 120. Section 303 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 303) is amended to read as follows:

"APPROVAL OF DEVELOPMENT PLANS, INVESTMENT PROGRAMS, AND PROJECTS

"Sec. 303. State and Regional Development Plans and implementing investment programs, and any multistate subregional plans which may be developed, shall be annually reviewed and approved by the Commission in accordance with section 101(b) of this Act. An application for a grant or for any other assistance for a specific project under this Act shall be made through the State member of the Commission representing such applicant, and such State member shall evaluate the application for approval. Only applications for grants or other assistance for specific projects shall be approved which are certified by the State member and determined by the Federal Cochairman to implement the Commission-approved State development plan; to be included in the Commission-approved implementing investment program; to have adequate assurance that the project will be properly administered, operated, and maintained; and to otherwise meet the requirements for assistance under this Act. After the approval of the appropriate State development plan and implementing investment program, certification by a State member of an application for a grant or other assistance for a specific project pursuant to this section shall, when joined by an affirmative vote of the Federal Cochairman for such project, be deemed to satisfy the requirements for affirmative votes for decisions under section 101(b) of this Act.".

On page 30, line 20, strike "115." and insert "121.";

On page 31, in line 4, strike "; and $267,000,000 for the two fiscal year period ending September 30, 1979";

On page 31, line 6, strike "116." and insert "122.";

On page 31, line 9, strike the following:

"October 1, 1979"

And insert in lieu thereof:

"October 1, 1977";

On page 31, line 10, strike "117." and insert "123.";

On page 31, beginning on line 13, insert the following:

TITLE II

Sec. 201. This title may be cited as the "Regional Action Planning Commission Improvement Act of 1975".

Sec. 202. Section 509(d) of the Public Works and Economic Development Act of 1965, as amended, is amended, to read as follows:

"(d) There are authorized to be appropriated to the Secretary to carry out this title, for the two-fiscal-year period ending June 30, 1971, to be available until expended, not to exceed $225,000,000, and for the two-fiscal-year period ending June 30, 1973, to be available until expended, not to exceed $305,000,000, for the fiscal year ending June 30, 1974, to be available until expended, $95,000,000, for the fiscal year ending June 30, 1975, to be available until expended, $150,000,000, for the fiscal year ending June 30, 1976, to be available until expended, $200,000,000, for the transition quarter ending September 30, 1976, to be available until expended, $50,000,000, and for the fiscal year ending September 30, 1977, to be available until expended, $250,000,000. After deducting such amounts as are authorized to carry out subsections (a)(1) and (b) of section 505, the Secretary shall apportion the remainder of the sums appropriated under this authorization for any fiscal year among the region commissions. Apportionment shall be made on the basis of the following formula: 14 per centum on basis of equality of seven regional commissions, 14 per centum on basis of land areas of regional commissions, 28 per centum on basis of population of areas within regional commissions, and 44 per centum on basis of per capita income of areas served by regional commissions (weighted inversely). All amounts appropriated under this authorization for any fiscal year shall be apportioned by the Secretary to the regional commissions prior to the end of the fiscal year for which appropriated.".

Sec. 203. Section 513 of the Public Works and Economic Development Act of 1965, as amended, is amended to read as follows:

"(a) Each regional commission, with the assistance of the Secretary of Transportation, is authorized to conduct and facilitate full and complete investigations and studies of the transportation needs of economic development regions established under this title. Such studies and investigations should analyze the effectiveness of regional transportation systems for meeting the purposes of this Act. The information gathered from these studies and investigations should determine the types of transportation facilities needed in the region and be of value in planning for such transportation facilities.

"(b) Each regional commission, with the assistance of the Secretary of Transportation, shall make grants for the planning of regional transportation networks and are authorized to make grants for the construction, purchase of equipment, and operation (including payment of operating deficits) for transportation demonstration projects. Grants under this section shall be made solely out of funds specifically appropriated for the purpose of carrying out this title and shall not be taken into account in the computation of the allotments among the States made pursuant to any other provisions of law.

"(c) No grant for the construction or equipment for any component of a demonstration transportation project shall exceed 80 per centum of such cost. The Federal contribution may be provided entirely from funds authorized under this section or in combination with funds authorized under other Federal grant-in-aid programs for the construction of transportation facilities. Notwithstanding any other provision of law, funds authorized under this section may be used to increase the Federal share of any such project to 80 per centum of the cost of such facilities.

"(d) Not to exceed $5,000,000 of the funds apportioned to each regional commission under section 509 of this title shall be expended in any one fiscal year for the purpose of carrying out this section."

Sec. 204. Title V of the Public Works and Economic Development Act of 1965, as amended, is amended by adding the following new section at the end thereof:

"Sec. 515. (a) Fundamental changes are occurring in national energy requirements and production which could result in short-term dislocation and result in major long-term effects on various regions of the country. Expanded energy production opportunities must maximize social and economic benefits while minimizing social and environment costs to the region experiencing increased energy development. In some regions, impacted by limited energy resources, severe problems disruptive of regional economics could result. The programs of the regional commissions provide an excellent framework for coordinating Federal, State, and local efforts toward (1) anticipating the effects of alternative energy policies and practices, (2) planning for accompanying growth and change so as to maximize social and economic benefits and minimize the social and environmental costs, and (3) implementing programs and projects carried out in the regions by Federal, State, or local government agencies so as to better meet the special problems generated in the regions by the Nation's energy needs and policies, including problems of transportation, housing, community facilities, and human services.

"(b) Each regional commission is authorized to carry out energy-related demonstration projects and programs within its regions including programs and projects addressing the social, economic, and environmental impact of energy development, requirements, and utilization. Grants shall be made only to those projects which are developed through regional planning designed to identify the effects of regional resource development, requirements, utilization, and impact.

"(c) Not to exceed $5,000,000 of the fund apportioned to each regional commission under section 509 of this title shall be expended in any one fiscal year for the purpose of carrying out this section.".

Sec. 205. Title V of such Act is further amended by adding the following new subsection at the end thereof:

"Sec. 516. (a) In order to demonstrate the value of adequate health facilities and services to the economic development of the region, the Secretary of Health, Education, and Welfare is authorized to make grants for the planning, construction, equipment, and operation of multicounty demonstration health, and nutrition including hospitals, regional health diagnostic and treatment centers, and other facilities and services necessary for the purpose of this section. Grants for such construction (including the acquisition of privately owned facilities not operated for profit or previously operated for profit where the acquisition of such facilities is the most cost effective means for providing increased health services, and initial equipment) shall be made after applications and plans relating to the program or project have been determined by the responsible Federal official to be compatible with the provisions and objectives of Federal laws which he administers that are not inconsistent with this title, and the regional commission has approved such program or project and determined that it will contribute to the development of the region, and shall not be incompatible with the applicable provisions of title VI of the Public Health Service Act (42 U.S.C. 291–291o), the Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963 (77 Stat. 282), and other laws authorizing grants for the construction of health-related facilities, without regard to any provisions therein relating to appropriation authorization ceilings or to allotments among the States. Grants under this section shall be made solely out of funds specifically appropriated for the purpose of carrying out this title and shall not be taken into account in the computation of the allotments among the States made pursuant to any other provision of law.

"(b) No grant for the construction or equipment of any component of a demonstration health project shall exceed 80 per centum of such costs. The Federal contribution may be provided entirely from funds authorized under this title or in combination with funds provided under other Federal grant-in-aid programs for the construction or equipment of health-related facilities. Notwithstanding any provision of law limiting the Federal share in such other programs, funds authorized under this title may be used to increase Federal grants for component facilities of a demonstration health project to a maximum of 80 per centum of the costs of such facilities.

"(c) Grants under this section for operation (including initial operating funds and operating deficits comprising among other items the cost of attracting, training, and retaining qualified personnel) of a demonstration health project, whether or not constructed with funds authorized by this title, may be made for up to 100 per centum of the costs thereof for the two-year period beginning, for each component facility or service assisted under any such operating grant, on the first day that such facility or service is in operation as a part of the project. For the next three years of operation such grants shall not exceed 75 per centum of such costs. The Federal contributions may be provided entirely from funds appropriated to carry out this title or in combination with funds provided under other Federal grant-in-aid programs for the operation of health related facilities and the provision of health services, including title IV, parts A and B, and title XX of the Social Security Act. Notwithstanding any provision of the Social Security Act requiring assistance or services on a statewide basis, if a State provides assistance or services under such a program in any area of the region approached by the regional commission, such State shall be considered as meeting such requirement. Notwithstanding any provision of law limiting the Federal share in such other programs, funds appropriated to carry out this section may be used to increase Federal grants for operating components of a demonstration health project to the maximum percentage cost thereof authorized by this subsection. No grant for operation of a demonstration health project shall be made unless the facility is publicly owned, or owned by a public or private nonprofit organization, and is not operated for profit. No grants for operation of a demonstration health project shall be made after five years following the commencement of the initial grant for operation of the project. No such grants shall be made unless the Secretary of Health, Education, and Welfare is satisfied that the operation of the project will be conducted under efficient management practices designed to obviate operating deficits. A health-related facility constructed under title I of this Act may be a component of a demonstration health project eligible for operating grant assistance under this section.".

Sec. 206. Title V of such Act is further amended by inserting at the end thereof the following new section:

"Sec. 517. (a) In order to assist in the expansion and improvement of educational opportunities and services for the people of the region, the Secretary of the Department of Health, Education, and Welfare is authorized to make grants for planning, construction, equipping, and operating vocational and technical educational projects which will serve to demonstrate areawide educational planning, services, and programs. Grants under this section shall be made solely out of funds specifically appropriated for the purposes of this title and shall not be taken into account in any computation of allotments among the States pursuant to any other law.

"(b) No grant for the construction or equipment of any component of a vocational and technical education demonstration project shall exceed 80 per centum of its cost.

"(c) Grants under this section for operation of components of vocational and technical educational demonstration projects, whether or not constructed by funds authorized by this title, may be made for up to 100 per centum of the costs thereof for the two-year period beginning on the first day that such component is in operation as a part of the project. For the next three years of operation, such grants shall not exceed 75 per centum of such costs. No grants for operation of vocational and technical education demonstration projects shall be made after five years following the commencement of the initial grant for operation of the project. An education-related facility constructed under title I of this Act may be a component of a vocational and technical education demonstration project eligible for operating grant assistance under this section.

"(d) No grant for expenses of planning necessary for the development and operation of a vocational and technical education demonstration project shall exceed 75 per centum of such expenses.

"(e) No grant for planning, construction, operation, or equipment of a vocational and technical education demonstration project shall be made unless the facility is publicly owned.

"(f) Any Federal contribution referred to in this section may be provided entirely from funds appropriated to carry out this section, or in combination with funds available under other Federal grant-in-aid programs providing assistance for education-related facilities or services. Notwithstanding any provision of law limiting the Federal shares in such programs, funds appropriated to carry out this section may be used to increase such Federal share to the maximum percentage cost thereof authorized by the applicable paragraph of this subsection.".

Sec. 207. Each regional commission established pursuant to title V of the Public Works and Economic Development Act of 1965 shall submit to the Committees on Public Works of the Senate and House of Representatives within one hundred and twenty days after enactment of this Act the Regional Economic Development Plan required under section 503(a)(2) of the Public Works and Economic Development Act of 1965. The committees shall study and review the plans of the regional commission to determine their conformity to the purposes of the Act.

Sec. 208. The President, upon the completion of a review of the structure and authorities of the title V Regional Action Planning Commissions, shall report to the Congress his recommendations concerning the regional commissions not later than six months after enactment of this Act.

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Regional Development Act of 1975".

Sec. 102. Section 2 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 2) is amended by inserting "(a)" after "Sec. 2." and adding the following new paragraph:

"(b) The Congress further finds and declares that while substantial progress has been made toward achieving the foregoing purposes, especially with respect to the provision of essential public facilities, much remains to be accomplished, especially with respect to the provision of essential health, education, and other public service. The Congress recognizes that changes and evolving national purposes in the decade since 1965 affect not only the Appalachian region, but also its relationship to a nation now assigning higher priority to conservation and the quality of life, values long cherished within the region. Appalachia now has the opportunity, in accommodating future growth and development, to demonstrate local leadership and coordinated planning so that housing, public services, transportation and other community facilities will be provided in a way congenial to the traditions and beauty of the region ana compatible with conservation values and an enhanced quality of life for the people of the region. The Congress recognizes also that fundamental changes are occurring in national energy requirements and production, which not only risk short-term dislocations but will undoubtedly result in major long-term effects in the region. It is essential that the opportunities for expanded energy production be used so as to maximize the social and economic benefits and minimize social and environmental costs to the region and its people. It is, therefore, also the purpose of this Act to provide a framework for coordinating Federal, State, and local efforts toward (1) anticipating the effects of alternative energy policies and practices, (2) planning for accompanying growth and change so as to maximize the social and economic benefits and minimize social and environmental costs, and (3) implementing programs and projects carried out in the region by Federal, State, and local governmental agencies so as to better meet the special problems generated in the region by the Nation's energy needs and policies, including problems of transportation, housing, community facilities, and human services.".

Sec. 103. Section 101 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 101) is amended as follows:

(a) The third sentence of subsection (a) is amended to read as follows: "Each State member shall be the Governor.".

(b) The last sentence of subsection (a) is amended by striking the period and inserting the following: "for a term of not less than one year.".

(c) Subsection (b) is amended by adding the following: "No decision involving Commission policy, approval of State, regional or subregional development plans or implementing investment programs, any modification or revision of the Appalachian Regional Commission Code, or any allocation of funds among the States may be made without a quorum of State members present. The approval of project and grant proposals shall be a responsibility of the Commission and exercised in accordance with section 303 of this Act.".

(d) The first sentence of subsection (c) is amended to read as follows: "Each State member may have a single alternate, appointed by the Governor from among the members of the Governor's cabinet or the Governor's personal staff.".

(e) Subsection (c) is amended by adding at the end thereof the following: "A State alternate shall not be counted toward the establishment of a quorum of the Commission in any instance in which a quorum of the State members is required to be present. No Commission powers or responsibilities specified in the last two sentences of subsection (b) of this section, nor the vote of any Commission member, may be delegated to any person not a Commission member or who is not entitled to vote in Commission meetings.".

Sec. 104. Subsection (d) of section 101 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 101) is amended to read as follows:

(d) The Federal Cochairman shall be compensated by the Federal Government at level III of the Executive Schedule in subchapter II of chapter 53 of title V, United States Code. His alternate shall be compensated by the Federal Government at level V of such Executive Schedule, and when not actively serving as an alternate for the Federal Cochairman, shall perform such functions and duties as are delegated to him by the Federal Cochairman. Each State member and his alternate shall be compensated by the State which they represent at the rate established by law of such State.".

Sec. 105. Section 102 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 102) is amended by inserting "(a)" after "Sec. 102." and adding the following new subsection:

"(b) In carrying out its functions under this section, the Commission shall identify the characteristics of, and may distinguish between the needs and goals of appropriate subregional areas, including central, northern, and southern Appalachia.".

Sec. 106. Subsection (b) of section 105 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 105) is amended to read as follows: "To carry out this section there is hereby authorized to be appropriated to the Commission, to be available until expended, not to exceed $4,600,000 for the period beginning July 1, 1975, and ending September 30, 1977 (of such amount not to exceed $800,000 shall be available for expenses of the Federal Cochairman, his alternate and his staff).".

Sec. 107. Paragraph (7) of section 106 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 106) is amended by striking out "June 30, 1975" and inserting in lieu thereof, "September 30, 1977".

Sec. 108. Paragraph (2) of section 106 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 106) is amended by inserting after the first sentence the following: "The executive director shall be responsible for carrying out the administrative functions of the Commission, for direction of the Commission staff, and for such other duties as the Commission may assign.".

Sec. 109. Section 107 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 107) is amended by inserting "(a)" after "Sec. 107." and adding the following new subsection:

"(b) Public participation in the development, revision, and implementation of all plans and programs under this Act by the Commission, any State or any local development district shall be provided for, encouraged, and assisted. The Commission shall develop and publish regulations specifying minimum guidelines for such public participation, including public hearings.".

Sec. 110. Section 201 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 201) is amended as follows:

(a) The third sentence of subsection (a) is amended by striking "two thousand seven hundred miles" and inserting in lieu thereof "two thousand nine hundred miles"; and the fourth sentence of subsection (a) is amended by striking "one thousand six hundred miles" and inserting in lieu thereof "one thousand four hundred miles".

(b) Subsection (g) is amended by striking "and $180,000,000 for the fiscal year ending June 30, 1978." and inserting in lieu thereof "$250,000,000 for fiscal year 1978; $300,000,000 for fiscal year 1979; $300,000,000 for fiscal year 1980; and $170,000,000 for fiscal year 1981.".

Sec. 111. Section 202 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 202) is amended as follows:

(1) The second sentence of subsection (a) is amended by (a) inserting after "not operated for profit the phrase ", or previously operated for profit where the acquisition of such facilities is the most cost-effective means for providing increased health services,", and (b) inserting after "made in accordance" the phrase "with section 223 of this Act and shall not be incompatible".

(2) The third sentence of subsection (c) of such section is amended by inserting "and title XX" after "title IV, parts A and B,".

Sec. 112. Section 205 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 205) is amended as follows:

(1) The first sentence of subsection (a)(1) is amended by striking "and to control and abate mine drainage pollution" and inserting in lieu thereof "to control and abate mine drainage pollution; and for planning or engineering for any such activities.".

(2) The first sentence of subsection (a)(2) is amended by inserting "planning, engineering, or" after "projects for".

(3) The second sentence of subsection (b) of such section is amended by inserting "(including, but not limited to, sand, clay, stone, culm, rock, spoil bank and noncombustible materials)" after "materials".

(4) Subsection (c) is amended to read as follows:

"(c) Whenever a State, local government, or other nonprofit applicant agrees to indemnify the Federal Government, or its officers, agents, or employees, for all claims of loss or damage resulting from the use and occupation of lands for a project assisted under this section, the Secretary may waive all requirements for the submission of releases, consents, waivers, or similar instruments respecting such lands, but the Secretary may require security as he deems appropriate for any such indemnification agreement.".

(5) Subsection (d) is amended to read as follows:

"(d) No moneys authorized by this Act shall be expended for the purposes of reclaiming, improving, grading, seeding, or reforestation of strip-mined areas, except on lands owned by Federal, State, or local government bodies or by private nonprofit entities organized under State law to be used for public recreation, conservation, community facilities, and public housing.".

Sec. 113. Section 207 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 207) is amended as follows:

(1) Subsection (a) is amended to read as follows:

"(a) In order to encourage and facilitate the construction or rehabilitation of housing to meet the needs of low- and moderate-income families and individuals, the Secretary of Housing and Urban Development (hereafter in this section referred to as the 'Secretary') is authorized to make grants and loans from the Appalachian Housing Fund established by this section, under such terms and conditions as he may prescribe, to nonprofit, limited dividend, or cooperative organizations, and public bodies, for planning and obtaining federally insured mortgage financing or other financial assistance for housing construction or rehabilitation projects for low- and moderate-income families and individuals, under section 221 of the National Housing Act, section 8 of the United States Housing Act of 1937, section 515 of the Housing Act of 1949, or any other law of similar purpose administered by the Secretary or any other department, agency or instrumentality of the Federal or State government, in any area of the Appalachian region determined by the Commission.

(2) Subsection (c)(2) is amended to read as follows:

"(2) The Secretary is authorized to make grants and commitments for grants, and may advance funds under such terms and conditions as he may require to nonprofit, limited dividend, or cooperative organizations and public bodies for reasonable site development costs and necessary offsite improvements, such as sewer and water line extensions, whenever such a grant, commitment, or advance is essential to the economic feasibility of any housing construction or rehabilitation project for low- and moderate-income families and individuals which otherwise meets the requirements for assistance under this section, except that no such grant for the construction of housing, shall exceed 10 per centum of the cost of such project, and no such grant for the rehabilitation of housing shall exceed 10 per centum of the reasonable value of such rehabilitation housing, as determined by the Secretary.".

(3) Subsection (e) is amended by inserting before the period at the end, the following: "and may provide funds to the States for making grants and loans to nonprofit, limited dividend, or cooperative organizations and public bodies for the purposes for which the Secretary is authorized to provide funds under this section".

(4) By adding the following new subsection (f):

"(f) Programs and projects assisted under this section shall be subject to the provisions cited in section 402 of the Act, notwithstanding such section, to the extent provided in the laws authorizing assistance for low- and moderate-income housing.".

Sec. 114. Section 211 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 214) is amended as follows:

(1) The first sentence of subsection (b)(1) is amended by striking out everything after "operating" and inserting in lieu thereof, "education projects which will serve to demonstrate areawide education planning, services, and programs, with special emphasis on vocational and technical education, career education, cooperative and recurrent education, guidance and counseling. Projects shall be selected with the involvement of all sectors of the community, including industry and labor.".

(2) Subsection (b)(2) is amended by striking out "a vocational and technical" and inserting in lieu thereof, "an".

(3)(a) The first and third sentences of subsection (b)(3) are amended by striking out "vocational and technical".

(b) The fourth sentence of subsection (b)(3) is amended by striking out "a vocational and technical" and inserting in lieu thereof, "an".

(4) Subsection (b)(4) is amended by striking out "a vocational and technical" and inserting in lieu thereof, "an".

(5) Subsection (b)(5) is amended to read as follows:

"(5) No grant for planning, construction, equipment, or operation of an education demonstration project shall be made unless the facility is publicly owned, but this shall not be deemed to preclude training or on-the-job employment activities away from such facility if the project is administered through a public body.".

Sec. 115. Section 214 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 214) is amended as follows:

(1) The first sentence of subsection (a) of such section is amended by inserting after "projects", where it first appears in such subsection, "or activities (hereinafter referred to as projects)".

(2) The first sentence of subsection (c) of such section is amended to read as follows: "The term 'Federal grant-in-aid programs' "as used in this section means those Federal grant-in-aid programs authorized on or before December 31, 1978, by this Act and Acts other than this Act for the acquisition or development of land, the construction or equipment of facilities, or other community or economic development or economic adjustment activities, including but not limited to grant-in-aid programs authorized by the following Acts: Federal Water Pollution Control Act; Watershed Protection and Flood Prevention Act; titles VI and XVI of the Public Health Services Act; Vocational Education Act of 1963; Library Services and Construction Act; Federal Airport Act; Airport and airway Development Act of 1970; part IV of title III of the Communications Act of 1934; title VI (part A) and VII of the Higher Education Act of 1965; Land and Water Conservation Fund Act of 1965; National Defense Education Act of 1958; Consolidated Farm and Rural Development Act; titles I and IX of the Public Works and Economic Development Act of 1965; the housing repair program for homeowners authorized by section 1319 of title 42, United States Code; grants under the Indian Health Service Act (42 U.S.C. 208); and title I of the Housing and Community Development Act of 1974.".

Sec. 116. Paragraph (1) of section 223 of the Appalachian Regional Development Act of 1965 (40 App, U.S.C. 223) is amended by striking "compatible" and inserting in lieu thereof "not incompatible". Paragraph (2) of section 223 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 223) is amended to read as follows:

"(2) The Commission has approved such program or project and has determined that it meets the applicable criteria under section 224 of this Act and the requirements of the development planning process under section 225, and will contribute to the development of the region, which determination shall be controlling and which shall be accepted by the Federal agencies.".

Sec. 117. Section 224 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 224) is amended by adding at the end the following new subsection:

"(c) Funds may be provided for programs and projects in a State under this Act only if the Commission determines that the level of Federal and State financial assistance under Acts other than this Act for the same type of programs or projects in that portion of the State within the region, will not be diminished in order to substitute funds authorized by this Act.".

Sec. 118. There is inserted after section 224 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 224) a new section as follows:

"APPALACHIAN STATE DEVELOPMENT PLANNING PROCESS

"Sec. 225. (a) Pursuant to policies established by the Commission, each State member shall submit on such schedule as the Commission shall prescribe a development plan for the area of the State within the region. The State development plan shall reflect the goals, objectives, and priorities identified in the regional development plan and in any subregional development plan which may be approved for the subregion of which such State is a part. Such State development plan shall (1) describe the State organization and continuous process for Appalachian development planning, including the procedure established by the State for the participation of local development districts in such process, the means by which such process is related to overall statewide planning and budgeting processes, and the method of coordinating planning and projects in the region under this Act, the Public Works and Economic Development Act of 1965, and other Federal, State, and local programs; (2) set forth the goals, objectives, and priorities of the State for the region, as determined by the Governor, and identify the needs on which such goals, objectives, and priorities are based; and (3) describe the development program for achieving such goals, objectives, and priorities, including funding sources, and recommendations for specific projects to receive assistance under this Act.

"(b)(1) Local development districts certified by the State under section 301 of this Act provide the linkage between State and substate planning and development. In carrying out the development planning process, including the selection of programs and projects for assistance, States shall consult with local development districts, local units of government, and citizen groups and take into consideration the goals, objectives, priorities, and recommendations of such bodies. The districts shall assist the States in the coordination of areawide programs and projects, and may prepare and adopt areawide plans or action programs.

"(2) The Commission shall encourage the preparation and execution of areawide action programs which specify interrelated projects and schedules of actions together with the necessary agency fundings and other commitments to implement such programs. Such programs shall make appropriate use of existing plans affecting the area.

"(c) To the maximum extent practicable, Federal departments, agencies, and instrumentalities undertaking or providing financial assistance for programs or projects in the region shall (1) take into account the policies, goals, and objectives established by the

Commission and its member States pursuant to this Act; (2) recognize Appalachian State development programs approved by the Commission as satisfying requirements for overall economic development planning under such programs or projects; and (3) accept the boundaries and organization of any local development district certified under this Act which the Governor may designate as the areawide agency required under any such program undertaken or assisted by such Federal departments, agencies, and instrumentalities.".

Sec. 119. Section 302 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 302) is amended as follows:

(1) Subsection (a)(1) is amended by striking "including technical services," and inserting in lieu thereof "including the development of areawide plans or action programs and technical assistance activities,".

(2) Subsection (a) is amended by striking "and" after paragraph (1), by redesignating paragraph (2) as paragraph (3), and by inserting the following new paragraph:

"(2) to make grants to the Commission for assistance to States for a period not in excess of two years to strengthen the State development planning process for the region and the coordination of State planning under this Act, the Public Works and Economic Development Act of 1965, as amended, and other Federal and State programs; and".

(3) Subsection (b) is amended to read as follows:

"(b)(1) Notwithstanding the provisions of section 224(b) (2), (3), or (4), the Commission may provide assistance under this section for demonstrations of enterprise development, including site acquisition or development where necessary for the feasibility of the project, in connection with the development of the region's energy resources: *Provided*, That no more than $3,000,000 shall be obligated for such demonstrations in any fiscal year.

"(2) In carrying out the purposes of this Act, including section 2(b), and in implementing this section, the Federal Energy Administration, the Energy Research and Development Administration, the Environmental Protection Agency, and other Federal agencies shall cooperate with the Commission and shall provide such assistance as the Federal Cochairman may request.

"(3) The Commission shall conduct a study and report on the status of Appalachian migrants in the destinations to which they have migrated, current migration patterns and implications, and the impact which the Commission program has had, and the potential for such impact, on outmigration and the welfare of Appalachian migrants. The Commission is authorized to conduct pilot projects and demonstrations within the region in connection with such study.".

"(4) The Commission shall conduct a study of physical hazards which are constraints on land use in the Appalachian region (with emphasis on mudslides, landslides, sink holes, and subsidence) and the risks associated with such hazards. To the extent practicable, such study shal lidentify high-risk hazard areas throughout the Appalachian region. The Commission shall submit its report on such study, together with recommendations for means to remove or avoid such constraints on land use, to the Congress not later than twenty-four months after the enactment of this paragraph."

Sec. 120. Section 303 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C., 303) is amended to read as follows:

"APPROVAL OF DEVELOPMENT PLANS, INVESTMENT PROGRAMS, AND PROJECTS

"Sec. 303. State and Regional Development Plans and implementing investment programs, and any multistate subregional plans which may be developed, shall be annually reviewed and approved by the Commission in accordance with section 101(b) of this Act. An application for a grant or for any other assistance for a specific project under this Act shall be made through the State member of the Commission representing such applicant, and such State member shall evaluate the application for approval. Only applications for grants or other assistance for specific projects shall be approved which are certified by the State member and determined by the Federal Cochairman to implement the Commission-approved State development plan; to be included in the Commission-approved implementing investment program; to have adequate assurance that the project will be properly administered, operated, and maintained; and to otherwise meet the requirements for assistance under this Act. After the approval of the appropriate State development plan and implementing investment program, certification by a State member of an application for a grant or other assistance for a specific project pursuant to this section shall, when joined by an affirmative vote of the Federal Cochairman for such project, be deemed to satisfy the requirements for affirmative votes for decisions under section 101(b) of this Act.".

Sec. 121. Section 404 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 401) is amended to read as follows:

"Sec. 401. In addition to the appropriations authorized in section 105 for administrative expenses, and in section 201(g) for the Appalachian development highway system and local access roads, there is authorized to be appropriated to the President, to be available until expended, to carry out this Act, $267,000,000 for the two-fiscal-year period ending September 30, 1977.".

Sec. 122. Section 405 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 405) is amended by striking "July 1, 1975" and inserting in lieu thereof, "October 1, 1977".

Sec. 123. Section 104 of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3121) is repealed.

TITLE II

Sec. 201. This title may be cited as the "Regional Action Planning Commission Improvement Act of 1975".

Sec. 202. Section 509(d) of the Public Works and Economic Development Act of 1965, as amended, is amended to read as follows:

"(d) There are authorized to be appropriated to the Secretary to carry out this title, for the two-fiscal-year period ending June 30, 1971, to be available until expended, not to exceed $225,000,000, and for the two-fiscal-year period ending June 30, 1973, to be available until expended, not to exceed $305,000,000, for the fiscal year ending June 30, 1974, to be available until expended, $95,000,000, for the fiscal year ending June 30, 1975, to be available until expended, $150,000,000, for the fiscal year ending June 30, 1976, to be available until expended, $200,000,000, for the transition quarter ending September 30, 1976, to be available until expended $50,000,000, and for the fiscal year ending September 30, 1977, to be available until expended, $250,000,000. After deducting such amounts as are authorized to carry out subsections (a)(1) and (b) of section 505, the Secretary shall apportion the remainder of the sums appropriated under this authorization for any fiscal year among the region commissions. Apportionment shall be made on the basis of the following formula: 14 per centum on basis of equality of seven regional commissions, 14 per centum on basis of land areas of regional commissions, 28 per centum on basis of population of areas within regional commissions, and 44 per centum on basis of per capita income of areas served by regional commissions (weighted inversely). All amounts appropriated under this authorization for any fiscal year shall be apportioned by the Secretary to the regional commissions prior to the end of the fiscal year for which appropriated.".

Sec. 203. Section 513 of the Public Works and Economic Development Act of 1965, as amended, is amended to read as follows:

"(a) Each regional commission, with the assistance of the Secretary of Transportation, is authorized to conduct and facilitate full and complete investigations and studies of the transportation needs of economic development regions established under this title. Such studies and investigations should analyze the effectiveness of regional transportation systems for meeting the purposes of this Act. The information gathered from these studies and investigations should determine the types of transportation facilities needed in the region and be of value in planning for such transportation facilities.

"(b) Each regional commission, with the assistance of the Secretary of Transportation, shall make grants for the planning of regional transportation networks and are authorized to make grants for the construction, purchase of equipment, and operation (including payment of operating deficits) for transportation demonstration projects. Grants under this section shall be made solely out of funds specifically appropriated for the purpose of carrying out this title and shall not be taken into account in the computation of the allotments among the States made pursuant to any other provisions of law.

"(c) No grant for the construction or equipment for any component of a demonstration transportation project shall exceed 80 per centum of such cost. The Federal contribution may be provided entirely from funds authorized under this section or in combination with funds authorized under other Federal grant-in-aid programs for the construction of transportation facilities. Notwithstanding any other provision of law, funds authorized under this section may be used to increase the Federal share of any such project to 80 per centum of the cost of such facilities.

"(d) Not to exceed $5,000,000 of the funds apportioned to each regional commission under section 509 of this title shall be expended in any one fiscal year for the year for the purpose of carrying out this section."

Sec. 204. Title V of the Public Works and Economic Development Act of 1965, as amended, is amended by adding the following new section at the end thereof:

"Sec. 515. (a) Fundamental changes are occurring in national energy requirements and production which could result in short-term dislocation and result in major long-term effects on various regions of the country. Expanded energy production opportunities must maximize social and economic benefits while minimizing social and environment costs to the region experiencing increased energy development. In some regions, impacted by limited energy resources, severe problems disruptive of regional economies could result. The programs of the regional commissions provide an excellent framework for coordinating Federal, State, and local efforts toward (1) anticipating the effects of alternative energy policies and practices, (2) planning for accompanying growth and change so as to maximize social and economic benefits and minimize the social and environmental costs, and (3) implementing programs and projects carried out in the regions by Federal, State, or local government agencies so as to better meet the special problems generated in the regions by the Nation's energy needs and policies, including problems of transportation, housing, community facilities, and human services.

"(b) Each regional commission is authorized to carry out energy-related demonstration projects and programs within its regions including programs and projects addressing the social, economic, and environmental impact of energy development, requirements, and utilization. Grants shall be made only to those projects which are developed through regional planning designed to identify the effects of regional resources development, requirements, utilization, and impact.

"(c) Not to exceed $5,000,000 of the fund apportioned to each regional commission under section 509 of this title shall be expended in any one fiscal year for the purpose of carrying out this section.".

Sec. 205. Title V of such Act is further amended by adding the following new subsection at the end thereof:

"Sec. 516. (a) In order to demonstrate the value of adequate health facilities and services to the economic development of the region, the Secretary of Health, Education, and Welfare is authorized to make grants for the planning, construction, equipment, and operation of multicounty demonstration health, and nutrition including hospitals, regional health diagnostic and treatment centers, and other facilities and services necessary for the purpose of this section. Grants for such construction (including the acquisition of privately owned facilities not operated for profit or previously operated for profit where the acquisition of such facilities is the most cost effective means for providing increased health services, and initial equipment) shall be made after applications and plans relating to the program or project have been determined by the responsible Federal official to be compatible with the provisions and objectives of Federal laws which he administers that are not inconsistent with this title, and the regional commission has approved such program or project and determined that it will contribute to the development of the region, and shall not be incompatible with the applicable provisions of title VI of the Public Health Service Act (42 U.S.C. 291–291o), the Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963 (77 Stat. 282), and other laws authorizing grants for the construction of health-related facilities, without regard to any provisions therein relating to appropriation authorization ceilings or to allotments among the States. Grants under this section shall be made solely out of funds specifically appropriated for the purpose of carrying out this title and shall not be taken into account in the computation of the allotments among the States made pursuant to any other provision of law.

"(b) No grant for the construction or equipment of any component of a demonstration health project shall exceed 80 per centum of such costs. The Federal contribution may be provided entirely from funds authorized under this title or in combination with funds provided under other Federal grant-in-aid programs for the construction or equipment of health-related facilities. Notwithstanding any provision of law limiting the Federal share in such other programs, funds authorized under this title may be used to increase Federal grants for component facilities of a demonstration health project to a maximum of 80 per centum of the costs of such facilities.

"(c) Grants under this section for operation (including initial operating funds and operating deficits comprising among other items the cost of attracting, training, and retaining qualified personnel) of a demonstration health project, whether or not constructed with funds authorized by this title, may be made for up to 100 per centum of the costs thereof for the two-year period beginning, for each component facility or service assisted under any such operating grant, on the first day that such facility or service is in operation as a part of the project. For the next three years of operation such grants shall not exceed 75 per centum of such costs. The Federal contributions may be provided entirely from funds appropriated to carry out this title or in combination with funds provided under other Federal grant-in-aid programs for the operation of health related facilities and the provision of health services, including title IV, parts A and B, and title XX of the Social Security Act. Notwithstanding any provision of the Social Security Act requiring assistance or services on a statewide basis, if a State provides assistance or services under such a program in any area of the region approached by the regional commission, such State shall be considered as meeting such requirement. Notwithstanding any provision of law limiting the Federal share in such other programs, funds appropriated to carry out this section may be used to increase Federal grants for operating components of a demonstration health project to the maximum percentage cost thereof authorized by this subsection. No grant for operation of a demonstration health project shall be made unless the facility is publicly owned, or owned by a public or private nonprofit organization, and is not operated for profit. No grants for operation of a demonstration health project shall be made after five years following the commencement of the initial grant for operation of the project. No such grants shall be made unless the Secretary of Health, Education, and Welfare is satisfied that the operation of the project will be conducted under efficient management practices designed to obviate operating deficits. A health-related facility constructed under title I of this Act may be a component of a demonstration health project eligible for operating grant assistance under this section.".

Sec. 206. Title V of such Act is further amended by inserting at the end thereof the following new section:

"Sec. 517. (a) In order to assist in the expansion and improvement of educational opportunities and services for the people of the region, the Secretary of the Department of Health, Education, and Welfare is authorized to make grants for planning, construction, equipping, and operating vocational and technical educational projects which will serve to demonstrate areawide educational planning, services, and programs. Grants under this section shall be made solely out of funds specifically appropriated for the purposes of this title and shall not be taken into account in any computation of allotments among the States pursuant to any other law.

"(b) No grant for the construction or equipment of any component of a vocational and technical education demonstration project shall exceed 80 per centum of its cost.

"(c) Grants under this section for operation of components of vocational and technical educational demonstration projects, whether or not constructed by funds authorized by this title, may be made for up to 100 per centum of the costs thereof for the two-year period beginning on the first day that such component is in operation as a part of the project. For the next three years of operation, such grants shall not exceed 75 per centum of such costs. No grants for operation of vocational and technical education demonstration projects shall be made after five years following the commencement of the initial grant for operation of the project. An education-related facility constructed under title I of this Act may be a component of a vocational and technical education demonstration project eligible for operating grant assistance under this section.

"(d) No grant for expenses of planning necessary for the development and operation of a vocational and technical education demonstration project shall exceed 75 per centum of such expenses.

"(e) No grant for planning, construction, operation, or equipment of a vocational and technical education demonstration project shall be made unless the facility is publicly owned.

"(f) Any Federal contribution referred to in this section may be provided entirely from funds appropriated to carry out this section, or in combination with funds available under other Federal grant-in-aid programs providing assistance for education-related facilities or services. Notwithstanding any provision of law limiting the Federal share in such programs, funds appropriated to carry out this section may be used to increase such Federal share to the maximum percentage cost thereof authorized by the applicable paragraph of this subsection.".

Sec. 207. Each regional commission established pursuant to title V of the Public Works and Economic Development Act of 1965 shall submit to the Committees on Public Works of the Senate and House of Representatives within one hundred and twenty days after enactment of this Act the Regional Economic Development Plan required under section 503(a) (2) of the Public Works and Economic Development Act of 1965. The committees shall study and review the plans of the regional commission to determine their conformity to the purposes of the Act.

Sec. 208. The President, upon the completion of a review of the structure and authorities of the title V Regional Action Planning Commissions, shall report to the Congress his recommendation concerning the regional commissions not later than six months after enactment of this Act.

EXTENSION OF TIME FOR FILING COMMITTEE REPORTS ON S. 521 AND S. 391

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Committee on Interior have until midnight tonight to file a report on S. 521 and S. 391.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider two nominations, reported earlier today, which have been cleared all the way around.

There being no objection, the Senate proceeded to the consideration of executive business.

The PRESIDING OFFICER. The nominations will be stated.

OCCUPATIONAL SAFETY AND HEALTH REVIEW COMMISSION

The assistant legislative clerk read the nomination of Frank R. Barnako, of Pennsylvania, to be a member of the Occupational Safety and Health Review Commission.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

EQUAL EMPLOYMENT OPPORTUNITY COMMISSION

The assistant legislative clerk read the nomination of Abner Woodruff Sibal, of Virginia, to be General Counsel of the Equal Employment Opportunity Commission.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be notified of the confirmation of these nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, I am about to make some requests and I should like the attention of the Senate in respect thereto.

Mr. President, do we have an order to come in tomorrow, and if so, at what time?

The PRESIDING OFFICER. We recess at the conclusion of business tonight until 10 o'clock tomorrow morning.

Mr. MANSFIELD. Is the present order that when the Appalachian bill is disposed of, the next order of consideration is S. 644, providing it is taken up today?

The PRESIDING OFFICER. That is correct.

Mr. MANSFIELD. At the conclusion of business today, the New Hampshire matter will return and be the pending business?

The PRESIDING OFFICER. There was an order not to take that measure up today.

Mr. MANSFIELD. When we go out, it will be the unfinished business?

Mr. HUGH SCOTT. But it will not be taken up today.

Mr. MANSFIELD. That is correct.

The PRESIDING OFFICER. It is the unfinished business and the Senate will resume tomorrow unless it is otherwise ordered.

UNANIMOUS-CONSENT AGREEMENT—S. 644

Mr. MANSFIELD. Mr. President, if we do not complete S. 644 today, a bill to amend the Consumer Products Safety Act to improve the Consumer Product Safety Commission, and to authorize new appropriations, I ask unanimous consent that it be in order to take it up tomorrow.

Mr. HUGH SCOTT. Reserving the right to object, and I do not have that in mind, does the Senator intend to bring that up at the beginning of the day, after the morning hour, on tomorrow?

Mr. MANSFIELD. No, not unless it meets with the approval of the Senate to set aside temporarily the New Hampshire matter.

Mr. HUGH SCOTT. That request would be made sometime tomorrow, then?

Mr. MANSFIELD. Yes.

Mr. HUGH SCOTT. I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS-CONSENT REQUEST—S. 1281

Mr. MANSFIELD. I ask unanimous consent that it be in order to consider S. 1281, a bill to improve public understanding of the role of depository institutions in home financing, on the same basis.

The PRESIDING OFFICER. Is there objection?

Mr. HUGH SCOTT. Reserving the right to object, I understand that the Senator handling the bill on this side may not be able to be here tomorrow. Will the Senator reserve that request?

Mr. MANSFIELD. Yes, I withdraw that request.

The PRESIDING OFFICER. The request has been withdrawn.

Mr. MANSFIELD. Mr. President, I wonder if it would be possible for the Senate to allow all its committees to meet tomorrow during the session of the Senate except when Wyman-Durkin is under consideration? Could we do it without that? Would it still hold?

Mr. HUGH SCOTT. Yes, except when the Wyman-Durkin matter is under consideration.

ORDER FOR COMMITTEE MEETINGS DURING SENATE SESSION TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees of the Senate be allowed to meet tomorrow during the session of the Senate except during the period when Wyman-Durkin is under consideration.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. WILLIAM L. SCOTT. Mr. President, will the Senator yield briefly?

Mr. MANSFIELD. Sure.

Mr. WILLIAM L. SCOTT. I would say to the distinguished Senator who has been concerned about the Voting Rights Act that within the committee we have agreed to a vote in committee tomorrow on this, so perhaps, the distinguished majority leader will want to ask unanimous consent that we can meet at any time tomorrow to complete the work on this measure. That was not included. It was subject to Wyman-Durkin, and I do not know whether our leader would have any objection, but this will enable us to complete that including the time during Wyman-Durkin.

Mr. HUGH SCOTT. I would personally have no objection to it.

Mr. MANSFIELD. Mr. President, I ask unanimous consent then that the Judiciary Committee be allowed to meet during the session of the Senate tomorrow.

The PRESIDING OFFICER. Is there objection?

Mr. BROCK. Mr. President, reserving the right to object, and I personally do not, I am a little troubled by the request being in this fashion without a number of our Members being here. There were some who said very strongly yesterday they felt that that was the one thing they did not want to make a concession on.

Mr. MANSFIELD. No. They allowed the Judiciary Committee to meet today even though we did not have Wyman-Durkin. The only exception was it could not meet while the conference report on the military authorization bill was in progress.

Mr. BROCK. I understand that, but that is because Wyman-Durkin was not up today.

Mr. MANSFIELD. That is right.

Mr. BROCK. But there were some—the Senator from Connecticut, if I remember correctly—who stated emphatically that we ought to keep Wyman-Durkin sacrosanct. I do not object, but I feel obligated to raise that objection and then, hopefully, make the request later.

Mr. HUGH SCOTT. Mr. President, may I raise another question? I understand the Judiciary Committee intends to meet from 5 to 7 this evening, is that correct?

Mr. WILLIAM L. SCOTT. It is my understanding from 5 to 6. I have a half dozen or so amendments, and we are not going to try to prolong this. It was agreed among those from opposing sides that we would have a final vote sometime tomorrow. That is why I was trying to have the majority leader include a provision that would permit us to meet because I want to honor this commitment but still want time to consider a number of amendments. I was trying to be cooperative on a matter on which there is a wide difference of opinion.

Mr. MANSFIELD. May I say to the distinguished Senator from Virginia that I appreciate very much what he has said, and if he can assure us that the bill will be reported tomorrow.

Mr. WILLIAM L. SCOTT. Provided no restriction is put on us.

Mr. MANSFIELD. Maybe later we can work it out so that we can make an exemption in the case of the Judiciary Committee during the course of the Wyman-Durkin debate.

May I also say that I am delighted that the hearings are being held in open session, and I think reasonably good progress is being made. I am indebted to the Senator for his remarks.

Mr. HUGH SCOTT. I take it then the committee can meet from 5 to 6 today since we are not considering Wyman-Durkin?

Mr. MANSFIELD. Oh, yes. The only thing was the conference report on the military authorization. I thank the Senator.

Mr. HUGH SCOTT. I thank the Senator.

APPALACHIAN REGIONAL DEVELOPMENT ACT AMENDMENTS OF 1975

The Senate continued with the consideration of the bill (S. 1513) to extend the Appalachian Regional Development Act of 1965.

The PRESIDING OFFICER (Mr. Brooke). The time for debate on this measure is limited to 2 hours, to be equally divided between and controlled by the Senator from West Virginia (Mr. Randolph), and the Senator from Tennessee (Mr. Baker), with 30 minutes for any amendment, and 20 minutes on any debatable motion, appeal or point of order.

Who yields time?

Mr. FORD. Mr. President, will the Senator yield for a unanimous-consent request?

I ask unanimous consent that Jim

Fleming of my staff be granted the privileges of the floor during the discussion and vote on this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCLELLAN. Mr. President, I ask unanimous consent that Mr. Whiteaker of my staff be permitted the privileges of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PASTORE. Mr. President, I ask unanimous consent that Mr. Martin Donovan of my staff be granted the privileges of the floor during the discussion of this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GLENN. Mr. President, I ask unanimous consent that a member of my staff, Mr. Gilliam be granted the privileges of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Who yields time? The Senator from West Virginia is recognized.

Let us have order in the Senate Chamber.

Mr. RANDOLPH. Mr. President, I ask unanimous consent that during consideration of and voting on S. 1513 the following staff members of the Committee on Public Works be granted privilege of access to the Senate floor:

Barry Meyer, Philip T. Cummings, John W. Yago, Richard Harris, Richard Greer, Bailey Guard, Judy Parente, John Kwapisz, Margaret Shannon, and Steve Swain.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RANDOLPH. I yield to the distinguished Senator from Maryland.

Mr. BEALL. Mr. President, I ask unanimous consent that Neal Messick of my staff be granted the privileges of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RANDOLPH. Mr. President, as we consider this legislation, I ask unanimous consent that the chairman of the Subcommittee on Economic Development of the Public Works Committee, Mr. MONTOYA, be added as a cosponsor of the pending measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RANDOLPH. Mr. President, I yield to myself such time as I may desire.

Just over 10 years ago, on March 19, 1965, President Lyndon Johnson signed legislation creating the Appalachian program. To be sure, it had the elements of experimentation, but it had the need in the 13-State region for legislation which would give the opportunity to people who wanted help in helping themselves to enter the mainstream of American economic life.

As a Senator from West Virginia, the only State wholly within the designated Appalachian region, this program is a matter of major concern to me.

I stood where I now stand some 10 years ago and managed the Appalachian Regional Development Act.

My interest goes beyond that point not only because of my participation and my State's participation, but because of the opportunity to move forward in new and imaginative and yet realistic ways to attack the problems of a multi-State region.

Creation of this Appalachian regional development program was the outgrowth of national attention focused on the social and economic hardships suffered by the people who lived in the mountainous area.

Although located in the heart of a prosperous country, this region, nevertheless, failed to share in the prosperity of America as a whole.

It was a region which traditionally had a lower than average income. Its economy was largely based on a single industry—coal. Its rugged terrain made access from one area to another difficult and resulted in both social and physical isolation. It was an area which lacked many of the basic community facilities and services that had been taken for granted in many other sections of the country.

So when I came here 10 years ago and worked with the Members of the Senate in developing the original act, it was with the realization that the need was very great, that the programs would be helpful. As we extend the life of the act we find, of course, reasons for change so that the act would not only continue but would come to grips with many of the problems which are new.

We had suffered. We had suffered from the loss of population, people moving outside the region to seek employment. Those who remained were confined largely to what became known as "pockets of poverty." I remember in 1959 the Saturday Evening Post carried an article called "West Virginia, A Dying State."

I read the article several times and I sent a telegram to the editor of the Saturday Evening Post without referring to that article which I had read, and said, "Would you consider"—consider—"the publication of an article which I would prepare on the subject of what is right with West Virginia?"

I still have the telegram from the editor. It came back in les than 36 hours. It said, "We are not interested."

Now, what I am saying is that with all of our problems, we had a great State, and the mountainous area incorporated in the region called Appalachia is a good section of the United States of America.

I wish no one ill, but I do sugest here to my colleagues, perhaps in mountain language to a degree, that West Virginia is doing well, in a sense, and kicking, but the Saturday Evening Post went out of existence.

So as I come to discuss these matters today, I know that the Appalachian program was an experiment. The act originally was based on a concept unlike any which had been brought before the Senate of the United States, and that is the unique partnership, partnership of the States and the Federal Government.

This regional approach to development was in large part the creation, of the governors of the area seeking a solution to basic problems of the area. The early emphasis was on creating the infrastructure of community facilities and services to support a strong and diverse economy. We have been achieving that in substantial degree.

Central to this effort was the elimination of transportation barriers through the construction of a regional development highway system. In related areas, the program helped communities attack deficiencies in health—this is a story all its own and it is a part of the documentation of what has been done in Appalachia—housing, education, of course, and pollution control.

Now, 10 years later, we are seeing the results of the labors, of the initiative, of the resourcefulness and of the determination to be well reasoned in what we have done.

There are critics who have argued that Appalachia still is lagging behind the rest of the country. The Appalachian Regional Commission has been the catalyst, however, for genuine and substantial progress.

The loss of population from Appalachia which took place in the 1950's has been reversed. In the past 5 years there has been a net migration into Appalachia of almost 80,000 persons a year. Employment in the area has increased both in absolute numbers and, as I have indicated before, in diversity. The gap in average income has been narrowed.

Throughout the region, communities now have the benefit of improved health facilities and services, better housing, vocational education, and the results of the presence of the Appalachian program in many other ways.

Approximately half of the 2,700 miles of authorized Appalachian development highways are either completed or under construction. This network, which supplements the Interstate System and other roads, is breaking down the barriers which inhibited travel within the region and access to the rich markets lying just beyond the borders.

Here are rugged people, rugged as the mountains sometimes, gentle sometimes as are the valleys gentle. They represent, of course, the solid citizenry of America.

One of the most remarkable changes has been in the attitudes of the people themselves.

New lines of communication have been opened between people and governmental bodies. There is a spirit of cooperation that I have never witnessed in the degree that I now witness it as I travel practically every week in a part of Appalachia.

The creation of development bodies cutting across jurisdictional lines has been stimulated and now we have this partnership as we work to solve common problems.

Today, the legislation extending the Appalachian program is title I of S. 1513, the Regional Development Act.

Title II of this measure expands both the authority and the funding of these regional action planning commissions that were established, as the Senator from Arkansas (Mr. McCLELLAN) well knows, in title V of the Public Works and Economic Development Act of 1965.

I remember when Senator McCLELLAN asked me questions in 1965, and they were good questions, concerning what were we going to do about other regions of the United States.

I believe this is all the time that I wish to use at the moment, but I made a promise in this spot 10 years ago that, as we considered the Appalachian regional bill, we recognize the acute needs not only of this area but we were aware that other regions of the country had similar handicaps.

So we considered Appalachia separately. Remember, we had 2 or 3 years of study of our problems there. That gave us the opportunity to create this program in a way that we could not have created the other programs on a parity at the same time. There was no similar background activity with respect to the other regions with which to frame the programs to meet the unique needs as 10 years ago we considered the Appalachian program.

Therefore, Mr. President, I expressed my intention to work for enhancement of the title V commissions so that they would eventually achieve parity with Appalachia in their ability to attack regional problems.

We have been encouraged in this effort by the broad support that is apparent among Members of the Senate. Under the leadership of the distinguished chairman of the Appropriations Committee (Mr. McCLELLAN) the Public Works Committee received strong expressions of support for the title V program from 43 other Members of the Senate.

The chairman of our Subcommittee on Economic Development (Mr. MONTOYA) has been closely involved with the affairs of the title V regional commissions and will discuss in detail the provisions of the bill that relate to their expansion.

Mr. President, with respect to the Appalachian portion of this measure, I call attention to the fact that it provides a 2-year authorization extension. The administration originally proposed that the programs conducted under the Appalachian Regional Commission be extended for 4 years. The committee decided, however, on a 2-year continuation. This will provide us with a greater opportunity to conduct oversight activities on the program changes and new authorities in this bill. We felt that the new provisions should be examined within a 2-year period so that necessary adjustments could be made.

Mr. President, one of the important features of this bill are the changes in the structure and operation of the Appalachian Regional Commission. These provisions relate primarily to the responsibilities of the 13 Governors who serve as members of the Commission along with the Presidentially appointed Federal cochairman. In general, they look to Governors to provide leadership and direction in the establishment of major policy.

In proposing these changes it is the committee's purpose to strengthen the Federal-State partnership that is the basis of the Appalachian program. We strongly desire that State participation in the affairs of the Commission be enhanced. We want further to avoid the possibility that Commission business could be relegated to a bureaucracy which is unresponsive to the people of the region.

We consider it extremely important for Governors to participate personally in Commission meetings, for we believe that their contributions are essential to the proper functioning of the program.

The effect of these amendments is to return to the Governors functions that recently have been exercised by an Executive Committee composed of nonelected officials. In no way do we intend to restrict the right of the Governors to maintain an office at Commission Headquarters to represent them in the day-to-day activities of Commission operation. These changes were included in the bill after extensive conversations with the 13 Appalachian Governors. The Governors have given questions of Commission operation and organization careful attention and we are grateful to them for these suggestions and contributions that they made to this legislation.

Mr. President, this legislation authorizes $267 million for the general program of the Appalachian Commission for the two-fiscal-year period 1976–77. This monetary authorization is consistent with previous spending levels of the program and conforms to the requests of the Administration in this respect.

I observed earlier that a central feature of the Appalachian program is the improvement of transportation through the construction of a developmental highway network of 2,700 miles. This legislation increases that system by 200 miles for future construction. While the designation of actual routes is the responsibility of the Appalachian Regional Commission, the committee was particularly concerned with the need for improved transportation in the heavily developed corridor between Huntsville, Ala., and Memphis, Tenn. This is an area in which there has been considerable growth in recent years, much of it related to the space industry. The section is not served by any major East-West highway of the interstate type. Further, the areas of Northern Alabama and Mississippi were not part of the Appalachian region at the time the original highway network was designated.

In addition to expanding the highway system, the legislation increases authorizations for its construction by $840 million. At the present time the total authorization for highway construction is slightly more than $2 billion. The new authorization takes into account substantial cost increases in the highway construction industry in recent years. The committee recommends an increase in the fiscal year 1978 highway authorization, presently the last year, from $180 million to $250 million, and additional authorizations of $300 million for fiscal year 1979, $300 million for fiscal year 1980, and $170 million for fiscal year 1981.

The bill contains new provisions to implement the areawide action planning process of the Commission in the context of a regional development planning process and subregional strategies. They emphasize overall regional goals and the strengthened participation of political subdivisions and the general public in the preparation of State development plans. It is intended to upgrade the role of local development districts, along with increased considerations of the goals and objectives of local units of governments and citizen groups.

The Commission must begin at once the preparation of an overall regional development plan. This plan should be based on the State development plans once they are approved by the Commission, and should reflect the new statement of purpose for the Commission.

The bill requires that State development plans, the regional development plan, and implementing investment programs be approved by the Commission in accordance with the regional development planning process. Once a State development plan is approved, the submission and approval of a project by a State, when joined by an affirmative vote of the Federal cochairman for such project, shall be deemed to satisfy the requirements for affirmative votes for decisions.

The implication of this change is to require annual Commission approval of State development plans and implementing investment programs.

The implementing investment program should serve as a preapplication, and Commission approval of such a program should be sufficient scrutiny to allow individual projects to be approved merely on the basis of the State's approval and submittal and the Federal cochairman's concurrence. This is consistent with the statute and current Commission practice which requires the affirmative vote of both State and Federal partners on projects nominated by the affected State.

Until State development plans are approved by the Commission, each project must be approved by the Commission. This responsibility may not be delegated to a person not a member of the Commission, and the project approval role of the previous Executive Commission structure is eliminated.

Mr. President, this legislation also modifies existing Appalachian programs. These respond to the changing nature of the challenge in the region and adjust to improvements in the general condition of the region. Provisions relating to the health program, for instance, recognize the desirability of moving from a construction-oriented program to one with more emphasis on the delivery of health care services. This approach reflects the advances in the total Appalachian program which early stressed the development of physical facilities. It is essential now that the program move into service and action-oriented activities.

Appalachian programs to experiment with and implement methods of mine area restoration are also broadened by the legislation. An important part of this section is the provision that reclamation projects can take place on lands owned by private, nonprofit entities for use for public recreation, conservation, community facilities, and public housing.

Other areas of Appalachian activity in which modifications are proposed include housing, education demonstration projects, and the supplemental grant program.

Mr. President, the provisions of this bill relating to the Appalachian regional development program are a logical outgrowth of 10 years of activity in the region. Progress has been substantial, and it is the intention of the Public Works Committee that it continue its upward thrust in the 2 years covered by this bill.

This legislation was developed after extensive hearings on the Appalachian program, hearings which reviewed not only its progress but also the challenges which remain to be met. I am gratified for the attention paid to this subject by the members of the committee. I am particularly appreciative of the involvement of Senator Baker, the ranking minority member of the committee and an Appalachian Senator himself. The basic work on this legislation was done under the direction of Senator Montoya as chairman of our Economic Development Subcommittee with the concern and cooperation of Senator McClure, the ranking minority member of that subcommittee.

Senators Muskie, Burdick, Morgan, Gary Hart, Buckley, Stafford and Domenici also represent States which are members of title V Regional Commissions. Their concern was not limited to the confines of those Commissions but was broad in scope and took into account the full range of problems on a national basis. Senators Gravel, Bentsen and Culver also were active and contributed much to our understanding of the problems and their resolution.

Members have been diligent in their concern with the Appalachian program. We have reviewed all features of the program this year, and there has been extensive staff inquiry into their operation and effectiveness. It is our intention to continue oversight activities during the next 2 years and outside parties will be invited to participate in this continuing evaluation of the Appalachian program.

As always, the demands on the time of the members of the committee were extensive, and we are deeply indebted for the staff support we received in development of this measure. Members of the committee staff who worked diligently on this measure include Barry Meyer, Chief Counsel and Chief Clerk; Bailey Guard, Minority Staff Director; Philip T. Cummings, John Yago, Margaret Shannon, Richard Greer, Judy Parente, and Richard Harris.

Mr. President, this is well-reasoned legislation which I urge the Senate to adopt.

Mr. President, I shall reserve the remainder of my time and yield to the able Senator from Rhode Island.

Mr. PASTORE. All I shall need is 2 minutes.

First of all, I want to congratulate the distinguished Senator from West Virginia for the fine work that he has done, together with his colleagues on the Public Works Committee.

I want to say, Mr. President, we are now considering legislation to expand the regional commissions authorized by title V of the Public Works and Economic Development Act to bring them more nearly into line with the Appalachian Regional Commission. That Commission has served as a successful model for the legislation we are considering here.

The new legislation expands the authority of the seven regional commissions into such areas as demonstration projects relating to transportation and energy problems, both of which are very serious concerns to people who live in New England and especially Rhode Island.

The commissions also will attempt to deal with the problems of unemployment which is most serious in the State of Rhode Island. The 15.8-percent unemployment rate in my State—and I am not bragging; I say this with heavy heart—is the highest in the country, and we must do something to deal with it. I think this bill is a step in that direction.

Now, Mr. President, what we are doing today is dealing with an authorization bill and whatever we do here must be followed up with the appropriations.

As the chairman of the subcommittee that deals with the funding of the title V regional commissions, I want to indicate to the Members that I plan to recommend a significant increase in funding to follow up on this authorization measure. The budget request for the title V commissions is $42 million which is about the same as last year. We have taken extensive testimony which indicates that the commissions even under existing authorizations could reasonably use an amount of $84 million this year.

Consequently, I will be recommending that the members of the Appropriations Committee agree to a doubling of the budget for the title V commissions in this year's Commerce Department appropriations bill.

As the Members may recall, the $84 million figure is the same amount that was previously included in the Senate version of the Emergency Employment Appropriations Act, which, unfortunately, was vetoed by the President. The inclusion of these funds in the Commerce Department Appropriations Act for 1976 will give us another opportunity to demonstrate that the Appropriations Committee supports what we are doing on the floor today and would also be consistent with the congressional program of economic recovery and energy sufficiency which was transmitted to the President in February.

Finally, the expanded programs which I will be suggesting to the members of the Appropriations Committee are ones which the commissions should be able to implement quickly and with maximum beneficial effect on employment.

Mr. President, I urge that the Senate approve this important legislation.

Mr. President, I would hope that this Senate would unanimously support and adopt this legislation today because I think it is one of the measures that is for the benefit of the people of this country.

Mr. RANDOLPH. May I use this opportunity to express to the Senator from Rhode Island my recognition of the constancy which he has shown in bringing to the attention of his colleagues here the problems of unemployment in the State of Rhode Island. It is physically a small State, true, but a State with a big population, a State where there are productive workers attempting to find employment. We believe that with this program and the New England Regional Commission, if it is properly funded, as we have had the funding in Appalachia, many of the results will certainly benefit the people of Rhode Island.

Mr. PASTORE. I want to thank my colleague.

Would he please change the word "physically" to "geographically."

Mr. RANDOLPH. That is a better word. I will use that word instead of "physically."

Mr. MANSFIELD. Will the Senator yield?

Mr. RANDOLPH. I yield to the majority leader.

Mr. MANSFIELD. Mr. President, I want to commend the distinguished Senator from Rhode Island, the chairman of the Subcommittee on Appropriations on which I serve, and to assure him that he will have my full and complete support in the statement which he made today.

I also want to take this opportunity to congratulate the distinguished Senators, Mr. Randolph of West Virginia and Mr. Baker of Tennessee, chairman and ranking member of the Public Works Committee, and Senators Montoya and McClure, as chairman and ranking minority member of the Economic Development Subcommittee, for their excellent achievement in bringing a comprehensive Regional Development Act to this body. All members of the subcommittee dedicated considerable time to this measure and produced a most noteworthy result.

I have had more than a passing interest in the Regional Development Act of 1975. While it does not contain all of the provisions which were in S. 1189, a bill I introduced on March 13, 1975, it does represent a significant effort toward our mutual objective, which is providing all regional commissions with a broad variety of tools needed to hasten economic development in their particular jurisdictions. The measure now before us is a good beginning, one in which all participants can take justifiable pride. The Regional Development Act of 1975 for the first time gives all regional commissions the capability of achieving fruitful progress toward their goals. It likewise places the responsibility squarely upon the shoulders of the various Governors and Commissioners who administer these programs.

I am confident the results will be gratifying.

Again I want to say that I am happy that the distinguished chairman of the Subcommittee on State, Commerce, and the Judiciary, the Senator from Rhode Island (Mr. Pastore) has given his constructive attention to the proper funding which has in the past plagued many of the commissions. Since Senator McClellan and Senator Young, the chairman and ranking minority member of the Appropriations Committee, share our interest in the progress of these commissions, I know they will do their best to provide adequate appropriations for the many essential programs awaiting commission action.

State and local officials who increasingly are dependent upon the regional commissions for help and support will be most grateful for this positive response to their problems, and most particularly to the distinguished chairman of the committee, the Senator from West Virginia (Mr. RANDOLPH), the ranking Republican member of the committee, the distinguished Senator from Tennessee (Mr. BAKER), and the Chairman and ranking minority member of the Economic Development Subcommittee, the Senator from New Mexico (Mr. MONTOYA) and the Senator from Idaho (Mr. MCCLURE).

Mr. RANDOLPH. I thank the majority leader.

Mr. President, I ask for the yeas and nays on passage of the bill.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. BAKER. Mr. President, I yield myself such time as I may require.

Mr. President, I strongly support the bill before us—the Regional Development Act of 1975—commend it to my colleagues, and trust it will be enacted promptly.

The bill extends the Appalachian program for 2 years through 1977 and the highway program through 1981, authorizing a total of $1.107 billion for the Appalachian program including $840 million for Appalachian highways. For other specific authorities—including health, education, and housing—$267 million is authorized for the 2 fiscal years.

The amendments mainly refine the authorities of the established program. For example, the housing amendments clarify that Appalachian housing funds may be used in conjunction with Farmers Home Administration housing authority, as well as housing programs of Department of Housing and Urban Development. I call attention to the Committee Report which explains in detail the amendments to the act.

Mr. President, in 1965, the Congress adopted the Appalachian Regional Development Act. The unique tangle of problems in Appalachia called for a uniquely tailored program—and the original act represented a carefully designed plan that acknowledged the region's isolation, economic and social problems, recognizing as well the independence, strength, and character of its people. It also importantly recognized that neither the States alone nor the Federal Government alone were sufficient to the task which involved them both so closely. It was evident to the Congress that new actions had to be undertaken, that a new mechanism was needed to implement new programs in a single purpose and focus.

Chairman RANDOLPH was the original sponsor, and his steadfast attention to the legislation and dedication to improving conditions in Appalachia have been invaluable. As the ranking Republican member of the Public Works Committee, I am grateful for his spirit of cooperation and leadership each time that the subject of Appalachia has arisen, and proud of my association with the Appalachian program throughout my service in the Senate. As I stated in the Senate on March 7, I consider the Appalachian program one of the most successful programs we have, and I have and will continue to strongly support and work for it.

Mr. President, the Appalachian program was innovative from the beginning. It not only recognized both a Federal and State responsibility—establishing the Appalachian Regional Commission as the mechanism for joint, cooperative endeavor—but also addressed key initiatives to bring Appalachia back into the mainstream of the Nation's economy.

Great progress has been made by helping the region build those facilities and services that are the foundation for a sound, self-sustaining economy—transportation systems; community infrastructure such as sewage and water systems; health care facilities and delivery programs; vocational-technical schools and training programs; decent housing; and programs to clean up and protect a neglected and often abused environment, and to encourage wise use of Appalachia's abundant natural resources.

Today, about half of the Appalachian highway system is completed, or under construction. In addition, Appalachian funds have been used to build access roads to sites for industrial complexes, hospitals and schools. These improvements have reduced the isolation of the region, which had cut off Appalachia from the rest of the Nation, physically, economically, and socially.

Today, construction is almost complete on the region-wide system of vocational-technical schools, multicounty educational service programs are operating throughout the region, and the Commission has funded 114 libraries.

Today, over 800 health facilities have been constructed and equipped and of the 396 counties in the region, 389 now have comprehensive health planning agencies.

The ARC housing program has stimulated construction of low and moderate income housing units for over 12,000 families and assisted States in creating housing finance authorities.

In addition, the Commission has funded over 400 sewer and water projects, nearly 100 mine reclamation and subsidence projects, and numerous other projects from industrial development to airport safety.

Mr. President, I think the measure of the success of the program is expressed in one statistic, perhaps, better than any other: In 1965 outmigration was draining the region of valuable human resources. By 1972 this trend was reversed. While net outmigration was over 90,000 persons annually in the 1966–70 period, net inmigration exceeded 66,000 persons annually between 1970 and 1973.

In the aggregate the accomplishments of Appalachia are extensive, but an illustration of the program's impact may perhaps best be seen on the local level. I speak here of the accomplishments in my State of Tennessee which I know best. For example, the First Tennessee Local Development District is one of the fastest growing industrial areas in the State. In addition, the State of Tennessee has taken advantage of its Appalachian experience, passing a Comprehensive Child Development Act, establishing a State child development office.

Although it has been referred to as a "bricks and mortar" program, the Appalachian regional development program is much more. It has been a Federal-State-local partnership working on agreed upon goals in tandem. I believe it can and must continue this process, and build upon this constructive institutional structure.

In absolute terms, while per capita and family incomes have risen significantly in Appalachia, in relative terms the region still lags behind the Nation. For example, in the region as a whole and in my State of Tennessee per capita income rose about 60 percent during the years 1969–73. While progress has been made in relative terms as well, in 1973 regional per capita income was still only 81 percent of the U.S. average. To cancel this program now would abandon the progress being made and leave a necessary task unfinished.

While improving the quality of sadly inadequate human services remains a first priority, it is also time to approach the new challenges and problems. For example, energy supply has most recently become a high national priority and Appalachian coal is now recognized as a major national asset.

At the inception of the Appalachian program in 1965, fundamental problems had arisen from the mining of coal in Appalachia. While the production and transportation of coal remained the single largest source of employment in Appalachia, automation in the mines and shrinking market demand had worked together to reduce coal employment by hundreds of thousands of jobs during the previous two decades. A direct result of the decline in the coal industry was the severely depressed economic conditions that existed in many sections of Appalachia and the region confronted a painful period of adjustment.

In strong contrast, today there is a hopeful new pattern of economic performance emerging in Appalachia, based in large part on coal production. As the most important producer of our country's largest domestic source of energy, Appalachia now confronts the future in the context of this new relationship to the Nation.

As I stated in the Senate on April 23, it is vitally important that we develop our energy resources. It is equally important that they be developed in an orderly fashion, conscious of the critical factors of regional growth and in a way that protects the economic, environmental, and social fabric of life in the Appalachian States.

In the past, much of the Appalachian landscape has been ravaged by the mining of coal. Many of the damages of uncontrolled mining are tangible and can be estimated, while others are more difficult to evaluate. Not only active coal-mining operations but also inactive and abandoned workings can burden progress and depress areas. Eroded hillsides and polluted streams must not stand as the only lasting monuments to the "coal boom." The energy needs of the rest of the country ought not be subsidized by the people of the Appalachia region in support of growth and prosperity which the region does not share.

Mr. President, I am pleased that upon my motion the committee added to the existing findings and declaration of purpose a new section recognizing that evolving national purposes in the decade since 1965 affect not only the Appalachian region, but also its relationship to a nation now assigning higher priority to conservation and the quality of life. The new section 2(b) also declares that fundamental changes are occurring in national energy requirements and production which not only risk short-term dislocations but will undoubtedly result in major long-term effects in the region.

Supplementing the original purposes of the 1965 Act which have served so well, it adds a new purpose: "to provide a framework for coordinating Federal, State, and local efforts toward, first, anticipating the effects of alternative energy policies and practices, second, planning for accompanying growth and change so as to maximize the social and economic benefits and minimize social and environmental costs, and third, implementing programs and projects carried out in the region by Federal, State and local governmental agencies so as to better meet the special problems generated in the region by the nation's energy needs and policies—including problems of transportation, housing, community facilities and human services."

I call attention also, Mr. President, to the amendments to section 101 of the act, designed to assure that the Appalachian Regional Commission retains its unique status and quality as an agency of full partnership and participation by the member States and the Federal Government. Appalachia from the beginning represented a spirit of State–Federal cooperation and leadership, and it is important that this structure and operation remain strong. I consider the participation of the Governors invaluable. Governors have the knowledge, sensitivity and unique political insight which is important to the success of the future programs. They have the authority to see that their program and decisions are fully embraced by the particular States. Working together, I believe the Governors are far more likely to develop new programs equivalent to and of equal consequences to the successful programs of the last decade.

Now more than at any time except in the beginning of this program, there is a challenge that requires the very best talent of our Governors and our Federal officials. The committee amendments, I think it fair to say, reflect a considered judgment of the appropriate and necessary steps required at this time to achieve the direction, purpose and responsiveness the Congress, the Governors, and the people of the region have a right to expect.

I hope also that Members and interested persons will give attention to the "General Statement" at the beginning of the Committee Report which describes the function of the Regional Commissions, and our intention and conception of their purposes and proper objectives.

Mr. President, title II of the bill would expand the program authority of the regional action planning commissions authorized under title V of the Public Works and Economic Development Act of 1965. It would extend the authorizations of the commissions for an additional year, increase their monetary authorization, and provide new and broad program authorities in four areas: energy, transportation, vocational education, and health. I know the strong interest in expansion of the Title V Commissions which has been expressed by a number of my colleagues. I would like to commend the chairman of the Subcommittee for Economic Development, Senator MONTOYA who especially provided leadership for title II; Senator DOMENICI, whose interest and close attention to the legislation was very valuable; and the other members: Senators MCCLURE—ranking member of the Economic Development Subcommittee—STAFFORD, MUSKIE, BURDICK, MORGAN, and HART.

Again, it has been my pleasure to work with the author and sponsor of the original Appalachian legislation, our Chairman JENNINGS RANDOLPH, and we are glad to join in asking our colleagues to enact this Regional Development Act of 1975.

Mr. McCLELLAN and Mr. GLENN addressed the Chair.

Mr. BAKER. Mr. President, I am happy to yield first to the Senator from Arkansas, and then, if I may, to the Senator from Ohio.

Mr. McCLELLAN. Mr. President, since its inception in 1965 the Appalachian Regional Commission has effectively demonstrated the results which can be achieved by attacking regional problems through a partnership of States with the aid of the Federal Government. The experience and knowledge gained during this 10-year experiment have helped the Congress to identify problems and areas of concern in other sections of the country which the Senate Public Works Committee has considered for comparable Federal assistance. In considering the Regional Development Act of 1975 which is before the Senate today it is proper to note some of the inequities which have existed in the Nation's regional development programs. First, I would call special attention to the outstanding work done by the Senate Public Works Committee and commend it for recommending the Regional Development Act of 1975 which will begin to correct some of the inequities that Title V Regional Commission programs have experienced and endured.

It was clearly the intent of Congress in enacting title V of the Public Works and Economic Development Act of 1965 to provide other sections of the country with partial comparable program authority and financial support as that extended to the Appalachian area. Notwithstanding the fact that most of the existing Title V Commissions have had their development plans approved by the Commerce Department, the executive branch has consistently failed to request program authority and funds for Title V Commissions fully comparable to those of Appalachia.

It is time the Congress reaffirms its intent and reasserts its leadership in assuring the equal concerns and commitments for the 31 States which make up the seven title V regional commissions as it has for the 13 States comprising the Appalachian Regional Development Commission. The bill which is before the Senate now is a good beginning, but is still inadequate to insure equal treatment and full justice under the law.

As I understand S. 1513, all regional development commissions would now be authorized under a common statute. In addition it would provide for comparable and expanded program authority in areas of energy, transportation planning, vocational education, and health. Although I would have hoped that the committee would provide comparable highway authority for title V commissions to that enjoyed by Appalachia, the bill does authorize each regional commission with the assistance of the Secretary of Transportation to conduct and facilitate full and complete investigation and studies of transportation needs of economic development regions. I understand that such studies will then formulate the basis for specific highway programs to be considered by the Congress.

It had been my hope that the Congress would receive and act on specific development plans presented by each regional development commission. The committee however, has chosen to receive those plans for review only and to leave specific authorization and implementation with the executive branch. To assure proper coordination and expeditious action, however, the President is required under section 208 of title II of the bill to complete a review of the structure and authorities of existing title V regional action planning commissions and to report to the Congress his recommendations not later than 6 months after enactment of this act.

In my judgment one of the biggest problems and greatest inequities between the Appalachian and title V regional commissions has been in the area of funding. The administration has consistently requested more funds for Appalachia than it has for title V commissions. The distribution of funds has been at an intolerable level of 31.6 to 1 per capita. That general ratio is still maintained in the administration's fiscal year 1976 request. The President has requested $42,081,000 for the title V commissions and $343,332,000 for Appalachia; yet Appalachia only serves one-third as many people. This inequity should be corrected.

Mr. President, I understand the Regional Development Act of 1975 to contain these features as I have explained them and it certainly will have my wholehearted support. Again, let me commend you as chairman and your committee for the outstanding job it has done in addressing itself to some very difficult issues which I believe are beginning to resolve in a fair manner.

I would like especially to commend the distinguished Senator from West Virginia, the chairman of the Committee on Public Works, and all of his colleagues on the committee, for the results of their deliberations with respect particularly to the title V commissions and the law under which they were created.

On June 20 of this year, I addressed a letter to the distinguished chairman of the Committee on Public Works which was signed, I believe, by some 43 other Senators, all of them, I believe, representing the 31 States that have title V commissions which are outside of the Appalachian area, wherein we made certain requests of the committee to consider certain provisions of law that we hoped might be enacted in order to correct or to eliminate some inequities that now exist between the Appalachian Regional Commission and the title V commissions.

There has been some inequity, and it has been perpetuated too long already. I remember very well, as the distinguished Senator from West Virginia mentioned in his remarks a while ago, some 10 years ago when we had before us the bill to create the Appalachian Regional Commission. It made a very strong appeal to me, though I recognized at the time that, in my own State, some areas of my State were probably in just as bad a condition, comparably, as many sections of the Appalachian region, and I felt that, while the enactment of that bill was urgently needed at that time, it should be followed with some comparable equal treatment for other sections of the Nation that were in comparable need of such assistance as was the Appalachian region.

We made some progress. We got the title V commissions established, but they were not established upon the same level of dignity, prestige, and authority as was the Appalachian Regional Commission. So we have been struggling to try to bring about more equitable status and treatment for all sections of the Nation as related to the Appalachian area.

In this bill we have made some progress, in fact quite a lot of progress. We have not yet achieved the full goal. We will have to go further. But certain studies provided for in this bill will be helpful to us, and will enable the committee and Congress in future consideration of this matter to find a way to meet the problem completely, I am sure—competently and completely satisfactory.

I heard our distinguished colleague from Rhode Island (Mr. PASTORE), who is chairman of the Appropriations Subcommittee having jurisdiction of this matter, a few minutes ago assert that before the full Appropriations Committee he would urge additional appropriations, more than the budget recommendation for these regional commissions.

Mr. President, as of now I think I will support a reasonable increase in these funds because there is great unemployment throughout the country, and the character of the programs and projects that are sponsored by these regional commissions do provide jobs. They also leave something of value, some material asset or enhanced asset when they are through with the program, when the work is done. We do not just spend the money and have nothing left. We have something to show for it.

I express my gratification, my deep appreciation to the members of the Committee on Public Works, including the distinguished Senator here from New Mexico, who I know has talked to me about this, and has evidenced a strong disposition to find ways to bring equity and justice in this character of expenditure of our Federal funds, and the ranking Republican on the committee, the distinguished Senator from Tennessee (Mr. BAKER), for his help.

I am very happy indeed that the Appalachian region was created. It was an area that needed very much assistance, and it has made great progress. As the distinguished Senator from West Virginia said a while ago, some of its critics wanted to write an obituary about West Virginia. West Virginia still lives, and the critics are demised.

So, Mr. President, we have made great progress. This has been a wonderful program. It has been of great material benefit to those who have been the beneficiary of it.

I predict that, when we get our economy straightened out again, we will move forward in these regions and we will see tremendous economic and social results from our efforts.

I thank the distinguished Senator from Tennessee (Mr. BAKER), for yielding to me.

The Chair recognized Mr. BROCK.

Mr. RANDOLPH. I asked my colleague from Tennessee, the Senator who worked diligently in fashioning the present bill, if he would give me the opportunity to just comment very briefly.

Mr. BAKER. Mr. President, I am happy to relinquish the floor. I promised the Senator from Ohio to yield briefly to him. I wonder if the Senator from West Virginia would do that when he finishes with the reply.

Mr. GLENN. That is fine.

Mr. BAKER. That will be fine.

Mr. RANDOLPH. Mr. President, I and others have expressed our continuing interest in the seven regional commissions under title V.

We wanted very much parity, I say to the 43 Senators—there were 43, who joined Senator MCCLELLAN in presenting the need so that we might incorporate it in this legislation.

That indicated a very broad support. The other commissions, not envious really of the Appalachian program, but watching its progress and understanding the programs, felt that if there were additional funds they could do a better job.

It was the distinguished chairman of our Committee on Appropriations, the Senator from Arkansas, who received this support from his colleagues.

I think that it is important for me to indicate that the chairman of our Subcommittee on Economic Development (Mr. MONTOYA) has been involved with Senator MCCLELLAN very closely in providing to title II of this bill for the regional commissions.

I think later this afternoon, as we proceed with the debate, he perhaps will discuss in more detail what we intend in the expansion of these programs.

So, I simply commend the Senator, and those others, who have given us the opportunity, to join those seven commissions with the Appalachian Commission in our forward thrust, for the benefit of many, many areas of the country. There are common problems in the commissions, as the Senator has indicated.

Mr. GLENN. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Who yields time?

Mr. BAKER. Mr. President, I yield to the Senator from Ohio.

Mr. GLENN. I thank the Senator.

Mr. President, I am pleased to add my endorsement to S. 1513, the Regional Development Act of 1975.

I compliment the distinguished Senator from West Virginia, the chairman of the Public Works Committee (Mr. RANDOLPH) and the distinguished Senator from Tennessee, the ranking minority member of the Public Works Committee (Mr. BAKER) on their authorship of this bill.

The bill extends the Appalachian Regional Development Act of 1965 and expands the authority of regional development commissions in some respects outside of Appalachia.

Mr. President, I am most interested in discussing that section of the bill relating to the Appalachian Regional Commission. The Appalachian region has certainly benefited from the coordinated approach toward economic development, planning and improvement of services taken by the Appalachian regional development program. The principle of Federal-State-local cooperation and coordination is an important one to follow not only in developing policies and programs but in efficiently and effectively carrying out those programs and implementing policy. The Appalachian region cuts across a 13-State area. Yet it was, in 1965, the time of passage of the Appalachian Regional Development Act, a region in extreme distress. It suffered extraordinarily high unemployment and low income, poor school systems, poor health care systems, poor transportation facilities, poor housing, among other maladies. There are 28 counties of my State that are within the Appalachian region. These counties have experienced the same problems as the whole of Appalachia.

The Appalachian Regional Commission has moved on these problems, Mr. President, but the struggle is far from over. We must continue a coordinated developmental approach. This is all the more vital now, given the prospects for increased national dependence on coal that centers in that region.

Mr. President, I mentioned that we had begun to tackle the problems of Appalachia and that we must continue. We have made progress, but the fact remains that since 1950, more than 3 million people migrated out of the Appalachian region. Although the region has recently experienced a net gain in population through inmigration, we are still left with many of the problems attributable to the wholesale exodus of people for the 20-year period 1950–70.

Appalachian migrants' urban destinations tend to be close to their original "home" and there has been a significant impact that Appalacian migration has had on mid-Western and Southern cities.

In my State, the cities of Cincinnati, Columbus, Cleveland, Akron, and Dayton have received large numbers of Appalachian migrants.

Mr. President, we know that these Appalachian migrants in urban areas in many cases may still have many of the fundamental problems of Appalachia—poor housing, inadequate employment, poor education. There are also differences in heritage and culture that exist that are highly significant.

Mr. President, as we in Congress attempt to design social and economic programs that help all of our diverse groups assimilate into the society, we need some hard factual data on the status of Appalachian migrants in urban areas. We need data on current migration patterns and implications. We need to know the impact that Appalachian Regional Commission's pograms have on outmigration. There is a dearth of official information to help us act to improve the health, education and welfare of this vital sector of our population.

Mr. President, I thank the distinguished chairman of the Committee on Public Works for incorporating into the bill my suggestion for such a study to be perfomed by the Commission under that Commission's research and demonstration authority in section 302B of the bill. I am very appreciative of his actions, and I believe that the data compiled will prove helpful to us in Congress, and to the ARC itself, in formulating policies and programs that are beneficial to the Appalachian region and to the Nation as a whole.

I thank the two distinguished Senators who are managing the bill in the Chamber.

The PRESIDING OFFICER. Who yields time?

Mr. RANDOLPH. Mr. President, I yield 10 minutes to the able Senator from New Mexico, a member of the committee and chairman of the Subcommittee on Economic Development, Mr. MONTOYA.

Mr. MONTOYA. Mr. President, first, I commend the distinguished chairman of the Committee on Public Works, Mr. RANDOLPH, for having given us the leadership in economic development legislation by virtue of his sponsorship of the Appalachian regional development legislation, in 1965. When he introduced this concept of economic development, we introduced the regional commission concept through separate legislation for other parts of the country; and today we are trying to wed the two concepts and have them run together on the same track.

Unfortunately, in the last few years, the regional commissions have been orphans in budgetary requests from the administration; and we in Congress, both Republican and Democrats, have tried our utmost to provide the sinews for these regional commissions so that they could continue to exist and make some progress in forging plans, concepts, and approaches in economic development throughout the various regions of the United States.

This bill is the product of a great deal of effort and a great deal of input by many Senators on both sides of the aisle. I give special credit to Senator MANSFIELD, Senator METCALF, Senator MOSS and those who cosponsored S. 1189, as well as to Senator MCCLELLAN, whose leadership provided a good consensus approach on the part of 43 Senators, asking our subcommittee to consider the basic points we have incorporated in this legislation.

I commend the Republican members of the committee as well as the members on the Democratic side for their nonpartisan participation. This piece of legislation emerges from the Committee on Public Works with unanimity on both sides.

I hope that the people downtown, when they evaluate this legislation, will realize that we in the Senate have tried to forge a piece of legislation which is designed to further assist the regions of America which have suffered economic retrogression. Certainly, the amendments in this legislation deserve serious attention. I am sure the new programs authorized will work, because they are very similar to the those developed by experience, by trial and tribulation, in the Appalachian Regional Commission.

For example, in the amendments to title V of the Public Works and Economic Development Act: We have increased the authorization levels; we have established new program authorities in energy, transportation, health care, and vocational-technical education; and we have required congressional committee review of each commission's regional economic development plan. Each regional commission is required to file with the respective Public Works Committees of Congress their development plans required by law, so that we can conduct oversight review on those particular plans and over the activities of the respective regional commissions.

We are very mindful of the interest in the Senate and in the House to give parity to the regional commissions—parity with the Appalachian Regional Commission, which operates within the Executive Office of the President, rather than under the Secretary of Commerce, as do the other seven regional commissions now.

But because a possible difference of opinion between those of us who want independence for the regional commissions and the administration downtown, who want to retain the regional commissions under the Secretary of Commerce, we have provided for a presidential review and subsequent recommendations with 6 months on which appropriate administrative structure the President prefers that will also accommodate congressional wishes for greater autonomy for the title V commissions.

That, briefly, is what we have tried to accomplish with this bill.

I commend the Senator from Rhode Island, who chairs the Subcommittee on Appropriations dealing with EDA, the regional commissions, and other public works projects which have been authorized under this and complementary legislation; because he has tried to extend his discretion beyond the budgetary limitations which have been recommended by the administration downtown.

I am glad to see such unanimity on both sides of the aisle, and I hope that this unanimity will continue, because economic development is a dire need, is a remedy for many sections of the country today. We must look at economic development with bipartisan eyes and mature judgment. We must exhort the administration downtown to request increased funding for vital programs, which are designed to benefit many of the lagging regions of the United States.

Mr. President, I am pleased to have this opportunity to join our distinguished chairman of the Committee on Public Works in recommending enactment of the Regional Development Act of 1975.

Title II of this bill is designed to broaden the scope of the regional action planning commissions authorized under title V of the Public Works and Economic Development Act of 1965.

In addition, this bill increases the commissions' authorization levels; establishes new program authorities in energy, transportation, health care, and vocational-technical education;

Requires congressional committee review of each commission's regional economic development plan; and

Directs presidential review with respect to providing greater automony for the commissions.

Mr. President, I am indeed happy to see that at long last we have an opportunity to give these commissions the support they have so long needed to enable them to achieve the success that has characterized the Appalachian Regional Commission for the decade of its existence. Adequate authorizations—and, of course, subsequent appropriations—as well as greater autonomy within the executive branch are their greatest needs. This bill answers those needs.

As the Senator from West Virginia has so ably explained to this body, the need for continuing the Appalachian Regional Commission is imperative given after demands for energy production from the coal-rich mountains of Appalachia.

Many of my colleagues were present in the Senate a decade ago when the original Appalachian legislation was enacted. At that time, the depths of poverty, of illness, of poor housing, in Appalachia were highly visible to the Nation. Even then, however, the Congress realized that there were other areas of the country suffering from similar conditions.

To carry out an effective program of assistance in these distressed regions, Congress authorized the creation of multi-State regional commissions in 1965 through enactment of the Appalachian Regional Development Act and the Public Works and Economic Development Act. These commissions — partnerships between the States and the Federal Government—have been considered an innovative experiment in intergovernmental cooperation since their establishment and have helped to bring cohesion and direction to regional assistance.

As created by the Congress, the commissions have several functions. Under the guidance of the governors of the states involved, a commission's primary responsibility is to develop regional policy addressing the common problems identified when the region was established. Commissions provide the cooperative structure for identifying particular obstacles in each region, framing strategies and establishing priorities.

To carry out a regional investment trategy, a commission provides assistance in assembling, from the array of available existing authorities, those programs and projects to meet the special needs of an area. It works with Federal agencies in selecting and shaping activities appropriate to provide a unique response to regional problems.

A very important function of each commission is to augment the investment activities of the Federal Government. Particularly important is the ability to supplement other Federal programs—to direct funds into poor areas and to guide other investments. In sum, commission programs are intended to provide flexibility to initiate action, to serve as a catalyst, and to be a coordinating mechanism in the region.

Mr. President, I ask unanimous consent that a table identifying the State membership of each commission and other pertinent information be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. MONTOYA. Mr. President, the committee has recommended an expansion of the program authority of the regional action planning commissions authorized under title V. This expansion of authority and increase in funding level reflects a stronger interest of the Members of the Senate representing the 31 States included in the title V commissions and greater participation by the Governors of those States.

The new authority provided in this bill is designed to allow the commission to address individual problems facing each region. The bill provides new and broad program authorities in four areas: Energy, transportation, and health vocational education. In addition, the committee is again recommending an increase in authorization for fiscal year 1976 to $200,000,000. The bill also provides $50,000,000 authorization for the transition quarter ending September 30, 1976, and extends the authorization through fiscal year 1977 at $250,000,000.

Each commission is required to submit its development plan to the Committee on Public Works of the House and Senate. The requirement is in part a response to the growing awareness of the committee that greater oversight of regional programs must be provided. With increased funding and program responsibilities, the need for continuing indepth oversight of commissions programs and activities is imperative.

For the information of my colleagues, particularly those whose States are members of the seven regional commissions, let me outline very briefly here the four major new areas of authority in this bill.

These areas are: Energy, transportation, health care, vocational technical education.

First, transportation.

Transportation planning for regional economic growth is essential if the title V regional action planning commissions are to deal with the lagging and underdeveloped economies in many areas of the Nation. It is obvious that transportation is only one element for economic growth. Nevertheless, it is a critical component.

As the regional commissions study and plan their transportation systems so as to serve best the economic, social and environmental interests of the regions, they should not plan only new systems but should look at existing transportation programs and attempt to integrate their plans with these ongoing transportation programs.

We want to stress that the committee believes the $5 million available each fiscal year should be used in an innovative manner.

Now, let us look at energy for a minute:

The title V regional commissions include some of the Nation's major energy producing States as well as some of the larger user-States and States with unique energy requirements. Today's critical energy situation has a profound impact on the economic well-being of these regions. Therefore, we are recommending that each commission should develop a regional policy reflecting the opportunities and risks created by the energy situation in that particular area.

These two issues—energy and transportation—are today's most critical areas of need. However, as Senator RANDOLPH has pointed out, the experience of Appalachia has been that there is continuing need for comprehensive health care and vocational-technical education. These fundamental efforts are essential to any successful attempts at regional growth and development.

The committee believes that the exemplary models in these two fields established by the Appalachian Regional Commission bear replication as the title V commissions move into these new directions.

For example, Mr. President, the health care provided through commission funds is intended to provide a flexible noncategorical approach to improvement in health through a three-level process. This process involves comprehensive community planning on a multicounty basis, implementation of that planning through service programs, and, where necessary, the construction of medical facilities.

History also demonstrates that economic development of the regions is dependent on the existence of a qualified labor force, without which no community can attract and hold the employment it needs for stability and growth. That is why vocational-technical training provided through these commission structures must be relevant to current job market needs in the regions, and, on a more general basis, throughout the Nation. Present and prospective job opportunities should govern the expansion of title V commission vocational-technical education curriculums.

Perhaps the most distinguishing factor between the Appalachian Regional Commission and the title V commissions has been the autonomous relationship of the Appalachian Commission vis-a-vis the Department of Commerce umbrella for the title V commissions.

The question of how to provide greater autonomy for the title V commission is of considerable concern to the committee. Therefore, the bill directs the President to review the current administrative arrangements and authorities and make recommendations to the Congress within 6 months. The members of the committee believe that the regional intergovernmental role of the commissions argues against their placement under one particular department. Their mandate is to coordinate and plan for investments for all Federal agencies.

As my colleagues will remember, Congress has directed the Department of Commerce to "provide effective and continuing liaison between the Federal Government and each regional commission." Our inquiries have developed little evidence that this has happened. Unlike Appalachia the title V commissions have not been permitted to make formal budget presentations within the executive branch as are other Department of Commerce agencies.

Before incorporating necessary changes in the legislation extending the public works and Economic Development Act early in 1976, the committee believes the President should have the opportunity to propose his own preferences in administrative arrangements that meet both the congressional goal of greater autonomy and his need for effective administrative management.

Mr. President, I might add at this point that another significant difference between Appalachia and the title V commissions has been the level of funding requested by the President and appropriated by Congress. The prototype of these commissions, the Appalachian Regional Commission, has been successful because in addition to its broader authority, it has been funded at levels from which measurable achievement is possible. The title V commissions should now enjoy support at an increased level of funding.

The failure of this and previous administrations to request higher funding levels for the title V commissions has been a disappointment to the committee. Regional commissions have been appropriated a total of $259 million against a total authorization of $259 million since the act was passed in 1965. This is only 27 percent, the lowest funding ratio of all titles of the Public Works and Economic Development Act.

To address this imbalance the committee has increased authorizations for the title V commissions and established a formula for distribution of funds among the commissions which it believes gives reasonable recognition to the differences among the commissions in population, land area, and per capita income gap. The formula is based upon the experience of the Appalachian Regional Commission in allocating funds authorized for supplemental assistance.

The formula is a simple one:

Forty-four percent is allocated on the basis of per capita income—weighted inversely—28 percent on the basis of population; 14 percent on the basis of land area; and 14 percent on the basis of equality among the commissions.

Mr. President, I ask unanimous consent that a table showing each commission's allocation under this formula for the 2 fiscal years authorized by this bill be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

DISTRIBUTION OF TITLE V AMONG COMMISSIONS BY FORMULA

	% Total	FY 76 $200 M	FY 77 $250 M
Coastal Plains	16.1	32.18	40.25
Four Corners	16.1	32.19	40.25
New England	13.8	27.49	34.50
Old West	10.5	20.99	26.25
Ozarks	17.2	34.32	43.00
Pacific NW	9.5	18.90	23.75
Upper Great Lakes	16.9	33.82	42.25

FACTORS IN FORMULA:

44% per capita income (weighted inversely).

28% population.

14% land area.

% equal distribution to each commission.

Mr. MONTOYA. Mr. President, the heavier weight accorded per capita income recognizes that the commissions were authorized because their regions lagged behind the Nation in economic development as evidenced by unemployment, low median family income, poor housing, lack of health and educational facilities, outmigration, negative effects of production and industrial technology, and a slow regional growth rate.

The committee intends to continue its review of the functions of these commissions and their roles. At this time, however, the members of the committee are convinced and concerned that the original purposes and objectives of the commission concept should be reaffirmed.

EXHIBIT 1

STATE MEMBERSHIP OF THE TITLE V COMMISSIONS

Ozarks (organized 9-7-66): Arkansas, Kansas, Missouri, Oklahoma, Louisiana.

New England (organized 3-20-67): Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont.

Upper Great Lakes (organized 4-11-67): Michigan, Minnesota, Wisconsin.

Coastal Plains (organized 7-29-67)—portions of: Florida, North Carolina, South Carolina, Virginia.

Four Corners (organized 9-19-67): Arizona, Colorado, New Mexico, Utah.

Old West (organized 8-18-72): Montana, Nebraska, North Dakota, South Dakota, Wyoming.

Pacific Northwest (organized 12-11-72): Idaho, Oregon, Washington.

Mr. DOMENICI. Mr. President, I support the bill now before the Senate, S. 1513, extending the development programs of the title V regional commissions and the Appalachian Regional Commission through 1977 and urge its speedy adoption.

I am particularly glad that the committee, recognizing the continued achievements and hard work of the title V regional commissions, has expanded their program authority. The five original commissions have been organized for nearly 10 years. They have completed extensive studies on the particular development problems in their distressed regions and have completed plans for addressing those problems. With the new program authority and increased authorizations provided in this bill, the commissions can step up their efforts.

The committee bill has added new demonstration authority in four major areas—health, education, transportation and energy-related activities. Very serious health problems have been identified in the region, basic health care is still not available to many people. The problem is further exacerbated by the great distances and scattered population which characterizes the region. The new regional transportation planning and demonstration authority will be most important in overcoming isolation in the Four Corners region.

The committee, aware of the importance of the energy situation on continued advancement in these distressed regions, included an energy demonstration authority for each commission.

Development is going to come to the region and the commissions have a central role to play. The commission must assure development is harnessed to create a self-sustaining, stable economy and improve the lives of the people in the region.

I have always been struck by the disparities in my own State of New Mexico. The State is extremely wealthy in natural resources yet the per capita income is only 77 percent of the national average. We are 49th in per capita income. The discrepancy must not be allowed to continue as these resources are exploited.

Because of the impact of the energy crisis on programs and activities of the regional commissions, the bill directs each commission to consider and develop a regional policy reflecting the opportunities and risks created by the energy situation in that particular area. The committee added a new section 515 to the act directing the commissions to develop a regional wide strategy for anticipating and planning for the economic and environmental impacts of the energy crisis on the region and for shaping and implementing ongoing activities so as to better meet these impacts and secure proper development of the region.

Section 515 also authorizes each commission to carry out energy related demonstration projects addressing its unique energy problems as these relate to the commission's program.

Importantly, the commission can represent regional interests before the Federal agencies involved with national energy policies and programs and make known to the region the consequences of alternative applications of national energy decisions.

In passing this bill, however, the Senate should not think that it has provided the complete answer to the enormous problems being created in the energy producing States. In additional views I filed in the committee report, along with the senior Senator from New Mexico, Mr. MONTOYA, I indicated my concern that the committee has not found the vehicle for providing the very substantial assistance which will be required in these areas experiencing monumental problems through the search for coal and other energy resources to fuel our national economy.

The most pressing problem at this time is the need for public services created by the large number of people pouring into the region. Almost overnight small agrarian-based communities have doubled in population. They are finding it impossible to support the increased demand for services and facilities they have normally supplied their citizens—sanitation, police and fire protection, education, adequate street, and health care. Public investments, which would normally occur over several years, are being required now. The tax base does not yet exist to fund expanded services.

Growth, however, is occurring so quickly that there is need for additional help in funding these front-end costs—at least until the tax base is broadened and development leveled out enough so that regular programs and institutions are capable of meeting the need. Some innovative approaches to these problems are being attempted. States and communities are working together to plan and share the cost of new development in order to avoid or minimize the adverse effects.

The front-end costs which I believe will be required far exceed the capacity of any one level of government but I do not believe that this emergency financing should be the responsibility of the regional commissions. As established, the commissions focus on the needs of lagging areas. They are not intended simply to be categorical, operating agencies. As I stated earlier, the commissions can serve a necessary and important function and the bill does expand their authority.

I serve as vice chairman of the Western Legislative Conference, a group of congressional members representing most of the country's energy producing States. The senior Senator of Utah, Mr. Moss, serves as chairman. Members of the conference have been working closely with representatives in the States on the energy question and have been looking at alternative ways of assisting States and communities with this emergency financing question.

Yesterday, for example, the Senate adopted an amendment offered by Senator HANSEN, and which I cosponsored, to return a greater share of the revenues collected under the Mineral Leasing Act to the States for planning, constructing, and maintaining public facilities in impacted communities. This is the type of additional aid we are talking about.

As we gain more experience and understanding about the needs associated with development, I am certain that further legislation on this matter will be introduced in the Senate.

Mr. HANSEN. Mr. President, I want to commend the committee for expanding the authority of the title V commissions. I am particularly pleased the committee has recommended that the title V commissions receive aid for energy impact demonstration projects. Certainly, during this time of great energy need, regional commissions should be given the authority and Federal assistance to ease the impact associated with energy development.

A problem that is often not specifically delineated in addressing the problem of energy impact is the effect of past energy development.

One of the major problems in many areas of the country, including my State of Wyoming, is the sealing and filling of abandoned coal mines and abandoned oil and gas wells. Thirty of the forty-six States where abandoned mines are known to exist have reported serious subsidence occurrences. Where underground energy development has occurred, subsidence has or will in all probability occur. The effect of energy development from previous years is often not felt until many years later. Because of the very serious subsidence problem in the Appalachian region, the Appalachian Regional Commission was originally given specific authority to address this problem. Clearly, to remedy the effects of energy impact, we must be concerned with problems associated not only with current energy development, but also with the effects of past energy development.

I would like to ask the floor manager of the bill, the distinguished Senator from New Mexico, a question about the language in the bill. It is my understanding, after reading the committee bill and report, that the regional commissions have enough authority under the language in section 515 to carry out demonstration projects addressing the very serious subsidence effects of past energy development. Is this correct?

Mr. MONTOYA. In testimony before the committee, witnesses have talked about the problems associated with present and future energy development and that is the need which the energy demonstration provision was designed to meet. I do not believe, however, that the language in the bill precludes any commission from addressing the regional effects of past energy development. The demonstration authority, however, is not limited to current energy development. If the commission want to undertake a regionwide demonstration on the subsidence problem, I believe the authority in the bill is sufficient.

Mr. HANSEN. I thank the distinguished Senator for his response. And, I thank the committee for their attention to the needs of the title V regional commissions.

Mr. RANDOLPH. Mr. President, I ask unanimous consent that the Senator from West Virginia (Mr. ROBERT C. BYRD) be added as a cosponsor of this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RANDOLPH. Mr. President, I ask unanimous consent that the prior order for the yeas and nays on S. 1513 also be made applicable to H.R. 4073.

The PRESIDING OFFICER Without objection, it is so ordered.

Mr. RANDOLPH. Mr. President, I ask unanimous consent that the committee amendments be considered en bloc and, as agreed to, be considered as original text.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RANDOLPH. Mr. President, I send to the desk certain technical amendments and ask unanimous consent that they be considered en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report.

The legislative clerk read as follows:

The Senator from West Virginia (Mr. RANDOLPH) proposes certain technical amendments.

The amendments are as follows:

On page 1, after line 5, insert the following:

"TITLE I

"SEC. 101. This title may be cited as the 'Appalachian Regional Development Act Amendments of 1975'."

On page 4, line 20, insert quotation marks before "(d)".

On page 16, line 24, strike "and" and insert in lieu thereof "or".

On page 21, line 23, strike "(42 U.S.C. 208)" and insert in lieu thereof "(42 Stat. 208)".

On page 29, line 5, strike the quotation marks and the second period.

On page 32, line 5, insert a comma after "expended".

On page 34, line 19, strike "environment" and insert in lieu thereof "environmental".

On page 34, line 20, strike "region" and insert in lieu thereof "regions".

On page 36, line 4, insert "projects" after "nutrition".

Mr. RANDOLPH. Mr. President, I ask unanimous consent that the name of the Senator from Alabama (Mr. ALLEN) be added as a cosponsor of the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendments.

The amendments were agreed to.

Mr. FORD. Mr. President, will the Senator yield?

Mr. RANDOLPH. I yield to the Senator from Kentucky.

Mr. FORD. I thank the distinguished Senator from West Virginia.

I should like to take a few moments, if I may, to ask the distinguished Senator some questions.

I preface my questions by the statement that I have long been an active supporter and a participant in the Appalachian Regional Commission. I am pleased to continue that support today and to compliment the distinguished Senator from West Virginia for his diligence and his vivid description of the people of Appalachia. I compliment him for his strong effort.

However, several questions have been raised about this legislation by several of the Appalachian Governors. These questions appear to have arisen from conflicting interpretations of the contents of the bill. As a past member of that commission and as one who has served and worked with many of the present Governors, I pose these questions to the distinguished Senator from West Virginia for the purpose only of clarification. Under this new legislation, who will make major commission policy decisions—the Federal cochairmen or the Governor?

Mr. RANDOLPH. I am gratified to respond to the Senator from Kentucky. I wish to preface that response by indicating that the RECORD should reflect the intense interest of the Senator as a Governor of his State and as a Member of the Senate in working for the region. In my many conferences with him in recent days, especially, I have become cognizant of his efforts to clarify matters that seem to be in some dispute.

In reference to the major policy decisions, which is the question, I should say that the commission will act as a whole with a majority of the Governors and, of course, of the Federal cochairmen present. The policy of the commission, therefore, is made on a partnership basis.

Mr. FORD. Then we move on to the projects. Will the commission projects still require the approval of the States and their Governors, or will the Federal cochairmen have this responsibility?

Mr. RANDOLPH. This certainly is a valid question. The projects must be approved and submitted by the affected State before those projects could be considered by the commission members. Projects will continue to require the affirmative vote of a majority of the States and the Federal cochairmen for approval until the commission has approved the State development plans. Then only the approval of the State which nominates the project and the Federal cochairmen will be necessary for a project consistent with an approved State plan.

Mr. FORD. Otherwise, it is the same situation that is presently available to the various States within the region?

Mr. RANDOLPH. The Senator is correct.

Mr. FORD. Will the Governors still be able to have a representative in Washington to oversee their interests on a day-to-day basis?

Mr. RANDOLPH. This also is a matter for clarification. As the committee report indicates, the States may wish to maintain staff in Washington to perform day-by-day liaison and functions that are advisory in nature. I think this is a valuable role, as the continuity of informed advice and counsel will contribute to the fuller participation of the Governors in the work of the commission's work.

Mr. FORD. Will the Governors have the ability to delegate a representative for them to the commission?

Mr. RANDOLPH. To the Senator from Kentucky I respond that, under the amendments which are offered, each Governor may appoint an alternate, who can appear and vote in place of the Governor at the commission meetings.

Mr. FORD. Is there any restriction as to when this delegate may or may not vote?

Mr. RANDOLPH. A quorum of Governors will be required to be present only for decisions involving commission policy, the approval of State and regional development plans or the implementation of what we call investment programs, modification or review of the Appalachian Regional Commission Code, or any allocation of funds among the States.

Mr. FORD. Does the Senator have an educated guess as to the anticipated number of quorum meetings that will be necessary for Governors? How many meetings will require this quorum of the Governors to be present? At other meetings, alternates could attend, as I understand the Senator's response.

Mr. RANDOLPH. Yes. Meetings for the purposes that I have indicated would probably not need to be held more than four times a year. At least two meetings a year we would hold with the Governors themselves involved personally. It seems to me that is reasonable.

Mr. FORD. I say to the chairman, we in this Chamber cannot make all the meetings we are required to attend or should attend, and we shall be requiring the Governors to leave their States and go a great distance to attend this meeting. It is suggested that if a quorum is present, then alternates, in addition to the quorum, would be allowed to vote and a Governor would not necessarily have to be there if a quorum of Governors is present. So the Senator is, on one hand, requiring a quorum to be present; on the other hand, he is allowing the alternate to vote. I wonder if it would not be somewhat in order here, where we are limiting the Governors to one alternate and he is the only one that can vote for the Governor, if it would not be wise to allow the Governor to designate this alternate and allow him to be part of the quorum?

Mr. RANDOLPH. Of course, in a committee meeting, we have to establish a quorum. In the Senate, if it is called for, we have to have a quorum. We have to have a quorum of the principals present: That is, the Senators within the committee and the Senators, of course, acting in the Senate.

I hope that it could be understood that here, in this bill, we have encouraged the direct participation and control of the Governors in the actual commission affairs. They will participate personally, I hope, in key commission decisions. The only individuals who would be directly responsible to the Governors could or would act for them.

I think the effect of the measure before us will assure this continuation of the partnership role of the Governors. I give every commendation to the Governors. I mentioned in my opening statement today the effort of the Governors long ago and, of course, the cooperation of the Federal cochairmen.

Many of the Appalachian Governors are in support of this measure. Gov. Arch A. Moore, Jr., of West Virginia, has given his strong endorsement of the provisions of this bill as it was reported from our committee to the Senate. As a member of the House of Representatives, Governor Moore voted in favor of the original Appalachian Regional Development Act in 1965.

I think both sides—and they are not sides that are in opposition one with the other—both will take part and contribute to the Commission's work.

As previously stated—and I want to stress this point—Governors will be responsible for the development and conduct of the Commission's program within their own State boundaries.

Mr. FORD. But, Senator, if there is a quorum of Governors present, then we allow the other Governors who are not present their alternate to vote under this legislation. I am not trying to be picky, but this is a question that I think needs to be clarified. If we are not going to allow alternates to vote during a quorum, then we ought to change the legislation, or we ought to allow the alternates to vote.

Let me give the Senator an illustration. I prevailed upon the dean of the School of Business and Economics at the University of Kentucky to take a leave of absence and come with my administration, to be the Secretary of my development cabinet. I designated him as my alternate on the commission.

Here is a man who is well versed and well recognized in economics, in investment, in costs, in interest and projection, and so forth, and I leaned on his knowledge as Governor, and would have leaned on his knowledge as my adviser at the meeting.

It seems to me with people of this talent and with his ability and integrity they should be recognized as a representative of a State of the Appalachian Commission or region.

I propose this only from my background of only 6 months ago. Had I stayed as Governor I would have been cochairman for the past 6 months, and I believe that it is a responsible avenue to approach.

I would hope the Senator from West Virginia would consider this since they are limiting the representation of States to two individuals, and if those two individuals cannot, the Governor and his alternate cannot, attend then they cannot designate anybody else to vote for them. They can only be there to monitor.

Mr. RANDOLPH. Of course, basically, the Senator from West Virginia understands the thrust of what the Senator is attempting to do. I have talked this over many times with the Senator and with the ranking minority member of the committee.

We feel, of course, and I rather emphasize it, that we want to protect the Governors themselves by the Governors being participants. I do not feel we have circumscribed the Governors or made it impossible for them to choose those who will act if they are not able to be present.

Mr. BAKER. Mr. President, will the Senator yield?

Mr. RANDOLPH. I yield.

Mr. FORD. On his time.

Mr. BAKER. On my own time. Mr. President, I yield myself such time as I may require.

The act that created the Appalachian Regional Commission counted on a partnership between the Appalachian States and the Federal Government. The President of the United States, for obvious and apparent reasons, cannot attend these meetings, and we specified in the 1965 act a Federal cochairman appointed by the President and confirmed by the Senate. The Governors become the State members, and elect one of their number as State cochairman. The partnership is effectuated between the two.

I think the question of whether the Governor can appoint someone else, even the distinguished dean of a State university, to be his representative is beside the point. If we wanted others—even of the caliber of the dean of the School of Economics of the University of Kentucky to represent the State at Commission meetings we could have written that into law, but we did not. I have had and continue to have a very high respect for the political sensitivity that Governors bring to the problems they address, and the strength and authority of their position in the several States. I believe the absence of Governors at Commission meetings deprives the Commission of the unique contribution they can bring to it.

I know that my distinguished colleague from Kentucky has been the Governor of his Commonwealth, and I do not expect he would disagree with me when I say that a Governor of Kentucky knows more about the people of that State and the requirements of that State than anybody at the University of Kentucky.

Mr. FORD. Mr. President, will the Senator yield at that point?

Mr. BAKER. Yes.

Mr. FORD. It is true what the Senator just said. But if the Governor would know more about what the people of Kentucky wanted, should he not then have the ability or have the knowledge to pick someone to represent him or who would exercise such an interest?

Mr. BAKER. I think not. I think you would deprive the regional Commission of the unique contribution that the Governor can provide. It would deprive the Commission of the energy and the innovativeness that a Governor can bring to it. It would deprive the Commission of the full range and spectrum of the experience that is characteristic of a Governor—and you would have diminished the effectiveness of the Federal-State partnership.

Mr. MONTOYA. Mr. President, will the Senator yield?

Mr. BAKER. I yield.

Mr. MONTOYA. I might say we have conducted hearings all over this country on regional plans, including State plans, with Governors as witnesses, and it has been our experience, as elicited in those hearings, that when you have a Governor who does not participate and sends an alternate, the Governor has not put the weight of his own State and his own economic planning into the regional plan.

For many years, for quite a few years, I have asked Governors to come before the subcommittee to state participation in regional planning. I am speaking of the regional commissions, but I did conduct hearings also with respect to Appalachia on the same subject.

Kentucky may have been very far advanced in its regional planning, and Kentucky may have been ready to send an alternate, and I do not question that. But I have come to believe that where you do not have a Governor's participation, where he does not throw the weight of his own State's economic planning into the deliberations of the Regional

Commission, very little happens. Very little economic development takes place.

Mr. FORD. May I ask the Senator a question, if he will yield, Mr. President? The Senator is talking about title V.

Mr. MONTOYA. I am speaking not only of the title V's but I am speaking also of some of the experiences in the Appalachian Regional Commission as of 2 years ago.

Mr. FORD. I was part of it then.

Mr. MONTOYA. Yes.

So we have asked this question of the other Governors throughout the country, and they sincerely believe they should participate in economic planning.

Section 103 of the bill amending section 101 of the Appalachian Regional Development Act states:

> (c) Subsection (b) is amended by adding the following: "No decision involving Commission policy, approval of State, regional or subregional development plans or implementing investment programs, any modification or revision of the Appalachian Regional Commission Code, or any allocation of funds among the States may be made without a quorum of State members present. The approval of project and grant proposals shall be a responsibility of the Commission and exercised in accordance with section 303 of this Act.".

I am sure, I know, the Governors as "members" of the Commission would want this authority; they would not want to delegate it to an alternate. I recognize that under certain circumstances the appointment of an alternate, when a Governor is very busy, might be in order. But, personally, may I say most respectfully to the distinguished Senator from Kentucky, that I think we need the participation of the Governors at the decisionmaking process of the regional level if we are to have any meaningful regional economic development.

Mr. FORD. May I say this to the distinguished Senator: That my appearance at the Regional Commission meetings was sparse. I did not have the opportunity to make all of these meetings, and I felt extremely confident with the alternate that I had designated.

I think, if the Senator will look at the record, Kentucky has fared very well in its work with the Appalachian Regional Commission.

I just think if we are going to allow alternates to vote with Governors then we ought to amend the bill to say that alternates will be allowed to be counted at any of these meetings where a quorum is required.

If you allow alternates to vote you ought to allow them to be represented to be able to vote.

Mr. BAKER. Mr. President, who has the floor?

The PRESIDING OFFICER (Mr. STONE). The time is under the control of the Senator from West Virginia and the Senator from Tennessee.

Who yields time?

Mr. BAKER. Mr. President, I only ask for one thing, and I will relinquish the floor and reserve the remainder of my time. I ask unanimous consent that Senator STAFFORD and Senator DOMENICI may be added as cosponsors of the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from West Virginia is recognized.

Mr. RANDOLPH. Mr. President, I am conscious of the concern of the Senator from Kentucky, and I wish to reemphasize what I said earlier, and that is that the Governors themselves should only be called upon for a maximum of attendance at four meetings of the Commission in a year and, perhaps, a lesser number.

Mr. FORD. May I ask the distinguished Senator a question at this point?

Mr. RANDOLPH. Yes.

Mr. FORD. The language of the legislation says that a quorum of Governors shall be present, and then when we have a quorum present the other States can be represented by alternates and have the same value of vote as the Governors who are present and make the quorum.

I do not think I am wrong in my interpretation of the legislation. It seems untenable to me where the Governors there make a quorum and an alternate from another State has the ability to cast a vote that is equal to the Governors'.

Mr. RANDOLPH. I comment in saying, that is a recognition of the fact that we do not expect all Governors to be able to attend, but we do think that the quorum of the Governors present can give the opportunity to the alternates to participate.

I say very earnestly but in good humor, I think those Governors making the quorum should, by their very participation, their presence, give the opportunity for the responsibility of the meeting to move forward.

Mr. FORD. The Senator knows that during the markup of this legislation and the hearings on this legislation, a diligent effort was made by the States' cochairmen to secure the presence of all the Governors here in Washington to help with input into this bill.

I think they were only able to muster 10. That is an exception because an exerted effort was made, I think.

I am going to say, with several States not totally encompassed in Appalachia, not having the interest some other Governors have, that one will find there will be meetings without quorums.

I think the Senator wants an effective working of this committee. It has been restricted to only two people, and the Governor has the responsibility of facing up to his constituents and facing up to the Federal Government, whether he is doing a good or bad job at the local level. He will face his constituents either by vote or otherwise, and he faces his congressional delegation in this effort.

So I think it is the responsibility of that individual elected in the State to see that ARC is carried out properly.

If the Senator cannot see my side of it, I regret that.

Mr. RANDOLPH. Well, the Senator from West Virginia will not be upset, of course, we will just take an opposite viewpoint on that.

Mr. FORD. I am not being upset, either.

Mr. RANDOLPH. No.

Mr. FORD. I just feel we have got to narrow it to two representatives per State if we are going to have some Governors there to make the quorum and then an alternate from another State has equal prerogatives and could defeat legislation. I think we would have to go one way or the other, make it all Governors or give them an opportunity to have all of us.

Mr. RANDOLPH. Mr. President, I know the able Senator wants to be correct in discussing a matter of detail, just as I would want to be correct.

It was not a Federal cochairman that called the Governors' meeting here in Washington, D.C.

Mr. FORD. No, a State cochairman.

Mr. RANDOLPH. The Governors themselves asked the chairman of the Senate Public Works Committee if he would have a meeting with them in Washington, D.C.

Mr. FORD. I said that it was a diligent effort made to have all the Governors from Appalachia here and they only mustered 10.

Mr. RANDOLPH. Well, that is not too bad; 10 out of 13.

There was one member who had a reason for not being present because of illness in the family.

But, let us take April 1965, after the Appalachian Act had come into being. Yes, the Governors were present then, 12 Governors.

Then let us take September 1965. Nine Governors, instead of the 12 Governors.

I have compiled information on the attendance of Governors at meetings of the Appalachian Regional Commission since its establishment under the 1965 legislation.

These are meetings at which one or more Governors were present between April 1965 and August 1970:

April 19, 1965, all Governors—12.
May 1965—2.
June 1965—1.
September 1965—9 out of 12.
June 1966—1.
April 1967—1.
January 1970—1.
March 1970—2.
June 1970—1.

Since September 1970 there have been 43 Commission meetings. Between September 1970 and February 1975, there were seven meetings with one Governor present as follows:

September 1970, Governor McNair, South Carolina.

January 1971, Governor Moore, West Virginia.

September 1972, Governor Carter, Georgia.

February 1973, Governor Dunn, Tennessee.

July 1973, Governor Gilligan, Ohio.

October 1973, Governor Holshouser, North Carolina.

January 1975, Governor Blanton, Tennessee.

In February 1975 in conjunction with the midwinter National Governors Conference, there was a Commission meeting with six Governors and one Lieutenant Governor. The April 1975 Commission meeting, held in Lexington, Ky., had two Governors present—Carroll, Ky.; and Rhodes, Ohio. At the June 10, 1975, Commission meeting held in conjunction with the National Governors Conference, there were 10 Governors present.

It should be noted that the September 1970 Commission meeting was held in conjunction with the Southern Governors Conference. The Appalachian Governors met as the Council of Appalachian Governors, not at a Commission meeting. The same has been the case in several other instances as well.

Mr. FORD. Let me ask another question of the Senator and then I will stop, I see no reason for progressing.

Will this legislation require the Appalachian Regional Commission to emphasize energy development in the region, and if so, how does it do it?

Mr. RANDOLPH. The Senator is a leader in the Senate in focusing attention on the contribution that can be made by coal to the solving of our energy problem.

Just as a decline in the coal industry contributed to the decline of Appalachia's general prosperity, so has a recent revival of the demand for coal contributed to economic advancements in the region. Coal booms of the past have left few improvements behind when they subsided. Indeed, a number of the Commission's programs were designed specifically to remedy problems caused by past coal mining operations. Through the Appalachian Commission, however, the region now has the capacity to plan and manage the new energy potential that we witness today so that it furthers both the national interest and the sound development and conservation of the region's resources. The legislation, therefore, includes a new section expanding the statement of purpose of the act and outlining the Commission's role in energy.

This language directs the Commission to provide a framework for coordinating Federal, State, and local efforts toward anticipating the effects on the region of alternative national energy policies and practices. It further must consider planning for the growth and change generated through accelerated coal development so that it will enhance the social and environmental well-being of the region. The Commission must also consider implementing activities of Federal, State and local governments in the Appalachian region to better meet the special problems generated in the region through national energy policy.

The bill also authorizes a limited demonstration program in the area of energy-related enterprise development. The Commission has indicated to the committee several types of activities it would like to undertake under this new demonstration authority. One proposed project would be with new equipment required to meet environmental standards in the burning of high-sulphur coal. Another concerns testing and demonstrating of new facilities for handling solid waste by-products. It is also recognized that the demonstration of a standardized coal gasification plant is desirable to serve industrial parks threatened with the loss of natural gas supplies.

The committee hopes that the Appalachian Regional Commission can be the central clearinghouse for the proper management and utilization of Appalachia's vast reserves of coal. In a time of growing reliance on coal, as the Nation's most abundant energy source, it is imperative that our coal reserves be properly managed and utilized not only to produce the energy needed by the Nation but to undergird the economic revival of Appalachia.

Mr. BAKER. Will the Senator yield?

Mr. RANDOLPH. I yield to my colleague.

Mr. BAKER. I would like to add a little, if I may, to the Senator's answer to the question of the Senator from Kentucky.

I developed, and offered in the committee, the new language of the act, section 2(b), the chairman has just referred to. Its purpose is not to define another facilities or financial assistance program, but rather, to urge the Commission to address the opportunities and the problems of national energy requirements and production as they affect the Appalachian region.

The new section 2(b), which I offered, supplements the existing "Findings and Statement of Purpose." In doing so, it adds a new purpose, as follows:

> It is, therefore, also the purpose of this Act to provide a framework for coordinating Federal, State, and local efforts toward (1) anticipating the effects of alternative energy policies and practices, (2) planning for accompanying growth and change so as to maximize the social and economic benefits and minimize social and environmental costs, and (3) implementing programs and projects carried out in the region by Federal, State, and local governmental agencies so as to better meet the special problems generated in the region by the Nation's energy needs and policies, including problems of transportation, housing, community facilities, and human services.

As the distinguished Senator from West Virginia pointed out, I may say to my friend and colleague from Kentucky, this section is not an authorization for projects or public works, but rather, an enjoinder to the Commission, working through the Governors and the Federal Government, to try to define an energy policy, create development opportunities, and wisely manage accompanying growth in the area.

Mr. FORD. If the Senator will yield for a question, is that the $3 million that is requested in the bill, in the legislation? Is that the figure of $3 million the Senator is referring to?

Mr. BAKER. I was referring to section 2(b) supplementing—after a decade—the 1965 statement of purpose, and providing a general enjoinder of opportunity and purpose to the Commission with respect to energy. The bill also contains in section 302 an energy-related demonstration program, authorized at $3 million, which the chairman mentioned as well. The committee report deals with both subjects on pages 12 and 13.

Mr. FORD. I have no further questions of the Senator from West Virginia.

I would like to inquire of the Chair, at what time will an amendment to this piece of legislation be accepted, or at what final hour, what is the latest time an amendment can be presented to the Chair for this legislation?

The PRESIDING OFFICER. At any time before third reading of the bill, which can occur any time up until the time limitation on both sides. The bill is open to amendment now.

Mr. RANDOLPH. Mr. President, I yield such time as he might desire to the Senator from Mississippi (Mr. STENNIS).

The PRESIDING OFFICER. There are 3 minutes remaining.

Mr. STENNIS. Mr. President, in view of that, let me especially thank——

Mr. BAKER. Mr. President, how much time have I remaining?

The PRESIDING OFFICER. The Senator from Tennessee has 32 minutes.

Mr. BAKER. I am happy to yield additional time.

Let me yield all of it and let the chairman retain his 3 minutes. I yield such time as the Senator from Mississippi may wish.

Mr. STENNIS. I shall not use over 3 minutes. I certainly thank the Senator from Tennessee.

I want to especially thank the membership of our Public Works Committee for their attitude in renewing and reenacting this Appalachian Act. It had been under attack, to a degree, in the last few years. They certainly have taken the wise course.

This is a fine illustration, too, of the possibility and the practical side of cooperation and coordination between the States and the Federal Government. In fact, this was initiated originally by the Governors of the States. During the first tenure or the first few years of the program, Mississippi was not included. The Senator from West Virginia, I recall, was quite active in helping to get an amendment that was offered when the act was renewed and it did include a portion of Mississippi.

I want to again thank the recent Senator from Kentucky, Mr. Cooper, who was then a member of the Public Works Committee. He, along with the Senator from West Virginia, took a special interest in this matter. I remember it was rejected at first by the committee, but under their motion it was reconsidered. We are grateful. It has been very helpful.

I happen to be the one who handles the appropriation bill where these funds are included, and I have the chance to get into the actual operations of the programs, to come into firsthand contact with the good they are doing. I am also familiar with the many different ways by which it reaches down into the various educational needs of the people, the health needs of the people. It is really a people's program.

Now the corridor highway that has been built in some areas, and which the Governors and other members have considered, is going to allot some of that mileage to Mississippi. I am grateful for that.

Mr. President, I wish to express to the distinguished chairman of the Committee on Public Works my appreciation for the fact that the committee has accepted and reported in this bill an amendment which I offered concerning Appalachian corridor highways. This amendment will bring Mississippi and Alabama into full partnership in the Appalachia highway programs for the first time.

Mississippi was not included in the Appalachian Regional Development Act of 1965, as it was originally passed. In 1966 I initiated an effort to have the counties of northeast Mississippi included in the programs. A study by the staff of the Appalachian Commission demonstrated that this portion of Mississippi was integrally related to the Appalachian region, and should be included in Appalachia. In October of 1967 the Congress amended the Appalachian Act to include 20 counties in northeast Mississippi and also added the two contiguous counties in northwest Alabama.

By this time all authorized mileage for corridor highways had been allocated to the other States, except for Alabama and South Carolina, which had not received an allocation.

In 1970 the Appalachian Commission initiated a study of highway corridor needs in these three States, and in March of 1973 two additional corridors were selected and approved by the Commission. The one in South Carolina needed authorization for only 13 miles, and this was provided from what was left of the original mileage total approved by Congress.

The corridor highway which runs through Mississippi and Alabama, however, is much longer, and there was insufficient authorization left to cover it. This highway, known as Corridor V—Vee—runs from Interstate 55, at Batesville, Miss., eastward through Oxford, Tupelo, and Decatur, Ala., to Chattanooga.

An additional authorization of 200 miles of corridor highway is required, and the bill as reported provides this amount. There is a corresponding reduction of 200 miles in authorized access highways. The Federal cochairman has testified that this much of the authorized access highways is in excess of needs, and that an exchange can be made.

Mr. President, the members of the Appalachian Commission have voted to give this new corridor highway their full approval, and have allocated the first $11 million toward its construction. What is needed now is the authorization contained in this bill. I commend each member of the Public Works Committee for including it, and I strongly urge the passage of the bill by the Senate.

Mr. RANDOLPH. Will my colleague yield?

Mr. STENNIS. I yield to the Senator from West Virginia.

Mr. RANDOLPH. Not only has the Senator from Mississippi (Mr. STENNIS) a concern for the area, including his State, but once that concern came into being and he understood what could be done, he was active in the Senate in an attempt to have the inclusion of a section of Mississippi in the region. So the concern was translated into a commitment and that commitment has continued.

Mr. STENNIS. I thank the Senator again. I am most grateful.

Mr. BAKER. Mr. President, I ask unanimous consent that Mike Hathaway may have the privilege of the floor during the debate and vote on this issue.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I yield 5 minutes to the distinguished senior Senator from Kentucky.

Mr. HUDDLESTON. I thank the Senator from Tennessee.

First, I would like to commend the distinguished chairman of the Public Works Committee (Mr. RANDOLPH), the ranking minority member (Mr. BAKER), and the entire committee for the development of this bill, S. 1513, which I think is an outstanding piece of legislation.

At the same time I want to commend my colleague from Kentucky for expressing some very real concerns that have developed over the operational aspects of this legislation. I think the Senator from Kentucky can view this legislation from a unique position, having recently observed it both from the gubernatorial standpoint and now from the legislative standpoint. I believe the concerns he expresses are entitled to very serious consideration. Hopefully, by the time the legislation reaches its final passage, some accommodation on the participation question can be made.

Nevertheless, an extensive set of hearings and numerous contacts with the involved governors and Federal officials have resulted in what can only be termed an excellent framework for the future operation of ARC.

From the expanded statement of purposes focusing on energy development, to a call for innovative housing programs in Appalachia, to the encouragement of new health, nutrition, and child care programs, S. 1513, is, throughout, an example of a job well done.

I am particularly pleased that the committee has set the policy direction for what I believe to be the crucial issue facing the Appalachian region, that is, proper development of the vast coal reserves which exist there. As I stated in my testimony before the committee, the Nation's great need for energy supplies dictates that the Appalachian Regional Commission must concentrate its efforts on providing for the proper development of the energy resources located within ARC's boundaries.

The Commission must be charged with the task of assuring that the fallout from development of these resources in Appalachia be constructive in nature. More succinctly, the "boom-bust" cycle must be broken.

ARC should be in the forefront of coordinating an orderly attack upon the problems attendant to that development which must take place to accommodate the projected doubling of coal production within the region.

Keeping that in mind, I believe it is incumbent upon ARC to adhere to the intent of Congress as expressed in the expanded statement of purposes contained in S. 1513, which the Senator from Tennessee described just a few minutes ago.

In giving its attention to the development of coal reserves, the Commission would be focusing very properly on the industry indigenous to the region. I firmly believe we have to be realistic in assessing the suitability of Appalachia for the diversified enterprise development concept which ARC has advocated. Thus, I am again delighted at the action taken by the committee which ties this concept to energy related facilities before it can be implemented. I think we have to closely oversee even this activity in order to decide whether or not operating grants to private enterprise operations should become part of ARC's program.

It is my very firm opinion that the new section 225 of the original act, calling for an area-wide action planning program, should be used as the vehicle for implementing the expanded statement of purposes mentioned earlier. Surely, any comprehensive planning for any area within the Appalachian region must give sufficient attention to the energy related situations in that area. I hope that the Commission will be strong in its promotion of this concept.

Also, I must say that I am extremely pleased to see that the committee has called for a study on the effect of the special requirements and restrictions of the Flood Disaster Protection Act of 1973 and the Disaster Relief Act of 1974. I have addressed this issue many times in the past and would be quick to point out that these requirements and restrictions do indeed cause major problems in the Appalachian region. I am hopeful that the results of the study called for in S. 1513 will lead to solutions aimed at accommodating the unique land use situations present in Appalachia.

One of the great strengths of America lies in the ability to examine ourselves and our policies and the capacity of our institutions to respond to different needs as they confront us. S. 1513 is the result of a very close examination of the ARC. I believe that it charts the course for positive action by the Commission in meeting the widely recognized social and human needs of the people in Appalachia as well as the energy requirements of the country. Implementation of the provisions in the bill should be undertaken in that spirit.

Mr. President, if I have any time remaining, I would like to inquire of the distinguished chairman of the committee as to whether he agrees that the area-wide planning program called for in S. 1513 should be the primary vehicle for focusing the necessary attention on the development of the region's coal resources? Also, does the committee anticipate that ARC will soon provide a progress report on the scope of the resources development program efforts?

The PRESIDING OFFICER. The Senator's time has expired.

Mr. BAKER. Mr. President, I yield the Senator such additional time as he may require.

Mr. RANDOLPH. Mr. President, I agree with the statement of the Senator from Kentucky as to the value of the areawide action planning approach under section 225 as the vehicle for implementing the new statement of purpose, directing the Commission's efforts to the problems of energy development. This will focus the attention of the States and the local development districts, in their planning under section 225, on how best to accommodate the region's growth in energy production and to assure that the social, economic, and environmental consequences of that growth are considered.

As the Senator suggests, the Committee on Public Works does expect an early report from the Appalachian Commission on the progress in implementing its new energy-related demonstration authority under section 302(b), as well as the way in which the new statement of purpose is being reflected in the planning process under section 225.

I commend the Senator.

Mr. HUDDLESTON. I thank the chairman. I would just say that I hope the committee will make a special effort to see that the reports on the efforts in this regard, on the scope of resource development programs, are received in a timely manner.

Mr. RANDOLPH. I pledge, insofar as the committee itself and its members can function, that that will be done.

Mr. HUDDLESTON. I thank the distinguished chairman, and I thank the distinguished Senator from Tennessee for yielding.

Mr. BAKER. Mr. President, I yield now to the Senator from Maine.

Mr. MUSKIE. Mr. President, I thank my good friend from Tennessee, and I rise to compliment the distinguished chairman of the committee, the Senator from West Virginia (Mr. Randolph), the Senator from Tennessee (Mr. Baker), and their other distinguished colleagues on the Committee on Public Works for bringing this bill to the floor and conducting this important program; and I would like to express my special appreciation to them for the consideration that has been given to the title V commissions. The New England commission has been an important instrument for planning in New England, and I think it can become more so as a result of the provisions of this bill.

At the moment, however, I rise not to repeat what has been said this afternoon by so many of our colleagues, but to comment on this measure from the point of view of the Senate Budget Committee.

Mr. President, the bill now before the Senate, S. 1513, authorizes funding for eight joint Federal-State programs that are particularly important in time of recession.

Each of the Federal-State regional commissions now in existence uses Federal funding and State knowledge of regional problems to design and carry out programs to raise the standards of living in the regions in which the commissions function.

The Appalachian Regional Commission is the pioneer program among these eight. The budget authority and outlays which are called for in this bill are within the ceilings which the Senate and House Budget Committees assumed in setting overall budget targets for fiscal 1976. Outlays for housing, manpower training, health and other programs in the Appalachian region are not increased under this bill. Outlays for highway construction which is essential for encouraging the development of new industries in the area are increased by some $20 million over the outlays requested by the President.

I supported this bill in committee. I support it on the floor. The bill is within the budget authority and outlay targets which we set in the budget resolution last spring.

For that, I wish especially to commend the distinguished Senator from West Virginia (Mr. Randolph) and the Public Works Committee. The committee, of which I am proud to be a member, has helped to demonstrate that the principles of fiscal responsibility and a commitment to the development of our human resources can go hand in hand.

Finally, I wish to note that this bill benefits other regional commissions throughout the country by the increased support for those commissions we have provided in title V. Among the regional commissions which will benefit from the provisions of title V is the New England Regional Commission which operates in my own State of Maine. The New England Regional Commission has been an especially effective force in the areas of energy allocation and transportation planning in my region, and I believe that the additional investment which title V makes in the solution of these problems will prove worthwhile.

I yield the floor, Mr. President, again with my thanks to the Senator from Tennessee and to the chairman and floor manager of the bill.

ADDITIONAL STATEMENTS ON APPALACHIAN REGIONAL DEVELOPMENT ACT AMENDMENT OF 1975—S. 1513

Mr. MOSS. Mr. President, I am pleased that the Committee on Public Works has included in S. 1513 an expansion of program authority and increased authorization levels for the title V regional commissions. These are important first steps in helping States, with severe energy resource development impacts, to plan for meeting those impacts adequately. The committee has essentially adopted the substance of S. 1189, introduced earlier this year by the distinguished majority leader Senator Mansfield, Senator Metcalf, and myself.

This is, however, a first step only. A realistic appraisal of the authorizations which are likely to flow from this bill demonstrates that the amount will be far from adequate to deal with the energy impact problem. For example, the Four Corners Regional Commission, which serves Utah, Colorado, New Mexico, and Arizona, may see its funding level go from its present $5 million to somewhere near $12.5 million.

While that is a great improvement, and will help the Commission to assist member States in planning for the new population influxes which they are going to experience, it is not a sum which can make much of a dent in the capital needs for new construction. For example, it has been recently estimated that the cost of constructing the new town to serve the Kaiparowits powerplant in southern Utah will be $600 million. Unless we find adequate means of helping States finance such projects, the West is going to become blighted with shantytown slums and the old Western tragedy of the boomtown will be replayed over and over across a dozen States.

So, as I reminded my colleagues yesterday when we considered and passed the Coastal Zone Management Act, this is an issue to which the Senate must return with comprehensive legislation. I will have such legislation ready to introduce immediately after Labor Day. I hope that we can move expeditiously to meet this real and growing problem.

I ask unanimous consent to have printed in the Record an article from the Salt Lake Tribune of July 16 regarding this situation.

There being no objection, the article was ordered to be printed in the Record, as follows:

Energy Area Shantytowns Seen as Future Utah Blight

Utah's population will double by the year 2000, and much of the increase may come in "slum shantytowns" around energy resource sites.

R. Thayne Robson, director, University of Utah Bureau of Economic and Business Research, made this warning as he discussed Utah's energy problems with members of two legislative interim committees today.

Planned energy projects will result in five new communities of 20,000 people each in the non-metropolitan areas of Utah, he said. Each community will need utilities, schools, health care and other municipal services.

The Legislature faces the question of who will pay for these communities and additions to existing developments, it was noted.

The cost of the new town of Kaiparowits alone will be over $600 million, Robson said. Unless federal and state governments and the energy companies help pay for additions to develop towns such as Price, the people there now will suffer a heavy financial burden to pay for expansions that won't upgrade their own services and may in fact downgrade them, he said.

Within the next three years, the federal government will "wake up" and move to approve several delayed energy projects, Robson predicted. Unless Utah has planned for that, he said, the state may soon be dotted with unplanned shantytowns.

Water will be a limiting factor on development in the next 20 years, he said. The state has enough water for the next decade but studies should be made to determine where it is, how much there is and how it is being used.

Robson spoke to members of the Economic Development, Business and Labor Committee and the Natural Resources, Energy and Agriculture Committee.

Mr. BUCKLEY. Mr. President, the Appalachian Regional Commission has accomplished a great deal in its nearly 10 years of existence, and I am hopeful that most of its original goals can be fully achieved by the end of the 2-year extension authorized by S. 1513.

As my colleagues may know, I have generally preferred a revenue-sharing approach to most social programs supported by the Federal Government, and have voted against similar legislation in the past. However, there are features of this bill that I believe are highly constructive; and, because of these, I shall vote in favor of S. 1513, even though one of its innovations disturbs me.

S. 1513 expands the authority, powers, and authorizations of the Regional Commissions established under title V of the Public Works and Economic Development Act of 1965.

The Appalachian Regional Commission was established only after extensive hearings which documented the problems and needs of Appalachia, and provided valuable guidance to the committee as to how the legislation should be fashioned. There have been no such hearings on the expansion of the title V Commissions. There is no body of evidence documenting the need for these changes. In fact, rather than being useful, in the particular context of these regions, this legislation may simply add another layer of cumbersome, costly, and time-consuming bureaucracy.

I therefore hope that the House committee will insist on deleting this provision from the bill, at least until there has been a full range of hearings in both Chambers documenting the need for and detailing the appropriate directions of such expansion and changes, if any.

Mr. President, I would like to take this opportunity to thank the members and staff of the Public Works Committee and especially my distinguished colleagues, the Senators from West Virginia (Mr. RANDOLPH) and Tennessee (Mr. BAKER), for having agreed to the amendment which I offered to S. 1513. They have shown great understanding for the special problems faced by many of the Indians within the Appalachian Region.

The amendment was offered because I have long been troubled by the deplorable health status of the Seneca Nation of Indians, in particular. Diptheria, whooping cough, polio, tuberculosis—all have loomed as major health problems to the Senecas, weakening their resistance and destroying the quality of their lives.

Responsibility for their health needs has vacillated between the Federal Government and the State of New York, resulting in health care that has been administered on a piecemeal, episodic basis. Quite obviously, these shifts of responsibility back and forth between the Federal Government and the State has not worked. At present, the Seneca Nation is the only federally recognized reservation tribe not receiving Federal funds through the Indian Health Service. The Seneca Nation recognizes this fact and decided to do something about it.

With great care and admirable objectivity, the Senecas examined their own health problems and needs. They developed a modest, technically sound and viable health service proposal for which I submitted testimony to the Appropriations Committee on May 15.

My amendment to S. 1513 goes one step further. It would make those qualified under the Snyder Act eligible for supplemental assistance under section 214 of the Appalachian Regional Development Act. It would thereby ensure that the Appalachian Regional Commission would have the authority to provide funds either as a supplemental grant or as a basic grant, sometimes known as a first dollar grant, to the Seneca Nation of Indians and other grantees who are eligible under the Snyder Act.

It would enable the Appalachian Regional Commission to utilize a portion of its appropriation for land acquisition, construction, and/or purchase of the medical equipment which is so vital to meeting primary health care needs.

This amendment would enable the Appalachian Regional Commission to increase the Federal share of authorized project grants to those eligible under the Snyder Act, up to a maximum of 80 percent.

It would do so merely by clarifying the authority of the Appalachian Regional Commission and allowing it to more fully utilize its appropriation.

The health and future of the Seneca Nation of Indians will surely be favorably shaped by this measure.

In addition, Mr. President, I am grateful that the committee choose to incorporate into S. 1513 several other suggestions which I made. My recommendations sought to increase the representativeness and accountability of the ARC with respect to the local citizens whom it serves. I proposed that frequent local public hearings on present and future ARC projects be required by legislation, and that citizens and local governments be further represented and involved in subregional planning and the local development districts. The committee has added the substance of these proposals to the bill both in the statutory and the report language.

I believe that these additions will genuinely increase the accountability and responsiveness of the ARC to the people it serves, and thereby help to insure the appropriateness and effectiveness of its programs.

Mr. KENNEDY. Mr. President, the Regional Development Act of 1975 which we act on today will assure the continued effectiveness of the Appalachian Regional Commission and the seven title V commissions set up by the Congress in 1965. This legislation will not only increase the authorizations providing an equitable funding level for all of the commissions, but will assure that the commissions' authority in the critical areas of energy, transportation, education, and health is expanded to fully utilize the capabilities of the commission to solve our most pressing problems.

We will hear today a great deal of the success story of the commissions and some of the problems that the commissions have faced which this legislation is designed to solve. I would like to make clear to my colleagues what the New England Regional Commission has meant to the States in New England as they face severe economic dislocation.

It is important that we consider what the title V regional commissions have already accomplished in spite of limited funding and authority and that we recognize in these achievements, the potential of the commissions to provide economic development and stability for areas of this nation with special needs.

The New England Regional Commission has assisted the States of the Northeast in developing programs and policies which have already favorably impacted an area severely hit by energy shortages and high prices and sky-rocketing unemployment.

ENERGY

The New England Regional Commission has four central objectives in working with the New England States to develop a comprehensive energy policy:

First, to secure a long-term and adequate supply of energy which will satisfy the region's needs;

Second, to acquire energy at the lowest possible cost and promote economic development consistent with social needs and environmental safeguards;

Third, to assure equitable pricing of energy placing New England in balance with other regions of the country; and

Fourth, to promote economic and efficient utilization of all energy forms available.

By the end of this year, the New England States with the assistance of the New England Regional Commission will have completed a comprehensive analysis of feasible oil refinrey sites, deepwater port facilities, and petroleum product distribution systems.

The commission has completed and presented to the Governors of the New England States suggested plans for dealing with energy emergencies including regional contingency plans for shortages of residual fuel and the development of an emergency regional air quality management program.

To date, the New England Regional Commission has provided $735,000 in energy capability grants to help the Governors of New England develop their own programs for energy resource development within their States.

ECONOMIC DEVELOPMENT

The New England Regional Commission has provided $200,000 for the revitalization of the fishing industry in New England, America's oldest industry and the one in greatest need of assistance; $100,000 has been provided for the establishment of regional fishing industry groups which will include fishermen, processors, and Government officials working together to achieve the goal of restoring the fishing industry to economic stability. Funds have been provided for the development of a market for underutilized species and an offshore scallop research survey will demonstrate the feasibility of harvesting scallops from deep water. In Massachusetts, innovative demonstration projects are proving the efficiency of new equipment and techniques in fishing. And an additional $100,000 project is studying the methods of reducing the effects of red tide for the future of the fishing industry.

In Massachusetts, the New England Regional Commission is assisting in two important projects to provide job opportunities and improve the qualtiy of life in our oldest residential centers. In Lowell, the commission has already provided $350,000 to revitalize the center of the city by providing pedestrian malls and scenic and educational experiences for young people. The commission has provided $50,000 to the Hoosic Community Resources Corp. for the renovation of Windsor Mill and the restoration of historic sections of North Adams.

Tourism is a major industry in New England and the first industry to be hit by energy shortages and weather fluctuations.

Over $700,000 has been provided to the New England states by the Commission to alleviate the economic drain to communities suffering both snow and energy shortages and to promote tourism in New England particularly for our Bicentennial celebration.

In Massachusetts and Rhode Island, unemployment has soared as a result of military base cutbacks and closings and the New England Regional Commission has set up task forces in each of the base conversion areas to determine how best to use the existing facilities to provide jobs and return economic stability to the community.

The New England Regional Commission has worked on two important programs which both serve to improve the quality of life in New England; $100,000 has been funded to the Nashua River program to assure that established water quality standards are met, that the Nashua is reclaimed for the people for their recreational use, that the plans developed are consistent with the economic well-being of the area. The amount of $900,000 in State management grants has been awarded the New England States for the purpose of improving the Governors' offices capability to plan and manage economic development efforts.

TRANSPORTATION

The New England Regional Commission has recognized that efficient and economical transportation is crucial to the economic well-being of the region and has three important programs to assist in transportation development. A $405,000 study was completed on the Boston and Maine Railroad which was helpful both in establishing that the B and M could be reorganized effectively and in developing plans for the national railroad reorganization program. The Commission also conducted a feed grain freight rate investigation which will assist New England in obtaining relief from discriminatory freight rates which place New England farmers in an impaired competitive position with the rest of the country. In working with the governors of the New England States, the Commission has provided $300,000 in railroad capability grants to assist the development of rail facilities within each New England State.

In energy, in economic and community development, in transportation, the New England Regional Commission with limited funds and limited authority has managed to become an effective force in the revitalization of the New England States. Their achievements demonstrate the feasibility and desirability of dealing with economic development on a regional basis and solving regional problems in a coordinated and cooperative effort.

The New England Regional Commission and the other title V commissions have proven their effectiveness. It is up to this Congress to provide the kind of authority and funding which will assure that what is now clear they can accomplish, will be accomplished.

Mr. THURMOND. Mr. President, I am pleased to support the Regional Development Act of 1975 and congratulate the members of the Public Works Committee, its distinguished chairman, Mr. RANDOLPH, and ranking minority member, Mr. BAKER, for their diligent efforts in behalf of this bill.

This legislation accomplishes several key objectives which I support. First, it continues the authority for an effective economic development program in the Appalachian Region. Second, this bill recognizes the similarity of mission of the seven regional commissions created under title V of the Public Works and Economic Development Act of 1965. This legislation takes a major stride toward granting the title V commissions the autonomy, expanded program authority, and reasonable level of funding which they must have if they are to effectively plan and catalyze development in these regions facing economic lag.

It is my understanding that S. 1513 extends the authority for Appalachian regional development programs for 2 years, and authorizes the title V commissions for 1 additional year beyond the present law, so that the statutory authority for all of these regional commissions will probably be reviewed simultaneously by Congress in 1977. Along with the modest increase in funding for the title V's, this further signifies congressional intent that all regional commissions should be treated equitably.

Although only six counties in my State are included in the present boundaries of the Appalachian Region, the programs of this regional commission have been very beneficial in meeting transportation, health, education, and other economic and environmental problems in the western part of South Carolina. With a nonhighway funding authorization of $267 million for the 2-year fiscal period of 1976 and 1977, all of the included States should be able to continue to upgrade the quality of life for persons in Appalachia. Because transportation needs are especially great in this area, this legislation authorizes additional funds for planned highway construction programs in the 1978–80 period. I recognize the economic and social needs of the Appalachian Region and, within the constraints of the national budget priorities, support efforts to meet these needs.

At the same time, I think it is apparent that other parts of the country are experiencing critical economic and environmental problems which interface on a regional multistate basis. That is the rationale for the title V regional commissions, and I believe the expanded authority and funding given them under this bill will enable them to achieve successes similar to the Appalachian Commission.

This legislation authorizes $200 million for the title V commissions in fiscal year 1976, an increase of $50 million.

However, as most of us are aware, budget limitations have held the total appropriations for the title V commissions to approximately $42 million for this past fiscal year. This low funding level has seriously hindered the commissions from fulfilling their action planning roles and will have to be increased if they are to ever achieve the favorable results shown in the Appalachian area.

S. 1513 gives particular emphasis to planning and demonstration projects by the title V commissions in the areas of transportation, energy, health care, and vocational-technical education. These are certainly areas of special need in the five-State Coastal Plains Region, and I am sure this expanded program authority will prove beneficial in other title V areas.

I would like to conclude with several important points regarding the philosophy and operation of regional economic development programs. These regional development programs have all been justified primarily on the basis that the particular areas included in the Appalachian and the title V commissions have special economic and social needs which are supposedly more critical than the general problems in areas outside the commissions' jurisdiction. Given the fact that some of the poorest counties in my State of South Carolina are not included in either the Appalachian or the title V Coastal Plains Commission jurisdiction, I question the logic of the definitional boundaries.

Second, I want to say that I hope these programs will prove truly successful in helping these areas to cope with common problems and overcome economic lag. If this approach does not work, then we are not only wasting the taxpayers' money but we had better reexamine the theories and methods of regional economic development. It is my hope that these programs will be so successful in bringing prosperity to these areas of our country that the programs will soon become unnecessary. That should be the ultimate goal of our efforts here today, because I, for one, have no desire to perpetuate any publicly funded program or bureaucratic structure beyond its usefulness.

Finally, while these programs are in existence, I will insist that participating States be treated fairly. This bill allocates funds among the various title V regional commissions according to what we hope to be an equitable formula. Beyond that, I believe Congress must exercise sufficient oversight to insure that States within the regions receive their fair share of commission funds and services. With these thoughts and recommendations in mind, I plan to vote for this bill.

Mr. DOLE. Mr. President, I want to say a few words at this time in support of S. 1513.

I was one of the many Members of this body who signed the recent circular letter urging the Public Works Committee to bring forward legislation which would more fully recognize the regional commissions, such as the Ozarks Regional Commission, and bring them closer to comparable stature with the Appalachian Regional Commission.

As a supported of revenue sharing and the "new federalism" concept, I have endorsed the title V commissions' programs as a new initiative for bringing decision-making to local levels of government while at the same time providing coordination between Federal and State activities. I feel the title V commission concept represents a unique program within the concept of the "new federalism," which I feel merits expansion at this time.

I am very pleased to see the Public Works Committee, under its distinguished chairman, Senator Jennings Randolph, and the ranking minority member, Senator Howard Baker of Tennessee, report S. 1513 which, in my judgment, accomplishes the objectives which I see as essential. I can cite many instances when the Ozark Regional Commission, the title V commission for Kansas, has been helpful in resolving technical as well as funding problems that have arisen in conjunction with Federal programs in my home State. In fact, because of the Ozark Regional Commission's record of success, I was a strong supporter of the recent successful effort to expand the jurisdiction of that commission over the entire geographical area of Kansas.

S. 1513 expands the authority and increases funding levels for title V commissions and in addition calls for greater participation by the Governors of title V States. New broad program authority is authorized in four basic areas: Energy, transportation, vocational education, and health. These are vital problem areas in Kansas which, in addition to housing, must be resolved by a community in order to expand its economic development potential. Thus, I believe these new authorities will be extremely helpful to the Ozark Regional Commission in its efforts to assist Kansas development.

This legislation also expands the funding authority for the title V's to $50 million for the transitional quarter of fiscal year 1976, $200 million for the remainder of fiscal year 1976, and $250 million for fiscal year 1977. I feel these additional funds are needed and will well serve the program's goal of expanded economic growth within depressed areas of the State.

Under the provision of S. 1513, the authorization for both the Appalachian and title V regional commissions expires at the same time 2 years from now. These 2 years of newly authorized operation will provide an opportunity for Congress to view the success of the expanded authorities and development programs of the various commissions and take appropriate action at that time on comprehensive legislation to expand or modify the regional commission concept.

I therefore feel that this is timely legislation in terms of testing the strength of the regional commission concept. In addition, it will go a long way toward enabling the Ozarks Regional Commission, of which my State of Kansas is a member, to better meet the problems and opportunities of the five-State region it serves. I urge my fellow Senators on both sides of the aisle to vote approval of S. 1513.

Mr. METCALF. Mr. President, I rise to support passage of S. 1513, the Regional Development Act of 1975.

This measure replaces S. 1189, of which I was an original cosponsor, and represents a refinement of the earlier bill. While it does not meet all the hopes of the Senator from Montana, particularly in the fields of transportation and impacts from energy development, it is nevertheless an important step in the right direction.

A principal feature of this act is to achieve parity with the Appalachian regional experiment for the other title V regional commissions in the country. I do not wish to detract in any way from the Appalachian project. Much good work has been done in that region, and the resultant uplifting of the economy there is to the advantage of all of us.

However, it was envisioned by Congress that Appalachia's sister commissions would be similarly treated, and that the same type of coordinated approach to regional problems would be applied elsewhere. That has not been the case. The Old West Regional Commission, for example, which has responsibility in part for Montana, has received only a fraction of the funds necessary to carry on comparable work. The ratio has been approximately 30 to 1. Yet our region suffers from an unemployment rate higher than the national average, a per capita income lower than the national average, and a potentially very destructive assault on our national resources in the name of solving the Nation's energy crisis.

Mr. President, passage of S. 1513 is an opportunity for the Senate to go on record in support of applying to other areas of the Nation the regional approach utilized so successfully in Appalachia. I urge Senate acceptance of the bill.

Mr. BAKER. Mr. President, I have no further comments at this time, and no further requests for time. I reserve the remainder of my time for the moment.

The PRESIDING OFFICER. Who yields time?

Mr. RANDOLPH. Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. BAKER. Mr. President, before we call for third reading, I wonder if the Senator from Kentucky, by his inquiry, had meant to indicate his intention to introduce an amendment. I would not want him to be foreclosed by third reading.

Mr. FORD. Mr. President, the virus not having struck this corner, the Senator from Kentucky will not have an amendment.

Mr. BAKER. I yield back the remainder of my time.

Mr. RANDOLPH. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill (S. 1513) was ordered to be engrossed for a third reading, and was read the third time.

Mr. RANDOLPH. Mr. President, I ask unanimous consent that the Committee on Public Works be discharged from further consideration of H.R. 4073, and that the Senate proceed to its immediate consideration.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (H.R. 4073) to extend the Appalachian Regional Development Act of 1965 for an additional 2-fiscal-year period.

The PRESIDING OFFICER. Without objection, the Senate will proceed to its consideration.

Mr. RANDOLPH. Mr. President, I move to strike out all after the enacting clause of H.R. 4073, and to substitute therefor the text of S. 1513 as amended.

The motion was agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill (H.R. 4073) was read the third time.

The PRESIDING OFFICER (Mr. Stone). The bill having been read the third time, the question is, Shall it pass? On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Mississippi (Mr. Eastland), and the Senator from Texas (Mr. Bentsen) are necessarily absent.

I also announce that the Senator from Nevada (Mr. Cannon) is absent attending the funeral of Congressman Baring.

Mr. HUGH SCOTT. I announce that the Senator from Illinois (Mr. Percy) is necessarily absent.

I also announce that the Senator from Michigan (Mr. Griffin) is absent due to a death in the family.

I further announce that the Senator from Nevada (Mr. Laxalt) is absent attending a funeral.

The result was announced—yeas 92, nays 1, as follows:

[Rollcall Vote No. 295 Leg.]

YEAS—92

Abourezk
Allen
Baker
Bartlett
Bayh
Beall
Bellmon
Biden
Brock
Brooke
Buckley
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Case
Chiles
Church
Clark
Cranston
Culver
Curtis
Dole
Domenici
Eagleton
Fannin
Fong
Ford
Garn
Glenn
Goldwater
Gravel
Hansen
Hart, Gary W.
Hart, Philip A.
Hartke
Haskell
Hatfield
Hathaway
Helms
Hollings
Hruska
Huddleston
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Leahy
Long
Magnuson
Mansfield
Mathias
McClellan
McClure
McGee
McGovern
McIntyre
Metcalf
Mondale
Montoya
Morgan
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Proxmire
Randolph
Ribicoff
Schweiker
Scott, Hugh
Scott, William L.
Sparkman
Stafford

Stennis
Stevens
Stevenson
Stone
Symington
Taft
Talmadge
Thurmond
Tower
Tunney
Weicker
Williams
Young

NAYS—1

Roth

NOT VOTING—6

Bentsen
Cannon
Eastland
Griffin
Laxalt
Percy

So the bill (H.R. 4073) was passed, as follows:

Resolved, That the bill from the House of Representatives (H.R. 4073) entitled "An Act to extend the Appalachian Regional Development Act of 1965 for an additional two-fiscal-year period", do pass with the following amendments:

Strike out all after the enacting clause and insert:

That this Act may be cited as the "Regional Development Act of 1975".

TITLE I

SEC. 101. This title may be cited as the "Appalachian Regional Development Act Amendments of 1975".

SEC. 102. Section 2 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 2) is amended by inserting "(a)" after "SEC. 2." and adding the following new paragraph:

"(b) The Congress further finds and declares that while substantial progress has been made toward achieving the foregoing purposes, especially with respect to the provision of essential public facilities, much remains to be accomplished, especially with respect to the provision of essential health, education, and other public services. The Congress recognizes that changes and evolving national purposes in the decade since 1965 affect not only the Appalachian region, but also its relationship to a nation now assigning higher priority to conservation and the quality of life, values long cherished within the region. Appalachia now has the opportunity, in accommodating future growth and development, to demonstate local leadership and coordinated planning so that housing, public services, transportation, and other community facilities will be provided in a way congenial to the traditions and beauty of the region and compatible with conservation values and an enhanced quality of life for the people of the region. The Congress recognizes also that fundamental changes are occurring in national energy requirements and production, which not only risk short-term dislocations but will undoubtedly result in major long-term effects in the region. It is essential that the opportunities for expanded energy production be used so as to maximize the social and economic benefits and minimize social and environmental costs to the region and its people. It is, therefore, also the purpose of this Act to provide a framework for coordinating Federal, State, and local efforts toward (1) anticipating the effects of alternative energy policies and practices, (2) planning for accompanying growth and change so as to maximize the social and economic benefits and minimize social and environmental costs, and (3) implementing programs and projects carried out in the region by Federal, State, and local governmental agencies so as to better meet the special problems generated in the region by the Nation's energy needs and policies, including problems of transportation, housing, community facilities, and human services.".

SEC. 103. Section 101 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 101) is amended as follows:

(a) The third sentence of subsection (a) is amended to read as follows: "Each State member shall be the Governor.".

(b) The last sentence of subsection (a) is amended by striking the period and inserting the following: "for a term of not less than one year.".

(c) Subsection (b) is amended by adding the following: "No decision involving Commission policy, approval of State, regional or subregional development plans or implementing investment programs, any modification or revision of the Appalachian Regional Commission Code, or any allocation of funds among the States may be made without a quorum of State members present. The approval of project and grant proposals shall be a responsibility of the Commission and exercised in accordance with section 303 of this Act.".

(d) The first sentence of subsection (c) is amended to read as follows: "Each State member may have a single alternate, appointed by the Governor from among the members of the Governor's cabinet or the Governor's personal staff.".

(e) Subsection (c) is amended by adding at the end thereof the following: "A State alternate shall not be counted toward the establishment of a quorum of the Commission in any instance in which a quorum of the State members is required to be present. No Commission powers or responsibilities specified in the last two sentences of subsection (b) of this section, nor the vote of any Commission member, may be delegated to any person not a Commission member or who is not entitled to vote in Commission meetings.".

SEC. 104. Subsection (d) of section 101 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 101) is amended to read as follows:

"(d) The Federal Cochairman shall be compensated by the Federal Government at level III of the Executive Schedule in subchapter II of chapter 53 of title V, United States Code. His alternate shall be compensated by the Federal Government at level V of such Executive Schedule, and when not actively serving as an alternate for the Federal Cochairman, shall perform such functions and duties as are delegated to him by the Federal Cochairman. Each State member and his alternate shall be compensated by the State which they represent at the rate established by law of such State.".

SEC. 105. Section 102 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 102) is amended by inserting "(a)" after "SEC. 102." and adding the following new subsection.

"(b) In carrying out its functions under this section, the Commission shall identify the characteristics of, and may distinguish between the needs and goals of appropriate subregional areas, including central, northern, and southern Appalachia.".

SEC. 106. Subsection (b) of section 105 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 105) is amended to read as follows: "To carry out this section there is hereby authorized to be appropriated to the Commission, to be available until expended, not to exceed $4,600,000 for the period beginning July 1, 1975, and ending September 30, 1977 (of such amount not to exceed $800,000 shall be available for expenses of the Federal Cochairman, his alternate and his staff).".

SEC. 107. Paragraph (7) of section 106 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 106) is amended by striking out "June 30, 1975" and inserting in lieu thereof, "September 30, 1977".

SEC. 108. Paragraph (2) of section 106 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 106) is amended by inserting after the first sentence the following: "The executive director shall be responsible for carrying out the administrative functions of the Commission, for direction of the Commmission staff, and for such other duties as the Commission may assign.".

SEC. 109. Section 107 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 107) is amended by inserting "(a)" after "SEC. 107," and adding the following new subsection:

"(b) Public participation in the development, revision, and implementation of all plans and programs under this Act by the Commission, any State or any local development district shall be provided for, encouraged, and assisted. The Commission shall develop and publish regulations specifying minimum guidelines for such public participation, including public hearings.".

SEC. 110. Section 201 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 201) is amended as follows:

(a) The third sentence of subsection (a) is amended by striking "two thousand seven hundred miles" and inserting in lieu thereof "two thousand nine hundred miles"; and the fourth sentence of subsection (a) is amended by striking "one thousand six hundred miles" and inserting in lieu thereof "one thousand four hundred miles".

(b) Subsection (g) is amended by striking "and $180,000,000 for the fiscal year ending June 30, 1978." and inserting in lieu thereof "$250,000,000 for fiscal year 1978; $300,000,000 for fiscal year 1979; $300,000,000 for fiscal year 1980; and $170,000,000 for fiscal year 1981.".

SEC. 111. Section 202 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 202) is amended as follows:

(1) The second sentence of subsection (a) is amended by (a) inserting after "not operated for profit" the phrase ", or previously operated for profit where the acquisition of such facilities is the most cost-effective means for providing increased health services,", and (b) inserting after "made in accordance" the phrase "with section 223 of this Act and shall not be incompatible".

(2) The third sentence of subsection (c) of such section is amended by inserting "and title XX" after "title IV, parts A and B,".

SEC. 112. Section 205 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 205) is amended as follows:

(1) The first sentence of subsection (a) (1) is amended by striking "and to control and abate mine drainage pollution" and inserting in lieu thereof "to control and abate mine drainage pollution; and for planning or engineering for any such activities.".

(2) The first sentence of subsection (a) (2) is amended by inserting "planning, engineering, or" after "projects for".

(3) The second sentence of subsection (b) of such section is amended by inserting "(including, but not limited to, sand, clay, stone, culm, rock, spoil bank and noncombustible materials)" after "materials".

(4) Subsection (c) is amended to read as follows:

"(c) Whenever a State, local government, or other nonprofit applicant agrees to indemnify the Federal Government, or its officers, agents, or employees, for all claims of loss or damage resulting from the use and occupation of lands for a project assisted under this section, the Secretary may waive all requirements for the submission of releases, consents, waivers, or similar instruments respecting such lands, but the Secretary may require security as he deems appropriate for any such indemnification agreement.".

(5) Subsection (d) is amended to read as follows:

"(d) No moneys authorized by this Act shall be expended for the purposes of reclaiming, improving, grading, seeding, or reforestation of strip-mined areas, except on lands owned by Federal, State, or local government bodies or by private nonprofit entities organized under State law to be used for public recreation, conservation, community facilities, or public housing.".

SEC. 113. Section 207 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 207) is amended as follows:

(1) Subsection (a) is amended to read as follows:

"(a) In order to encourage and facilitate the construction or rehabilitation of housing to meet the needs of low- and moderate-income families and individuals, the Secretary of Housing and Urban Development (hereafter in this section referred to as the 'Secretary') is authorized to make grants and loans from the Appalachian Housing Fund established by this section, under such terms and conditions as he may prescribe, to nonprofit, limited dividend, or cooperative organizations, and public bodies, for planning and obtaining federally insured mortgage financing or other financial assistance for housing construction or rehabilitation projects for low- and moderate-income families and individuals, under section 221 of the National Housing Act, section 8 of the United States Housing Act of 1937, section 515 of the Housing Act of 1949, or any other law of similar purpose administered by the Secretary or any other department, agency, or instrumentality of the Federal or State government, in any area of the Appalachian region determined by the Commission.

(2) Subsection (c)(2) is amended to read as follows:

"(2) The Secretary is authorized to make grants and commitments for grants, and may advance funds under such terms and conditions as he may require, to nonprofit, limited dividend, or cooperative organizations and public bodies for reasonable site development costs and necessary offsite improvements, such as sewer and water line extensions, whenever such a grant, commitment, or advance is essential to the economic feasibility of any housing construction or rehabilitation project for low- and moderate-income families and individuals which otherwise meets the requirements for assistance under this section, except that no such grant for the construction of housing, shall exceed 10 per centum of the cost of such project, and no such grant for the rehabilitation of housing shall exceed 10 per centum of the reasonable value of such rehabilitation housing, as determined by the Secretary.".

(3) Subsection (e) is amended by inserting before the period at the end, the following: "and may provide funds to the States for making grants and loans to nonprofit, limited dividend, or cooperative organizations and public bodies for the purposes for which the Secretary is authorized to provide funds under this section".

(4) By adding the following new subsection (f):

"(f) Programs and projects assisted under this section shall be subject to the provisions cited in section 402 of the Act, notwithstanding such section, to the extent provided in the laws authorizing assistance for low- and moderate-income housing.".

SEC. 114. Section 211 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 214) is amended as follows:

(1) The first sentence of subsection (b)(1) is amended by striking out everything after "operating" and inserting in lieu thereof, "education projects which will serve to demonstrate areawide education planning, services, and programs, with special emphasis on vocational and technical education, career education, cooperative and recurrent education, guidance and counseling. Projects shall be selected with the involvement of all sectors of the community, including industry and labor.".

(2) Subsection (b)(2) is amended by striking out "a vocational and technical" and inserting in lieu thereof, "an".

(3)(a) The first and third sentences of subsection (b)(3) are amended by striking out "vocational and technical".

(b) The fourth sentence of subsection (b)(3) is amended by striking out "a vocational and technical" and inserting in lieu thereof, "an".

(4) Subsection (b)(4) is amended by striking out "a vocational and technical" and inserting in lieu thereof, "an".

(5) Subsection (b)(5) is amended to read as follows:

"(5) No grant for planning, construction, equipment, or operation of an education demonstration project shall be made unless the facility is publicly owned, but this shall not be deemed to preclude training or on-the-job employment activities away from such facility if the project is administered through a public body.".

SEC. 115. Section 214 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 214) is amended as follows:

(1) The first sentence of subsection (a) of such section is amended by inserting after "projects", where it first appears in such subsection, "or activities (hereinafter referred to as projects)".

(2) The first sentence of subsection (c) of such section is amended to read as follows: "The term 'Federal grant-in-aid programs' " as used in this section means those Federal grant-in-aid programs authorized on or before December 31, 1978, by this Act and Acts other than this Act for the acquisition or development of land, the construction or equipment facilities, or other community or economic development or economic adjustment activities, including but not limited to grant-in-aid programs authorized by the following Acts: Federal Water Pollution Control Act; Watershed Protection and Flood Prevention Act; titles VI and XVI of the Public Health Services Act; Vocational Education Act of 1963; Library Services and Construction Act; Federal Airport Act; Airport and Airway Development Act of 1970; part IV of title III of the Communications Act of 1934; title VI (part A) and VII of the Higher Education Act of 1965; Land and Water Conservation Fund Act of 1965; National Defense Education Act of 1958; Consolidated Farm and Rural Development Act; titles I and IX of the Public Works and Economic Development Act of 1965; the housing repair program for homeowners authorized by section 1319 of title 42, United States Code; grants under the Indian Health Service Act (42 Stat. 208); and title I of the Housing and Community Development Act of 1974.".

SEC. 116. Paragraph (1) of section 223 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 223) is amended by striking "compatible" and inserting in lieu thereof "not incompatible". Paragraph (2) of section 223 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 223) is amended to read as follows:

"(2) The Commission has approved such program or project and has determined that it meets the applicable criteria under section 224 of this Act and the requirements of the development planning process under section 225, and will contribute to the development of the region, which determination shall be controlling and which shall be accepted by the Federal agencies.".

SEC. 117. Section 224 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 224) is amended by adding at the end the following new subsection:

"(c) Funds may be provided for programs and projects in a State under this Act only if the Commission determines that the level of Federal and State financial assistance under Acts other than this Act for the same type of programs or projects in that portion of the State within the region, will not be diminished in order to substitute funds authorized by this Act.".

SEC. 118. There is inserted after section 224 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 224) a new section as follows:

"APPALACHIAN STATE DEVELOPMENT PLANNING PROCESS

"SEC. 225. (a) Pursuant to policies established by the Commission, each State member shall submit on such schedule as the Commission shall prescribe a development plan for the area of the State within the region. The State development plan shall reflect the goals, objectives, and priorities identified in the regional development plan and in any subregional development plan which may be approved for the subregion of which such State is a part. Such State development plan shall (1) describe the State organization and continuous process for Appalachian development planning, including the procedures established by the State for the participation of local development districts in such process, the means by which such process is related to overall statewide planning and budgeting processes, and the method of coordinating planning and projects in the region under this Act, the Public Works and Economic Development Act of 1965, and other Federal, State, and local programs; (2) set forth the goals, objectives, and priorities of the State for the region, as determined by the Governor, and identify the needs on which such goals, objectives, and priorities are based; and (3) describe the development program for achieving such goals, objectives, and priorities, including funding sources, and recommendations for specific projects to receive assistance under this Act.

"(b)(1) Local development districts certified by the State under section 301 of this Act provide the linkage between State and substate planning and development. In carrying out the development planning process, including the selection of programs and projects for assistance, States shall consult with local development districts, local units of government, and citizen groups and take into consideration the goals, objectives, priorities, and recommendations of such bodies. The districts shall assist the States in the coordination of areawide programs and projects, and may prepare and adopt areawide plans or action programs.

"(2) The Commission shall encourage and provide the preparation and execution of areawide action programs which specify interrelated projects and schedules of actions together with the necessary agency fundings and other commitments to implement such programs. Such programs shall make appropriate use of existing plans affecting the area.

"(c) To the maximum extent practicable, Federal departments, agencies, and instrumentalities undertaking or providing financial assistance for programs or projects in the region shall (1) take into account the policies, goals, and objectives established by the Commission and its member States pursuant to this Act; (2) recognize Appalachian State development programs approved by the Commission as satisfying requirements for overall economic development planning under such programs or projects; and (3) accept the boundaries and organization of any local development district certified under this Act which the Governor may designate as the areawide agency required under any such program undertaken or assisted by such Federal departments, agencies, and instrumentalities.".

SEC. 119. Section 302 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 302) is amended as follows:

(1) Subsection (a)(1) is amended by striking "including technical services," and inserting in lieu thereof "including the development of areawide plans or action programs and technical assistance activities,".

(2) Subsection (a) is amended by striking "and" after paragraph (1), by redesignating

paragraph (2) as paragraph (3), and by inserting the following new paragraph:

"(2) to make grants to the Commission for assistance to States for a period not in excess of two years to strengthen the State development planning process for the region and the coordination of State planning under this Act, the Public Works and Economic Development Act of 1965, as amended, and other Federal and State programs; and".

(3) Subsection (b) is amended to read as follows:

"(b) (1) Notwithstanding the provisions of section 224(b) (2), (3), or (4), the Commission may provide assistance under this section for demonstrations of enterprise development, including site acquisition or development where necessary for the feasibility of the project, in connection with the development of the region's energy resources: Provided, That no more than $3,000,000 shall be obligated for such demonstrations in any fiscal year.

"(2) In carrying out the purposes of this Act, including section 2(b), and in implementing this section, the Federal Energy Administration, the Energy Research and Development Administration, the Environmental Protection Agency, and other Federal agencies shall cooperate with the Commission and shall provide such assistance as the Federal Cochairman may request.

"(3) The Commission shall conduct a study and report on the status of Appalachian migrants in the destinations to which they have migrated, current migration patterns and implications, and the impact which the Commission program has had, and the potential for such impact, on outmigration and the welfare of Appalachian migrants. The Commission is authorized to conduct pilot projects and demonstrations within the region in connection with such study.

"(4) The Commission shall conduct a study of physical hazards which are constraints on land use in the Appalachian region (with emphasis on mudslides, landslides, sink holes, and subsidence) and the risks associated with such hazards. To the extent practicable, such study shall identify high-risk hazard areas throughout the Appalachian region. The Commission shall submit its report on such study, together with recommendations for means to remove or avoid such constraints on land use, to the Congress not later than twenty-four months after the enactment of this paragraph.".

SEC. 120. Section 303 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 303) is amended to read as follows:

"APPROVAL OF DEVELOPMENT PLANS, INVESTMENT PROGRAMS, AND PROJECTS

"SEC. 303. State and Regional Development Plans and implementing investment programs, and any multistate sub-regional plans which may be developed, shall be annually reviewed and approved by the Commission in accordance with section 101(b) of this Act. An application for a grant or for any other assistance for a specific project under this Act shall be made through the State member of the Commission representing such applicant, and such State member shall evaluate the application for approval. Only applications for grants or other assistance for specific projects shall be approved which are certified by the State member and determined by the Federal Cochairman to implement the Commission-approved State development plan; to be included in the Commission-approved implementing investment program; to have adequate assurance that the project will be properly administered, operated, and maintained; and to otherwise meet the requirements for assistance under this Act. After the approval of the appropriate State development plan and implementing investment program, certification by a State member of an application for a grant or other assistance for a specific project pursuant to this section shall, when joined by an affirmative vote of the Federal Cochairman for such project, be deemed to satisfy the requirements for affirmative votes for decisions under section 101(b) of this Act.".

SEC. 121. Section 401 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 401) is amended to read as follows:

"SEC. 401. In addition to the appropriations authorized in section 105 for administrative expenses, and in section 201(g) for the Appalachian development highway system and local access roads, there is authorized to be appropriated to the President, to be available until expended, to carry out this Act, $267,000,000 for the two-fiscal-year period ending September 30, 1977.".

SEC. 122. Section 405 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 405) is amended by striking "July 1, 1975" and inserting in lieu thereof, "October 1, 1977".

SEC. 123. Section 104 of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3121) is repealed.

TITLE II

SEC. 201. This title may be cited as the "Regional Action Planning Commission Improvement Act of 1975".

SEC. 202. Section 509(d) of the Public Works and Economic Development Act of 1965, as amended, is amended, to read as follows:

"(d) There are authorized to be appropriated to the Secretary to carry out this title, for the two-fiscal-year period ending June 30, 1971, to be available until expended, not to exceed $225,000,000, and for the two-fiscal-year period ending June 30, 1973, to be available until expended, not to exceed $305,000,000, for the fiscal year ending June 30, 1974, to be available until expended, $95,000,000, for the fiscal year ending June 30, 1975, to be available until expended, $150,000,000, for the fiscal year ending June 30, 1976, to be available until expended, $200,000,000, for the transition quarter ending September 30, 1976, to be available until expended, $50,000,000, and for the fiscal year ending September 30, 1977, to be available until expended, $250,000,000. After deducting such amounts as are authorized to carry out subsections (a) (1) and (b) of section 505, the Secretary shall apportion the remainder of the sums appropriated under this authorization for any fiscal year among the region commissions. Apportionment shall be made on the basis of the following formula: 14 per centum on basis of equality of seven regional commissions 14 per centum on basis of land areas of regional commissions, 28 per centum on basis of population of areas within regional commissions, and 44 per centum on basis of per capita income of areas served by regional commissions (weighted inversely). All amounts appropriated under this authorization for any fiscal year shall be apportioned by the Secretary to the regional commissions prior to the end of the fiscal year for which appropriated.".

SEC. 203. Section 513 of the Public Works and Economic Development Act of 1965, as amended, is amended to read as follows:

"(a) Each regional commission, with the assistance of the Secretary of Transportation, is authorized to conduct and facilitate full and complete investigations and studies of the transportation needs of economic development regions established under this title. Such studies and investigations should analyze the effectiveness of regional tranportation systems for meeting the purposes of this Act. The information gathered from these studies and investigations should determine the types of transportation facilities needed in the region and be of value in planning for such transportation facilities.

"(b) Each regional commission, with the assistance of the Secretary of Transportation, shall make grants for the planning of regional transportation networks and are authorized to make grants for the construction, purchase of equipment, and operation (including payment of operating deficits) for transportation demonstration projects. Grants under this section shall be made solely out of funds specifically appropriated for the purpose of carrying out this title and shall not be taken into account in the computation of the allotments among the States made pursuant to any other provisions of law.

"(c) No grant for the construction or equipment for any component of a demonstration transportation project shall exceed 80 per centum of such cost. The Federal contribution may be provided entirely from funds authorized under this section or in combination with funds authorized under other Federal grant-in-aid programs for the construction of transportation facilities. Notwithstanding any other provision of law, funds authorized under this section may be used to increase the Federal share of any such project to 80 per centum of the cost of such facilities.

"(d) Not to exceed $5,000,000 of the funds apportioned to each regional commission under section 509 of this title shall be expended in any one fiscal year for the purpose of carrying out this section.".

SEC. 204. Title V of the Public Works and Economic Development Act of 1965, as amended, is amended by adding the following new section at the end thereof:

"SEC. 515. (a) Fundamental changes are occurring in national energy requirements and production which could result in short-term dislocation and result in major long-term effects on various regions of the country. Expanded energy production opportunities must maximize social and economic benefits while minimizing social and environmental costs to the regions experiencing increased energy development. In some regions, impacted by limited energy resources, severe problems disruptive of regional economies could result. The programs of the regional commissions provide an excellent framework for coordinating Federal, State, and local efforts toward (1) anticipating the effects of alternative energy policies and practices, (2) planning for accompanying growth and change so as to maximize social and economic benefits and minimize the social and environmental costs, and (3) implementing programs and projects carried out in the regions by Federal, State, or local government agencies so as to better meet the special problems generated in the regions by the Nation's energy needs and policies, including problems of transportation, housing, community facilities, and human services.

"(b) Each regional commission is authorized to carry out energy-related demonstration projects and programs within its regions including programs and projects addressing the social, economic, and environmental impact of energy development, requirements, and utilization. Grants shall be made only to those projects which are developed through regional planning designed to identify the effects of regional resource development, requirements, utilization, and impact.

"(c) Not to exceed $5,000,000 of the fund apportioned to each regional commission under section 509 of this title shall be expended in any one fiscal year for the purpose of carrying out this section.".

SEC. 205. Title V of such Act is further amended by adding the following new subsection at the end thereof:

"SEC. 516. (a) In order to demonstrate the value of adequate health facilities and services to the economic development of the region, the Secretary of Health, Education, and Welfare is authorized to make grants for the planning, construction, equipment, and operation of multicounty demonstration health, and nutrition projects including hospitals, regional health diagnostic and treatment centers, and other facilities and services necessary for the purpose of this section. Grants for such construction (including the acquisition of privately owned facilities not operated for profit or previously operated for profit where the acquisition of such facilities is the most cost effective means for providing increased health services, and initial equipment) shall be made after applications and plans relating to the program or project have been determined by the responsible Federal official to be compatible with the provisions and objectives of Federal laws which he administers that are not inconsistent with this title, and the regional commission has approved such program or project and determined that it will contribute to the development of the region, and shall not be incompatible with the applicable provisions of title VI of the Public Health Service Act (42 U.S.C. 291–291o), the Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963 (77 Stat. 282), and other laws authorizing grants for the construction of health-related facilities, without regard to any provisions therein relating to appropriation authorization ceilings or to allotments among the States. Grants under this section shall be made solely out of funds specifically appropriated for the purpose of carrying out this title and shall not be taken into account in the computation of the allotments among the States made pursuant to any other provision of law.

"(b) No grant for the construction or equipment of any component of a demonstration health project shall exceed 80 per centum of such costs. The Federal contribution may be provided entirely from funds authorized under this title or in combination with funds provided under other Federal grant-in-aid programs for the construction or equipment of health-related facilities. Notwithstanding any provision of law limiting the Federal share in such programs, funds authorized under this title may be used to increase Federal grants for component facilities of a demonstration health project to a maximum of 80 per centum of the costs of such facilities.

"(c) Grants under this section for operation (including initial operating funds and operating deficits comprising among other items the cost of attracting, training, and retaining qualified personnel) of a demonstration health project, whether or not constructed with funds authorized by this title, may be made for up to 100 per centum of the costs thereof for the two-year period beginning, for each component facility or service assisted under any such operating grant, on the first day that such facility or service is in operation as a part of the project. For the next three years of operation such grants shall not exceed 75 per centum of such costs. The Federal contributions may be provided entirely from funds appropriated to carry out this title or in combination with funds provided under other Federal grant-in-aid programs for the operation of health related facilities and the provision of health services, including title IV, parts A and B, and title XX of the Social Security Act. Notwithstanding any provision of the Social Security Act requiring assistance or services on a statewide basis, if a State provides assistance or services under such a program in any area of the region approached by the regional commission, such State shall be considered as meeting such requirement. Notwithstanding any provision of law limiting the Federal share in such other programs, funds appropriated to carry out this section may be used to increase Federal grants for operating components of a demonstration health project to the maximum percentage cost thereof authorized by this subsection. No grant for operation of a demonstration health project shall be made unless the facility is publicly owned, or owned by a public or private nonprofit organization, and is not operated for profit. No grants for operation of a demonstration health project shall be made after five years following the commencement of the initial grant for operation of the project. No such grants shall be made unless the Secretary of Health, Education, and Welfare is satisfied that the operation of the project will be conducted under efficient management practices designd to obviate operating deficits. A health-related facility constructed under title I of this Act may be a component of a demonstration health project eligible for operating grant assistance under this section.".

Sec. 206. Title V of such Act is further amended by inserting at the end thereof the following new section:

"Sec. 517. (a) In order to assist in the expansion and improvement of educational opportunities and services for the people of the region, the Secretary of the Department of Health, Education, and Welfare is authorized to make grants for planning, construction, equipping, and operating vocational and technical educational projects which will serve to demonstrate areawide educational planning, services, and programs. Grants under this section shall be made solely out of funds specifically appropriated for the purposes of this title and shall not be taken into account in any computation of allotments among the States pursuant to any other law.

"(b) No grant for the construction or equipment of any component of a vocational and technical education demonstration project shall exceed 80 per centum of its cost.

"(c) Grants under this section for operation of components of vocational and technical educational demonstration projects, whether or not constructed by funds authorized by this title, may be made for up to 100 per centum of the costs thereof for the two-year period beginning on the first day that such component is in operation as a part of the project. For the next three years of operation, such grants shall not exceed 75 per centum of such costs. No grants for operation of vocational and technical education demonstration projects shall be made after five years following the commencement of the initial grant for operation of the project. An education-related facility constructed under title I of this Act may be a component of a vocational and technical education demonstration project eligible for operating grant assistance under this section.

"(d) No grant for expenses of planning necessary for the development and operation of a vocational and technical education demonstration project shall exceed 75 per centum of such expenses.

"(e) No grant for planning, construction, operation, or equipment of a vocational and technical education demonstration project shall be made unless the facility is publicly owned.

"(f) Any Federal contribution referred to in this section may be provided entirely from funds appropriated to carry out this section, or in combination with funds available under other Federal grant-in-aid programs providing assistance for education-related facilities or services. Notwithstanding any provision of law limiting the Federal share in such programs, funds appropriated to carry out this section may be used to increase such Federal share to the maximum percentage cost thereof authorized by the applicable paragraph of this subsection.".

Sec. 207. Each regional commission established pursuant to title V of the Public Works and Economic Development Act of 1965 shall submit to the Committee on Public Works of the Senate and House of Representatives within one hundred and twenty days after enactment of this Act the Regional Economic Development Plan required under section 503(a) (2) of the Public Works and Economic Development Act of 1965. The committee shall study and review the plans of the regional commission to determine their conformity to the purposes of the Act.

Sec. 208. The President, upon the completion of a review of the structure and authorities of the title V Regional Action Planning Commissions, shall report to the Congress his recommendation concerning the regional commissions not later than six months after enactment of this Act.

Amend the title so as to read: "An Act to extend the Appalachian Regional Development Act of 1965, to increase the authorizations for the title V Action Planning Commissions, and for other purposes.".

Mr. RANDOLPH. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ROBERT C. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. RANDOLPH. Mr. President, I ask unanimous consent that further consideration of S. 1513 be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RANDOLPH. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make technical and clerical corrections in the bill we have just passed.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RANDOLPH. Mr. President, I ask unanimous consent that H.R. 4073, as passed by the Senate, be printed.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RANDOLPH. Mr. President, the Appalachian program has received increasing support in the Congress over the past decade. Today's expression in the Senate was the largest recorded vote this innovative program has received.

The growing congressional support for Appalachia is indicated in this table of Senate and House votes:

	Senate
1965	62–22
1967	68–13
1969	Voice
1971	88–2
1975	92–1
	House
1965	257–165
1967	189–168
1969	273–103
1971	320–67
1975	309–66

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business not to extend beyond 30 minutes for the purpose of the introduction of bills, resolutions, petitions, memorials, and statements in the RECORD; and there be a time limitation on any statements of 3 minutes.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

Is there morning business?

SENATE RESOLUTION 214—SUBMISSION OF A RESOLUTION TO EXPRESS CONCERN OVER ATTEMPTS TO EXPEL ISRAEL FROM THE UNITED NATIONS

Mr. HUGH SCOTT. Mr. President, I submit a Senate resolution to express concern over attempts to expel Israel from the United Nations. I ask unanimous consent that it be printed in the RECORD at this point, so that Senators may be aware of the nature of the resolution. It is my thought that I shall, at the proper time on Friday, seek to bring it up for consideration by the Senate. I am also inviting the cosponsorship of other Senators.

The **PRESIDING OFFICER.** Without objection, it is so ordered. The resolution will be printed in the RECORD.

Mr. HUGH SCOTT. I ask unanimous consent that it be held at the desk and not referred to committee.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

The resolution, ordered to be printed in the RECORD, is as follows:

S. RES. 214

Whereas the United Nations Charter implores its members to "practice tolerance and live together in peace with one another as good neighbors, and to unite our strength to maintain international peace and security, and . . . to employ international machinery for the promotion of the economic and social advancement of all peoples," and

Whereas any action to expel members for political reasons violates the spirit of the United Nations Charter,

Now, therefore, be it resolved that the United States Senate looks with disfavor and concern over persistent attempts by some nations among the so-called "non-aligned" nations of the Third World to expel Israel from membership in the United Nations; and

Be it further resolved, that if Israel is expelled from the United Nations, the Senate will review all present United States commitments to the Third World nations involved in the expulsion, and will consider seriously the implication of continued membership in the United Nations under such circumstances.

MESSAGES FROM THE HOUSE

At 11:24 a.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House has agreed to the concurrent resolution (H. Con. Res. 341) authorizing the Chief of the Capitol Police to answer interrogatories in a civil action in which it requests the concurrence of the Senate.

At 4 p.m., a message from the House of Representatives delivered by Mr. Berry announced that the House has passed, without amendment, the joint resolution (S.J. Res. 102) amending section 5(c) of the Homeowners' Loan Act of 1933 to clarify the authority of Federal savings and loan associations to act as custodians of individual retirement accounts.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The **ACTING PRESIDENT** pro tempore (Mr. LEAHY) laid before the Senate the following letters, which were referred as indicated:

PROPOSED EXEMPTION BY THE FEDERAL ENERGY ADMINISTRATION

A letter from the Administrator of the Federal Energy Administration transmitting, pursuant to law, a proposed amendment exempting a covered product under the Emergency Petroleum Allocation Act of 1973 for a period of not more than 90 days (with accompanying papers); to the Committee on Interior and Insular Affairs.

AMENDMENTS TO APPROPRIATIONS REQUEST FOR THE LEGISLATIVE BRANCH—(S. DOC. 94-)

A communication from the President of the United States transmitting amendments to the request for appropriations for the fiscal year 1976 in the amount of $7,925,670 and for the period July 1, 1976, through September 30, 1976, in the amount of $1,878,645 for the legislative branch (with accompanying papers;) to the Committee on Appropriations and ordered to be printed.

AMENDMENT TO APPROPRIATIONS REQUEST FOR THE INTERSTATE COMMERCE COMMISSION—(S. DOC. 94-)

A communication from the President of the United States transmitting an amendment to the request for appropriations transmitted in the budget for the fiscal year 1976 in the amount of $22,100,000 for the Interstate Commerce Commission (with accompanying papers); to the Committee on Appropriations and ordered to be printed.

AMENDMENT TO APPROPRIATIONS REQUEST FOR THE DEPARTMENT OF TRANSPORTATION—(S. DOC. 94-)

A communication from the President of the United States transmitting an amendment to the request for appropriations transmitted in the budget for the fiscal year 1976 in the amount of $72 million for the Department of Transportation (with accompanying papers); to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. JACKSON, from the Committee on Interior and Insular Affairs, with an amendment:

S. 521. A bill to increase the supply of energy in the United States from the Outer Continental Shelf; to amend the Outer Continental Shelf Lands Act; and for other purposes (Rept. No. 94-284).

EXECUTIVE REPORTS OF COMMITTEES

As in executive session, the following executive reports of committees were submitted:

Mr. Williams, from the Committee on Labor and Public Welfare:

Frank R. Barnako, of Pennsylvania, to be a member of the Occupational Safety and Health Review Commission.

Abner Woodruff Sibal, of Virginia, to be general counsel of the Equal Employment Opportunity Commission.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. Proxmire, from the Committee on Banking, Housing and Urban Affairs:

Burton Gordon Malkiel, of New Jersey, to be a member of the Council of Economic Advisers.

(The above nomination was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

REFERRAL OF S. 1907 TO COMMITTEE ON BANKING, HOUSING AND URBAN AFFAIRS.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that if and when the Committee on Foreign Relations reports S. 1907, that bill be referred to the Committee on Banking, Housing and Urban Affairs. This request has been cleared with the Committee on Foreign Relations, with the chairman of the committee, with the minority, with the leadership, and as far as I know, there is no objection.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that today, July 17, 1975, he presented to the President of the United States the enrolled bill (S. 66) to amend the Public Health Service Act and related health laws to revise and extend the health revenue-sharing program, the family planning programs, the community mental health centers program, the program for migrant health centers and community health centers, the National Health Service Corps program, and the programs for assistance for nurse training, and for other purposes.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. PROXMIRE (for himself and Mr. BIDEN):

S. 2132. A bill to require that Government forms be discontinued or revised every 5 years and that new or revised forms shall be used only when necessary. Referred to the Committee on Government Operations.

By Mr. HUMPHREY:

S. 2133. A bill for the relief of Miss Kathleen Pollonais. Referred to the Committee on the Judiciary.

By Mr. BAYH:

S. 2134. A bill to amend the Internal Revenue Code of 1954 to permit State legislators to deduct certain living expenses. Referred to the Committee on Finance.

By Mr. THURMOND:

S. 2135. A bill to authorize the construction and maintenance of the General Draza Mihailovich Monument in Washington, D.C., in recognition of the role he played in saving the lives of approximately 500 U.S. airmen in Yugoslavia during Warld War II. Referred to the Committee on Rules and Administration.

By Mr. WILLIAMS (for himself and Mr. Tower):

S. 2136. A bill to amend the Securities and Exchange Act. Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. BUCKLEY (for himself, Mr. Fannin, Mr. Helms, Mr. Curtis, Mr. Hansen, and Mr. McClure):

S.J. Res. 109. A joint resolution relating to the European Security Conference. Referred to the Committee on Foreign Relations.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. PROXMIRE (for himself and Mr. Biden):

S. 2132. A bill to require that Government forms be discontinued or revised every 5 years and that new or revised forms shall be used only when necessary. Referred to the Committee on Government Operations.

THE FORM REFORM ACT—A BILL TO ABOLISH ALL GOVERNMENT FORMS, ONE-FIFTH EACH YEAR, OVER A FIVE-YEAR PERIOD

Mr. PROXMIRE. Mr. President, today I am introducing a bill which would abolish the use of every Government form over a 5-year period. I have called it the "Form Reform Act."

As chairman of the Subcommittee on Priorities and Economy in Government of the Joint Economic Committee I have had a special interest in attempting to bring economy to Government.

The citizens of this country are drowning in an ocean of Government forms. Here is how the bill would throw the American form-filling citizen a life preserver:

It would require that over a period of 5 years every Government form would be abolished—one-fifth the first year, one-fifth the second year, and so forth.

It would further require that no new form, including the reissue of an old form, could be placed in use by any executive agency unless it had been approved by the Comptroller General of the United States.

Additionally, the bill would require that before any new form could be issued, both the agency head and the Comptroller General would have to determine that it was "necessary" and what revisions could be made to make it "shorter, simpler, and more easily understandable."

The bill would apply not only to forms issued by the Government to private citizens, businesses, and taxpayers but to internal Government forms which result in almost as much redtape and inefficiency as the public forms.

The provisions of this bill will work. They are practical. I know of at least one experiment with the idea. When my home secretary in Madison, Wis. Tom Pattison, was the head of the Farmers Home Administration in the State of Wisconsin, he instituted a review of every form and every procedure for the State office and the 52 county offices of the FmHA. By throwing out every form and every procedure that was too long, useless, or out of date, he got rid of a massive amount of paperwork.

The people of this country are harassed by Government forms—tax forms, contract forms, medicaid and medicare forms, job forms, census forms, survey forms, and safety forms. There is a new form a day for everybody, everywhere.

Needed and vital Government services can and must be performed with higher efficiency and with far less redtape.

Abolishing by law every form at least once every 5 years will focus the attention of agency heads and minor bureaucrats on this problem.

Let me warn, however, of one real danger; namely, that the bureaucrats will devise a new form to carry out the act. That must not happen.

By Mr. BAYH:

S. 2134. A bill to amend the Internal Revenue Code of 1954 to permit State legislators to deduct certain living expenses. Referred to the Committee on Finance.

Mr. BAYH. Mr. President, the bill I introduce today is an amendment to the Internal Revenue Code, which will permit State legislators to deduct living expenses in the same manner as Members of Congress.

As we all know only too well, Mr. President, legislators at both the Federal and State levels, have unusual expenses because of the unique nature of their work. As representatives of legislative districts, they are generally required to maintain homes in their districts and, at the same time, be present in their respective capitals when legislatures are in session. Consequently they incur the burdensome costs of maintaining themselvs in two different locations.

Our tax code has generally permitted deduction of reasonable travel expenses incurred in the pursuit of a trade or business while away from home, including food and lodging. These provisions work fairly for most taxpayers. However, the determination of what is away from home and thus deductible has created difficult problems for legislators. Many divide their time almost equally between the area they represent and the meeting places of their legislatures, and it becomes almost impossible to determine where their tax homes really are.

Congress solved the problem for its own Members in 1946 when it passed legislation which declared that the tax home of a Representative or Senator was in his home district and provided for deductions of up to $3,000 per year as away from home living expenses. This legislation was in direct response to a ruling of the Tax Court in Lindsay against Commissioner which held that a Member of Congress carried on his principal business in Washington, D.C., thus making Washington his tax home and prohibiting deductions for living expenses incurred in Washington.

State legislators are now faced with a situation very similar to that which faced our Members immediately after the Lindsay case. On May 7, 1975, the Tax Court filed its decision in Montgomery against Commissioner, disallowing deductions of a Michigan legislator for expenses he incurred while attending meetings of the House of Representatives in Lansing, Mich., 85 miles from his Detroit home. According to the court, Lansing was Mr. Montgomery's principal place of business due to his legislative duties and, therefore, his home for tax purposes.

Mr. President, with the Montgomery ruling and with the increased tendency of States to extend sessions of their legislatures, a great many State legislators are now faced with the necessity of maintaining two places of residence with no possibility of tax deductions to ease their burdens. I believe it is important that we in Congress recognize their hardships and the peculiar demands placed upon them. Fairness demands that we provide them with exactly the same tax treatment we have provided ourselves.

The bill I introduce today is quite simple and would accomplish this purpose. It merely amends the final sentence of section 162(a) of the Code, which was added in 1946 as I described above, to include members of State legislatures. I hope my colleagues will consider this proposal carefully and act favorably upon it.

Mr. President, I ask unanimous consent that the text of this legislation be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2134

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, that section 162(a) of the Internal Revenue Code of 1954 (relating to trade or business expenses) is amended by striking out the sentence at the end thereof and inserting in lieu thereof, "For purposes of the preceding sentence, the place of residence of a Member of Congress (including any Delegate and Resident Commissioner) within the State, Congressional district, Territory, or possession which he represents in Congress, and or any State legislator within the district which he represents in his State legislature, shall be considered his home, but amounts expended by such Members within each taxable year for living expenses shall not be deductible for income tax purposes in excess of $3,000."

Sec. 2. The amendment made by the first section of this Act shall apply to taxable years ending after the date of the enactment of this Act.

By Mr. THURMOND:

S. 2135. A bill to authorize the construction and maintenance of the General Draza Mihailovich Monument in Washington, D.C., in recognition of the role he played in saving the lives of approximately 500 U.S. airmen in Yugoslavia during World War II. Referred to the Committee on Rules and Administration.

Mr. THURMOND. Mr. President, I send to the desk, for reference to the appropriate committee, a bill designed to authorize the National Committee of American Airmen Rescued by Gen. Drazha Mihailovich to erect a monument in Washington, with publicly subscribed funds, dedicated to "Gen. Drazha Mihailovich, Saviour of American Airmen."

During World War II, the United States and Great Britain initially supported the nationalist resistance movement in Yugoslavia, led by Gen. Drazha Mihailovich. Due to a tragic combination of errors and mistaken information, the Allies withdrew their support from Mihailovich at the end of 1943 and threw their weight behind the Communist resistance movement under the leadership of Marshal Tito. Despite his abandonment by the Allies, and despite the merciless war waged against him by both the Communists and the Nazis during 1944, General Mihailovich and his forces, known as the Chetniks, succeeded in rescuing some 500 American airmen who were shot down over Yugoslavia. Most of these men were safely evacuated to Italy in a series of dramatic air rescue missions, which picked them up from the heart of Nazi-occupied Yugoslavia and flew them to Italy.

President Harry S. Truman in 1948 posthumously awarded the Legion of Merit to General Mihailovich for his services in rescuing American airmen, and for his larger services to the Allied cause. Unfortunately, the State Department kept the award to Mihailovich classified "secret" for almost 20 years, for fear of offending the sensitivities of the Yugoslavia Communist Government.

Now, more than 30 years after their rescue, a group of American airmen have organized themselves into a National Committee of American Airmen Rescued by General Mihailovich and have launched a movement to build a memorial in Washington, D.C., dedicated in gratitude to the man who saved their lives. Today is the anniversary of General Mihailovich's execution. To mark this anniversary, the rescued airmen have assembled in Washington today and are holding a memorial service on the steps of the Capitol.

I am introducing this legislation in response to a petition I have received, signed by 26 of the rescued airmen and eight members of the Air Crew Rescue Mission that organized their evacuation from Yugoslavia. I would like to quote a few paragraphs from this petition:

To say that General Mihailovich and his men saved our lives tells only a very small part of the story. Frequently, they had to fight off the Germans in order to rescue us. Because of Mihailovich's commitment to protect us at all costs, scores of innocent hostages were executed by the Nazis; the Nazis always knew when an American crew bailed out, and when they could find no trace of the crew, they assumed, quite correctly that they were being sheltered by the Chetniks. Those of us who were wounded received the best medical attention available, sometimes in underground hospitals. Desperately short of supplies, Mihailovich's men frequently went hungry themselves in *order* to feed us.

All this we can never forget.

Our ranks have begun to thin with the passage of years. But the years have no way diminished the admiration, affection and gratitude which we hold in our hearts for General Mihailovich and his gallant forces.

Having consulted with each other, and confident that we speak for all of the 500 airmen who were rescued by the forces of General Mihailovich, the undersigned airmen have decided that it would be proper to give enduring expression to this gratitude by erecting a monument in Washington, D.C. with funds contributed by ourselves and by members of the American public, to "General Mihailovich, Saviour of American Airmen" This concrete expression of gratitude, we feel, would also be in complete harmony with American tradition.

We respectfully petition the Congress of the United States to enact legislation permitting the erection of such a monument so that we may appropriately discharge what all of us regard as a sacred debt of honor—a debt of honor all the more compelling because Mihailovich in his lifetime received no recognition and no reward for the many services to the Allied cause of which President Truman spoke in his citation.

Mr. President, I can think of no better way of discharging this debt than to authorize these airmen to erect the monument they have in mind. I want to emphasize that this would be done with publicly subscribed funds and will not cost the American taxpayer one penny. Additionally, I was informed that the airmen want to avoid politics and that they intend to abstain from any propaganda against the Tito government—all they want to do is give enduring expression to their gratitude to General Mihailovich by erecting a monument in his memory. This will be a simple memorial, bearing on one side a plaque listing the names of 500 American airmen rescued by General Mihailovich, and on the other side the text of President Truman's citation in awarding the Legion of Merit to General Mihailovich.

I ask unanimous consent to insert into the RECORD the text of my bill and a foreword to a recent book about General Mihailovich written by former Senator Frank J. Lausche of Ohio, a son of Yugoslav immigrant parents.

There being no objection, the bill and foreword were ordered to be printed in the RECORD, as follows:

S. 2135

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, pursuant to section 2 of this bill, the Secretary of the Interior shall permit the National Committee of American Airmen Rescued by General Mihailovich to construct and maintain a monument to General Draza Mihailovich, in recognition of the role he played in saving the lives of approximately five hundred United States airmen in Yugoslavia during World War II, as described in such committee's petition to Congress concerning the authorization of such monument. Such monument shall be located on public land within the District of Columbia, to be located according to plans approved by the National Capital Planning Commission, the Fine Arts Commission, and the Secretary of the Interior.

SEC. 2. The National Committee of American Airmen Rescued by General Mihailovich shall accept private funds which shall be the sole source for the construction and maintenance of such monument. The Secretary of the Interior shall only permit such committee to begin the construction of such monument, when he determines that such committee has sufficient funds to complete such construction and to provide for such maintenance; except that such committee must have such funds no later than two years after the date of enactment of this Act.

FOREWORD

(By the Honorable Frank J. Lausche)

(NOTE.—The Honorable Frank J. Lausche, the son of a Slovenian immigrant, has been a man of almost legendary stature in modern American politics. His qualities of leadership and statesmanship are reflected in his record as an elected representative of the people of Ohio for over 36 years.

(As a judge, he served 9 years in the municipal court of the City of Cleveland, and in Cuyahoga County Court (1932–41). He then served two terms as Mayor of Cleveland, from 1941 to 1944.

(Elected Governor of Ohio in 1945, he served through five terms in this office. This remarkable record of public trust in an elected office was unexampled in the history of Ohio—since the founding of the Republic no other governor has served more than three terms. When General Mihailovich was captured in March 1946, Frank J. Lausche, as Governor of Ohio, not only joined the Committee For a Fair Trial to Draza Mihailovich, but, at his own request, for the purpose of displaying his concern and indignation, he served on the Board of Directors of the Committee.

(Elected to the United States Senate in 1956, Senator Lausche served with distinction for 12 years, making a mighty mark both in the Senate chamber and in the Senate Foreign Relations Committee, of which he was a member. Sometimes described as a maverick, Senator Lausche has been a man whose absolute independence and integrity has commanded the respect of his foes as well as his friends. When he left the Senate in 1969, one of his many friends in the Senate said that it was "as though a mighty oak has fallen.")

In bringing together this historical documentation on General Draza Mihailovich, I believe the Serbian National Committee is serving the cause of history, the cause of America, and the larger cause of world freedom, as well as the cause of the Serbian people.

I was, therefore, honored by the invitation to write a brief foreword to the record that appears in the following pages.

I write this foreword out of a sense both of duty and of shame.

As an American, I bow my head in shame whenever I think of the terribly mistaken policy which led the Allied leaders in World War II to abandon General Draza Mihailovich and throw their support instead to the communist cohorts of Marshal Josip Broz Tito. It was an unbelievable aberration of policy and of justice perpetrated by the Allies.

Mihailovich was the first insurgent in Europe. It was he who first raised the flag of resistance to the Nazi occupier—and by his action he inspired the formation of resistance movements in all the subjugated countries.

He resisted the Nazis at the time when the Soviet Union and the communists were still collaborating with them—and his early resistance, by slowing down the Nazi timetable, was probably responsible for preventing the fall of Moscow.

The contributions of Mihailovich to the Allied cause were the subject of tributes by General Eisenhower, General De Gaulle, Field Marshal Lord Alexander, Admiral Harwood, Anthony Eden, President Truman, and, at later date, of President Richard Nixon. For example, on August 16, 1942, three top ranking British officers, Admiral Harwood, General Auchinleck, and Air Marshal Tedder, sent the following joint wire to Mihailovich "With admiration we are following your directed operations which are of inestimable value to the Allied cause."

Today no informed person takes seriously the communist charges that Mihailovich collaborated with the Germans, or the proceedings of the communist show trial in Belgrade which resulted in his execution. The communists made the nature of their justice clear when they announced, in advance of the trial, that Mihailovich would be executed after a fair trial. And they also made it clear when they refused to take the evidence of the American officers who served with him or of the American airmen who were rescued by him.

Colonel Robert H. McDowell, chief of the American mission to General Mihailovich, and perhaps the most experienced intelligence officer to serve with either side in Yugoslavia during World War II, took the time after the War to go through the German intelligence files on Yugoslavia. Not only did he find no evidence that Mihailovich collaborated with the Nazis, but he found numerous statements establishing that Hitler feared the Mihailovich movement far more than he did the Tito movement.

The communists also feared Mihailovich more than they did any other man. And that is why, when they executed hm, they disposed of his shattered body in a secret burial place, so that those who followed him and revered him would not be able to come at night to drop tears and flowers on his grave and tenderly offer a few words of prayer in gratitude to General Mihailovich for his heroism and sacrifice.

But despite all of the abuse and all the precautions of the communists, the truth about Mihailoch—now grown to the proportions of a legend—still persists among the Serbian people. Evidence of this is the remarkable article on Mihailovich which Mihaijo Mihajlov wrote for The New Leader, just before Tito's courts sentenced him to seven years at hard labor in early March of this year.

I think that it is fitting that we in the free world who are aware of the truth should also do everything in our power to set the record straight and to bring about the ultimate vindication before the bar of history—of one of the noblest figures of World War II.

Draza Mihailovich, in addition to being an outstanding soldier and a great national leader was a man who stood for everything that we in America believe in. He was a true believer in the rights enshrined in our own Declaration of Independence—the right to think and speak and pray in accordance with one's own religious, political, economic and social beliefs, without government restraint or repression.

The publication of this historical documentation is a first step in the direction of historical vindication. The next logical step—and one which, it seems to me, is dictated by simple decency—is that the United States Congress should accede to the petition of the American airmen that they be authorized to erect in Washington, with publicly subscribed funds, a monument which they would dedicate, in gratitude, to "General Draza Mihailovich, Savior of American Airmen."

Beyond this, there is a still larger debt which the free world owes to the memory of General Draza Mihalovich. It is my hope that this debt will some day be repayed in full throgh the liberation of his people from communist tyranny.

By Mr. WILLIAMS (for himself and Mr. TOWER):

S. 2136. A bill to amend the Securities and Exchange Act. Referred to the Committee on Banking, Housing and Urban Affairs.

Mr. WILLIAMS. Mr. President, I am introducing, with Senator TOWER, a technical amendment to recently enacted Public Law 94–29, the Securities Acts Amendments of 1975. Unless amended Public Law 94–29 will have the unintended effect of severely limiting the ability of State and political subdivisions to impose taxes on stock transfers.

Following final House and Senate action on the Securities Acts amendments, and prior to enactment, Senator TOWER and I and the principal House sponsors discovered that new language had been inadvertently added in conference limiting the present taxing powers of State and local governments in a manner not intended by the conferees. This problem arose due to technical difficulties in combining the House and Senate bills dealing with so-called transfer-agent depositories, or "TAD's," and from the very complicated nature of the subject matter.

Immediately upon discovering this error, I expressed to the administration and municipal and State officials, my intention to introduce perfecting amendments. Similar legislation has already been introduced in the House.

The purpose of this clarifying language is to prevent a State or political subdivision from imposing stock transfer taxes on so-called "transfer agent depositories"—entities which transfer record ownership or securities by bookkeeping entry without physical issuance of securities certificates. In practical terms, the language would narrow considerably the exemption from State taxing ability inadvertently contained in Public Law 94–29 by clarifying that only TAD's are to be exempt from such taxation. This was the true intent of the conferees.

Mr. President, the need for this corrective amendment is well recognized and widely shared, as is the need for prompt action. My hope is that this bill can be considered in committee and reported without undue delay.

SENATE CONCURRENT RESOLUTION 53—SUBMISSION OF A CONCURRENT RESOLUTION RELATING TO AWARDING THE PURPLE HEART TO MEMBERS INTERRED IN THE TOMB OF THE UNKNOWNS

(Referred to the Committee on Armed Services.)

Mr. HARTKE. Mr. President, today I submit a concurrent resolution expressing the sense of the Congress that the Secretaries of the military departments concerned should award the Purple Heart posthumously to the members of the Armed Forces of the United States interred in the Tomb of the Unknowns at Arlington National Cemetery, Va., on Memorial Day during this Nation's Bicentennial Celebration in 1976.

These servicemen were chosen to represent the men who fought and died with valor while defending the United States in World War I, World War II, and the Korean conflict—but whose names are known only to God. The National Cemeteries Act of 1973 (Public Law 93–43), which I was privileged to author, authorized the burial of an unknown soldier from the Vietnam conflict. To date no unidentified veteran of Vietnam has been located and interred.

The Committee on Armed Services favorably reported and the Senate unanimously passed Senate Concurrent Resolution 44 which I introduced in 1973 to posthumously award the Purple Heart to the members of the Armed Forces of the United States interred in the Tomb of the Unknowns at Arlington National Cemetery. Unfortunately the House was unable to act on the resolution prior to adjournment sine die last Congress. The concurrent resolution that I introduce today is identical to the concurrent resolution I introduced in 1973 except that I believe it is now appropriate to award the Purple Heart created by George Washington on the historic observance of Memorial Day during the Bicentennial Celebration next year.

The soldiers interred in the Tomb of the Unknowns at Arlington National Cemetery have been honored with many medals, including the Congressional Medal of Honor and the highest award from many of the nations that struggled for freedom as our Nation's allies. What this resolution expresses is that the Purple Heart, this country's oldest military decoration, given only to those men who are wounded in combat, should also be awarded posthumously to these brave men.

Gen. Douglas MacArthur stated:

> The Purple Heart is unique; . . . it is the only decoration which is completely intrinsic in that it does not depend upon the approval or favor by anyone. Enemy action alone determines it. It is a true badge of courage, and every breast that wears it can beat with pride.

When the Purple Heart was created by Gen. George Washington on August 7, 1782, it was also our country's sole decoration and the highest military award of the land. This award was revitalized as a military decoration on the 200th anniversary of Washington's birth; February 22, 1932, by Executive order of President Herbert Hoover. The medal as we know it was designed to replace Washington's original Badge of Military Merit—the "figure of a heart in purple cloth on silk, edged with narrow lace or binding."

In the years since its creation in 1782, the Purple Heart has been supplanted by other decorations that now rank higher, but it remained exclusive in a very special way. A man may be awarded even the Medal of Honor and yet not be eligible for the award of the Purple Heart.

Mr. President, I believe it to be an oversight on the part of the Government that the Purple Heart was not awarded to the Unknown Soldier. I believe that this Nation should rectify this oversight.

Mr. President, I ask unanimous consent that the text of the resolution as introduced be printed in the Record.

There being no objection, the concurrent resolution was ordered to be printed in the Record as follows:

S. Con. Res. 53

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress that the Secretaries of the military departments concerned should award the Purple Heart posthumously to the members of the armed forces of the United States interred in the Tomb of the Unknowns at Arlington National Cemetery, Virginia on Memorial Day during the bicentennial celebration in 1976.

AMENDMENTS SUBMITTED FOR PRINTING

SPECIAL PAY FOR VETERINARIANS AND OPTOMETRISTS—S. 2116

AMENDMENT NO. 697

(Ordered to be printed and referred to the Committee on Armed Services.)

Mr. Bayh (for himself, Mr. Hartke, Mr. Haskell, Mr. Jackson, Mr. Javits, Mr. Kennedy, Mr. Mathias, Mr. McGee, Mr. Thurmond, and Mr. Williams) submitted an amendment intended to be proposed by them to the bill (S. 2116) to amend chapter 5, title 37, United States Code, to extend the special pay provisions for veterinarians and optometrists.

PROFESSIONAL PAY FOR MILITARY LAWYERS

Mr. BAYH. Mr. President, on April 7 of this year I introduced legislation to provide for the first time for professional pay for attorneys who are serving on active duty in our military services. As I indicated at that time, it has become increasingly evident in recent years that the military services are having a difficult time recruiting the number and quality of lawyers that are needed. It is essential to the efficient and fair operation of the military that it have a good legal staff. Today, American military plethora of increasingly complex statutes, regulations, and situations requirtutes, regulations, and situations requiring seasoned and experienced legal counsel. Yet the economic incentives today are such as to greatly discourage lawyers from remaining beyond their initial 3- or 4-year commitment. The result has been a serious shortage of experienced JAG officers. The most recent statistics show that the Army is 46 percent short of its authorized field grade JAG officers, the Air Force is 44 percent short, the Navy is 21 percent short, and the Marine Corps is 26 percent short.

Today, I am resubmitting this legislation, together with my distinguished colleagues Mr. Hartke, Mr. Haskell, Mr. Jackson, Mr. Javits, Mr. Kennedy, Mr. Mathias, Mr. McGee, Mr. Thurmond, and Mr. Williams, as an amendment to a routine bill introduced this week by request by the distinguished chairman of the Committee on Armed Services, Mr. Stennis, which would continue the existing professional pay now received by veterinarians and optometrists. Since both bills would amend the same chapter of title 37 of the United States Code and since both are concerned with professional pay, it is our hope that the Committee on Armed Services will be able to consider both proposals jointly.,

AUTHORIZATION OF APPROPRIATIONS FOR CERTAIN INTERNATIONAL ORGANIZATIONS—S. 1517

AMENDMENT NO. 689

(Ordered to be printed and referred to the Committee on Foreign Relations.)

Mr. KENNEDY. Mr. President, I am today submitting, along with my distinguished colleagues, Senator Pell and Senator Cranston, an amendment to the Arms Control and Disarmament Agency authorization bill. This amendment will express the sense of Congress that the President should seek direct negotiations with the Soviet Union aimed at achieving agreement on limitation of deployments of naval and other military forces in the Indian Ocean by outside powers. This is not the first time that I have spoken out on this issue. In 1974, and again in March of this year, I submitted, along with Senator Pell and Senator Javits, Senate Resolution 117 calling for arms control talks in the Indian Ocean. But the timing has become crucial. If we let the moment pass, it can only become harder in the future.

How these negotiations should take place would be a matter of choice for the administration. They could take place in a bilateral forum, or in a multilateral forum including other concerned states. The existence of this concern is manifest. Each year since 1971 the United Nations General Assembly has passed resolutions calling for the establishment of the Indian Ocean as a "zone of peace," and has created an ad hoc committee to implement those resolutions. This ad hoc committee might, indeed, be the proper forum for negotiations. And I have heard from representatives of a number of the littoral states, in support of efforts to make the Indian Ocean such a "zone of peace."

Any negotiations should cover a variety of topics—and should be undertaken with a clear view of U.S. interests in the region of the Indian Ocean. Topics for negotiations should include agreed limitations by the superpowers on, first, establishment or use of naval and other military facilities in the Indian Ocean and littoral states; second, numbers of warships—or ship-days—deployed in the Indian Ocean basin; and third, the size and characteristics of warships and other military forces deployed there. In this way, it may be possible to head off yet another arms race, yet another futile exercise in trying to reach a balance of military power at levels far higher—and with far greater risk—than are deployed in the Indian Ocean today.

Mr. President, I have submitted this proposal as an amendment at this time, because I believe it is critical for the administration to sound out the Soviet Union on this matter before countries make decisions which will increase competition in the Indian Ocean, competition which would clearly pose high economic costs, political uncertainties and dangers of heightening tensions. I am firmly opposed to the proposed construction of naval facilities at Diego Garcia at this time. I intend to vote for the Mansfield resolution of disapproval when it comes up later in the month, and I encourage my colleagues to vote for it as well. In fact, we might not have to be considering the issue of Diego Garcia if the administration had made any real initiatives toward the Soviet Union for mutual limitations before the military situation began to get out of hand.

By adopting my amendment, the Senate, I believe, would be serving the best interests of the United States, and we would have the best chance of gaining a recognition on the part of the Soviet Union that it, too, has nothing to gain by entering into yet another arms race. Perhaps the Soviet Union does intend to expand its naval presence in the Indian Ocean, especially after reopening of the Suez Canal. Perhaps what is happening in Berbera represents a firm Soviet commitment to a naval presence in the Indian Ocean.

Yet that is all the more reason now to seek mutual restraint on naval deployments, before these are a fai accompli on both sides.

To be sure, direct negotiations are not the only means for achieving this objective. We would be perfectly content to see mutual restraint achieved by another means—either tacit or explicit. Yet in the absence of some other means of achieving mutual restraint, we believe that the approach I advocăte here is likely to be most productive.

Mr. President, I would also like to commend the efforts being made in this regard by other Members of the Senate, including Senators Cranston, Leahy, Gary W. Hart, and especially Senator Culver.

I ask unanimous consent that the text of this amendment be printed in the Record.

There being no objection, the amendment was ordered to be printed in the Record, as follows:

Amendment No. 698

Intended to be proposed by Mr. Kennedy (for himself, Mr. Pell, and Mr. Cranston) to S. 1517, a bill to authorize appropriations for the administration of foreign affairs; international organizations, conferences, and commissions; information and cultural exchange; and for other purposes, viz:

On page 3, immediately below line 24, add the following new section:

CONTROL OF MILITARY FORCES IN THE INDIAN OCEAN

SEC. 143. (a) It is the sense of the Congress that the President should undertake to enter into negotiations with the Soviet Union intended to achieve an agreement limiting the deployment of the naval and other military forces of the Soviet Union and the United States in the Indian Ocean and littoral countries. Such negotiations should be convened as rapidly as possible and should consider, among other things, limitations with respect to—

(1) the establishment or use of naval and other military facilities in the Indian Ocean and littoral countries;

(2) the number of naval vessels which may be deployed in the Indian Ocean, or the number of "ship-days" allowed therein; and

(3) the type of naval vessels and other military forces allowed therein.

(b) The Secretary of the Senate shall transmit a copy of this section to the President of the United States.

Mr. PELL. Mr. President, unlike the Pacific Ocean or the Mediterranean Sea, the Indian Ocean remains relatively free of great power naval competition. In recent years, however, there has been a steady growth in the naval presence of both the United States and the Soviet Union in this area. Unless this trend is checked, it appears inevitable that the Indian Ocean will become yet another arena of American-Soviet competition.

The arguments favoring a diplomatic initiative to achieve an agreement limiting the deployment of naval and other military forces in the Indian Ocean at the present are many. Both countries could avoid a costly and potentially dangerous armaments race. Such a self-imposed limitation would be welcomed by the littoral states of the region who have repeatedly expressed in the United Nations their opposition to outside forces.

Moreover, recent history has demonstrated that the United States and the Soviet Union are most able to achieve success in the realm of arms control before competition in a certain geographical area has gained momentum. Agreements covering the Antarctic, outer space, and the seabed are all examples of the advantage in reaching agreement at an early date. Ultimately, détente is not simply crisis-management, but is crisis-prevention; in the Indian Ocean the opportunity for crisis-prevention still exists. As a result, I am pleased to join Senator KENNEDY in sponsoring this amendment to the fiscal year 1976–77 Foreign Relations Authorization Act calling for control of military forces in the Indian Ocean.

ADDITIONAL COSPONSORS OF AMENDMENTS

AMENDMENT NO. 553

At the request of Mr. TUNNEY, the Senator from Minnesota (Mr. MONDALE) was added as a cosponsor of amendment No. 553, intended to be proposed to S. 598, a bill to authorize appropriations to the Energy Research and Development Administration.

AMENDMENT NO. 679

At the request of Mr. McCLURE, the Senator from Nebraska (Mr. CURTIS), the Senator from Arizona (Mr. FANNIN), the Senator from Maryland (Mr. BEALL), the Senator from Texas (Mr. TOWER), the Senator from Oregon (Mr. HATFIELD), the Senator from North Dakota (Mr. YOUNG), and the Senator from Kentucky (Mr. FORD) were added as cosponsors of amendment No. 679 prohibiting the Consumer Product Safety Commission from any regulation over the sale or manufacture of firearms or ammunition, intended to be proposed to the bill (S. 644), the Consumer Product Safety Commission Act.

AMENDMENT NO. 680

At the request of Mr. BENTSEN, the Senator from New Mexico (Mr. DOMENICI) was added as a cosponsor of amendment No. 680, intended to be proposed to the bill (H.R. 6799) the Federal Rules of Criminal Procedure Amendments of 1975.

AMENDMENT NO. 688

At the request of Mr. EAGLETON, the Senator from North Dakota (Mr. BURDICK), the Senator from Vermont (Mr. LEAHY), and the Senator from Massachusetts (Mr. KENNEDY) were added as cosponsors of amendment No. 688, intended to be proposed to the bill (H.R. 7710) to amend the tariff schedules.

AMENDMENT NO. 693

At the request of Mr. BUCKLEY, the Senator from Arizona (Mr. FANNIN) and the Senator from North Carolina (Mr. HELMS) were added as cosponsors of amendment No. 693, intended to be proposed to the bill (S. 644) to amend the Consumer Product Safety Act to improve the Consumer Product Safety Commission, to authorize new appropriations, and for other purposes.

NOTICE OF HEARING

Mr. ROBERT C. BYRD. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Thursday, July 24, 1975, at 9:30 a.m., in room 2228, Dirksen Senate Office Building, on the following nomination:

Richard D. Rogers, of Kansas, to be U.S. district judge for the district of Kansas, vice George Templar, retired.

Any persons desiring to offer testimony in regard to this nomination, shall, not later than 24 hours prior to such hearing, file in writing with the committee a request to be heard and a statement of their proposed testimony.

The subcommittee will consist of the Senator from Mississippi (Mr. EASTLAND), chairman; the Senator from Arkansas (Mr. McCLELLAN), and the Senator from Nebraska (Mr. HRUSKA).

ADDITIONAL STATEMENTS

FREEDOM OF BEACH

Mr. KENNEDY. Mr. President, 2 weeks ago, Ned Coll once more called attention to the dearth of summer recreation opportunities for inner-city children and to the need for additional public beaches along our shorelines.

Ned and some 50 children spent the July 4 weekend at Hyannisport in an effort to draw greater attention to the need to expand both the public access to beachfronts and the opportunity of the inner-city poor to take advantage of the beaches once the access exists.

More of our land should be preserved for the enjoyment of all our people in national and State parks.

As the article in the New York Times magazine indicates, this is not a new concern of Ned Coll's. He began the Revitalization Corps nearly a decade ago as a private VISTA-type program. His efforts in Hartford continue to make it clear not only that the access of the poor to recreational facilities is limited, but that the poor and their conditions remains the single most enduring failure of our national efforts at achieving full justice for all our people.

I ask unanimous consent that the New York Times article "Freedom of Beach" be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FREEDOM OF BEACH

(By Roy Bongartz)

(Asserting that there is no such thing as a private beach, Ned Coll and his followers scale walls, land in small craft and drop from the sky to swim at exclusive seashore properties.)

Ned Coll is a fast-talking, relentlessly cheerful humanist who loves putting groups of total strangers face to face to make them try to love one another—or at least to talk things over. He's had fearful old ladies dancing with prisoners at a hootenanny inside a jail, affluent college students tutoring slum schoolchildren, and—most notoriously—he's tried to get the summer residents who own all but six miles of the Connecticut shoreline to accept busloads of black and Puerto Rican children on their exclusive beaches. Coll believes there are no real private rights to any beaches anywhere, and he will fight for free access to them for all the people by any means that work—persuasion, sixties-style demonstrations or surprise invasions by land, sea and air (he once used a parachutist who floated himself gently down upon the aristocratic sands of the Madison Beach Club).

Coll's Connecticut campaign has wider implications. The United States coastline at first glance seems to give plenty of beach to everyone: Our population of 210 million shares 84,240 miles of shore. But more than half of this coast, 47,300 miles of it, is in Alaska, and of the remaining 39,940 miles, only 12,150 have any beaches. Of our total shore, just 6.5 per cent is in the public domain, in Federal or state ownership, and much of this is reserved for military use, so that we are left with only 4 per cent for recreational purposes. A third of this is National Park or National Seashore frontage. A tiny additional amount of shoreline constitutes town beaches, but very few of these in the Northeast permit free use to nonresidents. So with our seemingly endless coasts, we still have the phenomenon of Jones Beach, with 13 million visitors every summer—or about six million per mile.

The question of access to beaches has for centuries been a legal anomaly in which two laws clash head-on: the right of the public to use the beaches, and the right of private property. Complicating the issue hugely are the hundreds of piers, breakwaters, boulder piles and erosion-control walls that, legal or not, stand as physical barriers to anybody walking along the beaches.

The Supreme Court holds that the boundary at the line of mean high tide (the average of all the high tides during the year) divides private from public ownership, and this rule is upheld in the laws of most of our states, including Connecticut.

But nowhere is there any Federal law that gives the public any right-of-way over private lands in order to reach the shore. Legally, a person may come in by boat or by swimming and, except when the tide is high, have dry land to stand on. (At high tide, he is legally required to keep his feet wet.) He is also free to pass along the shore, always staying below the tide line. This is where the scene becomes frustrating in Connecticut and elsewhere in the East, for most of the structures that block passage along beaches were put up many decades ago, often with legal permission.

On the West Coast, state laws have opened many beach areas to the public. A recent California law places management of that state's entire 1,072 miles of seacoast in the hands of a state agency in order to assure use of the shoreline for public benefit. Besides maintaining the beaches, the state guarantees public access over any road or path that leads down to the water, so that no one may bar passage by putting up fences with gates or posting guards to keep out nonresidents. And no barriers may be erected on California beaches to keep people from walking along the shoreline. A 1969 decision of the Oregon Supreme Court also opened roads and paths leading to that state's entire shoreline. It explained: "This land has been used by the public as public recreation land according to an unbroken custom running back in time as long as this land has been inhabited."

But in the Northeast, the custom has been to uphold private rights to beach access, and even where beaches are nominally public, it is usually individual seacoast towns, not the state, that control them. If you are not a resident, you do not get in at all, and, as in some of the Connecticut shore towns, special police armed with loaded pistols and flanked by chain-link fences make very sure that the big "No Trespassing" signs are obeyed.

On Sunday mornings, Ned Coll is likely to be overloading a rented school bus with 65 or 70 city kids, mostly black, and a few of their parents, in front of the ramshackle tenement building in Hartford where on one floor he has the offices of the Revitalization Corps, the private peace corps he founded a decade ago.

That is what he was doing at 8 A.M. one Sunday in late May. Upstairs, half a dozen parents—all women and all black—were waiting for Coll to brief them on the plan for the day. In another room, a blond young man was painting the letters of a six-foot-wide canvas banner reading "Vets Died For Free Beaches." Running up and down the stairs to speak hurriedly to one or another of his supporters, Ned Coll, 35, in a sporty red-and-white-striped T-shirt under a navy blue windbreaker with the corps' name on it seemed like a young infantry lieutenant about to send his troops into a battle that was somehow going to be fun no matter who got hurt.

"O.K., now listen: When we hit this first beach—it's going to be Madison—it's up to you to decide what you want to do. I don't know whether we'll go in first by boats or try the ladder or what," Coll told the mothers and the other young adults. "When the police come, you can face them with me or not." Outside, a cab driver named Robert Ryans drove into view in a robin-egg-blue bus, and the kids began filing abroad it.

A black woman wearing a striped skirt with spots of house paint on it said she was taking along six of her 10 children today. "We sure enjoyed the beach last year," she said of previous Coll forays south. Across the street, Ann Loiseau, a tall corps staff member who dropped out of college to work for Coll, was trying to wrestle an aluminum rowboat into the top of a red van the corps owns with the help of the blond banner painter and a Puerto Rican man who made up for his small command of English by smiling. The boat, a gift of a Hartford supporter, had its registration number crudely painted out, and the van, too, had had its corps identification covered over. "The people who gave it to us didn't want the boat traced to them," Coll explained. The van was incognito to make reconnaissance trips to unsuspecting beaches—which Coll does in the company of a few staffers on weekdays, easier and more secret. "We don't want to tip off anybody that we're coming," he said.

By 10 o'clock, the blue bus had 66 people in it, and the bus and cars moved off down Main Street and soon lost sight of one another. By 11, the procession had reformed along Route 1 in Madison. As the cars and bus moved ahead, Coll kept his head turned to the right so that people in Madison would not be able to recognize him. (He's been visiting Madison beaches for three years and is not a popular figure there. Two years ago, when he leased an entire motel for the season to put up poor folk from Hartford, including the elderly, so they'd have a right to the town beach, Ann Loiseau was attacked by two men who had hidden in a cellar; as one held her, the other, "Clockwork Orange" style, carved her face in a fine jagged line with a piece of broken bottle, then knocked her down and kicked her and told her to get out of town. The two then disappeared.)

A minuscule public beach about 50 feet wide flanks a solid stone pier 10 feet high that juts out into Long Island Sound about 100 feet and effectively protects the members of the exclusive Madison Beach Club from anybody wandering onto their beachfront either above or below the high-tide mark. This tiny public beach is so small that nobody bothers trying to keep strangers off it, but the private beach of the club is a members-only sanctuary, blocked from public use by the clubhouse and a high picket fence. It was here that the parade stopped. Coll leaped out of his car, stuck his head in through the bus door, and cried, "Everybody out, now, quick!" As the kids tumbled out of the bus and cars, Coll yanked an extendable aluminum ladder from the rear of the van, carried it down onto the public beach and leaned it up against the stone pier. Then like Vietnamese boarding the last plane for the States, the sun-lovers streamed up the ladder, across the forbidden privately owned pier, and lowered themselves down upon the sand on the other side. Nearly the whole crowd made it over in the six minutes it took for two Madison police cars to arrive.

Several teen-aged boys had hauled the boat down from the roof of the van and were launching it off the public beach as the police cars braked to a halt; their doors all seemed to open wide at once. The leading officer pushed through the picket-fence gate brandishing his walkie-talkie. By now Coll was leading Alma Cotton, one of the parents, and a light-haired high-school girl dressed in an Uncle Sam suit along the beachfront to plant an American flag in a beach-capturing gesture. His people followed, singing, "This beach is our beach, your beach is our beach!" From the porch of the beach club, three middle-aged club members watched the demonstration without visible signs of emotion. One brought out an Instamatic and began snapping pictures. A policeman ran along the top of the four-foot concrete wall that separates the high-tide line from club property. "Hey, Ned, wait a minute. I want to talk to you," he shouted. "Will you please talk to me? Hey, Ned!" Coll kept leading his troops up and down waving cheerily at the police.

Finally Coll yelled at the policeman, "We're here to have a nice day at the beach! Hope you have a nice day too!"

"Yeah, we'll have a nice day," another policeman replied.

"Will you please talk to me?" the first called once more, but Coll was off marching again. By now, the kids, tiring of hiking up and down in the sand, were happliy splashing in the water. The mothers deployed themselves at strategic points on the beach to keep a watch on the children and warn them not to try to climb up over the low wall into the sand on the club property. Eventually there came a confrontation when Ann Loiseau and Alma Cotton went back across the pier to retrieve the ladder. When the police forbade them to return, Coll ran up to the pier and called to them, insisting on the right of access to the beach below the tide line—he has no aim of occupying club land above that line, although the club members are probably not reassured on this point. There was some shouting, with one policeman raising his voice higher every time he yelled, "Private property!" until the officer in charge said, "All right, that's enough; go back down on the beach there and you can all go out by boat."

The police retreated to the porch of the club, which by now had drawn a few more curious members. Besides these, on the sand above the energetic Hartford visitors, two couples sat basking under a beach umbrella. Alma Cotton went up to speak to them, pass the time of day, and said later, "That woman I talked to didn't look at me. Sort of mumbled something—very cold."

After an hour, during which the kids kept their splashing and chasing at full strength while the mothers drew considerable stores of fried chicken, hamburgers and hot dogs from their unpromising-looking paper bags and lumpy cartons, the police departed, leaving behind one of their number, James Preston, who then called out to one of Coll's party to ask how long Coll intended to stay today, because he was supposed to get off duty at 4 o'clock. Preston then sat down on the porch steps with a club employe and a club official in a knit shirt, and the three watched the squealing, darting kids without enthusiasm. "I don't want to hassle those kids," said Preston. "Who wants to hassle kids? I wish they'd make a clear ruling on this. If they have a right over that pier I'll defend their right. If it's private property they have to stay off and I'll keep them off." He watched Coll laying out one of his banners down on the beach. "You can't touch Coll. He surrounds himself with kids; they protect him."

Three little black girls ventured up over the wall and approached the three men sitting on the porch steps, two small ones pushing a slightly bigger one ahead of them. The bigger one asked: "Can we use your toilet?" Nobody answered for a moment, and then Preston said, "I can't give you permission." The girls turned around and went back to the beach. "We can't do it," said the club official. "We'd have them all in here. That's something I've got against Coll: He brings in these people but doesn't provide any toilet facilities. Say," he joked to the other two, "I'll bet we could make some money with a portable outhouse today."

By 3 o'clock, when Coll decided to head for his next target, the police watch was glad enough to let the Hartford people cross over the pier to get back to the bus. By 4:30 Coll was leading his caravan into another favorite beach area, the Fenwick borough of Old Saybrook, a privately owned compound of some 35 wood-shingle-sided "cottages," most having half a dozen or more bedrooms and all enjoying a long stretch of beach never marred by more than a discreet scattering of residents and summer guests. The vehicles moved past a small sign that threatens trespassers with prosecution, and they came to a stop at the end of a road facing the concrete walkway along the broad sea front. Only one figure was visible on the beach—a man with a cigar in his mouth engaged in surf casting. Coll quickly got everybody out onto the walk and formed up his little battalion, with its banners flapping in the sea breeze, and, singing against the wind at the top of their lungs, they moved off in the direction of Katharine Hepburn's stone mansion on a point of land ahead.

By the time the parade had returned to its starting point, four persons in a golf cart had emerged onto the walkway. Coll cried, "That's Charlie Brainerd!" as if sighting a long-lost friend, and, taking several cohorts with him, started walking up to the golf cart. But communication today seemed at a premium. Like the Madison policeman who had begged to talk to Coll a few hours earlier, Coll now cried out that he had something to explain to Brainerd, a craggy-faced, snowy-haired Fenwick patriarch acknowledged to be the community's leader, as well as its official "warden." As Coll came near, the golf cart, with the silent power of its batteries, backed away, and a man seated behind Brainerd said, "We're not interested in what you have to say." Coll kept coming, and the golf cart retreated at a higher speed. Coll stopped and his people began chanting: "Run, run, run, run, run, run, run!" The cart disappeared around the corner of one of the big houses.

Not by accident, Coll had parked the bus in front of the house of Stuart Little, whose son Chris came out and offered water to Coll's people. A few asked to use the toilet and were permitted inside. Stuart Little then emerged to see what was going on—Coll had prevailed on such hospitality here before, the idea being that if his people were considered guests of a resident of Fenwick they would have a legal right to be here even in the eyes of the Old Saybrook police. As the crowd milled around and sipped water from freshly filled jugs, a white police car appeared down the road and stopped. Charles Brainerd emerged from behind a hedge and began talking with the driver as the black women watched. One thin, dry-looking old woman said, "That Brainerd called the cops on us. I swear something, he is going to suffer before he die!"

The children had returned to their seats on the bus, but Ned Coll invited the adults to accompany him, and as if in a scene out of "Bad Day at Black Rock," they walked down the road to meet the policeman, who moved toward the demonstrators with an elaborately causal step. He turned out to be a Sergeant Gifford of the Old Saybrook police. He told Coll that the entire borough, including the road Coll's bus was on, was private property, and that he had had a call that Mr. Little's property was being trespassed on. Mr. Little was called, and he reluctantly joined a growing circle of participants standing in the road. The sergeant ask him if he wanted these people off his property, and Little, a gaunt, worried-looking man, hesitated and said, well, no, not if they didn't stay too long. In that case, there was no cause for police action. There ensued a short debate between Sergeant Gifford and some of the black women on the subject of the 300-year tradition of private beaches on the Connecticut shore. "We had a slavery tradition that long too," one retorted. "Slavery is over," Sergeant Gifford told them, and went off, evidently satisfied that he had upheld private-property rights to everybody's satisfaction. Coll, who wanted to hit still another beach, had everybody get into the bus and the cars. On the way out the gate of Fenwick, he happened to spot Brainerd practicing putting on a green. "How you hitting the old ball there, Charlie?" Coll called good humoredly. Brainerd gave him a wave that can only be described as unwilling. "Hey, Brainerd, we're alive!" Alma Cotton called out in farewell.

The beach at Sound View, the next destination, has always welcomed Coll's visits, and he keeps it for last on his demonstrating campaigns so the kids can count on at least one peaceful time of play by the sea during the day. A parking-lot owner and resident of 40 years has invited them to park the bus and their cars free, and a number of snack bars have given the visitors free lunches; Frank Corsino fed some 80 of them one day last year. Coll is especially pleased that this community, populated only in the summer, has welcomed him, because the people are of Italian descent, and are working-class, and he sees them as his next recruits in opening up the beaches for everybody. On this day, it was past 6 by the time Coll's army arrived, but the kids were still peppery, and charged unflagging out onto the beach. One local white boy mildly taunted a black boy, calling him "pussycat." Coll handled this by getting the white to apologize and then inviting him and his friends to join the Revitalization kids in some free hot dogs.

Coll, who is married and has a baby son, has run his corps on a grant of $50,000 from the Rockefeller Foundation and from donations from Hartford firms and organizations. Even though he was officially too young, he ran for the Democratic nomination in the Massachusetts and New Hampshire primaries in 1972, using a rubber rat as a symbol of the poverty that he saw as the main political issue.

Coll has sometimes asked beach residents to invite slum children into their homes as guests for a night or two and has faith in the generosity of most people. "My approach is to appeal to their better instincts," Coll says. He has been accused of clouding the beach issue by accepting this charity, but besides publicizing legal barriers, he appears to take seriously the pragmatic goal of getting his kids into the water and onto the sand. But he is not kidding himself that the arrival of his buses is a welcome sight along the Connecticut shore. "I'm always afraid some day we'll drive by somebody who happens to be up on his roof, working on it or something, and he'll get so excited he'll fall off and we'll be to blame for killing him," Coll says. To accusations he has heard that he is using Hartford kids to further his own ambitions, Coll says, "The parents who take their kids to the beach with us wouldn't be doing it unless the kids enjoyed it. These parents are intelligent enough to decide whether this is a good thing or not."

Coll says that people who object to the idea of bringing great crowds onto these beaches are not thinking straight. "If the coast were opened up, they wouldn't have to crowd together anywhere and could be spread out all along the shoreline. We have to open up the town beaches to everybody, and the private beaches too. All the beaches should be open to the public." To those who claim they have a right to a private beach because they bought and paid for it, Coll says: "You bought stolen property!"

For those who think the theoretical right to use the beach ought to be made a practical reality by new laws, there is hope in the National Open Beaches Bill (H.R. 1676) that has been introduced by Representative Bob Eckhardt of Texas. It proposes public land to a line 200 feet from high tide, and its salient passage reads: "No person shall create, erect, maintain, or construct any obstruction, barrier, or restraint of any nature which interferes with the free and unrestricted right of the public, individually and collectively, to enter, leave, cross, or use as a common the public beaches."

There are those who believe that even if this law were passed, there will never come a time in this country when the sacred right of private property will be breached to the extent of opening up a person's yard to forced public passage. Indeed, even on the West Coast, this has not been the effect of the law—access is assured by public right-of-way. The Federal law would do its real work by providing funds to buy land condemned for the purpose of public access. The law would pay 75 per cent of land costs out of Federal money, the rest to be funded by individual states. Federal courts would be opened to force removal of fences and barriers by legal means, and there would even be other funds forthcoming to provide public transportation to take people down to the shore.

The bill's future is still unsure, but at least it is a clear indication that Coll's aim to open up the beaches is shared by a number of other would-be sunbathers, fishermen and beachcombers in other states. "We can't much longer enjoy the selfish ownership of the beaches by a few people," says State Senator William M. Bulger of Massachusetts. "What the hell good are they if we can't get to them?"

SENIOR CITIZENS

Mr. BEALL. Mr. President, on May 24, 1975, I had the opportunity of addressing the Regional Convention of the American Association of Retired Persons/National Retired Teachers Association. I ask unanimous consent that the text of my remarks be printed in the Record.

There being no objection, the remarks were ordered to be printed in the Record, as follows:

Remarks by Senator J. Glenn Beall, Jr.

I am happy to have this opportunity to participate in your A.A.R.P./N.R.T.A. Regional Conference. As a member of the Senate Special Committee on Aging, and the ranking minority member of the Labor and Public Welfare Committee's Subcommittee on Aging, I have had an opportunity to actively participate in the shaping of public policy insofar as it affects the well-being of retired persons. During the past several years, it has been my pleasure to work closely with Dr. Arthur S. Flemming, the Commissioner on Aging, and Miss Bertha Adkins, the Chairman of the Federal Council on Aging. Both Commissioner Flemming and Miss Adkins have had long and distinguished careers. Both have passed the normal mandatory retirement age, arbitrary though it may be, but they have chosen to continue to serve their fellow citizens and I believe their service is an example for senior citizens all across our Nation.

In recent decades there has been a growing tendency on the part of our society to put senior citizens "out to pasture." As our families have become more mobile, the tendency for elderly grandparents, parents, aunts, and uncles to remain a part of the extended family system has diminished. To some degree, the development of nursing homes, senior citizen housing projects, and senior citizen centers have tended to separate, still further, retired persons from the rest of our society. Certainly, it is important that we have developed these facilities for the elderly, but, in some cases, they have tended to accelerate a trend that runs counter to the history of most civilizations which have generally placed great respect and authority on the older members of the society. I do not believe that the speed with which we have been isolating retired persons from the mainstream of our society is a good one and I hope we can begin to reverse this movement. The wisdom, experience, and judgment of older persons should be made available to, not taken away from, the younger generation. We must all work to rebuild a multigenerational society in this country. Throughout our history, we have been a resilient people who have been able to meet serious challenges with a spirit of self-sacrifice, discipline, and dedication. Today we face serious political, economic, and foreign policy adversities which will require America to draw upon all of our resources. Our 20 million senior citizens are too valuable a resource for us to neglect during this critical period in our Nation's history.

I think there are several possible ways to bring about a change of direction.

1. We could begin to implement a system of gradual or flexible retirement on a voluntary basis rather than forced retirement at an arbitrarily established age. This would allow older persons to remain active and productive participants in the socio-economic life of their community for as long as they desire. This trend may gain additional momentum if the birth rate remains low and economic factors reverse the current pressures towards earlier retirement.

It is interesting to note that the origin of the retirement age is somewhat clouded in history. In 1889 Chancellor Bismarck of Germany implemented a social security type system with an arbitrary retirement age of 72. This age was obviously at the upper limits of the life expectancy in the late 19th century so relatively few people drew benefits for any period of time. In 1916 the Germans lowered the retirement age to 65. In 1935 when the United States established its social security system both Germany and Great Britain used age 65 for mandatory retirement purposes. Thus it is safe for us to say that there is no social, scientific or gerontological basis for establishing age 65 as the mandatory retirement age. I am supporting several bills that would move our country away from the concept of an arbitrary retirement age and towards a system of more flexible-graduated voluntary retirement. Included in this legislative package would be the repeal of the earnings limitation on social security benefits. (I would add, simply as an aside, that I have also actively opposed efforts to place a 5% ceiling on the cost of living benefit increases due to recipients of social security, railroad retirement, military retirement, etc.)

2. A second thrust which I believe we could take toward reversing the trend of isolating retired persons would be the drawing together of senior citizen centers, day care centers for children, and our public schools. I was the author of amendments to both the child care bill and the 1973 amendment to the older Americans act that would move us in that direction and thus achieve several desirable objectives. It would enable active senior citizens to participate in a meaningful way in the process of transferring their knowledge and their experience to the younger generation. In addition, it would more effectively utilize school facilities, provide broader community support for the public school system and give the taxpayers a better return on their capital investment.

3. Third, I believe that the upcoming bicentennial celebration gives senior citizens a golden opportunity to become involved in a vital national undertaking. We need a truly successful bicentennial celebration in 1976 to help us recover psychologically from the political, economic, and foreign policy adversities which have befallen us in recent years. Retired persons have the knowledge, the skill, the ability, and the *time* to become involved in the thousands of bicentennial projects which will be taking place in every State, county, and community all across our nation. The bicentennial desperately needs the leadership you can provide and I believe that this leadership must be focussed on the local level so as to make it absolutely certain that the bicentennial is meaningful and relevant to each and every segment of our population no matter where they live.

4. For the volunteer service would appear to me to be an area of considerable interest to many. Because of their talents, skills and dedication I believe that retired persons can provide a very meaningful contribution to improving the quality of life for all Americans through volunteer activities. As I travel around my own state visiting local projects I am impressed by the outstanding work that is done by volunteers. But the unmet need is great. It is interesting to note that Alexis De Tocqueville, the 19th century french author and observer of the American scene, commented on the strength of volunteerism in this republic by saying:

"These Americans are the most peculiar people in the world. You will not believe it when I tell you how they behave. In a local community in their country a citizen may converse on some need that is not being met. What does he do? He goes across the street and discusses it with his neighbor and then what happens? A committee comes into existence and then the committee begins functioning on behalf of that need."

I would hope that all interested retired persons will seek out and find opportunities to serve in a voluntary capacity.

As I said earlier in my remarks, our direction should be towards the goal of building a truly multigenerational society in this country. Now I would like to address myself briefly to several other areas which may be of interest to you:

CRIMES AGAINST THE ELDERLY

When the Congress returns after Memorial Day, I will introduce legislation to develop a comprehensive program to combat crimes against the elderly. No segment of our population is more directly affected by crime or the fear of crime. Senior citizens are all too often the victims of crime; while millions of others change their life style in an effort to avoid being victimized by street criminals. It is time for us to attack this problem by developing, on a state and local level, comprehensive plans to combat crimes against the elderly. Our legislative initiative would require the states to include a plan for combating crimes against the elderly in order to be eligible for grants from the law enforcement assistance administration.

HEALTH SERVICES AND THE ELDERLY

Medical science has probably advanced more in the last 35 years than in all the previous history of mankind. Notwithstanding this progress, it is clear that we have not been able to deliver to all our citizens, wherever they may live and at a price they can afford, the quality medical care that we are capable of providing.

Nursing homes have been a relatively modern development. At the beginning of this century, nursing homes were virtually unknown in the United States and there was apparently no great demand for institutions providing specialized care for older citizens. In 1900, only about one out of every 35 Americans reached the age of 65. Those that did rarely experienced any change in their life styles or working arrangements. For the most part, older workers continued in their occupations without interruption until death or disability intervened. Concepts such as retirement and expanded leisure in old age had not developed at this point in our history. Changes during the last three decades, however, began to rapidly transform this picture.

The number of persons reaching old age began to increase dramatically and thus more families faced the prospect of caring for and supporting dependent parents or other relatives. At the same time, other factors such as industrialization, growing mobility of our population, and other economic and social changes were combining to make it increasingly difficult for families to meet all of their traditional responsibilities to dependent older family members.

The nursing home industry developed as a response to these changes in our society and undoubtedly received its greatest impetus from the enactment of the medicare and medicaid programs in 1965. These programs greatly expanded the Federal Government's interest in and financial commitment to nursing home care.

During the 1960's the number of nursing homes in the United States increased by 25%. Today we have over 22,000 long term care facilities and the number of admissions to nursing homes exceeds 1 million people. This number is expected to double by the year 2,000 which is only 25 years away.

In recent years, the Congress has begun to concern itself with non-financial matters such as nursing home standards, quality and appropriate levels of care, utilization, and alternatives to costly forms of institutionalized care.

While there are many reasons for the rising cost in the health care area, there are also inefficiencies and waste in the system which must be eliminated. Every health facility cannot and should not do everything. There are numerous examples of needless duplication of services offered by hospitals. Some experts estimate that as many as 30% of the hospital admissions are unnecessary and our goal must be to provide the appropriate level of care needed. The Government Accounting Office in 1971 issued a report to the Congress which concluded that many patients in nursing homes do not require skilled care and should have been provided with less intensive and less costly services. Michigan was one of the three States evaluated in this report and of the 378 patients whose needs were reviewed, G.A.O. found that 297 or about 79% did not require skilled nursing home care.

Of secondary concern is the fact that millions of Americans do not have access to quality care because of a lack of adequate insurance or adequate income. Again, we are making progress in the financing of medical cost. For example, in 1950, only 50% of our population had health insurance. Today, approximately 90% have some form of protection. Of course, such protection does not mean adequate coverage and as you know we are now engaged in a national debate on what form a national health insurance program should take.

Today, one out of every 10 Americans is age 65 or older. Six million of our senior citizens are below the poverty level. Only 14% of our 20 million elderly citizens have no chronic conditions, diseases, or impairments. Individuals over 65 see a physician more often and have more and longer hospital stays. In any one year a person over 65 has one chance in 7 of requiring a short-term hospital stay and one chance in 25 of requiring long-term care. The chances of needing long-term care obviously increase with advancing age. Several years ago, I began to express the belief that this Nation must develop a national policy on long-term care. As unbelievable as it may seem, no such policy exists today and the Congress has tended to respond in a piecemeal fashion leading to fragmentation and serious inequities. The absurdity of some of our policies may be seen in the case of a Florida man who was forced to divorce his wife of many years in an effort to qualify her under medicaid so that she could secure the necessary medical treatment. A national policy that would produce this result is unbelievably inhumane, and obviously the system cries out for attention.

I am currently drafting legislation which would provide for a long-term care strategy in the United States. Our legislative proposal, which I hope to introduce in the next four to eight weeks, will seek to develop a comprehensive long-term care policy that will be designed to maintain each individual senior citizen at the most economical level consistent with the real needs of that individual. While not downgrading the importance of nursing homes and other institutions, I believe that our goals should be to keep senior citizens as functioning members of society. This legislation will seek to evaluate the needs of each individual as he or she comes into the system. Then, in a manner unique to federal programs, we will seek to fit the services to the individual rather than force the individual into a narrowly defined categorical program.

OLDER AMERICANS ACT

In the 92nd, 93rd and 94th Congresses I have introduced legislation that would extend and expand the older Americans Act of 1965. As you probably know from your series of legislative workshops, the subcommittee on aging has recently concluded its hearings on the 1975 amendments to the older Americans Act. In the not too distant future, the subcommittee will bring before the Senate a bill which will further strengthen and expand the social and nutritional services administered by the Commissioner on Aging, we are working in an expeditious manner to bring this legislation before the Senate so that we can go to conference with the House of Representatives and forward a bill to the White House for presidential action before the current law expires on June 30, 1975.

There are a number of other pieces of legislation which I would like to touch upon this morning but the pressures of time will make it impossible for me to do so.

CHALLENGES TO THE MEMBERS OF THE A.A.R.P./N.R.T.A.

Up to this point, I have concentrated my remarks primarily on what government is doing in the field of legislation and service delivery for retired persons. There are areas which I hope you as individuals as well as members of these great national organizations would direct your attention:

First of all, I believe that we have reached an important watershed, a transition period, in the history of this republic. The framers of our constitution envisioned a government whose powers would be limited in two ways. Within the Federal Government, power would be shared by three separate, but basically co-equal branches. On a broader bases, governmental power would also be subdivided horizontally between Federal, State, and local levels. During the past four decades power has tended to flow away from the State and local governments towards Washington. In recent years, Congress has created over 860 categorical programs which are designed to meet specific social problems. These programs are authorized by different laws; are administered by different departments or agencies using vastly different internal procedures; each has its own regulations, guidelines, and directives; as well as distinctly different eligibility standards for would be recipients. I have always tried to look at new proposals from the point of view of how will they be administered on the State and local levels to see if they actually provide the intended services to the people who need them in an efficient and expeditious manner?

As we look out over the ballooning of categorical programs in recent years I am reminded of a comment a professor once made about the British conquest of India. He said the British never really planned to conquer all of India but they ultimately colonized the subcontinent in a "fit of absent mindedness."

In a similar fashion the Congress has laid categorical program upon categorical program, often losing sight of the ultimate objective, which is the delivery of services to people who need them. What does this mean to senior citizens?

In 1973, the Library of Congress issued a report entitled ***"Federal Programs Benefiting the Elderly."*** "This report describes federal programs either designed solely for the elderly or which benefit a significant number of elderly individuals.

"This report does not describe most general purpose programs designed for all age groups even though some of these programs serve elderly individuals."

Even though this report is two years old it still covers 40 major programs in six different areas. I believe that the time has come for us to take a thorough look at what we have done, how effective our actions have been, and where we go from here. In the past, we have tended to divide and subdivide senior citizens in an attempt to make them fit the programs we have devised. The result is a bureaucratic maze that probably denies services to needy senior citizens by its very complexity.

Why couldn't we cut through this jungle of red tape and begin to fit programs to people rather than the other way around? With a little imagination and some political will we could begin to establish multipurpose service centers for the elderly that would simplify and expand access to services for senior citizens. Such centers could evaluate the needs of each individual seeking assistance, determine what services would be required to meet these needs, and establish the individual's eligibility to receive various benefits.

For example, a person needing food stamps, transportation, and medical services could be qualified at the center, given an allotment of food stamps, have arrangements made for transportation and have the necessary referrals made for the needed medical services. In some instances, the center could actually provide certain services directly, such as day care, transportation, and so forth, until such time as these resources are developed within the community. Properly structured, these centers could consolidate, in one location, services and programs which are now defused throughout our government. I see no reason why these multipurpose service centers could not provide the following services:

1. Employment and volunteer services.
2. Food stamps.
3. Health services (drawing together medicare/medicaid type benefits).
4. Transportation services.
5. Legal services.
6. Counseling.
7. Information and referral services.
8. Long term care services such as:
   - A. Home health/homemaker services.
   - B. Day care, shelter housing, and foster home services.
   - C. Community mental health center outpatient services.
   - D. Various levels of long term institutional care where needed.

To implement the type of flexible comprehensive program I have just outlined would of course be difficult to accomplish. We would need to build a national consensus that would reverse the 40 year trend toward the proliferation of categorical programs. National senior citizen organizations would have to be willing to abandon old but comfortable working relationships in favor of new and unknown ones. Congress would have to consolidate or realign at least 17 major statutes ranging from the Adult Education Act to the Urban Mass Transportation Assistance Act to achieve this objective. The conflicting committee jurisdictions, plus the personalities involved boggle the imagination.

But the longer I serve in Congress the more convinced I am that the time has come for us to step back and seek to gain a new perspective on how best to meet the needs of older Americans. Some new thinking is clearly in order and I would urge each of you to give this matter your careful consideration. I would hope that you will discuss new approaches to solving old problems in your various workshops so that together we can lay the groundwork for a new and better national policy.

My second "challenge" is the form of a recommendation to your organization. I have nothing but admiration for the outstanding job A.A.R.P./N.R.T.A. have done in affecting national legislation. Cy Brickfield, former commissioner on aging John Martin, Bernie Nash, Peter Hughes, and others have presented to the Congress and the executive branch a consistently articulate, thoughtful, and professional presentation on behalf of your vital interests. Since the 1961 White House Conference on Aging, the Federal role in, and commitment to, the cause of improving the quality of life for America's retired persons has increased at a phenomenal pace. Senior citizen organizations, such as yours, has sensitized the Federal Government by the merits of your arguments. I would note, also, that many national figures have clearly seen the merits of your arguments in a clearer light as a result of the growing political power of senior citizens. At the present time senior citizens represent about a 15% of the eligible voters and they tend to vote in higher percentages than younger age groups. It is estimated that, in the not too distant future, about 25% of our voting population will be over 65 years of age even if dramatic improvements in life expectency do not come to pass.

But I would note that there is a growing trend among national politicians of both parties and various political philosophies to the effect that we have about reached the limits of the Federal Government's ability to effectively and efficiently deliver services to our people. Thus I believe you will see in the next few years a growing trend toward returning to State and local governments much of the authority for administration and implementation of programs designed in Washington. I believe that organizations such as the American Association of Retired Persons should not resist this trend but should rather encourage it. The same constituency that elects Congressmen and Senators who are sensitive to senior citizen needs can elect governors, State legislators and county officials with a similar sensitivity, State legislators and county officials live in each community throughout the Nation, they are close to the people, and they are better able to adapt the delivery of services to the specialized needs of their constituents,

I want to commend A.A.R.P./N.R.T.A. for steps you have already taken to develop "grass roots" lobbying efforts below the Federal level. I would urge you to redouble your efforts to develop a skilled and effective lobbying operation in each State capital and county seat. I can assure you that the impact such a drive would have on local school authorities, recreation and parks departments, regional transportation authorities as well as State and local units on aging would be immense. I predict that such a strategy would soon produce thousands of innovative and progressive programs on the State, county, and community level that would successfully complement and supplement the efforts made by the Federal Government. I am not suggesting, nor would I support a lessening of the Federal commitment to improving the quality of life for senor citizens, but I am suggesting that the next major break through in this field may well occur at the State or county level rather than in Washington.

In closing let me stress the same theme I opened with. America today is a somewhat uncertain Nation. There are those who are unclear about our role in the world, uneasy about our responsiveness and the resiliency of its institutions, and uncertain about our future. We turn to you now, as the generation that made America great, to help us prove to ourselves in 1975 that we have not lost our way. Even though you have given a great deal of yourselves throughout your active working life, we now call upon you to contribute still more.

As we approach our bicentennial celebration we have an opportunity to renew and reinvigorate the American spirit. Ours is a proud heritage that must be preserved so that future generations can understand and appreciate the sacrifices of our forefathers.

These sacrifices were made to build and strengthen a system of government that has provided the framework within which Americans have experienced freedom and opportunities not enjoyed by most of the people of the world and I enlist your support in providing the leadership and energy necessary to bring about a renewal of our Nation's spirit.

THE INTERNATIONAL ASPECTS OF THE ENERGY PROBLEM

Mr. MOSS. Mr. President, today, the energy task force of the Senate Budget Committee began a series of public hearings on the budgetary and economic implications of recent and prospective actions in the energy field. The hearings will deal with the budgetary consequences of such developments as the threatened increase in overseas oil prices, the recent imposition of a second dollar on the U.S. oil import tariff and President Ford's proposal for a phased deregulation of "old" oil prices. Consideration of these issues is essential to the Budget Committee's report of a second concurrent resolution on the fiscal year 1976 budget, and to preliminary work on the budget for fiscal year 1977.

Formulation of energy policy requires judgments about U.S. and foreign politics, economics, and technology. Congress must choose policies that fit widely different planning horizons. Policies adopted now must recognize that the world's oil and natural gas resources will be approaching exhaustion around the turn of the century. They must also deal with the possibility of a shortage of natural gas this winter. Energy policy must be firm enough to encourage investments, but flexible enough to accommodate a variety of contingencies.

The energy problem and its potential solution are international in nature. To effectively deal with the energy situation will require measures that lead to improvement in the world energy picture as well as that of the United States. Accordingly, the initial hearing of the energy task force focused on "The International Aspects of the Energy Problem."

Mr. President, I ask unanimous consent that my opening statement for that public seminar be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

ENERGY TASK FORCE—SEMINAR ON INTERNATIONAL ISSUES

(Opening Statement of Senator Frank E. Moss)

The future of the United States depends in large part on the policies which the Congress will adopt concerning the economy and energy. Economic policy must attempt to promote economic recovery, prevent further inflation, and reduce unemployment. Energy policy must attempt to restore a measure of control over prices and supply of energy by reducing our vulnerability to the OPEC nations. Either energy or economic policy is a sufficient challenge. But, they cannot logically be addressed separately, and the time remaining for deliberation is short. There is need for early action, so we cannot afford any false starts.

The close interrelationship also creates built-in conflicts between economic and energy policy. For example, while higher energy prices would spur us toward independence from OPEC pressures, it would, at the same time, make economic recovery more difficult by producing increasing unemployment, inflationary pressures, and eroding consumer purchasing power.

Energy is the lifeblood of the U.S. economy. In turn, economic progress will depend on the price and availability of energy. Thus, it will not be possible to produce a valid Second Concurrent Budget Resolution for fiscal 1976 this fall without proper recognition of the energy problem. This Resolution will place a binding limit on overall spending, and a firm floor on total revenues. Both spending and revenues rely on estimates of the behavior of the U.S. economy during the coming year.

On Tuesday, we discussed the Congressional Budget Office report on the economy. The report raised serious doubts that the economic goals—unemployment rates, inflation rates, and the level of economic activity—that were implicit in the First Concurrent Budget Resolution, which Congress approved two months ago, could be achieved if anticipated energy price increases materialized, whether from domestic or foreign decisions.

No issue is likely to have greater budgetary importance in the years ahead than energy. The impact of energy policy on revenues, taxes, and on the general macroeconomic goals of fiscal policy is of great significance. It is crucial, therefore, to consider the budget (expenditures and revenues) in relation to the impact of energy on the economy (recovery, inflation, unemployment). This requires recognition of both domestic and international dimensions of the energy problem. In doing this, the Task Force will seek to determine economic and budgetary implications of recent and prospective actions in the energy field, and to identify major strategies, policy alternatives and trade-offs.

We will begin by conducting a series of seminars over the next two weeks. We will look at consumption, production, and international issues, along with the fiscal/monetary offsets that may be required. The final seminar will be a wrap-up, to analyze the consequences of various strategies. The end objective is to enable us to spell out the broad choices to the Congress who must ultimately decide.

The energy problem and its potential solution are international in nature. Thus, we start by considering the international issues today. The Arab oil embargo which occurred nearly two years ago sent a shock wave through the economy of the United States and other nations of the world. That dramatic move was one of the chief contributors to the U.S. recession, and we are still feeling its effects. Since the embargo, the price of oil has increased fourfold, accounting for about a $35 billion loss in U.S. consumer purchasing power and a third of today's unemployment. The entire industrial world has experienced the most violent inflation in this century, and its most serious recession since the 30's.

There is no sign that the OPEC cartel will dissolve or that oil prices will decrease in the foreseeable future. The U.S. can minimize its needs for imported oil by adopting policies to increase domestic production and conservation. But, whatever policies we pursue in the short run appear to offer little prospect for altering the dependence on OPEC oil until the 1980's. Nonetheless, if energy dependence is to be reduced in the next decade, the U.S. must begin now.

In moving to attain independence, we cannot overlook the critical transition period. Actions best suited for independence are not necessarily the optimum for the period immediately ahead. We must insure that the cure is not worse than the ailment. Unless the economic and energy needs are integrated into a rational, whole policy, we can expect to see continued setbacks for the consumer and industry. Prices of food, electric bills, and other goods and services will continue spiraling upward.

There is general agreement on the need for a national energy policy, but debate continues about what form it should take. I believe this Committee can play a special role in identifying broad, fundamental strategies and analyzing their macroeconomic consequences with which our people are concerned—economic recovery, inflation, and unemployment—to aid the Congress in making the right choice. The energy policy selected should achieve the best balance among the following goals:

1. A prompt recovery from the current recession.

2. Retention of the gains already achieved on inflation.

3. Growing independence of OPEC decisions without undue economic hardships.

4. Influence over OPEC to stabilize or reduce the price of oil.

MINERALS COMPLACENCY

Mr. DOMENICI. Mr. President, I would like to call to the attention of the Senate a report which was published by the U.S. Geological Survey entitled, "Mineral Resources Perspectives 1975." This report stresses the need for a sense of national urgency and public attention similar to that given to the energy situation should be directed to the mineral situation.

The report summarizes the status of mineral resources and mineral explorations in the United States emphasizing that the entire U.S. economy is based on minerals as well as energy and that the Nation does not have an adequate known domestic supply of all the minerals needed to maintain our society for the foreseeable future.

The USGS report points out that although the Nation has never had all of the minerals it needed, materials could easily be obtained from abroad in the past. Today, however, a decreasing percentage of our needs is met from domestic supplies. Minerals from overseas are increasingly costly, and in some cases, of uncertain availability. Nationalization of mines in some countries discourages participation by Amercan mining companies. As we have seen recently with petroleum, cartel agreements among major producing nations can suddenly and dramatically raise prices or even halt supply of resources. In addition to these possibilities, there are now many nations competing in the world market for the purchase of mineral raw materials.

This report stresses the increasing dependence on foreign sources of supply for essential mineral raw materials, and notes that in 1974, the Nation was more than 90 percent dependent on imports or primary materials for 7 commodities, manganese, cobalt, chromium, titanium, niobium, strontium, and sheet mica; 75 to 90 percent dependent for 8 additional commodities, aluminum, platinum, tin, tantalum, bismuth, fluorine, asbestos, and mercury; 50 to 75 percent dependent for 8 commodities, zinc, gold, silver, tungsten, nickel, cadmium, selenium, and potassium; and less than 50 percent dependent for 17 commodities, copper, iron, titanium, lead, silicon, magnesium, molybdenum, vanadium, antimony, tellurium, stone, cement, salt, gypsum, barite, rare earths, and pumice.

Forecasts for the year 2000 according to the report, indicate that the United States shall then be completely dependent on imports for 12 commodities; more than 75 percent dependent for 19 commodities, and more than 50 percent dependent for 26 commodities.

The report concludes that our total resources in 1975 are vast but they cannot be mined, much less used, until they have been identified, appraised, and finally moved into the category of reserves. The report urges that we begin now, in both industry and government, to inform the public about the real nature of our minerals problem and to stimulate the research that will make our mineral resources available.

Mr. President, I believe that the Congress should begin to develop and implement a program for encouraging the development of our domestic mineral resources. A good place to start would be to consider S. 552, a bill to amend the Mining and Minerals Policy Act of 1970. This measure would provide for a single Government agency as an information base so that data available in the public and private sectors can be brought to bear properly upon questions of concern. This agency would be responsible for coordinating policy spelled out in the Mining and Minerals Policy Act so that a more clear understanding of where the Nation stands in the development of domestic mineral resources can be obtained.

I urge the Senate Interior Committee to hold hearings on this measure at the earliest practicable time.

THE "DEVOURING MONSTER"

Mr. McGOVERN. Mr. President, in a column appearing in the July 15, 1975, edition of the Washington Post, Clayton Fritchey points out that for the first time, Congress seems about to pass a peacetime defense budget authorizing military expenditures in excess of what we have ever made in any year of wartime. This, he suggests, is precisely the kind of development President Eisenhower had in mind when he warned the Nation in his farewell address of the dangers inherent in permitting the "military-industrial complex" to grow unchecked.

These enormous and wasteful expenditures not only threaten to permanently militarize our society, but they also divert our resources away from more productive uses. We hear of an impending capital shortage in our economy, yet we are willing to spend $104.7 billion on instruments of death and destruction. We desperately need jobs for our people, yet we are willing to ignore the fact that military expenditures create many fewer jobs than other kinds of spending—20,000 to 30,000 fewer per billion dollars, according to United Auto Workers President Leonard Woodcock.

As Mr. Fritchey observes in his article, defense spending has created something akin to an addiction in our economy. We know that we do not really have to spend at this level to defend our country adequately, but we are afraid to cut back. We have made so many people dependent on the military establishment for their livelihood that it has become exceedingly difficult to reduce outlays without causing economic disruption. Even at current spending rates, the Pentagon projects a loss of 63,000 jobs at the Department of Defense and among contractors by June of next year.

I do not believe that it is too late to move away from what Prof. Seymour Melman has aptly described as "Pentagon capitalism." To do so, however, the Government, which has created a dependency on high military budgets, will have to provide assistance in moving excess military resources into civilian pursuits. Senator Mathias and I have introduced a bill, S. 1745, which would aid communities, industries, and individuals affected by reductions in defense expenditures in doing just that. I commend it and the article by Mr. Fritchey to the attention of my colleagues.

I ask unanimous consent that the Fritchey article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Washington Post,, July 15, 1975]

The "Devouring Monster"

(By Clayton Fritchey)

Of all the farewell addresses of retiring American Presidents, only two are much remembered, and even they are little heeded. George Washington urged his countrymen to beware of "entangling alliances," and against the consuming power of the "military-industrial complex."

The World War II commander was alarmed over the development of a complex that, if not restrained, could gather the momentum of an unstoppable juggernaut—beyond the ability of the public and the Congress to cope with it any longer.

Numerous economists and political thinkers who shared Eisenhower's concern have felt that the point of no return would be reached when, and if, the peacetime defense budget equaled or surpassed actual wartime expenditures, a state that some felt could never happen. Only now it has.

The defense package presently nearing final passage not only exceeds the biggest budgets of the Vietnamese and Korean wars but even those at the height of World War II, when more than 10 million Americans were in the armed forces (2,152,000 are today). Indeed, the military obligations for the next fiscal year ($104.7 billion) are greater than the cost of the entire government (including defense) during any of the World War II years.

The most alarming aspect of this unprecedented situation is that a great majority of Americans are against it, yet feel helpless to do anything about it. And in Congress, many who feel that military spending should be cut back also are throwing up their hands in despair.

So the juggernaut rolls on, war or no war, each year picking up more momentum as the country increasingly depends upon this wasteful, but massive, spending, not so much to wage war as to sustain the economy and maintain employment.

All the experts agree that comparable spending for productive domestic programs would result in a sounder and more prosperous economy, but no administration seems to have the will to switch.

All of our Presidents since Eisenhower have been patsies for the Pentagon, which now counts on both Big Business and Big Labor to support many of its demands, especially at a time when it is claimed that any cut in the defense budget would worsen the recession.

Once hooked on this, the addiction becomes permanent, for every year the cure will seem more risky, although there is no reason why it has to be. In fact, the cure (substituting non-defense spending) would be the reverse of risky if it were applied intelligently and constructively. A few years ago, when we started bringing the troops home from Vietnam, there were high hopes of using military savings to fund long-delayed domestic improvements. These hopes have been dashed as defense expenditures, instead of receding, have gone up almost 50 per cent over what they were at the peak of the Vietnamese war. Moreover, the Pentagon projections call for another 50 per cent increase (to about $150 billion) in the next five years.

The Pentagon, in short, is literally eating America out of house and home. An ever-larger sum goes for ships, tanks and planes, while new housing lags far behind the nation's needs. As Ben Franklin warned in 1784, "An army is a devouring monster."

Only a strong, determined President can provide relief. Harry Truman, the President whom Mr. Ford says he admires the most, showed how to do it. He simply set a flat ceiling on expenditures and ordered the military chiefs to make the most of it. The result was the only reduced defense budget in all of the post-World War II years.

Despite Mr. Ford's professed concern over inflationary expenditures, however, he is still giving the Pentagon carte blanche to spend as it sees fit. Adm. Gene La Rocque (Ret.), now director of the Center for Defense Information, says, "Civilians are in danger of losing control of the Pentagon."

In this connection, it is not reassuring to note that prominent Pentagon figures are assuming the management of Ford's election campaign. Army Secretary Howard Calloway is to be campaign chairman; David Packard, former Deputy Secretary of Defense, will be finance chairman; Robert C. Moot, former comptroller of the Pentagon, and Assistant Defense Secretary Robert Ellsworth are also being considered for campaign posts.

COMMERCIAL TELEVISION NETWORKS ARE ADVOCATES OF U.S. SPACE PROGRAM

Mr. PROXMIRE. Mr. President, the commercial television networks are so enraptured with space activities like the Apollo-Soyuz test program—ASTP—that they have lost their objectivity.

In contrast to the printed media, which has aired a discussion of the pros and cons of the Apollo-Soyuz mission, the television networks—except for public TV—have fallen into the role of advocates of the U.S. space program.

Their critical faculties have gone to sleep. Instead of reporting events, they champion the program.

Where is the searching investigative reporting that exists on defense, environmental, and other public policy issues? When it comes to space, the networks pull out all the stops—creating a media event of huge proportions.

Who is asking the questions: What is the Apollo-Soyuz worth to the United States and how can that be measured? Where is the in-depth airing of the costs of the ASTP—the $225 million sunk into a program with no scientific value? What other programs were sacrificed for the ASTP? What would that money buy for hungry or homeless Americans?

At the start of the race to the Moon, Americans were fascinated with the high technology and adventure depicted on their television screens. But since the Moon landing, their interest has turned to more pressing problems here on Earth. Nonetheless some of the television analysts seem to react as if nothing has changed.

Perhaps some of this can be attributed to a failure of the critics of the space program to make their points clearly. Perhaps some of it flows from the understandable bias of science reporters who are caught up in their subject matter like the old sports reporters rooting for the home team.

There are legitimate contrasting views as to the value of the U.S. space program and how it should be managed. Somehow these contrasting views receive little attention compared to the official pro-space, pro-NASA side.

There are excellent investigative reporters covering almost every aspect of American life from housing to the FBI. But where are the investigative reports on the U.S. space program? They are virtually nonexistent.

Instead there are full page ads in national newspapers advertising television coverage of the joint mission. Reporters flock to Cape Canaveral for briefings by NASA officials and reports from the scene. They comment about the excitement and historic nature of the event. They become part of the event they should be covering with objectivity. They are too close to the scene to remain impartial.

As a result, there will be hours of national reporting on the ASTP but only a small fraction will be devoted to a critical examination of the U.S. role in space and the benefits and costs of the ASTP mission.

Contrast this with the balanced reporting in some of the Nation's top newspapers: The Tom Dowling analysis in the Washington Star of July 16; the Thomas O'Toole article in the Washington Post of July 11; Tom Braden's syndicated column of July 5; the editorial in the Chicago Tribune of July 8; Joseph Kraft in the Post on July 16. These searching articles were in addition to the normal news reporting of the ASTP mission.

Mr. President, I ask unanimous consent that several recent newspaper articles be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Chicago Tribune, July 8, 1975]

"RUSSIAN ROULETTE" IN ORBIT?

It seemed at first a harmless exercise in one-upmanship when a Russian cosmonaut revealed to The Tribune's Moscow correspondent, James O. Jackson, that the Soviets intended to conduct two space missions simultaneously: The linkup of a Soyuz spacecraft with an American Apollo vehicle, in a flight to be launched July 15, and the continuation of the Salyut space-station venture now in progress.

But questions have arisen about the safety of this juggling of missions. Sen. William Proxmire [D., Wis.] has asked the National Aeronautics and Space Administration to postpone the joint flight until the Salyut experiment is finished. He cites a report by Carl Duckett, deputy CIA director for science and technology, who said in effect that Russia couldn't handle the two missions at once. If this is true, the safety of the joint undertaking would be compromised for both U.S. and Russian missions.

Soviet space operations have consistently favored flamboyance in contrast to the more methodical approach of the United States. The Russians captured attention early with the space dog Laika, who died in orbit; with Valentina Tereshkova, a woman parachutist who, tho not a pilot, made headlines with a ride in space; and with the first tandem flight, scientifically worthless because there was no linkup, but nonetheless spellbinding because it was a first. The cost has been high; the Soviets have lost five men in space. The United States has lost none during missions.

Mr. Duckett's assessment should therefore be taken seriously. The Russians are probably smarting because they now trail the U.S. in every aspect of space flight, and their effort to upstage NASA may not be so harmless after all. If their command facilities are as limited as Mr. Duckett believes, the Apollo crew conceivably could be endangered by the Russian proneness to run risks. NASA is presumably in close touch with its Soviet counterpart, and should examine closely the capabilities of the Star City space flight center. If this isn't possible, or if NASA isn't thoroly satisfied by such an examination, then it should postpone the mission, as Sen. Proxmire suggests.

[From the Washington Post, July 13, 1975]

DETENTE'S SPACE SPECTACULAR

(By Thomas O'Toole and Peter Osnos)

The detente that has been a part of U.S.-Soviet relations in recent years leads to a space spectacular this week when two Soviet cosmonauts and three American astronauts fly their spacecraft together in orbit around the earth.

The joint space mission will last two days and take the two Russians and three Americans around the world together 30 times during which time the five men will eat and work together while moving at a speed of 17,500 miles an hour 140 miles above the earth.

The historic joint flight gets under way Tuesday morning when cosmonauts Alexei

Leonov and Valeriy Kubasov leave the Soviet Cosmodrome near Tyuratam in Soviet Asia, piloting their Soyuz spacecraft onto a northeast path that will take them around the globe every 89 minutes. Seven and a half hours later, astronauts Thomas P. Stafford, Donald K. Slayton and Vance D. Brand will lift off from Cape Canaveral, Fla., and fly their Apollo spacecraft into an almost identical orbit behind and below the Soviet Soyuz.

The American Apollo will maneuver through space for the next 40 hours, steering with its radar and firing its engines to bring it closer to the Soviet Soyuz. Late Thursday morning, the spacecraft will rendezvous over the West Coast of South America and dock while crossing the Elbe River, which serves partly as a physical divider between West and East Germany.

Once docked, Stafford and Slayton will move out of the Apollo into an airlock that serves as the docking device. Mission commander Stafford will open the airlock hatch and greet mission commander Leonov with a handshake at the dividing line between the two spacecraft.

The docking, greeting and handshake will be televised live to the United States and to the Soviet Union.

A satellite called ATS–6 hovering over Kenya in East Africa will serve as relay for the broadcast, beaming it to a Madrid station, which will send it to Moscow and Houston at the same instant.

In the two days their craft are docked, the astronauts and cosmonauts will make four visits to each other's spacecraft and conduct seven joint experiments. The astronauts will eat borscht, black bread and Russian sausages. The cosmonauts will sample potato soup, steak and strawberries.

Leonov will give a televised tour in English of his motherland as the two docked spacecraft sweep over the Soviet Union. Stafford will do the same in Russian when they pass across the eastern United States. There will be no tours of Africa, Western Europe or China, a Soviet request.

The crews will exchange gifts while they're docked in space, more a diplomatic than a space tradition. They'll give each other medallions, flags and assemble a symbolic jigsaw puzzle.

The astronauts will give the cosmonauts a tiny box containing enough white spruce seeds to plant an acre.

The cosmonauts will offer their own tree seeds, which will grow into Siberian larch, Scotch pine and Nordmann fir, trees common to the Soviet Union.

The mission was formally agreed to by President Nixon during his trip to Moscow more than three years ago. Subsequent potential obstacles were many, including the Vietnam war and U.S. support of Israel during the Yom Kippur war in 1973.

"But politics never entered into our talks, our plans or our training," Apollo-Suyuz test project director Chester M. Lee said in an interview recently. "They (the Soviets) never said anything about Vietnam and never even discussed the Middle East war, even though the entire American team was in the Soviet Union at the peak of that war."

The kinds of things that were discussed caused little friction, with a few exceptions. One took place when the U.S. engineering team asked its Soviet counterpart to perform an "all-up" test to see whether the radio signal from the Apollo would trip any of the small explosive devices on the Soyuz that jettison unwanted parts of the spacecraft in orbit or on the way down from orbit.

The Soviets replied that they had done a paper analysis on whether that could happen, were assured that it would not and saw no need to waste time, money and people running a test. The U.S. team repeated its request, then insisted on the test. The Soviets reluctantly agreed.

The most serious differences arose when the American team insisted on a tour of the Tyuratam Cosmodrome, an inspection of the Soyuz launch pad and visit to the Soyuz spacecraft. Said Stafford, an Air Force general: "I never fly on a spacecraft I haven't been in on the ground."

The Russians reluctantly agreed to the visit, but flew the Americans into Tyuratam at night and flew them out the next night. The Americans never got beyond the Soyuz launch pad and were told to limit their questions to that pad and the rocket and spacecraft that would be on it.

"We asked to see their underground blockhouse and they told us they were doing some construction work on it," said Kennedy Space Center launch operations director Walter M. Kapryan, one of five Americans to visit the Cosmodrome a month after the astronauts toured it. "I talked to the astronauts when I got back and they told me they weren't allowed into the blockhouse either."

Nevertheless, the needs of this mission have managed to wear down at least some of the Soviets' traditional penchant for space secrecy. Almost three years of patient prodding by U.S. experts have paid off, at least in part.

For the first time, Americans have made long visits to Zvezdny Gorodok (Star City), the cosmonaut training center 30 miles outside Moscow. While they don't know the location of the secret mission control center the Soviets have operated for 15 years, Americans have spent hours touring and working at the new one the Soviets built at Kaliningrad, 30 miles on the other side of Moscow.

When American flight directors returned last fall from two weeks in Kaliningrad, they were exuberant about the joint training sessions they had, in which 56 hours of the most intense part of the flight were simulated. Flight directors in Houston and Kaliningrad simulated vent valve failure in all three hatches leading into the airlock, meaning the hatches couldn't be closed.

"That was a most interesting exercise," said Jay Honeycutt, a key flight director on the American side. "That was when we really began to anticipate each other, when we really began to get our teeth into this whole mission from a flight director's standpoint."

Last April, Slayton told reporters in Moscow: "We have seen everything we need to see to fly this mission effectively."

Another first has been the Soviet willingness to explain past space difficulties, which never would have happened were not the United States so vitally involved in preparations for Apollo-Soyuz. Two instances stand out, last year's failure of Soyuz 15 to dock with the orbiting Salyut space station and the launch abort in April of Soyuz 18 that almost landed two cosmonauts in China.

A few weeks after the Soyuz 15 docking mishap, Maj. Gen. Vladimir Shatalov, chief of cosmonaut training, explained the trouble to the Apollo team. Shatalov also submitted to the questioning of American reporters on the Soyuz 15 trouble.

By contrast, a reporter for Izvestia asked Shatalov a question at a recent press conference in Moscow. Bristling, Shatalov told the reporter that he had answered the same question the day before to a staffer from Tass, the Soviet news agency. Then Shatalov walked away.

The Soviets also offered full accounting for the Soyuz 18 launch abort. They then launched the Soyuz 19 crew safely, perhaps in part to persuade their counterparts in the United States that Soyuz 18 was a random failure, which would not be repeated.

Information the Soviets have given the press has taken a turn toward fuller disclosure. The Soviets have put out a complete press kit in Russian and English, the first glimpse anyone has had of the inner workings of the Soyuz program. The Soviets also have taken reporters on excursions to Kaliningrad and Star City and have made available scientists, engineers and cosmonauts for press briefings.

As for the coming flight, the Soviets will televise Tuesday's liftoff to Leonov and Kubasov, an unprecedented move. The Soviets have always waited until their cosmonauts were safely in orbit before announcing that a liftoff had taken place and televising it.

The Soviets will limit access to the launch, however. While American Ambassador Walter J. Stoessel will witness the liftoff at Tyuratam, American reporters apparently will not accompany him.

As for the future, test director Lee said this Apollo-Soyuz is the first and last such mission.

[From the Chicago Tribune, July 16, 1975]

SOYUZ HAS SOME PSYCHOLOGICAL VALUE

(By Frank Starr)

WASHINGTON.—In a sense it was the logical storybook conclusion for two adversaries striving to achieve spaceflight. It was fitting that one fine day they should meet up there and shake hands.

But was that any reason to do it? To spend $250 million?

That it was technically feasible was certainly not an uncertainty which needed proving by the time serious discussions started in 1970. Of course it could be done. The only question was should it.

There was some business about future rescues in case of emergency, but that was soon dropped when it was discovered that the Soyuz was too small to carry any hitchhikers. Only Soviets could be rescued.

Moreover, as the current experiment shows, the Soyuz is also too small, underpowered, and underequipped to communicate with and maneuver toward a stricken ship if that should prove necessary. Even on the current mission, if trouble developed, it had to be in the Soyuz and not the Apollo, if rescue were to take place.

The entire safety question, as a matter of fact, became a partisan issue in this capital before the launches, with Wisconsin's Sen. William Proxmire quoting Soyuz's miserable safety record: two crashes, four deaths, two docking failures, one launch failure, for a total failure rate of 28 per cent.

He wasn't aware of the horror stories one heard in Moscow but could never confirm—since Soviets suppress safety records—about the primitive nature of operations and equipment at Baikonur, the Soviet cosmodrome. Sources whose jobs took them into the Soviet space program recounted numerous details of failure and unreported accidents that suggested a higher overall rate.

It was presumably in simple if tacit recognition of that situation that the Soviets had at Baikonur a backup rocket and spacecraft ready for launch if needed but there was no backup Apollo. Further, Apollo was not launched until Soyuz was firmly in orbit.

The only new piece of equipment that was required, the docking module itself which doubles as an acclimatization chamber, was a product of American, not Soviet, knowhow and money, $46 million.

There doesn't seem to be any assurance that this device will be regularly carried in future flights in the event of sudden rescue requirements, or that future astronauts and cosmonauts will also speak Russian and English respectively, or that any number of other technical capabilities would be available.

Soviet communications limitations dictated the docking point, 50° 54′ north latitude, 12° 24′ east longitude, over Germany, the furthest reach of Russia's westernmost ground stations. The need for this is to give Russian controllers maximum communications time. For the United States it made no difference, since our ATS 6 satellite over equatorial Africa allows constant communication all the way from the East Coast of the United States to Japan. So U.S. astronauts simply reach the satellite, which relays thru Madrid to the United States.

The official explanation is to test "technical requirements and solutions for compatibility . . . for rendezvous and docking of future manned spacecraft and stations." It isn't clear what for, however. The Apollo program has no future plans, as the U.S. now will concentrate on a winged shuttle craft. And the Soviets don't tell their plans.

Will this flight change the political atmosphere that, more than technology, could prevent future cooperation? No. Will it strengthen the momentum of cooperation to overcome future political crises? No. Will it ease the urgent sense of technical competition on the Soviet side? No.

If all that is true, is it worth doing then? Maybe. There is still an immeasurable psychological effect of having carried out such a joint mission—a little like a mountaintop to a mountain climber—that can only be judged against the emptiness of not having done it.

[From the Washington Star, July 16, 1975]

Two Space Bureaucracies in a Mindless Orbit

(By Tom Dowling)

Morton Dean of CBS leaned back in his studio chair and eyed the big studio screen picture of Walter Cronkite and Wally Schirra. They sat at a table in the Florida sunshine, a pair of quiz kids who had grown into senescence while answering space stumpers on the air.

"Is anyone saying anything about the scientific part of the mission?" Dean asked, killing time between commercials.

"To be frank," said Walter Cronkite, "there isn't any."

Well, that more or less summed it up, right from the mouth of the man who held the endurance record for broadcasting repetitive Command Modulese to the American people over the years. Two hundred and fifty million dollars spent for what? Not for science, by Walter's somewhat halting admission. Certainly not for entertainment, since even the sturdiest TV fanatics are prepared to admit that the hours of pre-blastoff prattle at these spaceshots are by all odds the dullest, most useless fare the networks have yet devised to inflict on the American people.

Not that Walter, Mort and Wally perpetrated any greater amount of drivel than their rivals. NBC had the garruluous and nimble-witted Jim Hartz trying to pick the brains of Adm. Alan Shepard, the first American in outer space—an experience so mind-bending, it seems, as to have evermore left Shepard aloof from such mundane matters as human communication.

The best thing about ABC's presentation was that it did not hire an astronaut for the occasion. Instead, the network left all technological mumbo-jumbo to its space editor, Jules Bergman, who wrestled manfully with a toy model of the Soviet rocket, trying to show viewers how the first stage detached itself. At length, Bergman succeeded in yanking the toy apart with a vigorous scientific jerk.

[From the Washington Post, July 17, 1975]

Space for Controversy?

(By Sander Vanocur)

Sen. William Proxmire (D-Wis.) charged yesterday that the three commercial networks, in their coverage of the Apollo-Soyuz mission, had "fallen into the role of advocates of the U.S. space program."

Proxmire, a frequent critic of the space program, said of the networks: "Their critical faculties have gone to sleep. Instead of reporting events, they champion the program. Where is the searching investigative reporting that exists on defense, environmental and other public policy issues? When it comes to space, the networks pull out all the stops—creating a media event of huge proportions."

There are legitimate contrasting views as to the value of the space program, Proxmire said, but these contrasting views receive little attention compared to the "official pro-space, pro-NASA side."

"There are," he continued, "excellent investigative reporters covering almost every aspect of American life from housing to the FBI. But where are the investigative reports of the U.S. space program? They are virtually nonexistent. Instead there are full-page ads in national newspapers advertising television coverage of the joint mission."

Reaction to the Proxmire charges from the three commercial networks emphasized that they were covering the Apollo-Soyuz mission as a straight news story, nothing more, nothing less.

Richard C. Wald, president of NBC News, said: "I am not sure he (Proxmire) has been watching. It's absolutely true that we have promoted our coverage, as newspapers promote theirs. But we did discuss in our coverage before the mission took place whether the trip was necessary. And we will continue to discuss it at each appropriate point in the coverage."

Walter J. Pfister Jr., ABC vice president for special news programs, said: "I would be interested to know what one of his (Proxmire's) constituents, Deke Slayton, from Sparta, Wis., would say. [Donald K. "Deke" Slayton is one of the three Americans aboard the Apollo spacecraft.] In many of the programs we have done, particularly Apollo 11, we have had the pros and cons on the space program."

William Small, senior vice president, CBS News, said: "Over the course of years, CBS has frequently reported criticism of the space program, including that made by members of Congress. This is a very important story and we think it gets the coverage it deserves."

ABC, CBS and NBC said yesterday that the Russians have agreed to provide them with live TV pictures of the scheduled Soyuz landing Monday morning in the Soviet Union.

If there are no complications, the three networks will go on the air from 6:30 to 7 a.m. EDT with the live coverage. Network officials had initially said they did not know whether the Soviet Union would permit live telecasts of the Soyuz landing.

SENATOR HUGH SCOTT'S EFFORTS TO AID EDUCATION

Mr. BEALL. Mr. President, the future welfare of the Nation depends to a large extent on the education its young people are receiving today. As the ranking Republican on the Senate Labor and Public Welfare Committee's Education Subcommittee, I have watched the strong and consistent support of the senior Senator from Pennsylvania (Mr. Scott) to the Federal commitment to education. He has shown a particular concern for students attending nonpublic schools, in light of Supreme Court decisions overturning certain Pennsylvania laws, and has called for the adoption of limited tax credits to allow the continued existence of private education. The Senator has also urged a continued high level of Federal funding for elementary, secondary, and higher education programs.

Mr. President, I ask unanimous consent to place in the Record a statement of Senator Scott's efforts to aid education.

There being no objection, the statement was ordered to be printed in the Record, as follows:

Statement

EDUCATION—94TH CONGRESS

Legislation

S. 936—a bill to amend the IRS Code of 1954 to allow a deduction for certain amounts paid by a taxpayer for tuition and fees in providing certain education for himself, his spouse, and his dependents.

S. 1249—a bill to amend the IRS Code of 1954 to allow a deduction for certain amounts paid by a taxpayer for tuition and fees in providing certain education for himself, his spouse, and his dependents.

Amend. #187 to H.R. 2166—Tuition and Fees for Education.

EDUCATION—93RD CONGRESS

Legislation

S. 3548—a bill to establish the Harry S. Truman Memorial Scholarships and for other purposes.

S. 3898—a bill to amend the Internal Revenue Code of 1954 to allow for certain amounts paid by a taxpayer for tuition and fees in providing certain education for himself, his spouse, and his dependents.

Amend. to S. 1539—an amendment to make clear that the bill is not intended to purport to prevent the courts from upholding the Constitution.

Amend. #2005 to H.R. 16900—an amendment designed to assure that HEW retains its present authority to enforce Title VI of the 1964 Civil Rights Act and Title IX of the Education Amendments of 1972.

Amend #1988 to H.R. 16900—an amendment appropriating $9 million for Eisenhower College, Seneca Falls, N.Y.

Votes

Voted for amendment to reallocate funds for student assistance programs to emphasize the Basic Educational Opportunity Grants Program.

Voted for Federal Fire Prevention and Control Act.

Voted for amendment to provide that no student be required to reveal information about his personal or family life without parental consent.

Voted for Hugh Scott amendment to count all, rather than two-thirds, of AFDC (Aid to Families with Dependent Children) children above the so-called Orshansky level in ESEA, Title I, formula.

Voted for Education Amendments of 1974.

Voted for amendment to prohibit DOD, in carrying out any program under which financial assistance is provided to persons pursuing an educational program (other than persons enrolled in a ROTC program), from denying assistance to enrollees in a college or university solely on the grounds that such institution had previously terminated its ROTC program.

Voted for amendment to add a new section to provide cost of living increases in educational assistance and subsistence allowances for veterans.

Voted for Vietnam Era Veterans' Readjustment Assistance Act of 1974.

Voted for Public Health Service Act amendments.

Voted for Departments of Labor, and Health, Education, and Welfare and Related Agencies Appropriation Bill.

Voted for Hugh Scott amendment to appropriate $9 million for Eisenhower College, Seneca Falls, N.Y.

Voted for amendment to increase from $120 to $146 million funding for supplementary services authorized by title III of the Elementary and Secondary Education Act.

Voted for amendment calling for $5.7 million for purposes of alcohol and drug abuse education.

NATIONALIZING BIG OIL

Mr. HATHAWAY. Mr. President, some time ago I addressed this chamber and presented the results of an annual questionnaire sent to more than 200,000 of my constituents in Maine. One of the questions was "Do you think the oil industry should be nationalized?" The response to this question was 41.3 percent "yes," and 56.1 percent "no."

I termed this response provocative, as it indicates to me a certain dissatisfaction by those constituents as to the increased cost of gasoline and what, over the past 2 years, have seemed to be huge profits by the major oil companies.

The Bangor Daily News this morning offered an editorial on this subject, which articulates the shift in attitudes of the consumer as a result of oil pricing policies. I ask unanimous consent to have the Bangor Daily News editorial printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

[From the Bangor (Maine) Daily News, July 17, 1975]

Nationalizing Big Oil

Understandably, major oil companies are in the doghouse. This was more or less borne out in a recent sampling of public sentiment by Maine Sen. William Hathaway's office.

In what was termed a "provocative" reading (By Sen. Hathaway), those Maine folks questioned were nearly split over whether they favored the nationalization (federal takeover) of the oil industry.

Even if the majors were all good or all bad, which is hardly the likely case, national attitudes are bound to lean heavier toward nationalization as energy prices become higher and more difficult to defend.

Based on what we have seen with other quasi-nationalization programs, such as the railroads, we have no doubts that the nationalization of the oil industry would be a certain guarantee that gasoline, for example, would eventually hit $2 a gallon, instead of the now-feared $1 per gallon.

Thankfully, to date, the major oil companies haven't asked for government loans to tide them over lean profit years. But the attitude of the consumer is clearly moving away from reflexive sympathy with the oil industry merely because it embodies private enterprise in a capitalistic society.

If the majors have only passed on increased costs to the consumer, without using so-called "vertical integration" to juggle the market advantageously, they are fast becoming the only ones who believe it. With nationalization less of an uncomfortable term in the grass roots vocabulary, the majors would do well to give the American public more straight talk and less institutional propaganda.

JOB CREATION TAX ACT—S. 2007

Mr. GARN. Mr. President, I have today joined Senator Thurmond in cosponsoring the Job Creation Tax Act—S. 2007. I believe that this legislation can make a real contribution to a solid recovery from the economic problems which plague our Nation.

In recent years, economic theory has tended to concentrate on fiscal policy as a means of "fine tuning" the economy. The proponents of the new economics have mixed tax cuts and increases with budget deficits—almost never surpluses—in an attempt to cheat the Phillips curve of its due in unemployment.

Obviously, the new economists have failed. They have led us to a point where we suffer from high unemployment complemented by a prolonged stagnation in production. The monetarists have, I think, shown us how to get out of the inflation trap, and they do offer some promise over the long run for relief on the side of production, but something must be done immediately to stimulate production.

At long last, we are beginning to see some theoretical economists give some attention to the thing we all know, in our hearts, makes people want to work and want to produce: The reasonable expectation that they can profit by their work or their production.

That is the point of S. 2007. Simply put, it would reward a businessman for increasing his production. As things stand now, taxes are so ruinous, both on individuals and on corporations, that there is every reason to consume, and very little reason to increase production. Some relief must be found, and S. 2007 offers that relief. Briefly stated, the act would provide a tax credit to every employer who hired two new workers, up to 50 percent of their wages. Thus an employer could, in effect, employ two workers for the price of one, giving him a strong reason to create the jobs.

This is, of course, a tax cut, and one aimed at corporations rather than at individuals. The new economists tell us that tax cuts are good for stimulating aggregate demand, and therefore like to aim them at individuals. Politicians like to go along, since individual tax cuts can be translated into votes at the next election. The theory behind this tax cut, however, is that it will provide an incentive to the businessman to hire more workers, and thus increase his output. Increased output means lower prices, and more buying, and so things go to a strong recovery.

A tax cut, of course, means reduced revenues, and increased budget deficits under present circumstances. In this case, however, there are some strong arguments to be used for the cuts.

For one thing, unless jobs are actually created, there will be no costs to the Treasury. Which of all our job-creating measures, adopted over the years can say as much? Our goal as Senators is to reduce unemployment, and here is a program which will not cost one penny unless it actually accomplishes that goal. That is a strong argument.

For another thing, there is some evidence that there will be no costs to the Treasury even if the program is used. New jobs generate tax revenues, both directly and indirectly, and there have been some figures compiled by the National Small Business Association which indicate that there will be a net gain to the Treasury from the adoption of this legislation. Senator Thurmond has placed those figures in the Record, and I will not repeat them here. We can all understand that stimulating production will raise the tax base and thus increase revenues: that much is elementary.

This proposal has another important aspect: it will be of primary benefit to small businesses. On its face, the legislation is not restricted to small business, but the real impact will be in that direction. The economics of the present tax structure, with the investment tax credit, does not work as great a hardship on larger corporations as it does on small enterprises, which lack the capital resources needed to take advantage of the credit. Small business is labor-intensive, and in order to increase output, smaller concerns need to increase their workforce; they cannot simply invest in labor-saving machinery.

In an article in the spring issue of the Public Interest, Jude Wanniski commented on the economic theories which underpin the Job Creation Tax Act. He said:

> It is so uncommon to hear economists analyze the nation's economic problems . . . in terms of what makes people want to work and produce.

That is exactly correct, and I have been amazed at the lengths to which politicians will go to avoid talking about what we all know: people will work, and people will produce if they think they are going to get something for it. As policy makers, we must begin to treat this fact openly, and frame our policies accordingly. S. 2007 makes a good beginning.

OCCUPATIONAL OUTLOOK HANDBOOK—1974–75 EDITION

Mr. JAVITS. Mr. President, the Bureau of Labor Statistics of the Department of Labor has updated its very useful occupational outlook handbook. This handbook is particularly useful in today's contracted job market.

The handbook has been valuable for a long time to counselors and teachers in assisting students in making career choices. It may also be particularly helpful to Vietnam era veterans who are making career decisions.

The handbook offers an overview of employment prospects and projections in a wide range of occupations. Included are analyses of changes expected to occur in the job market in various fields as a result of technological and economic factors.

The BLS is to be commended for compiling this very useful publication. Knowing of its usefulness to counselors, teachers, and young people, I ask unanimous consent that the "handbook in brief" be printed in the Record.

There being no objection, the handbook was ordered to be printed in the Record, as follows:

OCCUPATIONAL OUTLOOK HANDBOOK IN BRIEF, 1974-75 EDITION *

Occupation	Estimated employment 1972	Average annual openings [1]	Employment trends and prospects
INDUSTRIAL PRODUCTION AND RELATED COCUPATIONS			
Coremen	23,000	450	Little or no change in employment due to the growing use of machine-made cores.
Molders	56,000	1,100	Trend toward greater use of machine molding and permanent and shell molds will limit growth.
Patternmakers	19,000	450	Relatively stable employment due to greater use of reusable metal patterns. Most of the relatively small number of openings from death and retirements will be for metal patternmakers.
All-round machinists	320,000	13,100	Moderate employment growth due to rising demand for machined goods such as automobiles, household appliances, and industrial products.
Instrument makers (mechanical).	5,000	200	Moderate employment growth due to the growing use of instruments in manufacturing processes and in research and development work
Machine tool operators	546,000	25,600	Moderate employment increase due to expansion of metal-working activities.
Setup men (machine tools)	43,000	2,200	Rapid employment growth due to increasing consumer and industrial demand for machined goods.
Tool-and-die makers	172,000	4,200	Slow employment growth. Most openings will occur as workers retire, die, or transfer to other fields of work.
Bookbinders and related workers.	32,000	550	Moderate employment increase.
Composing room occupations.	170,000	4,300	Slowly declining employment due to more efficient typesetting equipment. A few thousand openings are expected yearly to replace workers who retire or die.
Electrotypers and stereotypers.	7,000	100	Slow employment decline resulting from greater use of lithographic (offset) printing and other laborsaving techniques.
Lithographic occupations	81,000	5,100	Very rapid employment increase as a result of the greater use of lithographic (offset) printing.
Photoengravers	16,000	200	Slowly declining employment as a result of improved photographic equipment and the increasing use of lithographic (offset) printing which requires no photoengraving.
Printing pressmen	142,000	6,100	Slow employment growth due to the use of faster and more efficient presses.
Assemblers	1,017,000	40,500	Slow employment growth, but thousands of openings will occur each year from deaths and retirements in this large field.
Boilermaking occupations	33,000	1,300	Moderate employment increase due to expansion of industries that use boilers.
Electroplaters	17,000	900	Moderate employment increase because of expanding use of electroplating and the growth of the metalworking industries.
Foremen	1,400,000	58,000	Moderate employment growth resulting from industrial expansion and the need for increased supervision as production processes become increasingly complex.
Furniture upholsterers	35,000	1,400	Slow employment growth because of the use of durable fabrics and the trend toward buying new furniture instead of reupholstering the old.
Inspectors (manufacturing).	725,000	44,700	Moderate employment increase due to industrial expansion and the growing complexity of manufactured goods.
Millwrights	83,000	3,300	Moderate employment increase as a result of the construction of new plants, changes in plant layouts, and the increasing amount of complex machinery.
Photographic laboratory occupations.	38,000	2,700	Rapid employment increase resulting from growth of amateur photography and increasing use of photography in business and government.
Power truck operators	300,000	9,100	Moderate employment growth due to industrial expansion.
Production Painters	180,000	5,000	Greater use of automatic sprayers and other laborsaving innovations should limit growth to a slow employment increase.
Stationary engineers	178,000	4,600	Relatively stable employment because large boilers and automatic controls make possible increased capacity without corresponding increases in employment. However, there will be a few thousand openings yearly from deaths and retirements.
Stationary firemen	93,000	2,100	Trend toward use of larger boilers and centralized equipment should result in a slow decrease in employment. However, many jobs will have to be filled yearly because of deaths and retirements.
Wastewater treatment plant operators (sewage plant operators).	20,000	1,200	Rapid employment growth as more treatment plants are constructed to process the increasing amount of domestic and industrial wastewater.
Welders and flamecutters	554,000	27,200	Rapid employment increase due to growth of metalworking industries and wider use of welding.

See footnotes at end of table.

Occupation	Estimated employment 1972	Average annual openings [1]	Employment trends and prospects
OFFICE OCCUPATIONS			
Bookkeeping workers	1,584,000	118,000	Limited employment growth because of increasing automation of recordkeeping. Most jobs *openings will result* from deaths and retirements.
Cashiers	998,000	96,000	Rapid growth in employment. Best prospects for person with typing and bookkeeping skills. Favorable opportunities for part-time work.
File clerks	272,000	22,800	Increased demand for adequate recordkeeping should result in many job openings. Limited growth due to the increasing use of computers to store and retrieve data.
Hotel front office clerks	49,000	4,800	Rapid employment growth as the number of hotels, motels, and motor hotels increases.
Office machine operators	195,000	13,700	Despite expected growth in the volume of office work, employment *growth shoulbe* slow due to the expansion of automated recordkeeping.
Postal clerks	286,000	10,500	Slow employment growth with most openings resulting from deaths and retirements.
Receptionists	436,000	55,100	Very rapid employment growth due to the expansion of businesses employing receptionists. Because this work is of a personal nature, prospects should not be affected by office automation.
Shipping and receiving clerks.	451,000	13,800	Slow employment growth as laborsaving equipment enables clerks to handle a greater volume of merchandise.
Statistical clerks	299,000	23,000	Moderate increase in employment as more numerical information is used by business and government organizations. The use of computers will eliminate some routine positions.
Stenographers and secretaries.	3,074,000	411,000	The increasing use of dictating machines will limit opportunities for office stenographers. Excellent prospects for secretaries and shorthand reporters.
Stock clerks	511,000	34,800	Very rapid employment growth as manufacturing firms, wholesale establishments, and retail stores continue to expand. Some competition for jobs can be expected because many young people seek this work as a first job.
Typists	1,021,000	115,700	Rapid employment growth with good opportunities for competent typists, especially those familiar with automatic typewriters.
Computer operating personnel.	480,000	27,000	Rapid rise in employment of console and auxiliary equipment operators as the number of computer installations increases. Declining demand for keypunch operators because of improved methods of data entry.
Computer programers	186,000	13,000	Rapid employment growth as computers are increasingly used in business and government operations. Best opportunities for persons qualified in both programing and systems analysis.
Computer systems analysts.	103,000	8,300	Very rapid growth as requirements for data processing systems expand because of increased use of computers.
Bank clerks	473,000	43,200	Rapid employment growth as new and existing banks expand their services. Best prospects for data processing workers.
Bank officers	219,000	13,600	Rapid employment gains as the number of banks increases and the services they offer expand.
Bank tellers	248,000	25,000	Rapid employment growth as banks expand their services. Favorable opportunities for part-time work during peak business hours.
Insurance actuaries	5,500	500	Favorable job opportunities for graduates with strong backgrounds in mathematics and statistics who have passed 1 or 2 actuarial examinations while still in school. The large number of graduates with degrees in mathematics and of students who have passed actuarial examinations, however, could result in competition for jobs.
Insurance claim adjusters	128,000	5,800	Moderate employment increase due to expanding insurance sales and resulting claims. Declining opportunities for adjusters who specialize in automobile claims as more States adopt no-fault insurance plans; very good prospects for other types of adjusters.
Insurance claim examiners	31,000	600	Limited opportunities. Fewer examiners will be needed to process claims due to the increasing use of computers; also, fewer automobile claims will arise as more States adopt no-fault insurance plans.
Insurance underwriters	61,000	2,500	Many opportunities as the demand for insurance protection increases. Best prospects for those with college training.

OCCUPATIONAL OUTLOOK HANDBOOK IN BRIEF, 1974-75 EDITION *—Continued

Occupation	Estimated employment 1972	Average annual openings [1]	Employment trends and prospects
Accountants	714,000	41,900	Good opportunites. Because of the growing complexity of business accounting requirements, accountants with college degrees will be in greater demand than those without degrees.
Advertising workers	152,000	(2)	Employment should grow moderately due to greater emphasis businesses place on advertising. Although competition may be keen for entry jobs, applicants with good academic preparation should find many opportunities.
City managers	2,500	150	Very rapid employment growth, but supply of qualified persons expected to grow faster. Those without a master's degree in public administration are likely to face the keenest competition for jobs.
College student personnel workers.	35-40,000	(2)	Current financial problems of colleges and universities may limit immediate growth. Over the short run, most openings will be due to replacement needs.
Credit officials	114,000	7,500	Rapid employment growth as number of loans and volume of purchases on credit increase.
Hotel managers and assistants.	110,000	7,500	Very good prospects especially for those who have degrees in hotel administration.
Industrial traffic managers.	20,300	(2)	Slow employment increase. Best opportunities for those with college training.
Lawyers	303,000	16,500	Moderate employment rise due to the growth of legal action in such areas as consumer protection and the environment and the greater use of attorneys by low- and middle-income groups. Prospects for establishing a new practice probably will be best in small towns and growing suburban areas; most salaried positions will become available in urban areas. Keen competition for salaried positions.
Marketing research workers.	25,000	(2)	Very rapid employment growth as existing marketing organizations expand and new ones are established. Best opportunities for those with advanced degrees.
Personnel workers	240,000	(2)	Excellent opportunities. Particularly good job prospects for persons trained in psychological testing and in handling work-related problems. Limited chances to enter field from clerical or subprofessional jobs.
Public relations workers	87,000	(2)	Moderate employment increase due to growth in importance of public relations.
Purchasing agents	181,000	(2)	Moderate employment growth. Strongest demand for business administration graduates who have had courses in purchasing. Engineering and science graduates will be needed by firms manufacturing technical products.

SERVICE OCCUPATIONS

Occupation	Estimated employment 1972	Average annual openings [1]	Employment trends and prospects
Building custodians	1,885,000	136,000	Moderate employment growth due to construction of apartment houses, motels, and other buildings that use custodial services. Maintenance needs of condominiums also will contribute to employment growth.
Exterminators	25,000	1,300	Rapid employment increase. Because pests reproduce rapidly and tend to develop immunity to pesticides, their control is a never-ending problem.
Hotel housekeepers and assistants.	17,000	1,700	Rapid employment growth as the number of hotels increases. The best opportunities will be in new hotels and luxury motels.
Bartenders	200,000	8,800	Moderate employment increase as new restaurants, bars, and hotels open.
Cooks and chefs	866,000	52,000	Moderate growth in employment. Most starting jobs will be in small restaurants and other eating places where food preparation is fairly simple.
Meatcutters	200,000	4,400	Although total employment is expected to show little or no change, thousands of openings will become available from deaths and retirements.
Waiters and waitresses	1,124,000	86,000	Moderate employment increase due to the construction of new hotels and restaurants. Most openings, however, will stem from high turnover.
Barbers	157,000	5,000	Little or no employment change with most openings resulting from deaths and retirements.
Cosmetologists	500,000	51,000	Very good job opportunities for experienced workers and newcomers. Good prospects also for those seeking part-time work.
Funeral directors and embalmers.	45,000	1,300	Little or no change in employment is expected. Prospects are nevertheless good, as replacement needs will create many openings.
Private household workers.	1,437,000	51,000	Despite the expected employment decline, job opportunities will be very good. Many openings will result as persons discouraged by low wages seek employment in other fields.
Construction inspectors (Government).	23,000	1,500	Rapid employment growth through the mid-1980's. Best outlook for those with experience in construction work and some college or vocational education related to engineering or construction.
FBI agents	8,600	(2)	Rising employment as FBI responsibilities grow. Turnover rate traditionally low.
Firefighters	200,000	11,600	Rapid employment growth as fire departments enlarge their staffs and paid firefighters replace volunteers. Keen competition for jobs in large cities.
Guards and watchmen	250,000	19,300	Moderate employment growth due to the mounting incidence of crime and the increasing numbers of plants, offices, and stores requiring protection.
Health and regulatory inspectors (Government).	25,000	1,700	Very rapid employment growth, particularly at the State government level, in response to pressures for consumer protection.
Police officers	370,000	14,300	Increased demand for protective services should create very good employment opportunities; specialized training will become increasingly important.
State police officers	44,000	2,300	Very rapid employment growth. As population grows and becomes more mobile, the greatest need will be for officers in highway patrols.
Postal mail carriers	263,000	7,900	Slow employment growth. Most openings will arise as workers retire or die.
Telephone operators	230,000	16,000	Although direct dialing and other automatic devices will restrict growth, there will be thousands of openings each year as operators retire, die, or leave the labor force for other reasons.

EDUCATION AND RELATED OCCUPATIONS

Occupation	Estimated employment 1972	Average annual openings [1]	Employment trends and prospects
College and university teachers.	525,000	24,000	Entrants may face keen competition through the mid-1980's. New doctoral and master's degree holders, the main source of supply, are expected to more than meet the expanding demand for college and university teachers.
Kindergarten and elementary school teachers.	1,274,000	105,000	Competition is expected through the mid-1980's. If patterns of entry and reentry continue, the number of persons qualified to teach in elementary schools will exceed the number of openings.
Secondary school teachers.	1,023,000	40,000	If past trends of entry continue through the mid-1980's, the supply will greatly exceed anticipated requirements. Keen competition for prospective teachers, although a recent survey found teacher shortages in mathematics, industrial arts, special education, and some vocational-technical subjects.
Librarians	120,000	11,200	Favorable overall opportunities, but some librarians may have to compete for jobs of their choice. Best employment prospects in public and special libraries.
Library technical assistants.	25,000	(2)	Good employment prospects particularly for graduates of academic programs. Especially favorable opportunities in large public and college and university libraries.

SALES OCCUPATIONS

Occupation	Estimated employment 1972	Average annual openings [1]	Employment trends and prospects
Automobile parts countermen.	72,000	3,400	Rapid employment increase as result of the growing number of motor vehicles.
Automobile salesworkers	131,000	4,600	Moderate employment growth as car sales increase. There may, however, be some fluctuations in employment from year to year.
Automobile service advisers.	21,000	900	Rapid employment increase resulting from the increasing number of automobiles and their complexity.
Gasoline service station attendants.	435,000	15,400	The increasing demand for gasoline and other service station products is expected to cause employment to increase. However, job opportunities, especially for part-time work, may be adversely affected if fuel shortages continue.
Insurance agents and brokers.	385,000	16,000	Moderate employment growth. Despite an expected increase in sales volume, selling is expected to remain keenly competitive.
Manufacturers' salesworkers.	423,000	20,000	Greater business competition should stimulate employment of manufacturers' salesworkers. Most favorable opportunities for those trained to sell technical products.
Models	7,300	(2)	Moderate employment increase, but competition for available jobs will be keen.
Real estate salesworkers and brokers.	349,000	25,000	Moderate employment increase to result from the growing demand for home purchases and rentals. Mature workers, including those transferring from other kinds of saleswork, are likely to find many job opportunities.

See footnotes at end of table.

OCCUPATIONAL OUTLOOK HANDBOOK IN BRIEF, 1974-75 EDITION *—Continued

Occupation	Estimated employment 1972	Average annual openings [1]	Employment trends and prospects
Retail trade salesworkers	2,778,000	190,000	Good employment opportunities for full- and part-time workers as income levels rise and stores continue to remain open longer.
Routemen	190,000	3,700	Although little change in overall employment is expected, many job openings will result from deaths and retirements.
Securities salesworkers	220,000	11,900	Moderate employment growth as funds available for investment increase. Many openings will also result from deaths and retirements. Transfers of salesworkers who have left their jobs because they were unable to establish a successful clientele should also create many additional opportunities.
Wholesale trade salesworkers.	688,000	310,00	Moderate employment growth resulting from expansion of wholesalers' customer services, the duties of salesworkers, and business in general.
CONSTRUCTION OCCUPATIONS			
Asbestos and insulating workers.	30,000	1,200	Rapid employment growth due to greater construction activity.
Bricklayers	180,000	6,600	Moderate growth in employment as result of increasing construction activity and the growing use of ornamental brickwork.
Carpenters	1,000,000	37,000	Moderate employment growth from increased construction and greater demand for carpenters in the maintenance departments of factories, stores, and large apartment and government buildings.
Cement masons (cement and concrete finishers).	75,000	4,100	Very rapid growth in employment due to the anticipated growth in construction and the increasing use of concrete and concrete products.
Construction laborers	876,000	24,500	Slow employment increase because of the widespread use of mechanized equipment. However, there will be many openings due to deaths and retirements.
Electricians (construction)	240,000	11,100	Rapid employment increase as construction expands and more electric outlets, switches, and wiring are needed for appliances, air-conditioning systems, electronic data processing equipment, and electrical control devices.
Elevator constructors	17,000	1,000	Very rapid employment growth as a result of the anticipated expansion in industrial, commercial, and large residential buildings and the modernization of older elevators.
Floor covering installers	75,000	3,200	Rapid employment increase due to more widespread use of resilient floor coverings and carpeting.
Glaziers	12,000	700	Very rapid employment increase as more glass is used in new buildings.
Lathers	30,000	1,100	Rapid employment growth because of rising construction activity, increasing use of new kinds of plasters, and improved methods of applying plaster.
Operating engineers (construction machinery operators).	435,000	18,500	Rapid employment increase as more bulldozers, cranes, and other heavy machines are used in construction work.
Painters and paperhangers	420,000	14,700	While most openings will be for painters, several hundred jobs for paperhangers are expected to become available yearly.
Plasterers	30,000	900	Slow employment growth. Most openings will occur as workers retire, die, or transfer to other fields of work.
Plumbers and pipefitters	400,000	16,300	Moderate employment increase due to rising construction activity and growth of industries which use extensive pipework in their processing activities, such as chemical and petroleum refining. Also, the trends toward more bathrooms per home and more central air-conditioning will result in increased demand for these workers.
Roofers	80,000	3,400	Rapid employment increase due to the rise in construction activity.
Sheet-metal workers	65,000	2,300	Moderate employment rise as more workers are needed to install air-conditioning and heating ducts and other sheet-metal products in new houses, stores, offices, and other buildings.
Structural-, ornamental-, and reinforcing-ironworkers, riggers, and machine movers.	95,000	3,400	The growing use of structural steel in buildings is expected to create a need for more structural ironworkers. Opportunities for ornamental ironworkers should expand because of the growing popularity of ornamental panels for large buildings and the use of metal frames to hold large panes of glass. More riggers and machine movers will be needed to handle the increasing amount of heavy construction machinery, while the growing demand for prestressed concrete should create additional jobs for reinforcing-ironworkers.
OCCUPATIONS IN TRANSPORTATION ACTIVITIES			
Air traffic controllers	19,500	800	Expected increase in the number of airplanes should result in a rapid employment increase.
Aircraft mechanics	123,000	7,000	Very rapid employment growth as number of aircraft increases. Employment in the Federal Government, however, may fluctuate with changes in defense spending. Continued fuel shortages may adversely affect employment growth.
Flight attendants	39,000	8,000	Very rapid employment increase as aircraft become larger and increase in number. Many additional openings also will occur as attendants transfer to other occupations. Continued fuel shortages may adversely affect employment growth.
Flight engineers	7,000	300	Rapid employment growth due to expected increase in the number of aircraft. Continued fuel shortages may adversely affect employment growth.
Pilots and copilots	54,000	2,000	Very rapid employment increase due to growth in the number of aircraft. Continued fuel shortages may adversely affect employment growth.
Traffic agents and clerks	59,000	7,000	Very rapid employment increase because of the anticipated growth of passenger and cargo traffic.
Merchant Marine officers	15,000	200	A decline in employment is anticipated as ships become more automated and mechanized. Some openings will result from deaths and retirements.
Merchant seamen	42,000	100	A decline in employment is anticipated as ships become more automated and mechanized. Some openings will result from deaths and retirements.
Brakemen	73,000	400	Employment is expected to decline, but some openings will arise from deaths and retirements.
Bridge and building workers.	10,500	200	Slowly declining employment, but a few openings will arise from deaths and retirements.
Clerks	82,600	2,700	Moderately declining employment. Some openings will occur from deaths and retirements.
Conductors	38,000	700	Slow employment decline due to reduced passenger traffic and the use of electric and electronic communications equipment. Some openings will arise from deaths and retirements.
Locomotive engineers	35,000	1,000	Employment is expected to show little or no change. Nearly all openings will arise from deaths and retirements.
Locomotive firemen	14,900	(2)	Employment should decline rapidly. Some openings, however, will develop as experienced workers retire, die, or are promoted to engineer positions.
Shop trades	78,000	900	Slow employment decline, but a few openings will arise from deaths and retirements.
Signal department workers	11,000	(2)	Improved signaling and communications systems that require less maintenance will reduce the need for workers.
Station agents	8,700	(2)	Moderate employment decline. There will be, however, a limited number of job openings to replace workers who retire or die.
Telegraphers, telephoners, and towermen.	11,200	(2)	Rapid decline in employment because of the wider use of automatic signaling systems. A few new workers, however will still be needed to replace those who retire or die.
Track workers	54,000	900	Slow employment decline. Although several thousand workers may be hired each summer to do maintenance job that cannot be done during the winter few will be hired for year-round jobs.
Intercity busdrivers	25,000	500	Little or no change in employment is expected, but hundreds of job openings will become available yearly from deaths and retirements.
Local transit busdrivers	68,000	1,600	Slow employment rise as bus service is improved and expanded in urban areas.
Local truckdrivers	1,600,000	46,000	Moderate employment increase because of growth in the volume of freight.
Long-distance truckdrivers.	570,000	16,000	The additional amount of freight carried long distances by truck and the location of new stores, factories, and warehouses in suburban or semirural areas where rail facilities are limited are expected to result in a moderate employment increase.
Taxi drivers	92,000	1,600	Slow decline in employment because of the increased use of private and rented cars and buses and subways. There will, however, be many openings each year from deaths and retirements. Transfer to other occupations will create additional openings.

See footnotes at end of table.

OCCUPATIONAL OUTLOOK HANDBOOK IN BRIEF, 1974-75 EDITION *—Continued

Occupation	Estimated employment 1972	Average annual openings [1]	Employment trends and prospects
SCIENTIFIC AND TECHNICAL OCCUPATIONS			
Foresters	22,000	900	The annual number of forestry graduates could exceed the number of annual openings, resulting in keen competition for jobs. Opportunities also will be affected by the number of qualified entrants from other sources and the increasing use of technicians and forestry aids.
Forestry aides	14,500	800	Favorable employment opportunities especially for those with specialized posthigh school technical training in forestry.
Range managers	4,000	150	Slow employment increase. However, because hiring needs are dependent on Federal legislation, public concern for environmental protection could create additional opportunities.
Aerospace engineers	62,000	1,700	Moderate employment growth because of ongoing or planned programs to develop more versatile and sophisticated aircraft, missiles, space vehicles, and ground transportation systems. Opportunities depend on the level of defense and space spending, which can rise or fall sharply.
Agricultural engineers	12,000	500	Rapidly growing job opportunities because of modernization of farm operations, increasing emphasis on conservation, and the use of agricultural products and wastes as industrial raw materials.
Biomedical engineers	3,000	200	Favorable job opportunities since the number of graduates is expected to be smaller than the number of openings. Those with advanced degrees will be in strong demand to teach and to develop devices such as artificial hearts.
Ceramic engineers	12,000	500	Very good employment opportunities Engineers will be needed to develop ceramic materials for electronics and medical science fields and to improve traditional ceramic products.
Chemical engineers	47,000	1,500	Moderate employment growth as a result of industrial expansion, especially in the chemical industries, where workers will be needed to design, build, and maintain plants and equipment for more complex chemical processes.
Civil engineers	177,000	8,500	Opportunities should expand rapidly as a result of urban construction projects for housing, water supply, highway construction, sewage disposal, and rapid transit systems.
Electrical engineers	231,000	11,000	Very rapid employment growth due to demand for electrical equipment to automate and mechanize production processes, especially computers and numerical controls for machine tools. Growing demand for electrical and electronic consumer goods also will spur employment.
Industrial engineers	125,000	7,400	Very rapid growth in job opportunities as more emphasis is placed on scientific management and safety. More complex industrial operations and expansion of automated processes also will require more industrial engineers.
Mechanical engineers	209,000	8,900	Very rapid employment growth due to demand for industrial machinery and machine tools and the increasing technological complexity of industrial machinery and processes.
Metallurgical engineers	10,000	500	Rapid growth in job opportunities resulting from the need to develop metals and new alloys, especially for aircraft, spacecraft, and computers.
Mining engineers	5,000	100	Favorable opportunities since the number of graduates each year is expected to be smaller than replacement needs. The need to develop new mining techniques to recover fuel resources will create additional jobs.
Geologists	23,000	1,100	Favorable opportunities at all degree levels if past patterns of entry into the field continue. Those with only the bachelor's degree will have better opportunities if they have training in techniques of geophysical exploration.
Geophysicists	8,000	400	Good employment opportunities for new graduates. As in the past, the number of new geophysics graduates should be smaller than that of openings.
Meteorologists	5,000	200	Favorable employment opportunities especially for those with advanced degrees to conduct research, teach, and engage in management and consulting work. The use of weather satellites, manned spacecraft, and electronic computers has expanded the work of meteorologists.
Oceanographers	4,500	200	Favorable employment prospects for oceanographers with the Ph. D. degree, especially those in ocean engineering. Those with less education may face competition for entry jobs and find opportunities limited to doing routine analytical work as research assistants
Biochemists	12,500	700	Favorable opportunities for graduates with advanced degrees primarily due to increased research and development expenditures, especially for medical research.
Life scientists	180,000	9,200	New graduates may face severe competition since the number of graduates is expected to grow more rapidly than employment opportunities. However, those with advanced degrees, especially the Ph. D., will experience the least competition. Medical scientists should find the best opportunities due to the emphasis on research of cancer, heart, and other diseases. Those with only an undergraduate degree may be limited to research assistant or technician jobs.
Mathematicians	76,000	4,200	The number of entrants may exceed openings, creating competition. Those with Ph. D. may have less difficulty finding jobs than persons with less education.
Statisticians	23,000	1,700	Favorable employment prospects for persons who can combine training in statistics with knowledge of a field where it can be applied, such as economics. Statisticians will be needed by government and private industry, especially to forecast trends and modernize accounting procedures.
Astronomers	2,000	100	Some competition may exist for beginning jobs, even for those with a Ph. D. degree. Despite the small number receiving the doctorate each year, there may be even fewer openings. Opportunities are heavily dependent on Federal funds for basic research in astronomy. Funds are expected to increase but more slowly than during the 1960's.
Chemists	134,000	6,800	Favorable employment opportunities. Demand for industrial products, further research on urgent pollution and fuel shortage problems, and the need for health-related research will contribute to the need for additional chemists.
Food scientists	7,500	300	Favorable job opportunities. Increased research and development will require food scientists with advanced degrees. More scientists with the bachelor's degree will be needed to ensure quality and safety of processed products.
Physicists	49,000	1,500	Favorable job opportunities for those with advanced degrees, primarily in applied research and development. Limited opportunities for those with bachelor's degrees although they may find openings in other occupations that utilize their training. For example, they may become high school teachers once they have completed the required educational courses and obtained a State teaching certificate
Broadcast technicians	23,000	700	Slow employment growth, with most openings resulting from deaths and retirements. Some openings will occur as new radio and television stations open, but laborsaving devices will limit demand.
Draftsmen	327,000	17,900	Skilled draftsmen, especially those with posthigh school training, are *expected to* have favorable employment opportunities.
Engineering and science technicians.	707,000	39,600	Favorable employment opportunities, especially for graduates of postsecondary training programs. Rapid growth will result from industrial expansion and increasing opportunities in the fields of atomic energy, environmental control, and urban development.
Food processing technicians.	4,500	200	Favorable employment opportunities especially for those with posthigh school training in food technology. The demand for convenience foods and the requirements for higher quality and safety standards in food processing will require more technicians.
Surveyors	58,000	2,700	Good employment opportunities especially for those with posthigh school training, because of increased development of land for public, commercial, and residential use.
MECHANIC AND REPAIR OCCUPATIONS			
Telephone Craft Occupations			
Central office craft occupations.	105,000	2,000	Moderate increase in employment as the demand for telephone service grows.

See footnotes at end of table.

OCCUPATIONAL OUTLOOK HANDBOOK IN BRIEF, 1974-75 EDITION *—Continued

Occupation	Estimated employment 1972	Average annual openings[1]	Employment trends and prospects
Central office equipment installers.	30,000	1,200	Moderate employment increase anticipated because of the need to install equipment in new central offices and replace obsolete equipment in existing offices.
Linemen and cable splicers	50,000	700	Because of laborsaving improvements in equipment, employment of linemen is expected to show little or no change.
Telephone servicemen	108,000	2,000	Moderate employment increase due to the growing demand for telephones and private branch exchange (PBX) and automatic switching (CENTREX) systems. Technological advances that have increased the efficiency of servicemen, however, will limit growth.
Other Mechanics and Repairers Occupations			
Air-conditioning, refrigeration, and heating mechanics.	135,000	13,100	Rapid employment growth with most openings for air-conditioning and refrigeration mechanics. Rapid employment growth also or furnace installers and gas burner mechanics, while the number of oil burner mechanics should remain fairly stable.
Appliance servicemen	130,000	6,100	Rapid growth in employment because of the increase in the number and variety of household appliances.
Automobile body repairmen.	161,000	4,100	Moderate employment growth because of the rising number of automobiles damaged in traffic accidents.
Automobile mechanics	727,000	22,300	Moderate employment increase as a result of more automobiles and added features that increase maintenance requirements, such as pollution control devices.
Business machine servicemen.	69,000	3,000	Very rapid employment increase. Opportunities particularly good for those who have training in electronics.
Computer service technicians.	45,000	4,100	Expanding use of computers should result in a very rapid growth in employment
Diesel mechanics	92,000	4,500	Rapid employment increase due to the expansion of industries that are major users of diesel engines.
Dispensing opticians and optical mechanics.	30,000	2,000	Very rapid employment increase due to growth in demand for prescription lenses.
Electric sign servicemen	8,000	500	Anticipated large increase in the number of signs should cause employment to grow very rapidly.
Farm machinery mechanics.	47,000	1,400	Slow employment increase. Trend toward bigger, more mechanized farms and the increased reliability of farm machinery will limit growth.
Industrial machinery repairmen.	430,000	44,000	Rapid employment increase because of the growing amount of factory machinery needing maintenance and repair.
Instrument repairmen	100,000	4,800	Anticipated increase in use of instruments. in such areas as oceanography, pollution monitoring, and medical diagnosis should result in rapid employment increase.
Jewelers	18,000	800	Little or no employment change. While demand for jewelry is growing, most is for costume jewelry which is mass produced and seldom worth repairing. Some opening, however, will arise from deaths and retirements.
Locksmiths	9,200	500	Moderate employment growth in this relatively small occupation. Best opportunities will be for those who can install and service electronic security systems.
Maintenance electricians	260,000	9,800	Moderate employment increase due to the growing amount of electrical and electronic equipment in industry.
Motorcycle mechanics	9,600	800	Rapid employment increase due to the growing popularity of motorcycles, minibikes, and snowmobiles. There may be some seasonal fluctuations in employment because cycling activity increases in summer.
Piano and organ servicemen.	7,000	320	Little growth is expected in the number of piano tuners, piano technicians, and pipe organ technicians. Moderate employment increase for technicians to service electric organs.
Shoe repairmen	30,000	1,200	Slowly declining employment, but some openings will arise from deaths and retirements.
Television and radio service technicians.	144,000	4,400	Moderate employment growth is anticipated because of the gowing number of radios, televisions, phonographs, and other home entertainment products.
Truck mechanics and bus mechanics.	130,000	5,100	Rapid employment increase of truck mechanics, while the number of bus mechanics is not expected to change significantly. In both occupations, many openings will arise from deaths and retirements.
Vending machine mechanics.	29,000	1,500	Rapid employment increase to keep pace with the growing number of vending machines.
Watch repairmen	16,000	700	Little or no change in employment because most watches now made will cost little more to replace than repair. Some openings will result from deaths and retirements.
HEALTH OCCUPATIONS			
Dental assistants	115,000	13,000	Excellent employment prospects for dental assistants especially for graduates of approved training programs.
Dental hygienists	17,000	4,800	Demand for dental hygienists is likely to continue to outstrio supply. Very good opportunities for both full- and part-time workers.
Dental laboratory technicians.	32,000	2,000	Very good employment prospects for experienced technicians. Very favorable opportunities for recent graduates of approved training programs, also.
Dentists	105,000	5,300	Favorable employment opportunities through the mid-1980's. Newly added teaching facilities in dental schools should allow the supply of dentists to approach needs by 1985.
Chiropractors	16,000	1,000	Favorable opportunities. Population growth and inclusion of chiropractic services in many insurance programs are expected to result in a moderate increase in demand.
Optometrists	18,700	900	Favorable employment outlook for this moderately growing occupation. Most openings will result from deaths and retirements.
Physicians and osteopathic physicians.	330,000	19,000	Very good employment opportunities for physicians.
Podiatrists	7,300	400	Favorable opportunities for new graduates to establish their own practices as well as to enter salaried positions.
Veterinarians	26,000	1,400	Favorable employment outlook. Supply is expected to increase more rapidly than in the past, however, because of increased capacity of veterinary schools.
Electrocardiographic technicians.	10,000	900	Very rapid employment growth is expected due to increased use of electrocardiographs in diagnosis and in routine physical checkups.
Electroencephalographic technicians.	3,500	400	A very rapid increase in employment is expected as electroencephalographs become widely used to diagnose brain diseases and monitor patients with brain disorders and those undergoing surgery.
Medical assistants	>200,000	25,000	Excellent employment opportunities due to the very rapid growth in the number of physicians, the principal employers of medical assistants. Graduates of 2-yr college programs will be especially in demand.
Medical laboratory workers.	165,000	13,000	Moderate employment expansion as a result of wide use of laboratory services by physicians.
Medical record technicians and clerks.	47,000	10,500	Very good employment prospects for medical record clerks. Favorable outlook for medical record technicians with an associate degree. Technicians with less education may face competition by 1985.
Operating room technicians.	25,000	(2)	Excellent employment opportunities as operating room technicians increasingly assume more of routine tasks formerly performed by nurses in the operating room.
Optometric assistants	11,000	1,700	Very rapid employment increase due to the growing number of optometrists, the increasing size of their practices, and the trend toward delegating more of the optometrists' technical duties to well-trained assistants. Best opportunities for those who have completed formal training programs.
Radiologic technologists	55,000	6,500	Favorable outlook for both full- and part-time workers due to expansion in the use of X-ray equipment and the growing demand for medical services in general.
Respiratory therapists	17,000	2,000	Very good opportunities for well-qualified respiratory therapists in this rapidly growing new field.
Licensed practical nurses	425,000	70,000	Very good opportunities as health facilities continue to expand and as practical nurses are increasingly utilized to lighten the loads of registered nurses.
Nursing aides, orderlies, and attendants.	900,000	100,000	Very rapid employment rise. Most openings will occur from the need to replace workers who die or retire.
Registered nurses	748,000	75,000	Favorable employment prospects especially for nurses with graduate training seeking positions as teachers and administrators.
Occupational therapists	7,500	1,100	Favorable employment prospects for the growing number of graduates. The success of occupational therapy programs has spurred demand in this field.
Occupational therapy assistants.	6,000	1,200	Very good employment outlook for graduates of approved occupational therapy assistant programs. Anticipated very rapid growth in the occupation also should create many openings for those receiving on-the-job training.

See footnotes at end of table.

OCCUPATIONAL OUTLOOK HANDBOOK IN BRIEF, 1974–75 EDITION*—Continued

Occupation	Estimated employment 1972	Average annual openings [1]	Employment trends and prospects
Physical therapists	18,000	2,200	Favorable employment outlook for the rapidly growing number of new therapists. Increased recognition of the importance of rehabilitation and the growth of nursing homes will result in very rapid employment growth.
Physical therapist assistants and aides.	10,500	2,000	The expected very rapid growth in the field should result in excellent employment opportunities for both assistants and aides.
Speech pathologists and audiologists.	27,000	2,200	Moderate employment increase. Outlook good for those who have completed graduate study. However, opportunities are limited at the bachelor degree level.
Dietitians	33,000	3,100	Rapid employment growth to meet the needs for management in the nutrition and food fields in hospitals and extended care facilities, schools, industrial plants, and commercial eating places.
Hospital administrators	17,000	1,600	Favorable employment prospects for new graduates of programs at the master's degree level in health and hospital administration. Positions will be available for administrative assistants in hospitals, in nursing homes, and other health care facilities.
Medical record administrators.	11,600	1,400	Excellent opportunities for graduates of approved programs for medical record administrators. Increased medical insurance coverage will enable more people to use health facilities, adding to the volume of medical records and the importance of well-administered medical record systems.
Pharmacists	131,000	7,700	Very good outlook due to moderate employment growth and openings from deaths and retirements. Many openings are expected in pharmacies in new communities and through the more extensive use of pharmacists' services in hospitals and clinics.
Sanitarians	17,000	1,600	Very good employment opportunities for sanitarians having a B.S. degree in environmental health especially in private industry. Favorable outlook for those having degrees in life, physical, or environmental science.

SOCIAL SCIENCE OCCUPATIONS

Occupation	Estimated employment 1972	Average annual openings [1]	Employment trends and prospects
Anthropologists	3,600	400	Ph. D.'s may face keen competition for choice professional positions. Persons with a master's degree in anthropology will have very keen competition but may find positions as college instructors.
Economists	36,000	1,500	Economists with master's and doctorate degrees may find keen competition for better jobs in colleges and universities and private industry. Basic research will offer the best opportunities for those with a bachelor's degree.
Geographers	7,500	450	Favorable employment opportunities for geographers with Ph. D. degrees. Those with master's and bachelor's degrees in geography can expect competition for jobs. The largest number of employment opportunities will be in colleges and universities, although some opportunities will be available in environmental quality control, biogeography, and urban planning.
Historians	24,000	1,500	Experienced Ph. D.'s are expected to face keen competition for college teaching. New Ph. D. recipients and those with lesser degrees are likely to face very keen competition. High school teaching positions may be available for those meeting certification requirements.
Political scientists	10,000	500	Ph. D.'s may face considerable competition for choice academic positions. Those with master's degrees are expected to face stiff competition for instructor positions but, with specialized training, may find jobs in government and industry. Limited opportunities for those with only a bachelor's degree.
Sociologists	15,000	1,200	Employment opporitituens for Ph. D.'s are expected to be favorable though they may face some competition for choice academic jobs. Those with master's degrees are likely to face some competition for academic positions, but jobs in government and private industry will be available.

SOCIAL SERVICE OCCUPATIONS

Occupation	Estimated employment 1972	Average annual openings [1]	Employment trends and prospects
College career planning and placement counselors.	3,800	200	Favorable overall outlook for well-qualified workers. Rapid growth may be moderated by financial problems in colleges and universities. Best prospects are in junior and community colleges.
Employment counselors	8,500	800	Favorable opportunities for those with a master's degree or experience in a related field. Employment growth is largely dependent on money from the Federal Government and State allocation of this money to the employment service.
Rehabilitation counselors	16,000	1,700	Favorable opportunities. Those with graduate work have the best prospects. Employment growth depends to a great extent on Federal funding.
School counselors	43,000	2,900	Favorable employment opportunities in the long run due mainly to the Federal Government's career education program. A decline in school enrollments until the late 1970's will moderate immediate growth.
Protestant ministers	325,000	13,000	Keen competition in some denominations. Many members of the clergy, however will find employment in education, social work, and as chaplains with the Armed Forces.
Rabbis	5,800	300	Possible shortage. Growth in Jewish religious affiliation and in the number of synagogues should continue with growing demand for rabbis to work in social welfare and with Jewish affiliated organizations.
Roman Catholic priests	58,500	2,200	Growing number needed. Number of priests ordained insufficient to meet the needs of the growing Catholic population.
Home economists	120,000	9,200	Despite an anticipated slow growth in employment, many job openings will be available due to deaths and retirements. Home economists wishing to teach in high schools may face competition, but those with graduate degrees should find good employment prospects in college and university teachings.
Psychologists	57,000	4,300	Good job outlook for clinical and counseling psychologists. Those wishing to teach or do research in large colleges and universities may face some competition.
Recreation workers	55,000	5,500	Excellent employment opportunities for young people with a bachelor's degree in recreation. There will be many opportunities for part-time work.
Social service aides	100,000	10,000	Very rapid employment growth. Favorable opportunities for part-time work.
Social workers	185,000	17,500	Excellent employment opportunities for those with graduate degrees. Favorable outlook through the 1970's for those with bachelor's degrees although competition may increase in the 1980's.

ART, DESIGN, AND COMMUNICATIONS RELATED OCCUPATIONS

Occupation	Estimated employment 1972	Average annual openings [1]	Employment trends and prospects
Actors and actresses	10,000	800	Aspiring artists are expected to vastly exceed the number of jobs.
Dancers	5,000	500	The number of prospective dancers is expected to greatly exceed the number of jobs. Highly talented ballet dancers should continue to be in short supply, however. Teaching offers the best job opportunities in the field.
Musicians	85,000	5,200	This field is very overcrowded causing keen competition among performers. However, there is always a demand in the symphonic area for musicians of high caliber. Best prospects are in teaching.
Singers	36,000	2,400	The singing field is highly competitive. A few opportunities should result from expanded use of video tape cassettes and cable TV, but the best prospects remain in teaching.
Architects	37,000	3,300	Favorable employment opportunities. Most rapid increases in employment in new areas such as urban redevelopment and environmental design and planning projects. Number of job openings in established architectural firms and opportunities for starting a private practice should grow more slowly.
Commercial artists	60,000	3,400	Favorable employment prospects for those well-qualified. Young people with only average ability and little specialized training should face keen competition and have limited opportunities for advancement.
Displaymen (retail trade)	33,000	2,000	Moderate employment increase.
Floral designers	33,000	2,500	Very rapid employment increase due to rising demand for floral arrangements.
Industrial designers	10,000	400	Those with a degree in designing may face competition from other talented persons with engineering or architectural backgrounds. Employers, however, are expected to actively seek applicants with a design degree and outstanding talent.

See footnotes at end of table.

OCCUPATIONAL OUTLOOK HANDBOOK IN BRIEF, 1974-75 EDITION*—Continued

Occupation	Estimated employment 1972	Average annual openings [1]	Employment trends and prospects
Interior designers	18,000	1,000	Competition for beginning jobs. Best job prospects for talented art school or college graduates majoring in interior design. Those with less talent or without formal training likely to face keen competition.
Landscape architects	12,000	1,100	Favorable employment opportunities for those with professional training. More emphasis on urban and regional environmental planning and a better standard of living for an increasing segment of the population should expand opportunities.
Photographers	77,000	2,750	Good opportunities in the rapidly growing technical fields, such as scientific or industrial photography and photojournalism. Portrait and commercial photographers should face keen competition.
Urban planners	12,000	800	Very good prospects for those with training in city and regional planning. Construction of new cities and towns and urban renewal projects are expected to spur demand for these workers.
COMMUNICATIONS AND RELATED OCCUPATIONS			
Interpreters	600	(3)	Competition should be expected for the limited number of positions. Favorable employment opportunities for only the highly qualified.
Newspaper reporters	39,000	2,600	Favorable employment prospects for young people with exceptional writing talent and ability to handle highly specialized subjects. Newspapers in small towns and suburban areas will offer the most opportunities for beginners.
Radio and television announcers.	21,000	500	Moderate employment increase. Opportunities are likely to be better in radio than in television. Young people will face stiff competition because of the large number of persons interested in this type of work.
Technical writers	20,000	1,100	Favorable opportunities for experienced technical writers and beginners with writing ability, a bachelor's degree, and technical knowledge. Those with the minimum qualifications, however, are likely to face stiff competition.

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[1] Due to growth and death, retirement, and other separations from the labor force. Does not include transfers out of the occupations.

[2] For the Nation as a whole, the projected decrease in employment is expected to be greater than the number of openings resulting from deaths and retirements. However, in some localities the decline in employment may be less than the national average. In such cases, job openings resulting from deaths and retirements may be greater than the decline in employment. In some areas, employment growth may occur.

[3] Estimate not available.

* The occupational titles used here are those contained in the "Occupational Outlook Handbook", which went to press before the Bureau of the Census' occupational classification system was changed to remove titles that denote or connotate sex stereotypes.

DÉTENTE: OR AN INDEPENDENT FOREIGN POLICY

Mr. GOLDWATER. Mr. President, in the past several days our Secretary of State has been sharply critical of those of us who are not overwhelmed or intrigued by the word "détente." I should like to point out that "détente" seems to mean one thing to the Russians while it means something else entirely to us. Frankly, I do not believe that we are even sure of the true meaning of the word. Nevertheless, I have strong feelings about it and would like to discuss it with my colleagues.

The least that national leadership can do for its country is to alert its citizens to the dangers that beset it. Today, however, as the United States enters into the most dangerous period in its entire history we find our foreign policymakers lulling us into foreign policy somnolence with this enduring word—détente. Détente not only tends to divert us from the reality of our situation in the world but as well it represents for us a missed opportunity to relate to certain historic changes that have arisen; to devise foreign policy initiatives essential to our Nation's survival as leader and exemplar in this planet.

At this time I would like to do two things. First, offer you a critique of détente and then, more importantly, give you my analysis of what is happening in this planet and suggest to you a foreign policy concept which is something other than détente because in my opinion, détente is a policy of mortal danger.

We Americans have varied between two quite contrary concepts in our foreign policy. At times we have retreated from the world to isolationism with the cry, "A plague on all your houses." George Washington began it with his warnings about "entangling alliances." On other occasions we have moved into the world with much zeal and energy to save it from itself. I suppose the most total commitment to being the world's savior was as recent as the early sixties when President Kennedy declaimed:

> Let every nation know, whether it wishes us well or ill, that we shall pay any price, bear any burden, meet any hardship, support any friend, oppose any foe, in order to assure the survival and success of liberty.

Although it was hardly necessary, the late President went on to say:

> This much we pledge—and more.

This surely must be an open-ended a commitment as has ever been given by any world leader to the rest of humanity. That it was all a piece of liberal nonsense is less important to us today than the intent. It seems to me that détente falls into the same do-gooding, liberal genre.

We are inclined to forget that it was this liberal wish to "save humanity" that has caused us so much anguish. It involved us in the Vietnam war. We forget that it was liberals in the White House and Defense Department who laid out the incredible "no win" strategy for the Vietnam debacle and it was these same architects whose enthusiasm for the war was unbounded—up until their plans began to fail. Well, we all know the outcome. In Vietnam we suffered our first major defeat in our history and our Nation suffered grievous internal wounds. At this time many Americans sighed for isolationism but others turned to détente. Détente had a nice feeling about it. The Russians were not such bad people after all it was said and there was something uplifting to the liberal heart to see an American President toasting Mao Tse-tung, the leader of 800 million people who was now no longer "ignored." Incidentally, the sponsor of these moves had no such soft motives in mind. President Nixon sought to reassert the first great role of diplomacy—conduct your most skillful and comprehensive diplomacy with your most dangerous adversary. He also sought to exploit the division between Russia and China while at the same time endeavoring to remove some of the danger of nuclear proliferation. These were practical, hardheaded steps and we shall never know where they would have led because Nixon departed from the scene before any design could emerge. It was not Nixon, however, who turned détente into kind of a morality play but U.S. liberal opinionmakers. It was the media primarily and some academics who saw a nice gentlemanly role for the United States in these new approaches to Russia and China. For them this new beautiful, fuzzy, good-fellow feeling of togetherness was soon christened—"détente." Liberals love their illusions and hate the world for its realities; and what were these realities? Let us look at détente from the Soviet side.

In the early 1960's, the Soviet Union also made some reevaluations of their own. We know something about this and I would summarize as follows:

First, as the sixties developed, the Russians surmised that a historical change, an event so beloved as in Marxist theory, was occurring in the West. The West they believed was collapsing from its own internal discords. Free enterprise capitalism was lapsing into enervating welfare statism whose effect would be the sapping rather than the enervating of national fiber. The intellectuals in the West were attacking virtually all the ancient Western institutions ranging from family to church and especially military preparedness. Western leadership seemed to grow weaker while indigenous Communist parties grew stronger. Above all, there was a strange malaise in the young expressed in hostility to old values, derision of elders, apathy, and an enormous, selfish, self-indulgence, especially through drugs. With these forces at the West by posing an overt, discernible threat. If the West offered détente, well, how delightfully coincidental.

The second Soviet point was technology. The Soviets have always needed Western technology. Their economy had developed to a stage where more and more sophisticated technology was needed to fuel further growth. They could not produce this themselves. It could only come from the West and why not? After all, Lenin had once remarked that when the time came to hang the last capitalist, he—the capitalist—would sell the Communists the rope. The third gain sought by the Soviets was that of neutralizing U.S. nuclear power. When the Chinese once proclaimed to the Russians that the United States was a paper tiger, Khrushchev responded:

> Yes, but the paper tiger has atomic teeth.

Thus it was important that the process of decay in the West not be pushed or hurried, otherwise desperation might prompt those atomic teeth to snap. So thus did a rationale arise for nuclear arms limitation.

The Chinese, too, were interested in the new relations with the United States but for another reason, and a very simple reason at that. They were frightened of Russia who by 1968 had deployed more than 40 Soviet Army divisions along the Chinese frontier plus a formidable air force and an arsenal of tactical nuclear weapons.

These hard realities were very different from the conception of détente as expressed in the New York Times or the nightly network news. It all seemed so gentlemanly and progressive to these folk. After all, for any years they and their liberal friends had argued that true progress was for the U.S.S.R. and the United States to "converge." This fashionable doctrine of "convergence" said that as the U.S.S.R. became a little more liberal, the United States would get a little more socialistic until ultimately their systems converged. What was to happen then I am not quite sure but détente seemed to be a manifestation that—in accordance with the liberal interpretation of history—things were getting better. As usual, the liberals were wrong. Détente was not a foreign policy or for that matter even a thought-through conception. It was simply a gigantic horrendous mistake, possible in part brought about by the immobilization of Richard Nixon and certainly brought about by those liberal illusions that have bedevilled our foreign policies for far too long.

But we cannot end the tale here. Out in the rest of the world momentous events were occurring. At times it seemed as if these had no meaning for the United States and its foreign policy architects. The world "south of the Pyranees" is a big world and an important one for the United States. In the changes that are occurring opportunity exists, opportunity for new dimensions in the U.S. foreign policy. But these opportunities were ignored as we sought solace in the narrow confines of détente with the U.S.S.R. Before I outline some of the opportunities that arose, let me briefly give you what I think are some of the changes occurring in the world at large, changes relative to which détente either had little relevance or is again working to our disadvantage.

Again, I shall have to summarize but I see eight significant events all currently underway:

The first is the crumbling of NATO and indeed all of our alliance systems to greater or lesser degree. The situation in NATO is, however, the most significant. In my opinion NATO no longer exists as a unified military alliance capable of implementing a coherent, effective military strategy in the face of a Soviet attack. I further believe that NATO's disintegration will worsen in the years ahead. I have spoken on another occasion as regards NATO's plight and what ought to be the U.S. attitude. Let me quickly summarize here by saying that if it does anything, détente accelerates the European decomposition if for no other reason that the thought of two superpowers making a deal must always be lurking in the European mind.

On the other hand, the notion that détente has lessened the threat to Europe has no basis in fact. The military threat to Europe has subsided simply because at this time Europe is veering toward the Soviets upon its own volition and military force becomes unnecessary to gain that hegemony over Europe which the Soviets have always sought and which I predict will become closer each succeeding year. In this situation, détente is at best irrelevant and at worst a signal to adversary and erstwhile ally that we in the United States will let the Soviets have their way.

The second factor in this new and changing world which we seem so intent on ignoring is what I would call the emergence of new degrees of national selfishness. One element of a technological culture, by which I mean mainly Western culture, is what I would call implosion or a bursting inwards as opposed to a bursting outwards, although explosive forces in technology are also present. Technology is based to a limited degree upon external factors but to an almost total degree upon internal factors. Technology rests upon extensive schooling and other forms of training—upon skills in management and labor—upon research and development—upon commercial systems, transportation systems, banking, marketing and a host of other developments, all of which must be undertaken by the technological culture itself and which is largely independent of others. This turns the technological culture inwards upon itself.

Besides technology, another implosive force is at work. In Europe in particular, a major national preoccupation today is dividing up the national treasury into smaller and smaller slices and this is usually described as welfare. All manner of relationships develop here. Inflation and its attendant ills, wage increases, worker benefits of an increasingly complex variety, jealousies, bargainings, envies, "free" gifts from the State of this and that, outrageous political promises, to mention but some elements. This, too, is decidedly implosive, turning a nation inwards toward its own selfish concerns.

Those two forces; implosion because of technology and implosion because of what is called welfarism, are inducing a new kind of national parochialism and national selfishness. Gunnar Myrdal, a Socialist, warned many, many years ago that this would be one outcome of the welfare state. Then at a time when this planet was calling for greater international give and take we see conditions emerging which induce the very opposite. A nation such as the United States, thrust into a world leadership role must take note of this phenomenon in formulating policies—but I doubt if we can understand the obvious about us.

The third new factor, concomitant with the world change, is economic warfare, especially by those countries holding scarce but necessary raw materials. The OPEC nations are the most significant example but there are many others with commodities and raw materials other than oil. Virtually all of the nations holding these valuable resources are poor and underdeveloped. Their leaders have been influenced primarily by British Socialist thought. The target of their economic warfare is the Western World and Japan. Only opening shots have been fired so far in this new war. Manifestly we in the West do not as yet have a strategy, let alone a tactical plan to deal with yet another new phenomenon.

I hope to have something to say about the development of an appropriate strategy at another time. Suffice for me to say here that it is only through the U.S. leadership can such a strategy be evolved. Until the oil boycott, however, I seriously doubt if U.S. foreign policymakers gave more than lipservice to the economic factors in foreign policy. At the moment our policymakers seem more embarrassed than stimulated by the now all too obvious challenge. Again, détente has nothing to do with this significant development except to obfuscate our perception as to the way the real world is changing.

A fourth factor which again has been overanalyzed, is that of rich nations and poor nations. In Latin America, Africa, the Middle East and in Asia we see perhaps 100 nations all desperately poor and dreaming of being rich but only a tiny fragment of this block has made any progress toward real and significant economic development. All of them are beset by massive social problems. For example, in the cities of this underdeveloped world we find nearly 100 million unemployed, the great bulk of whom are ex-peasants uprooted from their farms and now totally nonproductive. I could go on and enumerate like problems regards land use and tenure, agricultural financing, corruption, overbureaucratization, inflation and endless list of various exploitations. These are the issues moving these peoples today. It has little to do with détente between the United States and the U.S.S.R. but it is nevertheless a massive reality, a newly spawned global anarchy, the outcome of which cannot be foreseen. The U.S. reaction to all this has been our totally inept AID programs, surely as about as pitiful a response to the reality as a human brain could devise. Soon, in yet another speech, I will have further comment on this situation. My point here, however, is the same as before. In this underdeveloped world, this real world of near chaos I find no discernable U.S. response in terms of foreign policy.

My fifth point in this analysis of a world we seem not to recognize is the advent of Marxist leadership on increasing scales especially in underdeveloped nations. I think this feature is readily explainable. It is easiest of all when one seizes power in a nation, especially if you do it by force, to proceed to impose a totalitarian regime. When one shops about for totalitarian creeds to follow there is really only one ready-made candidate, Marxism. These leaders you see emerging in Africa, Asia, the Middle East and Latin America, who proclaim their Marxist and Socialist intents are less indoctrinated puppets than they are self-seeking dictators who find Marxism handy because it gives them a hand-me-down formula to obtain and hold power.

Further, the Marxist deception of substantial rewards for the poor and oppressed is heady stuff for the people who are normally poor and oppressed. The demagogic leaders use the Marxist slogans to excess. Marx no doubt revolves in his grave at this debasement of his grand design and no doubt the Soviet and Chinese theorists have misgivings but these need not prevent utilization by the Soviets and Chinese of particular situations as they arise. Certainly our two adversaries will have many opportunities in the foreseeable future with the Soviets having a distinct advantage because of their rapidly growing sea power. It would seem, therefore, that under the rules of détente, we shall do nothing about such extension of influence.

My real point, however, is that seizing of power by self-proclaimed Marxists will be an increasingly common issue. More and more we shall find ourselves politically isolated from this emerging world even as we cling to the illusion that we are getting along fine with the Soviets.

My sixth point in this analysis is, however, more significant than any other to date. In this world we see emerging of increasingly self-absorbed national states, states in economic warfare, states in all forms of political warfare and with demagogic power seeking leaders, in this world we must expect nuclear proliferation. The technology to build nuclear war heads and concomitant delivery systems can now be readily acquired and the climate of the times is ripe for nuclear acquisition. I expect the 1980's to usher in the second nuclear age—an age when nuclear weapons will be held by not solely the more responsible members of the international community but by the demogogues. It is sad and paradoxical that as we exalt the virtues of SALT the mice are nibbling away at the foundation of international order. Again I ask the question—what impact does détente have on this situation and again my answer is—no impact!

My second to last point is an obvious one and one I have expounded on before; namely, the Sino-Soviet split. This is a big subject and my only comment is to ask how does détente affect this role of the United States in its policy of détente. Détente, with the Soviet Union, should it work, make significant relations with China impossible. We cannot have both. We are likely to end up with neither. As I have said so many times, clear, unambiguous, skillful, comprehensive and forceful diplomatic relations with both these great powers is vital. If we do not have such, we may stumble into war—no doubt under the worst possible circumstances for us—we may allow crass ambitions to well up in our adversaries' minds and we may fail to understand our adversaries real intentions. In almost all respects, diplomacy between adversaries is more important than diplomacy between friends. Why should détente bedevil this as regards one side or the other? For whose gain? Certainly, not ours.

And now I come to my last point in this world analysis and détente and this is my most fundamental point. In this terrible world that I perceive, there is only one nation with the firmness of belief in human liberty and at the same time with the power to resist the forces of totalitarianism and with the ability to proclaim an alternate doctrine. That nation is the United States of America. And now again my question. If this is the charge that history has given us—why détente?

You will have gathered by now that I do not like détente. At best it was an unfortunate choice of a word. At worst it represents a failure on the part of the United States on the one hand to recognize the real intentions of the U.S.S.R. as they pursued détente. On the other it is a failure to adjust our diplomacy to the rapidly changing world beyond the U.S.S.R. At best there is no need for détente. At worst it may have placed us in mortal danger. In between we have obviously ignored the massive changes which have occurred in our planet and whose effects we shall certainly have to face.

Let me now make a suggestion which I will expound upon more fully in a later speech. In the 1960's the United States missed an opportunity, the essence of which runs something like this. The 1960's and early seventies was a time when we could have freed ourselves from "entangling alliances," not to retreat into isolation but to move out into the world untrammelled by alliances that did not work, to move out as a free and independent super-power. A vigorous, forward diplomacy with the U.S.S.R. and China would have been an essential element, not a diplomacy of accommodation as the diplomacy of an unambiguous concept of our role in the world, and the steps we would take to protect the United States interest in such a world. Détente and especially our over-concentration on Vietnam and on Europe inhibited us from clearly seeing the great changes occurring in the world especially the underdeveloped regions. Détente inhibited our development of a policy in the United States interests relative to these new complexities.

CAPTIVE NATIONS WEEK

Mr. BAYH. Mr. President, this week we mark the 17th observance of Captive Nations Week. Since 1959, this commemoration has become an annual renewal of the ideals of freedom and self-expression for all peoples.

Despite adversity, the peoples of the captive nations have upheld a nationalistic spirit and retained an identity with a rich cultural heritage. By our support of Captive Nations Week we show our commitment to the right of all people to pursue political and economic systems of their own choosing.

As the United States approaches the 200th anniversary of our own independence, we must pause and consider the meaning of freedom to those who still long for it. This week in parades and celebrations throughout America we will again witness the bond which ties many of our own citizens—some of whom trace their ancestry to the captive nations—and the people throughout the world who continue to seek freedom.

During the past several years on this occasion, it has been customary to reaffirm our pledge of support for the captive nations' struggle to again realize their self-determination. I sincerely believe that the stirrings of dissent within the Soviet Union at the present time indicate that we are not alone in this conviction.

Let us celebrate Captive Nations Week by reaffirming our continued belief in liberty and our determination to end oppression for all peoples throughout the world.

SELF-DETERMINATION IN THE NORTHERN MARIANA ISLANDS

Mr. FONG. Mr. President, I would like to take this opportunity to present some basic information on the subject of self-determination in the Northern Mariana Islands—a subject which is now before the Congress for its attention and action.

The overwhelmingly favorable plebiscite vote cast for U.S. commonwealth status by the Northern Mariana people in the Trust Territory of the Pacific Islands on June 17 this year was a fulfillment of the freely expressed wish of the leadership and people there for American citizenship and union with this country.

This open act of self-determination marks the successful culmination of a long series of resolutions, referendums, and legislative actions that appealed to the United Nations and to the United States to terminate the U.N. trusteeship and to make the Northern Mariana Islands a U.S. possession or territory.

Thus the June 17 plebiscite, observed by U.N. representatives, was conducted under the terms of the trusteeship agreement of July 18, 1947. On that date, under a joint resolution of Congress, President Truman approved a trusteeship agreement between the United States and the Security Council of the United Nations, placing the Northern Mariana Islands and the rest of the Trust Territory of the Pacific Islands under the international trusteeship system.

Furthermore, Mr. President, I would like to emphasize that independence is not the only way out of non-self-governing status acceptable to the United Nations. Both U.N. Resolution 1541 and the 1970 U.N. declaration on self-determination recognize that—in the process of self-determination—association or integration with an independent nation is considered to be a legitimate alternative in any freely expressed wish of the people concerned. The eligible voters of the Northern Marianas cast 78.8 percent of their ballots in favor of commonwealth relationship with the United States.

Some critics have contended that the United States intends to create a new colony in the Western Pacific. On the contrary, the United States from the outset has promoted the political, social, and economic development of the inhabitants of the Northern Marianas toward self-government by progressively increasing their participation in the administration of their district.

Under the terms of the Northern Marianas Commonwealth Covenant, the people will be self-governing, with their own constitution, and they will enjoy the rights and privileges of American citizenship. These rights and privileges cannot be withdrawn or modified without their express consent.

In conducting the Northern Marianas plebiscite, the United States, as the administering authority, granted to the people of the Marianas the opportunity to freely express their wishes in an act of self-determination.

Mr. President, the Trust Territory of the Pacific Islands was the 11th and last territory to be placed under the U.N. trustee system. The 11 territories were all former mandated areas under the League of Nations. To date, 9 of the 11 have either become independent or have become a part of an independent nation. The 10th, Papua-New Guinea, is scheduled to become independent in September this year.

The Trust Territory of the Pacific Islands will then become the last trusteeship and the United States will be the last administering authority. Therefore, I believe it is entirely appropriate and timely that the Congress take prompt and favorable action on the freely expressed wish of the people of the Northern Mariana Islands to become a part of the United States.

I ask unanimous consent that the applicable articles of the U.N. Charter and the trusteeship agreement as they relate to the legal obligation of the United States to the principle of self-determination and self-government, be printed in the Record, together with the first three articles of the covenant to establish a Commonwealth of the Northern Mariana Islands.

I also ask unanimous consent that the statement of the Honorable Vicente N. Santos, President, Mariana Islands District Legislature, before the House Subcommittee on Territorial and Insular Affairs of the Committee on Interior and Insular Affairs, on July 14, 1975, be printed in the Record. I wish to call special attention to the remarks made by President Santos when he stated the covenant marks the "culmination of 20 years of expressions by the people of the Northern Marianas to achieve a permanent relationship with the United States of America," and that the people's decision to "join the American political family is not a hasty one."

There being no objection, the material was ordered to be printed in the Record, as follows:

Charter of the United Nations

Article 1, paragraph 2, provides that:

"The purposes of the United Nations are:

"2. To develop friendly relations among nations based on respect for the principle of equal rights and self-determination of people, and to take other appropriate measures to strengthen universal peace."

Article 73 provides that:

"Members of the United Nation which have or assume responsibilities for the administration of territories whose peoples have not yet attained a full measure of self-government recognize the principle that the interests of the inhabitants of these territories are paramount, and accept as a sacred trust the obligation to promote to the utmost, within the system of international peace and security established by the present Charter, the well-being of the inhabitants of these territories, and, to this end:

"b. to develop self-government, to take due account of the political aspirations of the peoples, and to assist them in the progressive develoment of their free political institutions, according to the particular circumstances of each territory and its peoples and their varying stages of advancement."

Finally, Article 76 provides that:

"The basic objectives of the trusteeship system, in accordance with the Purposes of the United Nations laid down in Article 1 of the present Charter, shall be:

"b. to promote the political, economic, social, and educational advancement of the inhabitants of the trust territories, and their progressive development towards self-government or independence as may be appropriate to the particular circumstances of each territory and its peoples and the freely expressed wishes of the peoples concerned, and as may be provided by the terms of each trusteeship agreement."

Trusteeship Agreement for the Former Japanese Mandated Islands Approved at the 124th Meeting of the Security Council

Article 6 provides that:

"In discharging its obligations under Article 76(b) of the (United Nations) Charter, the administering authority shall:

"1. foster the development of such political institutions as are suited to the trust territory toward self-government or independence, as may be appropriate to the particular circumstances of the trust territory and its peoples and the freely expressed wishes of the peoples concerned; and to this end shall give to the inhabitants of the trust territory a progressively increasing share in the administrative services of the territory; shall develop their participation in government; shall give due recognition to the customs of the inhabitants in providing a system of law for the territory; and shall take other appropriate measures toward these ends."

Covenant To Establish a Commonwealth of the Northern Mariana Islands in Political Union With the United States of America

Whereas, the Charter of the United Nations and the Trusteeship Agreement between the Security Council of the United Nations and the United States of America guarantee to the people of the Northern Mariana Islands the right freely to express their wishes for self-government or independence; and

Whereas, the United States supports the desire of the people of the Northern Mariana Islands to exercise their inalienable right of self-determination; and

Whereas, the people of the Northern Mariana Islands and the people of the United States share the goals and values found in the American system of government based upon the principles of government by the consent of the governed, individual freedom and democracy; and

Whereas, for over twenty years, the people of the Northern Mariana Islands, through public petition and referendum, have clearly expressed their desire for political union with the United States;

Now, therefore, the Marianas Political Status Commission, being the duly appointed representative of the people of the Northern Mariana Islands, and the Personal Representative of the President of the United States have entered into this Covenant in order to establish a self-governing commonwealth for the Northern Mariana Islands within the American political system and to define the future relationship between the Northern Mariana Islands and the United States. This Covenant will be mutually binding when it is approved by the United States, by the Mariana Islands District Legislature and by the people of the Northern Mariana Islands in a plebiscite, constituting on their part a sovereign act of self-determination.

ARTICLE I.—POLITICAL RELATIONSHIP

Section 101. The Northern Mariana Islands upon termination of the Trusteeship Agreement will become a self-governing commonwealth to be known as the "Commonwealth of the Northern Mariana Islands", in political union with and under the sovereignty of the United States of America.

Section 102. The relations between the Northern Mariana Islands and the United States will be governed by this Covenant which, together with those provisions of the Constitution, treaties and laws of the United States applicable to the Northern Mariana Islands, will be the supreme law of the Northern Mariana Islands.

Section 103. The people of the Northern Mariana Islands will have the right of local self-government and will govern themselves with respect to internal affairs in accordance with a Constitution of their own adoption.

Section 104. The United States will have complete responsibility for and authority with respect to matters relating to foreign affairs and defense affecting the Northern Mariana Islands.

Section 105. The United States may enact legislation in accordance with its constitutional processes which will be applicable to the Northern Mariana Islands, but if such legislation cannot also be made applicable to the several States the Northern Mariana Islands must be specifically named therein for it to become effective in the Northern Mariana Islands. In order to respect the right of self-government guaranteed by this Covenant the United States agrees to limit the exercise of that authority so that the fundamental provisions of this Covenant, namely Articles I, II and III and Sections 501 and 805, may be modified only with the consent of the Government of the United States and the Government of the Northern Mariana Islands.

ARTICLE II.—CONSTITUTION OF THE NORTHERN MARIANA ISLANDS

Section 201. The people of the Northern Mariana Islands will formulate and approve a Constitution and may amend their Constitution pursuant to the procedures provided therein.

Section 202. The Constitution will be submitted to the Government of the United States for approval on the basis of its consistency with this Covenant and those provisions of the Constitution, treaties and laws of the United States to be applicable to the Northern Mariana Islands. The Constitution will be deemed to have been approved six months after its submission to the President on behalf of the Government of the United States unless earlier approved or disapproved. If disapproved the Constitution will be returned and will be resubmitted in accordance with this Section. Amendments to the Constitution may be made by the people of the Northern Mariana Islands without approval by the Government of the United States, but the courts established by the Constitution or laws of the United States will be competent to determine whether the Constitution and subsequent amendments thereto are consistent with this Covenant and with those provisions of the Constitution, treaties and laws of the United States applicable to the Northern Mariana Islands.

Section 203.

(a) The Constitution will provide for a republican form of government with separate executive, legislative and judicial branches, and will contain a bill of rights.

(b) The executive power of the Northern Mariana Islands will be vested in a popularly elected Governor and such other officials as the Constitution or laws of the Northern Mariana Islands may provide.

(c) The legislative power of the Northern Mariana Islands will be vested in a popularly elected legislature and will extend to all rightful subjects of legislation. The Constitution of the Northern Mariana Islands will provide for equal representation for each of the chartered municipalities of the Northern Mariana Islands in one house of a bicameral legislature, notwithstanding other provisions of this Covenant or those provisions of the Constitution or laws of the United States applicable to the Northern Mariana Islands.

(d) The judicial power of the Northern Mariana Islands will be vested in such courts as the Constitution or laws of the Northern Mariana Islands may provide. The Constitution or laws of the Northern Mariana Islands may vest in such courts jurisdiction over all causes in the Northern Mariana Islands over which any court established by the Constitution or laws of the United States does not have exclusive jurisdiction.

Section 204. All members of the legislature of the Northern Mariana Islands and all officers and employees of the Government of the Northern Mariana Islands will take an oath or affirmation to support this Covenant, those provisions of the Constitution, treaties and laws of the United States applicable to the Northern Mariana Islands, and the Constitution and laws of the Northern Mariana Islands.

ARTICLE III.—CITIZENSHIP AND NATIONALITY

Section 301. The following persons and their children under the age of 18 years on the effective date of this section, who are not citizens or nationals of the United States under any other provision of law, and who on that date do not owe allegiance to any foreign state, are declared to be citizens of the United States, except as otherwise provided in Section 302:

(a) all persons born in the Northern Mariana Islands who are citizens of the Trust Territory of the Pacific Islands on the day preceding the effective date of this section, and who on that date are domiciled in the Northern Mariana Islands or in the United States or any territory or possession thereof;

(b) all persons who are citizens of the Trust Territory of the Pacific Islands on the day preceding the effective date of this section, who have been domiciled continuously in the Northern Mariana Islands for at least five years immediately prior to that date, and who, unless underage, registered to vote in elections for the Mariana Islands District Legislature or for any municipal election in the Northern Mariana Islands prior to January 1, 1975; and

(c) all persons domiciled in the Northern Mariana Islands on the day preceding the effective date of this Section, who, although not citizens of the Trust Territory of the Pacific Islands, on that date have been domiciled continuously in the Northern Mariana Islands beginning prior to January 1, 1974.

Section 302. Any person who became a ctizen of the United States solely by virtue of the provisions of Section 301 may within six months after the effective date of that Section or within six months after reaching the age of 18 years, whichever date is the later, become a national but not a citizen of the United States by making a declaration under oath before any court established by the Constitution or laws of the United States or any court of record in the Commonwealth in the form as follows:

"I . . . . being duly sworn, hereby declare my intention to be a national but not a citizen of the United States."

Section 303. All persons born in the Commonwealth on or after the effective date of this Section and subject to the jurisdiction of the United States will be citizens of the United States at birth.

Section 304. Citizens of the Northern Mariana Islands will be entitled to all privileges and immunities of citizens in the several States of the United States.

STATEMENT OF HON. VICENTE N. SANTOS

Mr. Chairman and members of the House Subcommittee on Territorial and Insular Affairs, it is indeed an honor and pleasure for me to appear before you today in behalf of the members of the Mariana Islands District Legislature in support of speedy and favorable Congressional action in the Convenant to Establish the Commonwealth of the Northern Marianas that was executed on February 15, 1975 by Ambassador Franklin Haydn Williams representing the United States of America, and members of the Marianas Political Status Commission, representing the people of the Northern Mariana Islands.

This historic event was a culmination of nearly twenty years of expressions by the people of the Northern Marianas to achieve a permanent relationship with the United States of America.

Beginning with the end of World War II, the basic foundation of democracy was planted in the Marianas by the United States of America. Ever since that time, we in the Northern Marianas have enjoyed the full benefits of a free and democratic society.

Thus, one of the basic obligations of the United States under provisions of the Trusteeship Agreement with the United Nations, which states in part:

> ". . . to promote the political, economic, social and educational advancement of the inhabitants of the Trust Territories, and their progressive development towards self-government or independence as may be appropriate to the particular circumstances of each territory and its people and the freely expressed wishes of the people concerned . . ."

has been fully achieved, and we in the Northern Marianas are fully prepared to accept the responsibility for full internal self-government. This was shown by the 78.8% vote in favor of the Convenant to Establish the Commonwealth of the Northern Marianas on June 17, 1975.

It is important to understand that the expressed desire of our people to become a part of the American political family began soon after the Saipan Municipal Council was established in 1948.

By 1969 the sentiment had grown to the point that, pursuant to a petition of the Mariana Islands District Legislature, a special poll was held on a district-wide basis. This poll set out a series of choices for the people and after full and free discussions all registered voters were asked to cast a secret ballot. The result confirmed the fact that the majority of the people want a permanent association with the United States of America. Since 1969, numerous village town-hall type meetings, particularly during the status negotiations, were held throughout the District and they reconfirm and in fact more strongly indicate the desire of the people for permanent association with the United States. And, of course, the June 17, 1975 plebiscite, under U.N. supervision, confirms this.

In addition, since the creation of the Mariana Islands District Legislature in 1963, the people of the Mariana Islands District have expressed their political desire to become a permanent part of the United States in a series of resolutions:

Resolution 2 (1963) passed on August 5, 1963, requested the United States to conduct a plebiscite on the political future of the Mariana Islands District.

Resolution 3 (1963) also passed on August 5, 1963, requested the United States to reconsider the petition requesting the reunification of the Mariana Islands with Guam.

Resolution 22 (1964), passed on February 10, 1964, requested the Trusteeship Council to reconsider the petition that was enacted by the Saipan Municipal Legislature, relative to the reintegration of the Mariana Islands, directly under the Doctrine of Human Rights, and in consonance with the objective of the United Nations policy in the international Declaration of Human Rights.

Resolution 56 (1965), passed on August 23, 1965, requested the Legislature of the Territory of Guam to request the United States Congress to amend the Organic Act of the Territory of Guam to extend the boundaries of that United States Territory to include the islands of the Mariana Islands District.

Resolution 4 (1967), passed February 10, 1967, requested the Trusteeship Council to urge the Administering Authority to take concrete steps to prepare the people for self-determination and to set a deadline for a plebiscite in the Mariana Islands District.

Resolution 7 (1967), passed on February 10, 1967, requested the Administering Authority to unify the Mariana Islands District with the Territory of Guam as a Territory of the Marianas in consonance with the objective of the United Nations policy under the Declaration of Human Rights.

Resolution 4 (1968), passed on January 19, 1968, requested the Administering Authority to grant United States citizenship to the people of the Mariana Islands District and to permit the reunification of the Mariana Islands District with the Territory of Guam.

Resolution 27 (1969), passed on February 26, 1969, created a Select Committee to continue the study of the reunification of the Mariana Islands District within the governmental framework of the Territory of Guam and of the methods available for bringing about such reunification.

Resolution 13 (1969), passed on August 25, 1969, authorized the President of the Mariana Islands District Legislature to appoint a Plebiscite Committee to hold public meetings throughout the Mariana Islands District to explain to the people the purposes of the district-wide plebiscite to be held in November, 1969.

Resolution 13 (1970), passed on February 18, 1970, requested the Trusteeship Council to effect the immediate reunification of the Mariana Islands District with the Territory of Guam as is envisioned under the Doctrine of Human Rights, and in consonance with the objectives of the United Nations adherence to its International Declaration of Human Rights.

Resolution 12 (1970), passed on August

21, 1970, endorsed the proposal of the Administering Authority to establish a Commonwealth of Micronesia and urged that the Administering Authority submit that Commonwealth proposal to the people of the Mariana Islands District for endorsement and to proceed with its implementation in the Marianas until the people of the other districts are ready to decide their future political status.

Resolution 11 (1970), passed August 20, 1970, extended an invitation to the Administering Authority to meet and discuss with the Mariana Islands District Legislature the proposal to establish a Commonwealth of Micronesia.

Resolution 13 (1970), passed on August 24, 1970, requested the Trusteeship Council to recognize the cultural differences between the districts of the Trust Territory and to allow each district to choose its own political future.

Resolution 30 (1971), passed on February 19, 1971, advised the Security Council and the Trusteeship Council of the United Nations that the Mariana Islands District will secede from the Trust Territory by force of arms if necessary.

District Law No. 3-124 (May 19, 1972), created the Marianas Political Status Commission.

Resolution 76-1975, passed on February 20, 1975, unanimously approved the Covenant on behalf of the District Legislature.

I respectfully request that copies of certain of these resolutions be inserted in the record of these hearings.

Thus, you can clearly see that our decision to join the American political family is not a hasty one. Our untiring devotion towards the fulfillment of our people's dream to be a member of the American political family hopefully will not be in vain.

In the spirit of the understanding reached with representatives of the United States Government, the people of the Northern Marianas have made their choice. While the people of the Northern Marianas have endorsed the Commonwealth Covenant, we fully realize that the final decision is not ours alone to make. Before our hopes, prayers and life-long desires can be realized, this Covenant must be approved by the United States Congress. Hence, our future is in your hands and we respectfully urge your swift and favorable approval of this Covenant.

PROBLEMS WITH FEA'S ENFORCEMENT AND COMPLIANCE PROGRAM CONTINUE

Mr. RIBICOFF. Mr. President, the General Accounting Office seriously criticizes the Federal Energy Administration's project utility in a letter it sent yesterday to Mr. Zarb, Administrator of the agency.

I ask unanimous consent that a copy of the letter be included in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. RIBICOFF. Mr. President, Project Utility is the name the Federal Energy Administration now gives to its investigation of overcharges of utilities.

When the project was first announced on Decmber 11, 1974, FEA officials testified, at hearings held by me on the agency's compliance and enforcement efforts, that the project could result in as much as $100 million in overcharges being returned to consumers. However, the project has actually detected to date only about $1.7 million in overcharges. Furthermore, there is now no assurance that refunds made to utilities will actually be refunded to consumers. At the very least, the Federal Energy Administration must take greater steps to insure that its investigators notify the proper State regulatory agencies when refunds are made to utilities, so that the individual consumer will be sure to get his refund.

The letter from the General Accounting Office also points out that—

An average of only 39 auditors have actually been working on the project at any given time, not the 110 that the Federal Energy Administration has publicly claimed.

The agency's failure to establish clear criteria have caused regional officers to expend over 50 percent of their time on unnecessary audits of reasonably priced fuel purchases.

Poor coordination between regional offices, as well as the complexity of the supplier relationships, inadequate supplier records, and unresolved regulatory questions, have delayed the investigation.

The Federal Energy Administration had completed, by May 16, 1975, only 80 of the 336 investigations planned by it.

It is also very disturbing that project utility, although largely unsuccessful to date, has drawn investigators away from other compliance and enforcement efforts of the agency, such as the producer and refiner audits. The General Accounting Office concludes that this practice has hindered these other compliance activities.

The auditing of refineries and producers must be a very important part of any balanced compliance and enforcement effort. At the hearings I held last December the Federal Energy Administration pledged to have 212 investigators working full-time on the producer audit by June, 1975.

Yet it is my understanding that currently the Agency only has 96 investigators assigned to the producer audit.

The General Accounting Office recommends in its letter that project utility be phased out as a special program, and the audit of sales to utilities integrated into the rest of the Agency's entire enforcement and compliance program.

In short, the letter from the General Accounting Office once again discloses that there are serious and persistent problems with the Federal Energy Administration's enforcement and compliance program.

It is time these enforcement problems were resolved, violations of the pricing rules detected, and overcharges to consumers corrected. The prices consumers must pay for energy is already too high. There is no excuse for adding other illegal charges on top of this.

As chairman of the Government Operations Committee, I will require the Federal Energy Administration to fully explain to me, at a hearing if necessary, what actions the Agency has taken in response to the latest recommendations of the General Accounting Office.

EXHIBIT 1

U.S. GENERAL ACCOUNTING OFFICE,
Washington, D.C., July 15, 1975.

Hon. FRANK ZARB,
Administrator, Federal Energy Administration, Washington, D.C.

DEAR MR. ZARB: Pursuant to your request we surveyed the efforts of the Federal Energy Administration (FEA) to audit fuel oil suppliers of major utility companies (Project Utility). Our review was made at FEA headquarters and at its regional offices in Atlanta, Boston, Dallas, Kansas City, Philadelphia, and San Francisco. We discussed the program with headquarters officials, regional compliance and enforcement directors, and field auditors and reviewed available program documents.

On June 13, 1975, we briefed you and your staff members on the results of our review. This letter summarizes the matters discussed in that briefing.

Specifically we found that:

The effective manpower assigned to the project has been far less than the level reported to FEA headquarters.

Inconsistent auditing among FEA regions has resulted in substantial audit effort in areas unlikely to yield evidence of violations.

Investigations have been delayed because of complex supplier relationships, inadequate supplier records, and poor coordination among FEA regional offices.

Regulatory questions have impeded completion of a number of investigations.

While there has been considerable publicity regarding Project Utility, we found that the amount of violations detected has not justified the emphasis placed on the project. Also, the violations detected have not been unique to the utility area but apply to other fuel suppliers' customers as well.

BACKGROUND

FEA's compliance and enforcement program is aimed at assuring industry comliance with petroleum price regulations established under the Emergency Petroleum Allocation Act of 1973 (87 Stat. 627) and the Federal Energy Administration Act of 1974 (88 Stat. 96). Under FEA's regulations, wholesalers may charge their May 15, 1973, prices, increased dollar for dollar for any additional product costs incurred after that date. Further, when the firms can substantiate increases in nonproduct costs, such as labor or overhead, they are allowed additional price increases.

Historically, FEA's compliance and enforcement program has been directed toward four basic levels of the petroleum industry—producers, refiners, wholesalers, and retailers. As of May 29, 1975, FEA had 727 employees assigned to the program.

FEA's Dallas and Atlanta regional office investigations of wholesalers in mid-1974 indicated that some utilities were being charged excessively high prices for fuel oil. In November 1974 FEA personnel from the Dallas and Atlanta regions and the national office met to discuss the results of the initial efforts. Following the meeting, headquarters compliance and enforcement personnel recommended to the FEA Administrator that a special effort be started to detect overcharges to utilities. The Administrator agreed and on December 11, 1974, FEA issued a press release which stated, in part, the following:

"Federal Energy Administrator John C. Sawhill today announced the immediate kick-off of 'Project Escalator.'[1] A special Federal task force of 30 investigators is being assembled from FEA's current field enforcement staff. They will investigate potentially widespread price-gouging involving sales of fuel oil to public utilities. If violations are widespread as early information indicates, the investigation could result in tens of millions of dollars in overcharges being returned to the consumer.

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[1] The program was subsequently renamed Project Utility.

"* * * 'Our ultimate aim is to get the dollars returned to the consumer in the form of price reductions on future purchases.' "

Also on December 11, 1974, in testimony before the Subcommittee on Reorganization, Research, and International Organizations, Senate Government Operations Committee, an FEA official stated that the project could result in as much as $100 million in overcharges being returned to consumers. Such statements and the widely publicized Jacksonville-Van Fuel case created great interest in the project.

On January 8, 1975, the national office provided regional compliance and enforcement staffs a program guide for use in conducting investigations. The guide stated that each region should select at least two utility companies on the basis of such criteria as market size, amount of fuel oil used, and complaints concerning large increases in customers' bills. At the utilities selected, FEA field investigators were to determine fuel oil prices paid by utilities and fuel oil suppliers' names and locations.

Many fuel-burning utilities[2] obtain supply from a number of fuel wholesalers who in turn obtain fuel from another set of wholesalers. Each set of wholesalers is referred to as a "tier," and there may be three or four wholesaler tiers for each utility. The system by which wholesalers operate between a refiner and a fuel user is generally called a "supply chain." Prices charged by a wholesaler are influenced by prices paid to other wholesalers located in the chain's lower tiers. Complications occur when wholesalers in the chain sell the fuel back and forth among themselves or when wholesaler operates in more than one tier of the chain.

INVESTIGATION PROBLEMS

Manpower

While FEA regions reported—and FEA publicized—that about 110 auditors were assigned to Project Utility, we found that the manpower effectively assigned to the project was far less than the reported level. On the basis of the number of manhours reported by the regions, we computed that, on the average, 39 auditors were effectively assigned to Project Utility from January through mid-May 1975. For the week of May 16, 1975, about 22 auditors were effectively assigned to the project. Reasons for this low manpower level were that (1) some auditors were assigned only part time, (2) regional reporting was inaccurate due to various staffing changes, and (3) auditors returned to other compliance activities while awaiting assistance from other FEA regional auditors.

We also noted workload variations among the regions. For example, during the week of May 16, 1975, the San Francisco region had 1 auditor for every 3 supplier investigations while the Atlanta region had 1 auditor for every 11 supplier investigations.

Assigning auditors to Project Utility has also drained staff from other compliance and enforcement programs. Auditors have been reassigned from producer audits and some auditors of major refiners spend time assisting in investigations when a refinery is involved. In addition, some personnel hired recently to increase manpower at the refinery level have been assigned to Project Utility.

Inconsistent audit practices in FEA regions

Criteria for selecting suppliers for investigation were not incorporated into the January 8, 1975, program guide, and any verbal criteria provided by the national office were not uniformly adopted. This resulted in inconsistent practices among regions and in substantial audit effort in areas unlikely to yield evidence of violations.

Some regions were attempting to investigate all suppliers while other regions were selecting suppliers on the basis of such criteria as the amount of fuel supplied to the utility or the prices charged. In some investigations all of a suppliers' fuel sales to all types of customers were audited, while in others only sales to utilities were audited. When auditors detected violations, some regions immediately expanded the investigation to cover all of the suppliers' fuel sales, while other regions noted the questionable transactions for followup at some unspecified later date.

Such practices have led both FEA national and regional office officials to estimate that over 50 percent of the time spent on Project Utility has involved audits of reasonable priced fuel purchases.

Investigation delays

The complexity of supply chains has been a major problem for FEA auditors. To illustrate the complexity, FEA identified 13 wholesalers providing fuel oil directly to 1 utility. For 1 of those 13 direct suppliers, FEA identified 29 lower tier suppliers. This is a common occurence. Auditing throughout this complex supply chain is extremely time consuming. A simplified supply chain is diagramed in the enclosure.

Brokers who charge a commission for finding fuel oil buyers and sellers may also operate anywhere within these supply chains. Brokers rarely take physical possession of the fuel but merely arrange transactions. In many cases, supplier records, particularly those of brokers, have been inadequate. For example, the only record kept by a Philadelphia broker was in his checkbook.

In other cases, a utility may be located in one FEA region while the utility's supplier is located in another region. In that event, the FEA region where the utility is located requests the other region's assistance. The January 8, 1975, program guide provides that another region's investigation request should be completed within 15 days and returned to the requester.

We found that assistance requests among FEA regions were not being handled promptly. In the 6 regions visited, 90 assistance requests had been made but only 20 had been filled. Many of the unfilled requests had been made as early as January 1975, and FEA auditors did little followup to determine the status of their assistance requests. Since investigations could not be continued or completed until the assistance requests were completed, many audits were suspended. When cases are suspended, auditors return to other projects or investigations.

Regulatory questions

Auditors assigned to Project Utility have encountered some regulatory questions which will have to be resolved before certain cases can be completed.

FEA auditors are not certain that brokers are properly covered by the regulations because their operations are not typical of wholesale operations. Many brokers began operations around the oil embargo period and did not have a May 15, 1973, base price similar to that of other wholesalers.

For these brokers and other wholesalers who began operations after May 1973, some FEA auditors have applied the "nearest comparable outlet" rule to determine the proper base period prices. This rule specifies that the base period price for such wholesalers is the same as that charged by the nearest comparable outlet on the day of the wholesaler's first sale. Regional officials and auditors said it was extremely difficult to find the nearest comparable outlet and that there may not even be such comparable outlets in the case of some brokers. Until the base period prices are established, the auditors have no basis on which to judge the reasonableness of the prices charged.

In addition a number of brokers and wholesalers operated outside the traditional supply chains and were not included in FEA's mandatory allocation program. FEA auditors are uncertain whether these brokers' margins or wholesalers' prices can be questioned if they failed to comply with the allocation regulations.

According to an FEA Office of General Counsel official, brokers are not considered wholesalers or resellers and are not subject to the nearest comparable outlet rule or FEA allocation regulations. The official stated further that a broker is considered an agent of the company which pays his commission and that the commission is considered a nonproduct labor cost. The official stated that the Office of General Counsel intends to prepare a memorandum for FEA auditors explaining the brokers' legal status under FEA regulations.

PROJECT RESULTS

As of May 16, 1975—the date of the latest FEA statistics available at the time of our review—FEA had targeted for investigation 336 suppliers of 48 utilities. Of the 80 investigations that had been completed, only 9 violations totaling about $1.7 million had been detected. Despite the project's focus on utilities, about $600,000, or over 30 percent of the violations, involved fuel users other than utilities, such as railroads or municipalities. Both national and regional officials told us that other bulk customers of fuel oil suppliers are just as likely to be overcharged as utilities. FEA officials estimated that potential violations based on cases in process at the six regions we visited totaled about $5.2 million. While estimates of a few potential violations in the four regions not visited are large, we do not believe the results of the project to date have met initial expectations.

While the project's stated objective was to return dollars to the consumer, regional officials were concerned that refunds might not reach consumers because FEA has had no authority to require the utilities to pass these refunds on to their consumers. These regional officials suggested that they be given authority to notify the public utility commissions or state regulatory agencies when refunds are made to insure that these refunds are passed on to consumers.

CONCLUSIONS

We conclude that:

Premature publicity has created pressure to complete Project Utility.

Other fuel users are just as likely to be overcharged by fuel suppliers as are utilities.

Since FEA has no authority over public utilities there is no assurance that refunds made to them will be returned to consumers.

Poor communication and coordination were evidenced by the varying practices among the regions.

Project Utility has hindered other compliance activities, such as the producer and refiner audits.

We believe that utilities, as well as other major fuel oil purchasers can be used to identify suppliers charging questionable prices for their products. Once such suppliers have been identified, we believe that their transactions with other customers should also be investigated.

RECOMMENDATIONS

We recommend that FEA:

Phase out Project Utility as a special effort. Complete promising investigations and initiate compliance actions within a specified time frame. Any remaining cases should be folded into the wholesale investigations program.

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[2] Utilities typically burn Number 2, 4, 5, and 6 fuel oil and, in some cases, jet fuel.

Return to balanced compliance operations covering producers, refiners, wholesalers, and retailers.

Refine wholesale investigations by implementing more consistent criteria for selecting suppliers and for identifying suspicious transactions. Priorities within the wholesale area should be established; utilities and other major fuel users should be used to identify suppliers for audit.

Promptly inform field auditors of the brokers' proper status under FEA regulations.

As you know, section 236 of the Legislative Reorganization Act of 1970 requires the head of a Federal agency to submit a written statement on actions he has taken on our recommendations to the House and Senate Committees on Government Operations not later than 60 days after the date of the report and to the House and Senate Committees on Appropriations with the agency's first request for appropriations made more than 60 days after the date of the report.

Because of their expressed interest, we are also furnishing copies of this letter to the Subcommittee on Oversight and Investigations, House Committee on Interstate and Foreign Commerce; Subcommittee on Conservation, Energy, and Natural Resources, House Committee on Government Operations; and the Subcommittee on Administrative Practice and Procedure, Senate Committee on the Judiciary.

We wish to compliment your staff, both at headquarters and at the regional offices we visited, for their fine cooperation during this review.

Sincerely yours,

MONTE CANFIELD, Jr.,
Director.

THE WEIGHTING ROOM: LINING UP MAINSTREAM MEDICAL THINKERS TO SERVE ON FEDERAL ADVISORY COMMITTEES

Mr. METCALF. Mr. President, material from the files of the American Medical Association that has been made available in Washington explains in detail the effort of the AMA to develop an elaborate, computer-based system for identifying and recommending physicians for service on Federal advisory committees.

Anyone who might still doubt that advisory committees can wield enormous influence should consider this statement of background in the final report on the candidate-selection project to the AMA from its consultant:

> Historically, AMA has been recommending physicians and laymen ot the Federal Government for membership consideration to health-oriented Federal advisory boards, commissions and committees. The impact of the advisory bodies is felt by the Nation. Such bodies not only influence the development of Federal health policies and program regulation but they also influence the distribution of health grant funds which affect the investment in various health trends, programs, etc. It is, therefore, vital that the views of AMA be represented in the Executive Branch's deliberations on health care policy. AMA representation on the Federal advisory commissions, especially health-oriented advisory bodies, through the placement of AMA candidates on such bodies provides this vital link. Simultaneously, AMA can provide physicians the opportunity to participate in governmental activities.

In developing a method for accurately evaluating "the subjective qualifications, that is, philosophy, character, credibility, and so forth, of some 330,000 physicians," according to the report the approach was to identify all reliable sources with knowledge of a large segment of the entire physician population. It continues:

> The State Medical Societies were identified as a prime source for evaluating physicians. Each State Medical Society would participate in rating the practicing physicians in their state according to first or second-hand knowledge of the medical qualifications, "mainstream" of medical thinking, etc. By utilizing the State Medical Societies as evaluators, AMA can build subjective data on physicians.

About careful screening, it was found that 315 Federal advisory committees were "of sufficient interest to AMA for the purpose of recommending physicians to membership on these bodies." Later, this number was distilled to "44 boards that are of immediate interest to AMA." Here are some of the advisory committees of interest to AMA—although it is not known whether these are from the final reduced list or one of the earlier, longer lists:

National Institutes of Health—National Advisory Allied Health Professions Council; National Advisory Council on Health Professions Education.

Office of Education—Advisory Committee on Accreditation and Institutional Eligibility; Advisory Council on Developing Institutions; National Advisory Council on Supplementary Centers and Services.

Social and Rehabilitation Service—Medical Assistance Advisory Council.

Environmental Protection Agency—President's Air Quality Advisory Board; Environmental Radiation Exposure Advisory Committee.

Social Security Administration—Health Insurance Benefits Advisory Council.

Interestingly, the entry for the Health Insurance Benefits Advisory Council carries the notation, "Physician with experience in health insurance; highly political; high credibility; perserverance; medical leadership representing the practicing physician."

Mr. President, as chairman of the Subcommittee on Reports, Accounting and Management, which has oversight responsibility for advisory committees, I think this material—made available by an anonymous former AMA employee, dubbed "Sore Throat"—make fascinating reading. It explains why the AMA saw health-oriented advisory committee activities as a high-stakes game and how it proposed to win a permanent seat at the table.

I request unanimous consent that an article from the New York Times of June 29 on the AMA project be printed in the RECORD, as well as the bulk of the AMA consultant's report and some related correspondence—which has been edited to exclude illegible, redundant or technical material.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the New York Times, June 29, 1975]

A.M.A. DEVELOPS REFERRAL SYSTEM TO PUT DOCTORS ON U.S. HEALTH ADVISORY PANELS

(By David Burnham)

WASHINGTON, June 28.—The American Medical Association has developed an elaborate referral system designed to channel onto 315 Federal health advisory panels doctors who agree with the philosophy of the association.

The advisory panels, which offer policy and technical guidance to the Department of Health, Education, and Welfare, sometimes play an important role in Government decisions affecting both the professional and economic interests of doctors and the health of the public.

The existence of the referral system became known after the distribution to several Washington newsmen of a series of internal documents written by A.M.A. staff officials and executives of Arthur Young & Co., a national consulting concern that worked on the system.

A spokesman for the A.M.A., in response to an inquiry, defended the referral system as helpful to the Government. But the documents indicate the association went to considerable lengths to keep its existence a secret even from its own members.

F. P. Rocco, a member of the consulting concern's Washington office, informed the Kansas City branch that the A.M.A. considered the development of the referral system "highly sensitive." He added, "Consequently we at their request and as a condition for receiving this assignment, have placed all files in a 'confidential' category and have limited access to it on a 'need-to-know' basis."

In another document a company official said, "It is strongly urged that all steps be taken to maintain a high security level on the nature and details of this system."

"It is unlikely," the official went on to explain, "that should such information become publicly known it would be properly understood by the Federal Government, A.M.A. members and the general population."

The consultant concern said that out of a total of 1,104 Federal advisory bodies in the Federal Government, the A.M.A. had decided to concentrate on 315 of the 355 such groups operating under the jurisdiction of H.E.W. The 315 committes, the report said, had a membership of approximately 3,500 individuals, with one-fourth terminating each year.

The consulting concern said the advisory panels "not only influence the development of Federal health policies and program regulations but they also influence the distribution of health grants, funds which affect the investment in various health, trends, programs, etc." It is, therefore, vital that the views of the A.M.A. be represented in the executive branch's deliberations on health care policy."

The purpose of the referral system, the report explained, was to make a "detailed search for a few 'ideal' physicians out of a total of 330,000 physicians in the country, or less than one one-hundredths of 1 per cent to be recommended for each advisory committee."

To make sure the physicians recommended by the A.M.A. for appointment followed the association philosophy, the consultant report said state medical societies would be used as a prime source for evaluating them. It continued:

"Each state medical society would participate in rating the practicing physicians in their state according to first or second hand knowledge of the medical qualifications, 'mainstream' of medical thinking, etc."

"By utilizing the state medical societies as evaluators, A.M.A. can build subjective data on physicians. Well-known A.M.A. members and the entire in-house A.M.A. staff are other sources for subjective data. These groups maintain frequent contact with numerous physicians throughout the nation and should be called upon to comment on the qualifications of the selected physicians, especially of those physicians selected for the powerful policymaking commissions."

The report defined "subjective data" as including measurements of the "individual's maturity, civic involvement, medical and political philosophy, activities which combine professional and nonprofessional * * *.

The original A.M.A. plan called for the vacancies on advisory panels and the selection of candidates to be accomplished on the association's computer. After paying Young & Co. at least $30,638.00 to develop the computer plan, the A.M.A. decided it would be too expensive and adopted a conventional filing system.

ARTHUR YOUNG & CO.,
Washington, D.C., January 20, 1972.

Mr. WHALEN M. STROBHAR,
Director of Public Affairs Division, American Medical Association, Chicago, Ill.

DEAR MR. STROBHAR: The following describes the nature, objectives and costs associated with our project to Develop a System to Assist in the Recruitment and Placement of Physicians on Key Medical Posts.

While the specific tasks of the project are detailed in our work plan dated December 13, 1971, this statement covers not only the work plan objectives but several other points which have been discussed subsequent to our initiating the project.

Arthur Young & Company agrees to the following:

1. Objectives—

(1) Development of a Retrieval System.

Arthur Young & Company agrees to design, develop and implement a retrieval system for the purpose of facilitatiing the process of recommending AMA members, non-members and non-physicians (based on AMA's current files) to Federal Boards and Commissions. It is understood that this specific project is based on Task 8 of Phase II of Arthur Young & Company's original proposal to AMA dated and delivered to AMA September 10, 1971, which deal with the design of an overall system for recruiting physicians into key full-time federal policy making medical posts, as well as Boards and Commissions.

(2) Specific Objectives.

In order to carry out the objectives of this project, Arthur Young & Company agrees as follows:

To completely review the goals and policies of the AMA for member participation in Boards and Commissions.

To ascertain the completeness of the AMA's current list of Boards and Commissions of interest.

To fully analyze and categorize requirements for Boards and Commissions.

To assess the AMA's current data handling and storage capabilities.

To design a surveillance system to alert the Public Affairs Division of current and future Board and Commission vacancies.

To develop an optimal candidate selection cycle which will assure the timely evaluation and recommendation by the AMA of qualified AMA members to Federal Boards and Commissions.

2. Detailed Statement of Work—

(1) General Work Plan.

It is understood that Task 8 will be performed by Arthur Young & Company in 15 separate but related subtasks as per work plan of December 13, 1971.

Our fee and expenses for this design of the system will not exceed $38,880. This figure is based on the AMA providing the required services of both systems and computer staff and time.

I hope this meets with your request, however, I'll be happy to make appropriate changes.

Yours very truly,
FRANK P. ROCCO.

ARTHUR YOUNG & CO.,
Washington, D.C., January 22, 1972.

Mr. WHALEN M. STROBHAR,
Director of Public Affairs Division, American Medical Association, Chicago, Ill.

DEAR MR. STROBHAR: The study team has performed its initial analysis of requirements of serving on boards and commissions. At a later date, we will report on the specific requirements for each Federal Advisory body of interest to the AMA.

On the basis of our review to date we have determined some general search requirements (and hence they become computer retrieval attributes) and these are shown below for your review:

Category I—Federally Determined Criteria ("Must Requirements"):

1. Primary Specialty
2. Secondary Specialty
3. Professional Activity
4. Professional Activity (if more than one)

Category II—Federally Determined Criteria ("Desirable Requirements"):

As per each board and commission and depending on availability of candidate information (e.g., planning experience, previous board/commission involvement, etc.).

Category III—AMA Determined Criteria:

1. Age
2. Geographic Location
3. Minority Affiliation (ethnic, sex, etc.)
4. Political affiliation
5. Prevailing Medical Philosophy
6. Evaluation by State/County Medical Society

I would appreciate having your evaluation of these criteria at your earliest convenience.

Very truly yours,
FRANK P. ROCCO.

KANSAS CITY, KANS.,
January 20, 1972.

REQUEST FOR PROPOSAL

Mr. D. H. KING,
Washington, D.C.

DEAR DON: Would you please send me a copy of the proposal to the American Medical Association, No. 801, as listed in the New MS Engagements Report for December 1971.

Thanks, and
Best regards,
JOHN EVERS.

ARTHUR YOUNG & CO.,
January 24, 1972.

To: Kansas City Office,
J. H. Evers
From: Washington Ms,
F. P. Rocco

DEAR JOHN: The American Medical Association proposal No. 805 deals with a manpower topic which the AMA considers to be highly sensitive. Consequently, we, at their request and as a condition for receiving the assignment, have placed all files in a "confidential" category and have limited the access to it on a "need-to-know" basis. I would however be happy to discuss with you its general intent and approach or to assist you in any way I can on a related project.

ARTHUR YOUNG & CO.,
January 27, 1972.

To: AMA Clent File.
From: F. P. Rocco.
Subject: Final Presentation to American Medical Association on Manpower Project.

1. Present at the meeting in Chicago on 22 November 1972 were.

W. Strobhar, T. Chilcoat, D. Foy, R. Enloe, J. Ingleberry, W. King, J. Haug, C. Theodore.

2. Final presentation made on study results.

3. AMA has formed an implementation group (as recommended by AY) to put study's recommendations into effect. The group had its first meeting and reviewed and discussed specific recommendations. Minor difficulties were raised and solved by the group. AY will meet with this group several times and then slowly back off, leaving the group to carry out the implementation (after we are assured there are no unforeseen problems).

4. They wish us to present our Final Report to the Board of Trustees.

5. They have asked me to prepare an implementation proposal for potential future involvement.

AMERICAN MEDICAL ASSOCIATION FINAL REPORT—JUNE 1972

(Prepared by Arthur Young & Co.)

I. INTRODUCTION

The purpose of this report is to present Arthur Young & Company's activities, findings and recommendations involved in the design and implementation of a retrieval system for the effective selection of AMA candidates for recommendation to Federal Advisory Boards and Commissions. This project covers Task 8 of Phase II of our original proposal presented to AMA on September 10, 1971, which involved the design of an overall system for recruiting physicians into key fulltime federal policy making posts, as well as Boards and Commissions. Due to the immediate needs of AMA, the decision was made to concentrate on designing a retrieval system for only Boards and Commissions at this time.

Acting in response to AMA's request, Arthur Young & Company contracted to perform this study. The project was initiated in mid-December 1971 and was scheduled for completion at the end of March. However, due to computer scheduling problems, the completion date was advanced to the end of April.

On April 26, 1972, Arthur Young & Company presented our major findings to the Candidate Selection Committee. These findings and our recommendations based on these findings were accepted and approved.

This final report describes in detail the retrieval system developed. The system has been implemented on a manual basis and we have recommended steps for its conversion to an automated system when new computer facilities are available. We anticipate at this time that the conversion will be completed within the next year and one-half. Section III.3 provides further details on these EDP recommendations.

This report includes the following appendices:

Boards/Commissions Functional Requirements,

Temporary Board/Commission Surveillance Vacancy Alert System—Procedures Manual,

Project Work Plan.

These appendices provide indepth information on how the personnel system operates and the composition and description of the Federal Advisory Bodies.

1. Background

Historically, AMA has been recommending physicians and laymen to the Federal Government for membership consideration to health-oriented Federal Advisory Boards, Commissions and Committees. The impact of the advisory bodies is felt by the Nation. Such bodies not only influence the development of Federal health policies and program regulation but they also influence the distribution of health grant funds which affect the investment in various health trends, programs, etc. It is, therefore, vital that the views of AMA be represented in the Executive Branch's deliberations on health care policy. AMA representation on the Federal Advisory Commissions, especially health-oriented advisory bodies, through the placement of AMA candidates on such bodies provides this vital link. Simultaneously, AMA can provide physicians the opportunity to participate in governmental activities.

With the constant and considerable growth in the last few years of Federal Advisory bodies, AMA recognized the need for systematized procedure which would facilitate the effective selection and recommendation of

AMA candidates to health-oriented advisory bodies and which would ensure the full consideration of all physicians by AMA. Consequently, Arthur Young & Company was engaged to study AMA's current procedures and design a system that would accomplish these prime objectives.

2. Primary objectives

The primary objective of this project was to design a system for immediate implementation to assist AMA in effectively recommending individuals to a large number of health-oriented Federal Advisory Boards and Commissions. The fulfillment of this objective was based upon meeting the following subobjectives:

Review Overall Policies, Aims and Goals of AMA:

In order to establish a clear understanding of the current and future objectives of the study, it was essential to review with AMA their management and philosophical objectives.

Determine Boards and Commissions of Interest to AMA:

AMA's prime purpose for effectively placing candidates on Boards and Commissions is to represent the health industry in policy-making. Therefore, one of the subobjectives was to determine which of the 1724 boards and commissions were involved in health policy-making decisions.

Analyze AMA's Current Selection Procedure:

The purpose of this subobjective was to determine if AMA's current selection procedures could be systematized to handle the anticipated volume of vacancies on health care and health-oriented boards and commissions.

Assess AMA's Current Computer Capabilities:

Since AMA's computer facilities had never been employed to retrieve candidates for federal advisory bodies, one of our prime subobjectives was to determine the computer capabilities early in the project in order to design a viable system utilizing the current facilities.

Design Optimal Candidate Selection System:

The purpose of this subobjective was to design a candidate selection system capable of examining the entire physician population and retrieving the most qualified physicians for each appropriate board/commission. (The manual system allows for selection of laymen.)

Develop Monitoring Capability to Ensure Action Completion:

The purpose of this subobjective was to design a set of internal controls to ensure timely completion of all phases of the candidate selection system.

The subobjectives defined above encompass the total project objectives. This report represents the fulfillment of these objectives.

3. Factors affecting our approach

The choice of the specific methodology employed in the conduct of this study was dependent on and followed the consideration of several factors summarized below.

Project Confidentiality:

Although all of Arthur Young Company client projects are conducted in a confidential manner, strong consideration was given to extreme measures for maintenance of security on this project. This factor stems from recent public criticisms of AMA's involvement in recommending physicians to serve on Federal Advisory Committees and because of the general environment of the Federal Government and the susceptibility of any interest group which operates within it.

Availability of Data on Federal Advisory Boards/Commissions:

The efficacy of a system designed to retrieve candidates meeting requirements of advisory bodies would depend on the adequacy and accuracy of data obtained on such bodies. It was considered critical at the outset to have a high probability of acquiring accurate information in order to match the candidate qualifications to the committee qualifications.

Cooperation of the Federal Government:

Another major factor affecting our approach was the degree to which we would obtain cooperation from the Federal Government. High cooperation was essential to our obtaining not only currently available information but information on expected changes in the make up of advisory bodies.

Capability of AMA Computer and Subsequent Modifications:

Any system design proposed will depend to a great extent on the nature and capabilities of the AMA's current computer facility. In addition, another major ingredient of this factor was the projected capabilities resulting from additions and modifications. These aspects were a basic concern to the Project Team, and were taken into consideration in the proposed system.

Timing and Organizational Requirements of the Potential Candidate Selection System:

Because the basic process of identifying and recommending candidates is time consuming, requiring the cooperation of a variety of AMA organizational units, it was essential for the Project Team to consider both timing and organizational considerations.

Availability of the Candidate Selection Committee:

A prime factor in viewing the entire retrieval and selection system was the key role to be played by the Candidate Selection Committee, the ultimate decision making body. The availability of this group to review information and to effect decisions was a major project variable.

Together these factors provided a problem—solution definition of the system to be developed and assisted in shaping our approach to this study.

4. Methodology and Approach Employed

In this portion we describe the highlights of our approach and methodology employed to accomplish the goals of this project. The specific task activities are detailed in our work plan which is provided in the appendices.

(1) Establish a Steering Committee.—

Our initial approach was to establish a Steering Committee comprised of AMA and Arthur Young & Company staff for the purpose of project coordination and communication. The members of the committee consisted of:

Whalen Strobhar—AMA
Dave Powers—AMA
Theodore L. Chilcott, Jr.—AMA
Paul Donclan—AMA
Frank P. Rocco—Arthur Young & Company
Clint Alston—Arthur Young & Company
Randy Kurkjian—Arthur Young & Company
Patricia Carlile—Arthur Young & Company

These individuals met periodically during the life of the project to review the progress of the engagement and to ensure that the objectives were being met. Interim progress reports were prepared and distributed at these meetings.

(2) Review AMA's Current Candidate Selection Procedure—

Another aspect of our approach was to AMA's current candidate selection procedure to assess its effectiveness and areas for improvement. After several meetings with the AMA staff, we conceptualized a flow chart on the existing AMA system. This basic concept became the focal point for our design of the new candidate selection system. We would like to emphasize that this new candidate selection system currently being implemented is not a wholly new system; but rather a considerable upgrading of the existing system. Thus, our invention was to convert the existing selection concepts into a highly effective system.

(3) Review AMA's Computer Facilities—

In the early phase of the project, our technical specialists met with the AMA computer staff in Chicago to review the data processing capabilities. From these meetings, the project team determined that the equipment was capable of retrieving appropriate physician data and that the existing files contained adequate data to implement a candidate retrieval system. The retrieval system was developed around the existing computer facilities and data banks.

(4) Research and Analyze Federal Boards/Commissions Data—

A major portion of this project was concentrated on the research and analyses of the Federal Advisory bodies. Early in the project, liaison was established with the Office of Management and Budget (OMB) and the Office of the Secretary at the Department of Health, Education and Welfare (OS). During meetings between the Project Team and officials of these organizations, the confidentiality of the client and the true purpose of the study was at all times maintained by broadening the discussion at least initially to all Federal Advisory bodies rather than to only health-oriented ones. Both the OMB and OS were found to be most cooperative in providing the project team with important information. Details of the results of these meetings are located in Section III.4.

(5) Develop Search Criteria—

The intensive research and analysis, mentioned above, provided the project team with the essential data with which to develop candidate search criteria for all advisory bodies. After a careful review of these boards, and commissions' requirements and examination of the physician data, an initial set of general search criteria was developed. The project team subsequently reviewed these findings with several members of the AMA Washington, D.C. staff (Dr. Eugene V. Jobe and Dr. Albert E. Gunn) to further define and amplify the initial set of search criteria.

(6) Perform Trial Run of Retrieval System—

Once the search criteria was refined, our project team again met with AMA's computer personnel to test the effectiveness of the retrieval system. The process involved retrieving physician names and their curriculum vitae from the master Physician Records File. After several trial runs, it was ascertained that the system was capable of effectively retrieving an optimal number of qualified individuals for recommendations to Federal Advisory Boards.

(7) Develop Physician Evaluation Procedures—

Our approach towards the development of a method for accurately evaluating the subjective qualifications, i.e., philosophy, character, credibility, etc., of some 330,000 physicians was to identify all reliable sources with knowledge of a large segment of the entire physician population.

The State Medical Societies were identified as a prime source for evaluating physicians. Each State Medical Society would participate in rating the practicing physicians in their state according to first or second-hand knowledge of the medical qualifications, "mainstream" of medical thinking, etc. By utilizing the State Medical Societies as evaluators, AMA can build subjective data on physicians.

Well-known AMA members and the entire in-house AMA staff are other sources for subjective data. These groups maintain frequent contact with numerous physicians throughout the Nations and should be called upon to comment on the qualifications of the selected physicians, especially of those physicians selected for the powerful policy-making commissions.

(8) Develop Monitoring Systems—

In order to ensure timely completion of all phases of the candidate selection system, a monitoring system was designed. The approach we used in the development of this system was to convert each step in the highly complex candidate selection system into simplified follow-up actions. The monitoring system is explained in Section III.5.

5. Review of proposal work plan

In this section we summarize the key elements of the original work plan which was followed in the conduct of this project leading to the development of a new Candidate Selection System. The detailed work plan is enclosed in the appendix.

The work plan was based on the achievement of 5 major objectives:

To completely review the goals and policies of the AMA for member participation in Boards and Commissions.

To ascertain the completeness of the AMA's current list of Boards and Commissions of interest.

To fully analyze and categorize requirements for Boards and Commissions.

To assess the AMA's current data handling and storage capabilities.

To design a surveillance system to alert the Public Affairs Division of current and future Board and Commission vacancies.

To develop an optimal candidate selection cycle which will assure the timely evaluation and recommendation by the AMA or qualified AMA members to Federal Boards and Commissions.

The work plan consisted of 15 related subtasks . . .

* * * * *

II. SUMMARY OF RESULTS

In this section of the report we summarize the basic elements of the entire report including the project's goals, background and the findings and recommendations of the Project Team.

1. Background

This project was undertaken to assist the American Medical Association in developing a computer-based system for identifying and recommending highly qualified individual, primarily physicians, for appropriate federal health policy making bodies.

Specifically, such a system would provide the Public Affairs Division with timely information (on vacancies and on physicians) with which to assist the Candidate Selection Committee of the Board of Trustees in their ultimate evaluation and selection deliberations.

2. Basic results

There were 315 federal advisory bodies identified as being of sufficient interest to AMA for the purpose of recommending physicians to membership on these bodies.

Procedures were developed to facilitate the accomplishment of each 15 separate actions required to develop effective recommendations for each of 315 committees.

A three-stage developmental process has been designed to convert from the AMA's current selection system to, with limited capabilities, an ultimate, automated search and retrieval system capable of satisfying the requirements for 315 advisory bodies.

Suggested time tables were outlined for accomplishing the necessary tasks to achieve the ultimate system.

Possible assignments of responsibilities were set forth for directing and accomplishing major tasks.

3. Recommendations

The Project Team recommends:

That an interim system (partially manual and partially computerized) be implemented immediately.

That plans be developed and carried out to construct and make operational a fully automated system.

That an ad hoc organization be created to oversee the coordination, development and administration of this system.

That an annual budget be appropriated to develop, operate and maintain the system.

In addition, the project team suggests that the scope of the system be expanded to include searching for full-time federal posts and health advisory body membership at the state and local governments level.

In order to maximize placement of physicians on federal advisory bodies, AMA should maintain the confidential nature of the candidate selection system. Security measures should be developed and enforced.

* * * * *

The primary purpose of the Candidate Selection System is to have the means for the coordination of all activities required for the timely and effective selection, evaluation, and recommendation of the most qualified physicians and laymen for Federal Advisory bodies dealing with policies affecting American medicine.

Specific goals

In the pursuit of this overall purpose, several subordinate goals become evident:

To promote more participation of the medical community in Federal medical policy making.

To assure that the mainstream of medical practice and thinking receives an effective audience within the Executive Branch.

To assure that physicians in general private practice are afforded direct opportunities to participate on Federal Advisory bodies.

To assist in evaluating the overall efficacy and competency of medically-oriented Federal Advisory bodies.

Action targets

In achieving these goals, the following action targets will be required:

To develop an effective mechanism for the search and identification of qualified candidates from the existing data bank.

To develop and include, where appropriate, additional biographical and attitudinal information on individuals in the data bank.

To initiate an efficient review and evaluation procedure of prospective candidates.

To develop an effective referral and follow-up system for candidates.

To maintain current data on requirements for current and new Federal Advisory bodies . . .

* * * * *

(1) Background of the need for EDP

Although AMA has always attempted to be responsive to Federal agencies by recommending the names of physician candidates best suited to specific committees, there are three major obstacles to responding successfully: the proliferation of boards, commissions and committees; the wide range of medical and allied scientific specialties and expertise needed for membership; and the need to search through a potential roster of over 330,000 physicians, makes the task of identifying suitable candidates an almost impossible manual operation.

Our review of the overall requirements of this operation indicates that it is highly amenable to data processing approaches. Through data processing it is possible to perform a considerable portion of the initial screening operations. The final choice of candidates must, obviously, remain the prerogative of the Candidate Selection Committee of the American Medical Association.

(2) Current data processing capabilities

There are three general criteria which must be met in order to effectively adapt the Candidate Selection Cycle to data processing handling.

First, a detailed description of the candidate qualifications required by the boards and commissions must be clearly stated as a basis for undertaking a search;

Second, complete physical data including personal, educational, professional and work history must be available in detail to perform as complete a match to the above qualifications as possible; and

Third, electronic data processing machine capabilities for performing the necessary search, screening and retrieval procedures as well as attendant housekeeping functions of file update, reports preparation, etc., must also be available.

Presently, the second and third criteria, discussed above, are to a considerable extent met by the data processing capabilities of AMA. These capabilities, furthermore, are in the process of being considerably upgraded.

Our immediate effort was directed towards meeting two objectives:

Determine the candidate qualifications of the 44 boards that are of immediate interest to AMA and refine these qualifications as a basis for candidate screening, eventually extending the effort to define the qualifications of candidates for all the commissions and boards which have been identified to date.

Develop a computer-based system utilizing the existing and planned capabilities including the M.D. Master Record data base for purposes of meeting the immediate need for selecting candidates to fill the vacancies on the 44 Federal Advisory Boards when such vacancies occur.

Following this, effort was directed towards developing a system which provides a wider spectrum of capabilities in matching candidacy qualifications to physician qualifications, and the search, retrieval and screening of candidates sufficient in advance of the vacancy date for all the public advisory boards of interest to AMA within the 1100 so far identified. Once the annual cycle has been accomplished, the candidate qualifications will include a list much more comprehensive in both objective and subjective criteria than the present list. This will necessitate a corresponding enhancement of the physician's file as the physician data is received from the various sources.

In developing the specification of the new system present plans of AMA in upgrading the data processing system were taken into consideration.

(3) Interim Candidate Selection System (ICSS)

This effort deals with the design of an interim system for the retrieval of candidate names using, to the extent possible, the existing data processing capabilities. A series of discrete tasks were undertaken to determine the nature and scope of the Interim Candidate Selection System (ICSS). The immediate objective was to design a system combining both manual and automated approaches to meet the specific candidate selection needs of the 44 Public Advisory Boards of immediate interest to AMA. To reduce possible delays in getting such a system going, it was decided to utilize the existing data processing capabilities of AMA without imposing any additional requirements which may necessitate changes in the existing EDP environment.

These series of tasks consisted of:

Definition of requirements of the Federal Advisory Boards to determine candidate qualifications selection criteria.

Review of the existing AMA EDP capabilities to determine the extent to which these capabilities meet the requirements.

Design the ICSS.

Implement the ICSS.

Each of these tasks are described below.

Define the Qualifications Requirements of the Public Advisory Boards.

Descriptions provided by the Department of Health, Education, and Welfare were reviewed. The list of 44 Public Advisory Boards supplied by AMA was reduced to 26. The review indicated that 18 of the 44 boards were either extant or inactive. Where necessary the applicable law authorizing the Public Advisory Committee was also reviewed to determine as precisely as possible the candidate qualifications.

The qualifications of membership in each committee were described in terms of the medical specialty and type of practice (TOP). The number of medical specialties is limited to three—primary, secondary and tertiary. The TOP is limited to one. In cases where a present employment (PE) combination is applicable, the qualification is stated in terms of the TOP/PE combination.

In assigning the specialty codes the list of codes used included the 9XX series of codes which supplements the PPA 63 designated specialty codes.

The list of the initial committees of interest to AMA and the candidate qualifications are shown in Exhibit V on the next page. . . .

* * * * *

PHYSICIAN MASTER RECORD DATA ELEMENTS

Medical Education Number: a. state or county of medical education; b. medical school of graduation; c. year of graduation.

Name of Physician.

Sex.

Current Professional Mailing Address.

Geographic Codes: a. state; b. county; c. city; d. zip code.

Birth Date and Birth Place.

Citizenship and Visa Codes.

State Licensure Data.

National Boards.

Major Professional Activiity—Type of Practice.

Specialty: a. primary; b. secondary; c. tertiary.

Present Employment.

American Specialty Boards.

Specialty Societies.

Current and Former Medical Training: a. internship, and b. residency.

Current and Former Government Service.

Professorial Appointments.

AMA Membership Data.

Degree of consistency of the master record throughout the physician file is an unknown factor presently, i.e., it is known that the file lacks consistency.

MARK IV SEARCH CAPABILITY

The Mark IV search capability allows search and retrieval of physician data on the basis of a medical specialty combined with one Type of Practice (TOP). The medical specialites have for the purposes of this exercise been limited to the 63 approved specialties shown in Exhibit VII on the next page.

Search may be performed on a medical specialty on the basis of: Primary specialty, secondary specialty, tertiary specialty, and/or logical combinations of these specialties is possible.

Search of TOP is limited to: Office based practice intern, resident, full-time hospital staff medical teaching, administration, research, other.

The search argument also allows the introduction of certain constraints: Citizenship—U.S./Non-U.S. age limitations, range, geographic selection, city, county, state, region, federal/Non-Federal employee residence—U.S./Foreign.

The search argument is of the form of "Specialty 1 and/or Specialty 2, and/or Specialty 3, and TOP and PE (where permissible) and constraints."

SPECIALTIES

AM Aerospace Medicine.
A Allergy.
AN Anesthesiology.
BE Broncho-Esophagology.
CD Cardiovascular Diseases.
D Dermatology.
DIA Diabetes.
END Endocrinology.
FP Family Practice.
GE Gastroenterology.
GP General Practice.
GPM General Preventive Medicine.
GER Geriatrics.
GYN Gynecology.
HEM Hematology.
HYP Hypnosis.
ID Infectious Diseases.
IM Internal Medicine.
LAR Laryngology.
LM Legal Medicine.
ND Neoplastic Diseases.
NEP Nephrology.
N Neurology.
CHN Neurology, Child.
NM Nuclear Medicine.
NTR Nutrition.
OBS Obstetrics.
OBG Obstetrics and Gynecology.
OM Occupational Medicine, Industrial.
OPH Ophthalmology.
OT Otology.
OTO Otorhinolaryngology.
PTH Pathology.
CLP Pathology, Clinical.
FOP Pathology, Forensic.
PD Pediatrics.
PDA Pediatrics, Allergy.
PDC Pediatrics, Cardiology.
PA Pharmacology, Clinical.
PM Physical Medicing and Rehabilitation.
P Psychiatry.
CHP Psychiatry, Child.
PYA Psychoanalysis.
PYM Psychosomatic Medicine.
PH Public Health.
PUD Pulmonary Diseases.
R Radiology.
DR Radiology, Diagnostic.
PDR Radiology, Pediatric.
TR Radiology, Therapeutic.
RHU Rheumatology.
RHI Rhinology.
ABS Surgery, Abdominal.
CDS Surgery, Cardiovascular.
CRS Surgery, Colon and Rectal.
GS Surgery, General.
HS Surgery, Hand.
HNS Surgery, Head and Neck.
NS Surgery, Neurological.
ORS Surgery, Orthopedic.
PDS Surgery, Pediatric.
PS Surgery, Plastic.
TS Surgery, Thoracic.
TRS Surgery, Traumatic.
U Surgery, Urological.

In addition to the above specialties the following designations are also used:

OS Other, i.e., physician designated a specialty other than those appearing above.

US Unspecified, i.e., physician did not specify a specialty.

OTHER SPECIALTIES

9 AL Alcoholism.
9 ER Emergency Room.
9 EP Epidemiology.
9 FC Family Counseling.
9 HL Hepatology.
9 IG Immunology.
9 IT Inhalation Therapy.
9 MH Mental Health & Retardation.
9 ME Metabolism.
9 NA Neuropathology.
9 BT Obesity.
9 EE Ophthalmoloty & Otorhinolaryngology.
9 SC Sciences.
9 SM Sports Medicine.
9 SF Sterility & Fertility.
9 SH Student Health.
9 UM Underwater Medicine.
9 OO Other—"other".

Description of system operations

The overall ICSS process is shown schematically in Exhibit IX. This system is a combination of manual and automated procedures.

The Public Advisory Board data base is a manual system. The data are maintained for each board on a series of cards. They are filed in alphabetical order by agency or office within a department of the Federal government.

The file is searched manually on a daily basis. Vacancies due are noted. The lead time for informing of vacancies vary depending on the board. This lead time could range from 4–6 months.

The effectiveness of the system is dependent on the accuracy of the vacncy dates and listing of candidate qualifications. It is therefore necessary to provide the means whereby this information is maintained current.

On a scheduled basis this file is searched and vacancies due are noted. Based on data available in the file concerning the board, the number of vacancies due and the qualifications of the candidates, a search routine request form is completed. The request form will indicate:

The name of the board.

List each vacancy indicating: Primary specialty; secondary specialty, if necessary; tertiary specialty, if necessary; type of practice and professional experience, if applicable; and constraints.

The Public Affairs Division will review, approve, and submit, the request to the Data Processing Division.

The Data Processing Division conducts a search and submits the names and pertinent professional data on the candidates to the Public Affairs Division. This list of computer generated names is the basis from which a number of candidate names are selected and submitted to the Candidate Selection Committee by the Division of Public Affairs. The number of candidate names submitted depends on the Board and the physician population size which met the search criteria.

The names of the candidates submitted to the Candidate Selection Committee (CSC) are noted in the appropriate record in the Public Advisory Boards file. This data is further up-dated by noting the names of candidates that CSC has submitted to the agency concerned, e.g., 10 names may be submitted to CSC, but CSC may submit only three names to the Federal agency. The initial entry will be all 10 names. The second entry will be three names, the final entry will be the name or names accepted by the agency. The committee file and physician computer files are updated upon final selection of the candidate by the agency.

A physician may be a candidate for more than one advisory board. As such, his name may be submitted to CSC to fill more than one vacancy. A policy decision will have to be made with regard to submitting a name of a physician candidate to more than one Federal agency. It appears desirable, in order to maintain the proper controls, that a name should not be submitted to more than one agency at a time.

Maintaining the Public Advisory Board data base current is an important function if the system is to have credibility . . .

* * * * *

Technical considerations

Public Advisory Board File

There are presently in excess of 1700 boards in existence within the Federal Government. Of these 315 have been identified as being of interest to AMA. The list of 315 boards should be categorized into a priority scheme primarily to guide the implementation of the system. Thus, the initial automation efforts will concentrate on those boards of higher priorities.

Exhibit XIII on the next page is a listing of the Master Record for an advisory board. The only difference between the record and that developed for the interim system is the introduction of the concept of "expertise" as part of the candidate search criteria. The concept of "expertise" has an impact beyond the Advisory Boards file. It also will impact heavily on the Physicians Master Record file as well as the retrieval and data management software capabilities. This is discussed further in the next section. Eighteen major data elements have been identified. Data elements 8 through 13 are repeated as many times as there ar physician members.

PUBLIC ADVISORY BOARDS MASTER RECORD—INTERIM SYSTEM

1. Name/Title of Board.
2. Narrative description of mission/objectives.
3. Federal Agency — Administration/Department.
4. Level of reporting.
5. AMA Priority Code.
6. Total number of members on Board.
7. Number of physician members.
8. Professional qualifications of each physician member. 8a. Primary/Secondary/Tertiary Specialty. 8b. Type of practice/Present employment. (8c. Expertise criteria—additional output in AACHS).
9. Candidate position filled. 9a. Name of incumbent physician. 9b. Address. 9c. Medical education number. 9d. Position presently vacant.
10. Date member appointed.
11. Date appointment expires.
12. Indication whether pending vacancy is to be filled or not.
13. Date new appointment is to become effective.
14. Date of submission of names of candidates to Federal agency.
15. Date of notification of pending vacancy to AMA Department of Public Affairs.
16. Number of candidate names and curriculum vitae to be submitted to Department of Public Affairs for each vacancy.
17. Date and names of candidates submitted.
18. Action.

18a. Names of candidate physicians submitted to Federal agency.

18b. Medical education number.

18c. Date names submitted to agency.

18d. Federal agency decision: (1) Date of action, and (2) Decision: accepted/rejected.

* * * * *

COMMITTEES OF INTEREST TO AMA

In this section we provide general background information on the organization of those health-oriented committees of express interest to AMA, as well as a list of these committees.

Out of a total of 1104 Federal advisory bodies within the Government AMA elected to concentrate only on those committees which were actively involved in health-oriented issues. Based on this decision, we researched the 355 total committees under the authority of the Department of Health, Education, and Welfare, which resulted in 315 active health committees of interest to AMA. A list of the total DHEW committees, their descriptions and functional requirements, is attached as Appendix B. The DHEW is currently compiling a single roster for all of the committees. This roster will be updated several times a year and will contain:

Name and address of committee member.
Committee functional requirements.
Vacancy Dates.
Appointing Authority.

The printed roster is anticipated to be completed in August. DHEW has indicated that this roster will be available upon request.

The Federal advisory committees within DHEW are divided into three functional categories:

Grant and Contract Review Groups (188)—These committees provide in-depth review of scientific and research proposals.

Technical Advisory Groups (67)—This group provides guidance of programs and regulation making.

Policy Advisory Groups (100)—Many of these advisory groups have final review and recommendations authority for grant proposals. All participate in policy and program development.

These committees provide a range of services, including:

Giving Advice, exploring scientific problems, improving relations with the public, providing internal and external support, participating in the decision-making process, and monitoring or auditing the Department's progress.

The DHEW committees currently contain a membership of approximately 3,500 individuals, with one-fourth of the membership terminating yearly. The recently released Executive Order #11671 directs the appointing authorities to select members which are representative experts in the concerns of the committee, instead of the general public. Prior to this directive, approximately one-fifth to one-half of the members on the policy-making committees had to be from the general public. The impact of the Executive Order on the quality of committee members should be felt immediately. Exhibit XV on the next page outlines the agency location and appointing authority of the 355 committees.

The committee members can serve on only one committee at a time unless an exception is approved by the Secretary or in limited circumstances by the Department Committee Management Officer of the Office of the Secretary. Members are generally appointed for one term (2-4 years) unless extension is requested and approved by the Department Committee Management Officer. Compensation ranges from $50 a day to $128.50 a day. The majority are paid $100. Members are also given a $25 per diem plus travel expenses. Industry representatives are not paid for services but do receive expenses . . .

* * * * *

Physician legal clearance

As with the existing selection procedures, there is a need to obtain information on each potential candidate's background regarding any malpractice or other legal actions which could prove embarrassing to the AMA. The Project Team recommends that a search of this information become an integral part of the overall AACES system. Such information could be coded into the general physician data bank and "locked" from any non-AACES usage. It is suggested that this procedure could be developed with the assistance of the Investigation Department and the Computer Center.

Depth/completeness of physician data

It is felt that the computer data bank contains enormous amounts of information, much of which would be useful in providing pertinent descriptive information on physician which is available via several searches. Test time and cost of this could be reduced by adding an IMS (Information Management System). This task area would be the responsibility of the Computer Center.

Field (State society) evaluations

It has long been the practice of the Public Affairs Division to assess a potential candidates overall capability and suitability through obtaining evaluations from appropriate state and local societies. This obviously becomes extremely critical when the Candidate Selection Committee and the Public Affairs Division may have to process as many as 5000 names per year, and it may be improbable to have any "first hand" knowledge of individual candidates. Consequently it will be necessary to design a procedure whereby physicians who are identified in early computer screenings are evaluated by their state or local organization. Further, such evaluations should be repeated periodically to assure that the most recent evaluations are available. Such evaluations would show, at the least, how well a potential candidate's philosophy meshes with the "mainstream of i.e., obtaining the ratings from all pertinent societies. However, it is felt to be critical to the efficacy of the program and should be instituted immediately. The Public Affairs Division and the Circulation and Records Division could coordinate this massive but essential undertaking. Exhibit XXI on the next page describes a possible survey format to accomplish this.

Home address

It has become a standard request by agencies of the Federal government to obtain the home address of recommendees to advisory posts. This is necessary in order for the agency to perform a "political affiliation" check. Generally, such checks are performed only for certain highly visible or controversial bodies. In any event, the AMA needs to be ready to provide such information in order to facilitate the work of these agencies in assessing these recommendees. Currently, the AMA records the employment address and only sometimes the home address of physicians. Such information could be obtained either through revising the regular triannual physician survey conducted by the Circulation and Records Department or by a separate survey. The Circulation and Records Department will be in the best position to determine the optimal method.

Minority identification

With the Federal Government's increasing determination to name minorities to key roles in the government, it is imperative that AMA be prepared to recommend minorities where appropriate. (Often, an agency may specify such requirements openly—otherwise, it may be sound practice to include at least one minority in most lists of recommendees to agencies). Before minority recommendations can be effected, AMA must identify minorities in their data bank. Note: Title VII of the Civil Rights Act does provide for minority identification of employees for the purpose of determining compliance with minority hiring regulations.

It is not clear at this point how this relates to minority identification for the purpose of facilitating their being recommended for public service. This needs to be reviewed carefully.

Regarding the actual identification process, several approaches are possible and are discussed below:

Sex

This is currently identified and represents, therefore, no problem.

Black physicians

There are two possible solutions to identify black physicians. One approach would call for identifying graduates of major black medical schools (e.g. Howard) as a partial solution, albeit not an accurate or all encompassing approach. The second approach, (suggested by Wayne King) is to utilize the National Medical Association's data bank which will be available through an existing agreement with AMA . . .

* * * * *

IV. SPECIAL ITEMS AND CAUTIONS

In this section we discuss two topics for immediate consideration; new uses of the system and confidentiality of its details. The following paragraphs elaborate on these topics.

1. Expansion of the system

Once the basic elements of the system are established (even the Stage 2 or intermediate system) the scope of the goals could be extended to include:

Search and recommend for full time Federal health posts and internal AMA posts.

Provide certain state and local societies with the opportunity to use the system for searching and recommending of physicians to state/local governmental health posts.

2. Need for system security

It is strongly urged that all steps be taken to maintain a high security level on the nature and details of this system. It is unlikely that, should such information become publicly known, it would be properly understood by the Federal Government, AMA members and the general population. Restriction of details and knowledge of the system should ideally be on a "need to know basis". There may be the need to display certain elements of the system (e.g. terminal) to certain outside individuals (e.g., HEW advisory body processing section) in order to achieve credibility or cooperation . . .

HAWAII SEEKS ELECTRIC POWER FROM VOLCANOES

Mr. FONG. Mr. President, our whole Nation is energy conscious during these days. Especially is it true in my State of Hawaii, which is almost totally dependent on imported oil. Every attempt is being made to find alternate energy sources. Even volcanoes are being explored for raw heat to operate electric powerplants.

On July 8, Mr. A. Richard Immel wrote an interesting article in the Wall Street Journal on volcano drilling in Hawaii. The article may be of interest to my colleagues. I ask unanimous consent that Mr. Immel's article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Peak Loads—Hawaii Seeks Electric Power From Volcanoes, Hopes To Reduce Dependence on Imported Oil

(By A. Richard Immel)

Volcano, Hawaii.—Hawaii wants to put Madam Pele to work, and John Shupe is the man who must tell her.

Pele (pronounced pay-lay) is Hawaii's tempestuous, unpredictable goddess of volcanoes whose presence in the islands reaches back to the folk tales of prehistory. Her mysterious activities are shrouded in the smoky mists of a volcano called Kilauea (key-la-oo-WAY-ah) where, legend has it, she makes her home.

Somewhat more is known about Mr. Shupe. He is the dean of engineering at the University of Hawaii. He is also the enthusiastic head of the state's Geothermal Project, a plan to tap the raw heat of Hawaii's volcanoes and help end the islands' near-total dependence on imported oil.

Kilauea, the world's most active volcano, towers above this little village on Hawaii, the "big island." After spending more than $1 million in federal, state, local and private funds tinkering with Kilauea, Mr. Shupe and his researchers recently received another $1 million in federal money to sink a 6,000-foot drill hole into the volcano's eastern flank. Drilling is expected to start Oct. 1 and wind up by the end of the year.

POWER BY 1979?

What happens after that depends on what is found there. Under ideal conditions, the test hole will be followed by a commercial drilling program of three or more wells and construction of a five-to-10-megawatt prototype electric-power plant that could be in production by the end of 1979, all at a cost of $7 million to $8 million. The wells would bring steam or heated water to the surface to drive conventional turbine generators.

"That's the scenario if everything fits into place," Mr. Shupe says. He cautions that the October drilling program is exploratory and that "there's no guarantee we'll find a hot geothermal resource there," but past research indicates that the potential for striking geothermal paydirt is high.

Moreover, this well is only the first in a series to be drilled along the Hawaiian chain, an archipelago that is volcanic in origin. Each of the Hawaiian islands is simply one or more volcanoes that grew up from the ocean floor until they poked above the surface of the sea. One of these volvanoes, Mauna Kea, big sister to Kilauea, is regarded by geologists as the highest peak in the world. It measures more than 30,000 feet from its base on the ocean floor, exceeding Mt. Everest, the highest land peak.

WIND, SUN AND SEA

Hawaii is considering other energy sources, including wind power, solar energy and ocean thermal conversion. But geothermal energy is considered by far the most promising for a near-term commercial payoff because of the volcanic heat sources and because geothermal technology is already working and available. (Nuclear power has been shelved here, at least until the end of the century. Aside from environmental considerations, Hawaii's electric-power consumption is too small to justify economically even the smallest nuclear plant.)

The big island was picked for the volcano project because it is the youngest and therefore the hottest and most active of all the Hawaiian islands. Two of the five volcanoes that formed the island are still regarded as the most active in the world. One of them, Mauna Loa, erupted last weekend. It was the volcano's first eruption since 1950, but prior to that it had erupted about every five years. Kilauea has been in constant eruption over the past 10 years.

Although bubbling lava isn't currently visible on Kilauea, the volcano's most recent activity was a spectacular display of spouting lava last winter, on New Year's Eve. Such activity has added some 600 acres of new real estate to the island in the past 15 years or so, prompting some citizens to dub Hawaii "the fastest-growing state in the union."

TAME FOR VOLCANOES

Despite the activity of the Hawaiian volcanoes, they are excellent subjects for scientific research because, as volcanoes go, they are docile. Kilauea, for one, is "fairly gentle"; it "doesn't erupt with the explosive force" of volcanoes in other areas of the world says Robert Tilling, chief scientist and director of the U.S. Geological Survey's volcano observatory on the edge of Kilauea's crater.

The higher silica content of volcanic lava elsewhere makes the lava thicker, causing gases and pressure to build up until everything lets go with explosive force. Hawaiian lava, by contrast, is more fluid, and while eruptions are more frequent as a result, they are also more predictable and safer. You have plenty of time to get out of the way if need be.

This has bred a certain casualness about eruptions. For over a century, Volcano House, a popular tourist hotel and restaurant perched on the rim of Kilauea's crater, has been a favorite spot for volcano watching. "Hawaii is the only place where people run toward an eruption rather than away from it," observes a county official. Housing projects have gone up on the 1950 lava flows from Mauna Loa although the volcano is still active.

This isn't to say that Pele can't cause damage. Several villages have been wiped out by eruptions since 1960, but there has been no loss of life. In fact, there has been only one fatality from volcano activity in recorded history here; it occurred in 1924 when Kilauea erupted in a rare explosion, killing a newspaper photographer. (The explosion was caused by ground water seeping into the lava and turning into explosive steam.)

Since geothermal energy is energy obtained from the heat of the earth's interior and since a volcano is obviously hot, nonvolcanologists are often puzzled by the uncertainty about developng geothermal energy from a volcano. One reason is that not a great deal is known about the inner workings of volcanoes; even Kilauea, considered the world's most studied volcano, is just beginning to yield some of its secrets.

Another reason is that world-wide, aside from some hot-spring baths and natural-steam heating, very little has been done to harness volcano heat. Before the cost of conventional energy sources climbed so steeply, there was "no great reason for drilling into a volcano," says Prof. Paul Yuen, who heads the engineering team on the Hawaii project. "It's very expensive," he says, "and you aren't going to find minerals or gas or oil there."

Hawaii's researchers would like to find steam, because it's easier to work with than water. However, Prof. Yuen believes that hot water is "the most likely situation" because the drill hole passes through the big island's water table and extends well below sea level.

THE BEST ARE DANGEROUS

There may be a few other problems lurking. "The areas that are best for geothermal heat are also the most dangerous," says Mr. Tilling of the Geological Survey; they're susceptible to eruptions that could wipe out the power plant. Engineers have considered this, and one solution is to locate the plant on an old cinder cone that is built up on a higher area from previous eruptions but is itself unlikely to erupt again.

The plant could then be connected to the heat source by means of replaceable piping. If an eruption occurred, presumably only the piping would be carried away. Just so long as the power plant remained intact, the piping could be easily replaced, whereas it would be too difficult and expensive to build the entire works—plant and piping—so that it was fully protected from eruptions.

Ultimately, of course, the outcome of the project is up to Pele herself. Will she consent to work as a domestic, heating water to make electricity? Some think not, citing Pele's wrath at a road that was built across Kilauea's eastern rift—a series of fissures running east from the crater—to link the Volcano Park with the southern coast. Eruptions have cut the road repeatedly in recent years, and it is currently impassable.

"People say Pele doesn't want the road there," a young woman says. What does scientist Tilling think? He shrugs and smiles. "Maybe they're right."

SENATOR JAMES B. ALLEN ADDRESSES FUTURE AGRICULTURAL POLICY

Mr. TALMADGE. Mr. President, in the July 1975, issue of Alabama Agribusiness published by the Cooperative Extension Service at Auburn University, a statement by Senator Allen of Alabama appears entitled, "Future Agricultural Policy—Proposals, Prospects, Priorities" which I would like to share with all my Senate colleagues.

In this statement, Senator Allen expresses very eloquently concerns relating to our Nation's future farm income and price situation which I and many other Members of Congress share. Assuming favorable weather conditions continue this year, 1975 crops of wheat, feed grains, soybeans ,and other crops will be far in excess of anticipated disappearance during the 1976–76 marketing year. And unless Congress and the executive branch work cooperatively together in the coming months to address the problems that will be created by this situation, farm income and prices will surely drop to depression levels.

Mr. President, I urge my Senate colleagues and others to review Senator ALLEN's excellent statement thoroughly. I ask unanimous consent to have the Senator's statement printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FUTURE AGRICULTURAL POLICY—PROPOSALS, PROSPECTS, PRIORITIES

(By Senator James B. Allen)

Southern agriculture is facing all the same economic pressures that other farmers in the nation are facing this year, plus perhaps a few more. The downturn in farm prices and incomes that occurred in 1974 hit the Southeast first and hardest. The two major problem commodities—cotton and beef—are both of substantial importance to our southern farm economy. As prices of cotton plunged in 1974, growers were faced with declining cash receipts and escalating production costs. In similar fashion, the fall in beef cattle prices reduced returns to owners of beef cow herds. Together, lower prices and rising costs severely hurt our crop and livestock growers.

The downturn in the farm economy in 1974 has been especially disconcerting to me and other members of Congress. In August of 1973 the Congress had passed and the President signed a new farm bill into law designed to prevent economic depression for farmers. That act authorized the Secretary of Agriculture to establish "appropriate" levels of loans for major crops and provided national target prices to assure farmers a reasonable level of farm income. Unfortunately, the loan levels currently set by the Secretary are far below costs of production, and even the target prices set by the Congress have turned out to be inadequate to meet the inflation in production costs.

The current situation is thus full of uncertainty for farmers. Their prices have dropped sharply in the past few months, yet government farm programs are not adequate to provide insurance against economic disaster. These conditions suggest that further legislative action is necessary if farm income is not to drop to disaster levels.

Early this year, Congress passed an emergency farm bill. It was later vetoed by the President as too costly to the federal budget. If crops this year are large or foreign markets weaken, this veto will prove to be a costly error for the President, farmers and consumers.

The disagreement between the President and Congress makes clear that farm policy must be carefully reexamined in coming months. There must be further agreements on the basic goals of farm policies. For example, one goal for our policies is to assure that farm families are not left alone in the unmerciful marketplace when events like oil embargoes cut back demand for farm commodities. Another goal is to reduce instability in the general economy so that unemployment and falling incomes do not make it impossible for consumers to buy beef and other food and fiber items. A further goal is to assure foreign customers that the United States will not break commodity contracts through export embargoes. In turn, we must insist that other countries keep up their side of export contracts and not cancel out as in the recent case of cotton exports.

TABLE 1.—U.S. NET FARM INCOME

Year	Total (billions)	Per farm
1971	$13.0	$4,957
1972	17.5	6,410
1973	32.2	12,744
1974	27.2	10,460
1975	20.0	NA

Note: Preliminary USDA estimate.

These are some of the major goals for agricultural policy on the legislative agenda of the 94th Congress. We will not solve all these problems, of course, or others facing agriculture in one Congress. We have not been able to accomplish that in the previous 93rd Congress. But that does not preclude further efforts.

The unique role of government is to assist farm families in reaching goals that they are unable to achieve by themselves. One of these is a steady improvement in the level of living. Numerous legislative proposals have been introduced that may help achieve this goal. The emergency farm legislation vetoed by the President would have raised target and loan prices, and in the process, it would have stabilized farm income. As the numbers below indicate, farm income has varied widely in the past four years.

World demand for our exports rose sharply in 1972; farm prices and cash receipts of farmers increased. Production costs lagged behind in 1972 and 1973, and the amount of net income retained by farmers was higher. By 1974, however, sharp increases in prices paid for fuel, fertilizer, feed and other purchased items raised the costs of farming and reduced the income left over for family living.

One of the major considerations for farm policy in coming years will be how to prevent large variations in farm income. Such large changes create problems for families who are using outside credit to finance their farming enterprises. Today, farmers finance about 40 percent of their farming operation from outside sources and about 60 percent from their own earnings. Back in 1960 they financed only 17 percent from outside sources and about 83 percent from farm income earnings. The security of farm families thus has been reduced over this period, and sudden changes in farm income threaten the ability of farm families to repay these larger amounts of borrowing. In 1973 alone, farmers borrowed over $10 billion from nonfarm sources. This eventually must be repaid.

To stabilize and hold up farm income will entail the continuation of large exports of farm commodities. In the past four years the value of farm exports has almost tripled, rising from $7.7 billion to $22.0 billion in 1974.

TABLE 2.—U.S. AGRICULTURAL EXPORTS

[In millions of dollars]

Year	Total	Soybeans	Cotton	Poultry
1971	$7,693	$1,327	$583	$78
1972	9,401	1,508	503	90
1973	17,680	2,762	928	120
1974	22,026	3,557	1,335	138

TABLE 3.—U.S. AGRICULTURAL EXPORTS

[Thousands of metric tons]

Year	Total	Soybeans	Cotton	Poultry
1971	59,375	11,538	897	60
1972	75,731	11,995	672	65
1973	108,158	13,221	1,195	72
1974	92,952	14,018	1,124	77

Larger export values have been partially due to higher prices but as Table 3 indicates, total quantities of farm exports also have increased. To keep income from falling further, the nation should set a goal of exporting at least 100 million tons of farm commodities in 1976. If it is necessary, we could develop government-assistance programs to assure that it is reached. With the abundant agricultural production in 1975 as now appears possible, this goal should be attainable, particularly if we encourage private exporters through open markets and with as much information as the Department of Agriculture can provide. We cannot, however, continue our erratic policies of occasionally imposing export controls if we expect other nations to depend on us for their food and fiber supplies.

In conclusion, commercial farm policy in the future must enlarge on the parts that have proved successful in the past. Our commodity loan programs have been an integral part of farm programs for over 40 years. These programs help remove the wide swings in farm prices and protect farm families from disaster. Higher exports have brought rising incomes to farm families in the past few years. It is essential that these continue especially since we asked for all-out farm production in 1975. Finally, a strong domestic market for farm products requires increased family incomes, both on and off the farm. This means that we must continue to encourage general economic recovery. If these policies are followed with determination in the coming months, farm families can look forward to a prosperous bicentennial year in 1976.

AGRICULTURAL RESEARCH

Mr. BENTSEN. Mr. President, the Senate will soon be considering the fiscal 1976 appropriations for the Cooperative State Research Service. CSRS is the agency of the Agricultural Department that conducts this country's agriculture research through State agriculture research.

As I have pointed out in other speeches before this body, the agricultural research stations have an enviable record of success. That success must continue because the demands on our food supply are greater than ever. We must expand our food productivity.

If our consumers are to expect greater supplies of affordable food; if our farmers are to raise their productivity and lower production costs, more innovations must come from our agricultural research stations. It is an unfortunate fact that our emphasis on agriculture research has declined steadily over the years. However, last year the Congress realized this mistake and did increase the funding for the Cooperative State Research Service.

I hope this trend continues.

The directors of the research stations have presented a budget to the Congress which accurately reflects the needs of their programs. Unfortunately, the administration rejected that budget and presented a greatly reduced one to Congress. The House has acted on that budget, and even reduced it by $1.5 million.

I regret that reduction. We need to be increasing our investment in research that will lower our food production costs. This effort would benefit both farmers and consumers and is sorely needed at this time.

Mr. President, I testified this year on behalf of the research director's budgets, and pointed out several accomplishments of the research stations in the past year. I would like to bring those accomplishments to the attention of my colleagues and I ask unanimous consent that the testimony be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR LLOYD BENTSEN BEFORE THE SENATE SUBCOMMITTEE ON APPROPRIATIONS SUBCOMMITTEE ON AGRICULTURE

Mr. Chairman, last year I appeared before this Committee and urged your consideration for increased funding for the research programs of our State agricultural experiment stations. The members of the Committee responded to my plea and I appreciate it.

Unfortunately, during the interim period, double digit inflation has greatly eroded the significance of the increased budget which the Congress provided for the State agricultural experiment stations. Today, our country must continue to face the need for research so that the ability of our farmers to produce our needed food supply can keep abreast with our ever increasing food demands.

Again, I appear before you today and urge your consideration of the budget increases which have been indicated by the directors of our State agricultural experiment stations. Of particular concern to me are the appropriations made available under the Hatch Act (as administered by CSRS of the U.S.D.A.) for they support the very core of our experiment station research programs. The scientists in our State agricultural experiment stations at our land-grant universities supported by these funds continue to forge forward on the frontiers of discovery and do their part toward meeting the most pressing problems which face our country today. Notable achievements and milestones have been marked by these scientists during the past year. Permit me to briefly enumerate a few of the highlights for you:

1. Plant breeders of Texas Agricultural Experiment Station, working in cooperation with the Department of Agriculture, have examined the world collection of sorghums and from their research efforts have developed new improved sorghums, the most recent of which are Midge-resistant. Such insect resistant breeding lines have been released to seed companies so that they may be incorporated into commercial sorghum hybrids. The results will be improved sorghum production by our farmers and reduced needs for pesticides in future years.

2. Also at the Texas Agricultural Experiment Station, there has been developed a new concept in plant breeding resulting in a new triple cross hybrid cucumber. This breakthrough in breeding concepts is likely to be applied to many crops in the future.

3. And likewise during this past year we have seen the advent of new varieties of cotton, peanuts, rice, tomatoes, and onions, the continued production of which provides increased opportunities for our farmers to place food and fiber before us. All of this is from the Texas Agricultural Experiment Station alone.

4. A new higher yielding red spring semi-dwarf wheat variety called Era has been developed at the Minnesota Agricultural Experiment Station. This new wheat provides yields of about 5 bushels more per acre than the previously grown varieties. In 1974 it can be estimated that this increased yield of wheat amounts to 460,000,000 more loaves of bread, all to the benefit of our consumers. Minnesota scientists also produced 2 new varieties of soybeans which were released in 1974 and it is estimated that these new varieties will be planted on 2 million acres by 1976. These soybean varieties, with their increased yields, will produce enough more protein to meet the needs of over 1,000,000 people.

5. Scientists at the Louisiana Agricultural Experiment Station have successfully transplanted animal embryos which had previously been frozen. The ability to freeze animal embryos and ship them throughout the world so they can be implanted in a mother animal to generate improved offspring is a significant step forward for everyone in improved animal breeding and the production of food supplies from animal sources.

My list of recent research advances could go on and on. There have been important contributions like these from throughout the country. And I believe we will continue to obtain these types of successes, if we properly fund our cooperative agriculture research effort. I make this statement with conviction, Mr. Chairman, because this past summer I conducted a careful review of the pending work in several of the Agricultural Research Stations. On-site inspection in Missouri, Alabama, Illinois, Iowa, Mississippi and Texas revealed that substantial improvements are pending in the test tubes, laboratories and experimental plots. Improved varieties of soybeans, higher protein and oil content for corn, forages which grow 4 to 5 times faster than present grasses, farm ponds which can produce 10,000 pounds of protein per acre in six months, disease resistant fruits and vegetables, and better, more efficient applications of pesticides and fertilizers are all pending within our research centers. In addition, there is impressive work being done on waste utilization by livestock, small farm efficiency improvements, expanded food processing abilities, better irrigation techniques and more efficient farm machinery. Mr. Chairman, these studies are hope for the future—hope for the consumer that he will be able to obtain abundant, affordable food; hope for the farmer that he can continue to improve his productivity so as to maintain a fair return for his efforts.

Mr. Chairman, another factor which I noted during my review of these several research stations was the enthusiasm and dedication of the scientists and administrators involved. Cooperative spirit and communications was also evident. Many times, because of a shortage of funds, the scientists doubled as classroom instructors to be able to obtain an acceptable salary. This necessity brings the actual research experience directly to our students, thus expanding the understanding of agriculture technology and the payoff from our research dollar. I was also impressed with the excellent communication among the several stations, and their adaptability to the systems approach for research. This enables our research effort to assume a coordinated and broad-based approach which is so necessary with today's complex research challenges.

Mr. Chairman, I think it is important that we in Congress continue to look at these facts and recognize that agricultural research is not an expense; it is an investment. Investment for the future welfare for our citizens and one upon which we can continually draw benefits. Therefore, I urge your consideration for the increases in Hatch funds as the directors of the State agricultural experiment stations have indicated they urgently need.

S. 2125—OUTDOOR RECREATION PERMITS ON NATIONAL FOREST LANDS

Mr. HASKELL. Mr. President, yesterday I introduced S. 2125 and neglected to ask that it be printed in the RECORD. Therefore, I ask unanimous consent to have it printed at this point in the RECORD, so that those who are interested in the proposed legislation will have the benefit of having the full text available.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2125

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Congress hereby finds that appropriate development and maintenance of commercial outdoor recreation facilities and related services within the forest reserves created from the public domain may be desirable to meet the projected increasing demand for public recreation; and that enhancement of these opportunities for recreation and protection of environmental quality require prudent development and substantial amounts of capital investment. It is the policy of Congress that, where such facilities and services are determined to be advisable by the Secretary of Agriculture based upon long-range planning conducted by the Forest Service and upon consideration of the views of the relevant State and local governments and the public, private development and management of such facilities and services, on a competitive basis where appropriate, shall be encouraged through issuance of permits. As the facilities and activities authorized by any such permit, which has as its purpose the provision of essential public services on public lands, are affected with a public interest, such permit shall provide, consistent with the policy and provisions of this Act and subject to conditions which protect surrounding land, air, and water and other public uses, for payment of reasonable fees which reflect a primary objective of maintaining a high quality of outdoor recreation facilities and related services at reasonable prices for the public.

(b) For the purpose of this Act—

(1) "forest reserves" or "forest reserve lands" means lands of that portion of the national forest system which has been created from the public domain;

(2) "Secretary" means the Secretary of Agriculture; and

(3) "permittee" means the holder of a permit issued pursuant to this Act or holder of such other permit as set forth, but subject to the exceptions, in section 7 of this Act.

PERMIT AUTHORITY

SEC. 2. The Secretary in his discretion, is authorized to permit any person, association, partnership, or corporation to use and occupy areas within the forest reserves which are needed to provide commercial outdoor recreation facilities and services for the use and enjoyment of the general public.

PERMIT TERMS, FEES, AND CONDITIONS

SEC. 3. (a) The area of land to be covered by a permit issued under the authority of this Act shall in each case be determined by the Secretary, taking into consideration present and future public needs for all the multiple uses of the forest reserves: *Provided,* That—

(1) any permit under this Act for commercial outdoor recreation activities and facilities other than ski activities and facilities shall not exceed eighty acres of forest reserve lands;

(2)(A) any permit under this Act for commercial outdoor recreation ski activities and facilities designed to utilize more than one thousand two hundred and eighty acres of forest reserve lands shall not be approved until sixty days (not counting days in which the House of Representatives or the Senate has adjourned for more than three days) after the Secretary has submitted to the Committees on Interior and Insular Affairs of the House of Representatives and the Senate the proposed permit, together with his detailed findings as to the terms and conditions he proposes to impose upon the permit applicant, and only then if neither committee has adopted a resolution stating that the committee does not approve of the issuance of the permit. Each committee by resolution may waive the waiting period.

(B) Any permit under this Act for commercial outdoor recreation ski activities and facilities designed to utilize more than five thousand acres of forest reserve lands shall not be approved until after (i) the Secretary has submitted to the Committees on Interior and Insular Affairs of the House of Representatives and the Senate, the permit, together with his detailed findings as to the terms and conditions he proposes to impose upon the permit applicant, and (ii) each committee has adopted a resolution stating that the committee approves of the issuance of the permit.

(C) Within thirty days after the adoption of a resolution disapproving the issuance of a proposed permit pursuant to clause (2)(A) of this subsection and after one hundred and eighty days from the date of submission of a proposed permit pursuant to clause (2)(B) of this subsection, which permit has not received resolutions from both Committees on Interior and Insular Affairs approving its issuance, the Secretary, should he continue to deem the facilities and services to be advisable, shall submit to the Congress proposed legislation together with a report thereon, authorizing the issuance of a permit for such facilities and services.

(b) Within six months from the date of enactment of this Act, the Secretary shall publish in the Federal Register and submit to the Congress proposed regulations containing guidelines to be employed by him in determining whether a permit for commercial outdoor recreation ski activities and facilities shall be issued to a particular permit applicant or for a particular area. Such regulations, among other things, shall require consideration by the Secretary of all facilities to be developed by the permit applicant, all housing, recreation, and commercial development which will likely occur as a result of the development of the applicant's facilities, and all public services necessary for such development, both on forest reserve land and private land in the proximity thereof. Such consideration shall include an assessment of the extent and nature of such development, its compatibility with other uses for and the protection of the resources on such forest reserve and private lands as determined through Federal, State, or local planning processes, and the authority and capability of the relevant State and local governments to zone or otherwise regulate such development to insure such compatibility. Such regulations shall also set forth a specific procedure for consultation with the relevant State governments prior to the issuance of any such permit. Such regulations shall not be promulgated prior to sixty days from the date of submission thereof to the Congress.

(c)(1) The permittee shall pay to the United States an annual fee for the use and occupancy of forest reserve lands covered by any permit issued pursuant to this Act. Such fee shall be computed so as to provide a reasonable return on equity investment. In all cases, fees and charges shall be in accord with the principles set forth in title V of the Independent Offices Appropriations Act of 1952 (65 Stat. 290, 31 U.S.C. 483a).

(2) Within six months from the date of enactment of this Act, the Secretary shall conduct a study and submit to the Congress a report on the results thereof of fees charged for permits issued pursuant to this Act and for permits for commercial outdoor recreation activities and facilities on the forest reserves prior to this Act. Such report shall be accompanied by a discussion of the steps the Secretary shall take, and of any legislative action which he deems necessary, to establish a single method or formula, to be applied uniformly throughout the forest reserves, for the determination of annual fees for the use and occupancy of forest reserve lands covered by any permit issued pursuant to this Act.

(d) The Secretary is authorized, in his discretion, to issue permits under authority of this Act for such periods as he deems desirable, but not to exceed fifty years. The Secretary may terminate any permit authorized by this Act for breach of its terms after giving the permittee due notice and a reasonable opportunity to conform with permit requirements, or if in his judgment, in the public interest, the lands are needed for another use: *Provided*, That, if any permit is terminated by the Secretary for another use, the United States shall be obligated to pay an equitable consideration for the improvements or for removal of the improvements and damage to the improvements resulting from their removal.

(e) Development, management, and operation of the facilities and services covered by the permit shall be the responsibility of the permittee, subject to such terms and conditions as the Secretary may prescribe, consistent with the policy and provisions of this Act.

(f) Within any area covered by a permit issued under this Act, the Secretary may permit other uses not inconsistent with the purposes of the permit.

(g) The Secretary shall not issue more than one permit pursuant to this Act for identical outdoor commercial recreation activities or facilities within an area of less than five thousand eighty acres unless each such permit, irrespective of the acreage involved, is issued in accordance with procedures provided in section 3(a)(2) (B) or (C).

PERMITTEES' CHARGES TO THE PUBLIC

SEC. 4. (a) Notwithstanding any other provision of law, the Secretary shall make available for public inspection any and all memoranda, data, financial statements, or other information or materials furnished to him or any official of the Department of Agriculture in support of or in opposition to proposed increases or decreases in charges to the public for use of facilities of permittees.

(b) Thirty or more days prior to the granting or denying of a request by a permittee for any increase in any charge to the public for use of the permittee's facilities, the Secretary or his designee shall hold a public hearing on such request in a location in the proximity of the area described in the permit.

(c) Within six months of the date of enactment of this Act, the Secretary shall publish in the Federal Register and submit to the Congress proposed regulations which set forth in detail the criteria the Secretary or his designee shall employ to determine whether to permit or reject any request by a permittee to increase or decrease any charge to the public for use of the permittee's facilities. Such regulation shall, among other things, require that the standard for any such determination shall be reasonable return on the permittee's equity investment. Such regulations shall not be promulgated prior to sixty days from the date of submission thereof to the Congress.

TITLE TO IMPROVEMENTS COMPENSATION

SEC. 5. Any structure, fixture or improvement which is not owned by the United States and which is covered by a permit issued pursuant to this Act shall not be deemed to be the property of the United States. The permittee shall be deemed to be the owner thereof, and may remove the property and assign, transfer, encumber, or relinquish the title thereto. Said title shall not be extinguished by expiration or other termination of the permit and shall not be taken for public use without just compensation: *Provided*, That the use or enjoyment of any structure, fixture, or improvement shall be permissible only so long as the owner thereof has a permit covering the area on which it is located: *Provided further*, That within six months following either the expiration or other termination of such permit, the Secretary may order the removal of such structure, fixture, or improvement and the restoration of the site, and upon failure of the owner to comply with such order, he may bring an action for ejection and recovery of costs incurred by the Government in such removal and restoration: *Provided further*, That in the event the Secretary does not order the removal of such structure, fixtures or improvements and permits continued use thereof either by the United States or by some party other than the permittee then the Secretary will, before allowing such use to become effective, take such action as may be necessary to assure the permittee of just compensation therefor, unless other arrangements for the disposition of such facilities are mutually agreed upon between the Secretary and the permittee.

RECORDKEEPING; AUDIT AND EXAMINATION; ACCESS TO BOOKS AND RECORDS

SEC. 6. Each permittee shall keep such records as the Secretary may prescribe in the permit to enable the Secretary to determine that all the terms of the permit have been and are being faithfully performed, and the Secretary or his duly authorized representatives shall, for the purpose of audit and examination, have access to said records and to other books, documents, and papers of the permittee pertinent to the permit and all the terms and conditions thereof. The Comptroller General of the United States or any of his duly authorized representatives shall, until expiration of five calendar years after the close of the business year of each permittee, have access to and the right to examine any pertinent books, documents, papers, and records of the permittee related to the permit involved.

EFFECT ON OTHER LAWS; APPLICABILITY TO EXISTING PERMIT HOLDERS

SEC. 7. This Act shall be construed as supplemental to, and not in derogation of, the provisions of the Act of March 4, 1915 (38 Stat. 1101, as amended, 16 U.S.C. 497); the Act of June 4, 1897 (30 Stat. 34, as amended, 16 U.S.C. 551); the Act of April 24, 1950 (64 Stat. 84, 16 U.S.C. 580(d)), or any other Act authorizing special use permits, except that this Act shall be construed as the sole authority for approval of new permits for the authorization of ski activities and facilities. Existing special use permits or permits for commercial outdoor recreation purposes issued under such Acts, and permits issued hereafter pursuant to this Act to holders of such existing permits, affecting areas of forest reserve lands the existing use of which is for commercial outdoor recreation ski purposes, shall be subject to all provisions of this Act except the acreage limitation and review provisions set forth in subsections (a) and (b) of section 3 of this Act: *Provided*, That the holder of any such existing permit may apply to the Secretary for cancellation thereof and issuance of a permit under this Act.

UTILITY SERVICES FOR CONCESSIONERS; REIMBURSEMENT

SEC. 8. The Secretary may furnish, on a reimbursement of appropriation basis, all types of utility services to concessioners, contractors, permittees, or other users of such services, within the forest reserves: *Provided,* That reimbursement for costs of such utility services may be credited to the appropriation from which the expenditure was made.

APPLICABILITY TO OTHER LANDS IN THE NATIONAL FOREST SYSTEM

SEC. 9. (a) The provisions of this Act with respect to forest reserves shall be applicable to all other lands now or hereafter administered by the Secretary, through the Forest Service.

(b) The provisions of this Act shall not be applicable to any existing or future application for a permit for commercial outdoor recreation ski activities and facilities on forest reserve land in Mineral King Valley, Sequoia National Forest, and shall not affect in any manner any litigation pertaining thereto.

AN INNOVATIVE MEDICAL INFORMATION SYSTEM

Mr. CRANSTON. Mr. President, an important development in the effort to contain the costs of quality health care has come to my attention that may be of interest to my colleagues. It is the medical information system—MIS—described in a recent statement released by a spokesman for El Camino Hospital in Mountain View, Calif. At a time when quality health care costs are increasing rapidly and the Federal share of these costs is growing, I believe this system would be of interest to hospital administrators, health officials, and responsible Government agencies.

I ask unanimous consent, Mr. President, that the statement be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

MEDICAL INFORMATION SYSTEM

El Camino Hospital, a 464 bed short term community hospital, and Technicon Medical Information Systems Corp., both of Mountain View, California, have developed a Medical Information System known as MIS which first became operational throughout the El Camino Hospital in 1972. MIS replaces all manual hospital record-keeping, from admission, diagnosis and prescribed treatment through diet, lab tests and financial information, with a computer-based information system utilizing display terminals in the hospital in which doctors, nurses, dieticians, lab technicians and administrators can enter and retrieve all required information concerning their patients. Most importantly, initial results indicate this System has the capability of improving the quality of care delivered while reducing hospital operating costs.

The Health Care Technology Division of HEW's National Center for Health Services Research initiated an in-depth evaluation and demonstration concurrent with installation of the operational system in 1971. The results of the evaluation are now beginning to become available and suggest some dramatic consequences including hospital operating cost containment, medical error reduction and more rapid availability of lab tests, x-rays and other medical information required for medical decision-making.

Preliminary cost containment data based on statistics compiled by Blue Cross of Northern California, comparing El Camino Hospital with other Northern California hospitals during the three-year period since MIS was installed **shows that El Camino's per diem** costs have risen much more slowly than other hospitals, the average length of stay has declined much more rapidly, and its average hospitalization cost per admission has increased only $56 while rising $154 in the other hospitals since 1971. This is even more impressive when one considers that El Camino enjoyed a favorable comparison with other hospitals on these measures before MIS was installed.

While these data are limited to Blue Cross subscriber patients, it appears that El Camino will save more than $2 million per year compared to its Northern California peers if the Blue Cross data is extrapolated to the entire hospital.

Equally impressive data is available on error reduction. Careful analysis by the Battelle Columbus Laboratories, HEW's evaluation contractor, shows that based on analysis of pre-MIS and post-MIS records, the overall information-handling error rate in the execution of medical orders has been reduced from 7.58% to 3.70%. In some areas the improvement is even more striking. In addition to improving patient care, this error reduction contributes to lower costs by eliminating much repeat work and in some cases shortening hospital stays.

Data is also available from the Battelle studies indicating that the response time to physician's orders is much more rapid. Many hours have been cut from the time required to perform x-rays, laboratory tests and other services. This is another contributing factor to shorter stays and cost reduction.

More than two million pre-printed forms have been eliminated each year at El Camino. This has meant a significant reduction in valuable nursing time devoted to filling out, distributing, and filing forms.

Finally, doctors and nurses have immediately available to them up to-the-second information on each patient's clinical status as well as access to extensive medical information, greatly reducing their dependence on the traditional, poorly organized and difficult to read medical records. The system also facilitates access to patient records from multiple points in the hospital eliminating otherwise unnecessary trips to the nursing station where such records are stored.

While a number of hospitals have, of course, implemented computer systems, the unique characteristics of the MIS System is that it is designed for direct use by doctors, nurses and other health care professionals. The need for computer technician intermediaries is eliminated and with it the cost, error potential and delay associated with communication through non-medical personnel. Private practicing physicians and hospital personnel have been deeply involved in the development of this System to make it truly responsive to their needs.

The application of MIS thus far has been focused on the day to day operations of the hospital in the delivery of health care. Its potential seems equally impressive for assisting in the management of the delivery of care. Already the System is being used for automated utilization review and for nursing care planned. Concepts have been developed to utilize the clinical data base which this System produces in computer form for the development of medical audit standards and for the subsequent application of these standards. Because MIS is a real time System used directly by doctors, it will ultimately be possible to build these standards into the System as ready-references available to physicians before they prescribe treatment. This means the emphasis of medical audit can be on providing guidance to physicians to avoid inappropriate care rather than on the traditional after-the-fact "policing" associated with conventional medical audit. Further, the System can help regulate the assignment of hospital resources, particularly nursing staff, to match needs much more precisely than is now possible.

The results of the four-year HEW evaluation are scheduled for publication in August and are expected to contain information that will be important not only to those who are concerned with national health care legislation but also to hospital administrators and boards of trustees. Forward-looking hospitals have already started to capitalize on this potential. MIS is now also operational throughout the Ralph K. Davies Medical Center in San Francisco and the Nebraska Methodist Hospital in Omaha and is currently being installed in St. Barnabas Medical Center in Livingston, New Jersey and the Maine Medical Center in Portland, Maine.

Mr. President, the development of MIS is a good example of how private hospitals, private physicians, and private industry can contribute importantly to advancing our ability to provide health care efficiency at the lowest possible cost for all who require it. It also illustrates the useful role of the Federal Government in supporting an objective and independent demonstration and evaluation for use by other hospitals considering such technology.

Mr. President, the MIS methodology also illustrates how the intelligent application of technology can be an important tool in attempting to resolve some of our national health care problems, along with new organizational approaches and new methods of financing.

AGRICULTURAL EXPORTS: A MATTER OF NATIONAL PRIDE

Mr. HUMPHREY. Mr. President, I wish to point out a recent article on agricultural exports in the Coop-Country News, by Mr. Roderick Turnbull.

In this article he points out the vast increase in our agricultural exports in recent years. Last year our exports amounted to $22 billion, while the yearly level prior to 1960 seldom exceeded $4 billion. For the coming year, exports may be around the $18 billion figure, according to Turnbull, but this reduction would result from lower prices, not a smaller volume.

Our sales to the Soviet Union are a very important part of this record. We need to encourage the Soviet Union to buy from us regularly.

I urge my colleagues to note the details of this story which indicates that we have been selling more than a billion bushels of wheat annually, more than a billion bushels of corn, about one-half billion bushels of soybeans and soybean products, around 200 million bushels of grain sorghums, plus 100 million bushels of barley, oats, and rye, and 50 million hundredweight of rice.

Mr. President, this is a record of which we can justifiably be proud. I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

EXPORTS COULD BE MATTER OF NATIONAL PRIDE

(By Roderick Turnbull)

Farmers and the public in general are kept fairly well informed on the amount of exports of various agricultural commodities, the importance of exports to the farm economy and to the nation's balance of payments position.

What often gets less emphasis is the sheer volume of exports from a logistics standpoint, the tremendous number of daily tasks performed in moving grain from farms to ports, and the fact that large quantities must be moved every day in what the trade might regard as routine work.

The export job, overall, is so big that this fact itself helps explain why some troubles might develop which could be irritating and perhaps inexcusable, but don't cause the business to come to a complete halt.

The fact is, the trend in agricultural exports has been up and up over the years, with huge increases in the last few years.

USDA data states that in the last 14 years, the United States has exported more agricultural products than in the entire 40-year period immediately preceding.

A look at the annual export totals as measured in dollars over the last 75 years reveals that prior to 1960, seldom was the yearly value more than $4 billion. In fiscal 1972 (July 1, 1971 to June 30, 1972), farm exports set a new record in value at a little over 8 billion dollars. The final figures for fiscal 1975, the year which ended June 30, are expected to reach $22 billion. The predictions for the new fiscal year are for farm exports at around $18 billion, but the reduction from the last fiscal year would be accounted for by lower prices, not smaller volume.

This data makes it obvious that worldwide demand for U.S. farm products has been rising. The same data makes it obvious the U.S. has been supplying this demand.

The major agricultural commodities exported are grains. In the last few years, the U.S. has been shipping overseas more than a billion bushels of wheat annually, more than a billion bushels of corn, about half a billion bushels of soybeans and soybean products, around 200 million bushels of grain sorghums, plus another hundred million bushels or so of barley, oats and rye, and 50 million hundredweight of rice. Then, of course, there are exports of rice, cotton, tobacco, and dozens of other commodities.

To lump it all into one pile for simple comparisons, it could be assumed that the farm exports amount annually to three billion bushels.

All this grain is harvested by farmers with their combines. If it could be assumed that farm trucks will haul an average of 250 bushels, then it takes around 12 million trips to get the grain from the fields to the local elevators.

From the local elevators, the grain must be moved to terminals, or in some cases directly to ports. Most will move initially by rail, although large quantities also eventually are shipped by barge and some by truck. Rail boxcars have a capacity of about 2,000 bushels, and the big hoppers 3,500 bushels.

It would be difficult to compute how much grain is carried by the freight cars of various types, but for easy figuring, it might be assumed each car will carry 3,000 bushels, which would suggest that one million freight cars or their equivalent in barges and trucks are needed to transport the grain from inland points to ports for export each year. All this grain is put in port elevators from which it is poured into the holds of ships.

A few of the largest grain-carrying ocean freighters can haul 3 million bushels of grain. At the other end of the scale, many ships haul only 300,000 to 400,000 bushels. Numerous ports or harbors around the globe can't accommodate the larger vessels. Exporters at the Kansas City Board of Trade say they would guess the average load for all the ships transporting grain would be a little less than a million bushels each, probably around 900,000 bushels.

Thus, to haul 3 billion bushels of grain annually, about 3,333 ship loads would be required.

Thus, if the export business were averaged out over the entire year, nine ships would be leaving U.S. ports every day.

No other nation in the world even comes close to this achievement in farm exports. It could be a matter for U.S. pride.

GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, it is quite clear that many arguments raised in opposition to the Genocide Treaty when it was first submitted to the Senate have not withstood the test of time. A good case in point is this one, originally presented by the American Bar Association:

> This country would be particularly vulnerable in adhering to the Genocide Convention since its provisions might become the law of the land here before being implemented in other countries. Our Constitution provides that any treaty, immediately on ratification, becomes the "Supreme law of the land."

This argument could easily be refuted. Ratification of the Genocide Convention in no way involves unilateral action by the United States. In fact, the convention provided that it would become effective only upon ratification by at least 20 nations. At the present time, the convention has already been ratified by 87 nations. Moreover, the Genocide Convention stipulates that implementing legislation is necessary to activate it; that it shall not be effective immediately upon ratification. Thus, following ratification, each Member of this body as well as the House of Representatives will have an opportunity to carefully review the proposed changes in our criminal laws and propose any amendments they deem necessary. I cannot emphasize this point enough: the treaty is not self-executing.

Mr. President, I believe our fear is not that we may be the first nation to implement this treaty, but that we may be the last.

AID TO DICTATORSHIPS

Mr. McGOVERN. Mr. President, as we begin to celebrate the American Bicentennial, I hope we will contemplate not only how we reflect our founding principles at home, but how we project them abroad.

Our ideals have been confounded in both spheres. Here we are recovering from the Watergate abuses. Yet we are just now discovering the full extent to which the principles of liberty and justice, and a "decent respect for the opinions of mankind," have been displaced by the tactics of assassination, subversion, and support for repression abroad.

We are told that the CIA is reforming its operations. But there is not even the pretense of an adjustment in the standards used to justify our aid to other governments. Still, on the single grounds of rigid anticommunism, we supply enormous quantities of funds and guns to regimes which defile the principles we profess to believe.

I have recently received a statement from a group of Third World nationals which bears on the impact of such aid, particularly in South Korea, the Philippines, and Chile. I ask unanimous consent that this statement be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY THIRD WORLD NATIONALS AGAINST U.S. AID TO DICTATORSHIPS

We are Third World peoples. We are exiles. Our homelands are ruled by dictatorial regimes which deny our peoples the precious rights and freedoms that Americans profess to have. Yet, it is U.S. military and military-related aid which supports and sustains these regimes.

In August 1974 Senator Alan Cranston stated that "military dictatorships and authoritarian governments will get more than two-thirds" of the U.S. foreign aid budget for FY 1975. He charged that this money would largely be used to "underwrite repression and militarism" around the world. We demand a complete termination of such military and military-related aid to inhumane and repressive regimes.

Some of the most blatant examples in FY 1975 were:

Park Chung Hee of South Korea who received $145 million in military aid; promises to modernize his 600,000 man army at a cost of $1.6 billion U.S. tax dollars; U.S. funding for an M–16 rifle factory in South Korea; and the back-up support of 42,000 U.S. troops.

The Chilean Military Junta which received covert funding for the U.S. training of military officers under the Inter-American Defense College despite Congressional efforts to close-off military aid to Chile; $20.5 million in "economic" aid; and $57.8 million in Food for Peace programs, given directly to the Junta.

Ferdinand Marcos of the Philippines who received $40 million in military and military-related aid; U.S. funding for an M–16 rifle factory in Manila; and the back-up support of 16,000 U.S. troops.

Such U.S. aid helps these dictatorial regimes to:

1. Imprison, torture and execute for political reasons thousands of their citizens;
2. dismantle basic democratic institutions—a constitution, a congress, a free press, opposition political parties and labor unions;
3. deny their citizens basic civil liberties (freedom of speech, press and assembly).
4. maintain intelligence and police forces, notorious for employing techniques of torture and intimidation.

Last year the U.S. Congress passed a resolution expressing its disapproval of U.S. aid to regimes which violate human rights and freedoms. That was an appropriate step forward. Such language should now be strengthened into law.

For decades, billions of U.S. tax dollars have been drained from America's needs for the purpose of propping up military dictatorships. Today, such destructive spending is exacerbating the inflation and unemployment problems that grip the U.S. economy. At the same time, the American people are faced with cutbacks in health, education, and housing programs.

The unpopular participation of the U.S. in Indochina has ended. However, the spectre of new Vietnams and Cambodias persists because the U.S. still supports dictatorships around the world. Thus, the U.S. has failed to learn an essential lesson: that supporting such governments advances neither democracy nor peace, but only strengthens the isolated despots of these inhumane and repressive regimes.

Our aspirations are the same as those set forth by the American people: that, in an atmosphere of genuine freedom and respect for human rights, we can build justice, friendship and peace.

UNION OF DEMOCRATIC FILIPINOS (KDP).
CHILE ANTI-FASCIST COMMITTEE.
FRIENDS OF THE FILIPINO PEOPLE.
June 22, 1975.

The following individuals and organizations concur with the above statement:

Clergy and Laity Concerned.
Federacion Universitaria Socialista Puertorriqueno (New York).
Friends Committee of National Legislation.
Common Front for Latin America (COFLA).
Indochina Mobile Education Project.
Gary Porter, Indochina Resource Center.*
Jesuit Conference, Office of Social Ministries.
Rev. Paul Kittlaus, Center for Social Action, United Church of Christ.*
National Lawyers' Guild.
New York Women's Union.
Dr. William Nottingham, Dept. of Latin America, Disciples of Christ (Ind.).*
Sisters Network.
Puerto Rican Socialist Party.
Mary Jane Patterson, Acting Director, Washington Office of the United Presbyterian Church.
Rio de la Plata Committee (Uruguay).
S.A.N.E.
Rev. Larold Schulze, Center for Social Action, United Church of Christ.*
Dr. Joseph Smith, Dept. of East Asia, Disciples of Christ (Indianapolis).*
Third World Newsreel.
Pat Tobin, Inter'l Longshoremen's and Warehousemen's Union.*
Dr. Herman Will, Assoc. Sec. Gen., United Methodist Board of Church and Society.*
War Resisters' League.
Women's International League for Peace and Freedom.
Women's Strike for Peace.
World Federalist.

CAPTIVE NATIONS WEEK

Mr. WILLIAMS. Mr. President, freedom has been described as the right to one's dignity as a human being. The basic human rights which comprise that freedom and the dignity that these rights bestow form the foundation on which American society rests. Yet for millions of people throughout the world today, freedom is a word which has little meaning for their everyday lives. These people live in the nations held firmly in the grip of Fascist or Communist tyranny.

No part of their lives is free from government control and intrusion, and any who seek to claim the rights that all should enjoy risk torture, imprisonment, and death. Those of us who have never listened for the sound of police boots outside the door in the hours before dawn can only imagine life in these countries today.

Each year since 1959, the United States has commemorated Captive Nations Week. This year, the week of July 13–19 has been set aside as the 17th observance of Captive Nations Week. During this week, the people of the United States demonstrate their solidarity with the people of these countries who struggle to be free. This week offers the opportunity for all who cherish the blessings of democracy to raise their voices against the injustices that captive peoples suffer so that their rulers will know that the oppression of their people does not go unnoticed.

The observance we mark this week also allows Americans to reaffirm their long-standing commitment to freedom and justice for all people so that those in captive nations will know they do not stand alone. But more importantly, Captive Nations Week is a time to renew our faith and hope that those who live under dictatorship the world over shall again be their own masters.

THE NUCLEAR STRIKE CRUISER AND AEGIS

Mr. BAYH. Mr. President, over the last several years, I have spoken many times in this body and other public forums of my concern regarding the increasing tendency of our Government to invest in extremely expensive and sophisticated weapons systems. It has been my fear that we were running a grave risk of putting too many of our defense eggs in too few, very expensive baskets. I have often quoted a remark made in 1971 by Senator STENNIS, chairman of our Armed Services Committee, which pointed out the perils quite clearly.

Senator STENNIS said:

> If we can afford a permanent force structure of only one-fifth as many fighter aircraft or tanks as our potential adversaries because our systems are about five times more expensive than theirs, then a future crisis may find us at a sharp numerical disadvantage.

I know many of our colleagues agreed with the chairman on this point and have been diligently working to promote a sensible and sound defense policy which would provide us with needed quantities of weapons systems. Events of recent weeks indicate, however, that an attempt is being made to frustrate our efforts.

Specifically, I am referring to the President's decision to disregard the recommendations of the Department of Defense and request an authorization to spend $60 million for procurement of long lead time components for the nuclear strike cruiser.

The nuclear strike cruiser is a completely new class of ship, Mr. President, and the request to build it, announced with so little fanfare, marks one of the most important developments in naval policy in this decade. If the Congress authorizes the $60 million expenditure, it will be committing itself to procurement of a cruiser at a total cost of $1.2 billion and, in all probability, to an entire fleet of these very expensive ships—all at a time when we are attempting to reorder defense priorities and efficiently rebuild the Navy to an adequate size.

Mr. President, what is most disturbing about this request is that it was not proposed to the Senate Armed Services Committee and not discussed during the committee's hearings on the authorization bill. The role of Congress in the policy making process was totall ignored.

Of particular concern to me in the President's decision are the implications for the Aegis missile program. Aegis is an advanced, very expensive missile system designed to provide air defense for our attack carriers.

The history of Aegis has been characterized by repeated changes by the Navy in the ultimate plans for the system. In 1968 and 1969 the plan was to utilize Aegis in the DGN and DLGN38 classes of ships. In 1972 the DG class ship was named the Aegis ship of the future. Then there was talk of the strike cruiser serving as the Aegis platform followed by consideration of retrofitting a variety of ships to carry the Aegis. In short, Aegis has been a missile system in search of a home, and as a result of the indecision on the part of the Navy, it has been impossible for Congress to critically review the program.

Through the courtesy of Senator CANNON, I was able to take part in hearings before the Subcommittee on Tactical Air Power when it considered Aegis this spring. My purpose was to try to pin down in my own mind exactly what the Aegis program was—how many systems we would buy, how and where they would be utilized, how they would mix with other air defense systems, and how they would perform in given quantities against perceived threats to the fleet. I repeatedly asked questions regarding these issues, and I was repeatedly told by representatives of the Navy that while my concerns were perfectly legitimate, there were no answers because the Navy had not decided upon a platform for Aegis.

It has evidently been decided that the strike cruisers, the most expensive of the alternative platforms, will be Aegis ship, and the questions I asked in March become even more pressing. How many of this type of Aegis ship can we afford? Will this number provide the fleet with the air defense capabilities it needs? How will the Aegis system interact with our existing F-4, F-14, and Tartar Terrier systems? Are there more economical ways of achieving equal levels of protection?

Mr. President, Congress should consider every one of these issues in detail before it commits itself to buying any number of missile systems at a cost of $80 million each—not including launchers or missiles—or $1 billion ships which are chiefly justified as platforms for the missile system. We should not and must not embark upon a course which will consume a large part of the resources we have available for strengthening our naval forces, without having closely examined every alternative and until we are convinced that such a course is, indeed, essential.

Mr. President, I am hopeful that our Senate conferees will hold firm to the Senate position which does not include the $60 million requested for the nuclear strike cruiser. We need more time to properly study the plans for the future of the Navy. In this regard, I would like to add that on February 7 of this year I requested the General Accounting Office to review in detail the Aegis air defense system. I anticipate that the GAO's report, which should be completed in late August, will shed a great deal of light upon many of the crucial issues confronting us in Aegis and the strike cruiser.

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*For identification purposes only

Mr. President, our constituents have endowed us with a great deal of power in electing us to the Senate. It is imperative that we exercise that power with knowledge, understanding and proper reflection. I hope that the Congress in considering the strike cruisers will meet its responsibilities and resist pressures to act precipitously.

CAPTIVE NATIONS WEEK

Mr. KENNEDY. Mr. President, this week has been designated by the Congress as Captive Nations Week. It is a time when we commemorate our continuing commitment as an institution and as a country to the maintenance and promotion of the fundamental human rights and human dignity to which we believe all peoples are entitled. Nearly 200 years ago, in the Declaration of Independence, the Founding Fathers committed our Nation to these principles:

> We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable rights; that among these are Life, Liberty and the Pursuit of Happiness; that to secure these rights, Governments are instituted among men, deriving their just powers from the consent of the governed, that whenever any form of government becomes destructive of these ends, it is the right of the people to alter or abolish it, and institute new Government.

In our 200 years, America has made enormous progress in pursuit of these goals. We still have a long way to go. But in many other areas of the globe, many people are deprived of these human rights. Oppressive governments-by-decree, controlled by ever more powerful military leaders, have proliferated in recent years. The international press caries reports of starvation, torture, summary arrest and imprisonment. The plight of the world's refugees—displaced, without possessions, or homes—causes concern and compassion. As America enters the post-Vietnam era, there is a great deal of discussion about our future role, and our future commitments in global affairs. In the course of this, there will undoubtedly be strong differences, but let us be clear that, on those principles and policies which were the foundation of this country, we will never renege.

MAY CRAIG

Mr. SYMINGTON. Mr. President, the passing of May Craig is a matter of sadness to me as well as to all those who knew her and her work for more than 30 years in press, radio, and television.

Until her retirement some 10 years ago, Mrs. Craig represented the Portland (Maine) Press Herald and other Maine newspapers of the Guy Gannett Publishing Co., as Washington correspondent. To the millions of Americans listening to radio broadcasts of Washington news conferences or watching them on television, she was the tenacious questioner, driving always to the center of the story at hand.

On "Meet the Press" she was the little lady in the flowered hat with the blockbuster questions, sweetly, but firmly, addressed to the guests.

Often the favorite of Presidents, she was on occasion the mischievous deflator of their balloons. When President Roosevelt refused to reveal his advanced estimate of electoral votes in the 1936 election on the grounds he did not like to "count his chickens," Mrs. Craig asked, "Afraid of the Hatch, Mr. President?"

Pride in her profession and a burning conviction that women are equal to men in journalism, led her to range over the country and over the world in both war and in peace, taking hardships in stride. She visited troops in the war during World War II, and shortly after the war journeyed from Japan to the United States in a B-29 nonstop record flight.

Despite her devotion to a demanding and time consuming profession, she still found time to be a delightful hostess in her home near the Capitol.

During my years in Washington serving in appointive and elective office, I came to know her well; and my wife and I were always delighted to have her dine with us. Her fairness, perception, and accuracy were unfailing throughout our years of association. The recognition she achieved as a journalist over the years, both as a reporter and as a commentator, was clearly merited.

A woman of limitless energy, great intellectual curiosity and physical and moral courage, Mrs. Craig tempered her work with humor and understanding rare in a busy and dedicated person. She was a truly unique individual. To her children, grandchildren, and great grandchildren go our sympathy.

The accomplishments of this great lady will be a treasured record for the years to come.

FOREIGN SERVICE GRIEVANCE BILL

Mr. BAYH. Mr. President, since 1971 I have been working to pass legislation which would provide due process rights to employees of the Foreign Service in personnel disputes. Three times the bill which I drafted with our respected former colleague, John Sherman Cooper, to provide a grievance procedure for Foreign Services personnel, was passed by the Senate only to die in the House of Representatives. Events occurring only last week now underscore the need to enact this legislation which I reintroduced earlier this year.

On July 9, 1975, the seven public members of the Interim Foreign Service Grievance Board, a temporary board which was established as a result of our prodding to deal with grievances within the Service, resigned in protest. The reason for the resignation was the refusal of the Agency for International Development to implement a direct order of the board. As a result, even this interim grievance system for the Foreign Service is dead.

Mr. President, it is imperative that the Senate now act quickly to pass my grievance bill. I believe we can have success in the other body this year as Members realize employees of the Foreign Service are now denied even the barest protections.

Mr. President, I set out below the text of the letter of resignation to the Secretary of State written in behalf of the seven public members by Mr. William Simkin, chairman of the Interim Grievance Board. Mr. Simkin is a past President of the National Academy of Arbitrators and served for 8 years as Director of the Federal Mediation and Conciliation Service. He is truly one of this country's most distinguished arbitrators, and I salute him and his colleagues for the integrity they have demonstrated in the face of refusal by the foreign affairs agencies to follow the decisions of a board the agencies, themselves created. It is unfortunate and deplorable that the agencies left the board members with no alternative but resignation.

Mr. President, I quote Mr. William Simkin's letter:

> We, the Public Members of the Foreign Service Grievance Board, herewith submit our resignations.
>
> We take this action unanimously because of our considered belief that AID's noncompliance with a Board order has fatally undermined the present grievance system for the Foreign Service.
>
> On December 23, 1974, we issued an order in the case of William H. Baumann, Record of Proceedings 74-202-AID-55. AID failed to implement that order, contesting the Board's decision on both jurisdictional and substantive grounds. On May 14, 1975, we invited representatives of the three foreign affairs agencies and AFSA to consider, thoroughly, the implications of non-compliance with a Board order. At that meeting we stressed that our arbitration system could not survive if the participants reserve the right to pick and choose the Board decisions they will honor. We also stressed the fact that when the agencies themselves created the Board, they made no provision whatsoever for an appeals procedure.
>
> On May 30, AID made a submission to the Comptroller General on the Baumann case. That submission came belatedly, and went beyond a purported concern over the legality of a potential payment to Baumann, and into jurisdictional issues. AID thereby unilaterally modified the regulations under which we had agreed to serve.
>
> It is clear that AID, and now apparently USIA as well, do not accept our basic position that the grievance procedures require that the parties to the system must feel themselves bound to honor Board decisions. Under these circumstances, the climate needed for good-faith resolution of grievances in the Foreign Service has been effectively destroyed; a situation not susceptible to remedy by the Comptroller General, irrespective of which way he might rule in the Bauman case.
>
> Although we are not willing to accept grievances filed after the date of this letter, we would be willing, if the three agencies and AFSA so desire, to complete the cases now before the Board.
>
> We do not wish to close without a word about our Agency Board and staff colleagues. We have been greatly impressed by their integrity, impartiality, competence and devotion to the work of the Board. It would be unjust if the fact that we have chosen to resign were to hamper their futures in their respective agencies.

CORRUPTION IN THE GRAIN TRADE—VIII

Mr. CLARK. Mr. President, over the past month, reports of bribery, theft, mismanagement, and conflict of interest in the Nation's grain export industry have continued to surface at a rapid clip.

In June, a delegation representing the Federation on European Feed Compounders told the Senate Agriculture Committee that they are increasingly turning to other suppliers because of the declining quality of U.S. grain exports.

What is going wrong with America's export grain? The problem clearly is not on the farm—the American farmer is producing a higher quality product than ever before. But between the farmer and the foreign customer, U.S. grain, we are learning, is being badly adulterated, poorly handled, falsely graded, and seriously short-weighed. The private grain inspection system that is supposed to prevent such abuses is laced with corruption and conflict of interest. And the Department of Agriculture, responsible for supervising the system, has been negligent—or worse—in doing its job. Even now, the Department has failed to come forward with any positive proposals for grain inspection reform.

Earlier this month, I spent 2 days in New Orleans viewing firsthand the operations of the grain export industry and the grain inspection system. I met with a number of people involved in various aspects of grain exporting and in the continuing Federal investigation into grain trade corruption. Especially helpful was a briefing I received from U.S. Attorney Gerald J. Gallinghouse, who appears to be doing an outstanding job of heading that investigation.

As I have reported to the Senate Agriculture Committee, I was shocked at how pervasive the corruption in the New Orleans grain trade really is. The problem there cannot be solved by weeding out a few "rotten apples." The problem is in the system itself.

That is why I returned from New Orleans even more firmly convinced of the need for a Federal grain inspection system, at least at the port cities. I am hopeful, Mr. President, that a careful review of the unfolding grain trade scandal will lead many of our colleagues to the same conclusion. With that in mind, I ask unanimous consent that a number of recent articles from the Des Moines Register, the New York Times, and other newspapers be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the New York Times, June 16, 1975]

EUROPE GRAIN MEN PRESS COMPLAINTS—SIX EXECUTIVES VISITING UNITED STATES TO VOICE GRIEVANCES AND "GET WHAT WE PAID FOR"

(By William Robbins)

WASHINGTON, June 15.— Six executives of European grain companies, seeking answers to their charges of adulteration and low quality in shipments by companies based in the United States, arrived here last night to talk with Federal officials and legislators.

"Our main concern is trying to get what we pay for," said Bill Duncan of Ireland, who is a director of Unilever, Ltd., European conglomerate corporation. "But you may not realize how important this is to the United States. You and your farmers are losing a major market. A lot of mistrust is building up."

The grain executives said it was only a coincidence that they had arrived while a broad investigation alleged corruption in the handling, grading and weighing of grain was under way in major American ports. They said they had been planning to make the trip for about six months.

One reason they felt they had to come to Washington, the executives said, was that their complaints were routinely shrugged off by the Department of Agriculture.

"What's the use of complaining," said Louis Maselis, head of Cy Maselis, a French company. "You always get the standard answer. They say they have no way to determine the validity of our samples and therefore they can't make any determination of the validity of our complaints."

As a result, the executives said, they prefer not to buy American grain when they can avoid it. Most of them spoke perfect English.

"You're number three," said Mr. Duncan. "Take soybean meal, for example. Our first choice is either European or Brazilian production and we'd rather have it milled in Europe."

DAMAGED CORN SHOWN

In an interview with two reporters at the Statler Hilton Hotel here, the executives displayed bagged samples of grain they said they had received from United States companies. The corn they displayed in plastic bags contained large quantities of broken kernels and mealy particles.

Experts say such corn has a low value because oxidation sets in when a kernel is broken and the quality of the oils and acids in it dissipates.

But their principal complaint concerned soybean meal. They showed official analyses noting low protein content and high percentages of fiber in the meal, indicating that hulls had been ground in with the beans.

Mr. Duncan said that soybean meal often arrived containing as much as 2 per cent of lime.

"That's a good profit for them when they can buy lime for four dollars a ton," he said. Soybean meal now sells for more than $120 a ton and at times has sold for nearly $300.

Another complaint of the European businessman concerned United States grading regulations, which allow a ship to carry as much as 10 per cent of off-grade grain without having its official grading certificate lowered.

When such ships arrive in foreign ports, they said, the cargo is divided and sold to a variety of interests. A single buyer often gets all of the low grade grain, they said.

The executives, all members of a trade association called the Federation of European Feed Compounders, are visiting here under the auspices of the American Soybean Association, a producer group, and the Agriculture Department's Foreign Agricultural Service.

Hal I. Richard, European director of the soybean association, said his group's concern was that American farmers were losing their markets and that an expanding Brazilian soybean industry was gaining in the same markets.

He said that while American farmers might suffer, the corporations handling their grain do not because they also control large parts of the Brazilian production.

Mr. Richard said his organization was seeking a new grading system in the United States that would give greater incentives for improving quality of the product.

He also said his organization was promoting research in ship-loading. Much of the grain shipped abroad is damaged when it falls from the loading spout into the ship's hold, he noted.

The European group was also concerned about the availability of United States grain. They had been shocked two years ago, they said, when the Government imposed an embargo on soybean exports.

"We need to know you are a reliable supplier," said Mr. Duncan. "That embargo did things to us. We had to compound anything we could in the feed. It was a question of keeping animals alive."

"Look at it this way," said Kenneth Arnott, a Unilever director who is president of the trade association. "We need each other. And your American companies need to protect their good name. As it is now, when you buy something from them, you never know what you're going to get."

Asked what he thought of low quality and adulteration of shipments, he said:

"If it isn't international, it's poor management."

[The New York Times, June 17, 1975]

GRAIN EXPORT STUDY FOUND NEGLECT OF SAFETY, QUALITY—AGRICULTURE REPORT OF '73 SAID AGENCY FAILED TO MEET ITS OBLIGATIONS—SOME SHORTCOMINGS PERSIST

(By William Robbins)

WASHINGTON, June 16.—The Agriculture Department's internal investigative agency found two years ago that the Grain Division, which is responsible for assuring the safety and quality of United States grain shipments, was failing to meet some of its principal obligations. Some of those shortcomings have still not been corrected.

The problems found in the Grain Division ranged from withholding of information about dangerously contaminated grain to suggestions of cozy relations between Federal officers and an organization of major exporters.

The findings were part of a 102-page report by the Office of the Inspector General, an agency that has since been divided into two units—the Office of Investigation and the Office of Audits.

Ervin L. Peterson, administrator of the Agricultural Marketing Service, whose jurisdiction includes the Grain Division, commented when asked about the findngs in a copy of the report obtained by The New York Times:

"I think you could say that what we haven't corrected, we're well on the way to correcting.

"That report was the genesis of my close and continuing surveillance of the Grain Division."

He also said he has asked for the audit shortly after taking his position in June, 1972.

The official, who is retiring this month, said he had immediately begun demanding managerial "responses" to the problems found and noted that he had recently shuffled the division's top management.

Problems in the Grain Division cited in the report included the following:

The Grain Division was holding up proposed instructions to inspectors because of objections by one association whose principal members were large grain-exporting corporation although no contact had been made with the 40 or more other organizations in the grain trade who would be affected.

Federal grain inspectors did not inform the Food and Drug Administration when they found grain contaminated with hazardous substances although the withholding of the information permitted such grain to go into mixtures destined for human use.

The division did not produce a safety code to prevent the exposure of employes to health hazards in fumigated ship holds. The code is still pending two years after the report was issued and about a year after a worker died after exposure in a fumigated ship.

An inspection regulation allows 10 per cent of a cargo to be off-grade grain although the practice often victimizes some foreign buyers who get nothing but the off-grade portion while paying a premium price.

Inspectors who are licensed by the Agriculture Department but employed by private agencies were using "unapproved shortcuts" and in some instances were giving higher grades to grain than were justified.

The grain inspection system is part of an investigtion of alleged corruption under way in New Orleans and other ports. In addition, the handling and weighing of grain are being investigated in an inquiry that has turned up evidence of bribery and large-scale thefts.

The proposal that the report found was held up because of industry objections included plans to determine uniformity in export shiploads of grain.

SOME MATERIAL POISONOUS

The report shows that the plans were submitted to the North America Export Grain Association but dropped because "the trade would not accept them."

"There are approximately 40 trade organizations other than the NAEGA" on the division's mailing list, it said.

Referring to problems of grain contamination, the report said:

"It has not been the practice of the Grain Division to inform the Food and Drug administration of grain found to contain deleterious substances such as mercury-treated kernels, crotalaria seeds, aflatoxin or adulterants such as rodent excetra and insect-damaged kernels."

Mercury, crotalaria seeds and aflatoxin are poisonous.

"Some grain inspection branch personnel advised that they had been verbally instructed not to volunteer any information to F.D.A.," the report said.

"One regional office director," the report further said, "instructed his field office supervisors not to volunteer any information to F.D.A., nor to comply with F.D.A. requests for grade or quality information."

As a result, the report said, "the grain producers or elevators are able to blend the contaminated grain with good grain or dispose of it by other means" and it "could be used for human consumption even though F.D.A. criteria show these conditions prohibit such use."

Mr. Peterson said he had issued orders to have the F.D.A. informed of the existence and location of any contaminated grain.

The report noted that "an effective safety program has not been established and implemented, particularly with respect to examining fumigated spaces" although the need had been cited in a previous audit. It cited serious health hazards when some fumigants had been used and cases when employes had become ill after entering fumigated ship holds.

EXPERT KNOWLEDGE LACKING

"The safety officer advised that the safety program probably has not received the guidance and direction it should have from him because he does not have the needed expertise or time to properly handle it," the report said.

About a year after the report was issued the Office of Investigation was asked to investigate the death of a worker that was attributed to fumigation of grain in a ship.

Mr. Peterson said that a new safety code had been prepared and that its issuance was pending.

The regulation permitting 10 per cent of a grain cargo to be off grade, the report said, allows an elevator operator to hold back his lower grades and, once he knows the average for the rest of the cargo, fill the last part of the hold with cheap grain.

"This, in effect, allows an elevator to knowingly blend and load off-grade grain," it said.

The practice is being protested by a group of European grain-company officials now visiting Washington.

In many instances, the report said, inspectors were taking "shortcuts" and grading too few samples of a cargo. Some also gave a higher grade to samples that contained slightly more broken and damaged kernels and more foreign matter than were allowed, it was said.

Mr. Peterson said today he had attempted to tighten management procedures after reading the report. He said he had provided young assistants for the division director and finally had asked the director to step aside.

DIFFER OVER INSPECTION

That executive, Howard H. Woodworth, who was asked to change positions with his deputy director, said in a recent interview that he attributed the action to a conflict of personalities and a conflict of philosophies with Mr. Peterson. A major difference, he said, involves the possible merits of the inspection system, which he supports and Mr. Peterson believes should be changed.

"It's not perfect, I know, but I've lived with it and I know its batting average," Mr. Woodworth said.

He contended that, in general, the system produced good grading and noted that it provided a chance for appeals from inspectors' analyses "like our court system."

But Mr. Woodworth said he had begun to see a pattern of irregularities "at some elevators" in the last few years.

David R. Galliart, the new director, declined to discuss any possible pattern because of the current investigation and because of the sensitivity of his new duties. Referring to problems found in the grain division he gave a reporter this optimistic invitation:

"Come back and take another look at us in about a year."

[From the Des Moines Register, June 17, 1975]

U.S. WARNED ON POOR GRAIN; EUROPEANS SAY QUALITY PERILS SALES—SENATE UNIT, BUTZ HEAR COMPLAINTS

(By James Risser)

WASHINGTON, D.C.—A team of European feed company executives warned here Monday that the U.S. stands to lose a large share of its foreign agricultural markets because of the poor quality of U.S. grains being shipped abroad.

Because American grain frequently arrives in a dirty and broken condition, Europeans are increasingly turning to Brazil, Argentina and other nations for their corn and soybeans, even though prices there often are higher, they said.

"We are alarmed at the quality of the U.S. corn that has been coming across," said Kenneth Arnott of Great Britain, explaining that British feed and whiskey makers are starting to buy from South Africa and Argentina.

"It is incredible that a country with the technology and resources to put a man on the moon can't move corn from the U.S. to Europe without grinding it into dust," he said.

HEADS FEDERATION

Arnott is president of the Federation of European Feed Compounders, the trade organization to which the visiting Europeans belong. They voiced their complaints Monday to the Senate Agriculture Committee and to Agriculture Secretary Earl Butz who, Arnott said, promised to "pull every string in sight to see that something is done about this."

The Europeans blamed handling at U.S. grain ports, along with "ancient" U.S. grading standards which encourage addition of foreign materials by American grain companies, for much of the problem.

They declined to express their views on the current scandal involving bribery and other corruption in U.S. grain inspection, and said their trip here had been planned long in advance of disclosures of the scandal.

SAMPLES SHOWN

Their visit was co-ordinated by the American Soybean Association (ASA) of Hudson, Ia., which is concerned about European purchasers looking to Brazil as a producer of better quality soybeans than the U.S. Many European countries also are building plants to produce their own soybean meal from the beans they buy, because of dissatisfaction with the meal purchased from the U.S.

The eight Europeans were armed with samples of U.S. corn and soybeans, and with the same products from other countries. The U.S. corn—which they claimed was typical of much they receive—was broken and contained large amounts of corn dust.

Harold Richard, Western Europe director for the ASA, said improper processing and rough loading in the U.S. produces the broken corn. The broken kernels oxidize quickly, lose oils and acids, and, in the case of cornstarch manufacturers and other processors, become worthless, he said.

SOYBEAN MEAL

The group displayed for the Senate Agriculture Committee sample bags of U.S. soybeans which contained burned beans, pieces of corn, small sticks and what appeared to be cockleburrs.

Bill Duncan, an official of Unilever from Ireland, said that of all soybean meal shipments from the U.S. to Ireland in the past 2½ years, two-thirds have been below the required 44 per cent protein content.

"When we buy something, we don't know what we're going to get," he said. He and others in the group said Brazilian soybeans are uniformly high in protein and low in useless fibers.

Duncan showed a reporter a file, which he said was a case history of a complaint about 800 tons of sorghum received in Ireland from the U.S. in dirty, substandard condition, with excess dust and discolored grain.

SLOW TO REPLY

The complaint was filed in July, 1974, but apparently because of delays at the U.S. Agriculture Department, no reply was received from the U.S. until May, 1975. The reply said no reason could be found for the change in quality for the sorghum, which had been inspected and found satisfactory at the time of shipment.

"When you have this damn sort of thing going on, you just stop buying from America," he said.

Arnott said many European buyers do not bother to file complaints with the Agriculture Department for the reasons outlined by Duncan.

"We complain to the U.S. agricultural attaché and it takes three months or more for the Agriculture Department to tell us everything is all right," he said. "You get to the point of saying, 'Why waste our time?' "

INSPECTION SETUP

U.S. export grains are inspected and graded by inspectors who are federally-licensed but who are employed by private inspection agencies. Many of the agencies are controlled by grain, shipping, and other export interests. The Agriculture Department is barred by law from making the initial inspections, but is supposed to oversee the work of the private inspectors and investigate complaints.

Senator Dick Clark (Dem., Iowa), who received the Europeans on behalf of the Agriculture Committee, said he is convinced U.S. farmers are producing a quality product. "But something is happening between the point of production and the point of delivery," he said.

Ralph Jackson, executive vice-president of the ASA, called for revised U.S. grain grading standards to discourage shipping of low-quality products. He said the U.S. should station inspectors at foreign receiving ports to help check on the quality of the arriving grain and to expedite processing of complaints.

ELEVATOR WASTE "ADDED TO GRAINS"

Export grain companies frequently add grain dust and inferior or low-grade grains to shiploads of corn, wheat and soybeans which they send abroad, the head of the Agriculture Department Grain Division office in New Orleans, La., said Monday.

Harlan L. Ryan said the practice is legal, although foreign purchasers have complained that the practices are leading to U.S. grains being of lower quality than those from other producing nations. Ryan had been quoted in some press accounts as denying a contention by Representative Neal Smith (Dem., Iowa) that grain shippers deliberately add dirt and other wastes to grain.

But Ryan told the Register that he had understood Smith to mean that "dirt in the sense of earthy materials" was being trucked into the grain elevators and added to grain shipments.

Ryan said that if Smith was referring to grain dusts, Chaff, hulls, and other wastes present in the grain elevators, he is right that such materials are regularly added to the export grains.

[From The Des Moines Tribune, June 17, 1975]

ADMITS U.S. FIRMS ADD GRAIN DUST

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REGULARLY ADDED

Ryan said that if Smith was referring to grain dusts, chaff, hulls, and other wastes present in the grain elevators, he is right that such materials are regularly added to the export grains.

Meanwhile, Representatives of the European livestock feed industry said they have been assured of prompt action to clean up U.S. grain inspection procedures.

The six-man delegation, representing the Federation of European Feed Compounders, said that unless the quality of U.S. grain and soybean meal is improved it could force European buyers to look elsewhere.

Kenneth Arnott, president of the federation, told reporters after a meeting with Agriculture Secretary Earl L. Butz that he could understand the problems associated with harvesting and moving vast quantities of grain and meal into export channels.

"RATHER DIFFERENT"

"Nevertheless, we have to accept a U.S. certificate of quality, and the thing that comes out of the other end of the ships' voyage is something rather different," Arnott said.

The delegation stressed that it was not here specifically to engage in a current dispute over U.S. grain standards and export inspections. The trip, the Europeans said, had been planned since late last year to see U.S. farm production and to check with suppliers.

Federal investigations of alleged corruption in the grain inspection system have produced a score of grand jury indictments. A hearing on the situation has been called by Senator Hubert H. Humphrey (Dem., Minn.) for June 19.

Arnold, from London, said Butz "left us in no doubt that be was going to probe this grain inspection issue very thoroughly" but said the secretary did not spell out specific actions.

[From the New York Times, June 19, 1975]

SHERIFF IN LOUISIANA IS ACCUSED BY GRAIN EXECUTIVE

LAPLACE, LA., June 18. The sheriff of rural St. John the Baptist Parish (county) tried to put pressure on Cargill, Inc., to help him to set up a potentially lucrative grain inspection company, according to a Department of Agriculture memorandum.

The sheriff, Lester J. Millet Jr., according to the memorandum told Cargill that construction of its new grain elevator in Reserve would be halted if certain demands were not met.

The memorandum, a copy of which was obtained by The New York Times, was written March 20 by C. C. Herndon, the assistant field office supervisor of the Department of Agriculture's Grain Division here. It reports a Cargill executive's assertion that Mr. Millet led a group seeking influence over Cargill's hiring, construction contracts, barge towing and salaries, in addition to seeking the grain inspection concession.

The executive, Lief Pedersen, who will be superintendent of the grain elevator when it opens next year at a site 30 miles up the Mississippi River from New Orleans, reported that Cargill had been told by the group that "no local law enforcement agency would protect the company," according to the memorandum.

ALLEGATION DENIED

Mr. Millet has denied the allegation and said that he simply asked Cargill to provide jobs and contracts to local people to help the area's economy.

He also denied having any financial interest in the Mississippi River Board of Trade, a newly founded company that has applied to the Department of Agriculture for designation as the grain inspection agency for the area in which the new Cargill elevator is situated.

However, J. T. Abshire, acting head of the inspection branch of the regulatory unit of the grain division in Hyattsville, Md., said that Mr. Millet had offered him a job in the company.

Mr. Abshire's office is responsible for drafting recommendations of inspection agencies for the approval of the Department of Agriculture. He reported the job offer to the department and removed himself from involvement with the company's application.

L. E. Malone, assistant chief of the inspection branch, said that in addition to Mr. Millet, others involved in the proposed inspection company are the St. Charles Parish Assessor, Clyde Gisclair and Victor E. Bradley, Jr., a lawyer who is a friend of the two men and also an assistant district attorney for the area.

Papers filed with the Louisiana Secretary of State's office indicate that Mr. Bradley is the sole officer, agent and incorporator of the 15-month-old company. Mr. Bradley said that Mr. Millet and Mr. Gisclair had no involvement in the company. Mr. Gisclair said that he had no comment on the matter.

The role of private grain inspection agencies figures prominently in a wide Federal investigation of alleged irregularities and profiteering in the weighing and grading of grain shipments from New Orleans and other ports.

The author of the memorandum, Mr. Herndon, now working for the grain division's Board of Appeals and Review in Beltsville, Md., said that the document was an accurate report of Mr. Pedersen's remarks in a telephone conversation March 17.

The memorandum states that Mr. Herndon reported Mr. Pedersen's remarks to F.B.I. agents and to his superior.

Mr. Millet charged that a continuing Federal investigation into the alleged extortion of businesses and riverfront industries in the parish, including Cargill, was begun by the United States Attorney's office in New Orleans because of complaints by Cargill.

He said that Cargill was seeking retribution for his refusal to accept a bribe, in the form of a promised campaign contribution, in an attempt to persuade him to act against pickets who were blocking entrances to the construction site in March.

Cargill officials deny that they ever offered Mr. Millet a bribe or campaign contribution.

Mr. Millet attributed the extortion allegation to other companies that are seeking designation from the Department of Agriculture as the inspection agency for the Cargill facility.

"Whoever wants me indicted wants to control grain inspection," he said, adding that he suspected persons connected with existing inspection companies of giving the investigator information about him.

Mr. Millet acknowledged that he accompanied Mr. Bradley to Washington in the first week of June to promote the application of the Mississippi River Board of Trade.

The two visited Representative Gillis W. Long, who represents the parish, and Senator Russell B. Long. Both Congressmen said that they had shown Mr. Millet and Mr. Bradley the routine courtesies involved in helping constituents to get information from Federal agencies.

[From the Des Moines Register, June 20, 1975]

USDA ADMITS FLAWS IN GRAIN INSPECTION SYSTEM

(By James Risser)

WASHINGTON, D.C.—U.S. Agriculture Department officials admitted Thursday there are serious deficiencies in the inspection and grading of U.S. export grains, and indicated they soon will propose a complete government takeover of the inspections.

Because the inspectors are employed by private organizations, some of them controlled by grain companies, they are "particularly vulnerable to being influenced" to put false grades on grain, said Undersecretary J. Phil Campbell.

SENATE HEARINGS

Campbell testified at the opening day of hearings by the Senate Agriculture Committee, which is investigating a grain inspection scandal that so far has produced 20 indictments of individuals and companies in New Orleans, La., and Houston, Tex.

Otto Collins, of the department's Office of Investigation, told the committee that his office's investigation includes a look at exports elevators in all major port cities. "How far it will go up through the elevators to top management, I can't say," said Collins.

He also said the investigation of grain inspection and grading will "move inland into the interior warehouses eventually."

Much of the hearing involved arguments as to whether the Agriculture Department moved quickly enough to investigate the corruption as well as why the department has not previously tried to reform the inspection system.

SENATOR CLARK

Senator Dick Clark (Dem., Ia.) said the department is guilty of either "bureaucratic ineptitude" or has consciously sided with the grain companies in not aggressively investigating complaints about inspection.

Senator Hubert H. Humphrey (Dem.,

Minn.) called the present inspection system "an outrage" which permits "hanky-panky" between grain firms and the inspectors.

Agriculture Department officials who accompanied Campbell to the hearing admitted that:

The Department has done nothing to resolve apparent conflicts-of-interest, in which inspectors work for boards of trade and other organizations owned or operated by grain, shipping, and other business interests.

Federal licensing of grain weighers is "a paper exercise" that provides U.S. overseas customers with "no guarantee of the accuracy of the weights" of the grain they receive.

The Agriculture Department has acted as "passive referee" in the inspection and grading process. Reducing its own surveillance of the inspectors even while U.S. grain exports were booming.

Until the current scandal broke the department had refrained from trying to change the inspection system because of grain industry opposition to federal inspectors.

Nevertheless, Campbell argued that the department moved aggressively in 1963 as soon as it learned of inspectors taking bribes and other possible corruption.

CITES FOOT DRAGGING

However, Humphrey accused the department of dragging its feet and of hushing up problems in grain inspection activities. He said the agriculture committee had never received any departmental requests for corrective legislation, and was holding the hearings solely in response to disclosures in The Des Moines Register and the New York Times about the inspection scandal.

He warned the department against "any cover-up or whitewash" and said inspection deficiencies could imperil the $12.5-billion-a-year U.S. overseas grain market.

Campbell also was challenged by Senator Clark, who noted that one department official had warned in 1969 that grain inspectors might be taking bribes. The report, from John A. Browning, chairman of the grain division board of appeals and review, was first disclosed by The Register May 11.

The report was based on Browning's discussions with European grain buyers, who told him it was commonly believed American grain inspectors were taking under-the-table payments.

NOT FORWARDED

Campbell told the senators the report had apparently not been forwarded to top department officials.

Campbell, and Ervin L. Peterson, administrator of the Agricultural Marketing Service, said the department's investigation began with an internal audit of grain inspection operations in April, 1973, and was later combined with a separate investigation that had been started by the FBI.

Senator Clark demanded that the department report to the committee on the outcome of several cases cited in the audit—among them a proposed investigation of Cook Industries, Inc., one of the nation's half-dozen large grain firms.

The investigation sought in 1972 by the grain division involved eight apparent violations of the U.S. Grain Standards Act by the Cook firm and by its elevator manager at Reserve, La., the audit says.

Clark said a subsequent departmental memorandum last October indicated that the investigation was being dropped for lack of evidence.

AUDIT DROPPED

The memorandum, written by Richard P. Bartlett, Jr., a deputy administrator of the Agricultural Marketing Service, said the grain division had been unable to pursue the probe because the department's Office of Audit had dropped plans for an audit of Cook's records and because the grain division was unable to develop enough evidence on its own.

The audit also describes a November, 1972, incident at a Continental Grain Co. elevator in Milwaukee, Wis., at which unsampled and uninspected grain was loaded aboard ships.

After samples of grain were taken, other grain was added, and in the case of one soybean shipment the vessel actually was loaded with 16 per cent corn, the audit says.

In addition, the audit called for "more effective supervision of licensed inspectors" at the Farmers Export Elevator, Ama, La., saying that some grain shipments may have been short-weighted and some "off-grade" grain loaded aboard ships.

Undersecretary Campbell said that legislation proposed by Humphrey, giving the Agriculture Department emergency powers to deal with the scandal, including taking over inspection from certain inspection agencies, is unnecessary.

He promised that the department will "very quickly" send up its suggestions for a government inspection system. He said he is leaning toward a system similar to that for meat inspection, in which federal agents do the inspection unless a state government demonstrates it has an equally good inspection system, in which case state employes do the work. In either case, private inspection agencies would be eliminated.

Of the 111 present inspection agencies, 23 now are operated by states. The rest are run by boards of trade, chambers of commerce, grain exchanges, and by private individuals.

[From the Des Moines Tribune, June 20, 1975]

INSPECTION OF GRAIN NOT SUPERVISED

WASHINGTON, D.C.—An Agriculture Department report written after the Nicaraguan government complained about the poor quality of grain from the United States conceded that the federal government failed to supervise the inspection of the loading operation.

The grain had been loaded at the Public Elevators Co. in New Orleans where three federally licensed inspectors were employed before they were indicted on corruption charges.

The director of the Agricultural Marketing Service grain division, which oversees the inspection program, said the failure to supervise the inspection when the 1972 Nicaraguan purchase was loaded from the grain elevator to the ship was a coincidence.

"The chances are good that the next day we were in there," David R. Galliart who took over the job June 1, said Thursday.

But Senator Dick Clark (Dem. La.) said he has seen no evidence that additional supervisors had been assigned to handle surveillance at the elevator.

Clark is a member of the Senate subcommittee on foreign agriculture policy, which is investigating the grain inspection scandal and the Agriculture Department's response to allegations of corruption, including bribery, among the inspectors.

Galliart said Thusday that "100 per cent survelliance" at the elevators was rarely performed. "I would dare say we have supervised inspection activities there in every week of the year, but not every day or every hour," he said.

But Ervin L. Peterson, administrator of the Agricultural Marketing Service, acknowledged that "the supervision is not adequate. We have been deficient."

The supervisors are federal employes who perform surveillance of the inspectors. The inspectors operate under a federal licensing program, but are hired by private firms, boards of trade or state agencies.

About $12.5 billion in grain is shipped annually to foreign purchasers.

The Agriculture Department probe was swamped by complaints from Nicaragua that a shipment of corn purchased in the United States and sent to * * * Nicaragua in November, 1972, contained foreign material and had been misgraded by the inspector when it was loaded aboard the ship in New Oreans.

The report in general found that the corn had been graded properly.

The complaint was 1 of 55 that have been received regarding the quality of foreign grain shipments in the past 10 years, according to statements made at the Thursday hearing.

Department officials said that all but three had been cleared up.

[From the Des Moines Register, June 21, 1975]

ERRORS SEEN IN RECORDS OF SHIPMENTS—KEY PART OF PROBE IN NEW ORLEANS

(By James Risser)

WASHINGTON, D.C.—U.S. Agriculture Department (USDA) records show that a New Orleans, La., grain elevator operator by Cook Industries, Inc., apparently exported 18.6 million bushels more grain than it received over a three-year period.

The figures obtained by The Register cover grain received and grain shipped out from Cook's Bayside elevator during 1971, 1972 and 1973.

Official inspection certificates indicate that the elevator received barges, trucks and railroad cars containing 338.2-million bushels during the three years, but shipped out 356.8-million bushels.

WON'T RESPOND

Cook officials in New Orleans and at corporate headquarters in Memphis, Tenn., did not respond to repeated attempts to contact them about the figures.

Daniel X. Willis, chief inspector for the Destrehan Board of Trade which inspects, grades and weighs grain at the Cook elevator, said of the figures: "I don't know how that could be possible." But he said he was "too busy" to check whether the figures match those kept by the Board of Trade.

Sources close to the current New Orleans grain inspection investigation said discrepancies between grain received and exported by several large export elevators are key parts of the probe into possible misweighing and theft of millions of dollars worth of grain. "Weighing is where the big money is," said one source.

USDA department officials admit that federal supervision of the weighing process and of the accuracy of the scales themselves is virtually non-existent. One official told the Senate Agriculture Committee Thursday that licensing of weighers is "a paper exercise."

Federal agents have obtained the records of the Cook firm, the Bunge Corp., and possibly other grain exporters, it was learned. They also have examined the books of the USDA's Transportation and Warehouse Division regional office in Memphis, which licenses grain weighers at New Orleans and other southern grain elevators.

GRAND JURY

A federal grand jury is expected to resume hearing testimony next Tuesday, and more indictments are expected soon. A total of 20 individuals and companies in New Orleans and in Houston, Tex., have been indicted to date on charges of bribery or other corruption.

There have been persistent reports during the course of the investigation that some elevators have "short-weighted" shipments of grain they load onto export vessels. Thus, the export inspection certificate issued by the inspection agency at the elevator would show more grain loaded onto the ship than actually was aboard.

A persistent pattern of such shipments could produce an "overage" in the elevator—

that is, more grain on hand than should be there according to the records of grain coming in and going out.

The overage, sources said, could be sold by the elevator, which would then have been paid twice for the grain. In some cases, however, it is believed that the short-weighted grain was stolen by either elevator or inspection agency personnel, or both, and sold elsewhere.

One source said that federal agents are looking into a possible ring of elevator and inspection agency personnel who said barges of grain are diverted from an export elevator into a small, nearby elevator not involved in overseas trade. The small elevator then sold the grain and those included in the scheme divided the money, the source said.

False certificates were issued to cover up the fact that the grain was not actually loaded into the export elevator.

Grain export elevators in New Orleans and elsewhere have their grain inspected, graded and weighed by inspectors who hold licenses from the USDA, but who are employed by boards of trade and other private organizations.

The Destrehan board of trade for example, which provides inspection services at both the Cook and Bunge elevators, is owned by Bryan J. Lehmann, Jr., a former Louisiana state legislator.

PEREZ LINK

Another agency said to be under scrutiny by federal agents, the Delta Weighing and Inspection Bureau, is owned by Attorney Sidney W. Provensal, Jr., a lawyer closely associated with Leander Perez, the powerful political boss of Plaquemines parish.

The Delta agency inspects grain at the Mississippi River Grain Elevator Co.

At various times, the Cook, Bunge, and Mississippi river grain elevators have been put under round-the-clock supervision by the USDA's grain division office in New Orleans because of concern about possible improper practices there.

Operations at the Cook Elevator were discussed briefly at a hearing of the Senate Agriculture Committee Thursday, where it was disclosed that a 1973 USDA audit of grain inspection contains references to a proposed "investigation of Cook industries."

VIOLATIONS SEEN

The investigation sought by the grain division in 1962 centered around "eight apparent violations of the U.S. Grain Standards Act that may have been committed by the Cook Industries.

THE PROBE

The investigation was sought by the department's grain division in Cook Inc., and their elevator manager at Bayside Elevator Company, Reserve, Louisiana (near New Orleans), the audit said.

Mel L. Hibbets, who was the elevator manager at the time, did not respond to telephone inquiries by The Register. He is now vice-president of the Cook Grain Division, in charge of operations and engineering, at the firm's Memphis headquarters.

According to a subsequent departmental memorandum turned up by Senator Dick Clark (Dem., Ia.) the USDA office of audit did not pursue an examination of Cook Records because "information now available is not sufficient to show willful neglect."

One USDA source told The Register, however, that the Cook investigation is not closed. The source said the probe includes a check of Cook's "inventory reduction sheets" in which amounts of grain in and out of the elevator do not match.

The source also said the request for an investigation of the firm involved claims that a Destrehan board of trade inspector was ordered by a Cook official not to issue a cleanliness certificate to a ship which had arrived at the Cook dock to be loaded. The reason was said to be that the firm did not have enough grain in the elevator to load the ship with the amount of grain it had contracted to sell.

Another shipload of grain being sold by Cook was involved in an incident in 1973 that led to the indictment of a Destrehan grain sampler, Lawrence J. Berthelot.

According to the grand jury indictment issued last August, Berthelot improperly sampled corn being loaded aboard the M. V. Belnor at the Cook elevator Nov. 28, 1973. Berthelot pleaded guilty to one count of improper sampling, and another count of perjury was dismissed. He received a fine and probation.

SOUR CORN

According to USDA officials, sour corn was being loaded aboard the ship but was not reflected in the corn samples taken by Berthelot to be used in grading the grain. The incident came to light when a USDA supervisory inspector discovered the bad corn and stopped the loading.

USDA RECORDS

USDA records examined by The Register show grain received and shipped each month from the 4.5 million-bushel capacity Cook elevator.

In some months, grain received exceeded grain shipped and in other months, the situation was reversed. But over the entire three-year period, the records indicate, exports exceeded grain received by 18.6 million bushels.

If 1971 is eliminated, and only 1972 and 1973 figures are used, the difference is even greater—23.5 million bushels—because in 1971 grain received was somewhat greater than grain sent out.

Doing the calculations a different way, using federal fiscal years, the Cook elevator between July, 1970, and June, 1974, exported 21.4 million bushels more than it received during the period.

Federal sources said that over such a period of time, the amount of grain received and the amount shipped should very nearly balance. One source said the large difference could be accounted for only by short-weighting, by thefts, or by unusually faulty record-keeping.

[From the New York Times, June 22, 1975]

Witnesses in Grain Corruption Inquiry Live in Fear for Their Lives

(By William Robbins)

New Orleans, June 20.—Fear has gripped the men and their families who have become entangled in the spreading investigation into alleged corruption in the handling, weighing and grading of grain in major American ports.

"My husband would wind up in the river, I'd be a widow and my children would be fatherless if he ever tells you what he knows," the wife of an indicted former grain inspector here told a reporter.

Whether the threats are real or imagined, some witnesses, as well as targets of the investigation, now live in fear for their safety or of the loss of either their freedom or their livelihoods. Some have "gone underground," in the words of one source close to the investigation.

The names are withheld out of regard for their lives.

A former Federal grain inspector has moved twice after hearing that hired killers are looking for him. He has left his family for their own safety, keeps his whereabouts a secret even from close friends and rides in his automobile with a pistol in his lap.

PLEA FOR ANONYMITY

A former ship captain who first exposed bribery in the Port of New Orleans, pleading to have his role disguised, said, "Man, I've got to walk those docks at night."

Meanwhile, managerial employees and former employes of some elevators, respected members of their communities, fear the legal penalties and disrepute if the manipulations they apparently were willing to practice to advance their careers finally become known.

Twenty indictments have been returned in New Orleans and Houston, most of them for bribery of licensed grain inspectors. Others involve a theft scheme, improper grain sampling, and the use of improper influence on an inspector. The spreading investigation is now looking into weighing and thefts of grain, with investigators looking higher into corporate structures for evidence of irregularities.

Problems with United States grain have led to many complaints from foreign buyers and fears in this country of serious damage to the United States' position in the important grain export trade.

The former Federal grain inspector was employed at one time at a New Orleans elevator but he left, according to associates, because he was unhappy over the irregularities he was ordered to practice.

JOINED AGRICULTURE UNIT

After that experience he joined the Agriculture Department's Grain Division to become one of the Federal supervising inspectors who spot-check the work of federally licensed inspectors who work for private agencies.

And because of his experience, according to an associate, "he could go right to the trouble spots—they hated him."

It was he who discovered a ship loaded with sour corn, a finding that was said to have cost the loading company as much as $1-million in lost values, lost time and demurrage on ships and barges delayed in loading and unloading.

The Federal inspector was badgered by reports to his superiors from the employes whom he checked, charging him with a variety of misdeeds, and by rumors that a "contract" was out to disable him by breaking both his kneecaps, other figures in the investigation say.

"We'd talk about it when he'd come around, just to watch the expression on his face," an indicted former inspector said. "I'd say he looked concerned."

RUMORS INVESTIGATED

The Agriculture Department's Office of Investigation looked into the rumors but reported finding no grounds for them.

The Federal inspector, a former policeman, has told an associate he now has more evidence that the threat was real.

"He's no coward, and he's not imagining what he says," the associate said.

He told the same associate that he carries a pistol in his lap in his automobile and his fingers tighten on the grip whenever a car pulls up beside him.

Present Federal inspectors have reported being intimidated by "jostling" on a man-lift—a cage that rises to the high reaches of a grain elevator. The "jostling" was the rapid switching on and off of the master control in a hidden room. The practice is said to put a dangerous strain on the cables.

Others have had their tires slashed, and one told a reporter he had been warned that it was not safe to walk around an elevator at night, a duty that his job requires him to perform.

SIMILAR WARNING

One client of an elevator, now engaged in a legal dispute with its managers, has reported getting a similar warning when he visited to try to oversee the handling of his own grain.

An attorney for the elevator when asked about the alleged intimidation said, "The waterfront is not the Bolshoi Ballet, you know. These are tough guys and they don't like those creeps from the Department of Agriculture looking over their shoulders."

The former ship captain, who overheard

an offer of a bribe to a grain inspector for approval of a ship's hold for grain loading, was reported to have been the source of information that led the Federal Bureau of Investigation to expose the practice of such bribery, which apparently had become widespread.

Although the captain's name had not been used in a report on the event he called a reporter to express his concern.

THE DOCKS AT NIGHT

"I'd appreciate a correction," he said. "I didn't tell the F.B.I. I told my boss and he told the F.B.I. Man. I've got to walk those docks at night."

At least two men with knowledge of the case have "gone underground," according to a source close to the investigation here.

One of the men, said to be a key witness, reportedly fears for his life if he should let his whereabouts be known.

Some managerial employes of elevators as well as private agencies who employ grain inspectors are reportedly targets of investigation for a variety of suspected offenses.

The lightest penalties some of them are said to face could be summary suspension if strong cases are developed against them—an eventuality, along with accompanying disrepute, almost as serious as legal penalties for individuals who have long enjoyed the respect of their neighbors.

And on the fringe of the current case in the ports is a 1973 case, which still has not been closed, involving suspected manipulation of samples used for the grading of grain at an inland elevator. In that case, the elevator superintendent is the brother of the chief inspector of the agency that must grade the elevator's products.

Nothing but possible embarrassment apparently faces a Federal official who had ruled that the relationship constituted no conflict of interest.

[From The New York Times, June 25, 1975]

Two Major Grain Companies Reportedly Under Inquiry

(By William Robbins)

Washington, June 24.—Two of the world's largest grain companies and an American affiliate of a third company have become subjects in a spreading investigation into the grain-export trade of the United States, according to sources close to the inquiry.

The companies are the Bunge Corporation and Cook Industries, Inc., which are among six corporations with worldwide operations that are said to control 80 per cent of the world's grain shipments, and Mississippi River Grain Elevator, Inc.

Mississippi River Grain Elevator is owned by Serafino Ferruzzi of Ravenna, Italy. Mr. Ferruzzi is a major figure in soybean processing abroad and owns substantial other United States interests, including banking and vast tracts of land recently purchased in North Carolina.

POINTS UNDER STUDY

The investigation, which began early last year with allegations of bribery in ship inspections and subsequent indictments, moved into alleged corruption in the handling, weighing and grading of grain. Federal agents are now looking into questions of any possible corporate responsibility and any possible involvement by company officials.

A key question under study is whether grain is being shipped abroad with weights and grades overstated. Such practices could lead to substantially increased profits for a company employing them.

In the case of Bunge, which is based in New York City, investigators, including agents from the Internal Revenue Service and the Agriculture Department's Office of Investigation, have reportedly been auditing the grain operations of the company's New Orleans Division.

Agents are reported to have taken testimony from employes accusing their superiors of involvement in alleged irregularities, and some middle-management employes and former employes have pointed higher into the corporate structures, according to the sources.

The Bunge investigation is reported to be near completion. It could not be learned how advanced the other reported investigations might be.

Key testimony in the current phase of the investigation is reported to have been obtained as a result of the discovery of grain-theft rings operating on a large scale with high profits within—and against—New Orleans grain elevators of each at the three companies.

MANY REPORTEDLY IMPLICATED

Many individuals, including a tugboat captain and a barge company employe, as well as a New Orleans local grain company said to be operating as a "fence," are alleged to have been implicated in the reportedly called thefts.

The method alleged to have been used was the short-weighting of incoming barges and rail cars until overages of grain in the elevators were great enough to cover diversion of barges, to the allegedly cooperating local company, which in turn was said to have sold it to still another local elevator.

Some railroads and shippers have long complained about the weights recorded at several New Orleans area elevators. About $24-million was paid by railroads last year on claims for lost grain besides additional claims for losses in soybeans and processed grain products.

The main focus of the inquiry is in New Orleans, where Gerald J. Gallinghouse, United States Attorney, and Cornelius R. Heusel, Assistant United States Attorney, are coordinating the work of agents of the Federal Bureau of Investigation, the Agriculture Department's Office of Investigation and the Internal Revenue Service. The investigation has spread to Houston and reportedly other major grain ports.

Department of Agriculture documents show that the agency's Office of Investigation was asked by the Grain Division on Dec. 14, 1973, to study suspected "grain inspection irregularities in the New Orleans circuit."

TWO EARLY INQUIRIES

The request cited two preliminary investigations by the Grain Division and listed suspected violations of the United States Grain Standards Act by Bunge, Cook and "official inspection personnel" of the Destrehan Board of Trade, the private agency that inspects their grain.

Bryan J. Lehman Jr., president of Destrehan, did not return a telephone call seeking comment.

According to another Agriculture Department document, the ensuing investigation by the Office of Investigation has been merged with the larger Federal inquiry into the grain industry.

The Grain Division's request said that the inspectors "may have violated" the act by accepting "gratuities from Bunge Corporation and Cook Industries," issuing false grading certificates and accepting "money or other considerations, directly or indirectly, for any neglect or improper performance of duty," and failing to protect samples of grain taken for grading from "manipulation, substitution, or improper or careless handling."

It also said that the preliminary investigative reports by a Grain Division officer had indicated that "the Bunge Corporation and the Cook Industries, Inc., may have violated" the act in the following ways:

"Knowingly used as true, falsely made official certificates."

"Knowingly caused or attempted to cause the issuance of false or incorrect official certificates."

"Altered official samples."

"Improperly influenced or attempted to influence official inspection personnel with respect to their duties under the U.S. Grain Standards Act."

"IMPROPERLY PERFORMED"

The request said, too, that the Grain Division had received information "which indicates that inspections are apparently being improperly performed at Myrtle Grove," the site of Mississippi River Grain Elevator, whose products are inspected by Delta Weighing and Inspection Bureau, Inc.

Sidney W. Provensal Jr., president of Delta, said he had "no reason to believe any of my employes are under current investigation."

The inspection of grain is a vital function because the grades that are given determine price variations and thus substantially affect any profit or loss on shipments. Original inspections are performed by employees of the private agencies licensed by the Agriculture Department. Federal supervisors from the Grain Division attempt to spot-check the inspections but are generally acknowledged by present division officials to be too few in number to be fully effective.

The preliminary investigative report on Bunge included allegations by a former inspector that official analyses of grain by inspectors were adjusted to conform with a ship-loading log to make off-grade grain appear to meet contract specifications and that file samples had been made up to "approximate the adjusted results as shown on the log."

It also contained an allegation by a former inspector that off-grade grain was loaded on ships, although the log was made to appear as if the grain had been returned to the elevator.

The preliminary report that led to the statement that Cook Industries "may have involved" the Grain Standards Act focused on the inspection and sampling of a ship loaded at the company's elevator in which three holds were found by Federal supervisors to have been loaded with sour and weevily corn.

GRADES GIVEN

The corn had been given a No. 3 grade, the report said, although none of that in the three holds could qualify for No. 5, either because of excessive broken kernels and foreign material or because of excessive percentages of damaged kernels. Thus, according to the data in the report, all of it would have been given the lowest possible classification of "sample grade," whether or not it was sour and weevily. The top grade is No. 1.

The report said that none of the Cook employes responsible for mixing and loading the corn had been interviewed. Such details are normally covered in the full follow-up investigation that the Grain Division requested.

A current request for an investigative report on Cook and the Destrehan Board of Trade was made after a visit to the Soviet Union this year by a Grain Division official and an official of the Office of Investigation in response to a complaint about United States shipments.

The two officials checked the grain being unloaded in Odessa from the ship Illustrious Colotronis, which had been loaded at Cook's elevator in the Port of New Orleans.

"It appears the corn may have been deceptively loaded, deceptively handled, deceptively sampled and/or falsely certified," the request from the Grain Division said.

The current investigation led by the United States Attorney grew out of what first appeared to be isolated bribery cases in the New Orleans Port last year. Seven inspectors were involved on charges of accepting bribes to certify ships as clean and fit to receive grain.

The fact that some of the same inspectors were licensed to inspect grain is reported to have led investigators into a new phase of the inquiry. The fact that some of the same agencies that inspect grain have divisions with personnel licensed to weigh the commodities led to still another phase.

Witnesses are reported to have told investigators of a variety of violations of the Grain Standards Act, including misgrading, falsifying certificates and ship logs, improper influences on inspectors, bribery and falsification of weights.

A question that is reported to have been raised by investigators was whether the alleged irregularities could have continued without the knowledge of corporate officials.

OVERTIME VARIED

One subject that has attracted the attention of investigators was the payment of substantial bonuses at three-month intervals by Destrehan, the agency inspecting the Bunge and Cook grain, and the payment by the same agency of unearned overtime, with records reportedly falsified to make it appear that the time had been worked.

The unearned overtime given varied widely among inspectors, with no apparent reason. The question raised was whether the payments constituted improper influence on the inspectors.

Destrahan has argued that the extra overtime was paid to compensate for lower-than-average regular rates for its inspectors and for long hours worked and inconveniences of sudden calls to duty. But the question reported to have been raised was whether it would not have been simpler to raise the regular rates of pay.

Bryan J. Lehman Jr., president of the Destrehan Board of Trade, said that the practice had been changed, but a report on file at the Department of Agriculture indicates that the change occurred after the current investigation began.

The falsely reported overtime was reflected in the tariffs charged by the agency for its inspection service, reportedly with the knowledge of at least one elevator official at Cook Industries, and, according to the sources, with no protest from anyone.

It is not clear in all instances which companies individual allegations are linked to, but in the case of Bunge, a recent investigative report at the Department of Agriculture noted that a file on the company was started in 1973.

FILE IS BEGUN

The file was started after a report on some rail shipments from the company's Kansas City elevator, in which the difference between grades given by private inspectors and those found in a retest were said to have been "so varied that the conclusion could only be that the sample obtained by the sampler was not representative of the grain in the railcar."

Allegations of manipulation of the samples were also reported.

The report cited 11 cars in which subsequent analysis set the grade two grades below that originally given, and the grain was said to have a sour odor.

Another more recent report, dated Sept. 11, 1974, quotes a Federal supervisor as saying that a private inspector told him that off-grade grain often went aboard Bunge ships when the loading log showed it to have been returned to the elevator. A former inspector was quoted in the report as having said that as much as 80 per cent of the grain going on Bunge ships during one period was off-grade and that he had been ordered by a chief inspector of Destrehan to make up false samples. He also said, according to the report, that he had watched the same chief inspector and another inspector make up false samples.

It could not be determined precisely how the witnesses in the Bunge investigation had attempted to implicate higher management. Sources close to the investigation said the device alleged to have been used was subtle, and one witness was said to have described it as "budgetary," apparently an insistence on profit goals that would be unrealistic under normal circumstances.

TAPES ALLEGEDLY ALTERED

Information on allegations reported to have been made during the investigation on irregularities in weighing is less detailed, but one source close to the case said, "Any expert weigher can rig scale weights."

In some instances, sources close to the case say, weighing tapes were altered for grain moving aboard ship.

A Federal official is reported to have stumbled upon what appeared later to have been a case of false loading without realizing at the time what he had found. The shiploading log listed a specific number of lots loaded, while the weight record listed an additional lot.

The explanation given him was that the grain inspectors had merely failed to record one of the lots.

Recounting the case later, a former inspector said, "they were scared to death he'd caught up with them."

Auditors are said to have checked records to determine whether fictitious papers were made up to balance overstatements of outgoing weights. They are reported to have found instances when the same barge appears on record as arriving twice within a few days, an unbelievably short time for a return trip.

It could not be learned what they found in investigating further, but one source said, "There was just too much paperwork involved in the operation."

He said that both inspection and weight certificates must be recorded for loads from shippers and that they could be checked back to the reported origin.

SHIP LOADED GRAIN

Sources said that instances had turned up in which more grain of a specific grade was reported loaded on a ship than could be accounted for by the elevator records.

"Say you've got a contract for 750,000 bushels of No. 3 corn to go aboard ship and you've only got 725,000 in the house," one source said. "What do you do? You mix it with trash. The weight problem is peanuts beside the grading. The difference is millions of dollars."

Through an anomaly of United States grading standards, however, off-grade and even sour grain or trash can be added legally to grain as long as the adulterants remain below percentages prescribed for each grade.

[From the New York Times, June 25, 1975]

Bunge Is a Worldwide Concern That Is Shrouded in Mystery

Washington, June 24.—The Bunge Corporation, like most other large grain companies, has worldwide operations that are largely shrouded in mystery.

It is totally owned by a holding company, Los Andes, N.V., of Curacao, the Netherlands Antilles, which in turn is owned by Bunge & Born of Buenos Aires, whose stock is held by the wealthy Bunge and Born families.

Bunge has many subsidiaries and affiliates, as does the parent company, whose holdings reportedly include banks in Zurich and London.

Bunge & Born received unwanted public attention last week when it was said to have paid Argentine guerrillas a ransom described as a record total of $60-million for the release of two heirs of one of the founding families, Jorge and Juan Born.

NO PUBLIC REPORTS

The corporation is not required to make public reports on the details of its operations because, like most other large grain exporters, it is privately owned, but authoritative sources place it among the top six in world grain shipments and perhaps third, behind the Cargill Company and Continental Grain Company.

Others ranked among the top six are described as the Louis Dreyfus Corporation, Cook Industries, Inc., and Archer-Daniels-Midland. Of the six, only Cook and Archer-Daniels-Midland are publicly owned and therefore have to make any extensive public accounting of their operations.

But Bunge's annual volume is reported to be about $2-billion. There is no indication of its profits other than a report that its earned surplus account increased on its balance sheet by $40-million between March 31, 1973, and March 31, 1974, a period of high grain shipments and prices.

WORKING CAPITAL UP

In the same period, its working capital increased from $23.29-million to $60.7-million.

Cook Industries' earnings increased from $22.7-million on sales of $200-million in the year ended May 31, 1973, to $46.2-million on sales of $353.7-million in the next 12 months. One of the fastest growing companies in the grain industries, Cook had a tangible worth of $63.5-million on May 31, 1973, and $107.5-million a year later, while its retained earnings increased from $47.6-million to $92-million.

No financial figures were available to Mississippi River Grain Elevator, Inc.

[From the Des Moines Register, June 26, 1975]

Wheat to Egypt Is Found "Unfit" for Human Use

(By James Risser)

Washington, D.C.—Petroleum fumes and sludge in a ship loaded with $1.5 million worth of wheat for Egypt under the Food for Peace program, have rendered some of the wheat unfit for human consumption, U.S. Agriculture Department scientists have determined.

Bread baked from some samples of the wheat aboard the M-T Porto had an oily odor, officials said Wednesday.

Other wheat samples taken from the ship passed the baking test. Agriculture Department officials fear, however, that more of the wheat may seriously deteriorate before the bad wheat can be removed and the ship cleaned of oil residue and reloaded.

The Porto has been tied up at the Continental Elevator Co. dock at New Orleans, La., for more than a month.

REFUSED CERTIFICATE

Inspectors of the New Orleans Board of Trade refused the vessel a certificate of cleanliness, at least seven times between May 16 and June 2, because of oil fumes. However, on June 2, the inspectors ruled that the ship had been cleaned, and loading of wheat began.

With 550,000 bushels of a planned 825,000-bushel shipment already on board, loading was halted June 4, when petroleum odors again were discovered.

Samples of wheat from the ship were sent to the agricultural research service's Grain Marketing Research Center in Manhattan, Kans., for a milling and baking test. The wheat from center hold number 6 produced bread with an oily odor.

The wheat in some 14 other tanks passed the test. But Harlan L. Ryan, field office supervisor for the Agriculture Department's grain division office in New Orleans, said all the wheat on board will have to be re-examined for oil odors, for possible insect infestation and for other deterioration before the ship leaves port.

OIL ODOR, RESIDUE

In addition, inspectors from the New Orleans Board of Trade and from Ryan's office so far have refused to certify approximately 10 other empty tanks of the ship, because of oil odor, oil residue and rust scale. Five empty tanks have been okayed for loading.

The ship owners have made numerous attempts to clean the ship of oil, which apparently was left from a previous cargo. Ship captain Mikolas Pagonis has contended, however, that his ship is clean, and has threatened lawsuits against the government.

Meanwhile, officials of the Agriculture Department's Foreign Agricultural Service (FAS), which administers Food for Peace, have been holding discussions with Egyptian officials. It is anticipated that the tank with the contaminated wheat will be emptied, although one FAS official said the Egyptians may decide to go ahead and take the wheat for use as animal feed.

The Egyptians' original intention was to use all the wheat for milling into flour for human consumption.

There also may be negotiations between the Egyptians, the Agriculture Department, and the Continental Grain over the sale price of the grain. Continental was to have been paid about $3 million by the Agriculture Department which in turn was to sell the wheat to Egypt under the long-term, low interest loan provisions of the Food for Peace law.

[From the Des Moines Register, June 27, 1975]

Butz Admits Foreign Material Added to U.S. Grain Exports

(By James Risser)

Washington, D.C.—Agriculture Secretary Earl Butz Thursday acknowledged that foreign materials, floor sweepings and inferior grain have been added to U.S. overseas grain shipments.

But he insisted that most American export grain is of good quality, and said an Agriculture Department task force soon will make recommendations for tightening grain inspection and grading at U.S. ports.

The secretary said he is leaning toward creation of a joint federal-state inspection service. U.S. grain currently is inspected by federally licensed but privately-employed inspectors, many of whom work for organizations controlled by grain and shipping interests.

QUIZZED ON SCANDAL

Butz called a news conference to report on his just-completed trade promotion trip to Brazil and Venezuela. But most of the reporters' questions concerned a still developing scandal which has so far brought the indictment of 20 individuals and firms for bribery and other illegal practices in grain inspection.

Asked about charges that U.S. grain shipments often are substandard, Butz said there can be "no alibi for putting foreign material in" the shipments.

He also said there have been cases of "commingling" and shipping "bottom of the grade" grain—a reference to the alleged practice of adding inferior, broken, damaged, and different types of grain to shipments as they leave the export elevator.

Questioned about charges that the elevators sometimes add dirt and other floor sweepings to the shipments, Butz said, "It's a practice I couldn't condone. I presume in some cases it's been done."

FREE COMPETITION

He resisted suggestions that U.S. grain exports be handled entirely by the government as is done in Canada through the Canadian Wheat Board, rather than being handled directly by a few large international grain companies. He conceded, however, that Canadian grain exports sometimes are better quality than those from the U.S.

Butz said that, as long as inter-company collusion is prevented, free competition is the best way of ensuring that the grain firms ship good quality grain.

"The best regulator of Continental is Cargill," he said.

Butz could offer no explanation for apparent long delays by the Agriculture Department in conducting requested investigations of grain inspection irregularities and in implementing regulations to tighten inspection controls.

BLAMES BACKLOG

He said he tends to blame the delays on "a backlog of work," but said he is looking into the question.

The question of slow department actions was raised in a 1973 audit of the department's Grain Division, conducted by Butz's Office of Audit.

In at least one case, the audit said, a proposed regulation tightening up on the addition of "off-grade" grain to shipments was dropped because of the opposition of the North American Export Grain Association, a trade organization composed of the major grain shipping firms.

The audit also said that the licensed private inspectors, as well as some grain division supervisory inspectors, were "using unapproved shortcuts in performing official grain inspections, not verifying the stowage of grain being loaded aboard a ship, not adequately safeguarding official samples and certificates in a manner which would maintain their integrity, and not check testing mechanical samplers in accordance with instructions."

NOT REPORTED

The audit also complained that the Grain Division did not inform the Food and Drug Administration of grain found to contain "deleterious substances or adulterants," such as rodent excreta, insect-damaged grain, crotalaria seeds or atoxin (both toxic substances) and mercury-treated kernels. Department officials say such substances now are reported to FDA.

The officials also say that a Grain Division reorganization has led to tighter regulation and faster decisions on proposed regulations.

At one point, the audit said there was a 10-month delay in the Grain Division's forwarding to the Office of Inspector General a request to investigate eight apparent violations of the U.S. Grain Standards Act by Cook Industries, Inc., and its elevator manager at Bayside Elevator Co., Reserve, La.

18 COSPONSORS

Department officials have denied a reporter's request to examine the files related to the matter, on grounds it still is under investigation.

Representative Edward Mezvinsky (Dem., Ia.) Thursday announced that 18 House members have joined as co-sponsors of his bill to turn over grain inspection to full-time federal employes.

The sponsors include Iowa Democrats Barkley Bedell and Tom Harkin, and Judiciary Committee Chairman Peter Rodino (Dem., N.J.).

The present inspection system is "riddled with inherent conflicts of interest," said Mezvinsky, adding that the U.S. Agriculture Department must "accept the burden of responsibility for enforcing federal standards."

[From the Washington Post, June 27, 1975]

Butz Finds Flaws in Grain Inspection, Seeks Tightening

(By Dan Morgan)

Agriculture Secretary Earl L. Butz said yesterday he wants to "tighten" inspections of grain being shipped to foreign customers but added that he does not favor the government's taking over the job.

Butz conceded at a press conference that there was justification for some foreign complaints about U.S. grain quality. He also acknowledged that there are flaws in the inspection system, but insisted that "the percentage of irregularities is remarkably small when you consider the numbers involved." Butz quipped that even Jesus Christ "got one wrong out of 12."

A two-year federal probe of fraud and corruption in the certification of ships and grading of grain has produced more than a dozen indictments in New Orleans and Houston.

Agriculture Department officials supervise the grading and weighing of grain and the certification of the ships carrying it abroad. However, actual inspections are carried out by federally licensed agents. Butz said he has named a task force to work out means of strengthening the system.

An informed source said yesterday that department investigators are probing "some activities" of three large grain exporting companies in connection with alleged irregularities.

The inquiry, dating to 1973, started after the department's grain division asked investigators to check out reports of irregularities at Louisiana export terminals of Cook Industries, Inc., of Memphis; the Bunge Corp., of New York City, and the Mississippi River Grain Elevator, of Myrtle Grove, La.

The first two companies are among the six largest world wide grain exporters. The Mississippi River Grain Elevator is under the control of Serafino Ferruzzi, of Ravenna, Italy, a commodities magnate who is a major importer of corn and soybeans into Italy as well as a processor of bottled vegetable oil in that country.

The scandals have begun to affect grain inspection procedures, it was learned yesterday.

Industry sources said Egypt had demanded that, in addition to the normal licensed inspections, the Department of Agriculture provide a further sanitary certification of some 45,000 tons of wheat supplied to it from Cook Industries' Bayside elevator, at Reserve, La.

The New York Times reported Wednesday that on Dec. 14, 1973, the department's grain division forwarded to the Office of Investigation a request for an inquiry into reports that licensed inspectors may have accepted "gratuities from Bunge Corp. and Cook Industries."

The written request also said preliminary investigation indicated the two firms knowingly used falsified inspection certificates, altered official grain samples, and improperly tried to influence official inspection personnel.

Wesley McAden, Washington representative for Cook, said that "to my knowledge nobody from Cook has been called to testify before a grand jury or any government agency."

He added that Cook had learned only on June 19 of a May 18, 1973, audit report by the department citing eight alleged violations at Cook's Bayside elevator.

"We still can't find out what these were," he said.

Spokesmen for the other two firms cited in grain division investigatory requests could not be reached or did not return phone calls.

[From the New York Times, June 27, 1975]

Butz Is "Leaning" Toward Plan For Tightening Grain Inspection

(By William Robbins)

Washington, June 26.—Secretary of Agriculture Earl L. Butz said today that he was "leaning moderately" toward a Federal-State inspection plan to tighten up a system that has led to allegations of corruption in the handling, grading and weighing of grain in New Orleans and other export ports.

He made the remark at a news conference called to discuss a Latin-American trip from which he had just returned. But the questioning by reporters focused on corruption reportedly being uncovered by the United States Attorney's office, the Federal Bureau of Investigation, the Agriculture Department's Office of Investigation and the Internal Revenue Service.

Dr. Butz said that a panel was now at work on plans for improving the inspection system. Asked to elaborate on his "leaning moderately" statement, he said that he was "tilting" toward continued cooperation with the states.

PRESENT SYSTEM DESCRIBED

The present system includes some state inspection agencies. Other agencies are operated by boards of trade, Chambers of Commerce and grain exchanges, but most inspection agencies are privately owned and profit-oriented.

The investigation in New Orleans has turned up what appear to be built-in conflicts of interest in the private-agency system and varying degrees of pressure by grain elevator personnel on inspectors who grade their shipments and thus affect their profits.

The income of the private agencies is closely related to how efficiently and profitably the grain elevators that load ships for export can operate. The agencies operated by boards of trade, Chambers of Commerce and grain agencies often have directorates on which grain companies and shipping companies are heavily represented.

The grading is spot-checked by Federal supervisors, but their effectiveness is acknowledged to be limited by small staffs.

OUT OF CONTROL

Corruption may be rife in ports of other countries, Dr. Butz said. "But it's going to stop in this country," he added. "Here is a program that is out of control."

But it is not clear to what extent increased reliance on state agencies might improve the system. Some personnel of at least one state agency are known to be under investigation and to be suspected of corruption, and allegations of similar problems in other state agencies have been investigated in the past.

Federal officials at the operational level are known to be skeptical about the idea of relying more on state agencies.

"It would be a change without an improvement," one such official said, asking not to be identified.

Some officials recall that inspection of meat plants by state agencies was dogged by problems before passage of the Wholesome Meat Act in 1968 started a trend toward federalizing inspection of plants previously under state jurisdiction.

Discussing his South American visit, Dr. Butz reported talks in Brazil and Venezuela looking toward a common stand in trade negotiations and talks with Brazilian officials on cooperative efforts to promote soybean trade. He said that his proposals fell on "receptive ears."

[From The New York Times, June 29, 1975]

1972 REPORT HINTED AT GRAIN SCANDAL

(By William Robbins)

WASHINGTON, June 28.—An official of the Agriculture Department's grain division as early as 1972 named a New Orleans executive of Cook Industries, Inc., who was later promoted to vice president of the company, as a figure with "a long history of being involved in apparent irregularities involving grain inspection."

A report by J. L. O'Brate, who was acting chief of the division's inspection branch, to Howard Woodworth, then director of the grain division, also named Cook Industries and several other companies in connection with possible violations of the United States Grain Standards Act.

The act, among other provisions, sets standards of procedures in the grading of grain and provides what amounts to an ethical code for dealings between grain companies and the inspectors who grade the grain.

The New Orleans executive named in the 1972 report was Melvin L. Hibbets, who was an elevator manager for Cook in New Orleans at the time but has since been promoted to a vice presidency.

Company officials said they would have no comment on the report until they had a chance to study it. Mr. Hibbets could not be reached for comment.

The report came to light in connection with a spreading investigation of alleged corruption in the handling, grading and weighing of grain, which began in New Orleans and spread to other ports. Two Senate subcommittees are also looking into questions that the investigation has raised.

Cook Industries along with the Bunge Corporation and Mississippi River Grain Elevator, Inc., are reported to be among the principal subjects in that investigation.

The 1972 report cited 26 foreign complaints "resulting from grain shipped" from the St. Charles Grain Elevator Company during a period when Mr. Hibbets was manager of that elevator, before quitting to become manager of Cook's elevator, which is called the Bayside Elevator Company.

It said that five foreign complaints have been received about Bayside grain between the time Mr. Hibbets went to work there in 1969 and January, 1972.

In one instance at St. Charles elevator, the report said, the division had recommended criminal prosecution against the elevator company "for layering grain sorghum and/or off-grade grain on export loading belts in such a manner that samplers could not obtain representative samples."

Such practices are covered in the Grain Standards Act under provisions barring deceptive loading activities.

The Justice Department declined prosecution in that case, but the report said that the Agriculture Department's Commodity Credit Corporation had recovered $40,000 from Bartlett & Co. and more than $65,000 from the Garnac Grain Company, which had shipped the grain in question through the elevator. It was not clear why money was due the C.C.C.

[From the New York Times, July 1, 1975]

BUTZ TO PROPOSE GRAIN TRADE PLAN

(By William Robbins)

WASHINGTON, June 30.—Secretary of Agriculture Earl L. Butz will propose to Congress a cooperative Federal-state system to tighten inspection procedures in an attempt to eliminate alleged corruption in the grain-export trade of the United States, Government sources said today.

Such a decision would come in the face of general opinion in the Agriculture Department's grain division, which is known to favor federalizing the inspection system.

But the Secretary is said to have chosen the Federal-state arrangement from six possible choices offered to him by staff experts because of the need he sees to continue good relations with the states in a wide variety of other Federal-state programs.

Even before receiving the staff proposals, Secretary Butz had told reporters he was "leaning" toward a Federal-state system.

A general acknowledgment of a need for a change in the grain-inspection system has grown out of an investigation of alleged corruption in the handling, grading and weighing of grain that began in New Orleans and spread to Houston and other major grain ports.

INSPECTED AND GRADED

Under the present system, grain is inspected and graded by inspectors licensed by the Department of Agriculture but employed by private or state agencies or agencies created by boards of trade or chambers of commerce on which grain-company and shipping interests are heavily represented.

Small staffs of Federal supervisors attempt to spot-check the work of the private and state inspectors.

The system has lent itself to questions of conflicts of interest, and allegations of bribery and improper influence on inspectors have grown out of the current investigation.

In addition, foreign buyers have complained that they have received less value than they paid for. American farmers and others fear serious adverse effects on the United States grain-export trade.

Government sources say that staff experts presented the secretary with the following choices for legislative proposals:

An all-Federal inspection system.

A system with some Federal inspection but continuing state-agency inspection in states where such agencies already exist, with the option for other states to create such agencies.

A similar Federal-state system but one that would limit state agencies to inland points and require Federal inspection at all export ports.

A system that would include state, Federal and private inspections but with the right of Federal supervisors to move in and perform original inspections when situations called for the action. Under the present system, Federal agents can perform only secondary inspection, either as a supervisory function or on appeal from original certification of grades.

A continuation of the present private and state system but with tightened requirements on performance and supervision.

Still another option was offered, said to combine various features of other choices, but details of that sixth plan could not be learned.

It is understood, however, that none but the all-Federal and the Federal-state choices were even given serious consideration. Grain division officials are said to favor generally the all-Federal plan because of problems that have been turned up in some of the state agencies now in existence.

Inspectors in at least one such agency are known to be under investigation and the division has encountered problems with others.

The proposed system is said to envision supervision and standards that would seek to alleviate such problems.

[From the New York Times, July 2, 1975]

SECRECY DESCRIBED IN 1970 GRAIN DEAL

NEW ORLEANS, July 1.—A local executive of Cook Industries, Inc., arranged for "complete secrecy" in unloading a cargo of corn that was rejected by Mexican buyers in 1970 because it had an unacceptable amount of broken kernels.

The arrangement was described in a letter to the captain of the freighter Sincerity, which was returning the corn to New Orleans for "reconditioning" at Cook's Bayside Grain Elevator. The letter was used as an exhibit in a 1970 lawsuit on the matter.

The captain was asked to permit Cook employes to stay on the ship during the unloading to maintain 24-hour surveillance and "to prohibit sampling of the cargo and the taking of photographs," according to the letter.

The Cook executive, M. L. Hibbets, also wrote, "We feel these precautions are essential to our future relations with the Mexican Government."

EXPLANATIONS SOUGHT

A Cook attorney at the company's headquarters in Memphis was asked for an explanation of this sentence. He was also asked who the company wanted to prevent from sampling or photographing the grain.

The attorney replied that the company's president, Edward W. Cook, said he had never heard of the letter and did not want to speculate on "why Hibbets wrote the letter."

"Knowing it was Mexico," the attorney added, "it could have easily been political reasons."

The attorney, who asked not to be identified, said the shipment was rejected because "damaged kernels, broken kernels," made the corn quality "different" from what the Mexicans had contracted for.

After the ship brought the corn back to New Orleans from the Mexican port of Vera Cruz, the cargo was transferred to barges in a costly and time-consuming operation. This took place at another New Orleans grain elevator, because Bayside lacked the necessary equipment.

BROKEN KERNELS REMOVED

The Cook attorney said the corn was taken to Bayside and reconditioned by drying, aerating and screening to remove broken kernels. Then it was "blended out" with other corn in the elevator, to reach the specific grade, he said.

Cook Industries is one of the companies that have become subjects of a Federal investigation into the United States grain-export trade. The inquiry, which is focused in New Orleans, began early last year with allegations of bribery in ship inspection. It now involves alleged corruption in the handling, weighing and grading of grain in New Orleans and other export ports.

Representatives of Cook and the ship said they could provide no figures on the cost of the extra round-trip, more than a month of delay, the unloading operation or alleged damage to the ship during unloading.

Demurrage charges for delaying ships can run from about $4,000 to $20,000 a day, depending on demand for shipping.

Mr. Hibbets is now based in Memphis. He is vice president of a wholly owned Cook subsidiary, the Bayside Warehouse Company, which operates the Bayside elevator here, according to the attorney.

Mr. Hibbets could not be reached for comment.

In a report in 1972 by an official of the Department of Agriculture, Mr. Hibbets was described as having "a long history of being involved in apparent irregularities involving grain inspection."

The report by J. L. O'Brate, acting chief of the inspection branch of the department's Grain and Feed Division, described the situations at Bayside and at the St. Charles Grain Elevator Company here, where Mr. Hibbets was manager until 1969.

$43,295 JUDGMENT

The company, which operated the Sincerity through a charter, the Mexican Maritime Transportation Corporation, filed suit against Cook in Federal court here on Aug. 27, 1970. The suit sought a judgment of $43,295 from Cook Industries for delays and for physical damage alleged caused during the unloading of the rejected grain.

Court records show the suit was later settled.

One version of the circumstances involved in the Sincerity's two trips to Mexico is contained in a sworn deposition by the ship's captain, Aleksadar Pejovic, which was given as part of the lawsuit against Cook Industries.

The Yugoslavian captain said that when the grain was loaded at the Bayside elevator on April 24, 1970, he observed that the corn was "very dusty" and wanted a remark to this effect included in the mate's receipt for the cargo.

REMARK OMITTED

But he said a Bayside clerk tore up this receipt, and the remark was omitted.

When unloading began in Veracruz in May, the cargo was in about the same condition as when it was loaded, the captain said.

Unloading was suspended, Captain Pejovic added, because of the corn's "bad quality."

Mr. Hibbets arrived on the ship in Veracruz on May 12, and analyzed samples of the cargo, which included "a lot of broken corn, damaged corn and a lot of dust" and impurities according to Captain Pejovic's deposition.

Cook Industries ordered the ship to return to New Orleans, and she arrived on June 3, 1970. At this time, Captain Pejovic said Mr. Hibbets boarded the Sincerity again and delivered the letter asking for 24-hour surveillance and secrecy.

[From the Ottumwa Courier, July 3, 1975]

Feds Should Inspect

(By Jim Crane)

There appears to be widespread support for legislation to turn inspection of export grain over to full-time federal employes.

Overseas-bound grain currently is graded and inspected by privately employed inspectors who hold federal licenses.

A series of articles by the Des Moines Register has shown that the current system allows misgraded, misweighed and adulterated grain to be passed and shipped abroad.

The sloppy procedures by inspectors operating under inherent conflicts of interest are causing bitterness among foreign grain purchasers. There is evidence that the problem is at least partly responsible for the loss of some wheat sales to our international competitors—principally Canada, Argentina and Australia.

Agriculture Secretary Earl Butz conceded last week that foreign materials, floor sweepings and inferior grain have been added to U.S. overseas shipments.

He confirmed that the Agriculture Department has found instances of elevators adding inferior, broken, damaged, or mixed-variety grains to shipments.

Earlier revelations about the inspection system resulted in indictments being brought against 20 individuals and companies. The charges allege bribery and other illegal practices.

For example, one elevator is reputed to have shipped more grain than it received last year. There may be a logical explanation for the apparent misweighing, but the elevator hasn't come up with it yet.

Obviously, some steps must be taken to assure that overseas-bound grain is clean, appropriately graded and accurately weighed. Our present system has failed.

Butz says he is leaning toward creation of a state-federal inspection service, a system which would eliminate some of the opportunity for cheating our customers. Unfortunately, it also would be a mixed marriage of state and federal regulations which—as we've learned from meat inspection problems—is not especially effective.

Strict federal inspection as advocated by Rep. Edward Mezvinsky, D-Iowa, probably is a better answer.

[From the New York Times, July 3, 1975]

Tanker Chartered for Wheat in May Still Tied up in Dispute

New Orleans, July 2.—An oil tanker chartered to carry American wheat to Egypt in late May is still sitting partly loaded in the port here, while a costly dispute continues over inspectors' rulings that it is not clean enough to take the cargo.

After $1.8-million of a $3-million Food for Peace shipment was loaded on the Greek vessel Porto on June 4, ship and grain inspectors decided that petroleum fumes and diesel oil sludge from a previous cargo might have contaminated the wheat.

While the ship has been shunted to five different berths on the Mississippi River, the Egyptian buyers, the Greek shipowners, the Continental Grain Company and the Agriculture Department's Foreign Agricultural Service have been trying to resolve the problem.

The disputed inspections were made by employes of the New Orleans Board of Trade, which is licensed by the grain division of the Agriculture Department. The performance of ship and grain inspectors from this and similar agencies has been the focus of a widespread Federal investigation into alleged corruption in the grain export trade in New Orleans and other major ports.

A NEW CAUTIOUSNESS

Some shipping industry officials here suggest privately that the Porto's difficulties result from a new cautiousness by inspectors. Several inspectors have been indicted in the Federal investigation.

David Borchert, head of the Continental Grain Elevator, where the loading was interrupted was quoted as saying, "The atmosphere is very distrusting right now. Everyone is being ultracareful. I've never seen anything like it."

He declined further comment.

Raymond Shegogue, deputy assistant administrator of the Food for Peace program in Washington, said that the petroleum odor was not bad enough to keep most of the grain already loaded in 18 of the Porto's tanks from being fit for human consumption. He said that the main problem, since the loading, was to make sure that the 15 empty tanks were clean enough for the rest of the scheduled cargo.

Harlan L. Ryan, head of the Grain Division's New Orleans office, said that the most recent inspection of the empty tanks, conducted June 30, determined that they were acceptable to the Board of Trade and the Grain Division. But he said that tanks already containing wheat would have to be reinspected if they were to be fully loaded.

Agriculture Department tests found recently that the grain in one of the loaded tanks was unsuitable for milling and baking. The Egyptians could possibly use it as animal feed.

But a representative of the Porto said that the department had changed its mind on this finding and determined that all the grain on the ship was suitable for baking and milling. He also said that he hoped the Porto would be loaded within the next few days. Others involved in the dispute indicated that this seemed overly optimistic.

The Porto arrived in New Orelans May 17 and failed several cleanliness inspections until the Board of Trade approved all the tanks May 23. But when the ship tied up at the Continental elevator that day, the inspectors rejected it.

The Porto was moved, and cleaning efforts continued, but the ship was rejected until June 3, when the loading finally began. An inspector walking on a partly filled tank June 4 detected petroleum odor and sludge in the upper areas of the tank and found the same situation in others, and the loading was halted.

This time, the Porto's captain refused to allow the ship to be moved from the elevator berth, where it tied up grain operations until June 12, when Continental obtained a Federal court order seizing the vesel.

Ship officials would not discuss the cost of keeping the Porto idle for the more than six weeks it has been here. But the president of an oil tanker company disclosed figures indicating that overhead costs could range from $7,000 to $30,000 a day in port.

It is not clear who would be responsible for paying possible demurrage charges for delaying the Porto's departure.

[From the Des Moines Register, July 4, 1975]

SCOPE OF SCANDAL SURPRISES CLARK

(By James Risser)

WASHINGTON, D.C.—Senator Dick Clark (Dem., Ia.), completing a two-day tour of New Orelans grain export facilities, said Thursday that "the scope and magnitude of the corruption here is even greater than I had imagined."

The payment of bribes and other illegalities in connection with the inspection, grading and weighing of U.S. export grain has been "pervasive, a way of doing business," he said.

Clark, a member of two Senate subcommittees probing the grain inspection scandal, said his visit to the largest U.S. grain port convinced him to push hard for taking inspection out of the hands of private agencies and turning it over to the federal government.

MAJOR PROBLEM

"It is the private inspection system that is the major problem," he said in a telephone interview. "It's open to corruption, and the inspectors are too close to the grain firms."

Clark said he learned that one inspection agency, the Destrehan Board of Trade, actually started business with a loan from the Bunge Corp., whose elevator it inspects.

The Iowa senator also was critical of the U.S. Department of Agriculture (USDA), which licenses the private inspectors and is charged with supervising the inspection agencies.

IGNORED WARNINGS

Agriculture Secretary Earl Butz and other USDA officials have insisted that they launched an investigation as soon as problems in the inspection system were called to their attention, but Clark said they had ignored long standing warnings.

"The USDA just did not fulfill its duty to adequately supervise or to investigate," he said. "Whether this is because of ineptitude or because of decisions by high officials is something we have to find out."

Clark said he was shocked to find that "there is virtually no federal supervision of the weighing of grain. One weighmaster that I talked to at an elevator was not even aware that a federal weighing agency exists."

Clark said he will finish drafting legislation changing the inspection system within a week or two.

The federal investigation so far has resulted in the indictment of 20 individuals and companies at New Orleans and at Houston, Tex., on charges of bribery and other illegal activities.

[From the Omaha World-Herald, July 4, 1975]

FEDERAL GRAIN CHECK NEEDED, SAYS CLARK

DES MOINES.—Sen. Dick Clark, D-Ia., says a two-day tour of export grain handling and shipping facilities in New Orleans has convinced him that the federal government must take over grain inspections.

"I'm surprised at the obvious scope and magnitude of corruption in the exporting of grain, especially in the inspection system itself," Clark said in a telephone interview from New Orleans.

He said he found first-hand evidence of "shortweighing" and the mixing of lower grades of grain while retaining higher grading.

"The U.S. Department of Agriculture has not fulfilled its responsibility in supervising grain inspectors or in pursuing the investigation of the corruption at these ports with the vigor it should have," Clark said.

CLOSE LOOK

He said the solution lies in having the federal government take over the inspection system and rewriting the Federal Grain Standards Act so foreign substances cannot be added to grain shipments.

Clark said the Senate Foreign Relations Committee should take "a close look" at the seven multinational corporations that he says control 80 per cent of grain exporting business.

A member of both the Senate Agriculture and Foreign Relations committees, Clark said he had about 15 meetings with persons involved in all facets of grain exporting.

PRIVATE FIRMS

Presently, the federal government licenses private firms to conduct inspections.

"That system lends itself to abuse and, in fact, invites corruption," said Clark. "The private firms have every motive to get along and go along with the grain companies.

"They profit by handling the grain as quickly as possible and by causing as few problems for the grain company as they can."

He said he found "clear evidence" that inspectors are certifying grain that falls below the stated grading levels.

The Federal Grain Standards Act is so loosely written in the area of allowing high tolerances, Clark said, that it encourages blending in low quality grain and foreign materials.

Clark said an inspection of USDA records shows there is "strong evidence of shortweighing" by grain inspectors.

"The figures at some elevators show that they shipped more grain than they took in," he said.

[From the New York Times, July 4, 1975]

GRAIN LOAN TO EX-LEGISLATOR DESCRIBED

(By William Robbins)

NEW ORLEANS, LA., July 3.—Senator Dick Clark, Democrat of Iowa, said today he had learned that one of the world's largest grain corporations had lent money to a former state Representative and that he could start a business that would be responsible for inspecting the corporation's grain to determine its value and quality.

The Senator identified the company as the Bunge Corporation and the former legislator as Bryan J. Lehmann Jr., who several years ago founded the Destrehan Board of Trade, Inc., which reportedly pays substantial salaries to Mr. Lehmann and other members of his family.

Both the Bunge Corporation and the Destrehan Board of Trade are under investigation here in a spreading inquiry into the handling, weighing and grading of grain for export. The same inspection agency also inspects and weighs grain of Cook Industries, Inc.

The Senator made the disclosure while describing what he called "sweetheart relations" between grain companies and the private agencies employing inspectors licensed by the Department of Agriculture.

FIRST PUBLIC DISCLOSURE

Former Inspectors have told The New York Times that they often felt as if they worked in the interest of the grain companies rather than as impartial judges of their products, but this was the first public disclosure of a substantial favor by a grain corporation to one of the agencies whose employes' decisions on grades determine the value of grain-company products.

Expressing surprise, Senator Clark said that Mr. Lehmann contended that the Department of Agriculture had ruled that no conflict of interest was involved in the loan.

An Agriculture Department official said that, though "in hindsight," a conflict seemed obvious, this was not the first time that such a loan had been allowed. He refused to go into detail.

Senator Clark said that Mr. Lehmann had acknowledged the loan to him in an interview but said he could not remember whether the loan was for $10,000 or $15,000.

The Senator made the remarks during an interview with two reporters at the New Orleans airport after an intensive two-day round of interviews of his own with witnesses in the current investigation and with other figures. Senator Clark called his visit educational."

ON TWO KEY COMMITTEES

The Senator is expected to play a role in two Senate inquiries into questions raised by the current investigation, which is focused in New Orleans, although it has reportedly spread to other ports.

He is a member of the Senate Agriculture Committee's Subcommittee on Foreign Agricultural Relations, which is headed by Senator Hubert H. Humphrey, Democrat of Minnesota, and of the Foreign Relations Committee's Subcommittee on Multinational Corporations, which is headed by Senator Frank Church, Democrat of Idaho.

The Senator said that, in addition to his own interviews, he had been briefed in general terms by the United States Attorney here, Gerald J. Gallinghouse, who is heading an inquiry by agents of the Federal Bureau of Investigation, the Agriculture Department's Office of Investigation, and the Internal Revenue Service.

However, the Senator refused to discuss the briefing from the United States Attorney, describing it as "confidential and educational."

But Mr. Clark said that, as a result of his interviews and despite news accounts that he had read, he had been "surprised by the pervasiveness of corruption" that had existed in the grain trade here and "by the scope of it."

The Democratic Senator praised the vigor of the investigation led by Mr. Gallinghouse, a Republican, but he said that he had found Mr. Gallinghouse "dismayed that, despite reports of a spreading investigation, there is no evidence that it is being pursued in other ports with the same vigor as in New Orleans."

Mr. Clark focused much of his criticism of the current inspection system on what he termed "sweetheart relations" between grain companies and the inspection agencies that receive their incomes from the companies whose products they must grade.

The system has been criticized in connection with many complaints from foreign buyers of United States grain and with allegations of corruption here and elsewhere.

"I am convinced that most of the grain that goes out of here is overgraded," he said.

In some areas, state agencies also inspect grain, and the Department of Agriculture is expected to propose soon conversion from a system that includes private inspectors to a system of state and Federal inspection agencies.

"That would be a disaster," Senator Clark said, noting that inspectors of one state agency are now under investigation and that there have been many problems with other state inspection systems in the past.

He said his office was drafting a bill calling for inspection of grain by agents only of the Federal Government.

[From the Sioux City Journal, July 5, 1975]

CLARK BLAMES PRIVATE GRAIN INSPECTION IDEA

NEW ORLEANS.—Sen. Dick Clark, D-Iowa, says he will propose legislation to eliminate the jobs of private grain inspectors who certify the quality of grain as it is loaded onto ships for transport.

Clark, a member of two Senate subcommittees examining alleged corruption in the grain export trade, said he would propose replacing the private inspectors with federal officers.

"The very nature of the relationship" between the grain exporters and the inspection companies is "a sweetheart relationship," Clark said. "It's not something you're going to correct. It's not the bad apples, it's the system that's wrong."

After a two-day tour of the port of New Orleans, Clark said he was "surprised at the obvious scope and magnitude of corruption in the exporting of grain—especially in the inspection system itself."

He said he found evidence of short-weighing and misgrading that involved mixing low quality grain with higher grades.

"The U.S. Department of Agriculture has not fulfilled its responsibility in supervising grain inspectors or in pursuing the investigation of corruption at these ports with the vigor it should have," Clark said.

Clark said the head of a Destrehan inspection firm had told him the USDA had ruled it was not a conflict of interest for him to receive a loan from a company whose shipments were evaluated by his firm.

Clark said former St. Charles Parish state Sen. Bryan J. Lehmann, Jr., founder of the Destrehan Board of Trade, told him he had received the loan from the Bunge Corp., one of the world's largest grain companies.

Employes of Lehmann's firm inspect the grain shipped from Bunge's elevator in Destrehan and are responsible for determining its value and quality.

Lehmann said he could not remember the exact amount of the loan but said it was $10,000 or more, Clark said.

Clark said Lehmann told him the Agriculture Department had been aware of the loan and had found that it involved no conflict of interest.

The income of the private inspection agencies comes from the grain companies and depends in part on how quickly and smoothly grain is loaded at the elevators.

Grand juries here and in Houston, Tex., have indicted 15 persons, charging bribery in grain inspections.

[From the Des Moines Register, July 6, 1975]

GRAIN DEALS AND POLITICS

(By James Risser)

WASHINGTON, D.C.—The U.S. Department of Agriculture (USDA), under strong pressure from the grain trade and from Louisiana politicians, in 1968 handed over grain inspection duties at three new export elevators to private inspection agencies controlled by political figures.

The action was taken despite warnings that it would cost grain farmers and inland elevator operations "a terrific loss" in the long run.

The decision—made by then Agriculture Secretary Orville Freeman—contradicted department policy and reversed an earlier ruling that the inspections at all three New Orleans area elevators would be handled by the Louisiana State Department of Agriculture.

POLITICAL STRUGGLE

USDA files made available to The Register reveal a long and tense political struggle, in which high department officials finally yielded to the demands of grain companies, members of the Louisiana congressional delegation, and local Louisiana politicians.

The three private inspection agencies that were the beneficiaries of the decision are run by persons with highly political backgrounds.

Inspectors from each of the private agencies are among those inspectors already indicted in the still-unfolding grain inspection scandal at Gulf ports.

One USDA official said with some bitterness last week: "Congress wonders why we're having trouble with grain inspection. Part of the blame is theirs, for setting up a system like this and forcing these kinds of decisions."

CONGRESSIONAL INVOLVEMENT

The USDA files confirm the involvement of members of Congress in the decision. Those whose names appear frequently include the late Senator Allen Ellender and the late Representative Hale Boggs, Senator Russell Long and Representative F. Edward Hébert, all Louisiana Democrats.

Rodney E. Leonard, who, as administrator of the Consumer and Marketing Service, made the final recommendation to Freeman that the state agriculture department be removed as the inspection agency, said in an interview last week:

"Of course, the matter had to go up to Freeman because it involved Louisiana. In dealing with Louisiana, nothing was done that didn't have the blessing of Ellender." (Ellender, who was regarded as one of the most powerful members of the Senate, was at the time the chairman of the Senate Agriculture Committee.)

PUSH BY GRAIN TRADE

Leonard, who is no longer with the government said, "As I recall, the grain trade made the initial push on this. There was a good deal of agitating about it within the trade."

He confirmed statements in the USDA files that the National Federation of Grain Co-operatives was a major force in opposing inspection by the state. The files also indicate that grain exporting firms unanimously favored having the work done by private inspection organizations although the reasons are not clear.

Decisions made by inspectors in examining, grading, and weighing grain, as it comes into the elevators and as it is loaded onto export ships, can mean many thousands of dollars to the elevators in terms of the price established for the grain.

The USDA files show that in 1963, when construction of the new elevators was being planned, a Louisiana state legislator called a USDA official and threatened to use his position as chairman of an appropriations committee to block the state from doing the inspections at the new elevators.

BYRON LEHMANN

The legislator, Byran J. Lehmann, jr., was and is the president and principal owner of the Destrehan Board of Trade, one of the private inspection agencies involved. When the final decision was made in 1968 to "decertify" the state as the inspection agency, the Destrehan Board of Trade was designated as the inspector of Cook Industries, Inc.'s new elevator at Reserve, La.

Lehmann at one time also did legal work for Bunge Corp., the other grain company whose elevator is under inspection of the Destrehan Board of Trade.

The initial selection of the state department of agriculture to handle inspections at the three elevators came in December, 1967. The USDA decision at the time cited laws and department policies limiting the number of inspection agencies and encouraging the use of state-run agencies.

AG DEPARTMENT

As a result, the Louisiana Department of Agriculture was chosen to do the inspection work at the Cook elevator, at the Farmers Export Co. elevator in Ama, La., and at the Mississippi River Grain Elevator Co. at Myrtle Grove, La.

But eight months later, on Aug. 21, 1968, the USDA published notice in the Federal Register that it intended to rescind the state's authority to inspect at the Cook and Farmers Export elevators.

The department proposed to award the inspection at the Cook elevator to the Destrehan Board of Trade, and at the Farmers Export elevator to the South Louisiana Port Inspection and Weighing Board, Inc.

The latter company was a private inspection agency headed by Leon C. Vial III, the ex-sheriff of St. Charles Parish (county).

OBJECTIONS BY FARMERS

As required by law, USDA called for public comments on its proposal. A number of farmers objected to the change, implying in their comments that the new inspection agencies would be linked too closely to the elevators they would be called upon to inspect.

A group of more than 100 Louisiana farmers petitioned Secretary Freeman not to approve the change: "We know that we are much safer, as to grade, with our own Louisiana department working in co-operation with the USDA than with private grain traders."

Another petition from 22 farmers warned that if the state was removed as the inspection agent, "grain growers and inland elevator operators will take a terrific loss in inaccurate grading of our grain and will be charged excessive fees for the grain grading at the export elevators."

SUPPORT BY GRAIN SPOKESMAN

The change was supported strongly by Roy F. Hendrickson, then executive secretary of the National Federation of Grain Co-operatives, who said the initial choice of the state was "a surprising departure from custom and practice in inspection authorizations for this (New Orleans) area."

He said he expected the new private agencies to charge lower fees than the state. He expressed particular concern about the Farmers Export elevator, which he said would be at a competitive disadvantage if it had to pay higher state fees.

The Farmers Export firm itself also pleaded for approval of the South Louisiana Port agency. So did Farmers Grain Dealers Association of Iowa, which is a stockholder in Farmers Export Co.

Vial, president of the South Louisiana Port agency, said in his petition that "the grain trade and related industries do not want state inspection at export elevators in Louisiana."

Edward W. Cook, president of Cook Industries, had written earlier, urging that his firm's new elevator be inspected by the Destrehan Board of Trade rather than by the state. So had Jack Coleman, manager of the elevator, who said he doubted the state could pay sufficient salaries to keep competent inspectors.

PROTEST TO FREEMAN

On Aug. 26, 1968, Dave L. Pearce, Louisiana state commission of agriculture, wrote a strongly-worded letter to Secretary Freeman protesting the proposal to remove his department's authority over the three elevators.

His letter blamed "political pressure" for the move, and said he had gone to considerable expense to hire and train inspectors.

"I have evidence presented to me that convinces me that the private inspection programs which have been permitted (at other elevators) are not protecting the grain farmers as they should, and I do know that the charges have been excessive and this, of course, is paid by the farmer in the long run," Pearce wrote.

"While I do not have sufficient evidence to prove in court that the grading practices as conducted by the so-called 'non-profit inspection agencies' result in grain producers in this state and other states being cheated out of money that is justly theirs, I am completely convinced that this is true and intend to use every recourse at my command to prove this is true," he said.

WARNED OF EXPOSURE

Pearce ended by warning Freeman that if his authority over inspections was ended he would "expose everything involved."

Pearce submitted a copy of a December, 1967, letter from James D. Graugnard, president of the Louisiana Farm Bureau Federation, to Louisiana Governor John J. McKeithen, which claimed that the Baton Rouge Port Commission—another inspection agency—was unlawfully diverting inspection funds to other purposes.

"Of the approximately $900,000 collected in fees, only about $400,000 is actually spent to cover the cost of grading with the remainder being used to finance other operations," Graugnard wrote. Federal law says fees collected by an inspection agency can be used only to finance inspection functions, but USDA personnel admit privately there has been little attempt to enforce the provision, which is aimed at preventing excessive fees.

On Sept. 20, 1968, administrator Leonard told Secretary Freeman in a memo that the USDA's original selection of the state agriculture department "was not well received in some quarters.

"Strong objection was raised by representatives of the National Association of Grain Cooperatives," said Leonard. "Also, two inspection agencies, the South Louisiana Port Inspection and Weighing Board, Inc., and the Destrehan Board of Trade, believed that the—rather than the State Department of Agriculture—should be the authorized inspection agencies.

"As a result of this discontent, and after discussions with Ellender and Boggs, the department proposed shifting inspection authority from the state to the two inspection agencies . . .," said Leonard.

LEGAL CHALLENGE CITED

He cautioned Freeman that the department's proposal might be subject to "legal challenge." But he said the inspection program "can be expected to function more harmoniously from the standpoint of users of the inspection service if the state department of agriculture were decertified.

"I therefore recommend that we take this action," Leonard said. "Do you agree with this recommendation?"

There is no written record in the files showing Freeman's response, but eight days later the department published its decision, declared than an emergency existed and said the ruling would take effect in three days instead of the usual 30.

Shortly after, the Louisiana Department of Agriculture said it would not be able economically to continue inspection at its one remaining elevator—the Mississippi River Grain Elevator Co. at Myrtle Grove.

On Nov. 6, 1968, the USDA proposed to rescind the state's authority at Myrtle Grove and to give the inspection duties to a new agency to be headed by New Orleans attorney Sidney W. Provensal, Jr.

The proposal was approved Dec, 4, 1968, and Provensal's Delta Weighing and Inspection Bureau, Inc. took over.

Provensal is a close political associate of Leander Perez, the political boss of Plaquemines Parish.

CLOSE ASSOCIATIONS

USDA documents indicate that Provensal's law firm handled the incorporation of the Myrtle Grove elevator, that it was built on land owned by Plaquemines Parish, and that Provensal had acted as lawyer for Perez and other parish officials.

The files are replete with references to interest expressed by Ellender, Boggs, Long and Hebert. Boggs in particular was championing Vial's inspection agency and, on at least one occasion, summoned USDA officials to his congressional office for a meeting with himself and Vial.

On May 22, 1968, George Grange, deputy administrator of the Consumer and Marketing Service, summarized the pressures on USDA in a memo to his boss, administrator Rodney Leonard.

Grange said that Roy Hendrickson, the head of the National Federation of Grain Cooperatives, "is the one who stirred up Senators Ellender and Long recently to get us to cancel our grain inspection agreement with the Louisiana Department of Agriculture."

Grange said that Hendrickson had particularly advocated the choice of the South Louisiana Port agency and the Destrehan Board of Trade. "He has no interest in which private agency is designated to handle Myrtle Grove after it is taken away from the state department of agriculture " Grange wrote.

WITHDREW SUPPORT

He went on to say that Boggs had inquired about the proposals, and said Boggs originally supported use of the South Louisiana Port agency as inspector of all three new elevators. Boggs later said, however, that he was caught between the competing private agencies and would not object, after all, if inspection was left with the state, Grange reported.

Grange said one state senator—a political foe of Vial—had threatened to oppose Boggs in the next congressional primary if Boggs did not back off from his support of Vial's South Louisiana Port agency.

As an apparent result of the conflicting political pressures, Senator Long also had apparently dropped his initial interest and had determined to "stay on the sidelines," said Grange.

Congressman Hebert had originally backed the Plaquemines Board of Trade as the agency to inspect the Myrtle Grove elevator, but later said he would not object to state inspection, said Grange. Other department correspondence quotes Hebert as wanting to keep "outsiders" such as the New Orleans Board of Trade out of the Myrtle Grove area.

Leonard, in talking with The Register last week, described the entire incident as "intricate." The grain co-operatives and other grain firms exerted "a hell of a lot of pressure," he said.

"It was mainly an industry deal, I think. But it was always hard to tell what was going on and who was involved. In Louisiana, everything is political."

[From the Waterloo Courier, July 6, 1975]

CLARK RAPS POOR GRAIN INSPECTION

WASHINGTON.—Corruption in the grain export industry is so pervasive that few grain ships have left the port of New Orleans in several years with their cargoes properly graded and weighed, a senator who has just returned from an inspection trip said Saturday.

Sen. Dick Clark, D-Iowa, said the nation's major grain exporters and the firms licensed by the Agriculture Department to inspect them maintained a "sweetheart relationship."

Because of this, he said, ships were not inspected honestly, grain was assigned a higher quality grade than it deserved, and cargoes were shortweighted, a practice in which inspectors certified a ship was carrying more grain than was in its holds.

"There was a very pervasive system of corruption," Clark said in a telephone interview from Davenport, Iowa. "That's the way the system works."

"Shortweighting is almost as common and as big a crime as misgrading," he said.

He said one major company sold 16 million tons more of grain in one year than its books show it received at its elevators.

Clark spent several days last week in New Orleans.

He is a member of the Senate Agriculture subcommittee on foreign agriculture policy and the Senate Foreign Relations Subcommittee on multinational corporations. Both committees are investigating the grain scandal, in which 20 persons have been indicted in New Orleans and Houston.

Inspectors are licensed by the Agriculture Department and work for private companies, local boards of trade, or state agencies. The grain companies pay for the inspection service, which is provided to assure the compliance with the Grain Standards Act regulating grain exports.

Of those indicated, most have been inspectors charged with bribery. Foreign purchasers of U.S. grain have complained that the grain is short-weighted, that ship's holds are not being properly cleaned, and that the buyers are receiving a poorer quality of grain than the grain for which they are paying.

During the New Orleans trip Clark met with U.S. Atty. Gerald Gallinghouse, who is leading the New Orleans phase of the investigation and prosecution.

Clark said he could not reveal the substance of his conversation with Gallinghouse, but he said he left the meetings confident that more indictments would be returned in New Orleans.

"There are about 100 inspectors there," he said. "A very significant number of them will be brought to justice."

Clark said that the only time grain was properly graded and shipped from New Orleans in the past "five, six, seven or eight years" was when federal officials supervised the inspectors' work.

Such supervision was available for about one per cent of the shipments, he said.

[From the Washington Post, July 6, 1975]

GRAIN INSPECTING—AN INTIMIDATING JOB

(By Dan Morgan)

NEW ORLEANS—At first glance, the grain sampling laboratories of the huge elevators spotted along the lower Mississippi River resembled the office of old country feed stores.

Men in dusty old clothes move in and out or pause to pour a cup of coffee. Small bags of corn and soybeans, scales and odd-shaped copper containers crowd tabletops and there is a musty odor of grain.

The privately employed inspectors and samplers still find time to organize a pinochle game when they are not sampling some of the billions of dollars worth of grain that moves out of this port each year to all parts of the world.

But the once informal atmosphere has changed since the day last summer when agents of the Federal Bureau of Investigation walked into several of the laboratories, flashed their badges, and arrested some of the inspectors on bribery charges.

"We're jittery as can be," said an inspector who can recall nothing like that in his 31 years in the grain business. "I can tell you if anybody from the house (the elevator) came in here wanting me to fix something, I'd kick his ass out."

The indictments and rumors of wider wrongdoing have focused attention on a grain inspection system that even some industry officials concede seems almost to invite abuse by all concerned.

Simultaneously, the continuing investigations have peeled away some of the layers of mystery enveloping the American grain trade, of which New Orleans has become a hub since corn and soybeans supplanted cotton and rice as the main commodities moving in barges and boxcars down the path of the country's great central artery, the Mississippi River.

Last year, nearly 40 million tons of grain and soybeans were cleared for export from the eight lower Mississippi elevators by 127 federally licensed, privately employed grain inspectors whose work is spotchecked by 26 officials of the Department of Agriculture. In the view of some officials, and Congress members such as Sen. Dick Clark (D-Iowa), the system is woefully inadequate.

"Our hands are tied behind our back a great deal of the time," said Harlan L. Ryan, director of the Agriculture Department's field inspection office here.

Ryan, a lanky man whose father once raised soybeans in the Midwest, has earned an Eliot Ness-like reputation for enforcement of grain standards since coming here two years ago.

But he noted that Congress gave the federal government only a secondary supervisory role in the inspections, while leaving the actual work to private individuals who grade all exported grain and certify vessels before cargo can be loaded. These private inspectors work for five inspection agencies whose franchises go back many years.

The economic power of inspectors is acknowledged by all in the grain trade. On a recent rainy evening at Cook Industries, Inc.'s, Reserve, La., export elevator, one of the private samplers picked at a small pile of corn with tweezers.

He placed the extraneous particles and chaff on a tiny scale, performed some arithmetic on scratch paper and declared that the load he was grading contained 4 per cent foreign material. In a bargeload of corn, one percentage point of foreign material subtracts $1,500 from the value of the load. In a typical ocean-going vessel, that could translate into a difference of $30,000 to $50,000.

Few in New Orleans contend that the private grain companies that own the elevators and the inspection services deal at arms length. The private agencies' fees are based on the total tonnage they clear. Private inpectors work closely with employees of the elevators, on premises belonging to the grain companies and are logged in to work by grain company guards.

Some who have worked as inspectors say the job can be intimidating "There was always a sense that we were working for the elevator as much as for the inspector service," said a former inspector, who also told how the elevators sometimes provide favors, such as car maintenance, for the inspectors.

Other close ties between the elevators and inspection agencies have come to light.

Last week, Bryan J. Lehmann Jr. head of a Destrehan, La., private inspection service told visiting Sen. Clark that he had received a loan of $10,000 or more from the Bunge Corp., an international grain firm whose elevator near here is supervised by Lehmann's agency.

The president of another local inspection agency said he had once been legal counsel to a grain elevator now covered by the agency.

Eugene Romano, co-owner of the Chicago Grain Inspection Bureau, which won a franchise from the Agriculture Department three years ago to inspect Great Lakes grain shipments, said it was normal to solicit letters of recommendation from grain companies when applying for such franchises.

Over the years, Congress repeatedly has given its blessing to the inspection system.

Some say the problems arising now may have been vastly magnified by the booming grain exports and widely fluctuating grain and shipping markets that set in after the Soviet-American grain deal of 1972. In this situation, the rewards for moving grain rapidly have increased as have the penalties for delays.

"You have had a rise in charter rates, a rise in volume and a rise in grain prices. If you ever had a situation that was ripe for this kind of thing, this was it," said Edward S. Reed, executive director of the Port of New Orleans. Reed said it still remains to be seen whether all the rumors of wrongdoing are borne out.

The manager of one major elevator here said there are imperfections and questionable shading of the inspection system all through the grain pipeline, as the grain moves from farms to elevators in the interior, to regional terminals operated by the big grain companies and then to barges or boxcars headed for New Orleans.

The only inspection required by federal law is for exported grain, but many commercial buyers demand inspections upstream to know what quality commodity they are purchasing. According to the elevator manager who asked not to be identified, upstream grain storage points give farmers better grades to encourage them to deal with those elevators.

He also claimed that some inspections are rigged and that inspection methods differ widely. As a result, he said, grain entering the downstream elevators may not be of the same quality as inspection certificates state, resulting in pressures to make up the difference.

As the grain moves downstream in the barges, many of the big grain companies continue to bid on it, and the stakes increase. Ownership of the grain on route to New Orleans may change three or four times.

The way this works is illustrated in a civil suit on file in federal district court in New Orleans. In the suit, a plaintiff, Cook Industries, stated that it bought a bargeload of soybeans in transit, sold it to Consolidated Grain and Barge Co. which then sold the cargo to Cargill, Inc., Cargill subsequently filed a claim against Cook for moldy, discolored and sour beans, and Cook sued the barge company to recover $247,837.50 resulting from alleged water damage.

At the big downstream terminals near here different quality grain and soybeans from the huge bins are blended to meet the minimum standards specified by foreign buyers. According to some U.S. officials the technology at the disposal of the elevator companies surpasses the ability of inspectors to adequately supervise the process.

The inside of a modern grain elevator is a claustrophic jungle of ducts, conveyor belts, fans and lifts, much of it coated with a choking, powdery dust. The work is dirty and sometimes dangerous, with an ever present danger of explosion from artificial combustion.

Federal officials say they have no authority under present law to check on the weights of grain shipments, despite rumors of short-weighting.

In the main control room of the Cook Industries elevator a push-button control panel guides the movement of grain in and out of the elevator. The operator keeps track of the commodity and the quality of the grain in each of the bins on a blackboard. By pushing buttons he can send different varieties of grain hurtling out of the bins onto belts, to blend the required mixture.

An assistant manager explained it was possible to get "beautiful No. 2 grade soybeans" by mixing together lower grade beans that have certain good qualities, such as low moisture content and low amounts of broken kernels and foreign matter. Mechanical samplers gather grain from the loading belts.

In New Orleans there are differing opinions on the adequacy of these inspection procedures. Long before the controversy, one company, Cargill, had sought to avoid difficulty by insisting on federal certification of all export grains from its Baton Rouge elevator.

Giovanni Rametta, manager of the Mississippi River Grain Elevator in Myrtle Grove, claims the inspection system works well. "I never have had any complaints from our customers, never, never, never," he said.

Rametta scoffed at newspaper reports that a cargo of soybeans from his elevator was 575 tons short when it arrived in Spain. "A guy would have to be blind not to catch that," he said.

An attorney, with knowledge of the grain trade in New Orleans, said that occasional mistakes in the blending of grains are to be expected. "The people who do this work are not Harvard Ph. Ds or chemists . . . they are ordinary human beings."

[From the Omaha World-Herald,
July 6, 1975]

Port Scandal Jars Farmers in Grain Belt

(By Don Ringler)

Reports of corruption and other malpractices at Gulf port grain inspection sites are causing vibrations in the Midlands, the nation's grain basket.

A basic concern of Midlands farmers and the grain industry in general is that vital overseas markets will be lost.

Congressional hearings have been held and more are upcoming, including one by Sens. Hubert Humphrey, D-Minn., and Walter D. Huddleston, D-Ky., scheduled Thursday.

Nebraska 1st District Rep. Charles Thone has announced plans to draft legislation to strengthen federal control over inspection of ships that carry grain overseas.

He described inspection of ships for cleanliness as "woefully inadequate," adding that grain shipments in dirty ships would cause dissatisfied customers, result in lost sales and lower grain prices for Nebraska farmers and cost them millions of dollars.

Thone said that more than three-fourths of Nebraska wheat, half the soybeans and a third of the feed grains are sold to foreign countries.

"VITAL TO THEM"

The congressman, who has been visiting communities within his district during the July 4 break, said farmers are expressing concern "and well they should because exports are vital to them; the stakes are too high in Nebraska and the Midwest to tolerate corruption in the movement of grain overseas."

During fiscal 1974, Iowa's volume of farm exports was $1.77 billion, second in the nation, while Kansas ranked fourth with $1.57 billion and Nebraska seventh with $1.03 billion, according to U.S. Department of Agriculture (USDA) figures.

Thone said his legislation to tighten inspection of ships would be drafted following the July 4 break and introduced during the current session. Some inputs requested from the USDA, he said, have not been received.

Sen. Dick Clark, D-Ia., is among those calling for immediate action to correct bribery and corruption in grain inspections, saying, "Those who are suffering the most are the ones who least deserve it, the American farmer and consumer."

Irregularities in the inspection of grain for export have been unfolding following investigations involving the Department of Agriculture, FBI, U.S. attorneys and Department of Justice officials.

OVERSTATED?

Uncovered were incidents of bribery and cheating in the inspection process in which shipments that did not meet U.S. inspection standards were falsely certified as meeting standards. A number of grain inspectors have been indicted and others connected with grain inspection are under investigation.

In addition, there have been complaints from foreign countries of poor quality and damaged grain, and grain contaminated with foreign matter such as insects, dirt and broken glass.

Last week, the investigations spread to two of the world's largest grain companies and an American affiliate of a third company where federal agents are looking into questions of possible corporate responsibility and possible involvement by company officials.

The investigation centers around whether grain is being shipped abroad with weights and grades overstated.

The latest incident involving dirty cargo ships came to light Monday when USDA scientists said tests on grain bound for Egypt produced bread with a distinct oily odor.

Some holds of the ship were found contaminated with fumes, sludge and rust.

National farm leaders, including National Grange Master John Scott and Farmers Union National President Tony Dechant, are calling for legislation which would take the power to inspect and grade ag commodities out of the hands of the international traders.

CONFLICTS

Said Scott: "The present inspection system is plagued by conflicts of interest because grain and ship inspectors, although federally licensed, are employed by boards of trade and other private agencies which are controlled by grain, shipping and other business interests."

Under the present system, inspectors are licensed by the Department of Agriculture but employed by private or state agencies or agencies created by boards of trade.

Federal supervisors spot check the performance of these inspectors.

Proposed corrective measures have taken various paths, including a complete federal takeover of the inspection system.

The Omaha Grain Exchange and the Nebraska Feed and Grain Dealers Association in Lincoln would consider this an unwarranted move.

Spokesmen for both groups say the current system is working well except at the Gulf ports, and this is where corrective measures should be concentrated.

Exchange President Bill Guyer said that while irregularities at Gulf ports must be straightened out for the good of the entire industry, "it should not be done at the expense of the entire grain trade."

"Only a small percentage of inspectors are employed at the Gulf ports," he said, "and this hardly indicates the entire system needs revamping."

Zeroing in on the troubled Gulf ports would correct problems, he said.

"GOOD JOB"

Guyer pointed out the Omaha Exchange has operated its own inspection division, under USDA supervision, since the early 1900s with minimal problems.

"We feel the inspection division has done a good job," he said, "and over the years there have been little variances between here and other interior shipping points."

A federalized system, he added, would only add to bureaucracy and increase the cost of inspection, which ultimately falls on the farmer. In addition, he said, many inspectors employed by the private sector would become unemployed. The exchange currently has more than 30 persons employed in its inspection division.

Other privately operated inspection points in Nebraska are located at Hastings, Grand Island, Fremont and Lincoln. Sioux City, on the Nebraska-Iowa border, also has one.

Don Lehr, manager of the Omaha division of Far-Mor-Co, an eight-state regional grain marketing cooperative headquartered in Hutchinson, Kan., said basically Far-Mar-Co has been "very satisfied with interior inspection and I would hate to see it sacrificed because of problems involving a couple of firms at the Gulf ports; this would be overkilling in our estimation."

MIXING GRADES

The concensus of the Nebraska Grain and Feed Dealers Association, according to Executive Secretary Bob Anderson, is that the private sector is providing reliable and accurate inspection within the state, but feel "something is out of whack" at the ports.

Anderson said the mixing of various grain grades at the ports—like No. 2 grade corn with No. 5 to get a No. 3 grade which the foreign buyer might want—is apparently the source of some problems too.

The USDA's Grain Division is known to favor federalizing the inspection system, but Secretary of Agriculture Earl Butz is reportedly going to propose a cooperative federal-state system to tighten inspection.

Thone said he was leaning toward such a cooperative effort rather than one under complete federal control which would bring on "more layers of red tape."

Irregularities in handling, sampling and weighing of export grain, he said, "obviously needs tightening up."

[From the Des Moines Tribune, July 7, 1975]

How U.S. Scandal in Grain Erupted: He Gave Up Bribery

Washington, D.C.—It began when Victor Diaz finally said no.

As the port captain of a ship being loaded with grain in New Orleans, he was expected to bribe inspectors whose approvals were needed before ships could leave the port with grain destined for foreign nations.

His refusal to pay a bribe started an investigation last year that has resulted in 20 indictments, reportedly brought probers to some of the largest grain companies in the nation, and has, according to some observers, weakened the position of U.S. grain in world markets.

For years, sources close to the investigation say, inspectors were receiving bribes of $50 and $100. But when the bribes grew to $5,000, Diaz, employed by the Maritime Overseas Corp. of New York, refused to pay. That is when the investigation began.

IOWANS IN CONGRESS JOINED THE PUSH FOR INVESTIGATION—DEMOCRATIC SENATOR DICK CLARK AND DEMOCRATIC REPRESENTATIVE NEAL SMITH

It was charged that dirt, dust and trash were being added. While Diaz' refusal to pay the bribe brought the first involvement of the Justice Department, the Agriculture Department has received a multitude of complaints from foreign purchasers about the quality of U.S. grain exports and the inspection system.

An Agriculture Department document lists 101 requests for investigation of problems in the grain trade over the past 10 years. While some of the investigations continue, most of the cases have been closed. Warnings were issued in some instances and no action was taken in others.

ENTER PROBE

While the complaints involved grain facilities around the nation, at least 10 involved facilities in Louisiana, where 15 indictments have been returned since the U.S. Justice Department entered the probe.

Agriculture Department documents show that the department was warned as early as 1969 about the poor quality of corn, and that a department investigation of 1972 and 1973 exporting inspection operations found them to be riddled by sloppy management and attempts to keep reports of contaminated grain from federal health inspectors.

Meanwhile, a department report, written after the Nicaraguan government complained about the poor quality of grain from the United States, said the federal government failed to supervise inspection of the loading operation.

It was brought out that the department was warned nearly three years ago that an official of one of the nation's six largest grain exporting firms was linked to alleged irregularities in grain exports.

At the heart of the investigation, so far, have been the grain inspectors. They are hired by private firms, boards of trade or state agencies and are licensed by the Agriculture Department. By law, they cannot be federal employes.

The inspectors' jobs are to make sure that anyone shipping grain overseas complies with the U.S. Grain Standard Act.

INSPECTION CHARGE

About 800 inspectors and 1,700 technicians and others who sample the grain are licensed by the department. The exporters pay $30 million annually for the inspection service, with about $20.5 million going to private firms and the rest going to the other agencies performing inspections.

Secretary of Agriculture Earl L. Butz is reportedly favoring a system in which state operations would play a significant role.

The grain sales account annually for approximately $12.5 billion in foreign money entering the United States. With a total balance of trade surplus of less than $4 billion, the grain sales are a major factor in offsetting the cost of foreign imports.

COMMITTEE PROBES

Iowa's Clark is a member of the Senate Foreign Relations Subcommittee on Multinational Corporations and the Senate Agriculture Subcommittee on Foreign Agricultural policy.

Both panels, along with the Senate Subcommittee on Agricultural Production, Marketing and Stabilization, are investigating the grain industry and the official government probes of the industry.

The two agriculture committee panels will conduct a joint hearing Tuesday, the second such Senate hearing.

[From the New York Times, July 7, 1975]

Trick for Rigging Grain Load Described

(By William Robbins)

New Orleans, July 6.—Witnesses have detailed to Federal investigators here a simple trick with automatic weighing devices that has allegedly allowed several large grain companies to gain millions of dollars in illegal profits on their export shipments.

"They tell you it's a foolproof system, huh?" one witness said to a reporter. "Look, all you have to do is put these scales on hold, see. Then you reach under the keyboard and trip a lever, and you can punch any weight you want to on the tape."

He cited a case where $60,000 was added in this way to the value of one shipment.

Meanwhile, it was learned here that Melvin L. Hibbets, a vice president of Cook Industries, Inc., grain division, had been suspended pending completion of an investigation by the company of its New Orleans operations. (Page 40.)

Testimony and data reported being accumulated here indicate that gains from the rigging of shipping weights represent a relatively small percentage of profits available from false grading of grain, which can run into millions of extra dollars a year for any company with high export volume benefiting from the practice.

The weighing trick is only part of additional information coming to light here among a growing mass of testimony, documents and data reportedly gathered in a broad investigation into alleged corruption in the handling, weighing and grading of grain for export through the port of New Orleans.

Allegations resulting from the investigation as well as complaints from abroad have raised growing concern about the vital United States export trade in grain, which has been running at over $11-billion a year, about a third of it through New Orleans. The loss of any part of that could have serious effects on the United States balance of payments.

The investigation has spread to Houston and reportedly to other major grain ports. Quiet progress reportedly, is being made in the Houston area, but there is little indication of results elsewhere. Fifteen individuals have been indicted in the New Orleans area and five at Houston.

More recently, part of the investigation has reportedly focused on three large grain companies—the Bunge Corporation, Cook Industries, Inc., and Mississippi River Grain Elevator, Inc. an American affiliate of another international concern.

Besides the scale-rigging device, other information coming to light includes the following:

Allegations more directly linking grain company aides to bribery of inspectors who grade their grain. The inspectors in the New Orleans area are licensed by the Department of Agriculture but are employed by private agencies, with a small percentage of their work spot-checked by small staffs of Federal supervisors.

AIDING ELEVATOR

Orders from officials of one grain company to an inspector to misgrade low quality and adulterated grain being loaded aboard ships, requests for misgrading from others, with the same results, and other forms of pressure on the inspectors, whose legal role is to be impartial judges between buyer and seller.

Details provided to investigators on the scope of grain thefts by company employes, including some management aides.

The details now becoming available have been pieced together from witnesses who have been targets of the investigation and other sources close to the inquiry.

"From the day you go to work as an inspector," one witness said in an interview, "it's bred into you that your job is to help the elevator. They say you've got to bend with the wind. You only draw the line when it gets too bad."

After describing the weight-rigging system, one witness told of an incident in which a few grain elevator aides were allegedly paid $7,000 to falsify data to indicate that one ship had been loaded with 20,000 bushels of soybeans more than the capacity of the ship's holds. The phony cargo was worth about $60,000.

He learned of the incident, he said, from a junior assistant involved who was raging because the share of the payoff he got was only $500.

Grain is usually lifted into tall warehouses or elevators that have facilities for drying, cleaning and blending. From the elevators it moves to a system of hoppers and conveyor belts to the ships. Automatic scale devices record weights onto tapes unless the rigging trick is used.

Investigators have also been told of a trick that can be used to allow more grain to go aboard some ships than is shown on their bills of lading.

ON MANUAL CONTROL

In that case, a witness said, the automatic scales are placed in the "hold" or idle position before a weight is recorded. The controls can then be switched to "manual" and the grain dropped from a hopper onto the conveyor belt. In this way, he said, he had seen extra grain, which had been accumulated by cheating customers, loaded onto ships destined for an elevator company's foreign affiliate.

In many instances, however, much of the grain accumulated through weight rigging has been drained off by theft rings, including some of the companies' own employes, according to a mass of testimony reportedly being gathered here.

One former inspector is reported to have told the investigators of an incident when he was asked by managers of the local elevator of a large grain company to allow them to dispose of about 20,000 bushels of ruined soybeans by blending them with better quality beans. He said he agreed, with this proviso, "Just don't overdo it."

"Pretty soon," he said, "they were running that bad stuff 50–50 with the good."

The company apparently did not benefit in this case. By disposing of the ruined beans as a No. 2 grade, the aides were able to retain an equal, excess quantity of the higher quality soybeans in the elevator, which they were then able to sell to a local grain warehouse that was allegedly involved in theft rings. They reportedly divided the profit, estimated at $60,000.

AT $50 A SHIP

The pressures on the private inspectors have allegedly included direct bribes routed from at least two grain companies through the chief inspector for a local agency. A witness has told investigators he was paid $50 a ship in this manner. A company's profit for misgrading a million-bushel ship can run as high as $180,000.

Senator Dick Clark, Democrat of Iowa, who interviewed a number of witnesses here last week, said he had become convinced that "most of the grain is being overgraded."

A witness said, however, that overgrading was not always practiced but that "whatever we had in the house went on the ships, no matter what the contract called for." In one instance, he said, a ship was certified as loaded with No. 2 grade wheat when there had been no such wheat in the elevator involved, and managers had to send to another company for a can of wheat of the certified grade that they divided and retained as if it was a sample of the shipload.

Another witness has told investigators of allowing grain that was wet and low in quality to go directly from barges onto ships without passing through grain elevator dryers.

Such favors were generated by a variety of pressures, witnesses have said, including reminders from grain elevator officials that bonuses and unearned overtime they were receiving from their employers actually were being passed through to them from the grain companies.

Pressures also reportedly included occasional reminders from elevator aides to inspectors that the grain companies controlled their jobs though they were employed by allegedly independent agencies.

A witness has told of receiving orders from two top officials of one local elevator to help them dispose of low quality grain. When he protested that he was not being rewarded for such activities, he reported being told, "You've got a job, haven't you?"

Other pressures are said to be more subtle. Investigators have been told of inspectors forced to work so many hours of overtime that they could not be alert, and that as a result they would take naps on the job and then make up false figures to indicate that they had graded grain samples.

"But you always knew as soon as you dozed off, they'd run the worst stuff through," he said.

[From the New York Times, July 7, 1975]

GRAIN OFFICIAL NAMED IN COMPLAINTS SUSPENDED

NEW ORLEANS, July 6.—Melvin L. Hibbets, a vice president of a division of Cook Industries, Inc., has been suspended pending completion of an investigation by the company of its New Orleans operations. Mr. Hibbets is vice president for operations of the company's grain division.

The suspension of Mr. Hibbets, who was once named in an Agriculture Department report as a figure "with a long history of being involved in apparent irregularities involving grain inspection," was confirmed by telephone from Memphis today by a spokesman for Edward W. Cook, chairman of Cook Industries.

Mr. Cook said in a brief statement only that "Mr. Hibbets has been suspended pending investigation."

Mr. Hibbets could not be reached for comment.

Mr. Cook also confirmed that his company had named the auditing firm of Price Waterhouse & Company to conduct a study of its New Orleans operations. The action was apparently taken at about the time that it became known that the company was one of at least three corporations that are now the subjects of a spreading investigation of alleged corruption in the handling, weighing and grading of grain for export.

CITED 31 COMPLAINTS

A report in 1972 by the Agriculture Department's grain division cited a total of 31 complaints resulting from grain shipped under Mr. Hibbets' management.

Of those, 26 were received while Mr. Hibbets was manager of the St. Charles Elevator Company. There were five, it said, between 1969, when he joined Cook as manager of its bayside elevator here, and 1972.

The same report cited a case in which Mr. Hibbets was said to have ordered a grain inspector off the bayside premises never to return after the inspector disobeyed an order to find a ship unfit to receive grain and in need of further cleaning.

The report did not name the inspector. But the individual, reached here, said that what Mr. Hibbets had done was to ask him "if at all possible" to reject the ship because she could not be loaded immediately and to have said that approval would entail demurrage, or penalties for delay.

The inspector, who asked that his name not be used, said he had been placed in an awkward position because a ship-cleaning concern would have "raised a stink" that might have cost him his inspection license if he had rejected the ship, which he found to be in good condition.

After his approval of the ship, the inspector said, he was no longer allowed to work at the bayside elevator but was transferred by the inspection agency for which he worked, the Destrehan Board of Trade, Inc., to the nearby elevator of the Bunge Corporation.

[From the Des Moines Register, July 8, 1975]

"PAYOFF" IN CORN SALE TOLD; FIRM'S HEAD BARES PAY TO EL SALVADOR; SOUTH AFRICAN GRAIN INVOLVED IN DEAL

(By George Anthan)

WASHINGTON, D.C.—The president of an American grain company has told a federal district judge in Miami, Fla., that he paid more than $15,000 to officials of the El Salvador government as a condition for their acceptance of a shipment of corn of non-U.S. origin.

The company had agreed to ship U.S.-origin corn to El Salvador.

Joseph L. Tucker, president of Kansas Grain Co., of Kansas City, Mo., stated in an affidavit filed with Judge W. O. Mehrtens that $35,000 in cash was demanded of him as a "commission" payment by Carlos Alfredo Montalvo, assistant commercial manager of Instituto Regulado de Abasteolmientos (IRA) the El Salvador government grain buying agency.

Tucker stated in court documents that he also paid a $500 "commission" to an associate of Montalvo, Filander Antonio Molina.

HANDWRITTEN RECEIPTS

Kansas Grain Co. has filed with the U.S. court handwritten receipts for the money, allegedly signed by Montalvo and Molina.

Disclosure of the payments came in a case involving sale by Kansas Grain Co. of some $3 million worth of corn to El Salvador.

"I think he is worried about it," said Darrey Davis of Miami, one of Tucker's lawyers, referring to the payments. "But we felt we had to file it with the court."

Judge Mehrtens has stated that the money was "extracted" from Tucker by the El Salvador officials, and he has further noted that "these payments are neither denied nor explained" by officials of the foreign government.

EL SALVADOR SUIT

The Miami case actually involves a lawsuit filed by the government of El Salvador, which is seeking to prevent payment to Kansas Grain of the $3 million for a shipment of 14,145 metric tons of corn to IRA.

The El Salvador government asked Judge Mehrtens to issue an injunction preventing a Los Angeles, Calif., bank from making the payment to Kansas Grain Co. under an irrevocable letter of credit, which had been issued earlier to the bank by El Salvador in anticipation of arrival of the grain. The judge has refused to issue the injunction.

El Salvador has refused to accept the corn, after the government was notified indirectly by the U.S. Department of Agriculture (USDA) that the grain was of South African origin and not from the United States.

COFFEE PLANTS

El Salvador regulations prohibit acceptance of any grain from Africa or Asia because of fears that corn from those continents could be infected with a disease that destroys coffee plants.

The El Salvador government contends that if the corn was to be accepted, there would be "panic" in that country with such a severe political reaction that the government might fall.

It is not clear from documents filed in the case up to now how or why corn from South Africa was shipped to the U.S., but Judge Mehrtens has noted that there is no evidence Kansas Grain Co. was aware of the foreign origin of the grain when it concluded the deal with El Salvador.

RECONSTRUCTION OF CASE

Following is a reconstruction of the complex case as outlined in documents filed by El Salvador, Kansas Grain Co. and as noted by the judge in his order denying the injunction.

Early in March, Kansas Grain Co. signed a contract with El Salvador's IRA for delivery of the 14.145 metric tons of white corn. The grain was to be U.S. corn.

One condition of the sale, objected to by Kansas Grain, was that the shipment would have to be inspected and certified as acceptable by two officials of El Salvador. The persons selected for this job were Montalvo and Molina.

The corn to be shipped to El Salvador had been bought by Kansas Grain from "third parties" and was stored at the Brownsville, Tex., public elevators, where it was tested by Montalvo and Molina.

"VERY GOOD QUALITY"

Tucker told the court in his affidavit, "Both Mr. Montalvo and Mr. Molina repeatedly advised me that the corn not only appears to be satisfactory but they thought it was of very good quality."

Tucker said the two El Salvador officials told him it appeared the corn contained excess foreign materials, which might cause it to be graded U.S. No. 3, instead of U.S. No. 2.

The grain was loaded onto a ship the "Ilice," and various documents connected with the loading listed its origin as "USA" or the "state of Kansas."

FROM CAPETOWN

Documents subsequently filed with the U.S. court indicate this corn was imported into the U.S. from Capetown, S.A. by Thomas P. Gonzalez of Los Angeles, Calif. It arrived in Texas on Jan. 1 in a ship named "Nefros II."

Tucker, the Kansas Grain Co. president, stated in his affidavit that "frankly, I had never attached any significance to the 'origin' of the corn and had not inquired where it had come from prior to it being stored in Brownsville . . ."

Tucker stated that after Montalvo and Molina completed their inspection of the corn at Brownsville, the three men discussed an additional quantity of grain, which would be needed to complete the order. Tucker said his company controlled some more grain at an elevator at Atchison, Kan. Tucker, Montalvo and Molina went to Atchison, the affidavit states, where the El Salvador officials inspected that corn, also.

"NO INQUIRY"

Judge Mehrtens stated in his order that "during the tests and inspections, no inquiry was made by Messrs. Montalvo and Molina concerning the origin of the corn. The matters was never mentioned."

Kansas Grain Co. contends it should have been obvious to the El Salvador officials, both of whom are considered to be agricultural experts, that the corn stored at Brownsville was of African origin.

Tucker, a former banker, said he was not familiar with the differences in corn, but that he has been advised by U.S. experts that corn of African origin has a large, flat kernel which is easily distinguishable from the round kernel of American hybrid corn.

The government of El Salvador, in its court reply to Kansas Grain, says the only certain method of establishing the origin of grain "is through an honest certificate of origin," and it charged that the certificate of origin on the Brownsville shipment was fraudulent.

"PROBLEMS MENTIONED"

Tucker said the subject of payments to the El Salvador officials arose when Montalvo mentioned possible "problems" in convincing his superior to accept a lower-grade of corn.

"He repeatedly advised me of this problem," Tucker stated, "and he suggested that he might need some 'assistance' with his superiors in order to be able to supply the necessary certificate."

Tucker added, "he kept repeating this dialogue, and it became very clear to me that he was probing and testing, virtually to the point of stating that I pay him for his 'assistance.' "

"WILLING TO PAY"

Tucker's affidavit continues. "Eventually it was suggested that I pay him $3,000 to see if this might assist him in being able to persuade his superiors to allow him to supply the necessary certificate. On or about May 11, 1975, he advised me that he called El Salvador and talked to his superior, whom I believed he identified as Mr. Canas. Mr. Montalvo advised me that it didn't seem as though $3,000 would be enough to allow him to accept U.S. No. 3 and give the certificate. I then advised Mr. Montalvo inasmuch as we had not been obligated to pay a commission, we would be willing to pay $1 per ton (approximately $15,000) in order to complete the transaction and procure the necessary certificate."

The Kansas Grain Co. president further declared that "Mr. Montalvo advised me that he would like the money immediately in cash, one-third in $20 bills. Mr. Montalvo instructed that I was not to mention this to Mr. Molina, nor should I ever mention it to anyone under any circumstances."

Tucker said he was reluctant to turn over the money without written assurance from the El Salvador representative that he would accept the grain shipment for his government.

A RECEIPT

Tucker said he received a receipt, which is filed with the court and which states: "Received of Kansas Grain Co., $15,000 as commission on shipment of white corn to El Salvador." It is initialed, with the name Carlos A. Montalvo printed below.

Tucker stated he then gave Molina $500 "to insure that he would carry out his duty to execute the final certificate if the corn passed his inspection."

Tucker explained his actions by stating, "I made what I thought to be a proper business judgment under the circumstances."

[From the Des Moines Register, July 8, 1975]

VICE PRESIDENT OF COOK IS SUSPENDED BY FIRM

(By James Risser)

WASHINGTON, D.C.—A grain company official, once accused by the U.S. Department of Agriculture (USDA) of having "a long history" of "apparent irregularities involving grain inspection" has been suspended from his job.

The official is Melvin L. Hibbets, vice-president for engineering and operations of the grain division of Cook Industries, Inc.

Until recently, however, Hibbets managed Cooks Bayside Elevator at Reserve, La., near New Orleans.

That elevator and a nearby elevator owned by Bunge Corp., as well as the Destrehan Board of Trade which performs grain inspections at both facilities, are under investigation by a federal grand jury in New Orleans.

BROAD INQUIRY

The investigation is part of a broad inquiry into bribery and other corruption in the grading, weighing and shipping of U.S. export grains.

A spokesman at Cook's headquarters in Memphis, Tenn., said Hibbets had been "suspended pending our own company's investigation."

The company, he said, has hired Price Waterhouse and Co. to audit company records at the Bayside Elevator. He declined to say what the object of the audit is.

The Register reported June 21 that, according to USDA records, the Bayside Elevator apparently exported 18.6 million bushels more grain than it received over a 3-year period from 1971 through 1973.

UNDER SCRUTINY

Sources familiar with the New Orleans investigation say that discrepancies between grain received and exported by several large elevators are being scrutinized as possibly indicating misweighing and theft of grain.

Davis, Tucker's Miami lawyer, said "the signed certificate that the corn was correct is a waiver of the African origin so far as our position is concerned. We claim there was a waiver of the contract requirement that it not be of African origin."

CERTIFIED AS ACCEPTABLE

The ship with the Kansas Grain Co. corn left the U.S. on May 20 bound for El Salvador, the shipment being certified by Montalvo and Molina as acceptable.

However, on May 21, the U.S. Foreign Agricultural Service sent a telegram to the U.S. Embassy in San Salvador, capital of the Central American republic. The message informed the embassy that "white corn loaded out of Brownsville, Tex., on May 20 was of South Africa origin."

The message apparently was relayed to El Salvador officials, who refused to accept the shipment.

The El Salvador government, in its plea to the U.S. court contends, "There can be no doubt that Mr. Tucker knew Mr. Montalvo's action were beyond the scope of his authority and in fact constituted criminal activity. Rather than contacting IRA, Mr. Tucker acquiesced in and encouraged the criminal activity by paying Molina $500, which was not even demanded."

On June 23, The Register reported that a 1972 USDA document claimed that Hibbets and the Cook firm had engaged in intimidation of a federally-licensed grain inspection, had shipped misgraded grain and had sold export grain without having it inspected.

The document, written by the head of USDA's grain inspection branch, proposed a full investigation and possible criminal action against Cook Industries and Hibbets.

COMPLAINTS CITED

Nothing was done for nearly a year, however, and the matter eventually was referred to the U.S. attorney in New Orleans as part of the current investigaion here, according to information received by the Senate Agriculture Committee.

The USDA document said there were five complaints from foreign purchasers between October, 1969, and January, 1972, about the condition of grain received from the Cook elevator.

In the 4½ years prior to that, while Hibbets was manager of the St. Charles Grain Elevator Co. at Destrehan, La., there were 26 complaints from foreign purchasers about grain shipped by that elevator, the document said. One involved the apparently intentional "layering" of grain sorghum and off-grade grain being loaded onto a ship in such a way that grading inspectors were given samples not representative of the entire lot of grain.

REQUEST TOLD

The USDA document said that at the Cook elevator Hibbets had asked for an official grain inspector not to "pass" a ship when he performed cleanliness examinations. A department source said the reason given for the order was that the firm did not have enough grain in the elevator to load the ship with the amount of grain it had contracted to sell.

The inspector apparently balked at the order, and according to the document, Hibbets ordered the inspector "off the elevator property" and told him "never to set foot on it again."

REQUIRE FILING OF GRAIN SAMPLES

The Agriculture Department announced Monday that, beginning Aug. 8, grain inspection agencies will be required to retain file samples of all grain they inspect and grade, so that USDA personnel can better supervise their work and conduct appeal inspections.

Some agencies, particularly in the New Orleans area, have refused to retain the samples and have thwarted USDA efforts to oversee their work, department sources have said.

The inspection agencies, although licensed by the USDA, are for the most part private organizations such as boards of trade, grain exchanges and chambers of commerce. Many are controlled by grain and shipping interests.

USDA has had authority for many years under the U.S. Grain Standards Act to require retention of samples, but never had implemented such a regulation. The new regulation is among several reforms being worked on by USDA personnel as a result of the current grain inspection scandal.

The agencies will have to keep the grain samples on file for two to 90 days depending on the type of carrier involved—truck, railroad boxcar, barge or export ship.

[From the Des Moines Register, July 9, 1975]

Grain Inspectors Oppose U.S. Takeover; Scandal Blamed on USDA Laxity

(By James Risser)

Washington, D.C.—Officials of private grain inspection agencies Tuesday opposed a governmental takeover of the inspection, weighing, and grading of U.S. grain.

Joseph Slater, chief inspector of the Davenport (Ia.) Grain Exchange, told the Senate Agriculture Committee that the present system of federally licensed but privately employed inspectors should be retained.

He said the current inspection scandal at New Orleans, La., and other Gulf ports was caused by "a letdown in supervision" by the U.S. Department of Agriculture (USDA), Slater advocated more supervision and a ban on inspection agencies being owned or controlled by grain firms.

"FINE SERVICE"

"In the Midwest, we have a very fine inspection service and we sure hope to be able to keep it," he said.

Slater is secretary-treasurer of the National Association of Chief Grain Inspectors and was one of three association officials to testify before the Agriculture Committee Tuesday.

Virgil A. McNamee, a dirctor of the association and the chief grain inspector for the Toledo (Ohio) Board of Trade, said federal inspection would be costly and "would not improve the quality of our export grain." He said the USDA "now has all the power and authority necessary" to police the private inspectors, but has not done so.

Ted P. Hoelck, chief inspector for Hastings (Neb.) Grain Inspection, Inc., said "a decline in the amount and degree of supervision we have received" from the USDA began in about 1969. If that is the case at major grain exporting elevators, "it is no wonder that violations of the act have occurred," he said.

"CHICKEN-HEARTED"

Senator Henry Bellmon (Rep., Okla.) said "We seem to have a chicken-hearted secretary of agriculture who won't ask for enough money" to police the inspectors and grain firms.

"These are crooks we're dealing with," said Bellmon, referring to the indictments of 20 inspectors and companies in New Orleans and in Houston, Tex.

Senator Dick Clark (Dem., Ia.) told the witnesses that he favors total federal inspection because of a "pervasive" system of "sweetheart" relationships between inspection agencies and the grain companies they are supposed to regulate.

"It's not a case of getting some sour apples out of the barrel," he said. "It's a question of the system itself."

DOES NOT APPEAR

Clark expressed disappointment that one association official who was scheduled to testify had decided at the last moment not to appear. The missing official, John Williamson of the Southern Louisiana Port Inspection and Weighing Board, was to have been the only associate spokesman from the New Orleans port area, where a current federal investigation is centered.

Clark noted that Williamson had his inspector's license suspended by the USDA for five months in 1964 for issuing false grain grading certificates and for other violations. Williamson's license was later reinstated and he subsequently became president of the Chief Grain Inspectors Association.

"TIED UP"

One inspector from Williamson's agency has been indicted and has pleaded guilty to accepting a bribe, as part of the spreading investigation by a New Orleans grand jury.

McNamee said Williamson was "tied up with visitors" and had other "complications" which prevented him from coming to Washington.

Under questioning from Clark, McNamee said the Chief Grain Inspectors Association is funded entirely by members' dues, but he acknowledged that grain firms sometimes provide lunches, bus trips, and other services at the group's annual meetings.

The association, he said, is not conducting any investigation of dishonesty on the part of any of its members because "that is not our function." He emphasized, however, that he does not condone the illegal practices uncovered so far, and said he believes the overwhelming majority of grain inspection agencies are honest.

WARNS INSPECTORS

But Senator Hubert H. Humphrey (Dem., Minn.), chairman of the panel conducting the hearing, warned the inspectors that they face enactment of a governmental inspection system unless they come up with some comprehensive proposals for tightening up the present system.

A USDA spokesman said Tuesday that Agriculture Secretary Earl Butz, will send a grain inspection bill to Congress within the next two weeks, calling for a co-operative federal-state inspection system similar to that used in meat inspection.

The committee also heard witnesses Tuesday from the National Grain Trade Council, which represents grain exchanges and boards of trade, and from the National Grain and Feed Association, whose members include grain firms, processors, country elevators and exporters.

"NO EMERGENCY"

Both groups expressed general opposition to changing the inspection system, but agreed it should be strengthened. William E. Brooks, president of the Grain Trade Council, said "no emergency exists," and added that federalization of grain inspection would be "detrimental" to "the nation's grain economy."

Senator Clark opened Tuesday's hearing with a report on his inspection tour of New Orleans grain export facilities last week.

Clark said he concluded that the major problems involve dirty ships being falsely certified as clean and acceptable for loading with grain: clean ships being refused certification at the request of grain elevators that are not ready to load the ships and would have to pay the shipping company for any delays if the ship were certified as clean; misgrading of grain and the blending of low-quality grain with good grain, and the "short-weighting" of shipments so that the purchaser receives less grain than he is promised.

BYPASS EQUIPMENT

Clark said he learned in New Orleans that dishonest grain company and inspection agency personnel have been able to bypass even the most sophisticated grain inspection equipment.

At one elevator, for example, an automatic sampling machine every 29 seconds takes a sample of grain being loaded aboard export vessels. The samples are used to determine the grade, and thus the price, of the grain.

But there is evidence that in the 29 seconds between the taking of samples, lower-quality grain is dumped undetected onto the belts that carry the grain to the ships, Clark said.

He proposed that New Orleans grain inspection personnel and several inspectors who already have been convicted of illegal practices be called to testify before the committee. Humphrey said he would see if that can be done without prejudicing the continuing investigations in New Orleans.

[From the Omaha World-Herald,
July 12, 1975]

Clark Says Butz Low

Washington.—As many as one-third of the federally licensed grain inspectors in New Orleans may eventually be indicted in a federal probe of corruption in the grain export industry, Sen. Dick Clark, D-Iowa, said Friday.

Clark, who met in New Orleans last week with federal investigators, disputed estimates by Agriculture Secretary Earl Butz that only seven per cent of the inspectors were involved in allegations of corruption, the Associated Press reported.

The probe has focused on alleged bribery and misgrading by the inspectors, who oversee the shipment of U.S. grains to foreign customers. Grand juries have indicted 15 persons, most of them inspectors, in New Orleans and five in Houston.

Slightly more than 100 inspectors hold Agriculture Department licenses in the port of New Orleans, which handles about one-third of the grain leaving the United States.

Clark has also asked the Interstate Commerce Commission if it is making plans to help prevent possible grain transportation problems caused by any new Russian grain sales.

In a letter to Commission Chairman George Stafford, Clark said he fears the acute boxcar shortage that followed the 1972 grain sale to the Soviet Union could occur again, according to United Press International.

Clark told Stafford the ICC has not completed its investigation on the 1972 shortage and no permanent reforms of grain transportation procedures have been made.

"As yet," Clark said, "we have no assurances that an inequitable distribution of rail cars favoring the major grain companies will not reoccur, blocking grain movement from the farm and forcing farmers and country elevators to sell grain to the major companies at below market prices."

[From the Des Moines Register, July 13, 1975]

PROBE EXECUTIVES' ROLE IN GRAIN THEFT SCHEME; INDICTMENTS MAY INVOLVE FOUR BIG FIRMS; ELEVATOR REPORTEDLY USED AS "FENCE"

(By James Risser)

WASHINGTON, D.C.—Employes and some top officials of as many as four grain companies are expected to be indicted soon by a federal grand jury in New Orleans, La., in connection with grain theft schemes worth millions of dollars.

Corporate officers of two international grain firms—including the president of one—are under investigation and may be charged with conspiracy and other crimes, sources told The Register.

The grain thefts are said to have involved systematic "short weighting" of grain export ships and the diversion of grain to a locally owned New Orleans elevator that acted as a "fence" in receiving and selling the stolen grain.

Participants in the complex schemes—including grain elevator employes, licensed inspectors from private inspection agencies, and shipping and riverboat workers—are believed to have divided huge sums of money over a period of several years.

They reportedly collected thousands of dollars apiece for each bargeload of grain that they secretly diverted to the local elevator.

Some of the theft rings apparently operated without the knowledge of corporate grain officials, but in the case of one firm the grand jury has heard evidence that it was "company policy" to shortweight each outbound ship as it was loaded, the sources said.

The grain saved by underloading each ship could then be used to load onto other ships and thus was, in effect, sold twice.

U.S. attorneys in New Orleans are working to get indictments returned before some potential defendants become prosecution-proof when statutes of limitations—which bar action on offenses committed more than five years ago—run out.

GRANTED IMMUNITY

It also was learned that some participants most heavily involved in the schemes have been granted immunity from prosecution by federal investigators in return for their testimony against others, both before the grand jury and at later trials.

The forthcoming indictments are expected to charge grain company and inspection agency personnel with taking payments and with other offenses related to the misgrading of grain and the secret shipping of contaminated and "off-grade" grain.

Investigators have found cases in which inspectors routinely falsified "file samples" of grain shipments to mislead U.S. Department of Agriculture (USDA) grain supervisors if they tried to review the grading of a shipload of grain.

The indictments, which sources believe will be handed up within two or three weeks, will not be the end of the investigation of corruption at New Orleans—the country's largest grain exporting point.

IRS ROLE SEEN

Federal agents continue to turn up evidence of illegalities, and the Internal Revenue Service (IRS) reportedly is eyeing action against dozens of persons who profited from the schemes. In addition to the IRS, the U.S. attorney's office in New Orleans, the FBI and the USDA office of investigation are working on the case.

To date, 20 individuals and companies have been indicted in New Orleans and in Houston, Tex., on bribery charges. One New Orleans inspector has been convicted, and several others have pleaded guilty.

In recent days, attention in New Orleans has focused on the role that politics and grain-trade pressures have played in the selection of the inspection agencies at various elevators.

The Register reported last Sunday that in 1968 USDA officials abruptly "de-certified" the Louisiana Department of Agriculture as the inspection agency for three New Orleans-area export elevators and named three privately-owned agencies to do the work.

In subsequent interviews with New Orleans reporters, Louisiana political figures have confirmed The Register's findings that Louisiana members of Congress and local politicians were instrumental in the USDA action, and that the three agencies chosen were all headed by persons with powerful political connections.

THE CHOICES

The agencies chosen as a result of the USDA decision—which was made by Agriculture Secretary Orville Freeman—and the grain companies they were chosen to inspect—are:

South Louisiana Port Inspection and Weighing Board, Inc., named to inspect the Farmers Export Co. elevator at Ama, La. (The agency also inspects grain at the St. Charles Grain Elevator Co. at Destrehan.)

Delta Weighing and Inspection Bureau, Inc., which inspects the Mississippi River Grain Elevator Co. at Myrtle Grove, La.

Destrehan Board of Trade, chosen to perform inspections at Cook Industries, Inc.'s Bayside Elevator at Reserve, La. (The same agency handles inspections at the Bunge Corp. elevator at Destrehan, which, it has been disclosed, loaned Louisiana state legislator Bryan J. Lehmann, jr., approximately $10,000 to set up the agency in the first place.)

CERTIFICATION OF SHIPS

Inspectors from the South Louisiana, Delta and Destrehan agencies have been indicted in the earlier stage of the investigation related to briberies paid for the certification of grain-carrying ships as being clean.

All three agencies are said to be under scrutiny by the federal investigators and the grand jury. Bunge and Cook, both of whom are among the half-dozen largest international grain firms, also are under investigation. Activities at the Mississippi River Grain Elevator Co. and the St. Charles Grain Elevator Co., both export elevators, also are being probed, sources said.

In addition, the USDA grain division has asked Agriculture Department attorneys whether it can legally revoke the Delta agency's license as an inspection agency, for alleged violations of the U.S. Grain Standards Act, it was reported last week.

SUSPENDED FROM JOB

A vice-president at Cook Industries—Melvin L. Hibbets—has been suspended from his job pending the company's own investigation and audit of its books at the Bayside elevator. Hibbets ran the elevator until recently, and is named in a 1972 USDA report as being involved in many "irregularities" in grain inspection.

Also, the New Orleans States-Item reported Thursday a tie between the Lake Grain Co., a smaller, local New Orleans elevator, and Louisiana Gov. Edwin Edwards. According to the newspaper, Lake Grain, operated by Lyle Degelos and his brother, placed several of Edwards' campaign aides on its payroll between the time Edwards was elected in 1972 and the date of his inauguration.

One of the recipients of money from the firm was the governor's daughter, Anna, the States-Item said.

GRANTED IMMUNITY

The newspaper also reported that Degelos has been granted immunity from prosecution in exchange for his co-operation in the grain inspection investigations.

Under the 60-year old Grain Standards Act, initial inspection and grading of U.S. export grain cannot be performed by federally-employed inspectors. Although the inspectors are federally licensed, they work for either state agencies, or private boards of trade, grain exchanges, chambers of commerce, and similar organizations, many of which are controlled by grain and shipping interests.

Some members of Congress and officials of the USDA say the present system is fraught with conflicts of interest.

Agriculture Secretary Earl Butz soon will recommend doing away with the private inspection agencies and setting up a co-operative federal-state inspection system. Some congressmen, however, favor an entirely federal system, at least at grain export facilities.

[From the Des Moines Register, July 12, 1975]

THE SCHEME

According to sources close to the grain investigations, grain theft rings at a number of export elevators typically worked like this:

As an elevator loaded grain onto ships, less grain would be put aboard the ships than was shown on weight certificates. The grain withheld, although sometimes tens of thousands of bushels, would be a small percentage of each huge shipload, making it difficult for the overseas recipient to detect and complain of short-weighting.

BARGES INTERCEPTED

The systematic short-weighting eventually would result in a surplus of grain in the elevator, not accounted for by the elevator's inventory records. Such a surplus might amount to 100,000 bushels of corn, for example.

Members of the ring then would intercept two barges of corn headed down the Mississippi River for the elevator, each barge containing 50,000 bushels.

The barges would not be unloaded at the elevator, but false documents would be issued that they had been. The false documents would offset the 100,000-bushel surplus at the elevator and would make the elevator's records appear correct.

The two barges then would be diverted to the small elevator, where the grain would be sold, with the participants dividing the profits.

MANY INVOLVED

Many persons were required to carry out such a plan, including elevator personnel, inspectors from the private inspection agencies that weigh and grade grain, and barge and towboat workers.

Investigators have evidence that those in charge of the elevator that received the stolen grain made the most money—apparently in the millions of dollars—and banked it in the Bahamas.

Some others involved reportedly made $100,000 or more. Some got payments of

$5,000 or $10,000 per bargeload, the grand jury has been told.

At one export elevator, where all those in responsible positions took part in short-weighting export shipments, the grain that was retained by the elevator may have been sold directly rather than "fenced" through the local elevator.

—JAMES RISSER.

[From the Des Moines Register,
July 13, 1975]

PAYOFFS: COMMON IN FOREIGN GRAIN

(By George Anthan)

WASHINGTON, D.C.—Payoffs to foreign officials are "not at all unusual. They're a way of life," according to the president of an American grain firm who has admitted making payments to two officials of the El Salvador government.

Joseph L. Tucker of Kansas City, Mo., president of Kansas Grain Co., said, "I understand many of the grain companies do it. You're either going to pay, or not do business."

Several officials of the U.S. Department of Agriculture (USDA) considered knowledgeable in the international grain trade confirmed that reports of bribery are widespread.

HOW DO YOU PROVE IT?

One official said, "I think there's quite a bit of it, I really do, but how do you prove it?" He said there are reports that grain companies must make payments, often in the form of "commissions" to foreign government commodity buyers.

"This is mostly true in the Middle East, in Central and South America and in some parts of Asia, but would not be true so far as Europe, Russia or Japan are concerned," he said.

Tucker formerly was senior vice-president and manager of the International Department of the Columbia Union National Bank & Trust Co. of Kansas City. Before that, he was a vice-president in international operations of the Crocker Bank in San Francisco and Los Angeles.

Tucker said in a telephone interview that some foreign officials "say, I don't know if I can get it approved.' I've always thought it was one of the most despicable things a man can do. But it's the way of doing business."

TOLD COURT

Tucker has told a U.S. District Court in Miami, Fla. that he paid $15,500 to two El Salvador officials as a condition for their acceptance of corn not of U.S. origin.

Kansas Grain Co. had agreed to deliver U.S.-origin corn El Salvador under a $3 million contract. Most of the corn actually shipped was from South Africa. The Central American republic cannot legally accept grain of African origin because it fears it may contain a disease that could destroy its important coffee crop.

U.S. District Judge W. O. Mehrtens has stated that the money was "extracted" from Tucker by the El Salvador officials. Tucker stated to the court that Carlos Alfredo Montaim, assistant commercial manager of the El Salvador grain-buying agency, specifically requested that his "commission" on the sale be made up of one-third $50 bills, one third $100 bills and one-third $20 bills.

A private economist said "It's usually some sort of sweetheart arrangement. Many of these countries leave grain purchases in the hands of one or two people and they will go to a couple of different companies and say 'We'll give you the deal if we get our commission' the Asians call this 'baksheesh.' The company that provides the biggest commission gets the deal, and there are various subterfuges to cover it. The big companies can hide it better."

WAY OF BUSINESS

Another private economist said, "It's a way of doing business in the developing countries."

Another USDA official said the demand for payments usually is made when a sale is being consumated, "at the point the foreign official has to make the decision as to which company he'll buy from."

A retired high USDA official said, "I do know that in certain South American countries you have to pay in order to sell. I've heard that they set up dummy companies in order to collect 10 per cent commissions."

Representative Neal Smith (Dem., Ia.), a leading congressional spokesman on grain and agricultural matters, said some countries establish independent grain firms whose primary role is to provide a means for officials to charge "commissions" on food imports from the U.S.

RECENT DISCLOSURES

There have been disclosures recently that several U.S. corporations have made political contributions, bribery and extortion payments to foreign politicians and government officials.

The Securities and Exchange Commission (SEC) has filed court action against three companies, accusing them of concealing their secret overseas payments from their shareholders and from the agency.

However, USDA and congressional officials have noted that many grain companies are privately-owned firms and are not required to file public reports.

United Brands Co. was the first U.S. firm to admit payoffs were made with corporate money. The company stated on May 20 that $1.25 million was paid to a Honduran government official to secure a reduction in that country's export tax on bananas.

Ashland Oil Co. has told the SEC that it paid bribes to government officials in the west African country of Gabon in order to keep doing business there. The SEC has charged that Ashland has failed to report more than $4 million in overseas payments.

PHILADELPHIA FIRM

General Refractories Co., a Philadelphia manufacturer of firebrick for the steel industry has been charged by the SEC with making "payments to officials of certain foreign governments" in 1972 and 1974.

June 5, the executive committee of the board of Northrup Corp., an exporter of U.S.-built fighter planes, admitted the company had paid nearly $470,000 in bribes, including payments to two Saudi Arabian generals, an Indonesian politician and an Iranian tax assessor.

Page Communications Engineers, Inc., a Washington-based subsidiary of Northrup, paid $5.9 million "fees" to Iranian officials, including a member of the Iranian Royal Family, to facilitate construction of a $200 million telecommunications system being built in that country. The disclosures indicate many payoffs are funneled through a system of company "agents" overseas.

Notes on a conversation between an auditor and John R. Hunt, president of a Northrop subsidiary, were read into the record of recent hearings into commercial bribery by the Senate multi-national corporations subcommittee.

The auditor's notes of the conversation state that Hunt "and his people don't know and don't want to know where the money paid to agents goes. Agents are an expensive and necessary evil of doing business in a foreign country."

[From the Des Moines Register,
July 13, 1975]

GRAIN INSPECTION INTEGRITY

The National Grain Trade Council and the National Grain and Feed Association don't want to change the present system of grain inspection in spite of the scandal of corrupt inspecting and weighing practices at New Orleans and other Gulf ports.

Neither does the association representing the grain inspectors. Naturally. The inspectors and the grain trade firms who have a stake in the present system don't want to see it go. But of course that is the best argument for change.

The Grain Trade Council represents grain exchanges and boards of trade, often the very groups which hire and pay the private inspectors. The Grain and Feed Association represents grain companies, exporters, elevator companies and processors. These are the business firms which were caught bribing inspectors for shading weights, finagling on grades and passing dirty ships for export movements.

If Congress takes the advice of these groups it will pass a law merely providing for tougher supervision of the inspectors by the U.S. Department of Agriculture which licenses them. That certainly should be done whatever change is made in the inspection system.

But that is only a half step. It is logical to place the entire inspection process in government hands. There is an inherent conflict of interest in a board of trade or grain exchange having charge of the inspectors. These terminal organizations are financed and supported by the grain firms and the traders. Even if USDA supervision were tightened, there would be opportunities for cheating on grades and weights. People with profit to be made in such cheating would be in a place to connive to do it.

The next best solution to a federal inspection system would be a combined federal-state system, as Secretary of Agriculture Earl Butz has proposed. Butz is expected to submit a plan for grain inspection similar to the federal-state meat inspection plan.

The meat inspection plan is a political compromise worked out in the reform after exposure of unsanitary conditions in meat plants and inadequate inspection by state officials. The state secretaries of agriculture fought hard to keep their little empires of meat inspectors. There is no evidence to indicate that this is as reliable a system as a straight U.S. grading and inspection service could provide.

There is every reason in the case of grain, where export trade is so vital, to make the inspection and grading a federal responsibility all the way. The need for uniformity and consistency and integrity in inspection and grading supports this.

Federal officials can be corrupted, too, of course. But there is less likelihood of this in a unified organization, with tough supervision and control, than in a variety of private or state organizations, even though the inspectors would be federally licensed and supervised.

Iowa Agriculture Secretary Robert Lounsberry is right as rain in his statement that there is a conflict of interest in the grain inspection stations at Des Moines and Cedar Rapids. The majority of the board of directors of each of these stations is composed of executives of companies that buy and sell grain.

There are 11 inspection stations in Iowa, and many of them may have conflicts similar to those in Des Moines and Cedar Rapids. It doesn't take a *majority* of the board. Even one or two representatives of grain buyers and sellers on such a board could lead to a conflict or suspicion of conflict, which is the same thing.

Like Secretary Lounsberry, we do not know of any crookedness in grain inspection in Iowa, and our general impression is that it has been honest and above-board. But that is not the issue. The issue is avoiding the chance for exerting improper pressure on inspectors.

We agree with Lounsberry that the U.S. Department of Agriculture should take action to correct the conflicts in the grain inspection stations. It should insist that control be in the hands of people who do not have an interest in the grain inspection.

In view of the disclosures about inspection of grain for export, we should think Agriculture Secretary Butz would not have to be prodded on this. Congress seems likely to pass a law to reform the grain inspection system, but USDA could take some steps now.

[From the New York Times, July 16, 1975]

U.S. Grain Inquiry Is Widening Scope

(By William Robbins)

Washington, July 15.—At least a dozen executives and former executives of three large corporations are under investigation in a spreading Federal inquiry into alleged corruption in the grain-export trade, according to sources close to the case.

Those reportedly under investigation are officers and former officers of the Bunge Corporation; Cook Industries, Inc., and Mississippi River Grain Elevator, Inc., which is an American affiliate of an international company.

In the case of Bunge, investigation of an alleged "pattern" of irregularities has been pursued into "the highest level of management," according to one source, whose words were echoed by other sources.

There was no immediate reply to telephone messages to the Bunge Corporation seeking comment. A spokesman for Cook Industries said that the company would withhold comment for the present. Neither the chief executive of Mississippi River Grain Elevator nor the company's attorney could be reached.

Meanwhile, it has become clear that the investigation is far broader than was previously apparent. Activities at ¼, least two large grain elevators, in addition to those of Bunge, Cook and Mississippi River Grain Elevator, are also reported to be under investigation. The two handle grain for several other large companies.

Some inspectors for still another elevator, at Baton Rouge, are known to be under investigation, too.

FUNDS ARE TRACED

In addition, a small New Orleans grain company, Degelos Brothers Grain Corporation, has been identified as a reported buyer of grain stolen from corporations by theft rings that have included management-level employes of the corporations' local elevators. At least one principal officer in that company and others associated with him have reportedly agreed to cooperate in the Federal prosecution of the cases.

Funds allegedly resulting from that operation have been traced by The New York Times to a bank in the Bahamas.

The new dimensions of the inquiry, focused largely in the New Orleans area have emerged from numerous interviews and telephone conversations with potential prosecution witnesses, trade sources and other sources close to the case in several cities.

Dozens of witnesses with alleged personal involvement are known to have bargained for pleas or other special considerations in return for their testimony.

The investigation has reportedly spread to all major grain export ports, but its major results are being produced in the New Orleans area, where the office of the United States Attorney is coordinating the work of the Federal Bureau of Investigation, the Agriculture Department's Office of Investigation and the Internal Revenue Service.

SURFACE "ONLY SCRATCHED"

The investigative work of that office is being directed by United States Attorney Gerald J. Gallinghouse and Cornelius Heusel, Assistant United States Attorney.

"They've only scratched the surface so far," said an official source close to the case here. He indicated that the investigation would be extensive in time as well as in dimension.

The investigation began more than a year ago as a result of bribery reports involving grain inspectors in the New Orleans area, but it quickly moved into broader areas.

A principal focus of the investigation currently is on alleged thefts of grain, including "overages" created for corporations by employes through allegedly fraudulent weighing of grain and allegedly false grading of grain.

Grain in the New Orleans area is graded by inspectors licensed by the Department of Agriculture but employed by several privately operated agencies. Federal supervisors with limited staffs attempt to spot-check their work.

The Bunge case apparently began with information from a former inspector, who has acknowledged to a reporter that he told investigators that two former managerial employes had pursuaded him to misgrade a shipment of soybeans.

SUBSTITUTION REPORTED

He said that he had allowed the two to substitute ruined soybeans for beans with a No. 2 grade, which, he said, they withheld to sell to a local grain company, a subsidiary of Degelos & Associates, a New Orleans holding company with grain salvage, sales and brokerage operations.

At least one of the two former local officials has reportedly given investigators information implicating higher executives in alleged corporate irregularities. A chain of testimony reportedly turned the interest of investigators toward executives in Bunge's New York headquarters.

Federal auditors are reportedly conducting a study of Bunge's New Orleans operations. Records indicating that "overageso" occurred there have been found with the excess grain inventory accounted for by allegedly falsified papers representing whole barge loads of grain, according to sources close to the case.

Data for those papers, according to at least one witness, were provided from the company's New York headquarters.

Corporate pressures on local management and employes was allegedly created by what was described as a "budgetary" device. Details of the device allegedly used were not clear, but it was reported to involve the setting of profit goals at levels that could not reasonably be expected through legitimate operations.

One informant who is cooperating with Federal investigators has said that it was a regular practice for ships destined for countries without adequate weighing facilities to light-load by as much as 20,000 bushels. That would be about 2 per cent of a normal shipload.

More profitable, according to informants was the misgrading of grain. The former inspector who named two company aides is involved in a theft told a reporter that he and other inspectors, whose role is to act as impartial judges, "always tried to help the elevators."

Grain shipments were not always misgraded, he said, but "whatever was in the house went on the ships," whatever the grade called for in the contract.

The investigation of Cook Industries reportedly began with the discovery by Federal supervisors of a ship loaded with sour corn at the company's Bayside elevator.

According to a report in the files of the Department of Agriculture the ship had been certified as loaded with No. 3 corn. The same report indicated that much of the corn would not have qualified as No. 3, whether or not it had been sour, because of excessive amounts of broken corn, damaged kernels and moisture.

Federal experts say that it would have been impossible for a ship to be loaded with corn so far off-grade without the knowledge of at least some elevator personnel and the inspector who was on duty at the time.

SAMPLER INDICATED

A sampler, whose job it is to provide grain to the inspector for grading, was indicted on a charge of falsely attesting that he had been doing his job properly, but no other action has been taken in the incident.

Federal auditors are reportedly also interested in records that seem to indicate that Cook, for several years, sold more grain than it bought. The company has disputed the validity of the records, kept by the Destrehan Board of Trade, Inc., on both incoming and outgoing grain.

The Destrehan Board of Trade, which is also reported to be under investigation is the agency that inspects grain for both Bunge and Cook.

Federal investigators are also reported to have shown an interest in the records of lawsuits filed in 1970 and 1971 by Degelos Brothers Grain Corporation, an affiliate of Degelos & Associates, against Cook.

The first suit involved a dispute between Degelos and Cook over money that Degelos said was owed by Cook but unpaid.

But what is said to have interested investigators was a statement in the Degelos complaint that goods bought by Cook had included rice hulls, and that Cook "instructed plaintiff to invoice some of the rice hulls as 'screenings-chaff,' 'screenings grain,' 'corn-screenings,' 'bean screenings,' 'soybean screening' and 'bulk meal.' "

The second suit, charging a breach of contract and alleging that Cook had rejected rice hull shipments contracted for said that earlier Cook had been buying as many as 40 boxcars of rice hulls a month.

It said that Cook was the principal buyer of rice hulls in the area. It did not indicate what the local division of Cook Industries, which handles grain for export, might have been using the rice hulls for. Testimony in the suit said that rice hulls were frequently used as roughage in mixed animal feeds, and that the other major use was in fertilizers.

Sources in the New Orleans area say that rice hulls are favored for mixture into soybeans, because they are similar in color. A former aide at Cook's Bayside elevator said that such adulterants could legtimately be mixed into grain under present United States grain standards to add bulk and weight, as long as they did not exceed percentages allowed for foreign matter in the grades involved in a contract and certified by inspectors.

Cook Industries has said that it has retained a large auditing concern to conduct an investigation of its own into the company's New Orleans operations and has disclosed the suspension of the vice president for operations in its grain division, an executive who formerly managed Cook's Bayside elevator.

A spokesman for Cook said that the company would have no comment pending completion of its investigation.

Among principal questions reported to be under investigation at Mississippi River Grain Elevator is whether customers were victimized by misgrading so the elevator's best grain could be shipped to its foreign owner. The owner is Serafino Ferruzzi of Ravenna, Italy, who is a major figure in European processing of soybeans.

Grain shipped to the owner need not be inspected, but it must be weighed. Also reported to be under investigation is whether customer ships were light-loaded and whether more grain was put aboard Ferruzzi ships than was reflected in bills of lading.

A former inspector who is a witness in

the case has told a reporter that he knows of these things happening. He also reported pressures by two elevator officials to induce him to misgrade customers' grain.

An attorney for the Mississippi River Grain Elevator has acknowledged that the company's top local official was asked at a grand jury hearing whether he ever advised a customer to make cash payments to the chief inspector of Delta Weighing and Inspection Bureau, Inc., for gratuities to inspectors.

The attorney said that the official denied giving such advice. An informant who has appeared before a grand jury said later that he had received cash payments from the same inspection-agency official. He said that he had been told that the payments had come from two client companies. This man acknowledged that he had never reported those payments for income taxes.

Activities at two additional local grain elevators are now known to be under investigation. They are Public Grain Elevator in New Orleans and the St. Charles Elevator, also in the New Orleans area.

OTHER QUESTIONS PURSUED

In the case of St. Charles Elevator, questions of any possible short-weighing or misgrading are also under investigation.

Robert Edgeworth, manager of St. Charles, said that he knew nothing of any such problems.

Details of questions under investigation at Public Grain Elevator are not available, but a former aide of a company operating through the elevator reportedly has been negotiating on a plea.

At the inspection agency associated with it, operated by the New Orleans Board of Trade, Inc., three inspectors have been indicted. Two pleaded guilty to charges of accepting bribes to certify ships as clean and fit to receive grain.

The third was charged with other individuals in an alleged scheme to defraud the Peavey Company, a large grain corporation, by obtaining checks on the basis of false records indicating that it had purchased several truckloads of soybeans.

A. N. Fugett, manager of Public, said that he knew of nothing that might have been investigated at his elevator except the alleged fraud against Peavey.

"I believe that investigation is still continuing," he said.

Meanwhile, upriver at Baton Rouge, several inspectors for the Greater Baton Rouge Port Commission, a state-created agency that inspects grain at the elevator of the Cargill Company, are reported to be under investigation.

One potential Federal witness is reported to have told investigators that he had to pay inspectors to obtain a fair grade for his grain, and the Cargill Company is said to have conducted an investigation of its own and to have found that also may have been victimized by inspectors' approving off-grade grain.

Cargill has reportedly turned over all results of its study to Federal investigators.

A major break in the grain investigation is reported to have come with the discovery of theft rings that included elevator personnel, inspection-agency employes and employes of tugboat and barge companies.

More than a score of individuals have reportedly been found to be involved, including some elevator-management employes.

The rings reportedly sold grain to Degelos Brothers Grain Corporation and to at least one of several other affiliated companies, all of which have the same telephone number as Degelos & Associates.

A reported principal in the holding company had the same name and home state—California—as an incorporator of three companies in the Bahamas that are reported to have established bank accounts there. According to Bahamian sources, the other incorporators are all staff members in a Nassau law office.

Large sums of money have reportedly been funneled through the three corporations into Nassau bank accounts.

One of the companies listed as Mississippi Farmers Cooperative Association, Ltd., was established in 1971, a year when Lyle Degelos, chief executive of Degelos & Associates, testified in his suit against Cook that there was less than $100 in Degelos Brothers bank accounts.

He said that problems involved in the suit "could well be the straw that broke the camel's back so far as our own company is concerned."

Yet before the Mississippi Farmers Cooperative Association went out of business in Nassau in 1973, Mr. Degelos was reportedly financially able to carry some campaigners for Gov. Edwin W. Edwards on his payroll. And in 1974, he filed incorporation papers for a new venture—a large Louisiana dairy operation.

Other corporations formed in Nassau with the same group of incorporators were D. & R. International, Ltd., and D. & R. Research Service, Ltd. Files concerning those companies have been removed, apparently for use by United States investigators.

Mr. Degelos has declined to comment on the investigation, citing the advice of his attorney.

A REJECTED REBATE

Mr. GOLDWATER. Mr. President, in this day and age of economic uncertainty and the prevailing attitude toward Government of "let the Government pay for it," it is, indeed, refreshing to find that one rare individual who is unwilling to sacrifice his ideals and the legacy of his descendants on the altar of deficit spending.

Such an individual is Kenneth C. Mathews. Just recently, I received a letter from Mr. Mathews relative to the so-called Tax Reduction Act of 1975 and in particular the tax-rebate provision of that bill. Enclosed with his letter was a Government check which is his "tax rebate."

Mr. Mathews' desire is very simple: He merely wishes to return money to the United States which he does not believe he should have because it is false economy to give away money which we do not have. This gentleman, and I believe many other Americans, learned something in childhood that apparently the Government "experts" have not, and that is, if you only earn $1, it is impossible to spend 2 and if you try, the day of fiscal reckoning is not far off.

For too long now this country has continually taxed and spent far beyond its means with no visible letup in sight. For more than 40 years, we have been following this same fiscally irresponsible policy with the same old results—deeper and more severe recessions coupled with runaway inflation. Let us not be deluded into thinking that the day will not come that this country's fiscal house of cards will not come tumbling down unless we begin immediately to reverse our present trend.

If we do not reverse this trend, then we, as Government, are setting a very hypocritical example when we overspend our income and at the same time require that individual citizens live within their own means. Is it any wonder that the American public by and large has lost faith in their Government officials?

At this point, I ask unanimous consent that Mr. Mathews' letters be printed in the RECORD and that it be noted that his check, albeit small, has been returned to the Treasury for application against the national debt.

There being no objection, the correspondence was ordered to be printed in the RECORD, as follows:

RANCHO CORDOVA, CALIF.,
May 10, 1975.

Hon. BARRY GOLDWATER,
U.S. Senate Office Building,
Washington, D.C.

DEAR SENATOR GOLDWATER: . . . The most recent example of federal bungling wherein it is giving away money that it does not have in an attempt to spur the economy is too much for my wife and I to swallow. We absolutely refuse to become a part of such a scheme!

If those in power in the federal government are truly concerned with the state of our economy then the solution is simple. Stop spending money they do not have. Stop interferring in the private lives of all citizens. In this example in particular, to fan the fires of inflation by giving money they don't have, with the expectation that our economy will improve thereby is beyond our comprehension. The only way that the federal government can improve our present situation (BOTH inflation & depression) is to back off and stop interferring in the economy.

Examples: Eliminate minimum wage laws, pass a national right-to-work law, eliminate revenue sharing, make social security voluntary, stop all federal subsidies (let "success" be the criteria of production), turn the post office over to private enterprise, ad infinitum!

While we are getting by on my military retirement and could always use a few extra dollars we are returning our tax rebate check in the amount of $73.66 (enclosed herein). Please present it to the Senate Body during its next session to be used to offset some of the deficit spending. While it is an extremely small gesture, perhaps it may cause some to change their viewpoints. If so, then it has served its purpose.

Sincerely,

K. C. MATHEWS.

U.S. SENATE,
May 28, 1975.

Mr. K. C. MATHEWS,
Rancho Cordova, Calif.

DEAR MR. MATHEWS: Your letter and your willingness to place country above monetary self-interest will, in my opinion, be inspiring to the public in general and I will be delighted to remark upon your effort in a speech before the Senate.

In order to return your rebate directly to the government, as requested, the Treasury tells me it will be necessary for you to complete certain formalities. First, you are to endorse the rebate check on the back with your name. Then you are to add the words: "Pay to the Order of the Bureau of Government Financial Operations—U.S. Department of the Treasury." Second, the Treasury wishes you to sign a "letter of intent" to donate the amount to a special account exclusively reserved to help offset the public deficit. You may sign the enclosed suggested letter or prepare one yourself.

If you would do these things and return the papers to me, I will be happy to present them to the Government for you in accordance with your request.

Sincerely,

BARRY GOLDWATER.

RANCHO CORDOVA, CALIF.,
May 31, 1975.

BUREAU OF GOVERNMENT,
Financial Operations, U.S. Department of the Treasury, Washington, D.C.

DEAR SIR: Enclosed is my personal tax rebate check in the amount of $73.66, which I wish to donate to the United States Government to help offset the public deficit.

I understand that you maintain under law a special account for this purpose. Please acknowledge receipt of my donation.

Yours truly,

KENNETH C. MATHEWS.
MARION A. MATHEWS.

DEPARTMENT OF THE TREASURY,
Washington, D.C., June 16, 1975.

Mr. and Mrs. KENNETH MATHEWS,
Rancho Cordova, Calif.

DEAR MR. AND MRS. MATHEWS: This is to acknowledge receipt of your Tax Rebate check in the amount of $73.66.

The proceeds of the check have been deposited into the general fund of the Treasury for credit to the accounts, Gifts to the United States.

Thank you for your donation and for your interest in the financial affairs of our country.

Very truly yours,

J. C. NEELY,
Assistant Comptroller for Finance.
By: D. L. OWENS,
Manager, Finance and Analysis Branch.

COASTAL ZONE MANAGEMENT AUTHORIZATIONS

Mr. HOLLINGS. Mr. President, as you know the Senate yesterday passed S. 586, the Coastal Zone Management Act Amendments of 1975, by a vote of 73 to 15. Passage was the result of overwhelming support in this body for the concept of granting Federal aid to coastal States which are bearing special burdens associated with the development of energy resources, particularly Outer Continental Shelf oil and gas resources. The Members clearly understand that the special needs of the coastal States to protect their coastal zones are legitimate. However, in the last few minutes before the rollcall vote, a few Members raised questions about the bill which indicate a misperception of its intent. Since there was insufficient time to respond fully to those questions before final passage, I would like to take a few moments now to clear up any misunderstandings that may remain.

S. 586 is not an irresponsible raid on the Treasury, or a "multibillion-dollar ripoff [by] the coastal States," as the gentleman from Oklahoma, Mr. BELLMON, suggested. To receive funds for planning and for amelioration of adverse impacts under the Coastal Energy Facility Impact Fund, States must undertake several tasks that, in themselves, protect the Treasury from frivolous claims for unwarranted giveaways.

The States must engage in comprehensive coastal zone planning and management in accordance with the goals and policies of the Coastal Zone Management Act of 1972. They must document, to the satisfaction of the Secretary of Commerce, the net adverse impacts they are experiencing, taking into account all the economic benefits as well, and requesting Federal aid only when such benefits are insufficient to cancel out the adverse impacts.

If benefits will accrue at a later time and will eliminate adverse impacts eventually, they must repay any funds they receive. They must demonstrate, to the Secretary's satisfaction, that they will expend any money they receive from the impact fund only for purposes which will contribute to the amelioration of adverse impacts. In short, the States must justify their applications for grants or loans from the Coastal Energy Facility Impact Fund, and may not use the fund for purposes other than those intended in the act.

Furthermore—and this is critical—their claims are subject to the normal processes of budget-making and appropriations by the Congress. By passing S. 586, we have not given up the pursestrings or become a helpless giant in the face of aggressive, greedy States, as some would suggest.

A far different, and in my view wholly irresponsible, approach has been suggested by other legislation to create unfettered revenue sharing in the form of a fixed percentage of Outer Continental Shelf bonus and royalty payments. If one of these bills were enacted, the cost to the Federal Treasury could be as much as $40 billion over the next 10 years. States would receive OCS revenues regardless of whether or not they were receiving any impacts at all from OCS development. They could use these revenues to build football stadiums or buy new limousines for the Governor. The Congress would have no control—no way whatsoever of regulating the outlays each year. That, in contrast to S. 586, would be a raid on the Treasury.

Mr. President, to further illustrate the point I am making, I ask unanimous consent to print in the RECORD a chart which compares the costs associated with S. 586 with those associated with the several revenue-sharing bills which have been introduced in this session. These figures illustrate conclusively that the Senate has acted responsibly in passing S. 586 in lieu of OCS revenue sharing as a way to solve the critical and very real problems of the coastal States as they begin to deal, in most cases for the first time, with the economic, social, and environmental consequences of large-scale, offshore oil and gas development.

I also ask unanimous consent that a letter I have sent to the chairman of the Budget Committee (Mr. MUSKIE), stating how S. 586 is $30 million below budget estimates, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Bill number and sponsor	*Percent of OCS revenues given to States*	*Annual cost* (in millions of dollars)*	*Five-year total cost (in billions of dollars)*
S. 586, Hollings	----	300	1.5
S. 1860, Long	50	3,450	17.25
S. 130, Stevens	50	3,450	17.25
S. 1269, Johnston	5	345	1.7
S. 1112, Gravel	37.5	2,590	12.95
S. 1383, Bentsen	15	1,035	5.17
S. 1186, Hathaway	60	4,140	20.7

*For S. 586, annual cost of section 308, providing grants and loans to coastal States to plan for and ameliorate adverse impacts of OCS and other energy-related activities. For other bills, annual costs calculated on basis of 1974 OCS revenues of $6.9 billion.

JULY 17, 1975.

Hon. EDMUND S. MUSKIE,
U.S. Senate, Russell Senate Office Building, Washington, D.C.

DEAR ED: During the floor debate on Wednesday, July 16, on S. 586, you raised several questions pertaining to the levels of authorization in this bill and their relationship to the estimates of the Committee on Commerce and the Committee on Interior and Insular Affairs in compliance with section 301(c) of the Congressional Budget Act.

On March 15, 1974, the Committee on Commerce transmitted to you a report containing the information requested on the budgetary impact of new programs or major program changes. A similar report was transmitted by the Committee on Interior and Insular Affairs.

The Commerce Committee estimated that budget authority for FY 1976 would be $200 million for energy facility siting impacts within the coastal zone and that an additional $80 million would be authorized annually for increased responsibilities under the Coastal Zone Management Act of 1972. (Annual outlays were estimated to be $100 million and $60 million respectively in FY 1976.) The Interior Committee estimated that its "Coastal State Fund" in S. 521 would authorize $200 million per annum. The total would be $480 million.

S. 586 as passed by the Senate authorizes $450 million in appropriations, $30 million annually beneath budget authority estimates. This is based upon the agreement that the Interior Committee will drop Sec. 25 from S. 521 and replace it with Sec. 308 of S. 586, thus eliminating its estimated authority for the $200 million "Coastal State Fund" which would be replaced by the S. 586 "Coastal Energy Facilities Impact Fund."

I am pleased to transmit herewith the information which you requested, and doubly pleased that the agreement between the Committees on Commerce and Interior will result in an authorization lower than the budget resolution authorizes.

Sincerely,

ERNEST F. HOLLINGS,
Chairman, Subcommittee on Oceans and Atmosphere.

EBENEZER FLAGG CO.

Mr. PELL. Mr. President, today I had the distinct privilege and pleasure to accompany two of my fellow Rhode Islanders to a meeting at which they presented a very special flag to the President of the United States.

This presentation marks the culmination of an extraordinary sequence of events, and the beginning of an even more important story, because this flag, the "Newport Artillery Company Flag," and Mr. Leo Waring of Newport, the man who started the Ebenezer Flagg Co., portray in themselves the spirit of independence and integrity which mark the best attributes of our country.

Leo Waring started this company with his mother, Ruth, only 7 months ago. He began with the idea that Newport, R.I., could serve as the flag making capital for our coming Bicentennial year. Until 6 months ago, Leo had never constructed a flag; he was an unemployed worker in the construction and building trades which have been so badly hurt by the present economic conditions in our Country and particularly in Rhode Island. But he had an idea, that a nation moving into a bicentennial celebration would become more conscious of its heritage, and more aware of the story of that heritage as illustrated through her historical flags.

Leo also realized that a home-based craft industry could not afford the complex and costly machinery that is needed in industrial sewing, so he designed a new flag-building process, dependent on appliques and simple cutting, which allowed him to start flagmaking in his home.

In December and January Leo was on welfare: by February, he had recruited several unpaid assistants to begin making flags, and in March and April, residents in Newport began to see samples of the work which Leo and his assistants were turning out by hand. The public, was, indeed, interested in these examples of living history, and in June business began in earnest. The flagmaking operation moved to the basement of the Unicenter in Newport, and with the assistance of people such as Mayor Donnelly, Dick Bidwell, the Unicenter's director, a citizens group, the Coalition for Aquidneck Resource Development, and the Rhode Island Workers Association, the Ebenezer Flagg Co. has become a full-scale business.

This marks the first week in which the workers of the company will be paid. They have moved themselves off the unemployment rolls, and on to the payroll, of an enterprise which they began themselves.

The self-sufficiency of these Rhode Islanders is reflected in the flag which was presented this morning to the President. The historic flag was originally designed to represent an anchor, then a symbol of Rhode Island, in alliance with England. In 1775, Newporters repositioned the anchor to cut the Union Jack emblem off the field of the flag, a symbolic protest against the tyranny of the times.

Today's presentation to the President was equally symbolic. The men and women of the Ebenezer Flagg Co. have taken the kind of independent and resourceful action which has marked our reaction, both in Rhode Island and the rest of the country, to periods of hardship and adversity. At a time when my State's unemployment was the highest in the Nation, Leo Waring and his fellow Newporters began a venture which had no guarantees, and no clear road to success. They were successful, as we saw today, and I believe that they deserve our strongest support and congratulations.

PROTECTING SSI RECIPIENTS AGAINST LOSS OF BENEFITS

Mr. WILLIAMS. Mr. President, on July 3 nearly 31 million social security beneficiaries received an 8 percent cost-of-living increase, instead of the 5-percent ceiling recommended by the Ford administration.

The full amount of the cost-of-living adjustment was needed to protect the elderly from the impact of rising prices. And, I was pleased to help lead the fight to assure older Americans an 8 percent benefit boost, as authorized by law.

But an 8-percent social security increase will do precious little good for supplemental security income recipients if their assistance payments are reduced by the amount of the social security rise. The net impact is that they will remain on the same old economic treadmill—even though prices have risen markedly.

Unfortunately, this has happened to many SSI recipients living in States that supplement the basic Federal payment.

Consequently, their total money income remains the same because the States have not passed on the 8-percent social security increase.

In some cases, they are actually worse off because the loss of other benefits will more than offset the 8-percent cost-of-living adjustment. This often occurs when a social security increase pushes an individual above the State's qualifying income levels for medicaid.

Recently I conducted a hearing in Newark on "Future Directions in Social Security." I had an opportunity to hear firsthand about the impact of the offset problem for elderly New Jerseyans.

The hearing provided further support for enactment of my Full Benefits Pass-Along Act, S. 2031.

In addition, recent articles in the Hackensack, N.J., Record—describe in human terms the difficulties that elderly New Jerseyans encounter because of the social security—SSI offset.

Mr. President, I commend these accounts to my colleagues, and I ask unanimous consent that they be printed in the Record.

There being no objection, the articles were ordered to be printed in the Record, as follows:

Inexcusable Penny-Pinching

Federal benefits to the aged, blind, and disabled went up 8 per cent yesterday, and high time. But by a nasty, paradoxical set of circumstances—described in an article on the page opposite this one June 11 and on the front page of The Record yesterday—the people who need the increase most will not be getting it. And the increase will cost some of them valuable medical benefits.

To describe the problem is to suggest certain obvious solutions. Some states, including New Jersey, supplement the federal benefits with payments of their own. When the federal government increased its payments 8 per cent, the states simply reduced their payments by a corresponding amount. Until the end of June, an elderly, blind, or disabled person in New Jersey, living alone in his own house and without other income, was eligible for a minimum of $182 a month—$146 from the federal government and $36 from the state. Yesterday, the federal share was increased 8 per cent, to $157.70. But instead of passing this increase along, the state just absorbed it, reducing its monthly payment to $24,30.

For some people, the increase will actually cost money. If the increase in federal benefits pushes their income past a certain level—in most cases, $202 a month for the person living by himself in his own home—they will become ineligible for Medicaid, the joint federal-state insurance program that pays most of a recipient's medical expenses. Elderly people who aren't eligible for Medicaid are eligible for another program, Medicare. But that costs $6.70 a month, it doesn't cover prescriptions or eyeglasses, and it requires the recipient to pay the first $60 a year of his medical expenses. For some people, the increase in benefits will also mean lower veterans' benefits or an end to eligibility for government-subsidized public housing.

New Jersey could have elected to pass along to recipients the 8 per cent increase in federal benefits, and it should have. These are bad times, but there is never an excuse for that kind of penny-pinching. However, the problem is better solved at the federal level in any case.

As we say, some obvious solutions suggest themselves. Congress can order the states not to cut back supplemental-payment programs as a result of any increase in federal benefits to the aged, blind, or disabled. Congress can also raise the income ceiling for Medicaid eligibility whenever it takes action to raise the incomes of Medicaid recipients. A bill introduced more than a year ago by Rep. Elizabeth Holtzman of Brooklyn would do both these things, and would make them retroactive to July 1. The measure is now before the House Ways and Means Committee. There is no reason why it can't be passed before the end of the month.

Social Security Hike Endangers Benefits—73,000 New Jersey Pensioners Face Aid Loss

(By Thomas G. Donlan)

Trenton.—Social Security benefits go up eight per cent today, but not for 73,000 of New Jersey's poorest pensioners. And about 2,500 will also lose Medicaid benefits.

New Jersey officials figure it would cost the state about $9 million and the counties another $3 million to raise the Supplementary Security Income received by the 73,000—an income guarantee of $202 a month from all sources, including Social Security, for a person living alone.

The state has decided it cannot afford that.

For those whose Social Security increase still leaves them with less than $202 a month, there will be no increase. The supplementary program will still raise them to just $202.

They will get nothing extra, while inflation eats away at their meager fixed income.

Probably hurt the worst are those elderly, blind, or disabled people whose Social Security increase of about $14 a month will take them over the eligibility ceiling for the supplementary program.

They will be thrown off Medicaid, a federal-state program that provides virtually complete free health care for the very poor.

They will keep some medical protection under Medicare, a government health insurance program for people on Social Security. But for that protection they must pay at least $6.70 a month in premiums, a $60 a year deductible on medical expenses and 20 per cent of the rest of their covered medical bills. And they will not have coverage—as they do under Medicaid—for prescriptions, dentistry, psychiatry, podiatry and preventive medicine.

As one state official said, "The free umbrella coverage under Medicaid is as valuable as rent."

Estimates vary on the number of people who are losing their Medicaid today. The Social Security Administration puts the number in New Jersey at about 550. The state Department of Institutions and Agencies says it's about 2,500.

New Jersey Institutions and Agencies Commissioner Anne Klein argues that the federal government should pay for supplemental program increases in all states.

A spokesman for her department says the $12 million to raise the ceiling was not a casualty of last week's budget cuts but of the cost holddown imposed before the state Senate refused to pass a state income tax.

Lost to Inflation, Elderly Tell Williams

NEWARK.—An elderly witness at a special hearing of the Senate Committee on Aging said yesterday that inflation has hurt old people so much that all they have left is a few pennies to bury themselves.

"They just don't have any money at all left," said Mrs. Nellie Greer, 75, who directs a golden age club in Newark.

Mrs. Greer was one of a dozen witnesses at a hearing held by U.S. Sen. Harrison A. Williams Jr., D-N.J. Williams said the committee had heard from experts in Washington and now wanted to know what is happening to individuals.

Mrs. Greer said the worst problems for the elderly were lack of good housing and transportation.

"These people are almost completely shut in," she said.

"The committee has received heart-rending testimony documenting harsh facts of life facing older Americans during these troubled economic times," Williams told about 200 elderly persons, many in wheelchairs, who came to the Newark City Council chamber for the hearing.

"The overall increase in the cost-of-living doesn't really measure the cost increases faced by older persons," Williams said.

ENVIRONMENTAL WARFARE

Mr. PELL. Mr. President, I have been greatly encouraged by recent reports that the United States and the Soviet Union have made significant progress in attempts to conclude an agreement outlawing the use of environmental modification as an instrument of war. It has been 2 years since the Senate in July, 1973 passed a resolution (S. Res. 71) calling for negotiation of a treaty banning environmental warfare, and one year since the broad agreement reached in Moscow between former President Nixon and Secretary Brezhnev calling for United States-Soviet talks towards this end. Hopefully, the remaining obstacles towards a final agreement can be overcome, and a specific treaty completed.

To many Americans, understandably more concerned by dangers stemming from already existing weapons, this interest in controlling a weapon of the future might appear to be of secondary importance. This impression is compounded by the exotic nature of the potential military use of environmental modification, be it to create floods or earthquakes or to change the composition of the atmosphere.

Yet, as recent history has demonstrated, the future is rapidly becoming the present as technology makes real today what was only possible yesterday. The artificially induced rainmaking program carried out by the United States during the Indochina War furnishes proof of the need to act quickly. It is far easier to nip an arms race in the bud before a certain weapon's technology becomes widespread, than to attempt to slow a race after it has gained momentum.

Accordingly, I applaud the efforts being made by the United States and Soviet Union to arrive at the text of an agreement banning environmental warfare, and urge both parties to join together in securing as wide as possible acceptance of such a treaty while this excellent opportunity still exists.

In conclusion, I ask unanimous consent that two editorials, "Agreement Possible on Weather Control" which appeared in the Providence Journal of June 27, 1975, and "Environmental Warfare," from the New York Times of June 30, 1975, along with an article from the New York Times of June 24, 1975 by Bernard Gwertzman, "A United States-Soviet Ban on Weather Use for War is Near," be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Agreement Possible on Weather Control

Senator Claiborne Pell has been trying for more than two years to get some international agreement on outlawing of weather control for military purposes. This subject first provoked his concern when he learned that the United States had actually conducted a secret rainmaking program in Indochina, aimed at hampering the operations of the North Vietnamese army. Now, unexpectedly, a treaty with the Soviet Union seems possible, mainly because there's no good reason not to ban the practice.

Unlike the Law of the Sea treaty, to which Senator Pell has given much effort, the agreement on prohibiting environmental warfare is nearing adoption without any great fanfare; yet it will be an important step toward binding the most powerful nations to a pledge that they could break only with international repercussions. At his instigation, the U. S. Senate voted two years ago to urge the administration to work for such a treaty. Now, in an atmosphere of detente, the effort may pay off.

How advanced either of the superpowers is on this phase of violence, no one outside the military knows for sure. But apparently the leaders of both nations are in reasonably close accord about the dangers of interfering with nature on a vast scale. Some scientists have seen the possibilities of melting the polar ice caps, steering hurricanes, manipulating rainfall, even precipitating earthquakes and tidal waves. But the art of altering the weather, and perhaps the climate, too, is apparently in its infancy. Neither Russia nor the United States is disposed to experiment against the other.

Meanwhile, President Ford and Chairman Brezhnev of Russia are looking around for issues on which they can agree and on which they can sign agreements when Mr. Brezhnev visits the United States in the fall. Since the SALT-II talks have dragged more than anyone expected, the pressure is on to come up with some areas of agreement—and weather control seems to be one of these. Perhaps this is what Mr. Brezhnev meant when he spoke of controlling weapons more terrible than nuclear bombs.

Granted that neither side wants to use weather as a weapon right now, this is a good time to slap on some controls. That is the way the world got treaties preventing the use of nuclear weapons in space and in the Antarctic and on the seabed. Gradually, it may be possible to zero in on the more important weapons that now pose the greatest danger to the human race.

And if a treaty is signed this fall, it will be that much harder for either of the signatories to violate it without arousing the opposition of virtually the entire world. Out of such agreements may come in time a tradition of abstaining from actions that threaten millions of people. It's important to keep up the momentum for agreements on weapons control. In the end, it may produce the big agreement that will cage the monster of nuclear warfare.

Environmental Warfare

Work on the Soviet-American pact outlawing environmental and climate modification for military purposes, projected by the Nixon-Brezhnev summit last July, is reported to be well advanced. But despite Mr. Brezhnev's recent call for a ban on development of possible new weapons "more terrifying" than nuclear weapons—a reference, it is believed, to environmental warfare—nothing in past statements from Washington and Moscow would encourage optimism about conclusion of a really meaningful treaty.

One problem is that, like nuclear energy, which can be used beneficially or destructively, the techniques of environmental and weather modification already developed or far along have possible peaceful as well as military uses. Stimulating rain precipitation by cloud-seeding can help farmers; it has also been used in Vietnam to wash out Communist infiltration trails. There are similar dual uses possible for fog dispersal, modification of cloud cover, lightning suppression, hail reduction and hurricane diversion.

Since neither the United States nor the Soviet Government appears ready to abandon peaceful experiments with these techniques, the only possible agreement would appear to be on a declaration promising not to use such techniques, once developed effectively, for military or other hostile purposes. Such declarations are unlikely to have much value, if either side decides later that use of weather warfare is in its interest.

It is possible, of course, to ban large-scale experiments in environmental modification of a far-out type that can have no peaceful uses. One that has been discussed is possible aircraft-seeding of the earth's ozone shield to open "windows" for ultra-violet radiation that could dry up vegetation in chosen areas and turn an enemy country into a desert. Large-scale field experiments in artificial inducement of earthquakes and tidal waves would also fall into this category. Experiments with unpredictable outcomes in long-range climate modification—such as diversion of the Gulf Stream and other ocean currents, should that become feasible—clearly should only be undertaken by international agreement among all the countries that might be affected.

Soviet talk of reversing to the south rivers that now flow north into the Arctic Ocean has led to concerned studies by the United States Government about possible major changes in Arctic climate, including the melting of the Polar ice cap. At the other extreme, farmers undoubtedly will be reluctant to abandon cloud-seeding for rain precipitation and hail suppression—uncertain as these methods are in producing effective results. Yet, rain-making in one area could inflict drought on neighboring countries.

The science and technology of environmental, climate and weather modification, still in its infancy, must not be turned over to a horde of civilian and military apprentice sorcerers to work irreversible changes on the planet with unforeseeable results. Prohibition or international control of all large-scale experiments, whether carried out with peaceful intent or not, must be the ultimate objective.

The projected Soviet-American agreement, from what is known about the approach of the two Governments, unfortunately is unlikely to provide more than a faltering first step in this direction.

A. U.S.-SOVIET BAN ON WEATHER USE FOR WAR IS NEAR—AIM MAINLY PREVENTIVE

(By Bernard Gwertzman)

WASHINGTON, June 23.—The United States and the Soviet Union have reached virtual agreement on the draft of an accord to outlaw techniques for changing the weather for military purposes, American officials said today.

The language of the document was worked out in discussions held in Geneva last week and is now being submitted to both governments for further study before final agreement can be announced. One senior official said that some minor disagreement remained.

American officials declined to make public the draft text, but they said it was couched in broad terms. They said it was reasonably easy to negotiate because both sides were in philosophical agreement on the problem.

It is uncertain whether the agreement will be made public at the summer session of the Geneva conference of the Committee on Disarmament, where a ban on environmental warfare is on the agenda. The disarmament conference reconvenes tomorrow.

SIGNING AT SUMMIT POSSIBLE

It is possible that Moscow and Washington may decide to put final agreement off until the meeting between President Ford and Leonid I. Brezhnev, the Soviet Communist party leader, tentatively set for this fall in Washington.

The negotiations on man-induced weather changes arose from last year's meeting in Moscow between Mr. Brezhnev and President Richard M. Nixon.

In their final communique, the two leaders said that in an effort to "limit the potential danger to mankind from possible new means of warfare," they had decided that the two countries should explore the problem.

HARMFUL EFFECTS SEEN

The communique said that "scientific and technical advances in environmental fields, including climate modification, may open possibilities for using environmental modification techniques for military purposes." These could have "widespread, long-lasting, and severe effects harmful to human welfare," it said.

One American official said neither the Soviet Union nor the United States was apparently devoting much effort to environmental warfare at the present time. Therefore, he said, the purpose of the accord would be to head off a problem rather than limit current activity. He said it fell in the category of such preventive accords as the treaties that bar nuclear weapons from orbit around the earth and the seabed.

The main American advocate of an agreement banning environmental warfare has been Senator Claiborne Pell, Democrat of Rhode Island. He publicized a secret rainmaking program in Indochina during the Vietnam war to increase normal monsoon rainfall and make North Vietnam movements more difficult.

Mr. Pell succeeded in July, 1973, in inducing the Senate to vote 82 to 10 in favor of a resolution urging the Administration to seek a treaty banning environmental warfare.

Mr. Pell said today that he was pleased to hear that the Soviet Union and the United States were closer to an agreement. He has said that potentially dangerous environmental warfare could invite climate control by melting the polar ice, steering of hurricanes, manipulation of rainfall, and artificial inducement of earthquakes and tidal waves.

Advocates of the ban on environmental warfare have acknowledged that in some areas such as rain-making, weather modification can serve peaceful purposes and that research in such fields should continue.

Mr. Pell said today that there could be tough questions on whether a particular action was peaceful or military. For instance, he said, artificial dispersion of fog from an airport could be peaceful, but if a country wanted to bomb that airport it was military.

Soviet interest in the ban on environmental warfare apparently arose in 1973 when Mr. Brezhnev visited Washington and was reported impressed by a conversation he had with Mr. Pell at the close of a session with the Senate Foreign Relations Committee.

After last summer's summit session, the Soviet Union called for a ban on environmental warfare in the United Nations General Assembly, which referred it to the disarmament conference in Geneva.

The Soviet proposal was reportedly more specific than what is now being worked out by Moscow and Washington.

The delegations of the two sides are led by Thomas D. Davies, assistant director of the Arms Control and Disarmament Agency, and Yevgeny K. Fedorov, director of the Soviet Institute of Applied Geophysics.

The delegations met for the first time last November in Moscow and the second round of talks was held in Washington from Feb. 24 to March 5. The latest round of discussions was held in Geneva from Monday to Friday and is in indefinite recess.

THE JOB CREATION TAX CREDIT PLAN

Mr. THURMOND. Mr. President, on June 25, 1975, I introduced legislation to implement a job tax credit proposal initially advanced by the National Small Business Association. This bill, S. 2007, establishes a plan which could put up to a million people to work on the private sector. This would be accomplished by allowing businesses to take a tax credit of 50 percent of the cost of up to two new employees, in newly created jobs, with a maximum credit of $20,000.

I have recently received a table prepared by the National Small Business Association which illustrates that the estimated revenue loss for 100,000 new jobs in the first year of the plan's implementation would be more than compensated for by an increase in income tax revenue and unemployment insurance.

Mr. President, I ask unanimous consent that this table be printed in the RECORD at the conclusion of my remarks, so that the Senate Finance Committee may consider this data when it takes up S. 2007.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Income class	Average taxes paid by individuals [1]	Estimated revenue loss by use of 50 percent job creation credit	Percent distribution of job credit by income level		Estimated loss of revenue 1st yr for 100,000 jobs	Estimated 1st yr repayment in taxes
			Average salary	Percent of population		
Under $5,000				16.6		
$5,000 to $6,000	$410	$2,750	$2,750	5.0	$13,750,000	$2,050,000
$6,000 to $7,000	537	3,250	3,250	5.2	16,900,000	2,792,450
$7,000 to $8,000	665	3,750	4,250	16.8	71,400,000	13,288,800
$8,000 to $9,000	795	4,250				
$9,000 to $10,000	912	4,750				
$10,000 to $11,000	1,060	5,250	6,250	26.1	163,125,000	34,937,460
$11,000 to $12,000	1,180	5,750				
$12,000 to $13,000	1,322	6,250				
$13,000 to $14,000	1,480	6,750				
$14,000 to $15,000	1,651	7,250				
$15,000 to $20,000	2,151	7,750	8,250	23.0	189,750,000	72,795,000
$20,000 to $25,000	3,180	8,750				
$25,000 to $30,000	4,342	13,750	16,875	7.3	123,875,000	41,266,900
$30,000 to $50,000	7,065	20,000				
Total					578,800,000	192,205,610
Gain [2]					1,600,000,000	
Deducting job creation credit (gain)					1,021,200,000	

[1] IRS data 1973.

[2] For every 1,000,000 jobs gained, the Government gains $16,000,000,000 in revenue—$2,000,000,000 in unemployment insurance payments and $14,000,000,000 in taxes. (100,000 jobs would increase revenues $1,600,000,000 to the Federal Government.)

Source: "Inflation and Unemployment," Report on the Economy, Congressional Budget Office June 30, 1975, and Senate and House Budget Committees.

NOTES ON A VISIT TO HAVANA

Mr. McGOVERN: Mr. President, in early May I made a brief trip to Cuba that included 9 hours of visiting with Prime Minister Fidel Castro. Beyond this we also toured a number of educational, health, agricultural and cultural points of interest. Travelling with me on this mission was Mr. James Rowen of Madison, Wis. He has written an excellent report on his observations which appears in the August, 1975 issue of the Progressive magazine. Believing that Members of Congress will find this article by Mr. Rowen of interest, I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

NOTES ON A VISIT TO HAVANA

(By James Rowen)

HAVANA.—From a twenty-second-story balcony of the Riviera Hotel we watched a steady procession of East European freighters sliding over the watery gravesite of the *U.S.S. Maine*, past the Morro Castle, and into Havana Harbor. The American-initiated trade blockade of Cuba, it was clear, has been about as successful as "Vietnamization" or the Cambodian "incursion"—all futile attempts to thwart Third World assertions of independence. Our arrival in Havana only a few days after the collapse of the American adventure in Indochina underscored the parallel.

For four days early in May I accompanied Senator George McGovern on his visit to Cuba—a fast-paced and intensive tour conducted by Prime Minister Fidel Castro and two ministry heads who were determined to show off the most advanced agricultural, medical, and educational facilities that this Caribbean revolutionary society has produced since 1959.

Back at the Riviera after exhausting eighteen-hour days, we tried to assimilate our kaleidoscopic impressions. The hotel provided us not only with a fine view of downtown Havana and the entrance to the port, but with revealing illustrations of the changes on the island in the last fifteen years.

The Riviera, which might have been transported brick by brick from Miami Beach, was built in 1958—just before General Fulgencio Batista fled the country—by Meyer Lansky, the Miami mobster. The hotel was immediately nationalized, and its casino converted into a luxurious restaurant. Its foundations, gargoyles, and red carpets, its swimming pool and gift shops and overrefrigerated bar, now serve foreign (mostly Canadian) tourists and Cuban honeymooners. The plumbing was manufactured in Chicago, the air conditioning in LaCrosse, Wisconsin, the light bulbs in Cuba, and the television sets, which bring in Cuban baseball and "Looney Tunes" from Miami with equal clarity, in the Soviet Union.

The mix is fairly representative: Pre-1959 structures, older factories, the automobiles from the 1940s and 1950s that cruise the streets like an endless film loop from American Graffiti, were made in the United States; light industry products—light bulbs, spare parts for old Fords and DeSotos, cigars, rum, and furniture—are Cuban; new machinery and major consumer goods are Soviet-made or financed.

This "East meets West" economic combination, managed by the Cubans with a knack for innovation that rivals old-fashioned Yankee ingenuity and willingness to work, is what makes Cuba run. "It works," I kept saying to myself, surprised at the extent to which I had succumbed to U.S. propaganda that depicts Cuba's condition as one of humbling despair and imminent collapse. The Cubans are proud, and they have reason to be.

Many Americans, who feel they are the sole inheritors of the Puritan ethic, would be dismayed to see how revolutionary Cuba has elevated the work ethic to a national way of life.

All Cuban high school students, for example, devote three hours a day—apart from their classroom studies and homework—to some productive, socially beneficial activity. We saw students at the academic elite Lenin School in Havana assembling home radio sets, and others working as teachers. My wife and I met a sixteen-year-old boy whose extracurricular job was cutting grass. Castro had visited his school one day, the boy told us, and asked how the lawn-mowing was going. The boy complained—as many Cubans do when they personally encounter their leader on his non-stop travels across the island—that the work was too hard because it had to be done with hand-tools. The next day, Castro had some power-mowers sent to the school.

Younger students work, too. Children in elementary schools raise vegetables in gardens adjoining their school buildings—less for the value of the produce than for the object lesson, taught at an early age, that cooperative, productive work is a valued activity.

In mental hospitals, patients' therapy is organized around work. At the National Psychiatric Hospital near Havana, we saw patients crafting such items as rocking chairs, wooden boxes, and children's toys, while others, in small groups of three or four, were meticulously hand-fashioning rope from large spools of thread. Again, the production itself was less important than the concept of rehabilitative activity geared to productive labor. The hospital staff pointed out that in pre-revolutionary days, patients were merely kept in locked rooms, without the freedom to walk the grounds or engage in any work-therapy program.

After a standard eight-hour workday, most adult Cubans put in several additional hours in the militia or in projects organized by the local Revolutionary Defense Committee. More than half of Cuba's nine million people are organized into the committees, which serve as neighborhood resource centers and forums for political discussions. They also provide or coordinate such services as street patrols (in lieu of a formal police department), neighborhood clean-up campaigns, and other "civic pride" projects.

Early one morning, with Castro at the command of our multi-vehicle caravan, we drove through the old section of Havana and stopped at a Revolutionary Defense Committee office where a lone female worker was in charge, at 2:30 a.m., to make the library of several hundred books and periodicals available to the many "night people" on the streets of Havana.

HOUSING BRIGADES

Most interesting of all the volunteer work projects are those carried out by the "minibrigades," thirty-two-member teams of construction workers which are responsible for many of the apartment complexes being built all over the island. Minibrigades, first organized in 1971, are composed of volunteers who take a year's leave of absence from their regular jobs (co-workers fill in for the absent minibrigadistas), receive a basic course in a particular building trade from the national Ministry of Construction, and then are assigned to a five-story apartment construction project. With experience, these volunteer construction workers move up to the building of highrises up to twenty stories tall. When their project is completed, brigade members have first rights of occupancy in the units they helped build.

About 29,000 such minibrigade members are currently building housing in Cuba, according to official statistics, and their work has enabled Cuba to embark on some huge construction projects. We toured a portion of the "East of Havana" housing development, a long seven-year project that will eventually house 415,000 persons. Located on six square miles of desirable residential land just east of the capital, overlooking one of Ernest Hemingway's favorite fishing villages, Cojimar, in an area where, before the revolution, the wealthiest Cubans and foreigners had private estates, East of Havana will have its own schools, day care centers, bus line, parks, recreational facilities, movie theaters, and supermarkets.

Some 50,000 persons already live in this new city, the transit line is operating with recently imported Czech buses, and six schools and six day care centers are open, as is one supermarket. The supermarket is not of the size and sophistication to which Americans are accustomed. There are only six checkout aisles, few shelves of convenience foods (baby food, yes; Screaming Yellow Zonkers, no), but it is well stocked with such necessities as fresh, powdered, and evaporated milk, grains, eggs (seventy-two cents a dozen), beef (which is still rationed, to give priority to exports that bring in capital), noodles, cookies, fresh bread, cheap wine (about fifty cents per fifth), and, of course, sugar (which sells for less than six cents a pound).

Spot housing projects—one or two buildings—are also going up, their twenty-story towers creating a new skyline in Havana. Next to our hotel two highrises are being built by minibrigade teams—one by teams of artists, the other by bureaucrats and office workers from the Foreign Ministry. Since 1971, the minibrigades have completed 35,000 housing units in Cuba, according to official figures. Housing is inexpensive. Rural peasants often pay no rent and own their thatched-roof houses, since the government decided that these families, usually tenant farmers before the revolution, had paid enough rent to their former private landlords. Apartment dwellers, or persons living in single-family homes, pay 10 per cent of the income of one wage earner per family. Since most Cuban families have two or more breadwinners, the percentage of total family income paid to the state for rent is negligible. Members of minibrigades who occupy the housing they helped build have their rent lowered from 10 per cent to 6 per cent as a material reward for taking part in the construction pogram.

Conversely, a lack of initiative can be costly. While housing brigade workers obtain rent reductions through volunteer labor, a family which chooses to move from its present apartment to one in which no member invested minibrigade labor has its rent raised from 10 per cent of the income of one wage earner to 10 per cent of the income of two wage earners, thus roughly doubling the rent. There is a strong incentive, therefore, for joining a minibrigade, and those who choose not to participate in the program probably also choose not to move to more comfortable or desirable housing.

WAGES AND BENEFITS

Cuban wages range from 85 to 570 pesos per month (a peso is worth $1.20 in U.S. currency). Some sample salaries: 118 pesos for a day care center supervisor; 152 pesos for a steelworker; 250 pesos for an ambassador attached to the United Nations delegation. Wages are set in discussions between trade unions or professional organizations and the Labor Ministry.

Officials are quick to point out, however, that while Cubans' wages are relatively low in comparison to American pay scales, every citizen not only receives housing at minimal cost, but totally free education (through the post-graduate level and including continuing vocational training), health care, day care, transportation to and from work, and all utility services, including local telephone. The value of these basic social services greatly inflates each Cuban's real wages.

This fundamental contrast between American and Cuban earned benefits is not lost on Cuban officials. They constantly reminded their American guests of the material advantages that have been made available since the revolution. It is the universal nature of such benefits that has persuaded one staff member of the U.S. Senate Foreign Relations Committee that Cuba is on the verge of becoming a "socialist showcase" in Latin America. Many Americans who have visited Cuba and other nations in the hemisphere tend to agree.

THE U.S. EMBARGO

The material progress of the Cuban revolution has been achieved in spite of and, in a sense, because of, the U.S. economic embargo. The blockade imposed on Cuba as a punishment for not capitulating at the Bay of Pigs, posed grave problems for the island's economic planners, for Cuba had been almost completely dependent on U.S. trade for the first half of the Twentieth Century. The Cuban economy was managed by American corporate officials who held control over most of the island's fixed assets, income-producing industries, sugar mills, utilities, and productive agricultural land. Herbert Matthews, the widely respected Latin American affairs writer for The New York Times who chronicled much of the Cuban insurrection, wrote that when Castro came to power, Americans held the following percentages of ownership in these vital industries: oil refining and distribution, 100 per cent (with Royal Dutch Shell); mines and cattle ranches, 90 per cent; utilities, 80 per cent; sugar, 40 per cent.

Thus, the blockade forced Cuba from a position of almost total dependence on American spare parts, blueprints, technicians, and methodologies, into a situation where innovation and Soviet aid became absolute necessities. When the lack of spare parts began to force American cars and buses off the roads, the Cubans responded by creating a local industry that does nothing but produce parts to keep a nationwide fleet of old buses, Packards, Dodges, Pontiacs, Chevys, and dozens of other 1950s models chugging along, now complemented by Japanese, German, and Italian cars, some of which are made in Argentina.

Russian aid filled most of the immediate vacuum created by the U.S. embargo. Cuban officials openly praise the Russians for providing grants, loans, training, and technicians to bolster the economy and to revitalize many basic industries. We visited the only national steel mill, the Jose Marti facility, which was opened by a Mexican subsidiary of an American firm after World War II. The Soviets began to modernize the plant in 1960, following an agreement negotiated by then Economics Minister Che Guevara, and another expansion of production capacity is under way. The plant has 3,300 production workers, and several hundred technicians, some of whom are Russians. More than half of the Cuban steelworkers are attending night school for further technical training, and a few are sent, after selection by their co-workers, for advanced engineering schooling in the Soviet Union. Since the plant is being expanded, and more workers will eventually be needed, there are minibrigades of steelworkers erecting new apartment housing several miles away.

While the Cubans are openly grateful to the Russians for their aid and trade (estimated by one American business journal at 60 per cent of Cuba's foreign commerce), we were given the impression that the Cubans would like the embargo lifted so they could be free to trade with the Americans as well as the Russians. In his meeting with Senator McGovern, Castro said he would like the embargo lifted, and we received the same response from every other Cuban official to whom we posed the question.

But the Cubans have lived successfully with the embargo, and they do not want to be perceived as begging to have it lifted. Last year they ran up a trade surplus of $200 million because of the high world price of sugar, Cuba's number one export, and through numerous trade deals with both communist and non-communist nations. Japan, Canada, Spain, and Argentina have signed large trade agreements, for Cuba is currently exporting not revolution, as Washington used to worry, but sugar, nickel, rum, grains, meat, dairy products, and tobacco.

The American embargo has backfired. The embargo did not topple the Castro government, and it did not isolate Cuba for long. Now it is the United States that finds itself isolated from the Cuban market. The U.S. economy, burdened with inflation, recession, and a trade deficit, now watches as nearly the whole world trades with Cuba. American consumers are cut off from highly prized Cuban cigars, a ready supply of sugar, and tourism opportunities (20,000 Canadians visited Cuba last year). American executives must watch from the sidelines as Britain sells Cuba buses, Japan sells fertilizer, Germany sells cars, and Argentina sells railroad rolling stock.

American business could profit by a reopening of trade with Cuba. As a recent Business Week article complained, "With the exception of the United States, non-Communist nations are scrambling to line up big trade deals with Cuba, even though the Organization of American States has not yet lifted its sanctions on trade with the Castro regime." By the end of the summer, I suspect, the first concrete steps will be taken by the Ford Administration to dissolve the blockade, and the policymakers in Washington will have learned a valuable geo-economical lesson: There are limits to the degree that even a powerful nation can successfully attempt to isolate a poor, small, island nation in its own backyard, and in time, such blockades can become self-defeating.

A DAILY CELEBRATION

Cuba's economic survival of the blockade, its defeat of the Bay of Pigs invasion, Castro's ability to stay alive despite the apparent CIA/Mafia attempts to have him assassinated, and the country's successful implementation of its own brand of socialism while keeping both the United States and the Soviet Union from dominating its affairs—all these contribute to the impression that life in Cuba is a daily celebration of victory. Throughout the country, there is an unmistakable air of national self-confidence. Castro himself radiates assurance, not in an officious or oppressive manner, but with positive determination and leadership that one suspects carried him through the years of mountain guerrilla warfare and subsequent tribulations, ranging from the Bay of Pigs and the subsequent embargo through the sugar harvest disappointments of 1970 and now a drought which has parched the country for the last two and one-half years.

We saw no depressed-looking people, lounging in groups on street corners or around ramshackle housing, as I have seen in other Caribbean nations. In downtown Havana, many buildings are undergoing renovation, new hotels are being constructed, and older ones, especially at Veradaro, a popular beach resort, are being refurbished to handle 50,000 foreign tourists expected this year. Perhaps the most meaningful indicator of the relative calm and security is the absence, at least in Havana, of police or troops on the streets. In the four days we spent in the city, I saw only one patrol car, and no troops standing guard. Single, unescorted women feel safe enough to walk around Havana at 3 a.m., an exercise they could not duplicate in any other large city in most countries of the world.

This feeling of security has carried over into the political system. The Castro government is finally beginning to meet the criticism of a lack of national elections and local government by scheduling the first level of countrywide balloting. Local elections, pointing toward provincial governmental bodies, have already been held in one province, Matanzas. Western newspapers carried accounts of this first electoral procedure in Cuba since 1958, reporting no barriers to candidates filing for office. There were many runoff elections, and independent candidates outnumbered members of the Communist Party by 57 to 43 per cent, indicating that while the Party will probably play a major role in the elections and the budding local and provincial electoral system unfolding in Cuba, the elections are not shaping up as sham one-party contests.

The Matanzas provincial elections were a "trial run," explained a Foreign Ministry official. The upcoming First National Communist Party Congress this summer will evaluate the experience and decide if it is to be repeated in Cuba's five other provinces, probably in 1976.

Those who admire much that is being done in Castro's Cuba hope that the "trial run" presages Castro's commitment to move Cuba, however slowly, along more democratic lines familiar to visiting Americans. Cuba's one-party, two-paper press is especially difficult for touring Americans and journalists to accept. But now that the revolution is making giant social and economic strides, one hopes that a more open and varied press will be encouraged. The opportunity for such action has been enhanced by the genuine, visible national unity forged by Castro's program for the people.

AN ENCOUNTER

One evening my wife and I, strolling down one of the many broad boulevards near the hotel, were stopped by a sixteen-year-old Cuban boy carrying a dog-eared Spanish-English dictionary, who practiced his English by striking up conversations with the Canadian tourists who frequently stay at the Riviera. His eyes bulged when we told him we were not from Canada but from the United States. "That's impossible," he said. "Americans can't come here."

He told us his name was "Jackson," a nickname bestowed on him by his only other American acquaintance, a plane hijacker named Mike Lyons. Lyons, according to Jackson, had been jailed after landing a captured airliner in Cuba, but was now out of prison, working as a television salesman.

I asked Jackson whether he *thought* the revolution was "good for Cuba." "Yes," he replied, "it's a good revolution. You can go to school, be a doctor, do whatever you want." I asked whether any of his friends disagreed with the revolution. No, he said; if they did, they would lose his friendship. And then he pointed to his head, indicating that one would be insane to disagree with the revolution. After several attempts to get across his precise meaning, he laughingly pulled his worn dictionary from his pocket and pointed to the word "illogical." "It would be illogical to disagree with the revolution," he said.

His only complaints were those of a typical teen-ager, Cuban or otherwise—he was disappointed with the less-than-stylish clothing available for purchase. He was wearing a light blue sports shirt, black trousers, and tennis shoes, the kind of outfit an American kid would wear in a pickup baseball game. Jackson declined to have his picture taken "because of my clothing," but finally relented, and posed in front of a billboard, that showed the Vietnamese Provisional Revolutionary Government flag, with the word "Victoria" painted on it. The picture—a political billboard on a street corner in downtown Havana with a smiling Jackson posing in front of it—is as typical a Havana representation as we have in the hundreds of photos we took in Cuba.

'THE MAXIMUM LEADER'

Castro personifies the energy pulsating through the island. He spent almost ten straight hours with Senator McGovern and the official party, beginning one afternoon when he unexpectedly joined the tour at the site of one of his long-time personal interests, a Cuban state agricultural animal-breeding farm. He remained with us until three the next morning, playing the role of the consummate host, personally leading guided tours of the farm, managed by his older brother, Ramon, of a nearby housing project, and of the Santa Clara Rum factory, conducting a three-hour discussion of foreign policy, supervising the spit-roasting of a lamb, and driving the official party on a spontaneous one-hour tour of Havana, stopping to talk to people on street corners.

On one level, Castro is the living military symbol and survivor of the revolution that ousted Fulgencio Batista and then defeated the exiles' invasion at the Bay of Pigs. He is a romatic figure, wearing a tailored green fatigue uniform, driving the first jeep in the tour caravan, in command of every situation. It is easy to see why the Cubans have nicknamed him the "maximum leader," the revolutionary persona, accessible to people on the streets of Havana or at a country crossroads ice cream stand, eager to talk and listen, take complaints and answer questions, much as a Presidential candidate would conduct himself in the United States, but unlike any American Presidential officeholder in my memory.

On the other hand, Castro is the chief administrator of a pivotal and developing country, knowledgeable in foreign policy and domestic strategies, working a nineteen-hour day, in close contact with the twenty-seven member Central Committee. Cubans we met view Castro with a mixture of friendly respect, political support, and personal admiration. It seems as if most Cubans have met Castro on at least one occasion and appreciate his frequent unpromoted trips across the face of the island. He travels with a small number of bodyguards, driving his own vehicle with no lead car in front, which indicates how secure he feels among the people.

When Castro speaks, he looks you straight in the eye, usually giving long, comprehensive answers to questions. His remarks are generously sprinkled with statistics and allusions to history. We found him well informed on such diverse topics as artificial insemination of cows, the aging of light rum, Israeli-Arab relations, and the specific, unique features of Senator McGovern's grass-roots campaign for the Presidency in 1972. Vice Prime Minister Carlos Rafael Rodriguez told us that Castro reads "everything," and it seemed to be true.

Castro thanked me gracefully for a key to the city of Madison and an invitation to visit Wisconsin's capital, which I gave him on behalf of Madison's Mayor, Paul R. Soglin. He said he would visit Madison when the travel difficulties relating to the embargo were settled, and he appeared genuinely touched by a friendly offer from an American city and its mayor.

My impression of Cuba is that the revolution is in high gear and that the material benefits it is extending to its people will make it a model for emulation throughout the hemisphere. Many Latin American and Caribbean nations are in a state of affairs comparable to pre-revolutionary Cuba—their economics essentially controlled by Americans or other foreigners, their wealth and privilege concentrated in the hands of a few. It occurred to me that "exporting revolution" is less likely to occur through subversion of military activity than through Cuba's daily presence in the Americas. Free education, health care, utility service, and day care, token rents, and all the other achievements of the Cuban revolution will not be lost on others seeking a more decent way of life. And they should not be lost on us.

THE ENERGY CRISIS

Mr. LONG. Mr. President, I read with interest yesterday a column by Charles Bartlett in the Washington Star on our continuing energy crisis that I would strongly recommend to my colleagues.

Mr. Bartlett correctly points out that Congress is frustrating itself and deluding the American public on many of its proposals which only will compound our energy problems and not solve them.

We must recognize that we cannot return to the days of cheap energy. Instead, we must encourage conservation and further domestic production of all kinds of energy. This means that Congress must strike a compromise with the White House to enact a broad energy program. If we do not, we face shortages this winter that will cause brownouts and blackouts and other severe conditions.

Confrontation politics, such as many persons in elective office have been practicing, have resulted in virtually nothing being done to solve our energy crisis. We are doing a disservice to this Nation if we do not work together. Let us take politics out of the energy crisis.

Mr. President, I ask unanimous consent that Mr. Bartlett's column be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

QUIT CRYING WOLF ON OIL

(By Charles Bartlett)

The wolf cries of the Democrats are making it hard to get an objective look at the President's proposal to decontrol the price of oil from established fields.

The shrillness of these outcries is perhaps calculated to obscure the wispy nature of the Democrats' response to the energy crisis. They want now to extend the present controls for another six months, a new exercise in procrastination that will embolden the OPEC cartel in its autumn price revisions. More delay will be the certain mark of a nation incapable of girding its loins.

Nobody wants decontrol except the oil companies, Sen. Edward Kennedy, D. Mass., is saying; and the notion that the consumer is being delivered into the hands of an oil conspiracy may be salable to simple people. But it flatly ignores the administration's offer to join the Senate in writing a windfall profits tax that will frustrate corporate avarice.

The wolf cries also ignore Congress' opportunity to redistribute some income. Under the Ford proposal, revenues from the windfall profits tax, the excise tax on domestic oil, and the import fee on foreign oil will be recycled to the public. Ford is ready to reimburse families with incomes under $13,000 more than they will lose from energy price rises. They would be drawing rebates now if Congress had moved.

The established frailty of economic forecasts insures a cautious reception for the projections used on both sides of the issue. But Ralph Nader's warning that decontrol of domestic oil will cost the average family $900 a year deserves special mention. Decontrol will mean a 7-cent rise per gallon of gas after three years. This is about 10 percent of the present price, so Nader's average family would have to be spending about $9,000 a year on energy at this point.

It is, however, hard to argue with the projections of where this nation is headed under present policies. Domestic production is persisting in its five-year decline. OPEC imports are up, accounting now for 37 per cent of the oil supply. All consumption added between now and 1977 will have to come from OPEC sources.

The shrillest wolf cries center on a "worst case" projection, the double trouble of a new OPEC price hike which may coincide with the rise of decontrolled domestic oil. This argues for Ford's decision to gradualize the decontrol process over three years so its economic impact can be balanced by fiscal adjustments. But it does not argue for more delay.

The Democrats are digging deep into their legislative bag to find ways to keep alive the delusion that energy is as cheap as ever. The consumer is promised edicts that will boil down in the end to rationing. The producer is faced with production by edict. The President will simply impose a "maximum, efficient rate of production" on all fields and set the price property by property.

To get consumption down and production up, the nation confronts some sort of gamble. It can bet on government edicts, the benevolence of the OPEC producers, or traditional price incentives. Edicts don't turn tides and OPEC is not turning soft, so the only rational bet is on price incentives. The Democrats should acknowledge this simple truth.

"I sure hope we can get something done," Chairman Russell Long, D-La., sighed at the outset of the Senate Finance Committee hearing Monday.

The Democrats ought, at this late date, to be saying they will "damn well" get something done. And if they see no alternative to Ford's program, they should summon the boldness and largeness of spirit to go along with him.

NEEDED: AN ADEQUATE FOOD SUPPLY TO SUSTAIN THE WORLD POPULATION

Mr. PELL. Mr. President, the World Food Conference held last year served to focus attention on the very severe problems that confront mankind in providing sufficient food for the world's growing population during the coming decades.

Since the conference, debate has continued over the extent of the problem and over the most appropriate and effective policies to assure a food supply adequate to sustain the world population.

Among the contributions to the continuing debate over this critical problem have been several magazine and newspaper articles and editorials which I believe are worthy of attention, and I ask unanimous consent therefore that the following articles be printed in the RECORD at the conclusion of my remarks: An article from the New York Times Magazine of June 15, 1975, entitled "The Trouble With Triage" by Mr. Alan Berg; an article from the New York Times of June 16, 1975, by Mr. Harold Geneen, chairman and chief executive of ITT, entitled "Feed the People"; an interview with Mr. Robert McNamara, president of the World Bank, from the March 1975 issue of Europa; and editorials from the Providence (R.I.) Journal on June 20, 1975, entitled "World Food Reserves

Plan—Imperative," and July 4, 1975, entitled "Food Outlook Still Pessimistic."

I believe these articles represent an informed and interesting cross section of viewpoints regarding the world food situation and I commend them to my colleagues.

There being no objection, the material was ordered to be printed in the Record, as follows:

[From the New York Times Magazine, June 15, 1975]

THE TROUBLE WITH TRIAGE

(By Alan Berg)

A recent issue of The Economist perhaps put the dilemma best with a headline: "Don't just sit there, build an ark."

It's been a long time coming. For at least a decade, there have been warning signals about the precarious nature of the world's food-population balance. But only recently has the public begun to take seriously the experts' predictions of inevitable mass starvation. Sober and respectable authorities—as quoted in an article that appeared earlier their year in this publication—have proposed grim solutions considered "unthinkable but no longer unthought."

There is the "lifeboat theory"—the idea that wealthy countries should help only the most promising of the poorer countries (in effect, admitting only a selected number to what is perceived as limited space on the lifeboat) since spreading precious resources too thin could jeopardize chances for survival of the strong as well as the weak. And there is the suggestion that the wealthy nations should make distinctions between poorer nations in the spirit of "triage"—the First World War medical practice of dividing the wounded into survival categories in order to concentrate medical resources on those who could truly benefit from them and to ignore those who would die even with treatment or survive even without it. Some proponents of these theories cite projections from the Club of Rome's statistical model "The Limits to Growth" to add a seal of technological legitimacy to their modern-day Malthusianism.

These apocalyptic concepts are provocative, and the threads of truth they contain do have frightening implications. Moreover, momentum for this current pessimism has been building, abetted by full-page advertisements in major newspapers, a national newsletter, articles in important national publications and a marked increase in the demand for triage speakers on campuses and television panels. The campaign has had its impact. Many leaders who have been in the forefront of efforts to help the needy are currently mired in an uncharacteristic mood of inertia. And the "lifeboat" and "triage" theories offer a rationale for their passivity.

Yet a close look reveals that these theories are not appropriate to today's realities and need not be for tomorrow's. In fact, reasonable and hard-headed assessments of available figures suggest that it is well within the power of humanity to produce enough food to prevent masses from starving. The fact that it is possible to refute the current lifeboat and triage theories, however, does not mean that there is no food crisis. For high food prices and inadequate distribution systems have affected the nutritional status of millions of children from low-income families, and unless dramatic policy actions are taken soon, this trend is likely to accelerate over the next decades—with ominous consequences. That, in fact, is the reason the lifeboat and triage theories must be refuted now.

To examine the "world food crisis," we should start with the recent decline in world food supply. Production in 1972 was off 1.6 percent—the first drop in 20 years. And that was the year the Soviet Union entered the world market for 28 million tons of wheat, the largest grain purchase in history. The 6 percent pick-up in production the following year wasn't enough to rebuild depleted stocks, and then in 1974 the harvest again turned down by 3 percent—this at a time when population was increasing by 70 million people a year.

In the midst of all this, governments of grain-rich countries continued their policies of paying billions to farmers to keep lands out of production, policies that had been instituted to reduce surpluses. As a result world stock levels fell to their lowest point in 20 years. Had the four largest wheat-producing countries—the U.S., Canada, Argentina and Australia—maintained their 1968 wheat acreages, their production in the following four years would have been 90 million tons greater than it was, several times more than the 17 million tons of imported grain required by the 32 countries listed by the U.N. as "most seriously affected." Moreover, as grain supplies decreased, demand for grain-fed beef in Europe, Japan and the Soviet Union soared; more than 200 million tons of grain in these countries is now fed to animals.

The result was that grain prices rose with unprecedented rapidity—corn and wheat prices more than doubled and rice prices tripled. The sudden rise in oil prices compounded the food problem. It reduced the import capacity of food-deficit countries and it elevated the energy costs of irrigation, running farm machinery and transporting food and agricultural equipment. Most important, it caused a fourfold increase in the price of petroleum-based fertilizer. The International Monetary Fund estimates that the low-income countries' import bill for food and fertilizer alone has gone up in two years from $6.4-billion to $15.6-billion.

Although the problem is undeniably serious, we should be aware that the areas of potential *starvation* are limited to parts of Africa and South Asia.

The most intense public attention has focused on Central West Africa, the Sahel, where six countries have suffered devastating drought for half a decade. The total population of these countries is less than 25 million, and approximately eight million were considered to be at risk last year (up to half a million may still be in danger). In Ethiopia, an additional two million people affected by drought were so hungry they were scratching for grass, though their hunger might have been alleviated had their Government chosen to distribute to its own people grain it was exporting. Neighboring drought-stricken Somalis numbering in the hundreds of thousands are still considered to be in dire condition. These 10 million Africans at risk would constitute one-sixth of the population of one medium-sized state of India, such as Bihar. The grief for a lost child is no less real in sparsely populated regions, but when lifeboat and triage theories are being promoted with the intention of influencing national and international policies, it is important to put the current starvation in quantitative perspective.

In India, a bad situation continues. The harvest is down 4 million tons from last year's, which was at least 2 million tons below required levels. But most of the country's shortfall has been replaced by a billion dollars' worth of cash purchases, mostly from the United States. (India is now the largest single U.S. commercial market for wheat). It now looks as if India will be able to squeeze by this year, although there clearly will be pockets of distress. Pakistan, short a million tons, also looks as if it will get by. But in Bangladesh, with a 2.3 million-ton shortfall, the population is vulnerable. A large commercial purchase arranged early last year fell through when Bangladesh was unable to put cash on the line. The flow of hungry migrants into Dacca has finally stimulated a number of countries to crash food-aid efforts. But for many it is already too late (estimates of the dead range upward from 60,000).

The crises that have developed in these areas, however, do not mean that starvation is global, nor are they necessarily a prelude to wider starvation. Starvation is not a threat to Latin America, where food production last year was 4 per cent more than the record levels of the previous year. In East Asia, food production was up 5 per cent, in East Africa, close to 6 per cent.

The prospects for increasing food production to meet projected needs, furthermore, are far from grim. Discussions of lifeboats and triage give the impression of a steady downhill movement over the past 20 years. But in most disadvantaged countries, progress has been substantial. Between 1954 and 1973, food supply increased so much that even with 1.3 billion more mouths to feed, there was still 10 per cent more food per plate. In the six years before the recent drop, this growth in low-income countries was especially impressive; the rate of food-production increase in some years was as great and in some cases greater than in the richer countries.

For example, in spite of India's difficulties—and they are considerable—grain production there increased from 72 million tons in 1966 to 108.4 million tons five years later. Only three years ago, India had 9 million tons of surplus food and (in its assistance to Bangladesh) was the second largest food-aid donor in the world. Even today, after two bad years, the availability of food—although not as high as in the peak years—will be 100 calories higher per person than it was in the mid-nineteen-sixties. In percentage terms, India's need for outside food is marginal. The resources needed to eliminate the bad years are not unmanageable.

The increased production in low-income countries has been achieved with a relatively modest dispersion of new technologies that can easily triple and quadruple yields. India, for instance, has nearly as much good agricultural soil as the United States, but produces only half as much food. One reason is that only a small portion of drought-prone India's land is irrigated. If the groundwater under the Gangetic Plain, perhaps the greatest reservior of untrapped water in the world, were exploited, every irrigated acre could be planted in high-yielding seed varieties that could increase production by as much as 400 per cent. Experts contend that construction of massive barrages and dams in Bangladesh could channel flood waters to irrigate as much as 10 million acres, and that the building of small dams for irrigation could open up for cropping an additional million-and-one-half acres. In West Africa, the Senegal River is being harnessed to irrigate nearly a million acres and a current campaign now underway against river blindness—a disease that afflicts farmers who venture into certain areas—could open up nearly half again as much land for farming in that part of the world.

As to fertilizer, the outlook is bleak for the next year or two. But the end of the shortage is in sight. Worldwide expansion in fertilizer production is so great that the U.S. Department of Agriculture predicts surpluses by the end of the decade, even with a 60 per cent increase in usage. This is especially significant for the poorer countries because of the exceptional responsiveness to fertilizer of nutrient-depleted soils. In many farms in developing countries, 10 tons of nutrients would increase food production by 100 tons; in North America the increased production from the same amount of nutrients would be 24 tons.

Cultivable land may also be expanded, especially in Central Africa and South America. For example, less than 8 per cent of

Brazil's land is cropped, and a doubling of current cultivated acreage there, even without new high-yielding seed varieties or other technological innovations, could produce an additional 45 million tons of food. Even heavily populated countries like Indonesia and the Philippines have good land for expanding production, provided people can be induced to move from the densely populated major islands to the thinly populated outer islands.

The opportunities offered by the new seed varieties are great. African and Asian countries produce one-fourth to one-fifth as much grain per acre as North America, and one-half the countries of the world produce one-fourth as much corn per acre as the United States or one-fifth as much as New Zealand. Rice is a particularly important crop because if its dominance in the part of the world where food and population pressures are greatest. And here, too, existing seeds and cultivation methods can multiply yields—a typical Japanese farmer produces five times as much rice on an acre as a typical farmer from Bangladesh—and new and better varieties appear to be on their way.

Finally, the food picture could improve quickly and dramatically if the unusually bad weather of the past two years should end, as it has, for example, in the Sahel, where, because of recent good rains, most families are returning to their lands. Indeed, because of a turn-around in the weather, record or near-record crops are predicted for a number of major producers, including the United States, the Soviet Union and China. International food prices have started to fall; in fact, crop prospects as of this writing suggest that within a matter of months a spate of "Whatever happened to the world food crisis?" editorials will appear, along with suspicion and skepticism about the "scare stories" of the past year.

In the light of all this, how should we respond to those advocating the lifeboat and triage theories? First, the situation today is not as bleak as they picture it; there are many empty seats in the lifeboat—especially if those of us taking up more than our share of space would move over a bit.

More important, the basic metaphor of squeezing the world into a single lifeboat is wrong. The aim should be to build more lifeboats, that is, increase food production in the needy countries. The view of helpless countries holding out begging bowls for a few kernels of grain is the last thing in the minds of both development agencies and low-income nations. (In many countries, there is nothing politically more difficult to handle and more damaging to the national psyche than food aid.) Based on today's technologies, the opportunities for major growth in food production clearly exist. And scientific breakthroughs are possible; some research projects are already approaching fruition, and others offer interesting promise.

In any event, if we take the lifeboat and triage theories to their conclusions, and deny aid to many hungry nations, what ultimately will happen to them? They will not just disappear. A conscious lifeboat policy will be accompanied by political and social disruption. It is more than a human eccentricity for man to want to stay alive. So a lifeboat-triage policy, instead of diminishing a crisis, may well be creating a larger one.

If we can demonstrate this clearly that the lifeboat and triage theories are flawed, however, we should not assume that there is nothing to worry about. For in terms of the nutritionally needy, the fact is that there is a world food crisis, bumper crops or no. It is a crisis that extends beyond the annual vagaries of the weather and even beyond the production tallies of agricultural-ministry yearbooks. For these people the food crisis is not so much a supply crisis as it is a price and distribution crisis, and it is developing in the larger shadow of the now-familiar population crisis.

Even before the recent price rise, experts believe, needy families spent up to 80 percent of their incomes on food. That does not permit much flexibility; as food prices increase, people eat reduced and less varied diets. The resulting declining level of nutrition leaves children vulnerable to severe cases of otherwise minor chidhood ailments, such as measles and chickenpox. It also leads to stunted mental and physical growth. These increases in illnesses and death will occur not only in the Sahels and the Bangladeshes, but throughout the developing world (including some food surplus countries), where even in normal pre-inflation years, nearly a billion people cannot afford the right kinds of foods. Furthermore, the assumption that food supplies will continue over the long term to meet demands even at low nutritional levels is based on the assumption that population growth can somehow be brought under control in low-income countries. Unless major inroads can be made on both sides of the food and population equation, successes in agriculture are largely a matter of buying time; clearly the food situation can be managed only in the growth rates in low-income countries (where 86 per cent of the annual increase takes place) come down.

These rather traditional foreign-aid challenges are the ones that ought to occupy our attention and our energies at the present time, for recent experience shows that much could be done to meet them, provided we are willing to make the necessary commitments. This is not an easy point to make, for the undertaking seems so very formidable. To some, in fact, the population problem alone is enough to warrant feelings of hopelessness. Since the major impact of population policies on social and economic development will not be evident for some years, national leaders generally preoccupied with more immediate needs (and political survival) seldom have the time for attention to population issues. Moreover, because it is difficult to demonstrate that population growth is a constraint to national development, officials may have reservations about the basic concept.

The uncertainties that pervade the population field have been compounded by the aggressive attitudes of richer countries that want poorer countries to adopt population programs. Friction has led to politicization of the issue—sometimes with racial overtones—that has hindered acceptance of population policies.

However, there are respectable reasons to think that resignation is not the only possible response. As a matter of simple philosophy, we have to remember that predictions for the future of man are highly dubious at best, no matter how good our current information. How many of the 1.5 billion people at the beginning of this century would have believed that the world in 1975 could absorb 4 billion? Nearly 200 years ago. Thomas Malthus warned that we were running out of land to produce food. 450 years ago, Botero wrote that man's productive powers were inferior to his reproductive powers; and 1750 years ago, Tertullian advised, "the remedy for nations is to let famine take its course." Too much optimism may be naive, but so is the assumption that humanity is static and incapable of responding to serious challenge. And there are concrete examples of responses that have succeeded. China, for example, is reported to have lowered its population growth to an estimated 1.7 per cent and it is still declining, and other countries like Taiwan, Korea and Singapore have all dropped well below 2 per cent. While fertility reduction depends on a variety of other economic and social developments, family planning programs do play an important role in reducing the time lag required to bring about a decline in births.

Evidence is beginning to accumulate, furthermore, that reducing population growth and improving nutrition are linked far more closely than once was thought. In many poor areas, the best way to lower birth rates is to provide a family's children with a decent chance for survival. If half their children die before reaching productive years, the parents will feel they have to conceive a great many children (common belief puts the figure at 8) to assure two surviving sons. So, ironically, the rate of population growth could be lowered partly by providing food to keep children alive and healthy.

This phenomenon is apparent in the South Indian state of Kerala, where the birth rate has dropped in 10 years from 37 per thousand to 27 per thousand (the Indian average in 20 years has dropped from 41 to 37.2). Although Keralans have the lowest income in India, they have the highest literacy rate; it is the only state in which the majority of women are educated, and there is a substantially higher awareness of the importance of nutrition; Keralans enjoy India's highest per capita consumption of nutritionally important foods (nearly twice as many vegetables as any other state, more than triple the fruit consumption of all but two states and more fish and egg consumption than any other state), the highest percentage of villages with protected water supplies, the lowest infant mortality rate in the country, the highest life expectancy (60 years) and a total death rate (9 per 1,000) lower than that of Germany or Great Britain.

Just how widely the Keralan experience might be duplicated is open to question, but it certainly is enough to justify continued efforts at linking nutritional improvement and population programs.

All of these interrelated matters—food production and distribution, nutrition, and population—must ultimately be dealt with by the poor nations themselves, and this may require a greater sense of commitment, a shifting of priorities, a redeployment of resources and basic structural alterations such as land and tenancy reform and income redistribution. In some instances, fundamental political reform may be a prerequisite. The effort will also require solid organizations, efficient administration and substantial financial resources. The countries in need are not long on any of these assets. In this regard, there remains much that the more privileged nations can do, in nondemeaning, nonpaternalistic ways, to help.

The wealthy countries could adopt national and international food and nutrition policies to assure price stability (clearly reliance on the market alone is an inadequate response to today's needs); they could increase levels of foreign economic development aid through national and international agencies, with emphasis on food production, nutrition and family planning; they could boost sagging agriculture production research, especially in the poor countries where the work is most needed and where only 11 per cent of all agricultural research monies are now spent; they could increase food aid for development purposes—insuring that the food reaches the nutritionally needy and that it serves as an incentive, not a disincentive, to local agriculture; and they could make full productive use of their own agricultural lands. (Surpluses will occur, but the costs of maintaining reserve stocks are far lower than the costs of higher food prices because of shortages.)

In relative terms, the cost of such an effort would not be outrageous, but there must be a quantum jump in the dwindling resources that have been made available for aid. If we only keep pace with immediate needs, families will not have the kind of Keralan incentive to reduce births. To finance such an effort, some experts have suggested a voluntary reduction in meat consumption and cutbacks on use of fertilizer for ornamental purposes. But these proposals are probably unrealistic if the current crisis climate is waning. The effort could be financed more directly through redeployment of existing resources in both developing and developed nations. It would require the shift to nutrition and population programs of only a small fraction of the estimated $250-billion spent annually on armaments. Resorting to defense expenditures would be more than a budgetary convenience. The trend to malnutrition, if not headed off, could prove a greater threat to international security than traditional military dangers. And given modern armaments, the threat would not be restricted to food-short countries.

Granted, people and nations are becoming "aid weary." This is no doubt partly the result of the sheer size and repetition of the misery. There is a sense of futility—after years of help, we are still surfeited with the same pictures of starving babies. And some contend that it is inappropriate to send food abroad so long as people are hungry in one's own country. Neither of these concerns is justified. If it were not for aid, there would be many more starving babies. One need only remember how far some countries have come that a dozen years ago were tagged with "basket-case" and "money-down-a-rathole" labels. Korea, once considered economically "hopeless," is a case in point. Over the past decade, its G.N.P. has grown at a rate that has averaged more than 10 per cent a year in real terms (last year it was 16.5 per cent) and real per capita income has more than doubled. Aid has played a substantial role in this development.

As for the argument that we should concentrate on feeding the hungry at home, it is important to understand that in most affluent countries the domestic problem is largely one of figuring out how to distribute available food to those in need. Right now the magnitude of food sent overseas in aid programs is so small that it could be increased substantially without threatening domestic needs. In the case of the United States, the food stamp program alone amounted last year to 14.3-billion, five times the value of food aid sent to all other countries combined.

The traditional foreign-aid response to the current situation is far more familiar and far less exciting than policy planning for doomsday, but it is workable, relevant to genuine needs and could make a difference. And the question in its simplest form is whether we are willing to stand by and watch those nations afflicted with the curse of poverty grow desperate—because we permit our actions to be guided by a fashionable, though unwarranted, spirit of resignation.

And so we arrive at the real issue in foreign assistance, skittishly avoided for so long: After all the political and economic arguments, dealing with hunger and malnutrition is a moral issue—that demands a moral response. Why should it be so difficult to justify? We often hear that national policies should flow only from self-interest. We somehow have failed to recognize that "doing good for the sake of doing good" is self-interest. To most people, ethical concerns are of value. Compassion and human decency may not lend themselves neatly to cost-benefit analysis, but the desire for sound moral values, and the transfer of those values to future generations, is a legitimate rationale for Government action. Somehow, affluent societies must learn to accept this kind of self-interest as a basis for public policy.

Given the facts, adherence to the lifeboat or triage theories is an intellectual and moral cop-out. To the extent that there is to be hunger and malnutrition, it will be a direct consequence of maldistribution of resources among and within nations. Enlightened policies and actions could prevent it, and we have no choice but to try. To do otherwise would reflect a fundamental and grievous change in the character of man.

[From the New York Times, June 16, 1975]

FEED THE PEOPLE

(By Harold Geneen)

With adverse weather and increased demands of burgeoning populations having depleted food resources and created famine in a large area of the world, it is clear that we can no longer rely solely upon traditional agricultural methods to meet global nutritional needs.

Currently, one-third of the world's population suffers from malnutrition, and hundreds of thousands are starving to death. This has led some to suggest that it may be necessary to practice triage—the giving of aid to those who can be saved and ignoring those who are destined to die anyway.

That is an intolerable spector for humanity, and there must be effective action to avoid it. Yet, little is being done. Even the Green Revolution—the development of super-fast-growing strains of certain crops—is still subject to the vagaries of weather and the availability of fertilizer and tillable land.

Thus, adverse weather in a given region inevitably is accompanied by food shortages. For there is little we can do about weather, and as someone has observed, food cannot, like manna, come down from heaven.

But with the proper action, it can emerge from the technology and production know-how of American industry.

For example, one scientific estimate envisions a one-mile square structure in which yeast-like, protein-rich, single-cell microorganisms grow at a rate that would supply all the world's protein needs continuously. Such a dramatic prospect could supplement conventional harvests and largely neutralize the effects of natural catastrophe upon our food supplies.

Single-cell microorganisms are attractive as a food source because they double their weight every few hours—an accomplishment that takes months and great quantities of grain with meat-producing animals.

Since the microorganisms are potentially producers of fats and carbohydrates as well as protein, this approach to food production, if carried to practicality, could bring about a nutritional revolution as significant as the industrial revolution.

Scientists already are studying the growth of single-cell protein in tree sugar byproducts and other nutritive media, but the technology is in its infancy and has not enjoyed adequate priority or financial support.

Now, America, by bringing its technological and industrial strength to bear, has the opportunity to lead the world into a new age of nutrition.

This nation, in the previous decade, landed men on the moon and returned them safely, demonstrating that we have the capacity to fulfill a national goal of extraordinary difficulty. The global food situation today is a new challenge for a new time—and is worthy of a commitment on a scale comparable to that which made the Project Apollo lunar landing possible.

An effort to eliminate the world's hunger pangs would require extensive thought and analysis by the best minds and institutions in the fields of nutrition and food production. However, as a start, such a program might be patterned along the lines of Project Apollo.

Leadership and direction could come from a NASA-type agency charged with developing, in a specified period, a means of synthesizing food apart from traditional agricultural processes. The agency could grant contracts to private industry and other entities with capabilities in food technology, and would monitor progress and integrate the total effort.

At the same time, it could work with international bodies such as the United Nations to establish the mechanism necessary for all nations to share in the development and its results.

The primary goal would be a basic food which would relieve hunger and sustain health. It could supplement diets, or be a complete diet in itself. It might take a number of forms to conform to varying cultural patterns and tastes.

Ultimately, a prime objective should be the capacity to transfer the necessary apparatus and technical processes to any nation anywhere on the globe to enable it to produce its own basic food supply.

The urgency of the world food situation is clear and a failure to act could produce long-term consequences even beyond human suffering. Indeed, the final goals of an undertaking along the lines I have suggested are a more stable peace and enlarged human understanding.

[From the Europa, March 1975]

NEW PLANS FOR AID AND FOOD

In the carefree days when we took prosperity for granted, development aid to the Third World was an indulgence, to be bestowed like a blessing. In these anxious times, our mood is grudging. Like rich men fallen on hard times, our treasuries watch every penny. The hungry remain hungry.

Who knows, who cares? Answer: Robert McNamara, president of the World Bank. He is the can-do man in our can't-do era. In the storms of hyperinflation and recession, he is the man who shouts out that there is still more room in the lifeboat—move over.

In this interview with David Spanier, *The Times*, Mr. McNamara discusses a radical strategy on which the World Bank is embarking and two schemes he is preparing for 1975, one a new form of aid and the other a new kind of food planning.

In your first seven years at the World Bank, you took the high road to development, trying to encourage economic growth at the top of developing countries' societies, in the hope that prosperity would percolate downwards. Now you seem to be on the low road, mobilizing the full thrust of the bank for rural development in the poorest areas, hoping they can move up. Why this sudden change?

Our objective has been, still is today, to advance the welfare of all the developing peoples.

We have been very impressed at the bank by the "skewness" of the income distributions in many developing countries. In a typical western society, for instance, the top 20 per cent of the population may receive an income eight times as high as the bottom 20 per cent. I'm not really arguing whether that's good, or bad. But in many of the developing countries the top 20 per cent receive an income 20 times as great as the rest.

I don't believe that developing country governments or peoples or for that matter bilateral aid programmes believe that's a desirable end. The question is, what can one do about it? How can we advance the welfare of the poorest while exercising a bankers' prudence?

As a bank we must insist that all of our investments yield reasonable rates of return. We are trustees, if you will, of the world's scarce resources being devoted to development and the world has a right to expect us to insure that those resources are invested only where they will yield a high rate of return to the developing nations.

To the extent that we can measure our investments, the average economic rates of return approximate 18 per cent and that's a high rate of return. But the point I'm making is that while that's a necessary condition it's not a sufficient condition for the existence of this institution. It would be for a commercial bank, but not for us.

WHY NOT?

In addition to that high rate of return we must ensure that our investments contribute to what I'll call sound development of a society. Almost by definition that means advancement of the welfare of all of the peoples of a society.

Now in cases where one sees severe "skewness" of income distribution and inequality in the distribution of the benefits of growth, then we think we have a responsibility to ensure that our projects contribute to reducing that inequality and that our policy advice to governments also contributes to that. So that's why we moved to place as much emphasis as we have on rural development.

We deal with a hundred developing countries which have a population of 2,000 million people. Of the 2,000 million, roughly 40 per cent are what we would call the absolute poor. We define the poor as individuals who have per capita incomes of roughly $50 a year or less, which is just barely on the margin of life, or who have less than a third of the income of the average person in their society.

Now of this total group of 800 million poor, about 80 per cent are in the rural areas so that is why we put this tremendous emphasis on rural development. Our objective is to raise their produtivity because we do not believe we can correct that "skewness" by redistribution of the existing income. It is too small. If you redistribute it evenly it would still be unsatisfactory. So what we have to try to do is raise productivity and by that means raise the income of the rural poor.

Have you made mistakes in your first seven years? What lessons have been learnt?

I have learnt that the development process is much more complex than I thought it was. Though this might sound naive, I believe that is a lesson many others are learning as well.

The idea of rural development on this massive scale looks like a simple solution, as if there has been a lot of problems and suddenly, Eureka, here is one simple thing we can do to put things right.

No, I do not think it is a simple process. We believe it's a very difficult thing to do, a risky course of action to follow, but a less risky course to follow than any other.

I say it is risky because neither we nor others know exactly how to ensure that the investment directed towards arising the productivity of these 800 million people will accomplish that aim. I mentioned that of the 800 million, 80 percent or 640 million were in the rural areas—mostly what we'd call small farmers tilling less than two hectares—and this is very small farming indeed.

There is ample evidence in Japan and Taiwan that small farming can be productive, but it is not so clear how one can economically and effectively organize the necessary supporting services in an India or a Bangladesh or a Pakistan or an Indonesia to bring to such small farms and such a large number of individuals the necessary financial services, the necessary technical services, the necessary marketing services, to raise their productivity.

Let's look forward. What would you hope to achieve in your remaining term at the bank, and perhaps looking beyond that in the next decade or two?

I believe we can slowly advance in the direction that I have outlined. I hope we can advance rapidly, but I'm realistic enough to know that we are likely to advance slowly because the issues are extraordinarily complex. We are trying to help the developing nations remake their societies and this is a very difficult matter. Our work is related solely to economics but one cannot achieve economic advances without major political and social changes as well.

What is the moral basis for this kind of activity? A normal bank lends money and provided it produces a satisfactory return, it doesn't ask any questions about it. But you're talking here about social and political changes.

Yes, as being a necessary condition for the economic advance that we are talking about. I simply meant that in a sense we in the bank are not fully in control of our destiny because economic advance depends not solely on our investment or economic advice but on political and social changes. The action we are taking derives from the objectives of this organization, to apply scarce resources, provided in large part by the industrialized nations, to the developing nations.

I think it has been accepted by all civilized societies for hundreds and thousands of years that the strong shall help the weak. It has been the foundation of all societies and most religions—I believe it is the ultimate foundation of economic assistance. When I say this many of my own staff members are sceptical of the degree to which the moral imperative will move the industrialized nations to continue to add to their assistance programmes.

But if one doesn't wish to accept the moral foundation for aid one can point to national self-interest, because interdependency is more than a word, it is a condition of life. It's going to be increasingly a condition of life among nations, whether one considers interdependency in terms of assurance of raw materials supplies from other nations, or dependency on other nations for markets, or dependency on other nations for political support in international forums.

These relationships are clear and I do not believe that one group of nations, whether it be the rich nations or the poor nations, can isolate itself from life in the other nations. I do not believe that our children can live on islands of affluence in seas of poverty. It's politically destabilizing, it is economically disadvantageous and it is morally indefensible.

How is the performance of the industrial world in terms of economic assistance?

I guess the only thing that one could say is it is declining. If you measure performance against the objective set by the United Nations General Assembly of 0.7 per cent of gnp for official development assistance, you see that in 1975 the flow of development assistance from the OECD nations won't exceed 0.3 per cent.

And in many of the developed nations there has been a consistent downward trend. That's certainly true of the United States and I think it's unlikely that next year will be much better, if any. Given the inflationary conditions that exist, it's going to be increasingly difficult to maintain 0.3 per cent.

Do you think that the industrial nations at a time of hyperinflation should be obliged to do this? In your last annual address you said: "The core of the trade problem for the bulk of the developing countries is that they cannot expand their exports rapidly enough to pay for their essential imports." That describes the position of West European countries apart from West Germany exactly.

I think one has to ask what is the condition of the OECD countries. The condition on average is one of either declining real per capita income or no growth in real per capita income. So the question is, in the face of this, can one expect OECD to maintain the real value of this transfer? I think the answer is yes.

I say they should, even though real income per capita in 1976 may be lower than in 1973, because in 1973 it was already far in excess of what it was in most other parts of the world. And in each of the OECD countries, it was far larger than it was one year, two years, five years before that.

In the United States 20 years ago at the time of the Marshall Plan real income per capita was not more than 60 per cent of what it was in 1973, yet at that time the United States contributed 10 times more in economic aid in relation to income than it does today.

So what I am really saying is that although real income is likely to remain lower next year than it was two or three years ago, it is still very high, and we're only talking about a tiny diversion from that high income to the developing world.

One group of countires we are all concerned about is Opec. They have the money. What is the bank doing about that?

First let me say that the Opec countries are highly liquid, but there is a difference between liquidity and wealth and one needs to take account of that. In comparison with OECD, the Opec nations' incomes are still not high, on average.

But because they are highly liquid, they are in a position to increase dramatically their levels of assistance to the developing countries, and they have done so. The figures indicate that in 1974 the Opec nations probably committed, in terms of concessional aid, something in excess of $7,000m to the developing countries that compares with $10,000m or $11,000m from the OECD. Of that $7,000m of commitments, they probably disbursed more than $2,000m, which is a much higher percentage of their gross national product than that of OECD.

Secondly we in the bank have ourselves sought to assist Opec countries in that process. We have offered them all of our professional services, in any way they choose to use them, to accelerate the flow of their income to the developing countries. We also borrowed from them substantial amounts, well over $2,000m last year, to direct through our own activities to the developing countries.

We have recently proposed to them that they support a new activity in the World Bank, what might be called "third window", that would provide loans at interest rates midway between our very low interest loans of 0.75 per cent and our normal loans of 8.5 per cent. This "third window" of operations would be subsidized to a substantial degree by the Opec countries. Their reaction has been very positive so far.

How did the idea of a "third window" come up?

The developing countries are facing such difficult problems today, brought about by climatic disasters which have driven up cereal grain prices all over the world—by the oil price increase, by widespread inflation affecting the prices of their imports, and by the recession in OECD which has reduced their export markets—that unless attention is given to increasing the flow of external capital to help them to meet these problems, the poorest of them will suffer reductions in per capita incomes in the remaining years of this decade.

So we are trying to increase the flow of capital to the poorest of these developing nations. One way to do that is to set up a "third window".

When will the "third window" be operational?

It won't be approved until we can actually obtain the subsidy necessary to finance it. Some of the Opec countries have stated in principle that they would contribute to such a subsidy, and some of the OECD governments, for example the Dutch, have indicated the same.

We expect to make some specific recommendations in the next two or three months. I don't want to make any rash promises, but we are working hard to get it off the ground this year.

We are in the middle of an oil crisis, and now we are threatened by a food crisis. Did the World Food Conference help to dramatize the problem or was it wasted effort?

The conference came at a time of great crisis and great human distress and much of the public discussion of it tends to focus on the degree to which it did or did not result in the immediate increases in the flow of food aid to the drought-stricken countries. However, its purpose was really to address the longer-term problem of expansion of food production at rates sufficient to offset the probable expansion of population. My own feeling is that with respect to the latter, it made considerable progress.

We have just joined with the Food and Agriculture Organization and the United Nations Development Programme, as we were asked to do by the food conference, to organize a new group of nations to examine on a regular basis the food production plans of the world, particularly in the major developing countries.

When will you have your first report from this new group?

It is much too early to say. We began organizing the work only last month. We hope to have a first meeting of the nations involved perhaps mid-year. I think the programme will both assist public understanding and contribute to expanding food production.

But has this expression of international concern and cooperation come too late to deal with the magnitude of the problem?

We have had a food crisis that could have been avoided, and I believe that food crises in the future can be avoided.

However, there is a school of thought in America that draws an analogy between the food situation of the world, particularly in the developing countries, and a lifeboat. They say the world is a lifeboat with a capacity of 100, there are 125 people in it and if anyone is to survive, 25 must be sacrificed. I totally disagree with that. It is technically wrong and morally indefensible.

It is possible for the world to expand its food production by an amount sufficient to offset the expanding population in the next two or three decades, and to use the time to take the actions that will ensure that the population growth in the future does not expand more rapidly than our ability to advance the welfare of man. I say it is possible for the world to do that. Whether or not the world will do so is another question. I believe it is possible and I believe the world will.

[From the Providence (R.I.) Journal, June 20, 1975]

WORLD FOOD RESERVES PLAN—IMPERATIVE

The United States has agreed to participate in a system of world food reserves that would protect the poorest and most populous nations against starvation during periods of crop failures. Secretary of State Kissinger made a commitment to such a system in his speech to the Organization for Economic Cooperation and Development in Paris May 28. The government now is expected to propose a specific plan for a coordinated system of reserves next week. And the repercussions will very likely be loud, perhaps even angry.

Americans in general undoubtedly approve the idea of building up food reserves in good crop years in order to feed the world in lean years. But there are segments of the economy that are fearful of reserves in the belief they will tend to keep farm prices down. The American Farm Bureau Federation is one of the opponents. It looks on any international system of market sharing or government supply management as an attempt to use farmers as "political pawns."

The Farm Bureau is not alone in regarding any kind of reserves as dangerous. The attitude of opponents is that a financial fund with which poor nations might buy food in times of scarcity, is all right. But they fear large reserves would act as a depressant on food prices, especially the price of grain. And they would leave the grain market to operate entirely on the basis of supply and demand.

But the developing nations see the problem as one of feeding hungry people, not merely providing a decent income for farmers. When millions of people are actually dying of starvation or suffering from malnutrition that will mar the rest of their lives, the problem is a lot more than an economic one. It is a question of survival, fraught with all kinds of political overtones.

At any rate Secretary of State Kissinger said in Paris that the United States "is prepared to hold an important part of an agreed level of world reserves." He said that "if others join us, agreement on the outlines of a reserve system can be achieved before the end of the year."

Some countries have suggested that a reserve system could best be worked out through the United Nations Commission on Trade and Development (UNCTAD). The Soviet Union reportedly is interested in that course. But the attitude of the United States is likely to be crucial, since this country now is and probably will continue to be the largest exporter of food. There are only a handful of food-exporting nations left, mainly the U.S., Canada and Australia. They have not been anxious to see a reserve controlled by an international organization. Thus, most of the discussion—since the World Food Conference in Rome last year—has been on a system of national reserves.

How large a reserve is necessary? Some people have suggested a 90-day reserve for the world or about 350 million tons of food—an entirely impractical amount. Some experts have suggested to the State Department that 60 million tons would be about right. Skeptics feel that 10 million tons would be a feasible goal. In the past, the carryover of grain from one crop year to the next has been enough to feed the world for 60 days. In 1973, it got down to 40 days; last year it was down to 26 days.

This isn't a problem that permits unlimited discussion. A poor harvest this year could create a new emergency, for which the world is ill prepared. So agreement on a plan is of some urgency. Nor should the issue of food reserves be tied to proposals for agreements on pricing and supply of all raw materials. The United States opposes such a grand negotiation, on the grounds that it would become unmanageable. Whatever course may be taken on scarce minerals, food ought to be handled as a separate issue.

[From the Providence (R.I.) Journal, July 4, 1975]

FOOD OUTLOOK STILL PESSIMISTIC

The new World Food Council, which is supposed to lead the fight against hunger, got off to a poor start at its recent three-day meeting. Instead of formulating a policy to guide it in helping the food-short nations, the meeting ended in a round of recriminations.

The poor nations, which need help, didn't get what they expected from the session of the 36-nation group. They wanted pledges of food and fertilizer aid from the richer nations—10 million tons of food and a million tons of fertilizer, at a minimum. Instead, they got a kind of sermon on the need to increase their own food production. The final report of the meeting said that a constant increase in food aid won't solve the problem.

Thre's no question that, as a long-run proposition, the report was right. But the goal is easier to state than to attain. It involves not only upgrading of agricultural methods; it requires large amounts of capital; and it assumes a steady advance in education, to increase the receptiveness of farmers to new methods, new kinds of seed and fertilizer, perhaps even new crops.

Adeke M. Boerma, retiring head of the Food and Agricultural Organization, who has spearheaded much of the world program on agriculture the past eight years, was pessimistic about the ability of the developing nations to achieve self-sufficiency within the next decade, as many have suggested. Moreover, he didn't think that the goal of 10 million tons of food aid, set by the World Food Conference last November, would be enough.

There could be a food gap of 14 million to 20 million tons in the next year, he warned. And the requirements of the poorest and hungriest nations for fertilizer and pesticides for their own food production will continue to be "high and more costly than in the past." Meanwhile, 500 million people, mostly in South Asia and in Africa, will be facing starvation or serious malnutrition.

The conference at Rome last year set a goal of increasing annual agricultural production 3.6 per cent annually, compared with only 1.6 per cent annually in the developing countries in recent years. And Mr. Boerma was certain that "such a transformation cannot be brought about within the next 10 years."

For the next year, the developed countries have pledged a total of 8.9 million tons of food aid, so the goal of 10 million tons may be reached, although the European Economic Community has decided not to increase its pledge above the 1.3 million tons of last year. The United States contributed about 5 million tons last year. But the developing countries at the Rome session last week demanded specific promises for this year and didn't get them.

Because of that and other disgruntlement, the have-not nations demanded the resignation of John A. Hannah, executive secretary of the council and former head of the U.S. Agency for International Development.

Meanwhile, the council will try to plunge ahead with organization of an Agricultural Development Fund. There's some agreement of $1 billion for a start, although the United States hasn't indicated how much it will contribute. That would be 60 percent more for foreign investment in the developing nations' agriculture than last year. But the FAO has recommended that the fund should be $5 billion.

If the problem of hunger is really to be solved, many of the smaller and poorer nations will have to achieve a redistribution of land and income among their people. Those are both goals that are not achieved overnight or over ten years. Human nature being what it is, those nations will undoubtedly find that success will depend mostly on their own efforts.

The quarreling of the Council's first session was unfortunate. It must do better in succeeding meetings. The Council is the world's best hope for a concerted attack on the hunger problem, and no one can afford to have it bog down in petty procedural squabbles. The human stakes are too great. It must not fail.

CONCLUSION OF MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask that morning business be closed.

The PRESIDING OFFICER. If there is no further morning business, morning business is closed.

RECESS UNTIL 10 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in recess until 10 o'clock tomorrow morning.

The motion was agreed to; and at 6:03 p.m., the Senate recessed until Friday, July 18, 1975, at 10 a.m.

CONFIRMATIONS

Executive nominations confirmed by the Senate July 17, 1975:

DEPARTMENT OF AGRICULTURE

Richard E. Bell, of Maryland, to be an Assistant Secretary of Agriculture.

COMMODITY CREDIT CORPORATION

Richard E. Bell, of Maryland, to be a Member of the Board of Directors of the Commodity Credit Corporation.

EQUAL EMPLOYMENT OPPORTUNITY COMMISSION

Abner Woodruff Sibal, of Virginia, to be General Counsel of the Equal Employment Opportunity Commission for a term of 4 years.

OCCUPATIONAL SAFETY AND HEALTH REVIEW COMMISSION

Frank R. Barnako, of Pennsylvania, to be a member of the Occupational Safety and Health Review Commission for a term expiring April 27, 1981.

(The above nominations were approved subject to the nominee's commitment to appear and testify before any duly constituted committee of the Senate.)

EXTENSIONS OF REMARKS

ALCONA MAN BATTLES CANCER ON COMMUNITY AND PERSONAL LEVEL

HON. PHILIP E. RUPPE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 16, 1975

Mr. RUPPE. Mr. Speaker, I was recently heartened by an article appearing in the Alpena News in my district, which contained the account of a Northern resident who is successfully struggling against cancer, and is also making a useful contribution to the welfare of his community. Mr. Elry Larsen, of Hubbard Lake, was stricken by this dread disease 2½ years ago. Since that time, he has remained active, and is for the second consecutive year the chairman of the Alcona County Crusade. I laud Mr. Larsen for his spirit and hard work, and commend the article to my colleagues as an inspiration for all of us:

ALCONA MAN BATTLES CANCER ON COMMUNITY AND PERSONAL LEVEL

(By Sue Williams)

HUBBARD LAKE.—Elry Larsen is a quiet, gentle, wisp of a man who enjoys puttering in his garden, woodworking and participating in community activities. His boyish, elfin, grin and compassion for others almost mask the iron-like resolve of the fighter he carries within.

Larsen is presently locked in combat with cancer on a community level and a personal level. He is doing battle as Alcona Cancer Crusade chairman and as a victim of cancer of the pancreas.

His modest assessment of this dual challenge: "Cancer has taken two pokes at me and I've decided to poke back. It's going to have to run to catch me."

In his race against time and the disease, Larsen is ahead on all counts. He has turned a post hospital prognosis of two months into 2½ years packed full of a more enriched life for himself and others in his community. From his crusade chairmanship position within the Alcona Cancer Society he has worked to extend concern and greater comforts to others suffering from cancer and to educate the community about the improved diagnostic and treatment techniques for the disease.

The first "poke" Larsen got from cancer was losing his 26-year-old daughter, Karen, to Hodgkins Disease 15 years ago. "There was no hope for her then," he reports. "But, today she would have a fifty-fifty chance."

A native of Manistee, Larsen sold his Owosso office supply and furnishings business in 1967 and moved to Alpena to be near family members following the death of his first wife. More recently, he remarried and moved to Hubbard Lake.

Participating in community activities is not a new experience for Larsen. He joined the Alpena Rotary Club in 1967 and served as club secretary-treasurer. He has also held offices in the American Association of Retired People and the Hubbard Lake Sportsmens' and Improvement Association.

"You don't just exist in a community, you take an active part in it," is his stated philosophy.

Nevertheless, the decision to return to community life following his hospital bout with cancer in October, 1972 was not easy. By his own admission, he came home "wrapped in gloom, ready to die."

"At first I dwelt on the shock of my having cancer and how no one could understand my problem who hadn't experienced it," he recalls. "Gradually, through the outpouring of concern by friends and with the help of several area ministers, I regained a balance.

"One day it hit me. I realized I needed to get back into the community. And that's been the key—getting involved in something besides myself, particularly in trying to help others. That goes an awfully long way toward helping yourself."

In discussing his personal situation, Larsen emphasized he is not interested in publicity for himself, but agreed to an interview with hopes it might in some way help others in his position come to terms with the disease. He said education of the public about the disease is his main goal along with making known to local cancer patients the help available to them within their own community through the Alcona Cancer Society.

Alcona's Cancer Crusade will open May 1 and continue for two weeks. The goal assigned to Alcona County is $3,200. Larsen notes 50 per cent of the funds raised locally will stay in the Alcona community and about 30 per cent of the remaining funds will go toward cancer research. The majority of local funds are spent helping Alcona patients meet travel expenses to hospitals in Petoskey and Ann Arbor for services they can not receive locally.

Other services provided by the society include obtaining educational materials, free dressing, loan closet equipment for home care of patients, post operative visiting services, rehabilitation services and ministerial counseling upon request.

Officers of the Alcona society are Marshall McGuire-sr, president; Helen Sharboneau, vice-president; Mildren LaForge, secretary-treasurer. Serving with them on the society's board of directors are: Mrs. Leslie Milligan, Mr. & Mrs. Henry Webb, Mrs. Rodger Wenzel, Mr. & Mrs. Lee LaForge and Mrs. Marshall McGuire-sr. They will assist Larsen in working with over 75 volunteer fund-raisers during the campaign and are available at all times to answer inquiries about the county's cancer program.

Larsen, in his second year as crusade chairman, plans to spend the next 30 days "eating, sleeping and dreaming the crusade" as he travels from one end of the county to another. He acknowledges the crusade is one of the things that has kept him "going." He clearly intends to return that dividend by waging a successful 1975 campaign and winning another round in his dual fight against cancer.

A MAJOR REASON WHY WE ARE NOW PAYING MORE FOR FOOD AND WHY IT SHOULD NOT BE PERMITTED TO HAPPEN AGAIN

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 16, 1975

Mr. KEMP. Mr. Speaker, everyone of us wonders why the price of food has risen so sharply.

This is a question for which it is well worth having an accurate answer.

Eliot Janeway—the noted financial columnist, author, and editor of the outstanding monthly economics journal, the Economist—has authored a thoughtful answer to this question.

That answer?

That much of our higher food prices is attributable directly to the Federal Government's one-sided—unfortunately not our's too frequently—agricultural commodities trade policies, specifically the most recent Soviet wheat deal.

His commentary is well worth reading by all my colleagues, but especially by those on the Committee on Ways and Means—with its jurisdiction over trade policies—and the Committee on Agriculture—with its obvious jurisdiction over farm policies.

As Eliot Janeway points out, quite convincingly, we have to learn—and very quickly—that the long-range interests of the United States are what must be pursued in our trade and agricultural policies, and when we permit a foreign country—especially one as inimical to our way of life as the Soviet Union is—to take clear advantage of us, we end up paying the penalty for having been "had."

The American farmer has been encouraged to grow more in recent years. When he is fortunate enough to have good weather and has a surplus, he should not be penalized for it by stopping him from exporting his harvest.

But, neither should the American taxpayer and consumer be required to subsidize—with their dollars and with the effects of inflation—the purchase of American crops by foreign entities—countries or surrogate corporations.

The 1972 Soviet wheat deal illustrates how the American taxpayer can be ripped off by these transactions. In that year the Soviets bought vast tonnage of wheat because of their own crop failures. The price of these shipped grains was determined by the U.S. Department of Agriculture by setting a "target world price."

The Department subsidized the difference between the target price and the price that wheat dealers were asking—subsidized with Federal tax dollars. For the Soviet wheat deal, the target world price was set at $1.63 per bushel. At the time of the deal, the market price was approximately $1.69, but the completion of the shipments which took several months the market price had jumped to $2.49. The subsidy, thus, amounted to approximately $300 million.

Preceding these transactions, the U.S. Commodity Credit Corporation had arranged in May 1971 for credit to the Soviet Union for these purchases. The loans were to be available for 3 years, expiring July of 1975. Credit was extended for a total of $750 million, and while the rate of interest on these loans fluctuates according to market conditions, the CCC notes are lower by approximately one-half-percent than the market rates.

There was another way in which the American people paid for this Soviet grain deal. The shipment of large volumes of grain overseas meant less grain left for our own domestic consumption. When demand remains relatively stable—as it did here at home—and the supply goes down, the classic balances of supply and demand go into effect, and the price rises. Thus, the domestic price rise in grain as a result of this deal contributed directly to increases in the costs of foods containing wheat.

In this context, Mr. Janeway's article is most enlightening:

WHAT'S WRONG WITH AMERICA'S FOOD POLICIES: WHY YOU'RE PAYING MORE FOR FOOD

(By Eliot Janeway)

Americans are concerned with the rapidly escalating price of food. Most of us are absolutely amazed at the way grocery prices have gone up in the past decade, and wonder what's wrong with the American system when it permits such inflation.

The problem is not a simple one, but part of the explanation becomes clearer if we look beyond our borders—and realize that the cost of food in this country is not being controlled within the United States. Instead, it is our foreign policy that has had a disastrous effect on food prices.

You can take the steel business, the auto business, the heavy equipment business—you name it. These don't need export business. There's only one part of the American economy structured into the rest of the world: agriculture.

Two-thirds of our agricultural output depends on exports, with a few exceptions like citrus. The only agricultural exports we still have in this country are the exports we can't give away—and, frankly, we've given away the store!

THE GREAT RUSSIAN WHEAT DEAL

If we begin by recognizing that America is buying raffle tickets on the way Russia runs its government domestically—and plays its hand against us—we'll clear our minds of the misconception that pure and simple economic or market factors are bouncing us around.

I recently visited with Gov. Jim Exon of Nebraska, probably the most influential new personality in American agriculture. I told him that if any American operator had just done to our wheat, corn and soybean markets what the Russians have done in this manipulation of the market, the Federal Trade Commission would have put him out of business in a week. His reply sums up the situation: "Yes, all we have done is say, 'thank you.'"

The Russians know that there's no way to run Russia without primary dependence on American agriculture. Moreover, they know that if American farm products on which they are critically dependent are no longer available the Russians are between the devil and the deep.

Russia has a population that can't subsist without an abundance of agricultural products. They've got an animal and poultry population that's eating them out of house and home, and even they aren't dumb enough in these matters to feed wheat to their animals and their poultry! They've got to give them feed grains.

There's only one place where they can hope to get feed grains with reliability as to supply and as to standard and on the scale that they need it. That's this country. And now, the Russians are trying to break our market!

Do you remember the headlines from a couple of years ago? First, the Russians booked a record wheat order from America. Then, they cancelled it. Now, we know the Russians pretty well, and if there's one thing that their purchasing agents never fail to do, it's to overdo everything they start.

What the Russians have done is gamble on the futures market. They know that our Chicago Board of Trade follows the rest of the economy, and they look good buying back cheaper commitments that they walked out on at higher prices.

AMERICAN FARMERS IN THE MIDDLE

Now what does this have to do with the price of groceries? Everything. If you think that American farmers are going to go out and plant and borrow to plant on the scale needed to ensure us stability in the marketplace in the next three years, you've got another think coming.

You're going to see a holdback on the part of farmers, a refusal to commit without insurance—call it a price support, if you want—unless they can make an honest dollar for their investment. In today's economy, with the Russians wielding such power, they can't.

On the scale of present-day farmer investment, figuring 18 percent and a three-to-five year payout, a farmer would need from a bare minimum of $25,000 to a half-million dollars in order to get anywhere with a new investment, even if we have enough fertilizer, which we don't.

This is the worst corkscrew whipsaw I have seen in 40 years. By the time the whole force of this manipulated Russian short speculation against our grain market has played itself out, you're going to be looking at the wildest, meanest, cruelest food price spiral *up* again in the next year you have ever tried to catch up with.

As if that weren't enough, take a look at some of the other events that we have let take place in the past couple of years. First is our sale of corn to Japan.

Let's suppose that Japan, instead of being a bunch of islands with mountains, happened to have our corn belt. Have you any idea how much expensive, boxed, frozen chicken we would be eating? Japan wouldn't be selling us Japanese corn or soybeans, like what we sell to them. We would be eating fabricated. processed Japanees foods made, shipped and insured by the Japanese.

Take a look at sugar. If the oil shortage is the big phony of this decade, what is the sugar shortage?

Now, the smart thing for us to do is deal with Cuba—for cash. We should grab that sugar that has been out of this market for 13 years. There are lots of things you can do with sugar—not the least of which is to use it for fuel. Sugar can be made into alcohol and the alcohol can be used as a fuel burner—with no environmental problems, no refineries, no five-year hangups and no big investments.

Yet another example of our diplomacy leading to disastrous food prices is our territorial agreements related to fishing rights. We've rolled over for Ecuador, paying her off to commit piracy against our fleets by loaning her money for one percent interest. Americans are second-class because we're under the wrong flag. If you want one percent money, you've got to become Ecuadorian; if you are an American farmer, you've got to pay at least the prime rate—and then some.

The devaluation of the American dollar stands as yet the best example of how we've mismanaged our foreign affairs. The theory on which we did it was that it would make our exports cheaper. But, what were our exports? Stuff that the world would have brought more of *even if it had been marked up!* Food stuffs are the best example. Devaluation is supposed to make your imports cost more. We did it—and that brought on the oil gouge.

No power in the world lets the proprietary products of its soil and subsoil be a grab bag for its competitors and enemies. Yet, that's exactly what we have done, and now the consumer is paying for it in the form of higher food costs.

If we had played our hand realistically, America could have it made—because we would give ourselves the first crack at cheap raw materials. We would also give American farmers and manufacturers a proprietary export market. Instead, we have put the cattle, poultry, dairy and fish economies through the wringer.

GOVERNMENT: AMERICA'S BARGAINING AGENT

The Russian wheat deal and these other examples show just how badly we are misplaying America's hand at the poker table of the world. Whose fault is it? It's the federal government's.

The only thing that government is is a bargaining agent in dealing with other countries—all of whom are represented against all other countries by their respective governments. The difference is that our government bargains against us.

The Hungarian playwright Molnar once said, "If you've got a Hungarian for a friend, you don't need an enemy." Well, if you've got this government for a bargaining agent, you don't need enemies. *This is a bi partisan criticism.*

You might think that this is a conspiracy. However, it isn't. If it were a conspiracy, it wouldn't be working this efficiently. You'd probably have someone like Howard Hunt messing it up. Think of the problem in terms of a football game: You are facing the opposing line, and they're all cornfed. Every time that the ball is snapped, they *charge!* Then think of your line. Instead of facing the opposing line, it's facing the same way! The velocity of their going in the right direction and your going in the wrong direction gets up a lot of momentum.

If we put our policy sights on the proposition that we have been subsidizing a cheap diet for the rest of the world—including our enemies, competitors and creditors—at the same time we are increasing the cost of food in this country, we can understand just how contradictory our foreign and food policies are today.

Too few Americans realize that this is the way it is—or that the media doesn't have any more notion of what it's all about than they do. If Americans are to regain control over food prices, they first have to become clued-in on what is going on. Once they get a peek at the cards, they then have to take a place at the table and let their voices be heard. Otherwise, we can look forward to nothing more than continued food price inflation.

Mr. Speaker, it is not solely a matter of economics which we here examine. Determinations as to the extent and nature of trade in commodities and goods with the Soviet Union must have other perspectives. One of those is an awareness that foreign assistance allows the Soviets to continue to divert their controlled resources from such vital aspects of the economy as food production and other consumer needs to heavy industrial—which then competes with us on the world market—or arms expansion—which threatens our own national security.

Alexandr Solzhenitsyn addressed himself to this very point in his recent appearance before the AFL-CIO at the Americana Hotel in New York City last week. He commented from the penetrating comprehension of a third-party, outsider observer of what we have been doing:

> Our whole slave labor system depends on your (the U.S.'s) economic assistance. It is American trade that allows the Soviet economy to concentrate its resources on armaments and preparations for war. Remove that trade, and the Soviet economy would be obliged to devote some of those resources to feeding and clothing and housing the Russian people—something this (their) socialist economy has never been able to do.
>
> Stop sending goods. Let them stand on their own feet and see what happens.

Whether one believes we should stop trade with the Soviets altogether or tighten it up, I think in light of this we would all agree that we should be much more careful in how we go about it and certainly not subsidize it.

DEBATE ON ANOTHER MISLABELED ENERGY BILL

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 15, 1975

Mr. DERWINSKI. Mr. Speaker, as we continue debate on another mislabeled energy bill, I direct the attention of the Members to a very pertinent article which appeared in the July 11, Wall Street Journal.

I am amazed that such an issue that so vitally affects all Americans is the subject of such a complete lack of economic understanding. As we reduce our dependence on imported oil, we must stimulate experimental development of our domestic energy. This means oil, natural gas, coal, nuclear energy and any other economically feasible element that can be developed as an energy source.

The American free enterprise system has produced for our citizens a standard of living that is the envy of the world. You have only to look at the total managerial economy of other countries to see that we would have to retreat if we opted for state control of our economic system.

The article follows:

PRESIDENT FORD'S OIL OPPORTUNITY

With the government's authority to control oil prices running out on August 31 and Congress running out on a month's vacation beginning August 1, President Ford has a delicious opportunity to get rid of the controls to the immediate benefit of the economy. It's difficult to see how Mr. Ford can fail to benefit politically if he plays the cards he holds with bold confidence.

The only problem standing in the President's way is the hand-wringing going on among several of his advisers, those who believe controls are intrinsically bad yet who fear that the absence of controls will have dire effects. These voices are telling the President that if controls expire on August 31 the price of oil products will rise so sharply that the economic recovery underway will be aborted, another inflationary spiral will be ignited, the general public will denounce Mr. Ford's free-market dogmatism, and Congress will come back with a controls program worse than before.

Given this scenario, which a number of oil company executives are also carrying around in their heads, the obvious policy to follow is one of gradual decontrol, letting that 40 percent of the crude market that is fixed at $5.25 a barrel rise to the world price over two or three years. If fed the price increases a little at a time instead of all at once, the public will not be vulnerable to a demagogic stampede against the oil industry.

The scare scenario is another of those utter fantasies that occasionally get a grip on the minds of supposedly informed people (whatever happened to the petrodollar problem anyway?). In fact, the price of gasoline is more likely to fall than to rise after decontrol. The scenario rests on the observation that with decontrol the price of "old" domestic crude would leap from $5.25 a barrel to $13, the world price plus the $2 tariff—and on the hallucination that retail prices would behave more or less in proportion.

To begin with, since controlled oil is only 40 percent of the total, the current average price of crude is about $10. Beyond that, the price of crude is a relatively minor component of the retail cost of gasoline; a $1-a-barrel increase in crude costs means a 2.5-cents-a-gallon increase in gasoline prices. So, if the total increase is passed on, lifting the average price of crude to $13 would mean an increase of 7.5 cents at the gasoline pump, (or 2.5 cents if the President simultaneously lifted the tariff). We doubt that this increase would set off riots even in Senator Jackson's offices and it is the most pessimistic possible prediction. An increase of 7.5 cents is the upper limit, the maximum.

Actually, anyone who believes elementary economics ought to predict that decontrol would leave the price of gasoline totally unchanged. Elementary economics teaches that prices are set at the margin. What matters is not the last additional barrel necessary for supply to equal demand. Of course, the marginal barrel of oil is now imported at a cost of $13. Decontrol would not change this marginal cost, and therefore would not change the price of gasoline.

What would instead happen would be a redistribution of benefits within the oil industry. Those participants now benefitting from the vagaries of the federal allocation program would lose their goodies, while the actual producers of domestic crude would gain. The removal of controls would allow the system to operate more efficiently, thus tending to reduce prices. The extent of this tendency is not measurable, but at least it is no hallucination.

The scare scenario seems by now so ingrained that President Ford is calling for a gradual decontrol and will announce his plan soon, which either the Democratic Senate or Democratic House will be able to reject by simple majority vote. Because liberals have enough votes to do so, and oppose even gradual decontrol, chances are they will vote down the President's plan and send him an extension of his authority to impose controls.

We find ourselves rooting for the liberal Democrats, because once they have turned down the President's bill he will be free to veto the extension and end controls once and for all. He can then assure his nervous advisers that any problems can be blamed on the Democrats' refusal to go along with his gradual plan. The last thing Mr. Ford should do is water down his plan to get Democratic agreement.

The President holds all the cards. The latest Harris survey on the issue even shows that by 46 percent to 31 percent Americans favor deregulation of oil and gas produced here. He should send up a tough decontrol plan, one the controllers in Congress would love to reject, and let them spend their summer vacations wishing they hadn't.

REPORT OF SUBCOMMITTEE TO REVIEW LIQUID METAL FAST BREEDER REACTOR

HON. MIKE McCORMACK

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 16, 1975

Mr. McCORMACK. Mr. Speaker, in continuation of my practice of keeping this body informed of the activities of the Joint Committee on Atomic Energy's Subcommittee to Review the National Breeder Reactor Program, I have the following report.

During the period June 28 through July 4, 1975, the subcommittee conducted an onsite review of the British, French, and German breeder reactor programs. I was pleased that Representatives JOHN B. ANDERSON, FRANK HORTON, and ANDREW J. HINSHAW, and several staff members of the subcommittee were able to accompany me on this trip. The subcommittee's impressions of the Western European breeder reactor program as formulated during this trip are as follows:

IMPRESSIONS OF BREEDER REACTOR DEVELOPMENT IN THE UNITED KINGDOM, FRANCE AND WEST GERMANY BY THE JOINT COMMITTEE ON ATOMIC ENERGY'S SUBCOMMITTEE TO REVIEW THE NATIONAL BREEDER REACTOR PROGRAM

1. The Western European nations are unanimous in their belief that current energy sources are inadequate for future needs, that both coal and uranium must be utilized more heavily than in the past, and that a breeder reactor is needed to make optimal use of uranium resources. The Liquid Metal Fast Breeder Reactor (LMFBR) has been unanimously selected as the most promising breeder concept and is under development by all the industrially advanced nations.

2. The Western European nations have forward more agressively than the United States in committing themselves to breeder demonstration plant construction programs, and have been substantially successful in this mission oriented approach. They have emphasized the construction of prototype (demonstration) plants which will investigate the entire range of operating conditions using existing technology, and are placing major reliance on gaining experience with those plants.

3. For future reactor projects, such as the French Super Phenix and German SNR-2, Western European nations, including Italy and the Benelux countries, are actively cooperating on the governmental and industrial level. SNR-2, for example, will be jointly funded by industries in Germany (RWE-51%), Italy (ENEL-33%) and France (EDF-16%).

4. Cost overruns of varying magnitudes have appeared frequently in Western European breeder programs. Although it does not appear possible to make a direct comparison between actual costs in constant dollars between Western European breeder reactors and those under construction or on order in the United States, it would appear that the British and French, having essen-

tially completed their plants before the recent inflationary spiral, have encountered smaller overruns and have enjoyed much lower total program costs than are projected for the United States and German plants.

5. Funding for the demonstration plants in the Western European nations is almost totally provided by their Federal governments, although varying degrees of industrial involvement were observed in the management and conduct of new programs.

6. Various similarities and differences in approach were observed in the countries visited, such as in the use of the "tank" or "loop" type reactor system, in the testing of major components in separate facilities vs. obtaining operating experience in plants, and in the selection of fuel reprocessing locations (on-site vs. off-site). However, none of the countries claimed their breeder technology to be inherently better than that of any other country.

7. Breeder demonstration plants in the U.K. and France are designed to operate at conditions more stringent than are believed necessary for commercial plants. For the next generation of plants, certain parameters such as the operating temperature will likely be reduced.

8. Western European nations estimate that there are likely to be 10 million tons of economically recoverable uranium in the world, and are basing their breeder plans on each nation obtaining a "fair share" of this resource.

9. The Western European nations consider plutonium to be a national asset. The potential hazards of plutonium are universally recognized, and operating procedures and engineered projective systems essentially the same as those in place in the U.S. are employed to assure safe handling of plutonium.

10. The Western European countries are anxious to continue and expand technical cooperation and information exchange programs with the U.S. They stated satisfaction in the recently increased U.S. interest in this area.

11. The French have reported extraordinary success with fuel performance in Phenix to date. They state that there has not been a single fuel pin failure among the 20,000 pins irradiated to 55,000 megawatt/days per ton in Phenix during almost one year of operation. They reported a high thermal efficiency (43%), and an availability factor of 77%, including down time for refueling.

12. When panels of experts in European countries (e.g., Royal Commissions) are appointed to resolve technical matters or other points of public or governmental controversary, their findings are considered to be primary inputs into the policy making process, and are generally accepted by the public. This is in marked contrast to the U.S. where the collective work of experts is sometimes viewed with suspicion, and the findings of expert panels are not necessarily considered by some as the most effective basis on which to form public policy.

13. Western European experts believe that the chain of events that must be hypothesized for a core disruptive accident is so remote that such accidents are not credible. Nevertheless, the reactors in these countries are constructed with the capability to contain a wide range of such non-credible events.

14. Environmental and safety issues were found to play an important part in the development plans of the countries visited. However, the degree of public concern expressed in each country varied, as did the attention to particular issues. For example, the dominant concern in Germany is reported to be the disposal of waste heat from electric generation, both fossil and nuclear. The Germans are, therefore, using waste heat from reactors to heat homes and offices in the vicinity of reactors. It is expected that by 1985 the waste heat from one reactor will be used to heat a town in this fashion as a test of the economic and societal feasibility of this concept.

UNITED STATES SHOULD LEARN FROM BRITAIN'S EXPERIENCE WITH SOCIALIZED MEDICINE

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 16, 1975

Mr. CRANE. Mr. Speaker, those who advocate a system of nationalized medicine for the United States tell us that the socialized medical system in Great Britain presents a model which we would do well to emulate.

Recently, I and a number of my colleagues attended a medical meeting in London. One of those who addressed our group was Dr. Max Gammon. Dr. Gammon has been involved in British medicine for more than 10 years, first as a hospital director in the National Health Service and for the past 4 years in leading a team in the development of proposals for an independent hospital service.

Dr. Gammon, viewing the British experience of more than 25 years of socialized medicine concludes that:

> A state-run system of delivery of health care should be rejected as damaging to the interests of the patient, the doctor, and other workers within the service.

At the present time, there are more than 500,000 people in Great Britain on waiting lists for nonurgent surgical procedures, such as hip replacement for arthritis, varicose vein operations, gall bladder surgery—all painful but not usually life-endangering conditions. More serious, Dr. Gammon notes:

> Are the waiting lists for major procedures for life-endangering conditions. The Sunday Times of June 22 reports the case of a 54-year-old woman who died after waiting a year for a heart operation. . . .

Socialized medicine has been bad for the British patient, and equally bad for the morale of British doctors. Each year more than 400 doctors leave the country—the product of about four of England's medical schools, Many of England's hospitals are more than 100 years old. Dr. Gammon notes that:

> The amount of new hospital building undertaken under free enterprise in the 25 years preceding the inception of the Health Service in 1948 (including 6 years of war) exceeded that in the 25 years from 1948 to the present day under N.H.S.

Dr. Gammon urges a return to the private practice of medicine for the doctors and patients of Great Britain. Before we in the United States decide to abandon our own private practice of medicine, and replace it with some form of national health insurance, which, in the long run, is simply a euphemism for nationalized medicine—we would do well to carefully consider the British experience.

I wish to share with my colleagues extracts from a speech by Dr. Max Gammon delivered at the Tower Hotel, London, on June 27, 1975, and insert it into the Record at this time:

United States Should Learn From Britain's Experience With Social Medicine

No country in the world today is exempt from problems in the financing and management of the delivery of medical care. I am aware of the problems in U.S.A. but I am because I lack direct personal experience of American medicine, and secondly because af- doubly disqualified to discuss them, firstly ter two visits to U.S.A. I am so heavily prejudiced in favour of all things American from Clam Chowder in Boston to Giradelli ices in the Flower City and rock climbing in Yosemite valley that I could not be relied on to make an unbiased analysis.

This is not to say that I am a candidate for the "brain drain". My family are descended from Kentish chiefs and so we have seen this country come through some rough times in the past and I certainly have no intention of getting out now. But we do have a massive fight on our hands and I believe the problems in our National Health Service (N.H.S.) epitomize the problems in the country as a whole and the way we solve the one will be the way we solve the other.

I have been involved in British medicine for just over 10 years, first as a hospital doctor in the N.H.S. and then, for the past four years I have led a team in the development of proposals for an independent hospital service.

In Britain we now have had just over 25 years of a virtual state monopoly in medicine. Your country may be on the verge of embarking on the development of a state-run health service, and I suggest that it could be of interest to you to know why many of us believe that it is essential to develop an independent system of medical care in Britain today.

I would like to begin to deal with this question by stating as a basic premise something which I believe should be acceptable to protagonists of both state-run and free enterprise medical systems, namely that it is desirable that essential medical care should be denied to no-one by reason of their immediate or ultimate inability to pay, and as a corollary it is desirable that no-one by reason of expense incurred in receiving such care should suffer financial degradation.

Having stated this basic premise, I would like to put to you three propositions:

Firstly that: A state-run system of delivery of health care should be rejected as damaging to the interests of the patient, the doctor and other workers within the service.

Secondly that: Such a service carries wider political implications inimical to an orderly economy and a free society.

Thirdly that: Despite manifest difficulties the best hope and the only safe way of providing good health care for all in a free society lies in the development of a healthily competitive but compassionate free enterprise system.

I will deal briefly with the empirical evidence for the unsatisfactory nature of a state-run system of medical care because I am quite sure that most of you are familiar with it and in any case, no matter how overwhelming, such evidence can never be conclusive.

You will be aware I expect that at the present moment we have in this country rather more than 500,000 people on waiting lists for non-urgent surgical procedures, such as hip replacements for arthritis, varicose vein operations, gall bladder surgery—all of them painful conditions but not life-endangering. These people will wait for treatment for periods ranging from several months to several years. Those of you who have undergone surgery will understand the meaning of this in terms of individual suffering and apprehension.

More serious are the waiting lists for major procedures for life-endangering conditions. The Sunday Times of June 22nd reports the case of a 54-year-old woman, "a priority patient" who died after waiting a year for a heart operation at the University Hospital of Wales. During that period this patient had her operation cancelled no less than three times. She eventually died at home and from the description given in the newspaper her end must have been hastened and tormented by an acute anxiety state.

Turning from patients to staff, deterioration in morale in the N.H.S. has reached the stage at which earlier this year doctors in this country took the unprecedented step of engaging in industrial action. According to Department of Health and Social Security statistics over 400 doctors leave this country each year never to return—the product of about four of our medical schools. 33 percent of all hospital medical posts are filled by overseas doctors, the best of whom regard this country as a staging post en route for North America.

Turning from people to buildings, many of our hospitals are over 100 years old—converted workhouses. The amount of new hospital building undertaken under free enterprise in the 25 years preceding the inception of the Health Service in 1948 (which included 6 years of war) exceeded that in the 25 years from 1948 to the present day under the N.H.S.

Protagonists of socialized medicine will say that this proves nothing. All that is needed is a little more money and some minor modifications to the basic structure. I suggest to you that this argument should be rejected; the problem is inherent in the basic philosophy.

I would now therefore like to turn to the theoretical basis of the case. In essence, in arguing for delivery of medical care by the state as opposed to the free enterprise unit, we are accepting one or both of two basic assumptions:

(1) That the state is capable of creating resources in excess of the aggregate generated by individuals. In the short term of course it can; the state has better credit facilities than the individual or private enterprise firm and can operate the money-printing press. But in the longer term reality catches up, and in this country we have reached the longer term. We are touching here on the delusion which lies at the root of the inflationary disease.

If we reject this first assumption as we must, but we still question the ability or fitness of free enterprise to deliver comprehensive medical care, then we are accepting a second assumption, and that is

(2) That the state is better able to manage the personal resources and deliver the requirements of the individual than he is himself; this is the central thesis of state socialism.

I do not believe it to be true. We certainly do not have the time this afternoon to go into this fundamental argument, but even if it were true, I believe that the implications of a state monopoly in medicine are so malignant that it should be totally rejected.

Already in this country we are feeling the tightening of the bonds. A recent directive from the Department of Health and Social Security has instructed all hospital boards in this country not to employ doctors who are not prepared to perform or sanction abortions. Thus the state with virtual monopoly powers is imposing conditions such that a doctor may have to choose between the practice of his chosen profession in his own country and the sacrifice of his conscience. Under such circumstances both history and logic show that most of the best will go and the remainder will be coerced, for how many can resist a state monopoly when their livelihood is at stake?

But perhaps even more serious is the subtle erosion of standards affecting even those who are fighting to improve the service. This is well illustrated by the following quotation from a leading article in the British Medical Journal of 22nd March of this year. Referring to a decline in private private in this country 10 years or so ago the leading article stated that "Private practice remained what it ought to be, an expensive luxury for those for whom time is money, or for whom individual attention is worth the cost."

The case history of the 54-year-old heart patient mentioned earlier bears witness to what happens when individual attention is replaced by state care—when the state cares, nobody cares.

You are all well able to extrapolate from here. But I would recommend you to read an article on page 12 of today's "Times" (27th June 1975) on psychiatric practice in the Soviet Union. And don't say it can't happen here, or in U.S.A. People as basically not so very different the world over, but systems are.

What is the alternative? Here we come to the heart of the matter. I believe that here we have the challenge of the last part of the 20th century.

How do we co-operate without destroying our individuality?

How do we care without tyrannizing?

How do we meet and overcome the momentum towards collectivist socialism?

We have to find a new dynamic and here I believe that Britain has a major part to play. We are perhaps further down the repressive road of state socialism than any other country in the free world. We almost certainly will travel a little further down it before we turn, but I believe that we will turn and that we will lead the way out.

It is going to be the struggle of our lives, requiring all our fortitude and all our skill and something more. I would like to leave you with some words of the Chief Rabbi, Dr. Jakobovits with which I as a Christian, a doctor and a student of history profoundly agree. Dr. Jakobovits said: "If there is one cardinal lesson to be taught by our history, it is that our physical viability depends on our spiritual strength rather than the other way round."

Let us get our priorities right and then, I suggest, we shall find that we are facing reality. Let us face it fearlessly and with compassion.

CONGRESSMAN HEINZ REPORTS PROGRESS IN RAPE PREVENTION AND CONTROL

HON. H. JOHN HEINZ III

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 16, 1975

Mr. HEINZ. Mr. Speaker, in response to the frightening rise in the incidence of rape in this country, and the urgent need to develop more humane methods of assisting victims of rape, I have introduced the Rape Prevention and Control Act, which has been incorporated in the health revenue-sharing bill recently passed by both the House and the Senate.

Because of my continuing interest in rape prevention efforts, I was very much encouraged by an article which appeared in the July 14 issue of the Wall Street Journal entitled "Rape Victims' Plight Gets Wide Attention from Police, Courts."

In that article, which follows, the author details the nationwide effort to increase sensitivity to the needs of rape victims, and to pursue the most effective methods of obtaining rape convictions. My own county of Allegheny, which includes the city of Pittsburgh, has created a special rape team comprised of male detectives, female investigators, and two assistant district attorneys, which has been credited with increasing rape convictions from 20 percent to almost 90 percent in a single year.

While much remains to be done to prevent the alarming incidence of rape nationwide, I am encouraged by reports that medical and law enforcement personnel are improving their methods of rape prevention, of dealing with rape victims, and of effective prosecution of rapists in our courts of law. I commend this article to my colleagues:

[From the Wall Street Journal, July 14, 1975]

RAPE VICTIMS' PLIGHT GETS WIDE ATTENTION FROM POLICE, COURTS

(By Janice C. Simpson)

SAN FRANCISCO.—Kate Jackson, a 29-year-old office manager for an accounting firm, lives alone here. One morning recently, a man crawled through a window in her apartment, warned that he had a knife and raped her.

Rape is an astonishingly commonplace crime, most experts agree. Kate Jackson (that's not her real name) was one of more than 50,000 reported cases last year. But if all victims reported the crime, criminologists say, she would likely be one of perhaps 500,000 cases.

Kate Jackson's reaction to the rape was commonplace, too. She was hesitant to call the police, having found them unsympathetic when they investigated a robbery of a store she once owned. But her anger eventually overcame her reluctance.

Now she is glad that she reported the rape. Three officers arrived quickly, urged her to relax and took the time to drink coffee and make small talk with her. Then they questioned her gently about the attack and drove her to a hospital so that proper evidence could be obtained. "They were being human beings for a change," she recalls.

WOMAN AS VICTIM

That change is obvious across the nation. Early in the 1970s, feminist groups complained of a lack of sensitive support given rape victims by medical and law-enforcement agencies. They pointed to many instances where rape victims, already frightened and humiliated, faced indifference or ridicule from officials investigating their cases. The women's groups set up telephone hot lines and crisis centers to provide raped women with emotional support and counseling.

Their message hasn't been lost on public officials. In the past year or so, thousands of rape victims have encountered a more sensitive response than they might have found earlier on the part of police officers, hospital attendants, prosecuting attorneys and, perhaps more important, state legislators.

A major impetus for action has been what appears to be a dramatic nationwide increase in rape. The Federal Bureau of Investigation estimates that in 1973, the latest year for which figures are available, 51,000 forcible rapes were reported, compared with 21,250 in 1964. Preliminary 1974 reports indicate a 9% increase last year. Part of the increase is probably a result of women's growing willingness to report rapes. But experts believe it also reflects an actual rise in the incidence of rape. An FBI spokesman says rape is "probably the most underreported crime in the country." Many criminologists figure that there are upwards of 10 rapes for every one that appears on police blotters.

FEAR IN THE NIGHT

The aftershock of rage, fear and shame that seizes most victims is the major reasons so few rapes are reported. The trauma doesn't disappear quickly, and it can sometimes build as time goes by, as Kate Jackson discovered. The morning after her attack she went to work. That night, she refused friends' invitations to stay with them and remained in her house alone. But Miss Jackson, an unusually strong person, admits, "You think you're all right and then find that you're not." Ten days after the attack, Miss Jackson says she "broke down terribly," and although she continually reassures friends that she is over the shock, she also notes that lately she has begun to stutter. "I never stuttered in my life," she says. Weeks after the attack, she still keeps the kitchen light on all night. Her attacker is still at large, and Miss Jackson often wonders if he is outside, peering through her window, waiting for her to go to bed. So far, she has resisted the temptation to move. "I'm not about to, dammit," she says.

The new effort to reduce rape and minimize its emotional impact takes many forms. In New York City, for example, a Mayor's Task Force on Rape, formed in 1973, helped establish four special sex-crime squads. The squads work with the city's sex-crime analysis unit, a center equipped with the latest in technological crime-detection equipment and staffed largely with female officers who are on call 24 hours a day to interview victims.

Other police departments, some with help from local women's groups and other concerned citizens, are rewriting rape-investigation guidelines and are holding special "sensitivity-training" sessions for everyone from the cop on the beat to the head of the sex-crimes or morals detail. They are assigning more women officers to these details and are forming special rape squads, upgrading investigation techniques and trying to establish better images within their communities. A few police academies, including those in New York and Massachusetts, now offer special training in rape investigation in their curriculum.

CONVICTIONS ARE RARE

"There's no doubt about it, the stereotyping attitudes are changing and we've come a long way," says Sgt. Romero Yumul, head of the Seattle police department's morals detail. Recently, his unit requested a new interviewing room. The present space, which houses the homicide, robbery and morals details, "leaves a lot to be desired," he explains. He is hoping for a brightly painted room, complete with couches, coffee and women's magazines.

Officer Mike Germann, a training officer at the Seattle Police Academy, says that seemingly callous attitudes displayed toward rape victims by policemen are "not a matter of intentional cruelty." Rather, he says, they have in the past just treated sex crimes like any other, abruptly questioning a victim about intimate details of the attack, without considering the trauma she had undergone or making an effort to put her at ease. Officer Germann says that he now stresses the victim's feelings in his classes on investigating sexual assault.

Kate Jackson's positive experience with the police hasn't allayed all her fears about working within the system. She worries about the ordeal of a trial, should her assailant be arrested. Indeed, rape cases are notorious for their conviction difficulty. Many attorneys, shying away from all but the easiest stranger-attacks-virgin-in-front-of-10-witnesses cases, have offered rape victims little encouragement. Overworked prosecutors "don't like to try cases that can't be won easily," contends Margaret Gates, director of the Center for Women's Policy Studies, a Washington, D.C.-based group that conducts research on the economic and legal status of women.

There is strong evidence, however, that the new attention rape cases are getting from law-enforcement agencies is making them easier to prosecute. A year ago, Pennsylvania's Allegheny County, which includes Pittsburgh, had only a 20% conviction rate on rape cases. Nine months after District Attorney John J. Hickton created a special rape and child-abuse team of three male detectives, three female investigators and two assistant district attorneys, the conviction rate jumped to almost 90%.

To help build as strong a case as possible, many prosecuting offices are emphasizing good relationships with the victim. They explain to her how a case is tried and why certain embarrassing questions must be asked. They also work with families to help them cope with both the rape and the added burden of a public trial. In some cities, including Denver, prosecutors have begun to consult psychiatrists and psychologists for assistance in electing "victim-sensitive" jurors.

In spite of progress in the courts, prosecutors say they can only move as far as the law allows them. Now, in every part of the nation, legislatures are changing sexual statutes to make prosecution of rapists easier to make public agencies more sensitive to the plight of victims.

In Michigan, for example, a year-long effort supported by over 3,000 women and men resulted in the passage of a comprehensive criminal sexual-conduct statute. The new law widens the definition of force in rape cases to include threat of force. It also forbids as irrelevant at a trial any reference to a victim's past sexual experience.

Michigan's law, effective this year, "puts the burden of proof on the defense," says Jan BenDor, a representative of the Michigan Women's Task Force, which led the fight for the law. State Sen. Daniel Cooper, a Democrat from Oakland County and one of the four senators who voted against the final statute, worries about its constitutionality. A recognized liberal, Sen. Cooper was one of the bill's original supporters. But he says he always felt uneasy about the law's blanket prohibition of any reference to the victim's past sexual history. "I understand that the loopholes have been abused in the past," he says, "but now I think it's going too far the other way."

EXIT "LORD HALE"

Many other state legislatures are acting to abolish references to a woman's prior sexual experience at a rape trial. California and New York recently enacted such laws, and action is pending in Hawaii, Washington, Oregon, Delaware and Kansas.

Meanwhile, Alaska legislators are considering a bill to require the assignment of women officers to rape details and to make rape "sensitivity training" a mandatory part of police education. A number of states, including Colorado, are considering abolishing what is known as the "Lord Hale" statement—a compulsory warning to the jury by a judge that rape is a charge "easily made and once made, difficult to defend." Such a statement, of course, tends to make conviction more difficult. (Lord Hale was an 18th Century English barrister who successfully defended a 53-year-old man charged with the rape of a 14-year-old. He proved the man was medically incapable of the crime, and his closing words to the jury have become enshrined in some state criminal codes.)

Other states are mulling measures that would broaden the definition of rape. In eight states, including Texas and Florida, women's groups are focusing their attack on the last remaining statutes that require a woman to prove rape through either a corroborating witness or evidence of a struggle, such as torn clothing.

WORKING IN CONCERT

Hospitals and medical centers, too, are responding to the rape problem. Major hospitals in Philadelphia, Louisville, Denver and Washington, D.C., give free care to rape victims regardless of their ability to pay. Boston City Hospital and Boston College School of Nursing offer a joint program in which 25 nurses have been trained to guide rape victims through the medical examination and to give them emotional support. The nurses make follow-up calls after the initial hospital visit and sometimes even sit through the trial with the victim.

Such progress is encouraging but many people concerned with rape urge a coordinated attack on the problem. "It's not terribly useful for the police to be kind and considerate and then have the victim abused at the hospital," says Miss Gates of the Center for Women's Policy Studies. She advocates a coalition in which all public and private agencies work together. One such effort is Seattle's Rape Reduction Project.

For over a year and a half, Seattle police, the King County Prosecutor's office, Harborview Medical Center and Rape Relief a YWCA-sponsored crisis center, have worked together to provide a network of continuous care for the city's rape victims. David Boerner, the county's chief criminal deputy prosecutor, emphasizes the value of personal exchange between the agencies. The project "took the pressure off us from doing it alone and when there's a problem, we can all talk it out," he says.

Mr. Boerner's office and Sgt. Yumul's unit have worked with social workers in the sexual assault center at Harborview to develop simple forms for doctors to fill out as they examine rape victims. The social workers help train the lay counselors at Rape Relief. Police officers routinely ask victims if they would like to talk to someone from Rape Relief. And Rape Relief feeds police information about rapes that women don't wish to report personally. The reports are anonymous and can't be used as evidence, but they can help police to track down multiple rapists.

As public agencies grow more sensitive to rape victims, the crisis centers—the catalysts for much of the current activity—are expanding their own *services*. Centers are actively recruiting volunteers from PTAs and Junior Leagues in an effort to reassure women formerly frightened away by the strong feminist image most centers projected. Others are making an effort to reach minority women, who are often the most reluctant to report rapes.

Some groups now include men because they have found that a sensitive man can comfort some victims. In Philadelphia, the local center spawned a new group, Men Organized Against Rape. It runs what is probably the first hot-line phone service to counsel husbands, fathers and boyfriends of rape victims.

FEDERAL OVERREGULATION OF NATION'S BUSINESSMEN

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 16, 1975

Mr. ASHBROOK. Mr. Speaker, Federal overregulation is an increasing threat to our Nation's businessmen. More and more of the vital decisionmaking power is shifting from business management to Washington, D.C., bureaucrats.

No longer does management have control over many facets of the business. Federal agencies such as OSHA, EPA, EEOC, CPSC, all issue reams of regulations that affect the basic operation and profitability of the enterprise.

All too often these regulations are issued without regard to cost. An expenditure of thousands of dollars may be required to satisfy the whim of some bureaucratic agency. Although businessmen have a vital stake in profit and loss they are losing the freedom to make the profit and loss decisions. This can only lead to economic disaster.

Following is an excellent article on the Federal overregulation problem, which appeared in the June issue of Nation's Business:

Where Overregulation Can Lead

(An Interview with Dr. Murray L. Weidenbaum)

Government power to control and influence the decisions of business threatens the very existence of many business firms and the financial health of many thousands more.

Washington, warns Dr. Murray L. Weidenbaum, a former government official himself, is snatching much of the vital decision-making power away from businessmen and handing it over to a growing federal bureaucracy. The result, he says, is a revolutionary change in our national economic system.

The big problem, he points out, is that more and more of the decisions of business management that affect profit and loss are being controlled and influenced by government agencies which are insulated from the pressures of management responsibility. Businessmen who are responsible for profit and loss no longer have full freedom to make the profit-and-loss decisions.

Dr. Weidenbaum, a distinguished economist and author, is an expert on government and its impact on the economy. That is the theme of his recent book, "Government-Mandated Price Increases," a study of government regulation published by the American Enterprise Institute for Public Policy Research.

Because of his expertise, Dr. Weidenbaum was asked to elaborate on what he calls "the second managerial revolution." In this interview with Nation's Business, he says there has been not merely a loss of managerial freedom, but an enormous cost to the public. Unless the nation changes course, he adds, our economic system is threatened with stagnation and continuous high inflation.

* * * * *

Is business in the United States facing a threat it never faced before?

Yes, this country is going through a second managerial revolution. The first occurred many years ago, with the divorce of corporate ownership from management. That revolution involved the rise of professional managers, as distinct from owners.

This new revolution is far more subtle. It involves the shift of decision-making from managers, who represent the shareholders, to a cadre of government officials, government inspectors, government regulators.

Increasingly, the power to make business decisions is being taken away from management and assumed by government. The problem is that these government officials and government agencies are not responsive to the pressures of profit and loss and, though their decisions affect management, they have no management responsibility.

In what areas do their decisions affect management?

How you hire people, what products you make, how you go about making them, personnel practices, production methods, marketing, financing. There isn't much, in terms of company decision-making, that isn't closely controlled or influenced by one or more federal agencies. And sometimes the control of one agency conflicts with the control of another.

Since the 1960's, there has been a massive expansion, not only in the number of laws, but in the areas of business under government's thumb.

Some of this is very costly, not only to business, but to the public as well.

The increase in the cost of producing consumer goods is the ultimate burden imposed by government regulation of business.

SO THIS IS PART OF THE REVOLUTION YOU MENTIONED. WHAT ARE SOME OF THE OTHER VITAL BUSINESS AREAS IT AFFECTS?

It is most apparent, perhaps, in industries like transportation, where literally you can't go into business until government gives its approval. You can't even get started, unless government gives you the go-ahead.

That applies to communications—radio, television, cable TV, microwave transmission—as well as trucking, for example.

But it goes beyond that, doesn't it?

Yes. Obviously, you can't build a factory if it violates the standards of the Environmental Protection Agency. You have to make sure, of course, that in cleaning up air pollution you don't generate water pollution.

That's an example of a growing problem. There is such a proliferation of government regulations that, in trying to obey one, you run afoul of another.

For example, to desulfurize coal—and reduce air pollution—requires a combination with lime. But when you do that, you generate large quantiites of solid waste, calcium sulfate. And disposing of calcium sulfate creates water pollution problems.

Let me give you another example.

Federal food standards require meat-packing plants to be kept clean and sanitary. Surfaces that are easiest to clean are usually tile or stainless steel.

But tile and stainless steel are highly reflective of noise and don't always meet Occupational Safety and Health Administration standards.

More is involved than the environment and health, isn't it?

Just go through the major departments of any company.

Let's take the personnel department. It's quite clear that before you can hire anyone, you have to make sure you follow the rules of the Equal Employment Opportunity Commission.

Certainly, once people are hired, you have to meet the requirements of the wage and hour law.

If you have landed a federal contract, you have to file an affirmative action program. Also, you will have to make sure you comply with the Davis-Bacon Act or the Walsh-Healey Act.

In all cases, you must make sure you don't violate the rules of the Occupational Safety and Health Administration. And sometimes those rules get in the way of the Equal Employment Opportunity Commission.

For example, both OSHA and EEOC have jurisdiction over toilets. OSHA once said women need special lounge facilities as part of their restrooms. But EEOC says, well, if you provide lounges for women, you have to provide them for men also.

Regulation, like justice, must be blind.

What if you clear hurdles like these?

You are not out of the woods yet.

Along comes the Consumer Product Safety Commission. It has the power to ban your product in the marketplace. In the commission's eyes, you are guilty until proven innocent.

That is a clear example of the shift of power.

The commission puts out a list of banned products. But it warns that, even if you aren't on the list, you should consider your products banned unless you can prove they meet the commission's standards. That's what I mean by guilty until proven innocent. They have shifted the whole burden of proof on you.

When you look at the power of the Consumer Product Safety Commission, it is really scary. The commission has the ability, and has used it on occasion, to drive a company out of business—through the commission's own mistakes.

The commission put the Marlin Toy Co., a small firm in Wisconsin, out of the toy business by inadvertently putting its products on the banned list.

Later, the commission recognized its error, but it was too late.

As it turns out, this company was an employer of handicapped people in the little town where it is located. So we are talking about a socially responsible business.

By forcing it to lay off employees, the commission not only added to unemployment, but hurt a group of people who find it especially hard to get jobs—the handicapped.

Isn't it rare for Washington to put a company out of business and people out of work?

Not at all.

For example, about 350 foundries in this country have closed in the past three years because they couldn't meet EPA or OSHA requirements. Basically, these were smaller foundries.

As a result, the larger foundries are working to capacity. They're so busy that they can't take on a lot of military work, including castings for our big M-60 tank.

Now, we have a shortage of tank castings. It is so serious that the army has been investigating tank casting facilities in Britain and West Germany.

Meanwhile, of course, unemployment here continues to rise.

I wonder how much thought EPA or OSHA gave to the unemployment problem or to national defense.

Doesn't this run counter to creating full employment, a top national priority?

Precisely. The old breed of regulatory agencies, like the Interstate Commerce Commission, have been criticized for excessive concern with the health of industries they regulate.

No one has ever accused newer agencies like EPA or OSHA of that. All they're concerned about is their programs.

Somehow, we've got to get that broader idea of the total national interest across to OSHA, EPA, and the rest of the federal regulators Congress has created.

How many federal regulators get into the act?

It varies industry by industry.

We now have what I call a matrix form of regulation. Some agencies specialize by industry.

In other words, the Civil Aeronautics Board regulates the airline industry. The Federal Communications Commission regulates all aspects of radio and television. ICC regulates railroads.

Then we have a new kind of government regulatory agency, like OSHA. It regulates only one aspect of business activity—job safety—but its authority takes in all industries.

Or EEOC, which regulates personnel practices for all businesses.

And EPA. It deals with environmental impact only, but again for all industry.

Why aren't Americans aware of what's happening?

The change isn't visible or dramatic enough, except to the businessman under the gun. However, some symbols of the shift of power to government should be apparent to the man in the street.

For example, the consumer is paying for the new managerial revolution in a number of ways. One is his tax bill. It costs him $4 billion a year to support all the federal regulatory agencies that ride herd on business.

But that's only the tip of the iceberg. The real cost to the consumer is indirect, but much larger.

We are now deeply concerned about our economy's lack of increase in productivity. It is crystal-clear to me that much of our potential growth in productivity is eaten up by the proliferation of government controls.

Government regulation imposes a lot of burdens on business, like mountains of paperwork, that decrease productivity.

But I guess what worries me most is what happens to an industry when it really becomes controlled by government, as some are.

Look at the cost overruns, for instance, in so many Defense Department projects. Also, look at the time delays.

To me, there is a close relationship between them and the very close, day-to-day government regulation of the defense industry—the most closely regulated industry in our society.

More closely regulated than utilities?

Oh, yes. We think of utilities as our most tightly regulated industry. But they aren't regulated anything like the defense industry.

Look at the regulations issued by state utility commissions, and you are talking about a pamphlet. Look at the regulations given the defense contractor by the federal government and you are talking, literally, about volumes.

Government bureaus aren't set up to minimize cost. They have a different outlook on life.

Different in what way?

A smart bureaucrat knows how to say no.

I spent a lot of time in the federal government during the course of my career, and I know that the safest thing to say is no. That way, you won't get into trouble.

Don't stick your neck out.

Well, that runs counter to what happens in private industry, where you are sticking your neck out all the time. When you bring out a new product, you stick your neck out. When you introduce a new production process, you stick your neck out.

But that's the way the system works.

What all this so-called government protection does is protect the consumer against new products, new processes, and lower costs.

The result could well be economic stagnation.

Why don't consumers and business resist more?

Business may be part of the problem. Many companies learn to live in a government-regulated environment and feel comfortable.

But if you expect the government to bail you out when you have losses, you're not going to have the freedom to earn the profits.

You mean government makes the decisions?

More and more every day—and not always wisely.

Look at the automobile industry and catalytic converters.

Big Brother, or Big Mother, however you prefer to think of Washington, got the auto industry to put in the converters. Now Big Mother finds that she may have been hasty. The catalytic converters may cause worse pollution than they eliminate.

But the point is that the decision was shifted from business to government. The irony of it! Think of the outcry if Detroit, on its own, had gone ahead and installed catalytic converters without a full environmental impact statement.

Well, the agency in charge of these environmental impact statements, EPA, apparently went ahead on converters without checking the full impact on the environment.

That's part of the problem of dealing with government. It has a double standard. Business can be forced by government to follow rules and regulations. But the government itself is free to ignore them.

Doesn't that apply to the Consumer Product Safety Commission, too?

Yes, in a way. Last fall, it bought 80,000 toy-safety buttons to be worn on the lapel. The idea was to encourage people to be safety-minded about toys.

Well, it turned out that they used lead paint on the buttons. There was a danger of lead poisoning if they were licked by children. So the commission had to ban its own buttons.

It sounds funny.

But think about the taxpayers who had to foot the bill for producing 80,000 useless buttons.

Isn't that a drop in the bucket for Uncle Sam?

There are so many drops that even that bucket is overflowing.

Each agency is preoccupied with its own narrow interests and isn't concerned with what's happening to the company, an industry, or even to society as a whole.

EPA and the fire ants offer a good case history. EPA has told the Agriculture Department restrictions on the use of pesticides to kill fire ants. The department had a major program under way to get rid of them. Now the department says EPA's ruling makes it impossible to carry out its eradication program.

So the department thinks fire ants may spread over a third of the United States—as far north as Philadelphia.

Fire ants may not harm the environment as much as EPA thinks pesticides harm it. But their bite is not only painful but can even cause death.

All EPA cares about is the environment. Apparently, the fact that these ants can kill you and me isn't EPA's problem.

I suggest, facetiously, that the Agriculture Department try to breed a special strain of fire ants that bite only people who make such EPA rules.

But much of the public apparently favors these new federal agencies.

Of course.

If you were told only of the benefits of government regulation—and not its costs—wouldn't it sound great?

That's a proverbial free lunch, something that will help you and won't cost you a dime. But there aren't any things in life that will benefit you with no cost.

And that's true of government regulation, as well as anything else.

Do you think public opinion will change?

I think so. I am an optimist. But a patient optimist.

To me, Congress's decision to reverse the federal regulators on the interlock, seat-belt system this year was encouraging. It's an example of what can happen when the public gets aroused.

It became obvious to Americans that they were paying through the nose for a complicated system they didn't want. It was extravagant nonsense.

Congress got the picture pretty fast. It threw the interlock out the window.

But only, of course, after the auto industry had spent millions to perfect and install it.

Any straws in the wind there?

Yes, I think so. Congress almost outlawed air bags at the same time.

I think this is a message those who are so much in favor of regulation should take to heart.

When the pendulum swings, it swings with a vengeance. You can get a reaction against all this regulatory cost—and waste—that will involve a wholesale liquidation of these police agencies.

If so, you'll see the end of the good, as well as the bad.

So not all regulation is bad?

No. Unless you are an anarchist you must believe that government should set the rules for society. The question is what kind of rules and how many.

Economics has an answer for that. It says, carry regulation to the point where the added benefits barely exceed the added costs. That's where you stop.

Overregulation is where the added costs exceed the added benefits.

Can you give an example of a useful role for a government regulator?

Take OSHA. It has a basic role in investigating lethal hazards. That's why Congress set it up. But it should not also be deciding questions like these:

How big is a hole?

What color to paint a door?

What is a ladder?

That's the kind of nonsense that should be eliminated.

What's the right way to promote job safety in your view?

I'd shift the whole emphasis to reducing accident rates and health hazards.

The objective is safer working conditions. Establish some goals, provide some incentives, then let the companies—individually or through trade associations—decide what they'll do to reach those goals.

There's no one royal road to safety. Some companies may find that it is most effective to redesign their equipment, others that a training program is best for them. Still others, more work on supervision.

Get away from the emphasis on detailed federal rules and regulations.

For one thing, from the data I've seen, there's no indication that these government regulators have cut accident rates in industry.

So, even if you follow them to the letter, that doesn't mean the place is safer. It just means you won't get in trouble.

That's the bureaucratic mentality.

We have to realize there are more effective ways of using the private sector to achieve national objectives.

Are more regulations inevitable?

In the short run, I am afraid we are in for more.

I have looked at the proposed new legislation in Congress—and I'm afraid that, for the next year, business must brace itself for another round of federal straightjackets.

In fact, at least 23 congressmen in the House literally believe you should have to get Washington's permission to go out of business. They introduced H.R. 76 last January. It would require a two-year prenotification to the Secretary of Labor to close or move a business—if that would result in 15 percent of the employees losing their jobs.

What can businessmen do if they don't like this trend?

Support something like the bill of Sen. J. Glenn Beall, Jr., of Maryland.

It would require each new law, including those that regulate business, to carry a price tag.

That would alert us to the cost—as well as the promised benefits—of each regulatory proposal put before Congress.

That's progress—a cost-benefit analysis. If we could limit new regulations only to those whose benefit to society exceeds the cost, there'd be a lot fewer of them.

Then we must see that the same yardstick is applied to existing regulations and regulatory agencies.

Anything else?

Take a leaf from the environmentalists. They pushed through a rule that before you do anything, anywhere, you must determine what impact this will have on the environment.

I would like to turn that around.

I'd like to see legislation which says that, before EPA or any other regulatory body does anything, it must file a statement describing what this will do to the economy—an economic impact statement.

Can business look for allies elsewhere?

Well, the thing that amazes me is that liberals, who attack the government when it infringes on civil liberties of individuals, couldn't care less when it does the same thing to businessmen.

You know of the outcry over no-knock searches for narcotics.

You know of the outcry over no-knock power. They can come into your plant without warning anytime they please.

Liberals should wake up to the fact that there isn't a sharp cleavage between civil liberties in the personal sphere and civil liberties in the business sphere.

GUN CONTROL DISARMS WHO?

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 16, 1975

Mr. DERWINSKI. Mr. Speaker, the subject of gun control is an issue that the Congress has addressed with frustration for a number of years. It is also a subject that automatically involves recognition that crime directly relates to the use of firearms.

In a very frank and provocative but certainly logical article, Chuck Harris, reporter for Chicago Metro News, one of leading black publications in the country, discusses gun control in the July 12 edition.

Much of his column is devoted to the problems of gun control in Chicago's black community, but the overall point has national application.

The article follows:

Gun Control Disarms Who?

(By Chuck Harris)

With the closing session of the 79th General Assembly of the Illinois State Legislature now behind us and we review some of the Bills not acted upon we notice among them, those sponsored under the title "Hand Gun Control Act" HB-89-1134-1542. Of course these Bills will probably be among the first business with the opening session of the next legislature. Additionally, the sponsors and supporters of these Bills will probably be armed with bushels of supportive evidence, especially at the rate violent acts are unfolding in this city. For example:

Sunday, June 29th, 1975 . . . news items; Three armed youths invaded the southside apartment of Odessa Owens, 43, seeking revenge against Ms. Owens' son Michael, 21. Also present in the apartment was Joe Williams, 43. Aftermath . . . Two dead (Ms. Owens and son, both shot in the head) one wounded in serious condition with bullet wound in the neck (Joe Williams). In custody; Robert Fields, 27 . . . his companions are still at large. All involved are Black.

Friday, July 4, 1975 . . . News item; Three armed men invaded the southside home of Ms. Bessie Little, 43. Also present was Ms. Little's daughter Marilyn, 21, and her friend Jean McCoy, 24. Aftermath; Two women dead (Mrs. Little, Ms. McCoy) one woman wounded (Marilyn Little), one invader dead (apparently killed by his alleged accomplices), one invader wounded (apparently by the third accomplice who is still at large). All the victims were assaulted with guns. All involved are Black.

Sunday, July 6, 1975 . . . Henry Ford, 47, upon returning to his north westside apartment, after shopping in a nearby store, was accosted by three young men who announced "stick-up." A brief scuffle ensued according to Ford's eleven year old stepson who was a witness. Aftermath; Ford lay dead, shot and robbed. The victim and the assailants are Black.

Before the ink will be dry on this column the above or similar acts will be repeated somewhere in the Black community. Now this writer will be the first to point out that the assailants in each incident are/were reacting out of the very real conditions of the total environment which includes human inequities and political indifference.

This writer will further point out that even should the federal government launch a massive "Marshall Plan" here at home to recover lost cities and lost souls, this type of criminal viciousness is too deeply imbedded to be solved by such a thrust. And certainly putting more and more policemen in the streets will not effectively curb it, since the police department itself is afflicted with personnel with a proneness to crime and murder. Furthermore, more policemen would only create an absolute police state condition.

Some will say, well obviously gun control or banning guns is the solution. Not so, because such a move would only disarm the law abiding citizen who has (and needs) a weapon in his home, office, or place of business for protection against these social out-casts. Certainly, the hoodlum who by virtue of being a robber, rapist, or burglar is no respecter of laws and as a consequence would not be affected by any kind of gun laws . . . they would still get guns . . . and use them.

Therefore, perhaps an avenue worth exploring would be to revert back to the laws of the early days of this country when citizens carried and wore sidearms as a natural piece of survival equipment. A review of the records of that era will produce recorded evidence of the demise of many robbers, rapists, burglers and murderers who unwittingly chose an armed citizen for a victim. Even law enforcement officers were more courteous and respectful towards citizens then because any unnecessary brutality on their part could very well end up as their last earthly act.

Now since it is almost a certainty that no matter what laws are enacted or developed regarding handguns, law breakers will always have easy access to them, perhaps law makers should be busying themselves drafting the guidelines under which citizens may go about armed for their own personal safety.

Hold it right there, before you accuse me of advocating another form of fratricide, let me point out that the victims of crime in the Black community are Black and 99 per cent of the assailants are Black (I'm not including the murders by policemen that's another category all by itself). Thus, we are presently in the serious throes of fratricide, and if law abiding Blacks suddenly are in a position to function daily, armed for our personal safety that atmosphere in itself would put a whole lot on a hoodlum's mind when he thinks about selecting a victim.

An approach to legal sidearm bearing may be to spell out who, and under what conditions it will be. For instance, only adults, minimum age twenty-one and able to pass a specially prepared psychological test geared to determine rationality, judgment, mature attitude and good mental balance would be allowed to purchase and wear/carry sidearms (no Saturday-Night Specials but well manufactured handguns).

Such qualifying persons would be issued an ID Bracelet (much like those used in hospitals) so that law enforcement officers could distinguish who is legal and who is illegal. Naturally, racists would try to control such a procedure. Therefore the whole program would be controlled under the peer group concept, meaning Blacks would administer the test, and authorize permits to Blacks and whites to whites, Chicano's to Chicano's etc.

However, and whatever, if we do not seriously consider such seemingly drastic steps . . . soon there won't be anyone left to save. One thing for certain, Gun Control disarms the citizen not the hoodlum.

POSSIBLE NEGATIVE IMPACT OF TAX REDUCTION ACT OF 1975 UPON WELFARE PROGRAM RECIPIENTS

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 16, 1975

Mr. RANGEL. Mr. Speaker, at the time the Tax Reduction Act of 1975 became law there was concern voiced that certain provisions of the act could have an adverse effect on recipients of aid to families of dependent children—AFDC—and supplemental security income—SSI.

It is now ever more apparent that the concern was justified. With Congress about to consider an extension of the Tax Reduction Act, I would like to enter into the Record a newsletter from the Americans for Democratic Action which accurately describes the problem.

The newsletter follows:

Tax Cut May Cut AFDC/SSI

On March 29, President Ford went on television to announce that he reluctantly had decided to sign the tax cut bill passed by Congress on March 26. Waving the banner of fiscal responsibility, Ford suggested that Congress was responsible for this year's record deficit. That the ill conceived economic policies of his predecessor in the White House underlay this deficit apparently did not occur to him. Yet the fact remains that, in the name of fighting inflation, Richard Nixon decided to create a five percent rise in unemployment. A four percent unemployment rate and the same level of government spending would have left an estimated $10 billion plus surplus.

In his speech, Ford also lamented the failure of Congress to gear this year's tax cuts to higher income groups. The Administration's proposals, which would have left blue collar workers—among those hit hardest by the recession—with little or nothing, were wisely rejected by Congress. The general thrust of the new tax cut legislation is, as it should be, toward alleviating the desperate economic plight of those in lower income groups.

Yet there is one relatively little noticed provision in the bill just passed which, if left intact, may have tragic consequences for the 1.45 million AFDC/SSI (Aid to Families of Dependent Children/Supplemental Security Income) recipients who are trying to work their way out of poverty. As presently constituted, the work bonus/tax credit will leave many of the 1.45 million working welfare poor with the unenviable option of quitting their jobs or losing part or all of their AFDC/SSI benefits. Those who are unaware of this option—it is safe to say that the majority of these people will be—may suddenly and unexpectedly find in 1976 that their AFDC/SSI benefits have been sharply reduced, or in some cases, entirely eliminated.

THE EARNED INCOME TAX CREDIT AND AFDC/SSI

Under the tax bill passed by Congress, families whose income is less than $8000 this year will receive a work bonus of up to ten percent of their "earned income." For some families, this will amount to a "negative" tax credit, resulting in a payment of up to $400 of monies *not* paid into the IRS.

Before discussing the impact which this work bonus will have on AFDC/SSI recipients, two points about the Social Security code must be made. First, under Sections 402(a)(7) and 1611(a) of the Social Security Act, in determining an individual's income to determine eligibility for AFDC/SSI benefits, welfare agencies must calculate on the basis of all income derived from any sources not specifically excluded by law, e.g., food stamps, Medicaid payments.

Second, in calculating income for purposes of determining AFDC/SSI eligibility, a distinction is made between "earned" and "other income." Individuals are permitted to take an automatic $30 deduction, and to "disregard" one-third of their remaining "earned income," which includes wages, tips, professional fees, etc. On "other income," which includes pensions, annuities, royalties, alimony, lottery winnings, etc., no similar deduction or disregard is allowed. "Other income" requires a dollar-for-dollar loss in AFDC/SSI benefits.

Unless the work bonus can be disregarded as income for purposes of determining AFDC/SSI eligibility, it will require a reduction in many families' AFDC/SSI benefits. The tax bill passed by Congress does not specify that the work bonus is to be so disregarded; nor does it specify whether the work bonus is to be treated as "earned" or "other income." The bill's ambiguities make it highly probable that many recipient families will have their AFDC/SSI benefits cut. The question is: Which recipients and by how much?

If the work bonus is treated as "other income," as it is likely to be under the new bill, it will require a dollar-for-dollar loss in recipient families' AFDC/SSI payments. It also will push some families beyond the AFDC/SSI eligibility limit, causing them to lose not only their AFDC/SSI benefits, but their Medicaid and food stamps. Thus, if the work bonus is treated as "other income," it will give many AFDC/SSI families an income they can't afford, but are legally bound to accept.

The scenario might go something like this: In April 1976, a working AFDC/SSI recipient receives her income tax refund. With two dependents, her income of $3000 normally had left her with a zero tax liability. This time, in addition to the return of her minimal withholding tax, she receives a $300 work bonus (10 percent of $3000). At the start of the next AFDC/SSI reporting period, however, her welfare officer apprises her of one of two situations: 1) If she is "lucky," she has had her AFDC/SSI benefits cut $300, i.e., by the amount of her work bonus; 2) If she is less fortunate, however, her $300 windfall income in this reporting period has pushed her beyond the AFDC/SSI eligibility limit, causing her and her family to lose not only their AFDC/SSI benefits, but their food stamps and Medicaid as well.

Unless the tax credit can be disregarded as income for determining AFDC/SSI eligibility, many of the 1.45 million AFDC/SSI workers will find themselves in a predicament similar to this woman's. As presently constituted, the work bonus will amount to Uncle Sam's giving to AFDC/SSI recipients with the left hand and taking away from them at least as much, and possibly more, with the right.

PROBLEM SURFACES IN THE HOUSE

The problem with the tax credit first came to light on February 11, when Rep. Donald M. Fraser (D-Minn.) received a letter from the Minnesota welfare office expressing concern that the 1974 tax rebate might be held against AFDC/SSI recipients in determining their 1975 income. After going through the proposed bill, Fraser's staff realized that there was an additional problem which the Minnesota welfare people had overlooked: Not only could the 1974 rebate be treated at "other income," and thus be used in welfare calculations, but so could the 1975 tax credit.

Fearing the impact which the tax rebate and negative tax credit would have on AFDC/SSI recipients, Fraser went to discuss the problem with James Corman (D-Calif.) and Joseph Karth (D-Minn.), both members of the Ways and Means Committee which was considering the bill.

Corman and Karth, in turn, brought the problem to the attention of the committee. By the time the committee heard from Corman and Karth it was night time, and committee members agreed that the staff of the Joint Internal Revenue Committee, which was preparing the overall tax cut bill, would correct the problem.

It is now obvious that, in spite of claims made by the staff, they only had taken care of the rebate half of the problem. The bill voted out of committee on February 25 contained a specific clause permitting disregard of the rebate for AFDC/SSI calculations. The language was simple: "Any (rebate) payment . . . shall not be taken into account as income or receipts for purposes of determining the eligibility of such individuals . . . for benefits or assistance . . . under any Federal . . . State or local program financed in whole or in part with Federal funds."

There was, however, no similar language concerning the 1975 work bonus, and specifically, the negative tax credits. Ways and Means' report (February 25, 1974, p. 27) erroneously indicated there was no problem: "The reductions in 1975 liabilities under Title II (the tax credit and work bonus section) . . . do not give rise to this problem since they are not payments in effect on behalf of the individual. Instead, they merely represent reductions in tax applicable . . . in that year and do not in any year affect the income of the individual for 1975."

There were at least two basic flaws in the committee's line of reasoning. First, the negative tax credit, in fact, will give individuals entitled to it a higher gross income—not just a "reduction in tax applicable." Second, although there has been some discussion of returning the negative tax credit in 1975 by allowing employed recipients to deduct from their Social Security payments, this now appears less and less likely. Because it is already rather late in the year to begin such a system, and because the uneven work patterns of many affected individuals would make their Social Security deductions unrealistic, recipients of the 1975 tax credit probably will receive payments in 1976 when they file their 1975 tax returns. At no time did either the bill (Section 102) or the committee's report ever mention disregard of income received in 1976.

Yet despite these unresolved difficulties, the House failed to address the issue of the tax credit when the tax bill came to the floor on February 27. Preocccupied with the debate over the oil depletion allowance, the House spent virtually all floor time on the Green and Wilson oil depletion amendments. The former, sponsored by Rep. William Green (D.-Penn.), proposed total elimination of the wasteful 22 percent depletion allowance for oil and gas companies. The Wilson amendment, offered by Rep. Charles Wilson (D.-Texas), sought to retain the allowance for the so-called "independent" operators. The lengthy debate on oil depletion left the House no time to worry about a problem concerning welfare recipients, especially when the committee report insisted there was no problem.

Furthermore, with the House operating under a limited closed rule, the only way that the work bonus AFDC/SSI problem could have come to the floor would have been with a two-thirds vote to suspend the rules. Under the best of circumstances, getting this two-thirds vote would have been a long shot. With Rep. Fraser recently departed for a tour of Vietnam and Cambodia, however, getting the rules suspended was a no shot. Thus, while the tax bill finally passed by the House contained a disregard clause for the tax rebate, it made no similar mention of the tax credit. The assumption was that the tax credit would be treated as "other income."

LONG MACHINATIONS IN THE SENATE

After being passed by the House, the tax bill was sent to the Senate, where again, the major debate was focused on oil depletion. One of those advocating retention of the $3 billion bonanza for the oil companies was the Kingfish's son, Senate Finance Committee Chairman Russell Long (D-La.). Sen. Long was aware that, even if he managed to get it cut out in the Senate Finance Committee, an amendment to eliminate the oil depletion allowance would be brought up on the Senate floor. Also, House Ways and Means Chairman Al Ullman and House Democratic Caucus Chairman Philip Burton had announced that, in the Joint House-Senate conference, House conferees would insist on an amendment similar to the one sponsored by Green.

Long's strategy to save the oil depletion allowance, therefore, was to attach to the tax bill several ill conceived amendments—ranging from one of his daddy's "share-the-wealth" schemes to a house swapping give-away—which he could later agree to remove in exchange for removal of the oil depletion allowance. One of these pertained to the work bonus. Long added a (c) paragraph amendment to Section 203, the "earned income" section of the bill, mandating that the work bonus be treated as "other income." As one of his staff members revealed, Long always had expected that the work bonus would be treated as "other income." He knew that his amendment to Section 203 was superfluous; ergo, if he used it as a chip to trade off for depletion, he would be giving up nothing.

A roadblock to Long's scheme came from an amendment proposed by Sen. Edward Brooke (R.-Mass.). The Brooke amendment sought not only to strike Long's paragraph (c), but to add a clause permitting disregard of the tax credit as income in determining welfare eligibility. Working jointly with ADA, the Washington Research Project Action Council, Rep. Fraser's office and the Women's Equity Action League (WEAL), Sen. Brooke and his staff lobbied vigorously for this amendment. They stressed that, without this amendment, the tax credit would only hurt those people trying to work their way off welfare.

The Brooke amendment finally reached the Senate floor at 7:00 p.m. on March 21. Speaking with Brooke on behalf of the amendment was Sen. Charles Mathias (R–Md.). Opposing the amendment, as expected, was Sen. Long. Long argued that the tax bill already had "at least three provisions . . . to help (poor) people": 1) a 20 percent tax credit for employers to hire AFDC/SSI recipients; 2) the earned income credit itself; and 3) more liberal tax arrangements for child care.

His reasoning was specious. First, the 20 percent credit for employers is exactly that: it is to encourage employers to hire more people. The people collecting AFDC/SSI who are eligible for work credit already have jobs. Second, the earned work credit about which Long boasted would not benefit, and could hurt, AFDC/SSI recipients unless there were the specific disregard clause Long opposed. And as for child care deductions, raising the deduction ceiling from $18,000 to $35,000 could mean little to people who already have zero tax liability.

Nevertheless, having made these points, Long moved to table Brooke's amendment. His motion carried 50–40, but the voting pattern was very peculiar. Voting with Brooke—apparently his lobbying had some effect—were such far right Senate conservatives as Sparkman (D–Ala.), Buckley (Ind.–N.Y.), Goldwater (R–Ariz.), and Dole (R–Kans.). Voting with Long, on the other hand, were such liberals as Haskell (D–Colo.), Hathaway (D–Me.), Muskie (D–Me.), Magnuson (D–Wash.), Nelson (D–Wisc.), and Tunney (D–Calif.).

Responsibility for Brooke's defeat lies with the Democratic liberals, who, anxious to get home, were paying little or no attention to the amendments brought to the floor. Yet despite Brooke's defeat, there was still a chance that the problem could be corrected in the House-Senate conference scheduled to begin on Monday, March 24.

HOUSE-SENATE CONFERENCE: AMBIGUITIES LEFT UNRESOLVED

In a House session two days before the joint House-Senate conference, Rep. Fraser questioned Ways and Means Chairman Ullman about the problem with the work bonus, pointing out that it could lead not only to a reduction in recipients' AFDC/SSI benefits, but to possible termination of their Medicaid and food stamp benefits as well. Fraser was backed up by Rep. Corman, who also pointed out that administrative costs involved in adjusting millions of AFDC/SSI payments and then having to reset them in the next reporting period probably would outweigh the savings which would result from cutting back individuals' AFDC/SSI benefits. With an estimated readjustment cost of $52 per case, if more than 1.48 million recipients were involved—there were 1.45 million working AFDC/SSI recipients in 1974, and that number has been growing—administrative costs would outstrip the savings. Ullman conceded these problems and promised Fraser and Corman that he would raise them in House-Senate conference.

On the opening day of the conference, the issue received a public airing in the Washington Post. Syndicated columnist William Raspberry observed that Long's provision to treat the tax credit as "other income" would hurt, not those people who subsisted totally on welfare—Long in the past had referred to these people as "bums" and "professional hobos"—but the welfare recipients who were trying to get off welfare through low income employment. Raspberry pointed out that Long had aimed his harpoon at the very welfare recipients who were trying to become self supportive. His inconsistency was apparent. But because Long was playing for bigger stakes—the oil depletion allowance—this inconsistency did not concern him.

By comparing conversations between Long's staff and those who attended the House-Senate conference, one can conclude that Long's strategy to save the oil depletion allowance worked. Feigning ignorance, Long allowed himself to be talked out of the superflous paragraph he had added to Section 203 as part of an overall House-Senate compromise which retained the oil depletion allowance for "independent" oil companies.

The tax bill finally passed by Congress on March 26, according to one congressional welfare expert, has left the situation with the tax credit vis-a-vis AFDC/SSI recipients at best "ambiguous." The likelihood is that, looking to save money, state and local welfare officials will operate in whatever manner enables them to cut down on immediate AFDC/SSI costs, i.e., they will count the tax credit as "other income" in determining individuals' eligibility for AFDC/SSI benefits.

Time is still on the side of those interested in protecting AFDC/SSI recipients. The likely course of action will be to introduce an amendment permitting disregard of the work bonus as income for purpose of determining AFDC/SSI eligibility. Whether there are enough supporters to get such an amendment passed remains uncertain.

"GENERAL JOE" BARTLETT, U.S.M.C.R.

HON. CLARENCE E. MILLER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 16, 1975

Mr. MILLER of Ohio. Mr. Speaker, last Friday, July 11, in ceremonies at the Headquarters of the Marine Corps, my good friend and the minority clerk of the House of Representatives, Joe Bartlett, was administered the oath of office as a brigadier general in the U.S. Marine Corps Reserve.

We had been anticipating this happy culmination of events for some weeks since his nomination and confirmation for this signal promotion in the Reserve. It was a real disappointment to many of us that the House convened unusually early that day and prevented us from attending the promotion ceremony, so I want to take this opportunity to publicly congratulate Joe Bartlett and his lovely wife, Jinny, and their daughters, Linda and Laura on this joyful occasion. You may be sure Mrs. Miller and I share your gladness.

My reports have it that the ceremonies were personally conducted by the new Commandant of the Marine Corps, Gen. Louis H. Wilson, and that when the crowd outgrew the Commandant's office, the ceremonies were moved into a nearby auditorium. The Commandant commented on the fact that Joe was wearing the same uniform in which he had been commissioned some 25 years earlier, and on which he had worn all the ranks from second lieutenant to brigadier general. It was not clear whether the was complimenting Joe on maintaining his fighting trim, or commending the Quartermaster Corps for the quality of their uniform material. In either event, I am sure it is an unusual testimonial.

General Wilson recounted the story of how 2d Lieutenant Bartlett had been assigned as a military escort in the National Cherry Blossom Festival, and how he had escorted, and subsequently married, the beautiful Ohio Cherry Blossom Princess, Miss Virginia Bender of Chagrin Falls, Ohio. And then the Commandant invited "Jinny" to come forward and help pin the silver stars of his new rank on her once-upon-a-time lieutenant escort.

These were very special stars, as Joe revealed in his response. These were the stars that had belonged to the late Gen. Melvin J. Maas, once a young Congressman from Minnesota, who rejoined the Marines during World War II as a colonel, and rose to the rank of major general. The "father" of much of the modern military reserve law and legend, Mel was an extraordinary inspiration to many, although he spent his final years in total blindness. Joe Bartlett counted it a great privilege to walk with Mel Maas through many experiences, and helped carry him to his final rest. You can understand why it touched Joe deeply to receive the stars from Mel's daughter, Patricia Maas Bennett, with a note saying:

> There is no one whom Mel Maas would rather have wear his stars than B. Gen. Joe Bartlett—so it is a real thrill to be able to pass them on to those shoulders . . .

For nearly three and one-half decades, Joe Bartlett has been one of the most conscientious and loyal servants of this House. The tributes and recognition for his work have been many and varied. Wherever he has gone and whatever he has done, he has always brought credit to himself, and by association, to the House of Representatives to which he has been devoted since childhood. But truly, his promotion to brigadier general must be especially meaningful to Joe. Those of us who know him best, know how much the Marine Corps means to Joe, and we can only imagine that this recognition, which represents the epitome of the fidelity he values, must be very gratifying, indeed.

Joe has been faithful to the Congress without ever being less faithful to his beloved corps. He is an outstanding example of the citizen-soldier, so much a part of our national heritage. Twice Joe has voluntarily left his employment with the Congress to join the ranks of the Marine Corps. And in between these periods of active duty, Joe has kept up his professional proficiency, both as a civil officer of the Government, and as a Marine Corps Reserve officer. And with his great energy, talent, and enthusiasm he has been a great credit to both.

I am sure that all of my colleagues, on both sides of the aisle, would join me in these congratulations to "General Joe," as Minority Leader JOHN RHODES referred to him here in the House recently. We thank him for being the kind of public servant that he is, and we wish him continued success.

These sentiments were expressed extremely well in a letter from one of our former colleagues, read by Commandant Wilson at the promtion ceremonies, from the Commander in Chief to the newest brigadier general in the Marine Corps Reserve, and this was his message:

THE WHITE HOUSE,
Washington, July 10, 1975.

Brig. Gen. JOE BARTLETT,
U.S. Marine Corps Reserve,
Washington, D.C.

DEAR JOE: Knowing how much the Marine Corps has meant in your life, and how much the values which Marines cherish have contributed to your outstanding career of service to the House of Representatives, I want to add my congratulations on this happy occasion for you and your fine family. Warm good wishes, General, from a reserve Lieutenant Commander who got recalled to active duty.

Sincerely,

JERRY FORD.

NUCLEAR PROLIFERATION

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 16, 1975

Mr. HAMILTON. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include my Washington report entitled "Nuclear Proliferation":

NUCLEAR PROLIFERATION

The unchecked spread of nuclear weapons poses a grave threat to world peace.

An alarming number of nations are acquiring the nuclear materials and technology necessary for atomic weapons. Last year India exploded a nuclear bomb, just last month West Germany announced an agreement to supply Brazil with nuclear power reactors, and 14 other countries have such reactors and are capable of producing an atomic bomb in a relatively short period. Clearly, the nuclear genie is rapidly escaping from the bottle.

Until last year, only 5 nations, the U.S., the Soviet Union, Great Britain, France, and the People's Republic of China, formed an exclusive nuclear club, monopolizing nuclear weapons and control over most nuclear materials. In the past the demand for nuclear power plants and the enriched uranium fuel to run them has been restricted because of the complex and expensive technology involved, because of U.S. willingness to supply western countries with enriched uranium at cost for commercial uses, and because of the slow development of nuclear power reactors. But the high price of oil and the prestige of belonging to the nuclear club has accelerated international interest in nuclear energy.

There is no longer a secret to making an atomic bomb. The major limitation is not technology, but the supply of the material (plutonium or enriched uranium). Plutonium, a by-product of nuclear power generation, is the focus of concern about nuclear proliferation. A nuclear power reactor using enriched uranium for fuel typically generates about 250 kilograms (550 lbs.) of plutonium each year, enough for at least 25 bombs. One estimate is that by 1983, 80 tons of bomb-grade plutonium will be available around the world, enough for approximately 8,000 bombs.

Used in nuclear weapons, plutonium can kill millions of people in one blast, and by itself, plutonium is the most toxic substance on earth. A few micrograms of plutonium can cause cancer quickly and, once created, plutonium is an indestructible poison with no antidote.

Two international mechanisms already exist to help control nuclear energy. The International Atomic Energy Agency (IAEA), headquartered in Vienna, Austria, monitors nuclear facilities around the world to prevent the transfer of nuclear material and technology to the manufacture of explosives. Under the Nuclear Non-Proliferation Treaty (NPT), 96 nations have also agreed not to develop nuclear explosive devices and to accept safeguard standards and inspection by the IAEA.

These mechanisms are clearly inadequate. Three of the nations which have nuclear weapons—France, India, and China—have refused to ratify the NPT, and only half the countries currently possessing enough plutonium for a bomb have agreed to the treaty. Except for outright transfer of weapons, the NPT does not prohibit the sale of nuclear equipment to nations which are not party to it. In addition, the IAEA's function of verifying the efficiency of national safeguard and inspection systems is limited, and the agency has fewer than 70 inspectors to carry it out worldwide.

The U.S. understands the desire of non-nuclear nations to develop nuclear technology, but it is also worried about the increasing competition in the world for nuclear power. In the past we have planned our defenses against our only nuclearly armed adversaries, the Soviet Union and the People's Republic of China, but the spread of nuclear weapons could mean that the U.S. will not be completely safe from new sources of atomic weapons which could be delivered by ordinary jet aircraft. With further proliferation of nuclear weapons, nuclear attack could come from any side, and the value of our nuclear umbrella is reduced as it becomes difficult to determine the source of an attack.

Several approaches toward reducing the dangers of nuclear proliferation need to be considered. The international community could:

Establish internationally supervised regional fuel recycling centers to reprocess spent nuclear fuel into plutonium adulterated against weapons use;

Develop common international rules and controls on the export of nuclear technology and materials;

Strengthen IAEA safeguard systems at nuclear plants to protect against the theft or diversion of nuclear material;

Prohibit the sale of reactors or related equipment to countries which do not accept IAEA inspections and safeguards;

Expand the membership of the Non-Proliferation Treaty;

Reduce nuclear stockpiles, curb the nuclear arms race, and ban completely the testing of nuclear weapons.

Some of these proposals are already under consideration, but the nuclear monopoly has been broken, and the expansion of nuclear energy is not likely to be halted. The Congress must begin the task of controlling the growth of nuclear facilities and insuring that there are adequate international safeguards to protect international security and public safety. Hopefully, the common danger will spur nations to renewed cooperation before it is too late.

STRENGTHENING SERVICES FOR THE BLIND

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF RFPRESENTATIVES

Wednesday, July 16, 1975

Mr. BRADEMAS. Mr. Speaker, I recently received a report from the National Accreditation Council for Agencies Serving the Blind and Visually Handicapped on the work of the Council in administering standards developed for agencies which serve the blind and visually handicapped.

The National Accreditation Council—NAC—was created in 1967 and supported by the Rehabilitation Services Administration to administer a system of accreditation of agencies in the field.

The following report describes the programs and standards developed and administered by NAC. Through the efforts of NAC, there has been an upgrading of programs serving the blind and visually handicapped that has yielded important results for these handicapped citizens.

At this point, Mr. Speaker, I insert the report of the National Accreditation Council for Agencies Serving the Blind and Visually Handicapped in the RECORD so that all those concerned with developing programs to serve the needs of handicapped citizens may have the benefit of this work:

STRENGTHENING SERVICES FOR THE BLIND AND VISUALLY HANDICAPPED THROUGH THE APPLICATION OF STANDARDS

About 1.7 million Americans are blind or severely visually handicapped; their numbers are growing faster than the general population because the incidence of blindness increases with age and more Americans are living longer.

Added to the physical handicap of blindness has also been an unwarranted but persistent social handicap—a pervasive "tin-cup" mentality that considered blind people less able and therefore "less equal" than other people.

Many efforts had been made to develop services that would effectively assist blind people to achieve independence. Unfortunately, the tin-cup mentality influenced not just the general public but the way many agencies and schools for the blind were run, and even the thinking of many blind persons. For each agency that heeded the call for quality services, another failed to hear or to respond.

This was the situation which led to setting up an ad hoc Commission on Standards and Accreditation of Services for the Blind (COMSTAC) with the encouragement of the late Mary E. Switzer. COMSTAC developed five sets of standards for management and seven sets for programs of specialized agencies for the blind and visually handicapped. They were a "first." Never before had there been comprehensive nationally developed nationally accepted yardsticks by which agencies for the blind—and the public that supports these agencies through taxes and contributions—could measure the quality of services offered blind persons.

But the standards were only a first step. There had to be a system to utilize the standards and validate the improvements that were expected to result.

The National Accreditation Council for Agencies Serving the Blind and Visually Handicapped (NAC) was established as of January 1, 1967 to administer such a system.

The Rehabilitation Services Administration (then the Vocational Rehabilitation Administration) agreed to help support a project conducted by the new organization to develop and test methods by which agencies and schools could use the standards for improvement and by which the results could be evaluated.

The basic criteria for the application of the standards called for services that recognized the dignity of blind and visually handicapped persons, that involved the users of services in planning and evaluating the services they received and that would enable them to move into the mainstream of community life. The criteria also called for public accountability of agencies serving the blind—reporting of actual services and results and full financial disclosure.

From the beginning of the project, NAC obtained the cooperation of leaders and organizations in work for the blind and related fields to assure wide dissemination and utilization of the standards.

Anticipating the present concern for more public representation and public accountability in accrediting bodies, NAC firmly established the pattern of public representation on its Board and full accounting of financial and program activities to the public.

The original Board of Directors exemplified this policy.

The president was Arthur L. Brandon, former New York University vice president for public affairs who also served as chairman of COMSTAC.

First vice president was Dr. Peter J. Salmon. Himself legally blind, Dr. Salmon has devoted his life to helping blind and deaf-blind persons achieve their fullest potential. He is administrative vice president of The Industrial Home for the Blind, Brooklyn, and heads the National Center for Deaf-Blind Youths and Adults.

Second vice president was Benjamin F. Boyer, professor of law and former dean of the law school of Temple University, active in the Philadelphia Health and Welfare Council.

Secretary was Frederick G. Storey, an Atlanta businessman, who had been president of a local agency for the blind and discovered grave weaknesses in its management and services. His belief that there must be standards for services to the blind and some way of judging whether an agency was meeting the standards led him to become involved in the movement to develop and apply the standards.

Ira A. Schur, then managing partner of the New York firm of certified public accountants, S. D. Leidesdorf & Co., was treasurer.

The 27 other Board members included such blind leaders as M. Robert Barnett, executive director, American Foundation for the Blind; J. Kenneth Cozier, Cleveland industrialist; Kenneth Jernigan, president, National Federation of the Blind (NFB); Louis H. Rives, Jr., special assistant to the commissioner of vocational rehabilitation, DHEW; McAllister Upshaw, executive director, Greater Detroit Society for the Blind; and Norman M. Yoder, commissioner, Office for the Blind, Pennsylvania Department of Public Welfare. (All titles are as of 1967.)

Besides the seven distinguished blind persons who served as officers and Board members, the Board included members from the fields of medicine, education, community planning, social services, public administration, union health and welfare services, foundation administration, civil rights, and civic leadership.

The following year, Judge Reese H. Robrahn, president, American Council of the Blind (ACB) joined the Board and, later, attorney Julius Morris, past president of the Blinded Veterans Association (BVA).

Mr. Brandon has now become president emeritus. Current officers are: Daniel D. Robinson, president, partner in New York office of Peat, Marwick, Mitchell & Co., certified public accountants; Huntington Harris of Leesburg, Virginia, first vice president, director of Quadri-Science; McAllister Upshaw, second vice president, executive director of the Greater Detroit Society for the Blind; Howard H. Hanson, third vice president, assistant program administrator, South Dakota Office of Service to the Visually Impaired; John P. McWilliams, Jr., secretary, assistant treasurer of Morgan Guaranty Trust Company, New York; Mrs. Claire W. Carlson, treasurer, engineering and legal consultant, New York. NAC's Board today consists of 35 directors, of whom 18 are blind, including officers Upshaw and Hanson.

NAC sought and obtained the cooperation of most organizations in and related to the field of blindness. For agencies not eligible for accreditation that wished a close relationship, NAC established the category of Associate Membership. Current Associates are in two groups: those that pay dues on the same basis as Accredited Members and have one vote at membership meetings (Sponsoring Members) and those that wish to be publicly identified with NAC but without a vote (Supporters). They are:

Sponsoring Members: American Council of the Blind, Association for Education of the Visually Handicapped National Braille Association, National Council of State Agencies for the Blind.

Supporters: American Association of Workers for the Blind (AAWB), American Foundation for Overseas Blind, American Foundation for the Blind, American Library Association, Arkansas Chapter, AAWB, Choice Magazine Listening, National Industries for the Blind, National Society for the Prevention of Blindness, New York State Federation of Workers for the Blind, AAWB.

In addition, the Council of State Administrators of Vocational Rehabilitation has called on agencies from which its members purchase services to meet national standards. (In the case of agencies for the blind this means NAC standards.)

With the assistance of these organizations and participation by many of their members, NAC developed early in the project three Self-Study and Evaluation Guides—for multi-service agencies, residential schools and sheltered workshops—designed to help agencies assess their operations in the light of the standards.

When an agency's completed self-study report is submitted to NAC, an on-site visit is scheduled by a team of qualified men and women who make their time available free of charge (only out-of-pocket expenses are paid) to review the agency's operations and recommend further improvements as needed.

Although the self-study alone has been shown by the project to bring about improvements, the on-site visit has been shown to bring about more. Techniques were developed to involve in the team appraisals community leaders, government officials, local planning and funding bodies such as United Ways, and consumer representatives.

Similar broad involvement was obtained in the review and updating of the standards, which have their greatest effectiveness if regularly updated to reflect current knowledge and best practice. Project experience indicated that the greater the knowledge of the standards, the greater the likelihood that concerned persons would stimulate agencies to undertake self-studies and request on-site reviews leading to possible accreditation.

To find out whether the application of the standards was bringing about actual improvements, NAC analyzed reports of the first 32 agencies to complete self-studies; analyzed the subsequent performance of 31 agencies initially judged by on-site teams not to be in completely satisfactory compliance with the standards; compared recommendations of original on-site reviews with findings five years later by teams reviewing the agencies for reaccreditation; obtained comments from those who had gone through the self-study and on-site review process; requested comments from interested organizations not eligible for accreditation; and observed the official actions of regional and national organizations calling for the wider use of the standards.

All the methods used to evaluate the impact of the project produced results supporting one conclusion: the project has demonstrated that use of the standards by agencies and schools for the blind in the manner proposed and demonstrated by NAC does bring about clearly definable improvements in services and in agency management and accountability.

Although this was not a planned part of the project, NAC had, in addition, the benefit of reports from three units of the Federal government regarding the project operations.

Two examples of Federal comments: The GAO Report quoted officials of HEW as believing that this thorough and objective review of the issues in question presented NAC as "a respectable and legitimate organization that was accomplishing its objectives with a few minor areas of concern." And, in writing to NAC early in 1975, RSA Commissioner Andrew S. Adams pointedly referred to the project as "a proven service."

Examples of documented improvements in agencies using the standards to qualify for accreditation are many.

Residential schools modified their programs, originally geared to children with the single handicap of blindness, to encompass a growing influx of multiple-handicapped youngsters.

An agency studied the needs of the central city and is building a new service facility there; it is also strengthening its advocacy program for the blind and reaching out to the aging, to deaf-blind children and to retarded adults as well as to the groups it has served in the past.

Other agencies developed better records and coordination of services to assure that blind people are not "lost" between their various departments.

Agencies made such improvements as arranging for a community-based program of physical therapy for those who need it as a prelude to mobility training; replacing an old industrial arts program with a work evaluation unit and providing additional vocational training in small business management and medical transcription; providing qualified staff to begin the education of preschoolers who are blind.

Almost every agency made its premises barrier-free and safer and set up better safety procedures in line with team recommendations; began to use accounting and reporting procedures providing full public financial disclosure; increased outreach to people who might otherwise not have been helped.

Many agencies have been stimulated to increase the involvement of blind and visually handicapped persons in the agencies' planning, evaluation and service delivery.

The project ended March 31, 1975. As of May 30, 1975, about 200,000 men, women and children in 139 communities of 35 states and the District of Columbia are benefiting from the services of the 58 agencies that have improved sufficiently through the application of the standards to qualify for accreditation. Another 12 workshops have qualified for certification by the General Council of Workshops for the Blind, using the NAC standards. Thirty more agencies are in the midst of self-studies. Twelve report they are planning self-studies and about a hundred are in correspondence with NAC regarding the application of the standards. Five agencies have had accreditation refused and five are currently deferred until further progress is made.

Thus, of approximately 400 known agencies for the blind (many with multiple branches) more than a hundred have utilized the standards effectively enough to warrant the public recognition of accreditation or certification or are actively working toward one of these two goals. Another hundred are in various stages of partially using or preparing to use the standards.

As a result of the project, for the first time in the field of services to the blind, a quarter of all known agencies have been stimulated to undertake a continuous process of upgrading their services and an equally large group is moving in this direction.

Meeting the standards is not easy. The project has revealed that many agencies need much advice and assistance in making necessary improvements; some even fear to try.

But, since the project has shown that use of the standards does upgrade services, the next step must be to provide the direct guidance and assistance needed by the remaining agencies so these facilities, too, may use the tested method that can enable them to do a better job for and with blind and visually handicapped Americans.

LIBRARIES SEVERELY AFFECTED BY RISING POSTAL COSTS

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 16, 1975

Mr. FORD of Michigan. Mr. Speaker, I recently received a publication entitled "Toward a National Program for Library and Information Services: Goals for Action," from the National Commission on Libraries and Information Science. The Commission thoroughly surveyed the general difficulties that libraries are experiencing today.

One specific problem that the Commission did not address, however, is that of constantly increasing postal rates for books, magazines, and other educational materials—materials that are obviously important to libraries.

As the House of Representatives delegate to the White House Conference on Library and Information Services, I am particularly interested in the difficulties that libraries are facing today. As such, I would like to bring the specific problem of incessantly rising postal rates to my colleagues' attention through the following information:

POSTAL RATES AND LIBRARIES

Libraries of all types—public; school; college and university; and special kinds of libraries—are heavily dependent on the Postal Service. They use all classes of mail, but the two classes that are most important to them are the library rate and the special fourth class rate. The library rate applies to library loans, material sent to and from library patrons, which is especially important in sparsely-settled areas, and interlibrary loans. The special fourth-class rate books and other educational materials is significant because libraries pay the postage on the shipments of books they receive from suppliers, and, in many areas of the country, most of these book shipments are received by mail.

THE LIBRARY RATE

In the Postal Reorganization Act of 1970, the Congress expressed its intention of protecting the library rate in two ways. The first was by providing that the library rate could not be set to recover more than attributable costs—directly traceable to handling library rate mail. Attributable costs for the Postal Service as a whole were reported by the Kappel Commission to constitute only about one-half of all postal costs. Secondly, Congress provided that library rate increases along with certain other nonprofit postal rate increases were to be phased in gradually over a period of ten years, subsequently extended by the Congress in 1974 to a period of 16 years. As stated by the Senate committee report on the Bill which became the Postal Reorganization Act:

> Reduced rates for within-county newspapers, for libraries, for books, and for associations of rural electrification co-ops were enacted for very good reason—that the public generally benefits from such rates. Additionally, the Rate Commission should take into account the preferential rates for the mailings of authorized nonprofit organizations—religions, educational, scientific, philanthropic, agricultural, and labor mailings; and the rates for classroom publications, which are religious, educational, and scientific materials designed for use in school classrooms or in religious-instruction classes.
>
> The committee does not believe that small incremental increases in rates spread out over 5- and 10-year periods will be detrimental to mail matter allowed preferential rates because they contribute to the public welfare. But the Rate Commission should be aware of this special problem as it assembles its schedules of rates and fees.
>
> For example, the regular rate of a phonograph record weighing not more than 1 pound, mailed by one of the many phonograph record clubs in America, is 12 cents. If the Postal Rate Commission determines that the proper rate for that type of mail is 15 cents, then the mailer would be entitled by law to a period of 5 years to reach the prescribed rate. In the case of a public library mailing the same phonograph record to a patron of the library, the present rate is 5 cents; and if the rate prescribed by the Commission were 10 cents, the library would be given a period of 10 years to reach the prescribed rate.

The Postal Service proposals in the first rate case adhered to the intent of the Congress; and the Postal Rate Commission accepted the Postal Service recommendations. The library rate in the first case was raised from 5 cents on the first pound and 2 cents for succeeding pounds to 10 cents for the first pound and 5 cents for succeeding pounds over a period of eight years subsequently extended to 16 years. This was an increase of somewhat over 100 percent over a period of 16 years. In the second postal rate case, the Postal Service proposed no further increase in the library rate.

However, the Administrative Law Judge, in his initial decision, in the second rate case, just about tripled the ultimate library rate at the end of the phasing period in 1987 to 29 cents on the first pound and 14 cents on succeeding pounds. Thus, the judge, in effect, practically wiped out the protection which the Congress intended to give the library rate in confining the rate to the recovery of directly traceable, attributable costs. He did this by raising attributable costs to a level 183 percent higher than the attributable cost level determined by the Postal Service and approved by the Postal Rate Commission in the first rate case. The judge found these additional attributable costs by theorizing that the library rate should be charged with a proportion of the costs involved in the postman making his rounds and assigning these costs on the basis of the weight and the cubic volume of mail. Only 0.03 percent of the total pieces of mail in the Postal Service are library rate mail, but the judge proposed that the library rate be charged with 0.9 percent of the costs of the postman making his rounds, or 30 times the amount if these costs were to be assigned on the relative proportion of the number of pieces of mail. Stated in another way, the judge's theory would require the postman to take more than 100 times as long to walk from one house to another to deliver a piece of library rate mail than he would need to deliver a first class letter.

THE SPECIAL FOURTH-CLASS RATE

In the case of the special fourth-class rate, the Congress did not limit the rate to a level which would cover only attributable costs, but provided that the rate might also cover "overhead," or "institutional," "residual" costs; and also confine the phasing or transitional period to five years, which was later extended in the 1974 legislation to eight years. Nonetheless, in the first rate case, the Postal Rate Commission recommended raising the rate by a relatively modest amount; and in the second rate case the Postal Service proposed raising the ultimate rate to take effect at the end of the phasing period in 1979 by only 16 percent over the rate set in the first case. Here again, the Administrative Law Judge found an enormous amount of additional attributable costs, based once more on charging the costs of the postman making his rounds on the basis of weight and cubic volume of mail. As contrasted with the 16 percent increase in the special fourth class postal rate proposed by the Postal Service, he recommended an increase of 95 percent over the rates established in the first case.

A comparison of the rates proposed by the Postal Service and the Administrative Law Judge in the second rate case are contained in the attached table.

CONCLUSION

The libraries of this country, whether they be public libraries, school libraries, college and university libraries, or other special types and the patrons they serve have become major victims of inflation. All library costs are going up at the general rate of inflation, and the funds available to them are more or less static. The result has been to put a squeeze on all library operations, but particularly in keeping up with the acquisition of current materials which are essential to the provision of good library service. The number of books and periodical subscriptions purchased by libraries has, therefore, been declining, and for each dollar of increased costs which is imposed by postal rates, under the library rate or the special fourth class rate, the amount spent for books and periodicals will be reduced on a one-to-one basis. Libraries also use first class mail, of course, but the amount which they would save on the slight reduction in the first class rate proposed by the Administrative Law Judge is a drop in the bucket compared to the increased amount they would have to expend in library rate and special fourth class rate postage charges.

In these circumstances the imposition of increased special fourth class and library rate postal rates—at double or triple the general rate of inflation—is completely unjustified, not in the public interest, and based on a misinterpretation of the law and congressional intent.

COMPARISON OF WENNER INITIAL DECISION WITH USPS PROPOSALS IN R 74-1 (WENNER RATES IN PARENTHESES) 4TH-CLASS PHASED RATES: SPECIAL AND LIBRARY

	Phased rates (cents)[1]						
	1974—3	1975—4	1976—5	1977—6	1978—7	1979—8	1987—16
Description:							
Special:							
1st pound	18	19(24)	23(28)	25	28	30(40)	
Additional pounds	8	9(12)	9(14)	9	10	10(20)	
Library:	6	7 (9)	7(11)	7	7	8	10(29)
Additional pounds	3	3 (5)	3 (5)	4	4	4	5(14)

[1] Each phased rate step begins on July 6 of the indicated year. For example, step 4 would begin on July 6, 1975. Phasing ends in 1979 for the special 4th class rate and in 1987 for the library rate.

INCREASE IN WENNER'S ULTIMATE RATES OVER CURRENT (1974-75, STEP 3) RATES

	Cents	Percent		Cents	Percent
Special:			Library:		
1st pound	22	120	1st pound	23	383
Additional pounds	12	150	Additional pounds	11	363

DEFENSE INDUSTRY AND THE AMERICAN ECONOMY

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 16, 1975

Mr. BINGHAM. Mr. Speaker, a depressing anomaly in the economy of the United States is that, even in peacetime, we grow ever more dependent on the production of war materials for our economic well-being. The defense budget continues to grow, and we sell ever-increasing quantities of military hardware to other nations—$8.3 billion in fiscal year 1974 alone. Aside from the moral implications of our emerging role as the world's major supplier of the tools of war, it should be evident to all that we only make war more likely by continuing on such a course. A major stumbling block to a change in direction is the havoc that would be wreaked upon many of our most crucial industries, costing jobs, and sapping the economic vitality of communities across the Nation which depend on defense industries.

Yet it is clear that we must change direction. Our economy would be far healthier if we could rechannel some of the funds now flowing into military programs and products into goods and services for a real peacetime economy. The problem is one of cushioning the effect of such reform.

It is up to the Congress to pass legislation to provide that cushion. The Defense Economic Adjustment Act, introduced by myself, Mr. WHALEN, and 28 cosponsors on May 14, and reintroduced today with 5 additional cosponsors, provides an ideal vehicle for the discussion and shaping of such a measure. It would provide Federal assistance to industries and communities for planning conversion to a nondefense-oriented economy, and financial and other help to workers whose jobs are lost in the conversion process.

The bill is pending in five committees, but no action has been taken on it in any of them. I am hopeful that, with the support of my colleagues, we can obtain hearings on the Defense Economic Adjustment Act before the end of 1975.

In yesterday's Washington Post, Clayton Fritchey warned of the dangers in continuing down our present path. I commend his column to the attention of my colleagues:

The "Devouring Monster"

(By Clayton Fritchey)

Of all the farewell addresses of retiring American Presidents, only two are much remembered, and even they are little heeded. George Washington urged his countrymen to beware of "entangling alliances," and Dwight Eisenhower prophetically warned against the consuming power of the "military-industrial complex."

The World War II commander was alarmed over the development of a complex that, if not restrained, could gather the momentum of an unstoppable juggernaut—beyond the ability of the public and the Congress to cope with it any longer.

Numerous economists and political thinkers who shared Eisenhower's concern have felt that the point of no return would be reached when, and if, the peacetime defense budget equaled or surpassed actual wartime expenditures, a state that some felt could never happen. Only now it has.

The defense package presently nearing final passage not only exceeds the biggest budgets of the Vietnamese and Korean wars but even those at the height of World War II, when more than 10 million Americans were in the armed forces (2,152,000 are today). Indeed, the military obligations for the next fiscal year ($104.7 billion) are greater than the cost of the entire government (including defense) during any of the World War II years.

The most alarming aspect of this unprecedented situation is that a great majority of Americans are against it, yet feel helpless to do anything about it. And in Congress, many who feel that military spending should be cut back also are throwing up their hands in despair.

So the juggernaut rolls on, war or no war, each year picking up more momentum as the country increasingly depends upon this wasteful, but massive, spending, not so much to wage war as to sustain the economy and maintain employment.

All the experts agree that comparable spending for productive domestic programs would result in a sounder and more prosperous economy, but no administration seems to have the will to switch.

All of our Presidents since Eisenhower have been patsies for the Pentagon, which now counts on both Big Business and Big Labor to support many of its demands, especially at a time when it is claimed that any cut in the defense budget would worsen the recession.

Once hooked on this, the addition becomes permanent, for every year the cure will seem more risky, although there is no reason why it has to be. In fact, the cure (substituting non-defense spending) would be the reverse of risky if it were applied intelligently and constructively. A few years ago, when we started bringing the troops home from Vietnam, there were high hopes of using military savings to fund long-delayed domestic improvements. These hopes have been dashed as defense expenditures, instead of receding, have gone up almost 50 per cent over what they were at the peak of the Vietnamese war. Moreover, the Pentagon projections call for another 50 per cent increase (to about $150 billion) in the next five years.

The Pentagon, in short, is literally eating America out of house and home. An ever-larger sum goes for ships, tanks and planes, while new housing lags far behind the nation's needs. As Ben Franklin warned in 1784, "An army is a devouring monster."

Only a strong, determined President can provide relief. Harry Truman, the President who Mr. Ford says he admires the most, showed how to do it. He simply set a flat ceiling on expenditures and ordered the military chiefs to make the most of it. The result was the only reduced defense budget in all of the post-World War II years.

Despite Mr. Ford's professed concern over inflationary expenditures, however, he is still giving the Pentagon carte blanche to spend as it see fit. Adm. Gene La Rocque (Ret.), now director of the Center for Defense Information, says, "Civilians are in danger of losing control of the Pentagon."

In this connection, it is not reassuring to note that prominent Pentagon figures are assuming the management of Ford's election campaign. Army Secretary Howard Callaway is to be campaign chairman; David Packard, former Deputy Secretary of Defense, will be finance chairman; Robert C. Moot, former comptroller of the Pentagon, and Assistant Defense Secretary Robert Ellsworth are also being considered for campaign posts.

OFFICIAL AGENCY QUESTIONNAIRE EXPLANATION FORM

HON. EDWARD I. KOCH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 16, 1975

Mr. KOCH. Mr. Speaker, Alan Westin, editor of the Civil Liberties Review, a superb independent journal sponsored by the ACLU and John Wiley & Sons, publishers, has devised an "Official Agency Questionnaire Explanation Form" for individuals to send to a Government agency after they receive an intrusive or uncommunicative questionnaire.

How often is it that individuals receive these communications from Federal agencies and do not know if the request to respond to the inquiry is voluntary or compulsory, whether the agency has legal authority to ask the questions and what restraints are put on the disclosure of personal information divulged in the questionnaire response.

For our colleagues who are concerned about the right of privacy, I would like to append this "all-purpose citizen's equalizer" for individual to send to Government agencies.

While Mr. Westin has prepared his questionnaire, tongue in cheek, some of his questions make better sense than the official questionnaires do.

The questionnaire follows:

Official Agency Questionnaire Explanation Form

(By Alan F. Westin)

Have you ever opened your mail to find a questionnaire from the federal, state, or local government asking you to disclose a passel of information about yourself? Have you ever felt annoyed at the way some of the questions intrude into your personal life? Have you tried to read the microscopic type in the "Instructions" section that explained whether you were legally required to answer the questionnaire, or that it really was voluntary? And even if it said it was "voluntary," did you find yourself wondering whether, if you refused to reply, the agency that "asked" you to return the questionnaire might cut off your veteran's benefits, or Social Security checks, or revoke your driver's license? Have you wondered, after spending an inordinate amount of time answering the questions, what is done with the information you supplied?

If so, you are part of a large American club. Last year the federal government sent out over 156 million forms and questionnaires to individuals; by the government's own estimates, these took over 63 million hours to complete. There are no comparable figures for the questionnaire activity of our 50 states and 3,000 local governments, but these jurisdictions have been no less active in asking us for personal information.

To be sure, the government is entitled to seek out most of the essential information it needs in order to supply the many services we expect of it. But so much information, so many questions, and, sometimes, such absurd ones? Haven't you ever wished that, somehow, you could grab the bureaucrat responsible for a bothersome questionnaire by the scruff of the neck and make the government answer your questions before you answer the government's?

CLR Editor Alan Westin won three national awards for his book, *Privacy and Freedom* (1967), and served for several years as chairman of the ACLU's Privacy Committee. From 1969 to 1972 he directed the National Academy of Sciences' study of the effect of computers on privacy, coauthoring its report, *Databanks in a Free Society* (1972). Last year, he was a consultant to Senator Sam Ervin's Subcommittee on Constitutional Rights and helped draft the federal Privacy Act of 1974. He currently serves on the National Wiretapping Commission, a body created by Congress to review federal and state wiretapping operations under the 1968 Omnibus Crime Control Act.

Last year, Congress tried to help us all out a bit. It passed the Privacy Act of 1974, which provided some salutary controls over the government's intrusive data-collection practices. Starting in late September 1975, the act requires any federal agency that solicits information from you to state its authority for doing so, to indicate if your response is mandatory or voluntary, to explain why the government wants the data collected, to tell how the information will be used, and to indicate what (if anything) will happen to you if you decline to respond.

So far, very good. But the Privacy Act really doesn't help you as much as it should. It covers only federal agencies, leaving the questionnaires of state, county, and municipal agencies unregulated. It doesn't provide an independent board to which you can complain, easily and inexpensively, if you think a federal agency is asking unjustifiably nosy questions. (In fact, you must bring an expensive and time-consuming lawsuit if you wish to challenge an agency's practices.) Furthermore, a lot of the information you really should have before you fill out the questionnaire need not even appear on or with it: Where will the data go? Who has access to it? How can you get to see and, if necessary, contest what is put into any file compiled on the basis of your responses? Can the agency legally refuse to disclose the data if subpoenaed? The government is required to publish this information only once a year in the *Federal Register*. Now, the *Federal Register* isn't exactly the most popular or readily accessible periodical in America.

To remedy these weaknesses in the federal Privacy Act, *The Civil Liberties Review* offers here its all-purpose citizen's equalizer: the Official Agency Questionnaire Explanation Form. It's yours to tear out and send to the next government agency that sends you a long, burdensome, highly intrusive questionnaire, one which doesn't demonstrate clearly that its questions are relevant, or that your data will be properly safeguarded, or that you will be able to see what is transferred from it to any record on which you are identified, or that you are legally obligated to fill it out and return it.

Take heart. Here's a molotov cocktail made of paper. Hurl it at your favorite bureaucrat. Help to start a privacy revolution.

OFFICIAL AGENCY QUESTIONNAIRE EXPLANATION FORM

I.

Dear Inquirer: I have received your agency's form or questionnaire dated ——— and relating to ———. You requested that I fill it out and return it promptly to you.

However, your request presents a serious civil liberties problem. I have checked it below.

a. You say that my answers are legally required. But as you know (or should know), only valid legal authority can compel me to disclose such personal information, and your communication has not provided the facts I need to determine my legal liability to comply.

b. You say that my answers are voluntary and ask for my cooperation with an important government activity. But whether I cooperate depends on your disclosing how you will hold my personal information and what uses will be made of it, and you have not made such full disclosure.

c. You have not indicated if my response is to be voluntary or compulsory, which denies me essential information for determining my response.

Therefore, if you wish to hear from me you will have to furnish more information before I take my valuable time to respond.

Kindly answer only the questions in Section II that have been indicated by the boxes I have checked in Section I-a. You may attach additional pages with your answers, if necessary.

(Boxes not printed).

Notice: I will hold your form or questionnaire until I receive your reply. See Section IV of this form for my holding procedures.

II.

1. If my answers are required by law, provide full citations to the relevant statute, executive order, or other authorization for such compulsory response, and attach the full text along with this answer.

2. Are answers to *all* the questions legally required or only some of them? ☐ All ☐ Only some. If "Only some," indicate which questions are voluntary.

3. If my answers are required by law, what are the penalties or consequences should I refuse to comply?

4. If my compliance is voluntary, was your decision to seek this personal information from individuals reviewed by any central agency or authority in the (city) (county) (state) or (federal) government to insure that this information is not already collected somewhere else, and that it is not unduly burdensome or intrusive to the respondent?—Reviewed by Central Agency—Not Reviewed. If "reviewed," indicate the agency and specific official who made the review. If "not reviewed," indicate why not.

5. If my compliance is voluntary, do you certify that my answers or my refusal to answer will never be used in making decisions about my access to government benefits or opportunities?—Yes—Cannot so certify. If "cannot," explain why.

If "yes" supply name and title of person in the agency taking responsibility for making this certification.

Name ----------------------------------
Title ----------------------------------

6. If my compliance is voluntary, may I omit my name or other personal identifier?—OK to return anonymously—need name or identifier. If name is needed, explain why.

7. If compliance is voluntary and my name is needed, will it and any other personal identifier be removed from the data once the agency undertakes its study, or will the identifiers be preserved with my record?—Removed—Preserved. If "preserved," explain why this is necessary.

8. State fully the purposes for which this information is being gathered.

9. Indicate why this is necessary to carry out a lawful function of your agency.

10. Describe fully how the information I have given will be processed, used, and stored with your agency, including whether it will be used only in manual form, in computerized form, or in both. Also indicate whether it will be kept in a separate file or made part of a larger file of data about me.

11. Will my consent be obtained before any use is made by your agency of my identified personal data for purposes other than the ones stated above (or in your form of questionnaire, if it was given there)? — Yes — No. If "No," explain why.

12. If you say my personal data is and will be held "confidential," does that mean you have legal authority to withhold it from other government agencies or jurisdictions that might call for it? —Yes —No. If "Yes," please indicate the scope and limits of that authority. If "No," explain why you put such a misleading claim on your form or questionnaire.

13. Will any other government agencies have regular access to information collected from this form or questionnaire? —Yes —No. If "Yes," indicate legal authority for such data sharing.

Does such data-sharing require my consent? — Yes — No. If "No," why not?

14. If I want to inspect the record compiled about me on the basis of my response, am I entitled to do so? — Yes — No. If "No," explain why not. If "Yes," detail the location of the file, the procedures for inspection and raising issues about the accuracy or completeness of the record, and the name and address of the agency official in charge of such access procedures.

15. Will your agency supply to any private organization lists of names, addresses, and personal characteristics of those who reply to your form or questionnaire? — Yes — No. If "Yes," will you obtain my permission first? — Yes — No. If "No," and if this is based on the assumption that federal or state freedom-of-information laws do not require you to do so, cite the relevant legal provisions.

16. Describe fully the administrative measures that will be taken to guarantee the confidentiality and security of my personal data in your files, if you promise such confidentiality.

17. If my Social Security number has been requested, explain why you need it, since I am concerned that having this number on many of my government records makes it easy to assemble a comprehensive dossier about me. Explanation:

If I am opposed to giving my Social Security number, despite your explanation, would you rather I left that space blank and returned the form to you with the other questions answered, or should I throw the form in the wastebasket?—Return without social security number if you wish—throw into wastebasket.

18. Do you have a regular procedure for either destroying the personal information collected by this form or questionnaire after a certain period of time, or of updating it for accuracy and timeliness if it is retained?—Have regular purging procedure—update the information—other. Please explain.

19. Why didn't your agency put this explanatory information on your initial communication to me, either in a letter, an introduction to the form or questionnaire, or an enclosed brochure?

a. It would cost us some money.
b. It isn't the practice in our field.
c. We didn't think anyone cared.
d. Policies haven't been formulated yet.
e. No one higher up told us to.
f. We were just following orders.
g. All this uproar over privacy is silly.
h. Other. (Write in.)

20. Wouldn't it be a lot easier in the future to supply such explanatory information in advance, rather than have to reply to all these official agency questionnaire explanation forms?

Yes; no; depends on how many others push us on it.

Look over your answers again. Make sure that all questions you have been asked to answer are answered. Then be sure to read section IV.

IV. The following are my procedures for processing this official agency questionnaire explanation form:

I will hold your original form or questionnaire until I receive your answers on this form and study their responsiveness to my legal and personal rights.

I will not reply to any computer-generated second or third mailings of your form or questionnaire. My memory-system for keeping track of nonresponding agencies is infallible.

If I do not hear from you within 30 days, I shall assume you are content to have me

> throw away the original form or questionnaire.
>
> If I receive stern letters pressing me to answer your form or questionnaire even though you have not replied to mine, I shall write "Constitutionally Obscene Mail—Return to Sender" on the envelope and give it back to the letter carrier.
>
> For your information:
>
> If your reply to this questionnaire is unsatisfactory or not forthcoming, I shall send a copy of the reply or of the original questionnaire to the U.S. Senate Subcommittee on Constitutional Rights, if a federal agency is involved, or to the appropriate state legislative committee, if it is a state or local government agency. I shall send additional copies to the local and national offices of the American Civil Liberties Union.
>
> I also talk to my friends about these matters, and they talk to their friends. And let's face it—you really can't run the government without our cooperation, can you?

> THE CIVIL LIBERTIES REVIEW,
> *New York, N.Y., June 24, 1975.*
>
> Representative EDWARD KOCH,
> *House of Representatives,*
> *Washington, D.C.*
>
> DEAR ED: I thought you might like to have an advance copy of something I devised to send to a government agency when they send you a form or questionnaire that is intrusive, uncommunicative, etc. This will appear in the forthcoming "Spring 1975" issue of the Civil Liberties Review, in which your correspondence with Representative Ichord about the HISC files will also be appearing. Bound copies will be available about July 3rd.
>
> We are hoping to get national media attention for this "strike back" questionnaire, and to put it into very widespread use throughout the country. The ACLU will be promoting it, as will all of us self-appointed privacy buffs.
>
> If you think well of it, and are so inclined, we would very much appreciate your putting it into the Congressional Record with a suitable explanation and a few words about the Review.
>
> I hope we will be meeting again soon on the privacy hustings.
>
> Sincerely,
>
> ALAN F. WESTIN,
> *Editor.*

EQUAL JUSTICE ON U.S. PROPERTY

HON. WILLIAM L. ARMSTRONG

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 17, 1975

Mr. ARMSTRONG. Mr. Speaker, today I am introducing an amendment to the Federal Tort Claims Act to remedy a longstanding injustice in American jurisprudence.

I would like to illustrate the problem with a series of examples, all real.

The wife of a Federal employee is putting up decorations for a club function being held at a service club on a U.S. military base in Japan. She is injured when a stack of loosely piled building materials falls on her. Her insurance does not cover the enormous costs to her and her husband, and they file a claim with the Department of Defense. After a hearing and an administrative review, her claim is denied by the Defense Department—DOD claims she was negligent.

There is no avenue of appeal, no recourse whatsoever, except a private bill in Congress.

An American citizen is watching a static display at a U.S. military base in Asia. The platform fails, and she is severely injured by debris. After 7 years of surgery, she is still badly scarred and unable to live a normal life. The military authorities admit fault—but offer a settlement of less than $20,000—not even enough to cover the associated expenses of her care, let alone recompense her for permanent physical damage.

Once again, there can be no appeal of the decision of the Department of Defense.

It is such injustices this legislation seeks to correct.

Americans who are injured on Federal property here in the United States may make claims under the Federal Tort Claims Act, but Americans who are injured on Federal property overseas have no such rights.

In addition, I am opposed to the basic principle of the current system of handling overseas claims. To declare such a process is just when the agency which may be at fault holds the hearings, interprets the law, and makes the final decision is scarcely in the American tradition.

My proposal would simply amend the Tort Claims Act to make it applicable for such claims. Under this amendment, the law of the claimant's State of residence would apply. If he had no official State of residence, but is still a U.S. citizen, the laws of the District of Columbia would apply.

Such wording avoids application of the local foreign law while affording a long overdue right of appeal.

So I urge you to take early and favorable action on this legislation.

CHARLOTTE MINT MUSEUM OF ART PRESENTS A SEMINAR

HON. JAMES G. MARTIN

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 17, 1975

Mr. MARTIN. Mr. Speaker, each year the Charlotte Mint Museum of Art presents a seminar. This September, the museum will present a Seminar on Ceramic Art. It is my pleasure to include the news of this cultural event in today's RECORD.

Collectors and enthusiasts of historical pottery and porcelain find that Charlotte is their mecca. Again in September, they will make the annual trek to this center of study and research of the ceramic art.

Mr. Joseph Claud, president of the Mint Museum of Art, announces it will present the September Seminar on Ceramic Arts with an outstanding array of seven speakers, September 16, 17, and 18. September 15 is described as "Monday at the Mint," with the museum open only to registrants of the seminar that afternoon, followed by a reception at the museum hosted by its board of trustees that evening.

Mr. Claud said:

> The enormous success of last year's September seminar accentuated the strong need of building up this type of activity into one that is gaining international recognition. It reflects so positively on the cultural atmosphere of our community and it is a great drawing card to our Mint Museum. I am just as enthusiastic as I can be over this program and the other activities in connection with the Seminar.

Mr. Claud's sentiments were those of a firm believer in the arts but also those of a businessman. He is senior vice president of North Carolina National Bank.

Widespread recognition of the September Seminar has brought early registration from many museums and historical societies of note. The September Seminar is held under auspices of the Delhom Service League, a working arm of the Mint Museum. The lecture program is arranged by Miss M. Mellanay Delhom, Curator of the Delhom Gallery and Institute for Study and Research in Ceramics, and in cooperation with Mr. Dewey Lee Curtis, director of the Pennsbury Manor Forum, held in Bucks County, Pa.

Chairman of the 1975 September Seminar is Mrs. Howard Strock; cochairman is Mrs. Robert Dalton, Jr. Mrs. Oliver Shaw is president of the Delhom Service League.

Registration fee for the September Seminar is a 3-day package for $55—15 lectures—or $25 for a 1-day session. Lecture sessions will be held in the Pease Auditorium of Central Piedmont Community College. All lectures will be slide illustrated. In addition to the lectures, elaborate arrangements are being made for luncheons, receptions and dinners for registrants of the seminar. An added feature is intra-city bus service to all events available to registrants.

Because of limited seating capacity, registrants will be treated on a "first come, first served" basis. Registrations will close August 15. Registration forms for lectures and social events may be obtained from the September Seminar, Post Office Box 6011, Charlotte, N.C., 28207.

BANGOR, MAINE LOSES COMMUNITY LEADER

HON. WILLIAM S. COHEN

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 17, 1975

Mr. COHEN. Mr. Speaker, on July 9 my home city, Bangor, Maine, lost one of its most energetic community leaders, Norbert X. Dowd.

Norby Dowd, was was 68 years old at the time of his death, was a guiding force in civic activities in Bangor for more than four decades. He served the Bangor Chamber of Commerce for 28 years, from 1944 when he took over as executive secretary of the chamber to his retirement in 1972 as executive vice president of an expanded Greater Bangor Chamber of Commerce.

In an obituary published in the Bangor Daily News, newsman Jim Byrnes wrote eloquently of Norby Dowd's dedication to the city he loved:

> Dowd was a tireless worker to make greater Bangor a better place in which to

live, work and play. He never gave up, and during his efforts a newer Bangor emerged, an ongoing memorial to this gentleman.

A battler since 1928 when he arrived in Bangor as the first head coach and athletic director of John Baptist High School, he captured the hearts of the student body by fighting for every year of score with referees and umpires who he thought had done his beloved Crusaders wrong.

"Norby's on the field again . . . Norby's on the field again," was the chant from the bleachers when the scrappy young pilot from Holy Cross marched out to battle with officialdom.

Later, when he became a sports official, he was respected by friends and foe for his firmness, and he carried these attributes into his work for the Bangor community.

He helped improve and expand airline service to the area. He brought public transportation to the area and constantly fought for more parking space, and consumer protection, and better health and hospital care. There was hardly a charity drive in the city or nearby communities of which Dowd was not in the forefront.

He took much banter at social and business functions, and gave as good a quip as he received.

The Greater Bangor area will sorely miss Norby Dowd's good-natured and productive presence. It remains to us to carry forward the good works he launched in our community as a living memorial to this man who gave so much of himself to help others.

His widow, Theresa, and his sons, Norbert Jr., James, and Shaun, have my deepest sympathy on the loss of a dear husband and father.

STATEMENT IN SUPPORT OF 100 PERCENT CREDIT FOR RETIREMENT FOR NATIONAL GUARD TECHNICIAN SERVICE

HON. ROBERT G. STEPHENS, JR.

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 17, 1975

Mr. STEPHENS. Mr. Speaker, I introduced H.R. 4019 to correct certain inequities in the crediting of National Guard technician service in connection with civil service retirement. This legislation is designed to remove the 55-percent limitation on credit for National Guard technician service prior to January 1, 1969, thereby allowing full credit for all technician service. The National Guard technicians are the only group ever brought under the Civil Service Retirement Act who have not been given full credit for prior service. This includes those groups whose prior service was covered by the Social Security Act. An inequity exists in that less than half the technicians who came under the Technician Retirement Act in 1969 had the necessary 40 quarters required to assure social security benefits. Those who did have this requirement will suffer a reduction in social security benefits that they eventually receive, because contributions ceased from both employer and employee on the day they entered the Federal retirement system in 1969.

The Federal Government contributed to retirement systems in 20 States prior to 1969. The other 31 States received no Federal assistance. This contribution in 20 States has been interpreted to be a windfall for technicians and, therefore, the retired credit was reduced to 55 percent.

The facts are that 75 percent of the technicians covered by local retirement systems did not have sufficient service to give them vested interests in their State systems, and will, therefore, never become entitled to State annuities.

A provision can be made in the final bill that will preclude any windfall in those States which had a retirement system and received contributions. Under the present 55-percent restriction, technicians are forced to remain in the system until age 60 in order to qualify for a sufficient annuity for their sustenance. After age 55 their value under a mobilization situation is severely reduced. If they receive 100 percent credit toward retirement, many will elect to retire allowing a younger input which will vitalize the force and assure its combat readiness.

SECRETARY OF COMMERCE OBJECTS TO PORTIONS OF OIL CONSERVATION ACT

HON. JOHN J. RHODES

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 17, 1975

Mr. RHODES. Mr. Speaker, I have today received a letter from the Secretary of Commerce indicating his objections to portions of H.R. 7014, the Energy Policy and Oil Conservation Act of 1975. Specifically, the Secretary is concerned with the language in title IV, part B.

For the information and enlightment of my colleagues, I am inserting the text of the letter from Secretary Morton at this point in the RECORD:

THE SECRETARY OF COMMERCE,
Washington, D.C.

Hon. JOHN J. RHODES,
Minority Leader, House of Representatives,
Washington, D.C.

DEAR JOHN: The current language of Title IV, Part B of H.R. 7014, the Energy Policy and Oil Conservation Act, contains several objectionable features. It burdens government and business with cumbersome reporting requirements regarding fuel use. It orders the setting of energy use reduction goals which are likely to increase the pressure for a mandatory program; given the distortions and inequities created by existing regulations, another mandatory program will not serve our energy needs. Moreover, the specification of conservation techniques which must be used, as ordered in the bill, is beyond the ability of any institution and will probably discourage technical innovation in this field. Part B also takes little cognizance of industry's current energy conservation efforts which have yielded significant savings to date. Government rules and orders are unlikely to improve that record.

Despite these significant deficiencies, Part B is unnecessary for other basic reasons: the Commerce Department and the Federal Energy Administration already have an industry energy conservation program in place. This successful program, begun in 1973, contains the following elements: (1) the Government, with industry, sets energy conservation goals; (2) industry regularly reports to Commerce and the Federal Energy Administration regarding its progress; and (3) the Federal Government offers its support and technical expertise in helping industry achieve the goals. Voluntary energy savings goals of approximaely 12 percent have been set within 10 energy intensive industries. To date, over one-third of this goal has been reached. Given this level of success, a Congressionally directed mandatory program is not needed.

Reduction of industry energy use will be a vital part of a sound energy policy, and efforts are well underway in this regard. Enactment of Title IV, Part B, however, will only serve to saddle the Administration with an inherently flawed mandatory program. Moreover, it will only serve to confuse the situation regarding our successful in place cooperative program. Accordingly, we recommend that Congress delete this section from the measure.

Sincerely,

ROGERS C. B. MORTON.

SOYUZ-APOLLO: THE MYTH AND THE REALITY

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 17, 1975

Mr. McDONALD of Georgia. Mr. Speaker, the link up in space today may provide lots of copy for the press, but it will not advance the cause of human freedom one step. The space link up may help further the myth that the Soviets are mellowing, but to those Soviet citizens who languish in the forced labor camp and their so-called psychiatric hospitals, it is a nonevent. An organization called the Committee of Concerned Scientists, Inc. of New York City issued a statement in this regard which I feel deserves the thoughtful attention of my colleagues. This statement was made jointly by Dr. Jack Cohen of the National Institutes of Health, Bethesda, Md. and Dr. Eugene Stanley, of the Massachusetts Institute of Technology on July 11. The statement follows:

SOYUZ-APOLLO: THE MYTH AND THE REALITY

"Glowing newspaper and television coverage of the Apollo-Soyuz launch will offer visible evidence that the world's greatest ideological and military rivals can cooperate on programs of mutual interest. The venture may create an impression of Soviet and U.S. technological equality, but far more damaging would be the impression that the USSR shares Western concepts of scientific cooperation.

"While the astronauts link up in space, minute details of the technology which made the rendezvous possible will be read by millions of people all over the world, but on earth, Soviet space scientist Aleksandr Druk is still denied permission to emigrate on the pretext that his space knowledge is 'secret'.

"In space, scientific cooperation has resulted in clever packaging of three meals a day for the astronauts, but on earth, other scientists subsist on a semi-starvation diet in Soviet prison camps for the 'crime' of claiming the international human right of emigration. For other scientists, incarcerated in mental institutions for displeasing the Soviet establishment, vitamins are replaced by mind-destroying drugs.

"Cooperation in space should be matched by cooperation on earth and as long as Soviet scientists cannot deal freely with Western Colleagues, and while Soviet abuse of science and scientists increases, we can have no faith in the expectations raised by the emphasis on detente.

"While we join in the celebration of another step forward for man, we grieve over the refusal of the USSR to take even one step forward for mankind."

THE 200-MILE FISHING ZONE DRAWS CLOSER

HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 17, 1975

Mr. YOUNG of Alaska. Mr. Speaker, the recent incursion of the Taiwanese fishing vessel *Tai Chiang* into the Bristol Bay red salmon fishery drastically demonstrates the need for timely action on extended fisheries jurisdiction legislation.

The vessel was boarded July 16 by U.S. officials at which time 50 metric tons—20,000 to 22,000—of fish were discovered on board. The catch consisted primarily of Bristol Bay red salmon, the same species which prompted Congress to declare the Bristol Bay fishery a disaster last summer.

U.S. officials learned from questioning the captain of the Chinese ship that he possessed a permit from his government to operate a fishery directed at the Bristol Bay salmon in the Port Moller area off the coast of Alaska.

U.S. State Department officials are aware of the serious nature of this problem and have filed a protest with the Taiwan Embassy here in Washington. An official of the Department is scheduled to travel to Taiwan and initiate high-level discussions with the proper authorities of that nation.

The State Department will further explain the fact that foreign nations, recognizing the need to conserve this dwindling stock, have agreed not to operate high-seas salmon vessels in the North Pacific. Also, millions of dollars have been spent by the United States to revitalize this fishery and insure its continued viability.

Unfortunately, this incident occurred on the high seas outside of the jurisdiction of the United States. For this reason, we must rely on the good faith and cooperation of the Taiwan Government to insure protection of the Bristol Bay salmon.

I have consistently stated the need to my colleagues in the House for us to act immediately on extension of our contiguous fisheries zone to 200 miles. If this was done the protection of our national fisheries, made necessary by this most recent in a series of threats, would be insured.

INCREASE MANDATORY SENTENCING OF FIREARM CRIMINALS

HON. ROBIN L. BEARD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 17, 1975

Mr. BEARD of Tennessee. Mr. Speaker, today I am introducing legislation which increases mandatory sentencing for criminals who use a firearm in the commission of a Federal crime. Fourteen of my colleagues have joined me in what I hope will be a successful effort to help combat violent crime in this Nation.

My bill differs from existing law in two principal areas—first, it increases penalties for offenders in both cases of first and second convictions; and second, it gives the Nation's Federal prosecutors the right to have the trial courts' sentencing reviewed if the sentencing judge fails to exercise proper discretion in determining the terms of sentencing.

Under the provisions of the Omnibus Crime Control and Safe Streets Act Amendments of 1970, strict sentences are imposed upon felons using or possessing a firearm in the commission of Federal crimes. The 1970 amendments provided a separate and additional penalty for the mere act of carrying a firearm in committing a crime—specifically separate and in addition to the sentence for the underlying crime itself.

The legislation being offered here today would preserve some latitude in the case of first offenders. However, this discretion is intentionally restricted by the addition of language authorizing the United States the right to seek review of sentences received by first offenders if the trial court judge fails to exercise discretion in meting out penalties in such cases.

The need to maintain discretionary status in sentencing a first-time offender is not to imply that the individuals should be treated with leniency but in recognition of the state of this Nation's penal system. In too many cases our Federal penitentiaries are breeding grounds for the schooling and training of even more determined criminals. The conditions prevalent in many Federal prisons force the internee to react with bitterness and vengefulness on the society which incarcerated him. Therefore to confine a first offender in every instance means there is little hope for rehabilitation.

However, there are many cases where first offender deserves imprisonment. While judges have the authority to mete out a sentence to these individuals, they often do not. My legislation, if adopted, would offer remedy in the case where the Federal prosecutor determined that suspension, probation or terms of sentence were unreasonable. This added tool would operate in both first and second offenses. Yet, in the case of the second offense the additional penalty is truly a mandatory sentence which may not be suspended by the court, nor may probation be granted.

My bill provides for new terms of sentence. In the case of a first offense, the penalty can be up to 10 years. For second offenders the term of imprisonment cannot be less than 5 years and up to 25 years. In both cases, the sentence is in addition to the penalty for the underlying crime.

With the passage of my legislation, the criminal who thinks to use a firearm in perpetrating a crime will have final notice that this society will not have even the slightest sympathy in a case where violence is used.

EDUCATION APPROPRIATIONS

HON. W. HENSON MOORE

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 17, 1975

Mr. MOORE. Mr. Speaker, I am compelled to vote against the conference report on the Education Division appropriations bill, H.R. 5901, as an advocate of both Federal education programs and the taxpayer.

A vote against this measure should not be construed as a vote against education by anyone. It clearly is not. It is, however, accurate and timely to interpret my opposition to this specific bill on the basis of fiscal responsibility and unnecessary Federal intervention in the conduct of our local school systems. My vote in opposition to the conference report would not have been cast in that manner had the Senate and House conferees returned to the House a conference report significantly closer to the President's budget request and retained the amendment I successfully offered on the floor to assure the Department of Health, Education, and Welfare would not release Federal funds to finance forced busing of schoolchildren as a result of Federal court directives.

Mr. Speaker, a 20-percent, $1.3 billion increase over a budget request in any category of Federal spending should be subject to close scrutiny by any Member of Congress who wishes to state his or her opposition to increased taxes or deficit spending to the taxpayers back home and stand behind it. It is unfortunate that this bill contains increased Federal spending of that magnitude. In other terms, the final version of H.R. 5901 is more than $560 million above the appropriations for such purposes last year and more than $147 million above the amount specified by the House in its initial passage of H.R. 5901 on April 16 of this year.

In addition to this departure from reasonable spending practices, the House-Senate conferees failed to retain my amendment to section 314 of the bill. That amendment would require HEW to abide by sound congressional prohibitions against forced school busing and prevent that bureaucracy from using any interpretation of other legislation to release Federal funds to pay for the costs of forced busing of schoolchildren.

As a student, a teacher, an attorney, and as a Member of Congress, I have consistently advocated a strong and vital public education system in this Nation. I intend to continue to demonstrate my advocacy of public education in the future.

T. P. O'NEILL III AND MASSACHUSETTS SUPPORT THE HIGHWAY TRUST FUND

HON. BUD SHUSTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 17, 1975

Mr. SHUSTER. Mr. Speaker, as the debate over the highway trust fund develops, it is significant to note that the Lieutenant Governor of Massachusetts, Thomas P. O'Neill III, has testified before the Subcommittee on Surface Transportation in support of the highway trust fund. Lieutenant Governor O'Neill informed us that Massachusetts is approximately 80 percent urban so their support of the trust fund highlights the fact that urban America, as well as rural America, needs the highway trust fund.

Following is Lieutenant Governor O'Neill's testimony which I commend to my colleagues:

T. P. O'NEILL III AND MASSACHUSETTS SUPPORT THE HIGHWAY TRUST FUND

Mr. Chairman and members of the committee, I appreciate the opportunity to appear before the committee and discuss some aspects of the present interstate highway program and proposed changes in that system. I hope to spend as much time telling you about the needs of our State and, I am sure, other urban and industrialized States.

It has long been apparent that the future of transportation in this country lay in the development of various kinds of public transit—transit which would permit the mobility we demand while preserving our environment and protecting us from the self-created demands of oil consuming automobiles.

The 93d Congrses took a major step toward this future by passing legislation which allowed for use of the highway trust fund from mass transit construction, as well as for highways. It was the intent of Congress, in passing the Interstate Transfer Amendment, to encourage public transportation through the use of a fund which has proved phenomenally successful in encouraging the building of highways. The amendment recognized that transportation demands differed from area to area and changed with time.

The highway trust fund, by providing a continuing dependable source of funds, made possible the vital links between different areas of the Nation.

While there is a need to complete that system—except, of course, where the desires of planners failed to consider the feelings and needs of local residents—there is an equally strong need to fund other kinds of highway construction and transportation systems.

This committee and the Congress are considering proposals to provide direction and sufficient funding for a balanced transportation development. The Ford administration's proposal, while containing some admirable and long worked for changes, fails to fully achieve either of those goals.

Although changes in the interstate transfer provisions of the highway trust fund will allow more flexibility in the draw down provisions which Massachusetts and many members of this committee have long worked for—the administration proposal removes the protection of the trust fund from non-interstate highway and various forms of public transportation.

While the proposal would authorize $800 million a year for the urban transportation assistance program, this funding is not subject to the same protection as that kept in the fund for the interstate system. The committee knows far better than I that the competition for appropriations in the general fund is fierce, and only those programs funded by trusts can be guaranteed of adequate moneys.

If Congress is to continue its support and encouragement of balanced transportation, it should examine two courses. We should either expand the concept of the current highway trust fund into an overall transportation trust fund, or we should establish a separate public transit trust fund in addition to the limited and restricted highway trust fund proposed by the President. For unless there is that measure of protection, public transportation will be shortchanged. This is not only contrary to congressional intent, but flies in the face of the public outcry for expanded transportation services.

In Massachusetts for example, there are a number of legitimate and well thought out projects that have the support of State and local officials. These are not the major expressway projects, favored in certain formulas, but rante from services to improve local bus service in small towns and rural areas to improvements in some of the oldest and most traveled urban roads.

Presently the dollar value of these projects is well over four times the funding we would receive from the Federal Government over the next five years under the current program. If the new administration plan is adopted as proposed, there would be an even greater discrepancy between the transportation needs and available funds.

If we really intend to encourage urban transit through the creation of a UTAP, an urban transportation assistance program, we must insure an adequate and dependable funding level.

We of course recognize that Federal transportation funds are not an unlimited resource, and we don't expect them to be. But we must face the fact that if some transportation funds are held in a trust fund, and others are subject to the normal pruning and paring of the appropriations process, that those activities protected by the trust fund will flourish, while other transportation programs may become severely undernourished.

An expanded general transportation trust fund would finance the various highway assistance programs as well as our Nation's discretionary transit program. It would have the advantage of providing a stable source of funding for transportation investment without the disadvantage, inherent in both the present highway trust fund and the trust fund proposal of the President, of unduly favoring certain kinds of improvements at the expense of others.

I know that these are difficult times and there are many demands on you, as there are on us in State government, to allocate resources. I also know that too often State officials come to you with their concerns or requests, but ignore the vital and final questions of financing. I will try not to do that.

In order to fund the transportation needs of the Nation, new revenues will have to be raised. Given the existence of more than $8 billion in the present trust fund, it is not clear if that need is immediate or somewhat in the future the existing and anticipated rates of receipts and disbursements indicate that the surplus may decrease very slowly.

But eventually there will be a need for more revenue. Massachusetts, and most other States would, I believe, be willing to seriously discuss funding mechanisms. Right now, it would seem wise to examine that gasoline tax that the administration's proposal would return to the general fund.

Further increases in the gas tax, when they must occur, should be related to more energy efficient modes of transportation—such as mass transit or rails.

We are not unmindful of the serious task of fair allocations of scarce revenue, but we are concernd that once set-asides for transportation are ended, there is no guarantee that funds will be provided constantly in sufficient quantity.

Before the concept of a trust fund is destroyed, we ought to examine what will happen to transportation without these guarantees.

I appreciate the opportunity to appear before you today, and I am anxious to work further with you on the details of your response to the President's proposal when you begin formulating your program.

ALVARO CUNHAL: PORTUGUESE VOICE OF COMMUNIST TYRANNY

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 17, 1975

Mr. McDONALD of Georgia. Mr. Speaker, having learned from the example of Chile that a Marxist-Leninist revolution cannot be secure until a country's armed forces have been subverted to the Communist cause, the Portuguese Communists do not intend to make the same mistake.

Closely allying itself with the extreme left armed forces movement which staged a coup on April 24, 1974, the Portuguese Communist Party, in direct cahoots with Moscow, has in turn received support from the military for its revolutionary programs which have included taking over all opposition press and radio stations.

Alvaro Cunhal, leader of the Portuguese Communist Party, is of a type rather rare now—a Communist leader with the taste of a long-sought victory in his mouth who, feeling ultimate power within his grasp, does not deign to disguise his intentions.

Cunhal makes no secret of his contempt for "bourgeois democracy" as he terms the electoral system, and the law.

Here for the illumination of my colleagues is an interview with Alvaro Cunhal conducted by Italian journalist Oriana Fallaci.

The article follows:

A TALK WITH THE COMMUNIST LEADER—"I CARE NOTHING FOR ELECTIONS, HA, HA!"

(By Oriana Fallaci)

The man who counts most in present-day Portugal, the man who influences the army's power machine, the man, in one sense, who has emerged the winner, although he was beaten at the elections, is Alvaro Cunhal, the Portuguese Communist party leader. It isn't too easy to obtain an interview with him. If one succeeds, however, one has only to listen to him in order to grasp what is happening in that country, to obtain a clear picture.

Cunhal ignores diplomacy's nebulous paths. When he opens his mouth, he says what he thinks, with blunt sincerity. And among the things that he thinks, that he wants, that he has already partially obtained, we find a total refusal of democratic liberties, of democracy as we conceive it. The sum and substance of his utterances is: Either the dictatorship of the proletariat or else Fascism; the third force doesn't count, liberal Socialism is rubbish. If this attitude harms European comrades, all the worse for them. He makes no mystery of his opinion.

The only mystery he makes concerns his own person: He refuses to state whether he has any family or where he lived after his flight from the fortress of Peniche where he was interned until 1960, for 14 years in all. (It is, however, believed that he lived in Moscow and married a Russian.) Paradoxically, one is attracted to him. He is friendly, gay, impetuous, apt at repartee and able to make one laugh even while he is uttering the most unacceptable principles. Moreover, his intelligence is lively and sharp despite his blind faith and a hint of naiveté that cannot but astonish his listener. (I saw his eyes flicker and his ears redden when I maliciously insinuated that the Soviet Union, impatient with his orthodox excesses, might consider liquidating him.) It is hard to resist the fascination of his handsome, clean-shaven face imbued with faith, his blue eyes and his snow-white hair. (Women find him likable.) It is easy to ignore his charm, however, when one reflects on how ruthless this man is, when one remembers he doesn't believe in freedom.

CUNHAL. Say what you like, think what you like: We Portuguese Communists need the army. And we're supporting the army. We've no use for a popular front with the Socialists, a pact like the one formulated by Nenni and Togliatti in 1948. We have already signed the kind of pact we need with the M.F.A., the Armed Forces Movement. In this country it is impossible to form a popular front without the army. The Socialists' great mistake lies in not having understood such a simple truth, in having estranged themselves from the army despite all the votes obtained. Even now, they can't manage to grasp this fact. They refuse to acknowledge that we are engaged in a revolution together with the army, a revolution started and led by the army. The Socialists already backed the wrong horse on April 25. At decisive moments, we Communists have always arrived first. On March 11, for instance, when there was the coup attempt, we didn't wait to see which way the wind would blow. We didn't fiddle about trying to discover which group was more likely to win. We immediately took the responsibility of denouncing the counterrevolutionary danger, of condemning Spinola. And we remained on the side of the Armed forces.

FALLACI: Say what you like, think what you like: It isn't permissible to neutralize and ignore a party that represents the greater majority of your people, the party that won the election. If one doesn't accept the rules of the election game.

But we Communists don't accept the rules of the election game! You err in taking this concept as your starting point. No, no, no: I care nothing for elections. Nothing! Ha, ha! If you believe it's all a question of the percentage of votes obtained by one party or the other, you're laboring under a gross delusion! If you think the Socialist party with its 40 per cent and the Popular Party with its 27 per cent constitute the majority, you're the victim of a misunderstanding! They aren't the majority.

Are you joking, Cunhal? Or is arithmetic nothing more than opinion?

I'm telling you that elections have nothing, or very little, to do with the dynamics of revolution. Whether you like it or not, whether the Socialists like it or not. I'm telling you that the election process is but a marginal complement of said dynamics. Because the Armed Forces Movement, in this country, is a political force. An independent force, with its own political thinking, its political autonomy, even if it isn't represented in the election results. Yes, I know what you're wishing to retort: that the Army voted too. So what? Its votes were scattered among the various political parties: The Armed Forces Movement wasn't competing as such. And if you believe the Constituent Assembly can meet without the M.F.A., you're making a big mistake. If you believe the Constituent Assembly will be transformed into a Parliament, you're making a ridiculous mistake. No, indeed! The Constituent Assembly will certainly not form a legislative organ; it will certainly not become a chamber of deputies. I promise you. It will be a Constituent Assembly and nothing more, with a limited importance, nothing more. It will meet within a well-determined political framework, well-conditioned by the agreement signed with the M.F.A. by the force that is not represented by the M.F.A. Because it's the M.F.A. that launched the revolution on April 25, not the Socialist party.

Have I understood you properly? You did not say there'd be no parliament in Portugal?

You've understood perfectly. I promise you there'll be no parliament in Portugal.

In that case, why hold elections at all? Why did you Communists take part? Why spend so much effort and money?

He, He, he! Maybe you have a point there. Maybe it would have been better if we hadn't taken part. But one can't always do what one likes; one can't always follow programs. Everything was already planned, decided. So many contradictory factors had intervened—that heterogeneous Government, for instance. That large coalition of power that even included the Popular Democratic party. We Communists had indeed told the army men that the P.P.D. shouldn't have been included, that the country couldn't be led towards Socialism by means of an extensive democratic coalition. But they insisted on lumping together Socialists, Communists, Social Democrats and the various trends within the Armed Forces Movement . . . We had warned them the elections constituted a danger, that they were premature, that if no measures were taken we'd lose them, that one can't mix the passive vote with militancy. But we were able to prevent only the regional elections. They insisted on holding the one for the Constituent Assembly.

Cunhal, elections provide the only thermometer for assessing a people's will.

One of the thermometers. Only one. And I say this just to please you or, better, because if I answered "no thermometer," we'd go on forever; yes, no, yes, no. But how can you speak of using a thermometer when there are districts where people can't even read and write? Districts where propaganda is carried out by whispering: "If you vote hammer and sickle, the Communists will come and give you an injection behind your ear."

What you're saying is that the people are immature, Cunhal. It's always an excuse for dictatorships. And it's exactly what the Fascists say.

Well . . . It doesn't mean that the people are immature . . . it means that the electoral method isn't the only one. . . .

The truth is that you didn't expect to lose so heavily, Cunhal.

No, no. I knew the right would win. Hadn't I even warned the army? I expected more votes in Lisbon, true. I expected more votes in several districts, in the South . . . but I never deluded myself that we'd obtain the majority. That would have been an unfounded hope. Anti-Communist feeling ran so high that in some villages I couldn't even hold a meeting. On the walls they scribbled. "Cunhal, if you come here, you die." The agricultural electorate was very unfavorable to us. The election campaign was held in a climate of terror in the countryside. And everywhere, the enemy to be overcome wasn't Fascism, it was the Portuguese Communist party. We had everyone against us: right, center, left. We had you against us, too, you of the international press—always talking of Prague, of Lisbon as of Prague . . . while the Vatican radio launched appeals not to vote for the left and the Socialists evoked the speaker of civil war, of a war with Spain if the Communists came to power, of a Communist army coup. It was unavoidable that the right should win.

It isn't the right that won, Cunhal. It's the Socialists that won. Nor was there any terror: You spoke wherever you liked. The election was held in a correct manner. It's you, later, that behaved incorrectly. Unlawfully, in fact.

Ah, but at this point I must explain to you what's happening in Portugal, what we have here. There's a revolution happening, you know? There's a revolutionary process afoot, you know? Even if it is proceeding side by side with a bourgeois democratic process that sometimes coincides with the aims of the revolutionary process and sometimes contradicts them. The solution of our problems lies in the dynamics of revolution, whereas the bourgeois democratic process wants to entrust it to the old electoral concepts, invoking legality, a judicial situation and seeking to protect it with the laws of a previous regime. It refers to laws that must be respected. But in the revolutionary process, laws are made, not respected. Do you see? The revolution doesn't respect old laws; it makes new ones.

Perfectly right. Perfectly true. But, in that case, why speak of democracy? Democracy is pluralism; it is free thinking. It's elections that must be respected. Elections in which all take part and not just the parties tolerated by you.

That's your opinion. It's by no means mine.

So I perceive. But then, what on earth do you mean when you use the word democracy?

Certainly not what you pluralists mean. To me, democracy means getting rid of capitalism, of trusts. And I'll add: In Portugal, henceforth, there exists no possibility for a democracy such as the kind you have in Western Europe. By "henceforth" I mean "no longer." Of course, if on April 24 we had been told, "You'll have a political set-up like the one in France or in Italy or in England," we'd have exclaimed: "How wonderful, what a relief!" But things went differently; the way events moved opened other prospects to us, and you can't expect a people's wishes to limit themselves or crystallize. In other words: Your Western democracy is no longer enough for us. Your coexistence of democratic freedoms and monopolistic power no longer interests us. We wouldn't attain it even if we could. Because we don't want to. We don't want a democracy like yours. We don't even want a Socialism, or, rather, a dream of Socialism, like yours? Is that clear?

And how!

In this country we need thorough, radical transformation at the social and the economic level. There are two choices before us: either a monopoly with a strong reactionary government or the end of monopolies with a strong Communist democracy. Capitalism in Portugal has developed in a very individualistic way—based on backward industry, a primitive agriculture, a poverty never lightened by technology. Moreover, it has always enjoyed the protection of the Government establishment. It was the Fascist state itself that promoted a trust system by its use of violent repression and its enforcement of the miserable conditions the workers lived in. Our capitalism has always been an underdeveloped one, not at all to be compared with the types existing in other European countries. There's always been an enormous difference between the salaries of our workers and those of other European workers, an abyss between their mutual standards of living. So I'm interested in getting rid of monopolies, even if we're doing it in rather a disorderly way just at present. What you see now in Portugal is but the beginning. A temporary situation, in fact. Don't believe that the nationalization already achieved has followed a blueprint, a program. It's just a solution to immediate problems. Even without wanting Socialism, nationalization was overdue. And here you come babbling of election results, democratic freedoms, liberty!

Is it because you don't like that kind of talk that you've had the Socialist daily Republica suppressed? Is it because you don't care for freedom that you're monopolized all the information media, from newspapers to radio to television?

I haven't monopolized anything. The press is self-managed ideologically, and I'm agreeable. It follows Portugal's revolutionary process and is entirely free. Of course, if the workers believe some editor or staff if counterrevolutionary, they have every right to demand their removal. It's even their duty, both spiritual and political. Everywhere, in Portugal, a paper's workers may evict the paper's editor. Or refuse to print the paper for him. That's what happened in the case of Republica. The Socialists behaved hysterically; they made a scandal of the affair to remind people they'd won the election. The truth is that the workers rebelled because Republica published nothing but attacks against the P.C.P., libels against the P.C.P. and criticism of the revolution: They began by censoring the texts they found unfair and then revolted. They were quite right to do so.

What if Socialist workers were to do the same to your papers? What would you say to them then, Cunhal?

He, he! I'd say: You fellows. . . .

Listen, Cunhal: One even finds you, because you're overbearing and make no secret of it, a tyrant who takes no pains to mask his tyranny. On the other hand, don't you realize the harm you're doing to the European left and particularly to your Communist comrades in other countries? Just consider the Spanish Communist Party. . . .

Ah! Poor Spanish Communist Party. Ah! Poor Spanish Communists! How their plight moves me, how I suffer for them!

Just consider the Italian Communist party and the service you've done the Italian Christian Democratic party. . . .

Oh! How sorry I am, how afflicted, navré! Je suis navré! Vraiment navré! Oh! Poor Italian Communists! Je pleure pour les Communistes Italiens! I weep for all European Communists, I reproach myself, I curse myself, I suffer on their behalf! Yes, I know their complaints. They're the ones they repeat to me whenever they come here. "Why are you doing these things?" "Why don't you accept some of the democratic procedures?" "Why do you prevent the Christian Democrat party taking part in the election?" and so on and so on and amen. What Christian Democrat party? All there existed was a tiny party that had been formed a bare four weeks earlier, with a fascist at its head. A fascist who should have been in prison since Sept. 28, in fact, because he had already betrayed the Armed Forces Movement with Spinola. A young reactionary party that didn't even have a Catholic base and that had already attempted conspiracy. . . .

All that has still to be proved and, in any case, wasn't the M.D.P. [Movimento Democratico Portugues, a Communist front] also such a small party but recently formed for your convenience?

We are looking through two very different windows. Your window isn't mine.

That appears obvious to me. However, I find it strange that you should sneer so at your Communist brethren in another country. The Italian Communist party was striving for the historical compromise and you. . . .

Oh, how sad to think they've suffered so much because of me! Oh, how mortified I feel! They had that possibility, and I spoiled it for them! You know what I think? If a Communist party can suffer damage by events taking place in another country, if it has to bear the consequences, then it means that. . .

. . . it isn't worth much? It may not be worth much, but the Italian Communist party, notwithstanding, can summon up seven million votes, whereas you didn't get even 700,000. Have you ever meditated this fact? Have you never considered the advisability of making the choice Togliatti made, of inserting yourself in the so-called bourgeois democracy?

No, no, no, no, no, no and no! We've already obtained much more this way. Today there are no more private banks in Portugal and all the fundamental sectors have been nationalized; agricultural reform is on the way, capitalism is destroyed and monopolies are about to be destroyed. And all this is irreversible. Irreversible! So my answer to the Communists in Western countries, to their complaints is: We don't await the results of elections to change things and destroy the past. Our way is a revolution and has nothing in common with your systems.

Do you believe Portugal will go Communist?

Indeed I do! It's my aspiration, since I'm a Communist myself. And it is indisputable that Portugal, as things now stand, is moving toward Socialism. The only thing I can't say, as things now stand, is what form that Socialism will take. Maybe I ought to be able to, seeing I'm in charge of a party by no means defeated. But, frankly, I don't feel up to it. I don't know why. We Communists would like to have everything, but we have to reckon with very complicated, very contradictory reality. Our program for a Communist Portugal is certainly open to amendment. We've signed a five-year pact with the M.F.A. And we haven't the slightest intention of aligning ourselves against the army.

What if the military discover they're not so fond of you as you are of them, Cunhal? What if they transform Portugal into something like Peru?

No . . . I don't think so. No, not Peru. But suppose it happens.

Well, then I'll tell you: You can exclude the idea that in Portugal there exists a political force able to survive without the Communist party. Or, rather: Without the Communists, the revolution is impossible. I'm not saying this to express an opinion: I'm saying it to state a fact. I'm not saying it to imply blackmail, either; I'm saying it to demonstrate that we're conscious of our unexpendability. The military are aware of this too and have no idea of attempting to proceed without us. Neither now nor in the future.

However, there are some military who don't like you. I refer to the Maoists, who declare themselves fed up with the Portuguese Communist party's influence on the Revolutionary Council and the Armed Forces Movement.

There are certainly some Maoists concealed in the army, and it is obvious they oppose us, since they are inspired by the forces of reaction. This orientation of Maoist groups is universal, the same the whole world over. Their enemy isn't the middle class, it isn't capitalism: They themselves have risen from the middle class, or even from capitalism. Their enemy is the Communist party. The Portuguese Maoists are like the Italian, French or German Maoists: puppets of the reaction against the Communist party. And they do constitute a danger. On the other hand, they have no possibility of seizing power. All they can do is attempt to divide, engage in provocation, like last night, when they started shouting that the political prisoners' camps contained Communists who had plotted with the Fascists.

Prison camps? What next? Aren't the jails enough? How many political internees have you in Portugal today?

I don't know. In any case, not many, not enough. They set them free too easily. They arrest them and then throw them out the next day. Sometimes these military are really too mild. And yet, they've made a revolution.

Listen, Cunhal, here one hears of nothing but revolution. What revolution? Revolutions occur when the people participate. April 25 was a coup d'etat, not a revolution.

By no means! If you consider the M.F.A. just a group of conspirators who meet one fine day to engage in a plot, it shows you don't understand what's happened in Portugal. It wasn't a coup: We Communists said so at once. It was a movement of democratic forces within the army with meetings of 400 officers at a time discussing ways and means of changing the regime. I shouldn't even call them meetings: I should call them assemblies. And if you ask me where the people were during those assemblies, I'll answer that the Armed Forces Movement wouldn't have been formed if the people had not already started the struggle. The progressive officers didn't fall from heaven, were not born spontaneously like mushrooms after rain and sunshine. But to convince you, I must make my analysis.

Please, don't bother.

No bother. Here it is. The last years of the Fascist regime were difficult ones even for the dominant capitalist groups. The colonial war absorbed 43 per cent of the national resources and those groups found out supporting it no longer served their purposes. Apart from everything else, it isolated them from the rest of Europe and impeded their economic expansion. Caetano would have to revise his international policy and liberalize his Government, they kept on repeating anxiously. This anxiety found a response in Spinola and other generals. Spinola was intelligent, well-prepared and had a following. However, there was also another trend within the army: the progressive officers. An elementary one, we must admit, not ideological. Few had the necessary preparation: communist cells, for instance, existed among the soldiers but seldom among the officers. And the movement evolved rather as a caste than a democratic one. Then the officers began to hold meetings to discuss their career problems and the discussions expanded. They matured. And when both trends, Spinola's that only wanted the liberalization of the regime and the progressive officers' that wanted much more, found themselves shoulder to shoulder on April 25 . . .

. . . Cunhal stepped in and went to work on the progressive officers. Until he had them where he wanted them.

That's not the way to put it. We Communists had no contacts before April 25. We did foresee something, but we couldn't forecast anything for certain because we had no agents within the army. One can't even say we had lots of sympathizers there. In fact, the new leader considered was a moderate: Costa Gomes. Spinola took Costa Gome's place because it was Spinola who negotiated with Caetano, and the latter declared he would surrender only on condition Spinola assume leadership. However, that's not what I wanted to explain. It's the fact that it's the army that overthrew the fascist dictatorship, but it's the people that imprinted the revolutionary dynamics. In fact, it's the people that assaulted police headquarters and freed political prisoners. I can demonstrate this because there are films of the events.

Revolutions are launched to give people a better life. That doesn't seem to me to be the case in Portugal.

I'll admit it. Our economy is still disastrous, even after nationalization. But I react like an authentic revolutionary to the bitter reality and have the courage to oppose strikes, excessive wage claims, to repeat that one mustn't lapse into demagogy, into a competition of who promises more. This very morning, I've had a discussion with the representatives of hotel staffs. I asked them: "Do you believe you'll solve your problems by ever-increasing wage claims? Momentarily, maybe. But what about tomorrow? Tomorrow you'll have no more tourists (already this year very few are coming) and the hotels will have to close down. You must make fewer demands and work more, produce more."

If the Italian unions could hear you!

Why should I worry about the Italian unions? Truth is truth and demagogy is demagogy. If we don't help ourselves, nobody's going to help us . . . Any more questions?

Only two. The first is What about NATO?

The other day, I met the United States Ambassador who was here before Carlucci. He was with some English people and they asked me: "But how is this? You Portuguese Communists support NATO. You really want to stay in it?" My answer: "Who told you we support it, that we want to stay in it? We have merely stated that we don't wish to discuss the problem for the time being. It needs to be considered in a broader context: World peace, the Warsaw Pact, the cooperation of countries with different political regimes. Some day, we'll tackle it. We're in no hurry. For the time being, belonging to NATO doesn't present us with any problems."

The second question concerns the Warsaw Pact. Is it or isn't it true that you voiced approval for Soviet intervention in Czechoslovakia?

You want to end on that note, do you?

I'm sorry to appear brutal.

Why "brutal"? Its entirely true that I approved and supported Soviet intervention in Czechoslovakia, the so-called tanks in Prague. And there's no shame in admitting it; at most, and sometimes, it's unreasonable. But such was my, our, choice, and we were right. In every sense: political, historical and cultural. And I don't care a fig for whatever interpretation is given it. And I'd be grateful if this interview would stress this point well. And another too. I repeat and conclude: Portugal will never be a country of democratic freedoms and monopolies. It won't be a fellow-traveler of your bourgeois democracies. Because we won't allow it to be. We might land with another fascist Portugal. It's a risk we have to run, although I don't believe in it because I don't believe in another fascist coup: We Communists are equipped to prevent it, thanks to our alliance with the military. But, certainly, we shall not have a Social Democrat Portugal. Please make that quite clear, will you?

Never fear, Cunhal, I will.

SHABAT SHALOM

HON. JOHN W. WYDLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 17, 1975

Mr. WYDLER. Mr. Speaker, recently I received a letter from Samuel Paul, the president of Temple Sinai of Long Island, in Lawrence, N.Y. The temple is in my congressional district, and Mr. Paul explained to me that recently the temple had a pulpit exchange with St. Joachim Church of Cedarhurst, Long Island, N.Y. On Friday evening, June 6, 1975, Father Joseph J. D'Angelo was the guest preacher at the temple's Sabbath evening service, and on Sunday, June 8, the temple's Rabbi Mark N. Goldman was the guest preacher at the service at St. Joachim Church. As a result of this exchange, a poem was written by one of the congregants of St. Joachim Church and sent to Rabbi Goldman. It is a remarkable poem and I wish to share it with my colleagues. It follows:

SHABAT SHALOM!

I

How can I share the rightness of this night, this place?
These *are* my people
This my community
These my roots.
Tonight I belonged—a spiritual Jew who professes Christ.
The words that were spoken were words I knew,
They were not strangers to my ears.
"You shall love the Lord your God
With your whole heart,
With your whole mind,
With your whole soul."
"You shall love your neighbor as yourself."

II

Tonight was a fulfillment
Of the promised of God.
Hear, O seeker after Truth,
The Lord your God is one.
And we shall be one with You.
Your covenant with man
Did not seek division, but unity.

III

I have prayed for the day
When Christians and Jews could really live as brothers do;
Could ignore the differences
Could rejoice in just being a part of the whole;
Could work for good—for life—l'chaim!
Could see the evil—the division—and reject it.

IV

Last night I dreamed a strange dream.
I could see the world and all its people.
There were people at war with each other and themselves—
They were evil.
There were people striving for perfection—
Trying to be one with God—
I was one of those.
And we knew
If we stopped trying
The world would end.

PERSONAL EXPLANATION

HON. JOHN BRECKINRIDGE

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 17, 1975

Mr. BRECKINRIDGE. Mr. Speaker, I appreciate this opportunity to make a statement of personal explanation. On Wednesday, July 9, 1975, due to the Tobacco Subcommittee field hearings held in Marion, S.C. I was forced to leave Washington before the House completed the business of the day. I would therefore like the record to show that had I been present I would have voted "nay" on rollcall No. 370, an amendment to H.R. 6706, which sought to retain the number of high level White House positions at last year''s level. Also, I would have voted "aye" on rollcall No. 371, an amendment to H.R. 6706, which sought to provide for the control of White House staffing by congressional authorization in lieu of statutory limitation.

NATIONAL SPEED LIMIT?

HON. EDWIN B. FORSYTHE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 17, 1975

Mr. FORSYTHE. Mr. Speaker, with the Congress diligently working on ways to come to grips with the energy problems at hand, one basic energy conservation measure, already in effect, is continually overlooked not only by Congress but also by the American driving public. There is a national speed limit of 55 miles per hour. This reduced speed limit, possibly one of our most efficient energy saving measures, is constantly abused and ignored. How many times have we been sped past by cars traveling in excess of 55 miles per hour, and frowned at by passing cars as if interfering with the flow of traffic? I imagine, all of us, much too often.

I would like to urge my colleagues to continue pressing for enforcement of the national speed limit, and to keep it in mind as we wrangle with energy legislation. Of course we as Members of Congress should set the example and adhere to the speed limit as well. It is possible, as the following article from the Oil Daily, written by Marvin Murphy indicates, that simply the enforcement of the national speed limit may conserve gasoline and go a long way to alleviate fuel shortages.

The article follows:

NEWSWATCH

(By Marvin Murphy)

Lessons from the Arab embargo days seem to have been quickly forgotten on the nation's highways, and you can count on this NewsWatcher's personal testimony for that.

Cruising along at a speed of between 45 and 50 miles an hour on a six-lane divided highway, he was pulled over by a frowning state policeman and asked to explain why he was going so slow.

Other cars whizzed by well in excess of the 55 mph speed limit, imposed nationwide by federal law during the embargo.

After I explained about my car troubles, which forced me to keep the speed down, he seemed sympathetic. I pulled over into the exit lane to avoid being squeezed out by fast bumper-to-bumper traffic later, I said.

He checked my driver's license and registration, then sent me on my way with the warning to "speed it up."

"Where you headed?" he asked.

"On the way to a fire," I could have said. But I didn't.

"Milford," I answered.

Perhaps I should explain:

Milford is in New Jersey farm country, not far from Pennsylvania.

The trooper shook his head—he apparently recognized my driving traits. In Milford, we slow down for squirrels, pheasant and other wildlife.

Speeders run the risk of colliding with deer.

Cars have to stop daily for ducks crossing Main Street on the way to a stream which runs through town. They are smart enough to go across at the traffic light, but they're evidently color blind—they cross on red, yellow or green.

It's just a thought . . . but maybe the nation could learn a few safety lessons from such small town "slowpokes."

The triple A ought to know about this, I decided.

Melitta Hartung, research editor at the American Automobile Association in Falls Church, Va., listened to my story and agreed that we need to start a nationwide "slow down" campaign.

Being conscious of the huge drain on energy supplies from "gasoline guzzlers," I asked for statistics on the effect of the 55 mph speed limit.

It's considerable, she said, though she didn't have statistics to show how much gasoline was saved by slower speeds.

The big bonus, she said, was in the number of lives it saved.

I checked out some of the statistics she gave me with the Chicago-based National Safety Council. Energy-saving speed curbs reduced highway fatalities 17%, the council told me.

Here's the two year toll, as reported by the council: 55,800 deaths in 1973, 46,200 in 1974.

Fatalities for the first four months this year are up 3%, and as the nation moves into the busy vacation season, figures for the next four months may go even higher.

Even though highway speeds have started picking up, the toll for the quarter is still 22% below the same period of '73.

One factor behind the lower death toll last year was a 3% decline in travel AAA reported.

Conclusion: Efforts to reduce high speed driving, coupled with President Ford's heavier tax on oil imports—aimed at reducing highway travel—may not be such a bad idea.

DICTATORSHIP IN INDIA

HON. LEO C. ZEFERETTI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 17, 1975

Mr. ZEFERETTI. Mr. Speaker, for the past two decades, the people of the United States have been repeatedly told that it is largely our responsibility to pour large qualtities of foreign aid into India. And, unselfishly, and often to our own detriment, we have done so, despite India's own unwillingness and inability to deal with her own problems at home.

Simultaneously, India has nestled ever closer to the Soviet Union and the Communist world, following policies that oppose ours abroad and echoing theirs rather than our thoughts concerning the world at large. And, if to compound matters even further, we have begun to witness India's new desire to openly denounce the United States, to denounce the democratic Government she once tried to emulate.

Internally, India's policies seem even more bleak to the observer. For example, time after time, India has suppressed dissent by preventing a plebiscite in Kashmir, suppressed disagreement in Assam, or shot any Naga who dared ask for a free state. India invaded Goa and has gone head in building a massive military machine. And, all of this has been done at the expense of her people.

Most recently, $1 million were taken by the State to build an atomic bomb; one million precious dollars were taken out of the mouths of hungry Indians toward the construction of a military machine. I fail to see how atomic bombs could be made edible, could be used to feed India's millions of starving people.

In addition, Mrs. Gandhi, the great self-appointed conscience of mankind, has recently begun to lecture the United States on morality. And, at the same time, she has insisted that we make more aid available to her, an option that is increasingly hard to swallow, increasingly unacceptable to Americans.

Mrs. Gandhi does not seem to realize that the real test of a democracy is hard times. America passed the test of Watergate. However, the hard times in India have only resulted in the establishment of an odious dictatorship, complete with mass arrests, press censorship, and repression of political opponents. In short, Mrs. Gandhi and her country have failed the test.

Therefore, I sincerely believe that the United States should not continue to pour foreign aid into a country such as India where respect for our benevolence, let alone our democratic ideals, seems a dream of the past. Previously, such assistance had been rationalized on the grounds that it is vital to the survival of the world's largest democracy. However, India is no longer the world's largest democracy. She is no longer a democracy at all. If Mrs. Gandhi continues to request foreign aid, other countries, those in support of her current policies, will have to satisfy her needs. It should no longer be up to the United States to do so.

CAPTIVE NATIONS WEEK

HON. JOHN W. WYDLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 16, 1975

Mr. WYDLER. Mr. Speaker, once again, we pause to observe Captive Nations Week as an expression of our concern for the suffering of those peoples deprived of their national liberty. Recent events emphasize the need to keep the cause of freedom alive. Or else, we shall watch its demise at the hands of the oppressing forces, which are active everywhere. The Soviet satellization of Eastern Europe in the 1940's was just the beginning of the continuing Communist strategy for world domination. The tragic fall of Cambodia and South Vietnam, despite the heroic struggle of these valiant peoples, violated the democratic process of government upon which this country was founded.

Focusing on the Baltic States, the Soviet Union is seeking to legitimate its illegal occupation of these nations at the Conference on Security and Cooperation in Europe. We must never recognize the forced incorporation of the independent nations of Estonia, Latvia, and Lithuania by the Soviet Union in blatant denial of their fundamental right to national self-determination.

And, yet, the Soviet Union does not conduct its subversive activities alone. Communist influence has made great inroads into Asia and Europe and continues to radiate throughout Latin America and Africa. We look with dismay at the recent Communist gains in Portugal and the continuing erosion of civil liberties. We have already witnessed the suppression of basic human rights in Eastern Europe and Southeast Asia following a Communist takeover and the institutionalization of tyranny.

This era of détente should not obscure reality. The peoples of the captive nations have been imprisoned in their lands by the iron-fisted Communist regimes. Denied the right to emigrate, they must also endure governmental efforts to erase the richness of their national cultures in an assimilationist drive. Either conform or suffer persecution—there is no other alternative for these captive peoples. The freedom we enjoy here does not exist there.

At the same time, this time of improved relations between East and West should encourage our ceaseless efforts to alleviate the plight of the captive nations. It is indeed fitting for us to set aside 1 week each year in protest against the incessant enslavement of these once sovereign nations. The Soviet dissident Alexandr Solzhenitsyn ended his recent speech here with a plea: "We beg you to come and interfere." Let this observance reemphasize our commitment to keep this issue in the forefront of our international relations. It is our moral responsibility to keep the cause of freedom alive for the captive nations.

LOUISIANA DOCTORS SPEAK

HON. W. HENSON MOORE

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 17, 1975

Mr. MOORE. Mr. Speaker, the Louisiana State Medical Society has gone on record in opposition to two bills pending in the Senate that view rapid increases in professional liability insurance rates from a Federal vantage point. Instead of Federal intervention into questions associated with medical liability, Louisiana physicians prefer to address this issue on a State level.

The problem of skyrocketing increases in such insurance premiums is acute, but I urge my colleagues to contact their respective State medical societies and solicit their views on State versus Federal jurisdiction over legislation relating to professional liability insurance before making an assessment of any bills pending in Congress.

I commend to your attention the following language of Resolution 819 as adopted by the Louisiana State Medical Society House of Delegates on May 4:

RESOLUTION

Whereas, the Louisiana State Medical Society is fully cognizant of the implications and severity of the current Professional Liability Insurance problem, and

Whereas, physicians welcome the input of all interested individuals, organizations and public officials but do not believe that an appropriate approach lies in federal intervention, be it therefore

Resolved, that the Louisiana State Medical Society believes that solution to the current Professional Liability Insurance problem must be found at the State level, and be it further

Resolved, that the Louisiana State Medical Society is opposed to federal legislation which would direct or interfere with solution of the Professional Liability Insurance problem at the State level, and be it further

Resolved, that the Louisiana State Medical Society is specifically opposed to "National Medical Injury Compensation Insurance Act of 1975" (S. 215) introduced by Senator Inouye and "National Medical Malpractice Insurance and Arbitration Act of 1975" (S. 482), introduced by Senator Kennedy.

ECONOMIC SITUATION

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 17, 1975

Mr. DERWINSKI. Mr. Speaker, as the Congress plods along adding layer after layer to the Federal bureaucracy, there is no doubt that an overabundance of regulations and Federal interference, working with the economic system as well as the frustrating paternalism of the huge Federal Government, is adversely affecting the overall American economic situation.

These points are very effectively made by a very distinguished civic and business leader, Allen P. Stults. In the Chicago Tribune of July 11, Nick Poulos, financial editor of that publication, carried Mr. Stults's remarks in his column, "Moneyscene." I am pleased to insert this article at this time:

MONEYSCENE—STULTS HITS GOVERNMENT ECONOMIC TAMPERING

(By Nick Poulos)

"Our country is suffering from the sickness of an overgoverned society," Banker Allen P. Stults was ruminating.

"Government's tampering with the basic components of our economy—supply, demand, and prices—was, is, and always will be detrimental.

"And every government intervention is harmful. Without exception, it hurts the long-range economic well-being of the country."

Stults, chairman and chief executive officer of American National Bank & Trust Company of Chicago, told his visiting interviewer that most of the country's ills could be solved by simply letting the economy operate without interference.

"Our markets are the most efficient elements of our economy," Stults continued. "They properly assess and they properly price. Price functions as the chastiser, the punisher of the oversupplier.

"The economic health of our country is the key to our overall well-being, and profits are the barometer of economic health.

"These profits are the sole source—directly or indirectly—of financing all cultural, educational, and social activities.

"In a free enterprise system there are no uncontrollable monopolies. With our free markets working so that prices are determined by supply and demand factors, there's no way profits can be too high.

"The higher the profits the better, because there is more money available to finance the better life in this country."

Stults noted an observation by journalist Eric Sevaried that the "Chief cause of problems is solutions."

The implication, Stults said, is that unqualified people try to solve cerain problems, or people qualified for other things are asked to solve problems in an area they should never attempt.

"Tom Martin, the educator who wrote 'Malice in Blunderland,' said our problems are caused by the 'provocative purveyors of panaceas,'" the banker added.

As for the state of the economy, Stults said the country's major problems have bottomed out.

"Our problems are mostly behind us—what we have to do now is fight the solutions," he said.

Stults noted that housing and autos are on their way back up, that inventory reduction for all practical purposes has been com[illegible]. Consumer confidence also has seen [illegible], and the inflation trend is favorable, [illegible]ed.

Stults marveled at the ability of the economy to withstand the shock of the double-digit inflation, the energy crisis, an unprecedented political upheaval, and an all-time low in consumer confidence—all occurring in a relatively short period of time.

"Even in this recession, the economy is functioning to the benefit of more than 95 percent of our citizens," he said. "This hasn't been given the kind of recognition it deserves."

Stults had criticized a couple of decisions President Ford made early in his administration [the pardoning of Richard Nixon and the amnesty offer to Viet Nam War deserters] without first consulting his advisers or members of the Congress.

"If Ford had devised a game plan—which I don't think he did—I don't believe he could have done a better job of showing the nation he was a strong decision-maker," said the banker.

"But since then, I think he has done an excellent job; demonstrating he is a thoughtful statesman who does use his advisers, careful not to shoot from the hip, yet capable of decisive action as in the case of the Mayaguez ship seizure.

"He's made great strides in building the confidence of the nation in the fact it has an honest, dedicated statesman at the helm."

PRODUCTION ROLLBACKS

HON. JAMES G. MARTIN

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 17, 1975

Mr. MARTIN. Mr. Speaker, I spoke too soon.

Yesterday after hearing the encouraging remarks of the gentleman from Texas (Mr. KRUEGER) and the gentleman from California (Mr. REES) I was lulled into the hope that the Congress could join with the President on a program of gradual deregulation of domestic oil.

The vote just taken today, adopting the conference report on H.R. 4035 by a vote of 239 to 172, the House agreed to a Senate amendment which amounts to a price rollback.

Apparently, the liberal majority is content to insist on confrontation, to insist on reduced production of oil in this country, and to insist on gasoline shortage and long lines waiting to the pump.

I hope it is not speaking too late to urge the President to insist on a veto.

SCHOOL SAFETY

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 17, 1975

Mr. BIAGGI. Mr. Speaker, the Subcommittee on Elementary, Secondary, and Vocational Education has recently addressed itself to school safety. Even a cursory examination of this problem suggests the pessimistic conclusion that America's public schools, particularly those in densely populated urban areas, are losing the idyllic atmosphere necessary for an effective learning experience and are acquiring the sordid aspects associated with many of America's most dangerous and violent city streets. Today's schools are nothing but the extension of the streets as far as crime is concerned.

The problem is multifaceted and complex. There are no instant panaceas. On the other hand, the lack of an obvious, easy solution is no excuse for allowing the problem to proceed unchecked.

Two possible approaches to the problem are available for immediate study, and, hopefully, for prompt implementation. First, educators must cease their complicity in the conspiracy of silence which envelops the issue of rampant crime in the schools. Their reluctance to report school crime is an open invitation to further indulgence in illegal acts. Second, the predilection of many courts to draw hard and fast lines at age 16 between adult and juvenile crime must be reevaluated. Most heinous crimes are committed by young people under 16, and this disturbing fact must be the point of departure for any new policy in this area. Young people under the age of 16 are cognizant of the fact that their crimes go unpunished, including their violent crimes. Judicial permissiveness in this area, while no doubt the product of noble intentions, in fact, merely encourages the unhealthy and dangerous climate in many American classrooms.

Tranquility and the absence of fear are not merely desirable characteristics of the classroom; they are necessary ones. On an interim basis, school guards, or where possible, police officers, must be placed in schools plagued by chronic juvenile violence. In the long term, however, the preservation of peace in the classroom will be better achieved by a voluntary acquiescence in the desirability of the open classroom and not by forced compliance under the visible threat of an officer's club. Responsibility for inculcating in students the value of orderly behavior rests primarily with their home environments.

I received a letter this week from a concerned parent, a Mrs. Rudolph Velky from Solon, Iowa, whose son was subjected to verbal harassment and physical assault for resisting in his school an offer of sale of drugs and for reporting the incident to the school authorities. Her letter sheds light on the near universal concern with this unfortunate phenomenon of the erosion of the atmosphere in the Nation's classrooms. I am including her letter in the Record for the edification of my colleagues:

Representative Mario Biaggi,
State of New York,
New York, N.Y.

Hello Mr. Representative: I read in our Cedar Rapids Gazette about your urging for a stiffer penalty for the young people. Please may I tell you our story: Last December my 15 year old son was offered drugs by another boy whom years earlier had been to our house to play. My son turned him into the school officials. But, with all the good work of the school and the police the boy only had 3 months of home tutoring and back to school again to the same bunch. In other words, some judge patted the boy on the back and kissed him for being a 15 year old who really knew his way around. In the meantime, our son had his life threatened when the word got out, we had phone call after phone call, his younger brother 12 years even had nasty sneers to him and some tried to beat up on him, plus I sent our 5 year old to Bible School the other day and he came home telling what some girl that apparently had been connected with the drug kids had to say and he asked me what it was all about. Across the road from us the young boy has invited this boy whom my son turned in plus a lot of the other drug kids and my son has chores to do over there every morning. So as he walks by they yell filth, threw bolts at him, and turned up the stereo so loud we can't get to sleep at night. We stopped it last night, my husband went over there and told the parents that we damn well knew what was going on and that the harassment would stop now and that the stereo would be turned down. We think the kids have these parents afraid to do anything their selves and either we're dumb or smart but we are not going to let them get to us and we're going to have some changes made.

You see we happen to be people that believe that God gave us children to take care of and even to punish if the needs arise that that might be the case. Children needs a guide and the parents should be a set of those guides as much as school officials policemen, or the courts. *But* ! ! ! when the judge passes the buck he is not setting this guide and yet as a youth he also had to have some good guiding or he wouldn't have been where he is today and what makes him think that the children now are any better than he was, or is it that he got to where he is though corruption which in the end shows if it did in his way of handling things in his court.

We could have called the police on this across the road or on the telephone calls and the harrasment but they would do their job only to have it go to court to have the case dismissed or the judge to pat them on the back again. Instead how about a work program after school with pay of about .50 an hour and a check up on the children to see to it that they are not back running with the same drug kids again and making the parents being held responsible and each time they are caught uping the fine or making a harder sentence for them until they learn the good old fashioned hard way that people whom work hard and do right by God and their country are really making it possible for these other creeps to live in this country, and we really don't enjoy supporting judges or the people that do this sort of thing. No school teacher or adult should have to have to take this abuse from kids as I really think we have institutions that used to take care of people that couldn't make their way in society. If need be then this is the place for those. They are definitely sick.

Now one more thing, our same 15 year old got his drivers license this spring and was caught speeding. We pulled his license for 33 days, plus the state pulled it for another 30 days and he has to take a written test over again. He also was fined a big amount which he is paying us back for at rate of little by plowing and cultivating in the field which he dearly hates to do because it does so slow. He has been a good kid other wise but he needed to know how money comes from hard work and at 80° in field all day and little pay it doesn't come as easy as it goes.

We told him he has no right to threaten others lives by driving like that or no right to do it to his own life. We told him it is not because we hate him but because we love him and would like to see him grow up and have a nice life that he has to do this, and with the realization that you many times have to work for nothing and take a lot of guff from people and that he has to abide by guidelines or he won't have a decent country to live in and be able to even protest about a thing let alone maybe even having an auto to drive. Yes we have been threatened to have our new home burnt down and many other things but we think that if we do go by the guidelines and truth then sooner or later it will prevail.

Enough rambling on, but please don't give up on this you are trying to do for all the young people there are many parents that will back you up, it is just that we have not been making the noise like the donkeys have.

Thank you for taking the time out to read this.

Sincerely,

Mrs. Rudolph C. Velky.

CONSTITUENT LETTER OUTLINES DECLINE OF MILITARY SERVICE BENEFITS

HON. JOHN L. BURTON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 17, 1975

Mr. JOHN L. BURTON. Mr. Speaker, the men and women who serve in our country's Armed Forces are faced with increasingly dwindling military service benefits made in the name of budget cutting.

The next benefit that military families may lose is that of the base commissary. The loss of certain conveniences that once helped to make military life more bearable has been effectively outlined in a letter I have received from a constituent.

Mr. Speaker, in order that my colleagues may read first-hand the situation that many families now face, I wish to insert in the Record a copy of this correspondence.

The text of the letter follows:

June 25, 1975.

Representative John L. Burton,
Longworth House Office Building,
Washington, D.C.

Dear Sir: My husband has been in the Navy for the last 11 years although we were not active in the military community until just recently. We lived about 50 miles from his ship when he was in port and we did not move with him until late last year. His being in the Navy was more of a job than a way of life.

In September that all changed. My husband was transferred from Pearl Harbor (my son and I lived in California while he was stationed in Hawaii) to Alameda NAS. We sold our home and moved to Marin County as housing was (and still is) unavailable in Alameda. As a member of the military community I have become more aware of the problems that face the military family.

I do not intend to list here the benefits that have been eliminated over the past ten years. After all, they are gone and there is no sense in beating a dead horse. After several months of careful deliberation and after writing to several members of Congress regarding the commissary issue, I have come to the conclusion that the answers to the problems of the military community lie in the Congress. You have the solution available to you.

We have truth in lending, more consumer advocates are appearing every day and Americans are becoming aware of their rights. What I believe could stop a lot of the problems that exist for us today is for Congress to prohibit the Services or the Pentagon or whoever from promising things in recruiting and re-enlistment that they have no right to promise.

Recently there appeared in our magazines a promotional advertisement for the Project Get Ahead program whereby a person enlists in the Army and when they get out they can go to college on the G.I. Bill. The Army cannot guarantee the G.I. Bill will be there when that person is ready to go to college. Service men and women are being promised commissaries, exchanges, medical coverage, housing, etc. for themselves and their families. CAVEAT EMPTOR IS NO WAY TO FIND A JOB.

I've heard so many comments such as "The Service promised us all these benefits and now the Congress is taking them away." After a while, I began to think, now wait just a minute, maybe the Service didn't have the right to promise all these benefits. I would like to hear from you on this.

DEATH OF FORMER CONGRESSMAN LAWRENCE G. WILLIAMS

HON. ALBERT W. JOHNSON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 14, 1975

Mr. JOHNSON of Pennsylvania. Mr. Speaker, it was with great sorrow that I learned of the death of my dear friend, Larry Williams. When he first came to Congress I made it a point to meet him very soon as I had received calls from members of the Pennsylvania Association of Township Supervisors to immediately look up Larry Williams, as he was a very fine person, and would be a credit to the congressional delegation of Pennsylvania. I made this early acquaintance and the reports that I had received on Larry were true. He was a real fine gentleman and became an outstanding Congressman. He was named a member of the Banking and Currency Committee, and with his great knowledge of urban and suburban problems he made a valuable contribution to the committee and its work.

He knew the housing needs of his area, the problems of banks and thrift institutions, and he was an expert on mass transit. When he spoke in committee or on the House floor he attracted rapt attention.

It is always sad when such a fine person is stricken at a time when he was achieving such great success in life. Those are the things that are beyond our control and are, of course, hard to explain.

I want to join his former fellow Members of Congress in extending to his dear wife, Margery, and the other members of his family, our deepest sympathy in their great loss, and want them to know that we share in their grief in the passing of this very great person.

RAPE PREVENTION AND CONTROL

Hon. Yvonne Brathwaite Burke

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 16, 1975

Mrs. BURKE of California. Mr. Speaker, as a prime sponsor of the Rape Prevention and Control Act, I am pleased that the provisions of that legislation are included as title III of the Health Revenue Sharing and Health Services Act.

The incidence of forcible sexual assault has become more and more widespread over the past several decades. Forcible rape is the fastest growing crime of violence in the United States. At the same time, it is probably one of the most underreported and least understood crimes in the country. According to the uniform crime report released by the FBI, over 51,000 females were the victims of rape in 1973. This figure represents a 10 percent increase over 1972 and a shocking 62-percent increase over a 5-year period, 1968–73. The increase may stem in part from improved reporting and a growing willingness on the part of victims to press charges despite the risks. But it must also undoubtedly reflect an increase in the incidence of rape in this country.

The reasons that rape victims either fail or choose not to report such a savage crime of personal invasion are numerous; some obvious, some less so. Aside from the personal embarrassment or trauma that the victim must suffer if she carries her case into the courts, there appears to be a growing sense of futility by the victim toward winning her case. Only 51 percent of the rapes reported in 1973 were cleared by arrest; of the adults arrested, 76 percent were prosecuted for this offense; of those cases prosecuted, 36 percent resulted in conviction. This means that forcible rape has a lower conviction rate than any other crime.

The skyrocketing incidence of reported rapes, the inadequacy of our current antiquated rape laws, the indignities often experienced by rape victims, and the low rate of rape convictions all point to the need for a national rape prevention effort.

This legislation represents an attempt at the national level to encourage consideration of the general attitudes and assumptions about rape, its victims and its perpetrators. The objective of the legislation, included as part D of the Community Mental Health Centers Act, is to establish the National Center for the Prevention and Control of Rape, which will undertake a national effort against the crime of rape and in support of the victim. The center, to be located within the National Institute of Mental Health, would be responsible for financing and conducting research and demonstration programs into the causes, consequences, prevention, treatment and control of rape.

The center, with its repository of research and information on rape prevention and treatment, would be of considerable benefit to States and communities in developing more effective and more humane victim-oriented procedures for dealing with rape victims. Primary activity involving rape prevention, treatment, and control would still be supported by State, local, and voluntary funding sources, but the Federal Government can and should encourage and support these activities by providing technical advice and financially supporting research and demonstration projects to discover new and more effective means of carrying out State and local programs. I would expect that any studies and investigations undertaken by the center would utilize the expertise of the various citizen groups throughout the country who have been involved in running rape crisis intervention programs and similar projects.

Under this act, an advisory committee will be appointed to advise, consult, and make recommendations on the implementation of the programs of the center. The intent of the legislation as originally introduced, and as stated in the committee report, is to appoint persons to this committee who are particularly qualified and recognized leaders in the area of rape prevention, treatment, and control. It is also specified in the legislation that a majority of the members of the committee must be women.

I would hope that promising new approaches to rape prevention, treatment, and control will be developed and put into effect as a result of the center's research and demonstration program as well as the other studies and investigations it will undertake. This legislation is only a first step in moving our Nation toward a more responsible, more humane system for dealing with the perpetrators of this crime. By placing a higher priority on examining the causes and consequences of rape and seeking more effective methods of rehabilitation, we can move closer to discovering methods for preventing and controlling this heinous crime. Only then will women be able to have the security and peace of mind to move about as freely as men.

CONTRIBUTIONS TO AMERICA BY CITIZENS OF FOREIGN BIRTH

HON. HAMILTON FISH, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 17, 1975

Mr. FISH. Mr. Speaker, on July 9, 1975, I was privileged to have the honor of participating in the Independence Day ceremonies conducted by Argo Lodge No. 413, B'nai B'rith. The event was significant as it focused upon an important part of this Nation's heritage which we sometimes too easily forget. No one who attended could fail to be moved by the experiences of those honored, nor, I feel, fail to appreciate the fact that they represented the hundreds and thousands who have fled oppression in foreign lands to find freedom and fulfillment on our shores.

Each of those honored were presented with the Haym Salomon Freedom Medallion. Each had fled Europe during the holocaust of the 1930's. They came to the United States and found freedom here. But more than that, in spite of language barriers, each has added significantly to his or her field of endeavor and community.

Those honored were: Mrs. Annette B. Ludwick, artist, painter, and creator of Jewish sculpture; Dr. Laszlo Sokoly, dentist and professor; Mrs. Rita Rubinstein, educator and teacher, Yiddish and Hebrew; Rabbi Akiva Egozi, poet, writer, educator, principal, Hebrew Academy of Greater Washington; Dr. Edwin Shotland, physicist and author; Dr. David Korn, professor, Howard University, linguist, authority on Soviet Jewry. Each of those receiving a Freedom Medallion gave a moving response. Mr. Herman Taube spoke eloquently and sensitively to those gathered in honor of this evening's presentations.

The ceremonies were conducted by Mr. Joseph M. Frankle, past president of Argo Lodge No. 413. I had the pleasure of being introduced by my old friend, David A. Brody, director of the Washington office of the Anti-Defamation League, who contributed to the serious and patriotic theme of the evening with thoughtful and timely remarks.

A CITIZEN PROTESTS THE PRESIDENT'S SNUB OF SOLZHENITSYN

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 17, 1975

Mr. McDONALD of Georgia. Mr. Speaker, in conjunction with my earlier remarks—Tuesday, July 15—in the CONGRESSIONAL RECORD concerning President Ford's snub of Alexandr Solzhenitsyn, I would like to offer the views of a private citizen which came to my attention when he provided me with a copy of a letter he sent the President. The sentiments of Mr. Van Curler's forthright views to the President on the Solzhenitsyn matter I think quite adequately expresses the opinion held by the majority of citizens in this country, as Mr. Nessen, the President's Press Secretary, himself confirmed, and his remarks certainly merit recognition:

JULY 8, 1975.

President GERALD FORD,
White House,
Washington, D.C.

DEAR PRESIDENT FORD: I am certain that my letter will be only one in a flood of complaints you must be receiving on your recent refusal to meet with Alexandr Solzhenitsyn, the exiled Soviet author who many of us in this country consider a very important individual and certainly someone the President of this great country should have had the courtesy to at least meet with.

According to Associated Press news, you declined to meet with the gentleman on the advice of Henry Kissinger because it "might upset Soviet officials and deal a setback to détente."

I, like many Americans, are fed up with this business of soft peddling Communism and have had enough of this so-called détente. It appears that this means nothing more than surrender on every issue to the Communists, and we Americans have had it.

I am sorry for your busy schedule and hope that your family dinner was worthwhile. However, it seems to me that Ron Nessen should be more careful with public statements as quoted in the article, "The President generally likes to schedule meetings that involve substance," particularly when you can find time to meet with soccer star Pele and all the rock music stars and beauty queens you have recently been pictured with.

I would hope that the administration and particularly the President of our country would extend an apology for this uncalled-for incident.

Sincerely,

DONALD E. VAN CURLER.

DISAPPROVE SALE OF MISSILES TO JORDAN

HON. WILLIAM M. BRODHEAD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 17, 1975

Mr. BRODHEAD. Mr. Speaker, I wish to protest in the strongest terms the proposed sale of Hawk missiles to Jordan and I urge Members to vote for the concurrent resolution disapproving the sale.

Besides the fact that the administration has misled the House about the size and scope of the sale, I oppose it because it will seriously alter the balance of power in the Middle East.

It is the considered opinion of military and political observers that these weapons will give Jordan the strength it needs to open a third front against Israel in any new Mideast war. Far from being merely a defensive weapon, the Hawk and Redeye missiles would provide cover for an offensive ground strike. Thus, Mr. Speaker, the United States could be in a position of supplying one of the key ingredients which would precipitate a renewal of the war in that part of the world.

To justify this sale, as the administration has attempted to do, by saying that it would strengthen King Hussein internally and reinforce Jordan's "moderate" policies, is the utmost folly. King Hussein has said that one reason why he did not open a third front against Israel in 1973 was that he lacked an adequate air defense system. This sale would give him just such a system.

Mr. Speaker, I urge Members to consider this sale with the greatest caution. It is not only contrary to the longstanding policy of friendship and support we have shown toward Israel, it is actually a move toward the resumption of open hostilities.

I will vote for the concurrent resolution of disapproval and I ask my colleagues to do the same.

CONGRESSIONAL REFORM

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 17, 1975

Mr. MAZZOLI. Mr. Speaker, this Congress has been criticized as being slow-moving and inactive.

While there is some basis for these criticisms, the public interest may be served by a Congress which does not move hastily and instantly.

In a recently published article, David Broder develops this thought in an interesting manner, and I commend this article to the attention of my colleagues.

WHY CONGRESS' SLOWNESS MAY REALLY BE A POSITIVE ATTRIBUTE

(By David Broder)

WASHINGTON.—The members of Congress are on holiday this week, attempting—at least one presumes—to explain to their constituents why their branch of government seems trapped in its own sense of futility.

When last seen, the House was failing to override another presidential veto and the Senate was still filibustering last November's New Hampshire senatorial election—neither of which have an obvious connection with advancing the public welfare. But there is more to the story than that.

Some helpful perspective on Congress and its condition have come to hand, in the form of an essay by Richard F. Fenno Jr. of the University of Rochester. Fenno, a longtime student of the legislative branch, originally presented his thoughts to a Time magazine forum here.

It is his belief, not smattered by years of intimate acquaintance with the institution, that Congress really is the representative body in Washington. It is obviously more representative than the Supreme Court and, he argues, more reflective "of the diversity of views that exists in this country" than the single individual who claims to be president of all the people.

Moreover, Fenno's proposition is that the congressional reforms of recent years have tended to enhance, not impede, that representative character.

One set of reforms has been designed to share power more evenly among all 535 members of Congress—by spreading the choice committee assignments among junior members, by weakening the power of committee chairmen and other elders, and by strengthening party caucuses.

A second stream of reforms has been designed to make the workings of Congress more public and hence more accessible to constituents' understanding. The use of recorded teller votes on key amendments in the House, the opening of committee markup sessions and some conference committees and party caucuses mark important steps in that direction.

But there are costs and consequences for these reforms, just as there have been for the reforms in the presidential nominating process and in the campaign finance laws.

Fenno writes: "While the two streams of reform may enhance the representative possibilities of Congress, we should also acknowledge that they will probably slow down the productivity of Congress. The greater the fragmentation of influence, the harder it is to develop or assert internal leadership. And the more open the internal operation, the easier it is for external groups to interpose their wishes at all stages of the process.

"That is, the weaker the leadership and the more the external demands, the slower will go the lawmaking. If what we want from Congress is action, neither type of reform can be viewed as a blessing," Fenno says.

He argues that, for the most part, it helps the country that Congress is "our slow institution." That slowness, Fenno says, gives Congress time to "work out and reflect a consensus view in the country," as it did, so effectively, during last year's impeachment proceedings.

Consensus decisions, he argues, "are likely to be regarded as fair decisions—and what we shall be needing from our national institutions now—more than speed—are decisions that are felt to be fair."

That conclusion might be challenged by those who feel that two years is a bit too long to await the emergency of a "consensus" on energy policy in Congress or the country. But Fenno is not trying to give the lawmakers excuses for inaction.

On the contrary, he asserts that the reforms put additional burdens on individual members of Congress—particularly in their role as educators of their own constituents.

With the reforms that have been passed, he says, "more members should be willing to resist the temptation—which seizes them when they talk to their constituents—to see Congress as 'them' instead of 'we,' and to run for Congress by running against Congress".

More should be willing, instead, to accept their personal accountability for the performance of Congress as an institution—and to seek, while home among their constituents, to shape the consensus that makes effective congressional action possible.

Fenno suggests that the press needs to do much more monitoring of what congressmen tell their constituents. This week provides a wonderful opportunity for newspapers around the country to do just that.

OIL PRICE DECONTROLS COULD GENERATE A NEW OIL CRISIS

HON. DOMINICK V. DANIELS

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 17, 1975

Mr. DOMINICK V. DANIELS. Mr. Speaker, the Subcommittee on Consumer Economics of the Joint Economic Committee held hearings this week on the general economic impact of oil price decontrol.

Because of the importance of the testimony that was presented, indicating serious repercussions for the U.S. economy if the President's decontrol plan is adopted, I would like to share a part of that testimony with my colleagues.

I believe the excellent testimony of Charles L. Schultze will be particularly interesting to my colleagues in view of the debate in which we are engaged today on oil pricing policy. As Mr. Schultze points out, the President's decontrol plan could result in a loss of consumer purchasing power of between

$25 and $45 billion, and could further result in the loss of up to 1½ million jobs.

This testimony, along with other testimony developed by Chase Econometric Associates, the Library of Congress, and the committee staff, underscores the need to proceed with caution in the area of price decontrols on domestic crude oil. While the price does need to rise somewhat to increase production and discourage wasteful consumption, it should not be allowed to rise so rapidly that it destroys whatever hope we have for an economic recovery. For this reason, it is essential that the House give its support to the reasonable price ceilings in H.R. 7014, as reported out of the Interstate and Foreign Commerce Committee.

FOR 24TH DISTRICT CONSTITUENTS

HON. DALE MILFORD

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 17, 1975

Mr. MILFORD. Mr. Speaker, the chairman of the Ways and Means Committee has just announced that public hearings are now underway in his committee on the first phase of a tax reform bill. He has further announced the particular areas of our tax laws that are being studied.

In order for my constituents in the 24th District of Texas to be fully aware of the tax areas being revised, I would like to list them hereunder.

Mr. Speaker, one of the key platforms in my election campaign was "tax reform." I am pleased to see the Ways and Means Committee underway with these extensive hearings.

My own voters will be able to read the topics under consideration and mail me their ideas and recommendations. I shall, in turn, forward all suggestions to the Ways and Means Committee so that each may be considered during the hearings.

The article follows:

LIST OF TOPICS FOR TAX REFORM PACKAGE IN FIRST PHASE

A. Tax Shelters and Minimum Tax

1. *Minimum Tax*—This category includes the consideration of the exemption level, the rate of tax, the allowance of a deduction for the regular individual or corporate income tax, and the possibility of adding other preference items to the base of the tax or alternatively the consideration of a different version of a minimum tax.

2. Allocation of itemized deductions between taxable and nontaxable income.

3. *Tax Shelters Generally*—

a. *Real Estate*—This category includes depreciation methods and life (including any distinction for this purpose between borrowings and equity), recapture rules for excess depreciation, treatment of interest and taxes during the construction period, limiting certain real estate deductions to related income, etc.

b. *Farm Operations*—This category includes the treatment of development costs in the case of fruits and other food products with long development periods, the deduction of farm losses, the so-called hobby loss operations, limiting farm deductions to related income (perhaps only to the extent nonfarm income exceeds some level (such as $20,000)), limiting deductions on livestock to the amount of risk, requiring the accrual method of accounting for corporations engaged in farming, etc.

c. *Natural Resources*—This category includes limiting the deductions for intangible drilling expenses and development costs on a property to the amount the taxpayer has at risk, limiting deductions from intangible drilling expenses (except in the case of dry holes) to the related income, recapturing intangible drilling costs deducted as ordinary income where the property is subsequently sold at a gain, etc.

d. *Motion Picture Films and Similar Property*—This category includes limiting deductions for depreciation in motion picture films, etc., to the amount of income derived from the investments, and limiting loss deductions to the amount of risk, etc.

e. *Personal Property (Equipment) Leasing*—This category includes limiting deductions of depreciation on personal property subject to a net lease to the income from the property, etc.

f. *Sports Teams (Player Contracts)*—This category includes specifying the portion of an aggregate amount paid to purchase a team or group of assets which is allocable to player contracts and applying recapture rules in the case of player contracts.

g. *Tax Treatment of Limited Partnerships*—This includes considerations involving the basis for non-recourse loans, requiring certain kinds of limited partnerships (and joint ventures) to be taxed as corporations, etc.

h. *Prepaid Interest.*—This category includes requiring the use of the accural method of accounting for prepaid interest.

i. *Partnership Syndication Fees*—This category is included to clarify the rules requiring capitalization of partnership syndication fees.

B. Tax Simplification and Reform of Domestic Income of Individuals

1. Deduction of expenses attributable to business use of homes and rental of vacation homes.

2. Deduction for conventions, conferences, etc., outside the United States.

3. Retirement income credit.

4. Sick pay exclusion.

5. Child care deduction.

6. Deduction of alimony payments.

7. Deduction for guarantees of business paid debts to guarantors not involved in business.

8. Deduction for property transfer taxes and disability taxes.

9. Simplification of itemized deductions generally including (but not limited to) a simplification deduction in lieu of the dividends received exclusion, the deduction for State and local taxes on gasoline and other motor fuels, deduction of casualty losses below a floor (e.g., 3 percent), medical expense deduction below a floor (e.g., 5 percent instead of the present 3-percent floor on medical expenses generally and 1-percent floor on drugs), and deduction for certain employee business expenses and expenses of activity engaged in for profit below a floor (e.g., $200).

10. Extension of tax tables to enable individuals to use the short 1040–A tax form for adjusted gross incomes up to $20,000.

11. Accumulation trusts.

12. Limitation of the interest deduction for nonbusiness interest to a specified amount where it is claimed as an itemized deduction.

13. Simplification of moving expense deductions and application to the military.

14. Tax treatment of scholarships and fellowships (including cancellation of indebtedness with respect to certain student loan programs).

15. Clarification of the tax treatment of certain disaster loan provisions.

16. Qualified stock options.

17. Alternative capital gains tax rate for individuals.

18. Holding period for short-term capital gains.

19. Group term insurance.

C. Foreign Income

1. Per-country limitation in computing foreign tax credit.

2. Grossing up dividends from less developed country corporations for purposes of determining U.S. income and foreign tax credit.

3. Application of the foreign tax credit in the case of capital gains income.

4. Treatment of foreign income subsequently earned where foreign losses are offset against U.S.-source income.

5. Deferral of income of controlled foreign subsidiaries.

6. Exclusion for income earned abroad by U.S. citizens living or residing abroad.

7. Tax treatment of foreign trusts.

8. Excise tax on transfers to a foreign business.

9. Treatment of earnings of less developed country corporations where there is a disposition of stock representing these earnings.

10. Western Hemisphere trade corporations.

11. Tax treatment of U.S. possession corporations.

12. Tax deferral under DISC provisions (including export trade corporations).

13. China Trade Act Corporations.

14. Application of the 30-percent withholding tax to dividend and interest income received from the U.S. by foreign persons.

15. Dividend treatment of U.S. shareholders where funds are invested in the United States by foreign corporations.

16. Advance IRS rulings for tax-free exchanges involving foreign corporations related to U.S. taxpayers.

17. Tax treatment of married couples where one spouse is a nonresident alien.

18. Minimum tax on foreign source income.

D. Administrative Provisions

1. Income tax return preparers.

2. Assessments in case of mathematical or clerical errors.

3. Application of withholding tax provisions, such as for interest and dividends, certain gambling winnings, earnings of agricultural employees, and State income taxes for certain government employees and military reservists.

4. Disclosure of tax returns and return information.

5. Private letter rulings.

6. Jeopardy and termination assessments.

7. Declaratory judgments in the case of tax-exempt organizations.

8. Tax exempt status of condominiums and homeowner associations.

9. John Doe summons.

E. Deadwood Bill

Repeal and revision of obsolete, rarely used, etc., provisions.

F. Extension of Individual and Corporate Tax Reductions Provided in Tax Reduction Act of 1975

G. Capital Formation (Including Fast Depreciation, Investment Credit, and Integration of Corporate and Individual Taxes)

H. Capital Gains and Losses

I. Limited Technical Matters

PROCEEDINGS OF THE FEDERAL ELECTION COMMISSION

HON. TOM STEED

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 17, 1975

Mr. STEED. Mr. Speaker, for the benefit of those who share my interest in the proceedings of the Federal Election Commission, I am again today placing into the RECORD material which they have provided. Members wishing to retain the entire sequence of proceedings should also consult the RECORDS of June 2 and 25, and July 9, 14, 15, and 16.

The article follows:

THE DEMOCRATIC NATIONAL COMMITTEE WILL SPONSOR A FUNDRAISING TELETHON

DEAR COMMISSIONERS: On July 26 and 27, 1975, the Democratic National Committee will sponsor a fund-raising telethon, nationally televised over ABC network, for the benefit of the Democratic Party.

The telethon effort has developed over the last several years into a highly successful means of raising revenues to meet the operating costs of the Democratic National Committee and of participating State Committees, revenue which is generated for the most part through small individual contributions.

The arrangements for the production and financing of the telethon contemplate a variety of entities, and require certain transfers of funds, which are not typical of the normal operations of a political committee. We therefore request your cooperation in establishing guidelines for the reporting of the various financial transactions involved, and in responding to certain questions raised by the 1974 amendments to Title 18 of the United States Code.

TELETHON PRODUCTION

The actual production of the telethon show will be undertaken by the Democratic Telethon Production Committee (hereinafter "Production Committee"), a not-for-profit corporation organized under the laws of the State of California on May 28, 1975, solely for the purpose of assuming this function as an agent of the Democratic National Committee. The Production Committee will be reimbursed for any expenses which it incurs by the Democratic National Committee out of the gross receipts of the telethon.

Expenses incurred in production are obviously very substantial, and many of these costs must be met before any telethon proceeds, or even any pre-telethon solicitation proceeds, are received. For prior telethons, therefore, the production corporation secured its required "front-end" money through a bank loan, guaranteed by one or two individuals. When the corporation's expenses were reimbursed after the telethon by the Democratic National Committee, the loan was immediately repaid.

An attempt is being made in connection with this year's telethon to raise a portion of the funds necessary for production through pre-telethon dinners or other events. It is possible, however, that this effort will not generate sufficient funds to meet all production expenses. In that case, the Democratic National Committee may have to secure a bank loan, in an amount sufficient to cover the remaining costs of production. Although the telethons held over the last several years have generated funds substantially in excess of expenses, it is unlikely that a bank would lend any substantial amount for telethon purposes without a personal guarantee.

A question has been raised as to the use of this arrangement in light of the amendments to Title 18 set out in the proceeds with respect to the telethon.[1] Under the terms of agreement to be executed by participating State Committees and by the Democratic National Committee, the State Committees assume the responsibility for operating and financing state telephone centers. Costs of telephone installation and rental of space will be reimbursed by the Democratic National Committee. Any other expenses attributable to the operation of telephone centers will be borne by the State Committees.

State Committees are also, under the terms of agreement, responsible for planning and implementing at least one of two proposed pre-telethon programs, designed to encourage advance contributions. One of these options is a pre-telethon telephone solicitation effort. Individuals who are contacted by telephone will be requested to send contributions to the national telethon post office box number rather than to the State Committee. Costs incurred in this connection by State Committees will not be reimbursed by the Democratic National Committee. In lieu of, or in addition to, this program, Federal Election Campaign Act Amendments of 1974, Section 591(e) of that Title provides that the term "contribution" shall include the endorsement of guarantee of a loan, to the extent of the unpaid balance or a proportional amount thereof, when such loan is made "for the purpose of influencing the nomination for election, or election, of any person to Federal office," or for certain other purposes.

We believe that the definition of a "contribution" for purposes of Title 18, which is specifically limited to transactions entered into for the purpose of influencing the outcome of a Federal election, does not apply to a loan guarantee made simply for the purpose of facilitating production of the telethon.

If it becomes necessary for the Democratic National Committee to borrow money in connection with the telethon, the proceeds will be expended only for telethon purposes, and the loan will be repaid out of telethon proceeds. The loan proceeds will not inure to the benefit of any candidate, and no part of the proceeds will be used in connection with any Federal election.

AGREEMENT WITH PARTICIPATING COMMITTEES

Preliminary arrangements have been worked out between the Democratic National Committee and participating State Committees as to the division of responsibilities and the distribution State Committees may arrange to distribute pre-telethon pledge envelopes throughout the state. Contributions made by individuals using these envelopes will also be directed to the national telethon post office box. The Democratic National Committee will bear the costs of printing such envelopes and delivering them to each State Committee, but costs of distribution within the state will be paid by the State Committee.

State Committees may also, at their option, hold fund-raising dinners or other events in connection with the telethon. At this time it is anticipated that relatively few states will choose to conduct independent events. The financial arrangements for each event will be agreed upon on an individual basis between the Democratic National Committee and the State Committee. Costs of the event may be paid for by the State Committee or by the Democratic National Committee, and in either case costs may be met out of the proceeds of the event. In at least one instance, the costs of the event are to be borne by one or more individuals, who have undertaken to host the event. The terms of agreement as to distribution of proceeds will also vary from state to state. In some cases, pledge cards or envelopes will be distributed at the event, with contributions to be sent directly to the Democratic National Committee. Where this is done, there will usually be no charge, or a minimal charge, for admission to the event. In other cases, the agreement may provide for funds to be raised directly through the sale of admission tickets by the State Committee or by the Democratic National Committee. Where either the State Committee or the Democratic National Committee has generated funds through ticket sales, there will generally be a subsequent division of the proceeds under the terms of the agreement.

The Democratic National Committee will provide several full-time regional telethon coordinators to work with State Committees in planning and implementing telethon programs. Each State Committee must assign at least two individuals to work full-time on telethon activities for at least a three-month period. The Democratic National Committee has also assigned several members of its regular staff to work on telethon matters on a full-time or part-time basis.

Telethon proceeds will be divided under a formula set out in the terms of agreement. Gross receipts which are directly attributable to the telethon itself will first be applied to reimburse State Committees for certain expenses relating to the operation of state telephone centers, and for certain other expenditures approved in advance by the Democratic National Committee. One-half of telethon receipts remaining after appropriate reimbursement will then be divided among the participating State Committees, in proportion to the percentage which each state contributed to telethon revenue. The Democratic National Committee will also transfer one-half of the funds attributable to the pre-telethon solicitation effort to participating State Committees, again in proportional amounts.

STATE TELETHON ARRANGEMENTS

Within the various states, as noted above, telethon activities will be carried on either by the state central committee, which in those cases would be a registered political committee, or by a separate state telethon committee, which in most cases registered in the course of the 1974 telethon as a political committee. Separate telethon committees are used in those states in which the state central committee itself, by the nature and scope of its activities, is not properly characterized as a political committee. In such cases, the state telethon committee will carry on all telethon-related activities, meet all expenses, and receive the state's share of telethon proceeds, and then will transfer the net proceeds after all obligations have been met to the state central committee.

Because the state telethon committee has no independent revenues, it will in certain cases be necessary for the state central committee to advance funds to the telethon committee to enable it to meet initial expenses. In this connection, the state central committee may itself have to secure a bank loan, and the bank may require that the loan be personally guaranteed by one or more individuals. When the state telethon committee receives its share of telethon proceeds, this loan will be repaid, along with any other outstanding obligations, before the final transfer of net proceeds to the state central committee is made.

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[1] Within each state, telethon activities will be conducted either by the state central committee or by a separate state telethon committee. The term "State Committee" will be used hereafter to refer to whichever committee within a state is charged with telethon responsibility. Specific reference will be made to the state central committee or the state telethon committee where appropriate.

The state telethon committee will report all expenditures, receipts and transfers, including the final transfer of net proceeds to the state central committee. In connection with prior telethons, we have received rulings from the supervisory officers that the final transfer from the state telethon committee to the state central committee would not affect the status of the state central committee as a non-reporting committee, assuming that the committee does not otherwise make contributions or expenditures, as defined by 2 U.S.C. 431 (e) and (f), in an aggregate amount exceeding $1,000 during a calendar year.

REQUEST FOR RULINGS

The Democratic National Committee and participating State Committees wish to comply fully with all reporting requirements which may be applicable to telethon transactions, and to observe all requirements imposed by Title 18 as amended. Rulings have been issued in prior years by the supervisory officers, setting out explicitly the respective reporting obligations of all committees. Copies of the 1974 telethon ruling request submitted on behalf of the Democratic National Committee, and of the responses of the supervisory officers, are attached. We ask the cooperation of the Commission in providing similar guidelines for the 1975 telethon, and in responding to the questions raised above covering the application of certain provisions of Title 18. In this regard, rulings are respectfully requested that:

(1) The endorsement or guarantee by any individual of all or a portion of any bank loan made to the Democratic National Committee for purposes of financing the production of the telethon will not be treated as a "contribution" as defined in 18 U.S.C. 591(e)(1). Similarly, the guarantee by any individual of a bank loan made to a state central committee, either for use by the state central committee in financing its own telethon obligations, or to enable the state central committee to advance funds to a state telethon committee, will not constitute a "contribution."

(2) Since the telethon effort, with its division of responsibilities and its ultimate distribution of profits, is in effect a joint venture among the various State Committees of the Democratic party and the Democratic National Committee, the provision of staff support from one committee to another and the general coordinating efforts of the Democratic National Committee will not be treated as "contributions" from one committee to another, for purposes of either Title 2 or Title 18 of the United States Code. As described above, the Democratic National Committee will provide several regional coordinators, whose primary function will be to ensure that State Committees understand and fully meet their obligations under the terms of agreement. The regional coordinators, along with several regular Democratic National Committee staff members, will work with the State Committees in order to maximize the effectiveness of the telethon effort, and to protect the interests of the Democratic National Committee in connection therewith. Staff members employed by the Democratic National Committee will not, however, assume any of the State Committee's own responsibilities. The operation of telephone centers, the pre-telethon solicitation program, and any other state obligations will be carried on by State Committee staff or by volunteers.

(3) In the case of a state central committee which is not itself a reporting committee, the transfer of net telethon proceeds to such committee by the state telethon committee will not affect the state central committee's non-reporting status, assuming that the committee does not otherwise qualify as a "political committee."

(4) The Production Committee (which, pending issuance of a ruling on this question, has registered with the Commission as a political committee) will not be considered as an independent committee for purposes of the Federal Election Campaign Act, but will rather be treated as an agent or subsidiary of the Democratic National Committee. The Production Committee will keep detailed records of its receipts and disbursements, and the transmission of such records to the Democratic National Committee will be considered a condition for relating to the financial transactions of the Production Committee and will be included in the report filed by the Democratic National Committee.

(5) Contributions made as a result of or in connection with the telethon are contributions to the Democratic National Committee. Disclosure of all such contributions and other required information pertaining thereto shall, accordingly, be included in the report filed by the Democratic National Committee. Although the State Committees will not be required to include such contributions in their reports, it is acknowledged that in the case of a contribution which is made payable to a State Committee, and which must then be endorsed and transmitted to the Democratic National Committee, the receipt and transmission must be reflected in the State Committee report. In the case of any individual contribution received by the Democratic National Committee which is earmarked by the contributor for any particular committee or other recipient, the details as to amount and all details regarding the identification of the contributor must be shown in reports of both the Democratic National Committee and the recipient.

(6) In the case of states which have set up separate telethon committees, and in which the state central committee has made an initial advance to the state telethon committee to enable it to meet its expenses, this advance will be reflected in the state telethon committee's report as a loan from the state central committee, with a loan repayment in an equal amount. The loan transaction, like the final transfer of net proceeds, will have no effect on the status of the state central committee as a non-reporting committee.

(7) The Democratic National Committee will report as expenditures all expenses incurred by the Production Committee, and will provide all detailed information which is required. The Democratic National Committee will report as an expenditure any reimbursement to a State Committee for approved expenses, and will report as a transfer of funds any payment to a State Committee of its share of telethon proceeds.

(8) Each State Committee will report as expenditures all expenses incurred with respect to the telethon, including expenses which are to be reimbursed by the Democratic National Committee. Each State Committee will report as transfers of funds to it the amount of any reimbursement received from the Democratic National Committee, and the final transfer of the state's share of telethon proceeds.

(9) In the case of a special fund-raising event, the expenses incurred in connection with such event will be reported by the committee which has incurred the expenses, whether this be the State Committee or the Democratic National Committee. When an individual has hosted an event, and has absorbed the costs incurred in connection therewith, the State Committee and the Democratic National Committee will each report receipt of a contribution from that individual. The amount of the contribution reported by each will be the percentage of the total costs incurred by the individual which is equal to the percentage of total proceeds which, under the agreement, that committee receives. The State Committee and the Democratic National Committee will each report as contributions all proceeds which they directly receive, whether through use of pledge cards or through ticket sales. Any subsequent transfer of all or a portion of the proceeds of an event, either from the State Committee to the Democratic National Committee, or from the Democratic National Committee to the State Committee, will be reflected as a transfer on reports filed by both.

(10) Although the expenses incurred by the Democratic National Committee and by participating State Committees would appear to be "costs incurred with respect to the solicitation of contributions . . . through broadcasting stations," and thus would not be included within the general fund-raising exception to the definition of "expenditure," these expenses will not be incurred on behalf of clearly identifiable candidates. Thus, these expenses, even if they are technically classified as expenditures under Title 18, will not be counted against the applicable limitation for either contribution or expenditures made by the National Committee or any State Committee with respect to any candidate. [The Conference Report provides in this respect, at page 86, that "nothing in this provision of the conference substitute is intended to require multi-candidate committees to allocate among candidates amounts spent for fund raising activities. . . ."]

SHELDON S. COHEN,
General Counsel, Democratic National Committee.

SPEECH TO THE AMERICAN VETERANS COMMITTEE

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 17, 1975

Mr. OTTINGER. Mr. Speaker, I recently had the opportunity to address the annual meeting of the American Veterans Committee in South Fallsburg, N.Y.

The speech gives an overview of some of the major issues being dealt with in this Congress and outlines some of the legislation now pending that would be of benefit to veterans.

I insert into the RECORD the remarks I made at that time, which are as follows:

SPEECH TO THE AMERICAN VETERANS COMMITTEE, SOUTH FALLSBURG, N.Y.

As a Korean War veteran and a member of the American Veterans Committee and National Advisory Council as well as the American Legion, Jewish War Veterans and the Veterans of Foreign Wars, I am very happy to be here to address this, the 31st Anniversary Celebration of the American Veterans Committee.

The AVC is in many ways unique among all of the veterans organizations in the United States. Your concern, not just for Veterans second", which clearly states your equal opportunity for all has been outstanding for over 30 years.

The work of the AVC has long been recognized in light of your motto: "Citizens first; Veterans Second", which clearly states your belief that what is good for the nation will be good for the veteran.

Over the years, the AVC has played a major role in the fight for forward-thinking social and economic programs that would benefit all citizens and has been the veterans' voice in the civil rights movement. As on other major, social issues, AVC was out in front, working for an end to segregation and discrimination in the military services as well as in civilian society. Not widely known is the fact that the AVC filed a supporting brief in the famous Brown versus Board of Education case which produced the landmark Supreme Court decision which called for the integration of our public schools.

Recently, the AVC has been a strong and effective voice for the establishment of equal rights for women. The AVC has also supported extending the franchise including the registration of servicemen, giving the 18-year-olds the right to vote and passing the Voting Rights Acts of 1965 and 1969.

I am happy to report that in this session of Congress, we have extended the life of the Voting Rights Act of 1965 for another 10 years.

In the aftermath of a costly and tragic war in Vietnam, I share your concern for where we go from here. America is indeed at a crossroads, affecting both its national and international policies.

I am totally in agreement with the stated AVC policy that our inflated military budget has taken badly needed public funds away from critical domestic programs. We must maintain an effective defense in today's world. No thoughtful student of history could maintain otherwise. But economies can be achieved in our military establishment without sacrificing our national security; indeed, in some instances, considerably enhancing it. To that end, I voted to trim $2.2 billion in wasteful military expenditures during this session of Congress.

I am also fully in support of our efforts to stop the nuclear arms race through the Strategic Arms Limitation Talks with the Soviet Union. Certainly, the billions of dollars currently spent by both us and the Russians on ways to increase the destruction of war can be better spent on new ways to produce energy and to feed the starving millions of the world.

In many ways, solving the world-wide energy crisis is a key to survival of the free world. Europe is almost totally dependent on Middle East oil to support her entire economy and that same oil is the base for the fertilizer needed by the rest of the world to feed its population.

I have acquired some expertise on energy and oil after many long months of debate in the Energy and Power Subcommittee on which I am a member. The approach of the Congress has been to set import quotas to require reduction of our overseas oil purchases. We have also stressed mandatory conservation measures—particularly for industry, automobiles and appliances. Congress would provide the authority to fairly allocate resources should these conservation measures prove inadequate, including stand-by gasoline rationing authority and the creation of a strategic Petroleum Reserve to protect against a boycott.

This is a much sounder program than the President's, which calls for a leap in the price of oil products which would threaten the stability of our economy without any assurance of energy savings. It would also very unfairly spread the burden of both oil conservation and economic hardship on already over-burdened middle- and low-income families.

I have introduced legislation to promote the development of electric, steam, and hybrid cars. Their use could dramatically reduce energy consumption and the level of pollution in our air. Six years ago, I demonstrated a completely feasible electric car that would go 60 m.p.h. and 200 miles on a gallon of gas. It is inexcusable that Detroit hasn't pursued this option. New developments show great promise as well for hybrid cars that would use batteries for start-ups and city driving and gasoline for the highways where the internal combustion engine is most efficient, getting 60–70 miles per gallon. Various forms of steam propulsion also show great promise. Since automobiles account for 30 per cent of our petroleum use, these innovations could be very significant to achieving our national energy goals.

New forms of clean, environmentally safe energy production in which I am keenly interested include the development of solar energy. I have co-sponsored legislation which would establish a low-interest loan program for the installation of solar heating in homes and other buildings. Other legislation I have co-sponsored would allow a homeowner's tax credit or deduction for energy saving investments in heating and insulation.

But, before we can get into the age of solar energy, it may be necessary for us to make much better use of the one fossil fuel that we have in plentiful supply in this country—coal. I am certainly not suggesting the indiscriminate burning of coal in present boilers, which would spray pollution and filth into our air. However, I do believe that through such advanced treatments as coal gasification and liquification into methanol, coal can be transformed into an environmentally safe energy resource which could be used without fear of polluting our air and water.

Solving our energy supply problems is also critical to our national defense and that of the free world, of course. We must provide for strategic fuel reserves for times of national emergency and we must end the vulnerability of the free world to subjugation by the Arab oil producers. Our economy must be free from the threat of Arab disruption arising out of the present transfer of $100 billion of free world assets per year—$2 billion a week—to the OPEC countries. This dangerous shift of economic power must be stopped and OPEC prices brought down to a more reasonable level. Our only recourse is to develop new, clean sources of energy so that we can become energy self-sufficient.

On matters concerning you, as veterans, directly, a number of bills are pending before the Congress which would assist the veteran in successfully returning to civilian life and help bring the benefits accorded to Vietnam veterans into line with those received by veterans of prior conflicts.

One bill now pending in the House would treat all former prisoners of war who served 26 weeks or more in a Prisoner-of-War camp the same as totally disabled veterans, making them eligible for full compensation benefits. Another bill would allow veterans to receive disability and retirement benefits with no reduction in one as a result of the other.

There are also two bills pending in the House which would seek to improve job counseling and other employment services for veterans by providing for the creation of a separate Veterans Employment Service within the Department of Labor and the appointment of an Assistant Secretary of Labor for Veterans Employment.

I will give careful attention to all of these bills and am especially interested in the education bills for veterans now pending.

One piece of legislation would provide for an extension of education benefits from 36 to 45 months to all veterans, regardless of whether they attend a degree or non-degree institution. It is designed to help students who carry a full course load of 12 credits and work full or part-time complete their education in five years' time with government assistance.

I have also been made aware of a number of World War II, Korean War and Vietnam War veterans who may be disqualified for any further educational benefits under the GI Bill because of a time limitation on eligibility. I intend to support legislation which would remove this time limitation for all those veterans currently enrolled in educational programs or who wish yet to apply.

I also share the concern of the American Veterans Committee for the hundreds of thousands of young men who were given less than honorable discharges during the Vietnam War era. Many were discharged for petty offenses without benefit of courts martial to be returned to society stigmatized in their efforts to obtain employment and to lead useful and normal lives. They, along with the many thousands of young Americans who protested participation in the Vietnam War through various forms of draft resistance, have become a part of the lost members of the Vietnam generation. Certainly, it is time to end the divisions and disruptions which their continued ostracism from our society creates.

The time has come to heal our wounds as a nation at home and to set a new international course as well. On the international front, it seems we are faced with a dual task: We must on one hand convince our allies that in spite of our tragic losses in Vietnam, we do not plan to withdraw from the world or abdicate our leadership position.

On the other hand, we must demonstrate to our potential foes that we have the will to maintain our strength and resolve to protect our true national interests.

The challenge facing us is to use our great power wisely and to channel the immense resources of this nation into more constructive directions.

Irresponsibly brandishing the threat of a nuclear holocaust is certainly no way to begin. Just before Congress recessed last Friday, I introduced a bill with 88 co-sponsors declaring it the policy of the United States to forbear the first use of nuclear weapons. We simply must take the leadership to keep the nuclear genie in the bottle if we are to have a livable world for our children.

The real strength of our country has always been based on our humanitarian ideals of freedom, liberty, equality, justice and opportunity for all. We must put these basic principles back in the forefront of our domestic and foreign policies.

In great measure, the real task that lies before us is not the restoration of respect or confidence in us abroad, but rather the re-establishment of confidence in ourselves right here at home.

It is through the perfecting of our democracy and building a more just society that we can hope to once again hold out a light to the world. I hope that we as a nation will resolve in our 200th year that the America for which so many young men have fought and died will enjoy a rebirth and a rekindling of the Spirit of '76.

EVERYONE IN CUBA IS A PRISONER

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 17, 1975

Mr. McDONALD of Georgia. Mr. Speaker, a recent article in the Washington Post leads me to raise the following question. Which do you suppose someone would choose: A lifetime in a "worker's paradise"? Or a lifetime in a U.S. prison?

Charles Tuller and his two sons, Bryce and Jonathan, chose the latter. Facing a murder charge in the United States, the Tullers chose to return after spending nearly 3 years in Cuba.

According to Bryce, life in Castro's Cuba "was a living hell." There were the nightly firing squad executions, the solitary confinement in which he nearly starved to death, the suicides going splat on the street in front of him, the boredom and the standard 16-hour days in the sugar cane fields. Apparently an American prison begins to look pretty good after 3 years of this.

If it seems strange that one would choose imprisonment in the United States over "freedom" in a Communist country, keep in mind that it is a choice between two prisons. As Bryce Tuller puts it, "Everyone in Cuba is a prisoner."

I call attention to this grim fact because of glowing reports from certain Members of the Senate and others after recent visits to Cuba. Apparently the falling bodies and bullet-riddled victims escaped their attention, or at least their concern. But then possibly prison conditions appear different to the jailer—or to those who intend to be jailers, or keepers—than they do to the inmates.

Following is the account of an interview with Bryce Tuller that appeared in the Washington Post on July 15, 1975:

[From the Washington Post, July 15, 1975]

Tullers Chose To Risk Jail Rather Than Live in Cuba

(By Ron Shaffer and Athelia Knight)

Bryce Matthew Tuller, sought for three murders and for hijacking an airliner to Cuba in 1972, returned voluntarily to this country last month because he, his father and brother found that life under the Castro government "was a living hell," an Arlington County police detective said yesterday.

Along with his father, Charles, and a brother, Jonathan, Bryce Tuller was kept in solitary confinement for months in Cuba, received no clothing and little to eat, and spent their nearly three years confined to a life of boredom and labor in sugar cane fields. Det. Ernie Light quoted Bryce Tuller as telling him in a long conversation over the weekend.

"They had wanted to leave Cuba from the first day they got there," Bryce Tuller reportedly told Light.

They were forbidden by the Castro government to leave until last June 20, when Cuban authorities suddenly told them to gather their few belongings. The Tullers were given $1,400 in cash, the real and false identification papers they had brought with them to Cuba, and plane tickets to Jamaica, Light said Bryce told him.

Although they face the prospect of a lifetime in prison, the Tullers came back to the United States "because nothing in this country can be as bad as what we went through in Cuba," Light said Bryce told him during a car ride Saturday from North Carolina to the Arlington County jail.

The Tullers re-entered the United States on June 21, according to the FBI. Charles Tuller, now 51, and Jonathan Tuller, 20, surrendered to federal authorities in Washington last week after Bryce, 22, had been arrested and charged with attempted armed robbery in Fayetteville, N.C. He volunteered to return to Arlington.

In his first court appearance yesterday, Bryce Tuller, wearing what he said were the same clothes he wore during his flight to Cuba, told Arlington Circuit Court Judge Charles S. Russell that "I plan to enter a plea of guilty," to the Arlington charges against him.

He also said that he did not want a lawyer to represent him.

Russell, who advised Tuller of his legal rights, said he would "still need considerable counseling," and set a hearing for Thursday to consider bond and Tuller's request to be without counsel.

Charles and Jonathan Tuller are being held on $10 million bond each, and are being held in the custody of U.S. marshals at an undisclosed location in Maryland pending an extradition hearing in D.C. Superior Court on Aug. 6.

All three Tullers have been indicted by an Arlington circuit court grand jury for the murder of Arlington policeman Israel P. Gonzalez and bank manager Harry J. Candee during the aborted Oct. 25, 1972, robbery of the Arlington Trust Company's Crystal Mall branch.

The Tullers also are charged with the attempted murder of Gladys Willier, a bank employee who was wounded during the attempted holdup, and with attempted armed robbery. They are also sought by Texas authorities for the murder of an Eastern Airlines ticket agent and the hijacking of a Boeing 727 airliner to Havana four days after the Arlington holdup attempt.

It was during the hijacked flight that Charles Tuller, a self-styled, white, middle-class revolutionary, harangued passengers that Cuba was "the only place that a person could enjoy the benefits of freedom."

What the Tullers found in Cuba was "unbelievable, beyond anything they had imagined," Light quoted Bryce Tuller as saying.

When the stay in Cuba was over, Bryce Tuller, once described by faculty members at T. C. Williams High School in Alexandria as a radical and strident activist for student rights, had become "totally anti-Communist," Light said.

"He said he never understood the system in the first place, but now he does," Light said.

When they arrived in Cuba, authorities were most concerned with stripping the Tullers of weapons, Light said Bryce recalled. There followed three months in solitary confinement in conditions so dismal some other prisoners were forced to eat rats.

After their release from solitary confinement, they were given rooms at a run-down hotel, without running water, and were given "credit cards" for the purchase of rice and fish, which was the staple of their diet, Light said Tuller recalled.

"He said they were literally starving to death." Light said. During their court appearances, the Tullers have appeared drawn and underweight.

Bryce Tuller, Light said, reported that the Cubans work 16 hours a day, that there are block captains, or informers everywhere to report or allege anti-Castro activity, and that there were nightly firing squad executions in a Havana courtyard.

"Everyone in Cuba is a prisoner," Light said Tuller told him. "He said he saw suicides, people jumping out of windows and going splat on the street in front of him, and police standing by and leaving the bodies there for 10 or 12 hours."

The Cuban people were suspicious and afraid of the Americans, Light said Bryce Tuller told him, and most of the time the Tullers "just sat, doing absolutely nothing." On a few occasions, the Tullers "were requested" by Cuban authorities to cut sugar cane and they complied, Light said Bryce Tuller told him.

Charles Tuller had a heart attack during his stay in Cuba, Bryce reported, and because the three men were given no clothes, Jonathan caught pneumonia.

The Tullers' trip to Cuba "was not a planned thing," Light quoted Bryce Tuller as saying. "They did not commit the crime with the intention of going to Cuba; they went there as a last resort," Light said. "Bryce said once they were there they wanted to move on to parts unknown."

Bryce Tuller's description of life in Cuba contrasts sharply with that of William White Graham, an alleged accomplice of the Tullers in the bank robbery and hijacking. Graham, in a telephone interview with The Washington Post from his Havana hotel room in January, said he had room service, had enrolled in college, and was free to go swimming and to the beach on the weekend.

During the long trip from North Carolina to Arlington and during their lengthy conversation, Light said, Bryce Tuller showed no emotion. "He was just like an average guy," Light said.

VIRGINIA SMITH'S ANNUAL LEGISLATIVE QUESTIONNAIRE

HON. VIRGINIA SMITH

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 17, 1975

Mrs. SMITH of Nebraska. Mr. Speaker, earlier this year I sent to the residents of the Third District of Nebraska my first annual legislative questionnaire covering issues confronting the Congress which are of particular interest to the people of my area. Although scattered replies continue to come in, the results of this poll have now been tabulated on the basis of approximately 27,200 individual responses.

Because the actions of the House and Senate affect all Americans in each of the 50 States, I wish to share these opinions of my constituents with all of my colleagues in the Congress. Under leave to extend my remarks in the Record, I wish to include this tabluation, which I am sure many will find of interest:

Virginia Smith's Annual Legislative Questionnaire

[In percent]

1. Agriculture. Do you favor a government-managed grain reserve?

Yes 23, no 77.

2. Federal budget. As a general rule, do you feel it is important to balance the Federal budget?

Yes 94, no 6.

3. Social security. To maintain our social security on a sound financial basis, would you:

(a) increase payroll taxes if necessary?

Yes 20.

(b) use general tax revenues?

Yes, 30.

(c) prefer a combination of both?

Yes 50.

4. Right-to-life. Would you support a "Right-to-Life" Amendment to the Constitution to prohibit all but therapeutic abortion?

Yes 57, no 43.

5. Health insurance. Do you favor enactment of a national health insurance program?

Yes 30, no 70.

*6. Energy policy. To conserve energy, do you favor:

(a) gasoline rationing?

Yes 17.

(b) increase the price of petroleum products?

Yes 14.

(c) postpone environmental regulations?

Yes 37.

(d) ban recreational week-end driving?

Yes 15.

(e) continue national 55 m.p.h. speed limit?

Yes 73.

*On question 6 the results total more than 100% because many favored a combination of alternatives.

7. Consumer protection. Should a new Federal Consumer Advocacy Agency be established?

Yes 27, no 73.

8. No fault insurance. Do you feel Congress should approve a national "no fault" auto insurance plan?

Yes 45, no 55.

9. Firearms. For a Federal Firearms policy, would you favor:

(a) no registration at all?

Yes 35.

(b) registration of all firearms?

Yes 26.

(c) registration of hand guns only?

Yes 25.

(d) registration in high-crime urban areas only?

Yes 14.

10. Postage rates. Should the Postal Service be self-supporting even if higher postage rates are necessary?

Yes 68, no 32.

11. Southeast Asia. Regarding additional assistance to Southeast Asia, would you favor:

(a) economic aid?

Yes 11.

(b) military aid?

Yes 9.

(c) humanitarian assistance only?

Yes 42.

(d) no further assistance?

Yes 38.

12. Coal slurry pipeline. Do you favor construction of a coal slurry pipeline across western Nebraska?

Yes 47, no 53.

COL. CLARENCE E. GENTRY

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 17, 1975

Mr. ANDERSON of California. Mr. Speaker, on July 31, 1975, Col. Clarence E. Gentry will retire after 33 years in military service. For the past 2 years, this outstanding officer has served as commander of Fort MacArthur, which lies within my district in San Pedro, Calif.

During his tenure at the fort, Colonel Gentry became known and respected by many. He will be missed, not only by those who were stationed or worked at the post, but by the citizens of San Pedro and the surrounding communities.

In its long history as a military installation, Fort MacArthur has always enjoyed a fine rapport with the civilian community. This congenial relationship was especially enhanced during Colonel Gentry's command. He served on numerous committees of the San Pedro Chamber of Commerce, and his active participation in civilian affairs always helped to keep the lines of communication with the military open.

Colonel Gentry established and maintained a color guard and an honor guard to represent the fort at community functions, and made the 72d Army Band available for many civilian programs and activities. Through his outstanding efforts and those of his lovely wife, Louise, the more than 40,000 retired military in the Fort MacArthur area were able to keep in touch, and feel as if they were a part of the southern California armed services community. Their thoughtfulness and consideration in this area will long be remembered.

Prior to his command in San Pedro, Colonel Gentry had led a long and distinguished career in the service of his Nation. Entering the Army from California in 1942, he received his commission as a second lieutenant from Fort Belvoir, near Washington, D.C., in 1944, he served with the 30th Engineer Battalion in Hawaii and the Solomon Islands, and following a brief return to the United States was sent to Korea at the outbreak of hostilities. While in Korea, Colonel Gentry served as a company commander, and participated in the landings at Inchon and later in the 8th Army offensive into North Korea.

Following his return to the United States, Colonel Gentry served in a variety of positions until 1957, when he was reassigned to the Regular Army, serving with the Green Berets in the Republic of Vietnam from 1963 to 1964. Following a second tour of duty in Vietnam as assistant director of plans, forces, and surface operations in the Directorate of Operations, Military Assistance Command, Vietnam. From there, Colonel Gentry received his command at Fort MacArthur.

Throughout his career, Col. Clarence Gentry has demonstrated the fine qualities that are so necessary in a position of leadership. Although he is now leaving military life, he leaves behind him an outstanding reputation, and the respect and good will of all who have had the honor of working with him.

On behalf of myself and my wife, Lee, I congratulate Colonel Gentry on the conclusion of a fine career. I am sure that the grateful people of San Pedro, as well as the people of the entire southern California area, join us in saying "bonne chance" to both Gene and Louise as they return to civilian life.

CAPTIVE NATIONS WEEK COMMEMORATED

HON. HENRY J. NOWAK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 16, 1975

Mr. NOWAK. Mr. Speaker, it is particularly appropriate that we observe Captive Nations Week this year as the United States enters into its Bicentennial observance. Captive Nations Week is not a useless relic of the cold war, any more than the Declaration of Independence is an outdated piece of paper. Both continue to have deep meaning. The genuine belief in each individual's God-given right to freedom and dignity which inspired the American Revolution is the underlying spirit also of Captive Nations Week. The commitment to freedom and human dignity embodied in our Declaration of Independence is reflected also in the spirit of Public Law 86–90, which gave birth to Captive Nations Week.

The tragedy of the captive nations reaffirms the truth of the saying:

> The condition upon which God hath given liberty to man is eternal vigilance.

The issue of the captive nations, therefore, is not a remote one, but a constant reminder that vigilance and adherence to our moral traditions are essential to our national security. I would like to share with my colleagues the following editorial which appeared July 15 in the Buffalo Evening News:

Remember Captive Nations

Captive Nations Week is being observed throughout the country this week, as it has been every year since 1959, in order to underline the plight of peoples suffering under the domination of Communist regimes not of their own choosing.

The nations referred to are generally those under direct Soviet sway in Western Europe, but in a wider sense, the "captive nations" can be considered all the Communist-dominated nations, even though some, such as Yugoslavia and China, are in no sense ruled by Moscow. This year, South Vietnam, Cambodia and Laos must be added to the captive list.

In fact, the list could be expanded to commemorate the victims of repression everywhere in the world—and that would make a long list indeed. The unfortunate people of Uganda suffering under a capricious tyrant like Gen. Amin are also "captives" even though not of Communist rulers.

That courageous fighter for freedom, the exiled Russian author Alexandr Solzhenitsyn, was so depressed by the state of the world that he said recently that World War III has already happened and that the free world has lost it. He was referring to the postwar Soviet domination of Eastern Europe, the spread of Soviet influence in the Middle East and Asia and numerous depressing developments in the underdeveloped world.

That is indeed disillusioning, but we should remember that only a small part of the world's population has ever enjoyed the kinds of freedoms that we sometimes take for granted. These freedoms developed in the European and Western world, but only imperfectly, and too seldom took firm root in the vast colonial world. The "freed" colonies are now ruled largely by native dictators of varying ideological stripes.

This Captive Nations Week should be a time, not only to remember the victims of repression, but to rededicate ourselves to assuring that our own cherished freedoms survive and continue shining as a beacon to others in a hostile world. Mr. Solzhenitsyn, always defiant and uncompromising, favors a policy of continuing and unyielding confrontation with the Soviet Union. Strength is important, but it is also important to know when and how best to use it. Held in reserve, it can create the respect necessary for many hopeful developments in East-West relationship under the policy of detente—with as much opportunity to widen the area of freedom as there is risk of seeing it further erode.

The defense of freedom also requires an inner strength. An Italy headed for political chaos or a Britain that has squandered its way into bankruptcy is ill equipped to face any kind of challenge. A Western world that is economically and militarily strong and ever mindful of the extremely rare freedoms it possesses—that is the best hope that there will be no more additions to the list of "captive nations."

MONETARY POLICY AND THE CONGRESS

HON. ALBERT W. JOHNSON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 17, 1975

Mr. JOHNSON of Pennsylvania. Mr. Speaker, one of the important bills to be acted upon soon by the Congress is a measure which would authorize the General Accounting Office to audit the Federal Reserve System in its many activities, with some exceptions.

Since, in my opinion, this is a very drastic measure and goes to the very independence of our central banking system, I thought my colleagues would be interested in reading the following article written by Dr. Paul W. McCracken, which appeared in the Wall Street Journal of July 10. Dr. McCracken is the Edmund Ezra Day University professor of business administration at the University of Michigan, senior consultant to the Secretary of the Treasury, and former chairman of the Council of Economic Advisers.

Mr. Speaker, the article follows:

MONETARY POLICY AND THE CONGRESS

(By Paul W. McCracken)

Ask a sample of reasonably well-informed friends about H.R. 7590 and most of them will respond with a baffled look, not being quite sure whether you are alluding to a new operative from our literary treasures on the paperback shelves or perhaps to a new lawn fertilizer that is either being promoted by a company or denounced by EPA (or perhaps both).

Inform your friends that H.R. 7590 is actually a bill providing for General Accounting Office audits of the Federal Reserve System and the response can still be expected to be one of something less than rapt animation. It sounds like another one of those technical proposals whose primary result would be more CPA openings.

In fact, H.R. 7590 is if not an exciting and visible matter for the citizenry at least an important matter for them. And apart from its significance for economic policy in the immediate sense, *l'affaire* H.R. 7590 epitomizes some things about governance in the contemporary world that are giving the institutions of government such undistinguished ratings by the public generally. And more to the point it shows why the Congress itself specifically is held in particularly low esteem by public opinion.

Indeed, whether the Congress realizes it or not, the primary victim of H.R. 7590's passage could very well be the Congress itself. While our society could survive making life yet a little more complicated for Federal Reserve officials, the tolerances for a further erosion of public confidence in the capacity of the Congress for responsible action are getting narrow.

H.R. 7590 would give the General Accounting Office authority to audit the Federal Reserve System and its entities—such as the board, the 12 Federal Reserve Banks, the Federal Open Market Committee, and the Federal Advisory Council. Now if this were simply a requirement that the system's accounting be subject to rigorous audits, similar to the kind of going over that businesses get from public accounting firms, there could be no reasonable objection. The system's books should be audited. There is no place in our society for lords of the manor who remain above the necessity of accounting for the resources entrusted to them, either in the public sector or in the private sector. The point is that they already are—indeed, probably over-audited.

NEGLIGIBLE RESULTS

The principal reservation about this part of the bill is not the unexceptionable idea that the Federal Reserve's books should be audited. It is that this substantial slice of inevitably limited congressional capacity for action should not be allocated to a venture where the probable payout from yet another financial audit would be so negligible.

The probability that the constructive results from another financial audit would be negligible is apparently a view shared by the bill's authors also. They have, therefore, produced a bill that poses far larger issues. This bill would also authorize the GAO to "have access to books, accounts, records, reports, files, and all other papers, things, and property belonging to or in use by the entities being audited, including reports of examinations of member banks, from whatever source." The bill would, in short, authorize the GAO to audit policy. While the new version of the bill would preclude GAO recommendations about monetary policy, the language of the revised bill would still give the Comptroller General broad scope to "make any special or preliminary reports he deems desirable for the information of the Congress."

There are at least three things wrong with this more fundamental aspect of the bill. For one thing it is no discredit to suggest that the GAO auditors would quickly find themselves hard put to make something out of, for example, the minutes and memoranda incident to deliberations of the board or the Federal Open Market Committee. This part of the venture would be about as productive as if the Federal Reserve's economists were turned loose to give the GAO's books an accounting audit.

Moreover, while democracy could survive having GAO's auditors at a high level of bewilderment, the fact that internal memoranda and records of discussion antecedent to decisions would be monitored by outsiders would pose a real danger to the processes leading to decisions about monetary policy. The give and take, the trying out of ideas, the quick assembling of perhaps incomplete but nonetheless useful data—these are the raw material out of which mature decisions are finally forged. They are also, however, the things that in the public domain and taken out of context, in the inevitably adversary atmosphere of the political arena, could cause embarrassment and even grave injustice to individual participants. In their on-going activities these officials inevitably would have to keep one eye on assuring that nothing said or written could cause trouble even if taken out of context and looked at Monday morning after Saturday's game. This would, in short, have a withering effect on the group dynamics of discussion and debate which must flourish if good decisions are to emerge.

The main point here, however, is that the Congress would be apt to find itself in an uncomfortable position with passage of something like H.R. 7590. If the effort going into this bill is not intended to produce anything more than a little harassment, it would be another case of that dissipation of congressional energy on trivia, while the tough and important issues go unattended, that has helped to curdle public confidence in the Congress itself.

If a broad-spectrum GAO audit of the Federal Reserve is not intended to be a triviality, and this seems to be a reasonable assumption in view of the effort to produce a bill, the results would then carry a high risk for the Congress. This would be true because the fundamental significance of this legislative effort, if successful, would be to move direct responsibility for the operation of monetary policy closer to the Congress. The Congress historically has been careful to avoid this, and wisely so.

SOME UNPOPULAR DECISIONS

The fact is that a good management of monetary policy often requires decisions and actions that are unpopular. The things people want to buy always extend beyond the outer limits of the economy's capacity to produce. Money is what people must have to purchase output. The problem will, therefore, seem to be a shortage of money, with the managers of the money supply seemingly the cause of it all.

While the Congress has ultimate constitutional responsibility to "coin money and regulate the value thereof," it is far too exposed to immediate political pressures to assume itself the direct responsibility for managing money. With such more direct congressional responsibility for monetary management, a good monetary policy would often cause carnage at election time, and a congressionally managed monetary and credit policy responsive to immediate political pressures would often produce carnage in the economy.

The Congress, therefore, wisely established an institution with substantial remoteness both from these political winds and from the Congress itself. The system shares a central banking mystique or theology about doing unpopular things as a matter of duty. Indeed, central bankers are apt to be making their most effective social contribution when the political process is most enraged at them. The Congress thereby has the best of both worlds. It has discharged faithfully and responsibly its constitutional responsibility. And it can respond to constituency pressures by berating a Federal Reserve System which the Congress carefully keeps sufficiently insulated and remote to get the job done.

The proper course is the one recently established for regular oversight hearings in which the system explains its policies. The need for regular articulation of policies even makes for better policies.

The Congress should think long and hard, however, before it accepts the hot potato proffered in H.R. 7590 of more direct responsibility for policies which if good will often carry political liabilities for its own members.

FOREIGN INVESTMENTS ACT

HON. WILLIAM M. BRODHEAD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 17, 1975

Mr. BRODHEAD. Mr. Speaker, I have introduced H.R. 6857, the Foreign Investments Act. The act provides for full prior disclosure of all foreign investments in U.S. securities and provides that the President must disapprove of such investments if the investor has engaged in discrimination—blacklisting—against American companies or officials. H.R. 6857 has been referred to the Subcommittee on Consumer Protection and Finance of the Interstate and Foreign Commerce Committee.

I can think of no more cogent or convincing argument for the urgent need of such legislation than an article by Dr. Fred Schulman in the July 14 issue of Capitol Hill Forum. Following is the text of that article. I commend it to the attention of Members.

The article follows:

OPEC COMES TO AMERICA: INVESTS IN NATIONAL CORPORATIONS

(By Dr. Fred Schulman)

One of the most cherished hallmarks of liberty in the United States is freedom from coercion in our daily lives. This basic right is up to challenge in the years ahead as the present trickle of politically-motivated foreign investment increases and focuses on specific goals and industries. As Senator Ted Stevens (R-Alaska) pointed out earlier this year, "foreign investment, even in nonsensitive areas, may jeopardize our national policies such as antitrust, antidiscrimination, and freedom of information policies. That is, with large sums of money invested in corporations which are important to our national economic health, the threat of withdrawal might force us to change our policies rather than risk severe economic disturbances."

With a trade surplus of $97 billion last year, resulting largely from unjustified high government-mandated oil export prices, the Oil Producing and Exporting Countries (OPEC) can be expected to buy into more American industry. There will be grave effects on the pattern of future minority employment and on the loss of freedom in conducting American foreign policy as jobs, profits, and economic stability become more dependent upon Arab good will. Says Sheik Zaki Yamani, the shrewd, U.S. trained Saudi Minister of Petroleum, "those who give us more assistance will be permitted to lift more Saudi crude." The existence of the Arab blacklist of American corporations, the refusal to hire or grant visas to certain American citizens, and the tremendous success of OPEC efforts to elicit American pressure on Israel—without compensating moves by the Arabs toward peace—should leave no doubt as to the potential political effects of current OPEC financial moves.

In the present Watergate climate of admitted international bribery, influence payments, and non-disclosure, it is obviously difficult to trace OPEC ownership or Arab involvement in many of the joint ventures, multi-national corporations, and subsidiaries operating in the OPEC countries and around the world. The sequence is, first, to acquire a huge surplus of petrodollars. This has obviously been accomplished by OPEC. The second step is to invite the multinational corporations to build local industrial and military facilities. This, too, has been accomplished, together with a rush to comply with the Arab blacklist requirements in order to assure access to this bonanza. All this redounds to the detriment of Israel, our only reliable long-time ally in the region, by reducing American investment and trade with it at a time when it can least afford an American economic pullout.

Obviously, the blacklist is not purely-motivated. It injects an unpleasant ingredient into the whole affair of trade with OPEC countries. Rep. Robert Drinan (D-Mass.), has disclosed that the number of US transactions reported to the Department of Commerce involving restrictive trade practices by the Arab states against Israel for the years 1972 to 1974 amounted to the very significant figure of 25,554. These are requests by Arab states to American corporations for discrimination against an American ally and certain American citizens. In the absence of effective remedial legislation, such discriminatory trade practices will undoubtedly increase, despite the statement of President Ford, in March, condemning such boycott practices. It is important to recognize that, at present, there are no penalties for boycott compliance. In fact, it has been reported that agencies of the US Administration are themselves complying with the boycott, e.g. The Army Corps of Engineers, The Maritime Administration, The Export-Import Bank, etc. Some of these activities, as Sen. Edward Kennedy has indicated, may be against the law and may be enjoined by legal action.

Unfortunately, the Administration has opposed several bills—S. 425, S. 995, S. 1303 and S. 329—which are designed to tighten the present weak arrangements relating to foreign investment, disclosure, and reporting. The Administration has testified that such requirements would deter Arab investments in the United States. The results of OPEC actions to date suggest that the Administration's position should be changed.

Multinational corporations do not have disclosure requirements under present law. Even a mild request last December by the Commerce Department's Bureau of Economic Affairs for information covering activities of foreign affiliates of multinational corporations was turned down. The information is still not available.

The danger is clear. Once OPEC countries become part of U.S. corporation joint ventures or part of an American multinational corporation, there will be no way, under present law as currently enforced, to trace OPEC's influence on the corporations' decisions, operations, and policies. These non-publicly known investments, made possible by OPEC-U.S. industry cooperation, aided by such things as admitted bribery and payments to foreign officials, the current climate of nondisclosure and, above all, by the hunger for Arab money, are undoubtedly much greater—and probably more important—than the publicly-known OPEC investments. The impact of the growing web of discriminatory investments on the social, economic, and moral aspects of American society will be revealed only by determined congressional investigations.

A list of some of the publicly-known OPEC-American investments and financial arrangements is given in the accompanying chart. Additional investments continue to be made. This list shows an impressive start by OPEC. It has raised little opposition and sows the seeds for future trouble. First, as time passes, it becomes harder to react against, even if innocuous investments serve as a cover for political investments. Second, training in terrorist procedures, a common political instrument used in many OPEC countries, might conceivably be carried out in the United States on the large tracts of land purchased by some OPEC members in such states as Texas and Kentucky. This could provide the necessary safe-haven for assembly, training and refuge of such units.

Many thoughtful people throughout the nation are deeply and increasingly concerned about such uncontrolled penetration. About $750 million was invested directly by OPEC in ownership of American business, property, and financial institutions in 1974. This year, it is estimated that OPEC will buy an additional $2.4 billion worth of America. Next year, even more direct ownership of American assets by OPEC can be expected. What does this portend for our freedom of action? What about the conflict with civil rights? Should the implications be debated by Congress before we drift into a frightening situation?

It is important that such massive investments be controlled in a manner that is helpful and not harmful to all of our citizens and society. Disclosure and control of foreign ownership is vital if the growth it promises is not to become cancerous to the nation.

SUMMARY OF INVESTMENTS MADE BY MIDDLE EAST OIL COUNTRIES

2–25–73 Iran

Contracted to purchase more than $2 billion in military equipment over the next several years, according to US State and Defense officials. This arms purchase was part of the Shah's 5-year modernization program adopted in 1971.

7–29–73 Iran

The Shah disclosed that the government owned National Iranian Oil Company and that the Ashland Oil Co. had signed an agreement under which both parties would participate in a joint venture in refining and marketing operations in the U.S. National Iranian would acquire a 50% interest in Ashland's refining and marketing operations in New York State. Ashland would purchase crude oil from Iran, starting with an initial purchase of 60,000 barrels a day and increasing to 100,000 barrels a day by 1975.

8–11–73 Iran

The Pahlevi Foundation, representing the royal family of Iran, purchased the former De Pinna Building on 5th Ave. at 52nd St. (NYC). apparently sparing it from demolition. A spokesperson for the foundation said that the Iranian cultural and commercial center will be set up at the site. The building was purchased for $8.6 million from Sam Minskoff and Sons, Lehman Brothers, and Custom Shop Shirtmakers.

10–7–73 Iran

The Transco Companies Inc. (US) and the Iranian National Oil Co. signed a long term contract on Sept. 27th in an arrangement that would provide natural gas products to the East Coast for 22 years. Included in the contract was the construction in Iran of a collection and processing plant for natural gas products which would be shipped to the US for conversion to pipeline quality gas. The Iranian and US firms would be equal partners in the project, which expects initial deliveries by 1976, and full production two years later. This was the second major natural gas contract signed by the Iranian company and a US firm. During Oct. 1972, International Systems and Controls Corp. agreed to build a $700 million liquified natural gas project in Iran.

11–18–73 Iran

Five US oil companies and the Iranian Oil Co. signed a memorandum of understanding for the construction of a petroleum refinery on the Persian Gulf in Iran. The US companies were the Apco Oil Co, Cities Service Co, Clark Oil and Refining Co, Commonwealth Oil Refining Co., and Crown Central Petroleum Corp. The projected refinery would have a capacity of up to 500,000 barrels a day for export. Operations would start in 1977.

1–10–74 Iran

Grumman Aerospace Corporation reported that Iran had agreed to purchase 30 F14A fighter planes at a cost of $900 million. Iran will receive 24 of the planes in 1976 and the remaining six in 1977.

2–9–74 Iran

The US agreed to sell Iran six new DD-963 destroyers including AA weapons for at least $700 million, US Representative Les Aspin (D-Wis) disclosed. Aspin said he would introduce a bill in Congress to block the warship sale. He claimed that the Navy's quarterly report to the Congress had omitted the number of ships involved in the Iranian deal.

6–11–74 Iran

Iran ordered still another 50 US F14A fighter planes at a cost of about $950 million, US officials confirmed in Washington. The delivery of the additional planes will start in 1978.

7–1–74 Iran

The Pahlavi Foundation acquired an electronics systems engineering company and an automotive component company.

9–1–74 Iran

Acquired 20% of Union Carbide's subsidiary in Puerto Rico.

10–1–74 Iran

Grumman Aerospace, the financially troubled US defense contractor, announced that it had obtained nearly $200 million in bank credit to tide it over until the firm's F14A fighter production became profitable. Of the eleven banks which aided Grumman, one was Iranian.

12–21–74 Iran

Iran's ambassador to the US, Ardeshir Zahedi, said his government planned to spend several billion dollars in the US within the next five years for agricultural equipment and technology. Zahedi said the US expertise in nuclear power would account for part of Iran's outlay. Among the US firms listed as seeking to do business in Iran were: Westinghouse Electric Corp, General Electric Co, American Telegraph and Telephone Co. and Pan American World Airways.

1–30–75 Iran

Trans-World Airlines announced that Iran had bought six of its Boeing 747 jumbo jets for $99 million. This was the largest single used aircraft sale ever recorded.

2–11–75 Iran

Delk M. Oden, the company president of Bell Helicopter International announced that his company was training Iranian helicopter pilots.

12–23–73 Saudi Arabia

Trans World Airlines' officials acknowledged that the company was training Saudi Arabian commercial pilots in domestic jets that burn 1800 gallons of fuel an hour, despite the Arab oil embargo which was spearheaded by Saudi Arabia. The training programs have been in effect since 1946, officials said, and there were no plans to discontinue it.

6–10–74 Saudi Arabia

Saudi Arabia increased its 25% share of the concessions and assets of the Arabian-American Oil Co. (ARAMCO) to 60% under an interim agreement announced on June 10th. The accord was reached in discussions that had started in Geneva on June 4th between ARAMCO officials and Saudi Petroleum Minister Sheik Ahmed Zaki al-Yamani. Matters such as the amount of money the Saudi's would pay ARAMCO will be taken up later.

12–9–74 Saudi Arabia

Negotiations opened in London for the total nationalization of ARAMCO by Saudi Arabia. The Saudi's were seeking control of the remaining 40% of the company. Participating in the talks were Yamani and officials of the four US oil companies in the ARAMCO consortium-Exxon, Mobil, Texaco and Standard Oil (Cal.)

12–27–74 Saudi Arabia

Armand Hammer, Chairman of the Board, Occidental Petroleum Corp. disclosed that Ghaith Pharaon, a Saudi Arabian businessman, had recently purchased one million shares of the company's stock, which represents less than 2% of the 55 million shares outstanding.

1–31–75 Saudi Arabia

The Bank of the Commonwealth, a Detroit bank with more than $1 billion in assets, announced that Ghait Pharaon had agreed to purchase 32% of the bank's common stock and 40% of the preferred shares owned by the family of James Barnes, bank chairman. In obtaining controlling interest in the bank, Michigan's sixth largest, Pharaon agreed to pay over $10 million over eight years. Final approval is needed from the FDIC, which had loaned $35.5 million to the bank. Local opposition prevented another Saudi Arabian from purchasing the controlling interest in a California bank. Adnan M. Khashoggi said on Jan. 30th that he was withdrawing his agreement to buy one-third interest (650,000 new shares) in the First National Bank of San Jose because of local opposition. Khashoggi, whose $400 million was centered in a Luxembourg corporation, Triad Holding Corp. had bought two smaller banks in nearby Walnut Creek, Cal., two years earlier. US Representative Fortney Stark (D-Cal.) sold one of his banks to Khashoggi in 1973. Another Arab effort to invest in a US bank failed when Ahmad C. Sarakbi, a Lebanese oil broker, announced on Jan 31st that he was withdrawing a tender offer to acquire control of the Community National Bank, Pontiac, Mich.

2–8–75 Saudi Arabia

The Vinnell Corporation (Alhambra, Calif.) said it would hire former U.S. special forces (and others) to train Saudi troops in how to protect oil fields. The Dept. of Defense confirmed the report on Feb. 10th, prompting several members of the Congress to demand that an inquiry be conducted.

10–18–74 Saudi Arabia

The Wall St. Journal reported that oil exporting nations apparently had invested large amounts of revenue in the short term U.S. credit market. The report was prompted by the Federal Reserve's purchase of an estimated $450 million in Treasury bills for an unidentifiable client. Another $279 million was invested by the Federal Reserve at the same time in very short term credit. The purchases coincided with the monthly tax and royalty payments made by the oil companies to oil producing nations. The Journal reported on Sept. 6th that the Saudi Arabian government had made a $200 million purchase in mid-August of debentures issued by the quasi-government Agency, Federal National Mortgage Association.

10–18–74

Rumors that an Arab consortium was negotiating the purchase of IBM caused the price of IBM stock to soar in trading Oct. 18 on the New York Stock Exchange and on European markets. The report had originated with the Middle East News Agency, an official Egyptian agency, but IBM officials declared there was "no truth" to the report.

1–21–73 Saudi Arabia, Qatar, Kuwait, Iraq, and Abu Dhabi

Signed a participation agreement on Jan. 8th with Gulf Oil Co. and British Petroleum Ltd., under which the Middle East countries existing concessions on its territory. The interest would increase to 51% in ten years. Kuwait became the third Persian Gulf state to sign the agreement negotiated on Oct. 5, 1972. Saudi Arabia and Abu Dhabi had signed would receive an initial 25% interest in ment involved the Standard Oil Co. (Calif.), similar agreements late in 1972. This agree-Texaco Inc., the Mobil Oil Corp., the Royal Dutch Shell Group, the British Petroleum Ltd., and Compagnie Francaise des Petroles.

1–11–73 Kuwait and Lebanon

Acquired real estate in Louisville, Ky., for $50 million, with an additional $200 million line of credit.

5–26–73 Kuwait and Saudi Arabia

Defense officials confirmed that discussions were in progress to provide Kuwait and Saudi Arabia with $550 million in military equipment.

2–1–73 Libya

Th Libyan government loaned the American Black Muslims $3 million in 1972, although Libyan strongman Col. Muammar el-Qaddafi refused to extend a second loan. The Muslims whose holdings were estimated at up to $70 million were experiencing financial problems because their small business and farm enterprises were not profitable.

4–16–74 Libya

Under an agreement signed in Tripoli Libya gained 51% of the operations of the Exxon Corp., and Mobil Oil Corp. The accord was in conformance with a Libyan nationalization law decreed on Sept. 1, 1973.

2–9–75 Algeria

The Algerian National Oil Co., Sonatrach, announced an agreement with a subsidiary of International Systems and Controls under which the US firm would build a $160 million refinery at Hassi R'mel for the treatment of natural gas. Technipetrole S.P.A., an Italian firm and the British subsidiary of Universal Oil Products, a US company, had agreed with Sonatrach on the construction of an oil refinery at Bejaia. The cost of this project, to be owned and operated by Sonatrach, was expected to exceed $230 million.

5–8–75 Egypt

Petroleum and Mining Minister Ahmed Hilal announced that two major oil firms, Exxon and Mobil, signed agreements with Egypt to explore for oil north of the Nile Delta. Under the accord, Exxon would invest $50 million over 12 years and Mobil the same amount over eight years. Hilal said, also, that another American firm, Transworld, signed an agreement for $5.75 million over a two-year period for drilling north of the Nile Delta.

10–1–74 Lebanon

Acquired the Dream Inn Hotel, Cal. (no further details available.)

3–2–74 Qatar

Under an agreement signed in Doha on Feb. 20th, Qatar gained a 60% share in the operations of the Shell Oil Co. and the Qatar Petroleum Co. The new participation accord, effective from Jan. 1st, replaced one signed in 1973 which had given the government an immediate 25% interest in the two firms, increasing by stages to 51% in 1984.

11–1–74 Kuwait

The Kuwait Investment Co. acquired a steamship in California (no further details available.)

4–25–74 Kuwait

Arab oil producers were beginning to invest significant amounts of funds from their increased revenues, including about $1 billion in the US. Among the Arab Investments were: The Kuwait Investment Co. bought Kiawah Island, 15 miles south of Charleston, S.C. for $17.4 million. It is expected that the island will be developed into a residential resort.

5–18–74 Kuwait

The Kuwaiti Parliament and Cabinet ratified an agreement giving their government a 60% share in the Kuwait Oil Co., jointly owned by Gulf Oil Corp., and British Petroleum Ltd. An increase in the 60% share will be negotiated after Dec. 31, 1979.

SOLZHENITSYN SAYS WE HAVE LOST WORLD WAR III

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 17, 1975

Mr. McDONALD of Georgia. Mr. Speaker, in light of the recent receptions of the distinguished author and spokesman for freedom, Alexandr Solzhenitsyn, by various institutions of our Nation, I think it important to point out that many of the timely and valuable observations drawn from his unique perspective on the political dynamics of the world situation today, are being consistently ignored by the leading media services in the United States. I refer you to an article in the June issue of the Accuracy in Media newsletter which details a specific instance of Mr. Solzhenitsyn's statements being glossed over by the American press:

SOLZHENITSYN SAYS WE HAVE LOST WORLD WAR III

An important statement by Aleksandr Solzhenitsyn, the outspoken Russian author now living in exile, on the meaning of our defeat in Indochina has been virtually ignored by the American press.

It was published in *Le Monde* on May 31 and reported by the British wire service, Reuters. Recognizing it as a powerful statement by one of the giants of our time, we made our own translation and sent it to the AP, *The Times*, and *The Washington Post*, asking whether they had reported it. The AP admitted frankly that they had ignored it, saying they had reported many other statements by Solzhenitsyn. *The Post* has not responded. *The Times* informed us they were going to print their own translation on June 22, which they did. *National Review* also ran it in the June 20 issue.

The only news story we have seen on this is a transcript of a broadcast by Philip C.

Clarke on the Washington Report of the Air over the Mutual Broadcasting Network. Here is Phil Clarke's report:

The Third World War already has taken place, writes Solzhenitsyn, and the West has been defeated. "It ended," he said, "this year with the Communist sweep in Indochina . . . Two or three more decades of so called 'peaceful coexistence' as glorious as the last and the very concept of the West will vanish from the face of the earth."

Listing the loss of China, North Korea, Cuba, North Vietnam, South Vietnam and Cambodia, Solzhenitsyn continued, "Laos is about to go, Thailand, South Korea and Israel are threatened, Portugal is rushing irretrievably down the same abyss. Finland and Austria are awaiting their fate with resignation, powerless to defend themselves and clearly unable to expect outside help." "It would be," he said, "impossible to enumerate all the little African and Arab countries that have become puppets of Communism."

Referring to the reaction of Western nations to the 1973 Middle East War, Solzhenitsyn noted, "When valiant Israel defended itself to the death with flawless solidarity, Europe capitulated, country after country, before the threat of a curb on Sunday afternoon driving." Solzhenitsyn also forecast a fight for the defense of the United States itself. And he says, "Those young people who refused to bear the trials and anguish of the distant war in Vietnam will not have had time to pass into the reserves before they fall . . . in the defense of America."

He concludes, "It is too late to think about how to avoid a Third World War." But, he says, "We must have the courage and lucidity to stop the Fourth. To stop not to fall to our knees." Aleksandr Solzhenitsyn has uttered both an appeal and a warning. And he speaks from the vantage point of one who knows only too well the price of liberty and cost of freedom. Unfortunately, Solzhenitsyn's soul-searing thoughts on the deepening crisis in the West have largely been ignored by our news media. His words can be ignored only at our peril.

NATURAL GAS CURTAILMENTS AND ALTERNATIVES TO DEREGULATION: TESTIMONY OF THE HONORABLE WILLIAM J. HUGHES

HON. ANDREW MAGUIRE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 17, 1975

Mr. MAGUIRE. Mr. Speaker, on Monday, July 14, my distinguished colleague from the State of New Jersey made an excellent presentation before the Interstate and Foreign Commerce Subcommittee on Oversight and Investigations on alternatives to the deregulation of natural gas to assist in overcoming the serious shortfalls projected for this winter and next. It is the most thoughtful and comprehensive statement on this critical issue that I have seen.

Mr. HUGHES, whose congressional district is served solely by Transcontinental Gas Pipeline Corp., has taken an active role in the 6 months that he has been in Congress in both congressional and noncongressional proceedings seeking to increase supplies of natural gas.

It was a letter from Mr. HUGHES and our colleague, the Honorable JAMES FLORIO, which directed the attention of the Interstate and Foreign Commerce Committee on Oversight and Investigations to the postponement during the winter of 1973–74 in bringing six Cities Services wells back into production after a questionable series of delays in performing well-servicing operations.

As a member of the Judiciary Subcommittee on Monopolies and Commercial Law, Mr. HUGHES has called for a probe into the July 4 gasoline price hike by 15 major companies and yet another disclosure of industrywide overcharges during the 1973 Arab oil embargo.

As a member of the ad hoc Select Committee on the Outer Continental Shelf, Congressman HUGHES suggested fundamental changes in the Interior Department leasing policies designed to place a fair market value on the sale of public resources offshore while, at the same time, amending bidding practices which have contributed to a concentration of available new gas supplies in the hands of a few firms.

In proceedings before the Federal Power Commission, Congressman HUGHES, an intervenor, is seeking to discover the reasons for great disparities between producer and pipeline estimates of reserves and, from that, determine at what cost trillions of cubic feet of natural gas currently maintained in nonproducing status can be brought on line to lessen the curtailment impact on end users this winter and next.

Mr. Speaker, I commend to the readers of the CONGRESSIONAL RECORD the testimony of my colleague, the Honorable WILLIAM J. HUGHES:

TESTIMONY OF THE HONORABLE WILLIAM J. HUGHES, MEMBER OF CONGRESS, SECOND CONGRESSIONAL DISTRICT, STATE OF NEW JERSEY, TO THE INTERSTATE AND FOREIGN COMMERCE SUBCOMMITTEE ON OVERSIGHT AND INVESTIGATIONS, MONDAY, JULY 14, 1975

Mr. Chairman, Members of this distinguished Committee:

It's time we be candid.

This Congress is in for a test of wills.

Unless we make some hard choices between now and this winter, there will be, by all accounts, a shortage of natural gas much more severe than last year. Projected shortages could bring economic ruin to whole communities.

Nowhere will this shortage be more hard-felt than in the Second Congressional District of New Jersey. Geographically, the second district comprises nearly a third of the land area of the State. It has the second highest concentration of senior citizens anywhere in the country, many of whom live on fixed incomes and consequently are most vulnerable to inflationary fluctuations in essential living costs.

In three counties—Atlantic, Cumberland, and Salem—there are a dozen industries employing more than twenty one thousand workers in glass, textiles and other processing plants which *must* have uninterruptible supply of natural gas to stay in business.

TRANSCO—A SOLE SOURCE OF SUPPLY

All these customers in South Jersey—residential, commercial and industrial—are totally dependent on supplies from a single interstate pipeline.

Transcontinental Gas Pipe Line Corporation, which historically has provided two-thirds of the natural gas used in New Jersey, has advised its customers that it will be unable to fulfill 45 percent of its contract commitments this winter. In South Jersey, due to the requirements of industry, this translates into a curtailment projection of 53 percent.

On Wednesday last, TRANSCO's President, W. J. Bowen, of Houston, met in Newark with William A. Gemmel, President of South Jersey Gas, and three members of the State Board of Public Utility Commissioners, to discuss these shortages.

Following that meeting, Mr. Bowen is quoted as saying:

"Producers are selling gas in their own states at a price three to four times higher than they could get in the interstate market." And, the President of a firm whose problems stem from the failure of his producers to fulfill contract commitments, managed nonetheless to assess responsibility on you know who.

"With no help from Congress, things look pretty grim for this winter and next," said Mr. Bowen. Does Mr. Bowen have a recommendation to make? You bet. One word. Deregulation. Where have we heard that before? From the oil and gas lobbyists certainly. From President Ford, almost daily now. From Cabinet Secretaries who undergo a metamorphosis from inflation fighting dragons to church mice on this particular issue. But one really begins to wonder when the deregulation banner is unfurled by heads of pipeline corporations and utility companies whose interests should lie in delivering natural gas at the lowest possible price to the consuming public.

Oh, where have they strayed? In far too many instances, into much too cozy contact with those in the producing end of the business.

Mr. Chairman, before suggesting choices of action short of deregulation to force natural gas into the pipeline this winter and for many winters to come, it is essential that we first discuss the growing concentration of economic power and market manipulation in the oil and gas industry.

Only then can we fully appreciate what a disaster deregulation would produce. Not only in terms of astronomical increases in consumer costs but in shifting even more raw economic clout to a handful of oil companies whose manner and method of doing business at home and abroad have produced scandal upon scandal.

INDUSTRY CONCENTRATION

The simultaneous fourth of July jump in gasoline prices by fourteen major oil companies and the disclosure of yet another industry-wide overcharge during the Arab oil embargo are but two of the latest examples of the lack of competition in the industry.

As a member of the House Judiciary Subcommittee on Monopolies and Commercial Law, I have called on Chairman Peter Rodino to open hearings in the immediate future into not only these latest outrages, but to conduct a sweeping investigation of market manipulation and restraints on competition exercised by large vertically integrated oil companies.

This probe, like this subcommittee's investigation of nonproducing reserves and reserve estimates, is long overdue. It is also essential in developing the evidence and legislation we may ultimately need to solve our long-term energy goals.

Earlier this year, Mr. Chairman, my motion was granted to intervene in an ongoing case before the Federal Power Commission which seeks to discover why some 6½ trillion cubic feet of natural gas which is known and dedicated to the interstate market is not being produced.

One of the great mysteries of these proceedings is how Transco, the sole supplier of natural gas to my district, has happened to become both the leading holder of nonproducing, proven reserves—some 2.23 trillion cubic feet—while a leader among pipelines as well in projected curtailments this winter.

Mr. Bowen, who would like to triple gas costs to the users of South Jersey, appeared on my motion as a policy witness to cite what steps he and his firm have taken to drive the wolves of winter from our door this year and next.

After a few excursions around the maypole, Mr. Bowen produced a letter. Indeed, it was a communication of concern from the pipeline to its producers encouraging accelerated production to meet the serious shortfall projections through 1977. I would have been grateful for just this one shred of evidence of concern had it not been for one additional fact, Mr. Chairman, the ink was still wet.

Transcontinental Gas Pipe Line Corporation, our economic lifeline to the Gulf of Mexico, had waited until May of 1975, to express its interest in accelerated production. One letter, one official communication—well after not only the FPC inquiry was underway, but the investigation of this subcommittee as well.

PIPELINES AS PRODUCERS

"Arms-length" negotiations between producers and pipeline, once the rule, is now the exception. Increasingly, pipelines are investing large sums with producers in the search for gas and oil. In the last few years, the major interstate pipelines have obtained working interest in nearly 50 percent of federally leased offshore oil and gas sales through acquisition expenditures of well over $1 billion. Major oil companies, on the other hand, are selling and driving up the price of intrastate gas through wholly owned pipeline subsidiaries.

When pipelines become producers and producers become pipelines, you can bet that prices are going up at the end of the line. This was not the intent of Congress in passing the Natural Gas Act.

Transco, like many pipelines, is staking its future in joint ventures with major oil companies. Offshore in the Federal domain, this began in December of 1972 when the firm invested more than $57 million for a 19 to 25 percent interest in properties held with Shell Oil. This year, Transco gained a quarter interest in a lease with Atlantic-Richfield which cost the partners $1,125,000 as well as a 4 percent interest in a $4 million lease with Shell and a number of other joint investors.

Furthermore, this Subcommittee should know that Transco has begun to advance millions of dollars to Texaco so that that firm might bid on new acreage in exchange for the right of the pipeline to acquire any gas that is discovered. What is wrong with these arrangements is not the legitimate and obligatory pursuit of new gas sources on the part of the pipeline, but the wedding of pipeline to producer interests. The producers want deregulation. These joint ventures and community of interests perhaps help explain why pipelines like Transcontinental have not raised a hue and cry over the failure of producers to accelerate production from proven, known reserves.

THE CITIES SERVICE SHUT-DOWN

This Subcommittee investigated thoroughly the shut-in of six Cities Services wells in the winter of 1973–74 which subtracted two billion cubic feet of natural gas from Transco's pipeline at the worst possible time.

Correspondence introduced at these Subcommittee hearings show that Cities Services after informing Transco in early 1973 that a work over was necessary at the rig, was advised by way of reply that it really didn't make any difference to the pipeline as to whether the work was performed in the summer or in the winter. It may have made little difference to Transco, which is guaranteed a rate of return whether one billion or one million cubic feet travel through its pipeline, but in South Jersey, the absence of gas then as now means an absence of jobs.

This kind of insensitivity to the needs of its in-users underscores the necessity of requiring producers and pipelines to share separate quarters.

NEW GAS—IN FEW HANDS

In assisting major oil companies to outbid smaller firms for new offshore oil leases, pipelines such as Transco are unwittingly assisting in the concentration of available new gas supplies to a handful of firms.

I should like to refer the Members of this Committee to the testimony in October of 1973 of John W. Wilson, then chief, Division of Economic Studies, Federal Power Commission, to the Senate Judiciary Subcommittees on Antitrust and Monopoly and Administrative Practices and Procedures.

The law of supply and demand is not at work in the oil and gas industry, Wilson testified, and is not likely to come into play considering the ever increasing concentration of available new gas supplies by the giants of the industry.

Eight major firms control 70 percent of the available known new supplies of natural gas onshore and offshore South Louisiana, four of which hold nearly 50 percent; the eight largest firms in the Texas Gulf Coast control 90 percent of available new gas not yet under contract there, the four largest just under 80 percent.

In the combined fields, eight majors control three-quarters of the new gas finds with the concentration ratio around 50 percent for the four major firms.

Offshort in each of these areas in the federal domain, the Interior Department through its continuing practice of accepting front-end bonus bids for new leases, is contributing to this industry concentration. Eight majors control three quarters of the market not yet under contract off Louisiana and virtually all the uncommitted gas supplies off Texas.

Mr. Wilson, who is now a private energy consultant, advises me that these ratios are being enhanced with every new Interior Department sale.

ALTERNATIVES TO CAPITULATION

Mr. Chairman, the choice is simply not as simplistic as the Administration would have us believe. Given the structure of the oil and gas industry, deregulation will simply triple the costs of natural gas and inhibit this Congress from developing a long-term energy strategy in the best interest of all consumers.

Let us speak now of alternatives to capitulation.

There are short and long term steps to take.

1. Intrastate Regulation. First and foremost, we must bring the intrastate market under regulation. The intrastate price bears no relation to normal supply and demand patterns but, rather, the extortionary fourfold oil increases dictated by the Organization of Petroleum Exporting Countries (OPEC) and the btu natural gas equivalent. Regulating the intrastate market on a cost plus reasonable rate of return on investment basis is a reasonable alternative to removing all controls from this precious public resource. Such regulation will also put an end to the everyday practice in the industry of the major oil companies of making paper transactions through their vertically integrated market and then running to the Federal Power Commission seeking an increase based on "unrealistic" interstate pricing. To suggest this to an agency whose chairman and commission members publicly advocate deregulation might seem doomed to failure from the start, however, I will attempt to suggest a remedy for that in my third recommendation.

2. Allocation. Once under regulation, intrastate natural gas must be allocated fairly throughout the country through a system that would share interconnecting pipelines.

3. FPC appointments. Three vacancies currently exist at the FPC, including that of the Chairman who is continuing to serve until a replacement is appointed. We therefore have the unexpected pleasurable opportunity to select men and women who will not bring the industry bias that too many commissions have brought to service there in recent years. We need tough, public advocates on the commission who neither arrive nor depart with industry ties.

4. Conservation. Industry in all states, where feasible, must be required to cease using natural gas as boiler fuel and switch to alternative sources such as oil and coal. This most definitely also includes producer states.

5. Lease revocation. The Interior Department in its entire 20 year history of leasing federal lands offshore has yet to cancel a cancel lease for the failure of an oil company to develop the tract during the five year contract period. We have reached the point now where 777 or 52 percent of the 1,497 leases in the Gulf of Mexico are in nonproducing status. The number of producible shut-in leases in primary terms is 104; the number in extended term 74. This latter figure includes 11 oil leases; 58 gas leases; and five oil and gas leases which the industry itself classifies as producible. The time has come for a vigorous, onsight spot check of the reasons given by the operating company for failure to develop these leases and, where appropriate, an order of cancellation for resale. The FPC proceedings which get underway again this week into the status of nonproducing reserves in the Gulf of Mexico is as incredible as it is fascinating. Whole gas fields mysteriously disappear. Billions of cubic feet of natural gas show up on pipeline ledgers only to vanish again from producer estimates. Reasons given for nonproduction range from the all-encompassing "not economical to produce" (at what price, one wonders) to my favorite explanation: "tool in well."

6. Utility purchases. In the event that intrastate prices are not regulated in time for this winter, then the proposed FPC rule permitting utility companies to purchase intrastate gas at prevailing rates should be permitted on a temporary basis. This form of defacto deregulation is personally distasteful but is certainly a better choice than no gas at all.

For the long term:

1. Oversight. Congressional Committees and regulatory agencies must keep the pressure and spotlight on the practices of the oil and gas industry. Last winter, a public outcry over producer curtailments to Transco resulted in an oversight investigation of Transco's producers and the ultimate "discovery" of an extra 3 billion cubic feet of natural gas. A study of the extent of concentration in the oil and gas industry and its effect on competition is long overdue. There is much sentiment in the House Subcommittee on Monopolies and Commercial Law for such a probe.

2. OCS policies. Although revision of offshore oil and leasing policies must be undertaken to break the dominant hold a handful of oil companies have on new gas and oil supplies. This has developed, in large measure, due to the cash bonus bid leasing policies of the Interior Department which has effectively excluded smaller independent operators from obtaining leases or being relegated to the status of holding a nonoperating share in a lease. As a member of the ad hoc Select Committee on the Outer Continental Shelf, I intend to play an active role in suggesting legislative changes in past OCS leasing policies.

3. FPC study. An in depth study of the Federal Power Commission's regulatory practices to make it more responsive to today's needs is certainly in order. Since 1969 the FPC has attempted to deregulate natural gas prices administratively to the satisfaction of no one. In the process, the agency has totally frustrated the intent of Congress in passing the Natural Gas Act.

4. Alternative sources. Finally, and most importantly, we must conserve in the short term and move away in the long term from dependence on natural gas and oil to meet our future energy needs. Solar energy, coal

gasification, geothermal energy, nuclear energy and even the more exotic forms such as ocean thermal and tidal action can provide the inexhaustible energy supplies we will need in the future.

IN SUMMARY

So you see, Mr. Chairman, the choice is not merely to deregulate or not to deregulate. This, I trust, is a particularly hopeful note to we consumers, which the Library of Congress estimates will foot the $5.4 billion first year and ultimate $18 billion annual bill that would follow deregulation of natural gas.

What that would do to unemployment, our balance of payments deficit, our ongoing fight against inflation, and the economic recovery of this nation, I shudder to contemplate.

A LETTER ON U.S. POW'S AND MIA'S

HON. MIKE McCORMACK

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 17, 1975

Mr. McCORMACK. Mr. Speaker, each Member of the House of Representatives is painfully aware that we have as yet been unsuccessful in accounting for all of our POW's and MIA's. Each one of us, too, knows from personal experience that friends and relatives of our constituents remain in a state of anxious suffering in hopes that our Government will proceed to do everything within its power to finally determine the status of each of these men.

We have all received poignant letters, and I would like to take this opportunity to share one of these letters with my colleagues. I respectfully insert the letter I received from Mrs. Marla Shirts, president of the southwest Washington MIA/POW Organization of Vancouver, Wash., in the Congressional Record at this point:

June 14, 1975.

Congressman McCormack: We appreciate the opportunity to meet with you this morning. We realize that your schedule is a busy one and that there are literally scores of groups who want to talk to you throughout your district.

We will try to be brief and objective even though this subject is a highly emotional one—since it is literally a life or death issue.

Before a year or so ago most of us didn't know each other. We are here today, as a unit, because we are all vitally concerned about the fate of the hundreds of American men (both military personnel and civilians) who are missing and unaccounted for in Indochina. We have every reason to believe that the majority of these men are alive and being held prisoner in a hostile country—or countries.

These men are not anarchists, expatriots or subversives who have no love for their homeland. They are American husbands, fathers, brothers, uncles . . . and sons. They are family men who served well and ably in a conflict wrought with confusion, contradiction, and unpopularity. Men who are this day, right *now*, in captivity half-way around the world because they honored their commitment to the government that sent them half-way around the world.

We, who were strangers and now are friends because of our mutual dedication, are here to ask some qustions of our government. A government which seems to be doing next to nothing to secure the release of these 1300 American citizens who are in prison, not for any crime, but because they did the duty the American government assigned to them.

When the Peace Accord was signed in Paris on January 31, 1973 it contained a clause which read, "The parties shall help each other to get information about those military personnel and foreign civilians of the parties missing in action, to determine the location and take care of the graves of the dead so as to facilitate the exhumation and repatriation of the remains, and to take any such other measures as may be required to get information about those still considered missing in action."

The Communist countries have not begun to live up to the agreement they signed. They have, in fact, attacked and killed many of the groups who were searching for traces of our missing men. The assaults on these peaceful—and legal—searches became so intense that our government was forced to call them off—or lose still more American lives.

The government based in Hanoi said it would give us an accounting of our men when the American military presence was taken from South Viet Nam—and did not.

The government based in Hanoi said it would give us an accounting when the Thieu regime was no longer in power in the South—and has not.

Congressman McCormack, we have been treated with contempt, lied to and put off by these Communist countries who won't even live up to their own treaties and we're sick of it! We are disgusted with that "humanitarian" government who won't even let its representatives speak to the American wives, sisters, and mothers who have traveled thousands of miles to attempt to communicate and to try to find out what has happened to their men.

Our own government has told us to be patient, be patient, . . . be patient until sometimes we feel like all we get is a recording when we contact Washington. The United States government, who holds the lives and fate of these men in its grasp appears to be unwilling to demand an immediate accounting—in spite of the fact it has every legal right to do just that.

Why is it that bills that are introduced to Congress that would help find our men have such a rough go of it? Everybody seems to agree upon the value of such legislation, but after 2½ years nothing has been done! Why there is so much Congressional apathy we don't know. Hopefully you will be able to explain it to us.

Now we understand, the North Viets are demanding we rebuild their war torn country—and then they will be good enough to live up to the documents they signed 2½ years ago and reveal the fate of the hundreds of American men who have disappeared.

This is not acceptable to us and we are fed up with our men being used as pawns in their political games! There are over 50 men from the State of Washington who are either Missing in Action or Prisoners of War—officially. We look at Hanoi's record of broken promises and say, "send our men home first and then we will talk about reconstruction."

One of those men is from our home town of Vancouver. His name is Commander Harley Hall. He is (not was) a Navy pilot and once flew lead with the spectacular Blue Angels exhibition team. His parents are here today. He was shot down 10 hours before the Cease Fire was signed. He was seen alive and moving out on the ground. Just what happened to this downed and very much alive jet pilot is a mystery. We want it solved—and we hope you will use your influence to help us.

Harley Hall graduated from Evergreen High school in 1955. This year his classmates are celebrating their 20th year class reunion—without him.

But I can think of a reunion he would be even happier to attend. The reunion I speak of will be the one with his beautiful wife, small daughter . . . and the son he has never seen. The reunion with his parents whose strength and optimism is an inspiration to us all. And the reunion with his brothers and sisters and with us. We're going to have the biggest "Welcome Home Harley" party this town has ever seen—and we surely hope you'll be able to attend.

We know of people who can verify that there *are* American men being held captive in Indochina. We want them home where they belong. We want your help. We need your help. We also want you to know that we will leave no stone unturned, no possibility unexplored, and that no sacrifice is too great to bring them home. We, and thousands of concerned, determined people just like us will never abandon our loved ones. Our resolve is absolute and will not be shaken by red tape, bureaucratic apathy, political gamesmanship or any other obstacle. We have faith that we will succeed and can only pray that our captive men will be able to bear the hardships inflicted upon them until the happy day comes when they are reunited with their families. Thank you.

Sincerely,

Mrs. Marla A. Shirts,
President, Southwest Washington MIA/POW Organization.

THE NEED FOR NATIONAL INDUSTRIAL GROWTH AND DEVELOPMENT

HON. JOHN P. HAMMERSCHMIDT

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 17, 1975

Mr. HAMMERSCHMIDT. Mr. Speaker, it was my pleasure to have recently been invited to attend the meeting of the Arkansas Basin Association, at which a number of timely and well-received addresses were made. The principal purpose for the creation of the Commission is to "foster, develop and protect the growth of navigation in the five major rivers of Arkansas."

But, those associated with and interested in the work of the Commission are also highly civic-minded and are active contributions to the community and to the Nation. Their interests actually extend into areas and problems affecting the entire spectrum of American life.

Mr. Bill Kennedy, who heads the Arkansas Basin Commission, made an excellent address at the recent meeting, which is highly relevant at this time in our Nation's history, as we attempt to grapple with such problems as energy, inflation, and others.

I, therefore, hasten to commend Mr. Kennedy's remarks to the attention of my congressional colleagues, for they offer great insight into these issues. Not only as a banker, but as one who holds a deep and abiding concern for the community and the Nation, Mr. Kennedy should be recognized for his clear and cogent statements on the vital role that industrial growth and development play in contributing to our national well-being.

The text of Mr. Kennedy's comments appears below:

Arkansas Basin Association Talk on Industrial Development

Good morning, ladies and gentlemen. I consider it a real privilege to appear on the program this morning particularly in such distinguished company.

Let me visit with you first of all about the Arkansas Waterways Commission. In the simplest of terms, this Commission was created about eight to ten years ago with one principal purpose in mind. That purpose as you may know is to foster, develop and protect the growth of navigation on the five major rivers of our state—the Arkansas, Mississippi, White, Ouachita and Red. The Commission has no regulatory powers nor does it desire any. It does have seven of the most dedicated river development men you could find anywhere to oversee the activities taking place on our navigable waters. All of us on the Commission at present are long time supporters of river development—believing that with the development of a stream comes a flow of good things, all of which add to the prosperity of our people protection against floods, power development, potable water, and last but certainly not least—navigation.

It is the latter which brings us to the subject of industrial development. Arkansas, at least Arkansans of my vintage, don't need to be told about the need for industrial growth. We have always been a have not state economically primarily because we were an agricultural state which traditionally has not processed its raw materials at home and thus realized the full benefit of them.

Starting—a long time ago for that matter—but more recently after World War II, the state's leadership recognized the need for industrial growth in order to attempt to bring our standard of living up to a level commensurate with that of other states in the nation.

At about the same time, certain men of vision—great vision—realized the need to harness and control the Arkansas River which over the years had done immeasurable damage to our land and our people and instead to put it to work to help instead of to hinder.

Thus, in a few words, was begun, with the cooperation of the Corps of Engineers, the multiple purpose plan to develop the Arkansas River. As in each such project cost figures were reached and using the formula then in existence a determination was made as to its ability to pay the people in the U. S. a fair return on the $1,200,000,000 to be invested.

Studies made showed that the project would pay for itself over a 100 year period with navigation carrying in excess of 60% of the cost. Thus there was a practical marriage between those river developers who are pushing for the completion of this dream of a prosperous, happy, thriving river valley, and those people who foresaw the need for industrial development to build the state's economy.

The results to date, that is, from 1969 to the present, have been little short of spectacular. Public ports are in existence in Arkansas at Pine Bluff, Little Rock, Dardanelle and at Fort Smith. In addition, there are a number of private terminals for use by individual firms.

Since 1969, investments in new and expanded industries in the Arkansas River Valley which are directly or indirectly oriented to water transportation amount to about 1.6 billion dollars. Some 10–12 thousand new jobs have been created. I might add that this does not include investments of many millions of dollars in new bank buildings, housing projects along the river and other such investments which no doubt were influenced by the economic growth potential brought about by the River Program. All of you know the economic benefits of a manufacturing job—that is that for 100 new industrial jobs created 65 new non-industrial jobs would be created. New doctors—lawyers—merchants, etc.—more tax money to help with new streets and so on. In this context its interesting to note that from 1970–1974 bank deposits in the counties along the river in Arkansas increased from $1,180,000,000 to $2,083,000,000 or 175%. Other things were involved of course—inflation for sure—but you can bet river development had a tremendous impact in bringing on this growth. In Pine Bluff alone, there are over sixteen industries operating in our port area employing 500 persons with an annual payroll of over $4 million. Tonnage moved through the Pine Bluff port totaled 300,000 tons in 1970. Tonnage moved increased to 896,000 tons by the end of 1974.

Now let's move on to the future. Where are we going from here in the development of industry in the Arkansas River Valley.

Well first of all, I'm an optimist. I think we're going to continue to grow as our country grows and as the industry in our country looks for ways and means of expanding to supply the needs of their customers.

But there are some things that I'm concerned about—that we have to watch carefully—and take the action needed if our growth is to continue.

Before I get into that, though, let me say something that I think is deeply important. That is I'm not—we're not—interested in growth simply for growth's sake. We—you—me—all of us are interested in growth because from it comes jobs for people—taxes with which to build schools, streets, etc., donations for churches, United Fund and other community requirements. In short, economic growth feeds all the other things we are able to do in this country. It provides profit for further development—it pays the taxes to run the government—to support the poor and indigent—to protect the environment.

Let's talk about these problems. Foremost at the moment is the state of our economy with all the normal peculiarities inherent in such a problem plus those brought about by the fuel crisis and what it will do to us. As of the moment, the experts tell us that the economy under the stimulus of normal supply and demand and of the actions of the Federal Reserve System is beginning to work its way slowly back to normal. Perhaps—just perhaps—what it needs right now is a darn good letting alone. Our congressional people need all the advice they can get on this subject and particularly, I think, need to hear from the business community.

Also of importance to the future industrial development of the Arkansas River and its valley is the retainage of land for industrial use. Several studies have been made of sites along the river from its mouth to Fort Smith—sites to be used by heavy industry—that is industry which requires natural gas or coal—water transportation, rail transportation, electricity, and people. As you would surmise, these sites are relatively few and the communities along the river should educate themselves to the location of these sites and ascertain what steps if any can be taken to protect their use for this purpose in the future. Those communities not having developed ports should look into the possibility of building a port to service the numerous smaller industry in and adjacent to the valley. Lumber, fertilizer, grain, steel, coal, and many, many other products will one day be moving in and out of Arkansas ports if they are not already doing so.

Let's move on, however, to our other areas of concern because I believe they are crucial to continue economic growth in the valley.

I would like to refer at this point to two laws either already on the books or which are being requested by the Administration which I think could do irreparable damage to the future industrial growth on this stream.

As you know, this Administration, as have Administrations before it, is advocating a fuel tax for vehicles traveling on the waterways. Only recently have we seen an attempt to place a ton mile tax on river traffic which would have been totally prohibitive. Paul Adams, Executive Director of the Arkansas Waterways Commission, figured that it would increase the cost of an 8 barge tow from the mouth of the river to Pine Bluff by over $31,000. Anyone can see that that just won't work. I understand now that that idea has been shelved for the present and the new idea is to place a 4 cent per gallon user tax on fuel used. I don't know exactly what this would do to costs—I'm sure there are people here who can tell us. What I do know is that any increase in the cost of barge transportation on a newly developing river is bad. We need all the time we can get under the most favorable of circumstances to develop this stream economically and in so doing build the tax base which will make the government's investment worth while. Historically, transportation cost is roughly 20% of the cost of a product and anything you do to run this cost up or to hold it down will materially affect the size of the market being served. It is therefore extremely necessary that we ask our congressional delegation to resist this type of charge to the maximum.

The other legal area which concerns me has to do with the very touchy matter of environmental controls. To begin with, let me say that I know of no one who disagrees with the idea of protecting our environment for posterity. The disagreement comes when we begin to talk about the degree of environmental control and its impact on matters of economic importance.

Let me mention briefly an area of direct concern. In 1899 the Rivers and Harbors Act was passed. Section 10 of that law requires that a permit be obtained for any work in or over the navigable waters with such work including structures such as docks, ramps, mooring and utility crossings as well as dredging.

In recent years numerous laws relating to wild life and environment have been enacted. All of them have or can have an impact on growth on the river. I have in my hand a copy of a public notice issued by the Tulsa District Corp of Engineers on 14 May, 1975, relative to maintenance dredging planned by that organization. In this Public Notice is the following statement and I quote "This proposed dredging will be reviewed under the following laws:" (See attached)

I don't know how it is done elsewhere, but when the Little Rock District Corps of Engineers receives an application form permit on the river be it for a $100,000,000 chemical plant or for a duck blind, it issues a Public Notice requesting comments which is mailed to over 360 different orgaizations and agencies. I'd stake my life that in that many different groups somebody's always going to have a reason to protest.

Where industry is concerned, this is a most serious question because, it seems to me, we have given these people what almost amounts to veto power over any project. This comes about in the following manner. It takes a lot of planning and organization to build a plant. It takes a lot of money too. Maybe even more important it takes courage on the part of the owners of a business to put their hard earned money in a new project which, we must remember, may or may not work. And then too the timing must be right—our economy as we all know—better right now than ever—is subject to ups and downs and plan expansions are based on an up economy.

When your plans are delayed by protests, by hearings, and frequently by court action, the economy has time to change—costs go up, as witness the Alaskan Pipeline—and all too frequently the courage and the will to move ahead is gone. The result needless to say can be a real slow down in the potential for growth.

The environmental laws and the regulations which flow from them are on the books today because our people wanted them put there. There is a very real concern in our society about the long term potential for pollution in our air, our land, and our water. I share that concern as all of you do.

However, it is my strong, strong feeling that this concern must be tempered with the realization that our life must still go on and that while environmental laws are good and necessary they should not be abused and thus used to satisfy the personal interests, altrustic or otherwise, of the people supporting them.

Negative action has never built this country. It is the planners, dreamers and builders who have made our free enterprise system and therefore our society the greatest the world has ever known. Let's not shackle the builders with so many restraints that the will to push ahead is taken from them.

We here in Arkansas with a per capita income 75% of the nation's average, with 10% unemployment, and with over $100,000,000 in Food Stamps being distributed annually simply haven't reached the stage in our economic life where we can afford to turn away the creators of industrial wealth.

It seems to me, therefore, that those of us here who have been and are the developers of this mighty stream and the land through which it moves must speak out to reattain the balance in our society which will assure those who wish to bring industry to us that they can do so with relative freedom. Thank you.

THE SOVIET UNION'S HOSPITALS OF FEAR

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 17, 1975

Mr. CRANE. Mr. Speaker, while the United States engages in a détente policy with the Soviet Union, complete with joint space ventures and increased trade, it is essential that we not forget the real nature of the government of that country.

The Soviet Union, much like Nazi Germany, uses medicine as a weapon against those within its society who dare to think for themselves and express dissident views.

Many in the West, in the name of "peaceful coexistence," would like to forget the reality of Soviet society. Part of that reality was discussed in the appeal of Vassily I. Chernishov which was smuggled out of confinement.

Discussing the manner in which political dissidents are incarcerated in psychiatric hospitals, Chernishov stated that:

> I myself have seen protesting political prisoners in mental hospitals who refuse to take food or "medicine" tied up, given injections of sulfur, after which a person is motionless and I have seen them forcibly fed and given "treatment." A certain V. Borisov has been protesting for two years; he is "treated" with aminazine, as a result of which a person loses his individuality, his mind is dulled, his emotions destroyed, his memory lost. But the most terrible thing is that . . . all the subtle distinctiveness of a person is wiped away. It is death for creativeness. Those who take aminazine cannot even read after taking it.

Mr. Chernishov concluded his appeal by declaring that,

> Although I am afraid of death, let them shoot me rather than this. How loathsome, how sickening is the very thought that they will defile and crush my soul.

Discussing the Soviet abuse of psychiatry, Valerie Kaye, writing in the London Times, points out that:

> In most countries of the world doctors put the interests of their patients above the state, preserve confidentiality and generally work independently of government bodies. However, since all institutions are subservient to the totalitarian nature of the Soviet Union, medicine, especially psychiatric medicine, has become more and more available as a political weapon. The psychiatric record of a person can be examined at will by government officials and various institutions and can prevent someone successfully applying for a new job, a holiday abroad and so on. It is small wonder, therefore, that the mental hospital in the Soviet Union is feared for the power it wields, persecuting individuals who are obviously sane but a nuisance to the state.

It is essential that Americans understand the real nature of the Soviet Union and its leaders. Wishful thinking, whether called "peaceful coexistence" or "détente" or by some other name, will not alter the harsh reality.

I wish to share with my colleagues the article, "The Soviet Union's Hospitals of Fear," by Valerie Kaye, as it appeared in the London Times of June 27, 1975, and insert it into the RECORD at this time:

THE SOVIET UNION'S HOSPITALS OF FEAR

(By Valerie Kaye)

In most countries of the world doctors put the interests of their patients above the state, preserve confidentiality and generally work independently of government bodies. However, since all institutions are subservient to the totalitarian nature of the Soviet Union, medicine, especially psychiatric medicine, has become more and more available as a political weapon. The psychiatric record of a person can be examined at will by government officials and various institutions and can prevent someone successfully applying for a new job, a holiday abroad, and so on. It is small wonder, therefore, that the mental hospital in the Soviet Union is feared for the power it wields, persecuting individuals who are obviously sane but a nuisance to the state.

In the Soviet Union there are two kinds of mental hospital; The special (prison) mental hospital of which there are about 12, run on military lines, and the ordinary mental hospital. In the special mental hospital, the criminally insane are interned along with those dissidents considered extremely dangerous by the state.

The advantages of committing a political dissident to a psychiatric hospital are manifold. The publicity from a political case in open court can cause the state much embarrassment which it can eschew if the sanity of the accused is questioned by a psychiatric report; if the accused is declared unfit to stand trial—and he is not legally entitled to be informed that he has been psychiatrically examined or what the results of the tests are—then most of the fundamental human rights he would have enjoyed in ordinary criminal proceedings are waived. He may not be informed when his hearing is to take place, so may be unable to defend himself when the court is ruling on his mental fitness. It is not even incumbent on the authorities to inform him of any new charges against him. These hearings are often held in camera, and only afterwards might a sane man find he has been judged insane and committed for special "treatment" which can last indefinitely.

In 1961 a new set of regulations was approved in the Soviet Union; these dealt with the emergency hospital treatment of mentally ill people who are a public danger. The regulations included many dangerously ambiguous clauses, for example: "Hypochondriac delusional condition, causing an irregular, aggressive attitude in the patient towards individuals, organizations or institutions." So it would seem that someone who criticized an institution could find this being used to prove him mentally unbalanced.

The symptoms of scientist Zhores Medvedey's "illness" were described as "split personality, expressed in the need to combine scientific work in the field with publicist activities, an overestimation of his own personality, poor adaptation to the social environment and so on. Gennady Shimanov, a Christian, was told in 1969: "Everything that you just told us confirms us in the view that illness lies at the root of your 'conversion' (to Christianity)". Roy Medvedev (historian and brother of Zhores Medvedev) found in several psychiatric "special expert diagnoses" such symptoms of "psychiatric illness" as "considers the entry of Soviet troops into Czechoslovakia to have been aggression" and "an obsessive mania for truth-seeking".

Marina Voikhanskaya is the first psychiatrist to leave the Soviet Union and talk openly in the West about her experiences in Soviet mental hospitals. She says: "I first heard of dissidents being treated in mental hospitals on the BBC World Service and then I read about it in *samizdat* but I could not believe it for a moment and dismissed it as hostile, anti-Soviet propaganda." Later she came across several people who started to make her rethink her views about the harmless nature of psychiatry in her country. In 1970 a woman patient was referred to her hospital. She was Mrs. Kondakova, a lawyer, who had been married to the director of several factories in Leningrad, besides being of high standing in the local Party. Mrs. Kondakova was accustomed to criticizing local legal corruption and did this freely whilst her husband was still alive, since his position shielded her. One day, after his death, she went to the post office where she sent a long telegram to Brezhnev about this corruption. Hardly had she left the post office after mailing the telegram, when she was picked up and sent to Psychiatric Hospital No. 3, where Marina Voikhanskaya helped to get her discharged.

Then Mariana Voiyhanskaya became acquainted with Yuri Ivanov when he was transferred to her hospital. "He was a painter," said Marina, "who had been imprisoned since 1955 because he had been discovered smuggling his pictures abroad, so he was accused of spreading bourgeois art. After spending 15 years in a concentration camp, he was placed in hospital No. 3, in a special department for very disturbed patients. Belayev, the head psychiatrist in Leningrad had him put there without even examining him, and had him diagnosed as schizophrenic," Marina Voikhanskaya was not even allowed to see Ivanov's case history, and was cautioned not to become involved; later Dr. Tobok, the head of her department, forbade her to visit Ivanov. After he had spent one year and ten months in mental hospitals, Ivanov was given a certificate saying that this period had been used for medical investigation. Diagnosis: Sane.

According to Marina Voikhanskaya, other psychiatrists in Soviet mental hospitals either do not realize they are treating sane men or are too frightened or too indifferent to object. Dr. Semyon Glyzman from Kiev, the only other Soviet psychiatrist to protest against using drugs on the sane, was sentenced to a long term of imprisonment in a labour camp, where he is interned today. Marina Voikhanskaya was intimidated and transferred to a geriatric unit when she was involved in the case of Victor Fainberg. She met Fainberg in Leningrad during his brief period of freedom between Leningrad Special Prison Hospital and Psychiatric Hospital No. 3. He threatened to commit suicide rather than submit to drug treatment, and only Marina Voikhanskaya's intervention saved his life. Fainberg was later released as a result of pressure on the authorities by Western public opinion, including Amnesty International, who were alerted by Academician Sakharov and others. From the West, he started a publicity campaign which resulted in a one-way visa for Marina Voikhanskaya; he wrote her letters from Israel which were specifically aimed at the KGB whom, he knew, would read the letters. "I will create such a stink in the world press until Marina is released", he told me, "that the campaign for the Panovs will seem like a tea-party in comparison". Now he is married to Marina Voikhansaya and they are agitating, in England, for Soviet authorities to allow Marina's nine-year-old son, Misha, to leave the country.

Victor Fainberg is one of the very few lucky ones—he is free and has retained his sanity. But what of Semyon Gluzman? And Vladimir Bukovsky, who collected information on the abuse of psychiatry and made it available to Western journalists? He collaborated on a remarkable document with Gluzman, a *Manual of Psychiatry for Political Dissidents* (published by Amnesty International in London); recently smuggled to the West, it contains advice for those who find themselves faced with forced psychiatric detention. Now Bukovsky himself is seriously ill in Vladimir prison.

In November, 1973, the Royal College of Psychiatrists passed a resolution condemning the use of psychiatry on political dissidents; now they will doubtlessly be considering what further action to take. Now is the time for psychiatrists outside the Soviet Union to raise their voices in protest, if they are truly to call themselves doctors.

QUIT CRYING WOLF ON OIL

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 17, 1975

Mr. MICHEL. Mr. Speaker, in last night's Washington Star the distinguished columnist Charles Bartlett laid it out cold turkey style that this Democratically controlled Congress is not acting responsibility on energy matters.

Bartlett notes that the President's decontrol proposal is in no way a case of delivering the American people into the hands of an oil conspiracy. The President's plan includes a windfall profits tax and rebates that tax others to the people. Low and lower middle income families would receive more than they would lose in higher energy prices.

Moreover, they would be receiving that money right now if it were not for Democratic foot-dragging here on Capitol Hill.

I do not believe the American people are fooled by the Democrats' fulminations. The people see clearly who has a program and who does not. Were partisanship my principal consideration, I would be delighted with what is going on, and hope that the Democrats never do get their act together.

But this is too serious a matter for partisanship. And so I suggest, in Bartlett's words, that if the Democrats "see no alternative to Ford's program, they should summon the boldness and largeness of spirit to go along with him."

The article follows:

QUIT CRYING WOLF ON OIL

(By Charles Bartlett)

The wolf cries of the Democrats are making it hard to get an objective look at the President's proposal to decontrol the price of oil from established fields.

The shrillness of these outcries is perhaps calculated to obscure the wispy nature of the Democrats' response to the energy crisis. They want now to extend the present controls for another six months, a new exercise in procrastination that will embolden the OPEC cartel in its autumn price revisions. More delay will be the certain mark of a nation incapable of girding its loins.

Nobody wants decontrol except the oil companies, Sen. Edward Kennedy, D-Mass., is saying; and the notion that the consumer is being delivered into the hands of an oil conspiracy may be salable to simple people. But it flatly ignores the administration's offer to join the Senate in writing a windfall profits tax that will frustrate corporate avarice.

The wolf cries also ignore Congress' opportunity to redistribute some income. Under the Ford proposal, revenues from the windfall profits tax, the excise tax on domestic oil, and the import fee on foreign oil will be recycled to the public. Ford is ready to reimburse families with incomes under $13,000 more than they will lose from energy price rises. They would be drawing rebates now if Congress had moved.

The established frailty of economic forecasts insures a cautious reception for the projections used on both sides of the issue. But Ralph Nader's warning that decontrol of domestic oil will cost the average family $900 a year deserves special mention. Decontrol will mean a 7-cent rise per gallon of gas after three years. This is about 10 percent of the present price, so Nader's average family would have to be spending about $9,000 a year on energy at this point.

It is, however, hard to argue with the projections of where this nation is headed under present policies. Domestic production is persisting in its five-year decline. OPEC imports are up, accounting now for 37 per cent of the oil supply. All consumption added between now and 1977 will have to come from OPEC sources.

The shrillest wolf cries center on a "worst case" projection, the double trouble of a new OPEC price hike which may coincide with the rise of decontrolled domestic oil. This argues for Ford's decision to gradualize the decontrol process over three years so its economic impact can be balanced by fiscal adjustments. But it does not argue for more delay.

The Democrats are digging deep into their legislative bag to find ways to keep alive the delusion that energy is as cheap as ever. The consumer is promised edicts that will boil down in the end to rationing. The producer is faced with production by edict. The President will simply impose a "maximum, efficient rate of production" on all fields and set the price property by property.

To get consumption down and production up, the nation confronts some sort of gamble. It can bet on government edicts, the benevolence of the OPEC producers, or traditional price incentives. Edicts don't turn tides and OPEC is not turning soft, so the only rational bet is on price incentives. The Democrats should acknowledge this simple truth.

"I sure hope we can get something done," Chairman Russell Long, D-La., sighed at the outset of the Senate Finance Committee hearing Monday.

The Democrats ought, at this late date, to be saying they will "damn well" get something done. And if they see no alternative to Ford's program, they should summon the boldness and largeness of spirit to go along with him.

THE NATIONAL URBAN COALITION

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 17, 1975

Mr. RANGEL. Mr. Speaker, the National Urban Coalition, a dynamic force for change in our cities, continues to advance the interests of low-income citizens, whose rights and needs have consistently been slighted during the current economic crisis. The National Urban Coalition's commitment and energy helps to compensate for the limited funds now available to those who care about improving the conditions in America's cities. I therefore call to the attention of my colleagues an article from Black Enterprise describing the current activities and achievements of the NUC:

THE NATIONAL URBAN COALITION

(By Karen De Witt)

Three years ago, Martineztown, the Albuquerque, New Mexico, barrio was a marked town, slated to be mugged senseless by bulldozers and wrecking crews.

Eastward across the country, where the economic winds blow cold and hard upon New Jersey. Newark's Bergen Street shopping district was decaying as a result of time and changing social patterns.

Despite their physical separation, both communities shared a problem—a problem which has become an all too familiar trend in America's central cities, whereby neighborhoods decay, services decline, residents are forgotten, crime increases, and local merchants become unable to function, board up shops and move elsewhere. Then someone notices the blighted area and suggests urban renewal which usually means the loss of a distinctive neighborhood and the displacement of area residents who were not consulted about how the situation should be improved.

Martineztown and Bergen Street, however, did not become part of the typical turn of events because, in each case, a local affiliate of the National Urban Coalition intervened in the process.

"Basically," says NUC president, M. Carl Holman, "there has to be some organization that will intervene between low-income people and a bureaucratic structure to get the things the low-income people really ought to have."

Today, Martineztown still has the same residents, but it is also paved, has well-lighted streets, a new high school and new housing.

"Martineztown was there for decades," says Holman. "The people got poor services. We started dealing with nitty-gritty problems; we made the schoolboard know that a new school was important. It took us three years before we could get enough land collected from businesses and individuals who owned land in the area so that we could build the school." Newark's Bergen Street is now tree-lined and its 92 storefront businesses are in the process of being refurbished. Furthermore, the city council has a task force considering the merits of urban homesteading as a means of stabilizing the neighborhood surrounding the street.

Since its birth in riot-torn 1967, the National Urban Coalition, its 30 local affiliates, and its membership from big business, state and local politics, and community groups, together have tried to act as a bundle of strength in combating urban ills. The Coalition, itself, has sought to broker changes for the inner city, using its nearly $3 million coffer (down about $1 million from 1974), from foundations, corporations, and private individuals as leverage.

Like other organizations, the Coalition has been stung by the economic recession, and reports that although labor unions and corporations have increased their support both in total dollar contributions and in the number of contributions, assistance from foundations has declined. The Coalition reports that the effect of declining support from foundations has affected the NUC's unrestricted budget, as financially pressed foundations are increasingly emphasizing specific grants for specific activities rather than providing general support funds.

The Coalition's total budget for 1975 is $2,631,000 million, $2 million to be used as unrestricted funds for the overall operation of the organization and $631,000 is restricted funds for special projects such as School Finance Reform and the Right to Read program.

The Coalition's purpose can be stated rather simply as the effort "to enlist the resources, talents and energies of the private sector to help solve the problems of our urban centers." And to that end it has achieved change by maintaining a relatively dynamic organization. But, between its beginnings and now, the national atmosphere has altered significantly. Coalition president M. Carl Holman, noted that when he left the U.S. Commission on Civil Rights, where he served as deputy staff director, to join the organization as a vice president in 1968, "The great concern was that the cities were going to blow up. A lot of attention was focused on the plight of urban centers." In the three years of his presidency, the fears and attention have fallen lower than the market value of the Penn Central Railroad's stock.

The reasons for the disinterest are many. Government in 1967 was very different in its orientation from the recent thrust of "new federalism." Power was strongly centered in Washington, and government officials attempted to design categorical programs as a means of waging the "War on Poverty." From the federal city, they planned to attack a whole range of problems that included civil rights and housing.

The urban upheaval made businessmen more willing to help assuage the ills of the cities. The country was in a state of economic growth, and jobs were relatively plentiful—though the ghetto and the barrio continued to experience high unemployment rates. When the riots erupted, the business community was shocked into a more activist role than it had ever assumed before. Business was especially ready to help once the impact of the disturbances started threatening to shake its establishments from storefronts to board rooms.

Additionally, minorities and the poor were sharply vocal through activist leaders. Too often, though, neither those who held the power nor those who sought to redress its imbalance found it easy to resolve their differences. The result was too often empty rhetoric, uneasy compromises, and mutual misunderstanding.

As the ashes turned cold in the burnt out corridors of the inner cities, interest in the underlying reasons that led to the civil disruptions waned. National politicians embraced benign neglect, the cities were considered doomed, the needs of the poor and minority residents still living in these areas was pushed to the rear as attention shifted to Vietnam, the ecology, political scandals, inflation, the energy crisis and recession.

In such an atmosphere, Holman says the Coalition had to determine "what strongholds could be battened down and held onto so that everything wasn't washed away."

However, since the Coalition had been organized at a time when all things flowed from Washington, it had been organized to exert its strength at the national level; even its local affiliates were envisioned largely as support arms for national strategies. In order to function in the changed times when confrontation and pronouncements were no longer enough in themselves, the Coalition had to concentrate its efforts.

No longer were solutions to emanate only from Washington. An economic downturn substantially affected the private sector's interests in alleviating urban problems and the deceptive quiet of the cities eroded corporate participation. Thus, the Coalition revamped its program of revitalizing and stabilizing the cities in an effort to move with the times.

Its new agenda reflects its local emphasis by concentrating its energies into housing, health, jobs and income, and crime and personal safety. Holman says the organization now uses a much more "comprehensive, pragmatic" approach to solving the problems of the cities.

For example, in housing, the Coalition and its locals have been working with the Department of Housing and Urban Development (HUD) to create and initiate various methods of neighborhood stabilization.

One of these approaches, urban homesteading, has received considerable public attention. Under the concept, which was first developed by the NUC and then put into effect through HUD, a low—or moderate—income family takes title to an abandoned, foreclosed property at no cash cost and without a mortgage debt. The takeover is contingent on the family improving the property at its own expense to meet specified standards.

The program, operating in more than 25 cities, was first implemented in Wilmington, Del., two years ago. The NUC played another major role in the homesteading plan by setting up workshops to advise low-income people on ways and means to obtain properties. The homesteading of more saleable housing, housing that is in a fairly redeem-home improvement loans have made it difficult for owners in any income bracket to renovate buildings as planned, dilapidated as most were. The spiraling costs of building supplies and construction labor has also dampened enthusiasm of would-be venturers.

Now HUD is reconsidering the homesteading of more saleable housing, housing that is in a fairly redeemable state rather than totally dilapidated. If HUD establishes new guidelines, one benefit to prospective homesteaders would be obvious—the cost of costly repairs would be diminished considerably.

There is no single approach to improving urban housing, thus, the Coalition is joint-venturing a demonstration project through which public housing is converted to condominiums that would be owned by their present tenants at a cost level comparable to their present monthly rents.

The series of housing ventures which Holman points to as the "most successful," were developed under the aegis of the Stanford Mid-Peninsula Urban Coalition in California.

The coalition put together a non-profit housing development corporation, acquired monies from banks, foundations and government subsidies to build four housing developments (428 units), some rental and some co-operative, for low- and moderate-income families between 1970 and 1975.

The developments, all of which were subsidized in part through HUD's 236 program, include the San Veron apartments, (32 units) in Mountain View, Calif., Homestead Park (225 units) in Sunnyvale, Calif., Colorado Park (76 units) and Aster Park (95 units) in Stanford.

All four housing developments are racially mixed, and all have some units designated for the elderly. Homestead Park also has a child care center to accommodate 100 children. In addition, they all serve low-income families, that is, families with income up to $3,000 for an individual, and up to $7,000 for families of four or more. Moderate income falls in the category of $5,000 for an individual and up to $12,000 for a family of four or more.

The Stanford Mid-Peninsula Urban Coalition is also behind the Frenchman's Terrace apartments, 225 units in the process of being developed in cooperation with Stanford University. These apartments are the first of the coalition's developments that will include middle-income families as well as families from low- and moderate-income brackets.

Housing alone, though, will not ensure the survival of a neighborhood. Services such as education and health care are critical to the viability of an area. Therefore, the Coalition also concentrates its efforts on school finance reform through which per pupil expenditures are equalized to enhance educational opportunity and achievement in urban schools.

In health, the Coalition concentrates on the problems of health service delivery and health manpower shortages in minority and poor areas.

One of the things the Coalition tries to do through its affiliates, over which Sarah Austin, vice president for cities operations has purview, is educate local citizens about recent shifts in the delivery of federal funds.

The Coalition is a partnership between the public and private sector.

Reconciling the many interests that go into a revitalized city sets up an arena of compromise. The National Urban Coalition has learned to wend its way with dexterity.

THE PADRONE—AN ITALIAN UNCLE TOM

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 17, 1975

Mr. BIAGGI. Mr. Speaker, Americans of diverse ethnic backgrounds can recount personal examples of discrimination they have been a witness to or a victim of. What is less frequently discussed though is the callous indifference with which many ethnic politicians have treated citizens of their own heritage. This unfortunate phenomenon assumes various forms. What remains constant, however, is the degree to which the needs of American ethnic groups remain unanswered as a result.

The Italo-American electorate has not escaped manipulation by politicians of this stripe. The following article on the "padrone" in American politics examines this problem in some depth. I commend it to my colleagues.

[From the Italo-American Times, April 1975]

THE PADRONE IS ALIVE AND WELL . . . POLITICALLY

(By Phil Foglia)

All students of the Italian experience in America are well aware of the exploits (in the most literal sense) of the "padrone," the labor boss who enslaved his own people to provide for his own comfort and that of his cronies. These so called "labor agents" reduced Italian immigrants to such a lowly level that it was possible for employers to tell immigrants that it took two or three "guineas" to make one "white man," thereby justifying pitiful wages. Besides delivering up immigrants on this denigrated basis, it was the job of the padrone to make sure that the "wops" didn't get out of line and demand equal rights with other Americans. In return for reducing Italians to third class citizens, the padrone was rewarded handsomely as were all the slavemasters of history. It is a convenience for the oppressor to find and utilize "sellouts" of the order of "Uncle Toms" and of the "padrone" who are of the same background of the oppressed and can assist the oppressor in his efforts.

In time, as Italians became more aware of their rights, and their value in the labor force, the "padrone system" was overthrown and Italo Americans became self reliant.

This is not the case in the political world.

In politics, Italo Americans, for inexplicable reasons, have not yet reached the level of awareness that will allow them to rid the system of "political padrone" who have retarded the real growth of the Italo community.

There are several different breed of political padroni. The first is the elected padrone. He is the politico who is elected from districts that are predominantly Italian. He spends most of his time on projects or legislation that is designed to win over the non-Italo segment of his district. The Italo constituency is given lip service and moving speeches on holidays and during fiestas.

Never, however, does he formulate a strategy to attack the problems of his Italo constituents. That would be too parochial. And, after all, Italos are resigned to receiving no help from the government and will ultimately vote for an Italian incumbent under any circumstances. Accordingly, this padrone keeps a public posture that is far removed from Italo concerns so as to avoid conflicts with other ethnic or minority groups. He is, in essence, a coward.

Another type of padrone is the appointed padrone. He is usually an Italo American who is qualified within a given area and sufficiently identifiable as an Italo American so as to be politically operative for the administration which he serves. The problem with this appointment level padrone is that he doesn't serve Italo Americans but merely serves as an Italo American much the same way the old labor agents did. Government administrations, as well as corporate and institutional administrations for that matter, are careful in selecting "safe" Italos who will not make waves or create disturbances in the quest for justice for his people. This kind of cooperation permits negligence of the Italo community to perpetuate while problems become more severe.

Another padrone is the politically ambitious "comer" who wants to be the number one Italo, in the city or state, to balance every ticket or fill any position where it is advantageous to have an Italo American. He undercuts other Italos or plays a "spoiler" role by pitting himself against fellow Italo Americans thereby limiting the range of achievement for Italo Americans generally. These people must be made to understand that this kind of activity is not acceptable and will no longer be tolerated. If Italo politicos can't cooperate and work with other "brothers" than they don't deserve the support of the community and should actively be opposed. Caucuses, alliances, and coalitions of Italo leadership is what is now presently needed to begin to solve the problems that have been neglected for so long in our communities as a result of padronism and the vacuum of leadership created by it.

All this is not to say that our community does not have some excellent individual leaders. We do. But, the padrone syndrome has created tremendous obstacles to leadership development in general. It is time now for us to be aware of these political scoundrels who live off the blood of our communities. Think! If all our leadership is looking out for our interests would it be possible in a city like New York to have 4 Italo Congressmen, 11 Italo City Councilmen, 5 Italo State Senators, 18 State Assemblymen and at least 5 commissioner level appointees and still have such arrogant neglect of Italo problems such as those highlighted by the report of the Congress of Italian American Organizations. For instance, in NYC census tracts with more than 50% Italian population, 41% of all individuals living without family, (⅔ of whom are senior citizens) were below the poverty level but only 9% were receiving public assistance.

Is it possible this goes unnoticed by Italo American politicians. Also, during the 1973-74 school year only 823 of 4147 Italian speaking school children with moderate and severe language difficulties were receiving any programmed bilingual assistance. Is it possible this goes unnoticed also or are we to assume this is acceptable to Italo politicians. Further, are we to accept the discrimination in CUNY where a minimum of 25% of the student body is Italo American but only 4% of the faculty is Italo.

If this is all acceptable to Italo politicians it is not acceptable to our communities. I suggest that we all take hard looks at our Italo political leadership and evaluate whether they are acting as padrone and reducing us to second and third class citizens. Political padrone must be put on notice that their ways are as outdated as the labor agent and, as the latter went, so will they go.

FIRST ELECTRIC STREETCAR IN THE WORLD

HON. PARREN J. MITCHELL

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 17, 1975

Mr. MITCHELL of Maryland. Mr. Speaker, a very historical event of worldwide interest will occur during August of this year, 1975. It is the precentennial—90th anniversary—of the first electric streetcar in the world.

During this period of national celebration of this Nation's Bicentennial, and as we here in the House of Representatives debate the fate of mass transportation, I think that it is fitting that we note the 90th anniversary of the establishment of this country's first successful commercial electric railway. I am more than proud to indicate that plans for this celebration are originating in the Hampden-Woodberry neighborhood of Baltimore, Md.—which is a part of Maryland's Seventh Congressional District which I represent here in the House.

Therefore, I commend to my colleagues an article written by Mr. James Gasque of the Baltimore Sunpapers detailing the plans to pay recognition to this moment in our past and explaining the history behind such an accomplishment. Further, I would like to thank Mr. Andrew T. Cavacos for bringing this matter to my attention.

The article follows:

[From the Sun, Apr. 6, 1975]

STREETCAR ANNIVERSARY

(By James Gasque)

Three Baltimore groups have begun thinking about plans for observing this summer the 90th anniversary of the establishment of this country's first successful commercial electric railway. Tentative plans include a commemorative souvenir cover.

The three groups are the Baltimore Streetcar Museum, the Hampden Business Men and the Hampden-Woodberry Community Association.

The museum probably would lend a hand with marking the anniversary no matter where the first run had taken place, but participation by the Hampden groups is born of local pride.

FIRST USED IN 1885

Electric streetcars were first used on regular scheduled runs on the Baltimore & Hampden Railway in August, 1885, about three years before the annexation move that made Hampden a part of the city.

This transit company had begun service nine years earlier, operating over a route extending from Charles street and Huntingdon avenue (now 25th street) northward to Roland avenue and 36th street.

Most of the dozen or so streetcar lines of the day used horse-drawn cars, but the Hampden line, with its steep grades used mules.

The electric streetcars which climbed these grades included two units, passenger cars of the type horses pulled and a smaller car equipped with series motors. The motor car got its power from a center rail, rather than from an overhead trolley system.

BACK TO ANIMALS

The New Jersey engineer who came to Baltimore to convert the line to electricity, Leo Daft, named the little motor cars after men he admired. The first two bore the names "Morse" and "Faraday."

By late 1899 the Daft equipment had worn out and the owners of the Hampden line decided not to replace it. The line reverted to animal power until improvements in electrical systems came a few years later.

One of the prime movers of the plans for observing the anniversary is Andrew T. Cavacos, Hampden businessman and stamp collector who was born within a stone's throw of the northern terminus of the Hampden line.

(Casting about for some distinctive way of referring to the 90th anniversary, he calls this one, a "pre-centennial.")

SUGGESTS THREE COVERS

His idea is to arrange for three covers, each postmarked at a different postal station, perhaps one at the Howard and 25th street end, another at the northern end and the third at the streetcar museum on Falls road.

There may be some problems deciding exactly which day the covers should be postmarked.

The bronze plaque unveiled 40 years ago after the electric cars began service used the date August 10. Michael R. Farrell, the rail transit historian, does not dispute that date but he cites two other possibilities.

Writing 19 years after the event, Professor Daft said regular service began August 15 and newspapers of the period say August 18.

RAILWAY POST OFFICES

A decade after that first run by an electric streetcar, Baltimore's postmaster S. Davies Warfield proposed a new urban railway postal service. About two years later, on May 17, 1897, street railway post offices made their appearance in Baltimore, operating over a 14-mile route from Curtis Bay to Arlington.

Other routes were added during the 32 years these postal cars collected and distributed pouch mail, one of the routes running from Roland Park to Dundalk, passing fairly close to Hampden, but, alas, not down the old Hampden line.

When the August birthday of the electric streetcar comes, it will not be greatly important which date is used in the postmark on cacheted covers. The anniversary is a significant one and the covers will be popular with stamp collectors.

WALTER BAGEHOT AND IRELAND 1974

HON. HAMILTON FISH, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 17, 1975

Mr. FISH. Mr. Speaker, a constituent, James Kevin Fitzpatrick, from Mahopac in the 25th Congressional District, New York, which I have the honor of representing has written an article on Ireland for The Irish People newspaper. The article, which I am inserting in the Congressional Record, I believe will assist my colleagues in understanding the background of the present conflict which is afflicting that nation.

Walter Bagehot and Ireland 1974

(By James Kevin Fitzpatrick)

What better way to understand the historical propriety of the current military campaign of the Provisional IRA than to examine the full implications of the ideas of the great 19th century champion of English nationalism, Walter Bagehot? For if one of John Bull's finest flowers is used to make the case for an Ireland united through physical force, the hackneyed British accusation that a "misguided," "irrational," "Celtic nationalism" and "Irish romanticism" clouds the vision of Irish patriots can be dismissed out of hand.

Bagehot (pronounced "Bajut") is not mentioned much any longer in British intellectual journals of opinion, perhaps because his analysis of the origins of British nationhood is too pointed a reminder of the ancient roots of their national unity for the residents of the "sceptered isle" to handle in this period of internal upheaval. The last thing that England's leaders want the "British people" to think about just now is the role that military coercion played in uniting Anglo-Saxon, Dane, Norman and Celtic peoples into a political unity. But modern Irish nationalists would do well to look long and hard at Bagehot's Physics and Politics for therein is a clear historical explanation of exactly what it takes to unite a patchwork collection of separate peoples into a viable nation-state.

As the title Physics and Politics suggests, Bagehot was attempting to explain, in cold, hard, objective, scientific terms, how healthy, free, and sovereign modern nations were built and maintained. Not how they should have been built, but how they were. And he succeeds. Bagehot was English himself and proud of it, but his pen probed not only into England's national development, but to all of Europe's and America's as well. (Of course he does not mention Ireland since, as we know, in those heady days of English Imperialism, the Irish national development was being forcibly repressed by England in the name of a "greater British" Isles sense of national unity. And Bagehot was all for that. Bagehot was no friend of Ireland's. That is not the point.) He searched for and found a common denominator, a historically verifiable pattern, in the development of all known nations out of the crazy quilt of divided and decentralized feudal Europe.

Dr. Henry Paolucci, Professor of history and political theory at St. John's University, knows as much about Bagehot's work as anyone. In his War, Peace, and the Presidency there is a summary breakdown of Bagehot's vision of national development. It looks something like the following:

I. Forced Unity—an involuntary political union is imposed on a recalcitrant people through a forceful act of the will by another people, or ruler.

II. Felt Unity—in time, the political union becomes acceptable, and eventually natural and spontaneous, for the joined peoples. What the world now calls nationalism develops.

III. Discursive Unity—the forced political union becomes natural and widespread enough to allow for a free exchange of opinion.

Whether just or not, Bagehot tells us that every free nation has achieved the status of sovereignty and political independence by going through these stages. (And, of course, the Irish have not—not entirely anyhow.) Is he right? Take any country and test him.

Start with England. In 1066 the Normans under William the Bastard crossed the channel and defeated the Anglo-Saxons under Harold the Fair at the Battle of Hastings. The Normans won and instituted shortly thereafter a rigid and repressive regime within which Anglo-Saxons, Danes, and many Celts were held together through naked force. It was an involuntary union, a forced and contested union, attested to by a wealth of English folklore. The Robin Hood legends, for example, tell of Saxon yeoman resorting to banditry in an attempt to thwart Norman domination. Property was confiscated, the Anglo-Saxon language proscribed (we still use French Norman words for food when it is finely prepared—beef, pork—and Anglo-Saxon for when it is still dirty and on hoof—cow, pig), and the Anglo-Saxon style of dress and grooming subjected to ridicule by the conquerors. It was only hundreds of years later, after the experience of living, fighting, and dying together that the internal divisions ended and a felt unity evolved. Anglo-Saxons and Normans became Englishmen. Later in history the English attempted, with less success, to repeat this process on a larger scale by adding the Irish and the Scots to their planned new felt unity of Great Britain.

Modern political liberties, what we now call rights, followed. Once the internal national cohesiveness had been established firmly, the right to speak and write pretty much at will became feasible. "Citizens" (they no longer had to be "subjects") with strong national loyalties could be trusted to speak and write only with the best interests of their people in mind. The Celtic centers, naturally, could not be granted these freedoms—Ireland, and to a lesser extent Scotland, Cornwall and Wales—since they did not acquiesce to the new felt unity under the British monarch. They had to be kept "subjects."

The initial temptation is to linger over the English experience. (For obviously what is good for the English goose is good for the Irish gander.) But let us switch, even if only in a sketchy manner, to the history of some of the rest of the world's nations just to corroborate Bagehot's case.

France experienced the same process. In the last years of the tenth century, Hugh Capet extended his political control out and beyond his own feudal domains around Paris to surrounding regions of what is now France. Toulouse, Aquitaine, Gascony, etc. were made part of a new nation, the nascent French nation, by the broadswords of Hugh's armies, an involuntary union. The French nation-builders acted as determinedly as did the Spanish in the 15th Century. Spanish history, even to this day, can be told as the record of the problems which followed upon the forced union of the outlaying areas of Spain with the monarchies of Aragon and Castile.

The creation of modern Germany in 1870, as all students of history know, was the result of the realpolitik scheming of the legendary Otto von Bismarck. He minced no words. He announced to the world that a German nation-state would be created not by discussion, patient debate, or beneficient evolution, but by "Iron and Blood." The many separate German principalities of the time were welded by him onto his own state of Prussia through the heat of war—again an involuntary union. Bismarch knew that if he waited until the ruling powers in the separate German states became willing to surrender their privileges for the good of a unified nation, his countrymen would be subject to Russian and French domination for generations to come, if not forever. His determination, his act of will, forced the Hanoverians, Bavarians, Westphalians, etc. to become Germans.

Perhaps Bismarck's resolve was hardened by the example of Abraham Lincoln who just ten years earlier in the United States decided that it would be better for brother to kill brother in a boiling stew of a civil war than to witness the end of his country. It mattered not that a substantial number of his fellow countrymen wanted that disintegration to take place. The North and the South were held together in a forced union, glorified in all American schoolbooks, by the unreserved and even ruthless use of military force. Lincoln accepted what had to be the most onerous responsibility ever faced by an American President. He accepted and initiated the pains, sorrows, and death of war against his own countrymen to save the union.

We could go on. But the point is clear. Modern nations did not "just happen" in the spring. They were made by men of vision. Some of these men acted with just cause, like Lincoln and Bismarck. They acted to hold together a people who were already united by heritage, custom, and language. Some were brutal conqueror of already separate peoples, like the English. But all nations have experienced the agony of becoming a people. Birth is a bloody thing.

Irish Free-State leaders then, in government and out, who are waiting for an evolution of a new Irish consciousness in the minds of the Northern Orange community are waiting for an experience that will be truly unique in the world's history—something like the world has never seen. Conor Cruise O'Brien, for example, in advocating a dual-sovereignty for Ireland, his "States of Ireland", is recommending that the Irish people behave as no other historic people who valued their national independence. Apparently O'Brien's own internationalist and Marxist leanings make him immune to the lure of national integrity. The risk implicit in his advice lies in the fact that a people cannot be partially sovereign anymore than a woman can be partially pregnant. Those nations that do not go forward in pursuit of perfecting their national union are likely to go backward away from it. It would appear likely that if the Irish resign themselves to a separate English-dominated state in the north of their country it will signal a loss of their desire to accept the burdens of being a free and independent people. And, sadly, the only alternative to accepting those sweet burdens in a world of nations is to allow a more vigorous and manly people to handle it for you. It would not be hysterical to suggest that the alternative to a free and united Ireland is a movement toward reunification with the mother-country, England.

The modern Irish are faced with the test of nationhood. It is to their everlasting credit that they are brooding—as Christians should—over the propriety of the use of force. (Can anyone seriously imagine an Arab or an Israeli asking himself whether his country's very existence is worth the taking of human life.) But the moral agony that comes from being a Christian and a warrior in pursuit of a just cause has afflicted good men who have had to fight their country's wars all down through history. Those who accept the call to arms have traditionally asked only that they be judged by the same standards, when they appear before their God, as El Cid, St. Joan of Arc, and the attack forces at the Battle of the Bulge.

Correlatively, those Irish who shrug their shoulders in resignation and say "How in God's name can you force a million Orangemen to become part of Ireland?" are ignoring history's lesson. History tells us how—by force. To deny Irish nationalists that tool is to do nothing more noble than to claim that English force is somehow moral, while Irish is not. For, one way or another, there is going to be an imposition by force in the North to be an imposition by force in the North of Ireland. Either English force will deny the Irish nation its place in the family of nations, or Irish force will deny a small English-oriented minority the right to abort the birth of the Irish nation. The future of Ireland will be determined by what kind of leader emerges in the next few years; a Lincoln, or a Petain, a Wolfe Tone or a John Redmond, Conor Cruise O'Briens or the Provos.

A RESPONSIBLE RESPONSE TO THE HOUSING CRISIS

HON. ROBERT W. KASTEN, JR.

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 17, 1975

Mr. KASTEN. Mr. Speaker, on June 24, the President vetoed H.R. 4485, the Emergency Housing Act of 1975, and his veto was sustained by the Congress. It is my opinion that this was a responsible action, and I concur with the President in his reasons for the veto.

First, the President expressed concern that the bill could not be implemented without substantial delay. This is a legitimate concern, given the current state of ill health of the housing industry and the immediacy of the needs of those homeowners faced with foreclosure. We cannot afford to wait the months it would take to put the act into effect, discouraging home building in the interim.

Second, the President thought that in some areas of the country inequities would develop with regard to the income levels of families to be assisted. The mitigation of these inequities is of utmost importance since it is the working class homeowner who is meant to be the aid recipient of the housing bill. It seems unfair that in some cases under H.R. 4485, families with a $25,000 yearly income could qualify, while in other cases families with a $6,000 yearly income could not qualify.

A third reason that the President vetoed H.R. 4485 was that subsidizing interest rates down to 6 percent in one of the subsidy options would give a middle income home buyer an excessive benefit at the taxpayers' expense. Interest rates have not been as low as 6 percent in a decade and the 6 percent rate is far below that needed for a strong housing industry. In 1973, for example, there were over 2 million starts when interest rates were in excess of 7½ percent. I also share the administration's fear that once the Government becomes involved in the business of providing direct interest rate subsidies for a few homeowners, it is difficult to phase out these subsidies.

A fourth reason outlined by the President in his veto message is its excessive cost. H.R. 4485 would authorize up to $1.5 billion for emergency middle-income housing subsidies through July 1, 1976; up to $500 million for emergency mortgage relief payments for up to 2 years; and up to $100 million for section 312 rehabilitation loans for 2 years, for a grand total of about $2.1 billion. It would add over $1 billion to the deficit in fiscal year 1976 alone. Such large expenditures would have an inflationary impact throughout the economy. The value of the dollar would be further eroded at home and abroad. It is essential that we hold down Federal spending and cut back whenever possible. We simply cannot afford to add another $2 billion program to our already staggering Federal deficit.

The housing industry is already showing signs of recovery. The added stimulus of the bill could only serve to touch off a new round of inflation and high interest rates.

The President has also released $2 billion remaining from $7.75 billion authorized by Congress in a housing bill passed last year. This $2 billion would finance about 65,000 mortgages at a 7¾-percent interest rate, compared with the current market rate of slightly less than 9 percent.

The President's veto was motivated by some unwise provisions of H.R. 4485, yet his commitment to solving the housing problem cooperatively with the Congress has been illustrated by his signing on July 2 the compromise bill H.R. 5398, which is similar to H.R. 8138 which I introduced.

Specifically, title I of H.R. 5398 is a foreclosure relief measure to protect families who face the loss of their homes because of the current recession. This title is virtually identical to the President's measure passed by the Congress early last month. The foreclosure relief program will assist some 100,000 families who cannot meet their mortgage payments by authorizing HUD to coinsure mortgages in default, or to make monthly payments of up to $250 for as long as 24 months when lenders are unwilling or unable to forebear on their loans. The title will authorize $1.5 billion for coinsurance contracts, and a maximum of $250 million for mortgage relief loans. It is estimated that the mortgage relief program will operate at negligible cost to the Federal budget since the Federal funds used would be repaid when homeowners are back to work.

This provision differs from H.R. 4485 in that direct assistance to the homeowner was the only option under the vetoed measure. The new bill takes into account the fact that banks and other lending institutions have acted with restraint during this recession, and foreclosures have not risen dramatically. Thus, it seems feasible to provide the same protection to homeowners by agreeing to stand behind their banks with a reinsurance commitment when and if the banks refrain from foreclosure.

The second title is a home purchase assistance measure. It expands the authority given the President last year to make mortgage credit available when housing starts are low. It extends the existing Home Purchase Assistance Act to June 30, 1976, permits financing of condominiums and apartments, and sets a maximum rate of interest on tandem-plan mortgages at 7½ percent. This replaces the 6 percent short-term and 7 percent long-term interest subsidies contained in H.R. 4485, and instead finances all the subsidized mortgages through the tandem plan. It also eliminates the $1,000 cash incentive payments to homebuyers.

The third title includes critically needed housing rehabilitation and repair provisions. Under this title, the widely supported section 312 rehabilitation loan program will be continued through August 1976 at an authorized level of $100 million. This provision is a compromise version of the provision vetoed by the President. Another provision of the bill extends by 7 months the time period during which certain purchasers of older inner-city housing insured by FHA could apply for compensation for correcting serious defects that were not detected at the time of purchase. The final provision extends section 202(b) of the Flood Disaster Protection Act by 6 months the deadline on a flood insurance program, to permit financing of resales of existing housing in flood plains not covered by the program.

I mentioned earlier that the housing industry has begun to show signs of recovery. This should not, however, dim our recognition of the fact that the current improvement in housing starts has been from the lowest March on record, to the lowest April on record, to the lowest May in 28 years. Unemployment in the construction industry continues to increase. In May, the construction unemployment rate was 21.8 percent, the highest in the post-World War II period.

The Housing Act of 1975 is our hope to improve this picture in the future. The home purchase assistance measures contained in the act will provide the necessary incentive to spur a faster recovery in housing than we are presently witnessing. The final version of the bill that was signed into law will afford Federal aid to the housing industry by attempting to reach the roots of some of the industry's problems, and thus avoiding the distortions that result from merely treating symptoms. The bill provides the Secretary of HUD some flexibility in determining the mix of subsidy approaches. By utilizing the tandem plan, HUD will purchase the 7½-percent mortgages, and thus make more money available to private lenders to finance more housing. By allowing some flexibility in the programs and operating through established market mechanisms, the housing industry may receive the needed boost to continue recovery on its own.

The current flow of funds into mortgage lending institutions is helping to bring mortgage rates down. If we can control our deficit spending, and thus keep the Federal Goverment from having to borrow further in the private money markets, these rates should continue to come down which would also help to alleviate our housing problems.

The Housing Act of 1975 exemplifies these goals, and I am pleased to be in full support of it.

DR. ROGER H. UNGER—HONORED

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 17, 1975

Mr. TEAGUE. Mr. Speaker, the Veterans Administration is providing high quality hospital and medical care to disabled, sick, and elderly veterans in its 171 hospitals and other medical facilities. One of the most important reasons why quality medical and hospital care is being provided by the Veterans Administration is its medical research programs which are essential for the purpose of improving care and rehabilitation of disabled veterans.

Successful research programs in VA Hospitals are not limited to improving medical care for veterans, but have made it possible for the VA to make a contribution to American medicine which is helping mankind. An outstanding example of this is the presentation of two recent major national awards honoring Dr. Roger H. Unger of the Dallas, Tex., Veterans Administration Hospital and the University of Texas Southwestern Medical School for his pioneering research on the role of the hormone glucagon in causing diabetes.

The most recent was the Banting Medal, highest scientific honor of the American Diabetes Association which was presented to Dr. Unger at the association's annual meeting in New York City. Earlier, he received the David Rumbough Jr. Memorial Award for Scientific Achievement from the Juvenile Diabetes Foundation in Philadelphia, Pa. This award is named for actress Dina Merrill's son, a diabetic, who died in 1973.

Dr. Unger's findings have a major part in the recent broadening of the concept of diabetes. His research indicates that glucagon as well as insulin malfunctions to cause the disorder in which the body loses its normal ability to maintain blood sugar balance.

Finding a way to treat or prevent diabetes by suppressing glucagon is now a major goal of many researchers.

"An avenue has been opened for investigation of the control of diabetes by an entirely new approach," Dr. Unger said.

He stressed that years of study will be required to determine whether the new therapy, once it is achieved, will help problems of blood vessel, eye, and kidney changes that occur in many diabetics.

Two major scientific publications, the British medical journal Lancet and the U.S. journal Science, recently published reports by Dr. Unger and his associates on their glucagon research. In addition to his post as chief of medical research at the VA hospital, he is professor of internal medicine at the medical school in Dallas.

A key factor in his work was development in the Dallas VA Hospital laboratories of a complex technique for measuring minute quantities of glucagon in the blood.

This radioimmunoassay process, using radioactive iodine to "tag" glucagon molecules, has enabled other researchers to join in the study of glucagon.

Helped greatly by a cooperative rabbit that developed large numbers of glucagon antibodies, the Dallas VA lab has supplied the rabbit's serum containing these antibodies to dozens of laboratories in many nations.

Although "Rabbit 30K" has now died, enough of his serum is retained in freezers to supply researchers at the present rate for several more years, according to Dr. Unger.

Each small vial is sufficient for 1,000 diagnostic tests.

UNDERDEVELOPED NATIONS VERSUS THE INDUSTRIALIZED WORLD: THE "NEW COLD WAR"

HON. DOMINICK V. DANIELS

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 17, 1975

Mr. DOMINICK V. DANIELS. Mr. Speaker, this morning's Wall Street Journal contained an interesting and well-written article by Irving Kristol on the economic confrontation between the developing nations and the industrialized world—a confrontation to which some have referred as the "new cold war".

Mr. Kristol makes some very salient points in his article—points which should not be overlooked by those responsible for the formulation and implementation of U.S. foreign economic policy.

In the last year, the United States and other developed nations have been accused of "exploiting" the economies of the so-called third world countries. Indeed, it has been said that our prosperity has perpetuated their poverty. This is patently absurd. The growth of the U.S. economy is a credit to the resourcefulness, the talent and the energy of the American people who have constructed a market system unequaled in the world. Our economic growth has not preyed upon the less developed countries; our prosperity has not sapped their own potential economic vigor. Irving Kristol examines some of the factors in this important issue, including the reluctance of some of these developing nations to recognize basic economic realities—including the need to allow a reasonable amount of time for economic growth.

Mr. Speaker, I am sure that my colleagues will find this article of considerable interest, and I include it at this point in my remarks:

THE "NEW COLD WAR"

(By Irving Kristol)

It has been very worrisome, these past months, to observe the apparent willingness of many State Department officials to reformulate American foreign economic policy in the hope of achieving a more amiable "dialog" with the so-called Third World. It is true that, for the moment, the Treasury seems to have blocked such an effort. And it is also true that, by appointing Daniel Patrik Moynihan as Ambassador to the United Nations, Secretary Kissinger has indicated his own awareness that a candid debate may, under certain circumstances, be the most appropriate form of dialog. Nevertheless, the State Department's instinctive approach to this issue has been little less than frightening. Frightening, because any effort to create "a new international economic order," as is now being demanded in every international forum, must entail some basic changes in our domestic economic order. Frightening, too, because it reveals such a complete misreading by our foreign policy establishment of what our controversy with the "Third World" is all about, and of the political realities that lie beneath it.

In all fairness to the State Department, one must report that its interpretation of America's position in the world is not capricious or arbitrary. It is, fundamentally, the fashionable liberal view, to the effect that we have entered a new era of foreign policy which Newsweek has termed "The World's New Cold War"—i.e., a war of the "poor nations" against the "rich," a sort of international version of the class struggle aiming to redistribute wealth "equitably." And since there is no liberal-chic idea which cannot find some distinguished "concerned business leaders" eager to subscribe to it, this is also a view that many in the business community sheepishly go along with. The Club of Rome and the Trilateral Commission, both supported mainly by grants from large corporations, are very busy popularizing this interpretation of world affairs. As Professor Zbignew Brzezinski of the Trilateral Commission, has put it: "The main axis of conflict at most international conferences today is not between the Western world and the Communist world but between the advanced countries and the developing countries."

Now, this statement is partly and superficially true—and is an excellent argument in favor of having fewer such conferences, most of which are only a form of political theater in which the poor countries try to blame everyone but themselves for their problems. The statement is also partly and fundamentally false. The main axis of conflict can be more accurately described as being between liberal capitalist societies (mainly affluent) and those societies—whether communist, socialist, or neo-fascist (this latter category prevailing especially in Africa)—which, whether poor or less affluent, are opposed to liberal capitalism in principle.

A MATTER OF ATTITUDES

It is not simply a question of "world poverty." It is much more a question of one's attitude toward liberal political and economic systems, and towards liberal civilization in general. This explains why those "less developed" countries are always attacking the United States and never say an unkind word about the Soviet Union—not *exactly* a poor country. Nor do they show any animus toward Saudi Arabia, now fabulously rich as the result of the exorbitant price it demands for its oil from *both* rich and poor countries alike. Indeed, the very definition of "the Third World" entails a hostility toward liberal capitalism. Otherwise, how can one explain why Saudi Arabia, Cuban and Algeria are fully-accredited members of the club, whereas Israel, Taiwan, South Korea and Turkey are not?

In truth, this "new cold war" is not really about economics at all, but about politics. At bottom, it is a conflict of political ideologies. What the "Third World" is saying is not that it needs our help but that their poverty is the fault of our capitalism—that they are "exploited" nations while we are a "guilty" people. And to the degree that the United States officially accepts the terms of the debate set down by the nations of the "Third World," it also accepts moral responsibility for their poverty.

Nations are poor for any one (or any combination) of three reasons: (1) history, (2) culture, and (3) misgovernment.

By "history" one simply means the fact that some nations began to industrialize and modernize themselves later than others, and it inevitably takes time for them to "catch up." It need take nothing more than time, as the case of Japan illustrates. But it does take time—and any nation that claims "it doesn't have the time" is merely asserting, with a kind of childish petulance, that it impatiently wants the fruits of economic growth *now*, before the growth itself has been accomplished.

By "culture" one simply acknowledges the fact that certain traditional ways of life, which doubtless have their own substantial virtues, are inimical to economic development. All immigrant groups to South America, a potentially rich continent, quickly prosper: this has been the experience of Italians, Germans, Japanese and Jews. The native and Hispanic populations do not prosper so easily—because their ways of life are not so oriented toward the production of wealth. And does anyone doubt that if, overnight, the 500 million Indians were miraculously replaced by the same number of Swiss, India would soon be numbered among the more affluent nations?

By "misgovernment" one simply refers, among other things, to the fact that most of the poorer countries are dominated by political regimes that are anti-liberal in their politics and anti-capitalist in their economics. These governments are ideologically committed to the redistribution of wealth and to the frustration of business enterprise which creates wealth. Since the wealth they wish to redistribute does not exist in their own countries, they have decided to redistribute the wealth of the United States and the nations of Western Europe. And their rationale for doing so is that this wealth, in the first instance, derives from an "exploitation" of their countries by the capitalist world.

It is this last accusation which provides the impetus for "the new cold war." It is, on its face, absurd. The supposed exploitation derives from the fact that the poorer nations export raw commodities to the industrialized nations. Since they have nothing else to export, and since these exports are paid for, this is a perfectly natural and not at all unhealthy state of affairs. For the better part of the 19th Century the United States was in exactly this condition; it was the income from the sale of cotton, wheat, and minerals which eventually formed the basis for our industrial development. But many of the underdeveloped countries today, having witnessed the success of the OPEC cartel, would like the United States and Europe to help them establish similar cartels in other commodities. To justify this demand that we organize international trade to our own disadvantage, they offer various woolly, neo-Marxist arguments to the effect that their poverty is the result of our prosperity.

AMBASSADOR MOYNIHAN'S RESPONSE

Incredibly enough, many Americans (and even more Europeans) seem inclined to appease rather than repudiate this claim. The sensible response has been outlined by Ambassador Moynihan. It is to the effect that their "economies do less well than they ought: that the difference is of their own making and no one else's, and no claim on anyone else arises in consequence." But his is a lonely voice in American foreign policy circles. The State Department itself is very much a non-ideological institution, and never fully appreciates the ways in which words and ideas ultimately shape world politics, and always prefers negotiation to confrontation. It cannot get much excited over the principle of expropriation (without due compensation) of American business overseas; it cannot see the ideological significance of setting up various "world authorities" to stockpile commodities and rig the international markets so as to "help close the gap" between rich and poor nations. It cannot even see the practical implications of such arrangements—i.e., that you cannot "collectivize" and "plan" the international market economy without at the same time intervening massively in domestic market arrangements.

But what it cannot see, others can. There is, for instance, a whole flock of "progressive" and socialist economists in American academia who favor "a new international economic order" precisely because its consequences are bound to run against the grain of our liberal capitalist system. In effect, they are trying to launch a reform movement through the back door—the front door now being under critical scrutiny after our dubious experience with those "Great Society" programs of yesteryear. They feel that if the United States gets itself committed to the propriety and justice of a massive international redistribution of wealth and income, through a "planned world economy," then there is no way it can avoid a commitment to a similar redistributive policy, and a similar commitment to planning, internally. And they are absolutely right.

There is always a good case, in both principle and prudence, for the more affluent being charitable toward the poor—even to those whose poverty is largely their own fault. Nor is there any reason to expect, much less insist on, gratitude: Such benevolence is supposed to be its own reward. But when the poor start "mau-mauing" their actual or potential benefactors, when they begin vilifying them, insulting them, demanding as of right what it is not their right to demand—then one's sense of self-respect may properly take precedence over one's self-imposed humanitarian obligations. If the United States is to gain the respect of world opinion, it first has to demonstrate that it respects itself—its own institutions, its own way of life, the political and social philosophy that is the basis of its institutions and its way of life. Such a sense of self-respect and self-affirmation seems to be a missing element in our foreign policy. It is no wonder, therefore, that we are making such a mess of the "new cold war."

MIA IN SOUTHEAST ASIA

HON. WILLIAM M. KETCHUM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 17, 1975

Mr. KETCHUM. Mr. Speaker, just last week, I was privileged to share with my colleagues in the House the text of a letter from President Ford to the daughter of an MIA father. In the letter, the President pledged himself to leave no stone unturned in achieving a full accounting for our men missing in Southeast Asia. I found that letter to be strong reassurance of the fact that these men have not been, nor will they be, forgotten. In light of the President's avowed concern, I would like at this time to insert a letter from the National League of Families of American Prisoners and Missing in Southeast Asia to the President. Bus Mills, the league's executive director and my good friend, has made some undeniable points herein. Surely, Mr. Mills suggestion that a meeting between United States and Soviet heads of State take place in Hanoi to achieve an honorable determination of the fate of U.S. servicemen and civilians in Southeast Asia is a sound one. This positive step is, as he says, far simpler than a meeting of United States and Soviet spacecraft. No technology is involved—no political axes would be ground, no computer science would be needed. Only humanitarian cooperation would be required as an ingredient, and yet such a step would surely be the strongest, most positive one we could make. I know that my colleagues, in their own continued vigilence regarding the tragedy of our MIA's, will read his words with enthusiasm.

The letter follows:

NATIONAL LEAGUE OF FAMILIES OF
AMERICAN PRISONERS AND MISSING IN SOUTHEAST ASIA,
Washington, D.C., July 16, 1975.

Hon. GERALD R. FORD,
President of the United States, The White House, Washington, D.C.

DEAR MR. PRESIDENT: On the eve of the Sixth Annual Meeting of the National League of Families of American Prisoners and Missing in Southeast Asia, when Russia and the United States are cooperating beautifully on the Soyuz-Apollo Space venture, the Families propose another joint venture. This journey would not require the vast technical and scientific preparation. It would not require the great expense that Soyuz-Apollo does. There would not be the great concern for the safety of the participants on this venture as there is for the Astronauts and Cosmonauts.

The venture or journey we propose is a journey for Peace, a True Peace, not the kind that resulted from the "so called Paris Peace Agreements," but one that could bring peace of mind to the wives, children, parents and other relatives of the 1300 U.S. Servicemen and Civilians for whom we have no accounting. This journey could bring peace of mind to these men's Commander-in-Chief and to the collective conscience of the people of the United States.

We propose a journey for President Ford and Dr. Kissinger to depart the United States at about the same time General Secretary Brezhnev and Premier Chou En Lai would depart their respective capitals. They would link up in Hanoi where they would be joined by Premier Pham Van Dong and perhaps by Le Duc Tho, who along with Dr. Kissinger were the chief architects of the Paris Accords.

These participants have been carefully selected for this time and place; President Ford—the head of our Government and Commander-in-Chief of the men, Pham Van Dong—the Premier of the Democratic Republic of Viet Nam, the Government that is most influential in the Communist block countries in Southeast Asia, General Secretary Brezhnev—head of Soviet Government and Premier Chou En Lai—head of Chinese Government, these two governments hold the key to opening the boundaries to search for our men. The selection of the other two, Dr. Kissinger and Le Duc Tho as participants, is obvious.

We are first to acknowledge their task would be a most difficult one, "That is to achieve an honorable determination of the fate of the U.S. Servicemen and Civilians in Southeast Asia." An accounting that would see the (1) return of all POW's, (2) the fullest possible accounting, and (3) the return of the remains of our dead.

Apparently, the chief reason for the difficulty of the task is that this issue is humanitarian in nature, not scientific as such, nor political as such, the solution doesn't lend itself to computers or scientific technology for solutions. It seems that mankind through the ages has concentrated more on the scientific—of developing things and evaluating accomplishments and successes in terms of the scientific. Mankind, especially politicians, seem ill-equipped to solve basic humanitarian issues and problems.

Mr. President, we call upon you to arrange such a meeting in Hanoi. If you do this the Families will believe that you are determined to get an honorable accounting, or that at least you are earnestly trying to do so.

Very truly yours,

E. C. Mills,
Executive Director.

WHY A REVOLUTION? 200 YEARS LATER THE ANSWER IS THE SAME

HON. JOHN L. BURTON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 17, 1975

Mr. JOHN L. BURTON. Mr. Speaker, a constituent, Mr. Claude Ury of San Francisco, has sent me an article which appeared in the San Francisco Examiner and Chronicle on July 6, 1975.

The article, written by the Associated Press, deals with the reasons behind the American Revolution, and offers a thumbnail sketch of the events leading to our Declaration of Independence.

Mr. Speaker, I wish to insert this article in the Record for the information of my colleagues.

The text of the article follows:

Why a Revolution? 200 Years Later Answer's the Same

One of the hardest things the founding fathers had to do was explain the American Revolution. The answer they finally came up with was the only one that works, even today. They were fighting for liberty.

Two hundred years ago today—a year in advance of the Declaration of Independence—the Continental Congress issued a declaration explaining why they were doing such an outrageous thing as rebelling against fellow Englishmen and the mightiest empire on earth.

"We have counted the cost of this contest and find nothing so dreadful as voluntary slavery," wrote Thomas Jefferson, the liberal intellectual leader of the Congress, and John Dickinson, the brilliant conservative.

"Honor, justice and humanity forbid us tamely to surrender that freedom which we received from our gallant ancestors, and which our innocent posterity have a right to receive from us," Congress said in the Declaration of the Causes and Necessities for Taking Up Arms, adopted July 6, 1775.

"We cannot endure the infamy and guilt of resigning succeeding generations to that wretchedness which inevitably awaits them, if we basely entail hereditary bondage upon them."

But what does it all mean? On the surface this overblown rhetoric is absurd. Americans were not an oppressed people. In fact they were doing pretty well. Their economic opportunities and personal liberties were among the best in the world.

Yet here were prosperous Yankees talking about bondage and slavery, as if a British bayonet were held at every American throat.

The simple truth is that the Americans who formed our nation took their liberties that seriously. A threat to their dreams was as offensive as a thrust at their persons.

Two great forces drove the Americans to revolution long before taxes and tea became an issue. The first was the kind of life they found in the New World.

From the first English settlers at Jamestown and Plymouth to the embattled farmers at Concord bridge, Americans had learned to work or starve, sink or swim, in a bountiful but dangerous wilderness.

It made them self-reliant, suspicious, and excruciatingly independent. Nobody pushed Americans around without a fight. In 1775 the British pushed and got one.

The turning point in the developing struggle was a long war between the empires of Britain and France. It ended in 1763 and left the British supreme over most of the North American continent.

Several things happened because of this war that started the American colonies toward separation. The first was their own perfidy.

Some Americans built fortunes supplying both armies at the same time. This prompted an indignant British government to tighten long-dormant trade restraints.

And, when the fighting was over, it was a whole new world. For the first time since the first Englishmen landed, there was no French threat, no Spanish threat, no Indians stirred up by European provocateurs.

The lush, virgin lands across the Appalachians beckoned to this generation of Americans like California gold did to another. But British policy and the vagaries of a world economy entering the industrial age threw up blockades.

First the British, seeking to avoid Indian trouble and to simplify administration, drew a line down the Appalachian ridge and told the colonists not to step across it.

The order ran counter to the colonists' desire for physical freedom. It also put restraints on the economic prospects of Americans, from the biggest land speculator to the smallest sodbuster looking for a better farm. And it came at a time when worldwide depression made the need for new opportunity greater than ever.

The depression stunned Americans and made them resentful of threats to the American dream of security for anyone willing to work for it.

And there was a war debt, which the British wanted the American colonists to help pay. They also thought it was about time they brought some order to the commerce of the newly secured empire.

These efforts, in the context of deepening suspicion and resentment in America, were the immediate cause of the Revolutionary War.

In fact, until the fighting started in the spring of 1775, British offenses against America really were not as bad as Americans came to think they were.

So the issue of the American Revolution really was freedom—as each colonial American defined it for himself.

THE BALL-VANCE COMPROMISE ON CYPRUS

HON. MARTIN A. RUSSO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 17, 1975

Mr. RUSSO. Mr. Speaker, there is much activity this week at the White House and the Capitol revolving around the upcoming legislation (H.R. 8454) to lift the arms embargo against Turkey. I am hopeful that Congress is not being steamrolled by these lobbying efforts into supporting the lifting of that embargo.

I am amazed that we are being asked to start sending arms to Turkey again. What has changed? The fact remains that they used American-supplied arms in their 1974 invasion of Greece, knowing full well that our laws forbid the use of our military aid expect for purposes of self-defense and civil disorder. And what is even clearer is that since that invasion Turkey has made no good faith move that indicates they are seriously negotiating on Cyprus to restore peace. Further, we have received no assurances from the Turks that there would be good faith negotiations even in the event that H.R. 8454 passes. In truth, they are busily resettling Turkish citizens in Cyprus to expand the Turkish presence there. The Turkish troops show no signs of dispersing. And yet we are now asked to resume military aid to them, no strings attached.

Recently an editorial appeared in the Washington Post outlining a compromise proposal on the Cyprus issue by George Ball and Cyrus Vance. As opposed to the administration "compromise"—the Turks getting everything they want without having to do anything in return—their suggestions form the basis of a workable and equitable compromise. The thinking is in line with my own when I introduced legislation on this matter. Aid should not be resumed until certain conditions are met. In the case of my legislation this would be Turkey withdrawing her forces and the Turkish and Greek Cypriots beginning serious negotiations to resolve their differences.

Mr. Ball and Mr. Vance are willing to include a "face-saving" device for the Turks. But there must be a formula linking Cyprus and arms to require some progress in negotiation as a condition to resuming aid, or if aid is resumed, progress must be demonstrated if aid is to continue. I would prefer an approach that requires Turkey meeting certain conditions initially but if this is not plausible, we should at the very least put a condition on resumption of aid—if after 3 months Turkey has done nothing, then the aid is discontinued.

There is a principle involved here concerning the misuse of our military aid, and we should not alter that principle because of blackmail or threats.

I submit this editorial for the consideration of my colleagues:

The Ball-Vance Compromise on Cyprus

The Cyprus issue builds toward yet another unhappy showdown. If arms shipments—embargoed by Congress in protest over Turkey's use of American arms in Cyprus—are not resumed promptly, Turkey threatens to begin squeezing the United States out of important bases on its soil. Fearing to lose the bases, and seeing Ankara's political stalemate, the administration has responded by supportitng the Morgan "compromise" bill. It is some compromise: the Turks would get pretty much all the arms they want but would not have to budge, or even promise to budge, on Cyprus. And this is being offered, mind you, when Turkey has aroused Greek fears that by displacing Greek Cypriots from Turkish-occupied areas and settling Turks brought in from Turkey it is altering the whole demographic pattern on Cyprus. Whether the Morgan bill can overcome the three to one margin by which the embargo was earlier voted is uncertain. Fortunately, there is a better way.

It consists of the true compromise approach outlined in House testimony last week by George Ball and Cyrus Vance, formerly No. Two at State and Defense respectively and both old Cyprus hands of note. Under their approach, American interests in Greece as well as Turkey would be served, and the United States would establish the principle that American arms can be used just for the purposes for which they are explicity provided—a weighty consideration at a moment when arms exports have reached the dizzying rate of $11 billion a year. To Mr. Ball and Mr. Vance, the principal need is to find a formula linking Cyprus and arms: "to require some progress in negotiation as a condition to resuming—or, at least, long continuing—the arms flow." The basic concept of conditioning arms deliveries on the policy questions is now well established, one notes, in respect to other American dependencies, such as Israel. One possibility suggested by Mr. Ball and Mr. Vance would be for the President to use an existing "national security" authority to grant Turkey up to $50 million in military aid; this would preclude an up-or-down vote in the House and would give the Turks some time and reason to move in Cyprus. Another possibility would be to suspend the embargo for three months, also to provide Turkey a Cyprus face-saver. "Obviously, there are a number of variants," Mr. Ball and Mr. Vance observe.

The value of the Ball-Vance approach, we submit, goes beyond the considerable merit of their proposals. For the administration, in what has been both an error of fact and an error of politics, has never stopped characterizing the opponents of unconditional arms shipments to Turkey as members of a "Greek lobby" motivated chiefly by considerations of ethnic politics. In fact, some leaders of this alleged "lobby" oppose the embargo-suspension proposal as something already tried (twice) and found wanting. In any event, Mr. Ball and Mr. Vance are plainly not members of any ethnic lobby. On the contrary, their distinguished service with respect to Cyprus has been in the role of trouble-shooters seeking middle ground. Their reasoning derives from hard-earned experience. Their purposes—to encourage negotiation on Cyprus, to preserve the Western Alliance, and to avoid setting a precedent that might encourage the aggressive use of American arms by grantees or purchasers—should be widely shared.

FOOD STAMP REFORM: GROWING SUPPORT

HON. JOHN H. ROUSSELOT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 17, 1975

Mr. ROUSSELOT. Mr. Speaker, as my colleagues know, the food stamp program was established to improve the living conditions of the involuntarily poor. Unfortunately, the program has been abused and distorted, primarily through administrative regulation, to include an increasing number of people in higher income brackets, who are not truly in need. Statistics on the program are shocking: First, in July 1974, over half—57 percent—of the potential eligibles had incomes above the poverty line; second, between 1965 and 1975, the number of Americans receiving food stamps increased from one in 439 to one in 13; and third, in fiscal year 1965, the total expenditures for the food stamp program were $36,353,797; in fiscal year 1975, they are estimated to be almost $5.2 billion—an increase of 142.03 percent. Equally disturbing is a report by a subcommittee of the Joint Economic Committee issued late in 1973 which stated that at the then-present growth rate, one out of every four Americans would be eligible for food stamps for at least 1 month out of the year. This prediction is now fact. In June of this year it was estimated that there will be 21.8 million participants in the program, with 57.3 million potential eligibles—a 1-in-4 ratio.

A number of my colleagues, in the House and the Senate, have joined me in cosponsoring significant food stamp reform legislation. This measure (H.R. 8146) if enacted, would save at least $2 billion of the estimated $6.6 billion budget for the food stamp program in the next fiscal year. This would be accomplished mainly by closing loopholes which permit families and individuals with relatively high incomes to qualify for the program. I urge my colleagues who are not cosponsors to study this legislation and give it their support. The hard-working American taxpayers who provide the funds for this program are being ripped off by those who abuse this well-meaning program. It is time to recognize the rights and needs of our constituents who are struggling to make ends meet in this period of inflation/recession without public assistance.

Following is an editorial which appeared in the Wall Street Journal on Friday, July 11, supporting our reform legislation. I urge my colleagues to read this fine editorial as well as an article from the Los Angeles Times for Monday, July 14, presenting the position taken by the Los Angeles County grand jury in support of an end to the food stamp program altogether:

[From the Wall Street Journal, July 11, 1975]

A Moth-Eaten Fishnet

After Congress earlier this year defeated President Ford's attempt to reduce food stamp benefits, the Senate unanimously directed the Agriculture Department to recommend ways of ridding that program of nonpoor participants and of tightening up on other abuses. Now the report has been completed. But instead of firm recommendations, it offers little more than a review of the program and a listing of available options.

Total enrollment in the food stamp program has soared during the past decade. From a cost of about $36 million and fewer than 500,000 recipients in early 1965, it now costs more than $5 billion a year with some 19.5 million recipients. A large part of this recent increase is the result of the recession, of course, but a much larger part is the result of eligibility laws that Senator James Buckley says "contain more loopholes than a moth-eaten fishnet." Official forecasts suggest that two or three times as many people may be qualified—perhaps as many as 58 million.

The fact that more than 25% of the citizens of the wealthiest nation on earth are eligible for food stamps is not so much an indictment of the American economy as an indictment of the program—a program, remember, that was conceived as a way of helping low-income Americans obtain a better diet. Instead, as the Agriculture Department report noted, food stamps have become "a major maintenance program," benefitting not only those at or below the official poverty figure of $5,040 annual income for a nonfarm family of four, but even families earning as much as $16,000.

The reason for this is that eligibility is decided on the basis of net income, that is, income remaining after deductions for medical bills, education and mortgages. The Agriculture Department report agrees that the current system gives unfair advantage to higher income families, yet it still does not recommend using a uinform percentage of gross income to determine eligibility. Thus, in Senator Buckley's words, "Some able-bodied persons who do not wish to work can get food stamps. Persons who quit their jobs without reason can get food stamps. Minor children can get food stamps without parental consent or control."

A congressional backlash appears to be setting in, however. Almost 100 Congressmen, led by Senator Buckley and Rep. Robert Michel, have introduced a bill to cut stamp costs by at least $2 billion. They have proposed more than 40 changes, including restricting eligibility to people whose gross income falls below the poverty line and increasing benefits to genuinely needy food stamp recipients by 29%.

The reformers have an uphill battle on their hands. But if Congress doesn't draw the the line now, there's no telling where all this will end. A good guess would be that it will end in a bureaucratic and financial nightmare, where it seems to be heading at break-neck speed.

[From the Los Angeles Times, July 14, 1975]

End of Food Stamps Proposed—Program's Risk for Abuse Cited by Grand Jury

(By William Farr)

Describing the federal food stamp program for welfare recipients as both inefficient and having a "built-in high risk of criminal abuse," the 1974–75 Los Angeles County Grand Jury has recommended that the program be canceled.

The recommendation is contained in a report to be released today by Monica Micciche, chairperson of the grand jury committee that reviewed operations of the county Department of Public Social Services.

In recommending that the Board of Supervisors urge the federal government to "cash out" the food stamp program, the grand jury said the benefits should instead be consolidated in the normal welfare program by adding the amount of the food stamp bonus to a recipient's welfare check.

"It is estimated that this would save $12.3 million in administrative costs annually in Los Angeles County," Mrs. Micciche said.

"We are aware of the argument that food stamps compel the poor to spend their money on food rather than on alcohol and tobacco," she added, "but our investigation reveals this to be untrue since there is a black market in food stamps for those recipients who choose to abuse the program."

The committee report said that the major example of administrative inefficiency stems from a welfare applicant's having to fill out two lengthy and complex forms, one for welfare cash payments and another for the food stamp program.

"Both of these eligibility forms are lengthy, involve separate eligibility criteria and sometimes conflicting procedures," the report stated.

The report points out that the department's own investigations show an error rate of 46% on food stamps eligibility "primarily as a result of this unnecessary complexity."

It also was voted in the report that food stamps are extremely vulnerable to fraudulent practices since they are "nearly as negotiable as currency."

In a companion recommendation, the grand jury suggested that if the food stamp "is not phased out entirely" its administration should be transferred from the Department of Agriculture to the Department of Health, Education and Welfare, which supervises the country's vast welfare system.

About 700,000 persons receive food stamps in Los Angeles County. The value of food stamps distributed in the last year totaled $132 million, and the program in this county had an administrative cost of $34.4 million.

The grand jury also suggested in its final report that federal and state officials study the possibility of replacing the current welfare system with a "national program of work security—to provide jobs for all able-bodied and handicapped persons willing to work."

Elaborating on this point, the grand jury report stated:

"Employment is the answer to a sound economy, not welfare programs. Employment provides an individual with a sense of dignity and self-respect while welfare robs the recipient of these fundamental qualities."

HOUSE OF REPRESENTATIVES—*Friday, July 18, 1975*

The House met at 10 o'clock a.m.

The Chaplain, Rev. Edward Gardiner Latch, D.D., offered the following prayer:

Teach me to do Thy will, for Thou art my God; Thy spirit is good; lead me into the land of uprightness.—Psalms 143: 10.

O Thou who dost reveal Thyself in endless ways, deepen within us the sense of Thy presence as we wait upon Thee in prayer.

Thou art love and You bid us to be loving too. Thou art forgiving and You call us to be forgiving also. Thou art truth and You summon us to be truthful as well. Thou art good and Thy desire for us is to be good all our days and in all our ways.

During these trying times bless Thou our President, our Speaker, Members of Congress, and all who labor with them. May the benedictions of Thy presence rest upon them this day and every day. Lead us, we pray Thee, in the paths of peace and unity for Thy name's sake. Amen.

THE JOURNAL

The **SPEAKER**. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment a concurrent resolution of the House of the following title:

H. Con. Res. 342. Concurrent resolution authorizing the Chief of the Capitol Police interrogatories in a civil action.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 5901) entitled "An act making appropriations for the Education Division and related agencies, for the fiscal year ending June 30, 1976, and the period September 30, 1976, and for other purposes," and that the Senate had agreed to the amendments of the House to the amendments of the Senate numbered 10 and 21, and that the Senate further insisted on its amendment numbered 44.

The message also announced that the Senate had passed with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 4073. An act to extend the Appalachian Regional Development Act of 1965 for an additional 2-fiscal-year period;

H.R. 6799. An act to approve certain of the proposed amendments to the Federal Rules of Criminal Procedure, to amend certain of them, and to make certain additional amendments to those Rules;

H.R. 7716. An act to amend the Tariff Schedules of the United States to suspend the duty on certain forms of zinc until the close of June 30, 1978;

H.R. 7731. An act to suspend the duty on open-top hopper cars exported for repairs or alterations on or before June 30, 1975.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 6799) entitled "An act to approve certain of the proposed amendments to the Federal Rules of Criminal Procedure, to amend certain of them, and to make certain additional amendments to those rules," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. McCLELLAN, Mr. PHILIP A. HART, Mr. ABOUREZK, Mr. HRUSKA, and Mr. HUGH SCOTT, to be the conferees on the part of the Senate.

PERMISSION FOR COMMITTEE ON RULES TO FILE CERTAIN PRIVILEGED REPORTS

Mr. **BOLLING**. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file certain privileged reports.

The **SPEAKER**. Is there objection to the request of the gentleman from Missouri?

There was no objection.

CALL OF THE HOUSE

Mr. **MARTIN**. Mr. Speaker, I make the point of order that a quorum is not present.

The **SPEAKER**. Evidently a quorum is not present.

Mr. **O'NEILL**. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 405]

Adams
Alexander
Andrews, N.C.
Archer
Ashley
Bell
Bowen
Breaux
Breckinridge
Broomfield
Brown, Calif.
Brown, Ohio
Buchanan
Chisholm
Collins, Ill.
Conyers
Corman
Crane
Danielson
Dellums
Dent
Diggs
Drinan
Eckhardt
Esch
Eshleman
Fish
Flynt
Ford, Mich.
Forsythe
Fountain
Fulton
Gibbons
Hagedorn
Hansen
Harsha
Hébert
Heckler, Mass.
Helstoski
Jarman
Jenrette
Johnson, Pa.
Jones, N.C.
Karth
LaFalce
Latta
Long, La.
Lujan
McCollister
McDonald
Macdonald
Matsunaga
Melcher
Mink
Mosher
Murphy, N.Y.
Nowak
O'Hara
Patman, Tex.
Pepper
Randall
Reuss
Rhodes
Richmond
Riegle
Risenhoover
Roberts
Rogers
Rose
Scheuer
Schneebeli
Seiberling
Sikes
Solarz
Steed
Steiger, Wis.
Symms
Thompson
Udall
Wampler
Wiggins
Wilson, Bob
Winn

The **SPEAKER**. On this rollcall 351 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

PERMISSION FOR COMMITTEE ON APPROPRIATIONS TO FILE PRIVILEGED REPORT

Mr. **YATES**. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tonight to file a privileged report on the Department of the Interior and related agencies appropriation bill for fiscal year 1976, and the transition.

Mr. **McDADE** reserved all points of order.

The **SPEAKER**. Is there objection to the request of the gentleman from Illinois?

There was no objection.

MAJORITY LEADER THOMAS P. O'NEILL, JR., SAYS NO WONDER THINGS DON'T WORK ANY MORE

(Mr. O'NEILL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. **O'NEILL**. Mr. Speaker, President Ford likes to say that programs of the New Deal and other Democratic programs do not work any more.

He is in a good position to know.

If social security does not work any more, it is because Republican inflation and devaluation have eroded the value of the dollar.

If unemployment insurance does not work any more, it is because Republican policies have kept unemployment so high for so long that people are exhausting their benefits.

Jobs programs cannot work if President Ford keeps on vetoing them.

And the Full Employment Act of 1946 cannot work because the Republican administration does not know it exists.

The administration is making a lot of the fact that the economy has started to perk up a little bit. But even with that, those same Republican officials are saying that unemployment is still going to be up beyond 7 percent all through 1976.

This is really a Republican-style recovery—a dollar recovery and a big business recovery. The only ones who are left out are the people.

EDUCATION DIVISION AND RELATED AGENCIES APPROPRIATIONS, FISCAL YEAR 1976

Mr. FLOOD. Mr. Speaker, I move to take from the Speaker's table the bill (H.R. 5901) making appropriations for the Education Division and Related Agencies for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes, with the remaining amendment in disagreement, and that the House recede from its disagreement to Senate amendment numbered 44, and concur therein.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Senate Amendment No. 44: Page 18, line 26, strike out:

SEC. 316. (a) No funds appropriated under this Act shall be used by the Department of Health, Education, and Welfare to draft, publish, promulgate or enforce regulations requiring any organization, association, institution, school district, or unit of government to integrate by sex physical education classes, Boy Scouts, Girl Scouts, YMCA, YWCA, Campfire Girls, Boys Clubs, Girls Clubs, and sororities and fraternities, whether honorary, service or social.

(b) No funds appropriated under this Act shall be withheld, nor shall any funds appropriated under this Act be used to effect the withholding of funds by the Department of Health, Education and Welfare from any organization, association, institution, school district or unit of government to compel the integration by sex of physical education classes, Boy Scout, Girl Scouts, YMCA, YWCA, Campfire Girls, Boys Club, Girls Club, fraternities and sororities, whether honorary, service or social, or any similar organization.

CALL OF THE HOUSE

Mr. HAYS of Ohio. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. BOLLING. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 406]

Alexander
Ambro
Andrews, N.C.
Archer
Ashley
Bell
Bowen
Breaux
Breckinridge
Broomfield
Brown, Calif.
Brown, Mich.
Buchanan
Burton, John
Chisholm
Clausen, Don H.
Collins, Ill.
Conyers
Corman
Crane
Dellums
Dent
Diggs
Drinan
Eckhardt
Edwards, Calif.
Esch
Eshleman
Fish
Flynt
Ford, Mich.
Forsythe
Fulton
Hagedorn
Hansen
Harsha
Heckler, Mass.
Helstoski
Hicks
Horton
Jenrette
Jones, N.C.
Kastenmeier
Latta
Litton
Lujan
McKinney
Macdonald
Martin
Matsunaga
Melcher
Mezvinsky
Mink
Moss
Murphy, N.Y.
O'Hara
Passman
Patterson, Calif.
Pepper
Poage
Railsback
Randall
Rees
Reuss
Rhodes
Riegle
Risenhoover
Roberts
Rose
Runnels
Ryan
Scheuer
Schneebeli
Seiberling
Shuster
Sikes
Stanton, James V.
Steed
Steelman
Steiger, Wis.
Stuckey
Symms
Thompson
Udall
Wampler
Weaver
Wiggins
Wilson, Bob
Wilson, C. H.
Winn
Wright

The SPEAKER. On this rollcall 343 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

MAKING APPROPRIATIONS FOR THE EDUCATION DIVISION AND RELATED AGENCIES

The SPEAKER. The Chair recognizes the gentleman from Pennsylvania (Mr. FLOOD), for 30 minutes.

Mr. FLOOD. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I believe that most of the Members understand the situation that exists now on this appropriation bill, as the result of the action taken yesterday in the other body. Unless we resolve this amendment No. 44 today, the enactment of this bill may be delayed for months. We do not want that. If we are not very careful about what we do here, the bill might die during a period when we can do nothing about it. We certainly do not want that.

Mr. Speaker, on Wednesday last, the Members know that the House agreed to this conference report on H.R. 5901 by a vote of 370 to 42.

One of the Senate amendments in disagreement, as the Members will recall, was amendment 44. That was the one related to sex discrimination. The vote on the motion to insist on the House position carried by just one vote, 212 to 211. That is just about as equally divided as we can get. That is almost a tie.

I may say this—and I am sure I express the feelings of the House, Mr. Speaker—the very charming, delightful, distinguished gentlewoman from Hawaii, who is espousing this cause, was called from the floor with an emergency telephone call right during the debate. Therefore, of course, she could not come back and vote or there would have been a tie vote. I am distressed to report that the emergency call was a very desperate one. The very delightful, beautiful child of the gentlewoman from Hawaii, who is a graduate student at Cornell, was involved in a most serious automobile accident. As of right now, we do not know the situation. The young lady is in very serious condition. We will not know for 24 hours whether or not she will survive. It is that bad. I express our deep feelings concerning this unfortunate situation on behalf of the Speaker and myself.

Mr. ALBERT. Mr. Speaker, will the gentleman yield?

Mr. FLOOD. I yield to the distinguished Speaker.

Mr. ALBERT. I thank the gentleman for yielding.

Mr. Speaker, the gentleman and I have talked to our beloved colleague, the gentlewoman from Hawaii (Mrs. MINK) and, obviously, she was very, very upset. That is understandable. Gwendolyn worked in my office one summer and I have never known a finer, more intelligent person in all my life. She is just exactly the dream girl that any parent would like to have.

It was most unfortunate that an incomplete report went out about our colleague having to leave the floor. She left to find out what was wrong with her daughter, not knowing how serious the accident was. And if I got a notice that either one of my children was in an automobile wreck, I would leave too, and so would anybody else.

I think it is unfortunate that the newspapers carried the story without having first determining all the facts.

Mr. FLOOD. I thank the Speaker.

Mr. Speaker, the other body has acted on the conference report and on amendment No. 44. Yesterday, it voted 65 to 29 to insist on the Senate position in striking the language from the bill. With an overwhelming vote of 2 to 1 in the other body and with the House almost equally divided on the issue, I feel the only course of action the House can take is to recede and concur in the Senate position.

As a matter of fact, all along the one thing uppermost in my mind has been the need to get this bill to the President today, without any delay, to allow sufficient time for him to act before the August recess.

So, Mr. Speaker, I urge the adoption of the motion that I have offered on amendment No. 44.

Mr. MICHEL. Mr. Speaker, I yield 3 minutes to the gentleman from Minnesota (Mr. QUIE).

Mr. QUIE. Mr. Speaker, because of a conference that I had to attend, I was not here at the time this issue was debated on the 16th.

I know that we all feel very strongly about our colleague, the gentlewoman from Hawaii (Mrs. MINK); we feel sorry for her and for her daughter. We wish that her daughter may have a speedy and complete recovery.

Mr. Speaker, the issue before us, as I understand it, is a question of the Casey amendment and whether or not that will stand. My feeling is that HEW went way beyond the authority that we gave them when they wrote the regulation on athletics and physical education. On the subject of athletics, let us just try and compare that with what they wrote on race. Can we imagine how we would react if they said that in contact sports we can have segregation between the races but in noncontact sports they must be integrated? It seems to me that by the very nature of the regulation HEW recognizes there is a difference between the sexes and some separation ought to be permitted.

I do not think HEW has the capability to determine for each institution how they are going to handle the sexes in athletics in physical education. The years and years of experience educational institutions themselves have had, I think, give them that capability and if we want in Congress, we can study the issue and come up with a law which would be equitable. We haven't done so yet.

Mr. Speaker, I recognize that schools have not permitted their resources to be used for female incentives in athletics as they should have. But the pressure is on them now in the other areas in which title IX does apply. They will provide equality between the sexes, and I believe now the changes we will see in the institutions where title IX does apply as between the sexes will be handled equitably by the institutions in the area of athletics and physical education, rather than allowing HEW to act as a policeman watching every move and comparing the way each school treats the sexes in physical education.

So, Mr. Speaker, I do not support the action that is proposed to be taken here today.

Mr. FLOOD. Mr. Speaker, I yield 5 minutes to the gentleman from Texas (Mr. Casey).

Mr. CASEY. Mr. Speaker, I have never seen such lobbying in my life as there has been on this amendment. This has been a vociferous and aggressive effort, and in many instances it has been conducted by very charming lobbyists. But I assure the Members they do not speak for the majority of the people of this country.

The Deparement of Health, Education, and Welfare is not considered kindly in my district. I do not know about the districts of other Members, but the people are sick and tired of the Department of Health, Education, and Welfare telling them how to run every phase of their educational institutions.

My amendment does not interfere, as was stated by the gentleman who preceded me in the well, with the requirement which should be that equal facilities and the opportunity to have equal treatment and the opportunity to have offered to them the sports that they want to participate in be given to all sexes. However, let us not set our feet in concrete. If we wait until school starts, we will start hearing from mothers and fathers, saying, "What in the world are you letting HEW do with my children, telling them that they have to integrate all of their physical education classes?"

I deplore what happened to the daughter of the gentlewoman from Hawaii (Mrs. Patsy Mink). I called her office to express my good wishes and assured them of my prayer for her daughter's quick recovery. The gentlewoman from Hawaii (Mrs. Mink) is a very charming and a very aggressive adversary.

Let us not be stampeded, however. I wish the Members would think of what they are going to have to say in the fall when school starts. Are they going to say, "Yes, I think this is the thing to do, so I am going to let HEW get into the schools and integrate physical education classes more than they have"?

Mr. ASHBROOK. Mr. Speaker, will the gentleman yield?

Mr. CASEY. Yes, I yield to the gentleman from Ohio.

Mr. ASHBROOK. Mr. Speaker, I think the gentleman made an excellent point when he indicated that the people back home are a little bit tired of bureaucratic authority. However, I think he should add that they are tired of the Congress permitting the bureaucrats to make regulations and allowing the bureaucracy to implement those regulations and not then coming forward with any remedial action. That makes it our fault, really, not HEW's.

I think the public will be a little bit madder at Congress than at HEW because we are the ones who can rectify the situation.

Mr. CASEY. Mr. Speaker, the gentleman is absolutely right. HEW is not the only agency to which we have been giving too much authority.

Mr. Speaker, if we turn back this motion, we can go back into conference, and that will not take weeks.

If the gentleman in the other body who struck this amendment in the Senate committee would even come to conference, we could probably work out a compromise, but he never shows; he never shows. The Members know who that gentleman is.

I will tell the Members right now that I love women. I have five daughters. I have a charming wife. I have been married to her for 40 years.

I am not trying to do anything other than to take the grip of HEW from the throat of the local schools and now dictating to them. That grip will be a little tighter; they will choke them a little more. If the Members want to do that, they can just vote for the motion to recede and concur.

I urge you to support the retention of my amendment.

Mr. MICHEL. Mr. Speaker, I yield 2 minutes to the gentlewoman from New Jersey (Mrs. Fenwick).

Mrs. FENWICK. Mr. Speaker, I think we all know, those of us who lived through these past few years, that when we have a law and continue to pour out money without regard to the law, that law will never be obeyed.

I spent many years on the board of education in my hometown. I have served on a board of higher education in the State. We all know what happens. If, in the face of inequality and injustice, we continue to hand out money, they will continue.

We are dealing here with such a simple matter: Shall we provide equality in the physical education of our children, regardless of sex? We all know that the buses are hired to take the football team to a neighboring State at public expense.

Nothing equal is done for the girls. Of course, they may be allowed to run around the track when it is not being used by the boys. In other words, we see in the schools the beginning of that sense of being not quite equally important, not quite that much of a whole person, not quite that much of an equal citizen in this Nation.

I believe we have got to stop doing this. In addition we are not being very practical if we continue delaying this bill.

The schools have to know whether they are going to get the money or not, and the President has to sign the bill.

The distinguished chairman of the committee, the gentleman from Pennsylvania (Mr. Flood) has explained this very clearly. We need this money. We need this money as a simple matter of justice, and we need it for funding equally the programs for all of our children.

We have to stop dividing people like this, and treating one-half of them less fairly than the others.

Mr. McCLORY. Mr. Speaker, will the gentlewoman yield?

Mrs. FENWICK. I am happy to yield to the gentleman from Illinois.

Mr. McCLORY. Mr. Speaker, I want to compliment the gentlewoman from New Jersey on her statement, and for the very eloquent manner in which she has presented her position.

If the Congress wants to act to reverse what we did in 1972, then we should do it directly by changing the law through our legislative committee, and not on an appropriation bill. This is not the way to set aside regulations that the Department of HEW has taken 2 or 3 years to develop, and which are now in force and effect.

Again I commend the gentlewoman from New Jersey.

Mrs. FENWICK. I thank the gentleman.

Mr. FLOOD. Mr. Chairman, I yield 3 minutes to the gentleman from Georgia (Mr. Young).

Mr. YOUNG of Georgia. Mr. Speaker, I rise to speak to the Members of this House who are concerned not just about the physical education of women, but who are concerned about the physical education of this Nation.

I think that one of the troubling things that we have witnessed in the past few years is the number of young men who come up for selective service, or who attempt to volunteer for the armed services, and find themselves physically unfit.

I contend that one of the reasons for that is that our entire athletic programs in our major institutions from almost junior high school on up have gradually over the last decade been geared toward a kind of professionalism in our athletics so that if a person has not grown to be 7 feet tall, or if a person does not weigh 200 pounds, then they are shunted off and given a ball, and told to go for themselves.

The major physical education intelligence of this nation is directed toward less than one-tenth of 1 percent of the population who will become professional athletes.

We have a number of Members in the House who were pretty fair athletes when they were in school, but I daresay that not a single one of us could make our college teams now because of this mood of professionalism, and we would probably be shunted off to the sidelines and given no physical preparation for the life that we will lead.

I also happen to have three daughters and a very charming wife. One of the disturbing things for me is that none of my three daughters are as athletic as my 40-year-old wife. The reason for that is that my wife grew up at a different time. My wife grew up in small-town America where there were no physical education programs for anybody, and where she played ball with her brothers, whether it was basketball, softball, or volleyball, or whatever it was. She is a cheerful person, and is far more capable of keeping me honest because of her physical education than my daughters will be in terms of keeping the men that they will be wedded to honest.

There are those who say that they do not want their daughters mingling with the fellows in a locker room, and so forth and so on. I would think it would be better that they start learning to start handling young men at 10, 11, or 12, than to have naive and relatively prissy, honey children getting married at 20 years of age, and then trying to figure out what life is all about.

I think this amendment is necessary not for the health of women but for the health and physical education of this Nation. I hope we pass it overwhelmingly.

Mr. FLOOD. I yield 3 minutes to the gentleman from Iowa (Mr. Blouin).

Mr. BLOUIN. Mr. Speaker, there are two points I think probably need to be made. One is to respond to the statement of the gentleman from Minnesota (Mr. Quie) about HEW going outside the bounds of the law in title IX. I would like the House to know our subcommittee after 2 weeks of what I would consider intensive oversight hearings concluded almost unanimously that was not the case, and that is what prompted the individually sponsored piece of legislation that was introduced to speak to changing the laws in those areas, so that HEW in this particular instance did not violate the parameter or scope of their direction to them 3 years ago by this Congress of the United States.

Second, that very subcommittee does have a piece of legislation before it to speak to this overall subject of athletics and physical education. I feel confident the chairman of that subcommittee, feeling as strongly as he does, is going to give that a fair hearing, and it is going to see to it that the subcommittee does get into the subject.

Aside from that I think it is high time we implement the provisions of title IX set to go into effect Monday of next week has been in a holding pattern, so to speak for the past 3 years. The educational structure of this Nation has been waiting to be given some direction from the Government as to where we ought to be going on equality of education and physical education.

I think it is high time we move ahead, reject the barrier in this bill, and pass the motion before us.

Mr. FLOOD. Mr. Speaker, I yield 3 minutes to the gentleman from Ohio (Mr. Hays).

Mr. HAYS of Ohio. Mr. Speaker, I may be the only Member of this body who is also a member of a county board of education. In our State it has been a tradition and now a rule that women get equal treatment in the physical education in the schools dollar for dollar of the tax money that is paid in and spent on physical education. And if any sport brings in revenue we have a rule that all of that money which is not needed to conduct that sport must be used equally.

The thing I object to about this whole affair is exactly the fact that HEW is trying to supersede the Congress and the boards of education and a bunch of bureaucrats who never got elected dogcatcher—and who could not—are writing laws.

Let me give the Members an instant example. I am meeting this afternoon with the chairman of the Election Commission which we set up with the so-called election reform law last year. They are promulgating under that legislation a rule which I am going to tell him this afternoon I will bring a motion down here to reject, because we have the power to reject it. Listen to this. Incumbents will file with the Clerk of the House and nonincumbents will file with the Commission. Can Members imagine how the newspapers are going to eat up the incumbents if we allow that rule to stand? Can Members imagine anybody—and four of them former Congressmen—coming up with a rule like that? But they each have an administrative assistant at $36,000 a year who does not have any practical political experience.

What am I going to tell them? I am going to say I do not care where they file, whether it is with the Clerk of the House for the transmittal to the Commission or direct with the Commission, but everybody ought to file in the same place. That is almost elemental.

I do not object to equal treatment for women. I cannot quite see one as a fullback on our Ohio State football team, but there may be somebody who would be a candidate and be better than anybody we have, and if so it is all right with me. But I do object to the principle of allowing HEW to write more laws than the Congress does. That is what I object to.

Mr. FLOOD. Mr. Speaker, I yield 3 minutes to the gentlewoman from New York (Ms. Abzug).

Ms. ABZUG. Mr. Speaker, I understand some of the difficulties with this issue. A large part of it has been a certain amount of confusion and I regret that. When we had the debate on this amendment on Wednesday when regrettably the gentlewoman from Hawaii (Mrs. Mink) had to leave the floor because the gentlewoman's daughter had been in a terrible accident, I thought that the debate made clear why this amendment should be defeated. Apparently the debate today indicates that this is not so.

In any case I was very depressed when I left here on Wednesday, primarily because of this terrible accident that the daughter of the gentlewoman from Hawaii had been in. As I walked out the door to go home, one of the policemen at the desk asked me why I looked so depressed.

I said, "I am frankly a bit confused. I know that the Members of the House of Representatives are good men and good women. I am sure that many of them have daughters. I am sure that they would like to give their daughters the same opportunities as their sons."

When I was pressed further on this point, I explained what had happened on the floor, that by 1 vote, equal opportunities for our daughters was not being made available. He said something very interesting to me that I would like to repeat. He said:

> You know, that is funny. I can't understand it. I have three daughters and one son. When my son goes out and does something noteworthy in sports he gets a trophy and when my daughters do something, they get nothing.

I would like to make this essential point, if I might at this time. What we are talking about is a rather simple thing. We are trying to provide equal opportunity, equal experience, equal rewards. That is all that is involved here. By supporting the rejection of the Casey amendment, we are trying to support and reaffirm a commitment which we made in this House 3 years ago. We passed title IX—not the Department of Health, Education, and Welfare. We made a commitment in this House and it is a direct commitment. The commitment says that both our young daughters and our young sons are entitled to have an opportunity to find a way in which they can develop their physical potential, get exercise, develop into strong human beings, or become emotionally and psychologically more capable, when they become young men and women. The commitment means that our young daughters as well as our young sons can have an opportunity to belong to professional societies which will help them by belonging and finding a way in which they can get jobs and receive assistance in their chosen profession. Only these items are involved in the matter before us, nothing else. We oppose this amendment not because we are for or against football or contact sports. It has nothing to do with that.

I know that every one of the men and women in this House understand that this issue is important for young boys and young girls and young men and young women.

I think that we have belabored this point much too much. The HEW regulations, I believe, have attempted to carry out in a reasonable way our commitment to equal opportunity. If at another time we are not happy with the way the HEW regulations, which have not yet gone into effect, are functioning, we can change them. However, I know that all of us here agree that we should provide the same physical opportunities and professional opportunities, as well as economic opportunities, because that is what is involved here, to young girls and young women as we do to young boys and young men.

Mr. FLOOD. Mr. Speaker, I yield 3 minutes to the gentleman from Washington (Mr. MEEDS).

Mr. MEEDS. Mr. Speaker, I rise in support of the committee proposal.

Mr. Speaker, I would like to bring up something which has not been touched upon. The support and the advocacy of this proposition by the gentleman from Texas (Mr. CASEY) is premised on the assumption that if physical education classes are not joint, they will be equal. I am sorry to inform the gentleman and this House, those that thought that was true, that it is not true. There is no such provision in the Casey language, nor is there any such provision as this which is made in the HEW regulations.

The gentleman from Michigan, who addressed this same point in the Committee on Education and Labor, was cognizant of this fact, and he provided in his bill, "Nothing in this title shall be construed to prohibit separation of students by sex in physical education classes conducted by recipient institutions if equal facilities, instructional equipment, and equal opportunity for instruction and participation are provided for students for each sex."

Now, if the Casey language had that proviso, then if it were passed it would provide for equal facilities, but as it stands, it does not provide for equal facilities for women. I would suggest that while we might depend on other provisions in the regulations, that I have looked the regulations over and I see no provision for equal facilities, unless by regulation there is a provision for separate classes such as contact sports and in sex education classes and things of that nature, there is a specific provision for equal facilities.

But, if we change this and do not provide for equal facilities in the provision that we make here, there will be no provision for equal facilities, and we will have done something which I am sure not even the gentleman from Texas and others who are supporting this matter, thinking that there will be some equality, would support.

The fact is that these rules are an attempt to achieve equality. They are kind of like a jigsaw puzzle; if we take one part out and do not put it back, they do not come up to a full picture of equality. The unfortunate thing about the Casey amendment is that it takes out a part and does not put back a part. Therefore, I strongly urge support of the committee position.

Mr. CASEY. Mr. Speaker, will the gentleman yield?

Mr. MEEDS. I yield to the gentleman from Texas.

Mr. CASEY. Mr. Speaker, the gentleman states that he has read the regulations. Is it not true that the regulations require the school to make a survey of the girl students and see what activities they wish to participate in, and to provide for that?

Mr. MEEDS. But that does not provide equal facilities.

Mr. CASEY. It does not mean space for space, but it does say that they have to provide the facilities for sports that the girls want to participate in, and my amendment does not change that provision.

Mr. MEEDS. I disagree with the gentleman. Perhaps he can find it; I have not been able to. There is no requirement for equal facilities unless there is a specific provision for separate classes, and the gentleman has made a provision for separate classes but no provision for equal facilities.

Unless this regulation is in place and enforced there will be no equality for young women in far too many instances.

I urge support of the committee proposal.

Mr. FLOOD. Mr. Speaker, I yield 1 minute to the gentleman from Florida (Mr. LEHMAN).

(Mr. LEHMAN asked and was given permission to revise and extend his remarks.)

Mr. Speaker, about 6 or 8 years ago I was teaching high school, and one of the young ladies in my class was falling behind on her work. I said to her:

> You have got to do more work. You have got to work harder in an effort to pass this course.

She said:

> I cannot work harder. Every day I leave school at 3 o'clock, and I am working until 9:30 or 10 o'clock that evening. I am self supporting.

I found out later, when I was on the school board, that we had no idea of how many of the young ladies in our high school were self supporting and worked for a living. In many of the schools, that number almost equalled 50 percent. The only possibility these young people have for the kind of physical education and for the kind of physical activities that is so necessary is in a physical education class during their school day.

If we put any roadblocks in the way of girls or discourage sports activity in the lower grades, by unfair restrictions or inadequate facilities when they get to high school, it is going to be too late for them to involve themselves in the kind of healthful activities then when they get out of high school they need to continue and to enjoy and to benefit therefrom.

Mr. Speaker, I hope the Members will join me in opposition to the Casey amendment.

Mr. FLOOD. Mr. Speaker, I yield 1 minute to the gentleman from Massachusetts (Mr. BOLAND).

Mr. BOLAND. Mr. Speaker, I am not sure that this has anything to do with the physical education integration of the sexes, but it well might. I want to let the House know of an example of devotion and dedication to duty beyond the call.

Mr. Speaker, the Member of whom I speak approaches one of the biggest moments of his life with the same dedication and unflappable equanimity that he has shown since he first came here in January, to this 94th Congress. Today is July 18, and here he is on the floor. He was in the full Committee on Appropriations this morning. Tomorrow is July 19, and he is getting married. I know I express the collective congratulations of all the Members of this House, to the distinguished Member from the "big sky" country, the great State of Montana, the distinguished Member from Montana (Mr. BAUCUS).

Mr. FLOOD. Mr. Speaker, it will probably be the last opportunity the gentleman will have to speak, so I would have liked to yield him time.

Mr. MICHEL. Mr. Speaker, I yield 3 minutes to the gentleman from Maryland (Mr. BAUMAN).

Mr. BAUMAN. Mr. Speaker, I know it may be difficult for some Members to consider a matter such as this so early in the day. The gentleman from Georgia (Mr. YOUNG) spoke of the apparent physical decline from their prime which is evident among Members of the House. I am sure that discussing the issue of sex before noon is a very taxing course of conduct for some. But I think we really do have the obligation of discussing precisely why this amendment is before us.

This issue is here today because the Education and Labor Committee which is charged with the review of regulations under title IX chose not to allow the House to act on these regulations. This will thus be the only chance we have to address this issue.

The issue is, quite simply, in my opinion, whether or not we are going to permit the executive branch of Government to legislate for the people of the United States, a willingness the bureaucrats have shown all too readily.

On more than one occasion in these debates it was made clear by our former colleague from Oregon, Mrs. Green, that as another of title IX it was never her intent that HEW was to go to the lengths contained in these regulations. Rather it was the intent of Congress that both sexes have equal facilities and access in all proper instances.

The gentleman from Washington (Mr. MEEDS) referred to the amendment, but I do not think he did it justice. There is nothing in the Casey amendment which denies equal facilities for the sexes in any institution of higher learning. I would not support it if it did do that. There is a provision, however, that recognizes that physical distinctions must be made in some instances and it definitely says there should be no forced integration of the sexes not only in physical education classes but in a number of named groups, such as the Boy Scouts and other organizations traditionally segregated on a sexual basis, including fraternities and sororities. That it is not an unreasonable distinction to be made.

The Congress of the United States should indeed avoid forcing local educational authorities to follow this course. The Casey amendment was passed by an overwhelming majority of this House only a few months ago. Yesterday this margin was reduced to one vote. I do not know the reasons why 50 or 60 Members have changed their votes, because that is their right. But, Mr. Speaker, I submit our position originally was correct. We should not let bureaucrats downtown write the laws of the United States. We have had enough Government by regulation.

I noticed in this morning's newspapers that the gentleman from Wyoming (Mr. RONCALIO) has suggested taking a building away from HEW, because he thinks the House needs more space for our staff. But we are already letting HEW bureaucrats take away our legislative powers as a coequal branch of Government created by the Constitution. We are letting them write our laws and take away our powers while we worry about office space.

Mr. Speaker, I submit our priorities are out of kilter. The sexes can and should have equal opportunity on a proper basis and I support that equality. We should turn down this motion and reassert our stance on this as we did a few months ago and yesterday. I hope that is the position the Members will follow.

Mr. MICHEL. Mr. Speaker, I yield 2 minutes to the gentleman from Minnesota (Mr. QUIE).

Mr. QUIE. Mr. Speaker, I just wish the Members would take the time to look at title IX. Not only does title IX prohibit discrimination on the basis of sex, but title IX also prohibits discrimination on the basis of blindness.

Those two provisions are written differently. The one on sex says they shall not deny people the benefits of programs and activities financed by the Federal Government because of sex. As far as the blind are concerned, they shall not deny them the benefits of the program of any institution that receives any financial assistance from the Federal Government.

So on the basis of sex, I maintain that physical education or athletics is not included, because they are not financed by the Federal Government. If we wanted to improve the physical prowess of people in this country through Federal programs, we could do it, and then they would come under title IX. Because the Federal Government does not provide assistance for physical education, I claim they are not a part of title IX and no regulations should have been written for them.

Mr. PATTEN. Mr. Speaker, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from New Jersey.

Mr. PATTEN. Mr. Speaker, why is the gentleman's committee not authorizing proper language, and why does the committee not go about its business? They have known about this for months.

We have a $7 billion bill here for the colleges, scholarship money, and so forth. Let us pass it. The Members can fight this out through their authorization committee.

We can vote down this amendment, and let us pass this HEW bill today; otherwise we are going to have chaos.

Mr. QUIE. Mr. Speaker, let me say to the gentleman that we on the authorizing committee figured the attorneys in HEW could understand the language, but it seems they have not been able to do that.

Mr. MICHEL. I yield 2 minutes to the gentleman from Louisiana (Mr. WAGGONNER).

Mr. WAGGONNER. Mr. Speaker, the gentleman from Minnesota who just preceded me set the stage for what I have to say. He said he figured that we would pass the law and HEW would administer it, but they do not seem to be able to do it. That is the crux of this whole problem. HEW does not do what Congress intends that they should do, and that is the relative argument here at this point in time.

What the gentleman from Texas (Mr. CASEY) proposes is that in two instances, in the instances of single-sex organizations and physical education classes, that we not be required to integrate those two areas of activity. That is all that he asks. That is all that is demanded.

All these other arguments such as as to revenue-producing sports are left out of this argument for the time being.

The track record of the bureaucracy, especially the track record of the Department of Health, Education, and Welfare, is not a good one. There is not a Member here who has not complained and been sick at heart about what HEW has done from time to time by interfering in matters of education. We cannot educate the youngsters of this country any more, because of HEW's interference.

Consider, for example, the well-intentioned provisions of title I in the Elementary and Secondary Education Act wherein money was provided to HEW for grants to the school systems of this country to buy equipment to use as training aids.

They did then, and they still now, raise the question from time to time that in providing assistance for these underprivileged youngsters, if one buys, for example's sake—and the record bears me out—a slide projector, a movie projector, a training aid to help improve the educational standards of these underprivileged youngsters, he cannot allow a youngster who gets the same education but who is not classified by the Federal Government as being underprivileged to sit in the same room and watch the showing of this film with a youngster who is said to be underprivileged.

The SPEAKER. The time of the gentleman from Louisiana (Mr. WAGGONNER) has expired.

Mr. MICHEL. Mr. Speaker, I yield 1 additional minute to the gentleman from Louisiana.

Mr. WAGGONNER. To continue, Mr. Speaker, several years ago, this Congress, in the instance of sororities and fraternities, single-sex organizations, passed legislation which said that the Federal Government would have nothing to do or nothing to say about the conduct of those operations if they were bona fide private organizations and not financed by the institutions wherein they located their operations. However, I say to you that even today the Department of Health, Education, and Welfare, every time there is a change in a department head or a change in a secretary down there, starts the argument all over again that the Federl Government has the authority to dictate to these people.

When are we going to learn that in matters of discrimination, there is no real answer, and we cannot legislate these things? Let the people who have the responsibility do it, as the gentleman from Ohio (Mr. HAYS), has said, wherever they can, but do not put this burden of diminished control of education on the people. We cannot serve the interests of education with these regulations.

We tried to tell you for example's sake, of the attitude the bureaucrats would adopt in attempting to prevent discrimination when we passed the Civil Rights Act and of what would happen. **How** many of you who thought we were foolish and crying wolf then have changed your tune since we have had to face up to such things as busing to achieve racial balance, for example's sake?

I do not know how long we are going to be slow learners, but if we want to continue to be slow learners, let us ignore this question and then come back and apologize for it for years down the line. You are hearing now from some in limited numbers who want these regulations, but mark my word when these regulations become effective and controversy develops as it will you are going to hear from the school people and the parents of this country. When people complain their answer is going to be that Congress forced it upon them. Then it will be too late.

The people of this country are sick and tired of Federal interference in their lives. Do not add to that this further unnecessary interference.

Mr. MICHEL. Mr. Speaker, I yield 2 minutes to the gentleman from New York (Mr. BIAGGI).

Mr. BIAGGI. Mr. Speaker, I rise against the motion by the chairman.

I have two daughters. They participate in athletics. My wife, like the wife of the gentleman from Georgia, was an athlete.

I fail to see the difficulty in the present system. What I do see here is basic confusion caused in great part by advocates of women's rights taking an arbitrary and doctrinaire position effectively obscuring the real issue involved in the Casey amendment; namely, whether or not we will allow the Federal Government to usurp basic powers of our local school boards.

May I say, that my record in the area of equal rights is unimpeachable. I was a supporter of the equal rights amendment and have attempted to battle discrimination against any individual whether it be women, blacks, or members of handicap minority ethnic group. I might say that I am personally responsible for the first woman umpire in organized baseball who, after a 4-year fight filled with frustration and anxiety, was finally presented with an opportunity to umpire in Batavia, N.Y. It may be relatively unimportant that she quit after the first game. The point is we fought for and won for her the right of employment.

Let me tell the Members about the school boards in New York City. I know them and the fine work they have done. I challenge the notion that any agency has the right to squeeze inherent powers from them. The question of community control comes under attack. It exists, not without some difficulty, but it has come to pass and to a large measure it works. Its success is measured by the level of independence and discretion they enjoy. The effect of the Casey amendment will be to recognize this fundamental aspect of local school board operations. To deny the Casey amendment is tantamount to emasculating these school boards and placing them in a powerless position with HEW potentially rendering them unable to serve the true needs of their community.

The fact of the matter is in this area local school boards have performed admirably. The law provides that facilities for physical education must be provided for girls and they are. I defy anyone to tell me that these opportunities are not extended to women. The emerging power of American women in international sports competition is a testimonial to the fact that they were provided with ample, if not excellent physical education training during their school years.

I feel we can boil this issue down to several fundamental points. Do we extend to the Federal Government still another opportunity to thwart the power and the will of the people? Do we compel not only our local schools but the students themselves to accept full sex integration of their gym classes, or in the case of college students fraternities? As the sponsor of the amendment points out we run the risk of fostering another form of discrimination perhaps worse than the one we are trying to correct; namely, compelling organizations in schools to provide full integration by sex while being unable to force organizations not associated with the school to do the same?

I plan to contact the local school boards in my congressional district and tell them of the support of the Casey amendment. I predict that the opponents of this amendment will have to explain to their local school boards how they have allowed some of their fundamental powers to be taken from them. I extend to them my condolences in this effort and propose as an alternative, support for the Casey amendment.

Mr. MICHEL. Mr. Speaker, I do have one final speaker, and that is the gentleman from Pennsylvania (Mr. Goodling). I yield the gentleman 3 minutes.

Mr. GOODLING. I thank the gentleman for yielding me this time.

Mr. Speaker, I think that there is something that should be cleared up, and the speaker before last did touch on this.

I have heard an awful lot of discussion in the last 2 days about sports. Unless the fact that I refuse to wear bifocals is playing tricks on me, there is nothing in the amendment that deals with sports, and in so referring we have offended the health and physical education teachers all over this country because we seem to be trying to lump sports with health and physical education.

These health and physical education teachers are a proud group. They do not teach sports, they teach health and physical education.

I do not know how long some of the Members have been away from their health and phys-ed classes but, among other things, they teach dancing and when they teach dancing they do not put two boys to dance with each other; they have boys and girls dancing with each other in their physical education classes, and this applies to archery, to tennis, to swimming, and other things. So I believe we are confusing the whole issue.

I voted for the Casey amendment only because I thought we were trying to say that the local school boards had to have coeducational physical education classes, and I do not think it is the right of the Government to do that, nor do I think it is the right of the Government to do the reverse, and say that they cannot.

We have coeducational physical education classes all over this country, and they are not classes, to prepare boys for athletic contests. The teachers will not permit that. They are no longer the head coaches in the school. They are professional physical education and health teachers, and they themselves will not permit what I have heard some of the Members say is going on all the time. So that the issue has nothing to do with sports.

The issue is strictly an issue of whether we are saying that the local districts must or must not have coeducational physical education classes. I cannot imagine that there is any State that would permit a school board to build a building with a little "cubbyhole" for girls' phys-ed, and then allow them to build a more beautiful one for boys' physical education. They cannot get away with that in Pennsylvania, and I do not know of any other State that would permit it.

In 22 years I have never seen a woman physical education teacher lose a fight or a battle with any administrator. They have won every time with me, and that is true with most everyone.

So, let us forget about the sports issue. It is strictly an issue of whether the local government has the opportunity to say whether they can have or cannot have coeducational health and physical education classes.

Mr. FLOOD. Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. Hawkins).

Mr. HAWKINS. Mr. Speaker, it seems to me that much confusion has arisen over what the Casey amendment really does and that in effect those who support it are trying to escape from supporting an ill-conceived amendment on the basis that somehow they are whipping the bureaucrats downtown.

I think it should be thoroughly understood that it is those politicians on the bill who should be whipped, if anyone, because in 1972 it was Congress that said that no person in the United States shall on the basis of sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any educational program or activity receiving Federal financial assistance. That is far-sweeping; it is basic; and it certainly, in my opinion, is an effectuation of the implementation of the equal protection clause of the 14th amendment. That is what it seems to me the issue is all about.

Did the bureaucrats downtown go beyond that particular mandate, that law, seems to be the issue that has arisen. In all of the courts that have handled this issue, they have said where a regulation is reasonable in the effectuation of the purposes of the law, that regulation shall be sustained. There is no one today who can say that any regulation is inconsistent or is unreasonable with respect to the effectuation of the law which we ourselves passed.

I think that it should be thoroughly understood also that while we passed this law in 1972, the President did not sign it until May of 1975, almost 3 years later. Ten thousand comments were made to the Department of Health, Education, and Welfare, and all of us had an opportunity to make those comments. Then we say the bureaucrats did something, but do we recognize that the regulations were also signed by the President, who had the benefit of these comments, who had all of the advice that we have available to us, and are we whipping him also as a bureaucrat for having signed those regulations? Do we today construe ourselves to be in the position of vetoing a Presidential action as the President has vetoed so many actions of this body? That is exactly the position in which we are today.

Mrs. SPELLMAN. Mr. Speaker, will the gentleman yield?

Mr. HAWKINS. I yield to the gentlewoman from Maryland.

Mrs. SPELLMAN. I thank the gentleman for yielding.

It is very heartening to hear what the gentleman from California is saying. I can hardly believe some of the rhetoric that I have been hearing on this particular amendment since it has come up.

Forty-five years ago a principal wearing a very high celluloid collar asked me to leave a high school because I had had the temerity to run on the racetrack with the boys. I had no choice. If I wanted to run, I had to run with the boys, because there was no girls track team. I suspect that unless we have a little more enlightenment than some of the rhetoric indicates that we have, my granddaughter will be asked to leave a high school because she too will have to run on the "boys" track.

So I ask the Members of this House to recognize that the men are no longer wearing high celluloid collars and that 45 years have gone past. I hope that the vote today will prove that we have become enlightened in those 45 years.

Mr. HAWKINS. I thank the gentlewoman.

The SPEAKER. The time of the gentleman has expired.

Mr. FLOOD. Mr. Speaker, an "aye" vote will support the Committee on Appropriations.

Mr. Speaker, I move the previous question on the motion.

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

The question is on the motion offered by the gentleman from Pennsylvania (Mr. Flood).

The question was taken; and the Chair announced that the ayes appeared to have it.

Mr. BAUMAN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 215, nays 178, not voting, 41, as follows:

[Roll No. 407]

YEAS—215

Abzug
Adams
Addabbo
Anderson, Calif.
Anderson, Ill.
Ashley
Aspin
AuCoin
Badillo
Baldus
Barrett
Baucus
Beard, R.I.
Bedell
Bergland
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Brademas
Brodhead
Brown, Calif.
Brown, Ohio
Buchanan
Burke, Calif.
Burke, Mass.
Burlison, Mo.
Burton, John
Burton, Phillip
Carr
Chisholm
Clay
Cohen
Collins, Ill.
Conable
Conte
Corman
Cornell
Cotter
Coughlin
Daniels, N.J.
Danielson
Davis
Dellums
Dodd
Downey, N.Y.
Drinan
du Pont
Early
Edgar
Edwards, Calif.
Eilberg
Emery
English
Evans, Ind.
Fary
Fascell
Fenwick
Findley
Fisher
Fithian
Flood
Florio
Foley
Ford, Tenn.
Fraser
Frenzel
Fulton
Gibbons
Gilman
Gonzalez
Gradison
Green
Gude
Hall
Hamilton
Hanley
Hannaford
Harkin
Harrington
Harris
Hawkins
Hayes, Ind.
Heckler, Mass.
Heinz
Hicks
Hillis
Holland
Holtzman
Howard
Howe
Hughes
Jacobs
Jeffords
Johnson, Calif.
Jones, Okla.
Jordan
Karth
Kastenmeier
Keys
Koch
Krebs
Leggett
Lehman
Levitas
Litton
Long, La.
Long, Md.
McClory
McCloskey
McCormack
McDade
McFall
McHugh
McKinney
Madden
Madigan
Maguire
Mazzoli
Meeds
Metcalfe
Meyner
Mezvinsky
Mikva
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Moorhead, Pa.
Mosher
Moss
Mottl
Nolan
Nowak
Oberstar
Obey
O'Brien
O'Neill
Ottinger
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Pettis
Peyser
Pike
Pressler
Price
Pritchard
Railsback
Rangel
Rees
Regula
Reuss
Richmond
Riegle
Rinaldo
Risenhoover
Rodino
Roe
Roncalio
Rooney
Rosenthal
Rostenkowski
Roush
Roybal
Ruppe
Russo
Ryan
St Germain
Sarasin
Sarbanes
Scheuer
Schroeder
Seiberling
Sharp
Shipley
Simon
Smith, Iowa
Solarz
Spellman
Staggers
Stanton, James V.
Stark
Steelman
Stokes
Stratton
Studds
Sullivan
Symington
Thone
Traxler
Tsongas
Udall
Ullman
Van Deerlin
Vander Veen
Vanik
Waxman
Weaver
Whalen
Wilson, C. H.
Wilson, Tex.
Wirth
Wolff
Yates
Young, Ga.

NAYS—178

Abdnor
Alexander
Ambro
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Armstrong
Ashbrook
Bafalis
Bauman
Beard, Tenn.
Bennett
Bevill
Biaggi
Brinkley
Brooks
Brown, Mich.
Broyhill
Burgener
Burke, Fla.
Burleson, Tex.
Butler
Byron
Carney
Carter
Casey
Cederberg
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Collins, Tex.
Conlan
Crane
D'Amours
Daniel, Dan
Daniel, R. W.
de la Garza
Delaney
Derrick
Derwinski
Devine
Dickinson
Dingell
Downing, Va.
Duncan, Oreg.
Duncan, Tenn.
Edwards, Ala.
Erlenborn
Esch
Evans, Colo.
Evins, Tenn.
Flowers
Flynt
Ford, Mich.
Fountain
Frey
Fuqua
Gaydos
Giaimo
Ginn
Goldwater
Goodling
Grassley
Guyer
Haley
Hammerschmidt
Harsha
Hastings
Hays, Ohio
Hébert
Hechler, W. Va.
Hefner
Henderson
Hightower
Hinshaw
Holt
Horton
Hubbard
Hungate
Hutchinson
Hyde
Ichord
Jarman
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, Tenn.
Kasten
Kazen
Kelly
Kemp
Ketchum
Kindness
Krueger
LaFalce
Lagomarsino
Landrum
Lent
Lloyd, Calif.
Lloyd, Tenn.
Lott
McCollister
McDonald
McEwen
McKay
Mahon
Mann
Martin
Mathis
Michel
Milford
Miller, Ohio
Mills
Mollohan
Montgomery
Moore
Moorhead, Calif.
Morgan
Murphy, Ill.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nix
Passman
Patman, Tex.
Pickle
Poage
Preyer
Quie
Quillen
Randall
Robinson
Rogers
Runnels
Santini
Satterfield
Schulze
Sebelius
Shriver
Shuster
Sisk
Skubitz
Slack
Smith, Nebr.
Snyder
Spence
Stanton, J. William
Steiger, Ariz.
Stephens
Stuckey
Taylor, Mo.
Taylor, N.C.
Teague
Thornton
Treen
Vander Jagt
Vigorito
Waggonner
Walsh
White
Whitehurst
Whitten
Wright
Wydler
Wylie
Yatron
Young, Alaska
Young, Fla.
Young, Tex.
Zablocki
Zeferetti

NOT VOTING—41

Archer
Bell
Bowen
Breaux
Breckinridge
Broomfield
Conyers
Dent
Diggs
Eckhardt
Eshleman
Fish
Forsythe
Hagedorn
Hansen
Helstoski
Jenrette
Jones, N.C.
Latta
Lujan
Macdonald
Matsunaga
Melcher
Mink
Murphy, N.Y.
O'Hara
Rhodes
Roberts
Rose
Rousselot
Schneebeli
Sikes
Steed
Steiger, Wis.
Symms
Talcott
Thompson
Wampler
Wiggins
Wilson, Bob
Winn

So the motion was agreed to.

The Clerk announced the following pairs:

On this vote:

Mrs. Mink for, with Mr. Jones of North Carolina against.

Mr. Thompson for, with Mr. Dent against.

Mr. Macdonald of Massachusetts for, with Mr. Sikes against.

Mr. Jenrette for, with Mr. Steed against.

Mr. Rose for, with Mr. Roberts against.

Mr. Diggs for, with Mr. Murphy of New York against.

Mr. Conyers for, with Mr. Helstoski against.

Mr. Breckinridge for, with Mr. Bowen against.

Mr. Melcher for, with Mr. Breaux against.

Mr. Eckhardt for, with Mr. O'Hara against.

Until further notice:

Mr. Matsunaga with Mr. Hansen.
Mr. Archer with Mr. Bob Wilson.
Mr. Eshleman with Mr. Hagedorn.
Mr. Bell with Mr. Schneebeli.
Mr. Symms with Mr. Talcott.
Mr. Winn with Mr. Steiger of Wisconsin.
Mr. Broomfield with Mr. Fish.
Mr. Wampler with Mr. Latta.
Mr. Lujan with Mr. Wiggins.
Mr. Rousselot with Mr. Forsythe.

The result of the vote was announced as above recorded.

GENERAL LEAVE

Mr. FLOOD. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous matter on the motion just agreed to.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

PERMISSION FOR SUBCOMMITTEE ON HEALTH AND THE ENVIRONMENT TO SIT DURING THE WEEK OF JULY 21, 1975, DURING THE PROCEEDINGS UNDER THE 5-MINUTE RULE

Mr. ROGERS. Mr. Speaker, I ask unanimous consent that the Subcommittee on Health and the Environment have permission to sit during the week of July 21, 1975, while the House is proceeding under the 5-minute rule.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

ANNOUNCEMENT REGARDING LEGISLATIVE PROGRAM

(Mr. O'NEILL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. O'NEILL. Mr. Speaker, I rise to make an announcement. First of all, I want to congratulate the Members of the House on the arduous work we have accomplished this week. We have been in at 10 o'clock and we have worked until 6:30 every evening. As the Members know, that is the proposal also for next week. Later on, we will announce the program. There have been so many inquiries because of the fact that earlier in the week I said we would go to 6:30 every evening, which was agreed to by the leadership, and I want to inform the Members that we hope to rise at 4:30 this afternoon. We want to thank the Members for their durability.

ENERGY CONSERVATION AND OIL POLICY ACT OF 1975

Mr. DINGELL. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 7014) to increase domestic energy supplies and availability; to restrain energy demand; to prepare for energy emergencies; and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from Michigan (Mr. Dingell).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 7014, with Mr. Bolling in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday, title I, ending on page 173, line 22, of the substitute committee amendment, had been considered as read and open to amendment at any point.

Are there amendments to title I?

The Chair recognizes the gentleman from Michigan (Mr. Dingell).

Mr. DINGELL. Mr. Chairman, I rise to make a unanimous-consent request with regard to limitation of time.

The CHAIRMAN. The gentleman will state it.

Mr. DINGELL. Mr. Chairman, I ask unanimous consent that all debate on title I and all amendments thereto end in 30 minutes.

The **CHAIRMAN.** Is there objection to the request of the gentleman from Michigan?

There was no objection.

AMENDMENT OFFERED BY MR. HECHLER OF WEST VIRGINIA

Mr. HECHLER of West Virginia. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Hechler of West Virginia: On page 173, line 20, strike "or"; and strike all on lines 21 and 22 and insert therein the following in lieu thereof:

"(C) within any area of the National Park System, the National Wildlife Refuge System, the National Wilderness Preservation System, the National System of Trails, the Wild and Scenic Rivers System, or the National Forest System, or"

"(D) within military reservations."

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. HECHLER of West Virginia. I yield to the gentleman from Michigan.

Mr. DINGELL. Mr. Chairman, if the gentleman from West Virginia will permit, I will ask this: I believe this is the amendment the gentleman and I have discussed; am I correct?

Mr. HECHLER of West Virginia. The gentleman is correct.

Mr. DINGELL. This is the amendment which simply changes slightly the definition of the lands in which would be subject to special protection such as wildlife refuges; am I correct?

Mr. HECHLER of West Virginia. The gentleman is correct. The amendment is designed to clarify those areas where mineral development has been traditionally discouraged, such as wild and scenic rivers, forests, trails and wilderness areas.

Mr. DINGELL. Mr. Chairman, I have no objection to the amendment that the gentleman from West Virginia has offered. I believe it helps the bill.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. HECHLER of West Virginia. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. Mr. Chairman, I would like to have the gentleman speak on his amendment briefly, if he would, please. I know of no opposition on this side, and I have no objection personally, but I think the gentleman ought to be permitted to address his amendment so that we can get the legislative history of his purpose in offering it.

Mr. HECHLER of West Virginia. Mr. Chairman, I thank the gentleman from Ohio.

The current language in the bill, on the bottom of page 173, in lines 21 and 22, states: "within national parks, monuments, wildlife or wilderness areas."

These are not the proper and complete statutory definitions, as clearly set forth in the various statutes. For example, the term, "national parks," does not traditionally encompass national recreation or seashore areas. In fact, the statutory term that encompasses these areas is "the National Park System," according to 16 U.S.C. 181.

All my amendment does is to set forth what the precise and clear statutory characterization of these areas actually is. These areas are now referred to only in shorthand terms in the present language of lines 21 and 22 of the bill.

I will give another illustration. The term, "wildlife areas," does not include endangered species areas or the game ranges. "Wildlife" is simply one word on line 21, and that should read: "The National Wildlife Refuge System . . ." as my amendment does as per 16 U.S.C. 668 dd.

Therefore, this is merely a technical amendment, I will advise my friend, the gentleman from Ohio, to define more clearly those areas as contained in statutes for which the current language of the bill now gives an oversimplified, shorthand definition.

Mr. SISK. Mr. Chairman, will the gentleman yield?

Mr. HECHLER of West Virginia. I yield to the gentleman from California.

Mr. SISK. Mr. Chairman, I was attempting to follow the gentleman in his explanation. I have not seen a copy of his amendment, and I want to get this clear in my mind.

Is the gentleman including national forests? Did I understand that national forests is an addition to the present language?

Mr. HECHLER of West Virginia. The term "national forest system" is included in the amendment.

Mr. SISK. Is that in addition to the language as it is presently constituted?

Mr. HECHLER of West Virginia. That is correct, I will advise the gentleman from California.

Mr. SISK. Mr. Chairman, will the gentleman explain a little bit further actually what his intention is here in connection with this amendment? I do not know that I have any opposition to it whatsoever.

However, I have a lot of national forests in my area, as well as other types of Federal lands. I am concerned every time I hear that term used.

Will the gentleman explain a little bit further exactly what the application of national forests has in connection with this particular situation?

Mr. HECHLER of West Virginia. Mr. Chairman, section 304 of the bill, which is the section most closely related to this amendment, provides for the acceleration of the development of oil, coal, and gas production on Federal lands.

It is necessary in this section to define what exceptions are traditionally included when we consider where energy is to be developed on Federal lands.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. HECHLER of West Virginia. Yes; I yield to the gentleman from Michigan.

Mr. DINGELL. Mr. Chairman, if the gentleman would permit, I think I can give an answer to the gentleman that would be helpful.

Mr. SISK. If the gentleman will yield, I would appreciate it.

Mr. DINGELL. There are two related provisions in the bill, one relating to maximum efficient rates of production and the other related to the development of leases and production of petroleum products.

This amendment relates only to those two. It is essentially a technical amendment.

If the gentleman wishes to raise questions at a later time with regard to policy, this amendment will not preclude him from doing it, nor would it essentially change the policy set forth in the bill.

I would urge the gentleman to support this.

Mr. SISK. If the gentleman will yield further, this deals with the definition only, does it not?

Mr. HECHLER of West Virginia. That is right.

Mr. SISK. I understand. I appreciate the gentleman's explanation. As I said, in some of these areas, we get a little sensitive.

Mr. BROWN of Ohio. Mr. Chairman, I move to strike the requisite number of words.

I rise only to advise the Chair and the gentleman from West Virginia (Mr. Hechler) that I have no objection to this amendment and know of none on this side of the aisle.

The **CHAIRMAN.** The question is on the amendment offered by the gentleman from West Virginia (Mr. Hechler).

The amendment was agreed to.

The **CHAIRMAN.** Are there further amendments to title I?

If not, the Clerk will read.

The Clerk read as follows:

TITLE II—STANDBY ENERGY AUTHORITIES AND NATIONAL CIVILIAN STRATEGIC PETROLEUM RESERVE

PART A—STANDBY ENERGY AUTHORITIES

Subpart 1—General Emergency Authorities

CONDITIONS OF EXERCISE OF ENERGY CONSERVATION AND GASOLINE RATIONING AUTHORITIES

Sec. 201. (a) (1) Within 180 days after the date of enactment of this Act, the President shall transmit to the Congress pursuant to subsection (b) (1) one or more energy conservation contingency plans under section 202 and a gasoline rationing contingency plan under section 203. The President may at any time submit additional contingency plans. A contingency plan may become effective only as provided in subsection (b), (c), or (d) and may remain in effect for a period of not more than 18 months.

(2) For purposes of this section, the term "contingency plan" means—

(A) an energy conservation contingency plan prescribed under section 202 of this Act; or

(B) a gasoline rationing contingency plan prescribed under section 203 of this Act.

(b) Except as otherwise provided in subsection (c) or (d), no contingency plan may become effective, unless—

(1) the President has transmitted to the Congress in accordance with section 752(a) of this Act such contingency plan, which transmittal shall include a written justification and substantiation for such plan;

(2) such contingency plan has been approved by a resolution by each House of Congress in accordance with the congressional review procedures specified in section 752 of this Act; and

(3) after approval of such contingency plan—

(A) the President—

(i) has found that putting such contingency plan into effect is required by a severe energy supply interruption, and

(ii) has transmitted to the Congress in

accordance with section 751(b) of this Act a request to put such plan into effect; and

(B) neither House of Congress has disapproved (or both Houses have approved) such request in accordance with the congressional review procedures specified in section 751 of this Act.

(c)(1) Notwithstanding subsection (b)(3), during any 7 percent shortfall period, the President may put into effect a contingency plan which has been approved under subsection (b)(2) to the extent he determines that putting such plan into effect is necessary to comply with obligations of the United States under the international energy program. Such a plan may not remain in effect after the expiration of the earlier of the 18-month period after it takes effect or the 7 percent shortfall period.

(2) For purposes of paragraph (1):

(A) The term "7 percent shortfall period" means a period beginning on any date which the President determines that there exists a 7 percent supply shortfall and ending 60 days after the date on which the President determines such 7 percent supply shortfall no longer exists.

(B) A 7 percent supply shortfall exists if the group of countries which are parties to the international energy program has, within the meaning of article 13 of such program, sustained (or can reasonably be expected to sustain) a reduction in its oil supplies at least equal to 7 percent of its average daily rate of final consumption during the base period.

(3) Any determination under paragraph (2)(A) shall be published in the Federal Register and transmitted to both Houses of Congress.

(d) During the period which begins not later than 90 days after the date of enactment of this Act, the President may put into effect a contingency plan for a period of not more than 60 days if—

(1) the President—

(A) has found that putting such contingency plan into effect is required by a severe energy supply interruption or is necessary to comply with obligations of the United States under the international energy program; and

(B) has transmitted to the Congress in accordance with section 751(b) of this Act a request to put such plan into effect; and

(2) neither House of Congress has disapproved (or both Houses have approved) such request in accordance with the congressional review procedures specified in section 751 of this Act.

(e)(1) Except as provided in paragraph (2) or (3), a contingency plan may not be amended, unless the President has transmitted such amendment to the Congress for congressional review in accordance with section 752 of this Act and each House of Congress has approved such amendment in accordance with the congressional review procedures specified in section 752.

(2) An amendment to a contingency plan which is transmitted to the Congress during any period in which such plan is in effect may take effect if the President has transmitted such amendment to the Congress in accordance with section 751(b) of this Act and neither House of Congress has disapproved (or both Houses have approved) such amendment in accordance with the congressional review procedures specified in section 751 of this Act.

(3) The President may prescribe technical and clerical amendments to a contingency plan in accordance with section 701 of this Act.

ENERGY CONSERVATION CONTINGENCY PLANS

SEC. 202. (a)(1) The President shall prescribe, by rule, one or more energy conservation contingency plans. For purposes of this section, the term "energy conservation contingency plan" means a plan which imposes restrictions on the public or private use of energy which are necessary to reduce energy consumption.

(2) An energy conservation contingency plan prescribed under this section may not impose gasoline rationing or any tax, tariff, user fee, provide for a minimum price of (or change in any ceiling price for) any petroleum product, or provide for a credit or deduction in computing any tax.

(b) An energy conservation contingency plan shall apply in each State or political subdivision thereof, except such plan may provide for procedures for exempting any State or political subdivision thereof from such plan in cases where the President determines a comparable program of such State or political subdivision is in effect, or where the President finds special circumstances exist in such State or political subdivision.

(c) Subject to section 201 of this Act, an energy conservation contingency plan shall remain in effect for a period specified in such plan unless earlier rescinded by the President.

GASOLINE RATIONING CONTINGENCY PLAN

SEC. 203. (a) The President shall prescribe, by rule, a gasoline rationing contingency plan which shall be deemed a part of the regulation under section 4(a) of the Emergency Petroleum Allocation Act of 1973 and which shall provide, consistent with the attainment, to the maximum extent practicable, of the objectives specified in section 4(b) of such Act, for the establishment of a program for the rationing and ordering of priorities among classes of end-users of gasoline, and for the assignment of rights, and evidence of such rights, to end-users of gasoline, entitling such end-users to obtain gasoline in precedence to other classes of end-users not similarly entitled.

(b) Any finding required to be made by the President pursuant to section 201(b)(3)(A)(i), 201(c)(1), 201(d)(1)(A) of this Act in requesting that a gasoline rationing contingency plan be put into effect shall be accompanied by, and no gasoline rationing contingency plan may take effect, unless the President makes a finding that, without such plan, all other practicable and authorized methods to limit energy demand will not attain the objectives specified in section 4(b) of such Act and the purposes of this Act.

(c) The President shall, by order, in furtherance of a gasoline rationing contingency plan which is in effect cause such adjustments in the allocations made pursuant to the regulation under section 4(a) of such Act as the President determines to be necessary to carry out the purposes of this section and consistent with the attainment of the objectives specified in section 4(b) of such Act and the purposes of this Act.

(d) The President shall provide for the use of local boards described in section 704 of this Act with authority to—

(1) receive petitions from any end-user of gasoline for which priorities and entitlements are established under a gasoline rationing contingency plan, and

(2) order a reclassification or modification of any determination made under a gasoline rationing contingency plan with respect to such end-user's rationing priority of entitlement.

Such boards shall operate under the procedures established pursuant to section 701 of this Act.

(e) No gasoline rationing contingency plan under this section may—

(1) impose any tax,

(2) provide for a credit or deduction in computing any tax, or

(3) impose any user fee, except to the extent necessary to defray the cost of administering the gasoline rationing contingency plan or to provide for initial distribution of entitlements.

Subpart 2—International Authorities

INTERNATIONAL OIL ALLOCATION

SEC. 211. (a)(1) No rule under subsection (b) may take effect unless—

(A) the President has transmitted such rule to Congress, in accordance with section 751 of this Act,

(B) neither House of Congress has disapproved (or both Houses have approved) such rule in accordance with the congressional review procedures specified in section 751 of this Act, and

(C) he has found that putting such rule into effect is necessary to carry out the international energy program.

(2) No rule under subsection (b) may be put into effect or remain in effect after the expiration of 18 months after the date such rule was transmitted to Congress under paragraph (1)(A).

(b) The President may, by rule, require such action as may be necessary for implementation of the obligations of the United States under chapters III and IV of the international energy program insofar as such obligations relate to the international allocation of petroleum products to other countries. Allocation under such rule shall be in such amounts and at such prices as are specified in (or determined in a manner prescribed by) such rule. Such rule may apply to any petroleum product owned or controlled by any person subject to the jurisdiction of the United States, including any petroleum product destined, directly or indirectly, for import into the United States or any foreign country, or produced in the United States. Subject to (a)(2), such a rule shall remain in effect until amended or rescinded by the President.

(c)(1) Any rule under this section shall, to the maximum extent practicable, be consistent with the attainment of the objectives specified in section 4(b) of the Emergency Petroleum Allocation Act of 1973.

(2) No officer or agency of the United States shall have any authority, other than authority under this section, to require that petroleum products be allocated to other countries for the purpose of implementation of the obligations of the United States under the international energy program.

INTERNATIONAL VOLUNTARY AGREEMENTS

SEC. 212. (a) The requirements of this section shall be the sole procedures applicable to—

(1) the development or carrying out of voluntary agreements to implement the allocation and information provisions of the international energy program, and

(2) the availability of immunity from the antitrust laws respecting the development or carrying out of such voluntary agreements.

(b) The Administrator, with the approval of the Attorney General, after each of them has consulted with the Federal Trade Commission and the Secretary of State, shall prescribe, by rule, standards and procedures by which persons engaged in the business of producing, refining, marketing, or distributing petroleum products may develop and carry out voluntary agreements which are required to implement the allocation and information provisions of the international energy program.

(c) The standards and procedures prescribed under subsection (b) shall include the following requirements:

(1)(A)(i) Except as provided in clause (ii) or (iii) of this subparagraph, meetings held to develop or carry out a voluntary agreement under this subsection shall permit attendance by interested persons, including all interested segments of the petroleum industry, consumers, committees of Congress, and the public; shall be preceded by timely and adequate notice with identification of the agenda of such meeting to the Attorney General, the Federal Trade Commission, committees of Congress, and (except during an international energy supply emergency) the public; and shall be initiated and chaired by a regular full-time Federal employee.

(ii) Meetings of bodies created by the International Energy Agency established by the international energy program need not be open to interested persons and need not be initiated and chaired by a regular full-time Federal employee.

(iii) The President, in consultation with the Administrator, the Secretary of State, and the Attorney General, may determine that a meeting held to develop or carry out an agreement shall not be open to the public and that attendance may be limited, if the President finds that a wider disclosure would be detrimental to the foreign policy interests of the United States. A meeting which is held to develop a voluntary agreement and which is not open to the public shall not be considered as a meeting "in a course of developing a voluntary agreement"; no action taken in such a meeting shall be considered to be a "voluntary agreement authorized and approved in accordance with this section" as such term is used in subsections (f) (1) (A) and (k) of this section; and subsections (f) and (k) shall not apply to such an agreement; unless the terms of such agreement are wholly disclosed in a meeting which is not closed to the public. The terms of any such agreement shall not be amplified, modified, or construed by reference to any action taken in such a closed meeting.

(B) No meetings may be held to develop or carry out a voluntary agreement under this section, unless a regular full-time Federal employee is present.

(2) Interested persons permitted to attend such a meeting shall be afforded an opportunity to present in writing and orally, data, views, and arguments at such meetings.

(3) A verbatim transcript (or if keeping a verbatim transcript is not feasible, full and complete minutes) shall be kept of any meeting held or communication made, between or among persons who are or may become parties to a voluntary agreement under this section, to develop or carry out such an agreement. Such minutes or transcript shall be deposited, together with any agreement resulting therefrom, with the Administrator, and shall be available to the Attorney General and the Federal Trade Commission. Such transcripts or minutes and agreements shall be available for public inspection and copying, except as otherwise provided (A) in sections 552(b) (1), (b) (3), and so much of (b) (4) as relates to trade secrets, of title 5, United States Code, or (B) pursuant to a determination by the President, in consultation with the Secretary of State, the Administrator, and the Attorney General, that such disclosure would be detrimental to the foreign policy interests of the United States.

(4) No provision of this section may be exercised so as to prevent committees of Congress from attending meetings to which this section applies, or from having access to any transcripts, minutes, and agreements kept or made under this section.

(d) (1) The Attorney General and the Federal Trade Commission shall be afforded an opportunity to participate from the beginning in any meeting to develop or carry out any voluntary agreement under this section. Each may propose any alternative which would avoid or overcome, to the greatest extent practicable, possible anticompetitive effects while achieving substantially the purposes of this Act. A voluntary agreement under this section may not be carried out unless approved by the Attorney General, after consultation with the Federal Trade Commission. Prior to the expiration of the period determined under paragraph (2), the Federal Trade Commission shall transmit to the Attorney General its views as to whether such an agreement should be approved, and shall publish such views in the Federal Register. The Attorney General, in consultation with the Federal Trade Commission, the Secretary of State, and the Administrator, shall have the right to review, amend, modify, disapprove, or revoke, on his own motion or upon the request of the Federal Trade Commission or any interested person, any voluntary agreement at any time, and, if revoked, thereby withdrawn prospectively any immunity which may be conferred by subsection (f) or (k) of this section.

(2) Any voluntary agreement entered into pursuant to this section shall be submitted in writing to the Attorney General and the Federal Trade Commission 20 days before being implemented (where it shall be made available for public inspection and copying to the extent provided in the last sentence of subsection (c) (3)); except that during an international energy supply emergency, the Administrator, subject to approval of the Attorney General, may reduce such 20-day period. Any action taken pursuant to such voluntary agreement shall be reported to the Attorney General and the Federal Trade Commission pursuant to such regulations as shall be prescribed under subsections (e) (3) and (e) (4).

(e) (1) The Attorney General and the Federal Trade Commission shall monitor the development and carrying out of voluntary agreements authorized under this section in order to promote competition and to prevent anticompetitive practices and effects, while achieving substantially the purposes of this Act.

(2) In addition to any requirement specified under subsections (b) and (c) of this section and in order to carry out the purposes of this section, the Attorney General, in consultation with the Federal Trade Commission and the Administrator, shall promulgate rules concerning the maintenance of necessary and appropriate records related to the development and carrying out of voluntary agreements authorized pursuant to this section.

(3) Persons developing or carrying out voluntary agreements authorized pursuant to this section shall maintain those records required by rules under paragraph (2). The Attorney General and the Federal Trade Commission shall have access to and the right to copy such records at reasonable times and upon reasonable notice.

(4) The Attorney General and the Federal Trade Commission may each prescribe such rules as may be necessary or appropriate to carry out their respective responsibilities under this section. They may both utilize for such purposes and for purposes of enforcement any powers conferred upon the Federal Trade Commission or the Department of Justice, or both, by the antitrust laws or the Antitrust Civil Process Act; and wherever any such law refers to "the purposes of this Act" or like terms, the reference shall be understood to be this section.

(f) (1) There shall be available as a defense to any civil or criminal action brought under the antitrust laws (or any similar State law) with respect to any action taken in good faith to develop or carry out a voluntary agreement by a person engaged in the business of producing, refining, marketing, or distributing petroleum products that—

(A) such action was taken—

(i) in the course of developing a voluntary agreement pursuant to this section, or

(ii) to carry out a voluntary agreement authorized and approved in accordance with this section, and

(B) such person complied with the requirements of this section and the rules promulgated under this section.

(2) Except as provided in paragraph (3), a person availing himself of the defense specified in paragraph (1) shall have the burden of establishing and proving such defense.

(3) For purposes of paragraph (1), action taken by a person asserting the defense specified in paragraph (1) shall be considered taken in good faith unless the person against whom such defense is asserted proves—

(A) such action was taken by the person asserting such defense for the purpose of injuring competition, or

(B) the person asserting such defense knew, or reasonably should have known under the circumstances that—

(i) the action would have the effect of injuring competition, and

(ii) an alternative to such action was available which would be substantially less injurious to competition and which would be at least as effective in carrying out the purposes for which the voluntary agreement was entered into.

(g) No provision of this section shall be construed as granting immunity for, nor as limiting or in any way affecting any remedy or penalty which may result from any legal action or proceeding arising from, any act or practice which occurred prior to the date of enactment of this Act or subsequent to its expiration or repeal.

(h) Upon the expiration of the 90-day period which begins on the date of enactment of this Act, the provisions of section 708 of the Defense Production Act of 1950 shall not apply to any agreement or action undertaken for the purpose of developing or carrying out (1) the international energy program, or (2) any allocation, price control, or similar program respecting petroleum products under this Act or under the Emergency Petroleum Allocation Act of 1973.

(i) The Federal Trade Commission shall submit to the Congress and to the President, at least once every 6 months, a report on the impact on competition and on small business of actions authorized by this section.

(j) (1) The authority granted by this section shall terminate June 30, 1979; except that such authority shall terminate on June 30, 1985, if, before July 1, 1979, the Attorney General prescribes rules which meet the requirements of paragraph (2) of this subsection.

(2) The Attorney General shall prescribe rules with respect to any voluntary agreement entered into pursuant to this section and in effect after June 30, 1979. Such rules shall—

(A) provide that any such voluntary agreement will be carried out by an organization of which any person subject to the jurisdiction of the United States who is engaged in the producing, refining, marketing, or distribution of petroleum products or who is a consumer of petroleum products may become a member,

(B) provide that each such member will have voting rights (weighted in accordance with such rules) and may participate in policymaking and in choosing representatives of the organization who will carry out any such voluntary agreement on behalf of the organization,

(C) assure that any person who will be eligible for membership has an adequate opportunity to participate in the development of any such agreement, and

(D) assure that competition is protected in developing and carrying out any such agreement.

(3) Effective July 1, 1979, the Attorney General shall disapprove any voluntary agreement under this section which does not meet requirements of rules under this subsection.

(k) In any action in any Federal or State court for breach of contract, there shall be available as a defense that the alleged breach of contract was caused by action taken during an international energy supply emergency to carry out a voluntary agreement authorized and approved in accordance with this section.

(l) As used in this section and section 214:

(1) The term "international energy supply emergency" means any period (A) beginning on any date which the President determines allocation of petroleum products to nations participating in the international energy program is required by chapters III and IV of such program, and (B) ending on a date which he determines such allocation is no longer required. Such a period may not exceed 90 days, but the President may establish one or more additional periods by making the determination under subparagraph (A) of the preceding sentence. Any determination respecting the beginning or end of any such period shall be published in the Federal Register.

(2) The term "allocation and information provisions of the international energy program" means the provisions of the international energy program which relate to international allocation of petroleum products and the information system provided in such program.

ADVISORY COMMITTEES

SEC. 213. (a) To achieve the purposes of the international energy program with respect to international allocation of petroleum products and the information system provided in such program, the Administrator may provide for the establishment of such advisory committees as he determines are necessary. In addition to the requirements specified in this section, such advisory committees shall be subject to the provisions of section 17 of the Federal Energy Administration Act of 1974 whether or not such Act or any of its provisions expire or terminate before June 30, 1985, and shall be chaired by a regular full-time Federal employee, and shall include representatives of the public. The meetings of such committees shall be open to the public. The Attorney General and the Federal Trade Commission shall have adequate advance notice of any meeting and may have an official representative attend and participate in any such meeting.

(b) A verbatim transcript shall be kept of such advisory committee meetings, and shall be deposited with the Attorney General and the Federal Trade Commission. Such transcript shall be made available for public inspection and copying; except as otherwise provided (1) in subsections (b)(1), (b)(3), and so much of (b)(4) as relates to trade secrets, of section 552 of title 5, United States Code, or (2) pursuant to a determination under subsection (c).

(c) The President after consultation with the Secretary of State, the Federal Trade Commission, the Attorney General, and the Administrator, may suspend the application of—

(1) sections 10 and 11 of the Federal Advisory Committee Act,

(2) subsections (b) and (c) of section 17 of the Federal Energy Administration Act of 1974,

(3) the requirement under subsection (a) of this section that meetings be open to the public, and

(4) the second sentence of subsection (b) of this section;

if the President determines in each instance that such suspension is essential to the developing or carrying out of the international energy program and relates solely to the purpose of international allocation of petroleum products and the information system provided in such program and that the application of such provisions would be detrimental to the foreign policy interests of the United States. Such determination by the President shall be in writing, shall set forth a detailed explanation of reasons justifying the granting of such suspension, and shall be published in the Federal Register at a reasonable time prior to the effective date of any such suspension.

EXCHANGE OF INFORMATION

SEC. 214. (a)(1) Except as provided in subsections (b) and (c), the Administrator, after consultation with the Attorney General, may provide to the Secretary of State, and the Secretary of State may transmit to the International Energy Agency established by the international energy program the information and data related to the energy industry certified by the Secretary of State as required to be submitted under the international energy program.

(2)(A) Except as provided in subpragraph (B) of this paragraph, any such information or data which is a trade secret or commercial or financial information to which section 552(b)(4) of title 5, United States Code, applies shall, prior to such transmittal, be aggregated, accumulated, or otherwise reported, in such manner as to avoid, to the fullest extent feasible, identification of any person who submitted such information or data.

(B) Notwithstanding subparagraph (A) of this paragraph, during an international energy supply emergency (as defined in section 212(*l*)(1)), any such information or data with respect to the international allocation of petroleum products may be made available to the International Energy Agency if otherwise authorized to be made available to such Agency by paragraph (1) of this subsection.

(b) If the President determines that the transmittal of data or information pursuant to the authority of this section would prejudice competition, violate the antitrust laws, or be inconsistent with United States national security interests, he may require that such data or information not be transmitted.

(c) Information and data the confidentiality of which is protected by statute, shall not be provided by the Administrator to the Secretary of State under subsection (a) of this section for transmittal to the International Energy Agency, unless the Administrator has obtained the specific concurrence of the head of any department or agency which has the primary statutory authority for the collection, gathering, or obtaining of such information and data. In making a determination to concur in providing such information and data, the head of any department or agency which has the primary statutory authority for the collection, gathering, or obtaining of such information and data, shall consider the purposes for which such information and data was collected, gathered, and obtained, the confidentiality provisions of such statutory authority, and the international obligations of the United States under the international energy program with respect to the transmittal of such information and data to an international organization or foreign country.

(d) For the purposes of carrying out the obligations of the United States under the international energy program, the authority to collect data granted by sections 11 and 13 of the Energy Supply and Environmental Coordination Act and the Federal Energy Administration Act of 1974, respectively, shall continue in full force and effect without regard to the provisions of such Acts relating to their expiration.

(e) The authority under this section to transmit information shall be subject to any limitations on disclosure contained in other laws, except that such authority may be exercised without regard to—

(1) section 11(d) of the Energy Supply and Environmental Coordination Act of 1974;

(2) section 14(b) of the Federal Energy Administration Act of 1974;

(3) section 7 of the Export Administration Act of 1969;

(4) section 9 of title 13, United States Code;

(5) section 1 of the Act of January 27, 1938 (15 U.S.C. 176(a)); and

(6) section 1905 of title 18, United States Code.

Subpart 3—Materials Allocation

MATERIAL ALLOCATION

SEC. 221. (a) During the period of any severe energy supply interruption, the President may, by rule or order, require the allocation of, or the performance under contracts or orders (other than contracts of employment) relating to, supplies of materials and equipment if he finds that such supplies are scarce, critical, and essential to maintain for further exploration, production, refining, transportation of energy supplies or for the construction and maintenance of energy facilities under such terms and conditions as he determines to be appropriate and necessary to carry out the purposes of this Act.

(b) Not later than 30 days after the date of enactment of this Act, the President shall report to the Congress with respect to the manner in which the authorities contained in subsection (a) will be administered. Such report shall specify the office or agency which will administer the authorities contained in subsection (a), the procedures for petitioning such office or agency, criteria for determining priorities among competing requests, and procedures with respect to appeals,

(c) The authority granted in this section may be used to control the general distribution of any supplies of materials and equipment in the marketplace only to the extent that maintenance or furtherance of exploration, production, refining, or required transportation of energy supplies or the construction or maintenance of energy facilities cannot practically be accomplished during the period of any severe energy supply interruption without exercising the authority specified in subsection (a) of this section.

PART B—NATIONAL CIVILIAN STRATEGIC PETROLEUM RESERVE

DECLARATION OF POLICY

SEC. 251. It is hereby declared to be the policy of the United States to provide for the creation of, subject to congressional review, a National Civilian Strategic Petroleum Reserve of not more than one billion barrels of petroleum products, such Reserve to be established for the purpose of reducing the impact of disruptions in imports of petroleum products. It is further declared to be the policy of the United States to provide for the creation, as part of such Reserve, of an Early Storage Reserve of not more than 150,000,000 barrels of petroleum products, such Early Storage Reserve to be established for the purpose of providing limited protection from the impact of near term disruptions of imports of petroleum products. The National Civilian Strategic Petroleum Reserve shall provide for meeting regional needs for residual fuel oil and refined petroleum products in the event of disruptions in imports of such petroleum products.

DEFINITIONS

SEC. 252. As used in this part:

(1) The term "interests in land" includes fee ownership, easements, leaseholds, subsurface and mineral rights.

(2) The term "storage facility" means any facility which is capable of storing significant amounts of petroleum products.

(3) The term "related facility" means any accessory appurtenance to a storage facility, including pipelines, roadways, reservoirs, and salt brine lines.

(4) The term "Plan" means the National Civilian Strategic Petroleum Reserve Plan described in section 253(b), the Early Storage Reserve Plan described in section 254(b), and any proposal described in section 255(b).

(5) The term "National Civilian Strategic Petroleum Reserve" means petroleum prod-

ucts stored in storage facilities pursuant to this part and includes the Industrial Civilian Petroleum Reserve and the Early Storage Reserve.

(6) The term "Industrial Civilian Strategic Petroleum Reserve" means that portion of the National Civilian Strategic Petroleum Reserve which consists of petroleum products owned by importers or refiners and acquired, stored, or maintained pursuant to section 255(e)(7).

(7) The term "Early Storage Reserve" means that portion of the National Civilian Strategic Petroleum Reserve which consists of petroleum products stored pursuant to section 254.

(8) The term "Reserve" means the National Civilian Strategic Petroleum Reserve.

NATIONAL CIVILIAN STRATEGIC PETROLEUM RESERVE AND NATIONAL CIVILIAN STRATEGIC PETROLEUM RESERVE PLAN

SEC. 253. (a) Provision is hereby made for the creation of a National Civilian Strategic Petroleum Reserve.

(b) Within one year after the date of enactment of this Act, the President shall prepare and transmit to the Congress, in accordance with section 751(b) of this Act, a National Civilian Strategic Petroleum Reserve Plan which details his proposals for designing, constructing, and filling the storage and related facilities of the Reserve. The Plan shall include the following:

(1) a comprehensive environmental assessment;

(2) the type and proposed location of each storage facility;

(3) the proximity of each storage facility to related facilities;

(4) the volumes and types of petroleum products to be stored in each storage facility;

(5) the aggregate size of the Reserve and the most economically efficient storage levels;

(6) a program schedule for the development of the Reserve, taking into account the capability to construct related facilities and obtain sufficient petroleum products to complete programed storage in the desired time frame;

(7) an estimate of the direct cost of the Reserve, including:

(A) the cost of storage facilities;

(B) cost of petroleum products to be stored;

(C) cost of related facilities; and

(D) maintenance and operation costs;

(8) an evaluation of the market impact of developing the Reserve, taking into account:

(A) availability and price of oilfield supplies and equipment and the effect upon domestic production of acquisition of such supplies for the Reserve;

(B) fluctuations in world market prices for petroleum products resulting from the acquisition of petroleum products for the Reserve;

(C) the extent to which acquisition of petroleum products for the Reserve may hold up otherwise declining market prices; and

(D) the extent to which acquisition of petroleum products for the Reserve will affect competition;

(9) identification of the ownership of storage and related facilities, by facility;

(10) identification of the ownership of the stored petroleum products; and

(11) a Disposal Plan setting for the method of drawdown and distribution of the Reserve.

(c) After the expiration of the one-year period which begins on the date of submission of the Plan to the Congress pursuant to subsection (b), the President shall prepare and transmit to the Congress an annual report summarizing all actions taken under the authority of this part, analyzing their impact, and evaluating their effectiveness in implementing the Plan.

EARLY STORAGE RESERVE

SEC. 254. (a) Provision is hereby made for the creation of an Early Storage Reserve.

(b) Within 60 days after the date of enactment of this Act, the President shall prepare and transmit to the Congress, in accordance with section 751(b) of this Act, an Early Storage Reserve Plan which details his proposals for the immediate storage of up to 150,000,000 barrels of petroleum products.

(c) To the maximum extent practicable, the Early Storage Reserve Plan shall indicate the manner by which Early Storage Reserve facilities will be incorporated into the National Civilian Strategic Petroleum Reserve and include information regarding the Early Storage Reserve similar in nature to the information required by section 253(b) to be included in the National Civilian Strategic Petroleum Reserve Plan, including an Early Storage Reserve Disposal Plan.

CONGRESSIONAL REVIEW AND IMPLEMENTATION OF THE NATIONAL CIVILIAN STRATEGIC PETROLEUM RESERVE PLAN

SEC. 255. (a) The National Civilian Strategic Petroleum Reserve Plan and the Early Storage Reserve Plan may not take effect unless—

(1) the President has transmitted each such Plan to the Congress in accordance with section 751(b) of this Act, and

(2) neither House of Congress has disapproved (or both Houses have approved) such Plan in accordance with the congressional review procedures specified in section 751 of this Act.

(b) Prior to transmission of the National Civilian Strategic Petroleum Reserve Plan to the Congress, the President may prepare and transmit to the Congress any proposals for designing, constructing, and filling the storage and related facilities of the Reserve. Such proposals shall be accompanied by a statement explaining the need for action on such proposals prior to completion of the National Civilian Strategic Petroleum Plan, the anticipated role of the proposed storage or related facilities in such Plan and, so far as practicable, the elements required by section 253(b) to be included in such Plan.

(c) The President may prepare and transmit to the Congress amendments to the National Civilian Strategic Petroleum Reserve Plan or the Early Storage Reserve Plan. Any such amendment shall be accompanied by a statement explaining the need for such amendment to the Plan and, so far as practicable, the elements required by section 253(b) to be included in the Plan.

(d) No proposals transmitted to the Congress under subsection (b) and no amendment to the Plan transmitted to the Congress under subsection (c) may take effect, unless the President has transmitted such proposal or amendment to the Congress in accordance with section 751 of this Act and neither House of Congress has disapproved (or both Houses of Congress have approved) such proposal or amendment in accordance with the congressional review procedures specified in section 751 of this Act.

(e) To implement the Plan, or any amendment thereto, which has taken effect pursuant to the procedures specified in section 751 of this Act, the President may:

(1) promulgate rules, regulations, or orders necessary or appropriate to implement the provisions of the Plan;

(2) acquire by purchase, lease, or otherwise (except by condemnation) land or interests in land for the location of storage and related facilities;

(3) construct, purchase, lease, or otherwise acquire (except by condemnation) storage and related facilities;

(4) use, lease, maintain, sell, or otherwise dispose of storage and related facilities acquired pursuant to this part;

(5) acquire petroleum products for the Reserve and the Early Storage Reserve, subject to the limitations of section 259;

(6) execute any contracts necessary to carry out the provisions of the Plan;

(7) create an Industrial Civilian Strategic Petroleum Reserve as part of the National Civilian Strategic Petroleum Reserve by requiring any person engaged in the importation or refining of petroleum products to acquire, store, or maintain reserves of petroleum products under such terms as the President deems necessary;

(8) require that the Industrial Civilian Strategic Petroleum Reserve portion of the National Civilian Strategic Petroleum Reserve be stored pursuant to such reasonable terms as the President may specify in storage facilities owned and controlled by the United States or in storage facilities owned by others if such facilities are subject to audit by the United States;

(9) require the replenishment of the Industrial Civilian Strategic Petroleum Reserve; and

(10) replenish the National Civilian Strategic Petroleum Reserve.

AUTHORIZATION AND REVIEW OF EXTRAORDINARY MEASURES TO IMPLEMENT THE PLAN

SEC. 256. (a) Authority may be exercised under this section only if the President has transmitted to the Congress in accordance with section 751(b) of this Act a request to exercise such authority; except that such authority may not be exercised if both Houses of Congress have disapproved such request in accordance with the congressional review procedures specified in section 751 of this Act.

(b) To implement the Plan, or any amendment thereto, which has taken effect pursuant to the procedures specified in section 751 of this Act, the President may:

(1) acquire, by condemnation, land or interests in land for the location of storage or related facilities;

(2) acquire, by condemnation, storage or related facilities;

(3) require that performance by any person under contracts or orders (other than contracts of employment) which the President finds necessary or appropriate to implement the Plan shall take priority over performance by such person of any other contract or order, and, for the purpose of assuring such priority, require any person to accept and perform such contracts or orders in preference to other contracts or orders;

(4) allocate materials and facilities in such manner, upon such conditions and to such extent as he shall deem necessary or appropriate to achieve the implementation of the Plan; and

(5) cause proceedings, whenever he finds it necessary to implement the Plan, to be instituted in any court having jurisdiction of such proceedings to acquire by condemnation, any real or personal property, temporary use thereof, or other interests, which he finds necessary to achieve the objectives of this part.

In any condemnation proceeding instituted pursuant to this subsection, the court shall not order the party in possession to surrender possession in advance of final judgment unless a declaration of taking has been filed, and a deposit of the amount estimated to be just compensation has been made, under the first section of the Act of February 26, 1931 (46 Stat. 1421), providing for such declarations. Unless title is in dispute, the court, upon application, shall promptly pay to the owner at least 75 per centum of the amount so deposited, but such payments shall be made without prejudice to any party to the proceeding. Pproperty acquired under this section may be occupied, used, and improved for the purposes of this part prior to the approval of title by the Attorney General as required by section 355 of the Revised Statutes, as amended.

(c) The actions authorized by this section shall not be undertaken by the President unless—

(1) (A) with respect to actions authorized by subsections (b) (1), (b) (2), and (b) (5), an effort has been made to acquire the property involved by negotiation unless, because of reasonable doubt as to the identity of the owner, because of the large number of persons with whom it would be necessary to negotiate, or for other reasons, the effort to acquire by negotiation would have involved, in the judgment of the President, such delay in acquiring the property as to be contrary to the national interest and would have unreasonably interfered with implementation of the Plan;

(B) with respect to actions authorized by subsection (b) (3), an effort to obtain preferential acceptance or performance of contracts or orders on a voluntary basis has been made and failed, and the President finds that failure to obtain preferential acceptance or performance of such contracts or orders would result in delay in, and unreasonable interference with, implementation of the Plan;

(C) with respect to actions authorized by subsection (b) (4), the President finds that essential materials or facilities are in short supply and that allocation of such materials or facilities is essential to avoidance of delay in, and unreasonable interference with, implementation of the Plan; and

(2) the President has accompanied the request to exercise such authority required by subsection (a) with a statement setting forth:

(A) the basis for the need to exercise such authority;

(B) a description—

(i) of the interests in the real or personal property or storage or related facility to be acquired by condemnation;

(ii) of the contract or order, the acceptance or performance of which is to be required on a preferential basis; or

(iii) the material or facility to be allocated.

PURCHASE OF PETROLEUM PRODUCTS FOR STORAGE IN THE RESERVE

SEC. 257. The President shall acquire the petroleum products for the Reserve and the Early Storage Reserve consistent, to the greatest extent practicable, with the following objectives:

(1) minimization of the cost of the Reserve;

(2) orderly development of Naval Petroleum Reserves as may be authorized by law;

(3) minimization of vulnerability to an interruption of petroleum products imports;

(4) minimization of the impact of such acquisition upon supply levels and market forces of petroleum products; and

(5) encouragement of competition in the petroleum industry.

DISPOSAL OF THE RESERVE

SEC. 258. (a) Subject to the provisions of this section, the President may drawdown and distribute the Reserve.

(b) Except as provided in subsection (c), no drawdown and distribution of the Reserve may be made except in accordance with the Disposal Plan transmitted to the Congress pursuant to section 253(b) of this Act.

(c) Prior to transmission of the Disposal Plan to the Congress pursuant to section 253(b) of this Act, drawdown and distribution of the Early Storage Reserve may be made in accordance with the Early Storage Disposal Plan included in the Early Storage Reserve Plan pursuant to section 254(c) and transmitted to the Congress pursuant to section 254(b) of this Act.

(d) The Disposal Plan and the Early Storage Disposal Plan may not be implemented and no drawdown and distribution of the Reserve or the Early Storage Reserve in accordance with the Disposal Plan or the Early Storage Disposal Plan, as the case may be, may be made unless—

(1) the President has found that implementation of the Disposal Plan or the Early Storage Disposal Plan and drawdown and distribution of the Reserve is required by a severe energy supply interruption or by the international energy program;

(2) the President has transmitted such finding and a proposal to drawn down and distribute the Reserve or the Early Storage Reserve to the Congress in accordance with section 751(b) of this Act; and

(3) neither House of Congress has disapproved (or both Houses of Congress has approved) such proposal to draw down and distribute the Reserve or the Early Storage Reserve in accordance with the congressional review procedurals specified in section 751 of this Act.

AUTHORIZATION OF APPROPRIATIONS

SEC. 259. There are authorized to be appropriated:

(1) $10,000,000 for the purpose of carrying out the provisions of sections 253(b), 254(b), and 255(b) of this Act;

(2) $260,000,000 in fiscal year 1976, $650,000,000 in fiscal year 1977, and $1,040,000,000 in fiscal year 1978, for the purchase of petroleum products for storage in the Early Storage Reserve;

(3) $250,000,000 in fiscal year 1976, $10,000,000 in fiscal year 1977, and $10,000,000 in fiscal year 1978, to implement the Early Storage Reserve Plan except with respect to the purchase of petroleum products for storage; and

(4) $200,000,000 in fiscal year 1976, $400,000,000 in fiscal year 1977, and $500,000,000 in fiscal year 1978, to implement the National Civilian Strategic Petroleum Reserve Plan and proposals transmitted to the Congress pursuant to section 255(b) of this Act except with respect to the purchase of petroleum products for storage.

COORDINATION WITH IMPORT QUOTA SYSTEM

SEC. 260. No quantitative restriction as may be imposed by law on imports of petroleum products into the United States shall apply with respect to any quantity of petroleum products imported into the United States during any calendar year for storage in the Reserve or the Early Storage Reserve.

Mr. DINGELL (during the reading). Mr. Chairman, I ask unanimous consent that title II be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Michgan?

There was no objection.

Mr. DINGELL. Mr. Chairman, I have a second unanimous-consent request. We are aware of only a very small number of potential amendments to title II.

Mr. Chairman, I would not ask unanimous consent as to the whole of title II, but I made this unanimous-consent request at this time, that all debate on part A of title II and all amendments thereto terminate in 20 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

Mr. BROWN of Ohio. Mr. Chairman, reserving the right to object, there is an amendment on this side, I think, to part A. I would urge that the gentleman make that time at least a half hour.

Mr. DINGELL. Mr. Chairman, I withdraw my first unananimous-consent request and ask unanimous consent that all debate on part A of title II and all amendments thereto terminate in 30 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

AMENDMENT OFFERED BY MR. CARNEY

Mr. CARNEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CARNEY: Page 179, line 25, after "(c)", insert "(1)".

Page 180, after line 7, insert the following:

(2) In promulgating rules under subsection (a) of this section, the President shall give consideration to the mobility requirements of individuals purchasing gasoline at retail for noncommercial use who—

(A) by reason of a permanent and physically handicapping incapacity or disability are unable (without special facilities, planning, or design) to utilize mass transportation vehicles, facilities, or services;

(B) are required to relocate family and household possessions for essential reasons of health or employment; or

(C) are personnel and dependents of personnel in the Armed Services of the United States traveling on military orders.

Mr. CARNEY. Mr. Chairman, the amendment I am offering states that if it is necessary to establish a gasoline rationing program, the President shall give consideration to the mobility requirements of: First, permanently and physically handicapped persons who are unable to use mass transportation; second, persons who must relocate their families and household possessions for essential reasons of health or employment; and third, U.S. military personnel and their dependents traveling on military orders.

Mr. Chairman, this amendment is offered on behalf of the physically handicapped; on behalf of families who must move a few household goods to get or keep a job, and on behalf of families of military personnel who may be required on short notice to move their personal possessions to another duty station during a time of crisis in our society. Similar language to this amendment was contained in the original emergency energy legislation passed by the House during the 93d Congress. We showed our concern for the exceptional needs of the people on whose behalf I now speak when this House amended and then passed S. 2589, the Energy Emergency Act, on December 14, 1973. We did it again in the late spring of 1974 when the House passed H.R. 13834, the second attempt of the 93d Congress to put together an emergency energy bill that would serve the needs of our country.

The report of House-Senate conferees on the National Energy Emergency Act stated the case for this amendment so well that I see little need for additional comment. The report said:

> The conferees wish to state their intent that in the development of an end-use rationing plan, the President shall give special consideration to the transportation needs of our handicapped Americans. Clearly if the employment, medical, and therapeutic services of physically handicapped citizens are interrupted as a result of lack of trans-

> portation, a hardship for such individuals will be incalculable in its effects. The conferees also recognize that end-use rationing plans should give consideration to the personal transportation needs of American military personnel reassigned to other duty stations and of those persons who are required to relocate for employment purposes.

In addition, the Standby Energy authorities Act, S. 622, passed by the Senate on April 15, 1975, includes provisions on behalf of the handicapped similar to the amendment I now offer. In its report submitting the bill favorably for action by the Senate, the Committee on Interior and Insular Affairs said:

> The members of the committee recognize that plans implemented pursuant to this title should give consideration to the personal transportation needs of American military personnel reassigned to other duty stations and of those persons required to relocate for health or employment purposes.
>
> The President is also directed to give priority consideration to the needs of handicapped and other eligible persons in promulgating regulations pursuant to this section.

Mr. Chairman, I urge my colleagues to affirm the action of the 93d Congress and of the Senate in this, the 94th Congress, by agreeing to this amendment.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. CARNEY. I yield to the gentleman from Michigan.

Mr. DINGELL. Mr. Chairman, the gentleman from Ohio (Mr. CARNEY) is a most valuable and able member of the committee, and I want to commend the gentleman for offering this amendment.

Mr. Chairman, I believe this is the amendment that the gentleman from Ohio and I have discussed prior to this, and it is my feeling—and I feel this quite strongly—that the requirements of section 4(b) of the Emergency Petroleum Allocation Act, which the President must observe in connection with the adoption of a gasoline rationing contingency plan, clearly requires the kinds of actions the gentleman is suggesting with regard to meeting the needs of persons who are in the armed services, and find it necessary to be moved to different parts of the country. As a matter of fact, section 4(b) of that statute is referred to specifically in section 203 of the bill in connection with the initiation of a rationing plan. So I want to commend the gentleman for bringing the question before us. It is helpful. It is my view, I must point out to my good friend, the gentleman from Ohio, that I do not think that the amendment is necessary to accomplish his goals.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. DINGELL and by unanimous consent, Mr. CARNEY was allowed to proceed for 2 additional minutes.)

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. CARNEY. I yield to the gentleman from Michigan.

Mr. DINGELL. I thank the gentleman for yielding.

As the gentleman from Ohio knows, any rationing plan under section 203 of the bill must be "consistent with the attainment, to the maximum extent practicable, with the objectives specified in section 4(b)" of the Allocation Act. These objectives include "protection of public health, safety, and welfare". In order to attain the public health and welfare objective, the President should, in prescribing and implementing rationing plans under this section, give consideration to the personal transportation needs of American military personnel reassigned to other duty stations and of those persons who are required to relocate for health or employment purposes whether it is by van line or hired vehicle or by transportation they may own.

The President would also have to give special consideration, in promulgating regulations pursuant to this section, to the needs of handicapped persons and of their parents and guardians who have the responsibility for transporting them.

I again wish to reiterate that I think that the amendment is not necessary. It does have one regrettable effect, I would point out to my friend, the gentleman from Ohio, and that is that in later construction of the legislation, it might be construed that this imposes a priority on the President to give a priority to the handicapped or travelers above and beyond that which ought to be given say, to fire departments and the police, and similar needs. I am not sure that the gentleman really wants that.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. CARNEY. I yield to the gentleman from Ohio?

Mr. BROWN of Ohio. I thank the gentleman for yielding.

I agree with my chairman on this matter that under the language of 4(b) in the Emergency Petroleum Allocation Act, I think the issue which the gentleman raises is covered. If we get into a rationing situation or a situation of great shortage so that the handicapped and the military and those who are obliged to travel because of public health, safety, and welfare would be covered, certainly any program should take that into consideration.

I do want to underscore the gentleman's comment, however, that I think it would be unwise for this to be placed in the legislation in amendment form, and I would be constrained to object to that. I hope that the gentleman will withdraw his amendment because I think it gives it an emphasis which is unnecessary and undue.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. BROWN of Ohio, and by unanimous consent, Mr. CARNEY was allowed to proceed for 2 additional minutes.)

Mr. BROWN of Ohio. Mr. Chairman, if the gentleman will yield further, I support the purposes of the gentleman's offering the amendment but hope we can deal with it either in court language stated in the bill or under some other circumstances themselves.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. CARNEY. I yield to the gentleman from Michigan.

Mr. DINGELL. I thank the gentleman for yielding.

Mr. Chairman, I believe we have established rather clear legislative history here, and it is hoped that this colloquy will enable the gentleman from Ohio to ask unanimous consent that the amendment be withdrawn.

Mr. SISK. Mr. Chairman, will the gentleman yield?

Mr. CARNEY. I yield to the gentleman from California.

Mr. SISK. I thank the gentleman for yielding.

Mr. Chairman, I very strongly support the position taken by my colleague, the gentleman from Ohio. I have talked to our distinguished friend, the gentleman from Michigan, on this matter at length. I discussed it with him even at the time before the Committee on Rules, and as I now understand, the gentleman from Michigan has assured us beyond any question that there is sufficient authority granted to do these various things in connection with the proposed law and legislation; is that correct?

Mr. DINGELL. If the gentleman from Ohio would permit, the answer to that question is emphatically "Yes."

Mr. SISK. If the gentleman will yield further, with that in mind, I would be inclined to agree with the committee that it might be well if the gentleman saw fit to withdraw his amendment. I am fully in support of the gentleman's position. With the thorough establishment of the gentleman's position, I would be inclined to bow to the desires of the committee, since it seems to me that the record is clear now that this would be done. I appreciate the gentleman's yielding. I am thoroughly in support of what he seeks to do.

Mr. CARNEY. I thank the gentleman. I will take the advice of the subcommittee chairman handling the bill, and the distinguished ranking minority member, and the advice of the gentleman from California.

Mr. Chairman, I ask unanimous consent to withdraw my amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

AMENDMENTS OFFERED BY MR. HORTON

Mr. HORTON. Mr. Chairman, I offer amendments.

The Clerk read as follows:

> Amendments offered by Mr. HORTON: Page 175, lines 3 and 4, delete words "been approved by a resolution by each" and insert in lieu thereof "not been disapproved by a resolution of either".
>
> Page 175, line 7, delete the words "after approval of such contingency plan" and insert in lieu thereof "thereafter".

Mr. HORTON. Mr. Chairman, I also offer another amendment which is to page 352, which is a conforming amendment. I ask unanimous consent that the amendments be considered en bloc.

The Clerk read as follows:

Amendments offered by Mr. Horton: Page 352, strike lines 13 and 14, and insert in lieu thereof "neither House of Congress has passed a resolution of disapproval described in section 751(f)(2)."

Page 353, strike lines 11 through 19 and renumber the following sections accordingly.

The CHAIRMAN. Is there objection to the request of the gentleman from New York to consider the amendments en bloc?

There was no objection.

Mr. HORTON. Mr. Chairman, the amendment which I offer to H.R. 7014, while simple in its structure, will correct one of the major problems in this bill by providing to the President the flexibility necessary to deal with another oil embargo or other emergency situation where Americans face severe shortages in the supply of petroleum.

Part A of title II of this bill supposedly grants to the President certain standby energy authorities to be used in the case of an energy supply interruption. One of those authorities, as provided in section 201, is the Presidential implementation of energy conservation contingency plans and gasoline rationing contingency plans. Each of these plans would be required to be submitted to the Congress before its use to allow review of planned energy reduction or rationing measures.

Under section 201, however, each House of Congress must affirmatively approve within 60 days of its submission any contingency or standby rationing plan proposed by the President in order for that plan to be available during an emergency. Even after that approval, upon the occurrence of an energy emergency, before the plan could be used, the President still would have to submit it for a 15-day either House disapproval, or make certain findings as to its use.

Mr. Chairman, this part of H.R. 7104 is supposed to provide standby authorities to deal with emergency situations, yet we tie the President's hands at every turn. I recognize and support the Congress interest in the development and implementation of plans which may drastically affect American life, but now that we are close to having a standby authorities bill, we must not delay for even more months developing the plans to cope with an energy emergency.

Under my amendment, the President would still be required to submit contingency and rationing plans to Congress. The only difference would be that instead of requiring affirmative approval by both Houses within 60 days, plans would be considered approved if neither House disapproved within 60 days of submission. Thus, the burden would be upon us to take action, rather than the present situation in the bill which says if we do not take action, there are no available contingency plans to meet an emergency.

Unless my amendment is adopted, we will not be giving any standby authority to the President, we will be merely inviting him to submit legislation to the Congress. Every time a plan is sent up, we would see both Houses of Congress debating the plans for 60 days and approving none until it is too late. On the other hand, under my amendment, these plans would be available to the President unless disapproved by either House and could be put into effect unless disapproved by either House.

This amendment would structure the submission and implementations of contingency plans similar to that of reorganization plans submitted by the President, a practice with which I am familiar from my years of experience on the Government Operations Committee. Reorganization plans become law unless disapproved, and that system has continued to work without problem. Similarly, my amendment would provide a better system for the development and approval of emergency plans designed to reduce energy demand and to ration gasoline during a severe energy supply interruption.

Mr. DINGELL. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I am sure the gentleman from New York has sought with some care to perfect the bill. There are, however, a number of problems with the amendment that my colleague, the gentleman from New York, ought to recognize. The first is that substantively this makes a very significant change in the bill. The bill as presented to the House requires a two-step approval procedure with regard to contingency plans to be submitted by the President to the Congress in connection with emergency powers to be exercised during energy crises.

The first step is a submission by the President. Under the bill this must be affirmatively approved by both Houses. Subsequently, when the President finds that an interruption in energy supplies has occurred, he must propose to implement the contingency plan and that proposal must be submitted to Congress for 15-day congressional review.

The amendment significantly changes this procedure by requiring that the plan may be implemented if Congress has not disapproved.

Now, there are some technical defects in the amendment which must be addressed. The first defect is that in no event could the Congress approve the action of the President prior to 60 days, so any contingency plan submitted by the President would have to wait under this amendment for a period of 60 days. This is obviously a very grave procedural defect.

The second problem that exists with regard to the amndement is that it does not relate the actions of the President in submitting under subsection 2 to the action of the President under subsection 3. In other words, it makes the second approval automatic.

Now, I am not sure whether the gentleman wished that or not; but, in any event, there is sufficient ambiguity concerning this point that the probabilities are that any action that the President took would be subject to contest in the courts that would raise very serious doubts about the power of the President to meet energy crises.

Last of all, the amendment raises grave doubts with regard to the provision at the bottom of page 175 in line 20 relating to the 7-percent shortfall in energy supplies under which the President could act without submitting a proposal to congressional disapproval.

This would have a serious adverse effect upon the ability of the United States to carry out our responsibilities under international energy agreements.

Now, while the goals and the purposes of the gentleman are laudable, even though I disagree with him on the goals set forth, the technical problems that are raised by the amendment and the wholly unintended consequences of the amendment make it necessary that the amendment should be rejected, at least so that it might be perfected by redrafting.

Mr. HORTON. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. Yes; I yield to the gentleman from New York.

Mr. HORTON. Mr. Chairman, what I am trying to do here is make it possible so that we do not have to have both Houses act upon the plan that the President submits.

Mr. DINGELL. Mr. Chairman, if the gentleman would permit, I am aware of the goal of the gentleman. I am sure it is an honorable one. I happen to disagree with the gentleman.

The problem offered by the amendment of the gentleman, is that it has wholly unintended consequences. First, I might state, it requires that the action of Congress in approving and the implementation of a contingency plan wait 60 days. The gentleman does not want that, I am sure.

Second, it does away with the second approval step required in the bill.

Third, it raises doubts regarding the President's ability to act where there is a 7-percent shortfall and we are compelled by international agreement to take certain actions. The gentleman, I am sure, knows these are the consequences of the amendment as drafted.

Mr. HORTON. Mr. Chairman, will the gentleman yield further?

Mr. DINGELL. I yield to the gentleman from New York.

Mr. HORTON. Mr. Chairman, the amendment does not touch the second part, that is, the implementation phase. That is not affected by this amendment. All this has to do is to deal with the problem of presenting a plan so that the President can present the plan and have it go into effect, unless it is disapproved.

As it is set up in the bill, both Houses have to approve it before it can be put into effect.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

(By unanimous consent Mr. Dingell was allowed to proceed for 2 additional minutes.)

Mr. DINGELL. I am sure the gentleman, in offering this amendment, has done his best in his way, but the problem is that the gentleman is dealing with an immensely technical section of the bill which ties into at least two or three other sections of the bill, including one section in which the gentleman has obtained unanimous consent to make conforming changes. Unfortunately, the consequences of the amendment as drafted are as I have outlined. For that reason, apart from the policy differences which I have with the gentleman, the amendment must be rejected.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. Mr. Chairman, I tend to disagree with my chairman with reference to his comment on the amendment on page 175, line 7, as the impact which he describes, because that falls in the same sentence that the gentleman from New York has amended earlier to merely put in the word "thereafter" so as to cover the prospect of either a formal approval or no disapproval, which would in effect let the plan be put into effect, and then the "thereafter" applies to either one of those two possibilities and goes on and discusses the rest of the possibilities of the enactment or the implementation of the plan.

Mr. DINGELL. If the gentleman from Ohio would permit, this is an amendment which is susceptible to several readings, and any amendment susceptible to different readings is very, very liable to cause litigation.

There is an additional problem, and that is that "thereafter" does not make it clear whether the President may implement a contingency plan, whether the Congress has acted or not.

Mr. BROWN of Ohio. Mr. Chairman, I move to strike the last word.

Mr. Chairman, my interpretation of the amendment of the gentleman from New York—and I would concede that there is a possibility of a question here which I think has adequately been cleared up by the statement of the gentleman from New York and can be cleared up by the discussion on the floor—is that what he had in mind is the avoidance of a situation wherein the President submits a plan which will be considered by this body for 60 days, but not acted on, and therefore will die by the inaction of the Congress.

Now, it seems to me that if any situation in which we find ourselves or may find ourselves merits the submission of a plan by the President of the United States for dealing with that situation, the Congress ought not to be allowed to veto that plan by inaction. Of course, the reason we should not be allowed to veto a plan by inaction is because inaction is one of the most active things we do around here. We just simply consider and ponder and debate and argue and come to the different philosophical positions and conclusions that we wish and end up not getting things done. In fact, this whole matter of the energy legislation is probably the prime case in point.

So, I would rather not see the President admonished in this legislation to present plans to deal with an emergency situation, and then have those plans come to Congress and languish for 60 days without action, that being the equivalent of a veto, and have him start over. It would occur to me that it would be much better if the Congress were under a whip to disapprove the plan, if it so desired, so that the plan would at least get the attention of the Congress.

If they are actively in disapproval of it, the President should properly be obliged to submit another plan. But if, in fact, the Congress just simply does not get around to approving the plan, or has no strong opinion one way or the other, it seems to me that is a very bad reason for the plan to die. That is what the gentleman from New York is trying to correct. For that reason, I am constrained to support his amendment.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Ohio. I will yield to the gentleman.

Mr. DINGELL. I thank the gentleman for yielding. The problem I have is with the word "thereafter." The question is "After what?" In the light of the amendment, may the President go ahead and implement the program even after the plan is disapproved? I am not clear. That may be one of the consequences of the amendment. One of the other consequences of the amendment, as I read it, is that it effectively prevents the President from doing anything under the plan until the end of 60 days. This is the problem I have with the amendment.

Mr. BROWN of Ohio. May I direct the attention of the gentleman from Michigan to what, in effect, is the beginning of the sentence? The sentence begins on page 174, line 23(b), and it reads as follows:

> Except as otherwise provided in subsection (c) or (d), no contingency plan may become effective, unless—
>
> (1) the President has transmitted to the Congress in accordance with section 752(a) of this Act such contingency plan, which transmittal shall include a written justification and substantiation for such plan;

I think we have a couple of "and's" missing from our text here.

> . . . and
>
> (2) such contingency plan has been approved by a resolution by each House of Congress in accordance with the congressional review procedures specified in section 752 of this Act; and
>
> (3) thereafter approval of such contingency plan—
>
> (A) the President—

And so forth.

In other words, the "thereafter" follows the meeting of two previous requirements.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. BROWN of Ohio was allowed to proceed for 3 additional minutes.)

Mr. DINGELL. If the gentleman will yield, I would simply like to point out, Mr. Chairman, the gentleman is doing a fine job of creating legislative history, but legislative history as to the intent of the draftsman is very, very fine, but it does not change the word "disapproval" to "approval," or the word "approval" to "disapproval," nor does it obviate the difficulty to which we are addressing ourselves at the present time.

Mr. BROYHILL. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman.

Mr. BROYHILL. I thank the gentleman for yielding. If the gentleman will look further down on the page there, it says, thereafter:

> (A) the President—
>
> (i) has found that putting such contingency plan into effect is required by a severe energy supply interruption, and
>
> (ii) has transmitted to the Congress in accordance with section 751(b) of this Act a request to put such plan into effect;

Which is the second disapproval procedure we have outlined in title II.

So I agree with the gentleman from Ohio the only effect and the intention of the gentleman from New York is to amend this section so as to make sure that any contingency of the emergency plan of the President is put on a standby, otherwise it is going to come up here and nothing is going to happen, just as nothing has happened in the area of energy legislation which has been pending now for 2 years.

Mr. BROWN of Ohio. Let me read further, if I may, on line 19:

> (c)(1) Notwithstanding subsection (b)(3), during any 7 percent shortfall period, the President may put into effect a contingency plan which has been approved—

And it seems to me the words "which has been approved" would refer to the prospect that the plan either has been actively approved by the Congress or what we might call passively approved by the Congress.

That is, that the Congress by its inaction has approved the plan in accordance with the language which the gentleman has inserted on line 3 above.

So it occurs to me that the inobscurity in this language has been corrected not only by this discussion, but also by the language of the amendment.

Mr. WIRTH. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Colorado.

Mr. WIRTH. Mr. Chairman, my reaction would be that any obscurity in the language here has been thoroughly increased by this amendment. The gentleman from Ohio (Mr. BROWN) will remember that in the discussion in the subcommittee we very carefully worked out the responsibilities, and the point was made that we should work out the responsibilities of the Congress and the executive branch at the time of an emergency.

We had a very strong and lengthy discussion about this. It was agreed that the Congress would have to disapprove, but it would have a very short time to do that, and that was provided so that Congress could not just malinger. That was the concern of the gentleman from Ohio.

It seems to me that this language makes it very possible for there to be a 60-day delay, which is exactly what we tried to avoid in drafting this language in the subcommittee.

The CHAIRMAN. The time of the gentleman from Ohio (Mr. BROWN) has expired.

(By unanimous consent, Mr. Brown of Ohio was allowed to proceed for 1 additional minute.)

Mr. HORTON. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from New York.

Mr. HORTON. Mr. Chairman, there is no change with regard to the second submission in 15 days. The only purpose of this amendment is to take the requirement that both Houses approve within 60 days and change that so that the plan is submitted, and if it is not disapproved within 60 days, then it is in effect.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Michigan.

Mr. DINGELL. Mr. Chairman, I will just point out that a lot of the problems that we have at this point are of a technical character, and they can be cured if a perfecting amendment can be voted on. That can be offered at a later time. I suggest that if the amendment is withdrawn, then we can proceed to the consideration of an amendment to section 752 and address ourselves solely to the procedural questions.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman assure me and may I be assured by the Chair, if I may have the attention of the gentleman from New York (Mr. Horton), that if the gentleman's real concern is that of the technical drafting of the legislation, our rights in the offering of this amendment will be protected?

Mr. DINGELL. Mr. Chairman, if the gentleman will yield, I will state that I am not in sympathy with the purposes of the amendment, but I do find that there are substantial technical difficulties with the amendment, and I point out that it would be more timely if it were considered in title VII.

Mr. BROWN of Ohio. Mr. Chairman, I thank the gentleman.

Mr. DINGELL. Mr. Chairman, I ask unanimous consent that the amendment offered by the gentleman from New York (Mr. Horton) be withdrawn so that the gentleman can offer it later.

Mr. BROWN of Ohio. Mr. Chairman, I object.

The CHAIRMAN. The Chair will state that the unanimous-consent request is not in order. Only the proponent, the gentleman from New York (Mr. Horton), can initiate that unanimous-consent request.

Mr. DINGELL. I thank the Chairman.

The CHAIRMAN. The question is on the amendments offered by the gentleman from New York (Mr. Horton).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. HORTON. Mr. Chairman, on that I demand a division.

The CHAIRMAN. The gentleman from New York (Mr. Horton) has demanded a division on his amendments.

Mr. HORTON. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present. The call will be taken by electronic device.

The Chair will put the question on the amendments de novo after the conclusion of the quorum call.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 408]

Andrews, N.C.
Archer
Bell
Bolling
Bowen
Breaux
Breckinridge
Brinkley
Broomfield
Brown, Mich.
Buchanan
Burton, John
Cederberg
Chappell
Conyers
Coughlin
Dent
Dickinson
Diggs
Drinan
Eshleman
Fenwick
Fish
Forsythe
Goodling
Hagedorn
Hansen
Harsha
Hawkins
Hébert
Heckler, Mass.
Helstoski
Jarman
Jeffords
Jenrette
Jones, N.C.
Latta
Leggett
Lujan
Macdonald
Mann
Matsunaga
Melcher
Mills
Mink
Moakley
Moorhead, Pa.
Murphy, N.Y.
O'Hara
Patman, Tex.
Rees
Reuss
Rhodes
Riegle
Roberts
Rose
Rousselot
Ryan
Scheuer
Schneebeli
Sebelius
Sikes
Sisk
Stanton, James V.
Steed
Steiger, Wis.
Symms
Talcott
Teague
Udall
Ullman
Wampler
Wiggins
Wilson, Bob
Wilson, C. H.
Winn

Accordingly the Committee rose; and the Speaker having resumed the chair (Mr. Bolling), Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H.R. 7014, and finding itself without a quorum, he had directed the Members to record their presence by electronic device, whereupon 358 Members recorded their presence, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

The CHAIRMAN. The question is on the amendments offered by the gentleman from New York (Mr. Horton).

RECORDED VOTE

Mr. HORTON. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 155, noes 231, not voting 48, as follows:

[Roll No. 409]

AYES—155

Abdnor
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Ashbrook
Bafalis
Bauman
Beard, Tenn.
Biester
Brinkley
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Fla.
Burleson, Tex.
Butler
Byron
Carter
Casey
Cederberg
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Cohen
Collins, Tex.
Conable
Conlan
Conte
Coughlin
Crane
Daniel, Dan
Daniel, R. W.
Derwinski
Devine
Downing, Va.
Duncan, Tenn.
du Pont
Edwards, Ala.
Emery
English
Erlenborn
Esch
Fascell
Findley
Fish
Flynt
Foley
Fountain
Frenzel
Frey
Fuqua
Gilman
Goldwater
Goodling
Gradison
Grassley
Gude
Guyer
Haley
Hammerschmidt
Hastings
Heckler, Mass.
Heinz
Hightower
Hillis
Hinshaw
Holt
Horton
Hungate
Hutchinson
Hyde
Jacobs
Jarman
Johnson, Colo.
Johnson, Pa.
Jones, Okla.
Kasten
Kelly
Kemp
Ketchum
Keys
Kindness
LaFalce
Lagomarsino
Landrum
Lent
Long, La.
Lott
McClory
McCloskey
McCollister
McDade
McDonald
McEwen
McKinney
Madigan
Mann
Martin
Mathis
Michel
Miller, Ohio
Mitchell, N.Y.
Moore
Moorhead, Calif.
Mosher
Mottl
Myers, Ind.
Myers, Pa.
O'Brien
Pepper
Pettis
Peyser
Pike
Poage
Pressler
Pritchard
Quie
Quillen
Railsback
Regula
Rinaldo
Robinson
Runnels
Ruppe
Sarasin
Satterfield
Schulze
Sebelius
Shipley
Shriver
Shuster
Skubitz
Smith, Nebr.
Snyder
Spence
Stanton, J. William
Steiger, Ariz.
Symington
Taylor, Mo.
Taylor, N.C.
Thone
Thornton
Treen
Vander Jagt
Waggonner
Walsh
Whitehurst
Wydler
Wylie
Young, Alaska
Young, Fla.

NOES—231

Abzug
Adams
Addabbo
Alexander
Ambro
Anderson, Calif.
Annunzio
Ashley
Aspin
AuCoin
Badillo
Baldus
Barrett
Baucus
Beard, R.I.
Bedell
Bennett
Bergland
Bevill
Biaggi
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Brademas
Brodhead
Brooks
Brown, Calif.
Burke, Calif.
Burke, Mass.
Burlison, Mo.
Burton, John
Burton, Phillip
Carney
Carr
Chappell
Chisholm
Clay
Collins, Ill.
Corman
Cornell
Cotter
D'Amours
Daniels, N.J.
Danielson
Davis
de la Garza
Delaney
Dellums
Derrick
Dingell
Dodd
Downey, N.Y.
Drinan
Duncan, Oreg.
Early
Eckhardt
Edgar
Edwards, Calif.
Eilberg
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fary
Fisher
Fithian
Flood
Florio
Flowers
Ford, Mich.
Ford, Tenn.
Fraser
Fulton
Gaydos
Giaimo
Gibbons
Ginn
Gonzalez
Green
Hall
Hamilton
Hanley
Hannaford
Harkin
Harrington
Harris
Harsha
Hawkins
Hayes, Ind.
Hays, Ohio
Hechler, W. Va.
Hefner
Hicks
Holland
Holtzman
Howard
Howe
Hubbard
Hughes
Ichord
Johnson, Calif.
Jones, Ala.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kazen
Koch
Krebs
Krueger
Leggett
Lehman
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, Md.
McCormack
McFall
McHugh
McKay
Madden
Maguire
Mahon
Mazzoli
Meeds
Metcalfe
Meyner
Mezvinsky
Mikva
Milford
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Mollohan
Montgomery
Moorhead, Pa.
Morgan
Moss
Murphy, Ill.
Murtha
Natcher
Neal
Nedzi
Nichols
Nix
Nowak
Oberstar
Obey
O'Neill
Ottinger
Passman
Patman, Tex.
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Perkins
Pickle
Preyer
Price
Randall
Rangel
Rees
Reuss
Richmond
Riegle
Risenhoover
Rodino
Roe
Rogers
Roncalio
Rooney
Rosenthal
Rostenkowski
Roush
Roybal
Russo
Ryan
St Germain
Santini
Sarbanes
Scheuer
Schroeder
Seiberling
Sharp
Simon
Sisk
Slack
Smith, Iowa
Solarz
Spellman
Staggers
Stanton, James V.
Stark
Steelman
Stephens
Stokes
Stratton
Stuckey
Studds
Sullivan
Thompson
Traxler
Tsongas
Ullman
Van Deerlin
Vander Veen
Vanik
Vigorito
Waxman
Weaver
Whalen
White
Whitten
Wilson, C. H.
Wilson, Tex.
Wirth
Wolff
Wright
Yates
Yatron
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NOT VOTING—48

Archer
Armstrong
Bell
Bowen
Breaux
Breckinridge
Broomfield
Conyers
Dent
Dickinson
Diggs
Eshleman

Fenwick
Forsythe
Hagedorn
Hansen
Hébert
Helstoski
Henderson
Jeffords
Jenrette
Jones, N.C.
Latta
Lujan
Macdonald
Matsunaga
Melcher
Mills
Mink
Murphy, N.Y.
Nolan
O'Hara
Rhodes
Roberts
Rose
Rousselot
Schneebeli
Sikes
Steed
Steiger, Wis.
Symms
Talcott
Teague
Udall
Wampler
Wiggins
Wilson, Bob
Winn

So the amendments were rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Hébert for, with Mr. Dent against.

Mr. Breaux for, with Mr. Diggs against.

Mr. Henderson for, with Mr. Macdonald of Massachusetts against.

Mr. Jones of North Carolina for, with Mr. Murphy of New York against.

Mr. Roberts for, with Mr. Matsunaga against.

Mr. Sikes for, with Mrs. Mink against.

Mr. Teague for, with Mr. Helstoski against,

Mr. Steed for, with Mr. Conyers against.

Mr. Steiger of Wisconsin for, with Mr. Bowen against.

Mr. Forsythe for, with Mr. Jenrette against.

Mr. Rousselot for, with Mr. Melcher against.

Mr. Hansen for, with Mr. Mills against.

Mr. Broomfield for, with Mr. O'Hara against.

Mr. Symms for, with Mr. Breckinridge against.

The result of the vote was announced as above recorded.

Mr. HOWARD. Mr. Chairman, I move to strike the last word.

Mr. Chairman, this bill contains provisions in section 411 that impose certain study and reporting requirements upon regulatory agencies subject to the jurisdiction of the House Committee on Public Works and Transportation. Because of the importance of this bill and need for prompt action and because there are no serious objections to the enactment of section 411, the Committee on Public Works and Transportation did not request a referral. This action, however, should not be construed as waiving any of the committee's jurisdiction over those agencies; nor should it impair our right to request a referral on future bills affecting those agencies.

Mr. MAGUIRE. Mr. Chairman, I move to strike the last word.

A RESPONSIBILE ENERGY POLICY

Mr. Chairman, we are all agreed that it is critical for this country to reduce wasteful consumption of energy. The President feels that continually raising prices to consumers is an ideal way to reduce demand, and apparently he is determined to raise them right out of the reach of millions of Americans. For its part, Congress has expressly rejected this high-price strategy whether in the form of indiscriminate tariffs and uncontrolled prices as proposed by the President, or in the form of the gas taxes contained in H.R. 6860, the Ways and Means energy bill.

FORD PROGRAM UNFAIR

What we have instead of a gas tax is a comprehensive energy proposal which coherently links responsible pricing and incentives for production with tough energy conservation measures. This bill is a viable and effective alternative to the administration's policy of seeking illusory conservation through raising the price of energy. The Commerce Committee rejected this oversimplistic approach in favor of a program where all sectors of the economy will bear their fair share of the burden.

Yet, we are urged by some to accept variations of the President's plan to allocate by skyrocketing prices alone—but these are variations of forms and presentation, not of substance. What the President calls compromise constitutes an attempt to involve the Congress in an unprecedented assault on our economy. Whatever the President's stated goals, this would be the effect of his policy. He has adhered to his hands-off attitude toward the major oil companies and he has steadfastly refused to accept any legislative approach that does not include a deregulation of all oil prices.

He has sent to the Congress an energy program which is indiscriminate and ill-conceived. Under it, the burden of fighting our country's energy battle would be put right back on consumers by allowing the price of all petroleum products to rise. I believe that such action will result in unacceptable price increases to consumers and that there is very little, if any, evidence to indicate that conservation targets would be achieved or that appreciable increased domestic production would be forthcoming.

The Energy and Power Subcommittee, of which I am a member, has worked diligently for months on this bill. It is a comprehensive and responsible bill. We now have an opportunity to set aside the Administration's ill-advised approach, which would be disastrous for the economy, and to adopt meaningful conservation measures for all sectors of the economy—not just higher prices for consumers.

H.R. 7014, the Energy Conservation and Oil Policy Act of 1975, provides a comprehensive approach to energy policy that, if enacted, would distribute fairly the burdens of energy conservation, provide adequate production incentives for the oil industry, and afford protection to consumers and the economy from the devastating impact of ever-increasing energy costs. In rejecting both the President's program and higher gas taxes, the Congress has made clear its opposition to higher prices as a principal mean of inducing conservation. H.R. 7014 embodies a clear and effective alternative policy.

TOUGH CONSERVATION PROVISION

While everyone agrees that we must conserve our energy resources, there are much fairer and surer ways to induce conservation than to make consumers pay more for everything that requires petroleum, including those things they cannot cut back on: food, clothing, fuel to heat their homes, and gasoline to get to work.

Accordingly, the committee adopted a series of measures designed to equitably limit our consumption of energy. Recognizing that gasoline, which accounts for some 40 percent of our petroleum use, is an area in which we can cut back substantially, the bill provides for a gasoline allocation savings program. Such a program avoids the inequities of higher taxes and the inefficiencies of coupon rationing, while enabling us to take into account regional disparities and the availability of mass transit. This is a tried and perfected system which utilizes existing governmental structures, personnel, and data and which would coordinate well with the import quotas passed by the Congress in H.R. 6860.

For the longer term, and with varying degrees of compulsion, H.R. 7014 provides energy efficiency targets for automobiles, appliances, transportation, and major industry. In this way, the committee has guaranteed that all sectors of the economy would share the burdens of reasonable conservation programs.

FREEDOM FROM OPEC PRICE HIKES

The committee would have been remiss in its obligations to consumers and the economy if it had restricted itself to conservation legislation without taking some action with respect to energy prices. The price of our oil has followed the OPEC price precipitously upward. The prices of our coal, unregulated natural gas, uranium, and geothermal resources have also gone up dramatically. Now the oil companies—which are buying up coal and uranium reserves—are talking about equivalent-Btu pricing. This would mean that our domestic energy supplies would be priced on the basis of their energy equivalency to the highest priced oil—regardless of cost. The committee recognized the effects of continuing to allow a group of foreign governments to set the price for our energy. According to the Library of Congress, the yearly cost to the American public of permitting the type of energy "market" the President advocates would be in excess of $36 billion. Neither our individual consumers nor our economy can withstand that kind of impact.

In energy, the free market forces that form the basis of our competitive economic system are severely distorted by the influence of OPEC pricing, the oligopolistic structure of the industry, and our substantial inelasticity of demand. It is necessary for the Government to protect our society from the devastating impact of ever-increasing energy prices, until we can develop alternative energy sources and restore competition to the energy market.

Accordingly, the pricing section of the bill stabilized the price of new oil at a reasonable, cost-related level which affords adequate profits and promotes maximum feasible production. An inflation factor is included to offset a possible increase in production costs. The section phases out old oil—priced at $5.25 per barrel—in about 5 years, as production from old fields declines. As a further step toward reducing the influence of the OPEC cartel, the bill allows the President to require all oil imports to be made through the U.S. Government by sealed, competitive bids. Such a mechanism has a two-fold advantage. First, it puts pressure on members of the cartel to undercut each other's prices. Second, it would help to eliminate supplier abuses involving certification of domestic oil as imported oil.

Acknowledging that most of our remaining domestic fossil fuel resources lie beneath public lands, the committee affirmed the right of the President to require maximum production from federally leased properties. This authority, combined with the authorities to allocate production equipment and materials, and to prohibit its export, would contribute greatly to a prevention of intentional production delays aimed at forcing higher prices and fewer Government controls. These provisions would have the effect of ensuring maximum feasible domestic production without affording the oil companies costly and unreasonable prices.

ACCURATE DATA ESSENTIAL

Finally, the committee recognized that the greatest impediment to sound Government energy policymaking is its dependence on industry association aggregate figures. These are the figures upon which critical, long-range programs are based, and which are vital components in the formulation of leasing and pricing regulations. The oil companies have steadfastly refused to provide any detailed documentation for their reserves estimates, yet these are the estimates upon which they base their demands for higher prices. The companies raise claims of confidentiality, yet they have consistently engaged in joint ventures, and they continue to be represented at roundtable industry meetings which produce those reserves estimates. The provision of the bill which requires a GAO audit of the major oil companies would go a long way toward establishing the true profit and production situation of the industry upon which we depend for our energy.

The American people have always demonstrated their willingness to sacrifice in times of legitimate national need. Surely we must do something to conserve our energy supplies and diversify our dependence on them. However, I believe that the way to respond to this crisis is with tough, but fair, conservation measures for everybody—not just high prices for consumers. H.R. 7014 provides the framework for such an equitable approach, yet it protects consumers and provides fair and adequate prices for the oil companies. The President's policies are misguided, callous, and unfair, and until this administration takes firm and farsighted steps to help make America's energy consumption more efficient, I anticipate that Congress will oppose any attempts to make energy four times more expensive than it was 2 years ago.

The CHAIRMAN. No time remains on part A of title II.

PARLIAMENTARY INQUIRY

Mr. DINGELL. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. DINGELL. Mr. Chairman, as I recall, my first unanimous-consent request was that in its entirety title II be considered as read, and open to amendment at any point. Am I correct?

The CHAIRMAN. The gentleman is correct.

Mr. DINGELL. And part B of title II is now open?

The CHAIRMAN. The gentleman is correct.

Are there amendments to part B of title II? There being none, the Clerk will read.

The Clerk read as follows:

TITLE III—OIL PRICING POLICY AND MEASURES TO MAXIMIZE AVAILABILITY OF ENERGY SUPPLIES

OIL PRICING POLICY

SEC. 301. (a) The Emergency Petroleum Allocation Act of 1973 is amended by adding at the end thereof the following new section:

"CRUDE OIL PRICE REGULATION

"SEC. 8. (a) For the purposes of this section:

"(1) The term 'crude oil' means a mixture of hydrocarbons that existed in liquid phase in underground reservoirs and remains liquid at atmospheric pressure after passing through surface separating facilities, and lease condensate which is a natural gas liquid recovered in associated production by lease separators.

"(2) The term 'domstic crude oil' means crude oil produced in the United States.

"(3) The term 'producer' means a person who produces crude oil or any person who owns crude oil when it is produced.

"(4) The term 'property' means the right to produce domestic crude oil which arises from a lease or from a fee interest.

"(5) The term 'base period control volume' means—

"(A) the total number of barrels of domestic crude oil produced and sold from a property in the months of May through December 1972; divided by—

"(B) the number of months in which domestic crude oil was produced and sold during the months of May through December 1972 (excluding any month in which there occurred any shutdown in production from the property).

"(6) The term 'decline adjustment factor' means 1 per centum of the base period control volume of a property multiplied by the number of months for which there occurred production and sales of crude oil from such property beginning with May 1972, and ending with the current month of production.

"(7) The term 'adjusted base period control volume' means the base period control volume less the decline adjustment factor.

"(8) The term 'monthly production variance factor' means the current cumulative deficiency in base production control level crude petroleum, as defined in section 212.72 of title 10 of the Code of Federal Regulations (as in effect on April 30, 1975), for a property on the effective date of this section, plus the total number of barrels by which production and sales of crude oil after the effective date of this section has been less than the adjusted base period control volume for all months in which production and sale of domestic crude oil has been less than the adjusted base period control volume subsequent to the first month after the effective date of this section in which production and sale of domestic crude oil exceeded the adjusted base period control volume, minus the total number of barrels of domestic crude oil produced and sold in each prior month after the effective date of this section and prior to the current month of production which was in excess of the adjusted base period control volume for that month, but was not sold for a price in excess of the ceiling price established pursuant to subsection (c) of this section for sales made after the effective date of this section.

"(9) The term 'production volume subject to ceiling price' means the adjusted base period control volume plus the monthly production variance factor.

"(10) the term 'stripper well lease' means a property whose average daily production of domestic crude oil and production condensates including natural gas liquids, per well did not exceed 10 barrrels per day during the preceding calendar year.

"(11) The term 'tertiary recovery techniques' means techniques which employ fluid, heat, or inert gas injection methods including miscible fluid displacement, microemulsion flooding, in situ combustion, cyclic steam injection, steam flooding, carbon dioxide injection, polymer flooding, caustic injection, and other chemical flooding designed to produce production in excess of that attributable to natural or artificially induced water or natural gas displacement.

"(12) The term 'inflation adjustment factor' means an amount which equals—

"(A) in the case of subsection (c)(2) and subsection (c)(3)(A)—

"(i) during the 45-month period commencing with the first full month after the date of enactment of this section, zero; and

"(ii) after such 45-month period, (I) in the case of subsection (c)(2) two-thirds of 1 percent (rounded to the nearest whole cent) of the ceiling price established by subsection (c)(2) (without addition of an inflation adjustment factor), compounded, for each month occurring after such 45-month period, up to and including the current month of crude production; and (II) in the case of subsection (c)(3)(A), two-thirds of 1 percent (rounded to the nearest whole cent), of the ceiling price established by subsection (c)(3)(A) (without addition of an inflation adjustment factor), compounded, for each month occurring after such 45-month period, up to and including the current month of crude production.

"(B) in the case of subsections (c)(3)(B), (c)(3)(C), and (c)(4)—

"(i) during the 64-month period commencing with the first full month after the date of enactment of this section, zero; and

"(ii) after such 64-month period, two-thirds of 1 percent (rounded to the nearest whole cent), of the respective ceiling price established pursuant to subsection (c)(3)(B) or (c)(3)(C), or subsection (c)(4) (without addition of an inflation adjustment factor), compounded, for each month occurring after such 64-month period up to and including the current month of production.

"(13) The field price on a particular date for a particular grade of crude oil in a field is the highest posted price at 6 o'clock antemeridian, local time, on such date for such grade of crude oil at such field; or if there was no such posted price for such grade of crude oil at that field, the related price for such grade of crude oil which is most similar in kind and quality of the nearest field for which prices were posted at such time and date.

"(b) No producer may charge a price which is higher than the ceiling price established under subsection (c) for the first sale of domestic crude oil.

"(c) The ceiling price for the first sale of a particular grade of domestic crude oil shall be—

"(1) except as provided in paragraph (4), in the case of sales from a property (other than sales from a stripper well lease) in a month in volume amounts equal to or less than the production volume subject to ceiling price, the sum of (A) the field price on May 15, 1973; and (B) a maximum of $1.35 per barrel;

"(2) except as provided in paragraph (4), in the case of sales from a property (other than sales from a stripper well lease), from which domestic crude oil was produced and sold in one or more of the months of May through December 1972, in a month in volume amounts greater than the production volume subject to ceiling price but less than the base period control volume, the sum of (A) the field price on May 15, 1973; and (B) $3.60 per barrel, plus an inflation adjustment factor;

"(3) commencing with the third full month after the date of enactment of this section, in the case of sales from any stripper well lease or in the case of sales of domestic crude oil to which paragraph (1), (2), or (4) does not apply—

"(A) except as provided in subparagraphs (B) and (C), the lesser of—

"(i) $7.50 per barrel, plus an inflation adjustment factor; or

"(ii) the sum of—

"(I) the field price on January 31, 1975 (excluding any field price applicable to 'old crude petroleum' under section 212.73 of title 10 of the Code of Federal Regulations, as in effect on January 31, 1975), less $3.82 per barrel; plus

"(II) an inflation adjustment factor;

"(B) in the case of such sales from a property (i) located above the Arctic Circle or (ii) located in the Outer Continental Shelf, such higher price as the President may, upon his own motion or upon petition, establish for such property, by rule, based upon a determination that such higher price is reasonable and justified by disparities in the kind and quality of crude oil produced or the cost of production (including costs associated with enhanced recovery techniques) from such property, but in no case may such price exceed an average of $8.50 per barrel plus an inflation adjustment factor for sales from such properties; and

"(C) in the case of such sales from a property classified by the President, on a property-by-property basis, as a 'high cost property', such higher price as the President may, by rule, establish for such property based upon a determination that such higher price is reasonable and justified in relation to the costs of production from such property, the geological formations involved, the depth of the well, and the types of recovery techniques involved, but in no case may such price exceed an average of $8.50 per barrel, plus an inflation adjustment factor, for sales from such properties. The classification of a property as a 'high cost property' for purposes of this subparagraph, shall be made pursuant to procedures which shall be incorporated in a rule promulgated by the President which takes effect in accordance with the congressional review provisions specified in section 751 of the Energy Conservation and Oil Policy Act of 1975.

"(4) in the case of such sales from a property which the President, upon petition certifies on a property-by-property basis,

"(A) as having made bona fide application of tertiary recovery techniques, and

"(B) that such application has or will significantly enhance production from such property;

such higher price as the President may, by rule, establish for such property, based upon a determinaton that such higher price is reasonable and justified in relation to the increased costs associated with such recovery techniques and taking into consideration any enhanced recovery which has or will result from such techniques, but in no case may such higher price exceed an average of $8.50 per barrel, plus an inflation adjustment factor, for sales from such properties.

"(d) Notwithstanding section 4(e)(2) of this Act and section 405 of the Act entitled 'An Act to amend section 28 of the Mineral Leasing Act of 1920, and to authorize a trans-Alaska oil pipeline, and for other purposes,' approved November 16, 1973 (Public Law 93–153), the ceiling price for any first sale of domestic crude oil shall be as specified in subsection (c) of this section.".

(b) Section 5(a) of the Emergency Petroleum Allocation Act of 1973 is amended by adding at the end thereof the following:

"(3) A violation of section 8(b) of this Act shall be treated as if it were a violation of the regulation promulgated under section 4(a) of this Act.".

(c) The amendments made by this section shall take effect on the first day of the first month following the date of enactment of this Act.

LIMITATIONS ON PRICING AUTHORITY

SEC. 302. The Emergency Petroleum Allocation Act of 1973, as amended by this Act, is further amended by adding at the end thereof the following new section:

"LIMITATIONS ON PRICING AUTHORITY

"SEC. 9. The President shall have no authority, by amendment to the regulation under section 4(a), by order under this Act, or by rule, order, or any other means under any authority, to prescribe minimum prices for crude oil (or any classification thereof), residual fuel oil, or any refined petroleum product."

PRODUCTION OF OIL OR GAS AT THE MAXIMUM EFFICIENT RATE AND TEMPORARY EMERGENCY PRODUCTION RATE

SEC. 303. (a) Except as provided in subsection (e), the President may, by rule or order, require crude oil or natural gas, or both, to be produced from fields designated by him at the maximum efficient rate of production, or, during a severe energy supply interruption, at the temporary emergency production rate determined for such field.

(b)(1) The Secretary of the Interior by rule on the record after an opportunity for a hearing, shall determine the maximum efficient rate of production and, if any, the temporary emergency production rate, for each field on Federal lands.

(2) Each State or the appropriate agency thereof shall determine the maximum efficient rate of production and, if any, the temporary emergency production rate, for each field (other than a field on Federal land) within such State.

(3) If, at the end of the 180-day period which begins on the date of enactment of this Act, a State or the appropriate agency thereof has not determined the maximum efficient rate of production for any field (other than a field on Federal land) within such State, the Administrator may, by rule on the record after opportunity for a hearing, specify such maximum efficient rate of production for any such field.

(c)(1) The authority under subsection (a) to require production from any field at such field's temporary emergency production rate may be exercised only during a severe energy supply interruption.

(2) If loss of ultimate recovery of crude oil or natural gas, or both, occurs or will occur as the result of an order to produce at the temporary emergency production rate, such loss shall be deemed a taking by condemnation and the owner of any property right diminished by such taking may bring an action in the United States Court of Claims to recover just compensation.

(d) For purposes of this section—

(1) The term "maximum efficient rate of production" means the maximum rate of production of crude oil or natural gas, or both, which may be sustained without loss of ultimate recovery of crude oil or natural gas, or both, under sound engineering and economic principles.

(2) The term "temporary emergency production rate" means the maximum rate of production for a field—

(A) which rate is above the maximum efficient rate of production established for such field; and

(B) which may be maintained for a temporary period of less than 90 days without reservoir damage and without significant loss of ultimate recovery of crude oil or natural gas, or both, from such field.

(e) Nothing in this section shall be construed to authorize the production from any Naval Petroleum Reserve subject to the provisions of chapter 641 of title 10, United States Code.

FEDERAL OIL, GAS, AND COAL LEASING ARRANGEMENTS

SEC. 304. (a) Notwithstanding any other provision of law (other than the National Environmental Policy Act of 1969) no agreement related to mineral rights on Federal lands which agreement grants a right of development of crude oil, natural gas, or coal on such lands may be entered into between the United States and any person, unless such agreement includes:

(1) a requirement that the person granted such right shall promptly prepare and submit to the Administrator and to the Secretary of the Interior, for the Secretary's approval, a plan for the diligent exploration and development of crude oil, natural gas, or coal which plan shall include a timetable, and be designed to provide, for the exploration and development of such lands as fully and as soon as is practicable under the circumstances;

(2) a requirement that the person granted such right shall promptly inform the Administrator and the Secretary in writing upon the discovery of any coal deposit or crude oil or natural gas reservoir on any such lands, which notice shall include an estimate of the amounts of such crude oil, natural gas, or coal discovered;

(3) a requirement that, within 90 days after the date of the discovery of any coal deposit or crude oil or natural gas reservoir on any such lands or after the date of the granting of such right of development (whichever is later), the person granted such right shall submit to the Administrator and the Secretary, for the Secretary's approval, a production plan, which plan shall include a timetable, and be designed for obtaining maximum production of such deposit or reservoir as soon as practicable under the circumstances but, except as may be provided in subsection (b), in no case may such timetable provide for the commencement of production and sale from such deposit or such reservoir at a date which is later than two years after the date of the discovery of the deposit or reservoir or the date of the granting of such right of development (whichever is later); and

(4) terms which provide for the termination by the Secretary of any such agreement and the forfeiture of rights thereunder if the person granted such right—

(A) fails to comply with any provisions of the agreement described in paragraphs (1), (2), and (3);

(B) fails to obtain the approval of the Secretary of any plan required by the provisions of the agreement described in paragraphs (1) and (3);

(C) fails to implement or carry out any approved plan, required by the provisions of the agreement described in paragraph (1) or (3);

(D) fails to adhere to the timetable contained in any such plan, except as may be permitted under subsection (b).

(b) Any person granted such right of development may petition the Administrator for permission to depart from the timetable contained in any approved plan, required by the provisions of the agreement described in subsection (a)(1) or (a)(3). The Administrator may, notwithstanding such approval and, after notice, and affording interested persons an opportunity for the submission of written comments and oral presentation of data, views, and arguments, permit such departure if he finds that there is reasonable excuse for failing to conduct exploratory and development activities, or that the amounts of crude oil, natural gas, or coal discovered or developed are not sufficient to be commercially producible, or that other valid reasons (not including marketing demand prorationing) exist which justify a failure to obtain production, on such lands in accordance with such timetables. Pursuant to any permission to depart from such a timetable, the Administrator may permit a delay in actions necessary to obtain commencement of production and sale of crude oil, natural gas, or coal within 2 years after the date of the issuance of the agreement or the discovery of such deposit or reservoir (whichever is later). If the Administrator permits any such delay, he shall, unless he finds reasonable justification to excuse such person from his obligation to obtain production from such deposit or reservoir, require such person (1) to submit a revised timetable designed to obtain maximum production as promptly thereafter as is practicable under the circumstances and (2) to submit monthly reports on production activities.

(c) The Secretary shall, by order after notice and opportunity for hearing, compel the termination of any such agreement and the forfeiture of rights to develop crude oil, natural gas, or coal on Federal lands, granted under such agreement if the Secretary finds on the record of such hearing that (1) such person has failed to comply with terms of the agreement described in subsection (a); and (2) such failure is not solely the result of a departure from a timetable required to be included in an approved plan, which departure has been permitted by the Administrator pursuant to subsection (b) of this section.

(d) In any proceeding in which rights to develop crude oil, natural gas, or coal on Federal lands are to be granted with respect to Federal lands for which rights to develop crude oil, natural gas, or coal were terminated under subsection (c), no person (whether for himself or as a participant in any joint venture) whose rights to develop crude oil, natural gas, or coal on such Federal lands have been terminated under subsection (c) of this section and no other person controlling, controlled by, or under common control with, such person, shall be eligible to receive either from the United States or any agency thereof, by assignment or otherwise, any rights to develop crude oil, natural gas, or coal on such Federal lands.

(e) The requirements of this section shall not be applicable with respect to any agreement, pertaining to crude oil, natural gas, or coal development on Federal lands, entered into prior to the date of enactment of this Act. Any such agreement shall be renegotiated at the earliest date to include the provisions described in subsection (a), unless the Secretary finds that the requirements of such provisions are not necessary under the circumstances or that such renegotiation would jeopardize existing Federal interests under the agreement.

(f) For purposes of this section:

(1) The term "Agreement" includes any renegotiated agreement except as provided in subsection (e).

(2) The term "Secretary" means the Secretary of the Interior.

(3) Any sale of crude oil, natural gas or coal from Federal lands with respect to which an agreement subject to the provisions of this section is in effect shall be deemed a sale in interstate commerce.

(4) The requirements of subsection (a)(3) shall not apply and nothing in this section shall be construed to compel the production from any Naval Petroleum Reserve subject to chapter 641 of title 10, United States Code.

DOMESTIC USE OF ENERGY-RELATED MATERIALS AND EQUIPMENT

SEC. 305. (a) The President may, by rule or order, restrict exports of supplies of materials or equipment which he determines to be necessary to maintain or further exploration, production, refining, or transportation of energy supplies or for the construction or maintenance of energy facilities within the United States, under such terms and conditions as he determines to be appropriate and necessary to carry out the purposes of this Act.

(b) In order to implement any rule or order promulgated under subsection (a) of this section, the President may request and, if so, the Secretary of Commerce shall, pursuant to the procedures established by the Export Administration Act of 1969 (but without regard to the phrase "and to reduce the serious inflationary impact of foreign demand" in section 3(2)(A) of such Act), impose such restrictions as specified in any rule or order under subsection (a) on exports of supplies of materials and equipment which the President determines to be necessary to maintain or further exploration, production, refining, or transportation of energy supplies or for the construction or maintenance of energy facilities within the United States, as the President determines to be appropriate and necessary to carry out the purposes of this Act.

DOMESTIC USE OF ENERGY SUPPLIES

SEC. 306. Section 4(d) of the Emergency Petroleum Allocation Act of 1973 is amended to read as follows:

"(d)(1) The President shall, by amendment to the regulation under subsection (a) of this section, by order, or pursuant to paragraph (2), prevent the export of coal, natural gas, crude oil, residual fuel oil, any refined petroleum product, and any petrochemical feedstock as he determines may be necessary and practicable to attain the objectives specified in subsection (b) of this section.

"(2) In order to implement any amendment to the regulation or any order under paragraph (1) of this subsection, the President may request and, if so, the Secretary of Commerce shall, pursuant to the procedures established by the Export Administration Act of 1969 (but without regard to the phrase 'and to reduce the serious inflationary impact of foreign demand' in section 3(2)(A) of such Act), impose such restrictions as specified in any such amendment to the regulation under subsection (b) or order on exports of coal, natural gas, crude oil, residual fuel oil, any refined petroleum product, and any petrochemical feedstocks as the President determines necessary to carry out the purposes of this Act.

"(3) Any amendment to the regulation, or any order, under paragraph (1) of this subsection and actions by the Secretary of Commerce pursuant to paragraph (2) of this subsection shall take into account the historical trading relations of the United States with Canada and Mexico.".

ENTITLEMENTS

SEC. 307. (a) Section 4 of the Emergency Petroleum Allocation Act of 1973, as amended by this Act is further amended by adding at the end thereof the following:

"(g) Any provision of the regulation promulgated under subsection (a) of this section—

"(1) which requires the purchase of entitlements, or the payment of money through any other similar cash transfer arrangement, the purpose of which is to reduce disparities in the crude oil acquisition cost of domestic refiners, and

"(2) which is based upon the number of barrels of crude oil input of any such refiner,

shall not apply to the first 50,000 barrels per day of input of any refiner whose total refining capacity (including the refining capacity of any person who controls, is controlled by, or is under common control with such refiner) did not exceed on January 1, 1975, and does not thereafter exceed 100,000 barrels per day. The preceding sentence shall not affect any provisions of the regulations under subsection (a) of this section with respect to the receipt by any small refiner as defined in section 3(4) of payments for entitlements or any other similar cash transfer arrangement."

(b) Subsection (a) of this section shall apply with respect to payments due on or after the last day of the month during which the date of enactment of this Act occurs.

RECYCLED OIL

SEC. 308. (a) The purposes of this section are—

(1) to promote the use of recycled oil;

(2) to encourage the recycling of used oil;

(3) to reduce consumption of new oil by promoting increased utilization of recycled oil; and

(4) to reduce environmental hazards and wasteful practices associated with the disposal of used oil.

(b) As used in this section:

(1) The term "used oil" means any oil which has been used and as a result of such use has been contaminated by any physical or chemical impurities.

(2) The term "recycled oil" means used oil, from which any physical and chemical contaminants acquired through use have been removed by re-refining or other processing, or any blend of oil, consisting of such re-refined or otherwise processed used oil and new oil or additives, which re-refined or otherwise processed used oil or blend containing such oil has been determined, pursuant to the rule promulgated under subsection (c)(1), to be substantially equivalent to new oil intended for the same purpose.

(3) The term "new oil" means any oil which has been refined from crude oil and may or may not contain additives, and has not been used. Such term does not include used oil or recycled oil.

(4) the term "lubricating oil" means any oil, regardless of origin, which—

(A) is suitable for use as a lubricant, and

(B) is sold for use as a lubricant.

(5) The term "hydraulic oil" means any oil which is used primarily to transmit power or pressure, but which may also be used for other purposes.

(6) The term "cutting oil" means any oil which is used primarily in cutting, milling, and machining operations (including forging, drawing, rolling, shearing, punching, and stamping), but which may also be used for other purposes.

(7) The term "automotive oil" means any oil, including lubricating oil and hydraulic oil, which is used in automobiles, trucks, buses, motorcycles, and other vehicles which travel on roads and highways.

(c) Within 180 days after the date of enactment of this Act, the Administrator of the Environmental Protection Agency shall, by rule, promulgate:

(1) Performance standards, specifications and testing procedures to facilitate comparison of re-refined or otherwise processed used oil with new oil for the purpose of determining whether such re-refined or otherwise processed used oil is substantially equivalent to new oil intended for the same purpose.

(2) Labeling standards applicable to containers of recycled oil in order to carry out the purposes of this section. Such standards shall permit the container of any re-refined or otherwise processed used oil, which has been determined, pursuant to the rule promulgated under subsection (c)(1), to be substantially equivalent to new oil intended for the same purpose, to bear a label indicating the intended purpose of the contents and the fact of the determination pursuant to the rule promulgated under subsection (c)(1), of substantial equivalency of the contents with new oil intended for the same purpose.

(3) Labeling standards applicable to containers of automotive, lubricating, hydraulic and cutting oils relating to the proper disposal of such oils after use, which standards shall be designed to reduce environmental hazards and wasteful practices associated with the disposal of used oil.

(d) Beginning on the effective date of the standards required to be promulgated pursuant to subsection (c) (2), no regulation or order of the Federal Trade Commission and no law, regulation, or order of any State or political subdivision thereof may remain in effect if such law, regulation, or order requires that containers, of re-refined or otherwise processed used oil which has been determined pursuant to the rule promulgated under subsection (c) (1), to be substantially equivalent to new oil intended for the same purpose, which containers bear a label in accordance with the terms of the rule promulgated pursuant to subsection (c) (2), bear any label with respect to the comparative characteristics of such recycled oil with new oil intended for the same purpose. Specifically, no regulation or order of the Federal Trade Commission may require any container of recycled oil which bears a label in accordance with the terms of the rule promulgated pursuant to subsection (c) (2) to also bear a label containing the words "used oil".

(e) All Federal officials shall act within their authority to encourage the use of recycled oil, including—

(1) procuring recycled oils for use as automotive, lubricating, hydraulic, and cutting oils for military and nonmilitary Federal uses whenever such recycled oils are available at prices competitive with those of new oil used for the same purposes;

(2) educating persons employed by Federal and State governments and private sectors of the economy as to the merits of recycled oil, and the need for its use in order to reduce the drain on the Nation's oil reserves and educating such persons as to appropriate means of disposal of used oil to avoid waste of such oils and to minimize environmental hazards; and

(3) assisting in and encouraging the development of performance standards, specifications and systematic and economical testing procedures to facilitate the comparison of recycled oil and other oils with new oil.

(f) Within 18 months after the date of enactment of this Act, the General Services Administration, the Department of Defense, and other Federal agencies shall revise their procurement regulations and specifications to promote the use of recycled oil, encourage the production of recycled oil by the re-refining or other processing of used oil, and reduce consumption of new oil by promoting increased utilization of recycled oil.

Mr. DINGELL (during the reading). Mr. Chairman, I wish to make a unanimous-consent request, and I would like the attention of my colleagues because this relates to a controversial section of the bill.

Mr. Chairman, I ask unanimous consent that further reading of title III of the bill be dispensed with, and that that title, title III, be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

Mr. ECKHARDT. Mr. Chairman, reserving the right to object, I shall not object, but I simply want to understand the request.

If we accept this unanimous-consent agreement, we may amend any one of the sections and we do not necessarily have to amend them sequentially; is that correct?

Mr. DINGELL. Mr. Chairman, if the gentleman will yield, that is correct, as I understand it.

Mr. ECKHARDT. Then I have no objection.

Mr. BROWN of Ohio. Mr. Chairman, reserving the right to object, I wonder if the chairman of the subcommittee will restate his unanimous-consent request so that we may hear it again on this side. I did not hear all of it.

Mr. DINGELL. Mr. Chairman, if the gentleman will yield, I tried very carefully to state it so everybody would be aware of it. I shall repeat my request.

Mr. Chairman, I ask unanimous consent that the entirety of title III be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

Mr. ECKHARDT. Mr. Chairman, further reserving the right to object, if we should accept this unanimous-consent request and if we should act on section 301 in certain ways today, might there be further amendments on next Monday offered to section 301, assuming we do not get this completed today?

The CHAIRMAN. The Chair will reply to that and state that it is virtually impossible to answer that question because there are so many different circumstances that might develop, but the Members cannot directly amend an amendment that has been adopted.

The Chair will also point out, with the permission of the committee, that there would be no difference in this situation, if the unanimous-consent request is agreed to, than that in the situation that would exist if we complied with the rule and completed the reading of the bill by titles, because we would read the whole title before anything in the title was open for amendment.

Mr. ECKHARDT. Mr. Chairman, I do not object, and I withdraw my reservation of objection.

Mr. BROWN of Ohio. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

AMENDMENT OFFERED BY MR. KRUEGER

Mr. KRUEGER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. KRUEGER: Strike out all from beginning of line four, page 214 to end of line 3, page 223 (section 301 of the Committee substitute) and insert in lieu thereof the following:

CRUDE OIL PRICE REGULATION

SEC. 301. (a) The Emergency Petroleum Allocation Act of 1973 is amended by adding at the end thereof the following new section:

"CRUDE OIL PRICE REGULATION

"SEC. 8. (a) For the purposes of this section:

"(1) The term 'crude oil' means a mixture of hydrocarbons that existed in liquid phase in underground reservoirs and remains liquid at atmospheric pressure after passing through surface separating facilities, and lease condensate which is a natural gas liquid recovered in associated production by lease separators.

"(2) The term 'domestic crude oil' means crude oil produced in the United States or from the 'outer Continental Shelf' as defined in section 1331, title 43, United States Code.

"(3) The term 'producer' means a person who produces crude oil or any person who owns crude oil when it is produced.

"(4) The term 'property' means the right which arises from a lease or from a fee interest to produce domestic crude oil.

"(5) The term 'base period control volume' means—

"(A) if domestic crude oil was produced and sold from that property in the months of May through December 1972, the total number of barrels of domestic crude oil produced and sold from that property in those months divided by eight;

"(B) if domestic crude oil was not produced and sold from that property in each of the months of May through December 1972, the total number of barrels of domestic crude oil produced and sold from that property in such months May through December for which domestic crude oil was produced and sold from the property (excluding those months in which there occurred any shutdown in production) divided by the number of such months.

"(6) The term 'decline adjustment factor' means—

"1 per centum of the base period control volume of a property multiplied by the number of months for which there occurred production and sales of crude oil from such property beginning with May 1972, and ending with the current month of production.

"(7) The term 'adjusted base period control volume' means the base period control volume less the decline adjustment factor.

"(8) The term 'monthly production variance factor' means the current cumulative deficiency in base production control level crude petroleum, as defined in section 212.72 of title 10 of the Code of Federal Regulations (as in effect on April 3, 1975), for a property on the effective date of this section, plus the total number of barrels by which production and sales of crude oil subsequent to the effective date of this section has been less than the adjusted base period control volume for all months in which production and sale of domestic crude oil has been less than the adjusted base period control volume subsequent to the first month in which production and sale of domestic crude oil exceeded the adjusted base period control volume, minus the total number of barrels of domestic crude oil produced and sold in each prior month which was in excess of the adjusted base period control volume for that month, but was not sold for a price in excess of the ceiling price established pursuant to subsection (c) of this section for sales made subsequent to the effective date of this section.

"(9) The term 'production volume subject to ceiling price' means the adjusted base period control volume plus the monthly production variance factor.

"(10) The term 'stripper well lease' means a property whose average daily production of domestic crude oil and petroleum condensates, including natural gas liquids, per well did not exceed 10 barrels per day during the preceding calendar year.

"(b) Except as provided in subsections (c) and (d), no price ceiling shall apply to any first sale by a producer of domestic crude oil from a property.

"(c) No producer may charge a price in the case of sales from a property in a month in volume amounts equal to or less than the production volume subject to a price ceiling which is higher than the sum of (1) the highest period price at 6 ante meridian, local time, May 15, 1973, for that grade of crude oil at that field, or if there was no posted price for that grade of crude oil which is most similar in kind and quality posted at the nearest field for which prices were posted at such time and date; and (2) a maximum of $1.35 per barrel.

"(d)(1) The provisions of subsections (b) and (c) of section 8 shall not take effect unless the President finds that there is in effect (A) an inflation minimization tax consonant with the purposes of this section applicable to sales from a property, from which domestic crude oil was produced and sold in one or more of the months of May through December 1972, in volume amounts greater than the production volume subject to a ceiling price under subsection (c), but less than the base period control volume, and (B) a production maximization tax consonant with the purposes of this section applicable to sales of domestic crude oil from any stripper well lease or from a property from which domestic crude oil was not produced and sold in one or more of the months of May through December 1972, or with respect to amounts produced and sold in any month in excess of the base period control volume (in the case of a property from which domestic oil was produced and sold in one or more of the months of May through December 1972).

"(2) For the purposes of this section:

"(A) The term 'inflation minimization tax consonant with the purposes of this section, means a tax which couples a redistribution of tax receipts mechanism with an excise tax applicable to sales from a property (other than a property certified by the President as having made application of bona fide tertiary recovery techniques) in volume amounts greater than the production volume subject to a price ceiling under subsection (c) but less than the base period control volume, equal to (i) in the first month which follows the date of enactment of this section, 90 per centum of the difference between the average sales price per barrel of such domestic crude oil and $5.75 per barrel; and (ii) in each successive month thereafter, 90 per centum of the difference between the average price per barrel of sales of such domestic crude oil in such month and $5.75 adjusted by adding an inflation adjustment factor: *Provided*, That provision may be made to take into account increases in State severance taxes and to assure that such tax shall not exceed 75 per centum of the net income attributed to a barrel of oil which is subject to tax determined by taking the net income from the property as calculated under the Internal Revenue Code of 1954 computed without allowance for depletion and intangible drilling costs divided by the number of barrels produced from such property which are subject to the inflation minimization tax.

"(B) The term 'production maximization tax consonant with the purposes of this section' means a tax which couples a redistribution of tax receipts mechanism with an excise tax applicable to sales from any stripper well lease or from a property from which domestic crude oil was not produced and sold in one or more of the months of May through December 1972 or with respect to amounts produced and sold in any month in excess of the base period control volume (in the case of a property from which domestic oil was produced and sold in one or more of the months of May through December 1972) (other than a lease or property certified by the President as having made application of bona fide tertiary recovery techniques) equal to (i) in the first month which follows the date of enactment of this section, 90 per centum of the difference between the average sales price per barrel of such domestic crude oil in that month and $7.50 per barrel; and (ii) in each successive month thereafter, 90 per centum of the difference between the average sales price per barrel in such month and $7.50 adjusted by adding an inflation adjustment factor except that an allowance as a credit against such tax, which credit may be applied to the full amount of such tax, shall be allowed for a qualified investment, and provision may be made to take into account increases in State severance taxes and to assure that such tax shall not exceed 75 per centum of the net income attributed to a barrel of oil which is subject to tax determined by taking the net income from the property as calculated under the Internal Revenue Code of 1954 computed without allowance for depletion and intangible drilling costs divided by the number of barrels produced from such property which are subject to the inflation minimization tax.

"(C) The term 'inflation adjustment factor' means an amount equal to one-half of 1 per centum, in the base amount of $5.75 in the case of the inflation minimization tax and $7.50 in the case of the production minimization tax, compounded, for each month occurring between the first month which begins after the date of enactment of this section and the current month of production and rounded to the nearest whole cent.

"(D) The term 'redistribution of tax receipts mechanism' means a mechanism which distributes in full amount the tax receipts resulting from the inflation minimization tax and the production maximization tax making use of appropriate devices for the purpose of off-setting increases in energy-related costs which devices shall distribute (i) two-thirds of such receipts to low- and middle-income taxpayers and adult low-income nontaxpayers (other than a person who is a claimed dependent of a taxpayer) in a manner weighted in favor of the lower-income members of such group of taxpayers and nontaxpayers; (ii) one-half of such remaining one-third of tax receipts to States and local governments; and (iii) the remainder to corporate taxpayers (other than corporate taxpayers which are required to pay inflation minimization taxes). Such distribution may be accomplished through means which include disbursements refundable tax credits, permanent reductions in tax liability, and adjustments to withholding; except that, to the maximum extent practicable, benefits from distributions shall be available on a reasonably current basis within the taxable year.

"(E) The term 'qualified investment' means for any taxable period the amount paid or incurred by such producer during such taxable period (with respect to areas within the United States or a possession of the United States) for—

"(i) intangible drilling and development costs, or geological and geophysical costs, described in section 263(c) of the Internal Revenue Code of 1954 (as in effect for taxable years beginning after December 31, 1974),

"(ii) the construction, reconstruction, erection, or acquisition of the following items but only if the original use of such items begins with such producer:

"(a) depreciable assets used for—

"(1) the exploration for or the development or production of oil or gas (including development or production from oil shale),

"(2) converting oil shale, coal, or liquid hydrocarbons into oil or gas, or

"(3) refining oil or gas (but not beyond the primary product stage),

"(b) pipeline for gathering or transmitting oil or gas, and facilities (such as pumping stations) directly related to the use of such pipelines,

oil or gas, or

"(iii) secondary or tertiary recovery of

"(iv) the acquisition of oil and gas leases (other than offshore oil and gas leases), but the aggregate amount which may be taken into account under this clause for any taxable period shall not exceed one-third of the aggregate of the amounts which may be taken into account by the taxpayer under subclauses (i), (ii), and (iii) or such period.

"(F) The term 'tertiary recovery techniques' means techniques which employ fluid, heat, or inert gas injection methods including miscible fluid displacement, microemulsion flooding, in situ combustion, cyclic steam injection, steam flooding, carbon dioxide injection, polymer flooding, caustic injection, and other chemical flooding designed to produce production in excess of that attributable to natural or artificially induced water or natural gas displacement.

"(e) Notwithstanding any other provision of this section, no price ceiling shall apply to any first sale by a producer of any first sale by a producer of any domestic crude oil produced from a property which the President, on a property-by-property basis, upon petition or upon his own motion, certifies as having made bona fide application of tertiary recovery techniques which application the President determines has or will significantly enhance production from such property.

"(f) The President shall conduct a continuous study and analysis of, and report to the Congress by December 31, 1975, and thereafter by December 31 of each successive year for a period of the next four successive years, on the effect of such price ceilings and taxes on (1) economic conditions, (2) production of domestic crude oil and other energy sources, (3) demand for crude oil and refined petroleum products and other energy sources, (4) imports of crude oil, residual fuel oil, refined petroleum products, and other energy sources (including the effect on balance of payments of such imports), and (5) economic efficiency. The President shall include in any such report his views and recommendations respecting the continuation, with or without modification, of the provisions of any such price ceiling or tax.

first day of the first month following the

"(g) This section shall take effect on the date of enactment of this section."

Mr. KRUEGER (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

(Mr. KRUEGER asked and was given permission to revise and extend his remarks.)

Mr. KRUEGER. Mr. Chairman, I have, over the past several weeks, circulated a good deal of information about this amendment; but I should like briefly to describe it here and then respond to questions that might arise about the amendment.

This is the amendment which was accepted by the Subcommittee on Energy and Power. It is the identical amendment that was defeated by one vote in the full committee, 22 to 21. It is the only amendment which would allow energy increase in production in this country.

This oil price amendment has three sections to it, and I should like to describe them now.

The first thing to keep in mind is that oil is a declining resource. It is like a balloon that lets air out initially. The balloon lets out most air at first, least at last. When one discovers oil, the maximum amount of oil comes out first, but gradually, over time, production from oil wells declines.

The same point is recognized by the full committee amendment. On average, production from wells declines at about the rate of 1 percent a month. Therefore, both the committee amendment and my amendment, which was accepted by the subcommittee, recognize this natural decline and recognize that if we define old oil as it is currently defined, as that oil in production in 1972, then there is a 1 percent a month decline proceeding from that point.

There are two ways in which we can approach the simultaneous problems that we have of, on the one hand, increasing productivity, and on the other hand, protecting the consumer.

One means of doing that is for this body to set a price. If this body sets a price, it will, of course, at some later point come back and set a different price.

The alternative is to say, under certain conditions, that we should gradually deregulate the price, let the market set the price, and in order to protect the consumer, impose certain stipulations about taxes so that if there is to be deregulation, then we must also recognize that we need to have certain kinds of taxes in order to protect the consumer and to be sure of future development of energy resources.

If we did not in this body have the kind of committee jurisdiction that we do, it might be possible to have specified the full range of taxes in place at this time. That is not possible, however. The only way, other than by creating a special Committee on Energy, which we have not, is to allow the price of oil to get back to a market price, but also to protect the consumer; to specify, in broad guidelines, that there should be certain taxes in place.

Therefore, I asked to receive a special rule from the Committee on Rules.

Old oil, which is oil in production in 1972, is gradually phasing out. My pricing provision recognizes that by 1980, we would fully have phased out the amount of what would be called old oil, under normal circumstances. In fact, there will still be some old oil left, but for any oil produced beyond the normal decline factor, we would have a different price. There would be one price for what we have of declining old oil, and that would remain as it is now, at $5.25, in either the committee version or in my version.

On any old oil produced on that level the additional oil received from that stimulus would sell at the market price, but there would have to be in place a tax which would take 90 percent of the amount between $5.75 and the market price. In other words, the additional stimulus oil would be sold at the market level, but the producer would not receive anything like that amount.

Under the committee version the producers, if there is additional stimulus oil, would receive $7.50. Under my version they would receive a good deal less because there is a good deal more money, you see, being channeled back to the consumer.

I have a chart of the amount of money that would be channeled back to the producer on the stimulus oil.

As the Members can see, after 30 months it will get to $7.30, but in the first month oil producers would receive only $6.23 in my version versus $7.50 in the ECKHARDT, committee version. It should be recognized that the main producers of old oil are largely the major oil companies, who would receive less under my proposal than under the committee version.

On the other hand, under my proposal there is a substantially larger incentive for people for new oil. What we need to remember is that old oil in this country is 80 percent owned by the major oil companies, but new oil is only 50 percent owned by majors, and 50 percent by the smaller independent producers. If we are interested in increasing competition in this industry, then my amendment is preferable, since it gives benefit to the independents, not the majors. Second, it is appropriate to give the fullest reward to those who produce new oil, which has required recent larger investment, not to those who produce oil found long ago.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. KRUEGER was allowed to proceed for 5 additional minutes.)

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield?

Mr. KRUEGER. Mr. Chairman, I would prefer to go through my entire presentation before yielding.

Mr. ECKHARDT. I would hope the gentleman would yield to me for the purpose of a factual question.

Mr. KRUEGER. I yield to the gentleman from Texas.

Mr. ECKHARDT. The gentleman has said that under his provision the amount for new oil is greater than under the committee bill—or is less than under the committee bill, I believe he said.

Mr. KRUEGER. No, I do not believe I said that.

Mr. ECKHARDT. I am not quite sure what the gentleman said.

Mr. KRUEGER. I wil go back over it.

Mr. ECKHARDT. But did I understand that under the gentleman's provision the cost to the consumer for new oil may rise to the world price, whereas under the committee bill it may not rise to higher than the highest point——

Mr. KRUEGER. If I may interrupt the gentleman, let me say that that is correct; that under my proposal the price of new oil goes toward the world market price level, whatever that price happens to be, but there will be in place a tax which would state that the producer might receive only $7.50 plus 10 percent of the difference between $7.50 and the market price.

The remainder of that amount would be fully taxed by the Government, unless on new oil the producer was to reinvest in domestic exploration and drilling in this country.

I would hope that they would, because the sooner we get production back to an adequate level in this country the better, and this would be accomplished by a lot stronger incentive to reinvest in exploration and drilling. I might add that this would be the kind of investment that would be particularly attractive to independent producers.

As I said, Mr. Chairman, four-fifths of all old oil is held by the major oil companies, but only one-half of the new oil is held by the majors, the other half of the new oil is held by the independent producers.

The large investment that has to be made for domestic exploration and drilling is made by and large by the independents who go out and find some 80 percent of the new oil in this country. Further, the new oil now found is found under much more expensive conditions, and therefore it is appropriate that people receive more for new oil than for old oil.

There are, then, two provisions which I have described. I will get to the third, and then I will be happy to respond to questions.

The first provision is that producers of old receive $5.75 plus 10 percent for the difference between that and the market price, plus anything above the 10. The remainder of the difference is returned to consumers.

In the second provision producers receive $7.50 plus 10 percent of the difference between that and the market price of new oil. They also have a tax incentive to drill and explore for oil in this country.

The third provision is for tertiary recovery oil, which would go to the market price. Tertiary oil recovery is about 1 percent. It is a very expensive process to get the tertiary oil out of the ground by current processes. This would be a stimulus again for domestic exploration and drilling.

There are, I think, several things that must be kept in mind, but there are two fundamental ones which I will call to the Members' attention. On the one hand, there is the need to protect the consumer. That need can be done either by price controls, which will then need to be changed, and which are cumbersome, or by having a tax in place to return to the consumers, the device used here. On the other hand there is the need to increase production by exploration and drilling which we have here. This proposal has such provision.

This country would be producing 66 percent of its own oil, by 1980 under my plan. Under the Eckhardt verision in the committee draft, this country would be producing only 57 percent. That means that there would be a difference of 9 percent in imports, and of $22½ million of capital flowing out of this country every day. Every day by 1980 $22½ million more would be flowing out of the country under the Eckhardt proposal than would be flowing out under this one.

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield at that point?

Mr. KRUEGER. I yield to the gentleman from Texas.

Mr. ECKHARDT. I thank the gentleman for yielding.

Where do those figures come from? Will the gentleman explain how he knows that a certain quantity will be produced under the Eckhardt proposal, or the proposal of the bill, and his proposal? From whence does this information flow that so positively indicates such a difference?

Mr. KRUEGER. The information flows from the Federal Energy Administration which this House established. It is, of course, a computer estimate. It is their best judgment that the additional stimulus to domestic exploration and drilling would bring about that result.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. OTTINGER, and by unanimous consent, Mr. KRUEGER was allowed to proceed for 5 additional minutes.)

Mr. OTTINGER. Mr. Chairman, will the gentleman yield?

Mr. KRUEGER. I yield to the gentleman from New York.

Mr. OTTINGER. I thank the gentleman for yielding.

As I understand the gentleman's amendment, the only thing which protects the consumer—and this is what he was just addressing himself to—is the imposition of a windfall profits tax, and return of the moneys gained by that tax to the consumer, save that the price of the presently controlled oil would be allowed to go up to the world market price; is that correct?

Mr. KRUEGER. That is partially correct. Under my proposal there is protection for the consumer, because this deregulation proposal cannot take place as the amendment language is written unless there is in place a set of taxes that contain certain provisions. There are other things that I might add on that particular point. The FEA estimate is that under this proposal by 1980 the price of gasoline would rise by 7 cents a gallon, but 4 cents a gallon of that would be rebated to the consumers. There would be by their estimates an additional 3.4 cents a gallon that would effect the saving by additional stimulus to the economy as a result of the capital and jobs stimulated in this country rather than going overseas.

Mr. OTTINGER. If the gentleman will yield further, as I understand under the windfall profits tax the gentleman proposes—and I know he makes his proposal in very good faith, and I have sympathy in what he is trying to do—there is in that windfall profits tax a 100-percent plowback.

Mr. KRUEGER. Only on that part of it which applies to new oil, and there is no plowback whatever on that part which applies to old oil.

Mr. OTTINGER. If the gentleman will yield further, that is correct, so in a situation where I am very concerned, there is going to be no effected windfall profits tax at all, so the consumer then would have to bear the full brunt, taking the two-thirds of the oil we presently have at a price of $5.25 up to $13.50. That is what I am afraid will be ruinous. Would the gentleman comment on that?

Mr. KRUEGER. I appreciate the gentleman's question because, as he knows, right now roughly two-thirds of the oil which we have in this country is old oil. That is the point. That would be taxed in a way that would be a rebate to the consumer, and the producers would receive less and the consumers more under this version than it would under the committee version. Gradually this amount of old oil is phasing out, but according to FEA estimates, what we would still consider old oil would amount to about 3 million barrels a day even after 1980 because of additional stimulus, so there would continue to be taxes returned to the consumer even after 1980, although by that time we would have the oil selling at one price.

Mr. OTTINGER. If the gentleman will yield further, what assurance will the gentleman have that there would be taxes effected against the producers at all, in view of the windfall profits feature, insofar as new oil is concerned?

Mr. KRUEGER. What does the gentleman mean by the statement "what taxes would be effective?" The proposal would not be in place unless there is a tax in place. That is the way in which it is written.

Mr. OTTINGER. Right. But if the tax is in place, as the gentleman has described in his amendment, how can the gentleman be sure there will be any effective tax at all when the plowback feature of that tax will be in effect? The producers may have to pay double taxes.

Mr. KRUEGER. As I say the plowback provision provides for one and not the other. On that one tax it will be quite acceptable to have plowback if we want domestic energy supplies to be enlarged. If we want the development to go on in other countries then we do not want a plowback provision. But if we want to explore and drill in this country, then we need a plowback provision. The Committee on Ways and Means which has expertise in writing tax law, can doubtless write an effective provision that would stimulate energy production and also defend the Treasury.

Mr. VANIK. Mr. Chairman, will the gentleman yield on that point?

Mr. KRUEGER. I yield to the gentleman from Ohio who has expertise in this area.

Mr. VANIK. I have been very much puzzled by what the gentleman calls an inflation minimization tax and a production maximization tax in this bill. What will be raised in revenue in taxation through this device?

Mr. KRUEGER. According to the FEA calculations the minimization tax would raise some $25 billion by 1985.

Mr. VANIK. The gentleman has an FEA estimate. Does the gentleman have the Treasury estimate? It is the Treasury which has to deal with collection of taxes notwithstanding how tax laws get enacted.

Mr. KRUEGER. One could calculate it very readily if one chose to calculate the tax expectation on this particular point. If we have 3 million barrels a day by a production of old oil by 1980 and 1985 we could show that.

Mr. VANIK. Did the gentleman get an estimate from the Treasury of what he expects to raise in revenues?

Mr. KRUEGER. I have already told the gentleman I got one from FEA.

Mr. VANIK. But it is the Treasury estimate that I am asking about.

Mr. WIRTH. Mr. Chairman, will the gentleman yield?

Mr. KRUEGER. I yield to the gentleman from Colorado.

Mr. WIRTH. Mr. Chairman, I should point out in our first discussions in the committee with Treasury and in turn with FEA it was my understanding at the time we were talking about a windfall profits tax, that at the time the gentleman from Texas (Mr. KRUEGER) and others had gotten an estimate and were working with Treasury in getting those estimates, we had this estimate from the Treasury, and one was how such a windfall profits tax would work. They told us it would not work. I wonder if the information got to the gentleman from Texas (Mr. KRUEGER)?

The CHAIRMAN. The time of the gentleman from Texas has expired.

(On request of Mr. VANIK, and by unanimous consent, Mr. KRUEGER was allowed to proceed for 5 additional minutes.)

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. KRUEGER. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. Mr. Chairman, there was in our consideration of this legislation by the committee on both sides an effort to get common figures and common reaction to some of the proposals that were made. Many of the proposals that have been considered by the committee have been run through the FEA computer system and their projections and models were used in those considerations. They have worked very closely with the Treasury Department and used Treasury's assumptions and figures with reference to the tax impact of the proposals made because there have been various windfall profits tax and plowback proposals.

Mr. VANIK. Mr. Chairman, will the gentleman yield?

Mr. KRUEGER. I yield to the gentleman from Ohio.

Mr. VANIK. Mr. Chairman, one of my very great concerns is I have been endeavoring to find out what kind of legislative background there is for the imposition of a whole new system of taxation, which the members of the Ways and Means Committee, the normal tax writing committee, has had no opportunity to check or examine. The hearings are not available.

In the inquiries I have made I have not been able to determine what the tax impact is. For example, in the gentleman's amendment he talks about making a distribution of two-thirds of receipts to low- and middle-income taxpayers and adult low-income taxpayers. How much of a distribution does the gentleman plan to make or is contemplated to be made in 1976 and in 1977 and in 1978? What kind of projection does the gentleman have on the redistribution of this tax revenue?

Mr. BROWN of Ohio. May I say without prejudice to my various amendments which have been proposed that the Committee on Interstate and Foreign Commerce, I think, surely recognizes its limitation as a tax-writing committee. In fact, the Krueger amendment recognizes that limitation by merely providing that these are guidelines for a tax that the

Presidential finding must find are adequate before he can implement the decontrol plan.

We recognize the necessity of the Internal Revenue Code being amended by action by the Committee on Ways and Means; but the tragedy in this piece is that the Committee on Ways and Means has had this matter under consideration since January and has been waiting for us to propose a decontrol plan before there could be anything done in the windfall tax and plowback area.

Now, if we are to wait for the Committee on Ways and Means to get something done in the windfall tax and the plowback area, then before we propose a decontrol plan we will never get anything done; so in fact, what is attempted here is to provide for a decontrol proposal in this bill, whether we accept the Krueger proposal or any other. The hope is on the part of the administration and many of us on this side of the aisle and many on that side of the aisle that the Committee on Ways and Means will get busy and do something with reference to a windfall profits tax and plowback. We fully accept the specialized knowledge of the gentleman in that business. This is merely a guideline in this legislation.

Mr. KRUEGER. Mr. Chairman, I would like to point out that this is precisely the reason we wrote the language with general guidelines, because we wish to take opportunity to have the special expertise of the Committee on Ways and Means.

This same amendment was sought to be offered as an amendment to the bill of the Committee on Ways and Means and it thought more appropriate to come in here. Obviously, this is the kind of question which requires the expertise of the two committees. The way this language is written, it requires there be a tax in place. Only with detailed tax provisions written by the Committee on Ways and Means, which are accepted by this body can a decontrol plan could go into effect. It could not go into effect until this time.

Mr. WIRTH. Mr. Chairman, will the gentleman yield?

Mr. KRUEGER. I yield to the gentleman from Colorado.

Mr. WIRTH. Mr. Chairman, I think it is important to live up to our democratic procedure. The way we arrived at the notion of the gentleman from Texas (Mr. KRUEGER)—I am not speaking as an advocate, but as the necessary background—at the time we were first considering the energy bill, the Committee on Ways and Means, as the gentleman from Ohio will remember, had in their legislation enabling a windfall profits tax. It was felt better by the Committee on Ways and Means to wait until regulations on decontrol were made by the Committee on Interstate and Foreign Commerce and then go back to the Committee on Ways and Means.

The second point is that the language of the amendment of the gentleman from Texas and other amendments borrowed from the committee staff.

The CHAIRMAN. The time of the gentleman from Texas has expired.

(At the request of Mr. WIRTH and by unanimous consent, Mr. KRUEGER was allowed to proceed for an additional 5 minutes.)

Mr. WIRTH. Mr. Chairman, secondly, the language of the amendment of the gentleman from Texas (Mr. KRUEGER) and other amendments was borrowed from the committee staff by the Committee on Ways and Means from bills drafted by the Committee on Ways and Means in the last session. There is no intent and never was any intent of the Subcommittee on Energy and Power nor the Committee on Interstate and Foreign Commerce to design deregulation strategy or how that applies to the Committee on Ways and Means.

Mr. BROWN of Ohio. Mr. Chairman, if the gentleman will yield further, I would like to reply to one additional point made by the gentleman from Ohio (Mr. VANIK).

It occurs to me it would be within the prerogatives of the President and the Congress to accept a tax proposal submitted to the Congress by the Committee on Ways and Means which might be at some modest variance from that generally outlined in this bill.

But, related to whatever is done in this bill, and then if the Congress accepts that tax proposal on windfall profits and plowback, that the Congress would have spoken to what is an appropriate tax nothwithstanding what is in title III of this bill. It would be within the President's legitimate decision to say that this was an appropriate tax within the definition of this title, and at that point to approve the implementation of the decontrol plan called for in this legislation. In other words, I think the way this is drawn leaves both committees, within their jurisdictional provinces, some latitude to operate.

Mr. ULLMAN. Mr. Chairman, will the gentleman yield?

Mr. KRUEGER. I yield to the distinguished chairman.

Mr. ULLMAN. Mr. Chairman, I thank the gentleman for yielding to me. Let me say that there unfortunately is very little leeway or very little latitude. This is taxation, prescriptive taxation. I think it is a very bad precedent, a very bad policy. What we are doing here is, in effect, voting out a tax bill without having hearings, without having the tax experts from the joint commitee look at all of its ramifications, without having the Ways and Means Committee look at the whole gamut of options that we have available. They are simply not available.

If we pass this legislation with its prescriptive tax formula, there is virtually no operating room left. It seems to me that if this is the road that we are going to take in this Congress, every committee can come along with prescriptive tax legislation of this kind, bind the committee, bind the Congress, before we have taken the responsible procedures of beginning from the bottom with hearings, with appropriate consideration by the committee and by the tax experts on the committee and consultation with all of the outside experts that we need to put together a sound package.

Mr. KRUEGER. Mr. Chairman, I would take a moment to respond on my own time, to simply point out that what concerns the American people is not jurisdictional disputes between various committees; but what concerns the American people is to get an energy program underway. I think I am correct in saying that the Ways and Means Committee was very well aware that these proposals were underway. This legislation does not bind the Ways and Means Committee except in certain broad, general categories.

There still remains a great deal that the Ways and Means Committee can do and is expected to do, but I would simply observe that the only way in which we will have any sort of phased deregulation passed by this House, allowing us to get back to a market price, is if we also have a tax. The only way we will have the assurance that there will be a tax, is by requiring legislation such as this. The details can be left to the experts.

Mr. BROYHILL. Mr. Chairman, will the gentleman yield?

Mr. KRUEGER. I yield to the gentleman from North Carolina.

Mr. BROYHILL. Mr. Chairman, I agree very much with the gentleman, and say that if the gentleman had offered his amendment without this provision, probably some Members would be getting up and criticizing him because he did not have it in this section. I think this is a very broad section. The Ways and Means Committee would have a great deal of leeway to write a windfall profits tax section at the appropriate time.

The CHAIRMAN. The time of the gentleman from Texas has again expired.

(On request of Mr. BROWN of Ohio and by unanimous consent Mr. KRUEGER was allowed to proceed for 5 additional minutes.)

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. KRUEGER. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. Mr. Chairman, I might say to the gentleman from Oregon (Mr. ULLMAN), if I may have his attention, that as a member of the Committee on Interstate and Foreign Commerce I would have been pleased to vote for an amendment or to vote for decontrol in the legislation which we submit to the floor without any tax in it, and rely on the Ways and Means Committee to write that tax.

Is that what the gentleman is proposing? Would the gentleman support a decontrol plan without, in other words, the Krueger plan, or some other, without any windfall profits tax and plowback?

Mr. ULLMAN. Mr. Chairman, will the gentleman yield?

Mr. KRUEGER. I yield to the gentleman.

Mr. ULLMAN. We are attempting to put together the kind of amendment that we could accept that would put this into effect subject to a windfall profits tax originating in the responsible channels in the House Committee on Ways and Means and passed by the House.

That would meet with my approval, and I think, generally, I have told the gentleman from Texas that I am supportive of his concept if we can get around this bottleneck. I simply, in no way, can accept a prescriptive tax formula of this kind. It is wrong policy, it is wrong precedent. But if we can lay out a mandate for an appropriate windfall profits tax to be passed by the Congress as a condition precedent to putting this into effect, then that would be acceptable.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield further?

Mr. KRUEGER. I yield to the gentleman.

Mr. BROWN of Ohio. Mr. Chairman, I will mention to the distinguished member of the Committee on Ways and Means that I have heard him say often that he favors a decontrol plan and windfall profits tax and plowback. It is my understanding that, in the legislation considered in this body, at one stage of the game he had planned to put in a windfall profits tax and a plowback.

Is the gentleman's recommendation then that the decontrol pattern or mechanism be passed in this legislation, the Krueger plan, for example, without a windfall profits tax and plowback?

Mr. ULLMAN. If the gentleman will yield further, I will restate what I just finished saying.

If we can get an amendment that would make this conditioned upon the passage of a windfall profits tax by the Congress, leaving the kind of tax, as it should be, to the committee, then I would have no objection. As I told the gentleman from Texas, I generally agree with what he is trying to accomplish in this amendment.

Mr. BROWN of Ohio. May I ask the gentleman further, then, if the gentleman is prepared to offer an amendment to change the language? I understand the Krueger amendment is conditioned upon the passage of a windfall profits tax and plowback; that is, the decontrol part of it is conditioned on the passage of a windfall profits tax and plowback.

I gather that the objection of the chairman of the Committee on Ways and Means is that the language describing an appropriate windfall profits tax and plowback is a little too specific, so the gentleman would rather have the Krueger amendment, with no specific language describing what an appropriate windfall profits tax and plowback is, but just that there should be one, and on the passage of that by the Committee on Ways and Means, the decontrol would take place in the pattern described by the gentleman from Texas.

Mr. ULLMAN. Essentially, yes. If we can follow the orderly procedures of the House of Representatives that does not violate the basic jurisdiction of the Committee on Ways and Means, we could do it by making this provision conditioned upon the passage of an appropriate windfall profits tax, then I would certainly not have any objection.

My staff experts are in the process of putting together an amendment that would eliminate that portion of prescriptive taxation that is in this bill, and just substituting that kind of a simple condition, then the measure would be accepted.

Mr. BROWN of Ohio. If the gentleman will yield further, and, hopefully, finally, then I would encourage the chairman of the Committee on Ways and Means to submit such an amendment to the Krueger plan that would be acceptable by him and leave the members on his side of the aisle to support the Krueger proposal, because we may be very close on that basis to something in this legislation on which we could get agreement on both sides of the aisle and, hopefully, down the street a piece.

Mr. PICKLE. Mr. Chairman, will the gentleman yield?

Mr. KRUEGER. I yield to the gentleman from Texas.

Mr. PICKLE. Mr. Chairman, I thank the gentleman for yielding.

I know it has never been the intent of the gentleman in the well to offer any kind of an amendment that would invade the jurisdiction of another committee. The gentleman and members of his subcommittee and committee have talked to our committee. There have been constant discussions about the possible approach.

When the appearance was made before the Committee on Rules, it was made conditioned upon the fact that there was this understanding. I do not think either that any member from the Committee on Ways and Means wants to come in and try to throw a roadblock on this bill at this hour just because a rule was granted waiving points of order.

We thought there was a good understanding. I think there is an understanding. I am glad this dialog has taken place, because if the chairman of the Committee on Ways and Means can accept some kind of an amendment on this bill, it would show that we have not tried to invade the jurisdiction of the chairman of the committee or the jurisdiction of the Committee on Ways and Means. We are not trying to delineate this exactly; we are simply trying to set the guidelines.

The CHAIRMAN. The time of the gentleman from Texas (Mr. KRUEGER) has expired.

(On request of Mr. KETCHUM and by unanimous consent, Mr. KRUEGER was allowed to proceed for 2 additional minutes.)

Mr. KETCHUM. Mr. Chairman, will the gentleman yield?

Mr. KRUEGER. I yield to the gentleman from California.

Mr. KETCHUM. Mr. Chairman, I thank the gentleman for yielding. It was not my intention to participate in this debate, but I do wish to point this out: When the Committee on Ways and Means was in its deliberations over the so-called energy bill that was passed here recently, we spent some time in discussing this very subject.

The fact is that we knew that something like this was coming in the bill from the Committee on Interstate and Foreign Commerce, and we felt that we should at that time be prepared with some broad general outline of a windfall profits tax. That advice went unheeded, and the bill was passed without it.

Mr. Chairman, I would certainly concur with my friend, the gentleman from Texas (Mr. KRUEGER), that certainly an amendment could be offered at this time during the course of this debate to resolve that question on the floor once and for all.

Mr. KRUEGER. Mr. Chairman, I would like to observe that if the House disapproves of this amendment, we still have the question before us of whether or not the Committee on Ways and Means will consider some sort of tax. It may be that the Committee on Ways and Means can come up at this time with a particular tax.

Considering all the time and effort that has already been spent on this particular bill, I am surprised at this 11th hour and 59 minutes attack on my proposal.

Our problem is this: that this amendment as it now stands offers broad guidelines. The House knows that a tax of these dimensions would have to be in place before the whole matter can become law, and if the provisions as drawn here do not satisfy the Committee on Ways and Means, then, of course, this bill itself could be altered when the Committee on Ways and Means comes back with its tax.

It seems to me that we are better off by going with something like this, because we know what we have and we know what the general provisions would be. We are better off than we would be by saying, "Well, let us have some kind of decontrol and a suitable windfall profits tax," when we do not know what that windfall profits tax will be.

The virtue of this amendment is that we do know what the guidelines are; we know what is to be stricken.

It may be that the chairman of the Committee on Ways and Means will seek to offer an amendment to this bill with particular tax provisions, and if that be true, of course, the House may wish to work its will on that particular amendment. But I do not think we need to suppose that this amendment as it is drawn does not give us adequate information. In fact, the amendment as it is drawn gives us security in knowing what we are voting on instead of accepting something that will be coming along in the future.

Mr. OTTINGER. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I would like to just say for the Members who supported the committee bill that they did so in very large part because they had no faith in a windfall profits tax. First, they had no concept of how to design a tax that would really be effective; second, we were very doubtful that the House would accept an adequate tax or indeed that a tax could be devised that would adequately protect the American public—that would make up the difference between present controlled $5.25 oil and the OPEC price of $13.50 oil, and get that back under some kind of a redistribution to the American people in some fair way.

I think it is much better to adopt the provisions that are set forth in the committee bill.

Mr. VANIK. Mr. Chairman, will the gentleman yield?

Mr. OTTINGER. Yes, I yield to the gentleman from Ohio.

Mr. VANIK. Mr. Chairman, I would like to ask the author of the amendment whether or not, if his proposal is adopted, a Committee on Ways and Means windfall profits tax could be developed which would not include a plowback.

Mr. KRUEGER. If the gentleman will yield, according to the way in which my amendment is drafted, there must be included a plowback provision for new oil.

Mr. VANIK. So that the Krueger provision mandates a plowback and takes away from the tax-writing committee and all of the rest of the House of Representatives the issue of deciding whether or not it indeed wants to support a plowback before it mandates a plowback?

Mr. KRUEGER. If the gentleman will yield, it does not take the decision away from the House of Representatives. The House of Representatives has this question before it right now.

Mr. VANIK. This is the language by which the gentleman would have the House consider a tax on which it has no information, no printed report, no hearings, no idea of what the revenue yield or revenue impact is going to be, no idea of what the plowback is going to be or what there will be left for distribution to the inflation-suffering consumer, as to what there will be left for distribution to him after a plowback which is designed by the author and the supporters of the amendment?

Let me ask this: How much will be left available after plowback for distribution to those in the country who are going to have to pay more for all of the petroleum products that they use? How much will come back to them, I will ask the author?

Mr. OTTINGER. To answer the gentleman, that is precisely the concern of the people on the committee who support the committee version. We think we have the obligation of protecting the American public from unconscionable price increases that would be certain if the price of oil were allowed to rise, to the price set by the OPEC countries.

Mr. KRUEGER. Mr. Chairman, will the gentleman yield?

Mr. OTTINGER. Yes, I will yield to the gentleman from Texas.

Mr. KRUEGER. The gentleman from Ohio (Mr. Vanik) asked how much the Treasury would receive in revenues.

In conjunction with the Treasury Department the FEA estimated, in a report of June 14 that under this bill there would be $24.1 billion in tax revenues by 1980.

Mr. VANIK. If the gentleman will yield, did he say $24.1 billion?

Mr. KRUEGER. That is right.

Mr. VANIK. As a result of the tax proposal in this bill?

Mr. KRUEGER. That is correct. If I may continue, if the market price were $13.50——

Mr. OTTINGER. Mr. Chairman, I decline to yield further.

The CHAIRMAN. The gentleman from New York (Mr. Ottinger) declines to yield further.

Mr. OTTINGER. Mr. Chairman, I just think that the FEA figures are not right. I have seen them. We have just received a communication from the FEA with respect to this bill—a copy of a letter dated July 17, 1975, from Mr. Frank Zarb, FEA Administrator, to Honorable Carl Albert, Speaker of the House. The FEA figures are dream-world figures. The costs to the public are so badly understated and the estimates as to tax revenues are just so far beyond those which any sensible person could believe that I find it very hard to give credence to their position. Indeed, many of their comparisons are outright misleading, because they compare administrative proposal consequences with the consequences of no action instead of with this bill.

When we consider that the administration has been willing to support the oil companies' positions without qualification, and when we consider the Administration position in this, and the fact that the FEA is permeated with those oil people, I just do not think any credence should be given to FEA figures at all.

Mr. VANIK. Mr. Chairman, if the gentleman will yield further, I would just like to ask the author of the amendment whether or not under the provisions of his amendment the Committee on Ways and Means or any tax-writing committee which might be authorized by the Committee on Rules to write legislation, with respect to the increment subject to taxation, whether the tax would be at 91 percent instead of 90 percent or perhaps 89 percent? Could the committee go either way in determining the extent of these so-called windfall profits?

Mr. KRUEGER. If the gentleman will yield—the gentleman, I believe, has the bill before him.

Mr. VANIK. No. Under the Krueger bill will the Committee on Ways and Means have the right to put the figure at 90 percent, 95 percent, or 85 percent?

Mr. KRUEGER. Of course. If my amendment were passed, the law could be modified at any time.

Mr. BROYHILL. Mr. Chairman, I move to strike the last three words.

Mr. Chairman, I would like to have the attention of the author of the amendment, the gentleman from Texas (Mr. Krueger), and the attention of the gentleman from New York (Mr. Ottinger), because I would like to refer to something that the gentleman from New York said a moment ago.

I hope the gentleman from New York does not want to leave the impression from the remarks the gentleman made, that the section in the bill concerning the pricing policies on petroleum products, received an overwhelming majority in the committee, because that is not the case, as the gentleman knows.

There was a tie vote in the committee which was broken by one vote at the last minute. As I recall, the vote was 22 to 21.

So my point is, that the provisions which are in the bill at the present time were not received enthusiastically by many Members—in fact, I think that a majority of the House will approve the Krueger amendment.

I will now yield to the gentleman from New York (Mr. Ottinger) if I have misstated in any way or misunderstood what the gentleman said a few moments ago.

Mr. OTTINGER. No, the gentleman has presented the committee vote accurately. It was adopted by a mere one vote. I think that was a sound position and the closeness of the vote was due to a solid phalanx of Republican votes with one exception, plus the gentleman from Texas (Mr. Krueger) and one or two others on our side who voted for the Krueger amendment.

But I do believe, and the one point that most bothers me, is that the Krueger amendment provides for legislating tax policies, and the taxes are very likely both to be ineffective and never to go into effect.

Mr. BROYHILL. My point is that, of course, the Republicans do not have that many Republicans on the committee to have the impact they would like to have, since we are outnumbered two to one plus one. I would be delighted if we were able to get a large number of our Republicans who object to what is in the bill, to favor the amendment proposed by the gentleman from Texas (Mr. Krueger).

The point I am trying to make is that the provisions in the bill are not looked on with favor by large numbers of the Members of this House, as well as the committee.

I think every Member knows that with this section in the bill plus some of the problems we have in other sections of the bill that this legislation is not going anywhere. We are here spending several days on H.R. 7014, and yet it is for naught.

We are not going to come up with an energy program because I am convinced that there will be a veto, particularly after the vote on H.R. 4035 of yesterday, and that there are way and beyond the numbers that would be necessary to sustain a veto.

So my further point is that the only hope we have of writing an energy bill that is meaningful and that will accomplish something, is to adopt the amendment offered by the gentleman from Texas (Mr. Krueger), which I think is a moderate amendment. It is in the right direction. It provides for gradual decontrol, and is the only solution I see to increasing the supply of domestic petroleum. Otherwise we will continue to be dependent upon foreign oil or end up with shortages which can only cause consumer inconvenience and could also result in increased prices.

Mr. OTTINGER. Mr. Chairman, will the gentleman yield?

Mr. BROYHILL. I yield to the gentleman from New York.

Mr. OTTINGER. Mr. Chairman, does the gentleman think it is our duty in this body to use our own independent judgment as to what is best for the country, or to do that which is acceptable to another independent branch of the Government, the White House?

Mr. BROYHILL. It so happens in this case I think the President is right, and I will support him. If he is wrong I will not support him, but in this case I think he is right, and that it is good for the consumer and good for the country.

Mr. KRUEGER. Mr. Chairman, will the gentleman yield?

Mr. BROYHILL. I yield to the gentleman from Texas.

Mr. KRUEGER. Mr. Chairman, I think one point should be made about the so-called copout provision, and that is that the copout provision is money that must in fact be invested in domestic exploration and drilling that we are talking about, that falls between $7.50 plus 10 percent of the market price.

In general right now that would probably be about $4 or $4.50. What that means is that unless people suppose that we can get oil out of the ground today at less than $4, we have the assurance that that money would have to be put back into domestic exploration and drilling, and the other $7.50 would, of course, like any other profits genuinely—if they were $7.50 profits—be subject to taxation.

So I think there is a great deal of mythmaking about the supposition that a plowback would allow escape from taxation.

The CHAIRMAN pro tempore. The time of the gentleman has expired.

Mr. MARTIN. Mr. Chairman, I ask unanimous consent that the gentleman be granted 2 additional minutes.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from North Carolina?

Mr. SEIBERLING. Reserving the right to object, Mr. Chairman, the gentleman from North Carolina has used the threat that we have heard all too often in this House that if we do not do what somebody offers in an amendment there will be a veto. If I had any doubt about the Krueger amendment, it has been resolved. I am not going to be threatened by a man who has been put into office by Congress itself.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from North Carolina?

Mr. SEIBERLING. I object.

Mr. MARTIN. I thank the gentleman for his courtesy.

The CHAIRMAN pro tempore. Objection is heard.

Mr. VANIK. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, my opposition to this amendment has nothing to do with the issue of jurisdiction. What concerns me is the manner in which the House of Representatives is now attempting to consider an amendment that puts into place a tax program which is going to raise $24½ billion by 1980. This is a tax of a tremendous dimension. Treasury officials have offered no testimony or expertise as to what will be collected, what the plowback will be, and what the distribution of revenues will be.

I ask the author of the amendment, what will be the amount of the dollar plowback in 1980? If his proposal, if the tax aspect of his proposal is adopted, what will be the plowback to the oil industry of that $24.1 billion?

Mr. KRUEGER. Mr. Chairman, will the gentleman yield?

Mr. VANIK. I yield to the gentleman from Texas.

Mr. KRUEGER. I thank the gentleman for yielding.

The $24.1 billion was to be returned to the consumer. I am sorry the gentleman did not understand that point.

Mr. VANIK. What will be the plowback in dollars?

Mr. KRUEGER. If the gentleman will yield further, the plowback will be the difference between $7.50 plus——

Mr. VANIK. Tell me in dollars. I want an estimate. I want to know.

Mr. KRUEGER. If the gentleman will yield further, if the gentleman can tell me how many barrels of oil they get out of the ground, I will tell him exactly how much.

Mr. VANIK. When we deal with tax matters in our committee, we get a Treasury impact of everything we do. We have a Treasury estimate on which people in Treasury stake their reputations in telling us what the anticipated revenue effect is. Now the gentleman asks me to calculate something on which he apparently cannot give me an answer.

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield?

Mr. VANIK. I yield to the gentleman from Texas.

Mr. ECKHARDT. I thank the gentleman for yielding.

I think I can answer the question. The way the Krueger amendment works, it permits no plowback on the windfall profits tax on old oil, but it provides a 100 percent plowback on new oil. By 1980, if the oil companies have a lick of sense—and I think they are pretty smart—there will be nothing but the new oil categories, as Mr. KRUEGER pointed out a minute ago. So 100 percent plowback will be used by the oil companies to improve or enlarge their capital investment, and there will not be a nickel that comes back at that time.

Mr. McGUIRE. Mr. Chairman, will the gentleman yield?

Mr. VANIK. I yield to the gentleman from New Jersey.

Mr. MAGUIRE. I thank the gentleman for yielding.

Another very important aspect of the Krueger amendment which relates to the matter that is bieng discussed at the moment is the fact that it has no ceiling whatsoever on the prices to which new oil could go. If OPEC raises prices another $5 or $10, or what-have-you, it continues to go right on up with the plowbacks going right on up.

So I think it is important to note that.

Mr. WRIGHT. Mr. Chairman, will the gentleman yield?

Mr. VANIK. I yield to the gentleman but I am going to ask for more time and I hope the Members will be willing for me to have additional time.

Mr. WRIGHT. Mr. Chairman, the gentleman is well aware, I am sure, little attempt has been made here to preempt the right of the Ways and Means Committee to write the bill. I think most of us want the Ways and Means Committee to look at this.

As far as the plowback, none of us knows how much is going to be plowed back. All we know is we want it to be plowed back into the United States to find more oil in the ground here. That is the purpose. The more that is plowed back in finding more oil in this country, the better off the country would be in terms of not being dependent on foreign oil.

Mr. VANIK. I want to point out what is plowed back comes out of the American consumer and this is a horrendous sum.

Mr. WRIGHT. But the gentleman is well aware it is coming out of the American consumer now and there is no plowback. Under plowback they could not buy Montgomery Ward with that money but it would have to go into the oil, into finding oil in the United States in the ground here, to reduce our oil dependence on oil subject to foreign whims.

Mr. VANIK. But I might say this. We have different ideas about taxes. I would like to ask the author of the amendment a question. The gentleman talks about this business of two-third of such receipts to low- and middle-income taxpayers and one-half of the remaining one-third of the tax receipts to States and local governments.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

(By unanimous consent, Mr. VANIK was allowed to proceed for 5 additional minutes.)

Mr. VANIK. And the remainder goes to the corporate taxpayers other than corporate taxpayers required to pay inflation minimization taxes. Can the gentleman give the committee an estimate of what there will be available for distribution under these formulas in 1976, in 1977, in 1978, in 1979, and in 1980? Do we have any idea as to what that amount would be?

Mr. KRUEGER. Yes. I do. I would be happy to provide those figures. The estimate is $24.1 billion by 1980, and we can estimate that one-sixth of that would go back, according to the way it is written, so it is one-sixth of $24 billion.

Mr. VANIK. Does that take into consideration possible increases in State severances taxes and others?

Mr. KRUEGER. Yes, it does.

Mr. VANIK. Does the gentleman represent that he knows what the increases in State severances taxes might be? Will he be able to tell the House they will not be changed between now and 1980?

Mr. KRUEGER. The gentleman asked for an estimate. I have offered him an estimate.

Mr. VANIK. And that is the FEA estimate?

Mr. KRUEGER. That is correct.

Mr. VANIK. Nowhere in these presentations the gentleman has offered before this committee has he offered Treasury estimates.

Mr. KRUEGER. These were provided jointly by FEA and Treasury. But I have one question. Why is this issue raised now when the subcommittee chairman, the gentleman from Michigan (Mr. DINGELL) long ago suggested working with the Ways and Means Committee, and of course we have known for a long time that this matter was coming before the House? There was a rule for this. Why did the Ways and Means Committee not appeal before the Rules Committee to object? It seems to me that the gentleman's question about the whole matter is rather tardy.

Mr. VANIK. This is the time in which we are acting on the gentleman's amendment. The question before the committee today is whether there has been the thorough analysis of the tax aspects of this amendment which would be required by a prudent body in legislating a tax program with a dimension which will reach $24 billion by 1980. That is the question. And that is what we are dealing with at this time.

My own feeling is that we do not have really adequate information. My argument against this entire amendment is that with respect to the tax aspects there were no hearings that we can read today to see what the various officials of the Treasury and what the various officials of the FEA have testified to. We have to take guesses and to try to take approximations as to the consequences of perhaps the largest tax bill to be considered by the House of Representatives in the course of this year.

Mr. OTTINGER. Mr. Chairman, will the gentleman yield?

Mr. VANIK. I yield to the gentleman from New York.

Mr. OTTINGER. Mr. Chairman, I would like to support what the gentleman says in the consumer aspect. By having the tax taken off oil altogether and going to OPEC prices, with just the general provision saying a windfall profits tax before the committee decides in its wisdom to come up with in the future would be equally difficult to accept, because without assurance first that there is a really meaningful windfall profits tax in place, I do not think we can afford to let the consumer take the kind of advice that would be contemplated by the gentleman by almost tripling the price of oil they have to pay throughout the economy.

Mr. VANIK. I thank the gentleman. I would like to ask the author of the amendment another question. My question is this. Under the proposal of the gentleman for the redistribution of these tremendous funds to be created, the gentleman talks about two-thirds of the receipts to low- and middle-income people. Does the gentleman have any idea how that payment to those people will be made? How does the gentleman plan that this distribution should be made to the consumer of the extraordinary amounts that he is going to pay for petroleum which will end up in this fund?

Mr. KRUEGER. I would suppose we would get some excellent ideas on that point from the gentleman and others. The legislation is written in general terms so that the committee, with its expertise, would answer that question.

Mr. Chairman, if I may continue, we in this amendent wish to draw some general guidelines so the Ways and Means Committee might determine in its wisdom how it is to be done. We are trying to get away from the chicken and the egg problem. The Ways and Means Committee has been waiting for a deregulation proposal; if the Commerce Committee then waited for tax proposals, we would never develop an oil-pricing policy. We are offering a chance to vote for deregulation with the assurance that a tax will be in place.

Mr. VANIK. Will the gentleman tell me whether under his amendment the House Ways and Means Committee could make this in the form of a rebate?

The **CHAIRMAN.** The time of the gentleman from Ohio has again expired.

(By unanimous consent, Mr. Vanik was allowed to proceed for an additional 3 minutes.)

Mr. VANIK. Mr. Chairman, I would ask the gentleman, is it possible for the Committee on Ways and Means to do that?

Mr. KRUEGER. The answer is "Yes," of course.

Mr. VANIK. A rebate or changing, perhaps, the withholding taxes, is that allowable under the gentleman's amendment?

Mr. KRUEGER. Absolutely.

Mr. VANIK. Can the committee change the provisions where we have 90 percent, can they change that to 85 or 95 percent if in our judgment or the sound judgment of the House it becomes wise to change that figure?

Mr. KRUEGER. Of course, if we wish to come back and amend the law.

Mr. VANIK. We have to amend the law?

Mr. KRUEGER. That is right. I think everybody understands that.

Mr. MIKVA. Mr. Chairman, will the gentleman yield?

Mr. VANIK. I yield to the gentleman from Illinois.

Mr. MIKVA. Mr. Chairman, as one who voted for 20 cents a gallon tax, which went down in flames, and a 3-cent tax which went down in flames just 3 weeks ago, which would have raised a lot less than $24 billion in revenue, I do not know if my colleague, the gentleman from Ohio, or the gentleman from Texas could answer my question. How many cents per gallon are we talking about in this $24 billion?

Mr. KRUEGER. The increase in price by 1980 would be 7 cents per gallon, 4 cents of which would be rebated to the consumer through the inflation provision.

Mr. MIKVA. Then the validity of the gentleman's figures, not because he gave them, because obviously the FEA does not speak the same language, the 3 cents a gallon tax we are talking about would raise $4 billion worth of revenue; therefore, I assume that $24 billion of tax revenue has to be six times three, or 18 cents per gallon.

Mr. VANIK. That is precisely correct.

Mr. MIKVA. Mr. Chairman, I want to be sure that everybody that votes for the Krueger amendment is prepared to vote for an 18 cents a gallon gas tax.

Mr. KRUEGER. The $24 billion is to be rebated over 5 years, 1975–80, not in 1 year.

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield?

Mr. VANIK. I yield to the gentleman from Texas.

Mr. ECKHARDT. Also, the money rebated to the consumer is not all the money that has to be paid under this proposition, because what will happen is that the price of oil would go to the OPEC price. It would go from approximately $8.50 average to approximately $16. So we are not only talking about the cost to the consumer per gallon of gasoline based on the tax that goes to the Government, but an additional much larger amount that goes to the oil companies' profits.

The consumer pays for the gasoline.

Mr. VANIK. Mr. Chairman, I would say in closing that anybody who supports this amendment is applying for an exit visa from the Congress, because I do not think anyone can go back home and justify this kind of cost increase in the cost of gasoline and all petroleum products. In my judgment, I have not the slightest idea of what this plowback provision means. I look upon it as a transfer of the funds collected by the Government and handed over to the oil industry in an indiscriminate and indefensible manner.

The **CHAIRMAN.** The time of the gentleman from Ohio has again expired.

(On request of Mr. Martin and by unanimous consent Mr. Vanik was allowed to proceed for 1 additional minute.)

Mr. MARTIN. Mr. Chairman, will the gentleman yield?

Mr. VANIK. I yield to the gentleman from North Carolina.

Mr. MARTIN. Mr. Chairman, I would like to correct one point here. The gentleman from Illinois (Mr. Mikva) has pointed out that the $24 billion revenue should average out to 18 cents per barrel. That would be true if all of it were assigned to gasoline alone, but since about 40 percent of each barrel would be gasoline, then the spread over the entire barrel would be 7 cents a gallon.

Mr. VANIK. Or 12, or 18.

Mr. MARTIN. Or 7.

Mr. VANIK. Or 39.

Mr. MARTIN. I am saying that if we average out an entire barrel, it would be 7 cents per gallon, which is exactly what the gentleman from Texas (Mr. Krueger) said.

Mr. MIKVA. Mr. Chairman, if the gentleman will yield further, then the rest of it would go on heating oil and other such luxuries, is that correct?

Mr. MARTIN. It is 7 cents per gallon averaged over all of the United States.

Mr. VANIK. Mr. Chairman, I want to say that I do not know the answer and I do not think I can find out in the time we have to consider this bill.

Mr. COLLINS of Texas. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the amendment offered by my colleague from Texas (Mr. Krueger) is a very sound amendment. The only problem is, it does not go but about halfway. Some Members are looking for a middle position, a moderate position. This is the most moderate position that could be considered before this House, because there is basically only one solution to finding more oil, and that is to pay the cost of finding oil. With the technicalities we bring up on the floor, we seem to be missing the point that we are paying $12 to the Arabs but we are not paying but $6 for the same oil in the United States.

One thing that constantly gets away from everybody is that we keep talking about these rich oil companies. These rich oil companies we keep talking about here are owned by the stockholders in New York City, Chicago, Los Angeles, and all around the country. We have been talking about all the profits that these big oil companies have been making, but I would like to emphasize here that what these oil companies have been doing is that they have been drilling oil—they have been drilling oil—they have been drilling oil.

The actual facts are these: in the past 11 years they made $75 billion. That is a lot of money, but in the past 11 years they have drilled, they have explored, they have invested in the oil business $111 billion. If these companies have been getting money from what they have been selling in the way of oil, they have been putting it back in and putting it back in, but when we talk about energy, we need to realize that energy in this country is oil and gas.

We have got 50 percent of the world's coal reserve, but we do not use it. It is only 18 percent of our energy needs. We use 46 percent for oil, 30 percent for gas, 2 percent for nuclear, and 4 percent hydro, which means that basically we are in an oil and gas energy economy.

I do not know what they talk about in the Members' hometowns, but in our hometown they talk about industry and they talk about full employment. Today, we are getting more and more dependent on the Arabs for oil. We are dependent on them, and every year we pay Arabs more and they raise the price more.

If I could, along this same line I would like to tell my colleagues about inflation and how gasoline is related to inflation. We have the figures that show what has been happening throughout the country, most every item in this country has been going up. I have been told that since 1960 the price of gasoline has increased by 72 percent, but if the Members will remember, housing costs have gone up by 77 percent. Food costs have gone up by 93 percent and medical costs have gone up by 101 percent. If the Members will just take that into account and just assume that gasoline had gone up as much as food, the price of gasoline would be selling for 75 cents. And under the Krueger amendment, it is going to be actually selling at less than 75 cents a gallon.

Let me remind you all of the cost of gasoline in those countries which depend entirely on Arab oil. In London, it is $1.40 a gallon. In Brussels, it is $1.48 a gallon. In Tokyo, it is $1.55 a gallon. In Germany, it is $1.34 a gallon.

Unless we start developing and producing more oil, we are going to be paying $1.50 a gallon, too, if we depend on the Arabs.

Mr. MAGUIRE. Mr. Chairman, will the gentleman yield?

Mr. COLLINS of Texas. I yield to the gentleman.

Mr. MAGUIRE. Is the gentleman aware of the studies that have been done that show the effect on the economy would be in the range of $50 billion a year for increased energy costs alone, plus ripping effects of 50 to 75 percent for all of the other parts of our economy that depend on oil? For example, clothing, which depends on petrochemicals, and food which depends on fertilizer. We are talking of tens of billions of dollars annually that would threaten a new inflationary spiral. Is the gentleman aware of that?

Mr. COLLINS of Texas. That is right. But if 76 percent of our energy needs come from oil and gas, we have to have the oil and gas. And the question before us here is: Are we going to produce this oil and gas within our own country, buy our own American oil, pay our own people, or are we going to buy it from the Arabs? It is a question of whether we are going to have American oil or whether we are going to have Arab oil.

Mr. FREY. Mr. Chairman, will the gentleman yield?

Mr. COLLINS of Texas. I yield to the gentleman from Florida.

Mr. FREY. I thank the gentleman for yielding. I would like to ask the gentleman, the trend has been going pretty much toward exploration, has it not?

Mr. COLLINS of Texas. I thank the gentleman for giving me an opportunity to mention the statistics. In 1956, the United States drilled 58,418 wells. But in 1973, we only completed 26,000 wells. In other words, we are only drilling half as many wells.

The CHAIRMAN. The time of the gentleman has expired.

(On the request of Mr. Frey, and by unanimous consent, Mr. Collins of Texas was allowed to proceed for 2 additional minutes.)

Mr. FREY. Mr. Chairman, will the gentleman yield?

Mr. COLLINS of Texas. I yield to the gentleman.

Mr. FREY. I thank the gentleman for yielding. It seems to me, from what I learn in our committee hearings, what we are going through is we are faced with the very unfortunate fact that we are going to pay more, no matter what we say here on the floor of the House. Energy is going to cost more, because we are stupid as a nation, we have not done what we should have over a period of time. Now we are going to import the oil at whatever price they want and go ahead and pay these prices. In Florida, we import most of our oil, and it is extremely tough. But we are going to either encourage production and keep our money and jobs in this country, or we are going to export it. I think next year it will be $35 billion we are exporting in money, $50 billion the following year. And when we translate that in terms of jobs, that is the reason we are in the situation we find ourselves in.

While the Krueger amendment is no end-all, the amendment is a lot better than anything else; it is one of the few compromises we have to get something intelligent, and it will at least get us out of this problem.

The CHAIRMAN. The time of the gentleman has expired.

(On request of Mr. Moffett, and by unanimous consent, Mr. Collins of Texas was allowed to proceed for 1 additional minute.)

Mr. MOFFETT. Mr. Chairman, will the gentleman yield?

Mr. COLLINS of Texas. I yield to the gentleman from Connecticut.

Mr. MOFFETT. Mr. Chairman, my good friend from Texas talks very frequently about higher gasoline prices in other countries.

Mr. COLLINS. That is right.

Mr. MOFFETT. I believe the gentleman mentioned Italy. I do not recall what figure the gentleman gave.

Mr. COLLINS of Texas. About $1.50 in most European countries.

Mr. MOFFETT. Is the gentleman aware of how much of that is tax?

Mr. COLLINS of Texas. I am not aware, but if the gentleman wants to know how much the oil companies pay in taxes, I will give the gentleman some figures on that.

Mr. MOFFETT. In Italy, it is equivalent to $1.16 in taxes. In France, it is equivalent to 74 cents in tax. In West Germany, 74 cents. The United Kingdom, 53 cents.

In Japan, 46 cents. And in this country, 12 cents.

So it seems to me we are talking about apples and oranges when we say that most of the high prices are because of tax. The situation in this country is simply much different.

Mr. COLLINS of Texas. Mr. Chairman, the gentleman has raised the question of taxes. I do not know all the specific taxes, but this is as we have them, and I have added them up. In the United States, all of the oil companies pay these taxes: they pay property taxes, they pay severance taxes, they pay income taxes, and they pay the tax at the pump and on down the line.

Then I decided to find out how much the stockholders got on their investments in these companies. I found that every time a stockholder got a dollar there were $11 of taxes paid.

If the gentleman is suggesting that we put additional taxes on the poor gasoline consumers in this country—and I am not saying he would suggest that—that is unfortunate.

Mr. MOFFETT. No.

Mr. COLLINS of Texas. I say that that would be unfortunate, because we are already taxing on a ratio of 11 to 1, compared to the investment return to stockholders.

Mr. MOFFETT. Mr. Chairman, when I was pointing this out, I was not talking about the taxes to oil companies. I think the gentleman knows that.

The CHAIRMAN. The time of the gentleman from Texas (Mr. Collins) has expired.

(On request of Mr. White and by unanimous consent, Mr. Collins of Texas was allowed to proceed for 2 additional minutes.)

Mr. WHITE. Mr. Chairman, will the gentleman yield?

Mr. COLLINS of Texas. I yield to the gentleman from Texas.

Mr. WHITE. Mr. Chairman, I thank the gentleman for yielding.

I merely wanted the gentleman to yield because I wanted to describe an experience we have had in Texas.

My district encompasses part of a Permian Basin that provides 25 percent of the domestic production in the State. The independent drillers provide 70 percent of all the production of oil. Old oil, of course, continues to be produced, and according to the oil men, all the oil men are just waiting to see what Congress does before they proceed to drill and put out the risk capital.

My understanding is that if we have this rollback to $7.25, it will be self-defeating for our purposes because we will not be producing the oil that will make us energy self-sufficient.

Mr. COLLINS of Texas. Mr. Chairman, the gentleman has brought up an interesting point. I know that Sprayberry oil is produced in his district. That is one type of oil sand known as the Sprayberry oil, and they tell me in order to produce that Sprayberry oil it is going to cost, with the drilling costs and expenses, $10.50 or $11 a barrel.

The question is: Are we going to pay $10.50 or $11 to develop the land and get the Sprayberry oil, where we know about the reserves and we know the oil is there, or are we going to pay $12 a barrel to continue importing Arab oil?

Mr. MYERS of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. COLLINS of Texas. I yield to the gentleman from Pennsylvania.

Mr. MYERS of Pennsylvania. Mr. Chairman, the gentleman on the other side, I believe, made a point about the taxes the consumer pays on oil in other countries. I think it is a good point. I think it points up the fact that those governments have learned there is an elasticity in the use of oil and gasoline products and what they are attempting to do is to discourage the outflow of dollars from their governments to the OPEC countries.

I think the gentleman's argument makes a very good case for the Krueger amendment.

Mr. COLLINS of Texas. Mr. Chairman, Chief Justice Marshall many years ago made a point in regard to taxes. He said that "The power to tax is the power to destroy." So taxation can destroy the oil industry.

Mr. HUGHES. Mr. Chairman, will the gentleman yield?

Mr. COLLINS of Texas. I yield to the gentleman from New Jersey.

Mr. HUGHES. Mr. Chairman, I wonder if the gentleman can tell me what his understanding is as to what the return was on equity investment that the oil companies averaged last year?

Mr. COLLINS of Texas. Mr. Chairman, I do not know what the oil companies averaged last year, but I do know what they averaged over a 10-year spread. Over that period of time they averaged 11½ percent, and all manufacturing as a whole over this 10-year period averaged 11.7 percent as return on investment. Last year was not a typical year. We should remember that this year all these oil companies earned only one-third of the entire amount they earned the previous year.

Mr. HUGHES. Mr. Chairman, the gentleman might be surprised to learn that the figures have been in the area of 18 to 19 percent, whereas industrywide they have been only 14 percent, which would indicate we should not shed too many crocodile tears for the oil companies.

Mr. COLLINS of Texas. Mr. Chairman, I think if the gentleman will investigate it, he will find if he checks his figures, that on the average, the figures are 11½ percent for the oil companies and 11.7 industrywide. The oil industry makes a smaller return on its investment in assets than the average manufacturing company in this country.

Mr. ECKHARDT. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, the gentleman from Texas (Mr. KRUEGER) has given his usual excellent and lucid explanation of his amendment. For that reason, if the Members have listened to him carefully, they will vote against it.

What leaps forth from the explanation is that we would not have decided the policy we are called upon to decide here if we were to agree to his amendment. The policy we are called upon to decide here is a policy on price control versus decontrol of oil. The gentleman's amendment would leave open two distinct and separate possibilities.

One can best illustrate them by imagining one's appearing during the recess and attempting to explain what we did to his constituents. His constituents would say, "What did you do?"

We would then say, "Well, we did one of two things. I am not exactly sure which of them we did. We either provided a kind of sales tax that would raise several billion dollars from us as consumers of gasoline and all other commodities having an oil cost ingredient and decided to redistribute it in some manner, which we have not yet settled on, because we are going to leave that to the Committee on Ways and Means; or, on the other hand, we permitted the price of new oil to go to the peak, to go to whatever the OPEC price is." That, of course, is what the Krueger amendment would do if no windfall profits tax were put in place.

One thing we could say with great certainty, however, and that is that with respect to new oil, we permitted the price to go up so high that the total mix of oil used in the United States would move from a figure of $9.80 per barrel average to $16 a barrel average, assuming the OPEC countries do what they say they are going to do and assuming the tariffs on oil are kept in the manner in which the President has placed them.

If the Congressman has caught the coat lapels tightly of the constituent, and he is still there to hear any more from his Representative, the Congressman may say to him, "How does that grab you?"

I suspect the voter will say, "Do you mean that you did not decide whether to tax us or not?"

We must, if we answer honestly, say: "No, we did not decide that. We also did not decide whether or not to deregulate the price of old oil, and we did not decide whether to try to recoup windfall profits from oil. We have not decided any of those three questions."

The constituent then asks, "Is that the way you usually legislate?"

We say, "No; As a matter of fact, we cannot legislate on a contingency, under our rules, so usually we do not do that."

The constituent would then ask, "How did you get to do it then?"

"Why the gentleman from Texas (Mr. KRUEGER) asked for a rule from the Committee on Rules to make a special exception to provide that he could put in an amendment contingent on something that the Committee on Ways and Means might or might not do."

"Why did the Committee on Rules do that?" asks the constituent. The answer of any honest and knowledgeable Member of Congress is that the Committee on Rules will permit any person, who earnestly and sincerely wants to do it, to do a foolish thing.

The constituent would then say: "You know, that confirms a lot I have been hearing about Congress recently."

At that point I would say, "Wait now. Don't leave me yet. Let me explain something about jurisdiction."

I am afraid, however, that I would have lost my audience by that time, and I might have lost a good deal more.

Mr. KRUEGER. Mr. Chairman, will the gentleman yield?

Mr. ECKHARDT. Yes; I yield to the gentleman from Texas.

Mr. KRUEGER. Mr. Chairman, I thank the gentleman for yielding.

I understand that the constituent might very well not understand certain jurisdictional disputes, but I think that it would be equally difficult and perhaps, indeed, harder to have to return to the constituents once more who would say, "What did you do?" And they would be told, "We passed a rollback to $7.50 because we preferred to pay the Arabs twice as much for oil as we prefer to pay people at home, and then what we did was to find that the President vetoed that, so we still do not have any law in place."

The **CHAIRMAN.** The time of the gentleman from Texas (Mr. ECKHARDT) has expired.

(On request of Mr. SEIBERLING and by unanimous consent, Mr. ECKHARDT was allowed to proceed for 5 additional minutes.)

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. ECKHARDT. Yes, I yield to the gentleman from Ohio.

Mr. SEIBERLING. Mr. Chairman, I would hope that we could discuss this very difficult and complex subject without getting into extraneous issues here today, either threats of veto or jurisdictional questions.

I would like to go to some really troubling substantive questions that have been raised about the committee substitute, and in particular the so-called Eckhardt amendment.

The gentleman from Texas (Mr. KRUEGER) has sent out a "Dear Colleague" letter in which he has outlined, among other things, through some attachments to the letter, comparative cost data for the drilling of oil wells both on land and in the ocean. The gentleman also points out that the total costs from 1973 to 1975 on drilling land wells have risen 79 percent, and the cost of drilling wells on water have risen 84 percent.

But then I see in one of the studies that we have received that in that same period the price of new oil has increased by 250 percent. Is that correct?

Mr. ECKHARDT. I think that is correct. It will, of course, in our present projections, increase by about quadruple from the end of 1973 to perhaps the end of this year, or early next year if we permit decontrol.

Mr. SEIBERLING. What the committee bill would do, as I understand it, is to roll back the prices of new oil so that it would be somewhere in the range of around 120 to 150 percent greater than it was in 1972, instead of 250 to 300 percent greater. Is that about it?

Mr. ECKHARDT. On the average, about twice as much through about 1980.

But I would like to point out—as I said during the general debate on the bill, although there were few present other than members of the committee and the gentleman from Ohio—that there is a considerable price spread permissible under an $8.50 average ceiling.

Incidentally, a copy of my remarks in general debate along with a diagram showing this is on the desk here if the Members wish to look at it.

It would permit Prudhoe Bay oil which can be brought in at about $7.55 to be averaged in with North Slope oil, which could run up around $9, and very high production cost oil which could average in at around $9.50 and could even go to $10 and higher under the $8.50 average ceiling if it were spread in quantities as indicated in the diagram.

Mr. SEIBERLING. The point I am working at is that even with the rollback under the committee substitute, the increase in the price of oil from 1973 to date would far exceed the average increase in the cost of drilling for new oil, is that correct?

Mr. ECKHARDT. That is correct. It would approximately double from 1973, and would hold at a plateau at that level with gradual increases on down the line.

Mr. SEIBERLING. A refinement of this problem has been brought to our attention in a "Dear Colleague" letter from the gentleman from Texas (Mr. CHARLES WILSON) who says that the Eckhardt provision would regulate the price of new oil at $7.50 a barrel at a time when a great deal of new oil costs more than $10.50 per barrel to produce, and most of this is oil that the independents have brought in, and that a price of $12.73 per barrel is necessary to generate a profit to the explorer of 15 percent.

That is a very serious charge, and I wonder what the answer, if any, is to it.

Mr. ECKHARDT. The evidence that we received before our committee, was as follows: According to Mr. George Mitchell, the cost of replacement oil is anywhere from $7, $8, $9 a barrel.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. SEIBERLING, and by unanimous consent, Mr. ECKHARDT was allowed to proceed for 2 additional minutes.)

Mr. ECKHARDT. The statement that was made by Dr. McKelvey of the Department of the Interior was that it is estimated that at $5 per barrel, 1974 dollars, the probability that the remaining total recoverable resources of crude oil lie between 112 billion barrels and 189 billion barrels is 90 percent. At the 1974 level of domestic production of 3.04 billion barrels, this is equivalent to a 62-year production life.

Mr. SEIBERLING. Mr. Chairman, would the gentleman yield again?

Mr. ECKHARDT. I yield to the gentleman from Ohio.

Mr. SEIBERLING. I thank the gentleman for yielding.

Is there any relief in here for a producer whose actual costs are in excess of $7.50 or $8.50 a barrel?

Mr. ECKHARDT. Yes. He would have the advantage of the same averaging that I have illustrated on the sheet I have passed out—just as in the case of Alaskan oil if he were producing high cost oil as determined by FEA under the procedures of the bill.

Mr. SEIBERLING. Supposing he is a small producer and he has nothing to average it out against.

Mr. ECKHARDT. The individual does not have to average it out within his own production. In the entire classification of high-cost oil, the producer who has a high-cost property may be given a higher price than $8.50 so long as this does not raise the entire production within that category to an average price of more than $8.50.

Mr. SEIBERLING. If the gentleman will yield further, so, in other words, every one of these points that have been raised about discouraging new production have been taken into account in the committee's bill?

Mr. ECKHARDT. That is right. Every one of these points was raised in the committee and thrashed out, and after the most serious consideration we attempted to fashion a bill that will not cut out of production any prospect of oil in the United States.

Mr. SEIBERLING. I thank the gentleman. He has resolved the lingering question that I have had.

Mr. LEVITAS. Mr. Chairman, will the gentleman yield?

Mr. ECKHARDT. I yield to the gentleman from Georgia.

Mr. LEVITAS. I thank the gentleman for yielding.

There is a very important question that troubles me and a number of other Members as between the Eckhardt amendment and the Kruger amendment, and that pertains to our understanding that the whole purpose of these energy programs is to make this country less dependent on foreign oil. In that connection the proponents of the Kruger amendment say that if an American oil producer is able to get more for his oil discovered overseas rather than in this country, then why is it not obvious that the American oil producer will make his development investment abroad rather than in this country? I would like to know from the gentleman from Texas how he responds to that argument.

Mr. ECKHARDT. There are several reasons, and I would suspect that some of the discussion that has gone on heretofore would help answer the question. One reason, of course, is that a very great amount of the cost of foreign oil is in the form of a tax placed upon it by the foreign government. The multinational is becoming less and less a producer overseas and more and more a distributor in the world market place, so if one wishes to discover and profit by his discoveries, he is much better advised to operate in the free enterprise arena—produce in Alaska or in the lower 48 States, or in the Outer Continental Shelf of the United States, than he is to go to a nation which has, in effect, nationalized its oil.

With respect to the other question, I think that was what about this business of cutting down production and making us more dependent on Arab nations. The assumption that has been made against my bill is that it would in fact decrease production in the United States below that which would happen if prices were permitted to go sky-high.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. LEVITAS, and by unanimous consent, Mr. ECKHARDT was allowed to proceed for 2 additional minutes.)

Mr. ECKHARDT. I have just run down the history of increases in production and increases in prices, costs, over the last, say, 15 years. Incidentally, I have made the comparisons so as to give a 3-year leadtime from the price level year to the year of production. Thus we compare production 3 years later than the price increase, to that increase, because that is about the lagtime necessary for developing properties in domestic production.

I find that in no year when the price increased 3 years earlier was there a related increase in proven reserves. As a matter of fact, I have the details here of the years when price increases occurred 3 years earlier, and the related production years showed decreased reserves for 1960 and 1969. The years when price decreases 3 years earlier were associated with production years showing increased proven reserves were 1961, 1964, 1966, 1970, and 1972. And the years when price decreases 3 years earlier were associated with decreased proven reserves were 1962, 1963, 1965, 1967, 1968, 1969, 1971, and 1973. But in no year do we find linkage between increased price and increased reserves.

Mr. MOFFETT. Mr. Chairman, will the gentleman yield?

Mr. ECKHARDT. I yield to the gentleman from Connecticut.

Mr. MOFFETT. Mr. Chairman, those who raise the question about increased reliance on OPEC and caving in to OPEC by adopting the Eckhardt amendment, it seems to me that one of the answers to that is what better thing for OPEC than to decontrol and let them set the price of our oil? Does the gentleman agree with that?

Mr. ECKHARDT. I would think so, and what better thing for multinational oil companies that are merchandising OPEC oil?

The CHAIRMAN. The time of the gentleman from Texas has expired.

(On request of Mr. MOFFET, and by unanimous consent, Mr. ECKHARDT was allowed to proceed for 1 additional minute.)

Mr. MOFFETT. Mr. Chairman, will the gentleman yield?

Mr. ECKHARDT. I yield to the gentleman from Connecticut.

Mr. MOFFETT. Mr. Chairman, the Krueger amendment and decontrol approach is a drain-America-first proposition in many respects because we are allowing them to set our price and our oil will be at exactly the same price as theirs.

Mr. ECKHARDT. I think that would be true if what they anticipate could really happen but I do not think it will happen. Believe me, a person can pay me to jump 2½ feet for 5 bucks, but he cannot get me to jump 6 feet if he pays me 15 bucks. I just cannot do it. Such is analogous to the theory that you can bring in new oil quickly by merely raising the price. You can bring in an increase over a long spread of time, but the increment of increased production becomes smaller and smaller as the price steps become greater and greater. It is simply not worth it to pay for a relative small increase of production, a high price spread over all new oil produced and, eventually, over all oil produced.

Mr. MAGUIRE. Mr. Chairman, will the gentleman yield?

Mr. ECKHARDT. I yield to the gentleman from New Jersey.

Mr. MAGUIRE. Mr. Chairman, on the matter raised by the gentleman from Georgia, I just wanted to add some factual material to the gentleman's very correct answers to his inquiry. Our foreign oil taxes and royalties have grown to $10.15 to $11 on foreign oil which leaves pretax profit in the neighborhood of $1 a barrel. These are on foreign equity provided by an investment house in New York. That obviously shows profits to be made on uncontrolled domestic oil will be much greater if we do not have those royalties and taxes.

The CHAIRMAN. The time of the gentleman from Texas has expired.

(On request of Mr. MAGUIRE, and by unanimous consent, Mr. ECKHARDT was allowed to proceed for 2 additional minutes.)

Mr. MAGUIRE. Mr. Chairman, will the gentleman yield?

Mr. ECKHARDT. I yield to the gentleman from New Jersey.

Mr. MAGUIRE. Mr. Chairman, the comparable figures for domestically produced oil today show a finding and lift cost for onshore oil of $4 and $7, which gives profits of $7 and $4 at the $11 price. So obviously the production of domestic oil at unrestricted prices is more profitable to the oil company.

As to the production which we will see in the future and what its cost profile is, which may be indeed somewhat different from what we have today on that, we should remember North Sea oil began to be explored when oil was under $2 per barrel and that the Alaska fields began to be explored when oil was under $4 a barrel. As to the North Sea, the early reports indicate production costs there are $4 and $5 a barrel. With regard to offshore oil in California and the Gulf of Mexico and projected offshore production on the east coast of the United States, the projection of the oil task force, FEA's own document, showed there would be no difference. I think this is terribly important that everyone in this Chamber understands this, that there would be no difference in amount of oil produced domestically onshore or offshore by 1988 at a $7 or $11 figure.

In other words, we get exactly as much oil at $7 as we get at $11, which confirms the gentleman's jumping analogy.

Finally, FEA's own report suggested that $7.50 would be adequate as an incentive price for maximum production. If it is good enough for FEA, I think it is good enough for this Congress.

Mr. ECKHARDT. Mr. Chairman, if the gentleman will permit me to remark, I agree with that and I might comment, there is another thing that tends to prove the point: The multinationals are continuing to make high profits, but their profits increases have not recently been as great as the domestically integrated companies.

For instance, net income for the first quarter of 1975 for Continental Oil, one of the domestically integrated companies, jumped 65 percent. Ashland Oil was up 13 percent. That is apparently where the largest profits are being made and the reason is for the reasons the gentleman described.

Mr. WRIGHT. Mr. Chairman, will the gentleman yield?

Mr. ECKHARDT. I yield to my colleague, the gentleman from Texas.

Mr. WRIGHT. Mr. Chairman, the gentleman mentioned Ashland Oil Co. and that company has been cited as one of those submitting this petroleum report; that company had only 7 percent of its production in the United States and 93 percent foreign.

Mr. ECKHARDT. No; the purchases of foreign by Continental is what I said.

Mr. WRIGHT. It is 93 percent for Ashland Oil.

The CHAIRMAN. The time of the gentleman from Texas has expired.

(By unanimous consent, Mr. ECKHARDT was allowed to proceed for 1 additional minute.)

Mr. WRIGHT. Mr. Chairman, will the gentleman yield further?

Mr. ECKHARDT. I yield to the gentleman.

Mr. WRIGHT. Is it not true, is that then not an evidence that it is the big integrated oil companies that want to raise the price of old oil and do not care whether we reduce the price of new oil or not?

Mr. ECKHARDT. The gentleman did not hear the other statistic. I said that the income in the first quarter of 1975 for Continental Oil Co. jumped 65 percent and Ashland Oil was 13 percent. Now, Continental is a large producer of domestic oil.

Mr. WRIGHT. I thank the gentleman.

Mr. MYERS of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. ECKHARDT. I yield to the gentleman from Pennsylvania.

Mr. MYERS of Pennsylvania. Mr. Chairman, I would like to know if we are not taking a rather fragmentary approach to the energy question? The relation between the price of oil, the relation between the price of solar energy and coal gasification are tied together. If we control old oil at an adverse price, they are all affected.

Mr. ECKHARDT. We have permitted oil to remain at its price of twice that in 1972.

AMENDMENT OFFERED BY MR. HEINZ AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. KRUEGER

Mr. HEINZ. Mr. Chairman, I offer an amendment as a substitute for the amendment.

The Clerk read as follows:

Amendment offered by Mr. HEINZ as a substitute for the amendment offered by Mr. KRUEGER: On page 216, line 16, strike "production" and all that follows through "price" on line 17, and insert in lieu thereof: "base period control volume adjusted for field decline."

On page 216, strike out line 24 and all that follows down through line 33 on page 223, and insert in lieu thereof the following:

(b) No producer may charge for the first sale of domestic crude oil a price which is higher than the ceiling price established under subsection (c) or (d).

(c) (1) Except with respect to a first sale of domestic crude oil described in subsection (d) and subject to paragraph (2), the ceiling price for the first sale of a particular grade of domestic crude oil shall be—

(A) the highest posted price at 6 ante meridian, local time, January 31, 1975, for that grade of crude oil at the field; or if there was no such posted price for that grade of crude oil at that field, the related price for that grade of crude oil which is most similar in kind and quality at the nearest field which prices were posted at such time and date or

(B) $11.28 per barrel:

whichever is less. A reference to the "highest posted price" or "related posted price" in paragraph (1) of this subsection does not include any field price applicable to "old crude petroleum" as defined in section 212.73 of volume 10 of the Federal Code of Regulations (as in effect on January 31, 1975).

(2) The President shall amend the regulation under section 4(a) to conform to the requirements of this subsection. The President may thereafter amend the regulation to adjust the ceiling price upward or downward as he deems necessary to reflect increased or decreased costs of production. No such amendment may become effective unless neither House of Congress has disapproved (or both Houses of Congress have approved) such amendment in accordance with the procedures specified in section 751 of the Energy Conservation and Oil Policy Act.

(d) (1) Except as provided in paragraphs (2) and (3), in the case of sales from a 1972-producing property in any month which follows the date of enactment of this section in volume amounts equal to or less than the base period control volume, the ceiling price for the first sale of a particular grade of domestic crude oil shall be the sum of (A) the highest posted price at 6 ante meridian, local time, May 15, 1973, for that grade of crude oil at that field, or if there was no posted price for that grade of crude oil at that field, the related price for that grade of crude oil which is most similar in kind and quality posted at the nearest field for which prices were posted at such time and date; and (B) a maximum of $1.35 per barrel;

(2) If the Congress finds and so declares by concurrent resolution that there are in effect inflation minimization taxes consonant with the purposes of this section, the ceiling price specified in paragraph (1) shall apply only to sales from a 1972-producing property in any month which follows the date of enactment of this section in volume amounts equal to or less than the base period control volume adjusted for field decline.

(3) (A) In the case of sales from a 1972-producing property which the President, upon petition, certifies on a property-by-property basis,

(i) as having made bona fide application of tertiary recovery techniques, and

(ii) that such application has or will significantly enhance production from such property;

the ceiling price applicable to sales from such property shall be such price as the President may, by rule, establish for such property, based upon a determination that such price is reasonable and justified in relation to the increased costs associated with such recovery techniques and taking into consideration any enhanced recovery which has or will result from such techniques, but in no case may such price exceed $11.28 per barrel for sales from such properties.

(B) The President shall amend the regulation under section 4(a) to conform to the requirements of this subsection. The President may thereafter amend the regulation to adjust the ceiling price upward as he deems necessary to reflect increased costs of production. No such amendment may become effective, unless neither House of Congress has disapproved (or both Houses of Congress have approved) such amendment in accordance with the procedures specified in section 751 of the Energy Conservation and Oil Policy Act of 1975.

(4) For the purposes of this subsection—

(A) The term "1972-producing property" means a property from which domestic crude oil was produced and sold in one or more of the months of May through December, 1972. any first sale from a property in any month which follows the date of enactment of this section in volume amounts greater than the base period control volume adjusted for field decline but less than the base period control volume without adjustment for such field decline, a tax which couples a redistribution of tax receipts mechanism with an excise tax applicable to such sales equal to: (a) in the first month which follows the date of enactment of this section, 95 per centum of the difference between the average price per barrel of such sales from the property in such month and a tax reference price of $5.75 per barrel; and (b) in each successive month thereafter, 95 per centum of the difference between the average price per barrel of such sales from the property in such month and such tax reference price adjusted by adding an inflation adjustment factor: *Provided*, That such tax shall not apply to sales from a property certified by the President pursuant to paragraph (d) (3) as having made application of bona fide tertiary recovery techniques; and *Provided further*, That such tax shall not exceed 75 per centum of the net income attributed to a barrel of oil which is subject to tax determined by taking the net income from the property as calculated under the Internal Revenue Code of 1954 computed without allowance for depletion and intangible drilling costs divided by the number of barrels produced from such property which are subject to the inflation minimization tax; and (ii) in the case of any first sale of domestic crude oil, other than a sale described in clause (i) of this paragraph and other than a sale described in paragraph (d) (2), in any month which follows the date of enactment of this section, a tax which couples a redistribution of tax receipts mechanism with an excise tax applicable to such sales equal to (a) in the first month which follows the date of enactment of this section, 95 per centum of the difference between the average price per barrel of such sales from the property in such month and a tax reference price of $7.50 per barrel; and (b) in each successive month thereafter, 95 per centum of the difference between the average price per barrel of such sales from the property in such month and such tax reference price adjusted by adding an inflation adjustment factor: *Provided*, that such tax shall not apply to sales from a property certified by the President as having made application of bona fide tertiary recovery techniques; *and provided further*, That a credit against such tax shall be allowed for a qualified investment, and such tax shall not exceed 75 per centum of the net income attributed to a barrel of oil which is subject to tax determined by taking the net income from the property as calculated under the Internal Revenue Code of 1954 computed without allowance for depletion and intangible drilling costs divided by the number of barrels produced from such property which are subject to the inflation minimization tax.

(C) The term "inflation adjustment factor" means an amount equal to two thirds of 1 percentum, of the respective tax reference price, compounded, for each month occurring between the first month which begins after the date of enactment of this section and the current month of production, and rounded to the nearest whole cent.

(D) The term "redistribution of tax receipts mechanism" means a mechanism which distributes in full amount the tax receipts resulting from the inflation minimization tax and the production maximization tax making use of appropriate devices for the purpose of off-setting increases in energy-related costs which devices shall distribute—

(i) two-thirds of such receipts to low- and middle-income taxpayers and adult low-income nontaxpayers (other than a person who is a claimed dependent of a taxpayer) in a manner weighted in favor of the lower-income members of such group of taxpayers and nontaxpayers;

(ii) one-half of such remaining one-third of tax receipts to States, school districts, non-profit public and private organizations, local governments and public authorities; and

(iii) the remainder to corporate taxpayers (other than corporate taxpayers which are required to pay inflation minimization taxes). Such distribution may be accomplished through means which include disbursements, refundable tax credits, permanent reductions in tax liability, and adjustments to withholding except that, to the maximum extent practicable, benefits from distributions shall be available on a reasonably current basis within the taxable year.

(E) The term "qualified investment" includes and is limited to for any taxable period the amount paid or incurred by such producer during such taxable period (with respect to areas within the United States) for—

(i) intangible drilling and development costs, or geological and geophysical costs, described in section 263(c) of the Internal Revenue Code of 1954 (as in effect for taxable years beginning after December 31, 1974).

(ii) the construction, reconstruction, erection, or acquisition of the following items, but only if the original use of such items begins with such producer:

(a) depreciable assets used for—

(1) the exploration for or the development or production of oil or gas (including development or production from oil shale),

(2) converting oil shale, coal, or liquid hydrocarbons into oil or gas, or

(3) refining oil or gas (but not beyond the primary product stage),

(b) pipeline for gathering or transmitting oil or gas, and facilities (such as pumping stations) directly related to the use of such pipelines.

(iii) secondary or tertiary recovery of oil or gas.

(iv) the acquisition of oil and gas leases (other than offshore oil and gas leases), but the aggregate amount which may be taken into account under this clause for any taxable period shall not exceed one-third of the aggregate of the amounts which may be taken into account by the taxpayer under subclauses (i), (ii), and (iii) for such period.

(F) The term "tertiary recovery techniques" means crude oil production enhancement practices which employ fluid, heat, or insert gas injection methods including miscible fluid displacement, microemulsion flooding, in situ combustion, cyclic steam injection, steam flooding, carbon dioxide injection, polymer flooding, caustic injection, and other chemical flooding designed to produce production in excess of that attributable to natural or artificially induced water or natural gas displacement.

(e) The President shall conduct a continuous study and analysis of, and report to the Congress by December 31, 1975, and thereafter by December 31 of each successive year for a period of the next four years on the effect of such price ceilings and taxes on (1) economic conditions, (2) production of domestic crude oil and other energy sources, (3) demand for crude oil and refined petroleum products and other energy sources, (4) imports of crude oil, residual fuel oil, refined petroleum products, and other energy sources (including the effect on balance of payments of such imports), and (5) economic efficiency. The President shall include in any such report his views and recommendations respecting the continuation, with or without modification, of the provisions of any such price ceiling or tax.

(f) This section shall take effect on the first day of the first full month following the date of enactment of this section and shall expire, unless extended, on December 31, 1980.

Mr. HEINZ (during the reading). Mr. Chairman, in view of the fact that the amendment has but two minor changes which I would like to describe, I ask unanimous consent that the amendment be considered as read. It has been printed in the Record since Wednesday and can be found on page 23193 of the July 16 Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

Mr. ECKHARDT. Mr. Chairman, not having a copy of the amendment, as a precaution I reserve a point of order.

The CHAIRMAN. The gentleman from Texas (Mr. Eckhardt) reserves a point of order.

Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. HEINZ. Mr. Chairman, I am offering an amendment as a substitute for the Krueger amendment to title III of H.R. 7014. I believe my substitute will meet the dual needs of stimulating domestic production of petroleum while at the same time protecting the consumer against unreasonable oil pricing practices and victimization by OPEC, for I find the Krueger amendment vulnerable in this regard.

The thrust of my substitute amendment is to make energy independence a reality through the gradual decontrol of oil and the combination of a windfall profits tax with a tax credit for reinvestment. One of the main features of my substitute is the setting of an $11.28 price ceiling on all domestic oil. This will do two things. First, it remedies a weakness of the Krueger amendment, which sets no price ceilings and therefore allows the Arabs to control the price Americans will have to pay for American oil, not just Arab oil.

Second, the ceiling is sufficiently high to encourage domestic oil companies to increase their exploration and the development of new domestic crude source. It is vital that we adopt an effective incentive to reverse the trend in crude production, which has consistently fallen since May 1972.

An analysis by the professional staff of the Interstate and Foreign Commerce Committee estimates that the incentive provided by the $11.50 ceiling proposed in my amendment, instead of the $7.50 ceiling in the bill, will increase the domestic supply of oil by 370,000 barrels per day. On the other hand, this same study also estimates that the price ceiling of $7.50 proposed in H.R. 7014 will result in a decrease in the domestic production of oil by 240,000 barrels per day. Worse still, it is estimated that the pricing provision of H.R. 7014 will actually increase demand at a time when everyone agrees we should be conserving oil supplies. And yet another disturbing feature of H.R. 7014 is its estimated impact upon our balance of payments. A substantial negative movement of $14.5 billion would result from enactment of this bill. My substitute would correct this and actually produce a favorable shift in our balance of payments of $7.7 billion.

Like the Krueger amendment, I provide for a windfall profits tax to prevent the reaping of any windfall profits by domestic producers. My substitute would impose an excise tax on the selling price of both old and new oil, but it is somewhat tougher than the Krueger amendment. During the first month following enactment, old oil would be subject to a tax on 95 percent of the difference between a $5.75 tax reference price and the $11.50 price ceiling. New oil produced would be subject to a tax on 95 percent of the difference between a $7.50 tax referance price and the $11.28 price ceiling.

An inflation adjustment factor would be added in each successive month increasing the tax reference price at approximately 8 percent per year. Further, of the entire proceeds of the excess profits tax, the total of which is estimated by the committee staff to be $22.1 billion; two-thirds of the tax revenue generated, would be returned to low- and middle-income taxpayers. The remaining one-third would go to State and local governments, nonprofit organizations, school districts, and corporate taxpayers other than those paying the excise tax.

Another key feature of my substitute is a $1 credit allowed for qualified investment for domestic production. This "plowback" is designed to spur exploration for and development of domestic oil sources and can be increased if warranted by exploration and development expenditures. I believe such a provision is essential for continued innovation and progress within the oil industry and an absolute must if we are to provide the means and incentive for finding more oil here at home.

Throughout the first half of this century the United States was a net exporter of energy supplies. However, energy sources, previously abundant, are now rapidly shrinking, retarding our economic growth and altering our lifestyle. It is time for the Congress to face this country's problem of increasing dependence upon foreign oil. Action must be taken now to thwart the policy of economic blackmail being pursued by OPEC. I believe my amendment effectively addresses these problems by providing enough incentive to increase production along with tough tax provisions to avoid windfall profits to greedy or irresponsible oil companies. What is more, I intend to offer a substitute amendment of title 8, which will assure a workable and effective monitoring of energy industry action by the GAO.

Mr. Chairman, various other proposals dealing with dwindling energy supplies have been placed before the House. But in my judgment, none deals with the problem effectively.

Rolling back the price of undiscovered domestic oil, as mandated by H.R. 7014, will stymie domestic production and leave our economy at the mercy of the cartel and our foreign policy hostage to the Arabs. The $7.50 ceiling in the bill would not allow domestic producers sufficient capital formation, investment opportunity and, in the long run, adequate production capability for our needs.

Economist Robert Nathan has made a very careful study of the costs and prices necessary to find and develop new sources of domestic oil. Dr. Nathan is a scholar widely respected for his independence and judgment, and for his strong credentials as an economist of the liberal school. In summary, his study concludes that, because of inflation and because deeper and more difficult drilling also sharply inceases cost, a price level of close to $12 is required to pay for oil from new fields.

On the other hand, allowing the price of oil to rise to whatever level the Arabs set, as the Krueger amendment permits, is a policy which will make consumers even more vulnerable to the predatory pricing practices of the international oil cartel. For this reason the $11.28 cap I propose makes sense.

Mr. Chairman, we must work together now to insure the continued economic viability of our country. The President appears willing to work with this Congress in pursuit of a rational plan for the decontrol of oil. He has modified his own plan and, as pointed out, the editorial in Wednesday's Washington Post by Joseph Kraft, the record of the President is one of substantial compromise, including the decontrol period, the ceiling price on all oil, and the devices for recovering windfall profits. I think my amendment is a compromise all sides can support. It protects the consumer against price increases, shortages and increased dependence on OPEC, and I ask your support.

I want to make very clear to my colleagues that there are one or two minor changes in this amendment which makes it different from the amendment reproduced in the July 16 CONGRESSIONAL RECORD on page 23193. The changes are simply these:

Rather than putting a cap of $11.50, which is the essence of my amendment, on the price of new and any decontrolled old oil, the cap proposed by my amendment, the one at the Clerk's desk, reads $11.28 rather than $11.50 for the simple reason that this House adopted a $11.28 cap yesterday in the conference report on the bill H.R. 4035.

Secondly, the provision has a termination date that was omitted from the previous amendment. This would, unless extended by the Congress, expire on December 31, 1980, some 5 years from now. Those are the substantive changes in the amendment, and I would at this point like to explain it.

The amendment is very similar to the Krueger amendment. It is, in fact, even more similar to the amendment that the chairman of our committee, the gentleman from Michigan (Mr. DINGELL) was going to offer in the Commerce Committee some weeks ago when we first took up this bill, H.R. 7014. The reason I offer this amendment which provides essentially a $11.28 cap is that, although I support and did support in committee the Krueger amendment, based upon the vote yesterday I do not think the Krueger amendment is going to pass without a cap or ceiling to be provided in it. It is for that reason that I am providing this cap.

I think, if the Members look over the substitute carefully, they will find that it is satisfying on one or two other counts as well. It provides for a somewhat more stringent excess profits tax than the Krueger amendment, but does not bind the Ways and Means Committee any more strongly. In fact, I think it gives the Ways and Means Committee a considerable amount more latitude to define exactly what will be, for example, a qualified investment with respect to plowback. It gives the Ways and Means Committee more flexibility to structure a tax program that can tax up to 75 percent of the net income of the producers.

If accepted, I think the substitute that I propose will meet the dual objectives that I think we are very desirous of getting here. One is to get rid of the $7.50 cap or rollback that is in the committee bill, H.R. 7014. I would like at this point to bring to the committee's attention the staff analysis of H.R. 7014.

Mr. ECKHARDT. Mr. Chairman, I ask unanimous consent that the gentleman's time be extended for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield in order that I may understand his amendment?

Mr. HEINZ. Mr. Chairman, I will be happy to yield to the gentleman as soon as I finish the point I am explaining. I thank the gentleman and I do appreciate his concern, and I do promise to give him the time to respond. My first 5 minutes has not expired as yet.

Mr. Chairman, the point I wanted to make is that the professional staff of the Commerce Committee has estimated that the provisions in the bill regarding the $7.50 price, the price ceiling, would result in a substantial reduction in domestic oil production. In fact, they have estimated in the figures that were presented to our committee that there would be a reduction in production of some 240,000 barrels a day, and that those same pricing provisions would increase domestic consumption of oil and oil products.

By the same token, the $11.28 price ceiling that I propose in my substitute would, as estimated by the same committee staff, increase the domestic supply of oil by some 370,000 barrels of domestic crude oil per day.

Mr. Chairman, I think if we care about making ourselves less dependent on the OPEC cartel, and I think if we care about, at the same time, not letting that cartel set a price that governs all the prices of American oil here in America, that this amendment makes some sense.

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield?

Mr. HEINZ. I yield to the gentleman from Texas.

Mr. ECKHARDT. I thank the gentleman for yielding.

Mr. Chairman, I have been reading this amendment. I find it is rather long. The gentleman from Pennsylvania can help me understand it. Do I understand that the only part that materially changes the Krueger amendment is that which comes prior to the description of the standard for the tax?

Mr. HEINZ. No. There are differences from the Krueger amendment. The main difference is a cap, or price ceiling, of $11.28. There is no cap, or price ceiling, in the Krueger amendment.

Mr. ECKHARDT. If the gentleman will yield further, then the gentleman's amendment keeps the triggering points for the commencement of the windfall profits tax but it superimposes on that an absolute cap; is that correct?

Mr. HEINZ. The gentleman is correct.

Mr. ECKHARDT. Is that essentially what the gentleman's amendment is intended to do?

Mr. HEINZ. The gentleman is exactly correct.

Mr. ECKHARDT. If the gentleman will yield further, let me ask one other question. With respect to the report and analyses of the decrease in production in the United States, under H.R. 7014, that is an FEA estimate and comes from FEA?

Mr. HEINZ. It is from a spread sheet that the professional staff of our Committee on Interstate and Foreign Commerce prepared when we were debating the Eckhardt, Krueger, and Dingell amendments and the administration's proposal in the full committee.

The CHAIRMAN. The time of the gentleman has expired.

(On request of Mr. CHARLES WILSON of Texas, and by unanimous consent, Mr. HEINZ was allowed to proceed for 5 additional minutes.)

Mr. OTTINGER. Mr. Chairman, will the gentleman yield?

Mr. HEINZ. I yield to the gentleman.

Mr. OTTINGER. I thank the gentleman for yielding.

Mr. Chairman, this is a long, complicated amendment. I would like to find out exactly what it does.

First of all, does the amendment have the same provision for decontrol of old oil as the Krueger amendment does?

Mr. HEINZ. It has the same provisions for the gradual phasing out of old oil that the bill H.R. 7014 and the Krueger amendment both have.

Mr. OTTINGER. An 8-year phaseout. Under the committee bill, there is a decontrol up to a ceiling of $7.50.

Mr. HEINZ. If I understood the gentleman's question, the rate of decontrol is exactly the same.

Mr. OTTINGER. But there is no ceiling in the gentleman's amendment?

Mr. HEINZ. There is a ceiling of $11.28.

Mr. OTTINGER. Does that ceiling apply to old oil?

Mr. HEINZ. The gentleman is correct. There is no $7.50 ceiling on the price of old oil in this amendment largely because, as I think we all know, there will be very little real old oil that exists. It is running out.

The purpose of having the decline curve plotted for us was to demonstrate that in fact we are running out of old oil.

Mr. OTTINGER. So that the gentleman's amendment goes beyond the Krueger amendment, so far as old oil is concerned.

What about new oil?

Mr. HEINZ. New oil is, under the Krueger amendment, uncontrolled. My amendment sets a ceiling on that of $11.28. That price of $11.28 is consistent with the vote of the Congress yesterday, and it is also consistent with the request of the President for a $13.50 cap, which includes the $2 excise tax. It works out to approximately the same figure.

Mr. OTTINGER. The gentleman's amendment has a windfall profits tax. Is that the same as the Krueger amendment, with a 100 percent plowback, with the limitation that nobody's profits should go below 25 percent, with all of those provisions?

Mr. HEINZ. There is a difference from the Krueger amendment.

The answer in the first instance is: Yes, there is a windfall profits tax, a very strict one. It is a 95 percent windfall profits tax, as opposed to a 90 percent windfall profits tax that I understand the Krueger amendment provides.

Mr. OTTINGER. But does it contain the same provisions about which I am concerned relative to plowbacks?

Mr. HEINZ. Mr. Chairman, I will say to the gentleman further, as I understand the Krueger amendment, that it requires, in order for the Krueger amendment to trigger, that the Committee on Ways and Means write a tax proposal that has a 100 percent plowback in it for new oil.

My amendment is different in this regard: It does not require the Committee on Ways and Means to write a 100 percent plowback provision. The Committee on Ways and Means could write a 90 percent plowback provision, a 50 percent plowback provision, a $1 plowback provision; they could write whatever they want. The Committee on Ways and Means, after carefully taking testimony on this subject, on which we had rather limited testimony, could write tax provisions that would, in its judgment, be prudent.

Mr. OTTINGER. Mr. Chairman, if the gentleman will yield further, is there a limitation on the windfall profits tax that would provide we not take a company below a certain percentage of profits, as is provided in the Krueger amendment?

Mr. HEINZ. Yes, there is a limitation, and that limitation is 75 percent.

Mr. OTTINGER. We could not tax away any more than 75 percent of the company's profits as they reported them?

Mr. HEINZ. Not profits. The exact term is "net income."

Mr. OTTINGER. And that is the net income as reported by the companies themselves?

Mr. HEINZ. The gentleman is correct. And I would add, Mr. Chairman, I think that we have from time to time been quite skeptical of various kinds of reports put out by oil companies and by FEA.

As the gentleman may know, I sent a "Dear Colleague" letter to each and every Member of the House saying that I would be offering an amendment to give the General Accounting Office, the auditing arm of Congress, subpena power so that we can be sure that the information we are getting from FEA, from the Treasury Department or from any Government agency, or from any of the oil companies will in fact be accurate information, which we need to make our decisions.

The CHAIRMAN. The time of the gentleman from Pennsylvania (Mr. HEINZ) has expired.

(On request of Mr. CHARLES WILSON of Texas, Mr. HEINZ was allowed to proceed for 5 additional minutes.)

Mr. CHARLES WILSON of Texas. Mr. Chairman, will the gentleman yield?

Mr. HEINZ. I yield to the gentleman from Texas.

Mr. CHARLES WILSON of Texas. Mr. Chairman, what provisions does the gentleman's amendment contain relating to Presidential authority to raise the $11.28 during a period of inflation or during a period of higher costs?

Mr. HEINZ. Mr. Chairman, the gentleman makes an important point.

I provide for the President to raise or lower the ceiling price or the cap by sending to the Congress an amendment, subject to the mechanism of congressional approval or disapproval, as designed essentially in the legislation we passed yesterday, H.R. 4035.

I hope that if we have a decrease in the cost, the President will see fit to lower the ceiling price on oil. If the costs go up, he might ask the Congress to approve his raising it. It is a tool that I think we need in order to take into account unforeseeable circumstances.

We do not know what the price of oil

is going to need to be 5 years from now or even 3 years from now.

Mr. CHARLES WILSON of Texas. Mr. Chairman, I do think that is a good provision.

Regarding the price of developing new oil, the Congress has received figures all over the lot. The Nathan study is one that provides for $12.73, and then there are other various studies. The gentleman has said that the professional staff of the committee itself has said new oil development will be curtailed rather sharply at $7.50. I, of course, agree with that.

But does the gentleman not think there is some logic, in addition to our information from the various studies, in the fact that we are presently importing 6 million barrels of oil a day and that the present price that they get for new oil is in the range of $12 to $13 per barrel?

If we can find all the new oil we need in this country at $7.50, why, for goodness sake, are we not finding it at $12.50? Does the gentleman have an opinion on that?

Mr. HEINZ. Perhaps I missed the gentleman's point.

Mr. CHARLES WILSON of Texas. I say, if we can find all the new oil we need at $7.50, why are we not finding it at $12.50?

Mr. HEINZ. I think the gentleman knows the answer to that question.

Many people have been before our committee and indicated that the cost of finding new oil depends on many factors, inflation and the difficulty and cost of drilling deeper new fields chief among them. The gentleman mentioned Mr. Nathan, and Mr. Nathan is considered a liberal economist, and has never been accused of being in the pocket of the oil industry. The information from the Nathan study is that the cost of new oil is over $12 today for a new discovery.

I think the answer to the gentleman's question is obvious. At $7.50 we are just not getting additional oil production, and the statistics from FEA are that we are just not getting the increase in new production that we need to avert the exhaustion of the old oil fields that we have. This has been the case since 1972.

I do not want my people in my district to have to stand in line at the gas station because this Congress makes a decision to set an artificially low price on oil that results in our having, 4 or 5 years from now, not enough oil for anybody.

Mr. CHARLES WILSON of Texas. Does the gentleman represent Pittsburgh?

Mr. HEINZ. I represent the Pittsburgh area, yes.

Mr. CHARLES WILSON of Texas. I think there is a related matter in that respect. With regard to the situation as to natural gas, Bethlehem Steel in Pittsburgh, I believe, has commented that it would be better to have gas at $1.30 than not to have it at 50 cents.

I think the same thing is true here.

Mr. HEINZ. I thank the gentleman.

I would like to point out that we are going to protect the consumer by this amendment because there is a distribution mechanism of the tax moneys, very similar to the Krueger amendment in that regard.

As the gentleman also pointed out, the committee staff has estimated that this kind of provision would shift our balance of payments in our favor by about $7.7 billion. That is a lot of money. It is a lot of money that currently is going on a one-way ride to the Middle East and to the other oil producers. A lot of it is being used to buy arms, causing a destabilizing increase around the world; and it is a very scary prospect to see the billions of dollars which the Arabs require us to pay, and all of that or a lot of that is going to buy planes and tanks and other weapons of destruction.

Mr. ECKHARDT. Mr. Chairman, I move to strike the requisite number of words.

The CHAIRMAN. May I first inquire of the gentleman from Texas (Mr. ECKHARDT) whether he insists on his point of order?

Mr. ECKHARDT. No, I do not, Mr. Chairman.

The CHAIRMAN. The gentleman from Texas (Mr. ECKHARDT) is recognized for 5 minutes.

Mr. ECKHARDT. Mr. Chairman, I somewhat reluctantly oppose the amendment.

The gentleman who advocates it, the gentleman from Pennsylvania (Mr. HEINZ), has obviously given careful consideration to this problem and makes a very interesting proposal, but it has some good news and some bad news.

One of the things that nobody has pointed out is the escalation of the $7.50 figure in both the Kruger amendment and in the Heinz amendment. It is not just the proceeds under a $7.50 cap which the oil company takes home; because the $7.50 cap commences immediately to increase in the Krueger amendment by one-half percent per month, and in the Heinz amendment, by two-thirds of 1 percent per month.

This is a very important point because this is money that the oil company keeps, not subject to tax or plowback. Therefore, in this respect, the Heinz amendment is worse for the consumer than the Krueger amendment.

On the other hand, the Heinz amendment does, in truth, place an $11.28 ceiling on total price. Under the Krueger amendment the price of oil, not taking into account or considering the question of windfall profits or plowback can go on up to, say, $16. That is the amounts purchasers have to pay.

Under the Heinz amendment it is controlled at no more than $11.28.

So as I see it, there are some things favorable in comparison to the Krueger amendment and others to the Heinz amendment, but both of them are subject to the same criticism that has been made from this well by a number of speakers, including the gentleman from Oregon, (Mr. ULLMAN), that both of these amendments presuppose a condition which has not occurred and which may never occur. So one must look at both amendments in two ways, in the light that the tax procedures will go into effect, and in the light that they will not go into effect. In both instances, if the tax procedures do not go into effect, the price of new oil goes on up to whatever point the OPEC cartel price will carry it.

I am sincerely unable to say whether under the Heinz amendment in case there is not a tax put in place, the gentleman's $11.28 ceiling applies or not. Perhaps the gentleman would like to answer that question.

I would ask the gentleman from Pennsylvania, could the gentleman tell me whether or not in the case no windfall profits tax is put in place the $11.28 ceiling is applicable or is not applicable?

Mr. HEINZ. Mr. Chairman, if the gentleman will yield, I think the answer to the gentleman's question is that the entire provisions of this section—but I would have to check to be sure—do not trigger unless the Committee on Ways and Means enacts an appropriate tax.

Mr. ECKHARDT. That is the only place.

Mr. HEINZ. That would mean we would be in the same situation we are in now.

Mr. ECKHARDT. That is, if the Committee on Ways and Means does not put into place a windfall profits tax the Heinz amendment would permit domestic oil to go to whatever point the OPEC price would permit it to do.

Therefore, Mr. Chairman, for these reasons I oppose both amendments.

Mr. BRODHEAD. Mr. Chairman, will the gentleman yield?

Mr. ECKHARDT. I yield to the gentleman from Michigan.

Mr. BRODHEAD. Mr. Chairman, I think it is important to point out, and I would ask the gentleman to comment on this, that it is not only what the Committee on Ways and Means might do but, as I understand the discussion, it would require action not only by the Committee on Ways and Means, but action by the full House, action by the Senate Committee on Finance, action by the Senate and, finally, signature by the President.

Mr. ECKHARDT. Mr. Chairman, the gentleman from Michigan is eminently correct, and it is surprising that such an obvious and important point should not have been brought up before on the floor.

Mr. BRODHEAD. If we were to enact this legislation, and then try to come back with some windfall profits tax, the President might, because of some reason he has now, or because of some reason he might have in the future, veto the bill. Then the price of oil would automatically rise to the market price.

Mr. ECKHARDT. Mr. Chairman, it seems to me so eminently reasonable that we ought to set the price we think is right, and not delegate it to the President, or leave it to the possibility of a tax being passed. If we are not right, if we cannot prevail, or if we get a veto, then if we are to put in place some balance of taxation or price controls then the reasonable and intelligent way to do it is to look at what the President's objections are, come back and operate under some kind of informal joint operation between the Committee on Ways and Means and the Committee on Interstate and Foreign Commerce or operate in an ad hoc committee appointed by the Speaker for the purpose.

But if we act favorably on either of these amendments we form the binding and restrictive mold within which the Committee on Ways and Means must act. And as the gentleman from Michigan says, we do not know what is going to happen down the line with respect to the committees of the Senate, with respect to the House and Senate floors, and with respect to a conference.

So I oppose the amendments.

Mr. BRODHEAD. Mr. Chairman, I thank the gentleman.

Mr. HEINZ. Mr. Chairman, would the gentleman from Texas yield?

The CHAIRMAN. The time of the gentleman has expired.

(On request of Mr. Heinz, and by unanimous consent, Mr. Eckhardt was allowed to proceed for 3 additional minutes.)

Mr. HEINZ. The gentleman from Texas has stated a proposition that I would like the House to be very clear on. The gentleman from Texas has said that one of the reasons that the Heinz amendment might be flawed is that if the President vetoes a tax bill, we would not have an $11.28 ceiling on oil. We would not have a cap.

Mr. ECKHARDT. That is not what I was saying. I was saying if no tax provision is put in place, we will have no $11.28 ceiling.

Mr. HEINZ. If the gentleman will yield further, I must take issue with the gentleman on that.

Mr. ECKHARDT. I thought the gentleman agreed with me on that.

Mr. HEINZ. I agree there is no provision in this section of the bill to do that, but what we voted on yesterday, and a provision which I supported, was a provision to put an $11.28 cap on oil. A further consideration is when this bill may become effective—and not 4 or 6 months from now when the Committee on Ways and Means may write a bill and the President may or may not sign it and enact it into law.

Mr. ECKHARDT. If I am not mistaken with respect to our legislative posture, what we passed yesterday was a bill which would extend the Allocation Act for 4 additional months after the end of August of this year. It would, of course, control the question of pricing and regulation until December unless we should enact a subsequent bill. This would be, of course, subsequent to that bill. So the question of what that bill does makes absolutely no difference with respect to what we are doing here. This bill will ultimately determine the policy of the United States with respect to oil pricing. If it becomes law, it will completely supplant H.R. 4035. I believe I am correct on that; if the chairman of the subcommittee would care to comment, I would be glad to have him do so, but I believe what I have said is correct.

If we act on this bill as a permanent control of the pricing structure, we supplant H.R. 4035, do we not, if we act subsequently on this?

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. ECKHARDT. I yield to the gentleman from Michigan.

Mr. DINGELL. I thank the gentleman for yielding.

It would depend on which bill was first signed by the President, and I think that is an interesting question in the conflict of laws.

Mr. OTTINGER. Mr. Chairman, will the gentleman yield?

Mr. ECKHARDT. I yield to the gentleman from New York.

Mr. OTTINGER. I thank the gentleman for yielding.

There is a further consideration that there is no assurance of an $11.28 cap even if we thought that was desirable, because the President has already announced he is going to veto H.R. 4035. It has been passed by the Senate, but if the President does veto it, there would be no $11.28 cap, and I think the gentleman from Pennsylvania would have to recognize that.

Mr. ECKHARDT. Indeed, from the President's deregulation proposal one would assume the President is arguing for $13.50.

Mr. OTTINGER. If the gentleman will yield, that is what the President proposed in his letter to the FEA submitted by Mr. Zarb today.

Mr. ADAMS. Mr. Chairman, will the gentleman yield?

Mr. ECKHARDT. I yield to the gentleman from Washington, a very knowledgeable member of the committee who is just back from the Rules Committee.

Mr. ADAMS. I thank the gentleman for yielding.

The present status is this: H.R. 4035 is out of conference and is going to the President today.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. Adams, and by unanimous consent, Mr. Eckhardt was allowed to proceed for 2 additional minutes.)

Mr. ECKHARDT. Then there is no question but that that bill will be signed or not signed before this bill is signed if it is, indeed, signed.

Mr. ADAMS. If the gentleman will yield further, that is what I was answering in response to the gentleman's question. H.R. 4035 will be a law or not a law before this bill is presented to the President for signature. The status of the other bill is simply to extend the present existing system so that we have the opportunity to get the other body to act on this bill and send it to the President for signature.

Mr. DELLUMS. Mr. Chairman, will the gentleman yield?

Mr. ECKHARDT. I yield to the gentleman from California.

Mr. DELLUMS. I thank the distinguished gentleman for yielding.

Is it possible to characterize one of the gentleman's arguments in rather simple terms, that the Krueger plan, given the various alternatives, is a fine alternative, with the contingency that the Committee on Ways and Means, one, pass a windfall profits tax provision and, two, develop a vehicle for the distribution of the resources? If there is a possibility that the Committee on Ways and Means would not do those things, would it not then render the Krueger plan inoperable?

Mr. ECKHARDT. Not precisely. In the first place the Krueger plan does permit the price of oil to go to the world price. I think it would have devastating effects on the economy for that reason. But if it did not go into effect with the windfall profits tax, the result would be that new oil would go to whatever price the OPEC price carried it without any return of the "windfall profits"—or really, the excessive charges—to people who may have suffered by having paid such excessive charges. Therefore it would be a quite different result than that which would happen if the Ways and Means Committee should act.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. ECKHARDT. I yield to the gentleman from Michigan.

Mr. DINGELL. Mr. Chairman, I would like to have the attention of the gentleman from California who spoke and commend him for the comments he made. Under the Krueger proposal or the Heinz proposal, without the tax action and the refunding mechanism going into place there would be no decontrol.

Mr. WIRTH. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to ask the gentleman from Pennsylvania (Mr. Heinz) a question. I wanted to go into what the gentleman is planning to do with old oil in his amendment. Could he explain to the Committee what his proposals are in this amendment as they relate to old oil?

Mr. HEINZ. As far as the proposals in my amendment, I would direct the gentleman's attention to the fact that it is a substitute for the Krueger amendment.

Mr. WIRTH. What is the gentleman's understanding of what the Krueger amendment does for old oil?

Mr. HEINZ. It is substantially the same as the Krueger amendment in that regard. What the Krueger amendment does is to provide for gradual decontrol of old oil at the approximate rate of 1 percent per month based on a 1972 start date.

Mr. WIRTH. Is it the gentleman's understanding that is the way in which old oil declines? In other words, there is only a given amount of old oil in the ground and when we pump it out it does decline at the rate of 1 percent per month?

Mr. HEINZ. That is my understanding.

Mr. WIRTH. Is there anything that does support the fact that old oil does decline at the rate of 1 percent per month?

Mr. HEINZ. We took some testimony which indicated that some decline more slowly and some more quickly and 1 percent per month is an average figure arrived at by the committee.

Mr. WIRTH. But in fact there are a great many very large fields that decline at a rate much more slowly than 1 percent a month. In other words, 1 percent a month is something that would look quite steep, while 1 percent a year or 2 percent a year would be almost no decline at all?

Mr. HEINZ. Yes.

Mr. WIRTH. So what we are really saying there if we are providing a 1-percent decline per month is that for old oil we are legislating a bonus to those companies that happen to own large fields of old oil.

Mr. HEINZ. I do not think that is the case. With respect to that amendment what we have to come to, and I am not making a value judgment on the gentleman's understanding of what the Krueger amendment does or does not do, is this——

Mr. WIRTH. I understand what the gentleman is trying to do, but there is another important issue which relates to old oil and perhaps I can address myself to the attention of the gentleman from Texas (Mr. KRUEGER) or the gentleman from Texas (Mr. WILSON). It is my understanding that there are very large fields of old oil which do not decline at the rate of 1 percent per month.

Mr. CHARLES WILSON of Texas. Mr. Chairman, will the gentleman yield?

Mr. WIRTH. I yield to the gentleman from Texas.

Mr. CHARLES WILSON of Texas. Mr. Chairman, I am sure this is probably a very elementary question. I am sure there must be a great deal of testimony before the Committee on Interstate and Foreign Commerce which I did not have the benefit of hearing.

What is to stop the owner of an old large field from producing until such time as it is decontrolled?

Mr. WIRTH. What is to stop him from producing? I am not sure I understand the question.

Mr. CHARLES WILSON of Texas. What is to stop the owner of an old field or a field of old oil, proven reserves, from just simply stopping pumping until such time as it reaches the price?

Mr. WIRTH. It is my understanding, I will say to the gentleman from Texas (Mr. WILSON), that he has to have certification on a continuing basis on that field of the amount being produced from that field, so he does have to continue to produce.

Mr. CHARLES WILSON of Texas. Is that an FEA regulation or is that in the statute?

Mr. WIRTH. I think it is FEA. Anyway, the point is that there is continued production from old fields at $5.25, that there are very, very large fields of old oil that decline at a rate much lower than 12 percent; for example, 2 or 3 percent, and if we allow old established fields to decline at 12 percent, what in effect we are doing is providing a very major bonus to those companies that own large fields of old oil and the companies that own those tend to be the large major oil companies. What we are doing by allowing decontrol to lapse, as in the Krueger proposal, as I understand it, and in the Eckhardt proposal, as I understand it, is providing a significant bonus to the eight very large oil companies.

Mr. CHARLES WILSON of Texas. Mr. Chairman, will the gentleman yield further?

Mr. WIRTH. I yield to the gentleman.

Mr. CHARLES WILSON of Texas. Would the gentleman agree as a matter of principle and logic that it would be far more in the national interest to leave the control of old oil, which was found cheaply and easily, and yet provide greater incentives in the new oil that is scarce?

Would the gentleman further agree that oil that is easy and cheap has been already found?

Mr. WIRTH. I think the gentleman makes an excellent point.

The **CHAIRMAN.** The time of the gentleman from Colorado has again expired.

(At the request of Mr. BROWN of Ohio and by unanimous consent, Mr. WIRTH was allowed to proceed for an additional 5 minutes.)

Mr. WIRTH. Mr. Chairman, I just would summarize the point, the point has been made, I believe, by the gentleman from Texas that what logic is there in decontrolling old oil at all? Why not just leave it at $5.25? Certainly by adding a greater price at $5.25 we are not going to get any more oil out of the ground. It is not a greater incentive to production. They have to produce, anyway. Why not just leave it at $5.25?

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield?

Mr. WIRTH. I yield to the gentleman from Texas.

Mr. ECKHARDT. Mr. Chairman, I think the answer to that question is that if we were releasing the price of old oil below the decline curve, as the gentleman suggests we would be dealing with oil that can be produced without secondary recovery; but the gentleman and myself and the gentleman from Texas (Mr. KRUEGER) and every other member of the committee established or felt that it was reasonable to keep that oil just below the decline curve at $5.25, which will be mostly old oil, because presumably the other is not being produced and permit the higher oil as the decline rate is bulged upward.

I would hope the gentleman from Texas would recognize in his statement and in his letter that my bill permitting all oil to go to $7.50 was erroneous, because the gentleman well knows it was erroneous. My bill controls oil in the bill, as all other, at $5.25.

Mr. WIRTH. Mr. Chairman, assuming that the decline curve is accurate; all I am doing is having a discussion of the decline curve.

It has been defined in the proposal by the gentleman from Texas (Mr. ECKHARDT), and in the proposal of the gentleman from Texas (Mr. KRUEGER), and in the proposal of the gentleman from Pennsylvania (Mr. HEINZ) as a decline of 1 percent per month, approximately; yet I think it is fair to say there are some very large fields that decline at a rate much slower than 1 percent per month; so I say that we apply a faster decline to those very slowly declining fields, in effect, and we are providing a very significant bonus to those owners of large fields of oil, which owners happen to be the eight largest oil companies.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. WIRTH. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. Mr. Chairman, I think first it has to be observed that 70 percent of the oil in the United States now—that is, 70 percent of production in the United States—is from old wells and is old oil. That is a very promising source of additional oil production, and the way to get additional oil production is the investment being made in secondary and tertiary recovery. I would add that if we are going to get that investment in secondary and tertiary recovery, in many instances it is a very expensive investment amounting to as high as $5 per barrel. The $5.25 price per barrel does not really encourage that substantial investment.

Mr. WIRTH. I would agree with the gentleman. Is it not appropriate that what we do is to provide a special category in the law for, say, tertiary development, which in my understanding is the most promising of all, and not call that old oil but that we provide every incentive possible for tertiary development? Just allowing all old oil to rise does not provide an incentive, so why not have a special incentive for tertiary oil, which is a very promising area?

Mr. BROWN of Ohio. I hope it is a promising area, because it has not been developed. Most of it is secondary development and, as I understand it, the Krueger proposal provides for the plowback into that kind of investment, so that the profits when this oil is released are taxed away unless there is a reinvestment in trying to get additional old oil out of the ground. We know where those wells are. We do not have to go out and look for them and drill them. They are there.

Mr. WIRTH. Can the gentleman give a case for raising the price of old oil—not secondary and tertiary—at $5.25 that was produced cheaply? Why not allow it to stay at that level? This is the argument that has been made, and provide other incentives once we get into tertiary production, which is the most promising, and allow that to go up.

Mr. BROWN of Ohio. It seems to me, though, that there is a need for the secondary recovery methods that are now extant, and $5.25 oil is not appropriate.

Mr. WAGGONNER. Mr. Chairman, will the gentleman yield?

Mr. WIRTH. I yield to the gentleman from Louisiana.

Mr. WAGGONNER. Mr. Chairman, I thank the gentleman from Colorado for yielding to me. I just want to attempt to answer the last question put to the gentleman from Ohio (Mr. BROWN), can he make a case, can he justify the need or the wisdom of raising the price of old oil below the present existing ceiling of $5.25.

There is one fundamental, sound economic reason for doing that. That is, that it is pure foolishness economically to ever allow, much less mandate, the sale of a depletable and irreplaceable reserve at less than its replacement cost. The colloquy the gentleman has just had with the gentleman from Ohio (Mr. BROWN) with regard to secondary recovery, which we know of, and to tertiary recovery, which nobody knows much about and which is yet to be developed, demonstrates that it is an irreplaceable reserve.

It is depletable, and it is stupid to think otherwise.

Mr. WIRTH. I think that is one perspective that can be taken. The other side, of course, is that if we are drilling at 40 or 50 cents and it is coming out at $5.25, we will have a huge—in some people's opinion—unconscionable profit.

Mr. MAGUIRE. Mr. Chairman, I move to strike the last word.

Mr. Chairman, the matter under discussion is the Heinz substitute to the Krueger amendment. I would urge my colleagues to note several important facts about the Heinz substitute, and then I will also have some questions for the gentleman from Pennsylvania.

First of all, the Heinz substitute sets a price of $11.25 for all new oil. That price is the price that OPEC set, and which has governed the extremely high priced imported oil that we have had to import for the last year. That is the price which Secretary of the Treasury Simon described as totally unrelated to economic reality, as arbitrary and artificial, and the gentleman from Pennsylvania is suggesting that that price should become the price for all new oil.

Second, even if we assume that there may be some higher cost new oil in the future, at $5 or $6 or $7 or $8 or $9—most new oil still comes in today between $4 and $5—even if we assume that the price is going to rise on future production, future production is only going to be a very small percentage of what is produced out of so-called new oil wells.

I gather that the gentleman's amendment would raise the price of each and every barrel of oil—whether it costs $4 or $5 to produce, or a higher figure—to that $11.28 figure.

That is exactly the policy which those of us who opposed the President's proposal for decontrol have been fighting against.

Mr. HEINZ. Mr. Chairman, will the gentleman yield?

Mr. MAGUIRE. I yield to the gentleman from Pennsylvania.

Mr. HEINZ. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, the gentleman is correct that I do have a cap of $11.28, which is substantially what the Congress voted on yesterday, for all new oil. I would welcome a proposal from the gentleman to take into account lower cost new oil and set a cap accordingly. My objection to the committee bill, as written, is that we all know it is commonsense that new oil can only be found at the price of $8 or $9 or $10. It really costs that much to find it. The committee bill, H.R. 7014, is flawed in that regard. I would have no objection, and I would support a responsible amendment if the gentleman offered it, to put a different kind of price ceiling on lower cost oil. I would have no objection to that.

Mr. MAGUIRE. I would observe for the gentleman that the committee bill does include an $8.50 ceiling for especially high-cost oil, which means if 10 or 15 percent of oil we bring in, in the future, is going to be above that figure, that we can bring in $11 or $12 oil and balance it out at $8.20 or $7.75.

My question to the gentleman is: How much additional production does the gentleman calculate we will get at a figure of $11.28 as opposed to the figure of $7.50 that the committee bill has?

Mr. HEINZ. According to the analysis by the committee staff, I say to my colleague, that this amendment would increase the domestic supply of oil by 370,000 barrels per day. On the other hand, H.R. 7014, in its present form, according to the same analysis, would decrease domestic production by 240,000 barrels a day, and that is a total difference, adding those together, of 610,000 barrels per day.

Mr. MAGUIRE. That figure is, roughly, what we will be saving through H.R. 7014's auto efficiency standards alone. That is not a sufficient increment. That is my point. You get 90 percent of that oil at a $7.50 figure and you get the other 9 percent, making 99 percent out of 100 percent, at a flexible $8.50 ceiling. So what are we proposing here?

Let me just make another point here, which is regarding old oil. The gentleman is saying that after 5 years, as I understand it, old oil will be phased out, according to the curve, at 12 percent a year for 5 years, that it will be phased out.

As I understand it, that means that old oil—I will be corrected if I am wrong—at that point in time, even though the gentleman from Colorado pointed out there would still be considerable old oil produced, the price of old oil at that time will go to $11.28; is that correct?

Mr. HEINZ. Mr. Chairman, my intention in putting an expiration date in the provision is not to have the price of oil go to $11.28.

Mr. MAGUIRE. But that would be the effect of the gentleman's amendment.

Mr. HEINZ. My intention is not to have it go to $7.50. My intention is not to allow it to go to whatever the Arabs are asking for their oil.

The CHAIRMAN. The time of the gentleman from New York (Mr. MAGUIRE) has expired.

(On the request of Mr. HEINZ and by unanimous consent, Mr. MAGUIRE was allowed to proceed for 6 additional minutes.)

Mr. HEINZ. Mr. Chairman, if the gentleman will yield further, my intention is, purely and simply, to allow the Congress to review what is obviously a controversial provision, but an essential provision in the bill at some future point in time.

Mr. MAGUIRE. But the effect of the gentleman's amendment—and I think every Member should understand this—is that every barrel of new oil will cost $11.28 tomorrow if this amendment is adopted, even though it may only cost $4 or $5 for 95 percent of it to be produced; and, second, at the end of 5 years, while old oil production is still going full blast today, every barrel of old oil which essentially costs today some $2.50 to produce out of the ground will also go to $11.28.

Mr. ADAMS. Mr. Chairman, will the gentleman yield?

Mr. MAGUIRE. I yield to the gentleman from Washington.

Mr. ADAMS. Mr. Chairman, I will state that the gentleman's comment that this would increase production or reduce consumption in the United States has been proven neither by the models involved nor by the experience we have had in the United States since 1973.

In 1973, when this committee started consideration of this, crude oil in the United States was selling at $3.40 a barrel. This is new oil. It is now selling at between $11 and $12 a barrel. In that period of time production in the United States dropped from 9.2 million barrels a day to 8.9 million barrels per day, and consumption went up from 6.8 million barrels per day to 7 million barrels per day.

What we are saying in very simple terms—and I said this to the gentleman from Illinois in the debate on this in 1973—is that we are not going to be able, with a rationing by price or an increase in price, to increase production or to decrease consumption until we get to a price of over $1 a gallon for gasoline. And in the course of that we are going to wreck the economy. We did in fact wreck the economy with the oil prices that went up, and we are pleading with the Members not to do it again. We are hopeful that we are going to come out of this.

In that period of time also, to give the Members some idea why I do not think the idea of decreased consumption is effective, gasoline prices averaged in the spring of 1973, at the beginning of this period, 38.8 cents a gallon; they averaged, prior to July 1, 51.1 cents a gallon; and they are running in the area now of between 59 and 63 cents a gallon, and people are still forced to buy gasoline.

Mr. HEINZ. Mr. Chairman, will the gentleman yield further?

Mr. MAGUIRE. I yield to the gentleman from Pennsylvania.

Mr. HEINZ. Mr. Chairman, if I may respond on the gentleman's time to the gentleman from Washington, I think the gentleman from Washington is operating under a misconception insofar as this Congressman is concerned. I do not believe that a 5-percent or 10-percent or 20-percent increase in price can do anything to the consumption of gasoline. It is just an inconvenience, and it will cause my consumers and the car drivers in my district to pay more. That is all it is going to do.

The gentleman has implied that I believe there is a substantial conservation to be effected at higher levels. I do not believe that.

That is why yesterday I voted to put a cap on the price of oil, and that is why the gentleman in the well and the gentleman from Washington voted that way, too.

Mr. Chairman, I find it ironic that the gentleman from Washington and the gentleman from New Jersey are opposing the same cap that yesterday they voted for.

Mr. ADAMS. Mr. Chairman, will the gentleman yield further?

Mr. MAGUIRE. I yield to the gentleman from Washington.

Mr. ADAMS. Mr. Chairman, we are

doing everything we possibly can to protect the economy of the United States from another massive shift of consumer dollars—we are talking about $21 billion—from the pockets of our consumers, representing money that they spend on other goods in the economy, into the oil industry generally. This is bad for the country. We are supporting any kind of a proposal to phase this out over a long period of time and to try to use the resources of the United States to protect us against the OPEC countries.

The only protection we can get is to mix lower priced domestic oil with higher priced foreign oil until we get alternative ways of using energy.

Mr. MAGUIRE. The gentleman from Washington (Mr. ADAMS) is absolutely correct.

The important point to understand here and what it all boils down to in the end is that the Krueger proposal institutionalizes whatever price OPEC chooses to set tomorrow as the price of all oil produced and consumed in the United States, whereas the Heinz proposal institutionalizes the OPEC price today.

I do not think either one of those proposals is acceptable to this Congress.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. MAGUIRE. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. Mr. Chairman, I would just like to lay to rest one ghost that has been sort of floating around here now in the last couple of minutes, and that is the question of what the savings impact is of increasing costs.

Everybody quotes econometric models these days. I would like to make the point that in the econometric models that are being used by some of the studies being quoted by the gentleman from Washington (Mr. ADAMS), the gentleman from Michigan (Mr. DINGELL), and others, the econometric models make the assumption of anywhere from 1 percent decline in consumption to 10 percent increase in price and from 4 percent decline in consumption to a 10-percent increase in price. In other words, a 1-to-10 or 4-to-10 savings, depending on what happens to the price.

The Stanford study makes the highest assumption; that is, 4 percent savings on a 10-percent increase.

The FEA makes the smallest assumption, 1 percent savings in consumption on a 10-percent increase.

The average of the five major studies that we are all using to quote to each other with respect to about what happens to the economy is a little over 2 percent on a 10-percent increase in price.

I would like to make just one other factual point that I do not think can be argued. Those are all assumptions, and that is the annual sales percentage. That is the percentage of the market sales of cars or fuel-efficient small cars has gone up from 25 percent of the market in 1968 to 45 percent in 1974, a result of the increase in the price of gasoline.

Mr. OTTINGER. Mr. Chairman, I move to strike the requisite number of words, and rise in opposition to the amendment.

Mr. Chairman, I think that the Heinz amendment is objectionable for the same reason that the Krueger amendment was with respect to its tax features. I think that in certain ways it is even more objectionable than the Kreuger amendment in its treatment of old oil.

One of the real problems with the Heinz amendment is that it is a very long and complicated provision which was not subject to hearings before the Commerce Committee and which we have not had a real opportunity to examine. No studies have been possible with respect to its economic effects. In answering questions, the author himself was unable to answer with certainty some of the questions about it.

I do not think that this is the way we ought to go about passing critical legislation.

On the subject of both the Heinz and Krueger amendments, I have received a letter from the Governor of the State of New York estimating the cost of decontrol to the people of the State of New York. I will share it with the Members, because I think this is probably going to ring true with respect to the consequences to the State Government of every one of the Members.

It is a memorandum from James L. Larocca to the members of the New York congressional delegation.

The memorandum follows:

JULY 17, 1975.

To: Members of New York Congressional Delegation.

From: James L. Larocca.

Subject: Dollar Impacts of Oil Price Decontrol.

The Energy Conservation and Oil Policy Act of 1975, H.R. 7014 (Dingell), as reported by the House Commerce Committee, is presently on the House floor for final action. One of the major and most controversial provisions of this legislation addresses the decontrol of old domestic oil prices. The President, of course, has indicated that total decontrol of old oil, accomplished as quickly as possible, is an essential part of his overall energy program. His stated objective is to increase domestic oil production and decrease energy consumption, through higher energy prices, thereby reducing our vulnerability to the whims of OPEC. In H.R. 7014, the House Commerce Committee has chosen a more moderate course, fearing the effects of immediate decontrol in the fragile economy.

The following information attempts to compare the impact on New York consumers of these alternatives: the Eckhardt proposal as embraced by the Commerce Committee in H.R. 7014 and the Administration's plan of total decontrol.

Annual cost to New York State under the Eckhardt proposal, contained in H.R. 7014, for unifying the cost of domestic oil at $7.50/bbl.

Residual oil (No. 6)	$2,965,550
Gasoline	18,632,000
Home heating oil (No. 2)	15,690,000
	37,287,550

Annual Cost to New York of removing old oil price ceilings, as requested by the administration, presuming world oil prices—$11.50/bbl.

Residual oil (No. 6)	$67,300,000
Gasoline	427,700,000
Home heating oil (No. 2)	353,200,000
	848,300,000

The total cost increase to New York consumers under the Eckhardt decontrol plan would be 4½% as much as those sustained as a result of the President's decontrol plan.

Annual cost to New York State of proposed OPEC price increase, presuming unifying the price of domestic oil is $7.50/bbl under the Eckhardt plan.

Residual oil (No. 6)	$545,020,000
Gasoline	45,560,000
Home heating oil (No. 2)	106,480,000
	744,580,000

Annual cost to New York of proposed OPEC price increases, presuming decontrol of old oil.

Plus $2 a barrel:	
Residual oil (No. 6)	320,666,666
Gasoline	290,952,380
Home heating oil (No. 2)	280,285,714
	891,904,760
Plus $4 a barrel:	
Residual oil (No. 6)	641,333,332
Gasoline	581,904,760
Home heating oil (No. 2)	560,571,428
	1,783,809,520

The total cost increase to New York State of the proposed OPEC price increase of $4.00/bbl presuming the Eckhardt plan would be 41% as much as those resulting from OPEC price increases presuming decontrol of oil under the President's plan.

The total cost to New York State under the Eckhardt proposal for decontrol of old oil is $781,867,550, while under the President's plan for decontrol would cost consumers in the State $2,632,109,520. The Eckhardt plan would cost New York State approximately 30% as much as the President's decontrol plan.

This letter is applicable to the current amendments because both the Krueger and, I take it, the Heinz amendments provide essentially for decontrol to world market prices, but merely stretch it out and hopefully someday in the future express a hope for some kind of a windfall profits tax to be passed to make up the difference.

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield?

Mr. OTTINGER. I yield to the gentleman from Texas.

Mr. ECKHARDT. Mr. Chairman, what the gentleman from New York (Mr. OTTINGER) has said with respect to his State and its effect in that area I think is also borne out generally by the analysis that we have had members of our staff on our committee make with respect to the difference between H.R. 7014 and decontrol, as indicated on this chart, respecting the number of unemployed.

I hasten to say here that this chart has been done on an extremely conservative assumption of consumption costs and rises in prices to only $14.30 on the price of new oil. It would mean a 5.2 percent difference in unemployment between H.R. 7014 and decontrol, which is essentially the price that the Krueger amendment moves to. That does not sound big, possibly, but it means 380,000 less unemployed under H.R. 7014 than under decontrol.

The second chart shows how the wholesale price index would move upward under decontrol. Again this is an extremely conservative assumption-based chart, and the model is the Chase Econometric model, and it goes from the second quarter of 1975 to the end of 1976.

We have not tried to prophesy too far in advance.

But the wholesale price index under decontrol would move up around the dotted line under H.R. 7014 along the solid line, a difference of 8.7 percentage points on the wholesale price index, and approximately the same with regard to things like the GNP. At the proper time I will ask unanimous consent to offer this in the Record in an extension of my remarks.

Mr. OTTINGER. Mr. Chairman, it is just absolutely critical that we not decontrol the price of oil at this particular time, because it is not only going to be ruinous to the citizens of this country due to the increased prices they have to pay, but it is also going to be ruinous to State and city financing. Speaking just of New York City—and I do not represent New York City—but New York City is presently, as I am sure most everyone knows, on the verge of bankruptcy.

Detroit is in trouble. Many of our other cities are, and when they have to pay huge increases for their energy requirements, then they are going to have to either tax more people who cannot afford to be taxed more, or they are going to have to lay off employees when already we have very high unemployment. The effect is going to be simply devastating.

The effects of what we do here just could not be of any greater significance, and I strongly urge the Members to maintain a reasonable price ceiling on oil as provided in the Eckhardt Amendment as adopted in the committee bill.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. Myers of Pennsylvania, and by unanimous consent, Mr. Ottinger was allowed to proceed for 2 additional minutes.)

Mr. MYERS of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. OTTINGER. I yield to the gentleman from Pennsylvania.

Mr. MYERS of Pennsylvania. I thank the gentleman for yielding.

In the figures that the Governor has submitted to the gentleman, and which he is submitting to Congress, has there been any adjustment for the decreased use of fuel as a result of the increase in prices?

Mr. OTTINGER. It is not specified in the letter, so I would be unable to answer the gentleman's question.

Mr. MYERS of Pennsylvania. If the gentleman will yield for a further question, is New York experiencing the same difficulty that we are in Pennsylvania of as high as a 55 percent cutback in natural gas this winter for our industries?

Mr. OTTINGER. New York is experiencing substantial cutbacks of natural gas, and they have a very disrupting effect. But the gentleman from California (Mr. Moss) is turning up evidence right and left in the Investigations Subcommittee of our committee that the gas companies are shutting-in gas and are not reporting accurately with respect to their gas reserves. Therefore, I am very suspicious of the reasons for the cause of those shortages.

Mr. MYERS of Pennsylvania. If the gentleman will yield further, in response to this specific question about natural gas and the decontrol aspect, even if the reserves are somewhat inaccurate, is there any reason to believe that if decontrol does not come in natural gas, that that additional reserve would be put in the interstate pipelines?

Mr. OTTINGER. I do think that if we once settle on a certain price, the gas companies—which is the same as the oil companies, of course—if those companies know that they are not going to get a much higher price through decontrol at a time in the immediate future, they will start again to release the gas that presently is shut in, and the supplies will increase very substantially.

Mr. MYERS of Pennsylvania. If the gentleman will yield further, I could agree with the gentleman if, in fact, we did not have limited supplies of both of these products. I think this is what we are forgetting in our action here today—that we do have limited supplies and they have a measurable number of years of commitment. So I think that is the major factor that puts counterweight to the gentleman's argument that they would be willing, therefore, to throw them in if they knew they were not going to get higher prices. But I think we are experiencing a very difficult problem, and we could end up experiencing the same difficulty in oil in the near future.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BROYHILL. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I would like to have the attention of the gentleman from Texas (Mr. Eckhardt) to ask him about the source of the figures on his chart.

Mr. ECKHARDT. If the gentleman will yield, the source of the chart was the work of one of the economists on our staff, and the model upon which he worked was the Case Econometrics model. The assumptions in the chart, as I said before, are the most extremely conservative assumptions with respect to the rise of the price of oil.

Mr. BROYHILL. Mr. Chairman, I would like to point out that the committee staff analysis that I saw is in no way a proper analysis of the President's latest proposal, or the Heinz proposal, which includes a cap or a ceiling on the price of decontrolled products.

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield at that point?

Mr. BROYHILL. I yield to the gentleman from Texas.

Mr. ECKHARDT. I thank the gentleman for yielding.

I will say that this is not an attempt to contrast H.R. 7014 with the Heniz proposal, but to decontrol, which is essentially the same price as the Krueger amendment with respect to the ultimate price of oil, except there is a deviation, in all fairness, at the beginning of the line with respect to the Krueger amendment, because he has got some old oil that is somewhat restrained, as I understand it.

Mr. BROYHILL. Mr. Chairman, we are discussing here the Heinz amendment and we also should be aware of the proposal that was made by the President this week which included not only a gradual, phased in decontrol but also recommended a ceiling on the price of new oil. So these figures are meaningless because they do not include those figures.

I would also point out that there was a statement released by Chase Econometrics president Michael Evans which casts some doubt as to the findings that were predicated in part on the model of energy economics designed by Chase Econometrics.

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield?

Mr. BROYHILL. I yield to the gentleman from Texas (Mr. Eckhardt).

Mr. ECKHARDT. Mr. Chairman, these are not the charts or assumptions referred to in our charts or assumptions in any of the printed reports. There are certain differences. As I said before, these are extremely conservatively estimated.

Mr. BROYHILL. Mr. Chairman, I would point out that an immediate decontrol is not under consideration by the House, that what we are discussing is a gradual decontrol plan phased in over a period of a considerable number of years, 4½ years, and I would point out we are also, at least in the Heinz amendment and with the President's proposal, proposing a ceiling on the price of new oil, and this, in my opinion, will have a considerable difference in the economic impact.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. BROYHILL. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. Mr. Chairman, I thought I heard when I stepped back onto the floor that this was a study based on the Chase Econometrics' study. If we invoke the hallowed name of Chase Econometrics or some other organization, it is either or is not their study. My question is: Whose study is it we are being cited here as an authoritative study?

Mr. CHARLES WILSON of Texas. Mr. Chairman, will the gentleman yield?

Mr. BROYHILL. I yield to the gentleman from Texas.

Mr. CHARLES WILSON of Texas. Mr. Chairman, is it the gentleman's understanding of these charts as to whether or not in predicating unemployment that they considered the unemployment that will occur with a serious shortfall of energy all over this country?

Mr. BROYHILL. This was the next point I was going to make. I am glad the gentleman from Texas brought it up. It is this: That if we do not increase domestic production, if in fact domestic production continues to go down, as has occurred in the last few years, we are going to have shortages and that is going to cause even greater economic impact than any of the predictions of the gentleman from Texas (Mr. Eckhardt).

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. BROYHILL. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. Mr. Chairman, I

would like to say to the gentleman from Texas (Mr. CHARLES WILSON) that the fact of the matter is we can correlate employment and energy consumption in this country almost exactly. When there is a sharp reduction in consumption, it is because employment is down. When there is a voluntary or involuntary reduction in consumption, we lose employment.

That is why the question of production is the essential question that we have to address in this legislation.

Consumption reduction may be necessary for us to gain independence from the OPEC nations but we do that kind of consumption conservation at our peril in terms of the economy. If we can produce more energy we stimulate jobs and the economic development in this country, and it is important that we produce it in this country.

Mr. CHARLES WILSON of Texas. If the gentleman will yield further, does the gentleman agree that once more we must make the point that if we do not produce enough oil in this country to achieve independence at the present price of $12.50, it is unlikely we can do it at $7.50?

Mr. BROWN of Ohio. Certainly that is unlikely.

Mr. MOSS. Mr. Chairman, I move to strike the requisite number of words.

Mr. CARTER. Mr. Chairman, will the distinguished gentleman yield?

Mr. MOSS. I yield to the gentleman from Kentucky.

Mr. CARTER. Mr. Chairman, I shall offer at the appropriate time an amendment to provide assistance to private enterprise for gasification and liquefaction of coal. It is true that ERDA is doing research in these areas now. However, it is important that we start immediately with this program of liquefaction and gasification.

The process for gasification has been known for many years, and it is our understanding that this fall there will be a dire shortage of gas for industrial users. In the Central and Southeastern States we need increased supplies of gas. We need to render gasification and liquefaction an actuality. At the appropriate time, I shall offer an amendment to accomplish these purposes.

The amendment is as follows:

Amendment to H.R. 7014, as reported offered by Mr. CARTER: Page 338, after line 25, insert the following:

SEC. 607. (a) The Administrator shall establish a program of assistance to private industry for the construction and operation of any facilities for the liquefaction and gasification of coal. In order to effectuate such program, the Administrator is authorized to make loans and issue gurantees to any person for the purpose of engaging in the commercial operation of facilities designed for the liquefaction and gasification of coal.

(b) (1) for the purpose of making loans or guarantees under this section, the Administrator shall consider (i) the technology to be used by the operator (ii) the production expected (iii) reasonable prospect for repayment of the loans.

(2) In making such determination, the Administrator shall give special consideration to projects which would provide additional employment opportunities in depressed areas and increase competition within the coal and petroleum industry.

(3) The Administrator shall consider no private interest which is a corporation, partnership, individual, owned or controlled directly or indirectly by any foreign government or instrumentality of such government, including any national oil company, unless the President shall find that such sale or lease is in the national interest and shall authorize such transaction.

(c) (1) The Administrator is authorized to enter into purchase agreements to assure a market for the output of such facilities when the cost of production exceeds current market prices.

(c) (2) The Administrator shall in order to assure adequate supplies of material, equipment, and market outlets for the output of such facilities, guarantee performance of contracts by persons receiving loans from the Administrator for the purchase, construction, or other acquisition of equipment and supplies necessary to develop, construct, and operate any such facility.

(d) The construction plans and actual construction of any facility (including any exploration) financed, in whole or in part, under this part shall be reviewed from time to time by the Administrator of the Environmental Protection Agency who is authorized to require the use in such facility of the most thorough pollution control devices then available. The cost of such devices shall be included in the total cost of each such facility and shall be taken into consideration by the Administrator in granting any loan or entering into any guarantee agreement or purchase or price support agreement under—

SEC. 608. (a) (1) The Administrator is authorized to acquire sites, by purchase, and to construct facilities deemed necessary by him to carry out such gasification and liquefaction of coal.

(2) With respect to each such project, to acquire by purchase such reserves of coal as he may deem necessary to assure supplies of raw materials adequate for attainment of the objectives of such project.

(3) to acquire from private interests such facilities as may have theretofore been constructed or acquired by such interests, whether in whole or in part, in connection with any project for the liquefaction or gasification of coal at prices to be negotiated by the Administrator with such private interests: *Provided, however,* That in connection with any such acquisition the private interests shall be granted an option to lease such facilities, upon the terms and conditions provided for in subsection (b) of this section, such option to be exercised within six months from the date on which the facilities were transferred to the Administrator, if complete, or within six months from the date when such facilities are completed by the Administrator.

(b) (1) Facilities acquired or constructed under this section shall be leased to any person at such rentals and upon such terms and conditions as shall be agreed to by the parties.

(2) Each such lease shall provide that the lessee may sell at prevailing market prices or acquire for its own account at such prices, the output of such facilities.

(3) Each lease shall further provide that the lessee shall have options to purchase the facilities at any time within ten years after the date of the respective lease at a price to be agreed upon by the parties. Each option shall be conditioned, however, upon the right of the Administrator within the ten year term to offer the facilities for sale at public auction and the lessee shall be entitled to purchase the facilities if he meets the highest bona fide offer in excess of the agreed option price. In order that an offer may be considered bona fide, it shall be offered by a bidder who shall have been determined by the Administrator to be financially and technically qualified to purchase and operate the facilities.

(4) No private interest shall be permitted to lease or purchase any facility covered by this Act if such interest is a corporation, partnership, individual, or other entity owned or controlled directly or indirectly by any foreign government or instrumentality of such government, including any national oil company, unless the President shall find that such sale or lease is in the national interest and shall specifically authorize such transaction.

SEC. 609(a). As used in sections 607 and 608, the terms "facilities" means land, mineral rights, mines, water rights, rights-of-way, easements, and other interests in land, pipelines, machinery and equipment, and all other property, real, personal, or mixed, used or to be used in connection with any project for the liquefication or gasification of coal.

(b) "person" includes individuals, corporations, companies, firms, patrnerships, joint ventures, and joint stock companies.

SEC. 610. There is authorized to be appropriated for fiscal year 1976, sums not to exceed $750,000,000.00 for the purposes of section 607 and sums not to exceed $750,000,000.00 for the purposes of section 608.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. MOSS. I yield to the gentleman from Michigan.

Mr. DINGELL. Mr. Chairman, I thank the gentleman. I just rise for the purpose of noting that it is 4:25 p.m. and at 4:30 when the gentleman has concluded, I will make a motion that the committee do now rise.

Mr. MOSS. Mr. Chairman, I think it is time that we look a little further to costs. I have had the economists on my subcommittee working under forced draft to cost out the amendment now pending, the Heinz amendment. I think we should regard it in context with the costs of the Eckhardt amendment and the Krueger amendment and the Heinz amendment and I will give the figures to the House now.

The following crude oil cost estimates assume May 1975 as the starting point:

For the Eckhardt amendment in May of 1975 the cost would be $20.6 billion.

The Krueger amendment, $28.1 billion.

The Heinz amendment, $26.9 billion.

For May of 1976 for the Eckhardt amendment, $21.5 billion.

For the Krueger amendment, $39.3 billion.

For the Heinz amendment, $29.3 billion.

In May of 1977, the cost would be $22.3 billion for the Eckhardt amendment.

The cost would be $42.9 billion for the Krueger amendment.

The cost would be $31.4 for the Heinz amendment.

In May of 1978, it would be $23 billion for the Eckhardt amendment.

It would be $45.7 billion for the Krueger amendment.

It would be $32.9 billion for the Heinz amendment.

In May of 1979, it would be $23.9 billion for the Eckhardt amendment.

It would be $47.9 billion for the Krueger amendment.

It would be $34.3 billion for the Heinz amendment.

In May of 1980, it would be $24.7 billion for the Eckhardt amendment.

It would be $49.7 billion for the Krueger amendment.

It would be $35.4 billion for the Heinz amendment.

In September of 1980, it would be $24.8 billion for the Eckhardt amendment.

It would be $50.2 billion for the Krueger amendment.

It would be $35.7 billion for the Heinz amendment.

Now, Mr. Chairman, the objective of placing these figures in the RECORD——

Mr. **BROWN** of Ohio. Mr. Chairman, would the gentleman yield?

Mr. **MOSS**. I yield to the gentleman from Ohio.

Mr. **BROWN** of Ohio. Mr. Chairman, I wonder if the gentleman in the well would be kind enough to tell us what the basic assumptions that get to those figures are?

Mr. **MOSS**. If the gentleman will come to me later on something less than the 5 minutes available, I will be glad to answer.

Mr. **BROWN** of Ohio. I would be glad to ask unanimous consent that the gentleman have additional time.

Mr. **MOSS**. I will not, of course, yield further.

I intend to address myself to my reasons for reciting the figures.

I might say that the underlying assumptions were the same ones that were used in costing out the Eckhardt and Krueger amendments, so I do not think there is any need to go into that; but the point that should be emphasized is that there is no showing that the increase of the magnitude proposed here or the magnitude proposed in the amendment of the gentleman from Texas (Mr. KRUEGER) would produce any significant additional amounts of oil. I think that is very important to us.

Mr. **KRUEGER**. Mr. Chairman, will the gentleman yield?

Mr. **MOSS**. Because I did mention the gentleman, I will yield to him for a very brief rejoinder.

Mr. **KRUEGER**. I thank the gentleman that taught me it was etiquette for a Member when mentioning the name of another Member always to yield and I do appreciate that.

The FEA does have estimates of additional recoverable reserves, if the price of production goes up.

Mr. **MOSS**. I thank the gentleman. Now, I yield no further because my confidence in the FEA figures is absolutely minimal.

The **CHAIRMAN**. The time of the gentleman from California has expired.

Mr. **MOSS**. Mr. Chairman, I ask unanimous consent that I may be permitted to proceed for 3 additional minutes.

The **CHAIRMAN**. Is there objection to the request of the gentleman from California?

Mr. **BROWN** of Ohio. Mr. Chairman, I reserve the right to object.

Mr. **MOSS**. Mr. Chairman, I do not ask unanimous consent to have 3 minutes, but I shall remember the gentleman from Ohio well as the debate goes on.

Mr. **DINGELL**. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BOLLING, Chairman of the Committee, of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 7014) to increase domestic energy supplies and availability; to restrain energy demand; to prepare for energy emergencies; and for other purposes, had come to no resolution thereon.

LEGISLATIVE PROGRAM

(Mr. ANDERSON of Illinois asked and was given permission to address the House for 1 minute.)

Mr. **ANDERSON** of Illinois. Mr. Speaker, I ask for this time for the purpose of asking the distinguished majority whip, the gentleman from California (Mr. McFALL) if he can inform the Members of the House as to the program for next week.

Mr. **McFALL**. Mr. Speaker, if the distinguished gentleman from Illinois (Mr. ANDERSON) will yield, I will be happy to respond.

Mr. **ANDERSON** of Illinois. I yield.

Mr. **McFALL**. Mr. Speaker, there is, of course, no further legislative business for today. Upon the announcemnt of the program for next week, I will ask unanimous consent to go over until Monday.

Mr. Speaker, the program for the House of Representatives for next week is as follows:

On Monday, we have the Consent Calendar and the following suspensions, votes on which will be postponed until the end of all suspensions:

First, we will have H.R. 6971, Consumer Goods Pricing Act;

Second, House Joint Resoluton 549, Marianas covenant;

Third, H.R. 71, medical care for allied wartime forces;

Fourth, H.R. 3350, veterans' laws technical amendments;

Fifth, H.R. 8240, comparability pay for VA physicians and dentists;

Sixth, House Joint Resolutions 560, National Commission on Supplies and Shortages;

Seventh, H.R. 6151, nonperforming arts functions of the Kennedy Center;

Eighth, H.R. 4799, Rural Electrification Loan program amendments; and

Ninth, H.R. 8598, improvement in child support program.

Following that, we will have H.R. 7217, education of all handicapped children, with an open rule and 1 hour of debate; general debate only.

For Tuesday and the balance of the week, we will have one suspension, Senate Joint Resolution 23, restoring citizenship to Gen. Robert E. Lee.

Following that, we will have House Resolution 605, disapproval of President's order on oil decontrol; followed by H.R. 7014, Energy Conservation and Oil Policy Act—votes on amendments and bill. That is a continuation of the bill we have just discussed this afternoon.

On Wednesday, the official photograph of the House in session will be taken at 10 a.m. Of course, the Members of the House will recall that we meet next week every day at 10 o'clock a.m.

Following the official photograph, we will have the following:

Interior appropriations;

H.R. 7217, education for all handicapped children, votes on amendments and bill;

S. 846, the Turkish aid bill, subject to a rule being granted;

H.R. 5900, equal treatment of craft and industrial employees, subject to a rule being granted; and

H.R. 5210, military construction authorization, under an open rule with 2 hours of debate.

Conference reports may be brought up at any time.

Mr. **ANDERSON** of Illinois. Mr. Speaker, I would further inquire of the gentleman from California, am I correct in my understanding that there will be a session on Friday of next week? And, also, are there any plans with respect to Saturday of next week?

Mr. **McFALL**. There is expected to be a Friday session, I would most assuredly assume, with the very heavy schedule that we have announced. It is possible, I suppose, that we could have a Saturday session, but we would not expect that such would be the case.

Mr. **ANDERSON** of Illinois. I thank the gentleman.

Mr. **ANDERSON** of Illinois. Mr. Speaker, I have one further question: Is it further my understanding that we will follow the same practice that we have been observing this week of seeking to adjourn the House each evening at approximately 6:30?

Mr. **McFALL**. That is my understanding. That is the general rule which has been announced by the majority leader, and it seems to be practical. It has been very workable, and the Members have expressed their appreciation for this kind of a schedule. Unless something unusual happens and we get into some kind of a filibuster which would probably destroy this kind of a schedule, which I do not anticipate, we can expect that this kind of schedule will continue.

Mr. **ANDERSON** of Illinois. I thank the gentleman.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. **McFALL**. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

The **SPEAKER**. Is there objection to the request of the gentleman from California?

There was no objection.

ADJOURNMENT TO MONDAY, JULY 21, 1975

Mr. **McFALL**. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet on Monday next.

The **SPEAKER**. Is there objection to the request of the gentleman from California?

There was no objection.

PERMISSION FOR SUBCOMMITTEE ON CRIME OF THE COMMITTEE ON THE JUDICIARY TO SIT DURING THE 5-MINUTE RULE

Mr. BRODHEAD. Mr. Speaker, I ask unanimous consent that the Subcommittee on Crime of the Committee on the Judiciary may be permitted to sit in public session on Monday, July 21, 1975, in Atlanta, Ga.; Wednesday, July 23, and Thursday, July 24, 1975, in Washington; and Friday, July 25, 1975, in New York, N.Y., for the purpose of hearing testimony during the 5-minute rule.

The SPEAKER (pro tempore). (Mr. McFALL.) Is there objection to the request of the gentleman from Michigan?

There was no objection.

PERMISSION FOR COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE TO FILE REPORT ON H.R. 8150

Mr. BRODHEAD. Mr. Speaker, I ask unanimous consent that the Committee on Interstate and Foreign Commerce may have until midnight tonight to file a report on H.R. 8150, to amend the Drug Abuse Office and Treatment Act of 1972.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

ADM. ELMO ZUMWALT OPPOSES RESUMPTION OF U.S. ARMS TO TURKEY

(Mr. BRADEMAS asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. BRADEMAS. Mr. Speaker, Adm. Elmo R. Zumwalt, Jr., retired Chief of Naval Operations, is one of America's most distinguished military leaders.

I believe, therefore, that all Members of the House will read with great interest the statement which Admiral Zumwalt released today declaring his opposition to the bill S. 846, to resume shipments of arms from the United States to Turkey.

Admiral Zumwalt notes that—

> Seven months ago . . . by a margin of 199 votes in the House, the amendment calling for a ban on further American arms to Turkey was overwhelmingly passed. In my judgment that verdict should be repeated this week by the defeat of the Kissinger amendment, S. 846.

Mr. Speaker, I want to call in particular the attention of Members to what Admiral Zumwalt says with respect to the question of U.S. military bases in Turkey and in Greece.

The text of Admiral Zumwalt's statement follows:

STATEMENT BY ADM. E. R. ZUMWALT, JR.

Sunday marks the first anniversary of the invasion of Cyprus by Turkey. The Congress of the United States is locked into a collision course with the Secretary of State on fundamental U.S. foreign policy. The debate begins this week in the House of Representatives on Dr. Kissinger's proposal to lift the ban on further American arms to Turkey. In this escalating controversy, I commend to the attention of the Congress and the press a precise statement of the true moral issues and the best interests of the United States by General James A. Van Fleet, who implemented the Truman Doctrine against a Soviet inspired Communist insurgency in post-World War II Greece without loss of a single American in uniform:

As one whose entire career has been in the Armed Forces of the United States, I believe that our country and our NATO partners must stand against aggression, whether by friend or foe. To do otherwise would be a renunciation of a fundamental principle of our foreign policy—to oppose aggression, not aid or acquiesce in it. I must condemn the continued acts of Turkish aggression against Cyprus and its people. It is unconscionable that the Government of the United States should surrender to the threat of Turkey to close our bases there. This is capitulation to blackmail and unworthy of our country.

History teaches and I accept the wisdom of a warning by a great allied leader in Word War I, Clemenceau of France: "War is much too serious a matter to be entrusted to the military."

May I suggest a contemporary corollary to that Clemenceau axiom: "Peace is too complicated to be entrusted to any single diplomat."

Dr. Kissinger has marshalled his propagandists to convince Congress that U.S. installations in Turkey are technically more important than American relations with Greece. There is a supreme irony in this argument, because when the military junta was imposing a dictatorship on Greece, the argument then was that Greek bases were of most vital importance to NATO and the U.S. Sixth Fleet. Now that a democratic Government has at long last returned to Greece, Dr. Kissinger tilts toward Turkey.

I believe the best interests of America and of NATO require the friendship of both Greece and Turkey.

But to pit one country against another in this way is as dangerously inflammable and divisive in foreign policy as it is in the Halls of Congress. However, if a choice is to be forced between our military installations in Turkey and the continuation of the support of U.S. installations by a democratic government in Greece, then in my judgement, the Congress should cast a vote for Greece, and against the Kissinger amendment to lift the ban on U.S. arms to Turkey. In my opinion, existing and potential military bases in Greece are more important to us than our installations in Turkey.

There is another matter of concern regarding Turkey. As the harvest of opium poppies begins this week in Turkey, all Americans should remember that Turkey unilaterally rescinded the ban on the growing of opium poppies for which U.S. Government agreed in return to pay Turkey $35 million over a three-year-period. U.S. taxpayers have already supplied $15 million of this sum to Turkey.

Thus, to Turkey's aggression against the Island of Cyprus, using American arms, has been added her aggression against an entire generation of young Americans with opium growth in Turkish soil.

The current controvery has been distorted into a political test of strength between the Administration and what they have characterized as "the ethnic politics of the Greek lobby." That is a very un-American argument at a time when this nation of emigrants enters our Bicentennial Year. The ban on future American arms to Turkey is not an "ethnic" and certainly not a Greek issue. It is fundamental American policy on which in other times I have seen the Navy used as an instrument of enforcement. Twice the Sixth Fleet was ordered into the waters between Turkey and Cyprus as clear warning by an American President against Turkish aggression. And you will remember that there was no aggression because American policy was then crystal clear. Regrettably there was no policy at the time of the invasion of Cyprus last year. Today, only Congress can clarify American policy in this controversy. That is the challenge of the debate on the Kissinger amendment this week. Seven months ago, that policy was debated and a judgement was then made clear. By a margin of 199 votes in the House, the amendment calling for a ban on further American arms to Turkey was overwhelmingly passed. In my judgement that verdict should be repeated this week by the defeat of the Kissinger amendment, S. 846.

ADMIRAL ZUMWALT WAS AGAINST DEMOCRACY IN GREECE

(Mr. HAYS of Ohio asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. HAYS of Ohio. Mr. Speaker, I was very much interested in what the gentleman from Indiana (Mr. BRADEMAS) had to say, and especially the remarks the gentleman quoted.

For the information of the Members, Admiral Zumwalt is the admiral who had his arms around the dictator of Greece, General Papadopoulos, and who made the ill-fated arrangements with that dictator, which turned the country of Greece against America, because they felt like the American Government was supporting the dictatorship in their country. So I do not think Admiral Zumwalt is a source that I would want to quote in any debate because his track record is extremely bad. He was against democracy in Greece, and for the dictatorship.

Probably former Admiral Zumwalt would not be saying anything if he were not running for the U.S. Senate.

CAN WE SAVE $5 BILLION PER YEAR IN HOSPITAL COSTS?

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. VANIK) is recognized for 10 minutes.

Mr. VANIK. Mr. Speaker, currently the Ways and Means Oversight Subcommittee, in coordination with Chairman ROSTENKOWSKI's Health Subcommittee, is looking into the administration of the medicare program. In reviewing data on utilization rates in hospitals, it appears that Americans living in the eastern and midwestern portions of the Nation may be paying as much as $5 billion a year more than is necessary for hospital care.

The possibility of $5 billion in extra hospital costs is revealed by data provided by the Professional Activity Study—PAS—a program conducted by the privately run Commission on Professional and Hospital Activities in Ann Arbor, Mich. The Professional Activity Study was started in 1953 as a cooperative study among 13 hospitals. It now receives and compares data from 2,137 hospitals which account for approximately 43 percent of all discharges from short term non-Federal general and other speciality hospitals in the United States.

In a recent study, the Professional Activity Study found that—

> The average stay in U.S. PAS hospitals decreased in each of the four United States census regions from 1969 to 1971, but leveled off in the south and east regions in 1972. The west, traditionally the census region with the shortest stay, showed a greater decrease in average stay over the study period than any other region.

As PAS noted:

> These figures are especially striking since stay was already shortest in the west at the beginning of the four-year period.

Following is the data on the hospital-stay trends:

DECREASE IN AVERAGE STAY BY CENSUS REGION 1969-72

Census region (1)	1969 (2)	1970 (3)	1971 (4)	1972 (5)	1969-72 (6)
Decrease in average stay (days):					
West		0.3	0.2	0.2	0.7
Central		.1	.1	.1	3
South		.2	.1	0	.3
East		.2	.2	0	.4
Average stay (days):					
West	6.6	6.3	6.1	5.9	--------
Central	7.8	7.7	7.6	7.5	--------
South	7.3	7.1	7.0	7.0	--------
East	8.4	8.2	9.0	8.0	--------
Total patients (in millions):					
West	1.16	1.22	1.39	1.74	--------
Central	3.02	3.61	3.94	4.32	--------
South	1.85	1.95	2.11	2.38	--------
East	2.06	2.22	2.31	2.48	--------

Note: Excluded were patients who died, were transferred to another hospital, left against medical advice, stayed 100 days or more, or lacked pertinent items of data (about 5 percent of total patients each year.)

In the Oversight Subcommittee's study of the kidney disease treatment program, we have discovered enormous variations in the treatment of patients on dialysis at home and in clinics. Treatment at home costs between $50 and $90. Treatment in a center costs between $110 and $220. When one considers that the average kidney disease patient is dialyzed three times a week or approximately 120 times a year, one can see that enormous cost savings are possible if the ratio of patients treated at home were increased. Assuming a $100 difference between home and clinic dialysis, the average patient would be saving approximately $12,000 per year by home dialysis. In certain areas of the country, such as the Pacific Northwest, the home treatment rate is about 80 percent. In Baltimore, however, home treatment is only running at about 20 percent.

In the subcommittee's hearing on June 24 on end-stage renal disease, it is acknowledged by HEW officials that the kidney program would soon be costing medicare a billion dollars a year. It was also admitted that a goal of at least 50-percent home dialysis would be established and that if 50 percent of all kidney patients were treated at home, the savings to the program would be about 16 percent—or $160 million per year.

Mr. Speaker, I suppose it would be nice if our Nation's economy and health care system could afford the luxury of things like clinic dialysis and unmonitored hospital stays. But the fact is that even in this richest Nation in the world, we cannot afford these luxuries. The PAS data shows that we need to proceed to utilization reviews. It is not clear, however, whether just local reviews will be adequate. What may be needed is a special group of utilization review teams which can point out to different hospitals around the country where they can achieve savings. As the PAS study noted:

> Assuming the quality of patient care in hospitals is generally equal in west and east, there arises the question of why average hospital stay in the east could not be cut by roughly one quarter without causing a decrease in the quality of care. This question deserves detailed study.

Since as much as $5 billion in potential savings may be involved, I urge that Social Security and other health agencies make a "detailed study" of this important cost-savings issue.

OUR FOREIGN SERVICE OFFICERS ABROAD

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New Jersey (Mrs. MEYNER) is recognized for 5 minutes.

Mrs. MEYNER. Mr. Speaker, I have recently returned from a visit to Finland, the Soviet Union, Iran, Lebanon, Syria, Jordan, and Israel. I found the trip very interesting and informative and I believe that it will greatly benefit my work on the International Relations Committee.

I would like to take this opportunity to express my deep admiration for the foreign service officers I encountered. Their intelligence, objectivity, dedication, and warmth were very impressive. They work hard and well, often under very trying circumstances.

I have expressed to Secretary Kissinger my hope that he will make maximum use of the fine talent we have in our foreign service. Our national interest would be well-served.

STATUS OF REFUGEE SITUATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Louisiana (Mr. PASSMAN) is recognized for 5 minutes.

Mr. PASSMAN. Mr. Speaker, in keeping with my promise to the membership at the time the House approved $405 million to assist the South Vietnamese and Cambodian refugees, I present to the membership the second report on the status of this refugee situation.

As of July 15, 1975, there have been 131,268 refugees interviewed for processing. Of this total number, 56,096 have now been released from the system which includes those released to U.S. sponsors and those sent to third countries, plus 60,612 are in the United States waiting to be released. In addition, 14,560 are still at overseas bases awaiting entry into the United States or are presently in transit.

As of June 30, 1975, the U.S. Government has obligated $127,709,705 out of the $405 million appropriated for this purpose.

IS THIS DÉTENTE?—ARTICLE BY FORMER SECRETARY OF DEFENSE MELVIN R. LAIRD

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. FLOOD) is recognized for 5 minutes.

Mr. FLOOD. Mr. Speaker, the recent collapse of the Government of South Vietnam and the rapid takeover of that country by Communist forces supported by massive materials provided by the U.S.S.R. and Red China has attracted world attention, especially to the relations between the United States and the U.S.S.R. A review of critical spots in various parts of the world discloses that the Soviet Union has been, and still is, ignoring agreements with the United States that were designed to reduce tensions.

In the current issue of the Reader's Digest, our former distinguished colleague, Hon. Melvin R. Laird, who, after leaving the Congress, served for 4 years as Secretary of Defense, summarizes his observations. They form a sobering record deserving of careful reading for the security of the United States is directly involved in our present laudation of what is known as "détente." This French word, little understood in the United States, indicates a relaxation of tensions rather than the establishment of a permanent relationship required for crucial points in hemispheric defense, and thus can be misleading. It also implies an early revision of an existing situation and invites anticipation of meeting demands for change in status.

In these connections, Mr. Speaker, two items not included in the article are the so-called normalization of U.S. relations with Cuba, which involves the continued U.S. possession of our naval base at Guantanamo, and the projected giveaway of the U.S.-owned Canal Zone and Panama Canal. As the gateway to the Pacific, the Canal is a vital element in our seapower.

The revelations in former Secretary Laird's authoritative article serves to emphasize the points that I have made repeatedly in the Congress that under no circumstances should the United States surrender its control over either the Guantanamo Naval Base or the U.S Canal Zone. To lose them would transform the Caribbean into a Soviet lake and constitute a major step for a Red conquest of the Western Hemisphere.

The indicated article by Secretary Laird follows:

[From the Reader's Digest, July 1975]

IS THIS DÉTENTE?

(By Melvin R. Laird)

(NOTE.—Melvin R. Laird, former Congressman from Wisconsin (1953-1969) and Secretary of Defense (1969-1973), is The Reader's Digest's Counsellor for National and International Affairs.)

Over the past several years, the United States has made major concessions and numerous gestures of goodwill to induce the Soviet Union to help defuse world powder kegs that could explode into war. We still hope that such efforts will evenutally succeed. Certainly, everyone hopes to avoid renewal of Cold War confrontations. But it would be dangerously foolish to confuse hope with reality. Therefore, I am now persuaded that the American people ought to be told some unpleasant facts about the true status of détente, so that they can intelligently judge the Kremlin's current intentions.

The facts are that, in recent months, the U.S.S.R.—secretly and openly—has repeatedly committed deliberate acts that mock détente and threaten the free world. Let's look at six deeply troubling actions:

1. The U.S.S.R. has violated agreements to limit strategic weapons.

On May 26, 1972, the United States and the Soviet Union concluded two important arms agreements. One treaty strictly limits both countries in their future development of anti-ballistic-missile systems. A vital component of any such system is powerful, sophisticated radar that tracks incoming missiles. Article VI of that treaty explicitly forbids testing any radar for ABM use. Yet our government now possesses evidence that the Russians have conducted radar tests specifically forbidden by the treaty. The Russians have not disputed our intelligence, but have insisted that the tests were for "safety or instrumentation" purposes only. The disingenuousness of this reply cannot conceal the fact that the Russians have cheated on the treaty and may be developing an ARM system that would endow them with a significant strategic advantage.

The second accord limits the United States and the Soviet Union to approximately the same number of nuclear delivery systems. Critical to this SALT I agreement was the clear American understanding that neither side would appreciably increase the size of its intercontinental ballistic missiles—for larger missiles could carry more warheads and render the limitation on numbers meaningless. Now reconnaissance and other reliable sources have provided incontrovertible proof that the Soviets have cheated on this understanding. In some 50 silos, they have installed new missiles called the SS19, 50-percent bigger than most of their previous rockets. Deployed in large numbers, the SS19 will give the Soviet Union the capability to destroy our land-based missiles and bombers in a surprise attack. Six years ago, we and the Russians could deliver nuclear warheads of about the same destructive force. Today the Soviets can outfire us in destructive power by two-to-one.

2. The Soviet Union actively assisted North Vietnam in making a shambles of the Paris peace accords and overrunning South Vietnam.

At Paris in January 1973, the North Vietnamese pledged to respect South Vietnam's right to determine its own political future. They pledged not to send more troops and arms into South Vietnam. Both pledges were promptly broken. The Russians, by continuing to supply North Vietnam with offensive war matériel beyond prescribed limitations, played a direct role in the treaty's sabotage. (We sent less matériel to South Vietnam than the treaty allowed, and all of it was demonstrably for defense.)

After the ceasefire, the Russians and Chinese poured into North Vietnam aid conservatively valued at $2.5 billion. Among Soviet shipments: 115 modern tanks and armored vehicles, 300 tactical missiles, 1100 big military trucks. Such equipment was for one purpose only: renewed military attacks in violation of the Paris accords. And when the North's offensive began in the spring of 1974, Soviet tanks spearheaded it.

3. The Soviet Union has reneged on its promise to guarantee unimpeded civilian access to West Berlin.

Ever since the Cold War began with the Berlin blockade in 1948, the Russians have employed stratagem after stratagem to strangle West Berlin economically, isolate it politically and capture it for themselves. In June 1972, we signed a pact with the Russians to ease the situation there. With Britain and France, we agreed to allow the Russians to establish a consulate in West Berlin and, at about the same time, to support United Nations membership for East Germany. The Soviets in turn pledged to ensure that the flow of people and goods through East Germany to West Berlin would not be obstructed.

However, once the consulate opened and East Germany was in the U.N., the Russians broke their word. From July to October last year, the communists deliberately—and repeatedly—stalled cars and trucks en route through East Germany. The latest treaty notwithstanding, the Russians still seem to look upon West Berlin as a hostage.

4. The Soviet Union is abetting terrorism and guerrilla warfare in the Middle East.

In Syria, East Germany and the Soviet Union itself, communist agents are training hundreds of young Arabs in the techniques of terror. The Russians have supplied to Libya's dictator, Muammar elQuaddafi, deadly SA–7 heat-seeking missiles that can home in on the jet engines of commercial airliners. Predictably, Quaddafi has turned these portable weapons over to terrorists, allowing some to be shipped in diplomatic pouches. In September 1973, Italian police captured five terrorists armed with SA–7s on an apartment balcony near Rome's airport, poised to shoot down a Boeing 747. But the attempts go on.

And Russia continues to sustain a little-noticed but sinster guerrilla war on the strategic Arabian peninsula. The immediate Soviet target is the Sultanate of Oman, perched on the narrow Strait of Hormuz.

Through this strait pass 17 million barrels of petroleum daily, bound for Japan and Western Europe. At camps maintained in neighboring South Yemen, Russians supervise guerrilla training of Omani tribesmen. Armed with Soviet weapons, the tribesmen raid the countryside—their avowed aim (despite almost total lack of support among the people of Oman) being to win a "war of national liberation" in support of Soviet policy. Such control would enable Russia to cut at will half of Western Europe's supply of oil and three fourths of Japan's.

5. In Portugal, the Soviet Union is sponsoring a massive campaign to impose a communist regime subservient to the Kremlin.

The strategic location of Portugal makes it a key member of NATO. In April 1974, a coup ousted Portugal's right-wing dictator, Marcello Caetano, and hope arose that the country might peacefully transform itself into a democracy. However, with the coup, the communists sprang out of hiding as the country's best-organized and richest political party, even though the recent advisory election indicated that they had the backing of only about 13 percent of the people. But they did have the backing of the Soviet Union, which, in the past 12 months, has clandestinely provided them with at least $40 million to pay party workers and hire street demonstrators to intimidate the opposition. With secret Soviet aid, the communist minority has gained control of the national labor federation and is exploiting the press to spread virulent anti-American propaganda. Opponents to communism are still being purged from key government and military posts, to be replaced by communists and their sympathizers.

Absorption of Portugal into the Soviet empire would expose Spain to subversion, cost NATO indispensable bases in the Azores, open up the Atlantic to Soviet submarines, and fundamentally alter the world balance of power.

6. The Soviet Union has engaged in a relentless effort to attain military supremacy

In the last six years, the United States has reduced its armed forces by 1.4 million men and women, cut the Army in half and lowered the number of Navy combat ships to the level of the year 1939. In constant dollars, we have slashed our military spending by 34 percent. This year, the defense budget will consume only 5.8 percent of the gross national product—the smallest percentage since 1950.

Yet our disarmament overtures have brought an increase in Soviet military allocations. Although the Russian economy has less than half our productive capacity, the Soviets are currently outspending us by 20 to 25 percent in every significant defense category. Their 4.2 million troops now outnumber our forces by more than two-to-one.

Meanwhile, we have granted the Russians long-term unsecured loans at interest rates below what the American home buyer, farmer, businessman or government must pay. And the Soviets continue to seek further credit, technology and other help from us. This adds up to a situation in which we subsidize the U.S.S.R.'s faltering civilian economy so that it can afford to mount an enormous arms buildup. For example, American engineers and money help construct in Russia the world's largest truck factory—and the Kremlin ships trucks to North Vietnam to help crush South Vietnam.

Clearly, we must shed any lingering illusions we may have that détente means the Russians have abandoned their determination to undermine Western democracy and impose their system upon the world. We must communicate to the Russians that the only alternative to mutual arms reduction is an American rearmament that would doom them to permanent military inferiority. We must show them that we will no longer tolerate the use of détente as a Russian one-way street.

COMMODITIES FUTURES TRADING COMMISSION'S INVESTIGATION OF CHARGES LEVIED BY BERNHARD ROSEE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. Mezvinsky) is recognized for 10 minutes.

Mr. MEZVINSKY. Mr. Speaker, Mr. William Bagley, the Chairman of the new Commodities Futures Trading Commission, in response to a petition filed by Bernhard Rosee, has asked the General Accounting Office to conduct an investigation into charges levied against the Chicago Board of Trade, and the CFTC's predecessor agency the CEA. Mr. Rosee has alleged that the CBOT failed to grant him "due process of law" when he appeared before them 15 years ago to defend false allegations made against him. He has been unable since that time to resolve many issues raised during and subsequent to that hearing.

In his letter to Elmer Staats, Comptroller General of the United States, Mr. Bagley said that:

> He wanted to be as unfettered as legally possible from past CEA administrative determinations and procedures and is personally committed to and fully convinced that the Commission also will want a full and open public hearing on this matter.

Mr. Bagley is to be commended for his willingness to get to the bottom of this continuing controversy and insure that Mr. Rosee receives a full and fair hearing on his petition.

Mr. Speaker, I would like to submit for

the RECORD William Bagley's letter to the GAO and an article written by Clark Mollenhoff of the Des Moines Register on this matter.

Re: CEA (now CFTC)—Rosee Matter.

Mr. ELMER B. STAATS,
Comptroller General of U.S. General Accounting Office Building, Washington, D.C.

DEAR MR. STAATS: I am informed that your office has had requests regarding the above from both Congressmen Berkley Bedell and from the Fountain Sub-Committee. These requests relate specifically to the long pending Bernhard Rosee matter and relate more generally to procedures followed by the former Commodities Exchange Authority.

First of all, because of our status as a new Commission with all the limitations thereof, we would welcome your investment. I am personally mindful that our own Commission is almost solely a creature of Congress and that we are under a rather specific mandate from Congress to address ourselves anew to commodity exchange regulations. That's why we were formed.

In that context I very much want to take a fresh look at matters such as Rosee, and want us to be as unfettered as legally possible from past CEA administrative determinations and procedures when these are or can be the subject of challenge—and regardless of where that challenge comes from.

Because of statutorily mandated deadlines for many present substantive actions (by July 18th), we have not yet as a Commission discussed our own course of action regarding Rosee. I am personally committed to and fully convinced that the Commission also will want a full and open public hearing on this matter. Procedurally, we have before us a petition from Mr. Rosee. Fully assuring Commission approval, we will next formally set a hearing date, require responsive material from the Chicago Board of Trade and other "parties", and then proceed to hearing.

In addition to specific items of relief that may yet be open for our determination, we shall be interested more generally in whether the Chicago Board of Trade has in this matter followed its own procedures in the due process sense, and further whether the former CEA and CEC fulfilled both its procedural and substantive due process requirements under the Commodity Exchange Act.

Any assistance that you would be able to offer in regard to any of the above will be appreciated.

Sincerely yours,

WILLIAM T. BAGLEY,
Chairman.

[From the Des Moines Register, July 18, 1975]

FUTURES UNIT HEAD ASKS GAO TO PROBE CHICAGO BOARD OF TRADE

(By Clark Mollenhoff)

WASHINGTON, D.C.—Commodity Futures Commission Chairman William T. Bagley has asked the General Accounting Office (GAO) to investigate whether the Chicago Board of Trade accorded "due process of law" to veteran Chicago commodity trader Bernhard Rosee.

In a letter to Comptroller General Elmer Staats, Bagley said that he is "personally committed to . . . a full and open public hearing" on Rosee's petition challenging the right of the Chicago Board of Trade to be designated as a commodity contract market.

Bagley noted there have been a number of congressional investigations of the entire Rosee dispute with the board of trade and the officials of the old Commodity Exchange Authority (CEA), the predecessor of the Commodity Futures Trading Commission (CFTC).

NEW COMMISSION

"Because of our status as a new commission with all of the limitations thereof, we would welcome your involvement," Bagley wrote.

"I am personally mindful that our own commission is almost solely a creature of Congress and that we are under a rather specific mandate from Congress to address ourselves anew to commodity exchange regulations," Bagley wrote in an indirect reference to the ineffectiveness of the old CEA.

Bagley said he wants to take "a fresh look at matters such as Rosee." He said he is particularly interested in the Rosee case being "as unfettered as legally possible from past CEA administrative determination and procedures."

This was an expression of the desire for new judgments by an outside source such as the GAO rather than with carry-over personnel from the CEA where there might be some prejudgments on the Rosee affair as well as personal involvement in past laxity.

"Procedurally, we have before us a petition from Mr. Rosee," Bagley said. "Fully assuring commission approval, we will next formally set a hearing date, require responsive material from the Chicago Board of Trade and ohter 'parties,' and then proceed to hearing."

Representative Berkley Bedell (Dem., Ia.), a member of the House Agriculture Committee, and Senator Dick Clark (Dem., Ia.) of the Senate Agriculture Committee, have asked the GAO to conduct a broad investigation of the Rosee complaint.

Representative Edward Mezvinsky (Dem., Ia.), a member of the House Government Operations Subcommittee, has asked for a narrower, more specific study of the processes the Chicago Board of Trade used in its hearings that resulted in Rosee losing his seat on the board in 1963.

Bagley told Staats he is most interested in the specific question of whether the board of trade's arbitration committee "followed its own procedures in the due process sense" and whether two government agencies—CEA (Agriculture Department) and the interagency Commodity Exchange Commission (CEC)—"Fulfilled both . . . procedural and substantive due process requirements under the Commodity Exchange Act."

Senator Clark in his letter to Staats commended the GAO on its investigation and reports on the "numerous abuses and problems in the commodity futures trading" under the old CEA which he said were "extremely helpful to Congress in writing new legislation creating the Commodity Futures Trading Commission."

FILED PETITION

Rosee, 76, recently filed a petition with the new CFTC asking that it bar the Chicago Board of Trade from being designated as a commodity contract market under the new tighter regulations until such itme as he has been reinstated as a member of the board.

Mezvinsky said he was pleased that Bagley "sees the need for an objective study of the due process of law problems where it will not be contaminated by past judgments of CFTC officials who were formerly with the CEA."

Bedell said Bagley "is to be complimented on the open and forthright attitude on a GAO investigation."

"The full and open public hearings on this matter are what has been needed for the last 15 years," Bedell said. "Only then can there be a full examination of Rosee's charges and the answers that the Chicago Board of Trade and CEA officials have been so reluctant to provide."

BACK TO THE SOIL: PART 9

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. BURKE) is recognized for 5 minutes.

Mr. BURKE of Massachusetts. Mr. Speaker, whenever I take to the floor to urge the enactment of my "Bicentennial seed bill," someone will invariably approach me later with a puzzled look on his face. "JIMMY," they will say "this is America, the largest food producing Nation in the world. Why should we send seeds to people?" I always smile, of course, and then I sit them down and explain the situation to them. The fact is that our resources are not limitless. Even the Department of Agriculture, which opposes my seed bill, has stated that the contributions of the backyard and community vegetable gardener will be greatly needed. Not needed at some future date, mind you, but needed this year. The rapidly growing world demand, coupled with adverse weather conditions worldwide, can only mean that our own prices here at home will continue to rise sharply. As we have witnessed this week, the Department of Agriculture insists on sending our food supplies abroad. The price of bread has already increased by 1 cent per loaf as a direct result of the first sale of wheat to Russia. More sales will be made, not only of wheat, but soy beans, rice, sugar, and prices will continue to soar. Shortages could develop, trapping the consumer between big government and big agriculture. If we do not even give our constituents the opportunity to grow their own vegetables, we will be exhibiting the height of irresponsibility and callousness.

Two articles recently appeared in the Washington Post and the Quincy Patriot Ledger which explain the situation confronting the American consumer this year. I hope that my colleagues will read these two very fine articles as they give ample proof of the need to swiftly enact the "Bicentennial seed bill." I will be sending a Dear Colleague letter to each of you this week, and I hope that every Member of Congress will respond affirmatively so that we might provide our constituents with the opportunity to provide for themselves in these uncertain times.

Following are the articles to which I refer:

[From the Patriot Ledger, July 10, 1975]

THINGS NOT ROSY FOR VEGETABLE SHOPPERS

(By Jeanne Lesem)

Harvests from home gardens could force tomato and corn prices down later this summer, but there is little chance of price breaks on other commercially grown produce, says the U.S. Department of Agriculture.

Fresh vegetable prices usually are at their lowest, and supplies most abundant, in late summer. The USDA says the situation may not be so rosy this year, partly because higher production costs could limit commercial output.

Even homegrown fruit and vegetables may cost more than anticipated. Long dry spells in parts of the Midwest already have gardeners grumbling about the high price of water to make up for little rainfall.

Prices in general remain high for meat, poultry, and other protein foods. In UPI's weekly survey of basic food prices across the country, even ground chuck, a favorite for hamburgers and outdoor cooking, ranged between 69 cents a pound in Los Angeles and $1.39 in Atlanta, up from a 59 cent low during the base week of March 19.

POULTRY PRICES RISING

Increased consumption of poultry during the summer usually leads to higher prices. They have already started up in some cities. A range of 59 cents to 89 cents a pound was reported in Los Angeles and New York. The high is more than double the base price back in March. Both broiler-fryer and turkey production are down from last year.

While beef prices are expected to continue sharply higher for the next few weeks, the USDA says more grass-fed beef, and consequently lower prices, may appear in markets late in the summer.

Even egg producers have cut back layer flock numbers to reduce their financial losses. But the lowest price reported this week, 49 cents a dozen in Los Angeles, was 10 cents below the March base. The high was 85 cents a dozen in Hartford and Honolulu, compared with a high of $1.03 in March.

Dried peas and beans, peanuts, almonds and walnuts offer reasonable alternatives for meatless meals. But to get adequate protein, they should be combined with small amounts of meat or dairy products or, in the case of dried beans and peas, mixed with rice.

SUGAR CHEAPER

Home canners looking for bargains in sugar found five-pound bags as low as $1.09 in Birmingham, Ala., and Washington, and $1.13 to $1.15 in five other cities. Hartford's $1.99 was the week's high.

[From the Washington Post, Feb. 2, 1975]

Vegetables From the Backyard

(By Tom Stevenson)

"Will there be enough food?"

Roger Revelle, president of the American Association for the Advancement of Science, asked this question in an editorial in the June 14, 1974, issue of Science magazine.

Pointing to the world food crisis, due largely to bad weather, inflation, increasing world population and shortages of fuel and fertilizers, he asked for a greater effort by American agricultural researchers to make possible a vast increase in food and fiber production throughout the world.

The personnel at many of the Agricultural Experiment Stations believe backyard vegetable gardeners will make a tremendous contribution toward food production in the United States. In 1974, due mostly to high prices and fear of food shortages, families that never before had grown vegetables dug up parts of lawns and flower beds to plant tomatoes, beans, squash and greens. The forecast is for an even greater upsurge in vegetable gardening in 1975.

Money can be saved by growing your own, and home-grown vegetables taste better than those that can be purchased at the market. They can be harvested at their peak and used while still fresh, when they have the highest food value. With a big garden, vegetables can be canned for later use.

Many people, of course, do not have a yard where they can do their gardening. During 1974 vacant lots and community garden plots were extensively used in many cities. The big problem was vandalism.

Three things are important for growing both vegetables and flowers: a bit of land that gets direct sunlight most of the day and is free of tree and shrub roots; soil that doesn't become water-logged during heavy rainfall and is good enough to grow grass or weeds; and a plan of what is to be planted and where.

If the garden gets sunlight only about six hours a day, tomatoes, lima beans, eggplants, squash and peppers won't do well. Although such leafy crops as lettuce, mustard greens, collards, spinach, chard and kale will tolerate some shade better than fruit and seed-bearing crops, they will do better in full sunlight.

If the soil is not much better than raw clay, it is a handicap but can be overcome. Spread about two inches of peat moss over the soil, sprinkle ground limestone (8 pounds per 100 square feet) and 5-10-5 fertilizer (10 pounds per 100 square feet) over the peat and dig it in, mixing it thoroughly with the top four or five inches of soil. A rototiller is good for this job if the garden is to be fairly large. It can be rented at a garden appliance store.

There is no one plan that is right for all vegetable gardens. Make a list of what you want to grow. Sketch a map of the garden area showing the location of each vegetable, the spacing between rows and the approximate date of each planting. Instructions for planting are on the backs of seed packets.

Make the garden just large enough to be interesting and fun for the whole family. The mistake most beginners make is to try to grow too much at one time. Remember, only a hardworking gardener can come close to raising all the vegetables a family may need.

Don't plant things the family doesn't like and won't eat. It is a waste of time and effort.

Buy your seed early. A shortage is expected later on.

The vegetables that can be grown most efficiently in a small garden include tomatoes, beans, beets, broccoli, cabbage, carrots, leaf lettuce, onions, peas, peppers, radishes, spinach squash, swiss chard and turnips.

These vegetables should be planted outdoors about the time of the last frost: snap beans, beets, cucumbers, carrots, New Zealand spinach and squash. Lima beans, peppers and tomatoes should be planted one or two weeks after the date of the last frost.

The tomato is by far the most popular vegetable for all gardens. It is important to use varieties known to be resistant to the Fusarium wilt disease. This disease has been particularly bad in recent years, ruining plantings just as the fruit was about to ripen.

Small plants of tomatoes and other kinds can be purchased at large garden centers. It enables you to get ripe fruit sooner than by planting the seeds outdoors.

COMPREHENSIVE BILL TO CORRECT GRAIN INSPECTIONS, GRADING, AND HANDLING PROBLEMS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. Smith) is recognized for 10 minutes.

Mr. SMITH of Iowa. Mr. Speaker, I have today introduced a comprehensive bill to correct grain inspections, grading, and handling problems, to restore credibility to our grain in foreign markets, and to protect producers and handlers of domestic grain from abuses which have recently become so evident. Since the interest is so widespread, I am inserting a copy in the Record, so it will be more readily available without obtaining a printed copy from the Government Printing Office. It is as follows:

H.R. 8764

A bill to amend the United States Grain Standards Act for the purpose of providing inspection of grain by official inspection personnel, for the purpose of prohibiting certain activities in connection with the marketing of grain, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "United States Grain Standards Act Amendments of 1975".

DEFINITION AND APPOINTMENT OF OFFICIAL INSPECTION PERSONNEL

Sec. 2. (a) Section 3(j) of the United States Grain Standards Act is amended to read as follows:

"(j) the term 'official inspection personnel' means employees of the Department of Agriculture appointed by the Secretary for the purpose of carrying out the inspection of grain under this Act, and also shall include employees of any State who are appointed by the appropriate official of such State, as determined by the Secretary, for the purpose of carrying out the inspection of grain under this Act in such State and who have complied with the standards required by the Secretary of any individual engaged in the official inspection of grain under this Act;".

(b) The Secretary of Agriculture may hire (without regard to the provisions of title 5, United States Code, governing appointments in the competitive service) as official inspection personnel any individual who is licensed (on the date of enactment of this Act) to perform functions of official inspection under the United States Grain Standards Act: *Provided,* That the Secretary of Agriculture determines that such individuals are of good moral character and are technically and professionally qualified for the duties to which they will be assigned.

(c) The Secretary of Agriculture may adopt rules to require the periodic rotation of Federal official inspection personnel and to require each State to rotate State official inspection personnel within the State.

DECEPTIVE WEIGHING PRACTICES

Sec. 3. (a) Section 3(u) of the United States Grain Standards Act is amended by striking out "'deceptive loading, handling, or sampling' means any manner of loading, handling, or sampling" and inserting in lieu thereof: "'deceptive loading, handling, sampling, or weighing' means any manner of loading, handling, sampling, or weighing".

(b) Section 4(a) of such Act is amended by striking out "handling," and inserting in lieu thereof "handling (including weighing),".

(c) Section 13(a)(3) of such Act is amended by striking out "or sampling", and "or sampled" and inserting in lieu thereof "sampling, or weighing" and "sampled, or weighed", respectively.

(d) Section 13(a) of such Act is amended by striking out "or" at the end of paragraph (10), by striking out the period at the end of paragraph (11) and inserting in lieu thereof a semicolon, and by adding at the end thereof the following new paragraph:

"(12) knowingly engage in the falsifying of the weight of any grain shipped in interstate or foreign commerce; or"

(e) Section 4 of the United States Grain Standards Act is amended by adding the following new subsection:

"(c) The Secretary shall promulgate regulations which shall require that all scales used for weighing grain in commerce shall automatically stamp on a receipt or a ticket, by means of a mechanical device, the true and correct weight of any grain weighed. The receipt or ticket shall be made immediately available to the buyer and seller of the grain."

EXPORT GRAIN

Sec. 4. Section 5 of the United States Grain Standards Act is amended—

(1) by inserting "by official inspection personnel who are employees of the Department of Agriculture" immediately after "unless such lot is officially inspected"; and

(2) by striking out "*: Provided, However*" and all that follows down through "with respect to such shipments".

FUNDING

Sec. 5. Section 7(e) of the United States Grain Standards Act is amended—

(1) by striking out "except when" and all

that follows through "inspection agency" in the first sentence;

(2) by striking out the second sentence and inserting in lieu thereof the following: "The fees authorized by this paragraph shall, as nearly as practicable and after taking into consideration any proceeds from the sale of samples, cover the costs of the Department of Agriculture incident to the performance of its duties in a normal year under this Act."; and

(3) by inserting the following immediately before the period at the end of the third sentence: ", including the salaries of Federal personnel engaged in duties authorized under this Act."

NUMBER OF INSPECTION AGENCIES

SEC. 6. Section 7 of the United States Grain Standards Act is amended by striking out subsection (f).

REGISTRATION

SEC. 7. Section 8 of the United States Grain Standards Act is amended to read as follows:

"REGISTRATION

"SEC. 8. (a). The Secretary shall provide, under such regulations as he may prescribe, for the registration of all persons, acting as a business, engaged in the buying for sale or in the handling, weighing, or transporting of grain for sale in interstate or foreign commerce. No such person shall engage in such commerce unless he has registered with the Secretary and has a certificate of registration; however, this subsection shall not apply to:

"(1) any person who only incidentally or occasionally buys for sale, or handles, weighs, or transports grain for sale and is not engaged in the regular business of buying grain for sale, or handling, weighing, or transporting grain for sale; or

"(2) any producer of grain who only incidentally or occasionally sells or transports grain which such person has purchased; or

"(3) any person who transports grain for hire and does not own a financial interest in such grain other than as a producer, feeder or processor; or

"(4) any person who buys grain for feeding or processing and not for the purpose of reselling and only incidentally or occasionally sells such grain as grain.

"(b) The Secretary shall charge and collect fees from any person registered pursuant to subsection (a) and a certificate of registration shall be issued to all persons who have registered. The amount of such fees shall be determined on the basis of the costs of the Secretary in administering the registration directed by subsection (a). Such fees shall be deposited in, and used as part of, the funds described in the third sentence of section 7(e).

"(c) Any person required to register under this section who engages in the buying for sale or in the handling, weighing or transporting of grain for sale in interstate or foreign commerce without registering with the Secretary pursuant to this section, or who provides false information in registering, shall be guilty of a misdemeanor and shall, on conviction thereof, be subject to imprisonment for not more than six months, a fine of not more than $3,000, or both.

"(d) The certificate of registration issued in accordance with this section shall contain the name and principal address of the business, the names of all individuals or other business firms (if any) owning 10 percent or more of the voting power or control of the business, the names of the principal officers of the business and a list of locations where the business conducts substantial operations and the application for a certificate shall not require any other information. The certificate shall not require renewal, but any person holding such certificate shall promptly notify the Secretary if there has been any change affecting the information contained on the certificate in order that a new certificate may be issued. The Secretary shall not require any test or examination as a condition of obtaining a certificate of registration."

SUSPENSION OR REVOCATION OF CERTIFICATE OF REGISTRATION

SEC. 8. Section 9 of the United States Grain Standards Act is amended to read as follows:

"SUSPENSION OR REVOCATION OF CERTIFICATE OF REGISTRATION

"SEC. 9(a). The Secretary may suspend or revoke any certificate of registration issued under section 8 whenever, after the person holding such certificate has been afforded an opportunity for a hearing, the Secretary shall determine that such person has violated any provision of this Act or of the regulations promulgated thereunder. The Secretary may, without first affording such person an opportunity for a hearing, suspend any certificate of registration temporarily pending final determination whenever the Secretary deems such action to be in accordance with the purposes of this Act, except that the Secretary shall afford any such person an opportunity for hearing within 30 days after temporarily suspending such certificate of registration.

"(b) If any person holding a certificate of registration, or any employee of such person, is convicted or found guilty more than once of violating any of the provisions of Section 13 of this Act, the Secretary shall revoke such certificate of registration for a period of at least six months for the second and each succeeding conviction or plea of guilty."

REFUSAL OF OFFICIAL INSPECTION

SEC. 9. Section 10 of the United States Grain Standards Act is amended—

(1) by striking out subsection (a) and inserting in lieu thereof the following:

"(a) The Secretary may, for such period as he determines necessary to effectuate the purposes of this Act, refuse to provide official inspection with respect to any grain offered for inspection, or owned in whole or in part, by any person who—

"(1) has been convicted of violating any provision of section 13 of this Act; or

"(2) has been refused official inspection for the cause specified in paragraph (1) for a period which has not expired; or

"(3) has been, or is, responsibly connected with a business which has been refused official inspection for the causes specified in paragraphs (1) and (2)."

(2) by adding at the end thereof the following new subsection:

"(d) The Secretary may refuse to provide official inspection for any grain which is not accessible for official inspection, or if loading conditions are such that official inspection would contaminate or lower the grade or quality of the grain."

STANDARDS FOR OFFICIAL INSPECTION PERSONNEL

SEC. 10. Section 11 of the United States Grain Standards Act is amended to read as follows:

"STANDARDS FOR OFFICIAL INSPECTION PERSONNEL

"SEC. 11. (a) No official inspection personnel shall—

"(1) be financially interested (directly or otherwise) in any business entity owning or operating any grain elevator or warehouse or engaged in the merchandising of grain;

"(2) be in the employment of, or accept gratuities from, any such entity; or

"(3) be engaged in any other kind of activity specified by regulation by the Secretary as involving a conflict of interest.

"(b) The Secretary may require examinations and reexaminations as he may deem warranted to determine the competance of official inspection personnel to perform duties under this Act."

SEC. 11. Section 12 of the United States Grain Standards Act is amended to read as follows:

"RECORDS

"SEC. 12. Any person registered under section 8 shall maintain records, for a period of time specified in regulations prescribed by the Secretary, which will fully and correctly disclose all transactions of such person relating to the selling, handling, weighing, or transporting of grain in interstate or foreign commerce. Any such person shall, upon notice by the Secretary, afford the Secretary an opportunity to examine and copy such records at reasonable times."

ADULTERATION OF GRAIN

SEC. 12. Section 13(a) of the United States Grain Standards Act (as amended by section 3(d) of this Act) is amended by adding at the end thereof the following new paragraph—

RECORDS

"(13) knowingly adding to any grain shipment, after its purchase from the original producer, or after acceptance of such grain for storage or handling, any foreign material which would change the character or test weight of that grain from the test weight or character prevailing at time of first purchase: *Provided*, That grain may be fumigated to preserve its quality and separate lots of grain of the same kind may be blended."

PENALTIES FOR BRIBERY AND INTERFERENCE WITH OFFICIAL INSPECTION PERSONNEL

SEC. 13(a) Section 14(a) of the United States Grain Standards Act is amended to read:

"(a) (1) Except as provided in paragraphs (2), (3), and (4), any person who commits any offense prohibited by Section 13 shall, upon conviction thereof, be fined not more than $5,000, imprisoned not more than three years, or both.

"(2) Any person who violates paragraph (8) of section 13(a), shall be fined not more than $5,000 or imprisoned not more than 3 years, or both, except that any person who uses a deadly or dangerous weapon in violating such paragraph shall be fined not more than $10,000 or imprisoned not more than 10 years, or both.

"(3) The provisions of sections 1111, 1112, and 1114 of title 18, United States Code, shall apply to the murder or manslaughter of any Federal or State official inspection personnel or any other officer or employee of the Department of Agriculture or of any State in, or on account of, the performance of his duties under this Act.

"(4) (A) Any person who violates section 13(a) (7) shall be guilty of a felony and shall be fined not less than $5,000 nor more than $10,000 and imprisoned not less than 1 year nor more than 3 years.

"(B) Any person who violates the provisions of section 13(b) (4) shall be guilty of a felony, discharged from office, and fined not less than $1,000 nor more than $10,000 and imprisoned not less than 1 year nor more than 3 years."

(b) Section 13(a) (8) of such Act is amended—

(1) by inserting "Federal or State" immediately after "interfere with any"; and

(2) by striking out "any officer or employee of the Department of Agriculture" and inserting in lieu thereof "any other officer or employee of the Department of Agriculture or of any State".

(c) Section 13(a) (7) of such Act is amended—

(1) by inserting "Federal or State" immediately after "improperly influence, any"; and

(2) by striking out "any officer or employee of the Department of Agriculture" and in-

serting in lieu thereof "any other officer or employee of the Department of Agriculture or of any State".

(d) Section 13(a)11) of such Act is amended by striking "8" and the comma thereafter.

AUTHORIZATIONS FOR APPROPRIATIONS

Sec. 14. Section 19 of the United States Grain Standards Act is amended by striking out "section 7" and inserting in lieu thereof "sections 7 and 8".

INSPECTION BY STATE EMPLOYEES

Sec. 15. The United States Grain Standards Act is amended by adding the following new section at the end thereof:

"INSPECTION BY STATE EMPLOYEES

"Sec. 20. (a) Subject to subsection (c), the Secretary may designate, upon request by the Governor of a State, a State agency to carry out the duties of official inspection under this Act in that State, except that—

"(1) duties of official inspection pursuant to section 5 (relating to export grain) may be performed only by employees of the United States Department of Agriculture; and

"(2) the Secretary shall upon appeal of any interested person, who is dissatisfied with inspection by state inspection personnel, provide an official inspection by Federal inspection personnel and report the results thereof within a period of time determined by the Secretary of Agriculture to be reasonable and prompt, povided the appeal is made within 24 hours of receipt of the notification of the original grade by the state inspection personnel.

"(b) a designated State agency shall charge the same fees as those set pursuant to Section 7(e) of this Act.

"(c) The Secretary shall provide that inspection conducted by employees of any State agency engaged in official inspection under this Act shall meet the same standards as those imposed by Federal official inspection personnel. The Secretary shall cause to be conducted periodic inspections to assure that State employees are inspecting grain in the same manner as, and in accordance with the level of competence of, Federal official inspection personnel. The Secretary may revoke or suspend the authority of any State agency to engage in official inspection under this Act, if the Secretary determines that such agency is unable to or has failed to maintain the standards of inspection prescribed by the Secretary."

FOREIGN MATERIAL IN GRAIN

Sec. 6(a) The Secretary of Agriculture shall, within 180 days of the enactment of this Act, promulgate regulations under which all foreign material in grain is considered as a dockage item under the standards established by Section 4 of this Act. Such regulations shall provide that dockage items, in relation to the total official sample, shall be expressed in whole numbers and to the nearest tenth of a percent of the next whole number.

(b) Section 3 of the United States Grain Standards Act is amended by striking the period at the end of subsection (a), inserting in lieu thereof a semicolon and adding the following:

"(v) the term 'dockage item' means material not used in determining the net weight of grain for purposes of buying and selling."

PURCHASE OF EQUIPMENT

Sec. 17. In accordance with sections 302 (c)(15) and 304 of the Federal Property and Administrative Services Act of 1949, the Secretary of Agriculture is authorized to purchase, from any person licensed (on the date of enactment of this Act) to perform official inspection functions under the United States Grain Standards Act, at fair market value, any testing or grading equipment, or any other personal property, which the Secretary determines to be useful in carrying out the purposes of this Act.

LOCATION OF INSPECTION OFFICIALS

Sec. 18. The United States Grain Standards Act is amended by adding the following new section:

"LOCATION OF INSPECTION OFFICIALS

"Sec. 21. No personnel of any State agency authorized to conduct official inspections under Section 20 of this Act, nor any employees of the Department of Agriculture authorized to conduct official inspections under sections 5 and 7 of this Act, shall maintain an office, headquarters, or any other center of official business, in any building or facility, or on any property, owned or operated by any person holding a certificate of registration obtained in accordance with section 8 of this Act."

PROTEIN CONTENT OF WHEAT

Sec. 19. (a) The Secretary of Agriculture shall, within 180 days of the date of enactment of this Act, promulgate regulations governing the testing of the protein content of wheat under the authority of the United States Grain Standards Act.

(b) Section 4 of the United States Grain Standards Act is amended by adding the following new subsection:

"(d) The Secretary, or a State agency designated by the Secretary under Section 20 of this Act, shall (when requested by any interested person) conduct tests to determine the protein content of wheat."

STANDARDS

Sec. 20. The Secretary of Agriculture shall within 180 days of the enactment of this Act, promulgate rules and regulations changing and establishing the grades for each kind and class of grain under the United States Grain Standards Act in a way which will assure:

(a) that producers, handlers, and transporters of grain will be encouraged and rewarded for the production, conservation and delivery of high quality grain; and

(b) that in a normal year for each kind and class of such grain produced in the United States, there is a grade which is competitive in reputation for quality in the world market.

CONFORMING AMENDMENTS

Sec. 21. The United States Grain Standards Act is amended—

(1) by striking out the words "licensed or" in section 13(b); and

(2) by striking out "for refusal to renew, or for suspension or revocation of, a license" in section 16 and inserting in lieu thereof "for suspension or revocation of a certificate of registration issued in accordance with section 8 of this Act".

EFFECTIVE DATE

Sec. 22. This Act shall become effective 180 days from the date of enactment.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. Jones of North Carolina (at the request of Mr. O'Neill), for today, on account of official committee business (tobacco hearings).

Mrs. Mink (at the request of Mr. O'Neill), for July 18 through July 25, on account of illness in the family.

Mr. Breaux (at the request of Mr. O'Neill), for today, on account of official business.

Mr. Sebelius (at the request of Mr. Rhodes), for after 2:30 p.m. today, on account of official business.

Mr. Broomfield (at the request of Mr. Rhodes), for today, as a member of delegation attending funeral.

Mr. Forsythe (at the request of Mr. Rhodes), for today, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Gradison) to revise and extend their remarks and include extraneous material:)

Mr. Kemp, for 15 minutes, today.

(The following Members (at the request of Mr. Brodhead) and to revise and extend their remarks, and include therein extraneous matter:)

Mr. Vanik, for 10 minutes, today.
Mr. Gonzalez, for 5 minutes, today.
Mrs. Meyner, for 5 minutes, today.
Mr. Passman, for 5 minutes, today.
Mr. Carr, for 15 minutes, today.
Mr. Flood, for 5 minutes, today.
Mr. Mezvinsky, for 10 minutes, today.
Mr. Burke of Massachusetts, for 5 minutes, today.
Mr. Smith of Iowa, for 10 minutes, today.
Mr. Rodino, for 60 minutes, on July 25.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Ottinger, and to include extraneous matter in his remarks in the Committee of the Whole today.

(The following Members (at the request of Mr. Gradison) and to include extraneous matter:)

Mr. Armstrong.
Mr. Kemp in two instances.
Mr. Esch.
Mr. Ashbrook in five instances.
Mr. Beard of Tennessee.
Mr. Derwinski in three instances.
Mr. Cederberg.
Mr. Whitehurst.
Mr. Cohen.
Mr. Goldwater.
Mr. Pritchard.
Mr. Miller of Ohio in two instances.
Mr. Del Clawson in two instances.
Mr. du Pont.
Mr. Anderson of Illinois in two instances.
Mr. Gilman.
Mr. Jeffords.

(The following Members (at the request of Mr. Brodhead) and to include extraneous material:)

Mr. O'Hara.
Mr. Patman.
Mr. Blanchard in two instances.
Mr. Gonzalez in three instances.
Mr. Anderson of California in three instances.
Mr. Dingell.
Mr. Biaggi.
Mr. Mazzoli.
Mr. Dominick V. Daniels in three instances.

Mr. Mineta in two instances.
Mr. Rangel.
Mr. Wolff.
Mr. Zeferetti.
Mr. Byron in 10 instances.
Mr. Drinan in 23 instances.
Mr. Fulton.
Mr. Ford of Michigan.
Mr. Miller of California.
Mr. Jones of Oklahoma.
Mr. Wirth.
Mr. Vanik in two instances.
Ms. Abzug in two instances.
Mr. Beard of Rhode Island.
Mrs. Keys.
Mr. Leggett in two instances.
Mr. Fascell.

SENATE ENROLLED JOINT RESOLUTION SIGNED

The SPEAKER announced his signature to an enrolled joint resolution of the Senate of the following title:

S.J. Res. 102. A joint resolution amending section 5(c) of the Home Owners' Loan Act of 1933 to clarify the authority of Federal savings and loan associations to act as custodians of individual retirement accounts.

ENROLLED BILLS SIGNED

Mr. HAYS of Ohio, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 4035. An act to provide for more effective congressional review of proposals to exempt petroleum products from the Emergency Petroleum Allocation Act of 1973 and certain proposed administrative actions which permit increases in the price of domestic crude oil; and to provide for an interim extension of certain expiring energy authorities; and

H.R. 5901. An act making appropriations for the Education Division and related agencies, for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes.

ADJOURNMENT

Mr. BRODHEAD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 41 minutes p.m.), under its previous order, the House adjourned until Monday, July 21, 1975, at 10 o'clock a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1427. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the intention of the Department of the Army to offer to sell certain defense services to Iran, pursuant to section 36(b) of the Foreign Military Sales Act, as amended; to the Committee on International Relations.

Received From the Comptroller General

1428. A letter from the Comptroller General of the United States, transmitting his review of the proposed rescissions and deferrals of budget authority contained in the message from the President dated July 1, 1975 (House Document No. 94-206), pursuant to 1014(b) of Public Law 94-344 (H. Doc. No. 94-217); to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. PERKINS: Committee on Education and Labor. H.R. 5900. A bill to protect the economic rights of labor in the building and construction industry by providing for equal treatment of craft and industrial workers; with amendments (Rept. No. 94-371). Referred to the Committee of the Whole House on the State of the Union.

Mr. YATES: Committee on Appropriations. H.R. 8773. A bill making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes (Rept. No. 94-374). Referred to the Committee of the Whole House on the State of the Union.

Mr. SISK: Committee on Rules. House Resolution 613. Resolution providing for the consideration of H. Res. 605. Resolution disapproving the proposed amendment by the President to remove existing price controls relating to crude oil (Rept. No. 94-372). Referred to the House Calendar.

Mr. MADDEN: Committee on Rules. House Resolution 614. Resolution providing for the consideration of H.R. 7217. A bill to amend the Education of the Handicapped Act to provide educational assistance to all handicapped children, and for other purposes (Rept. No. 94-373). Referred to the House Calendar.

Mr. STAGGERS: Committee on Interstate and Foreign Commerce. H.R. 8150. A bill to amend the Drug Abuse Office and Treatment Act of 1972, and for other purposes; with amendment (Rept. No. 94-375). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ASHLEY (for himself, Mr. Blanchard, Mr. LaFalce, Mr. Rees, Mrs. Spellman, Mr. Tsongas, Mr. Evans of Indiana, Mr. McKinney, Mr. J. William Stanton, and Mr. Gradison):

H.R. 8731. A bill to amend and extend the Council on Wage and Price Stability Act; to the Committee on Banking, Currency and Housing.

By Mr. BEARD of Tennessee:

H.R. 8732. A bill to amend the Federal Election Campaign Act of 1971 to require that all meetings of the Federal Election Commission shall be open to the public; to the Committee on House Administration.

By Mr. BEARD of Rhode Island (for himself, Mr. Pepper, Mr. Conyers, Mr. Fish, Mrs. Chisholm, Mr. Gaydos, Mr. Harrington, Mr. Heinz, and Mr. Macdonald of Massachusetts):

H.R. 8733. A bill to amend title XIX of the Social Security Act to require the Secretary of Health, Education, and Welfare to conduct an annual audit of each hospital, nursing home, and other institutional facility participating in the medical program and each State or local agency distributing medicaid funds, and to amend title XVIII of such act to require annual audits of providers of services under the medicaid program; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. BIAGGI:

H.R. 8734. A bill to amend title XVIII of the Social Security Act to provide coverage under the medicare program for all chiropractor's services which are recognized under applicable State law, eliminating the present restrictions upon the specific types of such services which are so covered; to the Committee on Ways and Means.

H.R. 8735. A bill to amend title XVI of the Social Security Act to insure that cost-of-living increases in supplemental security income benefits are granted to recipients of such benefits in all States, and to prevent reductions in such benefits because of social security benefit increases; to the Committee on Ways and Means.

By Mr. BURKE of Massachusetts:

H.R. 8736. A bill to amend section 174 of the Internal Revenue Code of 1954 to make clear that product development and improvement costs of publishers are research or experimental expenditures and to prohibit the retroactive application of Revenue Ruling 73-395; to the Committee on Ways and Means.

H.R. 8737. A bill to provide for rearranging the period for averaging business profits and losses, to prohibit the trafficking in net operating loss carry-forwards, and for other purposes; to the Committee on Ways and Means.

By Mr. BURKE of Massachusetts (by request):

H.R. 8738. A bill to amend title 10, United States Code, to permit the Secretary of the Navy to establish annually the total number of limited-duty officers permitted on the active list of the Navy and Marine Corps, and for other purposes; to the Committee on Armed Services.

By Mr. CORMAN (for himself, Mr. Anderson of California, Mrs. Keys, Mr. Lott, and Mr. Charles H. Wilson of California):

H.R. 8739. A bill to amend title XVIII of the Social Security Act to authorize payment under the supplementary medical insurance program for optometric and medical vision care; to the Committee on Ways and Means.

By Mr. DOMINICK V. DANIELS (for himself, Mr. Esch, Mr. Bell, Mr. Buchanan, Mr. Conte, Mr. Erlenborn, Mr. Eshleman, Mr. Goodling, Mr. Hungate, Mr. Jeffords, Mr. McCollister, Mr. Melcher, Mr. Peyser, Mr. Quie, and Mr. Sarasin):

H.R. 8740. A bill to amend the Occupational Safety and Health Act of 1970 to provide additional consultation and education to employers, and for other purposes; to the Committee on Education and Labor.

By Mr. DAVIS:

H.R. 8741. A bill to authorize the Secretary of Commerce to transfer the N.S. *Savannah* to Patriot's Point Development Authority, an agency of the State of South Carolina; to the Committee on Merchant Marine and Fisheries.

By Mr. DRINAN (for himself, Mr. Badillo, Mr. Carr, Mr. Conyers, Mr. Dellums, Mr. Harrington, Mr. Hawkins, Mr. Mitchell of Maryland, Mr. Mosher, Mr. Scheuer, Mrs. Spellman, and Mr. Waxman):

H.R. 8742. A bill to amend the Civil Rights Act of 1964 to provide reasonable attorney fees in cases involving civil and constitutional rights; to the Committee on the Judiciary.

H.R. 8743. A bill to amend chapter 7 (relating to judicial review of agency action) of title 5 of the United States Code to provide for the recovery of attorney fees as a part of costs in certain civil actions to obtain judicial review; to the Committee on the Judiciary.

By Mr. DRINAN (for himself and Mr. Conte):

H.R. 8744. A bill to amend the Internal Revenue Code of 1954 to increase the excise tax on cigarettes, and to amend the Public Health Service Act to increase the authorization for appropriations for the National Heart and Lung Institute by amounts equal to the increase in receipts from such tax; to the Committee on Ways and Means.

By Mr. DRINAN:

H.R. 8745. A bill to amend the Solid Waste Disposal Act to encourage research, development and implementation of energy and resource recovery from solid waste, and for other purposes; jointly to the Committees on Interstate and Foreign Commerce, and Science and Technology.

By Mr. DUNCAN of Tennessee:

H.R. 8746. A bill to amend the Internal Revenue Code of 1954 to increase the amount of earnings and profits which a corporation may accumulate without being subject to the accumulated earnings tax; to the Committee on Ways and Means.

By Mr. EILBERG:

H.R. 8747. A bill to establish a Federal Employee Labor Relations Board to regulate Federal labor-management relations, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. ENGLISH:

H.R. 8748. A bill to amend title 39, United States Code, to provide that proposed changes in postal rates and classes shall not be effective unless approved by Congress, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. FOLEY:

H.R. 8749. A bill to amend the act of July 7, 1970 (84 Stat. 409) to authorize appropriations to the Secretary of the Interior without reference to the agencies involved; to the Committee on Interior and Insular Affairs.

By Mr. GIBBONS:

H.R. 8750. A bill to amend the Communications Act of 1934 with respect to the renewal of licenses for the operation of broadcasting stations; to the Committee on Interstate and Foreign Commerce.

By Mr. GREEN:

H.R. 8751. A bill to establish a Voter Registration Administration within the General Accounting Office for the purpose of administering a voter registration program through the Postal Service; to the Committee on House Administration.

H.R. 8752. A bill to authorize the establishment of the Fort Mifflin National Historic Site in the State of Pennsylvania, and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 8753. A bill to provide for the compensation of persons injured by certain criminal acts, to make grants to States for the payment of such compensation, and for other purposes; to the Committee on the Judiciary.

H.R. 8754. A bill to amend title II of the Social Security Act to provide that increases in monthly insurance benefits thereunder (whether occurring by reason of increases in the cost of living or enacted by law) shall not be considered as annual income for purposes of certain other benefit programs; to the Committee on Ways and Means.

By Ms. HOLTZMAN (for herself, Mr. Bingham, and Mr. Gilman):

H.R. 8755. A bill to amend title XVI of the Social Security Act to insure that cost-of-living increases in supplemental security income benefits are granted to recipients of such benefits in all States, to provide a housing supplement to certain recipients of such benefits, to prevent reductions in such benefits because of social security benefit increases, to allow recipents of such benefits in cash-out States to elect to receive food stamps, to provide for emergency assistance to recipients, and for other purposes; to the Committee on Ways and Means.

By Ms. HOLTZMAN (for herself and Mr. Conte):

H.R. 8756. A bill to provide joint and survivors' annuity benefits under private pension plans based upon the participant's vested benefit; jointly to the Committees on Education and Labor, and Ways and Means.

By Mr. JONES of Alabama (for himself, Mr. Roberts, and Mr. Don H. Clausen):

H.R. 8757. A bill authorizing additional appropriations for prosecution of projects in certain comprehensive river basin plans for flood control, navigation, and for other purposes; to the Committee on Public Works and Transportation.

By Mrs. PETTIS:

H.R. 8758. A bill to amend the Airport and Airway Development Act of 1970; to the Committee on Public Works and Transportation.

By Mr. RODINO:

H.R. 8759. A bill to amend section 546 of title 28, United States Code, to provide for interim designation of United States attorneys by the Attorney General; to the Committee on the Judiciary.

H.R. 8760. A bill to provide for interim designation of U.S. Marshals by the Attorney General, and for other purposes; to the Committee on the Judiciary.

By Mr. RUSSO:

H.R. 8761. A bill to amend the Omnibus Crime Control and Safe Streets Act of 1968, as amended, to provide benefits to survivors of certain public safety officers who die in the performance of duty; to the Committee on the Judiciary.

H.R. 8762. A bill to amend the Internal Revenue Code of 1954 to provide a tax credit for wages paid in new jobs; to the Committee on Ways and Means.

By Mr. ST GERMAIN (for himself, Mr. Gude, Mr. Perkins, and Mr. Charles H. Wilson of California).

H.R. 8763. A bill to amend title XVIII of the Social Security Act to make it clear that payment may be made under the supplementary medical insurance program for wheelchairs and other durable medical equipment furnished on a lease-purchase basis; to the Committee on Ways and Means.

By Mr. SMITH of Iowa (for himself, Mr. Quie, Mr. Bergland, Mr. Mezvinsky, Mr. Grassley Mr. Jones of Tennessee, Mr. Bedell, Mr. Fithian, Mr. Harkin, Mr. Blouin, Mr. McKay, and Mr. Simon):

H.R. 8764. A bill to amend the U.S. Grain Standards Act for the purpose of providing inspection of grain by official inspection personnel, for the purpose of prohibiting certain activities in connection with the marketing of grain, and for other purposes; to the Committee on Agriculture.

By Mrs. SPELLMAN (for herself, Mr. Addabbo, Ms. Abzug, Mr. Badillo, Mr. Buchanan, Mr. John L. Burton, Mrs. Collins of Illinois, Mr. Conyers, Mr. Cornell, Mr. Downey of New York, Mr. Edwards of California, Mrs. Fenwick, Mr. Ford of Tennessee, Mr. Ford of Michigan, Mr. Gilman, Mr. Green, Mr. Harrington, Mr. Harris, Mr. Hawkins, Mr. Krebs, Mr. LaFalce, Mr. McFall, Mr. Mineta, Mr. Mitchell of Maryland, and Mr. Neal):

H.R. 8765. A bill to assist cities and States by amending section 5136 of the Revised Statutes, as amended, with respect to the authority of national banks to underwrite and deal in securities issued by State and local governments, and for other purposes; to the Committee on Banking, Currency and Housing.

By Mrs. SPELLMAN (for herself, Mr. Patterson of California, Mr. Pattison of New York, Mr. Perkins, Mr. Riegel, Mr. Roe, Mr. Richmond, Mr. Sarbanes, Mr. Thompson, and Mr. Treen):

H.R. 8766. A bill to assist cities and States by amending section 5136 of the Revised Statutes, as amended, with respect to the authority of national banks to underwrite and deal in securities issued by State and local governments, and for other purposes; to the Committee on Banking, Currency and Housing.

By Mr. VANIK (for himself and Mr. Drinan):

H.R. 8767. A bill to make changes in the treatment of foreign income, to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes; to the Committee on Ways and Means.

By Mr. WIRTH (for himself, Mr. Corman, Mr. Edwards of California, Mr. Fithian, Mr. Jeffords, Mr. Moakley, and Mr. Obey):

H.R. 8768. A bill to establish a National Energy Information Administration and a National Energy Information System, to authorize the Department of the Interior to undertake a survey of U.S. energy resources on the public lands and elsewhere, and for other purposes; jointly to the Committees on Interstate and Foreign Commerce, and Interior and Insular Affairs.

By Mr. WYDLER:

H.R. 8769. A bill to establish an independent consumer agency to protect and serve the interest of consumers, and for other purposes; to the Committee on Government Operations.

By Mr. YATES:

H.R. 8773. A bill making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes.

By Ms. ABZUG (for herself and Ms. Schroeder):

H.J. Res. 573. Joint resolution designating August 26 of each year as "Women's Equality Day" and establishing such day as a legal public holiday; to the Committee on Post Office and Civil Service.

By Mr. BELL (for himself, Mr. Pepper, Mr. Charles Wilson of Texas, Mr. Derwinski, Mr. Fascell, Mr. Lehman, Mr. Lloyd of California, Mr. Pattison of New York, Mr. Harrington, Mr. Symington, Mr. Bedell, Mr. Preyer, Mr. Hannaford, Mr. Miller of California, Ms. Spellman, Mr. Wirth, and Mr. Heinz):

H.J. Res. 574. Joint resolution to save the great whales from extinction by amending the Fishermen's Protective Act of 1967 to impose an embargo on the products of all foreign enterprises engaged in commercial whaling; jointly to the Committees on Merchant Marine and Fisheries and Ways and Means.

By Mr. PATTEN:

H.J. Res. 575. Joint resolution to renounce the first use of nuclear weapons; to the Committee on International Relations.

By Mr. SCHEUER:

H.J. Res. 576. Joint resolution to provide for acquisition by the Secretary of the Interior of a historical easement on the property of the Scott-Grant House in the Georgetown section of the District of Columbia to insure that such property is preserved in its present condition; to the Committee on Interior and Insular Affairs.

By Mr. ANDERSON of California:

H. Res. 606. Resolution establishing a select committee to study the problem of U.S. servicemen missing in action in Southeast Asia; to the Committee on Rules.

By Mr. ENGLISH:

H. Res. 607. Resolution in support of continued undiluted U.S. sovereignty and jurisdiction over the U.S.-owned Canal Zone on the Isthmus of Panama; to the Committee on International Relations.

By Mr. LITTON:

H. Res. 608. Resolution to clarify that the individual income tax rebate provided by the Tax Reduction Act of 1975, Public Law 94–12 is intended not to be subject to State income taxes; to the Committee on Ways and Means.

By Mr. OTTINGER:

H. Res. 609. Resolution expressing the sense of the House concerning nuclear materials control; to the Committee on International Relations.

By Mr. QUIE:

H. Res. 610. Resolution to establish a select committee to conduct an investigation relating to servicemen missing in action; to the Committee on Rules.

By Mr. SKUBITZ:

H. Res. 611. Resolution to establish a select committee to conduct an investigation relating to servicemen missing in action; to the Committee on Rules.

By Mr. TAYLOR or North Carolina:

H. Res. 612. Resolution establishing a select committee to study the problem of U.S. servicemen missing in action in Southeast Asia; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BIAGGI:

H.R. 8770. A bill for the relief of Froso Efrosyne Pagonis; to the Committee on the Judiciary.

By Mr. PRITCHARD:

H.R. 8771. A bill for the relief of Patricia R. Tully; to the Committee on the Judiciary.

By Mr. ROYBAL:

H.R. 8772. A bill for the relief of Jae Ho Woo and Hae Yun Woo; to the Committee on the Judiciary.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 7014

By Mr. AMBRO:

Page 230, after line 12, insert the following:

(f) (1) The Secretary may not grant any right to develop crude oil, natural gas, or coal on Federal lands or extend the term of any agreement (entered into prior to the date of enactment of this Act) with respect to such a right to any vertically integrated petroleum company who owns or controls, directly or through affiliates, mineral deposits in any of the following classes:

(A) Coal, including hydrocarbons, but excluding coal found as a small fraction of a deposit containing coal and other marketable minerals.

(B) Uranium and other fissionable minerals.

(C) Natural gas, other than natural gas which is produced from a well from which crude oil is produced.

(2) For purposes of this subsection—

(A) The term "vertically integrated petroleum company" means any person engaged in the production, refining, and marketing of petroleum products,

(B) The term "affiliate" means any person controlled by, controlling, or under common control with, any other person.

(C) The term "control" means direct or indirect legal or beneficial interest or legal power or influence over any other person, directly or indirectly, arising through direct, indirect, or interlocking ownership of capital stock, interlocking directorates or officers, contractual relations, agency agreements, or leasing arrangements.

Page 230, line 13, strike out "(f)" and insert in lieu thereof "(g)".

By Mr. DODD:

Page 230, after line 12, insert the following:

(f) (1) The Secretary may not grant any right to develop crude oil, natural gas, or coal on Federal lands or extend the term of any agreement (entered into prior to the date of enactment of this Act) with respect to such a right to any joint venture if more than one party to such joint venture is a major oil company and/or an affiliate of a major oil company.

(2) For purposes of this subsection—

(A) The term "major oil company" means any person who, a) owns or controls total assets that exceed $5,000,000,000 in value b) which is engaged in production of crude oil and c) which is engaged in (i) refining of crude oil (ii) transporting of crude oil or refined petroleum products by pipeline or (iii) marketing of refined petroleum products.

(B) The term "affiliate" means any person directly or indirectly controlling, controlled by, or under common control or ownership with any other person as determined by the Federal Trade Commission pursuant to its rulemaking authority. In promulgating rules to implement this paragraph to specify when one person is an affiliate of another person, the Commission shall consider direct or indirect legal or beneficial interest in another person or any direct or indirect legal power or influence over another person, arising through direct, indirect, or interlocking ownership of capital stock, interlocking directorates of officers, contractual relations, agency agreements, licensing agreements, or leasing arrangements.

(C) The term "joint venture" means any undertaking by two or more persons who have a community of interest in the purposes of the undertaking.

Page 230, line 13, strike out "(f)" and insert in lieu thereof "(g)".

By Mr. HUGHES:

On page 230, after line 12, insert the following new subsection:

(f) Notwithstanding any other provision of law, no lease sale or other transfer of proprietary interest shall be made of mineral reserves in frontier waters of the Outer Continental Shelf before May 1, 1976.

On page 230, line 13, strike out "(f)" and insert in lieu thereof "(g)".

On page 230, after line 26, insert the following new section:

LIMITATIONS ON EXPORT

SEC. 305. Any oil or gas produced from the Outer Continental Shelf except such oil or gas which is either exchanged in similar quantity for convenience or increased efficiency of transportation with persons or the government of a foreign state, or which is temporarily exported for convenience or increased efficiency of transportation across parts of an adjacent foreign state and reenters the United States, shall be subject to all of the limitations and licensing requirements of the Export Administration Act of 1969 (Act of December 30, 1969; 83 Stat. 841) and, in addition, before any oil or gas subject to this section may be exported under the limitations and licensing requirements and penalty and enforcement provisions of the Export Administration Act of 1969 the President must make and publish an express finding that such exports will not increase reliance on imported oil or gas and are in the national interest and are in accord with the provisions of the Export Administration Act of 1969: *Provided*, That the President shall submit reports to the Congress containing findings made under this section, and after the date of receipt of such report Congress shall have a period of sixty calendar days, thirty days of which Congress must have been in session, to consider whether exports under the terms of this section are in the national interest. If the Congress within this time period passes a concurrent resolution of disapproval stating disagreement with the President's finding concerning the national interest, further exports made pursuant to the aforementioned Presidential findings shall cease.

Renumber subsequent sections of title III accordingly.

By Mr. OTTINGER:

On page 309, delete lines 4 and 5.

On the following pages and lines, delete "Secretary" and insert in lieu thereof "Administrator":

Page 306, line 18.
Page 307, lines 5, 11.
Page 309, line 20.
Page 310, lines 6, 22.
Page 311, line 18.
Page 312, lines 3, 11, 23.
Page 313, lines 11, 23.
Page 314, lines 12, 13.
Page 315, lines 6, 19.
Page 316, line 4.
Page 317, lines 10, 13, 17.
Page 318, lines 1, 15, 23.
Page 319, line 23.
Page 320, lines 5, 9, 15, 16, 18, 20, 21.
Page 321, lines 3, 9, 16.
Page 322, lines 23, 25.
Page 323, lines 3, 8, 13, 22.
Page 324, lines 3, 10.
Page 327, line 3.
Page 328, lines 11, 22.
Page 329, line 8.
Page 330, line 6.

On pages 330 and 331, delete all of subparagraphs (b) and (c) of Section 565 on page 330, lines 15 through 25, and on page 331, lines 1 through 10, and insert in lieu thereof the following:

"(b) The Administrator may enter into an agreement with the National Bureau of Standards to aid the Administrator, on a reimbursable basis, in performing research and analyses related to energy use and energy efficiency of products, and in developing and recommending to him test procedures, labeling requirements, and energy efficiency standards."

By Mr. HOLLAND:

(Amendment to the amendment offered by Mr. KRUEGER printed in the RECORD of July 14, 1975.)

Page 4, strike out line 8 and all that follows down through line 16, page 5 of the amendment as submitted, and insert in lieu thereof the following:

"(b) No producer may charge for the first sale of domestic crude oil a price which is higher than the ceiling price established under subsection (c) or (d).

"(c) Except with respect to a first sale of domestic crude oil described in subsection (d), the ceiling price for the first sale of a particular grade of domestic crude oil shall be—

"(1) (A) the highest posted price at 5 ante meridan, local time, January 31, 1975, for that grade of crude oil at that field; or if there was no such posted price for that grade of crude oil at that field, the related price for that grade of crude oil which is most similar in kind and quality at the nearest field which prices were posted at such time and date less (B) $2.32; or

(2) $9.00 per barrel;

whichever is less. A reference to the "highest posted price" or "related posted price" in paragraph (1) of this subsection does not include any field price applicable to "old crude petroleum" as defined in section 212.73 of volume 10 of the Federal Code of Regulations (as in effect on January 31, 1975).

"(d) (1) Except as provided in paragraphs (2) and (3), in the case of sales from a 1972-producing property in any month which follows the date of enactment of this section in volume amounts equal to or less than the base period control volume, the ceiling price for the first sale of a particular grade of domestic crude oil shall be the sum of (A) the highest posted price at 6 ante meridian, local time, May 15, 1973, for that grade of crude oil at that field, or if there was no posted price for that grade of crude oil at that field, the related price for that grade of crude oil which is most similar in kind and quality posted at the nearest field for which prices were posted at such time and date; and (B) a maximum of $1.35 per barrel:

"(2) If there are in effect inflation minimization taxes consonant with the purposes of this section and a production maximization taxes consonant with the purposes of this section, the ceiling price specified in paragraph (1) shall apply only to sales from a 1972-producing property in any month which follows the date of enactment of this section in volume amounts equal to or less than the production volume subject to ceiling price.

"(3) In the case of sales from a 1972-producing property which the President, upon petition, certifies on a property-by-property basis,

(A) as having made bona fide application of tertiary recovery techniques, and

(B) that such application has or will significantly enhance production from such property;

the ceiling price applicable to sales from such property shall be such price as the President may, by rule, establish for such property, based upon a determination that such price is reasonable and justified in relation to the increased costs associated with such recovery techniques and taking into consideration any enhanced recovery which has or will result from such techniques, but in no case may such price exceed $9.00 per barrel for sales from such properties.

Strike out subsection (e), and reletter the succeeding subsections accordingly.

SENATE—*Friday, July 18, 1975*

(Legislative day of Thursday, July 10, 1975)

The Senate met at 10 a.m., on the expiration of the recess, and was called to order by Hon. Richard Stone, a Senator from the State of Florida.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Almighty God, above all yet near to each of us, we thank Thee for rested bodies, renewed minds, and rekindled spirits as we undertake the tasks of this new day. Grant us strength and wisdom sufficient for all our duties. When burdens are heavy, the toil tedious, and the hours long, grant to us refreshment of the waters of life from the divine springs Thou dost provide for those who walk in Thy ways. Keep our hearts pure, our minds clear, our service sacred as ministers of state. Give us courage to carry the banner of freedom and justice for all men. Guide us through the stresses and strains of our troubled times that we may have a part in the advancement of Thy kingdom on earth.

We pray in the Redeemer's name. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. Eastland).

The legislative clerk read the following letter:

U.S. Senate,
President pro tempore,
Washington, D.C., July 18, 1975.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. Richard Stone, a Senator from the State of Florida, to perform the duties of the Chair during my absence.

James O. Eastland,
President pro tempore.

Mr. STONE thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Journal of the proceedings of Thursday, July 17, 1975, be approved.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider a nomination on the executive calendar.

There being no objection, the Senate proceeded to the consideration of executive business.

The ACTING PRESIDENT pro tempore. The nomination will be stated.

COUNCIL OF ECONOMIC ADVISERS

The assistant legislative clerk read the nomination of Burton Gordon Malkiel, of New Jersey, to be a member of the Council of Economic Advisers.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

Mr. MANSFIELD. Mr. President, I request that the President be notified.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate return to the consideration of legislative business.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR RECESS UNTIL 10 A.M. TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 10 a.m. tomorrow.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

SENATE RESOLUTION 214—TO EXPRESS CONCERN OVER ATTEMPTS TO EXPEL ISRAEL FROM THE UNITED NATIONS

Mr. HUGH SCOTT. Mr. President, the Charter of the United Nations was signed 30 years ago in San Francisco after many years of debate and disappointment among its original members. Compromise followed compromise, but an agreement was finally hammered out—the essence of it being that all nations of the world must exist side-by-side seeking peaceful solutions to problems.

The United Nations has served the world well in many respects, and I expect that it will continue to do so if given the proper support by its member nations. However, it runs a very grave danger of becoming too politicized, too susceptible to the arrogant militancy of some of its members. No nation has felt this negative thrust more than Israel.

The United States is engaged in the serious pursuit of peace in the Middle East. Most countries in that area of the world want peace. Unfortunately, there are also some who do not, and what is happening among them in the United Nations today is very troubling. Quite simply, they are alining themselves with other so-called nonalined nations of the Third World in a blatant attempt to cut off Israel from the rest of the world. This is being done through the denial of U.N. programs and funds and eventually through the threats to expel Israel itself. This would be an unconscionable and intolerable act, and counterproductive insofar as any long-term peace settlement is concerned in the Middle East.

If the alinement of a group of small nations can expel Israel such an alinement would also be likely to seek at some time, or might be likely to seek, the expulsion of the United States from the General Assembly since they vastly outvote us.

I believe the time has come for the United States to tell the U.N. and its members that we will not tolerate the expulsion of Israel from its membership roll. Secretary Kissinger, in a recent speech, made this point very clearly and I commend him for it.

Accordingly, Mr. President, on behalf of myself, the Senator from New York (Mr. Javits), and the Senator from Florida (Mr. Stone) as cosponsors, I call up Senate Resolution 214 which is at the desk and I ask unanimous consent for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated by title.

The legislative clerk read as follows:

A resolution (S. Res. 214) to express concern over attempts to expel Israel from the United Nations.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. ROBERT C. BYRD. Mr. President, would the distinguished Republican leader add my name as cosponsor. I not only am 100 percent in favor of this resolution as it is presently phrased, but I am inclined to believe we do not greatly benefit from being in that organization anyhow. We pay a good bit of the expenses, we provide a location, we are usually outvoted and, so far as I am personally concerned, we can just withdraw now.

Mr. HUGH SCOTT. I thank the Senator. I think we spend a lot more there than we get out of it, and I agree with him. I am offended at the arrogance of so many members of the United Nations who expect us to pay the bills while, as the British say, "They do the dirty to us."

So I ask unanimous consent that the Senator from West Virginia (Mr. Robert C. Byrd) be added as a cosponsor.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. HELMS. Mr. President, will the Senator yield?

Mr. HUGH SCOTT. Yes, I am glad to yield.

Mr. HELMS. For the reasons stated by my friend from West Virginia, I would like to ask the Senator to add the Senator from North Carolina as a cosponsor.

Mr. HUGH SCOTT. Mr. President, I ask unanimous consent that the name of the Senator from North Carolina (Mr. Helms) may be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Mr. President, I share the sentiments of the distinguished Senator from West Virginia (Mr. Robert C. Byrd) with regard to the United Nations. It would suit me, and I suspect the majority of the American people, if the United States were to withdraw its membership in the United Nations right now—today.

The American taxpayers have been forced to pour something like $1.9 billion into the United Nations—$2 billion, Mr. President—since 1946. And what have the American people received in return?

We see our friends repeatedly kicked in the teeth by this organization which we are, in large measure, financing. We saw Taiwan kicked out of the United Nations, to make room for Communist China. We have seen appalling U.N. sanctions against Rhodesia and South Africa, two nations that have tried to be our friends.

The United Nations has been run by a sort of unholy mob rule, and the hope of continued freedom in the world has suffered as a result. For my part, I believe that the U.N. is contradicting its own pretended purposes when it expels Taiwan, when it threatens to expel Israel, and when it places sanctions against non-Communist countries, while bowing and scraping to Communist nations. I am delighted to join in sponsorship of the Senator from Pennsylvania.

Mr. HUGH SCOTT. I ask unanimous consent that the names of the Senator from Alabama (Mr. Allen), the Senator from Utah (Mr. Moss), the Senator from Florida (Mr. Chiles), and the Senator from Ohio (Mr. Taft) be added as cosponsors.

I ask unanimous consent that if other Senators wish to be added during the day that their names may be included on the resolution by request.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TAFT. Mr. President, I associate myself with the distinguished minority leader, the Senator from Pennsylvania (Mr. Hugh Scott), in the Senator's concern for possible attempts to expel Israel from the United Nations.

An expulsion of Israel from the United Nations would be such a gross violation of the whole purpose and spirit of that organization as to automatically make all Americans wonder if there were any reason for continued United States membership, which is to say for the continued existence of the U.N. The purpose of the U.N. is to bring together, on neutral and peaceful ground, the nations of the world, not to continue but to resolve the differences and conflicts between them. The expulsion of any nation from the U.N. simply because a majority of members disagreed with the policies of that country would turn the U.N. from an instrument of peace and reconciliation into an instrument of conflict, and a tool of narrow national policies. That would be the virtual destruction of the United Nations; the formal demise which would follow as responsible nations withdrew from the organization would merely constitute the recognition of the reality of the situation.

I hope that all members of the U.N. will accordingly review the purposes for which that organization was founded, and base their policies in the true spirit of the U.N. That spirit is one of tolerance, not rejection; of searching for reconciliation and peace, not conflict and war. The expulsion of Israel from the United Nations could never be seen as anything but an explicit denial of the fundamental principles of the U.N., and, thus, an end to the United Nations to which the United States now belongs.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the resolution.

The resolution (S. Res. 214) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. Res. 214

Resolution to express concern over the attempts to expel Israel from the United Nations

Whereas the United Nations Charter implores its members to "practice tolerance and to live together in peace with one another as good neighbors, and to unite our strength to maintain international peace and security, and . . . to employ international machinery for the promotion of the economic and social advancement of all peoples," and

Whereas any action to expel members for political reasons violates the spirit of the United Nations Charter: Now, therefore, be it

Resolved, That the United States Senate looks with disfavor and concern over persistent attempts by some nations among the so-called nonalined nations of the Third World to expel Israel from membership in the United Nations; and be it further

Resolved, That if Israel is expelled from the United Nations the Senate will review all present United States commitments to the Third World nations involved in the expulsion, and will consider seriously the implication of continued membership in the United Nations under such circumstances.

Mr. HUGH SCOTT. I thank the Presiding Officer.

ICC STUDIES COAL FREIGHT RATE STRUCTURE

Mr. MANSFIELD. Mr. President, as my colleagues know, the Western States are somewhat preoccupied with the development of their vast resources of coal and the processes being used.

I am of the philosophy that if the coal is to be developed, it should be transported to the centers of demand, and that there should be very little "at site" coal conversion in these Western fields.

In the best interests of all concerned, shipment of coal requires a reasonable coal freight rate structure. The Interstate Commerce Commission has an investigation under way in this area, and Commissioner Dale Hardin has been doing an outstanding job investigating the Western coal rate structure. The Old West Regional Commission States have supported this investigation, and just recently these activities were endorsed by the Conference of Western Senators and Congressmen here in Washington.

Mr. President, I ask unanimous consent that a news item appearing in the July 14 issue of Traffic World be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Applications and Petitions

Carrier replies to ICC Commissioner Dale W. Hardin's recommended report and order in the agency's investigation into the nation's coal freight rate structure have been generally laudatory and a group of midwestern governors have endorsed the commissioner's recommendation that a separate investigation into western coal rates be launched.

That's the main thrust of reply statements filed with the Commission in Ex Parte 270, Sub. 4, Investigation of the Railroad Freight Rate Structure—Coal.

Commissioner Hardin, in his report and order, urged major modification of the Commission's suspension function as well as the promulgation of uniform industry terms and an agency investigation into the need for fixing a "general zone of reasonableness" for coal traffic moving from western and midwestern origins to eastern destinations.

The findings are subject to review by the full Commission (T. W., Mar. 24, p. 33).

In a June 19 filing, the eastern railroads said that while they do not subscribe to each and every aspect of the 339-page report and order, they feel the conclusions are "essentially correct and fully supported by the record."

The eastern roads concluded that "the report and order . . . is sound," and urged that it be adopted by the Commission.

Southern district carriers said that filing exceptions to the massive ICC study would be a little more "nitpicking" and detract from the evidence submitted in the proceeding.

But the southern roads urged the ICC to reject exceptions filed by the Tennessee Valley Authority and the Potomac Electric Power Co.

The TVA exceptions were described as "totally without merit," since most coal received by the agency is moved under section 22 rates.

Pepco was accused by the carriers of attempting to generate support for a complaint case the company has pending before the Commission.

The southern carriers accused the utility of attempting "to replay the game under rules designed to aid its own cause."

In another filing, the governors of Nebraska, Montana and Wyoming endorsed Commissioner Hardin's call for an investigation into western coal rates.

In urging the investigation, the governors described the subject "as one of the most critical and volatile facing the nation today."

They said its importance is underscored by the energy crisis, the financial condition of the railroads, and the needs of western states.

The governors said that any ICC investigation must recognize "the close interaction between economic development and the influence of transportation on such development."

"These facts, along with those relating to the environment, are of sufficient public interest to warrant consideration in a separate investigation," the governors concluded.

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, what is the pending business, the unfinished business?

DETERMINATION OF SENATE ELECTION IN NEW HAMPSHIRE

The ACTING PRESIDENT pro tempore. The Senate will resume consideration of the unfinished business, which the clerk will state.

The legislative clerk read as follows:

A resolution (S. Res. 166) relating to the determination of the contested election for a seat in the United States Senate from the State of New Hampshire.

Mr. McCLURE. Mr. President, I ask unanimous consent that during any further consideration of the New Hampshire matter, in the absence of either Mr. Van Loan or Mr. Santarelli, Mr. David Prosser be granted the privilege of the Senate floor as counsel for Mr. Wyman.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HOLLINGS. Mr. President, I join in that same request, and I ask the same privileges for Mary Jo Manning of my staff.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONSUMER PRODUCT SAFETY COMMISSION IMPROVEMENTS ACT OF 1975

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the pending business be laid aside temporarily and that the Senate turn to the consideration of S. 644, Calendar No. 247, about which some comments and informal promises were made on yesterday.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The clerk will state the bill by title.

The legislative clerk read as follows:

A bill (S. 644) to amend the Consumer Product Safety Act to improve the Consumer Product Safety Commission, to authorize new appropriations, and for other purposes.

The Senate proceeded to consider the bill which had been reported from the Committee on Commerce with an amendment to strike out all after the enacting clause and insert the following:

That this Act may be cited as the "Consumer Product Safety Commission Improvements Act of 1975".

AUTHORIZATION FOR APPROPRIATIONS

SEC. 2. Paragraphs (1), (2), and (3) of section 32(a) of the Consumer Product Safety Act (15 U.S.C. 2081(a)) are amended to read as follows:

"(1) $51,000,000 for the fiscal year ending June 30, 1976;

"(2) $14,000,000 for the transitional quarter ending September 30, 1976; and

"(3) $55,000,000 for the fiscal year ending September 30, 1977.".

LIMITATIONS ON JURISDICTION

SEC. 3. (a) Section 2(2) of the Poison Prevention Packaging Act of 1970 (15 U.S.C. 1471(2)) is amended by (1) deleting subparagraph (B) thereof in its entirety; and (2) redesignating subparagraphs "(C)" and "(D)" thereof as "(B)" and "(C)", respectively.

(b) Section 3(a)(1)(D) of the Consumer Product Safety Act (15 U.S.C. 2052(a)(1)(D)) is amended by deleting "economic poisons" and inserting in lieu thereof "pesticides".

(c)(1) Section 2(f)(2) of the Federal Hazardous Substances Act (15 U.S.C. 1261(f)(2)) is amended by inserting before "but such term" the following: "nor to tobacco and tobacco products,".

(c)(2) Section 2(f) of the Federal Hazardous Substances Act (15 U.S.C. 1261(f)) is amended by adding the following new paragraph:

"(4)(A) Except as provided in subparagraph (C), the term 'hazardous substance' shall not include any article which, if sold by the manufacturer, producer, or importer, would be subject to the tax imposed by section 4181 of the Internal Revenue Code of 1954 (determined without regard to any exemptions from such tax provided by section 4182 or 4221, or any other provision of such Code), or any component of any such article.

"(B) Except as provided in subparagraph (C), the Consumer Product Safety Commission shall make no ruling or order that restricts the manufacture or sale of firearms, firearms ammunition, or components of firearms ammunition, including black powder or gunpowder.

"(C) The term 'hazardous substance' shall include—

"(i) fireworks devices and components thereof (other than commercially manufactured black powder, percussion caps, safety and pyrotechnic fuses, quills, quick and slow matches, and friction primers, intended to be used (I) solely for sporting, recreational, or cultural purposes in antique firearms as defined in section 921(a)(16) of title 18, United States Code, or (II) in a device which is found to be an antique pursuant to section 921(a)(4) of title 18, United States Code);

"(ii) firearms ammunition to the extent that cautionary labeling is necessary relating to the storage of such ammunition in or around the household; and

"(iii) firearms ammunition which is identified by manufacturer, caliber, load, quantity, and manufacturers' lot number to the extent that such ammunition is defective and presents a hazard to the user by failing to perform in a normal or reasonably foreseeable manner when fired from a firearm.".

(d) The second sentence of section 30(a) of the Consumer Product Safety Act (15 U.S.C. 2079(a)) is amended by (1) deleting "of the Administrator of the Environmental Protection Agency and"; and (2) deleting "Acts amended by subsections (b) through (f) of section 7 of the Poison Prevention Packaging Act of 1970" and inserting in lieu thereof "Federal Food, Drug, and Cosmetic Act (15 U.S.C. 301 et seq.)".

(e) Section 3(a)(1)(B) of the Consumer Product Safety Act (15 U.S.C. 2052(a)(1)(B)) is amended by adding after "products" the following: "except to the extent that such products present an unreasonable risk of injury as a source of ignition: *Provided, however,* That no action taken by the Commission shall add to any health hazards posed by such products".

BUDGET AND EMPLOYEE PROVISIONS

SEC. 4. (a) Section 4(f) of the Consumer Product Safety Act (15 U.S.C. 2053(f)) is amended by adding at the end thereof the following new paragraph:

"(3) Requests or estimates for regular, supplemental, or deficiency appropriations submitted on behalf of the Commission shall require the approval of the Commission pursuant to section 27(k)(1) prior to their submission.".

(b) Section 4(g) of such Act (15 U.S.C. 2053(g)) is amended by (1) striking out "full-time" in paragraph (2) and inserting "regular" in lieu thereof; and (2) adding at the end thereof the following two new paragraphs:

"(3) The Chairman, subject to the approval of the Commission, may designate certain positions (not to exceed 25) within the Commission as 'noncareer positions'. Individuals may be appointed to such noncareer positions if their principal duties will involve—

"(A) significant participation in the determination of major Commission policies; or

"(B) service as a personal assistant or as an adviser to the Chairman or any other Commissioner.

Appointments to, and removals from, such noncareer positions shall be made by the Chairman, subject to the approval of the Commission, except that appointments to, and removals from, any such position that involves service as a personal assistant or as an adviser to the Chairman or any other Commissioner shall be made by the Commissioner concerned and shall not be subject to the approval of any other Commissioner. Any such appointment or removal may be made without regard to any provision of title 5, United States Code, other than section 3324 thereof where applicable, governing appointments to, and removals from, positions in the competitive service, and shall not be subject to approval by the Executive Office of the President or the Office of Management and Budget, or any officer thereof, or by any office or agency of the Federal Government other than the Commission, except as otherwise provided in this section. The Chairman, subject to the approval of the Commission, may abolish any particular noncareer position, that was designated as such under this paragraph, upon a determination that such position is no longer needed.

"(4) The Chairman, subject to the approval of the Commission, may place a total of 15 positions in categories GS–16, GS–17, and GS–18, in addition to any professional engineering position primarily concerned with research and development and any professional position in the physical and natural sciences and medicine which may be placed in such categories, and in addition to any such positions that are authorized by section 5108(a) of title 5, United States Code.".

(c) Section 5108(c) of title 5, United States Code, is amended by adding the following new paragraph at the end thereof:

"(12) The Chairman of the Consumer Product Safety Commission, subject to the approval of that Commission, may place a total of 15 positions in GS–16, GS–17, and GS–18, without regard to the provisions of this chapter, except section 5114 hereof.".

SUBSTANTIAL PRODUCT HAZARDS

SEC. 5. (a) Section 3(a) of the Consumer Product Safety Act (15 U.S.C. 2052(a)) is amended by adding at the end thereof the following two new paragraphs:

"(15) The term 'product liability insurer' means a legally constituted and authorized entity that—

"(A) has entered into a contract or agreement, or that is otherwise legally obligated, to pay or compensate an injured person for losses associated with a consumer product distributed in commerce; or

"(B) has insured a manufacturer of a consumer product distributed in commerce against risks involving such product.

"(16) The term 'independent testing laboratory' means a person who, in accordance with professional standards and objective test protocols, tests consumer products and evaluates them for safety and other characteristics, and who is not owned or controlled, in whole or in part, directly or indirectly, by the manufacturer of such products.".

(b) Section 15(b) of such Act (15 U.S.C. 2064(b)) is amended by (1) deleting "(1)" at the beginning of the first subparagraph thereof and inserting in lieu thereof "(A)"; (2) deleting "(2)" at the beginning of the second paragraph thereof and inserting in lieu thereof "(B)"; (3) inserting "(1)" immediately after "(b)" and before "Every manufacturer"; and (4) adding at the end thereof the following new paragraph:

"(2) Each product liability insurer and each independent testing laboratory which obtains information which reasonably supports the conclusion that a consumer product distributed in commerce may contain a substantial product hazard shall, as soon as practicable, submit to its insured, or to the person on whose behalf it has tested such consumer product, whichever is applicable, a notice of such conclusion, and inform such person of his obligations under this section. No part of any notice submitted in compliance with this paragraph, shall be admitted as evidence or used in any suit or action for damages. No such product liability insurer or independent testing laboratory shall be subject to a civil or criminal penalty for failure to comply with the provisions of this paragraph unless the Commission first determines (i) that such consumer product contains a substantial product hazard pursuant to the provisions of this section and (ii) that such product liability insurer or independent testing laboratory failed to act upon information which, at the time, should have reasonably supported the conclusion that such product hazard existed."

STANDARDS DEVELOPMENT

Sec. 6. Section 7(e)(2) of such Act (15 U.S.C. 2056(e)(2)) is amended by inserting the following new sentence before the last sentence thereof: "Whenever the Commission determines that no offeror whose offer is accepted is making progress in the development of such standard, or that the proposed standard developed by each offeror whose offer for the development of such standard was accepted is not satisfactory in whole or in part, the Commission itself may develop such standard or it may contact with third parties for such development.".

PROHIBITED ACTS AND ENFORCEMENT

Sec. 7. (a) Section 19(a) of the Consumer Product Safety Act (15 U.S.C. 2068(a)) is amended by—

(1) redesignating paragraphs "(3)" through "(7)" thereof as "(4)" through "(8)", respectively;

(2) inserting in newly designated paragraph (4) thereof the clause "or fail or refuse to establish or maintain records," immediately after "copying of records,";

(3) inserting after paragraph (2) thereof the following new paragraph:

"(3) manufacture for sale, offer for sale, distribute in commerce, or import into the United States any consumer product (A) that is subject to an order issued under section 15(d), or (B) that has been refused admission into the customs territory of the United States pursuant to section 17;";

(4) deleting "or" at the end of newly designated paragraph (7) thereof;

(5) deleting the period at the end of newly designated paragraph (8) thereof and inserting in lieu thereof a semicolon; and

(6) adding at the end thereof the following two new paragraphs:

"(9) fail to comply with any rule under section 13 (relating to prior notice and description of new consumer products); or

"(10) fail to comply with any rule under section 27(e) (relating to provision of performance and technical data).".

(b) Section 20 of such Act (15 U.S.C. 2069) is amended by (1) deleting "section 19(a) (1), (2), (4), (5), (6), or (7)" in the second sentence of subsection (a)(1) thereof and inserting in lieu thereof "section 19(a) (1), (2), (3), (5), (6), (7), (8), (9), or (10)"; and (2) deleting "or (2)" in subsection (a) (2) thereof and inserting in lieu thereof ", (2), or (3)".

(c) Section 22 of such Act (15 U.S.C. 2071) is amended—

(1) by deleting the first sentence of subsection (a) thereof and inserting in lieu thereof the following:

"Sec. 22. (a) The district courts of the United States shall have jurisdiction to—

"(1) restrain any violation of section 19; or

"(2) restrain any person from distributing in commerce a product—

"(A) that does not comply with a consumer product safety rule or that is subject to an order issued under section 15(d), or

"(B) that has been refused admission into the customs territory of the United States pursuant to section 17.";

(2) by deleting "which fails to conform to an applicable consumer product safety rule" in subsection (b) thereof and inserting in lieu thereof:

"that—

"(1) fails to conform to an applicable consumer product safety rule or that is subject to an order issued under section 15(d), or

"(2) has been refused admission into the customs territory of the United States pursuant to section 17,"; and

(3) by adding at the end thereof the following new subsection:

"(c) Whenever the Commission has reason to believe—

"(1) that any person is manufacturing, offering for sale, selling, distributing in commerce, or importing into the United States any consumer product that contains a substantial product hazard as defined in section 15(a); and

"(2) that enjoining the distribution in commerce of such product, pending completion of the hearing required by section 15(f), is necessary to protect the public from a substantial risk of injury—

the Commission or the Attorney General may bring suit in a district court of the United States to enjoin the distribution of such a product. Upon a proper showing that, weighing the equities and considering the Commission's or the Attorney General's likelihood of ultimate success, such action would be in the public interest, and after notice to the defendant, a preliminary injunction may be granted without bond.".

LITIGATION

Sec. 8. (a) Section 22(a) of the Consumer Product Safety Act (15 U.S.C. 2071(a)) is amended by deleting the words "(with the concurrence of the Attorney General)" in the second sentence thereof.

(b) Section 27(c) of such Act (15 U.S.C. 2076(c)) is amended by adding the following new sentence at the end thereof: "For purposes of this subsection and of subsection (b)(7) of this section, unless the Attorney General notifies the Commission within 45 days of a request for representation that he will represent the Commission, such representation may be made by attorneys designated by the Commission.".

JURISDICTION UNDER CONSUMER PRODUCT SAFETY ACT

Sec. 9. Section 30(d) of the Consumer Product Safety Act (15 U.S.C. 2079(d)) is amended to read as follows:

"(d) A risk of injury which is associated with consumer products and which may be regulated by the Commission under the Federal Hazardous Substances Act, the Poison Prevention Packaging Act, or the Flammable Fabrics Act may instead be regulated under the provisions of this Act upon a determination by the Commission that such action is in the public interest.".

PREEMPTION

Sec. 10. (a) Section 18 of the Federal Hazardous Substances Act, as amended (74 Stat. 380; 15 U.S.C. 1261 note) is amended by adding at the end thereof the following new subsection:

"(c)(1) Except as provided in paragraphs (2) and (3), if a regulation of the Consumer Product Safety Commission, that is used to determine when a hazardous substance or article shall be a banned hazardous substance or article, is in effect and if such regulation has been established to deal with a risk of illness or injury associated with a hazardous substance or article, no State and no political subdivision of a State may establish or continue in effect a requirement applicable to such substance or article and designed to deal with the same risk of illness or injury, unless such requirement is identical to the requirement established under such regulation.

"(2) The Federal Government and the government of a State or the government of a political subdivision of a State may establish and continue in effect, for its own use, a requirement applicable to a hazardous substance or article if such requirement has been established to deal with a risk of illness or injury associated with such a substance or article, even though such requirement is not identical to an applicable requirement described in paragraph (1), if the Federal, State, or local requirement provides a higher degree of protection from such risk of illness or injury than the requirement described in paragraph (1).

"(3) Upon the application of a State or of a political subdivision of a State, the Consumer Product Safety Commission may, by rule promulgated after notice and opportunity for the oral presentation of views, exempt from paragraph (1), under such conditions as may be prescribed in such regulation, a requirement of such State or political subdivision designed to deal with a risk of illness or injury associated with a hazardous substance if—

"(A) compliance with the requirement would not cause the hazardous substance to be in violation of the applicable requirement described in paragraph (1), and

"(B) the State or political subdivision requirement (i) provides a significantly higher degree of protection from such risk of illness or injury than the requirement described in paragraph (1), and (ii) does not place an undue burden upon the manufacturer or distribution of products in interstate commerce.".

(b) Section 16 of the Flammable Fabrics Act (15 U.S.C. 1203) is amended to read as follows:

"PREEMPTION

"Sec. 16. (a) Except as provided in subsections (b) and (c), if a flammability standard or any other regulation is in effect under this Act, section 11 of Public Law 90–189, or any other regulation in implementation of such Acts for a fabric, related material, or product, no State or political subdivision of a State may establish or continue in effect a flammability standard or other regulation for such fabric, related material, or product designed to protect the public against the same risk of occurrence of fire with respect to which the standard or other regulation under this Act, section 11 of Public Law 90-189, or other regulation in implementation of such Acts was promulgated unless the flammability standard or other regulation of the State or political subdivision involved is identical to the Federal standard or other regulation.

"(b) The Federal Government and the government of a State or the government of a political subdivision of a State may establish and continue in effect, for its own use, a flammability standard or other regulation applicable to a fabric, related material, or product if such requirement is established to protect against a risk of occurrence of fire with respect to which a flammability standard or other regulation was promulgated under this Act, section 11 of Public Law 90-189, or other regulation in implementation of such Acts and which is not identical to such standard or other regulation if the Federal, State, or local standard or other regulation provides a higher degree of protection from such risk of occurrence of fire than the standard or other regulation promulgated under this Act, section 11 of Public Law 90-189, or other regulation in implementation of such Acts.

"(c) Upon the application of a State or of a political subdivision of a State, the Consumer Product Safety Commission may, by rule promulgated after notice and opportunity for the oral presentation of views, exempt from the requirements of subsection (a), upon such terms and conditions as may be prescribed therein, a flammability standard or any other regulation of such State or political subdivision that is applicable to a fabric, related material, or product that is subject to a standard or other regulation promulgated under this Act, section 11 of Public Law 90-189, or other regulation in implementation of such Acts if—

"(1) compliance with the requirement would not cause the fabric, related material, or product to be in violation of the standard or other regulation promulgated under this Act, section 11 of Public Law 90-189, or other regulation in implementation of such Acts, and

"(2) the standard or other regulation of the State or political subdivision involved (i) provides a significant higher degree of protection from the risk of occurrence of fire than the Federal standard or other regulation, and (ii) does not place an undue burden upon the manufacture or distribution of products in interstate commerce.".

(c) Section 26(c) of the Consumer Product Safety Act (15 U.S.C. 2075(c)) is amended by deleting the words "(1) imposes a higher level of performance than the Federal standard, (2) is required by compelling local conditions, and (3) does not unduly burden interstate commerce", and inserting in lieu thereof the following: "(1) imposes a significantly higher level of performance than the Federal standard, and (2) does not place an undue burden upon the manufacture or distribution of products in interstate commerce.".

The ACTING PRESIDENT pro tempore. Time for debate on this bill is limited to 2 hours.

Who yields time?

Mr. MOSS. Mr. President, I ask unanimous consent that during the consideration of S. 644 the following members of the Commerce Committee staff be permitted the privileges of the floor: Mr. Ed Cohen, Mr. Ed Merlis, and Mr. Lynn Sutcliffe.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MOSS. Mr. President, I suggest the absense of a quorum, and I ask that it not be subtracted from the time on either side. I expect this will be very brief.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. The clerk will call the roll.

The legislative clerk proceeded to call the **roll.**

Mr. MOSS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MOSS. Mr. President, I understand we are on controlled time.

The ACTING PRESIDENT pro tempore. That is correct, 2 hours.

Mr. MOSS. Mr. President, we are considering today S. 644, the Consumer Product Safety Commission Improvements Act of 1975. Prior to committee consideration of these amendments, the Subcommittee for Consumers conducted 5 days of comprehensive oversight and legislative hearings into the implementation of the Consumer Product Safety Act. These amendments are the result of our deliberations and represent those areas where the committee believes that the Consumer Product Safety Act, and the other acts for which the Commission is responsible, need to be refined, strengthened or clarified.

During our 5 days of hearings, the committee received testimony from a variety of interested parties. We heard from trade associations, consumer groups, lobbying organizations, manufacturers, national retailers, independent testing laboratories, and the Consumer Product Safety Commission itself. We reviewed in detail almost every aspect of the Commission's activities and responsibilities.

The legislation would authorize additional appropriations to implement the Consumer Product Safety Act. It would authorize appropriations for a 2-year period: $51 million for the fiscal year ending June 30, 1976; $14 million for the transitional quarter ending September 30, 1976; and $55 million for the fiscal year ending September 30, 1977.

The legislation would also clarify the jurisdiction of the Commission in several areas. First, it would eliminate pesticides from the Commission's jurisdiction under the Poison Prevention Packaging Act of 1970. With the enactment of the Federal Environmental Pesticides Control Act of 1972, the Environmental Protection Agency is mandated to regulate pesticide-related packaging. Thus, it would be duplicative for the Consumer Product Safety Commission to continue this function.

Second, the committee voted to amend the Federal Hazardous Substances Act to provide that the term "hazardous substance" as used in that act does not include tobacco or tobacco products. I, along with the Public Health Association, petitioned the Commission to ban all cigarettes which emitted tar residues in excess of 21 milligrams. It was my belief that the Consumer Product Safety Commission—the agency which Congress created to protect consumers against dangerous products—should assert its jurisdiction to deal with one of the most hazardous products of them all—cigarettes. If the Consumer Product Safety Commission exercised its regulatory authority over tobacco, we could decrease the hazards posed by the one product which causes the highest toll of preventable death and disease.

The Commission denied our petition on the grounds that it had no jurisdiction under the Federal Hazardous Substances Act. We appealed the case and the Federal district judge ruled that the Commission did in fact have jurisdiction under that act, and ordered it to consider the petition on the merits.

This legislation, in effect, reverses that decision. Needless to say, the committee's action should not be interpreted as reflecting any new judgment on smoking and health. After all, the Surgeon General himself has warned that cigarette smoking is dangerous to health.

With regard to tobacco or tobacco products, the committee amended the Consumer Product Safety Act to provide that such products could be regulated to the extent that they present an unreasonable risk of injury as a source of ignition. The Consumer Product Safety Commission is currently considering safety standards addressing the flammability of upholstered furniture under the Flammable Fabrics Act. It has been argued by some, including the upholstered furniture industry, the National Home Furnishings Association, the American Retail Federation, and AFL-CIO affiliated unions, that it would be more cost effective to regulate the source of ignition of furniture fires rather than to establish construction standards for the furniture itself.

It should be made clear that the Commission, by this amendment, would not be obligated to regulate the ignition source rather than the furniture. Rather, it gives the Commission the flexibility to determine what is technologically feasible and which approach would be most cost effective. It is also important to underscore the fact that the legislation does not allow the Commission to regulate tobacco or tobacco products as a source of ignition if that action were to add any health hazards posed by tobacco or tobacco products.

This amendment makes good sense. If the Commission determines that it is technologically feasible to produce a fire-safe cigarette which does not add to any health hazards already present in cigarette smoking, consumers could benefit in several ways. The Commission may find it to be more cost effective to regulate the source of furniture fires rather than the furniture construction itself. Also, in view of the fact that a prospective furniture flammability standard would do little to protect furniture already in the home, regulating the ignition source would provide a broader range of protection. The committee does not intend, by this amendment, to delay in any way the development of standards to protect against furniture fires.

Finally, the committee action would

clarify the Commission's jurisdiction with respect to ammunition. A Chicago-based handgun control group petitioned the Commission to ban handgun ammunition as a hazardous substance under the Federal Hazardous Substances Act. While it was Congress' intent that this legislation be used for that purpose, a Federal District Court reasoned that there was no reason why such action could not be taken under the Federal Hazardous Substances Act. Thus, the Commission was ordered to consider the petition on the merits.

While I am a strong opponent of all gun control legislation, certainly if it is to be considered, it should be considered by the Congress itself and not by a regulatory agency through the back door. As sponsor of the Consumer Product Safety Act, it was never our intent that the Commission have the authority to restrict the manufacture or sale of firearms, firearms ammunition, or components of firearms ammunition under any of the statutes which it implements. It should be made clear, however, that this amendment does not affect the Commission's jurisdiction with respect to fireworks devices or components of fireworks.

Mr. President, another area addressed in this legislation relates to the Civil Service difficulties which the Commission has experienced with the Civil Service Commission. On April 3 and 11, 1974, the Senate Commerce Committee and the Senate Government Operations Committee held joint hearings on the inability of the Consumer Product Safety Commission to obtain Civil Service Commission approval of CPSC noncareer executive appointment positions—NEA. Until recently, Civil Service Commission approval was never obtained because of the Consumer Product Safety Commission's insistence that as an independent regulatory agency and an arm of Congress, it need not seek executive branch political clearance of its personnel in policymaking decisions. I agree wholeheartedly with this position.

The bill would prohibit political clearance by the Executive Office of the President, the Office of Management and Budget, or any other agency of the Federal Government for any employee whose principal duties would involve first, significant participation in the determination of major Commission policies or second, service as a personal assistant or advisor to any Commissioner. The Civil Service Commission would still approve the professional qualifications of individuals appointed to such positions. In an era when we are seeking to reform our regulatory agencies, it is clear to me that a provision resulting in greater insulation from political pressure is in the public interest.

One of the most important safeguards for the public in the Consumer Product Safety Act relates to the identification and remedy of consumer products which are found to contain a substantial product hazard. Under section 15 of the Product Safety Act, whenever a manufacturer, distributor or retailer who obtains information which reasonably supports the conclusion that a product contains a defect which could create a substantial product hazard, he is obligated to report that conclusion to the Commission.

In order to facilitate the identification of potential substantial product hazards, this legislation would require a product liability insurer or an independent testing laboratory which obtains information reasonably supporting the conclusion that a consumer product may contain such a hazard to report that fact to its insured or the client on whose behalf it has tested the product. Oftentimes, the insurer or test laboratory will come across a defect in a product which contains a substantial product hazard. This provision contained in section 5 of S. 644 will increase the likelihood that the defect will be brought to the attention of the Commission and the public will be adequately protected.

This bill would also clarify section 7 of the Consumer Product Safety Act which defines the procedures for developing and promulgating consumer product safety rules. The act currently provides that, if the Commission accepts an offer to develop a proposed consumer product safety rule, the Commission may not develop proposals for such standards or contract with third parties unless it determines that no offeror whose offer was accepted is making satisfactory progress in the development of the standard. This bill would make clear that the Commission, upon determination that no offeror is making progress in the development of a standard, may itself develop a standard or contract with third parties for such development.

In the course of our oversight hearings, we found that the Commission is not adequately supervising its offerors. When Congress was considering the Consumer Product Safety Act, I was afraid that this "offeror procedure" would result in the offeror rather than the Commission controlling the development of standards. Unfortunately, this is turning out to be the case. In order for this section to succeed, the Commission must give its offerors strict instructions as to what it expects and then monitor the progress of the offerors closely to insure that those instructions are being implemented.

S. 644 also amends the Consumer Product Safety Act by designating certain acts as "prohibited acts." Those are as follows: First, the failure or refusal to establish or maintain records that may be required by the Commission under section 15 of the act. Second, manufacture for sale, offer for sale, distribute in commerce or import into the United States, any consumer product which the Commission has declared to contain a substantial product hazard or which has been refused admission into the customs territory of the United States. Third, the failure to comply with any rule established under section 13 requiring that the Commission be supplied with prior notice before the introduction of new consumer products in commerce. Fourth, the failure to comply with any rule promulgated by the Commission under section 27(e) relating to providing consumers with performance or technical data about consumer products. Fifth, with the amendment to section 15 of the act contained in S. 644, relating to responsibilities of the product liability insurer or an independent test laboratory, failure of such insurer or laboratory to meet the obligations imposed by that new provision.

I view these amendments as remedying an oversight by Congress when it originally passed the Consumer Product Safety Act. It makes little sense to impose obligations on those subject to regulation and then fail to provide sanctions for failure to comply with those regulations.

Additionally, the bill gives the Commission jurisdiction to restrain any person from distributing in commerce a product which contains a substantial product hazard or which has been refused admission into the customs territory of the United States. Similarly, it would allow the Commission to seek a court order to seize a product which would contain such a hazard or has been refused admission into the customs territory. These two provisions insure that the Commission has the necessary legal authority to act to assure that a product which fails to comply with an applicable consumer product safety rule which creates a substantial risk of injury to the public or contains a product defect which creates a substantial risk of injury to the public will not enter the stream of commerce once that determination has been made. Due process guarantees are maintained in that the determination of substantial product hazard is made after a trial-type hearing and the injunction or seizure authority may only be granted by a district court.

In addition, this legislation would allow the Commission, when it has reason to believe that a product contains a substantial product hazard and that enjoining distribution of the product is necessary to protect the public from substantial risk of injury, to bring suit in a district court of the United States to enjoin distribution of such product. Upon a proper showing that, weighing the equities and considering the Commission's likelihood of ultimate success, such action would be in the public interest, and after notice to the defendant, the court would be empowered to issue a preliminary injunction without bond. As indicated earlier, the determination of a substantial product hazard is made after the completion of a trail-type hearing. These hearings may, at times, be extremely time consuming. This provision is designed to allow the Commission to afford the public a measure of protection by prohibiting the continued distribution of a product until a determination has been made on a substantial product hazard. There is no sacrifice of due process rights by the manufacturer, distributor, or retailer of the product in question—the Commission must seek the preliminary injunction from the district courts.

This provision is modeled after a similar one contained in the Federal Trade Commission improvements provisions of the Alaska Pipeline Act (15 U.S.C. 53(b)). In that act, the FTC is given authority to seek preliminary injunctions when the FTC has reason to believe that any person is violating or is about to violate any provision or law enforced by the Federal Trade Commission. Similar authority for the Consumer Product Safety Commission is even more compelling, since the health and safety of American consumers are at issue.

This legislation defines a new relationship between the Consumer Product Safety Commission and the Department of Justice. It provides that, if the Consumer Product Safety Commission seeks to bring an action to enforce the act, it must first request the Attorney General to represent the Commission in court. If, after 45 days, the Attorney General fails to notify the Commission that he will represent the Commission, the Commission may designate its own attorneys for such purpose. The bill would also allow the Commission to go directly to court for injunctive relief.

This provision is not unique. For example, the Magnuson/Moss FTC–Warranty Act (Public Law 93–37) allows the Federal Trade Commission to go into court on its own behalf. The advantage of this approach is that it provides a more efficient enforcement program because the agency with the expertise—the Consumer Product Safety Commission—is authorized to present its own case rather than relying on Justice Department attorneys who may not be as intimately familiar with the Commission's case as the Commission's own attorneys. Likewise, the Justice Department may, at times, be saddled with a particularly heavy caseload, and this provision would allow a case to be pursued when it otherwise would not be, due to a shortage of resources.

S. 644 amends section 30(d) of the Consumer Product Safety Act to afford the Commission greater flexibility in its regulatory activities. In addition to the Consumer Product Safety Act, the Commission is responsible for implementing the Federal Hazardous Substances Act, the Poison Prevention Packaging Act, and the Flammable Fabrics Act. These acts were transferred to the Commission when it was established in October 1972. The bill would allow products which may be regulated by the Commission under one of the transferred acts to be regulated instead under the provisions of the Consumer Product Safety Act upon a determination by the Commission that such action is in the public interest.

When the Senate originally considered the Consumer Product Safety Act, it repealed these transferred acts. Through this greater flexibility, the Commission is free to choose a more preferable regulatory scheme to address the specific hazard sought to be remedied.

The final issue addressed by the Committee in this legislation concerns the preemptive effect of standards or regulations promulgated under the Federal Hazardous Substances Act, the Flammable Fabrics Act, and the Consumer Product Safety Act. The general rule would be that, if the Consumer Product Safety Commission has in effect a requirement for a product established to deal with a risk of illness or injury associated with that product, no State or political subdivision may establish or continue in effect a requirement applicable to that product and designed to deal with the same risk of illness or injury unless it is identical to the Federal requirement. The exception to this general rule is that a State may maintain such a requirement, if first, compliance with the requirement would not cause the product to be in violation of the Federal standard; second, the State or local requirement provides a significantly higher degree of protection than the Federal requirement; and third, it does not place an undue burden upon the manufacture or distribution of products in interstate commerce. Finally, the legislation provides that the Federal Government or a State or local government may establish or continue in effect, for its own use, a requirement not identical with the Federal requirement, if it provides a higher degree of protection than the Federal requirement.

These amendments represent a major committee effort at decreasing the burdens posed by safety regulation on American business. In some cases, it will mean that a manufacturer is subject to the Federal standard only, and not the insignificant deviations contained in the safety standards of some States. At the same time, however, it does allow a State to maintain its own standard when there is no undue burden upon the manufacture or distribution of products in commerce and provides a significantly higher degree of protection than the Federal requirement. In short, in ruling on the preemptive effect of a Federal standard, the Commission must balance the protective benefits derived from a State's maintaining its own standards against the burdens that standard may impose. This provision places a premium on Federal standards which provide an adequate level of protection and are sufficiently comprehensive so as to mitigate the risk of injury to consumers posed by consumer products.

Mr. President, I urge swift approval of the bill that is before us. I understand there is also a time limitation on amendments; is that correct?

The ACTING PRESIDENT pro tempore. That is correct, 30 minutes, except for the Buckley amendment, which has a limitation of 2 hours.

Mr. MOSS. I ask unanimous consent that Harrison Wellford and Katherine Schirmer of Senator HART's staff and Steve Perlis of Senator STEVENSON's staff be given the privilege of the floor.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MOSS. I also ask unanimous consent that Barry Derringfield be granted the privilege of the floor.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MOSS. Mr. President, is the bill now open to amendment?

The ACTING PRESIDENT pro tempore. The bill is open to amendment.

Mr. MOSS. Mr. President, the Senator from Michigan (Mr. PHILIP A. HART), who is a member of this subcommittee and the full committee, is unable to be here this morning. He has an amendment which I send to the desk and ask for its immediate consideration. I will explain the amendment.

The ACTING PRESIDENT pro tempore. The amendment will be stated.

The legislative clerk read as follows:

At the end thereof, insert the following:

SEC. 11. Attorneys' Fees.

(a) Section 10 of the Consumer Product Safety Act (15 U.S.C. 2059) is amended by adding the following new subsection:

"(h) Any interested person who shall bring an action under this section shall recover the costs of suit, reasonable attorneys' fees, if considered appropriate by the court and in the interest of justice and the United States shall be liable for the costs of suit to the same extent and in the same manner as a private person. Such attorneys' fees shall be based upon the actual time expended by such attorney and his or her staff in advising and representing his or her client (at prevailing rates for such sevices, including any reasonable risk factor component)."

(b) Section 11(c) of the Consumer Product Safety Act (15 U.S.C. 2060(c)) is amended by adding the following new sentence after the first sentence thereof:

"Such relief may also include the award of reasonable attorneys' fees, expert witnesses' fees, and costs of suit where the court determines that such award is appropriate and in the interest of justice and the United States shall be liable for the costs of suit to the same extent and in the same manner as a private person. Such attorneys' fees shall be based upon the actual time expended by such attorney and his or her staff in advising and representing his or her client (at prevailing rates for such services, including any reasonable risk factor component)."

Mr. MOSS. Mr. President, the Senator from Michigan (Mr. PHILIP A. HART) has prepared a statement supporting his amendment. I do not think I should read it in full because I believe the amendment is self-explanatory. Basically what he proposes to do is to provide power for the courts to award attorney's fees to be paid to a person who brings certain actions under the Consumer Product Safety Act before a court. The purpose of this provision is to give the wherewithal to public interest groups and others who have small resources who may wish to bring that action.

He points out in this statement that in the Alyeska Pipeline case, the Supreme Court held that the courts lacked discretionary power to award attorney fees to a petitioner who sought to vindicate important statutory rights of all citizens through challenges of a Federal agency action, unless there is specific statutory authorization for such awards.

That is what he is trying to add to this case. It always has to go to the court. The court has to make the decision as to whether it is justified or whether it was simply a baseless or stalling tactic being asserted. Then the court would have authority, if it found it was justified, to permit attorney fees to be assessed.

Mr. ALLEN. Mr. President, will the Senator yield?

Mr. MOSS. I am happy to yield to the Senator from Alabama.

Mr. ALLEN. Will that stir up a whole lot of needless litigation? I would like an answer. Then I will propound another one. Will that not stir up a lot of litigation that ordinarily would not be filed?

Mr. MOSS. No. I do not believe that is so because there is no advance payment or guarantee of payment. They certainly have to have funds to begin with, and it would be only if the court, in its discretion, finds it to be in the interest of justice. Only then would the court be able to grant him attorney fees. The amount is entirely in the control of the court.

It is what we get in some of our equity cases now. But because of that holding in the Alyeska Pipeline case, it is felt it is needed to have statutory authorization.

Mr. ALLEN. It seems to me that a provision of this sort would stir up litigation when litigation would not serve the public interest, and it would have, it seems to me, to be bordering somewhat on champerty or barratry to encourage the stirring up of litigation.

I know there seems to be a trend of that sort on in legislation that is coming before the Senate. There is another measure on the calendar that provides for attorneys fees in certain areas. We have enough litigation in the nature of harassment. I just feel like that would be the result here.

I recognize that the amendment is going to pass, but I register my strongest disapproval of the amendment.

Mr. MOSS. I thank the Senator for his comments. If I felt that were so, that it would cause unnecessary litigation, I certainly would be opposed to this amendment.

I would point out two things: First, there is no assurance of the outcome. If it is a frivolous or ill-conceived attack, presumably it would not prevail. The court probably would not exercise its discretion to award attorney's fees.

Second, I would imagine that the court would award fees in favor of the litigant who, in challenging the Government, does not have a large amount of resources available, and then determine what a reasonable attorney's fee would be and award it.

We have to lodge, as we do, so much great discretion in our Federal judges. Hopefully, they would be careful in making such awards.

Mr. ALLEN. It would seem it would entice enterprising lawyers, who specialize in this field, to see some sort of loophole or gap in the law, or some real or imagined improper action on the part of the agency, to go out and get some of the people he is working with on issues of this sort and file a suit, knowing that when he prevailed, an attorney's fee would be awarded to him.

I just prefer to see clients pay their own attorneys rather than to have the Government pay them.

Mr. MOSS. I agree. When they are able to pay they should pay. That is one of the things the judge may consider in exercising his discretion. But, secondly, maybe there are a lot of injustices that go on just because a person cannot get an attorney and cannot get into court.

An attorney who takes one of these takes a gamble. If he has a frivolous case, if he cannot prove that there was really a deficiency or a wrong of some kind committed, then he has little chance to recover attorneys fees.

Mr. ALLEN. Based on some of the attorneys fees that we read about in the media or hear on the media, running up into hundreds of thousands of dollars, for cases, it would seem to me that this is going to be a needless outlay on the part of the Government.

I register my protest against the amendment.

Mr. McCLURE. Mr. President, will the Senator yield?

Mr. MOSS. I am happy to yield to the Senator from Idaho.

Mr. McCLURE. Mr. President, I understand from the discussion I had with the senior Senator from New York (Mr. Buckley) that he is also concerned about another situation that can arise in which the Government brings suit against someone under the provisions of the act, and they are forced to defend themselves and ultimately they are found to be right. His concern is in that case whether or not attorney fees might be allowed for the successful defender against Government action. In reading the amendment, it does not appear to me that this amendment covers that side of the equation.

Mr. MOSS. It does indeed cover it. For example, if the Consumer Product Safety Commission issued a standard that some small business felt was unfair, and it wanted to challenge that standard it would be eligible to be awarded attorney's fees.

Small business could have its attorney's fees also compensated under this provision.

Mr. McCLURE. I wonder if the amendment ought not to read, then, if they should bring or defend an action, because if the regulations were brought and they brought a suit to challenge the regulations they would be covered, but, if the Government moved against them and they were defending against that Government's move, it seems to me that perhaps it does not cover that.

Mr. MOSS. I think it is already in the act.

Mr. McCLURE. That is already provided?

Mr. MOSS. In any action under this section, which is a private enforcement of safety rules, such interested person may elect by demand of such relief in his complaint and recover reasonable attorney fees, in which case the court shall award cost of suit including reasonable attorney fees to the prevailing party.

Mr. McCLURE. Is that where the Government is the moving party and they are defending, or is that where a private party brings the action to enforce it against the Government or against a third party?

Mr. MOSS. It is private enforcement of the Government's——

Mr. McCLURE. I think that what the junior Senator from New York was concerned about was in the event the Government is the moving party and the prevailing party is the person against whom the Government had moved. Should not they be entitled, also, to similar redress and protection, including reasonable attorney fees?

Mr. MOSS. I can see some problems with that. For example, the Federal Government is one of the parties to all criminal cases. There is never recompense to the Federal Government. But where could this end?

Mr. McCLURE. I am not talking about the Federal Government recovering attorney fees. I am talking about the Government agency, the Consumer Product Safety Commission, being the moving party and bringing action to enforce something and they are found to be wrong. If the party against whom the Government had moved is found by the court to be right in that particular action, and under the same standards, should they not be entitled to recover reasonable attorney fees that were occasioned by the action of the Government against them?

Mr. MOSS. Whether they be a plaintiff or a defendant?

Mr. McCLURE. That is right.

Mr. MOSS. I would have to look at Senator Hart's amendment, to see if it is broad enough for that.

Mr. McCLURE. As I read both the statute and the proposed amendment, it states that one who brings the action can recover reasonable attorney fees, but it does not indicate that those against whom the action is brought can recover reasonable attorney fees even though they are found to be correct.

If I may draw a comparison which may at least guide in some thinking—it certainly has given guidance to me—most States already have adopted State law provisions with regard to insurance settlements in which the insured who has to go to court against an insurance company and prevails is allowed to recover reasonable attorney fees. This is an exception from the general rule in civil litigation. But the legislatures of various States have legislation with respect to this. I know that in my own State of Idaho, a long time ago, there was a legislative finding that the economic disparity between a claimant against an insurance company, on one side, and the insurance company, with its massive house counsel, on the other side, posed an unequal economic battle; that the only way to equalize and guarantee the right of the claimant to any kind of fair process in court was to guarantee that if they were successful in that case, they also could request reasonable attorney fees.

It seems to me that the economic imbalance is so great between a claimant and an insurance company that the economic imbalance between an individual and the Federal Government should be equally persuasive.

Mr. MOSS. I see the Senator's point.

Mr. President, I ask to modify the beginning of the amendment to read:

> Any interested person who is involved in an action under this section.

Mr. McCLURE. That would take care of it. I would thank the Senator if he would make the modification.

The PRESIDING OFFICER. The amendment is so modified.

The modified amendment is as follows:

At the end thereof, insert the following:

SEC. 11. Attorneys' Fees.

(a) Section 10 of the Consumer Product Safety Act (15 U.S.C. 2059) is amended by adding the following new subsection:

"(h) Any interested person who is involved in an action under this section shall recover the costs of suit, reasonable attorneys' fees and expert witnesses' fees, if considered appropriate by the court and in the interest of justice and the United States shall be liable for the costs of suit to the same extent and in the same manner as a private person. Such attorneys' fees shall be based upon the actual time expended by such attorney and his or her staff in advising and representing his or her client (at prevailing rates for such services, including any reasonable risk factor component)."

(b) Section 11(c) of the Consumer Product Safety Act (15 U.S.C. 2060(c)) is amended by adding the following new sentence after the first sentence thereof:

"Such relief may also include the award of reasonable attorneys' fees, expert witnesses' fees, and costs of suit where the court determines that such award is appropriate and in the interest of justice and the United States shall be liable for the costs of suit to the same extent and in the same manner as a private person. Such attorneys' fees shall be based upon the actual time expended by such attorney and his or her staff in advising and representing his or her client (at prevailing rates for such services, including any reasonable risk factor component)."

Mr. ALLEN. Mr. President, will the Senator yield?

Mr. MOSS. I yield to the Senator from Alabama.

Mr. ALLEN. While the Senator is agreeing to modifications—I recognize that he puts the matter of setting the fees in the hands of the judge—I wonder if the Senator would agree to some amount, such as $250 per day, for each day spent on such case, from the date of filing of the action to the final disposition of the case.

Mr. MOSS. I am reluctant to do that, for two reasons: First, $250 today is not what it was 3 years ago. We may fix an amount, but economics change. Second, I think we should repose in the Federal judge the confidence that he will weigh carefully the merits of the action, the time spent, the commitments made, and put all those things together.

I am afraid that if we make it a limited amount such as that, it sort of becomes a standard benchmark—everybody gets $250 a day. Perhaps an attorney who did not have to do very much would not be entitled to very much.

Mr. ALLEN. This is not to exceed.

Mr. MOSS. I realize that, but I think it becomes rather engrafted.

Mr. ALLEN. I will be glad to agree to a lower figure—say, $100 a day.

Mr. MOSS. What I am saying is that, on behalf of Senator HART, I would have to object to setting a specific ceiling or standard, since it is left in the jurisdiction of the court to make that decision. I think it should reside there.

Mr. ALLEN. Mr. President, I offer an amendment to be inserted after the words "attorney's fee."

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The legislative clerk read as follows:

After the word "component" on pages 1 and 2 insert: "not to exceed $250 per day for each day spent on such case from the date of the filing of the action to the final disposition of the case."

The PRESIDING OFFICER. The time on the original amendment would have to be used or yielded back before an amendment to the amendment would be in order. Is the time yielded back?

Mr. MOSS. I yield back the remainder of my time on the original amendment.

Mr. WEICKER. I yield back my time.

The PRESIDING OFFICER. All time has been yielded back.

The question is on agreeing to the amendment to the amendment.

Those who favor the amendment to the amendment will say, "aye"; opposed, "no."

The "noes" appear to have it.

Mr. ALLEN. Mr. President, I call for a division.

The PRESIDING OFFICER. A division is called for.

All those in favor of the amendment to the amendment will stand and be counted.

All those opposed to the amendment to the amendment will stand and be counted.

The "noes" appear to have it. The "noes" have it.

Mr. MOSS. Mr. President, may we now vote on the amendment, time having been yielded back?

Mr. ALLEN. Mr. President, according to my count, there were two on each side on the vote.

The PRESIDING OFFICER. In which case the amendment would be rejected, because of a tie.

Mr. ALLEN. Is the Presiding Officer not going to vote?

The PRESIDING OFFICER. The vote has been announced.

Mr. PHILIP A. HART. Mr. President, this amendment to the Consumer Product Safety Commission Improvements Act gives the courts discretion to award attorneys' fees and other litigation costs to persons who seek judicial review under the act.

It is a premise of the American legal system that an effective and just regulatory system depends on a vigorous adversary process with a full presentation of contrasting views. Unfortunately in both the courts and the regulatory agencies, the opportunity to participate may be an empty right without the availability of expensive legal representation.

The Consumer Product Safety Act gives citizens standing to seek redress in the courts for arbitrary or misconceived agency action. Many of these rights go unenforced and unvindicated because the cost of asserting them is beyond the means of the agency's victim.

Until recently, the courts often provided remedies for this problem by exercising their discretion to award attorneys' fees "in the interests of justice." Traditionally, the allocation of the cost of litigation, including attorneys' fees, has been viewed by equity as one of the methods open to it to give balance to the litigation before the courts. Twenty-nine Federal statutes now permit fee shifting by the courts, but even in the absence of specific authorization, the courts frequently exercised their equity powers to award attorneys' fees.

In a recent decision, Alyeska Pipeline Service Co. against Wilderness Society, the Supreme Court held that—

> Courts lacked discretionary power to award attorneys' fees to petitioners who sought to vindicate "important statutory rights of all citizens" through challenges of Federal agency action *unless there was specific statutory authorization for such awards.*

In the words of the Court—

> The circumstances under which attorneys' fees are to be awarded and the range of discretion in the court for making those awards are matters for Congress to determine.

In offering this amendment, we propose to take up the Court's challenge and give substance to the rights of judicial review granted under this act. We are confident that, in granting courts discretion to award attorneys' fees and other costs in appropriate circumstances, we will be enhancing the equity of the administrative process.

This amendment gives the courts the discretion to award attorneys' fees in two situations:

First. When an interested person brings a civil action to compel the Commission to commence a proceeding for the issuance, amendment, or revocation of a consumer product safety rule. Such an action may be brought only after the Commission has denied or failed to grant a petition for a consumer product safety rule 15 U.S.C. 2059.

Second. When any person adversely affected by a consumer product safety rule or any consumer or consumer organization seeks judicial review of that rule in the U.S. court of appeals. 15 U.S.C. 2060.

The attorneys' fees awarded by the court under this amendment shall be paid by the United States, not by the Commission. Making the Commission's budget subject to these awards would interfere with the agency's planning and enforcement activities, with possible detriment to its safety mission. The purpose of this amendment is not to punish the Commission, but to remove some of the financial barriers for persons seeking judicial review of Commission decisions. Therefore, it is more in keeping with the purposes of the Consumer Product Safety Act that the award of litigation costs come from general Treasury funds.

Under this amendment, the courts are given discretionary authority to determine the conditions under which attorneys' fees should be awarded. As I am sure my colleagues are aware, discretionary authority to award attorneys' fees has been granted to the courts now in 29 Federal statutes. Most of these statutes award attorneys' fees when a petitioner is challenging an agency's failure to perform a nondiscretionary act or duty—see for example, the Water Pollution and Control Act, 33 U.S.C. 1365(a)(2). The Freedom of Information Act permits the assessment of reasonable attorneys' fees and other litigation costs against the United States where the complainant has sought judicial review of an agency action and has substantially prevailed (5 U.S.C. 552(a)(4)(E)). This amendment applies the fee-shifting principle to cases where a person seeks judicial review of a discretionary action by the Consumer Product Safety Commission.

Redistribution of the costs of litigation is an appropriate and flexible tool for the courts to use to assure an effective adversary process. It is a method uniquely within control of the judiciary. The courts can evaluate on a case-by-case basis the contribution made by particular litigants and the reasonableness of the payment request. It has its own built-in safeguard against frivolous suits, since the party contemplating a suit is on notice that the courts will not award fees if its case is not meritorious.

Some of my colleagues have expressed concern that the courts may use their fee-shifting discretion to award attorneys' fees to large corporations which petition for judicial review of Commission's rules. They argue that such awards to corporations with large legal staffs well able to sustain the costs of litigation would abuse traditional equity principles which tend to restrict attorneys' fees awards to impoverished litigants or those who advance some interest of general benefit to the public. After reviewing the principles under which courts have awarded attorneys' fees in recent cases, I feel confident that the courts will not abuse their discretion by awarding fees to wealthy corporate litigants seeking to protect private economic interests. Such awards, however, may be warranted where the court determines that the costs of litigation for a small businessman may outweigh the costs of complying with the Commission's rule, and would therefore discourage small companies from challenging a poorly conceived agency rule affecting their products. The courts, of course, must make these judgments on a case-by-case basis.

Another class of litigants for which fees seem particularly appropriate in light of the need to increase the procedural fairness of Commission policymaking is those who represent an interest which would not otherwise be adequately represented and which is necessary to a fair determination of the dispute. Those are commonly consumers and citizens' groups represented by pro bono or "public interest" lawyers.

During the past 5 years, a group of new legal institutions, public interest law firms, have developed to give balance to legal advocacy in the areas where Government regulation impinges on citizen interest. The term "public interest" is unfortunate in this context because it suggests to some that these lawyers claim to have some special insight into the "general will" in the Rousseauian sense. Certainly the term should not imply that these firms have any special knowledge of where the public interest lies. These firms do not represent the public interest; instead they give a voice to unrepresented or underrepresented interests which otherwise would lack access to the courts. Their commitment is to a fair and vigorous adversary process from which the public interest is most likely to emerge.

While there are presently less than 100 full-time public interest lawyers in the Nation, they have had an impact far beyond their numbers in enhancing the procedural fairness of policymaking by the regulatory agencies. Now because of current economic conditions and the funding policies of large foundations, the institutional survival of the public interest law movement is in jeopardy. Initial foundation grants were made to the law firms under the "seed money" concept. The foundations promised to help these organizations get started but ultimately they were expected to stand on their own feet. In the last 2 years, the foundations have made clear that the fledgling period is over and grants to the firms have begun to be phased out. At the same time, the depressed economy has caused contributions from the public to decline. The public interest law firms have looked to the award of attorneys' fees by the courts as a means of giving them a financial base with which to continue their work.

When the courts determine that a public interest law firm has vindicated broad public interests and enhanced procedural fairness by seeking judicial review under this act, it would appear equitable and in the public interest for attorneys' fees to be awarded to the firm.

Mr. McCLURE. Mr. President, I wonder if it might be possible to defer the vote on this amendment until Senator BUCKLEY is in the Chamber, since he and Senator HART jointly had worked out this amendment. Senator BUCKLEY desires to be here at the time it is voted on.

Mr. MOSS. He certainly could announce his vote when he arrived later in the day. I think we should move on in an orderly way, and he can make the announcement as to the reason for his absence from the Chamber.

Mr. McCLURE. It is my understanding, from staff comment, that Senator HART also had agreed with Senator BUCKLEY that it would not be voted on until Senator BUCKLEY was present. Under the circumstances, I wonder whether the formal action of voting on the amendment might be deferred until Senator BUCKLEY is present.

Mr. WEICKER. Mr. President, would it be in order for me to ask for the yeas and nays on this amendment?

The PRESIDING OFFICER. It is in order to request the yeas and nays.

Mr. WEICKER. I request the yeas and nays on this amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is not a sufficient second.

Mr. MOSS. Mr. President, it seems to me that we are getting into a very difficult situation. The leadership asked me to take up this bill the first thing this morning, 10 minutes after 10 o'clock. They want to move on with it. We are confronted with a single Member being absent, and we are trying to make all these changes to accommodate that Member. The time on the amendment has been yielded back. It is all over. I do not see why we cannot dispose of the amendment and move on. The Senator who is not in the Chamber, when he arrives later, can make any kind of statement or commitment he wishes.

Mr. WEICKER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. CULVER). Without objection, it is so ordered.

Mr. BUCKLEY. Mr. President, I am delighted that the distinguished floor manager, Mr. Moss, has accepted the Hart-Buckley amendment allowing the courts at their own discretion and in the interest of justice, to award attorney's fees and other litigation costs to parties seeking judicial review under the Consumer Product Safety Act. This amendment would allow parties bringing actions under sections 10 and 11 of the Consumer Product Safety Act to seek to recover their costs of litigation. This reform will help to correct an imbalance that exists between the Commission and the private party when determining whether to pursue legal action.

Today the substantial amount of financial resources required to engage in legal action with a Federal agency often discourages private parties who feel wronged by an action or lack of action by an agency. They may have no practical alternative other than to submit to the agency's decision and refrain from engaging in the judicial review process. This situation can be corrected by allowing the private parties engaging in a judicial review proceeding to recover their legal fees and related costs if the court determines that to be in the interest of justice.

Under section 10 of the Consumer Product Safety Act, a private party may petition the Commission to issue, amend, or revoke a consumer product safety rule. If the Commission fails to act or denies the petition, the party may bring a civil action in the U.S. district court to compel the Commission to initiate a proceeding to take the action requested. In this situation, if the court determined that it was in the interest of justice to award legal fees, expert witness fees, and other costs of litigation to the private party, it could do so.

Under section 11, any person adversely affected by a consumer product safety rule or any interested consumer or consumer group can petition a U.S. court of appeals for judicial review of the rule. The court then has the discretion to grant relief as provided in section 7 of title V of the United States Code. The second part of our amendment allows the court to award the costs of litigation as part of this relief.

I would like to see this concept extended further than the judicial review proceedings involving the CPSC, and I intend to work on separate legislation that would allow the court to award the costs of litigation, in the interest of justice, to private parties engaged in any court or administrative action with a Federal agency. But in the interim, I am glad to be able to join with the Senator from Michigan in this small step toward this general goal.

Mr. MOSS. Mr. President, the bill is open to further amendment, I understand.

The PRESIDING OFFICER (Mr. CULVER). The question is on agreeing to the amendment. All time has expired.

The amendment, as modified, was agreed to.

Mr. MOSS. Mr. President, I move to reconsider the vote by which that amendment was agreed to.

Mr. WEICKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MOSS. Mr. President, I yield to the Senator from Idaho, who, I think, has an amendment.

AMENDMENT NO. 679

Mr. McCLURE. Mr. President, I call up amendment No. 679, cosponsored by Senator Moss, myself, and 18 other cosponsors.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

> On page 6, beginning with line 15, strike out all through line 24 on page 7 and insert in lieu thereof the following:
>
> (2) Section 3(a)(1) of the Consumer Product Safety Act (15 U.S.C. 2052(a)(1)) is amended (A) by inserting "other" before "limitations" in the last sentence thereof and (B) by inserting before such sentence the following: "Except for the regulation under this Act or the Federal Hazardous Substances Act of fireworks devices or any substance intended for use as a component of any such device, the Commission shall have no authority under the functions transferred pursuant to section 30 of this Act to regulate any product or article described in subparagraph (B) or (E) of this paragraph, or described, without regard to quantity, in section 845(a)(5) of title 18 of the United States Code.".

Mr. McCLURE. Mr. President, I ask unanimous consent that there be a modification in the amendment:

> On page 2 of the amendment, line 3 strike "(B) or".

The PRESIDING OFFICER. Without objection, the amendment is so modified.

The amendment, as modified, is as follows:

> On page 6, beginning with line 15, strike out all through line 24 on page 7 and insert in lieu thereof the following:
>
> (2) Section 3(a)(1) of the Consumer Product Safety Act (15 U.S.C. 2052(a)(1)) is amended (A) by inserting "other" before "limitations" in the last sentence thereof and (B) by inserting before such sentence the following: "Except for the regulation under this Act or the Federal Hazardous Substances Act of fireworks devices or any substance intended for use as a component of any such device, the Commission shall have no authority under the functions transferred pursuant to section 30 of this Act to regulate any product or article described in subparagraph (E) of this paragraph, or described, without regard to quantity, in section 845(a)(5) of title 18 of the United States Code.".

Mr. McCLURE. Mr. President, I will be very brief in the explanation of this amendment.

The question was referred to earlier in the opening remarks of the distinguished Senator from Utah concerning the general thrust of the bill dealing with the authority of the Consumer Product Safety Commission to deal with ammunition and firearms. While the legislative history of the adoption of the bill in the first instance had indicated that it was not the intention of Congress that the Consumer Product Safety Commission get involved in the question of ammunition or gun control, nevertheless, the judge did order that the Commission entertain a proceeding to determine whether or not handgun ammunition should be banned as hazardous. Growing out of that has come an attempt to make clear that Congress did not intend that this Commission should get involved in the question of gun control or ammunition control. There have been various efforts made to clarify the language.

There was a rather confused situation in the committee at one point where two different amendments were adopted and there is some ambiguity in the way those two amendments fit together. The House has adopted language dealing with the same subject matter. The amendment that the Senator from Utah and I are now proposing conforms the language of this bill exactly to the House language except for the modification which was just made.

That modification deals with tobacco, rather than with ammunition or gun control. It was included in the House language only by staff error and not by the intent of the committee, so I am informed. I think what we are doing is conforming their language exactly to the language which was intended in the other body. I think it should lay the matter to rest once and for all, without any ifs, ands, or buts.

Mr. President, I daresay there is not a member of this Senate who is not keenly aware of the current controversy involving the Consumer Product Safety Commission's consideration of a ban on handgun ammunition. This Congress has been deluged with mail against such a ban—mail from literally millions of Americans who buy and use handgun ammunition for legitimate purposes: For sport or for protection of their homes or businesses. This is indeed a consumer issue—where the consumers of a specific product have made their wishes to be left alone abundantly clear. Purely and simply, this so-called protection in the form of any effort to ban ammunition or firearms by CPSC amounts to backdoor gun control. I might add that as of June 27, 1975, CPSC itself had received 299,500 letters opposing the proposed ban on handgun bullets and only 500 letters in favor.

When we in Congress created the Consumer Product Safety Commission in 1972, we specifically exempted firearms and ammunition from the definition of a "consumer product." Concern had been expressed that CPSC would impose backdoor gun controls by administrative regulation despite the legislative history clearly showing that Congress intended to reserve to itself decisions on gun control. However, the transfer to CPSC of administration of the Hazardous Substances Act left what some consider a jurisdictional loophole, through which a private gun control petitioned CPSC to ban handgun bullets as a "hazardous substance." The Commission's ruling that it lacked jurisdiction was reversed by a Federal court, which ordered CPSC to consider the petition. As a matter of fact, the petition filed by the gun control group does not contain any evidence to support the contention that ammunition constitutes a "hazardous substance." The only evidence produced in support of the petition consists entirely of an enunciation of the harm which may be caused by the unlawful or careless use of a firearm.

CPSC Chairman Richard Simpson then requested Congress to clarify the jurisdictional issue and proposed statutory language removing firearms and ammunition from the Commission's jurisdiction. As introduced, S. 1000, the Consumer Product Safety Commission Improvement Act, adopted that language. In addition, 10 of my colleagues in the Senate have joined me and 62 Representatives in sponsoring bills to achieve that result. However, the language in this bill was amended by the Senate Commerce Committee to permit CPSC to obtain a jurisdictional foothold in gun control.

The bill reported out by the full Commerce Committee, S. 644, contains language authorizing CPSC to regulate labeling of ammunition and give the Commission the power to ban so-called "defective" ammunition. This language was the result of a confused markup session and must be corrected by the full Senate.

Allowing CPSC to retain jurisdiction over even some ammunition would not provide any appreciable consumer protection, since ammunition packages have carried cautionary labeling for decades, long before federally required, and because "defective" ammunition is virtually nonexistent. Very stringent quality control and the possibility of easily established product liability have kept "defective" ammunition to a negligible level despite the many billions of rounds produced every year.

The unwarranted concern over "defective" ammunition deeply concerns me. This term has become a catch phrase with the only intention being to allow certain citizens groups to continue to harass law abiding firearm owners. Accordingly I would like to make you aware of the following facts that show "defective" ammunition does not exist and that its inclusion in any bill is unjustified.

First, copies of the Department of the Army Technical Manual and the U.S. Air Force Technical PRDER effective June 14, 1961, state categorically that "small-arms ammunition is not dangerous to handle." The ammunition referred to involves ammunition with powder loads substantially greater than those found in commercially manufactured handgun ammunition. Moreover, these official regulations are concerned with procedures to prevent injury to the ammunition not with injury the ammunition might inflict on personnel. The reason is clear—handling small arms ammunition simply does not create any hazard.

Second, in 1961, the Commissioner of the Food and Drug Administration found:

> Ammunition is responsible for some accidental injuries, but the consensus among experts in accident prevention is that such accidents occur when the ammunition is used in connection with a weapon. There is no evidence that "reasonably foreseeable

> handling or use" of ammunition, except in a device designed to explode it, may cause substantial injuries. 26 Fed. Reg. 12035 (1961)

Third, laboratory tests, extensive transportation and storage experience and the evaluation of insurance underwriters agree that even if small arms ammunition is subjected to rough or careless handling, severe falls, extreme shock, or exposure to fire, no significant risk or hazard results. These tests and evaluations were conducted using large bulk quantities of ammunition and since substantially smaller quantities of ammunition are kept in households, the risk is even smaller.

Fourth, another study, a copy of which I have here at my desk if anyone wishes to examine it, conclusively established that not only is small arms ammunition safe to handle, but that large quantities can be transported and stored without any hazard even though subjected to rough and careless handling, falls, shock, or fire. The following description of numerous tests showed that ammunition is not hazardous under extreme conditions and lays to rest the thought that it is manufactured in such a way as to warrant any "defective" language:

First. In a so-called "drop test," a 1,500-pound hammer was dropped 2 feet onto a case of regularly loaded and packed ammunition. Another kind of "drop test" was to drop such a case of ammunition 30 feet onto a concrete floor. In both instances the shock produced no explosion or other phenomenon creating a hazard.

Second. Shock and flame tests were likewise made. These tests included the firing of a heavy charge of big shot from a 4-bore shotgun at a short distance into cases of ammunition. Similarly, a case of ammunition was subjected to prolonged exposure to fire and heat from a gas blowpipe focused directly on the case. No serious or general explosion resulted. In fact, in the latter test a man stood with his hand on the case of ammunition during the time it was exposed to the direct flame. No hazard to bystanders resulted.

The adoption of my amendment to S. 644, will do the following:

First. Deny CPSC any jurisdiction over firearms, ammunition, and their components.

Second. Reaffirm the intent of the Senate expressed on May 14, 1975, when it adopted my amendment to S. 200, the Consumer Protection Act, denying the proposed Agency for Consumer Advocacy any jurisdiction over firearms, ammunition, and their components.

Third. Make the Senate language similar to that already adopted by the House Interstate and Foreign Commerce Committee in H.R. 6844, denying CPSC jurisdiction over firearms and related matters.

Fourth. Confirm the intent of Congress expressed in the Consumer Product Safety Act, that it alone will decide gun control issues.

Mr. President, the desired goal of denying any authority to the CPSC with regard to firearms and ammunition is shared by many of those in the Senate Committee on Commerce who reported this bill. However, the language of this bill, while achieving part of that goal, falls short. My amendment to S. 644 simply replaces the Senate prohibition language with the House language, which is clearer and more precise in its direction to the CPSC to prohibit their regulation of any aspect of firearms or ammunition. We have been down this same road when dealing with the bill to establish an Agency for Consumer Advocacy and I hope that those who voted to prohibit that Agency from dealing with firearms or ammunition can do likewise today.

Mr. MOSS. Mr. President, I thank the Senator from Idaho for his presentation of this amendment. As he indicated, I am a cosponsor. Therefore, obviously, I believe the amendment is proper and should be adopted.

When the Consumer Product Safety Commission was created, there was a considerable discussion about what its duties would be and what its limitations would be. One thing that was made very clear in the act establishing it is that it was not to deal with tobacco or tobacco products, since they were under the Surgeon General and already were being tested and examined and many things being done about tobacco. Therefore, this would simply be another agency and there would be overlapping and, possibly, confusion. But by reason of the fact that the Hazardous Substances Act was placed under the Consumer Product Safety Commission for administration, and since there was no such limitation in the Hazardous Substances Act, there was a finding by the court that the Consumer Product Safety Commission will have jurisdiction in this area. The amendment of the Senator from Idaho and the other cosponsors, including myself, is to go back to what the act originally said, that we will leave the tobacco matters over here, where they are being considered now, and not confuse the picture.

I am sure the Chair recognizes that I have a great interest in seeing that tobacco products are appropriately examined and curtailed within whatever the law is, but I am willing to agree that it does not serve that cause to have this matter in here. So that is stricken out.

On gun ammunition, we had almost the same situation occur. It came creeping in by reason of a court action saying that ammunition resided there. Again, we had excluded the jurisdiction for ammunition before. Now we are getting it creeping back in. Therefore, I am in agreement that that, too, ought to go out in order to keep clear the lines of jurisdiction.

One problem we have in a Federal Government as vast as the one we serve is that we get overlaps and more than one agency involved in the control of things that it seems to us ought to be under control. Therefore, in behalf of the committee and as floor manager of the bill, I am ready to accept the amendment of the Senator from Idaho.

Mr. McCLURE. Mr. President, I thank the Senator from Utah. I ask unanimous consent that the Senator from New Mexico (Mr. DOMENICI) be added as a cosponsor to this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McGEE. Mr. President, as a sponsor, I urge the adoption of the McClure-Moss amendment to S. 644. Clearly it was not the intent of Congress that the Consumer Product Safety Commission should have jurisdiction to ban the sale of ammunition or firearms by classifying them as hazardous products. The language in the bill as reported by the committee, unfortunately fails to make congressional intent precisely clear that the Commission will have no such authority. Adoption of the McClure-Moss amendment will leave no room for question.

Mr. President, as all of my colleagues in the Senate know, I vigorously oppose any legislation or amendment to the 1968 Gun Control Act which would impose further restrictions, including licensing or registration, on the ownership of firearms and ammunition for lawful purposes by sportsmen or collectors. If the volume of mail which I have received from my State of Wyoming is any indication, I am sure that a vast majority of my constituents share this view. To allow the Commission to assume jurisdiction in this area would be to permit "back door" legislation by way of administrative rulemaking. I, therefore, urge the adoption of the amendment.

Mr. HRUSKA. Mr. President, I rise in support of the amendment offered by the Senator from Utah and the Senator from Idaho to the bill, S. 644, which would prohibit the Consumer Product Safety Commission from intervening or participating in any activity that would restrict the maufacture or sale of firearms or ammunition.

The amendment is not a frivolous one, nor is it without substantial merit. The Consumer Product Safety Commission, established by the Congress in May 1973, has recently become involved in the regulation of handgun ammunition. Its involvement is fraught with difficulty and controversy, and at the present time is subject to judicial interpretation and administrative review. Let me briefly summarize the status of this matter.

In June 1974, the Consumer Product Safety Commission received a petition from the Committee for Handgun Control, Inc., to ban the sale of handgun ammunition to the general public. The Commission decided on September 5, 1974, to deny the petition on the grounds that it did not have technical jurisdiction over handgun ammunition. In denying the petition of the Committee for Handgun Control, Inc., the Commission stated:

> Nevertheless, the Commission does not believe that Congress, in establishing the Commission and transferring to it the authority to administer the FHSA, *intended* to confer upon the Commission the authority to ban handgun bullets as requested by and for the reasons cited by the petitioner. This belief is based upon a careful review of the provisions of the Federal Hazardous Substances Act and its legislative history. The practical effect of the requested ban on handgun bullets, if successful, would be a

virtual ban of handguns. There is clearly no authority under any act which the Commission administers to regulate handguns.

U.S. District Judge Flannery, however, overruled this decision and held, on December 19, 1974, that the Commission must consider the petition on its merits. See *Committee for Handgun Control, Inc.* v. *Consumer Product Safety Commission, et al.*, Civil Action No. 74–1387 (D.O.C.). In reaching his decision Judge Flannery allowed that—

> If the Commission remains convinced that Congress would object to the Consumer Product Safety Commission giving consideration to the merits of plaintiff's petition, the proper course is for the Commission to seek clarification from Congress. (supra)

In addition, the office of general counsel, Consumer Product Safety Commission, in responding to a request by the Commission for a memorandum on the question of handgun bullets as a "hazardous substance" recommended that the Commission decide that it has jurisdiction over handgun bullets. The Commission, however, meeting on September 6, 1974, rejected that recommendation and stated that in its view, Congress had not "intended" to confer upon the Commission the authority to ban handgun bullets as "hazardous substances."

As I have indicated, however, Judge Flannery rejected the Commission's finding and looked to a "plain reading of the statute" test to decide against the Commission. He also ruled that the Commission reconsider the petition on its merits. To comply, the Commission, on February 14, 1975, published the petition in the Federal Register and solicited written comments from all interested persons and groups for a period of 60 days. In the period between February 14 and April 15, 1975, the Commission was inundated with letters and comments from respectable citizens who registered their opposition to the court's decision on handgun ammunition regulation. I know this is true because I received hundreds of letters and postcards expressing opposition to the decision and also copies of letters sent to the Commission. I am sure that many of my colleagues in the Senate have received similar letters, both in number and in opposition to this ruling.

Mr. President, subsequent to Judge Flannery's December 19 ruling, Congressman John D. Dingell, of Michigan, Senator Ted Stevens, of Alaska, and others, filed motions with the court seeking to intervene as parties to the action. The Consumer Product Safety Commission did not file papers concerning these motions. Additional motions filed by the three parties included those which would have had the court vacate the order that the Commission undertake a consideration of the merits of the petition. The motions to intervene were denied on February 14, 1975, by Judge Flannery. The motions to vacate were not considered since the intervention was denied.

In addition, a number of bills have been introduced in the Congress to prohibit the Consumer Product Safety Commission from restricting the sale or manufacture of firearms or ammunition. These bills include S. 143, sponsored by the Senator from Idaho (Mr. McClure), and S.1007, sponsored by the Senator from Kansas (Mr. Dole). Each of these measures prohibits the Consumer Product Safety Commission from issuing any regulations or orders restricting the sale or manufacture of firearms, firearm ammunition, or ammunition.

Similar measures have been offered in the House.

Mr. President, the amendment offered by the Senators from Utah and Idaho has a reasonable and justifiable basis with regard to the Consumer Product Safety Commission. The recent legal controversy involving the Consumer Product Safety Commission justifies the Congress taking this action. This amendment provides a necessary and responsible act by the Senate in view of the current status of this matter. It should be adopted.

Mr. HATFIELD. Mr. President, I am cosponsoring the McClure amendment, because I do not believe the CPSC should be involved in regulating such a sensitive issue as ammunition controls in any form. At the same time, I am aware that currently the CPSC can require certain labeling on ammunition packages. I understand both a warning about keeping the ammunition out of the reach of children, as well as the name of the manufacturer, currently appear on ammunition packages.

I want to stress to ammunition manufacturers that they not misread the thrust of what we who support this amendment hope to accomplish. This is not a signal of approval for manufacturers to remove these labels.

I hope that, if the amendment passes, ammunition manufacturers will continue this same modest labeling that is now used. To drop these labels would be to invite Congress to get involved to a greater degree.

While I support the amendment, I repeat that I hope that manufacturers of ammunition take heed of this warning about the current labeling.

The bill itself is one that will clarify the CPSC responsibilities As a cosponsor of S. 1000, which is incorporated in the bill, S. 644, now before us, I am pleased that the uncertainty regarding CPSC's role investigating ammunition will be cleared up. This is not an issue that should be delegated to a faceless bureaucracy. For some Washington bureaucrats, the three "R's" of rules, regulations, and redtape govern all their actions. Creeping bureaucratitis is encroaching on more and more areas of public activity.

Mr. McCLURE. I yield back my time.

Mr. MOSS. I yield back my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment as modified.

The amendment was agreed to.

Mr. McCLURE. I move to reconsider the vote by which the amendment was adopted.

Mr. MOSS. I move to lay that on the table.

The motion to lay on the table was agreed to.

Mr. HOLLINGS. Mr. President, I have an amendment at the desk which I ask the clerk to report.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk proceeded to read the amendment.

Mr. HOLLINGS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

> On page 16, line 5, delete the sentence beginning with the words "Upon a proper showing that," and insert in lieu thereof the following: "Upon a proper showing that, the Commission has sufficient grounds to justify its belief that the product contains a substantial product hazard, that enjoining the distribution in commerce is necessary to protect the public from a substantial risk of injury, and weighing the equities and considering the Commission's likelihood of ultimate success, such action would be in the public interest, and after notice to the defendant and opportunity to respond, a preliminary injunction may be granted without bond.".

Mr. HOLLINGS. Mr. President, I have checked this particular amendment through with the manager of the bill and with the minority side.

This amendment is designed to clarify the meaning of subsection 7(c) (3) as reported by the Commerce Committee. It does so by revising the last sentence of that subsection, making it clear that prior to the issuance of a preliminary injunction on distribution of a product in commerce, the Commission must make an affirmative showing that it is acting upon sufficient evidence both as to the sufficiency of the hazard and the necessity for removing the product from the market as the only means of adequately protecting the public from substantial risk of injury. Further, the defendant would have prior opportunity to respond to this showing.

Under present law, the Commission has the authority to seize a consumer product which presents imminent and unreasonable risk of death, serious illness, or severe personal injury. That is section 12 and we agree with that section of the bill.

For products that pose, or may pose, a less serious risk, the original legislation establishes a program of industry self-policing, by vesting a responsibility upon the manufacturer to insure that his products are safe and to report any possibility of harm to the Commission and the public. This is a very desirable provision, one which I was actively involved in drafting and one which I strongly endorse. I think it captures the appropriate philosophy of regulation; namely, to vest as much trust and responsibility as possible in the person being regulated.

However, it never was our intent that a preliminary injunction be granted just on the basis of a few complaints by consumers, without any kind of affirmative showing. There have been various articles—one recently in the U.S. News & World Report, for example—to the effect that peremptorily there have been preliminary injunctions granted without any affirmative showing, putting fine industries, out of business, and there is no recourse. We want to prevent that overreaction in this area.

The distinguished Senator from Utah has given us marvelous leadership in this particular field of product safety. We have a good product safety bill here, and we have a good law, due in main to his leadership.

However, I wanted to make it clear that these preliminary injunctions should not be granted unless there is an affirmative showing. I do not want to diminish in any fashion the Commission's authority under section 12 when there is a risk of death or serious illness or severe personal injury. In this amendment we are not trying to diminish that section or the self-policing provisions of section 15, when they are used.

S. 644 contains the Commerce Committee's recommendations for improving the original law, and I agree that one improvement is to grant authority to the Commission to obtain a preliminary injunction on the distribution of a product where the industry is unwilling to act on its own to limit such distribution, where the Commission has sufficient evidence that the product is substantially harmful and where the Commission can show that recall of the product is necessary as the means to adequately protect the public from substantial risk of injury.

In reporting the bill, it was our intent to specify these circumstances. However, upon further reflection of the language involved, subsection 7(c)(3), it is my concern that the court may not be given an appropriate amount of direction. Therefore, I would suggest by way of my amendment that we clarify the situation. By revising the last sentence of this subsection, we will make it clear to the court that it must satisfy itself that the Commission has sufficient grounds to justify its belief that the product sought to be enjoined contains a sufficient product hazard and that enjoining the distribution of the product in commerce is necessary to protect the public from a substantial risk of injury.

It was never our intent to allow the Commission to seek, and the court to grant, an injunction based upon a few complaints by consumers or upon inadequate and insufficient evidence. The subsection as rewritten by this amendment would confirm that such lack of evidence could not lead to an injunction.

Mr. MOSS. Mr. President, if the Senator from South Carolina will yield, I appreciate his amendment. I think it offers some clarification.

By his statement that it was "never our intent to seek for the court to grant an injunction on a few complaints by consumers or upon inadequate and insufficient evidence," I take that at its face value and I assume he does not mean to imply that it is necessary for the Commission to wait until there are "bodies piled up," as we commonly say, before proceeding.

For example, if the Commission had conducted an engineering analysis which indicated the product contained a substantial product hazard, that would be sufficient, would it not?

Mr. HOLLINGS. That would be sufficient. We want some kind of engineering analysis, some kind of competent evidence, some kind of affirmative showing. But certainly, as the distinguished chairman has pointed out, we do not want the "bodies to pile up," and that is the intent of the original law as well as this bill.

While it is our desire in legislation such as this to protect the consumer to the maximum possible extent from harm caused by products, we must be mindful of the serious repercussions which can stem from issuance of a preliminary injunction. For small companies with limited resources and few product lines, it could mean bankruptcy. It is incumbent upon us to preserve in our regulatory legislation, a strong responsibility and accountability on the part of the regulators to insure that their authority is not abused. The public interest is protected when all our citizens, individuals, and businesses alike, are treated fairly and even-handedly by our laws and by our Government. Accordingly, I urge the adoption of this conforming amendment and I understand that the floor manager of the bill is willing to accept it.

Mr. MOSS. I thank the Senator. I am glad to accept his amendment.

Mr. HOLLINGS. I thank my distinguished friend.

I yield back the remainder of my time.

Mr. MOSS. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from South Carolina.

The amendment was agreed to.

AMENDMENT NO. 685

Mr. MOSS. Mr. President, the Senator from Idaho (Mr. CHURCH) has an amendment that is at the desk and I ask that it be stated.

The PRESIDING OFFICER. The clerk will report.

Mr. MOSS. It is very short so I think the clerk should read the entire amendment.

The assistant legislative clerk read as follows:

On page 13, between lines 4 and 5, insert the following new section:

"PROMULGATION OF RULES

"Sec. 6. Section 9(b) of the Consumer Product Safety Act (15 U.S.C. 2058(b)) is amended by adding at the end thereof the following: "The Commission shall also consider the special needs of elderly and handicapped persons to determine whether they would be adversely affected by the promulgation of any rule.' ".

On page 13, line 6, strike out "Sec. 7" and insert in lieu thereof "Sec. 8".

On page 16, line 12, strike out "Sec. 8" and insert in lieu thereof "Sec. 9".

On page 17, line 2, strike out "Sec. 9" and insert in lieu thereof "Sec. 10".

On page 17, line 12, strike out "Sec. 10" and insert in lieu thereof "Sec. 11".

On page 19, line 12, strike out "Sec. 16" and insert in lieu thereof "Sec. 12".

Mr. MOSS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time?

Mr. MOSS. Could it be divided equally?

The PRESIDING OFFICER. Without objection, it is to ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MOSS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection——

Mr. ALLEN. I object.

The PRESIDING OFFICER. Objection is heard.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. CHURCH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. CHURCH. Mr. President, the purpose of this proposal can be simply stated:

It would direct the Commission to take account of the special needs of the elderly and handicapped persons when promulgating regulations.

The need for this type of attention has become clear to me in my capacity as chairman of the Senate Committee on Aging.

That committee has taken testimony describing, sometimes in gripping detail, the waning of physical powers which quite often accompanies the aging process.

At hearings on architectural barriers, for example, the committee learned of the special problems that glass partitions or doors can cause persons who have failing eyesight. Even certain colors can be misconstrued by older persons who have fairly common vision problems. Hearing loss can cause other difficulties, in buildings and in streets.

It is no wonder, then, that older persons quite often retreat to their own homes in the face of an outside environment they regard as hostile. Society can fight that fear to a limited degree by designing more hospitable buildings and by recognizing the special needs of the elderly and the handicapped in other ways.

But the older or handicapped person in his own home can face hazards from the very products meant to provide convenience. An electric fan, for a person with limited vision, can be a hazard. Wall-heaters and can openers can cause difficulties. For some time now, I have also been concerned about the new "child-proof" packaging regulations ordered by the the Product Safety Commission. The intent is to protect children from opening prescription drugs and swallowing potentially dangerous substances. But sometimes an older person, particularly one who has an arthritic condition, can be thwarted to the point of desperation.

I remember one particular elderly constituent of mine. This woman was ill and required medication regularly. When she could not budge the "child-proof" lid, she actually smashed the bottle with a hammer.

It is true that the Commission has made it possible for consumers to have their choice of the "child-proof" lid or a traditional one. But I think it is also true that many consumers do not know this, nor do many pharmacists. My amendment would, in effect, instruct the Commission to be more sensitive to this and other matters of special concern to the elderly.

I think my amendment will help the Commission perform its important functions more responsively and I urge its adoption.

Mr. MOSS. Mr. President, I think the Senator from Idaho has presented a very good, clarifying amendment to the bill. I worked with him on the Aging Committee and I am very conscious of the protection he is trying to provide for those people who have special circumstances. One such is aging, the other is if they are ill or crippled or have other defects in physical well-being.

Therefore, I am perfectly willing to accept the amendment. I think it improves the bill.

I yield back my time.

Mr. STEVENS. I do not have any time, but I would be happy to state that we have no objection on this side of the aisle to the amendment of the Senator.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Idaho.

The amendment was agreed to.

Mr. MOSS. Mr. President, the Senator from Mississippi (Mr. STENNIS) has what really is a perfecting amendment, a very brief amendment, which I send to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

> On page 17, line 10, immediately after the word "is" insert "necessary and".

Mr. MOSS. Mr. President, this is a very simple amendment. The language reads now, "is in the public interest." He simply clarifies it to say "is necessary and in the public interest."

I think this is a reasonable and desirable clarification of the bill. For that reason, I am willing to accept the amendment of the Senator from Mississippi.

I am glad to yield to my colleagues if they have any comment.

Mr. STEVENS. I see the amendment as a perfecting amendment, also, and certainly have no objection to the amendment of the Senator from Mississippi.

Mr. MOSS. Therefore, Mr. President, I yield back the time both on behalf of the Senator who presented the amendment and on behalf of the manager of the bill.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Mississippi.

The amendment was agreed to.

Mr. STEVENS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time?

Mr. STEVENS. To be charged equally against both sides.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. PEARSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PEARSON. Mr. President, if I may have the attention of the manager of the bill. As a matter of clarification, and because there were substantial questions raised in separate minority views on this bill, it is my understanding that under S. 644, as reported by the Commerce Committee, the jurisdiction of the Consumer Product Safety Commission would be limited to those acts which are enumerated in the report on the bill on page 11. That, in addition to the Consumer Product Safety Act, those acts include the Federal Hazardous Substances Act, the Poison Prevention Packaging Act, and the Flammable Fabrics Act.

I understand the amendment just taken, the so-called Stennis amendment, would have reference to those other acts and that the Commission is limited to the jurisdiction that is provided by those acts which are enumerated on page 11 of the report, is that correct?

Mr. MOSS. Mr. President, that is my understanding. I am sure that the import of the bill is that the Consumer Product Safety Commission may act only under the enumerated acts, although it may choose which of those acts to use when it proceeds.

What the amendment of the Senator from Mississippi did was to require that such action is necessary and in the public interest.

The concern of the Senator from Kansas is a valid one. If we were opening this wide open and they could sit there and pick any act that they wanted to, then there would be no restriction of jurisdiction that would prevent their abuse. But it is my understanding, and I certainly believe, that the act as drawn limits them to administering the terms of the three enumerated acts in addition to the Consumer Product Safety Act itself.

Mr. PEARSON. And if the Senator will yield further, there is ample notice to anyone subject to the regulations as to which act the Commission is proceeding under?

Mr. MOSS. That is true. He is entitled to be notified in advance as to which act they will proceed under. That is correct.

Mr. PEARSON. I thank the chairman and commend the Senator. I think that clears up the question I had in my mind.

Mr. MOSS. I thank the Senator.

Mr. President, the Senator from New York is not able to be here but is expected to be here in about 20 minutes.

RECESS UNTIL 12:05 P.M.

I move that the Senate stand in recess until 12:05 p.m. today.

There being no objection, the Senate, at 11:40 a.m., recessed until 12:05 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. LEAHY).

The PRESIDING OFFICER. Who yields time?

Mr. HRUSKA. Mr. President, I call up my amendment which is at the desk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

> The Senator from Nebraska (Mr. HRUSKA) proposes an amendment: On page 16, between lines 12 and 23, delete Section 9 in its entirety, and redesignate and renumber all subsequent sections appropriately.

Mr. HRUSKA. Mr. President, I yield myself 10 minutes.

This amendment seeks to delete section 9 of the bill. That section has to do with the capacity of parties to conduct litigation for enforcement of this act.

The first part of section 9 has to do with the enlarging of the capacity of the Commission to conduct its own litigation by deleting the words "with the concurrence of the Attorney General," so that it will no longer be necessary for the Commission to get the permission of the Attorney General to institute litigation and to conduct it. They may do so under their own power, their own will, and without any hindrance from the U.S. Department of Justice.

The following section is similar in that regard, in that it provides that the Commission may designate its own legal representatives and be represented in court by them. That is subject only to a period of 45 days delay, during which the Attorney General has the right to indicate whether he will or will not assume jurisdiction of the case and prosecute.

Mr. President, this raises a very important issue, because it goes to the proposition as to who should control Government litigation. If the control is fragmented into contradictory and competing branches of the Government, the result is not good. A division of the control of litigation would lead to much duplication of effort, and result in increased costs as well as a great deal of confusion in Government policy.

The public—the consumers, the taxpayers, all citizens—are entitled to a Government that will function with a united national policy, one which will not place undue and unnecessary burdens or needless expenditure of taxpayers' funds, time, or general dispositon.

The general public has a right to be protected from the confusion, chaos, frustration, and uncertainty which would come about if we abandoned the general proposition that Government litigation generally should be vested in the Department of Justice. There are four basic reasons why the policy of confining the control of litigation to a central office is very important.

The first reason is to present a uniform position on all important legal issues to the court. Litigation through a proliferation of Government agencies would result necessarily in divergence, confusion, and a greater burden.

We know that in the past, client agencies have taken positions diametrically opposed to each other, and the real function and goal has been to resolve the conflicts, so that the Government would speak with one voice in the courtroom.

Second, test cases should be selected which will be consistent with the Government's viewpoint in the best possible light. Without the Department of Justice to cull out cases which would be poor vehicles for judicial attention, it might take years to secure correct judicial rulings on key issues.

A third principle is to secure a greater objective in the filing and handling of cases. Agencies are affected litigants. They cannot always be trusted to view a case in the proper perspective, having in mind national policy considerations. This is without any discredit to their sincerity and to their desire to pursue the program which they have outlined for themselves. But, being so close to the issues, so close to the fact of any given case, and lacking that objectivity which an independent litigating legal staff would possess, it is considered well that this amendment be adopted and, therefore, the section deleted.

The fourth principle is this, Mr. President: To achieve better rapport with the courts, it is best to have litigation centered in one area, in one general office or department of the Government. The judges know and trust the Department lawyers who are in their courtrooms week in and week out, many judges, many courts have openly expressed their desire to have Government cases presented by Government attorneys as opposed to agency attorneys. By having the trial work handled by regularly assigned Department of Justice lawyers, the court, if displeased or concerned, knows that he can express himself to the U.S. attorney, whom he knows, and not to a name in Washington, D.C.

In conclusion, I say that to make the executive power effective and to permit the Government to take an express uniform policy position, there should be, within the executive branch, centralized control of Government litigation. The principles have been indicated.

It is important that the positions to be taken by a single agency on questions of general concern to the Government and all of its agencies reflect the overall interests of the entire Federal Government and the public and not just the interests of the particular agency as it sees it. It is for this reason that the amendment is submitted.

I reserve the remainder of my time, Mr. President.

Mr. MOSS. Mr. President, I rise in opposition to the amendment. It would delete from the bill one of the very important sections on which we have had long hearings and discussion, and would cripple, in large part the effectiveness of the Consumer Product Safety Act.

This bill does contain authority to allow the Consumer Product Safety Commission, under certain circumstances, to represent itself in enforcing various provisions of the Consumer Product Safety Act. Under section 8, the Commission would be required, first, to request representation from the Department of Justice. But if the Department of Justice did not, within 45 days—that is a month and a half—indicate its willingness to represent the Commission, then the Commission is authorized to designate its own attorneys for the purpose of pursuing a court action on behalf of the Commission.

It would allow the Commission or the Attorney General to go directly to court to restrain violations of the act. The committee reasoned that the 45-day provision is an appropriate length of time, because expeditious action is necessary in most cases.

There are several advantages to this type of enforcement program. We have found that the success of safety regulation programs often hinges on the time within which the enforcement is pursued. We are most likely to have achieved widespread compliance if those subject to the act recognize that there is a vigorous enforcement program.

We are all aware that the Department of Justice and the various U.S. attorneys have very limited resources. Cases arise where the Commission wants to seek an enforcement action, but because the U.S. attorney in the field is involved in other cases, the case is often refused. Refusal to bring the case is not because of the merits of the case, but merely because of the lack of available resources. With this authority to allow the Commission to go into court, an evenhanded assistance and enforcement policy for the Commission is thus assured. In addition, it will result in a more efficient enforcement program, because the Agency with the expertise, the Consumer Product Safety Commission, is authorized to present its own cases, rather than relying on the Department of Justice attorneys, who may not be as intimately familiar with the Commission's case as the Commission's own attorneys.

Provisions contained here are similar to the authority which this Congress recently granted to the Federal Trade Commission, and which the President signed into law.

The Federal Trade Commission Act is directed at unfair or deceptive acts or practices. This act we are discussing today is directed at public health and safety. In view of the more efficient scheme which would result from allowing the Commission to represent itself in court when the Attorney General chooses not to move, it seems to be just as compelling that the Consumer Product Safety Commission have this authority, as does the Federal Trade Commission, and as is provided in the Amtrak provision.

The Senator from Nebraska said that there were broad policy cases that Justice ought to be able to pick out. I do not disagree with that, except that we are not dealing here with broad policy cases. We are dealing here with health and safety regulations to protect people, the consumers of this country.

The history of the Department of Justice shows that it does pick and choose what it will litigate and often is accused of having some political leaning in that regard. This bill simply says that if the Department of Justice does not want to take a case, if it refuses a case, then the Consumer Product Safety Commission can go to court to protect the safety of the American consumer.

It seems to me that we have made the fullest kind of effort to give the Department of Justice the opportunity, if it wishes to do so, to take the case and present it in court, do with it whatever it is required to do under the law. But those cases would otherwise just die on the vine, and nothing would happen if Justice did not even reply or refused within the 45 days.

All of our commissions, including the Consumer Product Safety Commission, are very ably represented by counsel on the staff. These are the people who are working day after day with the problems. In fact, they are the ones who said, along with the Commission, that here was a violation of the statute. They are the ones who put the case together, as we say, in the first place, before it is referred over to Justice to bring an action into court. If Justice does not have the time or the personnel or the willingness or the desire to do so, these attorneys, who are fully qualified, could take it before a district court.

They are as well able to represent the position of the Government as is the Justice Department. There is no reason to believe that the court will not act on it in the same way, with the same rule requirements and the same sort of outcome. It simply means that, rather than let a lot of these cases wither and die on the vine, they could be disposed of in a judicious and expeditious fashion.

Therefore, I must resist the amendment and ask my colleagues to reject it.

Mr. HRUSKA. Mr. President, I yield myself 3 minutes.

The arguments made, of course, in opposition to this amendment have been anticipated by the text of my remarks made earlier. Mr. President, here we have an agency, a single agency, that has an appropriation in the range of $50 million. These funds will be used throughout the Nation to gather up evidence for the presentation of cases. The product of even that one agency has a potential of cluttering up many court days and many resources in the legal field. It would be multiplied by dozens and even scores of similar agencies all over America.

The time, therefore, of 45 days—a month and a half—surely is more than enough to consider a single case. It is reasonable to consider hundreds of cases that come along the pike during any given period of time, even as short as 1 month or 90 days.

So then 45 days are of small consequence.

The advantages, of course, of having counsel, who are experts in the field, and so on, has already been referred to. Of course, they are experts, but they are also obsessed with the one viewpoint of advancing their particular segment of law enforcement in this particular field, and they do not have the perspective that the Department of Justice attorneys have or that the Department of Justice, as a matter of policy, has.

If we are going to have a national policy on matters such as this, it must emanate from a common source. It cannot spring by some magic process from scores of attorneys who will be bringing suits throughout the 50 States, and in as many district courts. That is why it is necessary to concentrate and to mold the tenor and the subject and scope of litigation that will be pursued.

Mr. President, I would be happy to

yield back the remainder of my time if the Senator is prepared——

Mr. MOSS. I would be glad if I could just have a moment or two to reply.

Mr. President, I appreciate what the Senator from Nebraska has to say, and he made a very eloquent argument.

I might point out that we are not talking about bringing big cases of policy. We are talking about those involving the health and safety of the American consumer, and if a violation has occurred it ought to be remedied as quickly as possible.

The attorneys for the commission are experts, all right; they know their business, and the Senator seemed to indicate they may be a little bit overzealous. But, actually, before going into court this ought to be a recommendation that they do present their case as fully and as thoroughly and with as much expertise as they can because the decision is not going to be theirs, it is going to reside in that Federal judge sitting up on the bench. He will hear all of the evidence, make the determination and ruling, whatever it is and, presumably, both sides will be adequately represented in the litigation.

So I do oppose it, and I understand the Senator is ready to yield back his time. I will be glad to yield back my time.

The PRESIDING OFFICER. Do the Senators yield back their time?

Mr. STEVENS. Mr. President, yielding myself time on the bill for just a short comment, having been a U.S. attorney, I share the feelings of the Senator from Nebraska.

It is very difficult for those people who serve the judicial system, either as advocates or on the bench, to know what the position of the Federal Government is, when we diversify the approach, as we have done here and in the FTC.

However, in the FPC Congress has decided the matter, and while I share the feelings of the Senator from Nebraska, I do not think he intends to get a rollcall vote. We know the position of the Senate and of Congress on the matter. I do believe we have a duty to record our objections to the continued fractionalization of the representation of the Federal Government in our courts, and I applaud him for having done so.

We have done the best we could in committee in view of the circumstances and the feelings that exist. There is a 45-day period to give the Attorney General time to take jurisdiction if he wishes to do so. That is like the sword of Damocles over the U.S. attorney. Forty-five days are a short period of time, when you are sitting out at the end of the judicial pipeline, waiting to get an answer from Washington as to whether you will or will not represent an agency such as this in court. That is really where the decision is made, on the firing line where the U.S. attorney is being confronted by someone from the agency saying, "Take this to court. If you do not, we will," and you have got to get an answer in 45 days.

I hope that some day we will review what we have done and again centralize the representation of the United States in the courts so that there is a proper marshaling of not only the viewpoints and of the legal positions, but also of the manpower involved in representing the Federal Government.

But while I agree, I certainly would not press for a vote. I hope——

Mr. HRUSKA. That is correct.

Mr. STEVENS. I hope my friend from Nebraska will not, but I do think it is proper to record the feelings of those of us who feel we have gone too far in fractionalizing the representation of the United States in court.

Mr. ALLEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time?

Mr. ALLEN. Equally divided. The time was yielded back. I do not have to be on anybody's time if all time has been yielded back.

The PRESIDING OFFICER. Time has not been yielded back on the amendment.

Mr. ALLEN. It has not been yielded back?

The PRESIDING OFFICER. It has not been yielded back.

Mr. STEVENS. If all time has been yielded back on that amendment, I have an amendment which I offer at this time.

Mr. ALLEN. If all time has been yielded back, I suggest the absence of a quorum.

The PRESIDING OFFICER. It has not been yielded back.

Mr. ALLEN. Very well.

The PRESIDING OFFICER. Who yields time?

Mr. MOSS. I suggest the absence of a quorum with the time equally divided on the amendment.

Mr. STEVENS. On the amendment, not on the bill.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MOSS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. McGEE). Without objection, it is so ordered.

Mr. MOSS. Mr. President, I ask unanimous consent that S. 644 remain the business of the Senate until the bill has been disposed of.

The PRESIDING OFFICER. Is there objection?

Mr. STEVENS. Mr. President, reserving the right to object, it is my understanding there is a time limit on the bill.

The PRESIDING OFFICER. Will the Senator use his microphone?

Mr. STEVENS. That there is a time limit on the bill, and on the amendments, and when that time expires, S. 644 will have to be disposed of. Is that correct?

The PRESIDING OFFICER. If there are no other amendments to be offered and when the time is up, then the answer is, "Yes."

Mr. STEVENS. I have no objection.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The PRESIDING OFFICER. The pending question is on agreeing to the amendment of the Senator from Nebraska. All time has expired.

Mr. ALLEN. Mr. President, I call for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? Will those who are seconding, please raise their hands so that the clerk may count?

Mr. ALLEN. Mr. President, I will withdraw the request.

The PRESIDING OFFICER. There is not a sufficient second.

Mr. ALLEN. I withdraw the request.

Mr. MOSS. Will the Chair put the question?

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Nebraska.

The amendment was rejected.

The PRESIDING OFFICER. The bill is open to further amendment.

The Chair recognizes the Senator from Alaska.

Mr. STEVENS. Mr. President, I have an amendment at the desk for myself and Senator Moss.

The PRESIDING OFFICER. The clerk will state the amendment.

The legislative clerk read as follows:

On page 8, before line 1, insert the following and redesignate subsequent sections accordingly.

(d) The Consumer Product Safety Commission shall make no ruling or order that restricts the manufacture or sale of firearms, firearms ammunition, or components of firearms ammunition, including black powder or gunpowder.

Mr. STEVENS. Mr. President, in the course of consideration of this bill in the Committee on Commerce, the committee, at my request, added this language to the bill. It pertains to a problem that occurred because the U.S. district court ordered the Consumer Product Safety Commission to accept jurisdiction over an action that involved the sale and distribution of firearms contrary to the Commission's own ruling that it had no such authority.

We have now made it plain again in this bill that the Commission does not have authority. The amendment of the Senator from Idaho (Mr. McCLURE), which was cosponsored by the manager of the bill (Mr. Moss) and myself, makes that clear.

The PRESIDING OFFICER. And the Senator from Wyoming.

Mr. STEVENS. And the Senator from Wyoming.

The problem is, having tried to make it clear once already, I think we ought to make it very clear that if for some reason the court again is asked to force the Commission to act, that the Commission cannot make an order concerning the restriction of the manufacture or sale of firearms, firearms ammunition, or components of firearms munition, including black gunpowder and gunpowder.

Now, there are other mechanisms to deal with this subject, but this Commission should not have that jurisdiction.

We have tried to make that plain in the jurisdictional section. This is a prohibition against any ruling or order of the Commission in that area. I am hopeful the manager of the bill will allow me to put it back into the bill. As he will recall, it was a separate section before the other section was added to the bill and it was combined with the other section that was deleted.

Mr. MOSS. Mr. President, earlier, when the amendment was being presented by the Senator from Idaho, we tried to make it very clear that this was to remove jurisdiction over firearms and firearms ammunition or components of firearms. The Senator from Alaska wants to, in effect, reinforce this still further. I agree with him. I simply want to point out that this does not take away jurisdiction over fireworks, the display fireworks, firecrackers, things of that sort. This is confined to firearms where a gun is discharged and a missile ejected. It has to do with that kind of a firearm, the ammunition and component parts of which might be black powder or whatever they are using for loading muzzle-loading types.

With that clarified, I certainly do support it. I am willing to accept it. If it has to do with fireworks, it is not encompassed by this.

Mr. STEVENS. We have not asked for the yeas and nays yet.

If the Senator will yield, something has been pointed out to me. Reference to black powder is black powder for firearms. I would ask to modify my amendment to include, after the words "black powder" the words "for firearms."

The PRESIDING OFFICER. The amendment is so modified.

Mr. STEVENS. I think that is very important. We are coming into the Bicentennial time. There are many people throughout the country who will be using these muzzle-loaders and other guns in demonstrations and what-not concerning the 200th anniversary of the country.

That is what this is for, to make certain they can acquire, transport, use and buy the black powder for the firearms. It is not black powder for firecrackers. It is not black powder for anything else. It is black powder for firearms.

Mr. MOSS. Will the Senator accept the modification of putting those words "for firearms" in right after "gunpowder," so that it reads "black powder or gunpowder for firearms"?

Mr. STEVENS. It seems too redundant to me, but it does not make any difference.

Mr. MOSS. Well, gunpowder might be used in fireworks. That is all.

Mr. STEVENS. May I inquire, may I modify that——

The PRESIDING OFFICER. The Senator has the right to modify it in those terms. It is the Chair's understanding that the Senator takes it out after "black powder" and puts it in after "gunpowder."

Mr. STEVENS. The Chair is correct.

The PRESIDING OFFICER. The Chair is still unclear as to what it means, but that is irrelevant.

The amendment, as modified, is as follows:

On page 8, line 1, insert the following and redesignate subsequent sections accordingly.

(d) The Consumer Product Safety Commission shall make no ruling or order that restricts the manufacture or sale of firearms, firearms ammunition, or components of firearms ammunition, including black powder or gunpowder for firearms.

Mr. STEVENS. Let me explain to the Chair that we were talking about including in the phrase "firearms, firearms ammunition, and components of firearms ammunition, the component is black powder." I felt that when I was referring to firearms and firearms ammunition and components of firearms ammunition including black powder ammunition, it was clear that I was talking only about black powder and gunpowder for firearms. But in order to make certain, I am willing to put "for firearms" so that the phrase now reads, "including black powder or gunpowder for firearms."

The PRESIDING OFFICER. The Chair rules that it is perfectly clear.

Mr. MOSS. I yield back the remainder of my time.

Mr. STEVENS. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment, as modified.

The amendment, as modified, was agreed to.

AMENDMENT NO. 693

Mr. BUCKLEY. Mr. President, I call up my amendment No. 693 and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

Mr. Buckley, for himself and Mr. Tower, proposes an amendment numbered 693.

The amendment is as follows:

ACCOUNTABILITY

Sec. 11. (a) Section 2680(a) of title 28, United States Code is amended by striking out "abused," at the end thereof and inserting in lieu thereof the following: "abused, except as otherwise provided. Such provisions shall apply to any claim based upon any misrepresentation, deceit, or the exercise or performance or failure to exercise or perform a discretionary function or duty on the part of the Consumer Product Safety Commission or any employee thereof, if such exercise, performance or failure is determined, as a matter of law, to be unreasonable with respect to the discretionary function or duty involved: *Provided*, That (1) such determination shall be based upon consideration of all the relevant circumstances and factors, including, but not limited to, the statutory responsibilities of the agency and the public interest in encouraging rather than inhibiting the exercise of discretion, (2) such claim may not be made with respect to any agency action as defined in section 551 (13) of title 5, United States Code, and (3) an action is instituted upon such claim after the date of enactment of this sentence.".

The PRESIDING OFFICER. May I inquire, is this the amendment on which there is to be 2 hours of debate?

Mr. BUCKLEY. This is that amendment. I will assure my colleagues that there will not be 2 hours of debate. I do not think we need to go that long.

Mr. STEVENS. Will the Senator yield for an inquiry?

Mr. BUCKLEY. Yes.

Mr. STEVENS. I would like to state my understanding and state a parliamentary inquiry. I understand the time is equally divided between the Senator from New York and the manager of the bill, if the manager opposes the amendment. I would like to know, if the manager is not going to oppose the amendment who is in control of the time?

The PRESIDING OFFICER. If the manager of the bill favors the amendment, either the minority leader or his designee.

Mr. MOSS. Mr. President, I might say that with some modification I might favor the amendment, but I oppose it in the language that it is now offered and I will suggest an amendment to the amendment at the appropriate time.

Mr. STEVENS. It is my understanding that under those circumstances the Senator from Utah controls the time?

The PRESIDING OFFICER. Under those circumstances the Senator from Utah controls the time until such time as he may amend it and thus favor the amendment.

Mr. MOSS. I thank the Chair.

The PRESIDING OFFICER. The Senator from New York.

Mr. BUCKLEY. Mr. President, I am aware that a number of the Members of this body are anxious to see if we can bring the debate to an early termination. After making a unanimous-consent request, I would be willing to listen to any proposal that the distinguished Senator from Nevada has and perhaps I would find it acceptable to accelerate the consideration of this matter.

The PRESIDING OFFICER. Will the Senator from New York make clear for the Chair's benefit which Senator he is alluding to, the Senator from Nevada or the Senator from Utah?

Mr. BUCKLEY. The Senator from Utah.

The PRESIDING OFFICER. I did not want confusion on that.

Mr. BUCKLEY. Absolutely.

I ask unanimous consent at this time that the Senator from Oklahoma (Mr. Bartlett) be added as a cosponsor of my amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BUCKLEY. Mr. President, I shall begin with the briefest description of what my amendment attempts to do. That is to redress an imbalance that has grown over the years between the power of the regulator, which means the Federal Government, and the power of the regulated, meaning the various private parties, firms, and individuals, who find themselves subject to regulatory decisions that are necessarily often arbitrary in nature. Sometimes these decisions result in significant damage, tort damage, to the regulatee that is somehow not covered by the Administrative Procedure Act.

The title of S. 644, "The Consumer Product Safety Commission Improvements Act of 1975," is certainly timely in today's regulatory climate. Few now believe that there is no role for Government in regulating certain commercial activity. Indeed, in areas such as product safety, over which the CPSC has jurisdiction, it is widely believed that the Government should serve a regulatory role.

But while accepting the Government's regulatory role, we in the Congress should always bear in mind that improvements can be made in our regulatory agencies and commissions which will make regulation more effective and responsible.

The basis for the development of the Government's regulatory function has been the proposition that the Nation's public authority has a role to play in making certain economic decisions. Although different people have divergent views as to how active the Federal Government should be in this regulatory role, few would argue that, in the development of this function, the Nation has not achieved something of a peaceful revolution.

This revolution has altered the fundamental methods by which the economy operates. In addition, few would argue that the changes have been perfect. In all too many instances, the Government has either gone too far or not far enough. But the regulatory revolution has not ended. Government regulation is subject to continuous reform. And to date, the Congress has shown a great willingness to confront and reform those regulatory conditions which are in need of improvement.

The Senate Committee on Commerce has made an admirable attempt in this regard by drafting several amendments to the Consumer Product Safety Act and the several acts which come under the jurisdiction of the CPSC. The Committee realized that, although in general it was satisfied with the past activities of the Commission, certain changes in its methods of operation could make it more responsive to the needs of society and the will of the Congress. Section 3(c) is a fine example of this. It was never the intention of Congress to achieve a form of gun control through the regulations of an agency established to protect the consumer from defective and hazardous consumer goods.

In addition, a large segment of the American public is opposed to almost any form of gun control, and would be enraged by achievement of such control through the backdoor approach of banning the sale of ammunition as a hazardous substance. Yet because of deficiencies in the initial act, this is exactly what the Commission is being forced to do by the courts.

The corrective measures taken in section 3(c) to remove firearms and ammunition from the jurisdiction of the CPSC are commendable in this respect and serve to illustrate that, since Congress cannot always know all potential repercussions of its regulatory legislation, improvements must often be made over time to insure that the will of Congress is being pursued by the regulatory commissions.

As a member of the Commerce Committee, I have also examined the governmental regulatory structure in order to define areas in which improvements could be made, both generally and specifically. One such area which I believe is extremely important is the shield of sovereign immunity around governmental regulatory functions. I had a brief chance to discuss my concerns with this concept within the Commerce Committee. Although several committee members expressed interest in my ideas, they asked, in the interest of time, if I would introduce my amendment on the Senate floor. I have, therefore, introduced amendment No. 693 and have cosponsored an amendment on recovery of legal expenses with the Senator from Michigan (Mr. HART), which would make necessary improvements in this area.

The concepts embodied in this amendment stem from several concerns, the most important being the imbalance in power arising out of the disparity in size and resources between the regulator—namely the Federal Government—and the regulated—namely the private individuals and firms who are subject to regulation. In the past, one of the primary motivations for reform has been the perception that the disparity in size as between, say, business and consumers, has created an imbalance in power between these groups. It was in part to right this imbalance that the Government regulatory function grew.

But as Government grew larger in the course of this development, a new imbalance was created—an imbalance between the regulator—Government—and the regulated.

This may not in and of itself be bad, but it does create conditions to which the Congress should address immediate attention.

Another concern underlying this amendment is the alienation of the general public from its government. We are all familiar with the polls which illustrate the low esteem and respect in which the average citizen holds his Government. This alienation is due in a large part to the enormous size of Government. The individual no longer feels capable of dealing with a government of such large proportions. And since the trend has been toward an increasingly larger Federal Government, there seems little prospect of this problem going away by itself.

Somehow we in Congress must make the American public believe that its Government is not bulldozing over it. Individuals must know that they can deal with their Government, that when they come head to head with Government in a conflict, they will be assured the opportunity to receive justice.

My proposal, would be one small step toward making Government more responsive to its citizens. The basic concept of my amendment is to remove the shield of sovereign immunity from Government regulatory functions; in this particular case, from the discretionary functions of the Consumer Poduct Safety Commission. We have all observed serious inequities between Government and private parties in the resolution of administrative and judicial actions instituted by regulatory agencies and commissions. The Government has vast power, through its discretionary actions, over private parties. If it abuses this power, it can cause these private parties substantial damage.

But unlike a similar situation between private parties, if the Government damages an innocent private party through an inappropriate or incorrect discretionary actiton, the private party has only limited means with which to seek compensation for the injury it has sustained as a result of Government negligence or arbitrary action. Current law under the Federal Tort Claims Act shields Government from accountability under the law for its discretionary functions—in short, policy decisions and the consequences thereof. This is accomplished by allowing the Government to plead the defense of sovereign immunity in those cases where an injured private party resorts to legal action to redress what he views as an injustice.

My amendment would make the Consumer Product Safety Commission suable under the Federal Tort Claims Act by withdrawing from the Commission the right to frustrate a private party's suit by asserting the doctrine of sovereign immunity.

While it may not be the most important reason for including this amendment in the bill, I think it is important that we consider the likely consequences of legally holding the Commission to the traditional standards of reasonableness. We should expect that, within the dynamics of management, the recognition of the fact that actions taken might subsequently be subject to judicial review for damages caused should go to create conditions within which administrators view their acts with this possibility in mind. In a word, we would be putting teeth into what is inherent in such legislation: that the administrators should proceed prudently.

In strict legal terms, the language offered in amendment No. 693 amends section 2680(a) of title 28, the Federal Tort Claims Act, as it applies to the Consumer Products Safety Commission. So as he makes the Commission liable for damages arising out of any Commission act other than an "agency action" as defined in section 551(13) of the Administrative Procedures Act. An "agency action includes the whole or part of an agency rule, order license, sanction, relief or the equivalent or denial thereof, or failure to act." The reason for exempting "agency actions" as defined in section 551(13) is to eliminate the possibility that the language would inadvertantly create an alternate appellate process which would conflict with the procedures and standards set up under the Administrative Procedure Act and other relevant statutes.

Except for this procedural difficulty which could be overcome, I am not at all certain that the "agency action" exemption is justified. However, in the interests of moving slowly to consider what might be the appropriate standard against which all Government regulatory actions should be accountable at law, my amendment is restricted to those actions which are a product of procedures which are not acceptable under the APA. I do wish to reemphasize that reliance upon this restrictive language does not imply a withdrawal on my part from the commitment that Government should be held accountable for the consequences of its unreasonable action. The Congress should be prepared to address itself to this lack of a substantive remedy for parties improperly wronged by government's regulatory actions.

While I am sympathetic to the notion that such reforms should become applicable to most, if not all, of Government action, I am restricting this amendment to the Consumer Product Safety Commission for two reasons.

First, the legislation before us has to do with this Commission, and second, it is proper to amend such important legal doctrines with a mind toward prudent change based on experience.

But the important point on all of this is that, by adopting this amendment, we will make the Commission liable for tortuous acts for which it would be held liable if it were not the Government. I am not pursuaded by the old royalist notion that Government would not be held accountable for its errors. In simpler times the response would have been that redress for the individual lies within the political process and not within the Nation's judicial system.

Perhaps this was appropriate, but I am not convinced. In towns, perhaps even cities, this notion might be reasonable. But in a Nation of 214,000,000 persons, the opportunity for political action, while fundamental, is hardly adequate for the individual who has been wronged by Government action.

In fact, the adoption of the Federal Tort Claims Act in itself reflected the Congress' recognition that the time had come to change the rules of the game. But the changes were limited to ministerial functions. Policy decisions and their consequences remained behind the shield of immunity under this act.

Surely as the Congress, through the legislation creating the numerous aspects of regulatory law, has extended responsibility for action undertaken by individuals and business, so too should the Congress extend the scope of remedies available to those unjustly harmed through their administration.

The Congress, by passing this amendment into law, will take a modest step toward opening up the Government's action to the standard of reasonableness.

We would be making government, the regulator, no more and no less responsible for the same or similar acts as those undertaken by the regulated.

Since the announcement of the intention to seek adoption of our accountability amendment, there has developed a reaction which I must admit was not wholly unexpected.

Some have stated a concern that the accountability amendment might "chill" the use of discretion by the Government.

The implication of this concern is that we in the Congress should be less concerned with consequences of discretionary actions than with the fact of their exercise.

Concern for this "chilling" effect amounts to a desire to immunize Government from responsibility for its actions, even those consequences which are subsequently found to have violated an objective standard of performance.

The principle on which our accountability amendment is founded is that Government must be concerned about the quality of its actions, and if the quality, as defined by the Congress, is not achieved then the party wronged should have a reasonable remedy available to him. The Government cannot go on and retain whatever credibility it might have if it insists that its actions be immunized from accountability of performance while it simultaneously exacts ever higher standards from the private and independent sectors. Our accountability provision creates a remedy in those instances where the Consumer Products Safety Commission fails to perform to standards already established by the Congress.

My cosponsors and I wish to make it clear that it is not our wish to chill the Commission's dedication to carry out what it considers to be its mandate.

Language is included in the amendment which states as congressional policy that close questions are to be decided in favor of safety.

By including this language we feel that we are extending sufficient safeguards to exclude any possible misconstruction about the role of the Consumer Product Safety Commission.

Our amendment goes only to Commission actions which are later determined as a matter of law to have been unreasonable.

Several examples have come to my attention of private parties which have been frustrated by the doctrine of sovereign immunity in pursuing legal action against the CPSC. The best known of these cases is perhaps that of the Marlin Toy Co.

I would like to elaborate on this particular example in order to illustrate the need for this reform.

Marlin Toy Products, Inc. is a small firm located in Horicon Wisconsin. It employs a large segment of that town's population. In November of 1972, two of Marlin's products, the Butterfly Flutter Ball and the Birdie Ball, were banned by the Federal Food and Drug Administration as hazardous products under the Federal Hazardous Substances Act. The CPSC is now responsible for administering this act. The balls were said to be breakable if dropped from a height of 4½ feet. The balls contained small pellets that, if the ball were broken and the pellets swallowed, could present a hazard to small children.

Although Marlin claimed that the toys had been tested before marketing and found to be unbreakable when dropped from that height, they nevertheless removed the balls from the market, redesigned them without the pellets according to the Government specifications, and returned the toys to the market. The FDA and Marlin agreed that only balls containing pellets would be included on the list of banned products and the FDA added a note to that effect on the next list. However, after the CPSC took over administration of the Federal Hazardous Substances Act from the FDA, it published a list which inaccurately listed the balls, one with the qualification "with the balls, one with the qualification "without plastic pellets," and the other with no qualification at all.

Marlin requested the CPSC to correct the erroneous listing, but although the Commission admitted the error, they did not issue a retraction until they published their next list, 8 months later. Marlin claims to have suffered substantial financial loss because of this mistake, as it could not market its balls during the 1973 Christmas season, and was forced to layoff three-fourths of its 85 employees. But because the CPSC is protected from liability under the doctrine of sovereign immunity, the Marlin Toy Products Co. could not recover its losses from the Commission. It was not until a special resolution was passed by the House of Representatives that Marlin was able to initiate legal action against the Commission to recover its losses, even though the Commission, while not admitting liability, believed that Marlin should be given the opportunity to pursue its claim in court.

My proposed reform would allow parties such as the Marlin Toy Co. to initiate legal action to recover their damages incurred due to erroneous discretionary actions pursued by the CPSC, without the necessity of obtaining special legislation to do so. I would urge the Senate, as a matter of justice, to favorably consider this amendment. If the Congress is going to continue to make private business become more responsible for its actions, as well it should, then it should be willing to apply the same standards to Government. In addition, I would hope that this amendment would set a precedent for similar reform of other regulatory agencies, as such a principle could easily be extended to other agencies and commissions of the Federal Government.

Having given this description of the basic purpose; namely, to allow an injured party to seek tort damages against a regulator or regulatory agency that has abused its discretion, I will then ask if the Senator from Utah would advise me of where he believes my amendment could be improved upon.

Mr. MOSS. I would be glad to respond to the Senator from New York. I understand the problem he is trying to remedy with his amendment and I commend him for his efforts. It is indeed a difficult tightrope to walk to draft a provision which will make government more accountable for its errors while at the same time not chill the agency into immobility.

As I interpret the intent of Mr. BUCKLEY's amendment, he is attempting to grant a cause of action to an aggrieved party who may be injured primarily due to an administrative error by the Consumer Product Safety Commission. In the Marlin toy case, the Commission inadvertently continued to list the product of that company which had once been banned and kept it on the banned toy list after the product's design had been altered.

Further, the Commission refused to distribute an amended list. Whether or not this error was the proximate cause of the company's financial difficulties is up to others to determine. The issue under the Buckley amendment as applied to the Marlin toy case would be whether the Commission's refusal to amend its "banned toy list" was an unreasonable exercise of discretion.

Clause 2 of the proviso of the amendment is designed to insure that this section will not be used as a mechanism for reviewing agency actions such as rulemakings, standards, orders, licenses, sanctions, relief or the equivalent or denial thereof. This section is designed only to afford a means of redress where the agency's mistake is not "ministerial" in the strict sense of the term and where its discretion, in issues relating to other than an agency action was unreasonable.

Mr. President, because this proposal is without precedent, it seems to me that Congress ought to be assured of the opportunity to reassess how it has operated. Accordingly, I wish to submit an amendment to Mr. Buckley's amendment by inserting at the end thereof the following words:

The PRESIDING OFFICER. The Chair is advised that an amendment is not in order until time is yielded back or used up on the amendment of the Senator from New York.

Mr. MOSS. I thank the Chair. I will explain it, then, and submit it later.

The amendment would insert at the end of the Buckley amendment the following words:

and is based upon an asserted misrepresentation, deceit or exercise or performance or failure to exercise or perform such a discretionary function or duty that occurs prior to January 1, 1978.

Through such an amendment, the Buckley amendment would be operative for about 2 years, after which we would have the opportunity to evaluate how it has operated.

I think, since this is unprecedented and new, while I agree with the thrust of it, that we ought to try it for a limited time and then come back after 2 years and find out how it has operated. If we are satisfied, of course, retain it, or if we are not satisfied modify it in any way that seems appropriate.

That is the only caveat that I have to the amendment of the Senator from New York.

Mr. BUCKLEY. Mr. President, I fully understand the concerns expressed by the Senator from Utah, and I would gladly accept the proposed modification and adopt it as my own. I believe that can be accomplished parliamentarily at this time.

The PRESIDING OFFICER. If the amendment is to be modified in that fashion, the modification should be sent to the desk.

The modification is as follows:

To add at the end thereof the following: "and is based upon an asserted misrepresentation, deceit, or exercise or performance or failure to exercise or perform such a discretionary function or duty that occurs prior to January 1, 1978".

The PRESIDING OFFICER. Without objection, the amendment is so modified.

Mr. MOSS. I have no objection.

Mr. Buckley's amendment (No. 693), as modified, is as follows:

On page 21, at the end thereof, add the following new section:

ACCOUNTABILITY

Sec. 11. (a) Section 2680(a) of title 28, United States Code is amended by striking out "abused," at the end thereof and inserting in lieu thereof the following: "abused, except as otherwise provided. Such provisions shall apply to any claim based upon any misrepresentation, deceit, or the exercise or performance or failure to exercise or perform a discretionary function of duty on the part of the Consumer Product Safety Commission or any employee thereof, if such exercise, performance or failure is determined, as a matter of law, to be unreasonable with respect to the discretionary function or duty involved: *Provided*, that (1) such determination shall be based upon consideration of all the relevant circumstances and factors, including, but not limited to, the statutory responsibilities of the agency and the public interest in encouraging rather than inhibiting the exercise of discretion, (2) such claim may not be made with respect to any agency action as defined in section 551(13) of title 5, United States Code, and (3) an action is instituted upon such claim after the date of enactment of this sentence and is based upon an asserted misrepresentation, deceit, or exercise or performance or failure to exercise or perform such a discretionary function or duty that occurs prior to January 1, 1978".

Mr. BUCKLEY. Mr. President, I appreciate the caution of the Senator from Utah, and I think it is appropriate. When I discussed this matter during our markup session, it met with general approval by the members of the committee present, but they felt that if we were in fact opening up a new area, it ought to be presented as an amendment to the bill itself.

I believe that the proposal that I have offered is a reasonable limitation in this respect, because we have not had the benefit of hearings or anything of that sort. I wish to advise the Senator from Utah that I am now working on generic legislation that I shall be introducing as a bill, which thereafter will hopefully be given the full hearing process. But in the meantime, with respect to this legislation and this amendment, it will have a lifespan of approximately 2 years, which will permit an evaluation.

Having said that, I am ready to yield back the remainder of my time.

Mr. MOSS. I commend the Senator from New York for his diligence in working on this problem and presenting a new factor that we had not considered, on which we have not had hearings, but which has great appeal and seems to me to be desirable. For that reason, I am willing to accept the amendment. I believe it is a good one. I think it improves the bill, and if it is limited so that we can examine it again in 2 years, I think that is a desirable thing.

Mr. TOWER. Mr. President, I am pleased to cosponsor this amendment to provide for more accountability on the part of the Federal Government in exercising regulatory activities. Regulatory reform in general has become an issue of great national interest lately, and rightly so. Beginning in 1906 with the Pure Food and Drugs Act, Congress has passed a plethora of consumer-related bills, and set up numerous Federal agencies with regulatory and quasi-regulatory responsibilities.

By now a big business, Government regulation has come under fire from a number of sources, and serious questions have been raised as to its purpose and effectiveness. Certainly Congress bears a major responsibility in this area of regulatory reform, and a number of committees here in the Senate are presently studying suggestions relative to alteration or even elimination of some regulatory programs. In addition, the President has demonstrated a strong interest in this issue, and has been working closely with the Congress in an attempt to update and streamline our regulatory process.

As a part of this on-going reform effort, I believe it is of particular importance that we carefully evaluate current legislation affecting the newer regulatory agencies such as this bill which authorizes funds for the Consumer Product Safety Commission. Like preventive medicine, if we set just and reasonable standards in the beginning, we may not have to look back some years from now and contemplate what went wrong along the way.

Since May of 1973, the CPSC has been in operation, exercising its responsibilities under the Flammable Fabrics Act, the Hazardous Substances Act, and the Poison Prevention Packaging Act. While, I agree that there is justification for some Government regulation in order to protect the health and well-being of the American consumer, I feel that improvements need to be made to insure that this responsibility is promulgated in a reasonable and judicious manner.

In the case of the CPSC, I am not convinced that past actions have not violated due process in some cases, and that adequate consideration has been given to the interest and well-being of all parties involved.

My distinguished colleague from New York has already discussed the particulars of the Marlin Toy products case, which has attracted a good deal of national interest. I would like to share with my colleagues another incident with which I am familiar because it involves a firm in my own State of Texas.

Relco Industries, of Houson, had manufactured and distributed since 1968 an electrical arc welding device under the trade name "Wel-Dex." Despite the fact that approximately 200,000 of these welders had been sold and used since that time without any incident of injury, Relco was informed on February 14, 1974, that the CPSC had received a complaint relating to the safety of the welder. Although Relco was willing to appear before the Commission and cooperate by suspending production pending the outcome of the investigation, the CPSC nevertheless issued a press release just 8 days later warning users of potential fatal shock hazards.

During this period of time, Relco was given no opportunity to respond, nor any formal report of engineering defects in their product.

Although this case has yet to be finally resolved, Relco has already suffered severe financial loss.

Based on this and other instances which had been brought to my attention, I requested the General Accounting Office to undertake an investigation of CPSC procedures under the Consumer Product Safety Act. The GAO based its study on the Marlin case and the controversy surrounding spray adhesives.

The results of this report, released in April of this year, stressed the need for timely action to insure consumer safety, but questioned the research methods used by the CPSC as well as its accuracy in reporting its findings to the public.

In cases such as these, Mr. President, it seems to me that there should be some avenue for redress for the private parties involved, if, in fact, it can be proved that a Federal agency, in this case the CPSC, acted without exercising due process. It is for this reason that I am supporting this amendment offered by my friend from New York. Our amendment provides private parties with the right to sue the Consumer Product Safety Commission for damages resulting from unreasonable exercise of discretionary functions.

What this means in essence, Mr. President, is that these small companies like Marlin and Relco, based on a legal finding that the CPSC acted capriciously or in an "unreasonable" manner, will be given the opportunity to recoup some of their losses. Certainly this is only fair. Why should we not expect the same degree of responsibility from the CPSC that we demand from the individual and businesses which it regulates?

There is one more point I would like to make in regard to this amendment, Mr. President, and that concerns the limitations which have been included in the language to ensure its reasonable application.

First of all, this amendment will apply only to the Consumer Product Safety Commission. Second, it will not cover any actions which might fall under the Administrative Procedures Act. Third, any action must be based on a legal finding that CPSC acted "unreasonably". And fourth, language is included to underscore the intent that close questions are to be decided in favor of public safety.

In summary, Mr. President, the intent of this amendment is to encourage responsible and prudent action on the part of the Consumer Product Safety Commission, I hope that the Senate will accept this amendment, and I believe it will be a positive step toward effective regulatory reform.

Mr. MOSS. I am ready to yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment (No. 693) of the Senator from New York (Mr. BUCKLEY), as modified.

The amendment, as modified, was agreed to.

Mr. BUCKLEY. Mr. President, I ask unanimous consent that the name of the Senator from Wyoming (Mr. HANSEN) be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill is open to further amendment.

Mr. DOMENICI. Mr. President, I send to the desk an unprinted amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

> The Senator from New Mexico (Mr. Domenici) proposes an amendment as follows: On page 17, between lines 10 and 11, insert the following—

Mr. DOMENICI. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI's amendment is as follows:

On page 17, between lines 10 and 11, insert the following: The Consumer Product Safety Act is further amended by inserting at the end thereof, the following section:

COST AND BENEFIT ASSESSMENT STATEMENTS

SEC. 10. (a) The Consumer Product Safety Commission shall prepare a cost and benefit assessment statement with respect to any rules to which section 553(b) of title 5, United States Code, is applicable, which are likely to have a substantial economic impact, for the Commission's consideration in connection with the promulgation of such rules. Each such statement shall be short and concise and, together with such supporting documentation as the Commission in its discretion determines to be necessary or appropriate, shall consist of the following three elements:

(1) estimated costs, that are foreseeable as a result of the effective implementation of such rule;

(2) estimated benefits, that are foreseeable as a result of the effective implementation of such rule; and

(3) the apparent relationship, if any, between such costs and benefits.

To the extent deemed practicable by the Commission, each cost and benefit assessment statement shall indicate in an appendix the assumptions, if any, which were made by it regarding the means, or alternative means, and attendant costs of compliance with the proposed rule, including any manufacturer's costs and consumer costs reflected in the price of any product affected by such rule. Before releasing any cost and benefit assessment statement to the public, the Commission shall transmit to the Comptroller General such assessment and any appendix thereto which indicates the assumption made regarding the means and attendant costs of compliance with the proposed rule including any manufacturers' costs and consumer costs reflected in the price of any product affected by such rule.

(b) With respect to any proposed rule subject to the requirements of subsection (a), each Federal Register notice of proposed rulemaking shall request interested persons to submit to the applicable agency, in writing, comments, materials, data, information, and other presentations relevant to the preparation of the required cost and benefit assessment statement.

(c) The Commission shall, to the extent it deems necessary or appropriate, seek to obtain comments, materials, data, information, and presentations relevant to the costs and benefits, if any, likely to ensue from effective implementation of any proposed rule, within the time prescribed for consideration of the proposed rule, from other Federal agencies and persons. No extensions of time for comment shall be granted solely for the purpose of receiving any such presentations with respect to such benefits.

(d) Each person who contends that effective implementation of a proposed rule will result in increased or decreased costs, shall furnish to the Commission the information upon which he bases such assertion, and which is in his possession, is known to him, or is subject to his control. Such information shall be furnished to the Commission as its discretion prescribes. Whenever any relevant information, which the Commission deems necessary or appropriate to the preparation of a cost and benefit assessment statement, is or may be in the possession or control of a person who may be directly affected by the proposed rule, the Commission is authorized to request such relevant information as reasonably described by it, and such person shall furnish such relevant information promptly to the Commission. Such request for information shall be enforceable by appropriate orders by any court of the United States. Such information as is furnished shall be considered a statement for purposes of section 1001 of title 18, United States Code.

(e) A cost and benefit assessment statement prepared pursuant to subsection (a) shall be published at the end of the year in the Federal Register in a report which shall contain all cost and benefit assessment statements applicable to rules promulgated during the preceding twelve months. All relevant information developed or received by the Commission in connection with the preparation of such statement shall be available to all interested persons, subject to the provisions of section 552 of title 5, United States Code, and other applicable law.

(f) The Commission shall issue, pursuant to the provisions of this subsection, regulations providing guidelines as to the nature and content of any cost and benefit assessment statement required by subsection (a) and insuring that information deemed by it to be necessary or appropriate to the preparation of any such cost and benefit assessment statement shall be obtained. Such regulations shall be issued by the Commission upon the recommendations submitted to the Commission by the Office of Management and Budget and the General Accounting Office. In issuing or modifying any regulations implementing this section, the Commission shall proceed in accordance with the procedures prescribed by subsections (b) and (c) of the new section inserted by section 202, Public Law 93–637 (88 Stat. 2193; 15 U.S.C. 57a(b), (c). The Commission shall provide public notice of proposed rulemaking to implement this subsection within sixty days of the effective date of this Act, and shall issue regulations implementing this subsection within one hundred and eighty days of the effective date of this Act. After issuance of any regulations implementing this section, the Commission shall transmit them to the Congress, together with all recommendations submitted to the Commission pursuant to this subsection. Such regulations shall take effect ninety legislative days after such transmittal to the Congress by the Commission, unless either House of Congress by resolution of disapproval, pursuant to procedures established by chapter 35, title 44, United States Code, and by section 1017 of the Congressional Budget and Impoundment Control Act of 1974 (el U.S.C. 1407), disapproves such regulations, except that Congress may by concurrent resolution modify such regulations within such ninety-day period, in which case such regulations shall take effect in such modified form.

(g) The Commission shall not submit proposed legislation to the Congress which is likely, if enacted, to have a substantial economic impact, unless such legislation is accompanied by a cost and benefit assessment statement. The statement required by **this** subsection shall be prepared in accordance with the provisions of subsection (a). The requirements of this subsection may be postponed upon the request of a committee of Congress having jurisdiction over such legislative proposal, for a period not to exceed thirty days from the date of submission to the Congress of such legislation.

(h) In addition to the definitions in section — of this Act, the following definitions shall apply with respect to the provisions of this section:

(1) the term "rule" means "rule" as defined by section 441(4) of title 5, United States Code;

(2) the term "legislation" or "law" means a statute of the United States or any amendment thereto;

(3) "benefit" includes any direct or indirect, tangible or intangible, gain or advantage which the Commission in its discretion, deems proximately related to the promulgation of a proposed regulation or the enactment of the proposed legislation. The term shall include such non-quantifiable benefits as the Commission identifies and describes. Benefits may include the costs that would be likely to result from the Commission's failure to act, but which are likely to be avoided by the Commission's action; and

(4) "cost" includes any direct or indirect expense, including component costs of production and supply, and any loss, penalty, or disadvantage which the Commission, in its discretion, deems proximately related to the promulgation of a proposed regulation, or the enactment of proposed legislation. The term shall include such nonquantifiable costs as the agency identifies and describes.

(i) The Comptroller General of the United States shall monitor and evaluate the implementation of this section. In addition to any other reports or studies made by the Comptroller General relating to this section, he shall, three years after the effective date of this section, conduct a comprehensive review of this section including an evaluation of the advantages and disadvantages of cost and benefit assessment statements and of the nature and extent of Commission compliance with this section. The Comptroller General shall prepare and submit to the Congress a report based on such study and review. Such report shall include, but need not be limited to, his recommendations as to the necessity or advisability of the provisions of this section, and of the need to amend subsection (k), or any other provision, of this section. The Comptroller General shall, if he determines that the assumptions contained in any statement submitted to it pursuant to subsection (a) of this section are inaccurate, incomplete, or unjustified so report to the committees of the Senate and House of Representatives having jurisdiction over the Commission.

(j) No court shall have the jurisdiction to review, or enforce or shall review, or enforce and, except for the general review of the effectiveness of this section provided for in subsection (i), no officer or agency of the United States, other than the Consumer Product Safety Commission and the duly authorized committees of the Congress, shall have the authority to review, or enforce or shall review, or enforce, in any way the compliance of any cost and benefit assessment statement with this section, or, except where the Commission seeks to enforce in court its request for information, the compliance, by the commission with any other requirement of this section, including the manner or process by which such statement is prepared: *Provided,* That a Federal court may, upon the request of any interested person, review and enforce compliance with the provisions of this subsection.

(k) The requirements of this section shall supersede the requirements of any existing executive order imposing any economic, cost-benefit, inflationary, or other similar impact assessment requirement. No requirement of this section shall alter or supersede any Commission statutory requirement, regulation, or lawful practice which the commission determines to be inconsistent with any of the requirements of this section. Further, the commission shall not be required to prepare and issue a cost and benefit assessment statement required by this section, if information which would be contained in such statement is encompassed within another statement required by law to be prepared in connection with the promulgation of the applicable rule.

(l) The provisions of this section shall become effective upon the effective date of implementing regulations submitted by the Commission under subsection (g) of this section.

Mr. DOMENICI. Mr. President, I also neglected to include on the copy of the amendment that I sent to the desk the name of the Senator from Kansas (Mr. Dole) as my cosponsor. I ask unanimous consent that his name be added as a cosponsor at this time.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, I apologize to the distinguished floor leader for not bringing this amendment to his attention sooner. However, I believe that a very brief discussion of the amendment, even though it is lengthy, will convince the distinguished Senator from Utah that it has a great deal of merit.

First, let me say to the Senator from Utah that when we discussed the Consumer Protection Agency bill on the floor of the Senate, I believe the Senator will recall that in the committee, at the request of the Senator from Tennessee (Mr. Brock), an economic impact statement and cost-benefit analysis of the regulations to be imposed by that agency had been unanimously adopted by the committee and was then unanimously agreed to on the floor of the Senate.

This is, for all intents and purposes, an exactly similar economic impact or cost-and-benefit assessment statement requirement, to be imposed as a part of the Consumer Product Safety Act.

When Senator Brock's proposal came out to the floor as a part of the Consumer Protection Agency bill, I did at that time have a bit of concern about the studies that they would undertake in terms of their being analyzed for objectivity by another agency, so I did have that one amended on the floor to add the GAO as an objective analyzer of the basic premises and facts that that agency built their cost and benefit assessment statements on. That also was unanimously accepted by the Senate, and it is exactly that kind of economic impact cost assessment that is in the amendment that I propose on behalf of myself and the Senator from Kansas (Mr. Dole).

I do understand that there is a slight difference in terms of where we are between the Consumer Agency bill and this one, in that that was a new agency and it would have been a part of their initial charge, and here we have an ongoing agency as to which we are going to mandate economic cost-benefit analyses in the future as to any regulations that they would impose, so that everyone will know what the cost will be to the consumer and what the cost will be to the producer, much as we were going to require, as to serious acts of the Consumer Protection Agency, that that kind of economic and impact analysis be imposed upon them.

I might say at this point that I am pleased to have the distinguished Senator from Kansas (Mr. Dole) as a cosponsor, because, as the Senator from Utah will probably remember, well before we started to put this kind of economic impact analysis in specific legislation, he was the first Senator to offer an economic impact measure that said all of our regulatory bodies ought to conduct some economic impact and cost-benefit analysis prior to the adoption of legislation.

So now we are seeing this spirit of his general concern come into being in two instances, in the consumer protection agency bill, and then here today in this amendment to the Consumer Protection Safety Act.

I hope the Senator from Utah understands that neither Senator Dole nor I intend that this be any kind of an impediment to the serious and constructive work of the Consumer Products Safety Act and that agency but rather that this is part of a growing concern on the part of Americans, on the part of Senators, and on the part of the President, that we give equal consideration and, at least, let the public know what the economic impact and cost-benefit assessments are in another of the significant regulatory bodies that have so much to do with our daily lives.

I would hope that the Senator from Utah would be willing to accept this amendment. I understand that maybe it will be a burden to impose it quickly on this agency, and on that score I am willing to discuss with the distinguished floor leader any reasonable approach to give them adequate time to face up, tool up, and build up their personnel, to carry it out.

I yield to my friend from Kansas.

Mr. DOLE. Mr. President, I believe all of us are familiar with the concept embodied in the amendment being offered by the distinguished Senator from New Mexico (Mr. Domenici) and myself. Moreover, we are all aware of the increasing proliferation of new Federal rules by our regulatory agencies during recent years, and know that the impact on the consumer—regardless of any possible merits of a proposed change—is going to involve at least one thing: higher costs.

I think, as an aside, the President of the United States and Members of the Congress have been focusing more and more attention on the cost of regulation. It has been estimated, as I recall from a recent article in the U.S. News & World Report, that Government regulation costs Americans some $100-odd billion per year.

The President himself has convened meetings of legislative leaders to talk about the impact of regulatory agencies, their decisions, and their rulemaking, and whether or not the benefits that flow from the decisions by the various agencies really benefit the public and consumers.

The last demonstration of the President's concern was a meeting just the past few days with the chairmen of the regulatory agencies wherein he discussed a number of factors such as how to make the agencies more responsive, how to speed up the process of decisionmaking, and among other things, of course, the cost of the agencies.

So I believe that the amendment being offered by myself and the Senator from New Mexico addresses that very question.

Those who have appeared as witnesses from time to time with reference to any regulatory agency matter have indicated that cost should be a concern.

This concern about our higher costs and the need to better evaluate the benefits to be gained was the basic concept of my bill S. 4032 which I introduced on September 19, 1974.

I reintroduced that legislation on the first day of the session this year which is before the Senate in the form of the bill, S. 15. Since initially I introduced this bill last year, there has been increasing recognition in the Congress of the need to weigh the relative costs and benefits of Federal actions. For example, the substance of my bill, S. 15, was adopted as an amendment to S. 409, a bill passed on May 6 by the Senate. That legislation is now pending action in the House of Representatives.

As the Senator from New Mexico has pointed up, we are not seeking to disrupt the commission activities. This very same language, with some minor modification, was contained in the Consumer Protection bill that passed the Senate, to create an Agency for Consumer Advocacy.

So, I am pleased to see that the Congress is continuing to give further consideration to this issue and hope that the Senate will take a further step today by adopting this amendment. I am hopeful that other Senators will agree with me, that while we want performance from regulatory bodies, we must weigh the benefits with the high cost of Federal regulations.

For that reason, we would consider it highly desirable that, before the Consumer Product Safety Commission promulgates any new guideline with respect to a particular good or service, it be required to conduct a relative cost-benefit analysis. Our amendment would stipulate just that.

In the future, then, we would have available advance information as to exactly what value will be desired from a proposed change. More specifically, we would have greater access to data which would enable us to draw our own conclusions about whether or not the "good" to be accomplished by a CPSC mandate is justified by the cost.

We have dealt with this principle as I have indicated, in the ACA bill.

Since it previously had the support of the majority on both the Commerce and Government Operations Committees, I would think it would have little objection now. Of course, some may suggest that we need to articulate the nature and content of a cost-benefit analysis, defining in specific terms precisely what we would want it to reflect, but it is my view that that determination would be best left to the initiative of the Commission itself.

In that way, we ourselves could be the judge and overseer of their "product," and decide in our own minds whether any respective analysis they might prepare is adequate—and in keeping with our expectations.

In summary, Mr. President, it is time we take a firm stand in insisting that the consequences of expensive, bureaucratic regulation be evaluated prior to the implementation of any new standard, requirement, or variation. If the comparatively new CPSC is going to perform a truly useful role in looking out for the best interests of the consumer—and the products he buys—it is imperative that the foreseeable benefits to health and safety from their recommendations be weighed against the probable cost factors involved.

The only way to do that is to direct the prior assessment of both item-price and item-utility considerations for each regulatory change submitted. That is what is contemplated in the amendment. The amendment is rather lengthy but, in essence, it does what the Senator from New Mexico has suggested and what the Senator from Kansas just stated. I would hope that it would be accepted by the distinguished Senator from Utah.

Mr. DOMENICI. Mr. President, will the Senator yield?

Mr. DOLE. I yield to the Senator from New Mexico.

Mr. DOMENICI. I express one point, after commending the distinguished Senator from Kansas for his early initiative in this regard and for following through on it: this in no way, even after such analyses were made, impinges upon the desire or the conclusion by the regulatory body. All it does is compel them in the normal course of business to do one added thing that they might not be doing now, and that is to adequately analyze and file their analysis of the economic impact of the proposed regulation.

So, for those who would be concerned that it might in any way be changing the substantive authority, there is no standard here, there is nothing proposed to say if the cost beneficiary shows this you cannot do it. It is just another in a series of putting these agencies on notice that cost benefits and economic impacts are vital for them to consider and then to give that information to whoever is interested in it by filing it appropriately. That interest might be ours, it might be the public's, it might be a consumer group, and it might be those who manufacture the product or the beneficiaries of the new safety imposed regulation.

So I, too, would hope that the Senator from Utah, in the spirit of moving these regulatory agencies toward being more concerned about economic impact, would accept the amendment that the Senator from Kansas and I proposed.

Mr. DOLE. Mr. President, will the Senator yield?

Mr. DOMENICI. I am delighted to yield.

Mr. DOLE. There may be some concern because we are dealing with health and safety factors. How do we quantify or make a cost-benefit study of anything involving health or safety? I would say that this concern is very clearly taken care of in the amendment. The word "benefit" is defined; the word "cost" is defined; and the definition of the word "benefit" would include, and I quote,

> The terms shall include such nonquantifiable benefits as the Commission identifies and describes.

The same is true of the definition of cost.

So we are not trying to tie the hands of the Commission. We are not trying to impair their efforts to make certain that the products are safe and otherwise good for the consumer. But we are suggesting that we must now take the initiative—or should take the initiative—to make a start in trying to at least analyze the costs of what any regulatory agency may do.

Mr. MOSS. Mr. President, this is a rather lengthy amendment, and I have not had time to study it, although I have looked at it and have seen that it is either identical to or similar to the amendment offered to the consumer advocacy bill. It does add a considerable amount of language.

I should like to point out two or three things. First, the act presently provides for consideration of the impact of regulations on business and on competition. The statute, Public Law 92–573, in paragraph 9(c) (1) reads:

> (c) (1) Prior to promulgating a consumer product safety rule, the Commission shall consider, and shall make appropriate findings for inclusion in such rule with respect to—
>
> (A) the degree and nature of the risk of injury the rule is designed to eliminate or reduce;
>
> (B) the approximate number of consumer products, or types or classes thereof, subject to such rule;
>
> (C) the need of the public for the consumer products subject to such rule, and the probable effect of such rule upon the utility, cost, or availability of such products to meet such need; and
>
> (D) any means of achieving the objective of the order while minimizing adverse effects on competition or disruption or dislocation of manufacturing and other commercial practices consistent with the public health and safety.

So the Commission already is mandated to make findings and to include those findings in its rulemaking as to what the impact will be on business and manufacturing.

As the Senator from New Mexico and the Senator from Kansas pointed out, it is difficult to define a cost-benefit impact when we are dealing with matters of health and safety. This impact statement may distort the efforts to regulate consumer safety. What economic impact are we to add for something that is, say, a grave irritant to the skin, or which gives a person a feeling of illness? What is the cost-benefit ratio there?

The other problem I have is with respect to submitting this matter on the floor of the Senate. It is a rather complicated matter, and we have not had time to consider it fully. Besides, the Senate Commerce Committee and Government Operations Committee are reviewing the functioning of the regulatory agencies, and this could very well be one of the matters that we would want to review and perhaps make a general requirement of all agencies to have some kind of economic impact finding and statement.

The only amendment I know of that is anything like this is the amendment that was put in the Consumer Advocacy Act. I read in the press this morning that the President is going to veto that measure if it gets to him, so perhaps that never will become law.

No other agency has such a requirement for its rulemaking. Because nobody else has it does not mean we should not have it at some time. But I am just concerned about having it brought in here, with a very sparse attendance in the Chamber, to be put into this act, when it has the drawbacks I have tried to point out.

So I am reluctant to accept the amendment, for the reasons stated. If, by chance, if it is accepted, I will not want to have it effective until there has been a reasonable time for the agency to adjust to this system, such as perhaps 2 years from now, to give them time to work out a procedure. It calls for a great deal of complicated findings; and at a time when we are trying to get away from paperwork and the proliferation of duties, it seems to be going in the opposite direction.

Mr. DOMENICI. Mr. President, will the Senator yield for a question?

Mr. MOSS. I yield.

Mr. DOMENICI. I perceive one problem with the proposed legislation. As we indicated, we basically have taken what was put in a new bill, the so-called consumer protection bill, and I do think the Senator raises one good point—that is, the very last section, as to when this bill will become effective. I am more than willing to modify it so as to make it effective 1 year after the effective passage date of the bill. That would indeed give the agency ample time to analyze what is required to fulfill it and to gear up their personnel and their various approaches to the consideration of matters.

In fact, because that is a rather serious matter, I ask that my amendment be modified in section (l), on the last page, so that it would read:

The provisions of this section shall become effective one year after the implementation date.

I request that such modification be made at this time.

The PRESIDING OFFICER (Mr. GLENN). The amendment is so modified. Will the Senator please send the modification to the desk?

The modified section is as follows:

(l) The provisions of this section shall become effective one year after the effective date of implementing regulations submitted by the Commission under subsection (g) of this section.

Mr. MOSS. Mr. President, despite the misgiving I have expressed and the complications that I think this matter raises, I am willing to accept the amendment.

I say to my colleagues that this matter will be in conference, and I am sure there will be a very difficult and long-drawn-out discussion of this matter. Having accepted it, I will of course defend it and do my best. But it is likely to come under considerable fire in conference.

Mr. DOLE. Mr. President, will the Senator yield?

Mr. MOSS. I yield.

Mr. DOLE. I recognize the fact that it did appear, more or less, at the last moment, and it is a rather lengthy amendment. In fact, the Senator from Kansas did not have it much prior to the time the Senator from Utah received it. However, it was in the consumer bill, and I do believe that there will be great controversy in the conference. Based on the statement of the Senator from Utah that he will defend it and try to revise it or modify it or leave it as is, it is certainly agreeable to the Senator from Kansas.

Mr. DOMENICI. It is agreeable to the Senator from New Mexico.

Mr. President, I yield back the remainder of my time.

Mr. MOSS. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment, as modified.

The amendment, as modified, was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

Mr. MOSS. Mr. President, will the Chair withhold that for just a moment? There was some question about whether Senator Kennedy was going to come to the Chamber. I have not seen him today.

I suggest the absence of a quorum, for the purpose of determining whether Senator KENNEDY is on his way.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MOSS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. GLENN). Without objection, it is so ordered.

Mr. MOSS. Mr. President, I ask unanimous consent that on final passage of this bill, the yeas and nays be ordered.

The PRESIDING OFFICER. Is the Senator requesting the yeas and nays?

Mr. MOSS. Yes, at this time.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. MOSS. Mr. President, we have a report that the Senator from Massachusetts is on his way. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

On page 6, line 7, immediately after "(b)" insert "(1)".

On page 6, between lines 10 and 11, insert the following new paragraph:

"(2) The amendment made by this subsection shall take effect on the date on which regulations promulgated by the Environmental Protection Agency with respect to the Federal Insecticide, Fungicide, and Rodenticide Act initially take effect."

Mr. KENNEDY. Mr. President, are we under a time agreement?

The PRESIDING OFFICER. Yes, with 15 minutes to a side.

Mr. KENNEDY. I yield myself the time I need.

Mr. President, this is a very simple amendment. It retains jurisdiction within the Consumer Product Safety Commission until such time as EPA actually issues regulations on these three particular items. If this amendment were not to be accepted and this legislation becomes law, jurisdiction would be taken away from the Consumer Product Safety Commission and that would result in a situation where you would have a lag in time between the enactment of S. 644 and the time when the EPA actually issues regulations regarding household pesticides.

This amendment is an attempt to avoid that lag in time. It does not, obviously, affect the transfer of authority from the CPSC to the EPA. The quicker EPA actually issues the regulations the quicker the jurisdiction within the Consumer Product Safety Commission will disappear.

It is clear to me that the purpose is to avoid any lag in time which might otherwise occur and, therefore, I hope the amendment will be accepted.

I have had a chance to explain this briefly to the manager of the bill, and I hope it will be accepted.

Mr. MOSS. Mr. President, I have examined the amendment and I believe it is a good amendment. There might be a hiatus where there was no control between the time of the passage of this bill and the time when EPA would act and, therefore, I am happy to accept it on behalf of the managers of the bill. I think it improves the bill, and I commend the Senator from Massachusetts for his diligence in detecting this little gap and plugging it.

Mr. CURTIS. Mr. President, the Senator from Alaska (Mr. STEVENS)——

Mr. MOSS. I yield to the Senator from Alaska.

Mr. CURTIS. The Senator from Alaska (Mr. STEVENS) wanted to be here on this amendment. It might result in a difference as to the acceptance of this amendment.

I suggest the absence of a quorum unless the Senator wishes to use the time.

Mr. MOSS. Well, Mr. President, the Senator from Alaska (Mr. STEVENS), who has been most active on this bill and has been managing it from the minority side of the committee, was anxious to be notified if any other amendments came up after the Domenici amendment. I had understood he was not concerned about the pesticide matter, but he is coming in now so I will permit him to speak for himself as to whether he wants to have any further definition of the amendment.

Mr. STEVENS. Mr. President, as I understand the amendment, it would preserve the jurisdiction as it exists now until the date on which the regulations are promulgated; is that correct?

Mr. MOSS. That is my understanding of it, and that is the way it was explained by the author. It simply fills a gap that might exist after this bill is passed and before action is taken by EPA.

Mr. STEVENS. Has the Senator from Nebraska examined this in terms of——

Mr. CURTIS. No.

Mr. STEVENS. May I inquire as to the scope of this? As I understand it, this deals with the Insecticide, Fungicide, and Rodenticide Act. Are there regulations that are currently being promulgated? May I ask?

Mr. KENNEDY. I have no knowledge since they do not have the jurisdiction at the present time. As soon as EPA issues the regulations then this provision obviously becomes nonoperative, and the jurisdiction transfers under the designation of the act. It is just to avoid a situation where you have current regulations and the passage of the law will vitiate the current regulations. There is no requirement under the legislation—it could be issued at any time, and you could have a wide distribution of it without any control, and it is to the attempt to avoid that that this amendment is directed.

If EPA acts expeditiously and is able to promulgate regulations now before the President signs the legislation, they become operational, and there is no lag in time. It is purely to avoid the real possibility that there will be a period of time where, on these important substances, there was neither jurisdiction within the Consumer Product Safety Commission and EPA had not exercised jurisdiction under the right to promulgate regulations.

Mr. CURTIS. Mr. President, will the Senator from Alaska yield?

Mr. STEVENS. Yes; I yield.

Mr. CURTIS. Can the Senator tell me what substances are involved here? Are they agricultural chemicals that are used in the protection against——

Mr. KENNEDY. The Senator is correct, insecticides, fungicides, and pesticides.

Mr. STEVENS. As I understand the law, the existing regulations are in effect and the Senator from Massachusetts wants to preserve those, until the transition takes place; is that correct?

Mr. MOSS. Mr. President, if the Senator will yield, the Consumer Product Safety Act deals in household substances "in and around the household." It would not deal, when enacted, with agricultural pesticides, and things of that sort, unless they are kept "in and around the household."

Mr. STEVENS. So we are just talking about the pesticides portion on page 6; it is just a portion of the jurisdiction that is being affected?

Mr. MOSS. Precisely.

Mr. STEVENS. I do not have any objection. It is to prevent a hiatus in administration during the transition period, and if it is interpreted that way, only pesticides for consumer purposes are affected. I take it we are not talking about the agricultural portion of the Pesticides Control Act?

Mr. MOSS. That is correct.

Mr. CURTIS. Mr. President, will the Senator yield? I wonder if we might have a statement from the two managers of the bill to the effect that this does not enlarge the scope and jurisdiction of this agency over agricultural pesticides and similar substances mentioned therein. The Committee on Agriculture and Forestry in times past has held weeks of hearings on these matters and has proceeded to act several times.

Mr. MOSS. I am glad to assure the Senator from Nebraska on that. In the bill itself it states:

> The term "consumer product" means any article, or component part thereof, produced or distributed (i) for sale to a consumer for use in or around a permanent or temporary household or residence, a school, in recreation, or otherwise, or (ii) for the personal use, consumption or enjoyment of a consumer in or around a permanent or temporary household or residence, a school, in recreation, or otherwise . . .

But it does not include—and then it goes on to exclude things which include general agricultural use of pesticides and chemicals.

Mr. CURTIS. And the acceptance of this amendment——

Mr. MOSS. Does not enlarge the jurisdiction.

Mr. CURTIS (continuing). Does not enlarge the jurisdiction of this agency over agricultural chemicals.

Mr. MOSS. That is true. It does not enlarge it. It simply preserves what there is until such time as there is a ruling by EPA.

Mr. CURTIS. I thank the Senator.

Mr. STEVENS. It is my understanding—and I concur in what the Senator said—we are deleting the words "economic poisons" and inserting in lieu thereof the word "pesticides" but that it does not involve the agricultural area.

Does the Senator from Massachusetts agree with our explanation and that of the Senator from Nebraska?

Mr. KENNEDY. I agree with it completely.

Mr. STEVENS. I thank the Senator very much.

Mr. MOSS. I yield back my time.

Mr. KENNEDY. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Massachusetts.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. KENNEDY. Mr. President, I have an amendment.

The PRESIDING OFFICER. The clerk will state the amendment.

The assistant legislative clerk read as follows:

> On Page 6, line 11, strike out "(1)".
>
> On Page 6, starting with line 15, strike out through line 24 on Page 7.

Mr. KENNEDY. Mr. President, this amendment cites certain language in S. 644 which would prohibit the CPSC—Consumer Product Safety Commission—from exercising any jurisdiction in the area of ammunition and firearms——

Mr. STEVENS. Will the Senator yield to me?

Mr. MOSS. It has been stricken, I think.

The PRESIDING OFFICER. The Chair might say that the provisions of the Senator's proposal here have already been accomplished in the bill, I believe.

Mr. STEVENS. Not entirely, Mr. President. The McClure amendment has been adopted and, in effect, if deleted the portion the Senator wishes to delete. By my amendment, we have reinserted the provisions of lines 1 to 5, page 7, and by the McClure amendment we have restored the original intent of the Consumer Product Safety Act, that this act does not apply to the area of firearms and is intended to be a firearms control act.

Mr. KENNEDY. Mr. President, I would like to ask——

The PRESIDING OFFICER. The lines which the Senator's amendment strikes have already been stricken.

Mr. KENNEDY. Have the lines 18 to 26, on page 6 been stricken?

Mr. MOSS. Yes, that has been stricken.

Mr. STEVENS. There has been substitution for them in terms of the McClure amendment.

Mr. KENNEDY. Well, could the Senator give me enlightment?

During the course of the morning, I was over on the Voting Rights Act in the Judiciary Committee. I was unaware of this. What is the effect of the amendment by the Senator from Idaho?

Mr. MOSS. Mr. President, I will try to respond.

Mr. KENNEDY. Mr. President, how much time does the Senator have? I am just interested in time on the bill for the explanation?

I am not interested in delaying but I would like to get an explanation.

The PRESIDING OFFICER. Time remaining on the bill is 1 hour and 7 minutes.

Mr. MOSS. I have time, and I am glad to take the time on the bill.

Mr. KENNEDY. Fine.

Mr. MOSS. The McClure amendment——

Mr. McCLURE. Mr. President, will the Senator yield to me?

Mr. MOSS. I am glad to yield to the author himself.

Mr. McCLURE. Might it not be helpful to make reference to the amendment, No. 679, which should be on the Senator's desk, which did strike that language and inserted other language which accomplishes the same end as the printed text, but in different form, therefore, the language which the Senator would seek to strike has already been amended.

Mr. President, I might, in order to seek clarification of the parliamentary situation that we face right now, pose a parliamentary inquiry to the Chair.

The PRESIDING OFFICER. The Senator will state it.

Mr. McCLURE. Mr. President, the amendment offered by the Senator from Utah and myself having been adopted, is it in order now to have any further amendment to that same language?

The PRESIDING OFFICER. No further amendment is in order.

Mr. McCLURE. I thank the Chair.

Mr. KENNEDY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KENNEDY. Would an amendment be in order to strike the language which has been inserted?

The PRESIDING OFFICER. No, such an amendment would not be in order.

Mr. KENNEDY. Well, I suggest the absence of a quorum on my time.

The PRESIDING OFFICER. On whose time?

Mr. KENNEDY. On my time.

The PRESIDING OFFICER. The Senator has no time.

Does the Senator from Utah yield time?

Mr. STEVENS. Well, the amendment is pending, Mr. President.

The PRESIDING OFFICER. The amendment is not in order.

Mr. MOSS. I will yield time on my time for the absence of a quorum.

Mr. STEVENS. We will share the time.

The PRESIDING OFFICER. The clerk will call the roll.

It is on shared time.

The assistant legislative clerk proceeded to call the roll.

Mr. MOSS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MOSS. Mr. President, I am happy to yield so the Senator from Maine may present his budget statement.

The PRESIDING OFFICER. The Senator from Maine is recognized.

Mr. MUSKIE. I thank my good friend and floor manager of the bill (Mr. Moss), who is also, of course, a member of the Budget Committee.

The Budget Committee included $46 million in the health function of the budget resolution for appropriations authorized by this bill. That was the figure the Commerce Committee estimated this bill would authorize when it made its report to the Budget Committee on March 15. However, the authorization in the bill as reported is $51 million, $5 million over the amount contemplated in the budget resolution.

To go beyond that point to a more complete analysis, the budget resolution targets for the health function are $33.1 billion in budget authority and $30.7 billion in outlays. These target levels include $2.1 billion in budget authority and $2 billion in outlays in addition to the President's budget, which we used as a base for an estimate of the cost of current services. A portion of these additional funds was meant to provide for the probably rejection by Congress of the President's ill-advised proposed changes to medicare and medicaid. The rest, including about $600 million in outlays for fiscal year 1976, was for important new health initiatives.

With the passage of the conference report on S. 66, the Nurse Training Act of 1975, we committed about half of this $600 million in outlay funds available in the health function. Therefore, $300 million is left for other congressional initiatives in the health area. While the $5 million additional dollars in authorizing authority for the Consumer Product Safety Commission exceeds the amount contemplated in the budget resolution for this bill, the amount authorized is well within the remaining limits of the health function; namely, the $300 million I referred to. In the case of this bill, like so many others, however, we must recognize that appropriation of the full $51 million it authorizes for this year would leave somewhat less for other health-related programs. A balance will need to be struck in the appropriations process if the budget resolution is not to be exceeded.

So I flag that $300 million to the fact that the additional $5 million for this program cuts into that which was made available by the Budget Committee.

It is my own opinion, Mr. President, that these funds will be used to the best interest of the consumer who is faced with health hazards which he should be made aware of and from which he should be protected. I commend the distinguished Senator from Utah for his leadership in this field, in the handling of this bill, and his contribution to the Budget Committee.

Mr. MOSS. I thank the Senator from Maine. He continues to do a very outstanding job in the chairmanship of the Budget Committee.

This is a new practice for us around here and a very salutary one. On every bill that comes up he comes in with his statement as to what impact that has on our resolution, what we might have to face up to when we get our second concurrent resolution at the end of the year.

Mr. President, I do not know whether the Senator from Massachusetts has made a decision yet or not.

The PRESIDING OFFICER. Are there other amendments?

Mr. KENNEDY. Would the Senator indulge us about 2 or 3 more minutes?

Mr. MOSS. I will suggest the absence of a quorum and I ask that the time be charged to the minority side.

Mr. STEVENS. The time can be charged to us.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

On page 21, after line 25, add the following new section:

"Section 11. Section 3(a) of the Consumer Product Safety Act (15 U.S.C. 2052(a)) is amended by deleting subparagraph (E) of paragraph (1) of such section, and substituting in lieu thereof the following subparagraph:

"(E) any article which, if sold by the manufacturer, producer, or importer, would be subject to the tax imposed by section 4181 of the Internal Revenue Code of 1954 (determined without regard to any exemptions from such tax provided by section 4182 or 4221, or any other provision of such Code), or any component of any such article, except any such article presenting an unreasonable risk of injury to the user of such article,".

Mr. KENNEDY. Mr. President, as I understand, this amendment is in order at this time.

The PRESIDING OFFICER. The amendment is in order.

Mr. KENNEDY. The effect of this amendment, Mr. President, with the changing of the definitions under subparagraph (E), would be to permit the application of consumer product safety standards in the specific area of labeling ammunition; with respect to defective nition that can cause an unreasonable risk of injury to the user of the ammunition, and to add such a provision to the act with respect to the promulgation of regulations.

The amendment is restricted to only these particular areas: labeling ammunition, regulations with reference to defective ammunition, and where they make a determination that the use of either the ammunition or the weapon can cause unreasonable injury to the users themselves.

The amendment is limited to those areas.

Mr. STEVENS. Mr. President, will the Senator yield to me briefly?

Mr. KENNEDY. I yield.

Mr. STEVENS. Mr. President, I appreciate the time limitation the Senator is working under. I ask the Chair if we might have that amendment typed up, so we could all examine it. It will be very difficult for us to read and understand unless we can have it presented before us in typewritten form. Could the staff be requested to do that?

Mr. KENNEDY. I will be glad to suggest the absence of a quorum while the staff does it.

Mr. STEVENS. No, I do not want to do that.

The PRESIDING OFFICER. Will the Senator from Alaska accept a reproduction of the existing handwritten amendment?

Mr. STEVENS. Yes, just something so that we can understand it. We are running out of time.

Mr. KENNEDY. Yes. The amendment, in effect, restores two provisions of the legislation as it came out of the committee, which permitted the application of consumer product safety standards in the limited area of defective ammunition, and also in the labeling of ammunition. That was in the legislation as reported to the Senate, but that has been stricken.

I find it difficult to understand why even those who are most enthusiastic gun lovers would feel that we ought to take away from ammunition labeling provisions that would say "Keep Out of the Hands of Children" or "Do Not Store in a Warm Place," or any regulations covering defective ammunition, the amendment is designed to affect only the protection of users of ammunition and firearms which can cause irreparable injury to innocent victims, and it permits any kind of regulation only when the Consumer Product Safety Commission is convinced that the use of either the ammunition or the weapon can result in unreasonable risk of injury to the user.

That seems to me to provide a standard and a test which the majority of the Members of this body ought to be able to agree to. It is difficult for me to understand why we should eliminate the power of the Consumer Product Safety Commission to deal in these extremely limited areas.

It is the purpose of the amendment to restore that power, and it seems to me to be a bare minimum requirement.

We can review the history about what was to be included and what was excluded by reading the various court decisions. But, nonetheless, the amendment which I have offered here would be limited to these particular areas, and it is my understanding and belief after consulting with counsel that that is the thrust of this amendment.

I withhold the remainder of my time.

Mr. MOSS. Mr. President, the amendment of the Senator from Massachusetts, as I understand it, attempts to reinsert in another place in the bill the very subject that we dealt with earlier on the amendment of the Senator from Idaho, and many others of us who joined with him. That is dealing with ammunition by the Consumer Product Safety Commission.

The history of this is a rather peculiar story. When the Consumer Product Safety Commission was established by legislation, we specifically wrote into that legislation that it should not have jurisdiction over firearms or firearm ammunition, and the Consumer Product Safety Commission operated under that. But by transferring jurisdiction of the Hazardous Substances Act to the Consumer Product Safety Commission for it to administer, a court case was then brought and the judge construed ammunition as a hazardous substance and said, therefore, the Consumer Product Safety Commission now does have jurisdiction over ammunition. This was despite the fact that when it was created, we specifically provided that it would not have such jurisdiction.

This caused a lot of confusion and problems. We did have a very spirited discussion in the committee on this. As the Senator from Massachusetts correctly stated, we finally stripped out all the jurisdiction except very narrowly in labeling ammunition and defective ammunition.

Thereafter, when the report was made and when the bill was printed, there were still concerns by many that we are now putting the Consumer Product Safety Commission into the jurisdiction of dealing with ammunition, and many felt that this was not a proper area for it. Those who are in the field objected to it. So, finally, an amendment was drafted and was passed overwhelmingly here—I think passed without any opposition in the Chamber—taking that entire jurisdiction out, again including labeling and defective ammunition.

So, if now we should adopt the amendment of the Senator from Massachusetts, we would have to turn right around and do the opposite to what we did earlier in the day.

The arguments, of course, presented by the Senator may have some validity. Of course, I do not suppose there is any manufacturer of ammunition who does not label his ammunition on the package, and he labels it not only as to contents, but he puts cautionary admonitions on there. The reasons for that is that he is selling an ultrahazardous product in that it does have explosive power, if it is misused some way. He has a high degree of liability, almost total liability for what happens if that ammunition should explode and cause injury.

So he is under all kinds of compulsion by reason of his liability to properly label.

Second, he is just as concerned about maintaining product quality standard on his ammunition, because again if ammunition that he sold and which sat on the shelf of your house exploded, because it was warm there, or for some other reason, he has a very high degree of liability and probably would have to respond if any kind of action like that occurred.

So he is very concerned about product quality and quality standards, and he no doubt follows them very closely.

Consequently, it is not believed that this does present an area of the kind that we have been trying to reach through the Consumer Product Safety Commission.

This is not a product that normally would get into the hands of unthinking people. It is already labeled as dangerous, it is already labeled to keep it away from children, and it is already labeled not to store in a warm place.

It just adds one more burden in here that is not really of any great purpose. I think that is the reason that the Senate took the whole matter out and said we meant what we said in the first place: We do not want the Consumer Product Safety Commission dealing with ammunition.

Of course, that does not mean that we should not be concerned whenever there is injury that might follow. But if we get this spread so wide and with jurisdiction in so many corners, then we become ineffective.

Therefore, I must reject the proposed amendment. I do not feel that it would be within the will of the Senate to reintroduce this provision into the bill.

Mr. STEVENS. Mr. President, I yield myself such time as I may need from the remaining time on the bill.

Mr. McCLURE. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. STEVENS. Yes.

Mr. McCLURE. Mr. President, I ask unanimous consent that Mr. James Streeter and Mr. James Norell of my staff be accorded the privileges of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, having examined the original section (e), I find that this would add to the original section (e) of the Consumer Products Safety Act the words "except any such article presenting an unreasonable risk of injury to the user of such article."

Is that my understanding? I believe the only change which the Senator from Massachusetts made, was to add those words. Am I correct in that understanding?

Mr. KENNEDY. Would the Senator be kind enough to repeat the question?

Mr. STEVENS. It is my understanding that the Senator from Massachusetts has added to the original text of the Consumer Products Safety Act in subsection (e) of 2052(a) the clause which reads "except any such article presenting an unreasonable risk of injury to the user of such article." That is the only modification the Senator from Massachusetts seeks to make.

Mr. KENNEDY. That is true in terms of the amendment that I put on the desk. I want to add "as a result of a defect or malfunction of such article." I would amend my amendment to conform with that language.

I sent the language to the desk.

The PRESIDING OFFICER (Mr. WEICKER). Will the Senator send the modification to the desk?

Mr. KENNEDY. As I mentioned, it should read: "as a result of defect or malfunction of such article."

The PRESIDING OFFICER. The amendment will be so modified.

Who yields time?

Mr. STEVENS. I am still yielding time. Mr. President, I am compelled to oppose the amendment.

I would urge that the Senate reject this amendment.

We in effect have rejected the same concept by previously voting to enact the terms of the amendment offered by the Senator from Utah and the Senator from Idaho. I know of no portion of the consuming public that is using firearms or firearms ammunition that seeks the protection of the Consumer Product Safety Commission. I find, in view of the history of the interpretation of the act that has already been recited by the Senator from Utah, that the courts, if they possibly can, are going to read into the jurisdiction of this commission much more jurisdiction than Congress ever intended to give it, particularly with regard to the areas of the exception.

In terms of the defect or the malfunction of the article involved, we are talking about defect in ammunition or firearms, and I have asked for my file to be brought over here so I could examine it, but my memory of the research we have done with regard to defective ammunition or defective firearms is that there is no substantial area of evidence showing that there has been a distribution of defective ammunition or there has been a distribution of defective firearms or the malfunctioning of them, to the extent of creating a risk to the user of the firearm. Admittedly, there are people who want to limit firearms because of their dangerous use or because they are used in illegal acts. Many of us believe that the way to control the illegal use of firearms is to impose harsher penalties on those who use them illegally and make them very difficult, if not impossible to obtain, by anyone who has demonstrated a course of conduct of violence in the past.

The impact of what the Senator from Massachusetts would do, in my opinion, would be to give an open door to any court to use the defective or malfunctioning concept to bring about an entire control of the distribution of the ammunition and firearms and even the black powder for the muskets that are going to be used in the Bicentennial, as I mentioned earlier. There are people who just do not want to see those products distributed.

I think that this would raise indirectly a subject I understand is going to be raised here this fall, and that is the question of the Saturday night specials and control of firearms by direct legislation.

I am compelled to oppose the legislation before us, because I do not think there has been any demonstrated need for the Consumer Product Safety Commission to protect the users of ammunition or the users of firearms from defective or malfunctioning components.

I ask the Senator from Idaho whether he desires any time or whether any other Member desires any time.

Mr. KENNEDY. Mr. President, I yield myself 2 or 3 minutes.

The PRESIDING OFFICER (Mr. WEICKER). The Senator from Massachusetts is recognized.

Mr. KENNEDY. Mr. President, I have listened to the arguments of my good friends, the Senators from Utah, Alaska, and Idaho, to the effect that we do not really need this kind of statutory language because there already exists the opportunity for those who are going to suffer under some kind of defect of ammunition to take their case to court and go ahead and try that case under the tort law. It is true that they would be able to do it as individuals, but there would be no basic protection for the American people as a consumer class.

Under the consumer product safety measure, we require labeling for furniture polishes, and for hair sprays. We provide labeling for those products under the hazardous substances. Yet, there are those arguing on the floor of the Senate who will not label ammunition that may be defective and that may blow up in the face of the hunter.

I know the power of the gun lobby, and I have seen it perhaps as well as or stronger than anyone else in the Senate. But this is a very limited amendment—it deals strictly with the question of labeling, which, under the hazardous substances act as I mentioned, covers a score of different items in the household. It applies to defective ammunition. It is concerned with the possibility of irreparable injury to the individual, either on the basis of the ammunition or the weapon.

How can anyone, in good conscience, argue against this amendment and say that those who are for this amendment are against the hunter or the outdoor sportsman? It can be said that those who may be injured will be able to go through the other procedures of law, in tort liability; but what we are talking about here now is establishing the broad kinds of standards for protection of scores of American consumers and protection in terms of households.

Without the provisions of the measure I am offering there will be no requirement other than that the individual, on a case-by-case method, carries a complaint to court against manufacturers. If this amendment is not accepted, there will be no requirement that manufacturers label ammunition in any of the ways that the Senator from Utah has stated. I am sure that the good ones will go ahead and do it. The responsible ones will, also.

Certainly, this amendment will provide no additional burden to the legitimate, responsible producers of ammunition, and it will require the shoddy ones to live up to some minimum standards that are going to protect the consumer.

Mr. STEVENS. Does the Senator have any one case of defective ammunition that he can cite which has caused an injury to the user, or can he cite a case of a defective firearm that would require the Consumer Products Agency to mandate labeling and other regulations across the whole spectrum of firearms and ammunition for hunting, or sporting purposes, including black powder? Can the Senator tell me one instance in which there has been a demonstrated need to put this Agency into the business of regulating guns and ammunition and powder? That is what he is doing.

Let us be frank with one another. We disagree on the concept of whether people should have the firearms and whether they should have the ammunition. The people who petitioned that Commission to control ammunition knew what they were doing. They were trying to get the Commission to say that ammunition should not be distributed in interstate commerce. It was a back door attempt at gun control. With due respect to the Senator from Massachusetts—and knowing his interest in the subject—I say that this is a back door attempt at gun control, and we should be frank about it. The Commission will be forced to do this by the courts, just as the Commission when it did not even want to get into this business was told that they had to entertain the case brought by the antigun people, requiring the Commission to start controlling the distribution of ammunition.

If we put this proposal in this bill and say that the Commission must take the jurisdiction over the question of the malfunctioning of ammunition, firearms, and black powder, then we are getting into a back door concept of gun control and the cessation of what I consider to be a right of an individual to have the guns and the ammunition that he wishes, so long as they are used legally.

That is the difference. This has nothing to do with legality. This does not deal with the question of whether the Commission should examine all the ammunition that is manufactured in this country, to determine if there is any defect in it, but with a back door attempt to gun control.

I state that my information is that there has not been an instance of defective ammunition, and I know of no instance of defective manufacture of guns on a wholesale scale. Although there may have been a separate malfunctioning.

As a matter of fact, I have read about a young soldier who is suing the Federal Government because an artillery shell blew up when he was serving in Vietnam. That is the only instance that has been called to my attention in recent years, as to defective ammunition, and I do not think the Consumer Product Safety Commission has much to do with military shells. This would put them in the business of regulating all producers of all firearms—not only Saturday night specials but also our rifles, our shotguns, our sports pistols, and all the ammunition for those, as well as for the muskets and the black powder for the muskets that are used by the people who like to participate in the reconstruction of past events.

My question to the Senator from Massachusetts is this: What evidence does he have of the need to put this Commission in the business of regulating the manufacture of firearms, ammunition, and black powder?

Mr. KENNEDY. The answer is very plain and simple. If there is not a problem, then there will not be any risk or danger of irreparable harm, and no regulations will be necessary. If the commission does not find any particular problem in this area, there will not be a requirement that they get into it.

The fact is that, prior to 1961, there was no requirement that any of the ammunition manufacturers actually provide any kind of label on any of the ammunition.

After 1961, with the passage of the Hazardous Substances Act, they went ahead and printed the label and printed the warning. Prior to 1961, they never had to do it, and in many instances, they did not. The effect of the McClure amendment moves us back to prior to prior even to 1961.

I just want to make it clear what we are reaching: Defective ammunition;

and if they do not have any, no defective ammunition blowing up in the faces of hunters, there will not be any regulation.

Labeling—if all of these various producers of ammunition are moving ahead in the areas of labeling, there is no problem.

Then, when there is an unreasonable risk in terms of the user, irreparable injury to the user of any of these products—it is an extremely limited, precise amendment, Mr. President.

I know that there will be those who will say, well, if we talk about this at all, if we talk about anything at all, it is the camel getting his nose in the tent on gun laws or regulations. I have listened and heard that argument. What we are talking about is digging over the land in past legislation. We are going back to prior to 1961, even, with the effect of the McClure amendment.

I take it the way it came out, reported from the committee itself, that gave time and consideration to these different issues. They made a decision as a result of their determination and judgment on this. In effect, what this amendment does is restore the judgment of the committees of the Senate that considered this particular issue.

Mr. STEVENS. I might say to my friend from Massachusetts, I owe him 4 minutes. That time came out of his time. On my time, he can answer me.

Again I say to him, when we dealt with the flammability problem, we had people who came in and showed—and the Senator from Washington is here; he had great leadership in that—they showed us that there were babies who had been burned, people who had suffered because of the flammability of fabrics. We passed laws and regulations to control the situation.

In the case of hair spray, we had proof that there had, in fact, been some danger created to users. We were not authorizing a commission just to go out and see if there were some dangers. We had in fact been shown that these dangers existed.

I do not know of any gun users or people who have been buying ammunition who have come to Congress and said, "Give this commission authority to protect us." In every instance that we have put this kind of authority into a commission, that has been the prerequisite: someone has said, "We need your assistance."

I do not know of anything that requires this type of action, to tell this commission, "Go witch hunting and try to find some way to control guns because we have given you the authority to control defects."

I yield to the Senator from Arizona.

Mr. GOLDWATER. I am rather amazed that the Senator would offer such an amendment. I merely offer my almost life-time experience in shooting. I have never had a defective piece of ammunition. I have known numerous occasions when ammunition manufacturers have withheld whole lots of ammunition because there was a suspicion of faulty primers or short loads—never overloads or misloads. I have never heard of anyone being injured by so-called badly constructed ammunition.

I have heard of shooters who have not been careful in putting the right caliber bullet in a gun and the gun would explode, but that is not the ammunition manufacturer's fault.

I think this is just another attempt to intrude on the business of America by the Federal Government. As I say, I have a life-time experience in this, not only as a user of ammunition but a maker of ammunition, a maker of guns and a user of guns, and a member of many organizations interested in the art, or whatever the Senator wants to call it. I have yet to hear of an incident where a person has been damaged by so-called faulty ammunition unless that was the fault of the user.

Mr. McCLURE. Will the Senator yield?

Mr. STEVENS. I was asked to yield to the Senator from Idaho. I did ask the Senator from Massachusetts a question and I owe him 4 minutes. I, therefore, yield him 4 minutes to answer.

Mr. KENNEDY. If I could just make a comment to the Senator from Arizona, he points out that he knows of instances where either the manufacturer, or perhaps even the distributor, has felt that there was some kind of fault in the ammunition and then has withdrawn it. The fact is that with the McClure amendment, they do not even have to label the various products, so the distributor will not even know who the manufacturer was in order to return it, or the manufacturer, if he does not label it, might not even know how to recall it, because it will not have to be labeled.

We are not asking very much: Labeling of ammunition, so that the manufacturer is able to recall it in case he finds it defective, or they are able to identify it and have it returned. They would not, under the McClure amendment, even have that opportunity.

Mr. GOLDWATER. Will the Senator yield for just a comment on that?

Mr. STEVENS. Yes.

Mr. GOLDWATER. Anyone who would buy ammunition that does not carry the manufacturer's label on it is out of his head and he should be injured.

Mr. KENNEDY. Are there any requirements under the McClure amendment that would require that the code or the lot number be so printed, so that the manufacturer would have any kind of knowledge or awareness? Absolutely not.

Mr. STEVENS. I say to the Senator from Massachusetts that the McClure amendment took out additional new material put in by the Committee on Commerce. It did not amend the old act. The old act stays as it is, as I understand it. (E) is still there.

Mr. KENNEDY. May I ask for a clarification of that from the floor managers? I understand that it does change it. It changes the labeling provisions and returns us to pre-1961.

Mr. MOSS. I think it did take it out.

Mr. STEVENS. Do not misunderstand me. Section (E), that the committee has tried to add material to, will remain in the act, as I understand it. It has not been deleted by the McClure amendment.

Mr. KENNEDY. My understanding is that the effect of the McClure amendment is to take us back to the labeling requirements that were passed in 1961 under the Hazardous Substance Act. If I am wrong, I can be corrected.

Mr. STEVENS. I will defer to the manager of the bill. I yield to the Senator from Idaho 10 minutes.

Mr. McCLURE. Mr. President, does the Senator from Alaska yield to me?

Mr. STEVENS. Yes.

Mr. McCLURE. I thank the Senator for yielding. I think there are two or three things that ought to be said about this in addition to what has already been said.

I do not mean to prolong the argument. I think a point of order might have laid against the amendment, even though it was moved from one point to another, since, as the Senator from Massachusetts very candidly said, all it does is put back in what my amendment took out, or a portion of my amendment took out. But I did not raise the point of order, because I know how frustrating it might be to the Senator not to be able to argue on that point.

Mr. KENNEDY. I will be glad if he wants to make a point of order. I do not want anyone who reviews this Record to think that, in any way, the amendment is defective. If he wants to make it and the Chair wants to sustain the point of order, I would refrain from any point of order. I shall be glad to leave this issue to the Chair.

Mr. McCLURE. I say to the Senator from Massachusetts, if he wishes to make the point of order, he may. All I want to say is I think if the Senator from Massachusetts wants to debate this issue, I am glad to debate it. I am not going to try, by any strategem, to avoid having the debate. I did not think that was adverse to the Senator's interest and I did not intend it in that way at all.

I think the point needs to be affirmed that there is no current hazard and no evidence of current hazard. The Senator from Alaska asks the question directly: Is there any evidence of hazard? I say positively, there is no evidence of hazard.

As a matter of fact, it might be interesting to the Senate to know what the record is. The last year for which complete statistics are available easily was the year 1972, on the total number of rounds of ammunition manufactured in the United States for private consumption. The Senate will be interested in knowing that 6,674,000,000 cartridges were produced and sold in this country. Out of 6,674,000,000 rounds of ammunition, there was not one instance of defective ammunition—not one. On the face of that, it seems to me that it must be very obvious that the proponents of the amendment are not concerned about whether or not the ammunition is safe or whether or not it is defective. It seems to me that it becomes very obvious that their only motivation is to find some way by which they can get in the gun control door. That is what we are trying to eliminate. That is why, indeed, we are debating this now, because I think it should be very clearly understood what is at stake here and what the reasons may be.

Mr. President, I put in the Record earlier today, in connection with the adoption of the amendment sponsored by the Senator from Utah and myself, as well as others, a rather extensive statement with regard to the issue of defective ammunition, because I know it is a matter of concern that has been stated by several; that is their motivation. I wanted to put the facts clearly on the record, even though at that time, it was not being debated.

The Consumer Product Safety Commission wants this language added, the amendment adopted, as the Senator from Utah and I have suggested. They do not want the language that is being suggested by the Senator from Massachusetts because they do not want to get involved in this very difficult area where they know they are going to be buffeted about not because of the issue of safety or lack of safety of ammunition inherently but because they are going to become involved by gun control advocates. That is exactly the reason we are before this body now seeking to make clear, as we thought we had made clear earlier, that the Consumer Product Safety Commission was to have no jurisdiction. That is all in the world my amendment said, that the Consumer Product Safety Commission has no jurisdiction.

I think it should be very clear, too, that with respect to labeling, the Senator from Massachusetts has said that my amendment takes it back prior to 1961. Well, I would say this: The industry has been labeling their ammunition ever since smokeless powder came in, and they did it long before any act required them to do it. They have done it consistently ever since. It is being labeled now.

I think, under the circumstances, it must emerge as a matter of very crystal-clear fact that the ammunition is not the real goal of those people who seek ammunition labeling or restrictions. It is gun control that is the issue, and if we are going to talk about gun control let us talk about that directly. Let us have the elected representatives of the people vote on that issue. Let us not try to delegate the authority to some regulatory agency to initiate gun control through the backdoor.

That, I think, is the issue, and that is why I must oppose the amendment of the Senator from Massachusetts. I understand his concern. He has made statements repeatedly concerning his own views on gun control, as have I.

The argument ought to be on that point, and it ought to be out where the public understands that Congress is making a decision on that issue, not trying to delegate it to some regulatory agency to make it for us rather than our making it ourselves.

I thank the Senator from Alaska for yielding.

Mr. MOSS. Mr. President, do I have any time left on the amendment?

The PRESIDING OFFICER. The Senator from Utah has 9 minutes left on the amendment.

Mr. MOSS. Mr. President, I do not think I need to reiterate the arguments that have been made, although I concur with what was said by the Senator from Idaho and the Senator from Alaska. I think this is a very emotional thing, and the reason why it is emotional is that it spills over into, and, in fact, is bottomed on the gun control issue. It does not have much to do with ammunition.

I have been using ammunition for all of my adult life, and I have never bought a package of shells that did not have a label on it. They were always labeled, and I knew what they were, and I could look at them and find the number of grains of powder that they have in each one, and all of this material which I tried to indicate earlier was because of the high degree of liability.

I was not trying to argue that anybody should just depend on his tort remedy for that. What I was trying to say is the liability of a manufacturer is so great that if anything is wrong he wants to know it, and he has the highest degree of quality control; he labels his articles as clearly as he can; he puts cautionary notices on there in order to protect himself. It is to his self-interest, and he has done that for years and years.

Therefore, I do not think we have a problem in the ammunition area. I concur with what the Senator from Alaska has said. We just do not have any complaints. We have not had people coming in saying:

> A package of shells blew up in my pantry and knocked all the plaster off and, therefore, I think you ought to have some requirement that they not have defective ammunition.

The number of cartridges that were made and recited here in number by the Senator from Idaho indicates the unit number is almost unbelievable, without ever having a defective one come out and come to our attention. Therefore, I do not think we should gratuitously insert this jurisdiction in the Consumer Product Safety Commission when originally we denied it to them. It came in through the back door through another act that was transferred to them to administer, and even then it was a court order saying they had to take jurisdiction.

Therefore, I must seriously oppose this amendment. I think it is in the wrong place. If there is a time for us to discuss gun control, let us have it out in the open in a bill with full debate and discuss the whole issue. That is the proper thing to do. It is an issue, it is a proper thing to do, but it is not in place here in this bill that we are considering today.

I will be glad to yield back my time.

Mr. KENNEDY. Mr. President, how much time do I have?

The PRESIDING OFFICER. The Senator's time has expired.

Mr. KENNEDY. Does the Senator from Alaska have 2 minutes?

Mr. STEVENS. Can I give the Senator back his 4 minutes?

The PRESIDING OFFICER. Does anybody yield additional time?

Mr. KENNEDY. Could I have 3 minutes on the bill?

Mr. STEVENS. Three minutes.

Mr. KENNEDY. I thank the Senator.

Mr. President, I will make just a final comment.

The way the legislation was drafted was not that we were going to try to itemize each different product and say that we were or were not going to provide regulations. What we decided, as I understand it, in the Consumer Product Safety Act was to talk about consumer products across the board—let me repeat, consumer products across the board. The Consumer Product Safety Commission was going to regulate all products if they present an unreasonable risk.

It seems to me that made a good deal of sense. Listening to the arguments that say some of us want to just make sure we are going to also include ammunition in the jurisdiction of the Consumer Product Safety Commission, we are not trying to write something in on this. We are just trying to prohibit writing something out that should appear to any fair-minded person as a potential danger or hazard for the user or for the consumer, and that is really all that we are attempting to do.

Manufacturers clearly have some labeling provisions already on the packages of the ammunition. But all we are requiring under this amendment is to keep it away from children. That is what the opponents of this amendment are suggesting. They are suggesting that they do not want any kind of labeling requirement that says, "Keep it away from children," or "Do not store it in a warm place."

Labeling—how much of a burden is that to the American sportsmen? I ask you, How much of a burden is that to require that it say, "Keep it away from children" or to "Store it in a cool place"? This is the kind of thing we are talking about.

Also on the question of defective ammunition, if there is not a substantial danger or a hazard, there will not be the regulations. All we are trying to do is suggest that there may be, there may very well be, the danger of defective ammunition and, if that presents such a danger, regulations ought to be promulgated. That is not a very unreasonable requirement.

So, Mr. President, this is really the thrust of the point, it seems to me, that the way this legislation came out of the committee, they did give thought and consideration to it, they did recognize that these were points that should be observed by the legislation. But with the action by the McClure amendment we have effectively vitiated the judgment of the committee, and my amendment is an attempt to restore that and to provide for a review by the Consumer Product Safety Commission in these particular areas.

We are talking here about labeling of ammunition. But let us admit we do not want to do that. Let us say "OK, Mr. American Consumer, we will label when it comes to furniture polish and air sprays, but you are on your own when it comes to ammunition."

Mr. GOLDWATER. Mr. President, will the Senator yield me 5 seconds? To enable ammunition to explode because of heat would require the heat of a house burning down.

As far as children and ammunition, I think I fired my first .22 when I was 6 years old, and I have kept the ammunition away from them before they were that old.

If a shooter cannot take care of his own children or ammunition, he should not be shooting.

Mr. McCLURE. Mr. President, will the Senator yield me 1 additional minute?

Mr. STEVENS. Yes.

Mr. McCLURE. I thank the Senator for yielding.

I think there is one thing that ought to be reaffirmed that was said in the earlier debate on the Moss-McClure amendment. As of June 27, 1975, the Consumer Product Safety Commission itself had received 299,500 letters or communications opposing the proposed ban on handgun bullets, and only 500 letters in favor. That is the consumers speaking for themselves.

I would say that the 299,500 individual communications include single communications such as the one I gave to the chairman of the Commission, which was a petition signed by 20,000 individual taxpayers and citizens of my State.

The consumers have already said what they want done. They want us to leave this out of the area of consumer control under the Consumer Product Safety Commission.

Mr. STEVENS. Mr. President, those are the consumers that are involved in this matter; if we are really talking about protecting the consumers.

If, instead, this is a provision to authorize the commission to go into the whole concept of ammunition manufacture, storage, distribution, control, for the purposes of controlling it and slowing it down and depriving those who want that ammunition of their ammunition, then I can understand it, but if it is really an amendment to protect consumers, the consumers who use ammunition have not sought it.

I do not think it is a necessary amendment to the bill. I disagree with my friend from Massachusetts about the requirements for labeling.

In the first place, as the Senator from Arizona and the Senator from Idaho have pointed out, they have labeled this type of product long before any Hazardous Substances Act was enacted. There is nothing in the Hazardous Substances Act directing that ammunition shall be labeled. What happened is that ammunition, along with a lot of other things, is labeled. We have not changed that, and I do not know of anyone that has sold defective ammunition. No one in his right mind would buy it and no one is distributing it.

It is a backdoor approach to gun control that I must oppose.

Mr. MOSS. Mr. President, I yield back the time.

Mr. KENNEDY. Mr. President, I yield back my time, but I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. All time having been yielded back, the question occurs on agreeing to the amendment of the Senator from Massachusetts.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Texas (Mr. BENTSEN), the Senator from Iowa (Mr. CLARK), the Senator from Mississippi (Mr. EASTLAND), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Rhode Island (Mr. PASTORE), and the Senator from Rhode Island (Mr. PELL) are necessarily absent.

I further announce that the Senator from Arkansas (Mr. BUMPERS), the Senator from Maine (Mr. HATHAWAY), and the Senator from North Carolina (Mr. MORGAN) are absent on official business.

I further announce that, if present and voting, the Senator from Iowa (Mr. CLARK), the Senator from North Carolina (Mr. MORGAN), and the Senator from Rhode Island (Mr. PASTORE) would each vote "nay".

Mr. HUGH SCOTT. I announce that the Senator from Massachusetts (Mr. BROOKE) and the Senator from Illinois (Mr. PERCY) are necessarily absent.

I also announce that the Senator from Michigan (Mr. GRIFFIN), is absent due to a death in the family.

I further announce that the Senator from Nevada (Mr. LAXALT) is absent attending a funeral.

The result was announced—yeas 11, nays 75, as follows:

[Rollcall Vote No. 296 Leg.]

YEAS—11

Bayh
Case
Cranston
Hart, Philip A.
Jackson
Javits
Kennedy
Ribicoff
Stevenson
Tunney
Williams

NAYS—75

Abourezk
Allen
Baker
Bartlett
Beall
Bellmon
Biden
Brock
Buckley
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Chiles
Church
Culver
Curtis
Dole
Domenici
Eagleton
Fannin
Fong
Ford
Garn
Glenn
Goldwater
Gravel
Hansen
Hart, Gary W.
Hartke
Haskell
Hatfield
Helms
Hruska
Huddleston
Humphrey
Inouye
Johnston
Leahy
Long
Magnuson
Mansfield
Mathias
McClellan
McClure
McGee
McGovern
McIntyre
Metcalf
Mondale
Montoya
Moss
Muskie
Nelson
Nunn
Packwood
Pearson
Proxmire
Randolph
Roth
Schweiker
Scott, Hugh
Scott, William L.
Sparkman
Stafford
Stennis
Stevens
Stone
Symington
Taft
Talmadge
Thurmond
Tower
Weicker
Young

NOT VOTING—13

Bentsen
Brooke
Bumpers
Clark
Eastland
Griffin
Hathaway
Hollings
Laxalt
Morgan
Pastore
Pell
Percy

So Mr. KENNEDY's amendment was rejected.

Mr. MOSS. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. MAGNUSON. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HANSEN. Mr. President, I am gratified that the amendments to the Consumer Product Safety Act clearly address a concern of thousands of Wyoming residents and millions of Americans. The amendments provide that the Consumer Product Safety Commission has no jurisdiction to regulate the sale of firearms or firearms ammunition. I, together with a number of other Senators, have sponsored and actively supported separate legislation that would accomplish this same purpose.

I applaud the Commerce Committee for expeditiously bringing this provision before the Senate and hope my colleagues can support this needed legislation.

The Congress never intended the Consumer Product Safety Commission to have the authority to ban ammunition. In fact, a specific provision of the Consumer Product Safety Act explicitly excluded guns and ammunition from the Commission's jurisdiction. Despite this clear legislative mandate, additional legislative action is necessary because of a recent Federal district court decision. In a suit brought by a Chicago gun control group, the Federal district court for the District of Columbia ordered the Commission to "commence consideration" of a ban on handgun ammunition. The Commission has not yet determined whether it has this authority, but the fact that the question has even arisen necessitates this legislation.

If this bill is adopted by the Congress, it will put to an end the question of whether the Commission has the authority to ban the sale of ammunition. This represents a victory for millions of Americans who believe in the right to own and legitimately use firearms.

Mr. President, I received approximately 4,000 letters from Wyoming constituents protesting the possibility that the Commission might place a ban on handgun ammunition. I have found that this response is representative of much of the country.

The original committee amendments carved out two areas where the Commission would retain authority to regulate firearms ammunition. I was a cosponsor of the amendment which removed these provisions. First, the committee provided that the Commission had the authority to continue the general labeling of ammunition containers. I opposed this provision because ammunition manufacturers have for almost a decade and a half voluntarily performed what this provision would have required. I see no need in requiring conduct which has long been voluntarily performed, absent some change in circumstance. There had been no change in the resolve of ammunition manufacturers to properly label ammunition containers.

Second, the committee amendments provided that the Commission had authority to regulate defective ammunition. I felt that this provision was not needed because of the almost nonexistent occurrence of injuries resulting from defective ammunition. Moreover, I opposed the provision because I felt that providing the Commission with the power to determine what is defective ammunition provides the "foot in the door" for the Commission to promulgate a multitude of standards—production and use requirements—the fulfillment of which would be necessary for the ammunition to be determined safe. Such standards would have the overriding effect of unnecessarily raising the price of ammunition and reducing legitimate gun use. I am extremely happy that these provisions were removed from the committee amendments.

With the removal of these provisions, the legislative record is clear—Congress intends that the Consumer Product Safety Commission is not to exercise jurisdiction over or regulate the use of firearms or firearms ammunition. If the Congress wishes to legislate gun control, which I believe is most unwise, let it do it out in the open where the opinions of the American voters can be heard. Clearly, such an important activity should not be initiated by a Federal district court judge and be implemented by the Consumer Product Safety Commission.

Gun control is a much too important subject for this type of low level, nonparticipatory action.

With this legislation, the Congress has finally made the record clear—the Consumer Product Safety Commission has no authority to regulate firearms and firearms ammunition. I commend this legislation to my colleagues and sincerely hope they can give it their support.

Mr. PHILIP A. HART. Mr. President, the Consumer Product Safety Commission Improvements Act which we considered today includes a most important "improvement"—section 3(e)—which gives the Consumer Product Safety Commission jurisdiction over cigarettes as a source of ignition. The Senate has been persuaded, as I was and the Commerce Committee was, that this provision is a necessary and equitable redress of an arbitrary restriction on the Consumer Product Safety Commission's authority to protect the public from consumer hazards.

Of the 124,000 upholstery and bedding fires which occur annually, 70 to 80 percent are caused by cigarettes which are carelessly dropped or left unattended. In fact, cigarettes are the third largest cause of all fires. Upholstery and bedding fires are responsible for an estimated 3,000 deaths, 10,000 injuries, and over $100 million in property damages each year.

While the Consumer Product Safety Commission has been able to respond to this hazard by proposing requirements that upholstery and bedding materials meet certain flammability standards, it is flatly prohibited from addressing the other side of this problem, the ignition source. As now framed, the CPSC's proposed flammability standards would offer no protection to the owners of some 298,000,000 pieces of furniture which are already in the home. Neither would these requirements help the principal victims of smoking accidents—the elderly, who are not generally in a position to buy new furniture. Requiring fabrics and bedding to meet strict flammability standards is not without its costs either. Furniture prices are expected to rise between 15 and 25 percent, and fabric selection may be greatly limited. While the benefits which we achieve from standards such as these may be well worth the costs, the Senate has acted wisely in permiting the CPSC to explore possibilities for reducing this hazard at its source—the cigarettes.

Some promising steps have already been made in developing a "fire safe" cigarette, that is, a cigarette which would go out if not puffed upon in a relatively short period of time.

Laboratory tests have shown the 97 percent of all cigarette furniture fires are caused when the fabric is in contact with the lit or smouldering cigarette for more than 10 minutes. Thus, if a cigarette is perfected which would "self extinguish" in less than 10 minutes, the fire risk, regardless of fabric or upholstery used, would be substantially reduced. I would emphasize our recognition that this technology is not yet certain. It is also recognized that treatments to alter the burning patterns of cigarettes may have health implications which are not fully understood. Thus section 3(e) of S. 644 contains an express proviso that the CPSC may make no requirements which would have the effect of increasing or adding to the health hazards of smoking.

It should also be made clear that this provision does not require the Consumer Product Safety Commission to regulate cigarettes or to reject flammability standards. Neither does it prevent the Commission from adopting a solution which combines both of these as remedies. By giving the CPSC this jurisdiction we are simply acting to remove the artificial barrier which presently encumbers the Commission's ability to address this question in a full and cost/effective manner.

In adopting this provision the Senate has rejected the notion that simply because cigarettes and not some other product are the ignition source, the CPSC should treat them as a sacred cow.

Mr. President, this provision will not permit the CPSC to regulate the health aspects of cigarettes; rather, it allows the Commission to exercise fully its proper mandate in protecting people from fire hazards, an area in which its competence and jurisdiction is clear.

One further issue needs clarification—the charge made in the dissenting views to the Commerce Committee report on S. 644 that the adoption of this section is merely an attempt on the part of furniture manufacturers to delay the setting of flammability standards. While some may wish for such an outcome, it is not my intent, nor that of the Senate in retaining this provision, to derail the adoption of whatever standards are deemed necessary. The correction of this lack in the Consumer Product Safety Commission's authority has merit in its own right, merit recognized and affirmed by our action on S. 644 today.

Mr. MOSS. Mr. President, I know of no further amendments. If there are no further amendments, I ask for third reading.

The PRESIDING OFFICER (Mr. WEICKER). The question is on agreeing to the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

Mr. MOSS. Mr. President, I have authority from the minority to yield back their time, and I yield back mine, so all remaining time is yielded back.

The PRESIDING OFFICER (Mr. CURTIS). The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, and was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass? On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

(During the call of the roll, Mr. HELMS assumed the chair as Presiding Officer.)

Mr. ROBERT C. BYRD. I announce that the Senator from Texas (Mr. BENTSEN), the Senator from Iowa (Mr. CLARK), the Senator from Mississippi (Mr. EASTLAND), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Rhode Island (Mr. PASTORE), the Senator from Rhode Island (Mr. PELL), and the Senator from Mississippi (Mr. STENNIS) are necessarily absent.

I further announce that the Senator from Arkansas (Mr. BUMPERS), the Senator from Maine (Mr. HATHAWAY), and the Senator from North Carolina (Mr. MORGAN) are absent on official business.

I further announce that, if present and voting, the Senator from Iowa (Mr. CLARK), the Senator from North Carolina (Mr. MORGAN), the Senator from Rhode Island (Mr. PASTORE), and the Senator from Rhode Island (Mr. PELL) would each vote "yea."

Mr. HUGH SCOTT. I announce that the Senator from Massachusetts (Mr. BROOKE), the Senator from Arizona (Mr. GOLDWATER), and the Senator from Illinois (Mr. PERCY) are necessarily absent.

I also announce that the Senator from Michigan (Mr. GRIFFIN) is absent due to a death in the family.

I further announce that the Senator from Nevada (Mr. LAXALT) is absent attending a funeral.

The result was announced—yeas 76, nays 8, as follows:

[Rollcall Vote No. 297 Leg.]

YEAS—76

Abourezk
Baker
Bayh
Beall
Biden
Brock
Buckley
Burdick
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Cranston
Culver
Dole
Domenici
Eagleton
Fong
Ford
Garn
Glenn
Gravel
Hansen
Hart, Gary W.
Hart, Philip A.
Hartke
Haskell
Hatfield
Hruska
Huddleston
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Leahy
Long
Magnuson
Mansfield
Mathias
McClellan
McClure
McGee
McGovern
McIntyre
Metcalf
Mondale
Montoya
Moss
Muskie
Nelson
Nunn
Packwood
Pearson
Proxmire
Randolph
Ribicoff
Roth
Schweiker

Scott, Hugh
Sparkman
Stafford
Stevens
Stevenson
Stone
Symington
Taft
Talmadge
Thurmond
Tunney
Weicker
Williams
Young

NAYS—8

Allen
Bartlett
Beilmon
Curtis
Fannin
Helms
Scott, William L.
Tower

NOT VOTING—15

Bentsen
Brooke
Bumpers
Clark
Eastland
Goldwater
Griffin
Hathaway
Hollings
Laxalt
Morgan
Pastore
Pell
Percy
Stennis

So the bill (S. 644) was passed, as follows:

S. 644

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Consumer Product Safety Commission Improvements Act of 1975".

AUTHORIZATION FOR APPROPRIATIONS

SEC. 2. Paragraphs (1), (2), and (3) of section 32(a) of the Consumer Product Safety Act (15 U.S.C. 2081(a)) are amended to read as follows:

"(1) $51,000,000 for the fiscal year ending June 30, 1976;

"(2) $14,000,000 for the transitional quarter ending September 30, 1976; and

"(3) $55,000,000 for the fiscal year ending September 30, 1977.".

LIMITATIONS ON JURISDICTION

SEC. 3. (a) Section 2(2) of the Poison Prevention Packaging Act of 1970 (15 U.S.C. 1471(2)) is amended by (1) deleting subparagraph (B) thereof in its entirety; and (2) redesignating subparagraphs "(C)" and "(D)" thereof as "(B)" and "(C)", respectively.

(b) (1) Section 3(a) (1) (D) of the Consumer Product Safety Act (15 U.S.C. 2052 (a) (1) (D)) is amended by deleting "economic poisons" and inserting in lieu thereof "pesticides".

(2) The amendment made by this subsection shall take effect on the date on which regulations promulgated by the Environmental Protection Agency with respect to the Federal Insecticide, Fungicide, and Rodenticide Act initially take effect.

(c) (1) Section 2(f) (2) of the Federal Hazardous Substances Act (15 U.S.C. 1261 (f) (2)) is amended by inserting before "but such term" the following: "nor to tobacco and tobacco products,".

(2) Section 3(a) (1) of the Consumer Product Safety Act (15 U.S.C. 2052 (a) (1)) is amended (A) by inserting "other" before "limitations" in the last sentence threof and (B) by inserting before such sentence the following: "Except for the regulation under this Act or the Federal Hazardous Substances Act of fireworks devices or any substance intended for use as a component of any such device, the Commission shall have no authority under the functions transferred pursuant to section 30 of this Act to regulate any product or article described in subparagraph (E) of this paragraph, or described, without regard to quantity, in section 845(a) (5) of title 18 of the United States Code.".

(d) the Consumer Product Safety Commission shall make no ruling or order that restricts the manufacture or sale of firearms, firearms ammunition, or components of firearms ammunition, including black powder or gunpowder for firearms.

(e) The second sentence of section 30(a) of the Consumer Product Safety Act (15 U.S.C. 2079(a)) is amended by (1) deleting "of the Administrator of the Environmental Protection Agency and"; and (2) deleting "Acts amended by subsections (b) through (f) of section 7 of the Poison Prevention Packaging Act of 1970" and inserting in lieu thereof "Federal Food, Drug, and Cosmetic Act (15 U.S.C. 301 et seq.)".

(f) Section 3(a) (1) (B) of the Consumer Product Safety Act (15 U.S.C. 2052(a) (1) (B)) is amended by adding after "products" the following: "except to the extent that such products present an unreasonable risk of injury as a source of ignition: *Provided, however,* That no action taken by the Commission shall add to any health hazards posed by such products".

BUDGET AND EMPLOYEE PROVISIONS

SEC. 4. (a) Section 4(f) of the Consumer Product Safety Act (15 U.S.C. 2053(f)) is amended by adding at the end thereof the following new paargraph:

"(3) Requests or estimates for regular, supplemental, or deficiency appropriations submitted on behalf of the Commission shall require the approval of the Commission pursuant to section 27(k) (1) prior to their submission.".

(b) Section 4(g) of such Act (15 U.S.C. 2053(g)) is amended by (1) striking out "full-time" in paragraph (2) and inserting "regular" in lieu thereof; and (2) adding at the end thereof the following two new paragraphs:

"(3) The Chairman, subject to the approval of the Commission, may designate certain positions (not to exceed 25) within the Commission as 'noncareer positions'. Individuals may be appointed to such noncareer positions if their principal duties will involve—

"(A) significant participation in the determination of major Commission policies; or

"(B) service as a personal assistant or as an adviser to the Chairman of any other Commissioner.

Appointments to, and removals from, such noncareer positions shall be made by the Chairman, subject to the approval of the Commission, except that appointments to, and removals from, any such position that involves service as a personal assistant or as an adviser to the Chairman or any other Commissioner shall be made by the Commissioner concerned and shall not be subject to the approval of any other Commissioner. Any such appointment or removal may be made without regard to any provision of title 5, United States Code, other than section 3324 thereof where applicable, governing appointments to, and removals from, positions in the competitive service, and shall not be subject to approval by the Executive Office of the President or the Office of Management and Budget, or any officer thereof, or by any office or agency of the Federal Government other than the Commission, except as otherwise provided in this section. The Chairman, subject to the approval of the Commission, may abolish any particular noncareer position, that was designated as such under this paragraph, upon a determination that such position is no longer needed.

"(4) The Chairman, subject to the approval of the Commission, may place a total of 15 positions in categories GS–16, GS–17, and GS–18, in addition to any professional engineering position primarily concerned with research and development and any professional position in the physical and natural sciences and medicine which may be placed in such categories, and in addition to any such positions that are authorized by section 5108(a) of title 5, United States Code.".

(c) Section 5108(c) of title 5, United States Code, is amended by adding the following new paragraph at the end thereof:

"(12) The Chairman of the Consumer Product Safety Commission, subject to the approval of that Commission, may place a total of 15 positions in GS–16, GS–17, and GS–18, without regard to the provisions of this chapter, except section 5114 hereof.".

SUBSTANTIAL PRODUCT HAZARDS

SEC. 5. (a) Section 3(a) of the Consumer Product Safety Act (15 U.S.C. 2052(a)) is amended by adding at the end thereof the following two new paragraphs:

"(15) The term 'product liability insurer' means a legally constituted and authorized entity that—

"(A) has entered into a contract or agreement, or that is otherwise legally obligated, to pay or compensate an injured person for losses associated with a consumer product distributed in commerce; or

"(B) has insured a manufacturer of a consumer product distributed in commerce against risks involving such product.

"(16) The term 'independent testing laboratory' means a person who, in accordance with professional standards and objective test protocols, tests consumer products and evaluates them for safety and other characteristics, and who is not owned or controlled, in whole or in part, directly or indirectly, by the manufacturer of such products.".

(b) Section 15(b) of such Act (15 U.S.C. 2064(b)) is amended by (1) deleting "(1)" at the beginning of the first subparagraph thereof and inserting in lieu thereof "(A)"; (2) deleting "(2)" at the beginning of the second paragraph thereof and inserting in lieu thereof "(B)"; (3) inserting "(1)" immediately after "(b)" and before "Every manufacturer"; and (4) adding at the end thereof the following new paragraph:

"(2) Each product liability insurer and each independent testing laboratory which obtains information which reasonably supports the conclusion that a consumer product distributed in commerce may contain a substantial product hazard shall, as soon as practicable, submit to its insured, or to the person on whose behalf it has tested such consumer product, whichever is applicable, a notice of such conclusion, and inform such person of his obligations under this section. No part of any notice submitted in compliance with this paragraph, shall be admitted as evidence or used in any suit or action for damages. No such product liability insurer or independent testing laboratory shall be subject to a civil or criminal penalty for failure to comply with the provisions of this paragraph unless the Commission first determines (i) that such consumer product contains a substantial product hazard pursuant to the provisions of this section and (ii) that such product liability insurer or independent testing laboratory failed to act upon information which, at the time, should have reasonably supported the conclusion that such product hazard existed.".

STANDARDS DEVELOPMENT

SEC. 6. Section 7(e) (2) of such Act (15 U.S.C. 2056 (e) (2)) is amended by inserting the following new sentence before the last sentence thereof: "Whenever the Commission determines that no offeror whose offer is accepted is making progress in the development of such standard, or that the proposed standard developed by each offeror whose offer for the development of such standard was accepted is not satisfatcory in whole or in part, the Commission itself may develop such standard or it may contract with third parties for such development.".

PROMULGATION OF RULES

SEC. 7. Section 9(b) of the Consumer Product Safety Act (15 U.S.C. 2058(b)) is amended by adding at the end thereof the following: "The Commission shall also consider the special needs of elderly and handicapped persons to determine whether they would be adversely affected by the promulgation of any rule."

PROHIBITED ACTS AND ENFORCEMENT

Sec. 8. (a) Section 19(a) of the Consumer Product Safety Act (15 U.SC. 2068(a)) is amended by—

(1) redesignating paragraphs "(3)" through "(7)" thereof as "(4)" through "(8)", respectively;

(2) inserting in newly designated paragraph (4) thereof the clause "or fail or refuse to establish or maintain records," immediately after "copying of records,";

(3) inserting after paragraph (2) thereof the following new paragraph:

"(3) manufacture for sale, offer for sale, distribute in commerce, or import into the United States any consumer product (A) that is subject to an order issued under section 15(d), or (B) that has been refused admission into the customs territory of the United States pursuant to section 17;";

(4) deleting "or" at the end of newly designated paragraph (7) thereof;

(5) deleting the period at the end of newly designated pargraph (8) thereof and inserting in lieu thereof a semicolon; and

(6) adding at the end thereof the following two new paragraphs:

"(9) fail to comply with any rule under section 13 (relating to prior notice and description of new consumer products); or

"(10) fail to comply with any rule under section 27(e) (relating to provision of performance and technical data).".

(b) Section 20 of such Act (15 U.S.C. 2069) is amended by (1) deleting "section 19(a) (1), (2), (4), (5), (6), or (7)" in the second sentence of subsection (a)(1) thereof and inserting in lieu thereof "section 19(a) (1), (2), (3), (5), (6), (7), (8), (9), or (10)"; and (2) deleting "or (2)" in subsection (a) (2) thereof and inserting in lieu thereof ", (2), or (3)".

(c) Section 22 of such Act (15 U.S.C. 2071) is amended—

(1) by deleting the first sentence of subsection (a) thereof and inserting in lieu thereof the following:

"Sec. 22. (a) The district courts of the United States shall have jurisdiction to—

"(1) restrain any violation of section 19; or

"(2) restrain any person from distributing in commerce a product—

"(A) that does not comply with a consumer product safety rule or that is subject to an order issued under section 15(d), or

"(B) that has been refused admission into the customs territory of the United States pursuant to section 17.";

(2) by deleting "which fails to conform to an applicable consumer product safety rule" in subsection (b) thereof and inserting in lieu thereof:

"that—

"(1) fails to conform to an applicable consumer product safety rule or that is subject to an order issued under section 15(d), or

"(2) has been refused admission into the customs territory of the United States pursuant to section 17,"; and

(3) by adding at the end thereof the following new subsection:

"(c) Whenever the Commission has reason to believe—

"(1) that any person is manufacturing, offering for sale, selling, distributing in commerce, or importing into the United States any consumer product that contains a substantial product hazard as defined in section 15(a); and

"(2) that enjoining the distribution in commerce of such product, pending completion of the hearing required by section 15(f), is necessary to protect the public from a substantial risk of injury—

the Commission or the Attorney General may bring suit in a district court of the United States to enjoin the distribution of such a product. Upon a proper showing that the Commission has sufficient grounds to justify its belief that the product contains a substantial product hazard, that enjoining the distribution in commerce is necessary to protect the public from a substantial risk of injury, and weighing the equities and considering the Commission's likelihood of ultimate success, such action would be in the public interest, and after notice to the defendant and opportunity to respond, a preliminary injunction may be granted without bond.".

LITIGATION

Sec. 9. (a) Section 22(a) of the Consumer product Safety Act (15 U.S.C. 2071(a)) is amended by deleting the words "(with the concurrence of the Attorney General)" in the second sentence thereof.

(b) Section 27(c) of such Act (15 U.S.C. 2076(c)) is amended by adding the following new sentence at the end thereof: "For purposes of this subsection and of subsection (b)(7) of this section, unless the Attorney General notifies the Commission within 45 days of a request for representation that he will represent the Commission, such representation may be made by attorneys designated by the Commission.".

JURISDICTION UNDER CONSUMER PRODUCT SAFETY ACT

Sec. 10. Section 30(d) of the Consumer Product Safety Act (15 U.S.C. 2079 (d) is amended to read as follows:

"(d) A risk of injury which is associated with consumer products and which may be regulated by the Commission under the Federal Hazardous Substances Act, the Poison Prevention Packaging Act, or the Flammable Fabrics Act may instead be regulated under the provisions of this Act upon a determination by the Commission that such action is necessary and in the public interest."

Sec. 11. The Consumer Product Safety Act is further amended by inserting at the end thereof, the following section:

"COST AND BENEFIT ASSESSMENT STATEMENTS

"Sec. 35. (a) The Consumer Product Safety Commission shall prepare a cost and benefit assessment statement with respect to any rules to which section 553(b) of title 5, United States Code, is applicable, which are likely to have a substantial economic impact, for the Commission's consideration in connection with the promulgation of such rules. Each such statement shall be short and concise and, together with such supporting documentation as the Commission in its discretion determines to be necessary or appropriate, shall consist of the following 3 elements:

"(1) estimated costs, that are foreseeable as a result of the effective implementation of such rule;

"(2) estimated benefits, that are foreseeable as a result of the effective implementation of such rule; and

"(3) the apparent relationship, if any, between such costs and benefits.

To the extent deemed practicable by the Commission, each cost and benefit assessment statement shall indicate in an appendix the assumptions, if any, which were made by it regarding the means, or alternative means, and attendant costs of compliance with the proposed rule, including any manufacturer's costs and consumer costs reflected in the price of any product affected by such rule. Before releasing any cost and benefit assessment statement to the public, the Commission shall transmit to the Comptroller General such assessment and any appendix thereto which indicates the assumption made regarding the means and attendant costs of compliance with the proposed rule including any manufacturers' costs and consumer costs reffected in the price of any product affected by such rule.

"(b) With respect to any proposed rule subject to the requirements of subsection (a), each Federal Register notice of proposed rulemaking shall request interested persons to submit to the applicable agency, in writing, comments, materials, data, information, and other presentations relevant to the preparation of the required cost and benefit assessment statement.

"(c) The Commission shall, to the extent it deems necessary or appropriate, seek to obtain comments, materials, data, information, and presentations relevant to the costs and benefits, if any, likely to ensue from effective implementation of any proposed rule, within the time prescribed for consideration of the proposed rule, from other Federal agencies and persons. No extensions of time for comment shall be granted solely for the purpose of receiving any such presentations with respect to such benefits.

"(d) Each person who contends that effective implementation of a proposed rule will result in increased or decreased costs, shall furnish to the Commission the *information* upon which he bases such assertion, and which is in his possession, is known to him, or is subject to his control. Such information shall be furnished to the Commission in such form, manner, and detail as such Commission in its discretion prescribes. Whenever any relevant information, which the Commission deems necessary or appropriate to the preparation of a cost and benefit assessment statement, is or may be in the possession or control of a person who may be directly affected by the proposed rule, the Commission is authorized to request such relevant information as reasonably described by it, and such person shall furnish such relevant information promptly to the Commission. Such request for information shall be enforceable by appropriate orders by any court of the United States. Such information as is furnished shall be considered a statement for purposes of section 1001 of title 18, United States Code.

"(e) A cost and benefit assessment statement prepared pursuant to subsection (a) shall be published at the end of the year in the Federal Register in a report which shall contain all cost and benefit assessment statements applicable to rules promulgated during the preceding 12 months. All relevant information developed or received by the Commission in connection with the preparation of such statement shall be available to all interested persons, subject to the provisions of section 552 of title 5, United States Code, and other applicable law.

"(f) The Commission shall issue, pursuant to the provisions of this subsection, regulations providing guidelines as to the nature and content of any cost and benefit assessment statement required by subsection (a) and insuring that information deemed by it to be necessary or appropriate to the preparation of any such cost and benefit assessment statement shall be obtained. Such regulations shall be issued by the Commission upon the recommendations submitted to the Commission by the Office of Management and Budget and the General Accounting Office. In issuing or modifying any regulations implementing this section, the Commission shall proceed in accordance with the procedures prescribed by subsections (b) and (c) of the new section inserted by section 202, Public Law 93–637 (88 Stat. 2193; 15 U.S.C. 57a(b), (c)). The Commission shall provide public notice of proposed rulemaking to implement this subsection within 60 days of the effective date of this Act, and shall issue regulations implementing this subsection within 180 days of the effective date of this Act. After issuance of any regulations implementing this section, the Commission shall transmit them to the Congress, together with all recommendations submitted to the Commission pursuant to this subsection. Such regulations shall take effect 90 legislative days after such transmittal to the

Congress by the Commission, unless either House of Congress by resolution of disapproval, pursuant to procedures established by chapter 35, title 44, United States Code, and by section 1017 of the Congressional Budget and Impoundment Control Act of 1974 (31 U.S.C. 1407), disapproves such regulations, except that Congress may by concurrent resolution modify such regulations within such 90-day period, in which case such regulations shall take effect in such modified form.

"(g) The Commission shall not submit proposed legislation to the Congress which is likely, if enacted, to have a substantial economic impact, unless such legislation is accompanied by a cost and benefit assessment statement. The statement required by this subsection shall be prepared in accordance with the provisions of subsection (a). The requirements of this subsection may be postponed upon the request of a committee of Congress having jurisdiction over such legislative proposal, for a period not to exceed 30 days from the date of submission to the Congress of such legislation.

"(h) In addition to the definitions in section 3 of this Act, the following definitions shall apply with respect to the provisions of this section:

"(1) the term 'rule' means 'rule' as defined by section 441(4) of title 5, United States Code;

"(2) the term 'legislation' or 'law' means a statute of the United States or any amendment thereto;

"(3) 'benefit' includes any direct or indirect, tangible or intangible, gain or advantage which the Commission, in its discretion, deems proximately related to the promulgation of a proposed regulation or the enactment of the proposed legislation. The term shall include such quantifiable benefits as the Commission identifies and describes. Benefits may include the costs that would be likely to result from the Commission's failure to act, but which are likely to be avoided by the Commission's action; and

"(4) 'cost' includes any direct or indirect expense, including component costs of production and supply, and any loss, penalty, or disadvantage which the Commission, in its discretion, deems proximately related to the promulgation of a proposed regulation, or the enactment of proposed legislation. The term shall include such nonquantifiable costs as the agency identifies and describes.

"(i) The Comptroller General of the United States shall monitor and evaluate the implementation of this section. In addition to any other reports or studies made by the Comptroller General relating to this section, he shall, 3 years after the effective date of this section, conduct a comprehensive review of this section including an evaluation of the advantages and disadvantages of cost and benefit assessment statements and of the nature and extent of Commission compliance with this section. The Comptroller General shall prepare and submit to the Congress a report based on such study and review. Such report shall include, but need not be limited to, his recommendations as to the necessity or advisability of the provisions of this section, and of the need to amend subsection (k), or any other provision, of this section. The Comptroller General shall, if he determines that the assumptions contained in any statement submitted to it pursuant to subsection (a) of this section are inaccurate, incomplete, or unjustified so report to the committees of the Senate and House of Representatives having jurisdiction over the Commission.

"(j) No court shall have the jurisdiction to review, or enforce or shall review, or enforce and, except for the general review of the effectiveness of this section provided for in subsection (i), no officer or agency of the United States, other than the Consumer Product Safety Commission and the duly authorized committees of the Congress, shall have the authority to review or enforce or shall review, or enforce, in any way the compliance of any cost and benefit assessment statement with this section, or, except where the Commission seeks to enforce in court its request for information, the compliance, by the Commission with any other requirement of this section, including the manner or process by which such statement is prepared: *Provided*, That a Federal court may, upon the request if any interested person, review and enforce compliance with the provisions of this subsection.

"(k) The requirements of this section shall supersede the requirements of any existing executive order imposing any economic, cost-benefit, inflationary, or other similar impact assessment requirement. No requirement of this section shall alter or supersede any Commission statutory requirement, regulation, or lawful practice which the Commission determines to be inconsistent with any of the requirements of this section. Further, the Commission shall not be required to prepare and issue a cost and benefit assessment statement required by this section, if information which would be contained in such statement is encompassed within another statement required by law to be prepared in connection with the promulgation of the applicable rule.

"(l) The provisions of this section shall become effective 1 year after the effective date of implementing regulations submitted by the Commission under subsection (g) of this section.".

PREEMPTION

SEC. 12. (a) Section 18 of the Federal Hazardous Substances Act, as amended (74 Stat. 380; 15 U.S.C. 1261 note), is amended by adding at the end thereof the following new subsection:

"(c)(1) Except as provided in paragraphs (2) and (3), if a regulation of the Consumer Product Safety Commission, that is used to determine when a hazardous substance or article shall be a banned hazardous substance or article, is in effect and if such regulation has been established to deal with a risk of illness or injury associated with a hazardous substance or article, no State and no political subdivision of a State may establish or continue in effect a requirement applicable to such substance or article and designed to deal with the same risk of illness or injury, unless such requirement is identical to the requirement established under such regulation.

"(2) The Federal Government and the government of a State or the government of a political subdivision of a State may establish and continue in effect, for its own use, a requirement applicable to a hazardous substance or article if such requirement has been established to deal with a risk of illness or injury associated with such a substance or article, even though such requirement is not identical to an applicable requirement described in paragraph (1), if the Federal, State, or local requirement provides a higher degree of protection from such risk of illness or injury than the requirement described in paragraph (1).

"(3) Upon the application of a State or of a political subdivision of a State, the Consumer Product Safety Commission may, by rule promulgated after notice and opportunity for the oral presentation of views, exempt from paragraph (1), under such conditions as may be prescribed in such regulation, a requirement of such State or political subdivision designed to deal with a risk of illness or injury associated with a hazardous substance if—

"(A) compliance with the requirement would not cause the hazardous substance to be in violation of the applicable requirement described in paragraph (1), and

"(B) the State or political subdivision requirement (i) provides a significantly higher degree of protection from such risk of illness or injury than the requirement described in paragraph (1), and (ii) does not place an undue burden upon the manufacture or distribution of products in interstate commerce.".

(b) Section 16 of the Flammable Fabrics Act (15 U.S.C. 1203) is amended to read as follows:

"PREEMPTION

"SEC. 16. (a) Except as provided in subsections (b) and (c), if a flammability standard or any other regulation is in effect under this Act, section 11 of Public Law 90-189, or any other regulation in implementation of such Acts for a fabric, related material, or product, no State or political subdivision of a State may establish or continue in effect a flammability standard or other regulation for such fabric, related material, or product designed to protect the public against the same risk of occurrence of fire with respect to which the standard or other regulation under this Act, section 11 of Public Law 90-189, or other regulation in implementation of such Acts was promulgated unless the flammability standard or other regulation of the State or political subdivision involved is identical to the Federal standard or other regulation.

"(b) The Federal Government and the government of a State or the government of a political subdivision of a State may establish and continue in effect, for its own use, a flammability standard or other regulation applicable to a fabric, related material, or product if such requirement is established to protect against a risk of occurrence of fire with respect to which a flammability standard or other regulation was promulgated under this Act, section 11 of Public Law 90-189, or other regulation in implementation of such Acts and which is not identical to such standard or other regulation if the Federal, State, or local standard or other regulation provides a higher degree of protection from such risk of occurrence of fire than the standard or other regulation promulgated under this Act, section 11 of Public Law 90-189, or other regulation in implementation of such Acts.

"(c) Upon the application of a State or of a political subdivision of a State, the Consumer Product Safety Commission may, by rule promulgated after notice and opportunity for the oral presentation of views, exempt from the requirements of subsection (a), upon such terms and conditions as may be prescribed therein, a flammability standard or any other regulation of such State or political subdivision that is applicable to a fabric, related material, or product that is subject to a standard or other regulation promulgated under this Act, section 11 of Public Law 90-189, or other regulation in implementation of such Acts if—

"(1) compliance with the requirement would not cause the fabric, related material, or product to be in violation of the standard or other regulation promulgated under this Act, section 11 of Public Law 90-189, or other regulation in implementation of such Act, and

"(2) the standard or other regulation of the State or political subdivision involved (i) provides a significantly higher degree of protection from the risk of occurrence of fire than the Federal standard or other regulation, and (ii) does not place an undue burden upon the manufacture or distribution of products in interstate commerce.".

(c) Section 26(c) of the Consumer Product Safety Act (15 U.S.C. 2075(c)) is amended by deleting the words "(1) imposes a higher level of performance than the Federal standard, (2) is required by compelling local conditions, and (3) does not unduly burden interstate commerce", and inserting in lieu thereof the following: "(1) imposes a significantly higher level of performance than the Federal standard, and (2) does not place an undue burden upon the manufacture or distribution of products in interstate commerce.".

ATTORNEY'S FEES

SEC. 13. (a) Section 10 of the Consumer Product Safety Act (15 U.S.C. 2059) is amended by adding the following new subsection:

"(h) Any interested person who is involved in an action under this section shall recover the costs of suit, reasonable attorneys' fees and expert witnesses' fees, if considered appropriate by the court and in the interest of justice and the United States shall be liable for the costs of suit to the same extent and in the same manner as a private person. Such attorneys' fees shall be based upon the actual time expended by such attorney and his or her staff in advising and representing his or her client (at prevailing rates for such services, including any reasonable risk factor component).".

(b) Section 11(c) of the Consumer Product Safety Act (15 U.S.C. 2060(c)) is amended by adding the following new sentence after the first sentence thereof: "Such relief may also include the award of reasonable attorneys' fees, expert witnesses' fees, and costs of suit where the court determines that such award is appropriate and in the interest of justice and the United States shall be liable for the costs of suit to the same extent and in the same manner as a private person. Such attorneys' fees shall be based upon the actual time expended by such attorney and his or her staff in advising and representing his or her client (at prevailing rates for such services, including any reasonable risk factor component).".

ACCOUNTABILITY

SEC. 14. (a) Section 2680(a) of title 28, United States Code is amended by striking out "abused." at the end thereof and inserting in lieu thereof the following: "abused, except as otherwise provided. Such provisions shall apply to any claim based upon any misrepresentation, deceit, or the exercise or performance or failure to exercise or performance or failure to exercise or perform a discretionary function or duty on the part of the Consumer Product Safety Commission or any employee thereof, if such exercise, performance or failure is determined, as a matter of law, to be unreasonable with respect to the discretionary function or duty involved: *Provided*, That (1) such determination shall be based upon consideration of all the relevant circumstances and factors, including, but not limited to, the statutory responsibilities of the agency and the public interest in encouraging rather than inhibiting the exercise of discretion, (2) such claim may not be made with respect to any agency action as defined in section 551(13) of title 5, United States Code, and (3) an action is instituted upon such claim after the date of enactment of this sentence, and is based upon an asserted misrepresentation, deceit, or exercise, or performance or failure to exercise or perform such a discretionary function or duty that occurs prior to January 1, 1978.

Mr. ALLEN and Mr. MOSS addressed the Chair.

Mr. MANSFIELD. Mr. President, I move to reconsider——

The PRESIDING OFFICER. The Senator from Utah is recognized.

Mr. MOSS. Mr. President, I move to reconsider the vote.

Mr. ROBERT C. BYRD. I move to lay that motion on the table, and I ask for the yeas and nays on the motion to table.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The clerk will call the roll.

Mr. ALLEN. Now, Mr. President——

The PRESIDING OFFICER. The Senator from Alabama.

Mr. ALLEN. Mr. President, I move that the Senate now proceed to the consideration of S. 692, by Senator HOLLINGS and Senator MAGNUSON.

Mr. President——

The PRESIDING OFFICER. The Senator from Alabama.

Mr. MANSFIELD. Mr. President, I wonder what has happened to comity in this body. I would like to ask the Chair some questions.

Mr. ALLEN. I do not yield for that purpose.

Mr. MANSFIELD. If the Senator will allow me. Because they go to the welfare of this institution, and I have a right to be heard.

The PRESIDING OFFICER. Yes.

Mr. MANSFIELD. Mr. President, is it not true that the Senator from Alabama went to the Senator from North Carolina and asked that he be recognized at the conclusion of this vote?

The PRESIDING OFFICER. Will the Senator restate his question?

Mr. MANSFIELD. Was it not true that the Senator from Alabama discussed with the Senator from North Carolina being recognized at the conclusion of the vote on the bill just passed?

Mr. ALLEN. Will the Chair yield? The Chair recognized me third in order, I might point out. He recognized the Senator from Utah——

Mr. MANSFIELD. I was on my feet 20 minutes while the Senator from North Carolina and the Senator from Alabama were out in the hallway, after I had asked the Senator from North Carolina, sitting in that Chair, to recognize me, as the majority leader, which is the custom in this body, and the Senator from Alabama knows it.

What the Senator is trying to do is to undercut the leadership.

Mr. ROBERT C. BYRD. I ask for the regular order. The regular order is a vote on the motion to table the motion to reconsider.

The PRESIDING OFFICER. The regular order has been requested. The question is on the motion to table the motion to reconsider.

Mr. ALLEN. A point of order.

Mr. ROBERT C. BYRD. I ask for the regular order, Mr. President.

Mr. MANSFIELD. Regular order.

The PRESIDING OFFICER. The question is on the motion to table the motion to reconsider. The clerk will call the roll.

Mr. ROBERT C. BYRD. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll, and the following Senators answered to their names:

[Quorum No. 57 Leg.]

Allen
Baker
Bayh
Beall
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Cannon
Cranston
Culver
Fannin
Ford
Garn
Glenn
Hansen
Hart, Gary W.
Hart, Philip A.
Hartke
Hatfield
Helms
Jackson
Javits
Leahy
Mansfield
Mathias
Metcalf
Mondale
Montoya
Moss
Muskie
Nelson
Scott, Hugh
Scott,
  William L.
Stafford
Stevens
Stevenson
Thurmond
Weicker
Williams

The PRESIDING OFFICER. A quorum is not present.

Mr. ROBERT C. BYRD. Mr. President, I move that the Sergeant at Arms be directed to request the attendance of absent Senators. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from West Virginia. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, may we have order in the Senate?

The PRESIDING OFFICER. The Senators will take their seats. The clerk will not proceed until the Senate is entirely in order.

The Senators will take their seats.

The Senators are asked to take their seats.

Mr. ROBERT C. BYRD. Mr. President, I ask that the Chair stick by its guns and get order in the Senate and ask that we Senators take our seats.

The PRESIDING OFFICER. It is the Chair's intention to do that. I thank the Senator.

The Chair solicits the cooperation of the Senate. The Senators will please take their seats or retire to the cloakroom for conversation.

Mr. MANSFIELD. Mr. President, I am on my feet because I want to be recognized at an appropriate time.

The PRESIDING OFFICER. The Senate will be in order. The Senators are asked to take their seats.

The clerk may proceed.

The legislative clerk resumed the call of the roll.

Mr. ROBERT C. BYRD. Mr. President, may we have order in the Senate?

The PRESIDING OFFICER. Again, the Chair solicits the cooperation of the Senators.

The clerk will proceed.

The legislative clerk resumed and concluded the call of the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Texas (Mr. BENTSEN), the Senator from Iowa, (Mr. CLARK), the Senator from Missouri (Mr. EAGLETON), the Senator from Mississippi (Mr. EASTLAND), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Louisiana (Mr. JOHNSTON), the Senator from Louisiana (Mr. LONG), the Senator from Rhode Island (Mr. PASTORE), and the Senator from Rhode Island (Mr. PELL) are necessarily absent.

I further announce that the Senator from Arkansas (Mr. BUMPERS), the Senator from Maine (Mr. Hathaway), and the Senator from North Carolina (Mr. Morgan) are absent on official business.

Mr. HUGH SCOTT. I announce that the Senator from Massachusetts (Mr. Brooke), the Senator from New York (Mr. Buckley), the Senator from Arizona (Mr. Goldwater), the Senator from Idaho (Mr. McClure), the Senator from Illinois (Mr. Percy), and the Senator from North Dakota (Mr. Young) are necessarily absent.

I also announce that the Senator from Michigan (Mr. Griffin) is absent due to a death in the family.

I further announce that the Senator from Nevada (Mr. Laxalt) is absent attending a funeral.

The yeas and nays resulted—yeas 78, nays 1, as follows:

[Rollcall Vote No. 298 Leg.]

YEAS—78

Abourezk
Allen
Baker
Bartlett
Bayh
Beall
Bellmon
Biden
Brock
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Cranston
Culver
Curtis
Dole
Domenici
Fannin
Fong
Ford
Garn
Glenn
Gravel
Hansen
Hart, Gary W.
Hart, Philip A.
Hartke
Haskell
Hatfield
Helms
Hruska
Huddleston
Humphrey
Inouye
Jackson
Javits
Kennedy
Leahy
Magnuson
Mansfield
Mathias
McClellan
McGee
McGovern
McIntyre
Metcalf
Mondale
Montoya
Moss
Muskie
Nelson
Nunn
Packwood
Pearson
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Scott, William L.
Sparkman
Stafford
Stennis
Stevenson
Stone
Symington
Taft
Talmadge
Thurmond
Tower
Tunney
Weicker
Williams

NAYS—1

Stevens

NOT VOTING—20

Bentsen
Brooke
Buckley
Bumpers
Clark
Eagleton
Eastland
Goldwater
Griffin
Hathaway
Hollings
Johnston
Laxalt
Long
McClure
Morgan
Pastore
Pell
Percy
Young

The PRESIDING OFFICER. The motion is agreed to, and a quorum is present.

Mr. ROBERT C. BYRD. Mr. President, I move that the Senate stand in recess for 1 hour and I ask for the yeas and nays on the motion.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

The PRESIDING OFFICER. The Senate will be in order. The clerk is having difficulty hearing the responses of the Senators. Senators are asked to take their seats. The clerk will not resume until the Senate is in order.

The Senate is not yet in order. We will wait until we have complete order.

Staff members and Senators are asked to cooperate with the Chair.

The clerk may proceed.

The assistant legislative clerk resumed and concluded calling the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Texas (Mr. Bentsen), the Senator from Iowa (Mr. Clark), the Senator from Missouri (Mr. Eagleton), the Senator from Mississippi (Mr. Eastland), the Senator from Indiana (Mr. Hartke), the Senator from Colorado (Mr. Haskell), the Senator from South Carolina (Mr. Hollings), the Senator from Louisiana (Mr. Johnston), the Senator from Rhode Island (Mr. Pastore), and the Senator from Rhode Island (Mr. Pell) are necessarily absent.

I further announce that the Senator from Arkansas (Mr. Bumpers), the Senator from Maine (Mr. Hathaway), and the Senator from North Carolina (Mr. Morgan) are absent on official business.

I further announce that, if present and voting, the Senator from Iowa (Mr. Clark), the Senator from North Carolina (Mr. Morgan), the Senator from Rhode Island (Mr. Pastore), and the Senator from Rhode Island (Mr. Pell) would each vote "yea."

Mr. HUGH SCOTT. I announce that the Senator from Massachusetts (Mr. Brooke), the Senator from New York (Mr. Buckley), the Senator from Arizona (Mr. Goldwater), the Senator from Idaho (Mr. McClure), the Senator from Illinois (Mr. Percy), and the Senator from North Dakota (Mr. Young) are necessarily absent.

I also announce that the Senator from Michigan (Mr. Griffin) is absent due to a death in the family.

I further announce that the Senator from Navada (Mr. Laxalt) is absent attending a funeral.

The yeas and nays resulted—yeas 63, nays 15, as follows:

[Rollcall Vote No. 299 Leg.]

YEAS—63

Abourezk
Baker
Bartlett
Bayh
Beall
Biden
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Cranston
Culver
Domenici
Fong
Ford
Glenn
Gravel
Hart, Gary W.
Hart, Philip A.
Hatfield
Helms
Hruska
Huddleston
Humphrey
Inouye
Jackson
Javits
Kennedy
Leahy
Long
Magnuson
Mansfield
Mathias
McClellan
McGee
McGovern
McIntyre
Metcalf
Mondale
Montoya
Moss
Muskie
Nelson
Nunn
Pearson
Proxmire
Randolph
Ribicoff
Schweiker
Scott, Hugh
Scott, William L.
Sparkman
Stennis
Stevenson
Stone
Symington
Talmadge
Tunney
Weicker
Williams

NAYS—15

Allen
Bellmon
Brock
Curtis
Dole
Fannin
Garn
Hansen
Packwood
Roth
Stafford
Stevens
Taft
Thurmond
Tower

NOT VOTING—21

Bentsen
Brooke
Buckley
Bumpers
Clark
Eagleton
Eastland
Goldwater
Griffin
Hartke
Haskell
Hathaway
Hollings
Johnston
Laxalt
McClure
Morgan
Pastore
Pell
Percy
Young

The PRESIDING OFFICER. On this vote there are 63 yeas and 15 nays. The motion is agreed to and the Senate will stand in recess until the hour of 5:03 p.m.

RECESS UNTIL 5:03 P.M.

The Senate, at 4:19 p.m., recessed until 5:03 p.m., whereupon the Senate reassembled when called to order by the Acting President pro tempore (Mr. Stone).

CONSUMER PRODUCT SAFETY COMMISSION IMPROVEMENTS ACT OF 1975

The Senate continued with the consideration of the bill (S. 644) to amend the Consumer Product Safety Act to improve the Consumer Product Safety Commission, to authorize new appropriations, and for other purposes.

The ACTING PRESIDENT pro tempore (Mr. Stone). The question is on agreeing to the motion to lay on the table the motion to reconsider the vote by which S. 644 was passed. The yeas and nays have been ordered, and the clerk will call the roll.

Mr. ALLEN. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll to ascertain the presence of a quorum.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

Mr. ALLEN. I object.

The ACTING PRESIDENT pro tempore. Objection is heard.

The clerk will continue calling the roll.

The assistant legislative clerk resumed and concluded the call of the roll, and the following Senators entered the Chamber and answered to their names:

[Quorum No. 58 Leg.]

Abourezk
Allen
Baker
Bayh
Beall
Bellmon
Biden
Brock
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Cranston
Culver
Dole
Domenici
Fannin
Fong
Ford
Garn
Glenn
Gravel
Hansen
Hart, Gary W.
Hart, Philip A.
Hatfield
Helms
Hruska
Huddleston
Humphrey
Inouye
Jackson
Javits
Kennedy
Leahy
Long
Magnuson
Mansfield
Mathias
McClellan
McGee
McIntyre
Metcalf
Montoya
Moss
Muskie
Nelson
Nunn
Packwood
Pearson
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Scott, William L.
Sparkman
Stafford
Stevens
Stevenson
Stone
Symington
Taft
Talmadge
Thurmond
Tower
Tunney
Weicker
Williams

The ACTING PRESIDENT pro tempore. A quorum is present.

The question is on the motion to lay on the table the motion to reconsider. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

The ACTING PRESIDENT pro tempore. The Senate will be in order. Senators will take their seats.

The clerk will proceed.

The legislative clerk proceeded to call the roll.

Mr. NELSON. Mr. President, there are still staff members and Senators conversing in the aisles. I think they do not have their hearing aids on and I think they ought to go to their seats.

The ACTING PRESIDENT pro tempore. Senators and staff members will take their seats.

The clerk will proceed.

Mr. ROBERT C. BYRD. Mr. President, it helps at times for the Chair to call names.

The legislative clerk resumed and concluded the call of the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Texas (Mr. Bentsen), the Senator from Iowa (Mr. Clark), the Senator from Missouri (Mr. Eagleton), the Senator from Mississippi (Mr. Eastland), the Senator from Indiana (Mr. Hartke), the Senator from Colorado (Mr. Haskell), the Senator from South Carolina (Mr. Hollings), the Senator from Louisiana (Mr. Johnston), the Senator from Rhode Island (Mr. Pastore), the Senator from Rhode Island (Mr. Pell), the Senator from South Dakota (Mr. McGovern), the Senator from Minnesota (Mr. Mondale), and the Senator from Mississippi (Mr. Stennis) are necessarily absent.

I further announce that the Senator from Arkansas (Mr. Bumpers), the Senator from Maine (Mr. Hathaway), and the Senator from North Carolina (Mr. Morgan), are absent on official business.

I further announce that, if present and voting, the Senator from Iowa (Mr. Clark), the Senator from North Carolina (Mr. Morgan), the Senator from Rhode Island (Mr. Pastore), and the Senator from Rhode Island (Mr. Pell) would each vote "yea."

Mr. HUGH SCOTT. I announce that the Senator from Oklahoma (Mr. Bartlett), the Senator from New York (Mr. Buckley), the Senator from Massachusetts (Mr. Brooke), the Senator from Nebraska (Mr. Curtis), the Senator from Arizona (Mr. Goldwater), the Senator from Idaho (Mr. McClure), the Senator from Illinois (Mr. Percy), and the Senator from North Dakota (Mr. Young) are necessarily absent.

I also announce that the Senator from Michigan (Mr. Griffin) is absent due to a death in the family.

I further announce that the Senator from Nevada (Mr. Laxalt) is absent attending a funeral.

The result was announced—yeas 69, nays 4, as follows:

[Rollcall Vote No. 300 Leg.]

YEAS—69

Abourezk
Baker
Bayh
Beall
Bellmon
Biden
Brock
Burdick
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Cranston
Culver
Dole
Domenici
Fong
Ford
Garn
Glenn
Gravel
Hansen
Hart, Gary W.
Hart, Philip A.
Hatfield
Hruska
Huddleston
Humphrey
Inouye
Jackson
Javits
Kennedy
Leahy
Long
Magnuson
Mansfield
Mathias
McClellan
McGee
McIntyre
Metcalf
Montoya
Moss
Muskie
Nelson
Nunn
Packwood
Pearson
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Scott,
  William L.
Sparkman
Stafford
Stevens
Stevenson
Stone
Symington
Taft
Talmadge
Thurmond
Tunney
Weicker
Williams

NAYS—4

Allen
Fannin
Helms
Tower

NOT VOTING—26

Bartlett
Bentsen
Brooke
Buckley
Bumpers
Clark
Curtis
Eagleton
Eastland
Goldwater
Griffin
Hartke
Haskell
Hathaway
Hollings
Johnston
Laxalt
McClure
McGovern
Mondale
Morgan
Pastore
Pell
Percy
Stennis
Young

So the motion to lay on the table the motion to reconsider the vote by which S. 644 was passed was agreed to.

Several Senators addressed the Chair.

DETERMINATION OF SENATE ELECTION IN NEW HAMPSHIRE

The ACTING PRESIDENT pro tempore (Mr. Stone). The Senate will now resume the consideration of the unfinished business, which the clerk will state.

The assistant legislative clerk read as follows:

A resolution (S. Res. 166) relating to the determination of the contested election for a seat in the United States Senate from the State of New Hampshire.

Several Senators addressed the Chair.

The ACTING PRESIDENT pro tempore. The Chair recognizes the Senator from Montana.

AMENDMENT OF THE VOTING RIGHTS ACT

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 170, H.R. 6219, and I send to the desk the motion in writing.

The motion is as follows:

I move to proceed to the consideration of Calendar Number 170, H.R. 6219.

CLOTURE MOTION

Mr. ROBERT C. BYRD. Mr. President, I send a cloture motion to the desk.

The ACTING PRESIDENT pro tempore. The cloture motion having been presented under rule XXII, the Chair, without objection, directs the clerk to read the motion.

The assistant legislative clerk read as follows:

Cloture Motion

We, the undersigned Senators, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, hereby move to bring to a close the debate upon the motion to proceed to the consideration of H.R. 6219, an Act to amend the Voting Rights Act of 1965 to extend certain provisions for an additional 10 years, to make permanent the ban against certain prerequisites to voting, and for other purposes.

Mike Mansfield, Floyd K. Haskell, Wendell H. Ford, William D. Hathaway, Patrick J. Leahy, Gary W. Hart, Dick Clark, John Glenn, Walter D. Huddleston, Lee Metcalf, Jacob K. Javits, Charles McC. Mathias, Mark O. Hatfield, Clifford P. Case, William Proxmire, Hubert H. Humphrey, Jennings Randolph, George McGovern, Philip A. Hart, Edward M. Kennedy, John V. Tunney, Joseph R. Biden, Jr., John C. Culver, James Abourezk, Gaylord Nelson, Richard S. Schweiker.

Mr. MANSFIELD. Mr. President, there is such a thing as talking a measure to death. There would also appear to be such a thing as attempting to talk the Senate to death. In my judgment, the Senate in 1917 did not adopt the rule of cloture, rule XXII, as an invitation to its own demise. On the contrary, it did so precisely for the opposite reason. It did so to prevent the drowning of its constitutional role in this Government in an excess of words.

Certainly, during the more than two decades that I have been in the Senate that has been the thrust of this rule and its application. Senators along with the public have become increasingly fed up with unending procrastination and, increasingly, Members have sought by rule XXII to restrain it.

Nevertheless, a tendency appears to have grown in the last few applications of cloture to erode the effectiveness of this rule by procedural manipulation and the use of what may charitably be described as tactics which verge on the dilatory. The leadership wishes, therefore, to alert the Senate to what may lie ahead so that Members may be forearmed.

The critical function of rule XXII is disclosed on the second day after a cloture petition is filed, in a question which, by mandate, is posed by the Chair. The question asks: "Is it the sense of the Senate that debate shall be brought to a close?" Under the rule as it now stands, to answer that question in the affirmative, requires the votes of 60 Senators. Sixty votes are more than a mere majority, more, even, than a constitutional majority. Sixty votes means three-fifths of the entire Senate. It is nine more votes than the maximum that is necessary for the Senate to declare war. As every Member knows an affirmative cloture vote is extremely difficult to obtain when Members are closely divided on an issue on which the feelings run high. If and when such vote is obtained, therefore, we must ask ourselves is that, as the rule would have us believe, the end of the matter? Does it mean that after as much as an hour more of talk for each Member, there will be no more talk? Does it mean, at last, a mandate to vote?

If that is not the case, if even when cloture—this most difficult of Senate procedures is invoked by 60 or more Senators—if that does not mean that the talk will end, that the delays will cease, then what does it mean? The fact is that there is no other cork large enough in the Senate rules to stop an endless drivel of irrelevance on the floor of the Senate. If cloture does not mean "stop," then there is not anything that means stop talking, to the end that the Senate can get on with the business of voting.

Clearly, the rule of cloture as adopted in 1917 and subsequently modified and strengthened was not intended to be an invitation to further discussion. The whole tone of the cloture rule cries out for an end of, not a prolongation of, the consideration of a measure. Cloture was not meant to be a hammerless bell.

Cloture was not meant to peal its warning to desist in a vacuum. When cloture is adopted, when the bell sounds, the sentiment of the Senate—of the preponderant majority of the Senate sounds with it. Cloture does not mean "Yes, stop the talk, but." It does not mean, "Yes," except for repeated quorum calls, dozens of irrelevant or repetitive amendments and similar tactics. The adoption of cloture by the Senate means not "yes, but." It means "yes, period." It means that not one, not a dozen or 2 dozen Senators, but 100 Senators have an equal right to be heard, an equal constitutional right to consider and to vote to resolve an issue. That meaning, may I say, must not be obscured or diluted. It cannot be subjected to cavalier or casual parliamentary manipulation without grave consequences to the Senate.

I would point out that rule XXII specifies—I repeat, specifies—the inadmissibility of what is "dilatory" once cloture is invoked. The whole intent of the rule—if it is read as a whole—is to put an end to further delay and to do so on the basis of the equal treatment of each Member. It says that no Member has the right in pursuit of his individual purposes to ride roughshod over the rights of his 99 colleagues. The rule says loud and clear: "Do not be dilatory." The admonition applies to each of us.

To determine if and when that admonition and, hence, the rule is being ignored is not a function of a parliamentarian past, present, or future. It is a function of the Senate operating under rule XXII. None of us was born yesterday. I trust the capacity of the newest Member of the Senate no less than the oldest to make a discerning judgment as to what is dilatory within the meaning of rule XXII and what is not.

I regret to have to tell the Senate that we face not one cloture vote on voting rights but the possibility of two votes for cloture, under present interpretations and practices. We confront a first vote on the procedural issue now before us—that is the motion to proceed to the consideration of the bill. That is subject, if all the time is used, to 99 hours of discussion. Assuming that we eventually succeed in proceeding to the consideration of the bill, a second cloture on the substance of the issue may be necessary if, once again, the Senate is unduly delayed by the exuberance of a minority in pressing the issue. If a second cloture is obtained, that would provide an additional 99 possible hours of discussion. I would ask the Senate is 200 hours or in this instance 198 hours enough on this issue? How much time will remain for the energy question? For appropriations? For a dozen other critical questions? As for voting rights, I think 198 hours is more than enough, far more than enough, especially on a question which was decided after countless hours years ago.

So I serve notice now that if and when cloture is obtained on the motion to take up and if there is resort to tactics thereafter to go beyond this liberal allocation of 1 hour of time for each Member under rule XXII in an effort to frustrate the preponderant will of the Senate, the Senate will be asked by the leadership to confront the issue squarely and without delay. It will be for the Senate—all Senators, not just a few—to decide whether to submit to the indignity of procedural pranks.

I would urge Members, therefore, Members who are inclined to vote for cloture to gird for a subsequent prospect, the prospect of having to deal also with the secondary issue of dilatoriness after the adoption of cloture. Unless we are ready and able to resolve the second issue—there is reason to believe it may prove of dubious value to dispose of the first.

Let me close by saying that Members of the Senate frequently immerse themselves in their viewpoints and pursue them vigorously, consuming far more than their share of the total time available to the Senate. That is understandable and is, in fact, commendable—to a point. But I cannot believe that any Member will be so carried away by his enthusiasm as to take advantage of the Senate's liberality and tolerance. I cannot believe any Senator will seek to exploit cloture—if and when adopted—to the point where violation is done to the equal constitutional rights and responsibilities of his colleagues.

Several Senators addressed the Chair.

Mr. HUGH SCOTT. Mr. President, will the Senator yield?

Mr. MANSFIELD. Without losing my right to the floor, I yield to the minority leader.

Mr. HUGH SCOTT. Without losing the right to the floor, I think the record needs to be made clear in one respect.

Since the Senator has referred to the leadership, which is a collective phrase—now the Senator well knows I am for the Voting Rights Act—but I say to the Senator to state simply in justice to my position whether or not the majority leader discussed with me the strategy in this instance or not.

Mr. MANSFIELD. I did not. I believe the first time I discussed this with the Senator, when I told him what I was going to do, was approximately 45 minutes, about an hour and 15 minutes ago.

Mr. HUGH SCOTT. I thought it was less myself.

Mr. MANSFIELD. Well, somewhere within the range of 45 minutes.

Mr. HUGH SCOTT. 5:15, I believe it was, or 5:10.

Mr. MANSFIELD. Around that time, just after we recessed for an hour—or just before we recessed for an hour.

Mr. HUGH SCOTT. I thank the Senator.

Mr. MANSFIELD. I yield to the distinguished assistant majority leader, without losing my right to the floor.

Mr. ROBERT C. BYRD. Mr. President, it often falls to my lot to attempt to state to our colleagues what the schedule is like for the days ahead.

The Voting Rights Act will expire, I believe, on August 6. Congress, under the law, is to recess on the first day of August, which will be at the close of business on Friday, August 1.

I voted against the Voting Rights Act when it was first enacted. I stated my reasons at the time, and they are in the Record for all to see.

It is my present intention to vote for the extension of the Voting Rights Act. I may vote for some amendments to that act. I will decide that as each amendment is called up.

I have said this as a preface to addressing the situation that I think we now face.

As a member of the leadership, I have the duty to do everything I possibly can to advance the flow of legislation—whether I agree with that legislation, whether I agree with parts of it or not—and I shall fulfill that duty.

Only 12 week days remain until the August recess begins. This includes tomorrow and the following Saturday. Many Members will come from time to time and seek to find out what the plans are for the days ahead. In a situation such as we now find ourselves, the leader and I cannot answer those questions as we ordinarily might, because it may very well depend upon what the plans are of the opposition.

By that term, I do not mean to cast any reflection on any Senator or group of Senators. What I have in mind is Senators who, for good reasons of their own and in good faith and following their own convictions, feel that they must oppose the voting rights bill. I do not disrespect them for that. I have to respect every Senator for standing up for what he believes in.

But inasmuch as I must work with my leader in trying to advance this legislation, we will just do the best we can to inform all colleagues on both sides of the question as to what our plans are. Keep in mind, however, that what our plans are will not necessarily be what Senators can count on.

Senators will remember that the able junior Senator from Alabama, Mr. Allen—who is a very skillful legislative technician a very skillful and adroit user of the rules of the Senate—also has plans. I do not say this in criticism of Senator Allen or any Senators who are working with him in the case in which they believe. But we have to remember this: The rules of the Senate are so drawn as to protect a minority, and they benefit the minority most. Senators who seek to slow down or obstruct the flow of legislation will always find that the rules are in their favor. That is as it should be.

So I hope that Senators will be patient and will just remain available for the need when it arises. I do not know how long the daily sessions will go. They may very well go all night long at times. As I say, all the plans do not rest with the majority leader and myself in such a situation as we now find ourselves. Quorum calls can occur at any time; live quorums can come at any time. Motions to recess, motions to adjourn, motions to send the Sergeant at Arms to request the attendance of absent Senators—all these motions can result in rollcall votes.

In view of the situation we face, Senators will have to program their own schedules accordingly, keeping in mind that a rollcall can occur at 3 o'clock in the morning, a vote can occur at 5 o'clock in the afternoon, a vote can occur at 10 o'clock in the morning. All bets are off and no holds are barred once we get into a situation such as this.

I say to my good friend Senator ALLEN that I admire his knowledge of the rules, but there come times when the leadership has to fight fire with fire, and that is exactly what we are going to do—the majority leader and I.

As I say, the rules are drawn to favor a Senator who wishes to delay action. But I believe that the majority of Senators in this body, regardless of how they vote on the amendments or on the bill, are going to want to advance the flow of legislation and let the Senate work its will, up or down, on the bill that is being motioned up. Hence, Senators must now plan to be ready for anything at all times.

Mr. President, I yield to the Senator from Virginia, without losing my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WILLIAM L. SCOTT. Mr. President, I appreciate the Senator yielding.

I am surprised at the action of the majority leadership in attempting to call up the House version of the extension to the Voting Rights Act of 1965.

As you know, during most of yesterday and today the Senate Judiciary Committee considered its version of the Voting Rights Act, and shortly after noon approved an extension of the act with very few amendments.

I like to believe that the Congress is a deliberative body; that we operate under the committee system in which proposals are first considered in committee and debated by small groups of Senators with a degree of expertise in a particular field—all of us in the Committee on the Judiciary being lawyers.

Calling up the House bill on the same day the committee acted makes a mockery of the committee system. In my opinion it is a substitute for the orderly procedure which should prevail in the Senate. We have not had time to have the committee report printed—in fact, to the best of my knowledge, not even to have the proceeding before the committee held yesterday and today transcribed.

The committee agreed to file its report with the Senate, including minority views, not later than Tuesday midnight July 22. This seems to be a reasonable method of procedure.

I realize, of course, that the leadership has responsibilities; but I wonder if the same procedure would have been followed if the chairman of the full committee, the Senator from Mississippi (Mr. EASTLAND), the President pro tempore of the Senate, who is hospitalized with broken ribs, were here today.

Mr. ROBERT C. BYRD. Mr. President, the answer to that question is, "Yes."

When the Senate is faced with certain exigencies such as limited time, it has to act a little differently from the way it might act in another situation. The answer to the question is, "Yes." The leadership would have had to make the same decision, based on the same circumstances and faced with the same time exigencies as prevail.

Mr. WILLIAM L. SCOTT. Mr. President, will the Senator yield further?

Mr. ROBERT C. BYRD. I yield, without losing my right to the floor.

Mr. WILLIAM L. SCOTT. I wonder what opportunity an individual Senator would have in obtaining action of this type on a matter in which he had a particular interest.

Mr. President, I would commend our distinguished majority leadership for the respect he has shown to the individual Senators in the past. I have often heard him mention, as he did today, that we are equal Members of a body in which the rights of each individual Senator are honored and respected. Procedure like that proposed to be taken today raises the question as to whether some are more equal than others. Even though the action contemplated to be taken may be possible, it appears to be a ruthless procedure, certainly one that I would not contemplate to be taken without any notice to those of us who have worked in the committee for the past 2 days attempting to agree on a bill which could be reported to the Senate and under which sufficient time remains for orderly consideration by this body.

I appreciate the Senator yielding.

Mr. ROBERT C. BYRD. Mr. President, the distinguished Senator from Virginia has made a statement which deserves some comment.

He indicated that the Senate Committee on the Judiciary has today acted to report out a voting rights bill. He has demonstrated some consternation that the leadership has now moved to take up the House bill.

The leadership did not move until the Senate Committee on the Judiciary, of which I am a member, had voted out the bill. That work of the Senate Committee on the Judiciary need not be in vain. If that bill is germane in every respect to the House bill, once cloture is invoked—if cloture is invoked—on the motion and then again on the bill, it will be in order for any Senator to move to amend the House bill by offering the Senate bill as a substitute—as I say, if the bill is germane in all its respects. So, in summation on that particular point, the action of the Senate committee today is not in vain and the Senate can still work its will on that particular Senate bill in the event a Senator wishes to offer that bill as a substitute.

Now, for the second point that the distinguished Senator from Virginia raised. It was his feeling that the leadership should have put the Senator or various Senators on notice as to what the leadership was about to do. Mr. President, the leadership did what it had to do under the circumstances. I call attention to the fact that the distinguished Senator from Alabama (Mr. ALLEN) did not put the leadership on notice—Mr. President, may we have order in the Senate?

The distinguished Senator from Alabama (Mr. ALLEN) did not put the leadership on notice that he was going to attempt to call up another bill from the calendar. I had already made the motion to table the motion to reconsider the vote by which the consumer product safety bill passed. The distinguished Senator from Alabama seized the reins. He seized the leadership reins when he did that. He moved to take up another bill without notice to the leadership.

The leadership cannot put itself in the position of going to Mr. ALLEN—and I use his name with great respect—in a tight situation such as this, and tell him what the leadership plans to do when we know that Mr. ALLEN is not going to come to the leadership and tell us what he plans to do.

The effort was being made by Mr. ALLEN to call up another bill—to get his motion ahead of the motion that the Senator from Montana, the distinguished majority leader, was seeking to make to call up the voting rights bill. If Senator ALLEN could have made a motion to call up another bill, that would have prevented—as long as such motion was pending—Senator MANSFIELD from moving to take up the voting rights bill and entering a cloture motion thereon.

The leadership will always accord to every Senator every courtesy that it can extend, but when it gets into a situation such as we are now in, in which another Senator can temporarily seize the leadership and thwart the duly elected majority leader from making his motions and slow down the legislative process, then the leadership has to act in accordance with that kind of ball game.

Mr. WILLIAM L. SCOTT. Will the Senator yield to me?

Mr. ROBERT C. BYRD. When others play hardball, sometimes the leadership has to play hardball, too.

Mr. WILLIAM L. SCOTT. If the Senator will yield further——

Mr. ROBERT C. BYRD. I yield without losing my right to the floor.

Mr. WILLIAM L. SCOTT. My concern is not the conflict between the leadership and the Senator from Alabama. My concern is the action of the Senate committee, a branch of the Senate, a proper committee to consider this, having spent 2 days working on this, working its will, and reporting out a bill today that would have been brought before the Senate, could have been brought before the Senate on Wednesday morning, if the leadership saw fit to bring it before the Senate. It seems to this Senator that we are bypassing orderly procedure when it is not necessary to do it. I wonder if it is because some minor amendments were adopted in the committee. I know one of my amendments would take care of the Indians in Charles City, Va., that we would not have to print their language on the ballot when the language is unknown by anybody in Charles City County, either orally or written. They have no language that could possibly be printed. That was one of the amendments, a very minor thing. It is not on the House bill in that respect. It is of concern to the people of Virginia.

There was another, minor amendment adopted that would provide that the Attorney General, under the triggering provision of the existing bill, the portion that is to be extended, would have to confer with the jurisdiction affected before he would invalidate the action by a State or its political subdivision. These are two very minor amendments. It would require a conference between the House and the Senate. I wonder if that played a part, if the fact that we had 3 days under the rules to file minority views or individual views, and we had until Tuesday midnight to do that, if that played a part in the consideration to bring this up as it is today.

Mr. ROBERT C. BYRD. The answer is, it did not. Even though the Senate bill had not been amended in the slightest, it would not have made any difference in the situation that we are talking about.

Mr. WILLIAM L. SCOTT. Will the distinguished Senator perhaps answer a question or two for me? I notice that we are talking about procedure now. We are not on the bill itself. I do have a number of amendments to offer on the floor of the Senate. I am sure that other Senators have amendments to offer. But shall we prepare our amendments as amendments to the House bill?

Mr. ROBERT C. BYRD. Yes.

Mr. WILLIAM L. SCOTT. To the House bill, rather than to the Senate bill?

Mr. ROBERT C. BYRD. I suggest that the Senator prepare them to both bills. If I were in his shoes, I would prepare amendments to both.

Mr. WILLIAM L. SCOTT. Shall we hold them until we are on the procedural questions?

Mr. ROBERT C. BYRD. I suggest that the Senator seek to have these questions answered when the time comes. The Parliamentarian is always available to Senators on both sides of the aisle.

Mr. WILLIAM L. SCOTT. I do not want to be foreclosed from having an opportunity to offer these amendments and having an opportunity to discuss them.

Mr. ROBERT C. BYRD. The Senator need not be foreclosed.

Mr. WILLIAM L. SCOTT. We had an amendment which succeeded by a 5 to 4 vote today. This said that if something under the Voting Rights Act involving our State or political subdivisions were before a court, the court would be the Federal court in the State where the controversy arose, rather than coming to Washington. This is important to every Member of the Senate.

I am not going to impose further on the distinguished Senator's time, but I do want the opportunity to present the point of view of the Senator from Virginia on this matter that is very important to my State.

Mr. ROBERT C. BYRD. The distinguished Senator needs only to have his amendments at the desk at the time that the rollcall vote starts on the motion to invoke cloture on the bill—if we get to that point. His amendments need only be germane in that event, and they will need also to have met the reading requirements under the rule when we get to that point. Then his amendments will be in order.

Mr. HUGH SCOTT. Will the Senator yield to permit me to ask the distinguished majority leader if there are going to be any more votes tonight?

Mr. ROBERT C. BYRD. Mr. President, I can answer that question right now. I intend to move to stand in recess before I yield the floor. If a Senator wants to ask for the yeas and nays on that motion, he may do it. It is just as I said a moment ago: one may ask the majority leader what our plans are, but we do not know what the plans of other Senators are.

Mr. HUGH SCOTT. One other thing. Having trespassed to perhaps where I should not, let me move over to a safer subject—tomorrow. It is intended that we come in, and has an hour now been fixed for our convening?

Mr. ROBERT C. BYRD. Ten o'clock.

Mr. HUGH SCOTT. Does the Senator know whether or not we are likely to have any votes tomorrow?

Mr. ROBERT C. BYRD. I imagine we might very well have some votes, if I may use experience as the lamp by which my feet will be guided.

Mr. HUGH SCOTT. I hope, then, that we will have some advance notice if such votes are on Senate Resolution 166, rather than on some other matter?

Mr. ROBERT C. BYRD. I am sorry. We are in a situation where nobody can provide advance notice.

Mr. McCLELLAN. Will the Senator yield?

Mr. ROBERT C. BYRD. Yes.

Mr. McCLELLAN. What will be the pending business at 10 o'clock tomorrow?

Mr. ROBERT C. BYRD. The unfinished business after the two leaders or their designees have been recognized under the standing order tomorrow will be on Senate Resolution 166. That is the unfinished business.

Mr. McCLELLAN. Is there not a motion to take up?

Mr. ALLEN. A point of order. I believe the Senator has misstated what will be the pending business.

Mr. MANSFIELD. Mr. President, may we have the regular order.

The PRESIDING OFFICER. The Senator from West Virginia has the floor.

Mr. McCLELLAN. I asked the Senator to yield to me, and I believe he did, and I am a little concerned about his answer. I believe there is a motion pending.

Mr. ROBERT C. BYRD. That is right; the Senator is correct.

Mr. McCLELLAN. It would be on the motion.

Mr. ROBERT C. BYRD. Yes, the Senator is right. The question will be on the adoption of the motion by Mr. MANSFIELD to proceed to the consideration of the House voting rights bill.

The PRESIDING OFFICER. The Senator is correct.

Mr. WILLIAM L. SCOTT. Mr. President, will the Senator yield for a question?

Mr. ROBERT C. BYRD. I will yield to the Senator without losing my right to the floor.

Mr. WILLIAM L. SCOTT. What happened to the Durkin-Wyman or Wyman-Durkin, perhaps I should say? [Laughter]

Mr. ROBERT C. BYRD. Well, Mr. President, if the Senator wants me to make a speech, I will not be drawn into that. He can read the RECORD and find out.

Mr. WILLIAM L. SCOTT. I understood it was the pending business.

Could I make a parliamentary inquiry of the Chair as to the standing of the Wyman-Durkin matter, is it Senate Resolution 166?

Mr. ROBERT C. BYRD. Mr. President, I yield for that purpose without losing my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

The unfinished business remains the unfinished business, but the pending question now is the motion to proceed to the consideration of H.R. 6219.

Mr. WILLIAM L. SCOTT. It is not clear in my mind as to what happened to the Wyman-Durkin matter. It has been the pending business.

Mr. HANSEN. Mr. President, parliamentary inquiry.

The PRESIDING OFFICER. The Senator from West Virginia has the floor.

Mr. WILLIAM L. SCOTT. I believe the Senator yielded for a parliamentary inquiry.

The PRESIDING OFFICER. The Wyman-Durkin matter is in abeyance pending the disposition of the pending motion.

Mr. WILLIAM L. SCOTT. Then will it come up again?

The PRESIDING OFFICER. It will be up to the Senate.

Mr. ROBERT C. BYRD. Mr. President, I do not want to shut off any legitimate inquiry on the part of any Senator before I move to recess.

I yield, with the understanding that I do not lose my right to the floor, to the distinguished Senator from Alabama (Mr. ALLEN).

The PRESIDING OFFICER. Without objection, the Senator yields.

Mr. ALLEN. I thank the distinguished Senator from West Virginia for yielding to me without losing his right to the floor. Tomorrow I will gain the floor in my own right.

With all due respect to the Senator from West Virginia, who is one of my closest friends in the Senate, he and others have used the name of the Senator from Alabama rather carelessly in some of the discussion. On tomorrow the the Senator from Alabama will make a point to answer some of the loose talk, shall I say, that has been engaged in by the distinguished majority leader, whom I admire and respect.

Mr. ROBERT C. BYRD. May we have order, Mr. President?

The PRESIDING OFFICER. Will the Senators please take their seats?

Mr. ALLEN. Also the very fine comments of the distinguished Senator from West Virginia. So on tomorrow the Senator from Alabama trusts he will have an opportunity to discuss some of these issues.

Why he has been brought into the discussion in this matter is something of a mystery to me because the Senator from Alabama has not had one single word to say on this issue for the last 5 years, I might say. So the Senator from Alabama will make his remarks on tomorrow.

Mr. ROBERT C. BYRD. Mr. President, actions often speak louder than words.

Mr. STENNIS. Mr. President, will the Senator yield to me?

Mr. ROBERT C. BYRD. Mr. President, I yield to the able Senator from Mississippi, with the understanding that I not lose my right to the floor.

The PRESIDING OFFICER. With that understanding, the Senator from Mississippi is recognized.

Mr. STENNIS. I wish to submit three amendments, Mr. President, to H.R. 6219. That is the act to which reference has been made. I thank the Senator. I ask unanimous consent to have them printed in the Record.

There being no objection, the amendments were ordered to be printed in the Record, as follows:

Amendment No. 705

On page 1, line 4, insert "(a)" after "Sec. 101."

On page 1, after line 6, insert the following new subsection:

(b) The first sentence of section 5 of such Act is amended by—

(1) striking out "the United States District Court for the District of Columbia" and inserting in lieu thereof "the appropriate United States district court as determined in accordance with section 1391(a) of title 28, United States Code"; and

(2) beginning with the colon strike out the remainder of the sentence.

(c)(1) Section 14(b) of such Act is repealed.

(2) Section 14(d) of such Act is amended by striking out "or section 5".

(3) Section 14(d) is further amended by adding at the end thereof the following: "In any action for declaratory judgment brought pursuant to section 5 of this Act, subpenas for witnesses who are required to attend may be served in any judicial district of the United States."

Amendment No. 706

Amend by inserting a new section 103 reading as follows:

"Sec. 103. Notwithstanding the provisions of this or any other statute any State or any political subdivision of a state which has been covered by the Voting Rights Act of 1965 for a period of ten continuous years as a result of determinations made under the first sentence of Section 4(b) of said Act shall have the right to bring an action against the United States for a declaratory judgment determining that said State or political subdivision has not, during the ten year period preceding the filing of such action, used any test or device, as defined in Section 4(a) of the Voting Rights Act of 1965, for the purpose or with the effect of denying or abridging the right to vote on account of race or color. If it be established to the satisfaction of the Court that no such test or device has been so used during said ten year period, then a declaratory judgment shall be entered so finding and removing the State or political subdivision involved from the coverage of the Act. An action pursuant to this subsection shall be filed in the appropriate United States district court as determined in accordance with section 1391(e) of title 28, United States Code. Such actions shall be heard and determined by a court of three judges in accordance with the provisions of section 2284 of title 28 and an appeal therefrom shall lie to the Supreme Court."

Amendment No. 707

Strike all after the enacting clause and insert in lieu thereof the following:

Sec. 1. Section 4(a) of the Voting Rights Act of 1965 is amended to read as follows:

Sec. 4(a). To assure that the rights of citizens of the United States to vote is not denied or abridged on account of race or color, no citizen shall be denied the right to vote in any Federal, State or local election because of his failure to comply with any text or device in any State or political subdivision.

Sec. 2. Section 4(b) of the Voting Rights Act of 1965 is amended to read as follows:

Section 4(b). The provisions of Section 4(a) of this section shall be applicable to all States and political subdivisions.

Sec. 3. Section 5 of the Voting Rights Act of 1965 is amended by striking all of said section down to the word *"Provided"* and inserting in lieu thereof the following: "Whenever any State or political subdivision shall enact or seek to administer any voting qualification or prerequisite to voting, or standard, practice or procedure to voting different from that in effect on July 31st, 1975, such State or political subdivision may institute an action in the appropriate United States District Court as determined in accordance with section 1391(e) of title 28, United States Code for a declaratory judgment that such qualification, prerequisite, standard, practice, or procedure does not have the purpose and will not have the effect of denying or abridging the right to vote on account of race or color, and unless and until the court enters such judgment no person shall be denied the right to vote for failure to comply with such qualification, prerequisite, standard, practice, or procedure."

Sec. 4. Section 6 of the Voting Rights Act of 1965 is amended by striking out all of said section down to the number "(1)" and inserting in lieu thereof the following: "Whenever (a) a court has authorized the appointment of examiners pursuant to the provisions in section 3(a) of this Act, or (b) whenever, with respect to any other State or political subdivision, the Attorney General certifies that"

Mr. ROBERT C. BYRD. I yield to the distinguished Senator from Alaska first and then to the Senator from Washington without losing my right to the floor.

The PRESIDING OFFICER. Without objection, the Senator will yield accordingly.

Mr. STEVENS. Just a question of the majority whip. Having been caught once before by leaving on Saturday for a planned trip, will the leadership tell us if it is the intention of the leadership to raise any substantive issues other than Senate Resolution 166 and the majority leader's motion regarding the Voting Rights Act in the session tomorrow?

Mr. ROBERT C. BYRD. Will the Senator repeat his question? I was distracted.

Mr. STEVENS. I would like to know whether or not—it is my understanding that the unfinished business is Senate Resolution 166; the pending business is the majority leader's motion, and may I ask whether it is the leadership's intention to bring up any other substantive matter, legislative matter, on the calendar other than those two matters during the session tomorrow or would it be what I would call a pro forma session tomorrow on the pending business and the unfinished business?

Mr. ROBERT C. BYRD. Mr. President, I think the distinguished Senator from Alabama has already indicated it will not be a pro forma session. The leadership, if the leadership can have the understanding of Senators and the cooperation of all Senators, and could have its way, the leadership might be very willing to move to some other measure tomorrow, so that the Senate could be acting on other business while the days are passing under the cloture rule.

But, as I indicated earlier, I think all Senators will probably want to consult not only with the majority leader but with certain other Senators about whom some "loose talk" has purportedly been engaged in; that being the case, I cannot give the Senator a categorical answer to his question.

Mr. HUGH SCOTT. Mr. President, will the Senator yield for a clarification?

Mr. ROBERT C. BYRD. I promised to yield to the Senator from Washington without losing my right to the floor.

EXTENSION OF TIME FOR FILING VARIOUS AND SUNDRY REPORTS

Mr. JACKSON. Mr. President, I ask unanimous consent that the Committee on Interior and Insular Affairs may have until midnight tonight to file various and sundry reports.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. HUGH SCOTT. Mr. President, will the Senator yield? The Senator has indicated that he is going to move for a recess shortly. I believe some Senators are probably waiting around having in mind other engagements, and they would like to know whether there will be a rollcall vote on that.

Mr. ROBERT C. BYRD. I think I had better stop answering questions as soon as I can because we might lose enough Senators so that a rollcall would cause the Sergeant at Arms to have to get them back in the event of a rollcall vote on the motion to recess.

Mr. McCLELLAN. Mr. President, will the Senator yield to answer one more question?

Mr. ROBERT C. BYRD. Yes.

Mr. McCLELLAN. What are the plans for the Sabbath? Will we meet on Sunday? Can we make any plans for the Sabbath?

Mr. ROBERT C. BYRD. Mr. President, again I cannot make plans for the Sabbath. So far as I am concerned, I would like to see us go out on Sunday. We do not know yet. I do not know what Mr. Allen's plans are. When he gets the floor tomorrow and starts talking he may talk on into the hours of Sunday, so I cannot answer that question.

I would simply say that all Senators

have to be prepared for anything from here on out. I like to play softball, but we may have to play hardball.

Mr. McCLELLAN. I would hope that the distinguished leaders and the distinguished Senator from Alabama could reach a truce as to Sunday, as to the Sabbath.

Mr. ROBERT C. BYRD. I like that suggestion.

TECHNICAL AND CLERICAL CORRECTION—S. 644

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to make a routine unanimous-consent request without losing my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered, and the Senator from West Virginia may do so.

Mr. ROBERT C. BYRD. I ask unanimous consent, on behalf of Mr. Moss, that the Secretary of the Senate be authorized to make technical and clerical corrections in the engrossment of S. 644.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. That is the bill which passed the Senate earlier today on consumer product safety.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Marks, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore (Mr. Stone) laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 10:40 a.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House has agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4035) to provide for more effective congressional review of proposals to exempt petroleum products from the Emergency Petroleum Allocation Act of 1973 and certain proposed administrative actions which permit increases in the price of domestic crude oil; and to provide for an interim extension of certain expiring energy authorities.

The message also announced that the House has passed the bill (H.R. 8597) making appropriations for the Treasury Department, the U.S. Postal Service, the Executive Office of the President, and certain independent agencies, for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes, in which it requests the concurrence of the Senate.

ENROLLED BILL SIGNED

The message further announced that the Speaker has signed the bill (H.R. 4035) to provide for more effective congressional review of proposals to exempt petroleum products from the Emergency Petroleum Allocation Act of 1973 and certain proposed administrative actions which permit increases in the price of domestic crude oil; and to provide for an interim extension of certain expiring energy authorities.

The enrolled bill was subsequently signed by the Acting President pro tempore (Mr. Stone).

ENROLLED JOINT RESOLUTION SIGNED

At 12:50 p.m., a message from the House of Representatives by Mr. Berry announced that the Speaker has signed the enrolled joint resolution (S.J. Res. 102) amending section 5(c) of the Home Owners' Loan Act of 1933 to clarify the authority of Federal savings and loan associations to act as custodians of individual retirement accounts.

The enrolled joint resolution was subsequently signed by the Acting President pro tempore (Mr. Stone).

At 3:45 p.m., a message from the House of Representatives by Mr. Berry announced that the House has receded from its disagreement to the amendment of the Senate numbered 44 to the bill (H.R. 5901) making appropriations for the Education Division and related agencies, for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes, and concurs therein.

ENROLLED BILL SIGNED

At 4:15 p.m., a message from the House of Representatives by Mr. Berry announced that the Speaker has signed the enrolled bill (H.R. 5901) making appropriations for the Education Division and related agencies, for the fiscal year ending June 30, 1976, and for the period ending September 30, 1976, and for other purposes.

The enrolled bill was subsequently signed by the Acting President pro tempore (Mr. Stone).

ENROLLED JOINT RESOLUTION PRESENTED

The Secretary of the Senate reported that today, July 18, 1975, he presented to the President of the United States the enrolled joint resolution (S.J. Res. 102) amending section 5(c) of the Home Owners' Loan Act of 1933 to clarify the authority of Federal savings and loan associations to act as custodians of individual retirement accounts.

HOUSE BILL REFERRED

The bill (H.R. 8597) making appropriations for the Treasury Department, the U.S. Postal Service, the Executive Office of the President, and certain independent agencies, for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes, was read twice by its title and referred to the Committee on Appropriations.

RECESS UNTIL 10 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I move, in accordance with the previous order, that the Senate stand in recess until the hour of 10 o'clock tomorrow morning.

The motion was agreed to; and at 6:20 p.m., the Senate recessed until Saturday, July 19, 1975, at 10 a.m.

NOMINATIONS

Executive nominations received by the Senate July 18, 1975:

AGENCY FOR INTERNATIONAL DEVELOPMENT

Denis M. Neill, of Maryland, to be an Assistant Administrator of the Agency for International Development, vice Matthew J. Harvey, resigned.

FEDERAL ENERGY ADMINISTRATION

William G. Rosenberg, of Michigan, to be an Assistant Administrator of the Federal Energy Administration, vice Marmaduke Roberts Ligon, resigned.

IN THE COAST GUARD

The following officers of the U.S. Coast Guard for promotion to the grade of Lieutenant (junior grade):

Frederick R. Hill
Leonard F. Edinger II
Robert R. Trescott
Harold L. Hayes
Steven L. Hamilton
Jerry M. Lentz
William F. Blum
Ronald W. Batson
Thomas S. Cunningham
Gary S. Johnson
Lawrence C. Craig
Billy H. Reid
Donald J. Alciati
Steven R. Fothergill
Kent E. Fisher
Leslie H. Smith
Ronald Bunk
Robert C. Perry

The following reserve officers of the U.S. Coast Guard to be permanent commissioned officers in the Regular Coast Guard in the grades indicated:

Lieutenant commander

Ronald L. Blake.
Joel Robertshaw.

Lieutenant

Earl H. Potter
Michael W. Riley
Paul K. Gruver
Kenneth F. Solomon

PUBLIC HEALTH SERVICE

The following candidates for personnel action in the Regular Corps of the Public Health Service subject to qualifications therefor as provided by law and regulations:

To be medical director

Maurice B. Burg
Jack Butler
Vivian Chang
Lawrence F. Dietlein, Jr.
Eugene J. Gangarosa
Herschel C. Gore, Jr.
Peter Gouras
Robert I. Gregerman
Andrew F. Horne
David W. Johnson
Emery A. Johnson
Michael W. Justice
William R. Martin
Peter D. Olch
Carroll B. Quinlan
Jack C. Robertson
Gordon S. Siegel
Robert W. Weiger
John R. Trautman

To be senior surgeon

Robert S. Adelstein
Scott I. Allen
Arnold B. Barr
William Chin
Roy G. Clay, Jr.
George B. Deblanc
Arnold Engel
Frederick V. C. Featherstone
Robert A. Fortuine
Joseph F. Fraumeni, Jr.
Ernest Hamburger
Alphonse D. Landry, Jr.
Richard B. Lyons
Bernard R. Marsh
James E. Maynard
Kenneth R. McIntire
John D. Millar
David M. Neville, Jr.
Jack D. Poland
John T. Porvaznik, Jr.
Donald L. Randall
Franklin D. Roller
Heino Rubin
Michael B. Sporn
David W. Templin
Theodore W. Thoburn
Richard B. Uhrich
Christfried J. Urner

To be surgeon

Donald R. Hopkins
Rice C. Leach
Bernard E. Schatz

To be dental director

Howell O. Archard
Edward M. Campbell
William A. Gibson
James J. Laubham, Jr.
James R. Nixon
Anthony A. Rizzo
Selvin Sonken
Gunnar E. Sydow

To be senior dental officer

Donald C. Boggs
Meade E. Butler
John E. Butts
Richard L. Christiansen
David A. Dutton
Gresham T. Farrar, Jr.
James H. Greene, Jr.
Weston V. Hales
Charles H. Hayden
Warren V. Judd
Larry K. Korn
Loren F. Mills
Donald L. Popkes
Thomas W. Ragland
John R. Stolpe
Powell B. Trotter III
Edward D. Woolridge, Jr.

To be dental officer

Donald G. Burks
Pedro G. Colon, Jr.
Robert C. Fielder
George B. Fink
Albert D. Guckes

To be nurse director

Dorothy C. Calafiore
Geraldine L. Ellis
Marie Herold
Jean F. Kaplan
Betty J. Klingenhagen
Barbara T. Lanigan
Vivian R. Mercer

To be senior nurse officer

Claire M. Coppage
Pawnee L. Creson
Marjorie A. Greene
Elizabeth L. Iddings
Margaret A. McCombs
Susan E. Milman
Katheryn E. Renney
Pietrina R. Siciliano

To be nurse officer

Ann J. Eades

To be senior assistant nurse officer

Bernice M. Sextro

To be sanitary engineer director

Ian K. Burgess
Henning W. Eklund
Robert H. Neill
Joseph P. Schock

To be senior sanitary engineer

Vernon E. Andrews
John G. Bailey
John A. Cofrancesco
Gary D. Hutchinson
Richard E. Jaquish
Andre F. Leroy
Norman J. Petersen
Albert H. Story
Charles F. Walters

To be sanitary engineer

Thomas A. Bartholomew
Philip J. Bierbaum
Robert G. Britain
Bruce M. Burnett
Virgil E. Carr
Dean R. Chaussee
Warren W. Church
Wayne T. Craney
Bobby L. Dillard
Thomas P. Glavin
Grady T. Helms, Jr.
Joseph W. Janick
Douglas L. Johnson
John N. Leo
Gary S. Logsdon
Joseph F. Mastromauro
Leonard W. Nowak
John R. O'Connor
Billy F. Pearson
William S. Properzio
Malcolm B. Reddoch
Dale A. Stevenson
Robert N. Snelling

To be scientist director

Donald S. Boomer
Robert J. Ellis
Vernon J. Fuller
Herbert F. Hasenclever
William F. Hill, Jr.
William A. Mills
George E. Thompson
Kenneth W. Walls

To be senior scientist

John C. Feeley
Joseph W. Lepak
James E. Martin
James D. Moore
McWilson Warren

To be scientist

Donald A. Eliason
William H. Kroes
James C. McFarlane
Lawrence A. Yamamoto

To be sanitarian director

Alfredo Castavelez
Virgil D. Grace
Jack H. Lair
Elmer D. McGlasson
Joe L. Perrin
Thomas J. Sharpe

To be senior sanitarian

Maurice Georgevich
George W. Hanson, Jr.
John L. Kreimeyer
Gene W. McElyea
Bert W. Mitchell
Gail D. Schmidt
John G. Todd
Richard J. Vantuinen

To be sanitarian

Billy D. Jackson
James A. Kraeger

To be veterinary officer director

Anton M. Allen
Paul Arnstein
Denny G. Constantine
Kenneth D. Quist
Richard A. Tjalma

To be senior veterinary officer

Kirby I. Campbell
Glen A. Fairchild
William A. Priester, Jr.

To be veterinary officer

Joseph E. Pierce

To be pharmacist director

James E. Bleadingheiser
Thomas D. Decillis
Richard A. Hall

To be senior pharmacist

Linton F. Angle
John T. Barnett
Robert P. Chandler
Robert Frankel
Harry A. Hicks
Jimmie G. Lewis
Edward E. Madden, Jr.
Samuel Merrill
Bernard Schleien
Leonard C. Sisk
Donald H. Williams

To be senior assistant pharmacist

Gordon R. Baldeschwiler
Michael S. Brown
Ira J. Fox
Gill D. Gladding
Paul Vincent McSherry
William M. Singleton, Jr.
Joseph A. Tangrea
Robert L. West

To be senior dietitian

Mary E. Ferrel
Betty J. Shuler

To be senior assistant dietitian

William J. Jajesnica

To be therapist director

John B. Allis
James C. Hufsey
Forrest N. Johnson

To be senior therapist

Kenneth L. Bowmaker
Joel H. Broida
Ronald E. Laneve
Helen L. Wood

To be therapist

George H. Hampton
Joseph B. Hayden
Richard I. Hetherington
Peter T. Langan
Roger M. Nelson

To be health services director

Ernest D. Ficco
Howard L. Kitchener

To be senior health services officer

Lawrence T. Barrett
Robert H. Bradford
Richard E. Gallagher
Robert Jacobs
Patrick W. Samson

To be health services officer

Frederick C. Churchill
James E. Delozier
Allen R. Forman
Aubrey M. Hall, Jr.
Thomas O. Harris
Richard W. Peterson
George L. Raspa
Terrence L. Rice

To be senior assistant health services officer

Kenneth R. Bahm
Laurence W. Grossman
Jon P. Yeagley

The following candidates for personnel action in the Regular Corps of the Public Health Service subject to qualifications therefor as provided by law and regulations:

1. For appointment:

To be senior surgeon

James H. Erickson
Michael M. Frank
Sun H. Lau
Frank L. Zwemer

To be surgeon

Albert L. Ball
Paul B. Batalden
Melvyn Damast
Robert J. Gerety
George I. Grayson
William H. J. Haffner
Gary H. Harding
Stephen P. Hersh
Stephen F. Jencks
Ernest J. Johnson
Scott H. Nelson
Wade P. Parks
Ronald K. St. John
Victor S. Schneider
Harrison C. Stetler

To be senior assistant surgeon

Aldis Baltins
Thomas J. Chester
Harvey L. Dannis
Donald P. Francis
Ronald Fried
Leonard H. Hellman
Caleb W. Herndon
William H. James
Joseph J. Kryc
Bruce L. Lasker
William D. Lassek
Paul A. Nutting, Jr.
Howard W. Ory
Laurence J. Platt
Joel J. Rock
Mark E. Rosenberg
Gregory I. Shorr
James I. Spiro
George W. Taus
Robert E. Tigelaar
Thomas K. Welty
John A. Wolfe

To be senior dental surgeon

John E. Kehoe

To be dental surgeon

David B. Jones
Robin M. Lawrence

To be senior assistant dental surgeon

Thomas G. Atkins
Jeffrey R. Barbash
William D. Baxter
William D. Beck
Gerald H. Brown
Robert J. Collins, Jr.
Robert K. Gaskins
Gary E. Guzy
Antone L. Hall
Richard L. Hetherington
Henry E. Jones, Jr.
Ronald A. Lorts
Reginald Louie
Harvey E. Matheny
Max N. McMullen, Jr.
Graig D. Mukai
Thomas K. O'Connor
Donald P. Reid
Gordon D. Reid
Don C. Robertson
Paul S. Rogers
Donald R. Sciame
Patrick J. Shaffer
Darrell M. Sheets
Donald C. Smith
Randall M. Snow
David M. Snyderman
Gary L. Stannard
Richard R. Tomlinson
James A. Ude
David W. Welmerink
Larry E. Wise

To be nurse officer

Claudette V. Campbell
George F. Hedquist
Pauline R. Jones
Evelyn L. Maxwell
Ruth C. Phillips
Rose M. Truax
Maxine B. Wilcox

To be senior assistant nurse officer

Ann M. Doran
Mary C. Hughes
Richard M. Jones
Sandra L. Lindell
Joan K. Mueller
Frederick C. Raje

To be assistant nurse officer

Judy D. Burt
Carolyn B. Lee
Carl P. Perilla

To be sanitary engineer

Herbert W. Dorsey

To be senior assistant sanitary engineer

Paul A. Boys
Ernest W. Brodt, Jr.
Steven M. Bromberg
Charles O. Dowell
Michael D. Dworsky
Robert W. Harding
Gerald R. Harris
Robert H. James
Thomas J. Logan
Gary D. McCutchen
Winston A. Smith
David L. West
Kenneth R. Woodard

To be senior scientist

Nelms B. Boone
Thomas E. Carter
Douglas L. Smith

To be scientist

Elias P. Brinton
Eugene H. Herman
James R. King
Janet B. McDonald
Jon M. Ranhand

To be senior assistant scientist

Edward J. Cone
Robert B. Dick
Derek E. Dunn
Cecil H. Fox
Gary C. Schatz

To be sanitarian

Kenneth E. Bailey
Eduardo G. Campos

To be senior assistant sanitarian

Gordon Denipah, Jr.
Jerry W. Newman
David H. Pedersen
Eladio Perez-Zayas
Russell J. Vizina

To be veterinary officer

Samuel R. Adams, Jr.

To be pharmacist

Donald D. Morgan

To be senior assistant pharmacist

Thomas J. Ambrose
David A. Apgar
James W. Bredon
Homer R. Burton
Dennis C. Dahl
Norman M. Harrington
Arthur J. Lawrence, Jr.
Melvin Lessing
Delbert G. Martin
Karl O. Nease
Robbin M. Nighswander
James E. Riley, Jr.
Thomas G. Rotella
Franklin D. Stottlemyer
Frankie L. Sutton
Kenneth R. Turner
Michael W. Woodford

To be assistant pharmacist

Michael F. Breckinridge
Paul A. Bucceri, Jr.
William T. Giddens
Alfredo Matiella, Jr.
Merril J. Mille
David J. Morgan
Roger D. Nicolaus
Robert W. Parrish
Donald C. Peters
Kenneth L. Spear
Gary E. Work
Tommy L. Worth

To be assistant dietitian

Alice A. Jones
Janice M. Rary
Cathy A. Tonjes

To be senior assistant therapist

Roger R. Berry
William A. Fromherz
Jimmy R. Jones
James H. Laursen
Margaret A. Wilson

To be assistant therapist

James A. Akers
James M. Bittinger
Awilda R. Haskins
Joseph M. McCulloch
Andrew L. Smith
Richard D. Tarman
Peter J. Whalen
Alfred F. C. Wong

To be health services officer

Loretta A. Coughlin
James E. Hamilton
Walter K. Hunter
Edmond Steele, Jr.

To be senior assistant health services officer

William S. Collins
Joseph M. Cummins
Lila R. Davis
Paul B. Eckel
Michael Fuchs
Bruce A. Herman
James W. Langford
Solomon Levy
David B. Maglott
Timothy J. Nolan
Thomas M. Osborn
Fred M. Randall
Stephen W. Smith
Edwin S. Spirer
Stuart M. Swayze
Theodore J. Weinberg

To be assistant health services officer

Donald J. Benchoff
Elmon S. Crumpler
James M. Harmon
Alejandro R. Montaney
Emmett E. Noll
Melvin E. Segal
Donald R. Tillery

CONFIRMATION

Executive nomination confirmed by the Senate July 18, 1975:

COUNCIL OF ECONOMIC ADVISERS

Burton Gordon Malkiel, of New Jersey, to be a member of the Council of Economic Advisers.

(The above nomination was approved subject to the nominee's commitment to appear and testify before any duly constituted committee of the Senate.)

EXTENSIONS OF REMARKS

CBS RIFT COMES OUT IN THE OPEN

HON. SAM STEIGER

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 17, 1975

Mr. STEIGER of Arizona. Mr. Speaker, lest the press believe we are not as interested in their parochial concerns as they are in ours, I offer the following Washington Star report, that historians might note it:

[From the Washington Star, July 14, 1975]

CBS RIFT COMES OUT IN THE OPEN—COLLEAGUES MIFFED AT SCHORR'S SLIP

(By Judy Flander)

A dispute between CBS correspondent Daniel Schorr and some of his network colleagues over what happened the day President Nixon resigned has erupted into the public's view, despite attempts to keep it quiet.

In a letter in the current issue of New York Magazine, Eric Sevareid, Walter Cronkite and Dan Rather protest statements published in an earlier issue of the magazine describing Schorr as "the man who made TV executives all over the nation wince when he admitted in a comment at Duke University, that the TV networks were ready to take it easy on Richard Nixon on the night he resigned. . . . As a result of that public admission, CBS News reporters were barred by the network from talking about each other in public."

"It's ridiculous," Sevareid said the other day. "No president ever gave us so much trouble. Why would they issue orders to go easy just because he (Nixon) was a beaten man. It just doesn't happen that way."

Sevareid, who initiated the letter after nearly a year of silence, "is mad as hell," said Dan Rather, who is pretty sore himself: "What you've got here is that the rest of us were ready to whore for the company. I did not roll over for anybody."

Cronkite, on vacation, could not be reached for comment; CBS newsman Roger Mudd, who did not sign the letter, refused to talk about "an internal" matter. When asked if this was because of orders from above, Mudd laughed and said, "Certainly not."

Since the comments at Duke and an interview Aug. 19 in the Denver Post, Schorr himself has maintained a stubborn silence, despite repeated pleas from Rather to clarify the matter and at least two published interview-profiles, the one in New York Magazine, written by William Barry Furlong, and another in Village Voice, by Ann Pincus, which rehashed the Duke thesis, much to the consternation of Schorr's colleagues who were becoming increasingly irate.

The New York Magazine piece was the final straw for Sevareid: "The letter was written for two reasons," he said. "Mr. Schorr has made no public message to undo the damage to us by whatever he said in his remarks at Duke University and, second, no reporter has ever checked with me. It just sits there, being repeated; soon it will be in books and in college textbooks as part of the myth of TV.

"I felt I had to protest however painful and intramural it is. I have been in this business 36 years and I'm going to retire in a couple of years and I'm not going out with a smudge on my face."

The first time Rather confronted Schorr about the Duke comments, Schorr "said flatly he hadn't said this." Shortly after, CBS got hold of a tape of Schorr's Duke University remarks. Rather relates: "I called Dan again and he said he simply couldn't believe he said what he did. 'I misspoke myself. I don't know why. I have no evidence to support that whatever,' he told me."

Schorr is still adamant about not discussing the matter with reporters, although he angrily brands as "inaccurate, an invention," the statement in New York Magazine about CBS correspondents being barred from talking about each other in public. But the whole situation is "painful" to him, was about all he would say the other day. "I committed an indiscretion and I'm not going to perpetuate an indiscretion by putting it on the pages of magazines and newspapers," he said, explaining why he is letting the record stand. "If I clarified this, I would partly dispel distortions and partly reenforce others. I cannot clarify it without perpetuating it. I want the whole thing to die."

The episode apparently began when Schorr was excluded from the post-Nixon-resignation speech analysis in which Sevareid, Rather, Cronkite and Roger Mudd participated. "Dan expected and wanted to be part of it," Rather said. "I know Dan was angry about it. I agreed with him. But somebody has to make decisions; they had something else they wanted him to do—he was on the air a good deal that night."

Adding to Schorr's pique was another decision that affected him: 2½ hours of "bank" material—taped segments to be used only if needed, according to William Small, CBS senior vice president and director of news—was never used. Included was a "political obituary" narrated by Schorr. "We decided it was better to stay live," explained Small. "In retrospect, we were right; it was much better to be live, we did a better job than the other networks."

Schorr had another interpretation: In his Denver Post interview, he was quoted as saying, "I was a necessary piece of CBS' ammunition that turned out to be expendable. They didn't want curtain calls. 'We must not look vindictive,' they said. 'We must stress the healing process—Ford and the future.' "

In the same article, in which he said it was "professionally unethical" to talk about his colleagues, Schorr noted, in an apparent reference to Rather, "It is self-indulgent for a man in TV news to let himself show emotions, or to say, 'Tonight is supposed to be a night of reconciliation so I will restrain myself from the most objective analysis I can give.' "

Small said that he thought Schorr might have been reacting to the comments most of the correspondents made about Nixon's speech. "They thought it had 'class' and I agree with them." Rather explained his own remarks about Nixon: "I may have made a mistake that night—and I do not consider it a mistake—but if so the mistake was mine. I deeply resent the accusation we were told, 'Look, cool it on Nixon.' If anyone told me that I probably would have knocked him on his ass."

The "Duke comments" kept coming back to haunt them all. The matter might have been dropped, Rather said, if it hadn't been for the "puff piece in Village Voice. It was gutsy Dan Schorr who stuck his neck out rather than cool it. The story was bullshit, obviously; there were no direct quotes." Both Rather and Sevareid said that they had never been contacted by reporters about the story before. "It's picked up and reused, usually by young liberal left writers who do not want the image spoiled by the fact," said Sevareid.

When Sevareid proposed the New York magazine protest letter, Rather went to Schorr and "begged" him to write a letter instead. "I told him, 'This has reached a ridiculous stage. You made a mistake, all you have to do is come out and say you misspoke.' Dan said, 'I can't talk about it.' "

Schorr's colleagues seem more disturbed than Small and Richard Salant, president of CBS news, both of whom reacted with laughter when quoted chapter and verse about their alleged orders to soft-pedal on Nixon and to desist from talking about one another in public.

"It must be true, look at the letter in New York magazine," laughed Small. "I knew the letter was being written. The implication that somebody sends down orders is something to protest. All Schorr's colleagues were upset; it (a ruling from above) could hardly have happened without their knowing about it. Dan isn't even an anchorman."

Salant was amused by Schorr's comment about the subject being too painful to discuss: "Sure it's painful for him; if you stick your foot in your mouth."

As for Schorr, he said that maybe someday he'd talk about it—"when I'm not on the payroll of the persons I'm talking about."

ANNUAL CONVENTION OF BULGARIAN EASTERN ORTHODOX CHURCH HELD IN NEW YORK

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 17, 1975

Mr. BIAGGI. Mr. Speaker, it is my pleasure to note last week's annual convention of the Bulgarian Eastern Orthodox Church Dioceses of New York and Akron. As in the past, this convention provides current members of the church with an opportunity to review past history and chart their agendas for the future.

As we prepare to celebrate the annual Captive Nations Week observance, I feel it fitting that I insert into the RECORD a brief history of the church which was sent to me by Dr. Kalin Koicheff, convention chairman. I urge my colleagues to read this material and reaffirm our support for the people of Bulgaria and the 28 other Captive Nations whose basic freedoms including freedom of religion is denied. We must work to help them regain basic freedoms and human dignity for their continued oppression flies in the face of any realistic efforts we can hope to make with the Soviet Union for détente. Without them relasing their stranglehold on their satellite nations, any agreements between our two nations will be worthless.

The brief history follows:

BULGARIAN EASTERN ORTHODOX CHURCH

We are proud to be spiritual children of the Bulgarian Church, the oldest Orthodox Church in the Balkan Peninsula.

Shortly after the conversion of our people (865 A.D.,) the Council of Constantinople of 870 A.D. granted autocephalous status to the Bulgarian Orthodox Church. During the reign of King Simeon the Great, in 917 it was elevated to the status of Patriarchate.

The leaders of the Bulgarian Orthodox Church at that time, St. Clement of Ochrida, St. Naum of Preslav, Chernorizets Khrabr, John the Exarch, to mention a few, made an enormous contribution towards the making of what is known as the Golden Age of Bulgarian literature.

At the end of the 14th century, in the times of Patriarch Evtimy of Tirnovo, a great ecclesiastical and national leader, Bulgaria fell under Turkish rule and the Patriarchate was abolished. There followed five hundred years of a dark, unbearable and disastrous yoke.

In 1762 a modest Bulgarian monk from Khilendar Monastery, Mount Athos, Paissy signaled the beginnings of the Bulgarian national and spiritual Renaissance with his Slavic-Bulgarian History. The movement started by Paissy culminated in the creation of the Bulgarian Exarchate of Constantinople in 1870. Let by two astute and patriotic personalities, the Exarchs Antim and Joseph, it fought for the political, cultural and spiritual independence of its people in Bulgeria and Macedonia.

The crowning event of this struggle was the liberation of Bulgaria in 1878 as the result of the Russo-Turkish war.

The Third National Assembly (Sobor) of the Bulgarian Orthodox Church, held in 1953 in Sofia, restored its patriarchal dignity.

During the current period in the history of the Bulgarian Patriarchate, under the leadership of the late Patriarch Kiril (1953–1970) and the present Patriarch, His Holiness Maxime, our mother Orthodox Church has conducted most effectively its administrative, financial and cultural affairs, thus enabling it to fulfill its spiritual mission to the Bulgarian people. Because of its historical role and activities, it has deservedly been recognized as a National Church.

Following the Ilinden Instruction of 1903 the migration to the United States, Canada and Australia increased. Almost all of our Church Communities have been established by Bulgarians from Macedonia.

The organization and the ministry of the Bulgarian Church Mission in the country, from its beginnings to 1937, had been under the direction of a well educated, inspired and loyal to our national and religious cause clergyman—Proto—Presviter Dr. Krastlu Tsenov.

From 1937 to 1972 our Communities in the new world have been under the spiritual leadership of His Eminence Bishop Andrey Velichky. In 1963 he was elected by the Holy Synod of the Bulgarian Orthodox Church as Metropolitan of the Diocese of New York.

In 1969 the Holy Synod split the New-York Diocese and created the new Diocese of Akron, Ohio, Bishop Joseph Znepolski was appointed as its administrator.

Following the death of Metrolitan Andrey of New-York (Aug. 9, 1972), the Holy Synod, according to established procedures, elected His Eminence Bishop Joseph Znepolski to serve as Metropolitan of the Diocese of New-York and appointed him to the position of administrator of the Diocese of Akron.

KNIGHT FAMILY LONGTIME LEADERS IN MONROE COUNTY, FLA.

HON. DANTE B. FASCELL

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 17, 1975

Mr. FASCELL. Mr. Speaker, for many years the family of Harry F. Knight has contributed its leadership and services to Monroe County, Fla.

I was reminded of this recently on reading a clipping of pages from the Daily Gulf Pennant of January 10, 1893. This Key West publication reported that—

> Monroe County's sheriff, Mr. Frank W. Knight, was last Saturday the recipient of a gold badge of office from Hon. Jefferson B. Browne.

Sheriff Knight, who served in that position for 12 years, from 1893 to 1901 and 1905 to 1909, was grandfather of Harry F. Knight, our present county tax collector. State Senator Browne was later president of the Florida senate and chief justice of the Florida Supreme Court.

A testimonial letter from Senator Browne to Sheriff Knight was published in the Pennant and gave interesting insights on candidates, politics, political parties, and leadership. They are still valid today, so I know our colleagues will enjoy sharing the views.

Noting that Mr. Knight had lost his bid to be elected sheriff 4 years previously by 12 votes, Senator Browne stated:

> For four years you awaited a vindication at the polls; no word of complaint was heard from your lips; you allowed no whisperings . . . to dissatisfy you with your party; you shirked no work for your party and hoped not for the defeat of any of its candidates as a soothing for your own wounded feelings; you sought not to weaken your party by mutterings of discontent and complaining against those who had devoted their lives to the success of the party, but bravely and manfully you bore your defeat, illustrating by your example that he who can best bear defeat can best stand prosperity, and that he who skulks and complains under defeat is arrogant when successful and unfit for power. Well may your example be followed by some who fain would be leaders, and who, having been rewarded beyond their deserts, forget obligations to their party and are constantly crying out about their party's obligations to them.

Sheriff Knight responded in a letter, also published in the newspaper:

> To you more than to any one is the democracy of this country indebted for the success at our late election, confronted as we were by the many complications that arose and the stubbornness of many who tried to control and direct the contest. Your untiring energy and devotion to our party tended more to our complete victory than all other efforts combined . . . in my opinion the election of our entire . . . ticket in this country is due to your management.

Harry F. Knight, who has been Monroe County tax collector since 1968 and is now in his second term ending in 1976, is continuing a family tradition of providing outstanding service to the people of his county, State, and Nation. Prior to being elected to his present county position, he was a city commissioner of Key West for 8 years from 1959 to 1967, and mayor pro tempore for the last 4 of those years.

Harry F. Knight's community activities include recent service as drive chairman for the United Fund; past chairman of the March of Dimes Drive; past president of Key West Jaycees; past president of Key West Youth Council; past president of Key West USO Council; and past chairman of the military affairs committee of the Chamber of Commerce.

He has served as exalted ruler of Key West Elks Lodge 551 as well as district deputy grand exalted ruler, and is a member of the vestry of St. Paul's Episcopal Church, founded in 1832, the oldest church in Key West. He is past president of the Key West Golf Club, past chairman of the advisory council for the Order of DeMolay, and is a member of Anchor Lodge F. & A.M.; Key West Consistory; Key West Shrine Club; Mahi Temple; and Ambassador Corps.

Like his grandfather, Harry F. Knight is active in the Democratic Party, having served as county chairman from 1958 to 1970 and as State committeeman from 1970 to the present. He is also party chairman for the 15th Congressional District.

His wife, Ramona Knight, is also contributing in her own right to the legacy of public service. She has worked for the Monroe County school system for 26 years, starting as secretary to the superintendent. Currently, and since 1965, she is finance director. She is also active in Beta Sigma Phi Sorority.

Their son, Harry F. Knight, Jr., is also involved in public service, having worked for the attorney general of Florida after finishing college. He now serves as liaison officer between the Monroe County court and the clerk's office.

The Knight family of Key West is an integral and important part of Key West and Monroe County, not only for accomplishments during a colorful period of south Florida history, but also because they are fortunately still with us today, making their contribution in all phases of community life and sharing responsibility for a better and more dynamic Key West and Monroe County.

I offer my congratulations to Harry F. Knight and his family for their many achievements, and my sincere best wishes for future success and happiness.

LT. GEN. DANIEL JAMES, JR.

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 17, 1975

Mr. CLAY. Mr. Speaker, just a few days ago, Air Force Lt. Gen. Daniel James, Jr., was nominated by President Ford to be the first black four-star general in this Nation's history. Once confirmed, General James will become the commander in chief of the North American Air Defense Command.

Mr. Speaker, I take a special pride in General James' most recent accomplishment not only because he is a distinguished American, but in addition, because he is a dear friend of mine. Hence, as I have always commended him as a fine person, I commend him now again as a great achiever and uniquely talented servant of his country.

Mr. Speaker, on July 7, two articles appeared in the St. Louis Sentinel on this four-star general-to-be. I strongly commend these articles to my colleagues' attention and now insert them in the RECORD:

GENERAL JAMES IS MOVING UP TO FOUR-STAR RANK

The armed forces will have their first black officer of four-star rank upon Senate confirmation of Lieut. Gen. Daniel James Jr. of the Air Force as a full general. The 55-year-old General James, nominated last week by President Ford, will be commander in chief of the North American Air Defense Command, a joint United States-Canadian command, and of the Aerospace Defense Command, with his headquarters near Colorado Springs.

As a graduate of Tuskegee Institute during World War II, the 6-foot-5-inch Chapple James became one of the first black pilots in the old Army Air Corps. He flew 101 combat missions in the Korean War. And after leading 78 strikes into North Vietnam, he spoke on many black campuses during the unrest over the war in Vietnam. As a protege of Melvin R. Laird, then the Secretary of Defense, he became a Deputy Assistant Secretary and a top Pentagon spokesman. Last fall he became vice commander of the Military Airlift Command, playing a major role in the evacuation from Vietnam.

Lieutenant General Daniel (Chapple) James, Jr., is Vice Commander, Military Airlift Command, Scott Air Force Base, Ill.

General James was born on Feb. 11, 1920, in Pensacola, Fla., where he graduated from Washington High School in June 1937. He attended Tuskegee Institute at Tuskegee, Ala., from September 1937 to March 1942, where he received a bachelor of science degree in physical education and completed civilian pilot training under the Government-sponsored Civilian Pilot Training Program.

He remained at Tuskegee as a civilian instructor pilot in the Army Air Corps Aviation Cadet Program until January 1943, when he entered the program as a cadet and received his commission as a second lieutenant in July 1943. He next completed fighter pilot combat training at Selfridge Field, Mich,. and was assigned to various units in the United States for the next six years.

In September 1949, General James went to the Philippines and was assigned as flight leader in the 12th Fighter Bomber Squadron, 18th Fighter Wing, at Clark Field. In July 1950, he went to Korea where he flew 101 combat missions in F-51 and F-80 aircraft during the Korean War.

General James returned to the United States and in July 1951 went to Otis Air Force Base, Mass., where he was assigned as an all-weather jet fighter pilot with the 58th Fighter Interceptor Squadron and became operations officer. In April 1953, he became commander of the 437th Fighter Interceptor Squadron, and in August 1955 he assumed command of the 60th Fighter Interceptor Squadron. While stationed at Otis Air Force Base, he received the Massachusetts Junior Chamber of Commerce 1954 award of "Young Man of the Year" for his outstanding community relations efforts. He graduated from the Air Command and Staff College at Maxwell Air Force Base, Ala., in June 1957.

General James was assigned to Headquarters U.S. Air Force as a staff officer in the Air Defense Division of the office of the Deputy Chief of Staff for Operations. In July 1960, he was transferred to the Royal Air Force Station at Bentwaters, England, where he served successively as Assistant Director of Operations and then Director of Operations, 81st Tactical Fighter Wing; Commander, 92nd Tactical Fighter Squadron; and Deputy Commander for Operations for the 81st Wing.

In September 1964, General James was transferred to Davis-Monthan Air Force Base, Ariz., where he was Director of Operations Training and later Deputy Commander for Operations for the 4453rd Combat Crew Training Wing.

General James went to Ubon Royal Thai Air Force Base, Thailand, in December 1966, as Deputy Commander for Operation, 8th Tactical Fighter Wing, and in June 1967 was named Wing Vice Commander. He flew 78 combat missions into North Vietnam, many in the Hanoi/Haiphong area, and lead a flight in which seven Communist Mig 21s were destroyed, the highest total kill of any mission during the Vietnam War.

He was named Vice Commander of the 33rd Tactical Fighter Wing at Eglin Air Force Base, Fla., in December 1967. While stationed at Eglin Air Force Base, the Florida State Jaycees named General James as Florida's Outstanding American of the Year for 1969.

GEN. DANIEL JAMES

Congratulations are in order for Daniel (Chapple) James, who has been nominated for the fourth star which would make him the first Black officer in the military to achieve that rank.

We have the highest respect for this fine officer and the magnificent record he has made in the uniform of his country. We have heard him speak on numerous occasions and it has always been a sound and reasoned message to old and young alike, yet we were somewhat distrissed over the tenor of his remarks at the recent Chi Delta Mu annual convention here. In an impassioned speech, he was less than enthusiastic about such stalwarts as Roy Wilkins, Vernon Jordan, the late Martin Luther King and others.

The role of the Black soldier has not been an easy one and Gen. James, as so many others, felt the pang of racial discrimination as he did his duty for "God and country." Yet, we would respectfully remind him that it was during the (Lyndon) Johnson years that members of the National Newspaper Publishers Association—The Black Press of America—placed their collective weight behind the issue of line officers in the military. With a full day of briefings and discussions at the Defense Department topped off with a confrontation with the then Secretary of Defense Robert McNamara, the publishers spoke in direct terms about the contributions of all the Dainel Jameses and the fact that these men and women were due a fairer shake than what they were getting. Top generals had displayed charts, graphs, and "logical" speeches about the tough path to follow on the way to becoming nominated and ultimately an officer. They explained just how many whites are "washed out" each year. And then they were reminded of the odd coincidence that in all of the history of the military that only two Blacks had made it to the rank of general and one was the son of his father. (The Benjamin O. Davises.)

It was the face off, when Secretary McNamara, heatedly answered a particularly probing question with "Are you calling me a racist?"

This meeting was held against the backdrop of the social unrest in this country and the efforts of the Kingses, Wilkinses et al. What the publishers were doing, was simply zeroing in on a particular issue.

Gen. James has had a distinguished career in the military. He has served his country well. His leadership and achievement is needed as a role model for other youngsters, especially black youngsters. In this world of confusion and frustration, young people are reaching far and near for new ideas and new concepts to right some of the social wrongs. Thinking adults are likewise concerned about the plight of this nation. And it is because of a love for this country that we point up its failings. It should not be construed as an act of disloyalty or something less. Gen. James was one of those who boldly walked into an officer's club and went to the guard house because it was reserved for whites. That experience did not deter him from future service and future loyalty. We imagine that there were those who frowned upon that act in that time.

We are proud of Gen. James and we wish him well. We know that he will wear his fourth star with the dignity and honor that has marked his entire career. We need his skill, his dedication to country, but above all, we need him as a man whom young people can understand and have a burning desire to emulate.

AMERICA'S VOICE ABROAD

HON. RICHARD S. SCHWEIKER

OF PENNSYLVANIA

IN THE SENATE OF THE UNITED STATES

Friday, July 18, 1975

Mr. SCHWEIKER. Mr. President, one of America's most distinguished men of letters, author James Michener, of Bucks County, Pa., recently wrote an interesting and informative analysis of the Stanton Commission's study of the U.S. Information Agency, U.S. cultural programs abroad, and the broadcasting policies of the Voice of America.

In the belief this article will be of interest to my colleagues, I ask unanimous consent that it be printed in the Extension of Remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

AMERICA'S VOICE ABROAD

(By James A. Michener)

Ten months ago I was invited to participate in a study which asked, "In an age when television, radio, newspapers and travel make public diplomacy inescapable, what changes might be advisable in the way our information and cultural programs function abroad?"

Under the chairmanship of Frank Stanton, 21 of us were asked to see if we could unravel our present system and knit a fabric better suited to our times.

Our commission was a limited one. We were charged to consider the United States Information Agency, the cultural operations of the State Department, and the broadcasting policies of The Voice of America.

I entered our discussions with several strong biases accumulated from my work abroad. (1) I hoped that we could end the incredible system whereby the cultural operations of our government in foreign countries are directed from Washington by an arm of the State Department but executed in the field by personnel responsible to the USIA. The policy makers thus had to depend for the implementation of their decisions upon people over whom they had little control, and this was indefensible. (2) I have a strong interest in furthering the cultural accomplishments of my country. They are considerable, we can be proud of them and they attract favorable attention abroad. (3) As one who had often witnessed the long hours spent by USIA personnel in the field and the courage with which they repulsed attacks on their centers, I wanted to propose no changes that would endanger their professional careers. (4) I had often listened to the Voice of America overseas, and kept a special radio in my home so that I could monitor it almost daily. I had respect for what The Voice tried to do.

I started with a conviction that all we had to do was move cultural activities out of State place them in USIA, continue with the Voice of America as at present, and get on with the job.

But as we listened to testimony I was forced to question my preconceptions. Our witnesses said that in an age of public diplomacy our overseas operations had two crucial responsibilities, and we must make a distinction between them. The first was an obligation to explain and advocate our foreign policy. The second is to let the world see and understand our cultural accomplishments.

The explication of policy is highly political and often of immediate importance. It must be intimately interlocked with the total operation of the embassy.

The display of our cultural accomplishments must not be political, is rarely of immediate importance, and can be conducted without the participation of all arms of the embassy.

The fact that overseas the same American officer is responsible for both these diverse programs tends, in the opinion of most of our advisors, to diminish the effectiveness and credibility of both the spokesman and the cultural emissary. It is extremely doubtful that the same man should argue the merits of a tough commercial treaty in the morning and sponsor a ballet group that evening.

So very early in our deliberations it became clear that some kind of reorganization, some realignment of responsibilities could alone bring order into what had become a melange. But what to do?

We started with a basic assumption that no one of us ever questioned: the three separate arms of USIA and its cultural parallel in State—political, cultural, and Voice of America—were essential. None could be eliminated. All should be encouraged to perform more effectively.

Our first big decision was that all activities dealing with the articulation of policy should be centered in the State Department, in Washington and directly under the ambassador in any embassy abroad. Officers responsible for such duties would be detached from USIA and returned to State, where they would henceforth function.

Our second decision was that all cultural activities, no matter where located at present, must be united under one leadership. But this was a conclusion more easily reached than implemented.

Should the new organization be placed in State? I was determined to oppose this with all the vigor I had, because I could visualize the program's falling under the direction of some superannuated ambassador who had never believed in either culture or public diplomacy, and I breathed more easily when other members of the panel anticipated my arguments and made them for me. That wrong alternative was killed off, and I hope it stays dead.

But where should the cultural effort go? There were two possibilities: either an organization much like the present USIA, or a different type similar to the Arms Control and Disarmament Agency. Each is autonomous, but with this difference: USIA reports directly to the President: ACDA reports to the Secretary of State. One practical reason caused us to opt for the latter. We believed that by doing so we would enhance the program's viability if the Secretary of State testified on Capitol Hill as to his need for a cultural support to his foreign policy.

That left us with a tantalizing problems. Where to put the Voice? Those of us acquainted with this important arm of government had long appreciated that it had three difficult obligations: (1) political in support of our government's positions; (2) cultural to entertain foreign listeners with news about our national life and with copious samples of our music, which listerners seemed to treasure; and (3) the quick dissemination of news not colored by the interests of alien governments.

We decided early and firmly that it must not be in State, for there it would become a mere mouthpiece and its credibility as a source of impartial news would be sacrificed. Nor did we want it an an adjunct to the cultural agency, for it might hamper or even contaminate our cultural efforts, depriving us of contacts with the very people we were trying to interest.

The only sensible solution was to establish the Voice as an independent federal agency under the intimate control of a Board of Overseers reflecting and responsive to its three functions.

I am very partial to the Voice. Prior to Watergate I was satisfied that it tried to do a respectable job of maintaining a balance of its three obligations. It did speak for the government on great basic issues. It did entertain and provide a congenial portrait of America. And it did flash out the news that so many foreign listeners depended upon. Its real test came with the Watergate tragedy and it earned high marks. I have been told subsequently that on lesser points it has surrendered to a censorship which it should have withstood, and this must be watched closely. But it is a valuable arm of government, and if a highly qualified board is appointed, it can become even more effective.

There you have our conclusions. Political officers back to State. Voice of America set free under a board consisting of the best Presidential appointees available. A new agency for cultural affairs, autonomous but reporting to the Secretary of State.

The personal objectives with which I started have been met. The deplorable administrative confusion between State's cultural efforts in Washington and USIA's forces in the field has been eliminated. The cultural compoment has been strengthened. The jobs of devoted experts have been protected. And the integrity of the Voice has been safeguarded.

Three conclusions are important. First, our plan will cost the government no additional money. True, the Voice will require some two hundred more people than it now has, but they are already doing the Voice's job within the USIA and will merely be transferred to new quarters. In fact, it seems reasonable to me that slight sums should be saved by eliminating some present duplications between State and USIA in cultural affairs but as one export warned the other day, "Don't hold your breath till that happens."

Second, there is no truth in the accusation "you've thrown everything back into State." We are giving State no more than ten per cent of what USIA is now doing, and we are taking from State one hundred per cent of its cultural operation.

Third, we have not proposed these changes as a counter-reaction to the moves of any foreign government. If detente continues, our changes will enable our foreign policy to be more responsive. If detente crumbles, our changes will permit swift adjustment.

We have done our best to rationalize one small corner of our government, making it more effective, more responsive to the last quarter of this century. We may have missed testimony that would have altered our conclusions, but not through indifference. We believe that we have outlined a procedure which, if adopted by the President and Congress, will put our overseas operations on a more logical and viable basis than the *status quo*.

EROSION OF FEDERALISM

HON. DEL CLAWSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 18, 1975

Mr. DEL CLAWSON. Mr. Speaker, an editorial by James J. Kilpatrick appeared in yesterday's edition of the Washington Star which calls attention to several disconcerting proposals for extension of Federal power into areas traditionally the prerogative of the States. The definition of "rights" is certainly crucial to the controversy which Mr. Kilpatrick sees as around the corner, and it is to be hoped that the consequences of the "transfer of power" which he mentions need not take place. The editorial entitled "Erosion of Federalism" follows at this point in the Record:

Erosion of Federalism

(By James J. Kilpatrick)

So much attention has been paid to Section 1 of the pending Equal Rights Amendment that little note has been taken of Section 2. It's something for State legislators, editors, lawyers, and interested citizens to think about.

By this time, almost everyone who cares about such things has heard of Section 1 of the ERA: "Equality of rights under the law shall not be denied or abridged by the United States or by any State on account of sex."

We tend to pass over Section 2: "The Congress shall have the power to enforce by appropriate legislation, the provisions of this article."

The same language appears in half a dozen other amendments to the Constitution. It is the implementing clause. We are seeing the exercise of this power these days in the Voting Rights Act, implementing the Fifteenth Amendment. Here Congress, by federal law, is overriding state laws that deal with elections.

The Equal Rights Amendment now has been ratified by 34 states, though three of these have rescinded approval. If prior to March, 1979, another four states should ratify (depending on how Congress treats the rescissions), the ERA will become part of the Constitution. What then?

The states traditionally have had the responsibility for laws relating to marriage and the family. Such laws deal with every aspect of divorce, including the grounds for divorce, alimony, child custody, community property.

The laws vary widely, but many tend to discriminate in favor of women. Under ERA, such laws would be forbidden.

At a meeting in Washington last week of Parents Without Partners, a suggestion came from the floor: Wouldn't it be a great idea to have one, national, uniform law on divorce?

A single federal law would assure identical treatment for men and women, making certain that no discrimination remained "on account of sex."

Another traditional field of state responsibility is education. The field has been much invaded by federal authority in recent years. Exercising the implementing power of the Fourteenth Amendment, Congress has forbidden the states to discriminate by reason of race in any educational institution supported by public funds.

Thus far, the states have retained considerable authority in such matters as dormitories, athletics, sororities and fraternities.

Under the pending amendment, "equality of rights" (whatever the phrase may mean) could not be abridged "on account of sex." It is useful to reflect upon what "rights" the male or female student now enjoys.

Would the freedom to choose a "men only" or a "women only" dormitory be affected by this amendment? Could state sanction be extended to fraternities that discriminated against women, or to sororities that banned membership to men? Congress would have power to enforce the amendment "by appropriate legislation."

Over the past 20 years, many private colleges, once limited to men or to women students only, have gone coeducational. Even so, at least 100 such institutions remain.

All of them are affected in some way by state and federal laws. The question may fairly be raised: How would they be affected by the Equal Rights Amendment?

Laws that sanction discrimination "on account of sex" are far more pervasive and complex than laws that used to discriminate "on account of race." For one thing, racial laws always discriminated against the Negro, never in his favor, and such laws were largely confined to the Southern and border states.

The situation as to women is quite different.

Do we want national legislation in all these fields? To those of us reared in the old-fashioned doctrines of federalism, the prospect has no appeal. There is little to be said for the notion that superior wisdom lies in the Congress. But under this amendment, that is where the superior power would lie.

At the moment, ERA languishes. Next year the movement for ratification will resume. In the interim, it will do no harm to keep this in mind: In the name of creating rights, this amendment would achieve a massive transfer of powers.

FREEDOMS FOUNDATION AWARDS TO TWO PENNSYLVANIA EDUCATORS

HON. RICHARD S. SCHWEIKER

OF PENNSYLVANIA

IN THE SENATE OF THE UNITED STATES

Friday, July 18, 1975

Mr. SCHWEIKER. Mr. President, I believe we are all familiar with the efforts of the Freedoms Foundation, Valley Forge, Pa., in encouraging patriotism, responsible citizenship, and solutions to the basic problems facing our Nation. Their awards program is designed to recognize and draw public attention to those who make contributions in these areas.

Freedoms Foundation has two national awards for educators: The Valley Forge Teachers Medal, which is awarded to elementary and secondary school teachers and the American Educators Medal, given to school principals and superintendents.

I am pleased to report that two Pennsylvanians have received both of these national awards. Mr. John F. McHugh, principal of the William Allen High School, Allentown, received the Valley Forge Teachers Medal in 1958 and the American Educators Medal in 1966. Mr. Raymond R. Troxell, Jr., superintendent of the West York Area School District, York, received the Valley Forge Teachers Medal in 1963 and the American Educators Medal in 1974.

I commend Mr. McHugh and Mr. Troxell on their accomplishments and their high regard for the ideals of citizenship and the principles of Americanism.

MR. SOLZHENITSYN AND THE PRESIDENT

HON. LEO C. ZEFERETTI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, July 18, 1975

Mr. ZEFERETTI. Mr. Speaker, very recently, a very great man came to Washington. He paid for the privilege of visiting this city and living in the West by the many years he spent in a Soviet concentration camp. Alexandr Solzhenitsyn emerged from that experience stronger in conscience and purer in thought than any man in living memory.

As a result of Mr. Solzhenitsyn's experiences, the creative impulse within him helped to produce several works of genious that have hit the literary world. Those works tell of the sorrow and torment of millions of innocent human beings, those caught up in the system which stifles freedom and oppresses those who dare to resist.

Solzhenitsyn survived and emerged from the East with a message. It is a timeless message, nobly and eloquently expressed by this man in his words and deeds. It is also a simple message. It says that the human spirit will not be oppressed in any age or by any dictator. Alexandr Solzhenitsyn is a living embodiment of the truth of that idea, the same one on which this Nation was founded almost 200 years ago.

Mr. Solzhenitsyn came to the West not only to escape tyranny and to tell what was done to his colleagues, but to warn us that those who sought to enslave him were also a danger to us as well. He came in spite of threats to his life and the possibility of a repetition of his previous incarceration.

As a result, the entire civilized world has hailed him. The entire literary world has lionized him. The entire academic community has admired him. Yet, when Mr. Solzhenitsyn came to this city to express his deepest and most heartfelt feelings, he looked for a sign of official recognition. However, his search was in vain. He was told that the President had no time, his schedule was full. Although the President later decided that he might have time in the future, I consider the initial denial for a meeting inexcusable and deplorable.

It is to my astonishment and sorrow, that the President seems to have time for everyone else, from movie stars and golfers to youth groups and athletes. Yet, he had no time to recognize the existence and presence of the one individual who today best embodies moral courage in the world.

I cannot sit silent in the face of this type of action by a President from whom I expected much more. Gerald Ford is a decent, honest, and good man. This is what makes his actions so hard to understand. He knows of the plight of so many innocent people who are today ground under the heel of oppression within the

Soviet Union, yet he chose not to offer even the slightest gesture to this brilliant and courageous man when Mr. Solzhenitsyn initially requested a few moments of his time.

By this act, America suffers. And, I feel that Mr. Solzhenitsyn should know that there are many among us who will have the courage of their convictions and offer him the immediate respect and approval he so rightfully deserves. I know I will.

MISS MARY COMEGYS

HON. MARTIN A. RUSSO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, July 18, 1975

Mr. RUSSO. Mr. Speaker, today I want to take the opportunity to commend an outstanding teacher and civic-minded citizen who has retired after 41 years of teaching in Illinois.

Such a career, spanning the lives of so many students who have come under her good influences, cannot really be summarized. Nor can one measure the length and breadth of that influence, for it extends into the tomorrows of people now grown, with children of their own, that once had the privilege of knowing and being taught by Miss Mary Comegys.

Her teaching career began in the Seneca Schools and after 11 years she moved to Thornton Township High School—1945. She began teaching at Thornton Community College in 1963 where she remained until her retirement this summer.

As a political science instructor, Miss Comegys was one of those teachers who is not content with the textbook portrayal of facts. She strove to bring the political process to life for her students. They interviewed elected officials, and those officials showed up in her classrooms to speak. Government—too often reduced to a chart, a graph, and a series of definitions to students—becomes in the hands of such a teacher the challenging, evolving process that it actually is. By instilling in her students a contagious enthusiasm for the role of government and raising their political consciousness, she has contributed immeasurably to the health of our government. An informed citizenry is the foundation of our democracy.

The honors and achievements of this fine lady are numerous. To cite just a few: she was the charter director of the Association of Political Science Instructors; member of Great Teachers of Illinois Seminar; the first teacher to organize seminars with editors at Chicago Tribune and Daily News; the first faculty member of Thornton Community College to receive honorary membership in Phi Theta Kappa, the national scholastic fraternity.

She graduated cum laude from the College of St. Francis, earned her master's degree from the University of Illinois, and attended the University of California at Berkeley as well as Illinois State University and University of Chicago for course study.

Now she is taking a well deserved rest—except that she is going to continue traveling and remain active in civic affairs. I wish her much happiness for she has surely earned it.

CAPTIVE NATIONS WEEK

HON. LAWRENCE COUGHLIN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 18, 1975

Mr. COUGHLIN. Mr. Speaker, this week marks the 17th observance of Captive Nations Week. While past recognition of this week has certainly been fitting, this year's observance assumes special significance.

It has special significance because all Americans are contemplating the arduous struggle for freedom our forebears endured nearly 200 years ago. Just as our spirit of liberty survived the hardships of deprivation and aggression, the spirit in the captive nations' millions survives undaunted. We cannot allow this spirit to wane.

This year's observance has special significance because there are those who question America's commitment to individual rights and freedoms. As a nation which forged its freedom with the lives and sacrifices of its citizens, we must continue as a beacon of hope and inspiration for the world's oppressed. We cannot allow this beacon to dim.

There is special significance of this year's observance because the Soviet Union is seeking formal recognition of its forceful annexations. To acquiesce to the violation of basic human rights would be to renounce the very principles on which our society is based. While the pursuit of détente is certainly worthy, the right of self-determination must never be obviated.

The millions of captive nations citizens cannot raise their voices for their basic rights—the few who have tried became victims of inestimable suffering. They look to America to defend their dignity. They look to a nation whose benchmark is the preservation of liberty. We cannot let them down; for to do so would be to denigrate our highest ideals.

The United States and all free countries which are fortunate enough to rest secure on their principles of independence, bereft of political oppression, must continue to provide unwavering, active support for the 29 nations not so propitious.

The observance of Captive Nations Week gives cause for reflection—reflection on the tasks required of our Nation to preserve its freedom, and reflection on the fate of millions whose freedom is denied. More important, however, Captive Nations Week brings forth a challenge. It is a challenge to a people whose liberties are a reality. It is a challenge to support those whose liberties are unfulfilled dreams. It is a challenge which must be met by all Americans.

EVERY CONGRESSMAN A MILKMAID

HON. DEL CLAWSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 18, 1975

Mr. DEL CLAWSON. Mr. Speaker, the editorial column of the Washington Star of July 17 takes note of a serious failing of this legislative body. The domestic simile is apt and so is the blunt description of the problem arising from the failure of Congress to make maximum use of the budget control machinery. Either way, the result is maximum cost to the taxpayers. The editorial is included at this point in the RECORD:

EVERY CONGRESSMAN A MILKMAID

Congress, which recently established the Congressional Budget Office and budget committees in both chambers to try to control its impulse-buying, is still having a hard time doing so. During this session, according to the report we saw, it has overrun President Ford's 1976 *spending requests* by over $8 billion. Now, Sen. Ed Muskie, chairman of the Senate Budget Committee, has put his colleagues on notice that Congress is on a $12 billion-plus collision course with its own self-imposed budget ceiling.

When H. L. Mencken defined democracy as "a milk cow with 125 million teats," he anticipated the congressional spending problem. It is not in the nature of the legislative beast—Congress or any other—to submit to one milkmaid at a time. That would cramp the style of the innumerable committees and subcommittees with one or more thumbs on the pursestrings. Congress may not have 125 million simultaneous milkers, but it has scores if not hundreds; and the question whether it will ever learn to coordinate its own accounts remains open.

What is perhaps more important than the overrun figures themselves, important as they are, is that Congress demonstrate convincingly a degree of budgetary self-discipline. Those who conceived the congressional budget act and pushed it through understood that a legislative body without that self-discipline will be a patsy for any strong-minded President who knows how to use the veto, and even impoundment, to second-guess legislative priorities. This was certainly one of the causes of the great impoundment stink of two years ago: Congress, unable to co-ordinate its own expenditures and not then even interested in doing so, was vulnerable to constitutional tampering.

One can only guess what might have happened to the Anglo-American constitutional principle that spending is a legislative function if the 17th Century English parliaments battling Charles I had been as ill-equipped with internal checks as Congress. You can't make much of a case against bypassing the consent of Congress if Congress promiscuously gives its consent to every internal whim; you don't fight effectively over "ship money" if every congressional committee can buy its own rowboat. The first thing to understand about the great principle of no taxation without representation is that the great battlers of legislative control, Pym and Hampden, had their own impulse-buying under firm control.

ECONOMIC POLICY MUST BE TIED TO ENERGY POLICY

HON. DOMINICK V. DANIELS

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, July 18, 1975

Mr. DOMINICK V. DANIELS. Mr. Speaker, yesterday's New York Times contains an excellent editorial on the need to coordinate U.S. economic and energy policies.

As I have already pointed out to my colleagues, any decontrol on the price of crude oil will result in a loss of consumer purchasing power. Estimates on the magnitude of this loss range as high as $60 billion, and include projections on unemployment that could reach as many as 1½ million Americans out of work. Any increase in the price of imported oil products, such as is now being threatened by OPEC countries, will only exacerbate this problem. Thus, it is essential that the administration start drawing up economic contingency plans to cope with this situation.

First and foremost, the administration must develop plans to provide tax relief to American energy consumers. Such tax relief will not be inflationary; it will simply be restoring lost purchasing power. Additionally, the Federal Reserve Board must adopt appropriate monetary policies to guard against a sudden contraction in money supply that would drive up interest rates.

Mr. Speaker, I am sure all my colleagues have been encouraged by the recent, albeit faint, signs of economic recovery, such as last month's upturn in industrial production, as well as the slow but steady growth in consumer outlays for autos and homes. However, we should not be lulled into complacency that all is well with the economy. A sudden energy price shock, such as could result from too-rapid price decontrol, could send the economy into a tailspin.

Mr. Speaker, Congress has a special responsibility to the American people to oppose any energy price decontrol proposal that threatens the stability of our economy. The administration's price decontrol proposal poses such a threat, and it must be opposed strongly by this House. At the same time, however, we must recognize that even gradual increases in energy price needed to spur domestic production must be accompanied by action to replace vital consumer purchasing power and to maintain a money supply that will allow the business sector to make vital invesment decisions necessary for our economic growth.

Mr. Speaker, I commend this morning's editorial to the attention of my colleagues, and I include it at this point in my remarks:

[From the New York Times, July 17, 1975]

RECOVERY START?

The pickup in industrial production last month is the most convincing evidence yet that the recession which began in November 1973 may be nearing its close and that recovery is beginning.

Thus far the increase in consumer outlays has been gradual but widespread; in the two hardest-hit sectors, auto sales are moving up, the inventory of unsold new homes is being worked down and the prospects for a stronger rise in housing construction are good. Business firms have been cutting inventories heavily and trimming their capital spending, but these measures have been essential to building a stronger financial base for future expansion.

This is not to say that the economy now faces a trouble-free future. One major problem ahead is a possible reprise of the same factor that deepened the recession of the past year and a half—a huge increase in energy prices. In 1973 and 1974 higher oil prices hit the American economy with the equivalent of a sudden $35-billion increase in excise taxes, intensifying both inflation and recession. The Congressional Budget Office now has published an analysis demonstrating that in the eighteen months ahead, the United States economy may have to cope with a similar $35-billion to $40-billion increase in "excises" on energy as a result of the probable decontrol of "old" oil and the increase in the price of imported oil from OPEC countries.

Although the Administration received ample warning last time of the recessionary impact of the energy shock, it refused to heed the warning and focused only on inflation—until the economy actually began to fall like a stone. Yet, having been proved wrong so dramatically last time, the Administration is in danger of repeating its mistake.

It is imperative that both the Administration and the Federal Reserve Board make adequate plans for dealing with the impact of another energy shock to the economy. The recession may be over, but an aborted recovery could lie ahead. If the recent recession was comparable in its sharpness to the 1957–58 drop, it is worth remembering that the recovery from that recession collapsed as a result of policy errors. The economy fell into the 1959–60 recession soon afterward.

Starting out now with the unemployment rate close to 9 per cent—the worst of the postwar period—it is crucial that this recovery go all the way.

HEARINGS ANNOUNCED ON OVERSIGHT OF THE JUSTICE DEPARTMENT: PROSECUTORIAL AGREEMENT BETWEEN THE DEPARTMENT AND FEDERAL AGENCIES—WITH SPECIAL REFERENCE TO THE CENTRAL INTELLIGENCE AGENCY

HON. BELLA S. ABZUG

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, July 18, 1975

Ms. ABZUG. Mr. Speaker, I wish to announce that on Tuesday and Wednesday, July 22 and 23, the Subcommittee on Government Information and Individual Rights which I chair will hold oversight hearings directed to determine the relationship between the Department of Justice and the CIA over the past 20 years. These hearings will specifically focus on the obligation of the CIA to report to the Department of Justice possible criminal violations by its employees. Under title 28, section 535, United States Code, all agencies have been directed to report criminal violations to the Department of Justice.

Preliminary investigation indicates that this was not the case with the CIA. Witnesses will include present and former officials of the Department of Justice and present and former officials of the CIA. The hearings will be held in room 2154 on July 22 and on July 23 in room 2218. The hearings will begin each day at 9 a.m. and are open to the public.

SOLZHENITSYN ANSWERS HIS CRITICS

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, July 18, 1975

Mr. KEMP. Mr. Speaker, as one Member of Congress who is deeply concerned, not only about the future security of the West, but for its very soul as well, I welcomed Alexandr Solzhenitsyn's visit to our country. I have asked the Speaker to invite him to address a joint session of the Congress, and I strongly support the resolution to confer upon him honorary U.S. citizenship.

I was very much offended by the insensitivity in the White House shown this man of conscience in calling his visit to America a threat to world peace and a commercial enterprise. According to the New York Times some on the White House staff even questioned his mental stability. And, I do not forget these were the very reasons cited by the Kremlin in expelling him from the Soviet Union.

But, I am even more disappointed at the arguments used to discredit his visit—by those who say that his views on the Soviet Union are irrelevant.

Mr. Speaker, Alexandr Solzhenitsyn needs no defense from me or anyone else, for his words, works, and his very life are illustrative of his courageous defense of freedom and his commitment to truth.

I include at this point his remarks before the AFL–CIO at the Americana Hotel in New York City.

And Mr. Speaker, I include an editorial from the Wall Street Journal calling particular attention to the conclusions:

SOLZHENITSYN REPLIES TO HIS CRITICS

Communism is as crude an attempt to explain society and the individual as if a surgeon were to perform his delicate operations with a meat-axe. All that is subtle in human psychology and in the structure of society (which is even more delicate), all of this is reduced to crude economic processes. This whole created being—man—is reduced to matter. It's characteristic that communism is so devoid of arguments that it has none to advance against its opponents in our Communist countries, It lacks arguments and hence there is the club, the prisons, the concentration camp, and insane asylums with forced confinement. . . .

Communism has never concealed the fact that it rejects all absolute concepts of morality. It scoffs at any consideration of "good" and "evil" as indisputable categories. . . . Communism has managed to instill in all of us that these concepts are old-fashioned concepts and laughable. But if we are to be deprived of the concepts of good and evil, what will be left? Nothing but the manipulation of one another. We will decline to the status of animals.

Both the theory and practice of communism are completely inhuman for that reason. There is a word very commonly used these days: "anti-communism." It's a very stupid word, badly put together. It makes it appear as though communism were something original, something basic, something fundamental. Therefore, it is taken as the point of departure, and anti-communism is defined in relation to communism.

Here is why I say that this word was poorly selected, that it was put together by people who do not understand etymology: the primary, the eternal concepts is humanity. And communism is anti-humanity. Whoever says "anti-communism" is saying, in effect, anti-anti-humanity. A poor construction. . . .

Not to accept, to reject this inhuman Communist ideology is simply to be a human being. It isn't being a member of a party. It's a protest of our souls against those who tell us to forget the concepts of good and evil.

After my first address, as always, there were some superficial comments in the newspapers, which did not really get to the essence. One of them was as follows: that I came here with an appeal to the United States to liberate us from communism. Anyone who has at all followed what I have said and written these many years, first in the Soviet Union and now in the West, will know that I've always said the exact opposite. I have appealed to my own countrymen—those whose courage has failed at difficult moments, and who have looked imploringly to the West—and urged them: "Don't wait for assistance, and don't ask for it. We must stand on our own feet. . . .

I said the last time that two processes are occurring in the world today. One is a process of spiritual liberation in the U.S.S.R. and in the other Communist countries. The second is the assistance being extended by the West to the Communist rulers, a process of concessions, of detente, of yielding whole countries. And I only said: "Remember, we have to pull ourselves up—but if you defend us, you also defend your own future. . . .

In my last address I only requested one thing, and I make the same request now: When they bury us in the ground alive (I compared the forthcoming European agreement with a mass grave for all the countries of East Europe)—as you know, this a very unpleasant sensation: your mouth gets filled with earth while you're still alive—please do not send them shovels. Please do not send them the most modern earth-moving equipment.

I said in my last address and would like to repeat it again, that we have to look at every front from the other point of view—from the point of view of the Soviet Union. Our country is taking your assistance, but in the schools they're teaching and in the newspapers they are writing and in lectures they are saying, "Look at the Western world, it's beginning to rot. Look at the economy of the Western world, it's coming to an end. The great predictions of Marx, Engels and Lenin are coming true. Capitalism is breathing its last. It's already dead. And our socialist economy is flourishing. It has demonstrated once and for all the triumph of communism."

I think, gentlemen, and I particularly address those of you who have a socialist outlook, that we should at last permit this socialist economy to prove its superiority. Let's allow it to show that it is advanced, that it is omnipotent, that it has defeated you, that it has overtaken you. Let us not interfere with it. Let us stop selling to it and giving it loans. If its all that powerful, then let it stand on its own feet for 10 or 15 years. Then we will see what it looks like.

I can tell you what it will look like. I am being quite serious now. When the Soviet economy will no longer be able to deal with everything, it will have to reduce its military preparations. It will have to abandon the useless space effort, and it will have to feed and clothe its own people. And the system will be forced to relax. . . .

Another distortion appeared in your press with respect to my last address. Someone wrote that "one more advocate of the Cold War has come here. One more person has arrived to call on us to resume the Cold War." That is a misunderstanding. The Cold War—the war of hatred—is still going on, but only on the Communist side.

What is the Cold War? It's a war of abuse, and they still abuse you. . . . In sources which you can read, and even more in those which are unavailable to you, and which you don't hear of, in the depths of the Soviet Union, the Cold War has never stopped. It hasn't stopped for one second. . . .

Do I call upon you to return to the Cold War? By no means, Lord forbid! What for? The only thing I'm asking you to do is to give the Soviet economy a chance to develop. Do not bury us in the ground, just let the Soviet economy develop, and then let's see. . . .

Relations between the Soviet Union and the United States of America should be such that there would be no deceit in the question of armaments, that there would be no concentration camps, no psychiatric wards for healthy people. Relations should be such that the throats of our women would no longer be constricted with tears, that there would be an end to the incessant ideological warfare waged against you, and that an address such as mine today would in no way be an exception.

THE MEANING OF SOLZHENITSYN

Alexandr Solzhenitsyn, the Russian writer whose career had been the outstanding moral phenomenon of the Soviet Union, recently gave two major addresses in this country. The response has been a phenomenon in its own right. Mr. Solzhenitsyn is deeply admired by many thoughtful people for his prolonged and steadfast defiance of the Soviet government, a defiance which led to his exile abroad early last year. Yet among many others his presence in the United States appears to be causing acute discomfort, and he is experiencing their open hostility.

Reports of Mr. Solzhenitsyn's talks contain an undertone of irritation with his "preachiness." Columnists accuse him of reviving "Cold War" rhetoric. President Ford, in the most unworthy decision of his tenure, gave heed to certain advisers who warned that a White House invitation for Mr. Solzhenitsyn might offend the Kremlin.

Much of this irritation is caused by Mr. Solzhenitsyn's message, portions of which appear elsewhere on this page. The Russian exile has delivered a grim warning that communism continued to advance steadily, as it has for the past six decades, and that, the West is showing itself too cowardly and morally uncertain to defend its civilized values. This is not what people want to hear. One can virtually see the psychological defenses going up, seizing on this occasional overdrawn argument and unfocused criticism of the West to dismiss the powerful underlying message.

Yet this warning alone, it strikes us, is not the only or even the chief reason Solzhenitsyn is so discomforting. More or less by accident, he has come to play a role in his country's moral history without parallel in this century. By living up to this role, he has acquired a stature that makes modern men look like pygmies. Politics aside, his very presence carries a discomfiting moral message.

Solzhenitsyn may share many human frailties. He may even, as some who read Russion tell us, be a less gifted writer than fellow Nobel laureate Michael Sholokhov, an unreconstructed Stalinist who in the '60s advocated summary execution for dissident intellectuals. But he devoted his career to a task of immense importance for the Russian people, telling the truth about the unimaginable repressions and moral distortions of Soviet rule.

Solzhenitsyn won overnight fame in Russia in 1962 with publication of his short, autobiographical novel describing one day's life in a prison camp. This short period of official favor, the result of Khrushchev's de-Stalinization campaign, quickly yielded to increasingly severe official hostility, as Solzhenitsyn went deeper into the prison camp experience and allowed his manuscripts to appear abroad. He persisted in this work when his freedom and even his life seemed in jeopardy.

This firmness, a firmness common to many less-famous dissidents and thousands of anonymous prison camp inmates, has provided Russia with something we in the West had thought disappeared under communism, an uncompromised standard of morality. Like sunlight clearing a fog, the return of these "saints" from the camps after 1956 made clear to many Russians that Stalinism, even Marxism, could only flourish in an atmosphere of hypocrisy, official deceit and personal dishonesty. Yet in the midst of this, there still was something indomitable in the human soul.

Inevitably, Solzhenitsyn faced the question, why was the West so indifferent to the horrors of Communist rule? In his New York speech, he attempted an answer, that communism "has infected the whole world with the belief in the relativity of good and evil." The notorious double standard of Western liberals derives from a philosophical double standard; they actually seem to admit the Communist claim that "all morality depends on class ideology," that socialist justice can do away with bourgeois notions of fairness and still deserve the name of justice. Against this, Solzhenitsyn defends the old idea that a moral standard is indivisible, a murder is still a murder, even if committed by Communist guards in a state-run prison camp.

"It is almost a joke now in the Western World, in the 20th Century, to use words like 'good' and 'evil,' " Solzhenitsyn observes. Yet he makes a mistake in attributing this relativism solely to Marxism; during his sojourn in the West he will no doubt learn that much of it is homegrown. Western liberals have been taught that man is merely a mass of protoplasm, his behavior merely the result of his environment, and that thus he cannot be judged by any universal standard of good and evil.

But here is Alexandr Solzehnitsyn, fresh from the environment of the Gulag Archipelago, testifying by his presence that man is more than that, and calling with his voice for a moral law. Those who are uncomfortable in his presence are not so merely because he challenges their view of the Soviet Union, but more profoundly because he challenges their view of man himself.

CAPTIVE NATIONS WEEK

HON. PIERRE S. (PETE) du PONT

OF DELAWARE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 16, 1975

Mr. DU PONT. Mr. Speaker, this week, July 14–18, marks the 17th anniversary of Captive Nations Week, initiated by Congress in July 1959. I join my colleagues and others of the free world in expressing my concern and hope for the captive peoples of Albania, Armenia, Bulgaria, Czechoslovakia, East Germany, Estonia, Hungary, Latvia, Lithuania, Poland, Rumania, and most recently Cambodia and South Vietnam.

Our American heritage has been greatly enriched by many who have sought the freedom in this country they were so cruelly denied in their own. These people, who have struggled against oppression in their homelands, have brought to the United States a real appreciation and understanding of human and civil rights. We in the United States must never lose sight of what it signifies to be free. The American people have a right and an obligation not only to observe this sad anniversary of the bondage of millions around the globe by condemning the denigration of human dignity, but also to continue to defend liberty and justice for all of mankind.

THE LATE LAWRENCE G. WILLIAMS

HON. ROBERT N. C. NIX

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 18, 1975

Mr. NIX. Mr. Speaker, it was with great sorrow that I learned of the death last Sunday of Larry Williams, former Congressman for the Seventh Congressional District of Pennsylvania. Larry served in the House for 8 years, from 1967 through 1974.

Larry Williams was a friend and a colleague. He ably represented his constituents and worked diligently with the other Members of the Pennsylvania delegation to represent our State. He was a tireless and energetic worker and never hesitated to speak his mind on any issue before him.

Larry served the people of Delaware County for many years in many capacities. He was active in local government, serving as a commissioner of Springfield Township and participating in important regional organizations such as the Delaware Valley Regional Planning Commission and the Penn-Jersey Transportation Study.

He was also a successful businessman and brought his practical experience with him to Congress. In World War II he served his country in the Army Air Corps. He was a well-respected member of his community.

In Congress, Larry served on the Banking and Currency Committee and on the Standards of Official Government Committee. His background in business and in local government gave him a good headstart in mastering the complex legislation in the jurisdiction of the Banking and Currency Committee. He was a dedicated and hard-working member of that committee and fought vigorously for his point of view.

Larry Williams was an industrious and energetic Congressman who served his district and his country well. I am sure that he will be missed by his many friends in Pennsylvania and in this House. I extend my sympathy to his wife and family. It was a privilege to serve with Larry Williams and to know him as a friend. I shall miss him too.

LEGISLATIVE SUMMARY: JANUARY 1, TO JULY 1, 1975

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Friday, July 18, 1975

Mr. MAZZOLI. Mr. Speaker, continuing my practice of making periodic reports to my constituents, I am inserting in the CONGRESSIONAL RECORD a summary of the legislative activities of the 94th Congress in its first 6 months.

A NEW CONGRESS

The 94th Congress in our history came into existence after the high drama of a Presidential resignation, an oil embargo, and an economic roller-coaster ride.

There were new hopes that Government reform efforts would acquire new vigor, and that the grave problems of energy shortage and economic difficulties would be solved by congressional initiative.

In retrospect, many of these hopes have not been fulfilled. Many Members of Congress share the frustrations of their constituents over the inability to achieve a congressional consensus on these issues.

Yet the failures of the young Congress—only 6 months old—must not obscure its achievements.

Moreover, there is plenty of blame to go around—including some for special interests which have been unwilling to help bear the necessary burdens of energy conservation, and some for a President who has too quickly resorted to the "veto weapon," thus setting the stage for confrontation with the Congress rather than cooperation with it.

ENERGY

The last Congress, the 93d, began in earnest our commitment to the development of new, clean energy resources such as solar energy.

The Congress must now take two more steps in this effort: one, expand into new areas, such as the development of clean-burning alcohol fuels; and two, insure that our spending priorities are properly balanced among competing energy sources.

The most complex and controversial energy issues are the questions of energy prices and methods of energy conservation.

President Ford's strategy is based on a system of energy taxes and decontrol of energy prices. By making energy more costly, it is hoped that consumers will be more inclined to conserve energy and producers more inclined to produce in view of potential profits.

The impact of massive increases in prices and taxes on the economy and on individual consumers, however, could be disastrous. Our economy has already been jolted by a doubling and tripling of most energy prices, and by an inflation which existed before the Arab oil embargo. Adding a sudden $50 billion energy bill to an economy already beset by recession and inflation seems, at best, a dangerous step to take.

An alternative to the President's strategy, the Energy Conservation and Conversion Act, was passed by the House in June. Gasoline tax increases, part of the bill as first drafted, were defeated on the House floor.

But, as finally passed, the bill established oil import quotas, excise taxes on oil and gas for business use, an energy trust fund financed by these taxes, tax credits and exemptions for energy-saving products, and fines for autos failing to achieve fuel economy standards by 1978 and thereafter.

Two House committees estimated that the bill, if it becomes law, will save more than 2 million barrels of oil per day by 1985.

THE ECONOMY

Throughout the first 6 months of 1975, the economic statistics were consistently the bearers of bad tidings.

As many as 8.5 million people have been out of work in a given month. Unemployment insurance payments, supplemental unemployment payments, food stamps, and outright welfare sustained many Americans this year.

While the leading economic indicators more recently have been on the upswing, reporting a more optimistic note, a full recovery is yet many months off.

And while inflation is somewhat abated, it continues to erode the earnings of every American at an intolerable pace.

The Tax Reduction Act was the first congressional response to the economic malaise infecting the Nation. The Congress also approved in its first 6 months legislation to aid the housing market, to protect the unemployed from mortgage foreclosure, and to give many of the jobless short-term Federal jobs. Unemployment benefits have been given extended duration.

In the long run, solving the energy shortage, tax reform, and encouraging economic competition may be the foundation of real economic recovery. But the Congress has acted to provide immediate relief for the victims of a sluggish economy and stimulation for permanent recovery.

BUDGET, TAXATION, AND FINANCE

The 94th Congress approved the largest tax cut in history—the $22.8 billion Tax Reduction Act. This measure resulted in $8.1 billion in tax rebates to individual taxpayers on 1974 taxes. Furthermore, the bill made significant reduction in taxes Americans will pay in 1975.

Businesses also received tax cuts, notably an increase in the credit for investments in plant and equipment, to spur production. Both corporate and individual cuts were designed to stimulate the economy.

This temporary measure, however, does not satisfy the need for fundamental and comprehensive reform of the Nation's tax laws. That need is being met by the House Ways and Means Committee which will conduct hearings on this important matter.

The first hearing, being held this summer, will examine tax shelters, minimum tax, tax simplification, and capital gains. A second set of tax reform hearings is scheduled for November.

The Congress approved the first budget resolution in history in May. This represents the first step in implementing the Budget Reform Act passed by the last Congress, and represents an earnest attempt by the Congress to take a more active part in the profoundly important—and politically painful—decisions relative to raising and expending the tax dollars.

Federal revenue sharing, which distributes Federal tax revenues to States and communities, will expire unless legislation is passed in this Congress to extend the program. I support continuation of the program because it contributes to the fiscal health of local governments and to the delivery of a higher level of needed public services in our communities.

In the face of a sagging economy, the Congress is seeking ways to streamline the private marketplace.

The President has proposed a reduction in the Federal regulation of interstate commerce. Legislation to reform the private securities market became public law this year.

A resolution urging the Federal Reserve Bank to work toward lower long term interest rates was adopted. And, legislation to repeal State "fair trade" laws—which permit minimum pricing by manufacturers and retailers—is being considered by the House Judiciary Committee, of which I am a member.

Furthermore, all efforts are being made to provide staff and funds to the Justice Department so it can prosecute all anti-trust violators more vigorously.

DEFENSE AND FOREIGN POLICY

We witnessed an agonizing end to the agonizing war in Vietnam. I cannot escape the feeling that the war in South Vietnam was doomed from the start. I hope and pray that we have learned from this tragic experience, and will never again embark on a similar venture.

The end of the war brought thousands of Vietnamese refugees to our shores. These war victims have received our humanitarian aid with my full support both in the Judiciary Committee—which drafted the aid measure—and on the floor when it came before the full House.

The role of the United States in international politics is under vigorous review in the post-Vietnam, post-cold war era. In my view, we are facing a new world with a somewhat outdated foreign policy.

Of particular concern to me is America's role as arms supplier of the world. We are the world's foremost arms merchant—with some $8 billion in 1974 sales—and provide hundreds of millions of dollars of weapons through grants in aid.

Much of this goes to unstable, war-prone regions of the world and to undemocratic governments. Continuation of this policy invites disaster, particularly because we so often supply both sides of a potential conflict.

Again, we should learn from experience. In the last decade, American arms supplied both sides of the war between India and Pakistan. Today, we sell sophisticated arms and weaponry to Iran and Israel, to Jordan and to Saudi Arabia, and to just about all the other nations in the powderkeg Middle East region.

In my opinion, the availability of U.S. arms makes military options more attractive to nations which would otherwise use diplomatic means to resolve their differences, and makes military rule and repression more likely in many countries.

With regard to our own military spending, many had hoped we could spend less for arms—and more on domestic needs—with the end of the Vietnam war. However, the argument prevailed in Congress that to skimp on our military budget on the heels of our departure from Southeast Asia would show a lack of national resolve to honor commitments to our allies.

Though the House voted for $25 billion for new weaponry, I voted to cut that level substantially without impairing our defensive capabilities.

For example, I voted to continue the Trident submarine program but against the B-1 bomber program which has been plagued with cost overruns. I voted to make a 7 percent across-the-board cut in weapons procurement spending, but I voted against reducing troop levels overseas because of the uncertainty in Europe and Korea following the end of the debacle in Southeast Asia.

ENVIRONMENT

The most important environmental legislation of 1975, the Surface Mining Control and Reclamation Act, was vetoed by President Ford. The House was unable to override his veto and prospects for a new bill to be passed in this Congress are dim.

I voted for the bill, and to override the veto. The legislation seemed to me a reasonable compromise which would have improved reclamation efforts by setting Federal standards for State strip mining programs.

Although it was alleged that the bill would have caused unemployment and hurt coal production, the data relied on to reach these much-publicized conclusions had "holes" in it. A careful examination of this data, and the presentation of more accurate data, yielded contrary conclusions.

The House will soon consider amendments to the Clean Air Act which may affect the standards for both stationary and mobile pollution sources. The President has proposed easing or suspending many pollution standards to conserve fuel. I will vote to ease these standards only if the evidence indicates that the public's health is not endangered. Even then, I do not believe that the delay in achieving the clean air goals should be as lengthy as suggested by President Ford.

IN THE PUBLIC INTEREST

In early February, the Congress acted to prevent President Ford from increasing the cost of food stamps. While the program is much in need of administrative reform, simply raising the price of the food stamps is not the right way to reform the program. All that does is make it harder on a lot of deserving people to have a proper diet.

As another step in cutting the budget, the President proposed "caps"—limits—on the automatic cost-of-living increases in social security and Federal retirement benefits.

Congress made these increases automatic a few years ago for a good reason: such increases protect these small incomes from being eroded by inflation. Although I think "caps" might be necessary as an emergency measure, I do not agree that —even in a fiscal emergency—the "caps" can be placed significantly below the cost-of-living increases. Otherwise we are penalizing those who are already hardest hit by inflation—the elderly on fixed incomes.

The House also approved amendments to the Older Americans Act to extend through 1979 the existing senior citizen programs and to add new counseling, housings, and transportation services for the elderly.

Many of our parents and grandparents require nursing home care. The Government's increasing contribution to this care—$7.5 billion last year—has helped improve the quality of the Nation's nursing homes.

Still, an estimated half of these homes violate State or Federal standards. I support legislation to assure that the quality of this care is increased for every senior citizen.

National health insurance has been a recurrent topic in the past decade, and is of particular concern due to the rising cost of medical care. The Nation now sends more than $100 billion every year for health, and some say a national plan would mean more health for the health care dollar.

But the reality is that differences of opinion on the type of national health plan, and an unwillingness to make large new Federal expenditures, make enactment of this legislation questionable in the near term.

Thus, I support a proposal to enact, in the absence of a comprehensive bill, catastrophic health coverage so that no American need face bankruptcy—or death for lack of proper treatment—in the event he is stricken by a dread disease or a serious accident.

The President vetoed legislation affecting Federal target prices for agricultural commodities, including milk, cotton, corn, wheat, and soybeans. I voted against this farm bill—and to sustain Mr. Ford's veto—because it would have increased Federal agriculture payments, raised food prices, supported some commodities already in oversupply, and halted the effort to bring free market competition to agriculture. In short, it would have hurt both farmer and consumer more than it would have helped the farmer.

GOOD GOVERNMENT

Efforts by the Congress to modernize itself and reform the executive branch have just begun.

Legislation to terminate certain national emergencies—and with them the extraordinary powers of the President in such a situation—has been reported by the Judiciary Committee to the full House.

The Judiciary Committee earlier reported two bills, both approved by the House, to reorganize the Federal prison parole system and to extend the Voting Rights Act and expand its protection to more minority groups.

In addition, there is considerable support for action to make public all conference committee meetings. Differences in House- and Senate-passed measures are ironed out in conference. The last-minute changes made there are important—often more important than actions taken on the House and Senate floors on the basic bill. In my judgment, conference decisions should be made in public, not in secret.

I have also cosponsored three bills designed to force open the doors of government. The Lobby Disclosure Act would tighten reporting requirements for lobbyists, bringing to the public's attention all spending for the purpose of affecting the fate of legislation.

I cosponsored a measure to require all Members of Congress to disclose full information on their earnings and assets. I have made such a disclosure since coming to the House in 1971. It is not required of me, but I feel that it is a way of providing a more complete picture of myself to my constituents.

While increasing numbers of Members are making voluntary disclosures of their finances, it will take too long for the disclosure habit to become sufficiently widespread. Therefore, I believe that a mandatory disclosure law is appropriate.

In addition, I have cosponsored the Truth in Government Act, which would make it a crime for Federal officials to lie to the people. It is already a crime for private citizens to lie to the Government on official matters. This legislation is needed at a time of declining credibility in official statements.

TO AMEND THE ELECTION CAMPAIGN ACT OF 1971

HON. ROBIN L. BEARD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Friday, July 18, 1975

Mr. BEARD of Tennessee. Mr. Speaker, today I am introducing an amendment to the Federal Election Campaign Act of 1971 that will require the Federal Election Commission to hold open meetings.

Last week, members of the Commission voted to hold their first meeting in closed session. With all the controversy now being raised about the secret activities of an agency like the CIA, it is inconceivable to me that the business of something as basic to our democracy as elections should have to be conducted behind closed doors.

I readily acknowledge that there may be some cases which would call for a closed meeting, and I am willing to accept amendments to my legislation that would not interfere with the public's right to accountability by the appointed members of the Commission. However, any amendments should make closed meetings the rare exception rather than the rule.

I am honored to represent a State that has a responsible and workable sunshine law, and I believe experience in Tennessee and in other States with similar laws has shown that the open meeting law has in no way impeded the conduct of public business.

JORDAN ARMS SALE—RECORD STATEMENT

HON. BELLA S. ABZUG

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, July 18, 1975

Ms. ABZUG. Mr. Speaker, the administration's proposed $350 million sale of antiaircraft weaponry to Jordan would substantially tilt the balance of power in the Middle East to Israel's disadvantage.

The total of $350 million, over 3 times the administration's own original proposal in May, represents $87 million more than the total U.S. military assistance and credit sales to Jordan over the past 12 years. This enormous increase comes at a time when Jordan is moving closer to the other Arab States and has established a joint military command with Syria. This dangerous development flies in the face of the administration's argument that supplying air defense weapons to Jordan would reduce the possibility of such an outcome. In fact, the new Jordanian-Syrian alliance would hardly be possible if Jordan were not to receive such weapons. This equipment is highly mobile and cannot be said to be strictly defensive. It is particularly dangerous to furnish such massive weaponry to Jordan, since the Palestinian forces are continually attempting to gain political control in that country. The prospect of these weapons falling into the hands of the PLO should be sufficient to prompt congressional disapproval of this sale.

In addition, the Saudi Arabian funds needed to pay for these missiles draw Jordan even further into the ranks of those nations who seek confrontation, not conciliation, with Israel.

This immense weapons sale to Jordan was announced at a time when the administration had declared there would be no new arms sales to any Middle East nation pending a reassessment of its policy in that area of the world. The impartiality of this reassessment is thus called into question. The term "reassessment" would seem to mask a tilt toward a destabilizing policy destined to placate the oil-producing countries. Its real effect would be to undermine the cause of peace in the Middle East. I therefore urge your support for H. Con. Res. 337 disapproving the proposed sales to Jordan of the Hawk missile and Vulcan antiaircraft systems.

NEW YORK'S FINANCIAL CRISIS: NOT JUST OURS

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, July 18, 1975

Mr. RANGEL. Mr. Speaker, once again, New York City is embroiled in controversy. The financial problems of America's largest city have become the subject of nationwide concern. Despite the parochial observations made by representatives of the administration, New York is a vital factor in national and international economics, and its success and failure has reverberations felt throughout the world.

Yet, New York City continues to bear the brunt of cynical sentiments espoused by outside observers. This external hostility threatens to distort the city's image and obscure the compelling factors which make the city the only place to live for those of us who proudly call ourselves "New Yorkers."

It is with great pleasure that I include in the RECORD an article from the July 13 edition of the Washington Post, "In Defense of New York," which puts this question in its proper perspective:

IN DEFENSE OF NEW YORK

(By Abraham S. Blumberg)

One of the myths most carefully nurtured across this nation maintains that New York City is not really part of America. This hallowed bit of conventional wisdom derives its sustenance from a conveniently distorted imagery in America's heartland which depicts this city as functioning at the moral level of Sodom and its physical profile as being akin to the hellish landscape of Gehenna. In substance, New York City is perceived as bereft of all amenity, perpetually plagued by racial and ethnic conflict, violent crime, economic crisis and environmental decay.

Coupled with this illusory model of our city is a fantasied conception of the "real" America that is proclaimed in terms of a fair continent lying west of the Hudson River. It is portrayed as a golden land of opportunity, economic plenty and social harmony—where the fruits of the earth, the means of life and life opportunities are on the whole accessible to anyone who will persevere. This romantic fiction is shared by the many who yearn for a rural utopia that has in reality never existed. They harbor a deep seated ambivalence toward urban life which is equated with sin, corruption, depravity, blight and disorder. Ironically, they simultaneously measure their own worth as human being in terms of their capacity to consume the material goods and services which only major urban centers can produce.

As a consequence, when New York City sought federal assistance to stave off imminent financial disaster, the rebuff was accompanied by ill concealed gloating over the city's plight, accompanied by ugly overtones of free-floating racial and ethnic hostility. Congressional comment supportive of the President's rejection of assistance, and public statements made by spokesmen for the financial community, appear to be best synthesized in terms of letting the fiscally improvident ethnics stew in their own juice. The politicians who have governed this city during the course of the past generation have no monopoly on mediocrity, incompetence and venality. They display the same quotient of these characteristics as is to be found in their counterparts elsewhere in the nation—no more and, perhaps, even less.

However, if New York City's political leaders have erred, or have frequently been motivated by cynical political considerations, on the whole they have done so on the side of humanity. They have at least attempted, albeit maladroitly, to translate the promises of the American Dream into substantive reality. The American Dream constitutes a pledge to override the iniquitous disabilities imposed by circumstances of social class, caste and estate whcih drove our ancestors to these shores. The American Dream is a commitment to overcome the contingencies of one's social condition at birth.

Historically, New York City has served this nation in its role as gateway, half-way house and foster parent to a mosaic of the poor, ambitious, rejected, entrepreneurial, defeated, gifted and deviant. In some regions of our country strangers are exhorted, "Visitors are welcome—but please don't stay!" We are a nation of arrivists, but on the whole are reluctant to share the dream with newcomers.

This city has attempted through the development of an unparalleled system of free higher education and health services to train and heal those who have been victimized by the long-range effects of slavery, ruthless technology and American imperial policy in the Caribbean. New York City has had to pay for and deliver those essential services that the Southeastern region and Puerto Rico, for example, were unwilling or unable to perform. If New Yorkers have been extravagant in the use of resources, the expenditures were for the nurturance of our fellow Americans, many of whom have migrated here in conformity with the traditional American freedom to pursue opportunity.

As the focus of a tri-state region, each day New York City receives millions of commuters who come to work, using our mass transit, sanitation, police, fire, health services and a host of other facilities, paying only a token amount of taxes to the city which provides their personal economic base. New York City is more than the mess-machine which serves as the nation's banking and financial center, port, book publisher, boutique, art gallery, salesroom, opera house, music hall, cinema festival, theater and general paper shuffler. This city's real wealth consists of the people who come here to market their skills and talents or to acquire them. In the course of this exchange process New York City cultivates and subsequently exports a good deal of its human riches to the rest of the nation.

It is rather unfortunate that, in the process of achieving a better life for so many, New York City has evolved a unique capacity to affect an impersonal, inhospitable, paranoid, rude, turbulent and arrogant style. It is mindlessly simplistic, however, to attribute our city's crisis solely to the conduct of predatory, greedy banks and financial institutions. Other equally avaricious sectors of American society—such as the military establishment, the automobile industry, the petroleum cartel and a variety of federal and state agencies—have also contributed to our present predicament.

New York City's problems are those of America writ large. Our fellow Americans will not escape our fate by securing themselves in exurban and suburban enclaves or floating us out to sea. The central problem of this city is ultimately also that of this nation: too many bidders for the ever decreasing resources of a finite planet.

It is America's cities which have produced the technology and capital that have been the foundations of American grandeur. Only when America meets the challenge of reordering our national priorities to effect a more equitable allocation of our wealth and resources in order to make a major commitment to urgent domestic needs, only then will we begin to meet the dangerous problems confronting all our cities. Hopefully, as a nation we can thereby fulfill ourselves and attempt to come to terms with a less grandiose, but perhaps more constructive role in world affairs. Unless we revise our present course we are courting unprecedented violent social change which could culminate in a political disaster that will permanently alter the face of America.

VALENTYN MOROZ

HON. JAMES J. BLANCHARD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, July 18, 1975

Mr. BLANCHARD. Mr. Speaker, the treatment of Soviet dissident Valentyn Moroz is a continuing source of shame to the U.S.S.R. and an affront to free people everywhere.

I have recently been informed by the Committee for the Defense of Valentyn Moroz that Moroz, a Ukrainian historian, has been transferred from Vladimir Prison, where he was serving a 14-year term for "anti-Soviet agitation and propaganda."

He is now in a special psychiatric hospital-prison in the city of Sychovka in the Smolensk region of the U.S.S.R. where he is receiving "treatment" consisting of injections of drugs and chemicals.

According to the committee, the excuse which has been given for the treatment is that no normal person could have survived a 145-day hunger strike, as Valentyn Moroz did last year in Vladimir Prison.

Mr. Speaker, this news should not be surprising. Others who have dared in the recent past to protest against the suppression of basic human rights in the Soviet Union have been treated in the same unspeakable fashion.

The Russians, not content with using force to prevent their citizens from speaking out, seek to control and alter their very minds of dissidents through subtle and sophisticated psychiatric methods.

Mr. Speaker, I believe the lesson we all should learn from the plight of Valentyn Moroz, imprisoned and subject to one of the most sadistic practices ever devised, without recourse except for friends in foreign countries far away, is clear.

Détente, while it may be a public relations man's dream, is still far from a reality today. Between ourselves and the Russians, there is still a vast gulf in attitude toward freedom and the rights of man.

Surely that gulf must be spanned before the trust necessary to any meaningful improvement in relations between our countries can have a foundation.

I add my voice to those of others in this country and around the world who are calling for the release of Valentyn Moroz, and for an end to this shameful, disgusting business.

IMPROVED ENERGY EFFICIENCY IN BEVERAGE CONTAINERS

HON. JAMES M. JEFFORDS

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Friday, July 18, 1975

Mr. JEFFORDS. Mr. Speaker, in answer to questions asked of me by my colleagues as to the potential energy savings which inclusion of my amendment to title V, part B of H.R. 7014 would allow, I have assembled the following data. From this information, it is clear that we can realize substantial savings in energy by mandating improved energy efficiency in beverage containers.

Using Environmental Protection Agency projections for beverage consumption in 1980, we can estimate how much energy we can save at different levels of improved energy efficiency in beverage containers. The Commerce Committee estimates that the existing provisions of title V, part B, will provide savings in energy equivalent of 140,000 barrels of oil per day. This estimate assumes an improvement in energy efficiency of 25 percent. A chart—not reproduced in the RECORD—shows what similar savings for energy would be at different percentages of improved energy efficiency.

Clearly, encouragement of such savings would be more than worthwhile. With an efficiency improvemnet of 25 percent we could realize half the savings in beverage containers alone that we expect to receive from all the consumer items now in title V, part B. Actually, the EPA estimates that under certain circumstances, the aggregate energy efficiency of beverage containers, that is the amount of energy necessary to deliver the same amount of beverage could improve by 43 percent. You can imagine the savings we would realize in this event.

Part B of title V calls for an aggregate savings of 25 percent. Beverage containers as a group would easily achieve such savings through an applied effort of reuse, recycling and modification of design and composition. The following chart and graph will show how much recycling alone can contribute to that goal.

Current energy efficiency of various container types (according to EPA)

Energy in BTI (x10^6) to deliver 1,000 gallons of beer:

Refillable bottle	21.6
One-Way Glass	64.4
All Steel	38.6
Bimetallic	53.7
Aluminum	75.0

According to the provisions of title V, part B, the Secretary of Commerce would have to establish the standards for a particular class of beverage containers. In order to achieve a 25 percent improvement in energy efficiency with the current mix of various containers we would have to see an energy efficiency standard of approximately 42 BTU (x10^6) per 1,000 gallons delivered.

The chart shows the feasibility of achieving a 25 percent energy efficiency improvement with beverage containers.

Remember that recycling is just one way to achieve energy savings. The all-steel can as well as the refillable bottle already exceed the Energy Efficiency Standard. With high levels of recycling both aluminum and the bimetallic container exceed the energy efficiency standard. Only one-way glass containers could not achieve the standard through recycling alone.

These savings are just through recycling. Imagine what savings could be attained through modification of design and composition. For example, the American Can Co. has estimated that its drawn-in-iron can will approach the energy efficiency of the 10-trip bottle if there is a 50-percent rate of recycling Encouraging these kind of savings, which my amendment would do, will multiply the potential energy savings in the beverage container industry.

NEIGHBORHOOD PRESERVATION—THE KEY TO CENTER CITY REVIVAL

HON. DOMINICK V. DANIELS

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, July 18, 1975

Mr. DOMINICK V. DANIELS. Mr. Speaker, Mayor Steve Cappiello, of Hoboken, N.J., addressed the U.S. Conference of Mayors at their recent convention in Boston, calling for the establishment of a subcabinet post in the Department of HUD responsible for neighborhood preservation and urban rehabilitation. I wholeheartedly agree that HUD should pay more attention to urban revitalization and believe that Congress out to pay more attention to solving urban problems rather than creating legislation that works to exacerbate the destruction of our cities.

Mayor Cappiello, who has led the resurgence of Hoboken tells of that city's experience in this statement to the U.S. Conference of Mayors. I believe that his statement will be of interest and concern to my colleagues in the House. Mayor Cappiello's statement follows:

NEIGHBORHOOD PRESERVATION—THE KEY TO CENTER CITY REVIVAL

(By Mayor Steve Cappiello)

The American central city is now engaged in a life-or-death struggle.

This condition stems from thirty years of neglect by an America obsessed with a suburban escape syndrome.

It was the suburban dweller who received FHA loans. It was the suburban dweller who was the principal beneficiary of billions spent on highway construction.

But now, we must bring this post war pattern into focus, and examine the world it created. The two hour commute. Anxiety and frustration.

And today, sociologists are quick to admit that the promised never-never land of the suburbs is not quite nirvana—nor will it ever be.

For thirty years this outward migration from the inner city diverted attention and money from the urban centers of this Nation.

And now we are paying for this neglect.

Unfortunately, we have ignored our strongest asset in the central city—our human resources.

I speak from the Hoboken experience when I say that human beings, working with their hands, caring about their neighbors, about their neighborhoods, are the central cities' greatest resource.

Hoboken has this base. People imbued with the neighborhood ethic. People who care.

Our fish vendors know their customers. And the customers know their vendors. Neighbors know neighbors. And the cop pounding the beat knows his people. And the people know him.

It is this kind of human interaction that is helping Hoboken make the turn-around.

It is these people who are the true heroes of the seventies, who have scuffled and fought to maintain their dignity, their cherished lifestyle, their homes, and their neighborhoods.

It is these urban pioneers, preaching the work ethic, caring for their homes and neighborhoods, who deserve the incentives that were available to suburban dwellers.

It is these city dwellers who remained that provide the central city a viable base, a beginning for progress.

I think it just, that the government reward these people of the city with incentives.

Let's begin where the homeowner hurts most—his taxes.

Congress and the White House must amend existing Federal income tax legislation, allowing tax incentives for rehabilitation of owner-occupied housing.

Presently, tax breaks are given to a broad range of interests—from oil developers to persons developing a better breed of bull.

Now, we must demand legislation to help those with the greatest investment in the preservation of our central cities—the homeowner.

In Hoboken, our people are our strength, And, with Federal help and our own innovative planning, we have structured a home improvement program, which in three years has provided $2 million in loans and grants to more than 250 homeowners.

It has proved successful, and it has stabilized neighborhoods, developed pride of ownership and a new community spirit.

These human resources, working with solid, progressive Federal funding programs, must take advantage of our great physical resources in the central cities.

We learned the hard way that urban renewal did not work. It caused havoc in the central city.

Now, we must target-in on existing housing and rehabilitation. It is working in Hoboken. And it can work elsewhere.

All of our central cities have solid housing stock—buildings which can be rehabilitated.

Neighborhood preservation is the key—if we are to revive America's inner cities. It is to our neighborhoods, and their people, that we must turn.

There are some who have undersold the neighborhood experience. They tend to forget the immigrant experience. They dismiss the value of the work ethic.

I have not. Neither have the people of Hoboken.

The neighborhoods of America must demand, and get, more assistance from the Federal Government. These neighborhoods, and their people, have been the forgotten majority too long.

We must fashion a strong national policy dealing with neighborhood preservation and the neighborhood experience. This is mandatory for urban revival.

Towards this end, I propose the U.S. Department of Housing and Urban Development establish a sub-cabinet post, an Assistant Secretary for Neighborhood Preservation, to focus on the rehabilitation of this vital resource.

I propose that the U.S. Senate and Congress name special select committees on neighborhood preservation.

I also propose that HUD target one hundred pilot neighborhoods in America and develop a plan to upgrade them. They should be monitored carefully, and from this experience, a massive Federal effort must be made to revive the American Central City in a meaningful way.

This effort demands a working partnership on the Federal, State, and local level. And it demands the coalescing of the social, economic and political resources of this great Nation.

In this way, we can mesh our great human resources with our physical resources, and return our cities to their rightful place in contemporary life.

REACTION FROM AUSTRALIA TO THE NEW EMPHASIS ON NUCLEAR WEAPONS IN THE STRATEGY OF THE FORD ADMINISTRATION

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, July 18, 1975

Mr. DRINAN. Mr. Speaker, it is distressing to read of the new fears which people throughout the world have when they hear of the frightening accent which Secretary Schlesinger and President Ford are placing on the use of nuclear weapons.

I reproduce here an editorial from the Sydney, Australian. It is entitled "America's Nuclear Option" and is reprinted in The Christian Science Monitor of July 17, 1975.

The editorial follows:

AMERICA'S NUCLEAR OPTION

Throwing aside the "massive retaliation" theories of the Eisenhower regime, and also the measured response theory which came in with the Kennedy regime, (Secretary of Defense Schlesinger) said that America would not forgo its right to be the first to use nuclear weapons.

To pacifists around the world this was an amazing statement . . . because it seemed to deny the principle which most peace-loving nations seek: that no nuclear nation will be first to use its nuclear potential. . . .

The statement must awe all second-world countries, of which we are one. . . .

There is no way that American troops will again fight a land war in Asia or, for that matter, anywhere else. And so the American Administration is reduced to its last card, the nuclear threat. . . .

Is this bluff by President Ford and Mr. Schlesinger? No, they mean it. They have no choice. The nuclear option is now the only one by which a humbled America can assert its right to a say in world affairs. . . .

Call it back to the wall, if you like, but the fact is that President Ford would use tactical and even strategic nuclear weapons in order to save, if that is possible, his country's credibility from slipping any farther than it has already. . . .

The lesson from all this is that Mr. Ford and Mr. Schlesinger are playing for keeps. It will be a reckless government in Russia, in North Korea, or elsewhere who dares to call the cards.—The Australian (Sydney)

A QUESTION OF DISCRIMINATION

HON. BARRY M. GOLDWATER, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 18, 1975

Mr. GOLDWATER. Mr. Speaker, recently an editorial in the Ventura County Star-Free Press addressed itself to the subject of discrimination, which was prompted by a Letter to the Editor it received from Pat Jackson Rodriguez of Ventura, Calif.

Both the letter and the editorial are extremely thought-provoking, and I commend them to my colleagues:

[From the Star-Free Press, Tues., July 8, 1975]

FAVORING THE MINORITY

Discrimination is a word of many meanings which has come to be used only to mean differential treatment accorded to persons of an alien race or religion.

Originally and until fairly recently, the differential for minorities was detrimental but lately, under coercion from governmental agencies, the differential has been preferential.

That has raised all kinds of problems—constitutional, legal, and practical—the most recent of which was created by the U.S. Supreme Court recently. In a unanimous opinion, the court ruled that employers found guilty of race or sex discrimination must normally give victims back pay for the time or promotions lost as a result of the discrimination.

Even before this ruling, some companies made large cash settlements with employes—generally women—who were paid less than men for the same work. That is a proper regard for equality of the sexes.

But discrimination can work both ways, as illustrated in the letter from Mrs. Pat Jackson Rodriguez that appears elsewhere on this page.

State, county and local government agencies are being repeatedly prodded by Washington bureaucrats to improve their Affirmative Action program or suffer the loss of federal grants and assistance for projects they desire. Private employers feel federal administrative pressure toward the same end. To improve their Affirmative Action stance means they must deliberately set out to hire more women, more blacks and other racial minorities, and, presumably, religious minorities, too, if their members complain about being left out.

The question is: Can any employer deliberately contrive to hire women or members of a racial minority for a specific job without discriminating against others who seek the work and qualify for it?

In its report on county affairs last week, the 1974–75 Grand Jury said "minority recruitment efforts are not yet satisfactory." This in contrast to the preceding grand jury which said the county was moving too far too fast in Affirmative Action.

Preferential discrimination may be necessary to redress the wrongs perpetrated against generations of minorities. But if it is, the guidelines for it ought to be clarified and made more consistent.

It makes no sense, for example, for one governmental agency to insist that no mention of sex be made in a job advertisement and then for another governmental agency to insist, for all practical purposes, that only women should be interviewed for the job.

Or what about this: Employers are prohibited on the one hand from asking any job applicant his or her race or religion or even sex, presumably, at the same time the employer is being coerced into putting more women and members of minority races on the payroll.

And how can the government demand to know, as it does, how a firm's Affirmative Action program is going when there's no way to know the race or nationality of employes except by appearance or by the spelling of names—which means nothing?

The heart of the problem, of course, is that the U.S. Supreme Court has dodged the central issue, which is: Does discrimination in favor of minorities constitute discrimination against members of the majority? The court had a great opportunity to rule on that question a year or so ago in a University of Washington case involving admission of minority persons to the law school. Marco De Funis alleged that he was discriminated against when he was denied admission to the school in favor of black applicants.

The court declined to rule on the central issue because, it said, the point had been made moot by De Funis' having completed his law degree.

And so the issue never has been resolved. Until it is, what's to stop a white male, passed over in promotion in favor of a woman or a black, from demanding that his employer pay him back pay because of the discrimination against him? And how is Mrs. Rodriguez, the writer of today's poignant letter to the editor, to know what legal recourse—if any—is open to her to guarantee her right to a job?

A CASE OF DISCRIMINATION

Editor, Star-Free Press:

A few words about equal employment opportunity.

Having a Spanish surname as a result of a former marriage has put me in a position to see job discrimination in reverse.

On Saturday, July 5, I received a card from the Oxnard branch of the State of California Employment Development Department. It stated there was a job opening, and for me to come in as soon as possible.

At 9 a.m. Monday, I was there. They called my name and showed me to a desk. I was told the job was with Northrop Corporation in Newbury Park. A very good job, with wages in line with what I have made in the past.

The girl proceeded to read off the qualifications. I had all of them. Then she came to a notation at the bottom of the job order. Immediately she discussed it with the woman at the next desk. She came back to me and said, "You are not a Mexican-American. We cannot send you on this. Northrop has to fill their minority quota."

I could not believe this. A state office where one would expect equal opportunity for all, practicing job discrimination.

Members of the majority, we are indeed being discriminated against.

PAT JACKSON RODRIGUEZ,
Venture.

HUMAN RIGHTS IN INDIA: A DOUBLE STANDARD

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, July 18, 1975

Mr. ASHBROOK. Mr. Speaker, the world is turning more and more into a place of dictatorships and a place where liberty is on the retreat. India is the largest example of this retreat. Indira Gandhi who was always quick to criticize the United States has turned India into a dictatorship because of her fear of losing power after being found guilty of corruption.

Indira Gandhi and all those Indians who support her efforts have shown themselves to be hypocrites. They have criticized the United States numerous times for what they perceived to be U.S. transgressions but then they themselves resort to arrests and censorship to maintain their own power—something that has never happened in the United States.

American liberals have long found much to admire in India and have sung its praises even with or maybe because of that country's anti-Americanism. Few of India's American defenders have raised their voices in criticism against the Indian leaders' crimes against their people. Hearings are being held on human rights in South Korea and the Philippines. When are hearings going to be held on human rights in India?

A MONTH OF INFAMY

HON. G. WILLIAM WHITEHURST

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 18, 1975

Mr. WHITEHURST. Mr. Speaker, 1 year ago, the Turkish Government sent its armed forces into Cyprus for the ostensible purpose of protecting Turkish Cypriots. The move became a ploy that the Turks used to seize 40 percent of the island and, worse, create chaos, privation, hardship, and death for thousands of Cypriot nationals. No Greek Cypriot had ever experienced such a catastrophe.

Families were separated, the work of lifetimes destroyed, homes taken away; the bitter thoughts of the unconcern of an insensitive world has been the portion of these people.

Endless pleas for the Turkish Government to withdraw its forces and agree to a peaceful compromise have been in vain. The only action a foreign government has taken to reflect its condemnation of the Turkish invasion has been the decision of the U.S. Congress to embargo the shipment of arms to Turkey. It has done this knowing that it was from an American arsenal that the Turks drew their sword to smite Cyprus.

The United States, Mr. Speaker, does not wish to become a party to the quarrels of its allies, but at the same time it has a responsibility not to make weapons available callously for one of its partners to make war against another. To do so would be to label ourselves as international merchants of death.

I hope, therefore, that until such time as the Turkish Government is willing to seek a peaceful and humanitarian resolution of the Cyprus question, especially one which would permit the Greek Cypriots to return to their homes, our Republic will not place its own seal of approval on Turkish aggression by yielding to Turkish demands for additional arms.

The period of July 20 to August 20, 1974, was a month of infamy on Cyprus. Let us remember it was such in the days ahead.

HOUSE FOREIGN POLICY HEARINGS OPEN

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, July 18, 1975

Mr. WOLFF. Mr. Speaker, it was my privilege the other day to chair the opening session of hearings on our Nation's future foreign policy before my Subcommittee on Future Foreign Policy of the Committee on International Relations.

I want to thank today several Members who attended this important step in reestablishing the House as a strong voice in our Nation's foreign policy deliberations. I am particularly grateful to the chairman, our good friend and colleague from Pennsylvania (Mr. MORGAN) for his thoughtful questioning of the first witness, Gov. Averell Harriman.

I also want to thank my distinguished colleague from New York (Mr. BINGHAM) who, though not a member of my subcommittee, stayed to help chair the hearing when I had to leave for a quorum call, and who himself contributed probing questions which helped illuminate the brilliant testimony of Dr. Hans Morgenthau.

Mrs. MEYNER, Mr. SOLARZ, and Mr. GILMAN also took time to ask many probing questions of both witnesses, as did Mr. BONKER, and I want to thank these Members of the full committee for their support and assistance.

Finally, but certainly not last, the regular members of the subcommittee, Mr. YATRON and Mr. GUYER, contributed their usual probing questions which helped all of us in placing on the record the invaluable insights and wisdom of two of our Nation's most thoughtful and experienced experts in foreign affairs.

The hearings will commence Tuesday the 22d at 3 p.m., with former Secretary of State Dean Rusk, and I would like to take this opportunity to invite all interested colleagues to attend this important session in 2172, and to participate in questioning one of the key decisionmakers of the past 20 years.

On Wednesday the 23d, at 3 p.m., Gen. Maxwell Taylor and former White House adviser William Bundy will testify, followed on the 24th by Mr. George Ball and Ambassador Henry Cabot Lodge. On the 30th, Ambassador Arthur Goldberg will conclude the first round of hearings.

Mr. Speaker, the events of the past 20 years have shown us that we in this House must move to reestablish our constitutional role in the foreign policy process. We have learned the bitter lesson that neither the executive branch, nor even our colleague in the other body, can serve as the repository of all wisdom when it comes to matters overseas.

The House, as the most direct expression of the will of the American people, has a rightful role in fully deliberating on our foreign policy and in advising our foreign policy decisionmaking apparatus beyond the bedrock of our strength—the power of the purse—and I hope that you will join with me in the coming weeks in continuing the process which began so auspiciously this week.

I now submit for the RECORD the statement of Governor Harriman with a note of thanks to this distinguished public servant. As this House well knows, Governor Harriman continues to serve this Nation in a public career which began under President Roosevelt, and which saw him administer the Marshall Plan for Europe under President Truman, represent Eisenhower at NATO, serve as a key policy adviser to Presidents Kennedy and Johnson, and serve as our chief negotiator at the Paris Peace talks which concluded the American combat role in Vietnam.

And, of course, Governor Harriman served as President Roosevelt's Ambassador to the Soviet Union during World War II to culminate a personal relationship with Russia and her people which is unparalleled by that of any other American decisionmaker.

I would like to point out a key section of Governor Harriman's testimony Tuesday, in which he warns us that détente is a useful development only so long as we recognize that statements of cooperation and friendship must be accompanied by steps and agreements which genuinely serve the interests of the United States and the people of the Western World.

As Governor Harriman knows, we in the United States succeed when we are true to our principles of free expression and human rights, and we fail when we mistake mere business opportunity for substantive progress.

The articles follow:

STATEMENT OF HON. LESTER L. WOLFF, CHAIRMAN, SUBCOMMITTEE ON FUTURE FOREIGN POLICY RESEARCH AND DEVELOPMENT

Today marks the opening hearing of the Future Foreign Policy subcommittee. We hope, with the help of distinguished witnesses, to explore the possible alternatives of a new and viable foreign policy.

An exploration is, by its very nature, meandering, complex, multi-faceted. As we take our first tentative steps, it might be wise to repeat or redefine the aims and objectives of U.S. foreign policy. We hope to solicit ideas which would combine meaningful design with flexibility so that we may avoid mindless drifting yet deal intelligently and purposefully with the unpredictable.

During the course of these hearings, we will attempt to outline the critical issues and areas of the future. Among them are the relations of the great powers and the alignments of the smaller nations. Within this scope, we shall try to determine what the United States interests are and where they lie. We will try to distinguish between the essential and the excessive.

By this exploration of the great future issues, we shall be better able to assess our political commitments and their consequent military obligations. By identifying our interests in their varying degrees of importance, we can more clearly appraise alternatives for foreign policies.

Our collective attempt to perceive the future political issues will necessitate a review or reperception of the United States relations with other countries. By recognizing fundamental relationships, we hope to uncover a genuine basis for negotiation and cooperation in the future.

There is an oft-quoted remark by the American philosopher, George Santayana to the effect that he who does not study history is condemned to repeat it. While I in no way wish to limit the scope or the depth of the statements to be offered by our distinguished witnesses, I do wish to emphasize that the scope of these hearings is the future. This will not be an inquest. From historical reflections on the whys and wherefores of past losses and victories, we hope to gain a measure of wisdom, or even insight. How well we have learned from history will be judged by how accurately we peceive and identify the great issues of the future.

Though we are starting with an overview, we hope in the course of prolonged hearings to study more specific areas. There are economic, scientific and technological developments which today appear just above the horizon but which might well within this decade totally transform the very nature of international relations. We shall be calling on the expertise of scholars, scientists and writers as well as present policy makers to help us understand these vastly complicated issues and to solicit from them a variety of ideas. We shall ask: "Where will we be in ten years and to what extent can the United States influence the course of future developments?" To all our distinguished witnesses, we offer open and public hearings.

STATEMENT BY W. AVERELL HARRIMAN BEFORE THE SUBCOMMITTEE ON FUTURE FOREIGN POLICY OF THE HOUSE COMMITTEE ON INTERNATIONAL RELATIONS

Mr. Chairman and Members of the Committee: May I congratulate the initiative of the House Committee on International Relations on the appointment of this highly qualified Subcommittee to consider future United States foreign policy research and development, especially in the wake of the Vietnamese tragedy. I appreciate the opportunity, Mr. Chairman, which you have afforded me to appear before this Committee.

I want first to express the hope that the Committee will not be unduly influenced by emotions engendered over Vietnam. Loyal Americans have differed deeply in our past policies in Vietnam and for widely different reasons. Scars should be permitted to heal. I have been much impressed by opinions expressed to me by foreigners whom I respect that the manner in which we recover from Vietnam is of world wide importance.

It appears, therefore, appropriate to examine our position in the world today and to review our national interests. This is such a broad undertaking that I will limit myself in this statement principally to our relations with the Soviet Union as it appears clear that Soviet relations will be for some years to come our most absorbing concern. Then, too, I have dealt with the Soviet Government for nearly 50 years both as a private business man and a public official and have known personally many of the important leaders from Trotsky on.

I don't intend to bore you with an historical recital but rather to discuss the situation today; the opportunities and the difficulties; the possible and the improbable.

In May of 1945 in San Francisco at the meeting founding the United Nations, I told a group of publishers, editors, and columnists in an off-the-rcord talk that we had to understand that the Kremlin's objectives and our objectives were not capable of reconciliation. The Kremlin wanted a world of communist governments—dictatorships of the proletariat—whereas we believed that man's interests and our own could best be served by governments responsive to the will of the people. However, I stated that we should do all in our power to settle our differences in situations around the world in order to avoid war on this small planet.

In other words, I believed then in "detente," the relaxation of tensions, wherever possible and still do. Unfortunately today, many people seem to give that French word a much too broad meaning, confusing it with another French word, "rapproachement." It is high time to say what we mean in plain English.

In the intervening years, although the situation has changed materially within the Soviet Union, I have maintained much the same views. It is interesting that at times I have been called a warmonger and at others, soft on communism.

I have continued to believe that there would be changes within the Soviet Union brought about largely by internal pressures from the demands of the 250,000,000 Soviet peoples of different races and backgrounds. The government, in my opinion, would be forced to relax its rigid controls and to give greater respect to human rights. Changes have taken place unhappily unevenly and far too slowly. In addition to internal pressures, statements and outraged reactions from abroad by concerned groups do have an influence as the Soviet Government pays some attention at least to world opinion. On the other hand, the influence of our government and other governments can usually be most effective if exercised privately and not by attempting to link publicly ideological with practical considerations in our negotiations. There is, of course, natural linkage between some types of trade and arms control.

I have visited Russia twice in the last 15 months. Last year I went as a private citizen but I did have the opportunity for a three hour talk with General Secretary Brezhnev as well as meetings with other Soviet officials and journalists.

This year, Mr. Chairman, you will recall President Ford appointed me to head a delegation to attend the ceremonies in Moscow commemorating the thirty years since VE Day.

The emphasis in these ceremonies was on the thirty years of peace that the tragic wartime and sacrifices had brought. In the Red Square, a youth demonstration was held—no victory parade of soldiers. At the ceremonies in the Kremlin Palace of Congresses General Secretary Brezhnev's keynote address underlined peace as the primary objective. In his hour-long speech he, of course, paid tribute to the heroism of the Red Army and the long-suffering loyal support of the people. He also recognized the assistance of the United States and Britain in the War.

The speech was addressed largely to the Russian people. It emphasized the solidarity of the Socialist Bloc for peace and was critical at times of capitalist imperialism. Yet he expressed confidence that their call for "peaceful coexistence" was being "met with serious response in many capitalist countries." Referring to our own wartime collaboration, he spoke of our present negotiations for "cooperation in order to prevent another world disaster."

For this hearing today I would like to quote specifically from two paragraphs. In one, after referring to "the struggle for ending the arms race," he stated: "Meanwhile, this stockpiling of weapons, including mass destruction weapons, is becoming evermore absurd. The starting of a nuclear missile war would spell inevitable annihilation for the aggressor himself—"

In the other paragraph I want to call to your attention, he stated: "The high-principled and constant Leninism support of the liberation movement of the peoples—and the working class movement in all countries, invest our peace policy with even greater strength, influence, and popularity all over the world."

I am prompted to call these two paragraphs to your attention, Mr. Chairman, as they should be carefully considered in connection with our own policies. I believe, on the one hand, we are spending too much money on our new nuclear weapons systems, perhaps giving too little attention to our conventional military strength. On the other hand, we are neglecting the need to face Soviet support for so-called liberation movements.

The functions of the CIA are now under critical review. All abuses at home and abroad must be protected against in the future. However, the continued activity of this agency is of real importance to our security both in its intelligence activities and in its ability to help friendly peoples counter subversive activities against them.

I urge, Mr. Chairman, that this Subcommittee give appropriate consideration to these vital aspects of our foreign policy and national security.

CAPTIVE NATIONS WEEK

HON. ROBERT N. GIAIMO

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 16, 1975

Mr. GIAIMO. Mr. Speaker, during this week people throughout the Nation once again are observing Captive Nations Week.

Begun by an act of Congress in 1959, this week serves as a special reminder to all of us who cherish our freedom and democratic form of government that there are those behind the Iron Curtain who still yearn for the liberty that we sometimes take for granted. As Alexandr Solzhenitsyn eloquently stated earlier this month:

> Under the cast-iron shell of Communism—for twenty years in the Soviet Union and a shorter time in other Communist countries—there is occurring a liberation of the human spirit. New generations are growing up which are steadfast in their struggle with evil; which are not willing to accept unprincipled compromises; which prefer to lose everything—salary, conditions of existence and life itself—but are not willing to sacrifice conscience, not willing to make deals with evil. . . . Whenever you help the persons persecuted in the Soviet Union, you not only display magnanimity and nobility, you're defending not only them but yourselves as well. You're defending your own future.

We commemorate Captive Nations Week in the same spirit as voiced by Solzhenitsyn. Genuine and lasting peace requires a candid world. When we hear the argument that the protection of human rights is the responsibility of each government with respect to the people within its borders, we must reply that when government itself is the oppressor, we must look to the international community to seek redress. We need to reaffirm our commitment to the universally recognized rights of an individual to practice his culture, and to live in freedom and dignity.

SOME BALANCE IN DISCUSSING AFRICA

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, July 18, 1975

Mr. ASHBROOK. Mr. Speaker, in most of the discussion that takes place on South Africa there is little balance. This is partially true in the case of Namibia or what is know by most people as South West Africa.

A propaganda campaign has been going on against the role that the Republic of South Africa plays in South West Africa. The administration of South West Africa was given to South Africa under a mandate from the League of Nations in 1920. Since that time South Africa has administered that territory which is about twice the size of California but is only inhabited by about 750,000 people.

James J. Kilpatrick in a recent column has put this issue in some perspective. At this point I include in the RECORD the text of his column entitled "African Decisionmaking" from the July 15, 1975, issue of the Washington Star News. The full text follows:

AFRICAN DECISIONMAKING

(By James J. Kilpatrick)

Mr. William Johnston of New York, president of Episcopal Churchmen for South Africa, has delivered himself of a public letter once more denouncing South Africa for what he terms its "usurpation in Namibia." Because the letter is typical of a vast deal of nonsense written and published on this issue, it merits a few words of reply.

Mr. Johnston begins by identifying Namibia as "the international territory South Africa occupies in defiance of the lawful authority, the United Nations." South Africa, he says, must be made to "obey the resolutions and decisions of the United Nations and the International Court of Justice." The gentleman speaks of "the Namibian people," whose watchword, he says, is "One Nation, One Namibia."

Now, Mr. Johnston's letter, recently published in the Washington Post, evidences no more ignorance and perhaps less hysteria than most such communications. It has become fashionable for Christian reformers, finding no problems worthy of their piety close at home, to exhaust their passions upon the sinful South Africans 5,000 miles away. Suppose we look at the record.

What we are talking about is South West Africa. The territory stretches for some 900 miles along the west coast of Africa, south of Angola; it is twice the size of California, and is inhabited by some 750,000 persons. To suggest that these people constitute one "Namibian people," having a watchword of "One Nation, One Namibia," is so gross a misstatement of fact that one is astonished to see it emerge from the pen of an Episcopal churchman. Fifteen percent of the people are white. Forty-five percent are Ovambos. The others are members of seven distinct tribal groups—Okawango, Herero, Caprivi, Bushmen, and others. The concept of nationhood, or "oneness," scarcely exists.

What about this business of "usurpation"? A more frivolous charge seldom has been leveled in international law. South Africa has usurped nothing. Sixty years ago this month, South African forces accepted the Germans' surrender of the territory. In 1920, by allied direction, South Africa began to administer the area under a mandate from the League of Nations. The league went out of existence in 1946, six months after the United Nations came into being.

Over the last 30 years, a gauzy theory has gained credence that the United Nations somehow succeeded in law to the assets and functions of the league. It is not so. No chain of title exists. The U.N. General Assembly has no authority whatever to "terminate" the 1920 mandate. The assembly has simply assumed that authority or, if you please, usurped that authority.

The General Assembly, under the U.N. Charter, has no substantive powers. It can only advise and recommend. The U.N.'s trusteeship system might have some power over South West Africa if South Africa voluntarily had yielded its mandate, but South Africa has done no such thing.

Neither is South Africa under any duty to "obey the decisions" of the World Court. The court's 1971 declaration was an advisory opinion only, binding upon no one.

Former Secretary of State Dean Acheson once described the U.N.'s various resolutions as to South West Africa as a mere "charade." It was a kindly word. In his view, neither the General Assembly nor the Security Council had any lawful authority to rescind the mandate. Even if such authority could be inferred, it could not be exercised unilaterally. The late Mr. Acheson scoffed at the creation of "Namibia" as "an officious gesture without concrete effect."

South Africa has set in motion an orderly process for letting the people of South West Africa decide their own future. Later this year, delegates from all the major groups will meet at Windhoek. The government at Pretoria is committed to accepting whatever solution is there recommended. If this is "usurpation," the Episcopal churchmen will have to make the most of it.

WHY THE DELAY ON JAPAN?

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 18, 1975

Mr. GAYDOS. Mr. Speaker, I have awaited some sign that the Ford administration is following up vigorously on the statement by Japan's top defense official, Michita Sakata that his country needs to play a greater role in the military security of the free world.

All that has come as yet is a mention in Time magazine that Defense Secretary Schlesinger may meet with Sakata next month. I emphasize the "may." In my judgment, this is not enough.

Sakata is a man of immense importance in Japan. He holds the title of director-general of the Japanese Defense Agency. As such, he is the top brass in the modest police-type military establishment that has been permitted Japan under the World War II peace terms.

Questioned about the danger of renewed warfare in Korea and its possible effect on Japan, Sakata had this to say, as reported by Time:

> Security for Japan to now has been like sunshine and water. When there is plenty, people take it for granted. We want to enhance the credibility of our existing security arrangements, but Japan must be defended by the Japanese themselves.

The director-general had in mind, of course, the fact that his country has been on a military free ride since the big war and thus has been permitted to depend on us, including our "nuclear umbrella," without the cost of a single yen.

This has been the biggest of boons to Japan and, conversely, an enormous hardship for the United States which has spent billions over the last quarter century to secure the Far East, including Japan, to say nothing of the tragic sacrifice of American lives and casualties in Korea and Vietnam.

While we have carried the Oriental defense load, Japan has spent less than 1 percent of her gross national product on her military. Instead of forces commensurate to her weight in the world, Japan has gotten by with only 261,400 under arms—or some 40,000 fewer than we Americans have stationed in Western Europe alone.

This disparity in defense costs has been the single most significant factor in the Japanese postwar economic boom while our burdens in defending Japan and other of our so-called allies have been largely responsible for the economic difficulties we now face.

So the statement of Director-General Sakata ought, in my mind, to have been met with great enthusiasm here—his frank admission that Japan should have more to do in, at least, defending herself. And yet, his words appear to have caused little open stir either at the White House or the State Department. The Defense Department's reference to a possible coming meeting has been the lone publicized reaction.

And I ask, why? Why has this opening—this obvious "signal," as present-day diplomatic jargon terms such matters—been left dangling here? I feel it is of monumental importance and should have been pursued at once in the interests, certainly, of the cost-burdened American people. Why shouldn't we have jumped at the chance to transfer a part of our defense load to Japan? I know of no one these days who would oppose altering the old peace understandings to grant Japan the right to become a new military biggie in the Far East.

ENTITLEMENT EXEMPTION NEEDED

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 18, 1975

Mr. ANDERSON of California. Mr. Speaker, if we are really interested in creating a free market situation in our domestic petroleum industry, it is of the utmost importance that the small independent refiners be allowed to compete successfully with the major oil firms. The conference report on H.R. 4035 goes a long way in seeing that this is accomplished.

I am pleased that the conferees who worked on this report accepted the Senate amendment dealing with exemptions from the purchase of entitlements.

This proposal amends the Emergency Petroleum Allocation Act of 1973 to exempt refiners with a capacity of less than 100,000 barrels per day from the purchase of entitlements on the first 50,000 barrels refined on a daily basis. I strongly feel that this plan will help insure continued success on the part of many small refiners in competing against the major corporations.

Currently, the Federal Energy Administration rules on entitlement exemptions on a case by case basis. One small firm out in Carson, Calif., was recently denied exemptions by the FEA, and they estimate they will have to pay about $2 million a month for entitlements. On a nationwide basis, about $30 million a month is paid out by small refiners for entitlement purchases.

While it is true that these expenses are not passed on to the consumer directly, the long-range implications of the present situation do bear on consumer costs. Entitlement purchases represent a major expense on the part of these independent businesses, one that could have a very deleterious effect on their operations.

These small firms are vitally important in maintaining competition in our domestic oil market. We simply cannot afford to turn any segment of this market over to complete domination by the major oil companies, whose history of disregard for the public good has been well documented. Exempting a part of these small refiners' production from entitlement purchase is a positive step in seeing that free enterprise remains a fact, and not an empty theory, in the petroleum industry.

Mr. Speaker, I strongly recommend acceptance of the conference report on H.R. 4035.

MR. JAMES E. NISSEN

HON. NORMAN Y. MINETA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 18, 1975

Mr. MINETA. Mr. Speaker, I would like to call to the attention of this distinguished body an individual whose outstanding contribution to the citizens and city of San Jose, Calif., deserves special recognition.

Mr. James E. Nissen began building and flying gliders in 1925 and started flying powered aircraft while in high school, after having received his private pilot's license at the age of 16. After a distinguished naval career, Mr. Nissen served as a research test pilot with the National Advisory Committee for Aeronautics, a forerunner of NASA.

While an experimental test pilot for North American Aviation Co., Mr. Nissen leased 16.4 acres of farmland from the city of San Jose and formed a company which started operations as a private airport. In 1946 he began to devote all of his time to the operation of the airport. In November of 1948 the city of San Jose started development of the airport and Mr. Nissen was appointed airport manager, a position he has held with distinction until his retirement on August 1, 1975. He has guided the development of the San Jose Municipal Airport from its inception to a jet airport served by nine airlines and serving over 2 million passengers per year.

Mr. Nissen has made outstanding contributions to the city of San Jose and to the field of aviation through his service on a variety of distinguished committees including representation of the airport industry on the ad hoc committee of the Aeronautics and Space Engineering Board of the National Academy of Engineering and serving as the president of the Bay Area Aviation Committee and the California Association of Airport Executives.

During my term as mayor of San Jose, Mr. Nissen was a valuable asset to me personally and an outstanding public servant.

Therefore, I urge you to join me in commending Mr. Nissen on his personal and professional achievements and his diligent and devoted service to the citizens of San Jose.

AUDIT OF NURSING HOMES RECEIVING FEDERAL FUNDS

HON. EDWARD P. BEARD

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Friday, July 18, 1975

Mr. BEARD of Rhode Island. Mr. Speaker, a nursing home owner in Rhode Island says he is being reimbursed by medicaid for part of the cost of his Jaguar sedan. Another admits he includes his personal liquor bills along with food bills he submits to medicaid. In New York, dozens of nursing home owners have picked up food receipts from the floors of supermarkets and submitted them to medicaid for reimbursement.

In many States, there is no attempt to find out what really is done with all the money received by nursing home owners.

In Rhode Island, some $90 million has been pumped into 150 nursing homes and in all that time, only 27 audits have been made and those go back only 1 year.

I am introducing a bill in the Congress that will call for Federal-State audits of all private, semiprivate, and public institutions receiving funds in the medicaid program. If you feel, as I do, that there must be a public accounting of all public moneys, I welcome your cosponsorship for this bill.

On June 26, 1975, it was revealed that one nursing home in Rhode Island overcharged medicaid by $100,000. This is the situation with which we are dealing and I emphasize that these abuses of Federal funds are occurring not only in Rhode Island but in virtually every State in the Nation.

Recent investigations in Rhode Island have revealed shocking conditions in connection with medicaid funds and I am convinced that the program, as it stands now, is a blank check for a financial bonanza for many nursing home operators who have not only cashed in on their nursing homes but, with medicaid funds, have been able to own and control the very businesses that service the nursing homes.

PROPOSED SALE OF IMPROVED HAWK MISSILE SYSTEM TO JORDAN SHOULD BE DISAPPROVED BY CONGRESS

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, July 18, 1975

Mr. DRINAN. Mr. Speaker, yesterday I had the privilege of testifying before the International Relations Subcommittee on International Political and Military Affairs chaired by the able gentleman from Florida (Mr. FASCELL) on the proposed sale of HAWK missiles and other air defense weapons systems to Jordan. On July 10, the administration informed Congress of its intention to sell Jordan a massive quantity of this sophisticated weaponry. Under an amendment to the Foreign Military Sales Act enacted in 1974, Congress has 20 days in which to disapprove the proposed sale by concurrent resolution. On July 14, Congressman JONATHAN BINGHAM and other members of the International Relations Committee filed such a resolution of disapproval in the House. Many other Members of the House, including myself, have subsequently joined in sponsoring that resolution. An identical resolution of disapproval has been introduced in the Senate by Senator CASE of New Jersey.

It is imperative, Mr. Speaker, that Congress exercise its statutory responsibility to review the implications of this proposed sale. I am confident that any such analysis will demonstrate conclusively that this sale would encourage the further stockpiling of destructive weapons by all nations in the Middle East and would increase the likelihood of a future Middle East war in which Jordan would join her Arab neighbors in seeking to annihilate Israel. This sale would be anything but the stabilizing influence which the administration asserts it would be.

Because of the importance of this issue and the likelihood that it will be before the House in the near future, I have inserted below testimony before the International Political and Military Affairs Subcommittee:

STATEMENT OF CONGRESSMAN ROBERT F. DRINAN, BEFORE THE HOUSE INTERNATIONAL RELATIONS SUBCOMMITTEE ON INTERNATIONAL POLITICAL AND MILITARY AFFAIRS

Mr. Chairman, I greatly appreciate the opportunity to appear before your Subcommittee concerning the proposed sale of air defense weapons to Jordan currently pending before Congress. The action which the House takes with regard to this proposed transaction will have an enormous impact, not only in shaping the future strategic balance in the Middle East, but also in determining whether or not Congress will in fact carry out its statutory responsibility to review proposed major arms sales and reject those which are not in the best interests of the United States. H. Con. Res. 337, which I have co-sponsored, constitutes the first working test of the congressional disapproval mechanism added to the Foreign Military Sales Act by P. L. 93–559.

Yesterday, this subcommittee reviewed the specifics of the proposed sale and the sequence of events leading up to the transmittal of proposed letters of offer to Congress on July 10th. Several essential facts emerged from that investigation and corroborating documents.

First, the improved HAWK missile system, which makes up the bulk of this estimated $350 million deal, is extremely sophisticated weaponry which is currently possessed by few if any nations outside of the NATO alliance. Second, the size of the proposed sale exceeds all prior military sales and grant aid to Jordan during the past 25 years. Third, the road-mobile HAWK system, along with the even more portable VULCAN and REDEYE systems, could be used effectively in an aggressive capacity if Jordan were to join other Arab nations in a three-pronged attack against Israel in a future Arab-Israeli war.

It is impossible to look objectively at the situation in the Middle East without recognizing the folly of providing these weapons to Jordan at this particular time. While Jordan claims to feel insecure surrounded by Arab neighbors armed to the teeth, it is apparent that Jordan's new weapons are intended to be used only against Israel. Certainly Jordan's neighbor, Saudi Arabia, which is paying for these *missiles and cannons*, does not expect them to be used against her. Jordan's neighbor, Syria, which agreed to the formation of a joint Syrian-Jordanian Military Commission following the announcement of this deal, clearly expects the weapons to be used to defend her against Israel in the event of another war. King Hussein admitted as much in a published interview last week when he stated that he would use the new American weapons to stop Israel from assaulting Syria on the Jordanian flank.

Historical analysis bears out the fact that the introduction of the HAWK system into Jordan increases the likelihood of another Middle East war with Jordan joining her allies in trying for the 5th time to obliterate Israel. In 1967, when Jordan fought against Israel, she suffered swift and devastating defeat as a result of superior Israeli air power. From that experience, King Hussein learned not to engage the Israeli Air Force again without an adequate air defense. Hussein has repeatedly cited Jordan's lack of a sophisticated air defense system as a key factor in his deciding to stay out of the October War in 1973. Now, with the United States agreeing to eliminate Jordan's chief impediment to engaging Israel in combat, Jordanian involvement in a future war becomes that much more likely. It is no coincidence that other Arab *states*, particularly supermilitant Syria, have grown closer to Jordan following the announcement of this arms sale. The Arabs have become increasingly convinced that the only way to defeat Israel is with a 3-pronged attack involving Jordan. With the addition of the HAWK, the VULCAN, and the REDEYE Jordan becomes far more capable of fulfilling that projected role.

In the context of this overwhelming evidence I find Secretary Atherton's characterization of the proposed sale yesterday as "a stabilizing influence" in the Middle East to be totally absurd. Secretary Atherton described the HAWK-VULCAN-REDEYE air defense system as "modest indeed" and inferred that it would have less effect than a feather on the delicate strategic balance in the Middle East. The witness based his description on a comparison of the proposed Jordanian air defense system with the massive arsenals of the other nations in the region.

I submit that Secretary Atherton's analysis demonstrates precisely what is wrong with this country's present policy toward military sales. We have shipped so many weapons into countries throughout the world, especially the Middle East and the Persian Gulf, that a $350 million missile system seems insignificant by comparison. If we sell this system to Jordan, there can be no doubt that Israel will come to the United States and request additional fighter planes to protect her national security against the deadly HAWK missiles. I suppose that Saudi Arabia, Iran, Kuwait, and all of our other customers in that volatile part of the world will then purchase still more American weapons to remain one step ahead of Jordan. Iraq and Egypt, who are supplied by the Soviet Union, will endeavor to enlarge their arsenals as well.

This is the kind of death-race psychology which has fueled the enormous growth of American weapons sales during the past five years. In FY '70, we sold less than $1 billion worth of arms to foreign countries. By FY '73, the total had risen to $3.8 billion. In FY '74, it jumped to $8.2 billion. Last year, it climbed again to between $9 and $10 billion. An incredible 80 percent of these arms have gone to a handful of countries in the Middle East and the Persian Gulf.

The Administration has enunciated no policy toward arms sales yet the sales continue to mount. We are committed to the security of Israel, yet we provide arms to nations devoted to Israel's destruction. It seems that we will sell without hesitation to virtually any nation waving petrodollars in our direction.

Mr. Hamilton's Subcommittee on Investigations has held some useful oversight hearings on American arms sales in the Persian Gulf. I am hopeful that out of these hearings will emerge a recommendation for legislation to suspend all weapons sales in that volatile region until the Administration proposes and Congress approves a coherent statement of policy with regard to such sales and their impact upon the region. Senator Kennedy has introduced such legislation in the Senate and I have filed a similar bill (H.R. 4133) in the House.

As Mr. Rosenthal said yesterday, we are building the biggest powder keg in history in the Middle East and the Persian Gulf. It is time that this irresponsible practice was stopped. There may not be much time left to act.

Thank you, Mr. Chairman.

CAPTIVE NATIONS WEEK

HON. JAMES J. BLANCHARD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, July 18, 1975

Mr. BLANCHARD. Mr. Speaker, I join with many of my colleagues in calling attention to the 17th observance of Captive Nations Week, July 13–19, 1975.

As the Bicentennial celebration of the United States begins, I think we would all do well to remind ourselves that many of the human rights which we take for granted are unknown in much of the world today.

The vigor with which continued expressions of protest and campaigns on behalf of dissidents are carried on by American citizens of East European heritage is clear evidence that they, at least, have not forgotten.

The fate of those dissidents—men such as Alexandr Solzhenitsyn, expelled from his native land; Leonid Plyushch, imprisoned; and Valentyn Moroz, subjected to chemical and drug "psychiatric" treatments—shows that the Russians have not forgotten either.

They know that the power of the freely written and spoken word is a power against which all the secret police and armies of the Communist empire cannot stand.

They know that for every Alexandr Solzhenitsyn, who stands his ground and will not be silenced, hundreds and even thousands of less courageous persons can be suppressed by the use of fear and intimidation.

They know that "eternal vigilance is the price of liberty"—and so they wait patiently for us to grow less vigilant and less determined.

And that, Mr. Speaker, is the real significance of this 17th observance of Captive Nations Week.

It is a week during which we should pause to remember the fate of those in Eastern Europe and elsewhere who have fallen under the domination of communism; to renew our determination to maintain the freedoms which we have inherited from our forefathers; and to lend our support to those in other lands who are fighting to win those same freedoms for themselves.

RAMSEY CLARK: SOMETIMES A CIVIL LIBERTARIAN

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, July 18, 1975

Mr. ASHBROOK. Mr. Speaker, in recent years Ramsey Clark has gained quite a reputation among some segments of our population as a spokesman for civil liberties. Of course, he also gained quite a reputation as a spokesman for the North Vietnamese and Vietcong cause in Southeast Asia.

What has not been widely reported on is then-Attorney General Ramsey Clark's efforts which established the first in a series of secret units in the Justice Department to deal with growing domestic disorder and violence. This was done in 1967 and has been discussed in the Rockefeller report on the CIA. Not only was Ramsey Clark organizing these efforts but one of his assistants was John Doar, who later turned up as council to the House Judiciary Committee in the Nixon impeachment proceedings.

Victor Lasky has written an interesting column on this with the details of Clark's efforts. At this point I include in the Record the full text of Mr. Lasky's article of June 19, 1975:

Say It Straight—Ramsey and the the CIA

(By Victor Lasky)

Washington.—Generally overlooked in the coverage of the Rockefeller report on the CIA was the startling finding that it was "the Justice Department under Attorney General Ramsey Clark which established the first in a series of secret units designed to collate and evaluate information concerning the growing domestic disorder and violence" back in 1967.

The finding is startling because Clark hitherto was not known to have demonstrated any excessive zeal in going after radical extremists in his days as the nation's chief legal officer. In fact, Clark has always cultivated the image of having been excessively liberal. Ever since 1968, when he left Washington, Clark has been in the forefront of the movement to defend dissenters, violent or otherwise. Not only has he emerged as a leader of the American Civil Liberties Union, but he has devoted considerable time as a lawyer to representing extremists in trouble with the law. And, needless to say, he's now opposed to the sort of secret government activities which he himself promoted as attorney general.

Except that Ramsey Clark has never levelled with his adoring public on what kind of shady activities he engaged in as attorney general—that is "shady" in light of the post-Watergate morality. And also startling was the Rockefeller Commission's disclosure of who assisted Clark in getting the "goods" on "dissenters." Why, it was none other than that paragon of virtue, the Hon. John Doar, who made a name for himself as the "fearless" counsel to the House Judiciary Committee in its Nixon impeachment proceedings.

Among the charges levelled against Nixon by Doar was that the President had trampled on the civil liberties of antiwar people and other dissenters.

To quote from the Rockefeller report: "In early fall, 1967, Attorney General Clark asked John Doar, Assistant Attorney General for Civil Rights, to report on the Department's facilities for organizing information on individuals involved in civil disorders.

"On Sept. 27, 1967, Doar recommended establishment of a 'single intelligence unit to analyze the FBI information we receive about certain persons and groups who make the urban ghetto their base of operation.'

"The FBI was to constitute only one source of information for the proposed unit. As additional sources, Doar suggested federal poverty programs, Labor Department programs, and neighborhood legal services. Doar recognized the 'sensitivity' of using such additional sources, but he nevertheless thought these sources would have access to relevant facts. Other sources of dissident information suggested by Doar included the intelligence unit of the Internal Revenue Service and perhaps the Post Office Department. The CIA was not among the proposed sources.

"Attorney General Clark, by memorandum dated November 9, 1967, approved Doar's recommendation. Clark found it 'imperative' that the Justice Department obtain 'the most comprehensive intelligence possible regarding organized or other purposeful stimulation of domestic dissension, civil disorders and riots.' He appointed a committee of four Assistant Attorneys General to make recommendations concerning the organization and functioning of the proposed unit. 'Planning and creation of the unit must be kept in strictest confidence,' Clark's memorandum stated.

"On December 6, 1967, the committee recommended in part that the new unit, in addition to analyzing FBI information, should develop contacts with other intelligence agencies, including the CIA, as possible sources of information. Following his committee's recommendation, Attorney General Clark on December 18, 1967, directed the organization of the Interdivision Information Unit 'IDIU' . . .

"After its establishment, the IDIU commenced collecting, collating, and computerizing information on antiwar activists and other dissidents. The IDIU produced daily and weekly reports on dissident occurrences and attempted to predict significant future dissident activities."

So we know that not all the Watergate-type stuff started with Nixon. Much of it was begun by those who later bellowed the loudest about Watergate—namely, liberals like Ramsey Clark and John Doar.

AMERICA—IN 200 YEARS

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, July 18, 1975

Mr. FORD of Michigan. Mr. Speaker, I was privileged recently to present Certificates of Merit to the winners of a high school essay contest, conducted by the Rockwood area Jaycees, on the topic, "America—In 200 Years."

The contest, open to high school students in the Flat Rock—Flat Rock High—and Gibralter—Carlson High—school districts, attracted more than 500 entries. Each school conducted a screening to select their top 100, and a judging committee of teachers then narrowed the total entries down to about 50. From these, the Jaycees chose the top 10.

On June 28, I presented certificates to the winner, Mel Owen; the first runner-up, Jim White, both of Carlson High, and eight other winners, Robert MacGregor, Rich Grieves, Mike Przyszlak, Darrell Sawmiller, Bill Pittman, Ed Atweis, Marty Countegan, and Robert Panick. The two top winners had earlier received savings bonds as prizes, a $50 bond for Mel Owen and a $25 bond for Jim White.

Mr. Speaker, I would like to commend the Rockwood area Jaycees and the co-chairmen, Dan Kolhagen, and Michael Stiles, on this fine project which inspired such great interest among the students at Carlson and Flat Rock High Schools.

The subject matter of the contest was especially appropriate as our Nation moves toward its Bicentennial celebration.

I would like to insert at this point in the RECORD, a copy of the winning entry submitted by Mel Owen, and commend it to the attention of my colleagues:

AMERICA—IN 200 YEARS

INTRODUCTION

America in the past 200 years, has been something we, all Americans, should be proud of.

Before 1776, Europeans, mostly English, came to what was known as the new world. When they immigrated, they were only looking for something better than what they previously knew. They unknowingly were the start of a great country, America.

In the year 1776, the people of the new world took a stand that shocked the rest of the world; they revolted. The Revolutionary War meant a free country, completely separate from any other, especially England, their "Mother Country." In this year our country, now so great, won its independence. The people of the new world became Americans.

Since the Revolutionary War our country has been involved in many other wars. The only one directly involving our country was the Civil War. The other wars were all fought elsewhere; the American people have stood proudly and strong, helping other countries in need.

During the first few years of our country's existence, there was much to be done. There was a government to be built and a frontier to explore. The original people of our country had much to do and did it with exceptional quality. What was hardest, was breaking away from the "Mother Country" [1] and her customs, starting anew to build a different way of life.

Anonymous people are the people who made history. They gave their ideas for a constitution that proved to be in the best interest of all American people. It was thru these ideas, our "Forefathers" [2] wrote a statement of laws and principles for governing a nation, the Constitution of the United States.

Government officials soon became adept in their jobs, no one asked questions as to what was happening. It was trust that laid the foundation for the country. Federalists were the first to govern this free honest nation. The government was strong. The United States soon became involved in world affairs.

About this time the country began to grow. The expansion southwest and west began. The War of 1812 helped open up vast new areas in what is now the midwest. Many battles were fought on the Great Lakes. The people needed a means of transportation and communication. Railroads, roads and canals were constructed.

In the 1820's the political parties' views and ideas became widespread. There were new representatives in government offices voicing the opinions and desires of the people.

Industry began to grow. Machines were invented to weave cloth and improve farming. Many other inventions followed, bringing the "Industrial Revolution." [3]

Slavery became a large issue, the southerners wanting it to stay the same and the northerners wanted it abolished. This disagreement eventually caused the Civil War, with the north winning, and slavery was abolished.

The north rejected the south in ways of "Radical Reconstruction".[4] The south needed help desperately. The only help offered was punishment for their secession. Eventually, the north gave in and the south was rebuilt.

Established areas were doing well. The north and south saw the potential for the westward expansion. The people moved west to homestead to land, to mine and ranch. New territories were established. Steel and oil became large industries. Railroads and towns were built, in this rough, wild, lawless territory.

America was advancing in world affairs. They bought islands in the Pacific and built the Panama Canal. Problems arose in European countries, World War I began. The United States helped their allies win the war.

When the war ended, business slowed down. Gradually, things improved and Americans lived well during the 1920s. Women won the right to vote, the development of radio, motion pictures that talked, automobiles being built, airplanes that flew nonstop across the Atlantic, were advancements that gave America better contact with the world.

A new crisis now faced the American people. The stock market crashed and the banks closed. The United States joined the world in a depression. Hunger was rampant. Unemployment ran to 25% of the work force. President Roosevelt started many public works programs which helped people survive.

Hitler's rise to power in Nazi Germany caused World War II. America came to the aid of the European countries. Shortly after the start of the war in Europe, Japan attacked Pearl Harbor, causing the United States to go to war in the Pacific. World War II ended, with the United States dropping the first atomic bombs over Hiroshima and Nagasaki, Japan. Destruction was so great that Japan surrendered.

Shortly after World War II, communism as practiced in Russia and China, started to spread into Korea. The United States aided Korea, in stopping a communist take-over.

Alaska and Hawaii became important defense outposts of the United States. In 1959 both territories were granted statehood.

Russia created more problems. Missiles set up in Cuba were aimed at the United States. When this was discovered, President Kennedy issued an ultimatum to Russia; all ships must stop and turn around. The Russians went home.

President Kennedy gained much respect from the American people. When he was assassinated, the country suffered a tremendous loss.

President Johnson was sworn into office. He had many inherited problems facing him from his first day. One of those was the Vietnam War. Another was draft-age young men protesting. They felt the war was immoral.

Negroes started the Civil Rights movement. This caused racial problems to become widely known. Negroes believed they deserved better than they had. They felt things were not equal and they, too, were Americans. This major problem was unfinished business of the Civil War.

One of the best known leaders of the Civil Rights movement was Dr. Martin Luther King. This man's life ended tragically by assassination.

Drugs have become a serious problem in America. People are killed daily, either by murder, suicide, or accidental suicide. In medicine they are useful in saving lives.

Scientists have developed new techniques to treat almost every disease. There are more senior citizens and a lower birth rate than in our previous history. New discoveries are made daily, one of the latest was the discovery of oxygen on Jupiter.

America has become a troubled country. There has been government scandals. "Watergate" is almost over but its scars remain. Inflation is everywhere. Laws have been made to help the situation, yet price increases affect every citizen.

SUMMARY

America is a country with compassion, greatly respected by all nations. In 200 years it has been born, civilized, reconstructed, freed, expanded, allied, depressed, recessed, harassed and threatened. National leaders have been assassinated, maimed and scandalized.

At present, we are in a recession with hundreds of thousands of people not working. Once again we have a president with inherited national problems. We are America. After 200 years, our future growth lies within ourselves.

FOOTNOTES

[1] "Mother Country" England, the country many of our customs came from.

[2] "Forefathers" Original settlers and law makers of our country.

[2] "Industrial Revolution" the way new industry changed the lives of the people.

[4] "Radical Reconstruction" The way the south was rebuilt by complete and rapid change.

"Watergate" Government scandal in the 1970's.

PERSONAL EXPLANATION

HON. MARTHA KEYS

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Friday, July 18, 1975

Mrs. KEYS. Mr. Speaker, on July 15, I missed the vote on the rule to consider

H.R. 7014, the Energy Conservation and Oil Policy Act of 1975. Had I been present, I would have voted for the adoption of the rule.

EDUCATION AND THE PARTICIPATION OF WOMEN IN WORLD DEVELOPMENT

HON. BELLA S. ABZUG

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, July 18, 1975

Ms. ABZUG. Mr. Speaker, the Women's Equity Action League recently prepared a report on "Education and the Participation of Women in World Development." One section of the report addresses the problems of women in industrialized nations, such as the United States, in gaining equal educational opportunities.

In light of the continuing discussion about title IX of the Education Amendments of 1972, which prohibits sex discrimination in federally assisted education programs and activities, I would like to bring this article to the attention of my colleagues:

EDUCATION AND THE PARTICIPATION OF WOMEN IN WORLD DEVELOPMENT—A BRIEF SURVEY

(By Kaity Miller and Micaela Mendelsohn)

INDUSTRIALIZED COUNTRIES

In highly developed, industrialized societies, conditions of rapid and complex technological and social change have created the need for both broad general knowledge and specialized skills. If women are to participate fully in the development of their societies, and are to choose the fields where they can make their maximum contribution, it is essential that they have complete access to education and training in all areas.

It is fair to say that women in industrialized countries have benefited from a booming post-war expansion of educational opportunities. Recent studies indicate that the number of girls who drop out of school at the elementary level is lower than that of boys, and that girls are more likely than boys to complete secondary school. However, although women constitute roughly one-half of the post-secondary school population, their numbers in higher education are substantially lower than those of men.

Not only is there a significant disparity in the levels of educational attainment of men and women, but in the nature of their educational experience, as well. In many countries, marked differences exist in the curricula offered to each sex. An inquiry conducted in 1967 by the Federation of Swiss Women's Associations showed that at the elementary school level, in two-thirds of the twenty-two Swiss cantons, a difference existed in the number of class hours offered to boys and girls in basic subjects such as language, mathematics and science; at the secondary level, the hours of instruction in chemistry for boys and girls were the same in only nine cantons, and in physics in only five. Moreover, some educational systems still have sex-segregated classes, although the number is diminishing, particularly in physical education and 'life skills'; in the latter, home economics, sewing and cooking are reserved for girls, and industrial arts offered only to boys. This pattern is typical of the educational disparities that exist in many school systems around the world.

At the secondary school level, students in most countries begin to specialize in particular areas. Among European educational systems providing general academic training, in which students specialize through course-line choices, there is a marked tendency for girls to enroll in courses emphasizing letters, arts, and languages; boys are more heavily concentrated in science and mathematics. Even in the more general education system typical in the United States, where specialization does not normally occur until later, enrollment of girls in science and mathematics, particuarly in advanced courses, is below their proportion of the student population.

In vocational and technical schools, which are still separated by trade and sex in some countries, a similar pattern emerges. Girls constitute the majority of those taking home economics, health care and business and commercial courses; their presence in industrial, trade and technical courses—traditionally the preserve of males—is negligible.

In higher education, the sex differentiation in course choices is again striking. Women in universities are more heavily concentrated in the humanities, social sciences and education, and are poorly represented in science and mathematics. In other post-secondary schools, i.e. technical institutes and community colleges, women's choices tend to lie in health care, pre-school and lower school teaching, social welfare and in business and commercial fields, and seldom in technical or mechanical areas.

One explanation for the imbalance in the quantity and quality of education received by men and women undoubtedly relates to discrimination practiced by educational institutions themselves. In Switzerland, for example, as late as 1967, technical schools were closed to girls. Until recently, women in France were excluded from specialized lycees offering technical and vocational education, as well as from trade schools and the 'grandes ecoles' which prepare students for high level jobs in government and industry. In spite of attempts in France and in other countries to encourage female enrollment in vocational and technical fields, the number of women who apply is still relatively low.

The persistence and universality of patterns of sex differentiation on various levels of the educational ladder, even where educational opportunities are equal, indicate that such differences may be due less to discriminatory barriers than to another more pervasive factor, viz. the influence of cultural conditioning. From early infancy, children are strongly affected by parental and societal expectations respecting behavior. Girls are generally encouraged to be more docile and dependent than boys. As they grow older, the internalization of these standards not only shapes their self-image, but gradually molds their thoughts and attitudes concerning their future roles toward those that are nurturing and supportive.

Formal education further reinforces the perceived differences in sex roles established in early childhood. Differences in course offerings and sex-segregated classes, as well as school textbooks which offer a limited range of female models (e.g., mother, homemaker, nurse, secretary) and underplay women's capabilities and achievements, all serve to perpetuate prejudices and shape self-images. Such differential treatment or 'marking'—combined with other pervasive forces in the environment such as public opinion, mass media, and advertising—subtly directs their interests and aspirations and strongly affects subsequent educational and occupational decisions.

By recognizing that schools can play a major role in counteracting the influence of sex bias on student attitudes and orientation, several countries have begun experimental programs which involve the re-examination and revision of textbooks, teaching materials, course content, teacher training and vocational guidance and counseling. Sweden is a notable example, a country which is making a conscious effort in this direction. In Swedish comprehensive schools, all of which are coeducational, students receive identical instruction in all areas, including handicrafts, domestic science and child care. Among its goals, the Swedish National Board of Education lists the following: increasing students' awareness of sex stereotyping where it exists; informing them about the debate on sex roles; encouraging them to discuss and question existing conditions; and assisting them, through the guidance of special teachers and occupational advisers, in making a well-considered choice of profession. The enduring nature of sex-biased attitudes is demonstrated by the fact that, although surveys showed greater awareness of sex prejudice and sex-role stereotypes among Swedish students as a result of such teaching, there has been no dramatic change in their educational choices; Swedish males still predominate in technical and industrial fields, while women make up the majority in arts, nursing, and education.

In sum, when faced with the necessity of making educational choices, women are bound by socially conditioned ideas about their role, even when their options are equal to those of men. Since their preparation, both formal and informal, has not led them to anticipate a life-long career in the labor force, equal in importance to their primary role in the home, it is not difficult to understand why many women do not engage in a major way in advanced education or in training with a strong vocational emphasis. Even among those women who do embark upon 'dual' careers, the choice of training or profession may be dictated more by traditional considerations and less by personal occupational aptitude.

There is obviously a close relationship between the kinds of occupations men and women pursue and their educational and training patterns. Although women are employed in nearly all industrial and occupational sectors, most tend to work in white collar and service occupations, i.e. traditional women's jobs. Moreover, within various occupations men tend to advance to the managerial and supervisory positions, while women are often dead-ended in the lower status jobs. A similar pattern is apparent in the professions. Only a small proportion of women are found at the top in high status professional and administrative posts (decision-making positions). The English-speaking, German, and Scandinavian countries count only an infinitesimal number of women among their engineers. In Western Europe and the U.S., during the middle and late 1960's, the percentage of women in medicine ranged from 25% in Great Britain to 6% in the U.S.; in law, representation ranged from 19% in France to 3% in the U.S. Here too, discrimination exists within the professions themselves. In teaching, for example, participation by women is greatest at the bottom of the pyramid, in primary and secondary education, and is much lower in advanced education. In the U.S.S.R., and in other Eastern European countries which have systematically opened careers to women, statistics show that professional opportunities for women are significantly advanced. However, even in these countries, few women are found in decision-making positions, and professional women still find themselves burdened with the full responsibilities of homemaking in addition to their career responsibilities.

In many industrialized societies there is growing recognition that the new occupational and general educational needs created by accelerated technological advances cannot be met solely through initial general schooling and vocational training. Therefore, various countries have reorganized their educational systems to provide lifelong education on a recurring basis for adults wishing to complete or expand their general education, as well as for those hoping to improve their vocational qualifications or to acquire new ones. In many instances, such efforts have legislative backing: in France, through the Act of July 16, 1971; and in the United Kingdom, through the Industrial Training Act of 1964.

Programs provided by legislation of this type include public and private technical and vocational courses as well as courses in general education. Courses are also offered through television and radio, e.g. 'open universities'. Governments, private industry, and labor unions often institute manpower training programs which employees—both men and women—can attend during working hours without loss of pay or leave ('day release' courses also called educational leave). These programs give training in new skills and also furnish additional services, for example, child care facilities, job placement assistance, etc. Training costs are borne partially by the state, by employers, and in some cases by trade unions or professional organizations. Cost-sharing arrangements are worked out through statutory provisions, collective agreements, or by other means.

Continuing education programs have great potential value for women seeking first jobs, for those already employed who aspire to better-paying or different jobs, or whose jobs have been altered or become obsolete, and particularly for those who are re-entering the labor market. While women's participation in such programs is steadily increasing, their representation is still well below that of men. There are several possible reasons for this phenomenon. Adult vocational programs in most countries do not include instruction in and upgrading of basic knowledge and skills which women often lack, and which are prerequisite for further training; therefore, women's access to such training may be limited at the outset. Moreover, due to traditional attitudes and orientation, a legacy of earlier experience and training, many women are not motivated to take advantage of such programs. Finally many women choose not to invest time in these programs, since frequently they have no assurance that they will find jobs commensurate with their training when they are through.

If continunig education is to serve its purpose, it must be made more responsive to women's needs. In particular, it must be adapted to the special situation of women re-entering the labor market who still must cope with the demands of family responsibilities. Special arrangements such as part-time programs, flexible and convenient class schedules, limited course loads, increased child care facilities and more realistic job placement assistance should be considered. Several countries have already begun to incorporate some of these features in their national guidelines.

Although there is a great variety of occupational courses offered via training programs, the largest concentration of women is found in those areas leading to employment in jobs traditionally held by women, viz. education, health care and service occupations. Moreover, in all countries, women are in the minority in managerial and technical courses. The factors accounting for this phenomenon are undoubtedly similar to those which influenced the earlier educational decisions of women.

Clearly, even in highly developed countries, women's full participation in the economic and social development of society has not yet been achieved. Failure to create the conditions whereby women may avail themselves of the full range of educational and occupational possibilities represents not only a deterrent to personal growth and fulfillment, but also leaves untapped vast reserves of human potential.

PRESIDENT FORD ASSURES MIA FAMILIES

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, July 18, 1975

Mr. GILMAN. Mr. Speaker, the families of our missing in action—MIA's—are gathering in Washington this weekend for their annual meeting and conference to discuss the future actions they will be taking to promote a full accounting for their missing loved ones.

Yesterday, in a striking gesture of support and sympathy with the cause of our MIA's, President Ford traveled to the Pentagon Quality Inn to meet with the family members who had come to Washington. The President assured the MIA families of our Nation's continued determination to secure a full accounting for our MIA's—an issue too many have been too ready to forget.

Mr. Speaker, we are all too familiar with the tragic history of this issue: With the sad betrayal of the Paris Peace Accords calling for a free exchange of information about MIA's; with the confusion and anxiety caused by repeated unconfirmed reports of American servicemen in captivity in Asia; with the apparently unconcerned administrative attitude in the face of the diligent persistence of our MIA families.

Last fall I joined with this same group of MIA family members as we marched in front of the White House for several hours, waiting to meet with the President. Finally, we met with the President's aide, Gen. Brent Scowcroft, and asked him to recommend to the President the creation of a special task force to deal with this issue. Thereafter, I joined with my colleague from Mississippi (Mr. MONTGOMERY) in sponsoring House Resolution 335, a resolution establishing a congressional panel of inquiry to sort out the facts and to work for a full accounting of our missing. I am pleased to say that this resolution has now attracted the support of 260 cosponsors in the House of Representatives.

Although that resolution has been bogged down in the Rules Committee for quite some time, I look forward to seeing it come to the House floor soon for a positive vote.

Mr. Speaker, we cannot simply brush the MIA question under the rug and forget the whole issue. There are too many unanswered questions: About the almost 1,000 men still listed as missing, about more than 1,000 unexamined crash sites which could yield crucial information, about some 49 grave sites we have yet to inspect, about 18 journalists who are missing in action, and several missionaries who have vanished in Southeast Asia. Admittedly, our leverage and bargaining position in Southeast Asia are sadly deteriorated. Yet, in a very real sense, our own involvement in Southeast Asia cannot truly be ended until we have closed the book on the sad and tragic story of our MIA's.

The President will be meeting with a delegation of the officials of the National League of Families on next Tuesday, in a meeting which I hope will be fruitful and productive. His remarks to the families yesterday were brief, but pointed, in that they helped to reassure our MIA families that the fate of their loved ones is still a high piority in this country, and that this county is determined to account for them and to continue its vigorous actions in this direction.

I respectfully ask that the President's remarks to our MIA families be reprinted in this portion of the RECORD, and I urge my colleagues to join with us in cosponsoring House Resolution 335, creating a Congressional Select Committee on MIA's.

The remarks follows:

PRESIDENT FORD'S COMMENTS TO POW/MIA FAMILIES

Congressman Gilman and all of you who I know have such a deep concern and personal interest in a matter that concerns me as well as your fellow Americans. I welcome you to Washington and I'm honored and pleased to have the opportunity of meeting with you just for a few minutes. I am meeting with a group from your organization next Tuesday afternoon and I look forward at that time to talking in depth with your representaitves as to what we can do. Despite overwhelming odds against us, I can assure you that your Government will maximize its effort despite the serious problems that we have. I know there is a proposal, there may be more than one in the Congress, to set up a commission or a committee. We have been working with people from your organization. I have nothing but the greatest admiration and affection for you and we in the White House will do everything that we possibly can to get what information . . . to make sure and certain that in good conscience you can believe that your Government has done for you what is right and we'll make sure of that.

RELIGIOUS LIBERTY AND EDUCATION

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, July 18, 1975

Mr. ASHBROOK. Mr. Speaker, freedom of religion has always been one of the most precious rights in America. Men and women can exercise their religious beliefs as they choose and bring their children up according to these beliefs.

Consequently I was very disturbed by an article by nationally syndicated columnist James J. Kilpatrick. It seems that part of the parental right is being called into question in Ohio. Several members of a fundamentalist group—the Dunkards—have been convicted of a criminal offense, that of sending their children to a school established by the congregation which does not conform to the minimum standards for Ohio elementary schools.

As Mr. Kilpatrick says, many of the standards make little sense to a small, religiously oriented school. Why, for example, should the school be required to maintain a costly "remedial reading laboratory appropriately equipped" or retain the services "of a certified person responsible for a multimedia program?" If Ohio succeeds in enforcing such rules the net effect will almost certainly be the closing of the school and an infringement of liberty.

The conviction of the members of this religious group was wrong and should be reversed. The State has gone too far in intermeddling in the private affairs of its citizens.

Following is the text of James J. Kilpatrick's article:

Ohio Threatens Religious Liberty in School Case

(By James J. Kilpatrick)

Dayton, Ohio.—What rights do parents have in the education of their children? What power does the State have to impose its collective will upon them? A case is now working its way through the Ohio courts in which these questions are presented, starkly and brutally, for timely review.

The case involves 15 parents in Greenville, a small town 40 miles northwest of Dayton. The parents are what are known, religiously, as fundamentalists. Several are members of the Old German Baptist Brethren, the Dunkards. They have now been indicted, brought to trial, found guilty, fined and put under injunction for this criminal offense. They have sent their children to the Tabernacle Christian School, which does not conform to the Minimum Standards for Ohio Elementary Schools.

It is incredible that any such criminal case could have been prosecuted in a nation that guarantees to every person the free exercise of religion. Yet the convictions of these parents are now on record. If they lose their appeal, they lose their school. The State of Ohio, in its wisdom, will have squashed their religious liberty as coldly, and as indifferently, as a bartender swats a fly on his counter.

What goes on here? The parents in this case are unconventional people. They do not conform. Says the Rev. Levi W. Whisner, principal of the school and pastor of the Tabernacle Christian Church: "We live lives of separation from the world. We don't engage in drinking or card-playing. We enforce standards of modesty, sobriety, humility, prayerfulness and separation from the world."

The small congregation established its school to promote these religious convictions. Its teachers must be "born again" Christians. Its teaching is geared closely to the Bible. Pupils also are instructed in English, spelling, arithmetic, science, social studies, art, music, physical education, reading, American history, and Ohio history. At the parents' trial in May of last year, it was uncontradicted that the pupils excelled on standard national tests.

The evidence indicated that the school meets other reasonable requirements. It has a six-hour school day, and a 180-day term. It reports daily attendance to the Greenville school superintendent. It has not offended against requirements as to sanitation, fire hazards and safety.

What, then, is the problem? The state, in its majesty, asserts that the Tabernacle Christian School has not conformed to all of the minimum standards of the Ohio regulations. There are roughly 600 such standards. They range from the trivial—drinking fountains must have a "slanted stream"—to the costly: A school must maintain a "remedial reading laboratory appropriately equipped." It must retain the services "of a certified person responsible for a multimedia program."

Of greater concern to these God-fearing parents, the Ohio standards, on their face, appear to require a school "philosophy" acceptable to state authorities. The minimum standards require that "all activities shall conform to policies adopted by the board of education." Another minimum standard says that each elementary school must participate in "school-community" activities.

Some of the standards doubtless make sense. As applied to a small, religiously oriented school, most of them are nonsense. Worse than nonsense. The case of these 15 parents provides dismaying evidence of how far we have retreated in the past 200 years from the principles and convictions that gave our country birth.

The State of Ohio's only valid, defensible interests in these children are (1) that they be sufficiently educated so that they will be no burden upon society, and (2) that they are protected from serious hazards to their safety. Beyond these points, the state has no interest. It has only an obligation—to protect the right of a free people to live freely, damaging no one, exercising their religion as they choose, rearing their children according to their own godly precepts.

Well, we have courts—appellate courts—with a duty to curb the arrogance of the fly-swatting state. If Ohio's courts let these outrageous convictions stand, the Supreme Court must be asked to lay down the law.

OUR FLAG

HON. JAMES R. JONES

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 18, 1975

Mr. JONES of Oklahoma. Mr. Speaker, yesterday, I received a copy of a very moving and inspirational tribute to our American flag.

The tribute was written by Mrs. Myrtle Cress—a retired school teacher, mother of eight, and winner of a Freedom Foundation Award, who will celebrate her 85th birthday this month. Our former colleague, Ed Edmondson, shared this essay with me. I was deeply touched by Mrs. Cress' words, and I would like to take this opportunity to share her tribute with all of my colleagues in Congress:

The Flag—I Answer Why?

(By Myrtle Cress)

The most beautiful picture in the world is not in any gallery. You can see it in just one place and then only in June. On the old highway that links Manhattan and Abilene, Kansas, is the one spot that until a few years ago was the exact center of United States. The late rains of May have washed the grass clean and the flint hill soil has given it a particularly vivid shade of green. Not a speck of dust dulls the blue of the sky.

You top a low hill and there it is, off to your right—a low concrete base and above it, waving in the gentle breeze—The Flag, against the blue sky—the only man-made thing in sight.

You know that off to the left and beyond the hill is Ft. Riley and that on the slope of another are "white crosses, row on row" but unless an M.P. comes along and tells you that you may not stop, you are held by the sheer beauty of the scene and the inspiration of that one man-made object against a background that only GOD can paint.

I saw it many times in the years just after World War II, some-times an eagle flying over seemed to be on guard and once when "Taps" sounding, marked the end of day.

Perhaps our flag has some special meaning for me, because my most impressionable years of intense Patriotism and Memorial Day meant something, instead of the roar of auto-races.

Those were days when soldiers of the War Between the States marched to the music of fife and drums in a parade to the Cemetery; their wives in white dresses rode in carriages, then planted flags on all of *their soldier-graves*; then on to the River bridge where flowers were scattered on the water in memory of the Sailors and Marines.

School girls in white dresses and boys in Sunday clothes marched as Honor Guard for the parade and after were exposed to Orations, a picnic dinner in the Park and all of the ice cream we could eat.

There was always Fourth of July, when the parade led to the Fairgrounds with dinners (family picnic style), then horse races and games and a very few fireworks finished the day.

Almost before I knew it, came World War I and blisters on my fingers from awkward knitting needles while the pile of khaki colored sweaters grew higher. Another World War later found me wearing a five star service-pin in my school, where the flag flew at half-mast for the boys and girls who would not return.

Ten more years, then retirement found me in California—yes, in a schoolroom, in the middle of a situation that I never would have thought could happen in this country.

At least once in every lifetime comes a time when we must speak our convictions or ever after avoid our mirrors. For me, it came as I watched the Voice of Youth program on the Santa Barbara Station.

A most attractive student was speaking: "The main concern of my group," he said, "is, why salute the flag, which is only a piece of colored cloth, or why pledge allegiance to a government for which we have no respect. If we must, why not also say, "Heil Hitler", and if not, then tell us why."

His sincerity was evident; he wasn't just being smart.

The announcer was equally sincere, "I can't give you an answer on the spur of the moment," he said; "your respectful presentation of the Case for Youth needs as sincere an answer, one that you can accept. Maybe some of the viewers has one for all of us."

I did try and for a week my letter was read each evening on that Program. Really, all that I said was what I had lived and taught in all of my classes. Something like this:

It was 200 years since the Colonists had brought to the New World a different way of life. For New England it meant a home and Freedom to worship God; for New York, it meant Freedom to trade and to establish a Patroon System; for Virginia, it was the Freedom to have great plantations, also for the Carolinas—and for Georgia it opened the doors of Debtors prisons and gave a new chance in life. For all it meant the four freedoms that we claimed as our Ideals until a few years ago, when we added a Fifth.

Many people had even become quite rich and for them contact with the parent country was still close; their great grandchildren, however, grew up thinking and acting more freely. When the young men went overseas to finish their education, or the sons of the poorer people worked on the slow sailing ships that carried raw materials from the Colonies to the Old World and brought the manufactured goods back to be sold here, they saw the unfairness.

Long days on ships, with nothing to stop their vision and little to interrupt their thinking, gave them time to analyze all of this and to turn thinking into feelings.

"It just isn't fair" was the conclusion. And so the Revolution was born and finally won.

"Now we must find a way to hold the people together," they said. "We must not lose to anarchy what has been so dearly achieved," they told each other; "we must find a way to save the best of the last 200 years and build a future that will last who knows how long," they said.

"A Constitution? Surely; but we know that not many people can read—few men and fewer women, it will take more than words on paper to hold us together."

"A banner will help, if we can make one that means all of us and our ideas and intentions."

Those Sons of the Revolution had never heard of "psychology" but they were using it like professionals. They knew that thoughts become feelings and that color is the spark that starts feelings into actions.

"We must use Nature's colors for we are children of Nature; we understand her language; we must give the colors meanings that the people will accept and they must be able to inspire us to live the Ideals that we have sacrificed and fought for."

"The highest color that we can see? In a clear blue of the sky, of course, and it must represent the highest active part of us—our brains; we will put a field of blue in the highest part of our flag and in that field we will put white stars, one star to represent each state; the white will mean purity of ideals and purposes. White stripes will have the same meaning and red ones for the courage with which we fought for those Ideals and convictions. We must now work to build a Nation, the like of which the world has never seen!"

So, we salute—not a piece of colored cloth, but the Ideals and Courage of a people who lived and died for them and of us, who may now live these same Hopes and Ideals that has helped our Nation to become the Leader among Nations, that it now is.

To the FOUR FREEDOMS that punctuated the struggles of 200 years of Colonial history and also, the 200 years of history of our States we now add a fifth—FREEDOM from poverty, which we hope we may win soon; over all Five then may be a canopy of PEACE under GOD for all to share in this—the one nation where the ideal of Democracy and Freedom has endured so long.

All of this, our colors mean to me. With pride, I salute the Flag of my Country.

WEAK MESSAGE

HON. ROBERT L. LEGGETT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 18, 1975

Mr. LEGGETT. Mr. Speaker, that crime in America is a problem is no stunning revelation. We are all very aware of the statistics, which reflect our rising crime rate. Everyday we can read about another body found in the District, and the stories of terrorized American citizens are almost commonplace. Yet, we in Government—public service—seem unable, or unwilling, to respond with positive action or even ethos.

Where is our sense of outrage that parts of our cities have been given up to criminals? Where is our indignation that the citizens of the United States cannot feel safe walking about their Capital at night? Where is our anger that many Americans feel beseiged in their homes? But most of all, where is our sense of responsibility? How long will it be until we in Government provide the leadership needed to curb the rising crime rate?

When I heard that Mr. Ford was going to speak about crime, to the Nation, I was pleased, for I thought that perhaps there was going to be leadership in solving the problem. I thought that after too many years of emotional "law and order" speeches, our President was going to provide enlightened reasoned analysis. I was mistaken.

Rather than provide a reasoned analysis, President Ford gave us the lines about mandatory jail sentences—lines, with which the leading crimnologists, including Dr. Donald Cressay, of the University of California at Santa Barbara, disagree. Instead of providing dispassionate suggestions, President Ford gave us the old law and order rhetoric cosmetically altered so as to make it more acceptable for television.

President Ford failed to mention two of the most basic causes for the rising crime rate. First, he refused to address the problems of guns in America. He inconsistently urges the Congress to ban the domestic manufacture of small handguns, including the all too well known Saturday night special, but refuses to oppose their possession or support their registration. How long will it take the Government to get over its "Wild West" mentality, in which men are tough, and the gun is the sign of masculinity?

Second, in his disappointing speech, Mr. Ford made no reference to white collar crime. We cannot hope to end crime in the street until we end crime in the suite. Today in America, there are former political and business leaders, who are self admitted criminals, and yet, because of their position, walk the streets. Rather than speaking of mandatory jail sentences for these criminals, however, Mr. Ford prefers to speak, as he did last September, of mercy and compassion. Possibly President Ford believes that there is only so much compassion and mercy, and it should be dispensed from the top down. Perhaps this is another version of the trickle down theory which pervades this administration.

I do not doubt the political practicality of such a policy, but I question its morality. Why should the man on East Capitol go to jail, and the man on Pennsylvania Avenue go free? Why should the man in the ghetto or barrio who steals $79 languish in prison and the man who bilks the United States of tens of thousands of dollars have his movement unencumbered?

Mr. Ford's actions and his speech provide more evidence, although no more is needed, that in America we have one law for the rich and powerful, and another for the poor and weak.

Mr. Ford fails to realize that the crime rate will only go down when the common person believes that the jurisdiction of the law is being meted evenly to the poor and the rich; the weak and the powerful; the black and the white. Mr. Ford does not realize that the low- and middle-class person is going to come to accept crime as a profitable, acceptable mode of behavior, which can advance one up the social, political, and financial ladder, if powerful people are allowed to continue to break the law and then go free to play golf with their cronies.

I suggest to Mr. Ford, and all of those who support his position, that they spend less time urging the creation of more stringent laws, and more time creating trust: Less time arguing for the dispensing of mandatory jail sentences, and more time dispensing concern for the background situations which are at the root of our crime problem. Only then will we all be on the way to finding a solution.

At this time, Mr. Speaker, I would like to introduce this editorial from the Woodland-Davis Daily Democrat which expresses similar displeasure and disappointment about President Ford's recent crime speech:

As We See It—Weak Message

Crime is a proper topic for a president to address, even though crimes which worry people most—rape, muggings, burglary, murder—usually fall outside federal law enforcement jurisdictions. Thus, much of Richard Nixon's "law and order" talk was to win votes, not curb wrongdoing.

Yet, a courageous White House can promote "domestic tranquility," a term used often in President Ford's message to Congress on crime. That Mr. Ford, too, dodged courageous proposals and wooed votes indicates the weakness, and danger, in his message.

It makes no sense for the President to urge Congress to ban the domestic manufacture, assembly or sale of cheap handguns known as "Saturday Night Specials," but not oppose possession of them or suggest handgun registration. Required registration would help keep such weapons from those who use them most—criminals.

It makes no sense to call for new mandatory jail terms when experience shows that is a tactic more likely to overcrowd jails even further than to reduce crime.

It makes no sense to claim that "for too long, the law has centered its attention more on the rights of the criminal than on the victim of the crime," as Mr. Ford did, when that is a distortion of intent. The attention the law pays to such rights is aimed at protecting all people—everyone—from abuses by the state. Power corrupts, including, in some places, police power. With that knowledge instilled in them by experience, the Founding Fathers provided the Bill of Rights. Its protections, however, have been eroded, a fact which requires the law's attention to such rights.

Instead of inflaming the passions of those who think only superficially about crime, Mr. Ford could have served the country better by high-level, white-collar crime which cause speaking more of ways to end the kinds of broad disrespect for law and which tend to encourage the kinds of crime that show up in the official statistics.

He could have called for a new national assault on the conditions that breed crime, for national "government in the sunshine" so that people can see officials serving the general—not the special—interest, for a voluntary reduction of the glorification of violence in films and on television, and for an array of other positive anti-crime steps.

Crime is a problem in the United States; however, bigger police forces and bigger jails have done little so far to reduce it. New idea and new attitudes are needed to help individuals understand their responsibility not to commit unsocial acts against others. Pressures can force even the well-educated and financially well-to-do into criminal acts—as many caught in Watergate's web confessed. Pressures on the poorly educated and the desperate are far greater.

The president's message contained some positive aspects, particularly his call for aid to the victims of crimes. But its dominant tone and principal proposals were sadly distorted by political concerns. The country has heard all that before; it needed no more, especially from President Ford.

CAPTIVE NATIONS WEEK HAS SIGNIFICANCE FOR ALL AMERICANS

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, July 18, 1975

Mr. BIAGGI. Mr. Speaker, it is my profund honor to join with my colleagues in Congress in observing the 17th annual commemoration of Captive Nations Week. It is on this occasion that we pledge our support to the struggle for freedom for all captive people and this year the occasion is especially significant not only because of the dramatic losses in individual freedoms recorded this past year, but also because of the real threat which communism poses to the future security of the free world community.

This past year with the fall of South Vietnam, Cambodia, and Laos, the number of captive nations swelled to 29, and millions more men, women and children were made new slaves to the bondages of communism. Yet there are no assurances that Communist advances will end with these gains. Already Portugal is on the verge of communism, Italy in her recent elections saw dramatic gains made by her Communist Party. In addition, people living in Nationalist China and South Korea are on a constant vigil against what they consider to be immiment threats from their Communist neighbors.

The Soviet Union remains one of the main controllers of captive people in the world. It would be fitting on this occasion for the United States to begin to seriously reevaluate the viability of our present détente with the Soviets. The fundamental question we must ask is: Can we accept détente, knowing that it does extend any hope of freedom for the captive people of the world, many of whom have placed great faith in détente as their vehicle to regain freedom. Can détente have credence when it has already been characterized by many in this Nation as a largely concessionary policy with respect to the United States. Finally can we ignore the fact that while the Soviets are professing support for a new policy of international cooperation with the West, their actions seem to indicate a new effort to build tensions between our two nations.

Détente must be contingent on the Soviet Union granting self-determination to the more than 35 million persons under their control. We in our capacity must make this a prerequisite for any major agreement in the future. Détente in theory is commendable but it must be just as feasible in practice if it is to work.

We in the United States are approaching our Bicentennial celebration marking the 200th anniversary of our ending our own period as a captive nation. The fundamental beliefs which led us to draw up our own Declaration of Independence remains valid today and for many others in the world is considered the bible of freedom. As we work to reaffirm our own freedom as a nation let us also work to protect our allies and work to restore basic liberties for captive nations. We must do this to strengthen our position as the leader of the free world and it will also demonstrate our active commitment to preserving and extending freedom both at home and wherever its roots want to grow.

At this point in the Record, I would like to insert an excerpt from an article written in the Ukranian Journal by Dr. Leo Dobriansky, Chairman of the National Captive Nations Committee. This portion of his article deals with his assessment on what détente should be. Dr. Dobriansky has provided us with excellent insights in the past and I urge my colleagues again to pay attention to his remarks:

> A genuine detente is one that permits competition for our traditional ideas and values on the terrain of an adversary who is firmly committed to ideologic, systematic warfare and global supremacy. To aid him by trade and deals of compromise in "solving" Free World problems virtually forecloses this competition without a poltrade policy aimed at the captive nations, particularly those in the U.S.S.R. and a broader policy designed to intensify the predominant forces of nationalism within the U.S.S.R. Let us not forget our past errors of concept and misdirected action in the region of the U.S.S.R. saved Lenin's tyrannical regime and contributed to the demise of the independent non-Russian republics in the 20's, provided for the industrial foundations of the U.S.S.R. in the 30's, rescued this empire-state from destruction and enabled it to extend its empire in Central Europe, Asia, and Cuba in the 40's and 50's, and under cover of "detente" tolerated its basic implementation of Hanoi's aggression in the 60's and 70's. The perpetuation and repetition of such errors, as evidenced in the present detente process and its euphoric effects, could lead to our own destruction. We, too, could become a captive nation. This is fundamentally the real ground for despiair in the West and confidence in the East.

CAPITAL CLOSEUP

HON. JOHN B. ANDERSON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, July 18, 1975

Mr. ANDERSON of Illinois. Mr. Speaker, I would like to share with the other Members of this body an interesting article which appeared in the July 1 issue of Hospitals, the Journal of the American Hospital Association, about my good friend and colleague from Kentucky, Tim Lee Carter.

This "Capital Closeup" details two of the innovative bills Dr. Carter has introduced this session as well as some of the notable health bills with which he has been closely identified since coming to Congress 10 years ago. As a physician, Dr. Carter has provided invaluable assistance in the deliberations of this body over crucial issues concerning the health of our citizens.

I offer this article for the edification of my fellow Members about Dr. Carter and his work.

> Capital Closeup
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> In a surprise move on Capitol Hill this spring, Rep. Tim Lee Carter, a Republican physician who represents the Fifth District of Kentucky, reintroduced (as H.R. 4747) the Comprehensive Health Insurance Plan, an NHI proposal first introduced during the Nixon Administration. Many of his colleagues had supposed, incorrectly, that the conservative Congressman would accept President Ford's view that national health insurance should be set aside at least until next year, or when the economy returns to a firmer footing. But Representative Carter decided not to wait, preferring to introduce the measure of his choice, with new provisions for preventive medicine and health education, while NHI continues to be a subject of critical debate.
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> "I understand and fully respect the President's position," said Representative Carter, "yet . . . I believe that the Congress should formally have before it this thoughtful proposal, with its new preventive medical services section, so that it may be considered in debate with other proposals which have been developed to consider the cluster of concerns we refer to as our national health care crisis."
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> One of three physicians who are members of Congress, Tim Lee Carter is known for his independent thinking and for his personal involvement in the issues with which he deals. He is a member of the House Committee on Interstate and Foreign Commerce and has a solid reputation for hard work as the ranking minority member of its Subcommittee on Public Health and Environment, better known as the Rogers Subcommittee in recognition of its chairman, Rep. Paul Rogers, a Democrat from Florida.
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> Representative Carter was first elected to Congress (the 89th) in 1964 and has been reelected to each succeeding Congress. During his more than a decade of service, he has been concerned with every major health issue within the Subcommittee's jurisdiction, including manpower, nurse training, planning, mental health centers, and the National Health Service Corps. He was outspoken in his opposition to U.S. involvement in Vietnam and generally is opposed to foreign aid. He has been a strong advocate of such preventive measures as the Special Action Office for Drug Abuse Prevention, the Cancer Attack Program, legislation to prevent the Sudden Infant Death Syndrome, and a Noise Control Act. He firmly supports HMOs as a form of health care delivery, but only as one form, in a system that he maintains must remain pluralistic.
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> In April, Representative Carter reinforced his view that the nation needs much more than a reorganized system of health care financing by introducing H.R. 5839, the National Health Education and Promotion Act of 1975. His rationale was that the nation no longer has the "option of unlimited spending for personal health services" and that some way must be found to control demand, but without the reimposition of financial barriers The Congressman's bill, therefore, is an effort aimed at changing American life-styles, particularly attitudes toward health and the use of health services. Representative Carter firmly holds that unless Congress takes action to expand preventive medicine, the nation's morbidity and mortality rates are unlikely to be improved, no matter what form of NHI is enacted.
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> "The monies we spend for health education, health promotion, and preventive medicine are miniscule," said Representative Carter when he submitted H.R. 5839. Crediting the American Hospital Association and the Blue Cross Association for having endorsed health education in concept, as well as HEW's Forward Plan in its provisions for preventive medicine, Representative Carter nevertheless charged that public and private agencies in the United States lack any kind of informational exchange; that there is little weighing of results among similar or related health education programs sponsored by different organizations; that information about the theory or state of the art of health education is not easily accessible; and that no agency, public or private, systematically reviews experiments in health education or

their potential. His bill, accordingly, would establish within HEW a national center responsible for research, community health education programs, communications in health education as a component of federal programs.

STUDENT LOAN PROGRAMS CAN BE SUCCESSFUL; NEW YORK STATE PROGRAM SHOWS HOW IT'S DONE

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, July 18, 1975

Mr. BIAGGI. Mr. Speaker, the Subcommittee on Post Secondary Education, of which I am a member, has been considering legislation to totally revamp the student loan programs. Many of my colleagues feel we should eliminate the guaranteed student loan program because a high percentage of students are defaulting on their loans after graduation.

The New York State Higher Education Assistance Corp. manages student loan programs in New York. They have just issued their final report which shows what can be done to lower the default rate and improve collections substantially. It indicates that the problem with the student loan program is not so much irresponsible students not paying back loans, but rather the need for improved management of the system.

Under the Federal Higher Education Act of 1965, two student loan projects were established: the guaranteed student loan program—GSLP—which is run by independent State agencies like NYHEAC for the Federal Government; and the Federal insured student loan program—FISLP—which relies directly on the Federal Government.

Since 1965, the State programs have proven themselves to be consistently more efficient than the federally administered programs. The GSLP has lent out over 25 percent more money than the FISLP while at the same time maintaining less than half the default rate of the Federal programs.

The NYHEAC is a glowing example of what the State programs can do with proper management. According to its 1974–75 record, the NYHEAC has been responsible for two-thirds of all the default collections for the entire Nation and has achieved a 12-percent reduction in purchase of default claims.

Why are State programs such as the NYHEAC performing with such superior efficiency to the Federal programs? An essential reason is the more direct and continuing relationship State agencies maintain with the schools, lenders, and students during the in-school period of the loan. When a lender submits a default claim, the student borrowers are pursued far more extensively by the State agencies. This further reduces the default rate.

The report also points out many instances of inequity in Government's treatment of the Federal and State programs. For example, State programs such as the NYHEAC are required to pay for all their administrative costs for default collection with no reimbursement forthcoming from the Federal Government. All Federal program expenditures for default collection are paid for by the U.S. Office of Education. Yet, despite inequities such as this one, the State agencies still maintain a higher level of efficiency in default prevention and recovery.

If we are to continue to assist deserving young men and women obtain a postsecondary education, we must continue student loan programs. They operate in the best American tradition. Students pay their own way for their education after they are out in the world working. Efforts to eliminate loan programs would be better directed at reforming the management and operations of the program, particularly the Federal loan program.

The experience of NYHEAC shows that loan programs can work and can help large numbers of students obtain a college education. I hope my colleagues will profit from knowing about successful programs such as the one we have in New York State.

TOO MUCH GOVERNMENT BY DECREE

HON. WILLIAM L. ARMSTRONG

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Friday, July 18, 1975

Mr. ARMSTRONG. Mr. Speaker, Congress has created a vast network of regulatory agencies which are now assuming near-dictatorial powers, stiffling initiative and individualism, hamstringing the Nation's economic recovery, and costing consumers billions of dollars a year.

To an increasing extent, we are being ruled by arbitrary edicts issued by unelected Washington bureaucrats—with results ranging from absurd to tragic, as pointed out by the following article from the Reader's Digest:

TOO MUCH GOVERNMENT BY DECREE!

To an increasing extent, we are being ruled by arbitrary edicts issued by unelected Washington bureaucrats—with results ranging from absurd to tragic

(By John Barron)

The decree from the Environmental Protection Agency (EPA) fell upon Bostonians like an edict from some ancient king. Beginning March 1, 1975, no one might park on a downtown street between 7 and 10 a.m. Forty percent of all spaces in Boston's parking garages must be kept empty during the same hours. Employers must eliminate one fourth of all employee parking spaces. By making it difficult, if not impossible, for Boston workers to drive to their jobs, the Washington bureaucrats who handed down these sweeping orders hoped to reduce air pollution.

Boston community leaders were appalled. "We cannot eliminate the car until there is a viable alternative," declared Mayor Kevin White. Businessmen predicted serious economic loss and unemployment, as well as personal hardship and traffic chaos. Nevertheless, the EPA all last year stubbornly proclaimed its determination to compel Bostonians to do what it wanted, regardless of the consequences. Repeatedly it warned employers that they were liable to a year's imprisonment and a $25,000 fine if they disobeyed. Threatened with Congressional intervention, the EPA finally, last February, modified its Draconian decrees and granted the city more time to gird for their effects. Grateful for the reprieve, Boston Chamber of Commerce executive William F. Chouinard nonetheless said, "I hate to think what might have happened if we had not fought like hell."

MASS MEDDLING

Even though postponed, the orders arrogantly visited upon Boston are symptomatic of an insidious change which is occurring in governmental processes. Traditionally, Americans have been governed according to laws enacted by elected representatives answerable to voters. Today, Americans increasingly find their lives regulated by decrees emanating from bureaucrats who are, in effect, accountable to no one.

The stream of bureaucratic dictates pouring out of Washington has turned into a flood. In 1973, the *Federal Register* needed 35,591 pages to publish all the new decrees and decisions; last year it required 45,422 pages. Randon examination of the *Register* suggests how far the bureaucracy has thrust itself into the ordinary business of ordinary people. Navel-Orange Regulation 311, for instance, prescribes how many oranges may be shipped from California and Arizona counties during a specific one-week period. Contractors in Allegheny County, Pa., are informed that their bricklayers must be paid $9.25 an hour, whereas bricklayers in Adams and York counties, in another part of the state, can receive $7.65. Arbitrary *Register* regulations may nullify a union contract, require a corporation to spend millions on new equipment, or deny a town the right to approve a new shopping center.

Consumer advocate Ralph Nader points out that senseless or incompetent rulings by federal regulatory agencies drive up prices by suppressing competition, stifling innovation and perpetuating inefficiency. A Senate subcommittee estimates that private business spends $18 billion annually on paperwork demanded by federal bureaucrats, while the General Accounting Office calculated that 1973 paperwork cost the government itself $15 billion. But the gravest consequence of all this bureaucratic meddling carries no price tag. It is eloquently summed up by Sen. Sam Ervin (D., N.C.), Congress' leading constitutional authority, who retired this year after presiding over the Senate Watergate investigation. "Government by bureaucratic decree threatens freedom itself," Ervin declares. "The pursuit of no goal justifies the destruction, or even the erosion, of freedom."

Few Americans would dispute that abolishing racial discrimination, promoting industrial and consumer safety, and cleaning up the environment are worthy goals. The trouble is that Congress has created vast new bureaucracies with sweeping powers to pursue such goals as they see fit. All too often, the results are tragic.

BUSINESS BUSTER

Marlin Toy Products, Inc., in Horicon, Wis., used to provide jobs for 85 of the town's 1400 residents. Its most profitable products were two popular toys designed for babies. One was a transparent plastic sphere containing artificial birds and tiny, bright-colored plastic pellets. The other was a similar sphere containing pellets and artificial butterflies. When the spheres rolled, the birds or butterflies fluttered, the pellets rattled and a child enjoyed motion, color and sound.

In November 1972, the Food and Drug Administration (FDA), then responsible for product safety, suddenly informed Marlin that the toys were unsafe, reasoning that, if a sphere broke, a child might be tempted to eat the pellets.

Since Marlin first marketed the toys in 1962, millions of Americans had purchased them. Not one had complained to the company of any harmful results. The toys had already passed three rigorous safety tests—

Marlin's, an insurance company's and a department store's. Nevertheless, Marlin agreed promptly to recall all the spheres and remove the pellets. Within a month, the FDA said it was satisfied and promised to remove the toys from the next published list of banned products.

Marlin proceeded to manufacture hundreds of thousands of the toys, hoping to recover, through the 1973 holiday sales, the losses from the 1972 recalls. But in September 1973 the newly formed Consumer Product Safety Commission (CPSC) issued a "Special Holiday List" of dangerous toys whose sale was prohibited—including the toys Marlin had redesigned months before to FDA satisfaction.

Not until early December did frantic company and Wisconsin officials succeed in getting CPSC to acknowledge that it had made an "editorial error." It was too late. Stores all over the country had canceled toy orders, and Marlin had lost at least $1.2 million. Today the company is on the verge of collapse.

"ARBITRARY . . . CAPRICIOUS"

Congress in 1970 created the Occupational Safety and Health Administration (OSHA), endowing it with authority to dictate work rules to virtually every segment of American business, from the corporate giants of Detroit to mom-and-pop shops at rural crossroads. OSHA inspectors can walk into any business unannounced, search the premises without a warrant and levy fine without a hearing or trial. Industry and labor alike recognize that there are industrial hazards which require intelligent remedies, but too often OSHA simply makes a nitpicking nuisance of itself. Consider:

In Newport Beach, Calif., an OSHA inspector visited Blackie's Boatyard, where owner Arsene "Blackie" Gadarian and six workers repair small craft. Pointing to a man without a life jacket who was working in a boat tied to the pier, the inspector asked, "What would happen if he fell in the water?"

"He would stand up," Gadarian replied. "The water's only three feet deep all along the pier." Still, the inspector thought there should be a ladder at the pier's end. Gadarian said he would nail up a ladder.

Three weeks later, OSHA formally notified Gadarian that he had violated its ladder regulation—Section 1501.84(c) (4)—and was liable to a fine of as much as $1000. When Gadarian asked to see the rule, OSHA sent him a 248-page document a month later. Nowhere could Gadarian discover any reference to ladders. Asked for clarification, OSHA sent a 48-page supplement saying only that a ladder must be installed in the vicinity of a dock where boats are repaired.

Because Gadarian already had four ladders near his pier, he decided to appeal the fine. OSHA set the fine at only $15, but Gadarian refused to pay.

A battery of government lawyers assembled to argue the OSHA case before a specially appointed federal hearing examiner and a flock of other federal officials. Gadarian, helped by his wife, acted as his own lawyer. The proceedings lasted four hours before Gadarian's innocence was certified. Gadarian's wife would not let him buy a transcript of the proceedings. It cost $500.

OSHA can be just as foolishly autocratic in dealing with big matters as with little. At a cost of $100,000 annually, the Continental Can Corp. effectively safeguards its employees from noise by providing comfortable ear protectors and insisting that they be worn. OSHA itself admits that the protectors reduce the noise level well below federal standards. Nevertheless, OSHA demanded two years ago that Continental Can "engineer" noise abatement by building sound shields around thousands of machines at a cost of $33.5 million—contending that some workers might be too "ignorant or obstinate" to wear the ear protectors. Continental contested the OSHA decree.

After reviewing 1000 pages of testimony, Judge Robert N. Burchmore last October issued what added up to a searing indictment of both the judgment and the competence of OSHA. A government "expert had claimed that sound shields could be designed and installed in two months. The court ruled that after seven more years of research it *might* be feasible to install them. OSHA had had to admit that it had found not a single employe who was not wearing the ear protectors. Judge Burchmore dismissed the OSHA ruling, calling it "arbitrary to the point of capriciousness."

PASSION AND THE POLICE

The Equal Employment Opportunities Commission (EEOC) was created to ensure that employers should not discriminate against minorities in hiring and promotions. But the EEOC now ranges far beyond this stated mission; its flagrant excesses have provoked outspoken criticism from even longtime champions of minority causes.

Late last year, for example, the EEOC issued an astonishing set of decrees against the police departmnt of Houston, Texas. By EEOC's own admission, this department has had, in recent years, a commendable record of employing minority personnel, who presently compose about 40 percent of the force. But the Houston police require that applicants have a high-school diploma, and they refuse to hire convicted criminals, people dishonorably discharged from the armed services, and those with a history of defaulting on debts.

The EEOC asserted that the ratio of individuals convicted of crimes, dishonorably discharged from the military, or marked as bad credit risks, is higher among blacks and other minorities than among whites. Therefore, ruled the agency, the Houston police department is guilty of racial discrimination and must cease investigating the backgrounds of prospective officers. It threatened legal action unless the Houston police opened their ranks to convicts, those with dishonorable discharges from the armed services, those who had not completed high school.

"If we do not even have the right to ask a man if he has been convicted, we could turn over the department to a bunch of criminals, the very element we're supposed to fight!" exploded Chief Carrol Lynn. "Hire a convicted kidnaper, burglar, rapist, murderer as a policeman? My God!" Houston's leading black newspaper, *Forward Times*, published a full-page editorial ridiculing EEOC and defending the police. To all protests, the EEOC has so far responded with bureaucratic contempt for common sense.

Meanwhile, EEOC's real business often goes unattended. It has a backlog of 100,000 cases, and now takes an average of 28 months to process a complaint. In their passion to pursue their mandate, EEOC investigators frequently fail to get facts straight. As a result, the EEOC general counsel has to return to the field as "unsuitable for litigation" between 80 and 90 percent of the cases submitted to his office. Yet this is the bureaucracy that has the power to impose racial and sexual quotas at all levels of business, and to drag any employer into a costly lawsuit at will.

THE SINGLE MOST POWERFUL

But the Congressional creation that threatens to grow into the most fearsome bureaucratic monster of all is the Environmental Protection Agency. Under a pervasive umbrella of power conferred by the National Environmental Policy Act, the Clean Air Amendments, the Water Pollution Control Act and the Noise Control Act, EPA has claimed for itself authority unprecedented in American peacetime history. Indeed, Prof. Irving Kristol of New York University recently wrote: "If the EPA's conception of its mission is permitted to stand, it will be the single most powerful branch of government, having far greater direct control over our individual lives than Congress or the Executive or state and local government." Professor Kristol does not exaggerate. Consider:

EPA asserts the right to veto construction of virtually anything that might generate a substantial volume of traffic. Thus, unless Congress intercedes, as of January 1, 1976, local communities may not permit development of a major shopping center, hotel, stadium or factory without approval from Washington.

In Gary, Ind., the U.S. Steel Corp. tried to meet EPA requirements by building two new installations of non-polluting furnaces. But initially their output was limited by factors beyond the company's control: a power failure that damaged its furnaces, the coal strike and a construction strike. So U.S. Steel last fall asked EPA permission to keep its one remaining open-hearth installation in operation six months more. It was told that the installation could be kept open for three months with a $2300 fine for each day of operation. Instead, the company closed the installation, and hundreds of workers are losing their jobs as a result.

An infestation of deadly tussock moths in 1972 defoliated 174,000 acres of magnificent Washington and Oregon forests. To prevent further ravages, state officials and conservationists pleaded with EPA to allow a carefully controlled spraying of DDT. EPA stubbornly refused even a temporary removal of its ban against DDT. Unchecked, the multiplying moths by the summer of 1973 had afflicted 700,000 acres of timber. Faced with Congressional uproar and a lawsuit, EPA in February 1974 relented and authorized use of DDT. Helicopters sprayed the forest, and the infestation ended. But the devastation inflicted by doctrinaire bureaucrats endures.

ULTIMATE REMEDY

Nearly two centuries ago, the people of Boston started one of history's most important revolutions in the name of freedom. In the years since, millions of Americans have risked their lives to preserve that freedom. It is inconceivable that we will now sit back passively and allow it to be lost to bureaucratic usurption.

The remedy lies in Congress, which created the problem in the first place. Congress should reappraise each federal agency, with a view to outright abolition of those that have obviously outlived their usefulness. It should withdraw from the others the vast grants of arbitrary power that it has bestowed. And Congress should define the powers left to bureaucracies in language so clear and explicit that no officials can expand their power beyond Congressional intent. Finally, broad national policies required to protect consumers, workers, minorities and the environment should be implemented through specific legislation rather than bureaucratic fiat.

If the people don't like the results, then—in the next election—they can remove the members of Congress responsible. That is why the American system has always provided that power must be exercised by elected representatives instead of by bureaucrats who have earned the vote of no one. If freedom is to survive, power must remain in the hands of elected representatives.

FREEDOM CELEBRATION

HON. MARVIN L. ESCH

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, July 18, 1975

Mr. ESCH. Mr. Speaker, as our Nation approaches its 200th birthday, we will witness countless celebrations of our independence and tradition of individual rights. Recently, it was my good fortune to share in such a celebration—a most unusual and inspiring one. While in Detroit, I was able to take part in the Bicentennial musical program entitled "Freedom Celebration," presented by the 250 Voice Michigan Concert Choir with symphonic strings and brass. The choir was chosen from among hundreds throughout the country to appear at the National Religious Broadcasters Convention in Washington where President Gerald Ford was the main speaker. Under the direction of the internationally known choral director, Thurlow Spurr, this magnificent group of musicians has been presenting concerts to standing-room-only crowds for the past 36 months.

One of those concerts took place in my own congressional district on June 26 of this year. Through the tremendous efforts of Mr. Dale E. Schroeder, the people of Monroe, Mich. were able to enjoy this unforgettable musical. The Monroe program featured special soloists John Hall, Lucia Simmons and Larnelle Harris, accompanied by Shirley Balmer and orchestra. In addition, the Armed Forces Color Guard and the award-winning Plymouth Fife and Drum Corps, staged and produced in spectraphonic sound, were featured. A very special attraction of "Freedom Celebration" was the appearance of Apollo 15 astronaut, Jim Irwin. Having driven the first vehicle on the Moon, Mr. Irwin related the dramatic and exciting events of his space mission.

Mr. Schroeder's organizational talents were well rewarded. These musicians from Eastern Michigan—having just returned from a concert tour in Washington, D.C.—delighted their Monroe audience with a spectacular program of familiar patriotic songs as well as new music written especially for this concert. The program became a real celebration with the addition of audience participation in several selections.

Besides the musical excellence of the choir, its director, Mr. Spurr, also created an extravaganza of beautiful costuming, special lighting effects and ingenious production. No effort was spared to present the very best in music and guests. Civic, business, labor, and religious leaders, together with the community of Monroe, enjoyed a heart-lifting tribute to our heritage.

Mr. Schroeder, Mr. Spurr, the choir and all the members of "Freedom Celebration" should be applauded for their contribution to our Bicentennial year. Celebrations such as these help to remind us of the greatness and glory of our past and inspire us to meet the responsibilities of the future. I encourage other civic leaders, like Mr. Schroeder, in Michigan and elsewhere, to bring the "Freedom Celebration" to their communities. I commend the Michigan Concert Choir as it continues to celebrate our 200 years of freedom.

HEALTH MANPOWER ACT
H.R. 5546

HON. ROBERT L. LEGGETT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 18, 1975

Mr. LEGGETT. Mr. Speaker, I would like to voice my support of H.R. 5546. It is needed legislation in a crucial area of concern, the maldistribution of physicians and health care services.

The medical schools and other health care related institutions in question here are funded by the Federal Government on the sound basis that they are a national resource. The Federal Government now provides more than 45 percent of total medical school support, and in the past this has been unconditional funding. H.R. 5546 would continue to provide direct assistance to health care institutions and students but would stipulate that the Federal Government take a more active role in determining policy, in an effort to bring about needed changes in the quality, quantity, and distribution of medical services in the country.

I am pleased to note that this bill provides for the expansion of such laudable programs as the capitation grant program and the National Health Service Corps—NHSC—scholarship program. It would provide direct assistance to schools of medicine, osteopathy, dentistry, public health, optometry, veterinary medicine and podiatry on a per student basis on the condition that these schools would have to expand enrollments to include students from States without separate institutions, and place training facilities whenever possible in rural field locations.

Since implementation in 1963 of the Health Profession's Educational Assistance Act, which was extended and broadened in 1965, 1968, and 1971, first year enrollments in medical schools have increased from almost 9,000 to nearly 14,000. Graduations increased in this same 10 year time span from 1963 to 1973 from 7,300 to 10,500. The Nixon administration claimed in 1974 that the Nation's health manpower shortage was "rapidly ending". President Nixon alleged in his February 1974 health message to Congress:

> The Nation's total supply of health professionals is becoming sufficient to meet our needs during the next decade. In fact, oversupply could possibly become a problem.

Even if it were true that the "aggregate" supply of physicians and other health professionals was sufficient to create problems of "over-supply", the situation is dependent upon an analysis of distribution of the aggregate before any conclusions of adequacy or inadequacy can be made.

If availability of health care is taken into consideration according to various population groupings in the country, it is clear that the supply of health care professionals is maldistributed geographically, the available physicians are maldistributed by specialty and, as an added consequence of these sad facts, we are increasingly reliant upon foreign medical school graduates to supplement our own lack of adequate health manpower.

The number of foreign medical school graduates—or FMG's—entering the United States to practice has increased remarkably during the last 19 years. In 1959, FMG's comprised less than 6 percent of all physicians in the United States. By 1963, that percentage had increased to 10.7. Today it is 20 percent. Recent HEW projections indicate that by 1970 the proportion of FMG's practicing medicine in the United States could be as high as 30 percent. Almost half, or 46 percent, of all physicians newly licensed to practice in 1972 were FMG's.

This constitutes an alarming tendency toward dependence upon foreign manpower to provide health care in this country. Further, our problem is aggravated by this influx due to the fact that the great majority of FMG's are specialists. Only 10 percent of the FMG's in the United States as of December 31, 1972, were in general practice.

In data collected on physician availability, which is the most widely studied area of health care, and has the most reliable numbers and will suffice to demonstrate the kinds of maldistribution affecting the Nation's health consumers, there is a wide variance in patient-to-physician ratios. The disproportionate accumulations of physicians occur, as one might suspect, in the Northeast and the West. New York has 500 patients per physician and California has 595 patients per physician while South Dakota is struggling with 71 physicians for each 100,000 in population, or a ratio of 1,400 to 1. Similarly, Mississippi has a ratio of 1,300 to 1.

On a local scale as well, the disparity between rural and urban health care capabilities is profound, even in the West, which as a whole is relatively well served. In my district, in fact, a substantial area has been designated by the Department of Health, Education, and Welfare as "critically short" of doctors. This region has only one emergency medical facility, and it has faced the necessity of closing due to a lack of medical personnel. The fortunate location nearby of Travis Air Force Base has provided some relief in this situation as military physician have been supplied to staff the emergency room. Were it not for this circumstance, many of my constituents would be faced with the necessity of driving up to 40 miles for emergency treatment.

The national average, which concerns itself with the aggregate totals, is a ratio of 769 persons per physician. When considerations of location are included, the glaring inequities strip away much of the encouragement one might gain from reports of increased enrollments in medical schools. If physicians continue to practice in the areas of their own choice, and if there is no voluntary change in their tendencies to locate in dense population centers, we will find ourselves with maldistribution problems regardless of aggregate supply.

An answer to the dilemma of maldistribution, then, is incentive encouragement of the type outlined in H.R. 5546, where a newly accredited graduate could repay his debt to the Federal Government which has subsidized his education directly through capitation grants and also by assistance to the medical schools and health care related institutions, by serving 1 year for each year of federally funded education in a medically underserved area.

For those who fear that the payback provision establishes a dangerous precedent in Federal assistance programs, on the basis that all recipients of aid may be asked to repay their grants in a similar manner, it is important to point out that the health care capitation grant program is a unique case in which these moneys have been heretofore provided unconditionally. Other institutions have always received funding upon agreement to specific conditions set by the Federal agency administering the funds. The capitation grant payback scheme, with its provision for an alternate to payback in the form of service in areas of public need is a means for a proper level of Federal incentive, while allowing for an acceptable level of freedom of choice for the students and institutions involved. This may help to establish physicians in locations they might otherwise overlook, and would tend to redistribute the investment of Federal dollars more suitable according to the needs of the people.

FOUR YEARS OF LEADERSHIP ON THE TARIFF COMMISSION

HON. ELFORD A. CEDERBERG

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, July 18, 1975

Mr. CEDERBERG. Mr. Speaker, in mid-June our good friend and former colleague, Catherine May Bedell, completed 4 years of distinguished service to the Nation as Chairman of the U.S. Tariff Commission. With Vice Chairman Joseph O. Parker, Catherine Bedell has revitalized an agency whose activities have become increasingly important as we in the United States expand and improve our trading relationships around the world.

The Congress took special note of the need for a strong and effective trade agency when, during the 93d Congress, we passed legislation creating the U.S. International Trade Commission with additional powers and authority. As we face the new round of trade negotiations, talks which will have the most profound effect on our future trade relationships, I think it is valuable to take a backward look to the service of Chairman Bedell and her able Vice Chairman. They have served the country well, and their insights into the problems their agency has faced and the progress toward solutions they have made, can help the Congress as we deal with trade problems and the coming negotiations.

Catherine Bedell has passed the reins of leadership at the Commission, but I am confident that she will continue to serve her country with distinction. Herewith are her thoughts on 4 years of distinguished leadership:

A Report on Stewardship by Catherine Bedell, Chairman and Joseph O. Parker, Vice Chairman

On June 16, 1975, we completed four years of service as Chairman and Vice Chairman of the United States Tariff Commission and its successor agency, the United States International Trade Commission. On June 17, 1975, a new Chairman and Vice Chairman of the Commission assumed these responsibilities under a provision of the Trade Act of 1974 which provides for the rotation of these two positions every eighteen months.

It is with this in mind that we are submitting a brief review of our stewardship for the last four years—one of the busiest and most challenging periods in the Commission's 59-year history.

Upon the assumption of the duties of our offices, we began studying, reviewing and analyzing the work of the Commission in order to make an assessment of its operations and the performance of its statutory responsibilities.

We found a number of weaknesses and deficiencies. The Commission did not have an organizational structure with well-defined lines of authority and responsibility that provided for the kind of supervision and coordination necessary to achieve an efficient operation. The principal units or divisions of the Commission tended to operate more or less autonomously.

The agency was struggling to meet a sharply rising workload. Investigations to be conducted pursuant to statutory direction had more than tripled over the previous year. Complex studies of major significance requested by the President and the Congress pertaining to the competitiveness of U.S. industry, multinational enterprises, customs valuation, and tariff and non-tariff trade barriers were far behind schedule. Appropriate administrative controls were varied and inadequate. A professional staff of unique expertise and ability had been weakened by declining appropriations and was in need of better direction to meet the increased workload and the new demands being made on the Commission. There was an urgent need for modern management and personnel techniques. The building was in a poor state of repair. Working conditions were inefficient and in need of upgrading.

On the basis of our analyses, it was apparent that the agency was understaffed and underbudgeted and was ill prepared to cope with either the demands being placed upon it by a rapidly mounting caseload, or with the demands being placed upon it by the President and the Congress because of prospective international trade negotiations.

After defining the nature of the Commission's problems, our first step was to set up procedures to expedite the completion of pending major studies. A number of other actions were taken to assure that the agency would fulfill its statutory responsibilities and improve its capability to be more responsive to the needs of the Executive and Legislative Branches of government.

The assistance and support of the Executive and Legislative Branches in a budget and staff building process were sought and obtained. Appropriations increased from $4.4 million in FY 1971 to $8.9 million in FY 1975. The Commission's authorized ceiling of permanent positions for the same period increased from 255 to 400.

Concurrently with the budget and staff building process, consideration was given to the whole question of improved management and organizational effectiveness. Previous management studies and executive reorganization plans in which recommendations had been made but never adopted were reviewed.

At the Commission's request, the Office of Management and Budget brought together a group of experts from the Civil Service Commission and other departments of the Federal Government to assist in analyzing the Commission's internal organization and administrative and management procedures. The report of this expert group was submitted to the Commission for its consideration.

Upon further analysis of this and other reports, the Commission instructed the staff to develop a reorganization plan designed to meet specific needs. As the Commission was about to take action on these recommendations, the Congress began its consideration of legislation which ultimately became the Trade Act of 1974. The Chairman of the Senate Committee on Finance requested the Commission to defer action on any internal organization decision until the Congress had worked its will on the Commission's statutory functions, and it had had the benefit of the views of the General Accounting Office.[1] We have been advised that the General Accounting Office has completed its review, and the report of the Comptroller General has recently been forwarded to the Senate Finance Committee.

While reorganization was aimed at the long-range overall improvement of the agency's operations, it was necessary for the Commission to take a number of actions that enabled it to conduct more efficiently its day-to-day operations within the existing organization. The Commission established the position of Executive Director and delegated to that office extensive responsibilities for internal administrative minutiae which gave the Commission more time to devote to substantive policy.

An Office of Personnel and Management Systems was established. That office has enabled the Commission to improve personnel management and to assure compliance with Civil Service Commission regulations and requirements, thus meeting the criticisms that had been made by the Civil Service Commission. This has resulted in major improvements in the Commission's recruitment techniques and procedures, and enabled the Commission to meet its personnel needs more expeditiously.

A survey and review was also made of the Commission's records management capability with assistance from the National Archives and Records Service. This review disclosed a number of deficiencies, which are being corrected. Historical records and other records not needed on a current basis have been transferred to Archives.

Important steps were also taken to improve the working environment for Commission employees, including building renovations and an upgrading of office space and facilities and an overall improvement of employee work conditions. Internal communications have been improved. Greater use has been made of automatic data processing, microfiche, and other mechanical aids to improve the quality and capability of the Commission's work and to improve work productivity.

While taking these steps, work continued on the long-term goal of improving and strengthening the Commission in all areas of responsibility. Requests were made and approval was given by the General Services Administration and the Congress for a major renovation of the Commission building which is designed to bring the building up to Federal standards in all respects. All the necessary preparation work has been done, and the course of direction has been set on the $5.7 million program.

One of our major goals, that of the efficient reorganization of the agency has not yet been accomplished. In our judgment, this is essential if the Commission is to carry out its responsibilities efficiently and to provide the assistance to the Congress and the President that is expected. As heretofore indicated, our work in this respect was interrupted, but the major studies and analyses have been completed. The problems have been identified, and the course of direction is clear.

As soon as the report is received from the Comptroller General and the Commission has heard further from the Chairman of the Senate Finance Committee, it will be in a position to complete its reorganizational task.

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[1] The Commission had earlier requested assistance from the General Accounting Office but was advised that it would not be able to respond because of its pending workload.

In our judgment, with improved reorganizational effectiveness, the Commission can establish and maintain a higher state of readiness and be in a position to provide the Congress and the President with timely advice and economic foresight on the complicated issues relating to international trade.

DÉTENTE ATTACK

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, July 18, 1975

Mr. DERWINSKI. Mr. Speaker, by extending an invitation to host the visit of Russian author, Alexandr Solzhenitsyn, AFL–CIO President George Meany has, in my judgment, performed a great service in promoting the knowledge of the oppressive conditions under Communist totalitarianism.

A very timely and thoughtworthy commentary on Mr. Solzhenitsyn's address to the AFL–CIO appeared in the July 12 edition of the weekly newsletter of the Illinois State AFL–CIO, whose highly respected editor, Stanley L. Johnson, serves as president of the Illinois State AFL–CIO.

I believe the Members will be especially interested in reading this commentary which expresses Alexandr Solzhenitsyn's personal viewpoints, in light of current developments:

Détente Attack

America and other Western democracies, apparently blinded to the true goals of worldwide communism, will pay a heavy price if they do not soon abandon their present policy of detente with the USSR, Soviet dissident Aleksandr Solzhenitsyn warned at an AFL–CIO banquet honoring the exiled Russian novelist.

Speaking bluntly to his audience of 2,500 labor leaders and government officials including two Cabinet members of the Ford Administration, the Nobel laureate declared that "the Soviet Union has used detente in its own interests, is using it now and will continue to use it in its own interests."

Nothing has changed in Communist ideology, Solzhenitsyn said. The goal are the same as they have been since the Bolsheviks rose to power in the Revolution of 1917–20: the subjugation of peoples everywhere, he charged.

Speaking in Russian, his words translated and simultaneously delivered in English, Solzhenitsyn praised the American Labor Movement for its continuing anti-Communist position.

"The AFL–CIO has never given in to these illusions," he said. "The American workers' movement has never allowed itself to be blinded and mistake slavery for freedom. And I today, in behalf of all of our oppressed people, thank you for this."

He noted that the AFL, in 1947, while liberals of the West were swearing there was none in the USSR, published and distributed a map of the Soviet chain of slave labor camps. The maps matched the author's account of the camp system in The Gulag Archipelago, his own account of Soviet internal oppression.

"On our crowded planet there are no longer any internal affairs," Solzhenitsyn said, paraphrasing a passage from his 1972 Nobel Prize lecture.

"Interfere more and more" in Soviet affairs, he urged. "Interfere as much as you can. We beg you to come and interfere.

"Whenever you help the persons persecuted in the Soviet Union," he reminded his audience, "you not only display magnanimity and nobility, you're defending not only them but yourselves as well. You're defending your own future." . . .

"The situation in the world is not just dangerous," he said.

"It isn't just threatening—it is catastrophic. Something that is incomprehensible to the ordinary human mind has taken place," he continued. . . .

"We already hear voices in your country and in the West—'give up Korea and we will live quietly. Give up Portugal, of course, give up Japan; give up Israel; give up Taiwan, the Philippines, Malaysia, Thailand, give up 10 more African countries; just let us live in peace and quiet.'

" 'Just let us drive our big cars on our splendid highways; just let us play tennis and golf in peace and quiet; just let us mix our cocktails in peace and quiet.' "

But these are voices of people who do not understand the true nature of communism, Solzhenitsyn declared.

"The Communist leaders respect only firmness and have contempt and laugh at persons who continually give in to them," he added. "I can tell you that only firmness will make it possible to withstand the assaults of Communist totalitarianism." . . .

Recalling the political philosophy of Aristotle, Solyzhenitsyn observed: "One cannot think only in the low level of political calculations. It's necessary to think also of what is noble, and what is honorable—not only what is profitable.". . .

Solzhenitsyn's address was his first major speech in the West since he was deported and deprived of his Russian citizenship by Soviet leaders in February 1974. His exile followed publication of The Gulag Archipelago.

AFL–CIO President George Meany, who had invited the noted author to make a Federation-Sponsored lecture tour of the U.S. shortly after his deportation, introduced Solzhenitsyn as "the single figure who has raised highest the flame of liberty."

"The American Trade Union movement," Meany noted, "from its beginning to the present, has been dedicated to the firm unyielding belief in freedom—freedom for all mankind, as well as for ourselves.

"God knows, the world needs to think more about human freedom. The world needs to think more about those who are losing their freedom every day," Meany said.

NATIONAL CAN CO. MOVES ON ILLEGAL ALIEN PROBLEM

HON. MARTIN A. RUSSO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, July 18, 1975

Mr. RUSSO. Mr. Speaker, one of my chief concerns as a member of the Judiciary Subcommittee on Immigration, Citizenship, and International Law has been the problem of illegal aliens and their impact on our serious domestic employment situation.

The Immigration Subcommittee under the distinguished leadership of Chairman Eilberg has recently completed action on H.R. 8713, which seeks to deal effectively with this matter. As a cosponsor of the Rodino-Eilberg bill, I am pleased to say that it will come before the full Judiciary Committee next week. Hopefully, it will be acted on by the House in the near future.

Thus, Mr. Speaker, the people's representatives are doing their part to deal with this difficulty. However, as with everything we deal with in Congress, the people—individuals, business, labor—must be willing to take action themselves if the problems are to be solved.

I would like to take this opportunity to call to the attention of our colleagues an instance of just such necessary cooperation by private industry. The National Can Co., headquartered in Chicago, has recently instituted a program to insure against the hiring of illegal aliens. National Can President Frank W. Considine has stated that his company's goal is to open up more jobs for legal residents of the United states:

> Our goal is to put the U.S. worker back to work, as quickly as possible.

I am sure that our colleagues, Mr. Speaker, join me in commending National Can for its pioneering efforts in this area and hope that other companies will soon undertake similar responsible approaches to meeting the illegal alien problem.

At this point, I insert in the Record Mr. Considine's letter to me and a news release describing the measures his company has instituted:

June 3, 1975.

Hon. Martin A. Russo,
House of Representatives,
Washington, D.C.

Dear Congressman Russo: At our annual shareholders meeting on April 11, 1975, I made the announcement that the National Can Corporation was adopting a policy to insure against the hiring of illegal aliens. Furthermore, that the corporation, and I personally, would be spearheading a drive to recruit other businesses to do the same.

General Leonard Chapman, Commissioner of the United States Immigration and Naturalization Service, has assured me that if all of business would adopt a similar policy, more than one million jobs would be opened up for U.S. workers within a matter of months; an additional two million jobs could be opened up over a period of three to four years.

I know how deeply concerned you personally are about the unemployment in the United States today, therefore, I hope that I can count on your support in this program.

We would welcome any comments or suggestions you have concerning this program. A press release summarizing my remarks at our annual meeting is enclosed for your information.

I look forward to hearing from you soon.

Sincerely,

F. W. Considine.

National Can Enacts Measures To Insure Against Hiring Illegal Aliens—Heads Drive To Recruit Other Business to Do the Same

Chicago, Ill., April 11.—With unemployment at an all-time high since the depression, National Can Corporation announced today that it is enacting measures to insure against the hiring of illegal aliens.

According to the United States Immigration Service, it is the first major U.S. corporation to publicly adopt such a policy.

Frank W. Considine, president and chief executive officer of National Can, in making the announcement at the corporation's annual meeting in Chicago, said that in addition to its own policy, National Can would spearhead a drive in cooperation with the U.S. Immigration Service to get other companies to adopt similar measures. Considine personally will head up the drive.

General Leonard F. Chapman, commissioner of the U.S. Immigration Service, said that a concerted effort by all of business not to employ illegal aliens would help to open up more than one million jobs for unemployed U.S. workers within a matter of months; it could make available over a period of three to four years an additional two million or more jobs.

"The time when our nation could absorb the world's unemployment is long past," Considine said in making his announcement. "I don't see how we can any longer justify taking lightly the hiring of people who enter the country illegally, violating our laws, when so many of our own people are begging for jobs."

Considine stated that government statistics show that illegal aliens don't just occupy the low paying, unwanted jobs.

"Quite to the contrary," he said. "Illegal aliens hold jobs throughout our entire employment stream.

"It is estimated that more than one million illegal aliens are in New York; more than half a million in Chicago," Considine continued. "You can be sure that the people employed in these areas aren't harvesting crops."

According to the Immigration Service, more than two and one-half million illegal aliens come into the United States each year. They arrive from nearly every country in the world.

As unemployment in Europe continues to grow, the number of illegal aliens migrating to this country is expected to rise.

According to General Chapman, the surest way of shutting them out is to turn off the magnet that attracts them here . . . jobs.

"This is what we are trying to encourage major corporations to do," General Chapman said. "This is why National Can's public policy and leadership role in this vital issue is so important to our solution to the illegal alien problem."

National Can is listing on all of its employment forms, both temporary and permanent, salaried and hourly, the question: "Do you have the legal right to be in this country?"

It is posting signs in each of its plants, informing workers of the company's policy on the employment of illegal aliens. It is informing each of its employees that it is cooperating fully with the U.S. Immigration Service and that plants will be open for regular immigration inspection.

"This puts the illegal alien on notice that National Can is one company to avoid," General Chapman said.

"If more corporations would adopt this policy it would eventually transmit to the illegal alien that there are no jobs for them here. It would discourage them from coming to America on an illegal basis."

The General said that illegal aliens who were employed at company plants posting this information would most likely leave.

"They know that sooner or later with our regular inspections that they would be detected," he said.

Considine stated that this is of course National Can's goal . . . to open up more jobs for legal residents.

"If we can do something to help ease the unemployment problem in the U.S.," Considine said, "then we feel that we will have truly accomplished something.

"Our goal is to put the U.S. worker back to work, as quickly as possible. We feel that this program with the U.S. Immigration Service is an important step in the right direction."

National Can Corporation has 62 plants across the U.S. It employs over 14,000 people. In addition to its U.S. plants, the company has 12 plants overseas. Its 1974 annual sales were $710 million.

AROOSTOOK'S MAGNIFICENT GADFLY

HON. WILLIAM S. COHEN

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Friday, July 18, 1975

Mr. COHEN. Mr. Speaker, some of my colleagues from urban districts with heavy concentrations of television and radio stations and multisection daily newspapers may not pay very much attention to weekly newspapers. But those of us from more rural areas, such as my district in Maine, realize that weeklies, the most durable news medium in American history, continue to be a vital form of communication in small towns throughout this country.

Weekly newspapers are the last bastion of true individualism in American journalism. Unlike the corporate product of vast staffs which work in urban television, radio and newspaper operations, many newspapers remain one-man operations. The weekly editor traditionally has been writer, editor, printer, and publisher, all rolled into one, and he frequently performs the function of conscience of the community as well as reporting the goings-on about town.

One of the finest examples of this vanishing breed of American journalists is Kingdon Harvey, who for 45 years has published the Fort Fairfield, Maine, Review. King Harvey's Review has an influence in Aroostook County and throughout the State much greater than its small circulation—only 2,300 copies—seems to warrant.

The prestige of the paper comes from its editor, a verbal battler who holds no institution sacred and whose forthright pronouncements in his "Tom E. Rott" column have pricked the egos of scores of politicians, both State and local, over the years. King Harvey, at 67, is a character to be reckoned with in northern Maine and few in Aroostook County are inclined to take his opinion lightly.

Mr. Speaker, Kingdon Harvey is the subject of a delightful story by Richard W. Sprague which appeared in the April–May–June edition of the Bangor and Aroostook Railroad's Maine Line magazine. I am inserting this article at this point in the Record, and I commend it to the attention of my colleagues:

Aroostook's Magnificent Gadfly

(By Richard W. Sprague)

The weekly newspaper may be diminished from what it was in American journalism but it's still a powerful force in shaping public opinion and influencing the course of events in thousands of American small towns. There are surely more exciting areas of journalism but none, perhaps, where an editor can better savor the direct relationship between what he does every week and its impact on the community.

The Maine weekly has changed considerably in the past 25 years from sovereign, one-man shops to large operations often owned by larger interests. That's not to say that things have changed for the worse; there's a new professionalism in the modern weekly and a competence that may have been missing in the old days. But the Maine weekly of 1975 seems somehow to lack the color and character of, say, John Gould's Lisbon Falls Enterprise or the fire of Jerry White's Eastport Sentinel.

There are still a few practitioners of the traditional art of personal weekly journalism. They stand like old pines towering above the sky line, often battered by the elements but sturdy enough to endure the punishment. Aroostook County has its own resident curmudgeon and gadfly in Kingdon Harvey, editor of the Fort Fairfield Review.

Not even his close friends would describe the crusty editor of Fort Fairfield's weekly as a benevolent man. A quality of personal warmth notwithstanding, the 45 years he's spent behind the huge roll-top desk as editor, printer, office manager, linotype operator, pressman and general factotum have endowed him with the friendly disposition of a grizzly bear.

He is firmly dedicated to the belief that anything that can happen, will happen and that if you expect it, you won't be surprised or unhappy. It's a philosophy that's made him a crackerjack newspaperman. It has made him a host of enemies among bureaucrats, politicians, corporate types and not a few of his colleagues. But it has also gotten him a few close friends and earned the respect of a lot of people far removed from the Review's circulation area.

In fact the Review, with a circulation of only 2300, occupies a position in Maine journalism far out of proportion to its size. The prestige is the direct result of the editor's blunt honesty, his propensity to hurt darts at the powerful, the corrupt and the officious and a total indifference to any opinion anyone might hold of him.

In appearance, Kingdon Harvey fits his image. His towering forehead and fierce eyes give the impression that he has been welnamed. He holds court—after the Review is out on Wednesdays—in an incredibly cluttered office dominated by the roll-top desk used by hs father Chandler Cushman Harvey when he was editor, a battered feather couch and dozens of photographs. Without the deadline, Kingdon Harvey comes across as a witty and urbane man of great personal warmth.

His particular delight is politics and politicians and if he can ever be said to become expansive, it's when he speaks of it. If there's anything that pleases him more than to catch a government agency with its soiled laundry exposed, it's a good political battle.

For his prominent targets, there's often been a temptation to dismiss his pen because of the relative insignificance of the Review or to give battle. Either course is a mistake, the former because the Review is Kingdon Harvey and has clout out of proportion to its size, and the latter because doing battle with the Terror of Fort Fairfield is a lot like hand-to-hand combat with a porcupine.

"I guess the most fun I ever had," he muses, wreathed in the smoke of the rank cigars he favors, "was in the primary fight the year Fred Payne ran against Owen Brewster for the Senate. The Bangor Commercial, the Eastport Sentinel and the Review helped tip the scales a little in that election. I guess I've known every governor personally since Brewster in 1925. Burt Cross theatened to sue me for libel once."

The principal vehicle for his arrows is the Tom E. Rott column he writes which is the feature most Review readers turn to first. It's a composite of his sharp wit, folksy news and frequent backhanders at his adversaries. That list currently includes certain of Fort Fairfield's town council who have excluded him from parts of their sessions, the U.S. Weather Service (the "Whether" Bureau in the Harvey vernacular), the Postal Service and occasionally the telephone company and the railroad.

In the halcyon days of railroad monopoly and Populism, the railroad once sued Harvey's father for libel—an action, happily, they lost.

He has tilted with such diverse adversaries as former Senator Margaret Chase Smith and the Bangor Daily News in his column. He once wrote that "it has been reported that Senator Brewster owns a substantial share of stock in the News", a paragraph that brought an indignant denial from the publisher threatening a libel suit if the paper lost circulation as a result of the report. Delighted, Harvey promptly shot off a letter to the publisher explaining that he understood why the paper might lose circulation from such a report, "but," he wrote, "don't you think you ought to cut me in for a share of any increase that results from your denial?"

He can also get a chuckle out of the times an adversary has drawn blood in an exchange. After an editorial exchange with Gov. Burton Cross, Harvey met the Governor at a social function. Never a man to be uncivilized, he went out of his way to shake hands with the official.

To make conversation he added with a grin, "I was by your place the other day but I couldn't stop."

The Governor faced him with a cold eye and replied:

"Thanks."

Harvey doesn't exactly treasure the memory but he can laugh about it.

He'll go to the wall for a cause he believes in, no matter what it costs him or anyone else. He was loudly critical of the handling of the Cyrus Everett and Donna Mauch murders in Fort Fairfield in 1967. For two years after the killings (still listed as unsolved) he carried the names and death date of the victims each week.

His detractors have suggested that his pen is more vitriolic than just and have labeled his paper the Fort Fairfield Revenge. And it's probably accurate to say that no one could describe his crusading as restrained. But even his enemies accord him a grudging respect for his blunt, lay-it-on-the-line honesty and his willingness to give anyone a chance to reply in the columns of the Review.

Harvey got into the newspaper business after journalism at the University of Maine when he went to work for his father.

"1930 was a big year for me," he chuckles. "I graduated from the University, married Erm and went to work for Dad."

It was a different world that Kingdon Harvey entered from what would confront today's weekly editor. There was little radio, no television, in short, no competition for either the advertising dollar or the news story.

"You could sit on a story for six days if you had to," he says. "We had as many as ten people working here and put out a 12-page paper every week."

When his father died in 1940, Harvey became editor and worked for his mother until her death in 1967. Only once, he remembers, did his mother ever question a decision. During the time that he had turned his editorial needle on Senator Smith, she canceled her subscription "for economy reasons". Mrs. Harvey an admirer of the Senator, asked that she continue to receive the paper, a request that Harvey continued until his mother's death.

During lean years and in the times when printers, the most nomadic of artisans, would leave at awkward times, Harvey spent as much time on the linotype machine and the press as he did writing for his paper. Once, he recalls, he spent 33 consecutive hours in the shop without leaving. But when Urban Renewal came to downtown Fort Fairfield and claimed his plant in 1971, he decided to sell the machinery on which he'd spent so much of his life and contract the printing to a modern offset plant in Presque Isle.

"The only machinery I have now is a typewriter," he laughs. "Sometimes I look at my hands and I say to myself, "Harvey, you can't be working with hands as clean as that. But after working with letterpress for 41 years, offset was sheer magic to me."

When his wife, a gentle woman of intelligence and wit, died in 1974, some of the Harvey fire went out. For a lifetime Erm Harvey's grace and beauty had taken much of the sting from her husband's blunt ways.

A lesser man (". . . marrying Erm was the best thing that ever happened to me . . .") might not have straightened his back after such a blow. But Harvey with bulldog determination, began to pick up the pieces of his life doing the only thing he loved . . . newspapering.

At 67, weathered slightly and battle-scarred but still spare and straight, Kingdon Harvey looks back without regrets on a career in weekly journalism that spans 45 years. He had been a columnist for a daily newspaper as well as a radio commentator. He cannot remember the last time he had a vacation. It's a good thing, as he points out, it's so much fun because it's such damned hard work.

Is this crusty and proud man a latterday Don Quixote tilting at windmills? Is it all sound and fury and drudgery—as some regard weekly journalism—without much meaning? Or is this really where what's important and enduring in our country is happening?

A man who lives far from Aroostook County and who has never met Kingdon Harvey answered the question this way: "I don't know the fella. I read his paper. I don't always agree with him but he's got guts. I wish there were a whole lot more like him."

The fact is Kingdon Harvey is an individualist in an age that gives lip service to the notion but hates it in practice; even the rebels wear uniforms of depressing similar cut and speak the same lines.

He is a splendid anachronism in an era of structured knowledge and stylized behaviour. If he were younger, his survival odds would be a little lower than those of a saber-toothed tiger. But society senses a fading in the fierce, green eyes and is willing to indulge the aging warrior.

We should cherish the Kingdon Harveys of the world. They add character and zest to our lives.

And there are never enough of them.

CALIFORNIA NATIONAL GUARD: ALWAYS AT WORK

HON. ROBERT L. LEGGETT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 18, 1975

Mr. LEGGETT. Mr. Speaker, it is said, "They also serve who only stand and wait." That is the principle we apply in maintaining our large Guard and Reserve forces—ready when we need them, and serving by standing and waiting for that time. In California, however, the National Guard is not content just to stand around.

Our Guard has geared itself to assist our communities at a moment's notice. Its community service program is organized all the way from a central office to control its statewide effort down to each unit's community service coordinator. Last year the California Guard participated in almost 8,000 individual community projects, donating almost 120,000-man hours to various projects. Many were of the type one would expect of a military organization—providing color guards for parades, patriotic exhibits for county and State fairs, and personnel support for such things as Memorial Day celebrations. Others, however, were projects less obviously in the province of the Guard, even though they were perhaps a greater service. Projects of this type included:

Placing and collection of Easter Seal cannisters. In Sacramento alone, the Guard contributed 96-man hours to the benefit of 1,500 Californians;

Assorted projects to support the Boy Scouts, to which the Guard contributed over 1,700 man-hours to benefit almost 1,500 Sacramento-area Scouts; and

Grading and resurfacing a playground at an elementary school in my own hometown of Vallejo. This project, to which the Guard contributed not only some 250 man-hours, but also its engineering expertise, will benefit some 600 children annually;

Transportation of underprivileged children in the Sacramento area to Marine World and Santa Cruz beaches. This undertaking involved a contribution of only 16 man-hours, but benefited 39 deprived young Americans;

Provision of personnel and equipment to improve a nature area of Woodridge Elementary School in Sacramento. The Guard in this instance contributed 160 man-hours in order to bring an annual benefit to 600 first-through-sixth graders;

Support for a March of Dimes walkathon in Sacramento County. This project created much citizen interaction and participation as the effort sought to ease the suffering of 3,500 handicapped beneficiaries. The Guard contributed 800 man-hours;

Storing, repairing, collecting, and distribution of toys as part of a toys for tots program in Santa Rosa. The Guard, in a major effort, contributed 4,000 man-hours which benefited 100 California children during the Christmas season;

Supplying personnel for an ecology drive in Oakdale. This project, to which the Guard contributed 1,150 man-hours, is estimated to directly benefit the lives of 500 people;

General renovation and improvement of a boys' ranch in Redding. Guard contributions here of 720 man-hours is expected to benefit 100 annual residents of the estate;

Administration of blood pressure tests in the Los Angeles metropolitan area. This exercise had the Guard contributing 240 man-hours for a benefit to 600 California citizens;

Provision of transportation for high school students to a wilderness area for a backpacking survival class. Twenty-two Lone Pine students benefited from a Guard contribution of 480 man-hours.

Projects of this type, which benefited over 1.6 million Californians last year, held to emphasize the caliber of people the Guard attracts. The desire to serve, evidenced by these undertakings, is just one more reason why we in California are proud of our National Guard.

CONSERVE OUR NATIONAL ENERGY RESOURCES

HON. ALPHONZO BELL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 18, 1975

Mr. BELL. Mr. Speaker, any plan to conserve our national energy resources must be a part, though a large part, of our total national energy program. This national program will encompass increased production, new technologies, and conservation as its major components. All of our efforts under each of these three areas of the energy plan must conform to our national policy goals which are the focus of this plan. These national goals were mentioned in the national plan for energy research, development and demonstration, recently supplied by ERDA, and I wish to quote them:

> To maintain the security and policy independence of the Nation.
>
> To maintain a strong and healthy economy, providing adequate employment opportunities and allowing fulfillment of economic aspirations (especially in the less affluent parts of the population).
>
> To provide for future needs so that life styles remain a matter of choice and are not limited by the unavailability of energy.
>
> To contribute to world stability through cooperative international efforts in the energy sphere.
>
> To protect and improve the Nation's environmental quality by assuring that the preservation of land, water, and air resources is given high priority.

These are goals which we must aim toward with every project we institute, whether it be for conservation, increased production, or new technologies.

The options which we have open to us, as a Nation, to solve the energy resources shortage are in fact very limited. Our present energy consumption is inverted with respect to our supplies. The United States currently uses the largest amount of energy from its least abundant national supplies, and uses the least amount of energy from its most abundant supplies. Over 75 percent of our national consumption comes from petroleum and natural gas supplies, while coal, our most abundant supply, provides only 20 percent of our national energy needs. Uranium and solar energy, two of the energy sources with the most potential, have hardly been developed.

The latest energy resources statistics which have been released by the U.S. Geological Survey show that we are rapidly running out of our present petroleum and natural gas supplies. History has taught us that it has taken some 60 years from the point at which a transition to a new energy resource was first discernible until that resource reached its peak use and began to decline. However, these latest estimates show that production will drop rapidly in the mid-1980's. It is unlikely that any new major energy resource could be ready by that time.

We urgently need to both increase our domestic production and at the same time start an intelligent conservation program. Enhanced recovery, which requires some technological development, will buy us roughly 10 years. Adding new sources of supply such as the Elk Hills Naval Petroleum Reserves—which are already in existence—plus new discoveries, will help us satisfy our national needs for a little while longer.

However, even those near-term solutions will require some time before they can have a significant impact. Many of the new techniques for enhanced recovery still must be developed to commercial status. Furthermore, there is a long lead time from discovery of new petroleum reserves, both onshore and offshore, until the oil begins to flow. So we are left with the problem of what programs can be implemented immediately to have a positive affect on our rapidly depleting reserves.

The answer, of course, is conservation on the individual, local, State, and national levels.

Conservation could have a tremendous affect on a day-to-day basis. By resetting thermometers by 3 degrees, we could save 450,000 barrels per day in the winter and 100,000 barrels per day in the summer. A 10 percent increase in the efficiency of heating and lighting in buildings could save almost 300,000 barrels per day. A better program of automobile tuneups could save 350,000 barrels per day. Cold water washing could save another 300,000 barrels per day. An increase by one—from 1.3 to 2.3—in the number of commuters could save our 600,000 barrels per day. All of these programs and others are valuable and could be implemented. Some should be implemented while others should not. However, any such implementation, should be done in the context of an overall plan.

Finally, there are two recent developments which make conservation even more desirable. First of all the sudden increase in energy prices makes it imperative that we as a nation, readjust our energy consumption patterns, through increased efficiency of use. Market forces will tend to do most of this, but a national program of energy conservation will spread the difficulties over the entire population. This way all will carry the burden so that no one will have to shoulder a disproportionate burden. Second, there are national needs which eclipse the private market decisions. Our Nation needs to: First, cut the outflow of dollars to purchase oil and gas, and second, to cut our growing dependence on foreign oil and the accompanying susceptibility to foreign interruptions.

In conclusion, we need to develop an overall program of energy conservation as part of our national plan to deal with the energy resource shortages. This is necessary now while supplies are shrinking and before some of the discoveries and new technologies are available. Whenever this Nation has been called upon to meet a problem as a nation, we have never shrunk from the task.

HARMFUL AND INCONSISTENT AGENCY REGULATIONS

HON. CLARENCE E. MILLER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, July 18, 1975

Mr. MILLER of Ohio. Mr. Speaker, overregulation by Government agencies continues to be one of the most serious problems this country faces. Some Members of Congress seem content to add layer upon layer of bureaucracy to the Government while giving these bureaucrats excessive regulatory powers. Unfortunately, it is the citizens beyond Washington who pay the price for this overregulation. A classic example of this problem was recently pointed out in a column in the Washington Star. I would like to insert it in the RECORD at this point for the benefit of my colleagues:

[From the Washington Star, June 23, 1975]

HARASSMENT OF HOSPITALS COULD PROVE EXPENSIVE

(By James J. Kilpatrick)

DAYTON, OHIO.—The federal government's involvement in health care grows larger all the time, and perhaps inevitably, the federal bureaucracy grows along with it. If you happen to be in the hospital business, your life has become an endless hassle.

The Kettering Medical Center, a teaching institute with 409 beds and a staff of 1,400, stands handsomely in a parklike setting just south of Dayton. Completed 11 years ago, it is as modern an institution as one could ask. By any rational standard, it is completely safe. But the Kettering is in deep trouble with the bureaucrats. More than a hundred other hospitals, in 35 states and the District of Columbia, are in the same fix.

In the bureaucratic view, the situation is pure heaven. For the harassed hospital administrators, the situation is something else. In some fashion, the administrators must satisfy the captious, conflicting, nitpicking, and sometimes foolish demands of competing agencies. If patients and taxpayers truly benefited from this rigamarole, the multiplying rules, regulations and inspections might be justified. No such benefits are apparent.

The Kettering's problems are entirely typical. At the time it was built, the medical center complied fully with the Ohio building code, the municipal fire code, the Hill-Burton construction requirements, and the demands of the underwriters. The hospital was inspected and accredited by the respected Joint Commission on Accreditation of Hospitals (JCAH).

Three years ago, the Department of Health, Education and Welfare got congressional approval for its notion that JCAH accreditations should be "validated." That is, the government's own inspectors, applying their own criteria, should check around. At random, the government selected 144 hospitals for validation. One of them was the Kettering Medical Center.

Last September the validators descended. Dr. M. H. Schaffner, Kettering's president, still is shaken by the experience. The surveyors praised the institution's construction and maintenance, but the team from HEW had its paperwork job to do. By applying its own standards, HEW compiled a bristling "statement of deficiencies." The hospital was ordered promptly to submit a plan of correction.

One complaint had to do with the hospital's airflow system. It was immaterial to the HEW surveyors that the system was safe, efficient and fully in compliance with state and local requirements. Kettering's windows are kept locked—a key is at every nursing station—for sound reasons of patient security and airflow engineering. Never mind, said the bureaucrats. The fenestration must be redesigned and replaced so that windows may be opened. If a sick or deranged patient falls or jumps to his death, too bad.

A hassle developed over wastebaskets. The validators said plastic liners were prohibited, lest a spark ignite a bag and create toxic smoke. Dr. Schaffner said plaintively that if he took the bags out of the wastebaskets, he could be cited by the Occupational Safety and Health Administration. Under OSHA regulations, the liners are required, lest hospital workers be infected by handling contaminated trash. An informal compromise was reached. Dr. Schaffner would take the liners out while the HEW inspectors were on the scene, and put them back for the OSHA people.

In an effort to get along, the Kettering has corrected many of the supposed deficiencies. It would cost an estimated $500,000 to remedy every complaint. The cost ultimately would fall on the patients, who would be not one whit better off. If the hospital fails to comply, HEW could cut off its reimbursement for Medicare and Medicaid patients.

Of the 144 hospitals subjected to validation inspections, 105 lost their accredited status. In 16 states, every hospital failed to qualify. It is only a matter of time, one may be certain, before HEW proposes to extend its own regulations not merely to a random sample of American hospitals, but to all hospitals throughout the nation.

What a dream! Thousands of inspectors! Tens of thousands of clerical assistants! Millions of reports, surveys, studies, summaries, notices, letters, documents! And when "validation" is added to "utilization review" and to a mind-boggling survey of the hour-by-hour activities of hospital physicians the bureaucratic vision becomes apocalyptic. In the end, every taxpayer, and every patient, must pay the bill.

OPPOSITION TO H.R. 5900, THE "COMMON SITUS" BILL

HON. IKE F. ANDREWS

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 18, 1975

Mr. ANDREWS of North Carolina. Mr. Speaker, it appears that the House will soon determine the fate of H.R. 5900, the "situs picketing" or "secondary boycott" bill. I am opposed to this bill, and a recent survey conducted by Opinion Research Corp. of Princeton, N.J. shows that more than two-thirds of the public is opposed to it. I wish to insert the results of this survey in the RECORD for the information of my colleagues.

Although this is a "union sponsored" bill, the survey indicates that even a majority of union members—57 percent—are opposed to it.

I do not consider myself antiunion—nor am I seeking to establish such a position—but I truly believe this proposal to be an unreasonable and unnecessary threat to the settlement of labor-management disputes and needed productivity. I hope my colleagues will join me in opposing this bill.

The Business Roundtable has recently received from Opinion Research Corporation of Princeton, New Jersey, results of the tenth in a series of nationwide surveys it has commissioned of public and union member thinking on matters related to labor law reform and the collective bargaining process. That study will shortly be disseminated publicly, as have previous ones in the series.

Contained in the 1975 survey is a question on the specific subject of union picketing at construction sites. The following is a direction quotation from the Opinion Research Coporation report:

Since 1974 there has been a drop in public sentiment for restricting picketing to the work of the contractor with whom the union is disputing, although favor still is at the two-thirds level.

Today 68% favor restricting such picketing, compared to 73% in 1974; 21% today would allow picketing of an entire building site, up six percentage points in the past year.

Among union members there have been very little change over time. Today 57% would limit picketing to the contractor with whom the union has a dispute while 36% want unions to be able to picket the whole building site.

"On building sites many unions represent different kinds of employees of contractors working there—electricians, carpenters, plumbers, and so forth.

"When one of the unions is striking against one of the contractors, which of these two rules do you think should apply?

"A. The union should only be allowed to picket the work of the contractor with whom it has a dispute and not the whole building site or—

"B. The union should be allowed to picket the whole building site, even if it stops work of all other contractors and employees."

[In percent]

	1966	1967	1968	1969	1970	1971	1972	1974	Latest survey
General public:									
Favor A	68	68	71	71	69	70	72	73	68
Favor B	15	18	15	17	17	14	15	15	21
No opinion	17	14	14	12	14	16	13	12	11
Union members:									
Favor A	55	55	60	60	57	58	58	61	57
Favor B	37	39	33	35	35	35	36	34	36
No opinion	8	6	7	5	8	7	6	5	7

Sentiment favoring limited picketing is high among: 30–39 year olds (72%), members of professional or clerical families (77%), residents of small urban communities (74%), residents of Western states (72%), people in upper-income families (75%), and thought leaders (72%).

These results are based on a nationwide probability sample of 1,022 persons 18 years of age and over, taken during the period January 10 through February 3, 1975. Respondents were interviewed personally in their homes by trained ORC interviewers, and the interviewing vehicle employed was the ORC Caravan service.

Opinion Research Corporation's master sample is based on a new probability sample design prepared in consultation with the late J. Stevens Stock of Marketmath, Inc., and modified and updated periodically by ORC.

In its technical appendix to the complete survey, Opinion Research Corporation describes its probability master sample as follows:

"The essential characteristic of probability sampling is that, for each person in the population under study, the probability that he will be included in the sample can be specified. This means that the degree of reliability of any finding from a study based on probability sample can be estimated mathematically.

"The ORC sample design is a major improvement over standard areal probability designs now in common use. These areal methods depend upon the use of maps showing geographic segments from which rough population estimates can be made. These maps are often out-of-date and otherwise inaccurate, and population estimates are frequently unreliable for small geographic areas, particularly as time passes from one census to another.

"The new sampling method eliminates these important problems of traditional probability sampling by using current address directories as the basis for a system of defining interviewing starting points—a system which, of course, also includes sample households not in the directory. The new method is both statistically and administratively efficient as possible, providing the most reliable data for any given expenditure."

Samples used in prior years on which the above question on construction site picketing was asked generally involved about 2,000 interviews. Comparing the results for the total public obtained in this survey of approximately 1,000, differences of 3% to 5% are needed before they can be regarded as statistically significant.

The drop from the 73% of the total public favoring "Plan A" in 1974 to the 68% favoring it in 1975 can be regarded as statistically significant on a 95-out-of-100 chance basis. Likewise, the increase in the total public vote of 15% to 21% in favor of "Plan B" is significant on the same basis.

By contrast, the differences in union member thinking from 1974 to 1975, representing sub-samples of the total public and hence smaller numbers of people, are within the bounds of statistical chance and cannot be regarded as significant.

ALEXANDR SOLZHENITSYN

HON. JAMES G. O'HARA

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, July 18, 1975

Mr. O'HARA. Mr. Speaker, the White House has announced that President Ford is indeed willing to receive Alexandr Solzhenitsyn. This may lessen the personal slight entailed in the President's previous refusal to meet the great Russian writer and freedom-fighter. But the really important questions raised by the President's initial desire to avoid Solzhenitsyn are not answered by his recent change of mind. Those questions concern the nature of détente as pursued by this administration.

Détente, we are told by the administration, is a policy of reducing tensions, promoting international stability, and preventing nuclear war. It is a policy designed to assure peace.

Détente, we are told by the administration, is certainly not appeasement. The American people know, the world has learned, that appeasement assures not peace, but war.

But détente, we have been told by its architects, is different from appeasement because détente implies no compromise of our principles and no diminution of our commitment to freedom. Rather, détente will allow for peaceful competition and freer flow of ideas. Similarly, we are told that détente entails no illusions about the Soviets nor subservience to them, but rather consists of tough-minded agreements forged out of mutual self-interest.

Solzhenitsyn is perhaps the most important critic of détente. He, more forcefully than any other, has questioned whether this distinction between détente and appeasement is real or illusory. President Ford has lent more weight to Solzhenitsyn's criticisms by snubbing him than he would have by embracing him.

Why, if détente implies no compromise of our principles, does the President refuse to greet one of the world's outstanding freedom-fighters for fear of offending some of the world's most outstanding oppressors of human freedom?

Why, if one goal of détente is to promote a freer flow of ideas, does our President shy away from a man exiled from his country for the "crime" of espousing the most fundamental idea of western thought—individual liberty?

Why, if détente is forged out of the hard rock of mutual self-interest, should we show the slightest concern about offending Soviet leaders by bestowing due honor on a man whom they have persecuted?

Why, if détente entails no illusions about the Soviet system, should the President shy from a man who has so much to tell us about that system?

Solzhenitsyn himself has not proposed the abandonment of the pursuit of détente. Instead he has called for the pursuit of what he calls a "true détente." He is very much to the point. The real question before America is not détente or war, rather it is: What kind of détente? A détente based on American firmnesss both in negotiating and in defense of our principles will serve the cause of peace far better than a détente entered into in weakness and fear.

It is encouraging that the President has changed his mind about inviting Solzhenitsyn to the White House even if that reversal does not calm all of the doubts raised by his initial decision. It is particularly encouraging that the President was at least in part led to this reversal by the outcry of enraged public opinion. This indicates that the public in large numbers has a sense of the kind of détente it wants. And it gives hope that if the President will lead us in pursuit of a "true détente," guided perhaps in part by some of the things which we can all learn from Solzhenitsyn, he will be able to rally the kind of popular support on which any effective foreign policy must be based.

CONGRESSIONAL VACATIONS

HON. TIMOTHY E. WIRTH

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Friday, July 18, 1975

Mr. WIRTH. Mr. Speaker, with the August recess coming up, I suspect that we are going to be hearing from some of our constituents a few choice words on the subject of congressional "vacations." What we have, I regret to say, is a failure to communicate with the people on the relationship between "work" and "recess." I guess that most people, remembering their schooldays, think of a "recess" as a playtime. As you know Mr. Speaker, for most of us it is no playtime, as an inventory of my own recess schedule shows.

Since coming to the Congress in January, I have spent a total of 35 days in Colorado's Second District; and each day has been as full as humanly possible. For example, on one typical February day, I had nine meetings, with people ranging from IBM executives discussing medical insurance, to the Sierra Club discussing wilderness, to representatives of a project on housing for the handicapped.

In my full working days in the district—excluding Sundays—I have attended 161 formal meetings and civic events. In addition, there have been many more individual meetings with constituents, press conferences and interviews, and other informal sessions.

Looking over the combined schedules for all my district trips, I find that it provides an accurate reflection of the interests of the people of the Second District. Energy, for instance, is an important issue in Colorado, and I have had 11 meetings on energy affairs. Another focus of concern is, as you might expect in a Colorado constituency, the environment; I have had five different meetings on that subject.

In addition, there were 22 consultations with business, 12 labor, 5 senior citizen groups, 6 religious groups, 12 schools, 12 hospitals and health care professionals, and 11 local government officials. I now have a mobile office van, and I made six lengthy trips in it. And no time in the district is complete without some unusual event, such as the Colorado University "Trivia Bowl."

I am particularly proud of the special events that my office has arranged. A recent example was a roundtable discussion of energy policy which I convened in Denver, at which a panel of experts helped me explain the issues and problems to the people of Colorado. Over 300 concerned citizens attended that event. An upcoming example is a similar discussion on waste-water recycling, which I will be holding in Lakewood, Colo., during the August recess.

Mr. Speaker, as you know, we reorganized the schedule of the House when the 94th Congress reconvened in January. Instead of operating under the traditional "Tuesday to Thursday Club," with Members going home every week for a long weekend, we set a firm schedule for the whole year, including full workweeks and scheduled time in the district. The purpose of this schedule was threefold:

First. The House could have more days in session, by working full weeks instead of just Tuesday to Thursday.

Second. District time could be carefully planned and scheduled around traditional holiday periods, rather than last minute district visits as in the past.

Third. Fairness to those from distant areas would be emphasized—representatives from California, or Colorado for that matter, would have time to get home and get some work done before they have to turn right around and come back to Washington.

The overall purpose of the new schedule, Mr. Speaker, is to recognize that each of us in the Congress has many responsibilities—those here in Washington on legislation and the affairs of the Congress; and those in our districts, working with our constituents, developing locally based projects and legislation, and hearing firsthand people's ideas, thoughts and opinions.

I firmly believe that our new schedule makes a great deal of sense. It makes the Congress a more efficient institution, and it provides the Members with the opportunity to better work with their constituents. As my earlier remarks indicate, I think I have been able to make good use of this schedule.

IMPROVING HEALTH CARE FOR URBAN INDIANS

HON. JOEL PRITCHARD

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Friday, July 18, 1975

Mr. PRITCHARD. Mr. Speaker, I am very concerned over the small amount of appropriations allotted to the Indian Health Services budget. Programs funded under this line item have been very successful in the counseling, treatment, and continuing health care of Indians.

The Seattle Indian Health Board Clinic is the largest urban Indian health care program in the country, serving 12,000 patients annually. The clinic not only provides medical facilities and medical care for urban-situated Indians but is a bridge between other urban medical services. The Seattle Indian Health Board seeks out Indians located in the urban environment who normally would be overlooked or spurned away from regular medical routes by insensitivity to Indian needs, and helps them with their medical concerns.

With a goal that is simply stated "to upgrade the level of health of the Indians," the Seattle Indian Health Board has identified and tried to solve problems that urban Indians have had with urban health services, whether it be financial, bureaucratic, or lack of interest. They attempt to alleviate the barriers that have, probably for no obvious reason, been put up in front of Indians in their attempts to receive adequate medical care.

Not only do they directly work with urban Indians in providing medical care, but the health board also is in the process of training 18 practitioners to work with Indians after their schooling is done. Out of their 90 employees, 71 of them are Indians. Recently two Indian doctors have volunteered their time to help in the delivery of medical services.

The future of the clinic is jeopardized at a time when Congress is on the verge of enacting the Indian Health Care Improvement Act (H.R. 2525), which passed the Senate last year. Programs such as the Seattle Indian Health Board Clinic would be funded directly under title V of the act. In the interim, it is imperative that the most successful of all urban Indian health programs not be allowed to fade away.

The Seattle Indian Health Board Clinic has had to rely on almost a dozen different funding sources, some of which—such as Section 314(d) funds and regional medical program funds—have been eliminated by Congress or cut back by the administration. The appropriation monies are simply a replacement of those Federal funds by the Indian Health Service.

With the lack of previous Indian involvement in the health services, the Seattle Indian Health Board is providing a ray of light in the confusion that exists for Indians when they attempt to confront the mind-boggling problems that are evident in the delivery of health care.

This is a successful case, and there are others, but we must continue funding this vitally needed item. Recently the Seattle clinic expanded, and they have hopes of offering more complete services to urban Indians. This of course takes money.

As one member of the Seattle Indian Health Board said:

> It's working and we just want it to work more.

Such a successful program certainly deserves more congressional support.

BIG BANKERS ARE GETTING RESTLESS AGAIN AND WANT EXCUSES TO EXORBITANT INTEREST RATES RETURNED NOW

HON. WRIGHT PATMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, July 18, 1975

Mr. PATMAN. Mr. Speaker, the big banks are apparently getting ready to head out for another year of record-high profits while the Nation struggles to recover from the worst recession since the Great Depression and 8.5 million people are without jobs.

First National City Bank of New York, the Nation's second largest, announced on July 11 that it was raising its prime rate from 7 percent to 7¼ percent. Three days later, First National Bank of Chicago, Continental Illinois of Chicago, Mellon Bank of Pittsburgh, Crocker National Bank of San Francisco, and Union Bank of Los Angeles quickly jumped on the old, familiar bandwagon by announcing they too were raising their interest rates for their best customers, the big corporate borrowers. All the other large commercial banks across the country will undoubtedly play "follow the leader" again in what will be another round of inflation pumping interest rate increases applied to small as well as big borrowers.

It is axiomatic that when the prime rate climbs, other types of loan rates—automobile, consumer, residential mortgage, small and medium size business—either remain at intolerably high levels or move in that direction. It is a phenomena that could be called "The Bankers Rule of Maximizing Profits Regardless of Cost to the Economy."

The cold reasoning by which many leaders of the banking industry rationalize their actions was articulated a few days ago by Richard L. Thomas, vice chairman of the board of the First National Bank of Chicago. In reporting this current round of prime rate increases, the New York Times quoted him as saying:

> Big Bankers Are Getting Restless Again and Want Excuses to Exorbitant Interest Rates Returned Now
>
> "We are confident that this a forerunner" of further interest rate increases. He told the Times that his bank raised its prime rate because of recent increases in interest rates paid by the bank for short term funds.
>
> But he added that the prime rate was also raised because of "pretty good loan demand." In other words, First National of Chicago is not going to betray its principles by failing to capitalize on the struggle to increase investments and develop some strength in what has been and still is a sick economy.
>
> Mr. Thomas frosted the bankers cake, as it were, by going on to say that if the economy strengthens over the rest of the year, "we think the trend [in interest rates] will be upward."
>
> Mr. Speaker, the bankers are obviously growing restless again. It's been more than a year since the prime rate was at an historic high of 12 percent and they have been away from that level too long.
>
> On the same day that the Times was reporting this new round of prime rate increases, the Wall Street Journal disclosed that "more large banking concerns reported sizeable earnings gains for the second quarter."
>
> These included BankAmerica Corporation, parent bank holding company of Bank of America of San Francisco, the nation's largest bank, which had second quarter income increase of 25.7 percent over the corresponding period of 1974; Chase Manhattan Corporation, holding company for Chase Manhattan Bank of New York, with an increase of 38.7 percent; Manufacturers Hanover Corporation, parent bank holding company of Manufacturers Hanover Bank, which had an 18.6 percent increase in net operating income; the Charter New York Corporation, bank holding company for Irving Trust, with an 18.7 percent increase; Mellon National Corporation, parent of Mellon Bank, with an 8.4 percent increase; and First Chicago Corporation, parent of First National Bank of Chicago, up 10.6 percent.
>
> The Journal reported that "as with other banks that previously have reported first half results, the latest gains chiefly reflect an improvement in interest net income."
>
> Mr. Speaker, it looks as though the big banks can look forward to even better profits in the third quarter and fourth quarter of the year at the expense of slower economic recovery and high unemployment.

THE ASSAULT ON THE INTELLIGENCE COMMUNITY: THE ORGANIZING COMMITTEE FOR THE FIFTH ESTATE

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 18, 1975

Mr. McDONALD of Georgia. Mr. Speaker, among the most vociferous critics of the Central Intelligence Agency and other branches of the American intelligence community is the Organizing Committee for the Fifth Estate—OC–5—which describes itself as "dedicated to spying on Big Brother, the American intelligence community."

The OC–5's current campaign demands the total abolition of the CIA; its corollary aim is to provide support for defectors from that and other Federal and local agencies.

OC–5's current staffers include Timothy Charles Butz, a former Washington organizer for the Vietnam Veterans Against the War/Winter Soldier Organization; Perry Fellwock, who uses the alias Winslow Peck; Douglas Ethan Allen Oliver Porter, Jr.; and Margaret Van Houten. It is noted that background reports on the Organizing Committee for the Fifth Estate were provided for the benefit of my colleagues on February 20, 1975, and March 19, 1975, in my Extensions of Remarks in the CONGRESSIONAL RECORD.

The Organizing Committee for the Fifth Estate publication Counter-Spy serves as a clearing house for the many groups involved in attacking aspects of Federal and local intelligence agencies and programs.

In light of the question, who benefits from the exposure and destruction of American intelligence operations, it is both relevant and appropriate to examine the backgrounds and affiliations of the OC–5 advisory board.

As listed by the most recent issue of OC–5's quarterly journal, Counter-Spy, they include:

> Listings in the Counter-Spy
>
> Philip Agee, former CIA case officer.
>
> Fred Branfman, Co-Director, Indochina Resource Center.
>
> Sylvia Crane, National Committee Against Repressive Legislation.
>
> David Dellinger, Institute for New Communications.
>
> Frank Donner, ACLU Political Surveillance Project.
>
> Robert Katz, Assassination Information Project.
>
> Mark Lane, Citizen's Commission of Inquiry.
>
> Dr. Ralph Lewis, Criminal Justice Research Director, Michigan State University.
>
> Victor Marchetti, former CIA official.
>
> Col. L. Fletcher Prouty (ret.), former military liaison to the CIA.
>
> K. [Kenneth] Barton Osborn, former MI agent and consultant to the CIA.
>
> Marcus Raskin, Co-Director, Institute for Policy Studies.
>
> Tony Russo, former RAND Corp. employee.
>
> Kirkpatrick Sale, author.
>
> Stanley Sheinbaum, American Civil Liberties Union.
>
> Rev. Phillip Wheaton, Ecumenical Program for Inter-American Communication and Action.

Philip Agee, 40, after 13 years as a Central Intelligence Agency employee principally in Latin America, announced his conversion to "revolutionary socialism." Agee is notorious for his detailed exposé of his former employer entitled "Inside the Company: CIA Diary."

Agee has admitted to the mass media that he made some half dozen trips to Cuba during the writing of his exposé, and that he frequently was in touch with officers from Cuban embassies in Europe. Agee has stated, "Quite frankly, I don't care whether they're intelligence officers or not;" and has expressed the hope that his disclosures "will provide the first steps toward the abolition of the CIA."

In his acknowledgements section in "Inside the Company," Agee stated his book could not have been written without the encouragement of representatives of the Communist Party of Cuba, the resources of the Cuban Government, and information provided by staffers of the North American Congress on Latin America, an anti-U.S. research group with close ties to the Cuban Government.

Frederick Robert Branfman, 33, was active with the International Voluntary Service in Vietnam, Laos, and Cambodia. Upon his return to the United States in 1971, Branfman immediately took a leadership role in the ranks of the so-called "antiwar" propagandists supporting the North Vietnamese, Cambodian, and Laotian Communist insurgents. On May 4 in Washington, D.C., Branfman joined with Arthur Kinoy, David Dellinger, and other leaders of the revolutionary National Interim Committee for a Mass Party of the People for a Lafayette Park "celebration" to honor the bloodstained Communist victory in Vietnam.

Sylvia E. Crane was one of the founders and is currently a national officer of the National Committee Against Repressive Legislation, formerly the National Committee To Abolish the House Un-American Activities Committee/House Internal Security Committee. Under its original name, this organization was cited, after extensive investigation, as a Communist front. The organization is still headed by identified Communist Frank Wilkinson.

David Dellinger, who described himself in an SDS radical education project brochure in 1969 as a "Communist, although not of the Soviet variety," has however clearly demonstrated his support of the Vietnamese, Cambodian, and Cuban varieties of Marxism-Leninism. His Institute for New Communications is the publisher of a new radical newsweekly, Seven Days, currently in the "preview" edition stages.

Frank J. Donner, in addition to his present position as head of the ACLU's political surveillance project at Yale Law School, has the dubious distinction of having been thrice identified as a member of the Communist Party, U.S.A. He was identified twice as a member of a Communist Party cell in the National Labor Relations Board in Washington, D.C., which employed him in its litigation section from 1940 until 1945.

Called before the House Committee on Un-American Activities in 1956 and confronted with a Civil Service Commission questionnaire on which he had answered "no" to membership in a Communist organization, Donner invoked the fifth amendment privilege against self-incrimination when asked if his statement had been truthful.

In 1959, Donner was a member of the law firm of Donner, Sacher, Perlin & Freedman, as was Arthur Kinoy. Harry Sacher has also been identified as a member of the Communist Party. During the 1960's, Donner was general counsel for the United Electrical, Radio & Machine Workers of America, a Communist controlled union expelled from the CIO in 1950. He has been associated with such identified CPUSA fronts during the 1950's and 1960's as the National Lawyer's Guild, the American Committee for the Protection of the Foreign Born, and the National Emergency Civil Liberties Committee.

Since the late 1950's, Frank Donner has devoted much of his energy to countersecurity activities. His 1961 book, "The Un-Americans," served to create major publicity for the initial stages of the Communist Party's Operation Abolition attack on the House Committee on Un-American Activities—HCUA—and later the House Internal Security Committee.

The HCUA report, "Communist Legal Subversion: The Role of the Communist Lawyer," in 1959 noted that "Speaking on such topics as 'Informers as a Means of Suppression,' and 'Informers as Tools,' Donner has excoriated all individuals who have been of assistance to congressional committees."

During more recent years, since heading up the ACLU's antisurveillance operation, Donner has used such left-leaning forums as the Nation, a magazine characterized by HCUA as "Communist-line" in 1961 and whose editor the California Senate Fact-Finding Committee on Un-American Activities noted, has participated "in the activities of the Communist Party itself"; ACLU's the Civil Liberties Review; and the New York Review of Books; to argue for the dismantling of the American intelligence community.

It was Frank Donner who was sought for comments—of a scatological nature—on my CONGRESSIONAL RECORD reports on current U.S. revolutionary activity by the rock music and counter-culture magazine, Rolling Stone. To avoid an impression of partisanship, Rolling Stone might obtain comments from other than Communists and National Lawyers Guild members, no matter what other positions they may hold.

Robert Katz' Assassination Information Bureau is one of the many groups investigating allegations of conspiratorial theories behind several murders of political figures, including that of President Kennedy.

Mark Lane, an attorney and activist since the early 1950's with the National Lawyers Guild, has been involved in defense work with the American Indian movement in the Wounded Knee cases. In view of his more serious activities with the National Lawyers Guild, "legal bulwark of the Communist Party," and with the Wounded Knee Legal Defense/Offense Committee, Mr. Lane should not be needled for his "investigation" of the assassination of President Kennedy, an investigation which resulted in a lucrative and best-selling book.

Dr. Ralph Lewis, a sociologist holding a doctor of education degree, has a key role in the Law Enforcement Assistance Administration—LEAA—funded programs at Michigan State University where he is criminal justice research director. A former assistant director of the Lemburg Center for the Study of Violence, Dr. Lewis has worked with police departments in Portland, Oreg.; Miami and Boston as an expert in the area of civil disorder.

Currently teaching a course entitled "Project Planning and Evaluation"—MSU program 833—Dr. Lewis' association with the organizing committee for the Fifth Estate, while in no way covert, has a damaging potential for police departments who look to LEAA for funding assistance.

Victor Marchetti, coauthor with John Marks, a former State Department intelligence analyst, of "The CIA and the Cult of Intelligence," has been active in a number of anti-intelligence seminars and meetings. On April 5, 1975, Marchetti and Marks were slated to appear at a Yale Law School "inquiry" into the CIA featuring Mrs. Hortensia Bussi de Allende. Others involved with the seminar were CPUSA members Frank Donner and Ernest De Maio; Fred Branfman; Kirkpatrick Sale; Daniel Ellsberg; and Leonard Boudin, general counsel of the CPUSA front, the National Emergency Civil Liberties Committee.

L. Fletcher Prouty, 57, was recently reported by columnist Mary McGrory to be a public relations executive with Amtrack. Retired from the Air Force in 1963, Prouty has another hat to wear in addition to his OC-5 advisory board role—that of Washington, D.C., editor of Genesis, the "magazine for men." Spread over many pages of that pornographic publication was Prouty's April issue article, "Curbing the CIA," no doubt to lend some semblance of social significance to the magazine.

Kenneth Barton "Bart" Osborn was one of the founding members of the organizing committee for the Fifth Estate.

Marcus Raskin's Institute for Policy Studies was accurately characterized by Paul Dickson in "Think Tanks" as attempting to lay the groundwork for the new society that will replace the present one. It not only has dedicated itself to ushering in the new society by inquiry and experimentation but is also doing what it can to hasten the demise of the present one. Raskin, long a disarmament advocate, was the founder of the New Party in 1968, now called the People's Party, a self-stated Socialist organization. For the past 15 years, Raskin has consistently supported the total dismantling of the Armed Forces; disarmament of not only the Armed Forces, but of police and civilians; and an end to U.S. opposition to foreign guerrilla insurgencies.

Anthony J. "Tony" Russo, Jr., a former defendant in the Pentagon Papers case, testified on behalf of Karleton Armstrong, an admitted member of the New Left terrorist New Year's Gang which killed a graduate student August 24, 1970, in the bombing of the Army Mathematics Research Center on the University of Wisconsin campus at Madison.

The New York Times reported Mr. Russo's "mitigation of sentence" testimony for Karl Armstrong as follows:

> In his testimony, Mr. Russo said that after one trip back to the United States from Vietnam in 1968, when he was employed by the Rand Corporation, a "think tank" with government research contracts, I brought a grenade back.
>
> I was angry, very angry, he said over the continuing escalation of the war. "I walked down the halls of Rand to the computer room and wanted to toss it in there. I thought I had to do this for mankind." He said that he finally threw the grenade off a pier at Santa Monica, Calif.
>
> Mr. Russo was also quoted as saying that he didn't have the strength to use the grenade; however, Had I been younger I would have done it.

Kirkpatrick Sale, author of the revealing radical history of the Students for a Democratic Society, entitled SDS, according to the Daily World was involved with the anti-CIA conference on April 5 at Yale Law School which featured Mrs. Hortensia Allende, widow of the deposed Marxist President of Chile and a vice president of the internationally active Soviet front, the Women's International Democratic Federation.

Rev. Philip Wheaton of the National Council of Churches—funded Ecumenical Program for Inter-American Communications and Action—EPICA—is active with the Common Front for Latin America—COFFLA—an organization which shares his 1500 Farragut Street NW., Washington, D.C. 20011 office address. COFFLA sponsored the local appearance of the Quilapayun folk music group, the cultural group of the Young Communist League of Chile. Another COFFLA member, Mary Harding, a former Maryknoll nun, admitted she was a member and recruiter for the Bolivian ELN guerrillas founded by Che Guevara, and is sponsoring the Venceremos Brigade's Committee for the 26th of July events in support of the Cuban Communist regime.

The current edition of Counter-Spy suggests a series of fall campus demonstrations against CIA and National Security Agency recruiters and against various local CIA offices.

In an editorial letter, OC–5 writes:

> As spring approached and the thaw developed around the once invincable fortress of national security, we were fighting for our very existence. A series of financial pledges withered away simultaneously with attacks from the far-right, elements of the intelligence community and other government agencies. Slanderous and distorted information was placed in the Congressional Record by Georgia Congressman Larry McDonald, a member in good standing of the John Birch Society, and a leader of that outfit. McDonald was challenged by us to make the same allegations in a forum where Congressional immunity from lawsuits did not apply, but like other demagogues in the past, he prefers to hide in the pages of the Congressional Record. During the same week of McDonald's ravings we were red-baited to a few of our friends in the press by some of the 'old boys.' Rumors reached us that the CIA considers us 'Cuban agents', an unbelievably absurd charge. And then our financial base was all but destroyed during the same period.

Taking into account OC–5's contacts with foreign intelligence operations, such as Philip Agee's membership on the OC–5 advisory board, the "Cuban agents" charge may be taken as an investigative lead as to the true operation of the Organizing Committee for the Fifth Estate.

PROPOSED CHANGE IN THE SOCIAL SECURITY QUARTERLY DEPOSIT PROCEDURE FOR STATE AND LOCAL GOVERNMENTS

HON. JOEL PRITCHARD

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Friday, July 18, 1975

Mr. PRITCHARD. Mr. Speaker, as you may be aware, the Social Security Administration—SSA—has made clear it intends to require States and local governments to make monthly, instead of quarterly, deposits of social security contributions for their covered employees.

The voluntary agreements between the States and SSA under section 218—of the Social Security Act—were made with the mutual understanding that social security contributions were to be paid quarterly, as they have been without question since public employees were first covered in 1951.

Under the terms of each joint Federal-State agreement, each State is responsible for administering its own social security program and must bear the cost of its administration. The proposed change promises to greatly increase each State's administrative costs while eliminating any opportunity the States have to offset the costs of administration with interest earnings from the funds. In the aggregate, the States will lose about $120 million in interest annually—at a time when they will be required to incur even greater administrative expenses.

Each State now files form OAR–S1 with SSA each quarter to report social security tax information. In addition, each State must also file a form OAR–S3 somewhat equivalent to form 941–A of IRS—each quarter containing wage information on each employee. When you realize that there are about 62,000 State and local government reporting entities with almost 9 million employees, you can readily appreciate the concern of State and local administrators that money and paperwork have to be handled three times more often.

Because of the proposed change, several States have considered terminating their Federal-State compact—denying social security coverage to their public employees. The States justifiably view the joint agreement as a two-way street—and they have made it clear that they will resist attempts to have added expenses unilaterally thrust upon them by moving for termination. The proposed shift, which was never agreed to by the States, surely violates the spirit of the section 218 agreements if not the actual language.

Prior to their entrance into the State-Federal agreement, many States had to obtain enabling legislation from their legislatures. Because this legislation contained the guidelines under which the State agency would operate, including in some cases the quarterly deposit procedure, the implementation of SSA's proposed regulation would require action by the State legislature in some States.

In order to add on new employees to handle the monthly deposit procedure, some State administrators will have to go to their legislatures to obtain exceptions to budget ceiling laws or to statutory ceilings on the hiring of new personnel. Compounding this problem is the fact that many State legislatures operate on a biennium—and meet once every 2 years.

If deposits are made monthly and reports filed quarterly—or annually as proposed by the SSA—further problems arise. Many State and local financial procedures—in order to comply with State statute and constitutional provisions—will not allow money to be paid out of the State treasury which is based upon estimates.

Making a switch to a quarterly deposit procedure even more complex is the fact that all but two States have institutionalized the quarterly deposit procedure for their State retirement systems. Under the current system, the coincidence of deposit dates substantially reduces the cost of administration of the State retirement systems. A monthly deposit procedure for social security contributions promises to impose additional costs on the administration of State retirement systems.

The Federal proponents of stepping-up the periodic deposit procedure do not believe that they are imposing any additional burden on State and local governments, because, in the words of the Treasury Secretary:

> Most local units of government have highly sophisticated accounting procedures . . . and equipment.

In fact, the majority of local governments—towns, cities, and counties—in most States do not have centralized payroll systems, do not have modern accounting equipment, do not have full-time paid officials, and in many cases do not even have actual office quarters. One State social security administrator informed me that many times he receives quarterly written-out on notebook paper and even on a brown paper sack in a few instances.

The SSA argues that the current ". . . deposit system is no longer justified in that large sums of money are lost to the Social Security Trust Fund . . ." and ". . . this loss must be made up by all . . ." taxpayers. *Economists* have told me that because taxpayers pay both State and local taxes, the net effect is zero. The issue is clearly whether the Federal Government will reap windfall interest income—about $120 million—at the expense of the States.

No further action by SSA will be taken until both they and the Subcommittee on Social Security have had an opportunity to review the results of an SSA questionnaire and a State-by-State analysis of statistics being assembled by the National Conference of State Social Security Administrators.

However, the SSA—at the behest of the Office of Management and Budget, the HEW Secretary and the Treasury Secretary—have made clear that they intend to implement the more frequent deposit procedure despite the adverse fiscal impact on States and their political subdivisions.

I have prepared legislation which would codify the current quarterly deposit procedure for State and local government contributions. This bill (H.R. 7740) would retain the current practice which has worked so well for the last 24 years.

Mr. Speaker, for the benefit of my colleagues, I insert the text of my legislation into the RECORD along with some relevant background information—including a State-by-State list of those officials and administrators who have indicated their support for codifying the current quarterly deposit procedure:

APPENDIX A—STATE AND LOCAL OFFICIALS SUPPORTING THE QUARTERLY DEPOSIT PROCEDURE

ALABAMA

Governor George C. Wallace.

COLORADO

Governor Richard D. Lamm.

CONNECTICUT

Governor Ella Grasso, Hartford Court of Common Council, J. Edward Caldwell, Comptroller.

DELAWARE

Governor Sherman W. Tribitt.

FLORIDA

Governor Reubin O. D. Askew.

GEORGIA

Governor George Busbee.

IDAHO

Governor Celcel Andrus.

ILLINOIS

Governor Dan Walker.

IOWA

Governor Robert Ray.

KANSAS

Governor Robert Bennett, Kansas Legislative Coordinating Council, State Senator Richard D. Rogers.

MARYLAND

Governor Marvin Mandel, Maryland State Social Security Division.

MISSISSIPPI

Governor Bill Waller.

MONTANA

Governor Thomas L. Judge.

NEW JERSEY

Governor Brendon T. Byrne, William J. Joseph, Director, Division of Pensions, Edward G. Hofgesang, Acting Director, Division of Budget & Accounting; Clifford A. Goldman, Deputy State Treasurer.

NEW MEXICO

Governor Jerry Apodaca, Betty Lujan, Director, State Social Security Division.

NORTH CAROLINA

Governor James E. Holshouser, Harlan E. Boyles, Secretary, Local Government Commission, North Carolina Department of Administration, Edwin Gill, State Treasurer.

NORTH DAKOTA

Governor Arthur A. Link.

OKLAHOMA

Governor David L. Boren.

PENNSYLVANIA

Governor Milton J. Shapp.

RHODE ISLAND

Governor Phillip Noel.

SOUTH DAKOTA

Governor Richard F. Kneip, Alice Kundert, State Auditor.

TENNESSEE

Governor Ray Blanton.

TEXAS

Governor Dolph Briscoe.

UTAH

Governor Calvin L. Rampton.

VERMONT

Governor Thomas P. Salmon.

VIRGINIA

Governor Mills E. Godwin.

WASHINGTON

Governor Daniel J. Evans.

WEST VIRGINIA

John M. Gates, State Auditor, West Virginia Social Security Division.

WISCONSIN

Governor Patrick J. Lucey, Charles P. Smith, State Treasurer, Alta Moore, Public Employees Social Security Bureau.

WYOMING

Governor Ed Hepschler.

APPENDIX B—ORGANIZATIONS SUPPORTING THE QUARTERLY DEPOSIT PROCEDURE

National Governors Conference.

National Conference of State Social Security Administrators.

National Association of State Budget Organizations.

Council of State Governments (Steering Committee on State Government Accounting Principles and Practices).

Municipal Finance Officers Association.

APPENDIX C—TEXT OF H.R. 7740

A bill to amend title II of the Social Security Act to assure the continuation of the present practice under which payments by States, with respect to coverage of State and local employees under section 218 of that Act, are made on a quarterly basis.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 218(e)(1)(A) of the Social Security Act is amended to read as follows:

"(A) that the State will pay to the Secretary of the Treasury on or before the fifteenth day of the second month following each calendar quarter, in such manner as the Secretary of Health, Education, and Welfare may by regulations prescribe, amounts equivalent to the sum of the taxes which would be imposed by sections 3101 and 3111 of the Internal Revenue Code of 1954 with respect to services performed during such quarter by employees covered by the agreement if such services constituted employment as defined in section 3121 of such Code; and".

APPENDIX D—STATE AND LOCAL REPORTING DATA

I. Total covered State and political subdivision employees, approximately 9 million.

II. Total number of political subdivisions providing employee coverage, 61,512.

III. Contribution payments by States—calendar year 1974, $7,382,838,464.18.

States paying over $1,000,000,000 yearly, 1.
States paying $500,000,000 to one billion, 1.
States paying $100,000,000 to 500 million, 22.
States paying 50 million to 100 million, 10.
States paying 10 million to 50 million, 14.
States paying 5 to 10 million, 1.
States paying 1 to 5 million, 1.
States paying below one million, 2.

Source: Social Security Administration.

APPENDIX E

ESTIMATED LOSS IN INTEREST INCOME TO THE STATES BY MORE FREQUENT DEPOSITS

[In millions]

Calendar year	State and local contributions [2] (liability basis and in millions)	Estimated loss in interest income [1] in millions during year							
		Monthly requirements; effective date: Jan, 1—				FICA requirements; effective date: January—			
		1974	1975	1976	1977	1974	1975	1976	1977
1974	$7,400	$71				$118			
1975	8,307	92	$73			146	$122		
1976 [3]	9,390	82	77	$60		131	124	$101	
1977 [3]	10,604	123	117	110	$67	197	187	177	$113
1978	12,348	148	141	134	127	237	226	215	204
1979	13,555	173	166	158	151	277	265	254	241
1980	14,923	199	191	183	175	318	305	293	280

[1] The interest computations reflect the amount of interest actually credited to the trust fund in each year. For 1974 the interest was computed on the basis of the actual rate paid on new issues. For 1975 and later years the interest rate assumed for new investments is 6⅞ percent. (The 6⅞ percent is the rate in the 1975 trustees' report and the President's 1976 budget.)

[2] Projects automatic increase in earnings base and the hospital rate increase (1.8 to 2.2) scheduled for 1978.

[3] The figures for these 2 yrs reflect the change in investment maturity rates resulting from the change in the Federal fiscal year.

Source: Social Security Administration.

SENATE—*Saturday, July 19, 1975*

SATURDAY, JULY 19, 1975

(Legislative day of Thursday, July 10, 1975)

The Senate met at 10 a.m., on the expiration of the recess, and was called to order by the Acting President pro tempore (Mr. STONE).

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Almighty God, Lord of each day and of all the years, grant that the measures taken in this place may serve the highest purposes of the Nation. May the strenuous exertions of the few minister to the needs of the many. For added duties wilt Thou provide added strength and wisdom. Give us a part in renewing the moral and spiritual foundations of our common life. When this day is done send us to our worship and rest on the Lord's day with expectant spirits and peaceful hearts.

And to Thee shall be all praise and thanksgiving. Amen.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Journal of the proceedings of Friday, July 18, 1975, be approved.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

SENATE CONCURRENT RESOLUTION 54—PROVIDING FOR A CONDITIONAL ADJOURNMENT OF THE CONGRESS FROM AUGUST 1, 1975, UNTIL SEPTEMBER 3, 1975

Mr. MANSFIELD. Mr. President, I send to the desk a Senate concurrent resolution and ask for its immediate consideration.

The ACTING PRESIDENT pro tempore. The clerk will state the concurrent resolution.

Mr. MANSFIELD. I ask that it be read in full.

The legislative clerk read as follows:

S. CON. RES. 54

Resolved by the Senate (the House of Representatives concurring), That when the two Houses adjourn on Friday, August 1, 1975, they stand adjourned until 12 o'clock noon on Wednesday, September 3, 1975, or until 12 o'clock noon on the second day after their respective Members are notified to reassemble in accordance with section 2 of this resolution, whichever event first occurs.

SEC. 2. The Speaker of the House of Representatives and the President pro tempore of the Senate shall notify the Members of the House and the Senate, respectively, to reassemble whenever in their opinion the public interest shall warrant it or whenever the majority leader of the House and the majority leader of the Senate, acting jointly, or the minority leader of the House and the minority leader of the Senate, acting jointly, file a written request with the Clerk of the House and the Secretary of the Senate that the Congress reassemble for the consideration of legislation.

SEC. 3. During the adjournment of both Houses of Congress as provided in section 1, the Secretary of the Senate and the Clerk of the House, respectively, be, and they hereby are, authorized to receive messages, including veto messages, from the President of the United States.

The ACTING PRESIDENT pro tempore. Is there objection to the immediate consideration of the concurrent resolution?

Mr. MANSFIELD. Mr. President, I ask that it be printed and held at the desk.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MANSFIELD. And that it not be referred to a committee and not immediately considered.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. MANSFIELD. I am finished with my time.

Mr. HUGH SCOTT. Mr. President, I yield back my time.

Mr. ROBERT C. BYRD. Mr. President——

The ACTING PRESIDENT pro tempore. The Senator from West Virginia.

THE PENDING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, without losing my right to the floor, what is the pending business before the Senate?

The ACTING PRESIDENT pro tempore. The motion to proceed to the consideration of H.R. 6219.

Mr. ROBERT C. BYRD. I thank the Chair.

Mr. President, it is my intention to ask unanimous consent that the Senate recess until the hour of 9 o'clock on Monday next.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. ALLEN. Will the Senator make that request?

Mr. ROBERT C. BYRD. Yes.

Mr. President, I make that request.

Mr. ALLEN. Of course, the Senator has the right to make the request and I had anticipated that he probably would in order that the Senator from Alabama not have an opportunity to reply as he stated on yesterday that he was going to reply to the vicious attacks made on him on yesterday, and obviously the Senator from Alabama cannot agree to such a motion.

If the Senator wants to preclude the Senator from Alabama from having an opportunity as he stated on last evening he wishes to do, to reply to those attacks, he has it within his prerogative.

I object.

The ACTING PRESIDENT pro tempore. Objection is heard.

Mr. ROBERT C. BYRD. Mr. President, in view of the objection by the distinguished Senator from Alabama, it will be my intention in due course to move that the Senate stand in adjournment until the hour of 12 o'clock noon on Monday, or to make some such motion, but before I do that, I will certainly not preclude any Senator from addressing the Senate.

I ask unanimous consent that I may yield to any Senator at this time without losing my right to the floor for the purpose of such Senators making a statement, but with the understanding that my yielding will be only for that purpose, the purpose of addressing the Senate.

I ask unanimous consent.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. HANSEN. Mr. President, reserving the right to object, do I understand it to be the intention of the distinguished majority whip to retain the floor, but simply to yield without losing his right to the floor to other Senators?

Mr. ROBERT C. BYRD. Yes; for a reasonable length of time, and I do this for certain reasons. One reason is that the Senate is skirting very close to the lack of a quorum, and I am not sure there is a quorum.

I do not think that the leadership ought to run the risk of operating on a free-wheeling basis, as the Senate ordinarily does, under the present circumstances.

Mr. HANSEN. If the distinguished majority whip would yield further, when if——

Mr. ROBERT C. BYRD. Under the same conditions.

Mr. HANSEN. Yes; without losing his right to the floor.

When, if I might inquire, was he convinced or persuaded that there was likely not a quorum present?

Mr. ROBERT C. BYRD. Last night I was convinced of that when a calling of as many Senators as could be reached was made on this side of the aisle, and again in looking at the attendance sheet this morning.

Mr. HANSEN. Would it be fair to conclude then that the distinguished majority whip really did not anticipate any business being done today. Is that a fair inquiry?

Mr. ROBERT C. BYRD. No. That is a fair inquiry, and the Senator assumes correctly——

Mr. HANSEN. I was not presuming. I was just——

Mr. ROBERT C. BYRD. Now that I have seen the attendance sheet.

Mr. HANSEN. The purpose, then, of the session today is simply to have one day intervene between the laying down of a cloture motion and the vote thereon on Monday?

Mr. ROBERT C. BYRD. No; that is not the only purpose, as I have indicated to the distinguished Senator.

Mr. HANSEN. What is the purpose?

Mr. ROBERT C. BYRD. If the Senator will allow me to respond, I will speak louder.

Mr. HANSEN. Yes.

Mr. ROBERT C. BYRD. If the Senator will allow me, that purpose would be automatically accomplished, but that was not the only purpose of coming in today.

If Senators who are present would allow the leadership, the leadership would be very happy to proceed to some business that could be transacted.

Mr. HANSEN. Without the issue of a quorum having been raised?

Mr. ROBERT C. BYRD. What does the Senator mean by that?

Mr. HANSEN. Well, I mean, would the Senator object to a quorum call?

Mr. ROBERT C. BYRD. Oh, I do not know about that, in view of this attendance sheet. A Senator can get a quorum call in due course no matter what the attendance.

At the time I make my motion to recess or adjourn, I will lose the floor, and a Senator can then get a quorum call.

Mr. HANSEN. I am sorry to have come in a couple or 3 minutes late. It is a long way from Wyoming to Washington, though I must admit honestly that I did not come from there this morning, though I suspect my senior colleague and I might wish we were there this Saturday morning, but, nevertheless, I am not clear as to what the purpose of today's meeting is.

I am presuming, as I understand the majority whip does, that there is not a quorum present, or that there may not be a quorum present.

Mr. ROBERT C. BYRD. I presume so, now that I have the attendance sheet. I believe if the distinguished Senator will check on his side of the aisle, he will find that we are very close to not having a quorum. That is not my fault, or his. I am here, and I am here to do whatever business the Senate is allowed to transact. I would be very glad to vote today on Senator MANSFIELD's motion. If that motion carries, then the cloture motion, which was entered yesterday, would be rendered nugatory.

But I daresay that the Senate will not be able to vote on that motion today. There is other business. I am sure there are other items on the calender that possibly could be called up and hopefully effectuated, consummated, transacted and finalized if consent is given.

Mr. HANSEN. I would agree with my distinguished——

Mr. ROBERT C. BYRD. But I am afraid that the unanimous consent of the Senate would not be given for such.

Mr. HANSEN. I must say, Mr. President, if the distinguished majority whip will yield further, there are indeed things that could be brought up. I note that several members of the Committee on Interior and Insular Affairs are here. We have bills running out of our ears both ways. We can be helpful any time the Senator ever needs to transact business.

TIME LIMITATION REQUEST—S. 521

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent, without losing my right to the floor, that on S. 521, a bill to increase the supply of energy in the United States from the Outer Continental Shelf Lands Act, and for other purposes, there be a time limitation of 4 hours, with 1 hour on any amendment and a half hour on any amendment to an amendment, 20 minutes on any debatable motion or appeal or point of order—if the Chair should submit such to the Senate for its discussion—that the agreement be in the usual form, and that the debate on the bill itself be equally divided between Mr. JACKSON and Mr. HANSEN—without losing my right to the floor.

Mr. ALLEN. Reserving the right to object, there will be no business transacted in the Senate until the Senator from Alabama is given an opportunity on his own time to address remarks and answer to the vicious charges made against him on last evening. No business will be transacted until the Senator from Alabama on his own time is allowed to speak. It will not be time yielded at the sufferance of the distinguished Senator from West Virginia.

The **ACTING PRESIDENT** pro tempore. Is there objection?

Mr. ALLEN. I object.

Mr. HANSEN. Reserving the right to object, I must object because there are a number of Senators who have asked that the 3-day rule on S. 521 not be suspended. I would object to any time limitation on that bill. There are a number of persons keenly interested. I say that for those reasons. In addition to what the distinguished Senator from Alabama just said, I will object.

Mr. ROBERT C. BYRD. May I say to the distinguished Senator from Alabama—who is my friend, and for whom I have tremendous respect—that I would be very happy to yield the floor to him, with the understanding that I retain the floor, for any length of time today, up to, say, 2 hours, so that he could address the Senate. I can appreciate his feelings.

What I am doing this morning is something I would not do under other circumstances at all, but I do know what problems can arise in the Senate on a Saturday with less than 50 Senators present, or with 51 or 52 or 53 or 54 Senators present now, but by 3 o'clock this afternoon or 7 o'clock tonight with only a handful of Senators—the majority leader and I and others who are now present—I know what problems can arise. I know that a Senator, if he gets the floor at this time, can speak all night tonight and all day tomorrow, and into Monday, if he wishes to. I know what can occur, although it might never happen.

It is only because of these extenuating circumstances that I hold the floor now. But I will be delighted to yield to the distinguished Senator from Alabama for the purposes I have stated.

Mr. ALLEN. I do not believe the Senator from West Virginia heard the Senator from Alabama.

Mr. ROBERT C. BYRD. Yes, I heard the Senator.

Mr. ALLEN. Very well. If the Senator is going to resort to technicalities here in the Senate to prevent the Senator from Alabama from speaking on his own time, obviously the Senator from Alabama is going to have to object.

The only way that any business is going to be transacted in the Senate is for the Senator from Alabama to be given an opportunity to speak here in the Senate in answer to the unwarranted remarks made here on the floor, and I will spell it out, by the majority leadership with respect to the Senator from Alabama.

Mr. ROBERT C. BYRD. Mr. President, again I appreciate the feelings of the distinguished Senator from Alabama. May I say that I hope the Senator has not been offended by anything that the majority leader and I have said. If I have said anything, I certainly want to apologize to the Senator publicly, but I do not believe I have said anything that should have offended the distinguished Senator.

Mr. President, the majority leader——

Mr. McGEE. Will the Senator yield without his right to the floor being lost?

Mr. ROBERT C. BYRD. Shortly. The majority leader can do what he is about to do without my yielding the floor, so I shall retain the floor.

CLOTURE MOTION

Mr. MANSFIELD. Mr. President, I send to the desk a cloture motion.

The **ACTING PRESIDENT** pro tempore. The cloture motion having been presented under rule XXII, the Chair, without objection, directs the clerk to read the motion.

The legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, hereby move to bring to a close the debate upon The Motion To Proceed to the Consideration of CAL #170, H.R. 6219 An Act to Amend The Voting Rights Act of 1965.

Mike Mansfield, Floyd K. Haskell, Wendell H. Ford, William D. Hathaway, Patrick J. Leahy, Gary W. Hart, Dick Clark, John Glenn, Walter D. Huddleston, Lee Metcalf, William Proxmire, Hubert H. Humphrey, Jennings Randolph, George S. McGovern, Philip A. Hart, Edward M. Kennedy, and John V. Tunney.

Mr. STENNIS. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. Yes, I will, but I first promised to yield to the distinguished Senator from Wyoming (Mr. McGEE), if I may yield without losing my right to the floor.

The **ACTING PRESIDENT** pro tempore. Without objection, the Senator may so yield.

Mr. HANSEN. A parliamentary inquiry, Mr. President.

The **ACTING PRESIDENT** pro tempore. The Senator will state it.

Mr. HANSEN. When will we know that understanding is no longer in effect? The distinguished majority whip has said that during the course of the proceedings here for such time as they may carry on there will be—as he, I think, said the Senator from Alabama very well knew and understood—an opportunity for the Senator from Alabama to get the floor in his own right. When will this unusual situation end? I say unusual, because it does seem to me that it is unusual. When may other Senators know that that unanimous-consent request, earlier agreed to, as I understand, that retains exclusive right for the majority whip to determine who shall speak, end?

The ACTING PRESIDENT pro tempore. For as long as the Senator from West Virginia continues to ask and secure consent to yield without losing his right to the floor.

Mr. HANSEN. Then may I ask on what basis does the distinguished majority whip make the decision that the distinguished Senator from Alabama understands full well that he will have the right to the floor on his own right today?

Mr. ROBERT C. BYRD. I did not make that statement.

Mr. HANSEN. Well, I understood that the Senator had. Maybe he did not. I thought that was what the distinguished Senator from West Virginia said, and I would be very interested in reading the transcript, because I did not think I misunderstood him.

Mr. ROBERT C. BYRD. I thank the Senator. The Senator from West Virginia awakened this morning at 7 o'clock. I think he is fully awake and aware of what he said.

I would indicate and I will say most respectfully to the distinguished Senator that I will be glad to yield to the distinguished Senator from Alabama for 2 hours at this time, with certain understandings and conditions, so that he may address the Senate.

Mr. HANSEN. I would hope that every word that is said here today, all Senators might agree not to go back and change any of the transcripts at all, just to leave the RECORD the way it is.

Mr. ROBERT C. BYRD. Mr. President, we can have the transcript read right here, if the Senator wishes.

Mr. HANSEN. If it is not out of order, then, I would like to have the transcript read from the time we came into session.

Mr. ROBERT C. BYRD. That is fine. I ask unanimous consent that the Senator from West Virginia not lose his right to the floor while the transcript is being prepared.

The ACTING PRESIDENT pro tempore. Is there objection? Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I now yield to the distinguished senior Senator from Wyoming under the same conditions.

The ACTING PRESIDENT pro tempore. The Chair advises that the Chief Reporter is procuring a transcript at this time for the use of the Senate.

Does the Senator from West Virginia yield at this time to the Senator from Wyoming?

Mr. ROBERT C. BYRD. Yes, under the same conditions.

Mr. McGEE. Mr. President, I wanted to make perfectly clear for the RECORD, in view of the remarks here this morning, that I am not here as a reluctant participant on this Saturday session. My colleague and I, if we could only be in Wyoming, would have many other things that would be far more delightful than spending Saturday in this way, as he suggested.

But I have to confess, since we are here, that I was scheduled to mow the lawn today and to go after the crab grass in my lawn, and that I am here hiding out, as it were. I would hope that the leadership would be able to keep us in until dark tonight, and I will follow the leadership in the pursuit of the business of the day and will stand ready to cooperate in every way.

Mr. ROBERT C. BYRD. Mr. President, I am sorry that I cannot assure the distinguished Senator from Wyoming that the leadership will keep us here till dark.

Mr. McGEE. Well, if the Senator will make it appear that I was here until dark, then.

[Laughter.]

Mr. STENNIS. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield to the Senator from Mississippi without losing my right to the floor.

Mr. STENNIS. I thank the Senator.

Mr. President, I always go a long way in supporting the leadership on matters of procedure and matters related thereto, but if I understand the situation now correctly, here is the Senate, in a regular, full, official session, and the very able and outstanding assistant majority leader has said that he would not yield to any Senator for the purpose of making a speech, the Senator from Alabama or any other Senator, unless that Senator agreed in advance to a limitation on his own time.

If that is correct, it seems to me that that is a matter of the most vital concern to the other 99 Senators, or we might say 100, including the Senator from West Virginia.

If one Senator can obtain the floor, and then choose whom he will recognize and how long they can speak——

Mr. ROBERT C. BYRD. Mr. President, I am not choosing whom I will recognize.

Mr. STENNIS. Well, if he can decide how long that Senator shall speak, then we are no longer a parliamentary body under our rules.

I want to stay a long way from that. I want to stay away from anything, personally, without getting into the matter between the Senator from West Virginia and the Senator from Alabama; whatever that is—is incidental. I am talking about the rights of Senators.

I remember once we had another very outstanding man here as leader, and he later became President of the United States, but he put a condition on me being recognized that I would not agree to, 10 minutes only—and this was not a civil rights debate, now; it was not a filibuster—10 minutes only, or he would see that I was not recognized, and I would not agree to it. I went out and got recognized without any limitation. I did not speak for over 5 or 6 minutes, but I have a very humble pride in having taken that position; and that man, who later became a President of the United States whom we all had great regard for, said later, "You were exactly right."

So if this proposal, now, is going to diminish in any way or infringe on the membership getting recognition except with limitations on it to which they have not agreed directly or indirectly, I think it is a very grave matter, and I could not follow the leadership on that. It is not a matter of procedure; it is a matter of fundamental right, as I see it.

Mr. ROBERT C. BYRD. Mr. President, as I have indicated, I have no compunctions about yielding to any Senator. I am not choosing the Senator to whom I will yield; and I do not mind yielding for an hour or 2 hours or more if the Senator from Mississippi wishes to address the Senate on any subject, as far as I am concerned. Notwithstanding the Pastore rule, right now I would yield to the Senator from Mississippi to address the Senate for 2 hours or 3 hours, on any subject if he wishes.

But I do have a responsibility, which I do not always cherish, of fulfilling the duties of my share of the leadership. And I assume those duties seriously and conscientiously. Nobody loves the Senate any more than I love it, and nobody has given any more of his life to the Senate during the period that I have been here than I have given. Nobody cherishes the rules, and nobody recognizes the rights of Senators, any more than I do. I will stand up for the rights of the Senator from Mississippi or the Senator from Alabama as quickly as I will stand up for the rights of any other Senator.

But I recognize the realities of the situation we are in today, and I know what can happen. I do not want to ascribe any motivation to any Senator, but I simply know that a Senator, any Senator, can get the floor today and speak all day and all night, and tomorrow and longer. And may I say to the Senator, I know who would have to be here all of that time. The Senator who is speaking would be one Senator who would have to be right here all the time.

Various motions could be made. A motion to lay on the table the Mansfield motion could be made late in the day, for example. We would have problems getting a quorum. We would have to send out the sergeant at arms. We would have to have votes; and if only 20 Senators were here, and 11 Senators voted against a motion to adjourn, there is not a thing I could do but stay in until we got a quorum. We could be here Sunday, we could be here until Monday, and it is simply facing the realities of the situation that causes me to do this. I apologize for using this method, but I am forced into it by the extremities of the situation.

Several Senators addressed the Chair.

Mr. ROBERT C. BYRD. I yield to the Senator from Wisconsin. I yield under the same conditions.

Mr. NELSON. I have always as a matter of policy in the past and do now and shall in the future support the leadership on all procedural questions because I think the leadership is entitled to support on procedural questions.

My inquiry is: Why waste any more time talking around here? Why does not the Senator move to adjourn; if it is going to be a quorum, have the quorum, because everyone here, if he hangs around long enough, will be inspired to give us a speech.

Mr. ROBERT C. BYRD. Yes.

Mr. NELSON. We have already been going for 30 minutes, talking about what we are not going to do.

So would the Senator make his motions, let us get the quorum call, and let us find out whether we are in business or not, but I do not want to be around here to 3 o'clock this afternoon still discussing whether we are going to discuss something or do something.

Mr. ROBERT C. BYRD. Mr. President, I am prepared now to make the motion, but I do not want to shut off Senators as long as I feel that their requests to yield are not purely dilatory.

I yield now to the Senator from Wyoming (Mr. HANSEN) under the same conditions.

Mr. HANSEN. Mr. President, I thank my very good friend and greatly admired majority whip for yielding to me.

I would hope that every Senator here might reflect most seriously upon the observations made by the distinguished Senator from Mississippi (Mr. STENNIS). I do not think that this is a matter to be decided in haste, and I am not saying this to try to see if we can stay in session all day Saturday and all day Sunday. That is not my purpose at all. But I think that the expediency, that seems to me to be implied in the observations by my good friend from Wisconsin, is not and should not be the major concern of the Senate at this time.

It seems most unusual to me that the Senate of the United States has been convened as we were at 10 a.m. Saturday morning. I would assume that those of us who are here, and others who may regret not being here or who perhaps intend later in the day to join us, would assume that we have serious purposes in mind.

I have never yet before heard—and I have not been around here all that long, as Senators know—this is the ninth year of my being a Member of this distinguished body—but I do not recall in the time I have been here—maybe it has happened but I am not aware of it if it has—of a request such as was made by the distinguished Senator from West Virginia ever having been made before. It seems most unusual.

I do not care how generous he is, and no one can challenge the generosity of the Senator from West Virginia. He has been the epitome of thoughtfulness. He has been most generous to this Senator personally on a number of occasions. So what I say is not directed in any way to imply any ill will or lack of appreciation for the many, many kind things that the Senator from West Virginia has done for the Senator from Wyoming, but rather to direct attention to the seriousness of the request that he has made. In effect, the Senate of the United States, which has often been referred to as the greatest deliberative body on earth, is being asked, as I understand the request by the Senator from West Virginia, to operate under what I could characterize as the Byrd rule today, the Byrd rule. Anyone can speak. Anyone may speak. I will make no effort—I am paraphrasing what my good friend from West Virginia said—anyone may speak, he may speak 1 or 2 hours.

But I know what the realities are. I know that if we operate under the rules of the Senate of the United States, if we operate——

Mr. ROBERT C. BYRD. Mr. President, we are operating under the rules.

Mr. HANSEN. Yes, indeed we are, and I hope we continue to. That is why I am speaking, because I do not want to change those rules.

I do not happen to like the Byrd proposal at this time. It seems to me to convey on one man—I do not care who it is—but to convey on one man the right to say who shall be recognized and for the period of time that he may be recognized. That seems a most unusual request.

If I may, Mr. President, I would like to read from the Senate procedural rules on page 441, and I note if Senators would be interested in following me, it says:

> PARCELING OUT TIME NOT IN ORDER
>
> A Senator has no right under any rule or practice of the Senate to hold the floor and farm it out, particularly when he sits down, . . .

Of course, I note that my good friend from West Virginia is not going to be trapped on that one. He is on his feet. And he is up at 7 o'clock in the morning, and he is way ahead of most of us. That is why he is the skillful successful operator that he is, and I can understand why he is elected and reelected.

Let me finish reading.

Mr. ROBERT C. BYRD. Mr. President, I do not mind the Senator referring to this as a Byrd proposal.

Mr. HANSEN. I have many further accolades, and I will come to them in a minute.

Mr. ROBERT C. BYRD. I wish he would not use the word "operator."

Mr. HANSEN. I maybe should not have used the word "operator." "Manager" and "engineer" might be better. It may be "engineer." Would the Senator from West Virginia object to the word "engineering"? It is well engineered, I will say that.

Let me start again, because I did interrupt myself, and I think Senators may lose the context of what I am trying to say in reading this rule on page 441:

> PARCELING OUT TIME NOT IN ORDER
>
> A Senator has no right under any rule or practice of the Senate to hold the floor and farm it out,[515] particularly when he sits down,[516] or to hold the floor and parcel out time,[517] or any part of his time.[518] A Senator in charge of a bill under consideration cannot maintain his right to the floor indefinitely while the Senate acts on the bill,[519] or while amendments thereto are being considered.[520] He may not yield to another on objection for extended arguments.[521]
>
> It is the custom of the Senate, however, with reference to Senators yielding in debate, to construe its rules liberally . . .
>
> (Footnotes not printed in RECORD.)

May we have order, Mr. President? I know that every Senator wants to abide by the rules, and I think they would be interested in knowing what this particular rule says, because it is an issue at this point.

The ACTING PRESIDENT pro tempore. Will the Senator suspend just for 1 minute?

The Senate is advised the transcript is available from here on out that the Senator had requested.

Mr. HANSEN. I thank the Chair.

> It is the custom of the Senate, however, with reference to Senators yielding in debate, to construe its rules liberally unless prior notice has been given that they shall not be so construed.[522]
>
> In one instance, the Presiding Officer, after the Senator having the floor had yielded to various Senators for interruptions and discussions, recognized in his own right a Senator desiring to interrupt further the Senator in possession of the floor.[523]
>
> (Footnotes not printed in RECORD.)

Mr. President, the thing that strikes me as being most unusual is that no one challenges the right of a Senator when he is managing the bill or when he is in the middle of a debate to carry on his right to continue. The only way we can shut that off, as we all know, is through invoking rule XXII.

We have tried that in other matters here some six times, and we may try it several times more. We have created a record. Never until this session of Congress had we sought to invoke cloture, so I am told, more than four times on any one issue. We have bettered that by 50 percent.

But here we are today talking about and being asked to agree to a unanimous-consent request by our good and cherished friend, the Senator from West Virginia, that he may determine, though he says he will make no discrimination at all in recognizing anyone and everyone who wants to speak, excepting that he is going to have the right to the floor.

Now he has asked for that request. He cites some very valid reasons in his judgment for engineering this sort of request. First he recognizes the realities of the situation we are in today. He is saying that if we abide by the rules of the Senate and, if he is not given this unusual, I say unusual, recognition, then things may happen that would not serve perhaps his purposes and perhaps the purposes of a lot of other Senators very well.

We might be in session all day, and we might be in session throughout the night; and, indeed, we might go over into the Sabbath.

Mr. ROBERT C. BYRD. In which case, there would be a vote on cloture on tomorrow, if that happened. Where would Senators be then?

Mr. HANSEN. We would have to bite the bullet.

Mr. ROBERT C. BYRD. I am willing to bite the bullet.

I can say this, Mr. President: If the Senate is forced to go into session tomorrow, we cannot avoid a cloture vote on the Sabbath, under the rules. That would occur automatically.

Mr. HANSEN. I certainly am not very smart, but I am too smart to argue the rules with my good friend from West Virginia. I would say that if he chooses to have that situation come about, he may assume the responsibility for it.

Mr. ROBERT C. BYRD. I am not so choosing. That is what the Senator from West Virginia is seeking to avoid.

Mr. HANSEN. If that is the reason for saying that he wants to ask for this most unusual procedure, under which we shall operate all day today, all I can say is that, as the majority whip, I am amazed, with his understanding of the rules, that he did not think about that before we got into this deal here today.

Mr. ROBERT C. BYRD. My distinguished friend is, to my great amazement, eminently confused, and my good friend knows that I speak facetiously.

Mr. HANSEN. It should not amaze my good friend from West Virginia. I am often confused, but never in doubt. [Laughter.]

Mr. ROBERT C. BYRD. Mr. President, the transcript is here.

Mr. HANSEN. Do I assume that the Senator would rather I would speak no longer?

Mr. ROBERT C. BYRD. No; I have no objection to that.

Mr. HANSEN. Because I do appreciate the courtesy that my friend has extended.

All I can say, Mr. President, is that I do not think that the expediency of this situation, and even the onerous and agonizing burden that will be ours, should we be forced to meet on Sunday—I have already told the Chaplain that, despite the fact that I am not often in the particular church where he shall be speaking this Sunday, I intended to be there, and that is my purpose. I shall not be there if the Senate is in session, because, along with the distinguished majority whip and our other colleagues, I have to assume this is an important responsibility that I have assumed on behalf of the people of Wyoming.

While we do owe our first allegiance and our first responsibility to God, in this instance I shall hope that God may understand that some of us are confused, as the distinguished Senator from West Virginia has pointed out, and the Senator from Wyoming is. I just got mixed up on my days.

I did not think the Senate would be in session on a Sunday. I was in the Chamber on Sunday, despite the fact that that was the Sabbath, because, being confused, as I so oftentimes am, and knowing that the Senate would not be in session on Sunday, I was here.

Mr. ROBERT C. BYRD. Mr. President——

Mr. HANSEN. Yes.

Mr. ROBERT C. BYRD. I did not mean to cut the Senator off in the middle of a sentence.

Mr. HANSEN. I can speak any time. [Laughter.]

Mr. ROBERT C. BYRD. Mr. President, as the Senator from Wyoming well knows, it is not my intention to move to recess until Sunday. But, as I asserted earlier, if a Senator so wished, and I do not know that any Senator would so wish—I doubt that a Senator would so wish, although I cannot be sure that a Senator would not so wish—a Senator could talk, if he could get the floor, and keep the Senate as long as he wanted today, even into tomorrow, if he so wished; and in the event he kept it in session to tomorrow, I was simply saying that a cloture vote, under the rules, would have to occur on tomorrow, that being the following calendar day but one—after the offering of the motion by the majority leader to invoke cloture on yesterday. I am sure that Senators do not want to have a cloture vote on tomorrow.

Mr. President, I yield now to the Senator from West Virginia, my senior colleague, without losing my right——

Mr. HANSEN. I do have more observations. I appreciate the fact that others wish to be heard. I simply ask if my good friend from West Virginia, with his generous nature, so often displayed, will recognize his colleague from Wyoming yet one more time.

Mr. ROBERT C. BYRD. I will do it right now.

Mr. HANSEN. Oh, no.

Mr. ROBERT C. BYRD. Let us get it over with.

Mr. HANSEN. It will not be gotten over with that quickly.

The ACTING PRESIDENT pro tempore. The Chair inquires as to whether the notes are still required, because the Official Reporters have other duties in this regard.

Mr. ROBERT C. BYRD. If the Senator from Wyoming wishes to inquire about the transcript, I will be glad to yield to him for that purpose right now, without losing my right to the floor.

Mr. HANSEN. Mr. President, my only interest was in seeing what had been said at that time. I raised the issue with the Senator from West Virginia. I have no interest at all in having transcribed verbatim what may continue now.

As a matter of fact, I am sure that tomorrow my many friends in Wyoming—and I hope there are more than three or four—will recognize the shortcomings of your admiring colleague from the West and make due allowances for his lack of knowledge and his confusion. It is something that is not new or unknown to my good people, my constituents, in Wyoming.

The PRESIDING OFFICER. The Chair thanks the Senators.

The Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, the junior Senator from Wyoming speaks in jest, just as I spoke facetiously. He is both very able and knowledgeable. I yield to the senior Senator from West Virginia, without losing my right to the floor.

Mr. RANDOLPH. Mr. President, it is with some reluctance that I address myself to the comment that has been made that our Creator is worshipped on a certain day on which we may be in session in the Senate.

Today, for me, is the Sabbath. I am one of four Sabbath keepers in this body.

I say very earnestly, but very quietly, that those Senators who have discussed the problem are all Sunday keepers. I hope we are all keepers of the faith 7 days of the week. Observance of a particular day as the Sabbath, is a matter of individual conviction. So when I said I was a Sabbath keeper, it means that my Sabbath comes on Saturday.

Also, it is a Sabbath that follows the Scriptual words that "From even unto even shall you celebrate your Sabbath."

Not from midnight until midnight, but "From even unto even."

I do not do this to draw attention to the religious denomination of which I am a member. We are a very small religious group, perhaps only 16,000 of us in all the world. It is the Seventh Day Baptist Church. But there are others—the Seventh Day Adventists for example—that have large memberships. There are, Mr. President, reasons for people having expression of beliefs. Some go to heritage, some to a study of the Bible, some to the feelings which come sometimes from just a sense of a situation.

The able Senator from Florida (Mr. STONE), who is presiding at this time, holds the Jewish faith, as do our colleagues, Senators JAVITS and RIBICOFF. Their Sabbath is today.

The reason I am mentioning this is that it is a decision we all had to make to be here today, just as it would be a decision for you gentlemen if we were to be here tomorrow. Every Member of the Senate must make that personal determination for himself.

We should keep in mind that there are differences in religion. There are groups who believe very strongly in their tenets.

I only hope that we will remember the Scripture, "Pleasant words are as a honeycomb, rest to the soul and health to the bones." So sometimes when we speak acrimonius words in this body, let us hope that they may be kept at a minimum and are soon forgotten.

I have long believed the admonition of the late Napoleon Hill, who was my friend for many, many years. He said:

> If you must think evil of a person, never speak it; write it—write it on the sands near the water's edge.

I thank the Senator for yielding.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent, without losing my right to the floor, that Senators may introduce statements into the RECORD today, may introduce bills and resolutions to be printed and referred——

Mr. HANSEN. I object, Mr. President.

The ACTING PRESIDENT pro tempore. Objection is heard.

Mr. ROBERT C. BYRD. Mr. President, I am now ready to move—to make a motion.

Mr. HARRY F. BYRD, JR. Will the Senator yield under the same conditions?

Mr. ROBERT C. BYRD. Yes; under the same conditions.

AMENDMENT 681 TO H.R. 8121—ADDITIONAL COSPONSOR

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that the distinguished Senator from Florida (Mr. STONE), who is now presiding over the Senate, be added as cosponsor to amendment No. 681 to the State Department appropriations bill H.R. 8121. This amendment would prevent the use of tax funds to negotiate the surrender of U.S. rights in the Panama Canal.

Mr. ROBERT C. BYRD. Mr. President, I yield for that purpose without losing my right to the floor.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I yield to the Senator from Maryland (Mr. MATHIAS) without losing my right to the floor.

Mr. MATHIAS. I thank the Senator for yielding.

Mr. President, I ask unanimous consent that a statement I heretofore submitted at the desk, and one which the Senator from Kansas (Mr. PEARSON) has ready for the desk, may be printed in the RECORD.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I yield for that purpose without losing my right to the floor.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(The statements of Senator MATHIAS and Senator PEARSON, ordered to be printed in the RECORD, are as follows:)

JUSTICE AT JUSTICE

Mr. MATHIAS. Mr. President, I would like to report to you a most distressing situation that involves a Baltimore lending institution, a Chicago bank, and the U.S. Department of Justice. Were the facts of this case less clear, I would hesitate to present them at this time, but there is no dispute as to the actions of the Government in causing with impunity great damage to several reputable financial institutions, and, ironically, in the name of good government.

The story begins in May, 1973. Sheldon Davidson, the Department of Justice attorney in charge of the Chicago Strike Force operating out of the office of the U.S. attorney in Chicago, requested the Continental Illinois National Bank to issue, without money being deposited, a bogus certificate of deposit, in the amount of $1.75 million, to Charles E. Leggett. Although Leggett had a record of several arrests and indictments in Chicago between 1957 and 1971 on charges ranging from income tax evasion to swindles, Mr. Davidson asked for and received the bank's cooperation on the basis that the phony certificate of deposit would be kept under the strict control of the U.S. attorney's office and the FBI. The purpose of the scheme was for Charles Leggett to use the certificate of deposit as a prop while he penetrated organized crime and reported back to his sponsors at the strike force instances involving use of stolen securities, of which banks were often the victims. As an added inducement to Continental Bank, Mr. Davidson gave the following indemnity to bank officials on May 15, 1973:

> This letter will serve as a receipt to Continental Bank for a savings non-negotiable time certificate of deposit dated May 14, 1973, No. S92067 in the sum of $1,750,000. The registered holder of the certificate is a Charles Leggett. My office will assume responsibility for the certificate and in the event that it is negotiated will assume the liability.
>
> This assumption is given on the express guarantee that Continental Illinois National Bank and Trust Company of Chicago will not under any circumstances pay to any person any monies on the above-described non-negotiable certificate of deposit.

Unfortunately, the script did not play true to form. Sheldon Davidson, the originator of the scheme, soon left the U.S. Attorney's Office to join a private law firm in Chicago, and Leggett decided to convert the phony certificate of deposit to his own purposes. On June 19, 1973, he applied for a loan to the Coleman Mortgage Co. of San Diego, Calif., through his attorney, Richard F. Gerry. The certificate of deposit was offered as security for the transaction—a purchase, for $3 million, of a 34-room mansion in La Jolla, Calif., overlooking the Pacific. A $1.5 million purchase money mortgage for 1 year was sought from Coleman Mortgage Co., backed by the real estate and the $1.75 million certificate of deposit issued to Leggett 1 month earlier. The property was to be held in trust for the then-anonymous Leggett by Title Insurance Co. of California. The arrangement called for delivering the certificate under a separate trust to Title Insurance Co., to be redeemed for payment on maturity. Coleman Mortgage solicited the interest of Baltimore Federal Savings and Loan Association of Baltimore, Md., in acquiring the financing and arrangements were made between those two institutions. Baltimore Federal became the mortgagee with the Continental certificate of deposit as additional security.

Interest was paid monthly, and matters appeared normal until the maturity of the loan on August 20, 1974. When Leggett failed to repay the $1.5 million, the Continental Bank certificate of deposit issued to him was presented for redemption on September 10, 1974, to Continental by the corporate trustee.

Instead of payment, the presenter was subjected to intense interrogation by representatives of the FBI and the U.S. attorney in Chicago. It signaled the first awareness on the parts of the U.S. Government and the bank as to the location and use of the certificate over a period of more than a year. At the same time, Title and Trust Co. and Baltimore Federal Savings and Loan Association first learned of the background to the certificate of deposit.

In an attempt to resolve the situation, numerous conferences were held by all parties concerned, including a meeting in Chicago on November 24, 1974. At that meeting, Baltimore Federal Savings and Loan was requested to forbear redeeming the certificate of deposit and was, in return, given a written promise by the U.S. attorney as follows:

> As was discussed this morning in our meeting in the offices of Mayer, Brown & Platt, it is our request that you not take any further steps with respect to seeking redemption of the $1,500,000 certificate of deposit No. S-92067 issued by Continental Illinois National Bank and Trust Company before December 6, 1974.
>
> By December 6, 1974, you will be advised as to what course of action we propose be followed in order that Baltimore Federal Savings and Loan receive the $1,500,000 and accrued interest as soon as possible.

No further communication has been received by Baltimore Federal from the U.S. attorney. The certificate of deposit was tendered for redemption again on December 17, 1974, and Continental refused payment on the grounds that the U.S. attorney continued to instruct the bank not to pay it. Foreclosure proceedings were pursued by Baltimore Federal, and the sale took place on April 11, 1975. Since no other bids were received, Baltimore Federal bought the property for $750,000. Since the foreclosure, the Department of Justice has taken the position, as reported in the press, that there is no Government liability to anyone in the matter. The rationale for this position is the stated nonnegotiability on the face of the certificate of deposit, despite the fact that negotiability is not required for such a certificate of deposit to function as security for a loan. The fact remains that the Department of Justice, having set in motion the origins of this bizarre scenario, and having failed to attempt even the most elemental supervision of this fraudulent certificate of deposit, is now disclaiming liability to an innocent third party.

As if this litany were not enough, there are additional aspects of this case that are of interest. Leggett is now in Canada, apparently still maintaining some working relationship with the U.S. Attorney's Office. According to the Chicago Tribune of June 19, the Department of Justice intends to use him as a major witness in several large fraud cases, and has no plans to file charges in the case at bar.

We thus have the situation of a man under the shadow of criminal charges who, to avoid prosecution, turned informer and agreed to become a minion of the law. Instead, he immediately embarked upon a new fraudulent scheme, and the Justice Department apparently is more concerned for his welfare than for the innocent third parties who have been victimized by the Government's overzealous ploy. I would *submit,* Mr. President, that it is the Government who has become the biggest mark of Leggett's confidence skills.

One could wonder why the U.S. Department of Justice is apparently so callous that it harbors those that it is charged with prosecuting, and reneges on a written promise of responsibility for the actions its agents performed with the apparent scope of their authority. Legal technicalities will not erase the moral obligation that the U.S. Government carries upon its shoulders.

Mr. President, I think that a full accounting from the Justice Department would greatly assist us in attempting to understand this adventure. I call upon the Attorney General to make a public disclosure of all relevant information in this case. In the event that such a public report is not forthcoming, then I shall feel compelled to recommend to the Judiciary Committee that this episode be the subject of a detailed investigation by the committee. If this type of activity has been engaged in frequently by the Department, that fact should be known by lending institutions, mortgage bankers, and the general public. Only after a full public disclosure will we be in a position to properly assess all the unhappy potential of this situation.

HOW TO INCREASE NATURAL GAS SUPPLIES IN THE IMMEDIATE FUTURE

Mr. PEARSON. Mr. President, those who support S. 692, the Natural Gas Production and Conservation Act, have asserted that supplies of natural gas to interstate pipelines cannot be increased significantly in the near term.

If S. 692 were to become law, this assertion would become a self-fulfilling prophesy. Because S. 692 effectively freezes the wellhead field price in reserves dedicated to interstate commerce prior to January 1, 1975, there is no incentive under the bill to accelerate production from those reserves in the immediate future. Under S. 692, additional supplies would be developed from wholly new fields. There is nothing in S. 692 to respond to the short-term emergency—a natural gas shortage of about 3.3 trillion cubic feet—Tcf—this year.

Mr. President, along with Senator Bentsen and 16 other Senators, I have offered an alternative to S. 692—amendment No. 586. One of the principal features of our amendment is its emphasis on, and response to, the current supply emergency. The amendment is designated to promote increased natural gas sales to interstate pipelines from existing, producing natural gas reserves.

NEW CONTRACT INCENTIVE PRICES WILL PROMOTE CONTINUED PRODUCTION AND EXPANDED PRODUCTION FROM OLD GAS WELLS

Mr. President, under the terms of our substitute amendment, a producer whose contract for the sale of natural gas is expiring will have adequate incentive to perform the necessary remedial work on his wells to justify continued production from those wells. The producer will also have the necessary incentive to expand the daily production capability of old wells. This incentive will be compelling because, under the terms of our proposal, the producer will receive the same free market price for continued production, after full performance of all existing contractual obligations, that he would receive for natural gas sales from newly developed reserves. The producer, moreover, will receive a free market price for increased production from old wells.

Under S. 692, exactly the opposite is the case. The incentive under S. 692 is concentrated almost entirely in production from newly developed fields—a laudable goal when considered in isolation, but completely unresponsive to the shortage and curtailment situation that consumers face today.

Mr. President, an example of the potential for increased production from old wells is demonstrated in an engineering study performed in December 1974 on the Medicine Lodge Pool in Barber County, Kans. Nine of the fourteen leases involved in the study were operating below their economic limit. The discounted future income of 20 of the 24 wells was less than the salvage value of the equipment. At the 1950's vintage price of 16.8 cents per thousand cubic feet—Mcf—remedial work on the wells was not economically feasible. But at a sale price of 65 cents per Mcf, the recoverable gas reserves from these 24 wells could be increased by 4,467,800 Mcf.

Fortunately, Mr. President, the production from the Medicine Lodge Pool is dedicated to intrastate commerce. There is no freeze on the wellhead price of intrastate natural gas sales. Therefore, the producer will be able to negotiate a price for additional sales from the 24 wells in question that will justify the needed remedial work and the increased production. In fact, from these 24 wells, the increased daily volume will be one million cubic feet of natural gas.

Mr. President, not only will recovery from old wells be accelerated by the incentives in our amendment, but the ultimate recovery from existing reserves will be increased materially.

ULTIMATE RECOVERY FROM DEDICATED RESERVES WILL BE INCREASED BY INCENTIVE PRICES

Under the terms of our amendment, old gas wells will produce to a lower abandonment pressure because of the higher price for old well production upon the expiration of existing long-term contracts. In the Kansas Hugoton field alone the continued production to an abandonment pressure of 30 pounds instead of 50 pounds would increase the recoverable reserves from that field by approximately 1.2 Tcf. In addition, the applicability of the incentive price to new wells drilled on previously dedicated acreage will enhance ultimate recovery and increase, in the short term, daily volumes of gas available for sale from old reservoirs.

Mr. President, under S. 692, again, exactly the opposite is the case. New wells on previously dedicated acreage receive the frozen, old gas price. There is no incentive to invest in new wells on proven acreages where production, in the very short term, can be substantially expanded.

An example of the increased availability of natural gas from infield drilling of new wells is reflected in the findings of the New Mexico Conservation Commission in a recent hearing involving the Mesaverde Reservoir in the San Juan Basin of New Mexico. The evidence to the State commission showed that drilling of the second well on the existing unit was not economically feasible unless the second well would qualify for a higher rate.

Mr. President, I shall ask unanimous consent that the order of the New Mexico State Conservation Commission be inserted as attachment II in the Record immediately following these remarks.

Mr. President, there are 8,988 gas wells in Kansas alone. There are tens of thousands more in the 23 producing States of this Union. We cannot ignore the potential for increased production and sale from these wells, and from the fields they serve, in our quest for wholly new fields.

CONCLUSION

The effort to relieve the current gas shortage must be devoted not only to the discovery of new reservoirs and the development of new reservoirs, but it also must be devoted to maximize the production capacity of old reservoirs dedicated to interstate commerce.

Under the terms of S. 692, remedial work on old gas wells must be cost justified by the producer, probably on a well by well basis. The return will be severely limited on a utility-type basis of regulation. Under S. 692, the producer has every incentive to ignore the potent capacity of existing fields for increased production. His incentive will be to maximize his return on investment by exploratory work in wholly undeveloped areas. In the meantime, the Nation will be forced to suffer, unrelieved, the current emergency shortage conditions.

Mr. President, long-term contracts at unreasonably low prices have caused shortages of natural gas in intrastate commerce, just as they have caused shortages in the interstate system. But in Texas, as one example, free market economy forces have restored a supply-demand balance. Producers in Texas have been able to meet the demand in that State, and the price of new natural gas in Texas is going down.

Mr. President, I ask unanimous consent that a recent article from Business Week, dated July 7, 1975, be printed in the Record immediately following these remarks, as well as the order to which I have referred.

There being no objection, the material was ordered to be printed in the Record, as follows:

Case No. 5264, Order No. R-1670-T

(Application of El Paso Natural Gas Company for the Amendment of Order No. R-1670, Blanco Mesaverde Pool, San Juan and Rio Arriba Counties, New Mexico.)

ORDER OF THE COMMISSION

By the Commission:

This cause came on for hearing at 9 a.m. on August 13 and August 14, 1974, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

Now, on this 14th day of November, 1974, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, and being fully advised in the premises,

Finds:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the Blanco Mesaverde Pool, located in San Juan and Rio Arriba Counties, New Mexico, was created by Commission Order No. 799, dated February 25, 1949.

(3) That the Blanco Mesaverde Pool is governed by special rules and regulations, promulgated by the Commission in Order No. R-1670, as amended, which provide for 320-acre proration units and well locations in the NE/4 and SW/4 of each governmental section, and for the assignment of allowable to each proration unit in the pool based on the amount of acreage in the unit and the deliverability of the unit well.

(4) That the applicant, El Paso Natural Gas Company, seeks an order amending said Order No. R-1670 to permit the optional drilling of an additional well on each 320-acre proration unit in the Blanco Mesaverde Pool; to determine the deliverability of each proration unit upon which an additional well is drilled by adding the deliverabilities of the two wells; (to permit the production of the allowable assigned to a proration unit containing two wells from both *wells* in any proportion;) to consider both wells on a proration unit as one well for purposes of balancing underproduction or overproduction; to report the production of each well on the unit as well as the total unit production; and to compare the unit production against the unit allowable for determining whether a unit should be classified marginal or non-marginal.

(5) That the Blanco Mesaverde Pool has been developed for approximately 20 years on 320-acre proration units.

(6) That to change the unit size now in said pool would disturb the equities under many of the existing proration units.

(7) That the proration unit size in the Blanco Mesaverde Pool should continue to be 320 acres.

(8) That Section 65–3–10, New Mexico Statutes Annotated, 1953 Compilation, empowers the Commission to prevent waste of hydrocarbons and to protect the correlative rights of the owners of each interest in said hydrocarbons.

(9) That Section 65–3–5, New Mexico Statutes Annotated, 1953 Compilation, confers jurisdiction on the Commission over all matters relating to the conversion of oil and gas.

(10) That "waste" is defined by Section 65–3–3, New Mexico Statutes Annotated, 1953 Compilation.

(11) That the evidence reveals that the Blanco Mesaverde Pool is not a homogeneous, uniform reservoir.

(12) That the producing formation of the Blanco Mesaverde Pool is comprised of various overlapping, interconnecting, and lenticular sands of relatively low permeability, many of which are not being efficiently drained by existing wells in the pool but which could be more efficiently and economically drained and developed by the drilling of additional wells pursuant to the rule changes proposed by the applicant.

(13) That infill drilling will substantially increase recoverable reserves from the Blanco Mesaverde Pool.

(14) That infill drilling will result in greater ultimate recovery of the reserves under the various proration units in the pool.

(15) That infill drilling in the Blanco Mesaverde Pool will result in more efficient use of reservoir energy and will tend to ensure greater ultimate recovery of gas from the pool, thereby preventing waste.

(16) That if infill drilling is implemented in the Blanco Mesaverde Pool, each operator will be afforded the opportunity to produce, without waste, his just and equitable share of the gas from the Pool, and his correlative rights, as defined by Section 65–3–29, New Mexico Statutes Annotated, 1953 Compilation, therefore, will not be impaired.

(17) That both wells on a probation unit should be produced so long as it is economically feasible to do so.

(18) That the application should be approved.

It is therefore ordered:

(1) That the Special Rules for the Blanco Mesaverde Pool in San Juan and Rio Arriba Counties, New Mexico, as promulgated by Order No. R–1670, as amended, are hereby amended to permit the optional drilling of a second well on each proration unit; to provide that the deliverability of a proration unit containing two wells shall be the sum of the deliverabilities of each of the wells; to provide that the unit allowable may be produced from both of the wells in any proportion; to consider both wells on the proration unit as one well for purposes of balancing underproduction or overproduction; to provide for the reporting of production from each well individually and to require the reporting of total production from the unit; and to compare the unit production against the unit allowable in determining whether a unit should be classified marginal or non-marginal.

(2) That Rule 2 of the Special Rules for the Blanco Mesaverde Pool, as promulgated by Order No. R–1670, as amended, is hereby amended to read in its entirety as follows:

"Rule 2 (A). The initial well drilled on a proration unit shall be located 990 feet from the outer boundary of either the Northeast or Southwest quarter of the section, subject to a variation of 200 feet for topographic conditions. Further tolerance shall be allowed by the Commission only in cases of extremely rough terrain where compliance would necessarily increase drilling costs.

[From Business Week, July 7, 1975]

A TEXAS SURPLUS DEPRESSES GAS PRICES

Texas oilmen are beginning to talk about a problem that many thought they would never have to cope with again—a statewide surplus of natural gas. Their astonishment is understandable. While Texas produces 37% of the nation's gas, it is also a hearty consumer of the fuel, and the state was one of the first to fall victim to the nation's now-widespread gas shortage.

As early as 1972, some intrastate gas pipelines in Texas began curtailing deliveries every bit as severely as the big interstate lines. As a result, wellhead prices in the unregulated Texas gas market zoomed from 25¢ per 1,000 cu. ft. in 1971 to $1.90 earlier this year, or nearly four times the price that federally regulated interstate lines are allowed to pay. And for a while, both producers and users began wondering if the price spiral would ever end of its own accord.

But now the Texas market is balancing out. "In the last couple of months, there's been a considerable softness that completely slipped up on us," observes Bryan Mitchell, vice-president of Amoco Gas Co., an intrastate pipeline owned by Standard Oil Co. (Indiana). "I didn't think supply would ever meet up with gas demand in Texas."

Nonetheless, it has, and Amoco is not the only company to witness it. Lovaca Gathering Co., which a year ago was failing to deliver almost 40% of the gas it had contracted to supply, has stunned its customers by meeting all their requirements since February. Lone Star Gas Co. admits that for the first time it would like to dump some of its excess product on the interstate market, though only under 60-day "emergency" sales agreements that can be made at close to the intrastate price. All over Texas the story is the same: The intrastate pipelines are full.

LOWER PRICES

As a result, some prices are starting to slip. Small gas finds always attract fewer buyers, and now new reserves of less than 10-billion cu. ft. have dropped in price to as low as $1.20 per 1,000 cu. ft. While the large reserves still command the $1.90 figure, interest is slipping here, too. "One gas man told me he couldn't believe that his management just turned down his proposal to bid on a 200-billion-cu. ft. reserve that six months they would have fallen all over themselves to buy at $1.90 a 1,000 cu. ft.," says F. Fox Benton, Jr., vice-president of Houston Oil & Minerals Corp.

To help spur sales, oilmen are also sacrificing some of the favorable purchasing terms they won during the shortages. Contracts used to require gas purchasers to take up to 75% of a well's production or else pay for any amount they fail to take below that level. In recent years, however, the "take-or-pay" percentages leaped to as high as 95%. Now they have dropped once again to historic levels. "As buyers of gas, we're beginning to resist producer demands on purchase terms simply because we don't need gas as badly as we once did," says Leland W. Carter, president of Mitchell Energy Corp., which produces gas but also buys some for its small intrastate pipeline.

The turnaround by no means indicates that the gas shortage is finally over, even in the unregulated Texas market. Some oilmen argue that the surplus may last as long as two years, but most insist it will be only short-lived. The skeptics reason that the biggest factor has been a decrease in demand caused mainly by an unusually mild winter and a long, cool spring. They also argue that the recession has temporarily reduced consumption. Joe H. Foy, president of Houston Natural Gas Corp., warns: "Whoever says there's a softening in the Texas gas market is drawing a hasty conclusion."

CUTTING CONSUMPTION

Still, there are some indications that the surplus is more than a flash in the pan. For one thing, higher prices have made gas users far more frugal. Amoco's Mitchell estimates that most plants have cut consumption by about 15% simply by using better insulation, recovering waste heat, and taking other gas-saving steps.

There is also evidence that high prices are stimulating more discoveries. Last year, oilmen drilled 20% more gas wells in Texas than they did the year before. One study, done for the Texas Wildcatters Assn., shows that gas production from new discoveries amounted to almost 1-trillion cu. ft. in 1974. That was 15% above the 1973 figure and 2½ times the 1970 level. Unfortunately for the rest of the nation, most of the new gas found in Texas stays within the state so the fuel can qualify for the higher intrastate prices. Last year, interstate pipelines got only 3% of the new gas found onshore in the U.S.

Aware of this fact, some Texas oilmen fear that talk of even a temporary gas surplus in the state will bring a storm of criticism from congressmen who charge that producers are withholding gas from the interstate market to force prices up. But a lot of oilmen are quick to speak out anyway, believing that the turnaround in the Texas market proves how uncontrolled energy prices can eliminate shortages by encouraging new supplies and discouraging unnecessary demand. Observes Kenneth E. Montague, president of Houston's General Crude Oil Co.: "It's a perfect example of what happens when a market is allowed to function freely."

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. I yield to the Senator from Wisconsin (Mr. PROXMIRE) without losing my right to the floor.

Mr. PROXMIRE. I ask unanimous consent that a brief statement I have on genocide be printed in the RECORD.

Mr. ROBERT C. BYRD. I yield for that purpose without losing my right to the floor.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(The statement of Senator PROXMIRE, ordered to be printed in the RECORD, is as follows:)

FREEDOM OF SPEECH AND THE GENOCIDE TREATY

Mr. PROXMIRE. Mr. President, freedom of speech is one of the most sacred human rights that this country offers its citizens. It is the first amendment to our Constitution and should be regarded as the first and most important right in America. Consequently, critics of the Genocide Treaty have often stated that it infringes upon the first amendment guaranteed in our Constitution.

Article III of the Convention states that "direct and public incitement to commit genocide" is considered to be an an act of genocide. Therefore, critics claim that this suppresses freedom of expression.

This is not so. Neither in the United States nor anywhere else in the world is there absolutely unrestrained freedom of speech. Incitment has a well-defined meaning in American law. Incitement to riot, to murder officials, to mutiny, and other similar acts have long been regarded as criminal acts and subject to penalty in the courts of the United States.

The Genocide Convention, which was originally drawn up with major backing of the U.S. delegation, attempts to put these same principles into practice on the international level.

In fact, as a double safeguard the Genocide Convention itself contains a clause that permits countries to enact legislation "in accordance with their respective constitutions."

Mr. President, I would never support any treaty or convention that overstepped the bounds of the U.S. Constitution, especially the first amendment. However, I do support the Genocide Treaty as one of the safeguards of universal human rights. Once again, I call upon my colleagues to join with me in support of the Genocide Treaty.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, does any other Senator wish me to yield?

Mr. HANSEN. I do not want to preempt the generosity of my good friend——

Mr. ROBERT C. BYRD. I yield to the Senator from Wyoming without losing my right to the floor.

The ACTING PRESIDENT pro tempore. The Senator may so yield.

The Senator from Wyoming.

Mr. HANSEN. I wish to ask my good friend, the majority whip, if it is his intention shortly to move that the Senate adjourn?

Mr. ROBERT C. BYRD. It will be my intention shortly to make a motion that we get the Senate out at a reasonable hour on Saturday, Senators willing.

Mr. HANSEN. May I ask further, then, will there be an opportunity afforded any Senator to speak in his own right during today's session? Is it the intenton of the Senator from West Virginia to relinquish the floor or, through the application of the rules of the Senate, will any Senator be permitted, will any Senator have the right, according to the rules of the Senate, to speak on his own time today?

Mr. ROBERT C. BYRD. Mr. President, I do not want to answer the question as it has been phrased. I do not want to deny any Senator any right that he has under the rules.

The Senate is now operating under the rules. I sought recognition. That is under the rules. The Chair recognized the Senator from West Virginia. That is in accordance with the rules.

I have repeatedly asked unanimous consent that I might yield to other Senators without losing my right to the floor. That is in accordance with the rules. Any Senator could have objected, whereupon I would not have yielded. So the Senator from West Virginia is operating under the rules.

I answer the distinguished Senator from Wyoming in this fashion: As I stated earlier, it is my intention to make a motion either to recess or to adjourn, when I have completed yielding to other Senators.

Mr. HANSEN. If I understand the rules——

Mr. ROBERT C. BYRD. Mr. President, I yield to the Senator without losing my right to the floor.

The ACTING PRESIDENT pro tempore. The Senator may yield.

Mr. HANSEN. A motion to adjourn is not debatable. Is a motion to recess also not debatable?

Mr. ROBERT C. BYRD. It is not.

Mr. HANSEN. Then I would assume, Mr. President, and I ask for the distinguished majority whip to indicate whether he agrees or disagrees, when he lays down such a motion, that motion not being debatable, would that, if the Senate votes to adjourn or to recess, preclude any further privilege of the floor by any Member of the Senate during debate?

Mr. ROBERT C. BYRD. It would, provided the Senate adopts the motion of the Senator from West Virginia.

Mr. HANSEN. May I ask my good friend from West Virginia further, as I understand it, a motion to recess or to adjourn can be carried and, indeed, will effect the adjournment or the recess of the Senate despite the fact that there may not be a quorum present. Is that correct?

Mr. ROBERT C. BYRD. The Senator is correct.

Mr. HANSEN. Would it be fair for the Senator from Wyoming, oftentimes confused, as has been duly recognized——

Mr. ROBERT C. BYRD. The Senator is not alone in that respect. I, too, am oftentimes confused.

Mr. HANSEN. To assume that there is not a quorum present?

Mr. ROBERT C. BYRD. I beg the Senator's pardon?

Mr. HANSEN. Would it be reasonable and logical for the Senator from Wyoming to assume that the Senator from West Virginia may believe that there is not a quorum present?

Mr. ROBERT C. BYRD. I fear that a quorum may not be present. If a quorum is present, it is a very thin one and it can be lost as the minutes fly.

Mr. HANSEN. I gather then, Mr. President, if I may proceed further without the Senator from West Virginia losing his right to the floor, and I recognize that right—I conclude, then, that it is the desire of the Senator from West Virginia not to manipulate, because that was a poorly chosen word and I regret having even thought about it—but rather to engineer our actions here today, which is an acceptable word and the Senator from West Virginia certainly has no objection to the word "engineer"—to engineer our actions here today so as to preclude the normal right of any Senator on his own time, and having sought recognition and having been recognized by the Chair, to be afforded the opportunity to speak on whatever subject he may choose?

Mr. ROBERT C. BYRD. Mr. President, I say this respectfully to my friend. I do not care to engage in this kind of a colloquy and I do not intend to answer that question as it is phrased.

Mr. HANSEN. I note that the Senator, my good friend from West Virginia, chooses not to answer that question.

Mr. President, I have no further questions.

MOTION TO RECESS UNTIL 9 A.M. MONDAY

Mr. ROBERT C. BYRD. Mr. President, I now move that the Senate stand in recess until the hour of 9 o'clock on Monday morning next.

Mr. HANSEN. Mr. President, I suggest the absence of a quorum.

Mr. ALLEN. I call for the yeas and nays.

Mr. HANSEN. I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. Is there a sufficient second? There is a sufficient second the absence of a quorum.

The yeas and nays were ordered.

Mr. ALLEN. Mr. President, I suggest

The ACTING PRESIDENT pro tempore. The clerk will call the roll to ascertain the presence of a quorum.

The assistant legislative clerk called the roll, and the following Senators entered the Chamber and answered to their names:

[Quorum No. 59 Leg.]

Abourezk
Allen
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Cranston
Dole
Fannin
Garn
Glenn
Hansen
Hart, Gary W.
Helms
Magnuson
Mansfield
Mathias
McClellan
Metcalf
Montoya
Nelson
Nunn
Packwood
Pearson
Proxmire
Randolph
Roth
Schweiker
Scott, Hugh
Sparkman
Stennis
Stone
Symington
Talmadge
Tunney

The ACTING PRESIDENT pro tempore. A quorum is not present.

Mr. MANSFIELD. Mr. President, I move that the Sergeant at Arms be instructed to request the attendance of absent Senators.

Mr. ALLEN. I request the yeas and nays.

The ACTING PRESIDENT pro tempore. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Montana. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. METCALF. Mr. President, could we have order?

The ACTING PRESIDENT pro tempore. Will Senators take their seats. The Senate will be in order.

The legislative clerk resumed and concluded calling the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Texas (Mr. BENTSEN), the Senator from Delaware (Mr. BIDEN), the Senator from Arkansas (Mr. BUMPERS), the Senator from North Dakota (Mr. BURDICK), the Senator from Nevada (Mr. CANNON), the Senator from Florida (Mr. CHILES), the Senator from Idaho (Mr. CHURCH), the Senator from Iowa (Mr. CLARK), the Senator from Iowa (Mr. CULVER), the Senator from Missouri (Mr. EAGLETON), the Senator from Mississippi (Mr. EASTLAND), the Senator from Kentucky (Mr. FORD), the Senator from Alaska (Mr. GRAVEL), the Senator from Michigan (Mr. HART), the Senator from Indiana (Mr. HARTKE), the Senator from Colorado (Mr. HASKELL), the Senator from Maine (Mr. Hathaway), the Senator from South Carolina (Mr. Hollings), the Senator from Kentucky (Mr. Huddleston), the Senator from Minnesota (Mr. Humphrey), the Senator from Hawaii (Mr. Inouye), the Senator from Louisiana (Mr. Johnson), the Senator from Massachusetts (Mr. Kennedy), the Senator from Vermont (Mr. Leahy), the Senator from Louisiana (Mr. Long), the Senator from South Dakota (Mr. McGovern), the Senator from Minnesota (Mr. Mondale), the Senator from North Carolina (Mr. Morgan), the Senator from Utah (Mr. Moss), the Senator from Maine (Mr. Muskie), the Senator from Rhode Island (Mr. Pastore), the Senator from Rhode Island (Mr. Pell), and the Senator from Illinois (Mr. Stevenson) are necessarily absent.

Mr. HUGH SCOTT. I announce that the Senator from Tennessee (Mr. Baker), the Senator from Oklahoma (Mr. Bartlett), the Senator from Tennessee (Mr. Brock), the Senator from Massachusetts (Mr. Brooke), the Senator from New York (Mr. Buckley), the Senator from New Jersey (Mr. Case), the Senator from Nebraska (Mr. Curtis), the Senator from Arizona (Mr. Goldwater), the Senator from Michigan (Mr. Griffin), the Senator from Oregon (Mr. Hatfield), the Senator from Nebraska (Mr. Hruska), the Senator from Nevada (Mr. Laxalt), the Senator from Idaho (Mr. McClure), the Senator from Illinois (Mr. Percy), the Senator from Vermont (Mr. Stafford), the Senator from Ohio (Mr. Taft), the Senator from South Carolina (Mr. Thurmond), the Senator from Connecticut (Mr. Weicker), and the Senator from North Dakota (Mr. Young) are necessarily absent.

The result was announced—yeas 46, nays 0, as follows:

[Rollcall Vote No. 301 Leg.]

YEAS—46

Abourezk
Allen
Beall
Bellmon
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Cranston
Dole
Domenici
Fannin
Fong
Garn
Glenn
Hansen
Hart, Gary W.
Helms
Jackson
Javits
Magnuson
Mansfield
Mathias
McClellan
McGee
McIntyre
Metcalf
Montoya
Nelson
Nunn
Packwood
Pearson
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Scott,
  William L.
Sparkman
Stennis
Stevens
Stone
Symington
Talmadge
Tower
Tunney
Williams

NAYS—0

NOT VOTING—53

Baker
Bartlett
Bayh
Bentsen
Biden
Brock
Brooke
Buckley
Bumpers
Burdick
Cannon
Case
Chiles
Church
Clark
Culver
Curtis
Eagleton
Eastland
Ford
Goldwater
Gravel
Griffin
Hart, Philip A.
Hartke
Haskell
Hatfield
Hathaway
Hollings
Hruska
Huddleston
Humphrey
Inouye
Johnston
Kennedy
Laxalt
Leahy
Long
McClure
McGovern
Mondale
Morgan
Moss
Muskie
Pastore
Pell
Percy
Stafford
Stevenson
Taft
Thurmond
Weicker
Young

So Mr. Mansfield's motion was agreed to.

The ACTING PRESIDENT pro tempore. The Sergeant at Arms is directed to request the presence of absent Senators.

ADJOURNMENT UNTIL MONDAY, JULY 21, 1975

Mr. ROBERT C. BYRD. Mr. President, I move that the Senate stand in adjournment under the standing order until 12 noon Monday next.

The motion was agreed to; and at 11:26 a.m. the Senate adjourned until Monday, July 21, 1975, at 12 noon.

EXTENSIONS OF REMARKS

HON. PETER W. RODINO, JR., RECEIVES FEDERAL CITY CLUB AWARD FOR DISTINGUISHED PUBLIC SERVICE

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 18, 1975

Mr. BRADEMAS. Mr. Speaker, since 1967 the Federal City Club here in Washington, D.C., has annually presented an award to a person in public life in recognition of distinguished public service.

This year, I am pleased to report, the award was presented to our distinguished colleague, the chairman of the House Committee on the Judiciary, the Honorable Peter W. Rodino, Jr., of New Jersey.

We are all aware of the outstanding service that Congressman Rodino has rendered to the people of his district and to the country during his years in the House of Representatives but the entire Nation came to appreciate Peter Rodino's qualities of dedication and skill in his chairing of the impeachment inquiry in connection with Richard M. Nixon last year.

The distinguished Ambassador of Italy, His Excellency, Egidio Ortona, was also presented the Federal City Club Diplomacy award this year.

Mr. Speaker, at this point in the Record I include the list of persons who have received the Federal City Club Award for Distinguished Public Service:

1967—Walter Lippmann.

1968—George Woods.

1969—Walter E. Washington.

1970—Daniel Patrick Moynihan.

1971—Joseph A. Califano, Leonard Garment.

1972—David Packard.

1973—Henry Kissinger.

1974—William Ruckelshaus, Elliot Richardson.

1975—Peter W. Rodino, Jr.

Mr. Speaker, I insert at this point in the Record the text of Congressman Rodino's remarks on receiving the award:

REMARKS OF HON. PETER W. RODINO, JR., WASHINGTON, D.C., FEDERAL CITY CLUB ANNUAL DINNER, APRIL 10, 1975

I am grateful for the honor you have done me tonight. Thomas Jefferson once said that the receipt of an award was an occasion for gratitude because he had been given the opportunity to serve the public interest. I accept your award in that spirit.

I accept your award, not for myself alone, but on behalf of all my colleagues on the Judiciary Committee, and I accept it in a spirit of humility which is deepened by my fundamental belief that you honor me for doing my duty: nothing more, nothing less.

One of the great lessons of the impeachment experience for all of us is that . . . even in today's skeptical, fearful world . . . words such as "duty" and "responsibility" take on, at moments of ultimate crisis, a real meaning which reflects the old and simple values on which our country has been built. I was privileged to see, first hand, men and women not only rise above partisanship in the interest of their country, but demonstrate a truly selfless dedication to the preservation of our Republic and its ideals.

But even more important, the people of this Nation rose to the demands of the occasion, responded to the straightforward fairness and decency of the impeachment process, and themselves dictated the result without violence or bitterness or recriminations.

The task for us now is to translate that same selfless idealism into action to confront the crises of today. What is needed . . . as we face the ongoing tragedy in Southeast Asia, the renewed fears of war in the Middle East, and deepening recession and inflation at home . . . is not an acrimonious assessment of blame for the failings of yesterday . . . but an agenda of sacrifice for today . . . in a hope of a better tomorrow.

It will take real courage to set this agenda of sacrifice before the American people. We must not fear or hesitate to speak the truth, no matter how harsh or unpleasant it may seem. And we must do so in the realization that today's problems . . . unlike impeachment . . . touch the broadest range of interests in our society.

It will not be easy to translate the spirit with which we surmounted the impeachment crisis into specific solutions for our desperate vital foreign and domestic problems. But I believe that that spirit will not die. We can and we will succeed if those of us in and near public life are equal to the test of character.

If we have the courage to put the choices intelligibly before the people, they have the strength to make them.

HOUSE OF REPRESENTATIVES—*Monday, July 21, 1975*

The House met at 10 o'clock a.m.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

In returning and rest shall ye be saved; in quietness and in confidence shall be your strength.—Isaiah 30: 15.

Oh God, our Father, Who hast led us apart from the busy world into the quiet of this moment; grant us grace to worship Thee in spirit and in truth, for the comfort of our souls and the upbuilding of every good purpose and every great desire.

Enable us to do more perfectly the work to which Thou hast called us, to labor for the good of all the citizens of our country, particularly for those who are poor, suffering, and needy. May we strive to order our lives and the life of our Nation in accordance with Thy will.

So we would worship Thee not with our lips only but in word and in deed every day of our lives.

In the spirit of Christ we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 4073. An act to extend the Appalachian Regional Development Act of 1965 for an additional 2 fiscal-year period.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 644. An act to amend the Consumer Product Safety Act to improve the Consumer Product Safety Commission, to authorize new appropriations, and for other purposes.

ANNUAL CONVENTION OF LEAGUE OF FAMILIES OF THE MIA'S

(Mr. MONTGOMERY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MONTGOMERY. Mr. Speaker, this past week the National League of Families of the MIA's had their annual meeting here in Washington.

There are still 37 Americans classified as POW's; 980 missing in action and 1,500 Americans presumed dead but bodies not recovered.

At this meeting each branch of the military had representatives to let the families look at the records of each missing individual. All of these records have been declassified and the families were permitted to see it all.

I will never forget this scene of the families looking at the pictures and records; of the quietness in the rooms, of the frustration on their faces.

Mr. Speaker, I do not say the resolution we have introduced creating a select committee on MIA's will solve the frustrations of these families but at least over 280 Members of the House of Representatives think it is worth trying.

Mr. Speaker, you are a man of compassion. We need your help.

RE-REFERRAL OF H.R. 5483, TO ESTABLISH A HUDSON RIVER COMPACT COMMISSION, TO COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

Mr. RODINO. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary be discharged from consideration of the bill, H.R. 5483, a bill to establish a Hudson River Compact Commission, and that the bill be re-referred to the Committee on Interior and Insular Affairs.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

THE PRESIDENT'S ANNOUNCEMENT TO VETO H.R. 4035 AND THE EXTENSION OF THE EMERGENCY PETROLEUM ALLOCATION ACT

(Mr. OTTINGER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. OTTINGER. Mr. Speaker, over the weekend the President announced that he would veto not only H.R. 4035, but also a simple extension of the Emergency Petroleum Allocation Act. If he goes through with that threat and we are unable to override the vetoes, it means economic ruin for the country; the prices of oil energy products are going to jump so high as to be intolerable, and it will mean an increase in the price of all the goods and services within our economy beyond that which a shaky economy can take.

So I do hope that the House, when these bills come before it for overriding the vetoes, has in mind the tremendous economic consequences that are involved. We do not need anything like that kind of windfall to the oil companies in order to get full production in this country. The country simply cannot afford it.

This certainly does not represent the President's announced policy of conciliation, cooperation, and compromise. It is clear confrontation. The President is saying we must take his decontrol program and he will accept nothing else. The confrontation is not with us, however, so much as with the American people and I do hope they will make their voices clearly heard.

CALL OF THE HOUSE

Mr. HOWARD. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. O'NEILL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 410]

Abzug
Adams
Alexander
Andrews N.C.
Ashbrook
Ashley
Badillo
Barrett
Bedell
Bell
Biaggi
Bingham
Blouin
Bolling
Bowen
Breckinridge
Brinkley
Brooks
Brown, Calif.
Brown, Mich.
Buchanan
Burke, Calif.
Butler
Byron
Chappell
Chisholm
Clay
Cochran
Conyers
Corman
Cornell
Crane
Dellums
Dent
Diggs
Dingell
Downing, Va.
Drinan
Esch
Eshleman
Evans, Ind.
Findley
Fithian
Flowers
Ford, Mich.
Ford, Tenn.
Fountain
Fraser
Frenzel
Fulton
Giaimo
Gibbons
Gilman
Gonzalez
Gude
Harkin
Harrington
Harsha
Hayes, Ind.
Hays, Ohio
Hébert
Hefner
Hillis
Hinshaw
Holtzman
Hughes
Hyde
Jarman
Jenrette
Johnson, Colo.
Karth
Kasten
Keys
Lent
Litton
Lott
McCloskey
McCormack
McDade
McDonald
McEwen
Macdonald
Madigan
Maguire
Mann
Matsunaga
Mazzoli
Meeds
Meyner
Mineta
Mink
Moss
Mottl
Murphy, N.Y.
Nix
O'Hara
Patten, N.J.
Pepper
Peyser
Pike
Pressler
Randall
Rangel
Rees
Reuss
Riegle
Risenhoover
Rose
Roybal
Runnels
Ruppe
Ryan
Satterfield
Scheuer
Sebelius
Seiberling
Shuster
Snyder
Solarz
Spellman
Spence
Staggers
Stanton,
James V.
Steiger, Wis.
Stokes
Sullivan
Symington
Taylor, Mo.
Teague
Thone
Thornton
Traxler
Udall
Ullman
Walsh
Waxman
Whitehurst
Wolff
Wydler
Wylie
Yatron
Young, Fla.
Young, Ga.
Zeferetti

The SPEAKER. On this rollcall 290 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

CONSENT CALENDAR

The SPEAKER. This is Consent Calendar day. The Clerk will call the first bill on the Consent Calendar.

MANDATORY CIVIL SERVICE RETIREMENT AT AGE 70 WITH 5 YEARS' SERVICE

The Clerk called the bill (H.R. 504) to amend subchapter III of chapter 83 of title 5, United States Code, to provide for mandatory retirement of employees upon attainment of 70 years of age and completion of 5 years of service, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. RONCALIO. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Wyoming?

There was no objection.

AUTHORITY FOR CIVILIAN EMPLOYEES OF DEPARTMENT OF DEFENSE TO ADMINISTER OATHS

The Clerk called the bill (H.R. 508) to amend title 5, United States Code, to authorize civilians employed by the Department of Defense to administer oaths while conducting official investigations.

There being no objection, the Clerk read the bill as follows:

H.R. 508

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 303 of title 5, United States Code, is amended by inserting "(a)" immediately before "An employee" and by adding at the end thereof the following new subsection:

"(b) An employee of the Department of Defense lawfully assigned to investigate duties may administer oaths to witnesses in connection with an official investigation.".

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PROVIDING FOR THE REAPPOINTMENT OF DR. JOHN NICHOLAS BROWN AS CITIZEN REGENT OF THE BOARD OF REGENTS OF THE SMITHSONIAN INSTITUTION

The Clerk called the joint resolution (H.J. Res. 353) to provide for the reappointment of Dr. John Nicholas Brown as a citizen regent of the Board of Regents of the Smithsonian Institution.

There being no objection, the Clerk read the joint resolution as follows:

H.J. Res. 353

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the vacancy in the Board of Regents of the Smithsonian Institution, of the class other than Members of Congress, which will occur by the expiration of the term of Doctor John Nicholas Brown of Rhode Island on June 13, 1975, be filled by the reappointment of the present incumbent for the statutory term of six years.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PROVIDING FOR THE REAPPOINTMENT OF THOMAS J. WATSON, JR., AS CITIZEN REGENT OF THE BOARD OF REGENTS OF THE SMITHSONIAN INSTITUTION

The Clerk called the joint resolution (H.J. Res. 354) to provide for the reappointment of Thomas J. Watson, Jr., as citizen regent of the Board of Regents of the Smithsonian Institution.

There being no objection, the Clerk read the joint resolution as follows:

H.J. Res. 354

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the vacancy in the Board of Regents of the Smithsonian Institution, of the class other than Members of Congress, which will occur by the expiration of the term of Thomas J. Watson, Junior, of Connecticut on June 17, 1975, be filled by the reappointment of the present incumbent for the statutory term of six years.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and pasesd, and a motion to reconsider was laid on the table.

AMENDING TITLE 28 OF THE UNITED STATES CODE AS TO TITLE OF THE COMMISSIONERS OF THE U.S. COURT OF CLAIMS, AND FOR OTHER PURPOSES

The Clerk called the bill (H.R. 4152) to amend title 28 of the United States Code as to the title of commissioners of the U.S. Court of Claims, and for other purposes.

There being no objection, the Clerk read the bill as follows:

H.R. 4152

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That sections 792, 797, 1492, 2503, 2504, and 2509 of title 28, United States Code, and section 20 of Public Law 92-203, December 18, 1971 (85 Stat. 710; 43 U.S.C. 1619), are amended by striking out the words "commissioner", "commissioners", or "trial commissioner", wherever such words appear, and inserting in lieu thereof, as appropriate, the words "trial judge" or "trial judges".

SEC. 2. Sections 792, 1492, and 2509 of title 28, United States Code, and section 20 of Public Law 92-203, December 18, 1971 (85 Stat. 710; 43 U.S.C. 1619), are amended by deleting the words "chief commissioner" wherever such words appear and inserting in lieu thereof the words "chief of the trial division".

SEC. 3. (a) The chapter analysis of chapter 51 of title 28, United States Code, is amended by deleting the catchlines

"792. Commissioners."

and

"797. Recall of retired commissioners."

and inserting in lieu thereof the catchlines

"792. Trial judges."

and

"797. Recall of retired trial judges.".

(b) The chapter analysis of chapter 165 of title 28, United States Code, is amended by deleting the catchline

"2503. Proceedings before commissioners generally."

and inserting in lieu thereof the catchline

"2503. Proceedings before trial judges generally.".

With the following committee amendment:

Page 2, after line 14, add the following:

SEC. 4. Rule 1101(a) of the Federal Rules of Evidence (Public law 93-595; 88 Stat. 126) is amended by striking "commissioners" and inserting in lieu thereof "trial judges."

Mr. DANIELSON. Mr. Speaker, H.R. 4152 provides for amendments to title 28 of the United States Code and related statutes so that present statutory references "commissioners" of the U.S. Court of Claims will be changed to read "trial judges" so as to conform with the current organization of the court and the functions of these officers.

In order to follow current practices governing titles of officers performing judicial duties, on August 1, 1973, in a general order, the U.S. Court of Claims directed that:

> The Commissioners of this court shall, in the performance of their duties and the exercise of their functions, be known and referred to by the title of "Trial Judge".

The changes required by this general order have been incorporated in the court's rules and in the court's trial procedures.

In recent years there has been growing recognition that good administrative practice favors the use of titles that reflect adjudicatory functions. A "hearing examiner" in the various administrative bodies, by regulation promulgated by the Civil Service Commission on August 19, 1972, now is referred to by the title of "Administrative Law Judge." The Judicial Conference in October 1972 approved revision of the Bankruptcy Rules to provide that "Referees in Bankruptcy" shall have the title of "Bankruptcy Judges." In military legal proceedings, the former law officers are now known as "Military Judges." Board members of the various Boards of Contract Appeals now bear the title of "Administrative Judges."

As to cases within its jurisdiction, the U.S. Court of Claims functions with a trial division. The officers of the trial division historically have been called commissioners. The title "commissioner" had its basis in the nomenclature that was followed when the court was first established in 1855. At that time, the court was authorized to designate "commissioners" to gather evidence. Procedures in use in those early days of the court required these officials merely preside over the taking of depositions. They made no evidentiary rulings and were not required to be lawyers. In the court's proceedings, they were frequently referred to as "Reporters-Commissioners."

Over the years, Court of Claims procedures have changed to keep abreast of developing complexities in the adjudication of claims against the United States. Under modern procedures, the trial judges act in a capacity very similar to that of a district court judge in a nonjury civil proceeding. The trial judges rule on all procedural motions, including discovery; conduct pretrial proceedings; preside at trials; rule on all questions relating to the admissibility of evidence; receive requested findings of fact and briefs; make findings; and write opinions. The term "trial judge" is descriptive of the actual functions of the officers in the trial division and of their involvement in the judicial proceedings of the court.

H.R. 4152 also makes appropriate perfecting amendments in the sections of title 28, United States Code, relative to congressional reference cases and in title 43, United States Code, relative to the settlement of Alaska native claims. These sections of the code presently refer these cases to the chief commissioner of the U.S. Court of Claims. This bill amends the appropriate sections so that matters will be referred to the "chief of the trial division."

The committee was advised that the judges of the court have considered favorably H.R. 4152, and unanimously support the title change it provides.

The bill, H.R. 4152, was the subject of a subcommittee meeting on April 22, 1975. At that hearing the witness representing the Department of Justice, the Honorable Irving Jaffe, Acting Assistant Attorney General, Civil Division, U.S. Department of Justice, stated the Department of Justice did not oppose the bill. His statement in this connection is as follows:

> First as to H.R. 4152, which proposes to amend certain sections of Title 28 of the United States Code by deleting those references to "commissioners" or "trial commissioners" of the Court of Claims and replacing these terms with the words "trial judge" or "trial judges." The bill also proposes to amend certain sections of Title 28 as well as section 20 of Public Law 92–203, December 18, 1971 (85 Stat. 710, 43 U.S.C. § 1619) by deleting references to the court's chief commissioner and replacing them with the words "chief of the trial division". Finally, the bill proposes that similar changes be made in the chapter analyses of chapters 51 and 165 of Title 28.
>
> The Department of Justice does not oppose the enactment of this bill. However, we believe that the bill should be modified to reflect a similar change with respect to Rule 1101 of the recently enacted Rules of Evidence. Public Law 93–595, January 12, 1975 (43 LW 137) since Rule 1101 "Applicability of Rules" presently refers in paragraph (a) to "commissioners of the Court of Claims".

The committee amendment provides for the change in rule 1101(a) suggested by the Department of Justice witness in the above quotation.

H.R. 4152 makes no change in substantive law or in the manner trial judges are appointed. No additional budgetary expenditures are required or authorized. The changes provided in the bill merely change statutory references to conform with the rules and procedures of the Court of Claims. It is recommended that the amended bill be considered favorably.

Mr. MOORHEAD of California. Mr. Speaker, this is not complex or controversial legislation but it is a measure which deserves favorable consideration by the House of Representatives. It merely proposes a change in title for the 15 officials, now designated as the "Commissioners" of the U.S. Court of Claims. Under the terms of this bill their title would henceforth be "Trial Judge."

This statutory change will have absolutely no effect on their salaries, the scope of their duties, or their article I status. The Committee on Judiciary, and in particular the members of the Subcommittee on Administrative Law and Governmental Relations, felt that this change in title would better reflect the actual functions of these officers.

At present, there are 15 Commissioners serving the U.S. Court of Claims. They act as the trial division, in the two-stage appellate process of that court. They function in a capacity directly analogous to that of a U.S. district court judge in a nonjury civil proceeding. They rule on motions, oversee the discovery process, conduct pretrial deliberations, rule on the admissibility of evidence, hear the facts, make findings, and write opinions. They are truly judges and should be officially designated as such.

Mr. Speaker, the U.S. Court of Claims is an important and truly unique forum within our Federal judicial system. Its existence dates back to 1855, and the growth of its jurisdiction has been an evolutionary process. Today, its docket is primarily composed of cases arising out of contracts with the Federal Government, claims by civilian and military personnel for back pay and retired pay, and claims for the refund of Federal income and excise taxes. The Chief Commissioner and others in the Trial Division also perform an important advisory function for the legislative branch, under the so-called congressional reference procedure detailed in title 28, United States Code, section 2509.

H.R. 4152 received unanimous support in both the Subcommittee on Administrative Law and Governmental Relations and in the full Judiciary Committee. When appearing before our subcommittee in April, the Department of Justice indicated its full support for enactment of this measure.

Mr. Speaker, I strongly urge my colleagues in the House to give this legislation their full and unanimous consent.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TIME LIMITS IN APPLYING FOR CIVIL SERVICE RETIREMENT BENEFITS

The Clerk called the bill (H.R. 4573) to amend chapter 83 of title 5, United States Code, to establish time limitations in applying for civil service retirement benefits, and for other purposes.

There being no objection, the Clerk read the bill as follows:

H.R. 4573

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 8345 of title 5, United States Code, is amended by adding the following new subsection at the end thereof:

"(g) (1) No payment shall be made from the Fund unless an application for benefits based on the service of an employee or Member is received in the Civil Service Commission before the one hundred and fifteenth anniversary of his birth.

"(2) Notwithstanding paragraph (1) of this subsection, after the death of an employee, Member, or annuitant, no benefit based on his service shall be paid from the Fund unless an application therefor is received in the Civil Service Commission within 30 years after the death or other event which gives rise to title to the benefit.".

SEC. 2. Title 5, United States Code, is amended as follows:

(1) In section 302(b)(2) strike out "324" and insert "3702" in place thereof;

(2) In section 2902(b) strike out "the Postmaster General,";

(3) In section 3351 strike out ", except an appointment made under section 3311 of title 39";

(4) In section 3363 strike out ", except an appointment made under section 3311 of title 39";

(5) Strike out section 3364;

(6) In the analysis of chapter 33 strike out item 3364;

(7) In section 3501(b) strike out ", except an employee whose appointment is made under section 3311 of title 39";

(8) In section 3581(5)(A) strike out "3582(a)" and insert "3582(b)" in place thereof;

(9) In the last sentence of section 3582(b) strike out "on or after the date of enactment of the Foreign Assistance Act of 1969" and insert "after December 29, 1969" in place thereof;

(10) In section 4102(a)(2)(B) strike out "(except a Postmaster)";

(11) In section 5102(c)(5) strike out "White House Police" and insert "Executive Protective Service" in place thereof;

(12) In section 5102(c)(9) strike out "40" and insert "305" in place thereof;

(13) In section 5303(c) strike out "and section 3552 of title 39";

(14) In section 5365 strike out "(a)";

(15) In section 5533(d)(7) strike out subparagraph (F) and redesignate subparagraphs (G) and (H) as (F) and (G), respectively;

(16) In section 5541(2)(iv) strike out "White House Police" and insert "Executive Protective Service" in place thereof;

(17) In the catchline of section 5545 strike out "SUNDAY,";

(18) In the analysis of chapter 55 strike out "Sunday," in item 5545;

(19) In section 6101(a)(4) strike out "education" and insert "educational" in place thereof;

(20) Strike out section 6309;

(21) In the analysis of chapter 63 strike out item 6309;

(22) In section 6324(a) strike out "White House Police" and insert "Executive Protective Service" in place thereof;

(23) In section 6324(b)(3) strike out "White House Police" and insert "Executive Protective Service" in place thereof;

(24) In section 7511(1) strike out ", except an employee whose appointment is made under section 3311 of title 39";

(25) In section 8332(b)(8) strike out "on or after February 19, 1929, and prior to the effective date of section 442 of the Legislative Reorganization Act of 1970" and insert "after February 18, 1929, and before noon on January 3, 1971" in place thereof;

(26) In section 8332(b)(9) strike out "8339(h)" and insert "8339(i)" in place thereof;

(27) In section 8333(c)—

(A) strike out "of title 5" and insert "of this title" in place thereof;

(B) strike out "of this chapter" and insert "of this title" in place thereof;

(28) In section 8340(c)(3) strike out "on or after the first day of the first month that begins on or after the date of enactment of the Civil Service Retirement Amendments of 1969" and insert "after October 31, 1969" in place thereof;

(29) In section 8341(c) strike out "8339(k)" and insert "8339(k)(1)" in place thereof;

(30) In section 8348(h)(2) strike out "thirty" and insert "30" in place thereof.

With the following committee amendments:

On page 5, line 8, strike out "thereof." and insert in lieu "thereof;" and immediately following line 11, insert the following:

(31) Amend section 8331(4) to read as follows:

"(4) 'average pay' means the largest annual rate resulting from averaging an employee's or Members rates of basic pay in effect over any 3 consecutive years of creditable service or, in the case of an annuity under subsection (d) or (e)(1) of section 8341 of this title based on service of less than 3 years, over the total service, with each rate weighted by the time it was in effect;";

(32) In section 8332(b)(7) strike out "(—U.S.C.—)";

(33) In section 8336(d) strike out "a reduced" and insert "an" in place thereof;

(34) In the last sentence of section 8336 (g) strike out "a reduced" and insert "an" in place thereof; and

(35) In section 8902 redesignate subsection (j), as added by the Act of July 30, 1974 (P.L. 93-363, 88 Stat. 398), as subsection (k).

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

INSURABLE INTEREST ANNUITIES

The Clerk called the bill (H.R. 7053) to amend chapter 83 of title 5, United States Code, to eliminate, subsequent to the death of an individual named as having an insurable interest, the annuity reduction made in order to provide a survivor annuity for such an individual.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. RONCALIO. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Wyoming?

There was no objection.

AMENDING TITLE 10 OF THE UNITED STATES CODE, TO PROVIDE FOR AN EXCLUSIVE REMEDY AGAINST THE UNITED STATES IN SUITS AGAINST THE MILITARY MEDICAL PERSONNEL BASED UPON MALPRACTICE

The Clerk called the bill (H.R. 3954) to amend title 10 of the United States Code, to provide for an exclusive remedy against the United States in suits based upon medical malpractice on the part of active duty military medical personnel, and for other purposes.

There being no objection, the Clerk read the bill as follows:

H.R. 3954

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

(a) by adding a new section at the end thereof:

"§ 1089. Defense of certain malpractice and negligence suits

"(a) The remedy against the United States provided by sections 1346(b) and 2672 of title 28 for damages for personal injury, including death, allegedly arising from malpractice or negligence of an active duty physician, dentist, nurse, pharmacist, or paramedical (for example, medical and dental technicians, nursing assistants, and therapists) or other supporting personnel of the armed forces in furnishing medical care or treatment while in the exercise of his duties in or for the Department of Defense or any other Federal department, agency, or institution shall hereafter be exclusive of any other civil action or proceeding by reason of the same subject matter against such physician, dentist, nurse, pharmacist, or paramedical or other supporting personnel (or his estate) whose act or omission gave rise to such claim.

"(b) The Attorney General shall defend any civil action or proceeding brought in any court against any person referred to in subsection (a) of this section (or his estate) for any such damage or injury. Any such person against whom such civil action or proceeding is brought shall deliver within such time after date of service or knowledge of service as determined by the Attorney General, all process served upon him or an attested true copy thereof to his immediate superior or to whomever was designated by the Secretary of Defense to receive such papers and such person shall promptly furnish copies of the pleading and process therein to the United States attorney for the district embracing the place wherein the proceeding is brought, to the Attorney General and to the Secretary of Defense.

"(c) Upon a certification by the Attorney General that the defendant was acting in the scope of his employment in or for the Department of Defense or any other Federal department, agency, or institution at the time of the incident out of which the suit arose, any such civil action or proceeding commenced in a State court shall be removed without bond at any time before trial by the Attorney General to the district court of the United States of the district and division embracing the place wherein it is pending and the proceeding deemed a tort action brought against the United States under the provisions of title 28 and all references thereto. Should a United States district court determine on a hearing on a motion to remand held before a trial on the merits that the case so removed is one in which a remedy by suit within the meaning of subsection (a) of this section is not available against the United States, the case shall be remanded to the State court.

"(d) The Attorney Genral may compromise or settle any claim asserted in such civil action or proceeding in the manner provided in section 2677 of title 28, and with the same effect.

"(e) For purposes of this section, the provisions of section 2680(h) of tile 28 shall not apply to assault and battery arising out of negligence in the performance of medical, surgical, dental, or related functions, including the conduct of clinical studies or investigations.

"(f) The Secretary of Defense or his designees may, to the extent that he or his designees deem appropriate, hold harmless or provide liability insurance for any active duty physician, dentist, nurse, pharmacist, or paramedical or other supporting personnel of the armed forces for damages for personal injury, including death, negligently caused by any such personnel while acting within the scope of his office or employment and as a result of the performance of medical, surgical, dental, or related functions, including the conduct of clinical studies or investigations, if such person is assigned to a foreign country or detailed for service with other than a Federal agency or institution, or if the circumstances are such as are likely to preclude the remedies of third persons against the United States described in section 2679(b) of title 28, for such damage or injury."

(b) by adding at the end of the analysis of chapter 55 the following:

"1089. Defense of certain malpractice and negligence suits.".

SEC. 2. This Act shall become effective on the first day of the third month which begins following the date of its enactment and shall apply to only those claims accruing on or after the effective date.

Amend the title so as to read: "A bill to amend title 10 of the United States Code, to provide for an exclusive remedy against the United States in suits based upon medical malpractice on the part of military or civilian medical personnel of the armed forces, and for other purposes.".

With the following committee amendments:

On page 2, line 1, strike the words "an active duty" and insert "a".

On page 3, line 20, strike the word "Genral" and insert "General".

On page 3, line 25, strike the word "tile" and insert "title."

On page 4, lines 21 and 22, strike the words "the first day of the third month which begins following."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill to amend title 10 of the United States Code, to provide for an exclusive remedy against the United States in suits based upon medical malpractice on the part of military or civilian medical personnel of the Armed Forces, and for other purposes."

A motion to reconsider was laid on the table.

REEMPLOYED ANNUITANTS

The Clerk called the bill (H.R. 3650) to clarify the application of section 8344 of title 5, United States Code, relating to civil service annuities and pay upon reemployment, and for other purposes.

There being no objection, the Clerk read the bill as follows:

H.R. 3650

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 8344(a) of title 5, United States Code, is amended to read as follows:

"(a) If an annuitant receiving annuity from the Fund, except—

"(1) a disability annuitant whose annuity is terminated because of his recovery or restoration of earning capacity;

"(2) an annuitant whose annuity, based on an involuntary separation (other than an automatic separation or an involuntary separation for cause on charges of misconduct or delinquency), is terminated under subsection (b) of this section;

"(3) an annuitant whose annuity is terminated under subsection (c) of this section; or

"(4) a Member receiving annuity from the Fund;

becomes employed in an appointive or elective position, his service on and after the date he is so employed is covered by this subchapter. Deductions for the Fund may not be withheld from his pay. An amount equal to the annuity allocable to the period of actual employment shall be deducted from his pay, except for lump sum leave payment purposes under section 5551 of this title. The amounts so deducted shall be deposited in the Treasury of the United States to the credit of the Fund under such procedures as the Comptroller General of the United States shall prescribe. If the annuitant serves on a full time basis, except as President, for at least 1 year, or on a part-time basis for periods equivalent to at least 1 year of full-time service, in employment not excluding him from coverage under section 8331(1) (i) or (ii) of this title—

"(A) his annuity on termination of employment is increased by an annuity computed under section 8339 (a), (b), (d), (e), (h), and (i) of this title as may apply based on the period of employment and the basic pay, before deduction, averaged during that employment; and

"(B) his lump sum may not be reduced by annuity paid during that employment.

If the annuitant is receiving a reduced annuity as provided in section 8339(j) or section 8339(k)(2) of this title, the increase in annuity payable under subparagraph (A) of this subsection is reduced by 10 percent and the survivor annuity payable under section 8341(b) of this title is increased by 55 percent of the increase in annuity payable under such subparagraph (A), unless, at the time of claiming the increase payable under such subparagraph (A), the annuitant notifies the Commission in writing that he does not desire the survivor annuity to be increased. If the annuitant dies while still reemployed, the survivor annuity payable is increased as though the reemployment had otherwise terminated. If the described employment of the annuitant continues for at least 5 years, or the equivalent of 5 years in the case of part-time employment, he may elect, instead of the benefit provided by subparagraph (A) of this subsection, to deposit in the Fund an amount computed under section 8334(c) of this title covering that employment and have his rights redetermined under this subchapter. If the annuitant dies while still reemployed and the described employment had continued for at least 5 years, or the equivalent of 5 years in the case of part-time employment, the person entitled to survivor annuity under section 8341(b) of this title may elect to deposit in the Fund and have his rights redetermined under this subchapter.".

(b) Section 8344 of title 5, United States Code, is amended—

(1) by redesignating subsections (b) and (c) thereof as subsections (d) and (e), respectively; and

(2) by inserting immediately after subsection (a) thereof the following new subsections:

"(b) If an annuitant whose annuity is based on an involuntary separation (other than an automatic separation or an involuntary separation for cause or charges of misconduct or delinquency) is reemployed in a position in which he is subject to this subchapter, payment of the annuity terminates on reemployment.

"(c) If an annuitant is appointed by the President to a position in which he is subject to this subchapter, payment of the annuity terminates on reemployment.".

(c) Section 8344(d) of title 5, United States Code, as redesignated by this Act, is amended by striking out the last sentence.

(d) Section 8339(f)(2)(C) of title 5, United States Code, is amended by striking out "8344(b)(1)" and inserting in lieu thereof "8344(d)(1)".

SEC. 2. Section 8332(j) of title 5, United States Code, is amended—

(1) by striking out in the first sentence ", except" and inserting in lieu thereof "(except"; and

(2) by inserting in the first sentence immediately after "civilian position,", the following: "or military service performed by an individual who, for purposes of accepting an appointment by the President to a position requiring Senate confirmation, obtained a discharge or separation prior to becoming entitled to retired pay on account of such military service)".

SEC. 3. (a) Except as provided under subsection (b) of this section, the amendments made by this Act shall become effective on the date of enactment of this Act and shall apply to annuitants serving in appointive or elective positions on and after the date of enactment of this Act.

(b) The amendment made by subsection (e) of the first section of this Act shall become effective on the date of enactment of this Act but shall not apply to any annuitant reemployed prior to the date of enactment of this Act.

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following:

That (a) section 8344(a) of title 5, United States Code, is amended to read as follows:

"(a) If an annuitant receiving annuity from the Fund, except—

"(1) a disability annuitant whose annuity is terminated because of his recovery or restoration of earning capacity;

"(2) an annuitant whose annuity, based on an involuntary separation (other than an automatic separation of an involuntary separation for cause on charges of misconduct or delinquency), is terminated under subsection (b) of this section;

"(3) an annuitant whose annuity is terminated under subsection (c) of this section; or

"(4) a Member receiving annuity from the Fund;

becomes employed in an appointee or elective position, his services on and after the date he is so employed is covered by this subchapter. Deductions for the Fund may not be withheld from his pay. An amount equal to the annuity allocable to the period of actual employment shall be deducted from his pay, except for lump-sum leave payment purposes under section 5551 of this title. The amounts so deducted shall be deposited in the Treasury of the United States to the credit of the Fund. If the annuitant serves on a full-time basis except as President, for at least 1 year, or on a part-time basis for periods equivalent to at least 1 year of full-time service in employment not excluding him from coverage under section 8331(1)(i) or (ii) of this title—

"(A) his annuity on termination of employment is increased by an annuity computed under section 8339 (a), (b), (d), (e), (h), and (i) of this title as may apply based on the period of employment and the basic pay, before deduction, averaged during that employment; and

"(B) his lump-sum credit may not be reduced by annuity paid during that employment.

If the annuitant is receiving a reduced annuity as provided in section 8339(j) or section 8339(k)(2) of this title, the increase in annuity payable under subparagraph (A) of this subsection is reduced by 10 percent and the survivor annuity payable under section 8341(b) of this title is increased by 55 percent of the increase in annuity payable under such subparagraph (A), unless, at the time of claiming the increase payable under such subparagraph (A), the annuitant notifies the Commission in writing that he does not desire the survivor annuity to be increased. If the annuitant dies while still reemployed, the survivor annuity payable is increased as though the reemployment had otherwise terminated. If the described employment of the annuitant continues for at least 5 years, or the equivalent of 5 years in the case of part-time employment, he may elect, instead of the benefit provided by subparagraph (A) of this subsection, to deposit in the Fund an amount computed under section 8334(c) of this title covering that employment and have his rights redetermined under this subchapter. If the annuitant dies while still reemployed and the described employment had continued for at least 5 years, or the equivalent of 5 years in the case of part-time employment, the person entitled to survivor annuity under section 8341(b) of this title may elect to deposit in the Fund and have his rights redetermined under this subchapter.".

(b) Section 8344 of title 5, United States Code, is amended—

(1) by redesignating subsections (b) and (c) thereof as subsections (d) and (e), respectively; and

(2) by inserting immediately after subsection (a) thereof the following new subsections;

"(b) If an annuitant, other than a Member receiving an annuity from the Fund, whose annuity is based on an involuntary separation (other than an automatic separation or an involuntary separation for cause or charges on misconduct or delinquency) is reemployed in a position in which he is subject to this subchapter, payment of the annuity terminates on reemployment.

"(c) If an annuitant, other than a Member receiving an annuity from the Fund, is appointed by the President to a position in which he is subject to this subchapter, payment of the annuity terminates on reemployment."

(c) Section 8344(d) of title 5, United States Code, as redesignated by this Act, is amended by striking out the last sentence.

(d) Section 8339(f)(2)(C) of title 5, United States Code, is amended by striking out "8344(b)(1)" and inserting in lieu thereof "8344(d)(1)".

SEC. 2. (a) Except as provided under subsection (b) of this section, the amendments made by this Act shall become effective on the date of the enactment of this Act and shall apply to annuitants serving in appointive or elective positions on and after the date of the enactment of this Act.

(b) The amendment made by subsection (c) of the first section of this Act shall become effective on the date of the enactment of this Act but shall not apply to any annuitant reemployed before the date of the enactment of this Act.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WHEAT MARKETING YEAR CHANGE

The Clerk called the Senate bill (S. 435) to amend section 301(b)(7) of the Agricultural Adjustment Act of 1938, as amended, to change the marketing year for wheat from July 1–June 30, to June 1–May 31.

There being no objection, the Clerk read the Senate bill as follows:

S. 435

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 301(b)(7) of the Agricultural Adjustment Act of 1938, as amended, is amended by striking out "Wheat, July 1–June 30" and inserting in lieu thereof "Wheat, June 1–May 31".

SEC. 2. The amendment made by the first section of this Act shall become effective June 1, 1975.

Passed the Senate April 24 (legislative day, April 21), 1975.

Mr. WAMPLER. Mr. Speaker, S. 435, a bill to amend section 301(b)(7) of the Agricultural Adjustment Act of 1938, as amended, to change the marketing year for wheat from July 1–June 30 to June 1–May 31, is a noncontroversial bill which is supported by the Department of Agriculture, the American Farm Bureau Federation, and the National Association of Wheat Growers.

The bill passed the Senate April 24, 1975, and was reported by the House Agriculture Committee in exactly the same form as it passed the Senate.

The reasons for the enactment of this legislation are as noted in the letter of May 19, 1975, from the Department of Agriculture which states in pertinent part as follows:

The Department supports the passage of the bill.

The proposed change has a great deal of

> merit. Technology associated with wheat production has greatly advanced the time of wheat harvest with as much as 40 percent of the winter wheat crop harvested in some years prior to July 1. In most years, a significant amount of new crop wheat is processed or exported prior to July 1, and this creates serious unknowns as to the utilization of the grain for individual crop years. The shift of the marketing year to begin June 1 would minimize the utilization unknowns associated with individual crop years. The harvest of durum wheat and other spring wheat does not present similar problems because of the timing of spring wheat harvest.
>
> The designation of June 1 as the beginning of the marketing year for wheat would require the conduct of a wheat stocks survey as of June 1. This survey is now conducted as of July 1 as an integral part of the stocks survey for the other grain and oilseed commodities for which stocks data are provided. As soon as feasible after enactment of the bill, it is proposed to shift the date of the stocks survey for all commodities concerned to June 1. A shift to June 1 should present no additional problems in the collection of farm and off-farm stocks, as the same basic survey procedures followed on June 1 would also be used for a June 1 survey. The shift of all commodities would not involve additional costs to the Department.
>
> It will not be practical at this date to shift all commodities to the June 1 date in 1975. If the legislation is passed, it is proposed to maintain the July 1 stocks survey date for wheat and all other commodities in 1975 and to shift all commodities to a June 1 date in 1976 at no additional cost.

There was some concern expressed in the committee about whether the change in marketing year would have any appreciable effect on the deficiency payments made under the wheat program. The House report accompaying this bill addresses this issue and how it was resolved:

> In its consideration of the bill a question was raised concerning the effect that the change in the marketing year would have on the effect that the change in the marketing year would have on the rate of payments which may be received by wheat producers as deficiency payments under the wheat program. A compilation was obtained of the average prices received by farmers for wheat for the 20-year period, 1955 through 1974. During this period the November price was higher than the June price in 16 years and the June price was higher than the November price in only 4 of the years involved. Thus, if the market price for wheat should fall below the target price of $2.05 per bushel (as adjusted for 1976 and 1977), it appears unlikely that the deficiency payments would be reduced as a result of the change in the marketing year, as provided for in S. 435.

The committee unanimously reported this bill recommending its passage. I urge you to give it prompt and favorable action at this time.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PROVIDING FOR THE REAPPOINTMENT OF DR. JOHN NICHOLAS BROWN AS CITIZEN REGENT OF THE BOARD OF REGENTS OF THE SMITHSONIAN INSTITUTION

Mr. NEDZI. Mr. Speaker, I ask unanimous consent for the immediate consideration of the Senate joint resolution (S.J. Res. 42) to provide for the reappointment of Dr. John Nicholas Brown as citizen regent of the Board of Regents of the Smithsonian Institution.

The Clerk read the title of the Senate joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The Clerk read the Senate joint resolution as follows:

S.J. Res. 42

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the vacancy in the Board of Regents of the Smithsonian Institution, of the class other than Members of Congress, which will occur by the expiration of the term of Doctor John Nicholas Brown, of Rhode Island, on June 13, 1975, be filled by the reappointment of the present incumbent for the statutory term of six years.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill joint resolution (H.J. Res. 353) was laid on the table.

PROVIDING FOR THE REAPPOINTMENT OF THOMAS J. WATSON, JR., AS CITIZEN REGENT OF THE BOARD OF REGENTS OF THE SMITHSONIAN INSTITUTION

Mr. NEDZI. Mr. Speaker, I ask unanimous consent for the immediate consideration of the Senate joint resolution (S.J. Res. 41) to provide for the reappointment of Thomas J. Watson, Jr., as citizen regent of the Board of Regents of the Smithsonian Institution.

The Clerk read the title of the Senate joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The Clerk read the Senate joint resolution as follows:

S.J. Res. 41

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the vacancy in the Board of Regents of the Smithsonian Institution, of the class other than Members of Congress, which will occur by the expiration of the term of Thomas J. Watson, Junior, of Connecticut, on June 17, 1975, be filled by the reappointment of the present incumbent for the statutory term of six years.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House joint resolution (H.J. 354) was laid on the table.

APPOINTMENT OF CONFEREES ON H.R. 6799, TO APPROVE CERTAIN OF THE PROPOSED AMENDMENTS TO THE FEDERAL RULES OF CRIMINAL PROCEDURE, TO AMEND CERTAIN OF THEM, AND TO MAKE CERTAIN ADDITIONAL AMENDMENTS TO THOSE RULES

Mr. HUNGATE. Mr. Speaker, I move to take from the Speaker's desk the bill (H.R. 6799) to approve certain of the proposed amendments to the Federal Rules of Criminal Procedure, to amend certain of them, and to make certain additional amendments to those rules, disagree with the Senate amendments, and agree to a conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Missouri? The Chair hears none, and appoints the following conferees: Messrs. HUNGATE, MANN, THORNTON, Ms. HOLTZMAN, Messrs. RUSSO, WIGGINS, and HYDE.

LEGISLATIVE PROGRAM

(Mr. O'NEILL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. O'NEILL. Mr. Speaker, I rise to make an announcement that we are adding to the suspension list tomorrow, H.R. 504, mandatory civil service retirement, and H.R. 7053, insurable interest annuities.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. Pursuant to the provision of clause 3(b) of rule XXVII, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XV.

After all motions to suspend the rules have been entertained and debated and after those motions to be determined by "nonrecord" votes have been disposed of, the Chair will then put the question on each motion on which the further proceedings were postponed.

CONSUMER GOODS PRICING ACT OF 1975

Miss JORDAN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 6971) to amend the Sherman Antitrust Act to provide lower prices for consumers.

The Clerk read as follows:

H.R. 6971

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Consumer Goods Pricing Act of 1975".

SEC. 2. Section 1 of the Act entitled "An Act to protect trade and commerce against unlawful restraints and monopolies", approved July 2, 1890 (15 U.S.C. 1), is amended by striking out the colon preceding the first proviso in the first sentence and all that follows down through the end of such sentence and inserting in lieu thereof a period.

SEC. 3. Paragraphs (2) through (5) of section 5(a) of the Federal Trade Commission Act (15 U.S.C. 45(a)) are repealed and paragraph (6) of such section 5(a) is redesignated as paragraph (2).

SEC. 4. The amendments made by sections 2 and 3 of this Act shall take effect upon the expiration of the ninety-day period which begins on the date of enactment of this Act.

The SPEAKER. Is a second demanded?

Mr. McCLORY. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER. The gentlewoman from Texas (Miss JORDAN) will be recognized for 20 minutes, and the gentleman from Illinois (Mr. McCLORY) will be recognized for 20 minutes.

The Chair recognizes the gentlewoman from Texas (Miss JORDAN).

Miss JORDAN. I yield such time as he may consume to the chairman of the Committee on the Judiciary, the gentleman from New Jersey (Mr. RODINO).

Mr. RODINO. Mr. Speaker, it is my pleasure to join with the gentlelady from Texas in urging the repeal of the so-called Fair Trade Enabling Acts. The Subcommittee on Monopolies and Commercial Law and the Judiciary Committee are of one mind in believing that this simple repealer may be one of the most effective single actions this Congress can take to combat inflation. At one stroke, it eliminates vertical price fixing in large segments of our economy.

The Miller-Tydings and McGuire Acts, children of the Great Depression, have lived far beyond their useful life. They have aged to the point where they preserve classic restraints of trade, which but for the protective umbrella they provide, would be considered per se violations of the antitrust laws.

Representative JORDAN noted the remarkable unanimity for repealer. The States, the courts, the antitrust agencies, consumer groups and large segments of the business community concur that these laws are no longer necessary.

We justified these measures on the theory that they would protect small businesses. They have not done so. Our competitive system recognizes that some businesses must fail. At times there are valid reasons for preventing this. But the fair trade laws never accomplished that purpose. Economic studies clearly indicate that small business failure rates are as high or higher in fair trade States as in States allowing robust price competition.

Our hearings marshaled impressive evidence that the only certainty is that these laws represent artificial and unwarranted price stabilization for an already overburdened consumer.

We are presently plagued by a unique combination of inflation and recession, aptly termed "stagflation." In such times, it is unconscionable that we should, by means of special interest legislation which artificially alters the forces of free competition, deny the consumer the benefits of prices set by a free and open marketplace.

Similar legislation, sponsored by Senator BROOKE of Massachusetts, reflects similar feeling in the Senate. As he so aptly noted when he appeared before the Subcommittee on Monopolies and Commercial Law:

> I feel that competition is our safeguard. I don't know that there is any other safeguard that we can write into legislation, but I think competition will protect us.

To accomplish this, we need only repeal legislation which has for too long burdened the American consumer. I urge rapid enactment of this repealer.

Miss JORDAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, it is my privilege and pleasure today to move the passage of H.R. 6971, the Consumer Goods Pricing Act of 1975. Happily, this long-overdue legislation adds no bulk to the present body of Federal law—instead, it strikes that language which has for 38 years permitted what is perhaps our most pernicious form of vertical price fixing, the so-called fair trade laws.

In response to the economic conditions of the Great Depression, Congress passed the Miller-Tydings Act as a rider to an appropriation bill for the District of Columbia. That act permitted States to pass legislation which, under certain conditions, legalized vertical price fixing and eliminated the right of a businessman to set his own price for the resale of his product. Of course, the result was artificially high prices to the consumer, a condition which this country can simply no longer afford.

In 1952, in response to judicial hostility to this blatant form of price fixing, Congress expanded the enforcement of certain types of vertical price fixing by permitting the States to enact so-called nonsigner provisions which bound even those not a party to a fair trade contract to adhere to resale price contracts as fixed by the manufacturer.

Together, the Miller-Tydings and McGuire Acts constituted special interest legislation that legitimized what, without the exemption granted by those acts, would be per se violations of the antitrust laws.

Acting in response to this legislation, some 46 States had, at the zenith of "fair trade," some form of resale price maintenance legislation. It is with pride that I note that as far back as 1937 the State of Texas noted its hostility to this form of price fixing when the House Judiciary Committee, under the chairmanship of Congressman Hatton Sumners of Dallas, refused to act on fair trade legislation. Again in 1952, the Judiciary Committee refused to countenance this form of price fixing.

I note that our sister States are now following the lead that we in Texas furnished so long ago. We, together with Missouri, Alaska, Vermont, and the District of Columbia, never countenanced such activity and never enacted such legislation.

Where once fair trade was in full favor, it is now in full flight. As of July 7, 1975, only 24 States retain some form of fair trade legislation. In 1975 alone, 13 States have repealed their fair trade laws.

In response to rapidly changing economic conditions, the Subcommittee on Monopolies and Commercial Law reported favorably on H.R. 6971 without a dissenting vote after 2 days of hearings and the receipt of numerous statements for the record.

That record establishes conclusively that these laws are, and always were, severely anticompetitive, serving little purpose but to shield competitors from the natural play of market forces, and artificially inflating prices to a consumer increasingly burdened with skyrocketing costs.

The record established by the subcommittee demonstrates clearly that so-called fair trade laws, while ostensibly permitting vertical price fixing, have as well, a broader effect wholly unintended by Congress. For while the enabling statutes sanction only vertical agreements, such agreements facilitate simple horizontal price fixing at the manufacturing level. For when manufacturers who engage in resale price maintenance publish price schedules, ostensibly competing businesses have an easy reference point for their own pricing policy, thus further eliminating competition.

The standard defense for resale price maintenance is that it protects the small retailer, the "mom and pop" store which survives only because resale price maintenance insulates these stores from the procompetitive price cutting of larger businesses.

The subcommittee looked thoroughly at this argument. It was, interestingly enough, put forward more by manufacturers than retailers. In fact, one witness who favored the retention of the fair trade enabling statutes candidly admitted that since the emergence of the discount industry, fair trade has been something that manufacturers have willingly dropped as soon as they had enough volume to employ mass marketing methods.

As Senator BROOKE, the sponsor of similar legislation in the Senate, noted when he consented to testify before our subcommittee, studies simply do not support the contention that fair trade laws either lessen the number of retail failures or increase the number of retail stores. A 1962 Justice Department study found that States with fully effective fair trade laws had nearly a 150-percent higher rate of firm failure than free trade States. If any doubt remains, a Library of Congress study confirmed these findings and determined that in 1972, fair trade States had a 55-percent higher rate of firm bankruptcies than did free trade States.

Other evidence impressively confirms this. The State of Rhode Island repealed its fair trade laws in 1970. A study by the Marketing Science Institute found that prices in four of nine product lines investigated had declined anywhere from 20 to 40 percent. Seventy-four percent of the retailers responding to the study unequivocally indicated that the repeal of fair trade had no substantial adverse affect on them one way or the other. Only one manufacturer of nine interviewed had actually encountered a decline in sales after the repeal of State fair trade law. Similar experiences in Great Britain and Canada confirm this.

Congress should note as well that there is by no means unanimous support for the retention of fair trade laws in the business community. The Small Business Association of New England supports the repeal of the fair trade laws, and I might add as well as that Corning Glass Works ended its fair trading practice effective April 19. It found, in effect, that it "had met the enemy, and it was itself"; Corning was competing against itself with products which were fair traded as well as nonfair traded.

Of course, the Federal Trade Commission's suit against Corning for their use of interstate fair trade restrictions may have had something to do with that. Both that agency, and the Department of Justice unequivocally support the repeal of fair trade enabling statutes. Testimony before our subcommittee by the Department of Justice estimates that consumers are overcharged something like $2 billion a year for fair traded items. This is unconscionable.

In conclusion, it is rather standard criticism these days that Congress and the administration are unable to agree on anything. Happily, President Ford has publicly stated that he is fully in favor of repealing these inflationary and outmoded statutes. Thus, as Chairman Rodino has also frequently stated, Congress is placed in the unusual position of being able to react to a surprising unanimity of view on the part of large segments of the business community, Federal agencies, the States, and the administration. Our colleagues on the Interstate and Foreign Commerce Committee, and the minority of the Judiciary Committee, led by Mr. McClory, support the measure. I, therefore, urge rapid enactment of this legislation.

Mr. McCLORY. Mr. Speaker, I yield such time as he may consume to the gentleman from Michigan (Mr. Hutchinson) the ranking member of the full Committee on the Judiciary.

Mr. HUTCHINSON. Mr. Speaker, I rise in support of this legislation.

This bill knocks the legal props from under our fair trade laws. Upon enactment of this bill it would be a violation of the Federal Antitrust Act for a manufacturer to set a minimum retail price for any item he makes; that would be price fixing.

Back in the 1930's most States enacted fair trade laws to protect manufacturers' reputations for quality products and to protect small retailers from the price-cutting strategies of large discount houses. In order to validate these State laws against antitrust attack, Congress passed the Miller-Tydings Act and the McGuire Act, exempting fair trade laws from the reach of the Sherman Act and the Clayton Act.

The bill we are now considering will repeal both the Miller-Tydings Act and the McGuire Act, leaving State fair trade laws in violation of Federal antitrust law and, consequently, no longer of any force and effect.

Many States have already repealed their fair trade laws, and today those statutes are on the books of less than half of them. Even in those States where fair trade laws still operate, only about 4 percent of retail sales are fair traded.

While the hearings produced one or two witnesses in support of fair trade concepts, it would appear that fair trade laws, restrictive as they are of competition, reflect an economic policy that has lost most of its validity in today's marketplace.

I support the suspension of the rules to pass H.R. 6971.

Mr. McCLORY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I want, first of all, to commend the gentlewoman from Texas upon her leadership in the subcommittee in connection with the development of this legislation and for her sponsorship of this measure which is before us today.

Mr. Speaker, it is my privilege today to speak in behalf of the passage of H.R. 6971, the Consumer Goods Pricing Act of 1975, which would repeal exemption in the Federal antitrust laws relating to fair trade. This legislation is to my mind vital to our economy at this time if we are to promote a climate conducive to the expansion of the private enterprise system and benefit the American consumer. H.R. 6971, which our Committee on the Judiciary has unanimously reported out, should be passed by the House of Representatives in order to assure to the American consumer protection from the artificially high prices being maintained through State fair trade laws. The adverse effect on our economy inherent in fair trade legislation, as well as the anticompetitive practices permitted under such fair trade statutes, have been most detrimental to the interests of the American consumer. Fair trade laws have but one effect from the consumer's point of view—higher prices.

As one of the original sponsors of this legislation, I have been personally interested in the repeal of the exemptions to the Sherman Antitrust Act, the Miller-Tydings Act of 1937—which permits States to adopt fair trade laws if they wish—and the McGuire Act of 1952—which would allow State fair trade laws to bind retailers who were not parties to the fair trade contracts. My original bill, presented in behalf of the administration as a companion measure to S. 408, introduced by our colleague, Senator Edward Brooke, of Massachusetts, is virtually identical to the bill before us today, H.R. 6971. President Ford has repeatedly indicated his desire for legislation such as this. It is his belief—and mine—that the elimination of restrictive Government practices and the reform of outdated regulations is essential if we are to combat inflation and return our economy to stable growth and prosperity. The enactment of H.R. 6971 would repeal these Federal exemptions and thus invalidate State fair trade laws and the contractual provisions supported by such State laws.

The Miller-Tydings Act, passed during the depression of the 1930's, was followed by the enactment of laws by 46 States under which contracts between wholesalers and retailers may establish fixed retail prices under threat of State-imposed penalties for underselling such fair traded merchandise.

The enactment of the McGuire Act in 1952, in effect, expanded the exemption by allowing State fair trade laws to bind retailers who were not parties to the fair trade contracts to adhere to such agreements. It should be noted here that the State laws which resulted were in several instances found to violate their own State constitutions.

Now, regardless of the effect of the fair trade laws which were thereafter enacted, it can hardly be suggested that the consumer benefited. On the contrary, price fixing practices which resulted ostensibly from the desire to eliminate predatory competition in which the small retailers were foundering have, in fact, created hardships for both the consumer and the independent retailer. According to a Justice Department study conducted several years ago, prices on fair traded items ranged from 19 to 27 percent higher than prices on identical items sold in States which had no fair trade legislation. Furthermore, there is not a significant difference between the rates of failure of small firms in fair trade and nonfair trade States as would be expected if it were true that these fair trade laws protected the small retailer.

Mr. Speaker, taking into account today's economy, it is my view that the greatest benefit to business and industry in our private enterprise system would be the return to freer competition and an accelerated rate of production which can bring more jobs and likewise benefit the American consumer. In short, despite the appearance of benefits which the added or established profits to retailers produce, the best interests of our economic system result from the freest competition and the smallest number of price-fixing agreements between wholesalers and retailers.

During our hearings on this legislation, we made a concerted effort to investigate all of the legal ramifications of this act. It is my belief after these hearings and this investigation that "The Consumer Goods Pricing Act of 1975" is a most useful piece of legislation. Indeed, it was our feeling after these hearings that the current program of maximum price maintenance is not included within the McGuire Act, and, therefore, no exceptions need be made in this repealer for businesses operating under such a maintenance program. Furthermore, we must bear in mind that by repealing the Miller-Tydings and McGuire Acts, we are not stripping State legislatures of all authority to establish a program of price maintenance. We are eliminating these two statutory exceptions to the Federal antitrust law.

In light of the current economic situation—double-digit inflation and rising unemployment—the elimination of price-fixing agreements between manufacturers and retailers is imperative. The American consumer has suffered long enough from these statutes. It is time to repeal these provisions.

Mr. Speaker, inflated retail prices of consumer goods resulting from a variety of causes are a major concern to the American people today. One tried and proven method of bringing these high prices into line and giving the American people the proven benefit of a truly competitive economic system is to attack—and destroy—monopolistic, noncompetitive price fixing and other anticompetitive practices wherever they exist. This measure, "The Consumer Goods Pricing Act of 1975," is a most logical step in this direction, and I sincerely urge passage of this bill.

Miss JORDAN. Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. DANIELSON).

Mr. DANIELSON. Mr. Speaker, I thank the gentlewoman from Texas for yielding.

Mr. Speaker, I strongly support this legislation. The term "fair trade law" in itself is appealingly deceptive, a better name for the law would be "Anti-Competition Law." I submit that this law is logically inconsistent and totally unacceptable in an economy such as ours, in a country which prides itself on free enterprise and the theory that free competition brings about better quality and lower prices for all.

This bill will hurt no one, but the consumers all will benefit.

I urge a unanimous vote for this bill.

Miss JORDAN. Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. VAN DEERLIN), the chairman of the Subcommittee on Consumer Protection and Finance of the Interstate and Foreign Commerce Committee.

Mr. VAN DEERLIN. Mr. Speaker, I thank the gentlewoman from Texas for yielding.

Mr. Speaker, is anything fair about the surviving fair trade laws?

Not if you are a consumer. Most people do not know these laws are on the books. Yet the laws deny free and open competition. They increase the cost of living. And they require consumers in some States to pay more for the same items than people in other States do.

Accordingly, I have no hesitation in supporting H.R. 6971, the Consumer Goods Pricing Act of 1975.

This is a bill that would close once and for all the gaping "fair trade" loophole in our antitrust laws.

What a misnomer, "fair trade." No doubt it referred to the benefits to manufacturers and retailers.

State "fair trade" laws are permitted under the Miller-Tydings Act of 1937 and the McGuire Act of 1952. It is these we are proposing to abolish, and not a moment too soon.

Under these statutes manufacturers are allowed, even invited, to bind retailers to honor fixed minimum sales prices. This has meant good profits for the retailers and bad prices for consumers. Without this helping hand from Washington, such price fixing would be illegal under the antitrust laws.

As if the laws permitting the negative State actions were not bad enough, there was a move in Congress in the 1960's to enact a national fair trade law, under the deceptively bland name of Quality Stabilization Act. Fortunately, this attempt never reached the markup stage in our House Commerce Committee.

Regardless of the name, the game was the same: price fixing.

Estimates of savings resulting from passage of H.R. 6971 vary from $1.5 billion to $6.5 billion annually. This is necessarily a wide range, and no one can say for sure what the final figure will be. But one thing we do know: Elimination of the fair trade laws can only result in lower, not higher prices.

One of the hoariest of arguments used to support the fair trade laws is that they would somehow prevent the large discount stores from running small mom and pop operations out of business.

In fact, the fair trade laws have probably hurt the small businessman. While the small stores were getting locked into fixed prices on many items, the discount houses were able to use their greater resources to develop quality private label brands which sold for less than the small stores' national brands. Thus it was the small stores, not the giants, that were denied the opportunity to compete on the basis of price on many of the items which they stocked.

There is also no evidence that the failure rates for small businessmen have been any higher in States lacking the dubious benefits of fair trade laws. To the contrary, all studies done on the subject indicate there is very little difference in failure rates between fair and nonfair trade States. Small businesses also are able to offer convenience and service that few of the chain operations can match, keeping the smaller firms competitive in areas unrelated to pricing.

A total of 46 States used to have fair trade laws, but now only 24 do, reflecting the diminishing regard for this brand of protectionism.

In closing, I would like to point out that the Consumer Protection and Finance Subcommittee, which I head, shares jurisdiction over this matter with the Monopolies and Commercial Law Subcommittee which worked on this bill. Despite the overlapping jurisdiction, my subcommittee chose not to ask for a sequential referral. We saw no way to improve on the four-paragraph bill before us this afternoon.

The general opposition to the Fair Trade laws is manifested by the fact that the full House Judiciary Committee reported out the bill without a dissenting vote.

Clearly, fair trade is an idea whose time has gone.

Mr. McCLORY. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania (Mr. HEINZ).

Mr. HEINZ. Mr. Speaker, I take this time to commend the Judiciary Committee, the chairman of that committee and my good friend, the gentleman from Illinois (Mr. McCLORY) and the gentleman from Michigan (Mr. HUTCHINSON) for bringing to the House floor this long-awaited proposal to repeal the so-called fair trade laws.

The fair trade laws, in existence for over 40 years, have allowed manufacturers to specify minimum retail prices for designated brand name products. Rather than insuring fair trade practices, however, the fair trade laws have stifled competition, encouraged price fixing, increased costs to the consumer, and have generally denied the public the benefits of competition at the retail level.

In 1970, the Department of Justice conducted a nationwide survey to determine the effect of fair trade laws on the costs of consumer goods. The Department found that consumers in nonfair trade States paid between 0.2 percent and 37.4 percent less for items that are fair-traded elsewhere. And in January of this year, the President suggested that fair trade laws cost the consumer between $1.5 and $3 billion annually.

Mr. Speaker, I am delighted that through the repeal of the fair trade laws we will give businessmen and manufacturers an opportunity to compete. And I am pleased that this legislation will bring about a long-overdue savings to the consumer.

Again, I want to compliment the Judiciary Committee for bringing this important, anti-inflationary legislation to the floor, and urge my colleagues to support it.

Miss JORDAN. Mr. Speaker, I yield 2 minutes to the gentleman from New York (Mr. ROSENTHAL).

Mr. ROSENTHAL. Mr. Speaker, I want to commend the Committee on the Judiciary, and particularly the gentlewoman from Texas (Miss JORDAN) for bringing to the floor of the House this very, very important bill.

We have lived with the concept of fair trade and the stifling of competition for a number of years. In the early period, it was somewhat understandable, but today in the marketplace, there is no understandable reason to support the maintenance and continuation of fair trade. The fact is that it stifles competition. It really prevents the free market system from working. It is a crutch which many retailers and manufacturers have relied upon. It has caused substantial price increases to consumers. It has prevented legitimate competition in the retail field.

This bill is an important milestone in bringing free competition to the marketplace. If we are to have free enterprise, we must continue the purposes of this bill and others like it. I know that the American consumer shall and will be enormously grateful to our colleague, the gentlewoman from Texas (Miss JORDAN) and the Members of the committee, including the gentleman from Illinois (Mr. McCLORY) who brought this bill to the floor today.

Mr. Speaker, I urge all my colleagues to support passage of this important piece of legislation.

Mr. MEZVINSKY. Mr. Speaker, I support the Consumer Goods Pricing Act of 1975. For far too long we have allowed the outdated, fair trade laws to remain on the books. Passed during the 1930's to help small businesses stay solvent, these laws have outlived their usefulness, and now serve only to allow prices to be arbitrarily set and prevent retail outlets from engaging in price competition.

In a time of rampaging inflation, it is vital that the Congress take every feasible step to help the consumer get the most value for dollars spent. Estimates are that from $3 to $6.5 billion a year will be saved by the enactment of this law repealing the fair trade laws. This is good for the public and may well help fight high prices.

I am pleased to note that this bill has broad bipartisan support and urge my colleagues to support this legislation.

Mr. HUGHES. Mr. Speaker, I thank the gentlewoman from Texas for yielding and offering me this opportunity to speak in support of H.R. 6971, the Consumer Goods Pricing Act.

Repeal of the fair trade laws was the first piece of legislation I cosponsored in the House, because fair trade laws are neither fair nor do they promote trade. They are at once inflationary and unfair to the consumer.

I wish to express my gratitude to Congresswoman BARBARA JORDAN for the leadership she has evidenced in moving this piece of legislation. It is just the tonic we need at a time of skyrocketing prices and decreasing competition in sectors of our economy where fair trade laws continue to exist. The legislature in my State of New Jersey has shown the wisdom to repeal such legislation which, if it ever was needed, has certainly now outlived its usefulness.

While at one time 46 States had adopted the so-called fair trade laws, that number has now decreased to 24 States. Thankfully the range of goods so traded has also dwindled.

As one member of the House Judiciary Committee who desires to see competition restored to segments of our economy where market manipulation and concentrations in restraint in trade have developed, I am proud to have been a part of this move to repeal these unfair trade laws.

Mr. SEIBERLING. Mr. Speaker, I enthusiastically support the repeal of the Federal legislation which has enabled States to enact the so-called fair trade laws. The Miller-Tydings amendment to section 1 of the Sherman Act and the McGuire amendment to section 5(a) of the Federal Trade Commission Act enabled the States to legitimize and immunize resale price maintenance which otherwise would have amounted to a per se violation of the Federal antitrust laws.

The theory behind the Miller-Tydings amendment and the McGuire amendment was to preserve small retail outlets against price-cutting by larger stores, which had driven smaller stores out of the business, since Congress believed that the public would be better served by the existence of a large number of retail outlets. There is a real question whether these laws, in fact, served that end. But the question is academic.

In the 38 years since the Miller-Tydings amendment and the 23 years since the McGuire amendment, our economy has evolved to the point that it no longer requires and no longer is served by resale price maintenance under the fair trade laws.

Moreover, the fair trade laws have been abused. They have permitted a manufacturer's contract with one retailer to bind all nonsigning retailers in the State. They have been used to keep manufacturers' profits at artificially high levels. They have not prevented the large chains from displacing the small retailers. Yet by preventing retail and wholesale price competition, these laws have had inflationary effects. As a result, the fair trade laws have clearly become anticonsumer. In an economic system built on the principle of competition, they are an anachronistic anomaly whose repeal is long overdue.

Mr. McCLORY. Mr. Speaker, I have no further requests for time and I yield back the balance of my time.

Miss JORDAN. Mr. Speaker, I have no further requests for time.

The SPEAKER. The question is on the motion offered by the gentlewoman from Texas (Miss JORDAN) that the House suspend the rules and pass the bill H.R. 6971.

The question was taken.

Miss JORDAN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER. Pursuant to clause 3 (b), rule XXVII, and the Chair's prior announcement, further proceedings on this motion will be postponed.

GENERAL LEAVE

Miss JORDAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of the bill just considered.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Texas?

There was no objection.

APPROVING THE "COVENANT TO ESTABLISH A COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS IN POLITICAL UNION WITH THE UNITED STATES OF AMERICA"

Mr. PHILLIP BURTON. Mr. Speaker, I move to suspend the rules and pass the joint resolution (H.J. Res. 549), to approve the "Covenant To Establish a Commonwealth of the Northern Mariana Islands in Political Union With the United States of America," and for other purposes.

The Clerk read as follows:

H.J. RES. 549

Whereas the United States is the administering authority of the Trust Territory of the Pacific Islands under the terms of the trusteeship agreement for the former Japanese mandated islands entered into by the United States with the Security Council of the United Nations on April 2, 1947, and approved by the United States on July 18, 1947; and

Whereas the United States, in accordance with the trusteeship agreement and the Charter of the United Nations, has assumed the obligation to promote the development of the peoples of the trust territory toward self-government or independence as may be appropriate to the particular circumstances of the trust territory and its peoples and the freely expressed wishes of the peoples concerned; and

Whereas the United States, in response to the desires of the people of the Northern Mariana Islands clearly expressed over the past twenty years through public petition and referendum, and in response to its own obligations under the trusteeship agreement to promote self-determination, entered into political status negotiations with representatives of the people of the Northern Mariana Islands; and

Whereas, on February 15, 1975, a "Covenant to Establish A Commonwealth of the Northern Mariana Islands in Political Union with the United States of America" was signed by the Marianas Political Status Commission for the people of the Northern Mariana Islands and by the President's Personal Representative, Ambassador F. Haydn Williams for the United States of America, following which the covenant was approved by the unanimous vote of the Mariana Islands District Legislature on February 20, 1975 and by 78.8 per centum of the people of the Northern Mariana Islands voting in a plebiscite held on June 17, 1975: Now be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Covenant to Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States of America, the text of which is as follows, is hereby approved.

"COVENANT TO ESTABLISH A COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS IN POLITICAL UNION WITH THE UNITED STATES OF AMERICA

"Whereas, the Charter of the United Nations and the Trusteeship Agreement between the Security Council of the United Nations and the United States of America guarantee to the people of the Northern Mariana Islands the right freely to express their wishes for self-government or independence; and

"Whereas, the United States supports the desire of the people of the Northern Mariana Islands to exercise their inalienable right of self-determination; and

"Whereas, the people of the Northern Mariana Islands and the people of the United States share the goals and values found in the American system of government based upon the principles of government by the consent of the governed, individual freedom and democracy; and

"Whereas, for over twenty years, the people of the Northern Mariana Islands, through public petition and referendum, have clearly expressed their desire for political union with the United States;

"Now, therefore, the Marianas Political Status Commission, being the duly appointed representative of the people of the Northern Mariana Islands, and the Personal Representative of the President of the United States have entered into this Covenant in order to establish a self-governing commonwealth for the Northern Mariana Islands within the American political system and to define the future relationship between the Northern Mariana Islands and the United States. This Covenant will be mutually binding when it is approved by the United States, by the Mariana Islands District Legislature and by the people of the Northern Mariana Islands in a plebiscite, constituting on their part a sovereign act of self-determination.

"ARTICLE I

"POLITICAL RELATIONSHIP

"SECTION 101. The Northern Mariana Islands upon termination of the Trusteeship Agreement will become a self-governing commonwealth to be known as the 'Commonwealth of the Northern Mariana Islands', in political union with and under the soveignty of the United States of America.

"SECTION 102. The relations between the Northern Mariana Islands and the United States will be governed by this Covenant which, together with those provisions of the Constitution, treaties and laws of the United States applicable to the Northern Mariana Islands, will be the supreme law of the Northern Mariana Islands.

"SECTION 103. The people of the Northern

Mariana Islands will have the right to local self-government and will govern themselves with respect to affairs in accordance with a Constitution of their own adoption.

"SECTION. 104. The United States will have complete responsibility for and authority with respect to matters relating to foreign affairs and defense affecting the Northern Mariana Islands.

"SECTION 105. The United States may enact legislation in accordance with its constitutional processes which will be applicable to the Northern Mariana Islands, but if such legislation cannot also be made applicable to the several States the Northern Mariana Islands must be specifically named therein for it to become effective in the Northern Mariana Islands. In order to respect the right of self-government guaranteed by this Covenant the United States agrees to limit the exercise of that authority so that the fundamental provisions of this Covenant, namely Articles I, II and III and Sections 501 and 805, may be modified only with the consent of the Government of the United States and the Government of the Northern Mariana Islands.

"ARTICLE II

"CONSTITUTION OF THE NORTHERN MARIANA ISLANDS

"SECTION 201. The people of the Northern Mariana Islands will formulate and approve a Constitution and may amend their Constitution pursuant to the procedures provided therein.

"SECTION 202. The Constitution will be submitted to the Government of the United States for approval on the basis of its consistency with this Covenant and those provisions of the Constitution, treaties and laws of the United States to be applicable to the Northern Mariana Islands. The Constitution will be deemed to have been approved six months after its submission to the President on behalf of the Government of the United States unless earlier approved or disapproved. If disapproved the Constitution will be returned and will be resubmitted in accordance with this Section. Amendments to the Constitution may be made by the people of the Northern Mariana Islands without approval by the Government of the United States, but the courts established by the Constitution or laws of the United States will be competent to determine whether the Constitution and subsequent amendments thereto are consistent with this Covenant and with those provisions of the Constitution, treaties and laws of the United States applicable to the Northern Mariana Islands.

"SECTION 203. (a) The Constitution will provide for a republican form of government with separate executive, legislative and judicial branches, and will contain a bill of rights.

"(b) The executive power of the Northern Mariana Islands will be vested in a popularly elected Governor and such other officials as the Constitution or laws of the Northern Mariana Islands may provide.

"(c) The legislative power of the Northern Mariana Islands will be vested in a popularly elected legislature and will extend to all rightful subjects of legislation. The Constitution of the Northern Mariana Islands will provide for equal representation for each of the chartered municipalities of the Northern Mariana Islands in one house of a bicameral legislature, notwithstanding other provisions of this Covenant or those provisions of the Constitution or laws of the United States applicable to the Northern Mariana Islands.

"(d) The judicial power of the Northern Mariana Islands will be vested in such courts as the Constitution or laws of the Northern Mariana Islands may provide. The Constitution or laws of the Northern Mariana Islands may vest in such courts jurisdiction over all causes in the Northern Mariana Islands over which any court established by the Constitution or laws of the United States does not have exclusive jurisdiction.

"SECTION 204. All members of the legislature of the Northern Mariana Islands and all officers and employees of the Government of the Northern Mariana Islands will take an oath or affirmation to support this Covenant, those provisions of the Constitution, treaties and laws of the United States applicable to the Northern Mariana Islands, and the Constitution and laws of the Northern Mariana Islands.

"ARTICLE III

"CITIZENSHIP AND NATIONALITY

"SECTION 301. The following persons and their children under the age of 18 years on the effective date of this Section, who are not citizens or nationals of the United States under any other provision of law, and who on that date do not owe allegiance to any foreign state, are declared to be citizens of the United States, except as otherwise provided in Section 302:

"(a) all persons born in the Northern Mariana Islands who are citizens of the Trust Territory of the Pacific Islands on the day preceding the effective date of this Section, and who on that date are domiciled in the Northern Mariana Islands or in the United States or any territory or possession thereof;

"(b) all persons who are citizens of the Trust Territory of the Pacific Islands on the day preceding the effective date of this Section, who have been domiciled continuously in the Northern Mariana Islands for at least five years immediately prior to that date, and who, unless under age, registered to vote in elections for the Mariana Islands District Legislature or for any municipal election in the Northern Mariana Islands prior to January 1, 1975; and

"(c) all persons domiciled in the Northern Mariana Islands on the day preceding the effective date of this Section, who, although not citizens of the Trust Territory of the Pacific Islands, on that date have been domiciled continuously in the Northern Mariana Islands beginning prior to January 1, 1974.

"SECTION 302. Any person who becomes a citizen of the United States solely by virtue of the provisions of Section 301 may within six months after the effective date of that Section or within six months after reaching the age of 18 years, whichever date is the later, become a national but not a citizen of the United States by making a declaration under oath before any court established by the Constitution or laws of the United States or any court of record in the Commonwealth in the form as follows:

" 'I ——— being duly sworn, hereby declare my intention to be a national but not a citizen of the United States.' "

"SECTION 303. All persons born in the Commonwealth on or after the effective date of this Section and subject to the jurisdiction of the United States will be citizens of the United States at birth.

"SECTION 304. Citizens of the Northern Mariana Islands will be entitled to all privileges and immunities of citizens in the several States of the United States.

"ARTICLE IV

"JUDICIAL AUTHORITY

"SECTION 401. The United States will establish for and within the Northern Mariana Islands a court of record to be known as the 'District Court for the Northern Mariana Islands'. The Northern Mariana Islands will constitute a part of the same judicial circuit of the United States as Guam.

"SECTION 402. (a) The District Court for the Northern Mariana Islands will have the jurisdiction of a district court of the United States, except that in all causes arising under the Constitution, treaties or laws of the United States it will have jurisdiction regardless of the sum or value of the matter in controversy.

"(b) The District Court will have original jurisdiction in all causes in the Northern Mariana Islands not described in Subsection (a) jurisdiction over which is not vested by the Constitution or laws of the Northern Mariana Islands in a court or courts of the Northern Mariana Islands. In causes brought in the District Court solely on the basis of this subsection, the District Court will be considered a court of the Northern Mariana Islands for the purposes of determining the requirements of indictment by grand jury or trial by jury.

"(c) The District Court will have such appellate jurisdiction as the Constitution or laws of the Northern Mariana Islands may provide. When it sits as an appellate court, the District Court will consist of three judges, at least one of which will be a judge of a court of record of the Northern Mariana Islands.

"SECTION 403. (a) The relations between the courts established by the Constitution or laws of the United States and the courts of the Northern Mariana Islands with respect to appeals, certiorari, removal of causes, the issuance of writs of habeas corpus and other matters or proceedings will be governed by the laws of the United States pertaining to the relations between the courts of the United States and the courts of the several States in such matters and proceedings, except as otherwise provided in this Article; provided that for the first fifteen years following the establishment of an appellate court of the Northern Mariana Islands the United States Court of Appeals for the judicial circuit which includes the Northern Mariana Islands will have jurisdiction of appeals from all final decisions of the highest court of the Northern Mariana Islands from which a decision could be had in all cases involving the Constitution, treaties or laws of the United States, or any authority exercised thereunder, unless those cases are reviewable in the District Court for the Northern Mariana Islands pursuant to Subsection 402(c).

"(b) Those portions of Title 28 of the United States Code which apply to Guam or the District Court of Guam will be applicable to the Northern Mariana Islands or the District Court for the Northern Mariana Islands, respectively, except as otherwise provided in this Article.

"ARTICLE V

"APPLICABILITY OF LAWS

"SECTION 501. (a) To the extent that they are not applicable of their own force, the following provisions of the Constitution of the United States will be applicable within the Northern Mariana Islands as if the Northern Mariana Islands were one of the several States: Article I, Section 9, Clauses 2, 3, and 8; Article I, Section 10, Clauses 1 and 3; Article IV, Section 1 and Section 2, Clauses 1 and 2; Amendments 1 through 9, inclusive; Amendment 13; Amendment 14, Section 1; Amendment 15; Amendment 19; and Amendment 26 provided, however, that neither trial by jury nor indictment by grand jury shall be required in any civil action or criminal prosecution based on local law, except where required by local law. Other provisions of or amendments to the Constitution of the United States, which do not apply of their force within the Northern Mariana Islands, will be applicable within the Northern Mariana Islands only with approval of the Government of the Northern Mariana Islands and the Government of the United States.

"(b) The applicability of certain provisions of the Constitution of the United States to the Northern Mariana Islands will be without prejudice to the validity of and the power of the Congress of the United States to consent to Sections 203, 506 and

805 and the proviso in Subsection (a) of this Section.

"SECTION 502. (a) The following laws of the United States in existence on the effective date of this Section and subsequent amendments to such laws will apply to the Northern Mariana Islands, except as otherwise provided in this Covenant:

"(1) those laws which provide federal services and financial assistance programs and the federal banking laws as they apply to Guam; Section 228 of Title II and Title XVI of the Social Security Act as it applies to the several States; the Public Health Service Act as it applies to the Virgin Islands; and the Micronesian Claims Act as it applies to the Trust Territory of the Pacific Islands;

"(2) those laws not described in paragraph (1) which are applicable to Guam and which are of general application to the several States as they are applicable to the several States; and

"(3) those laws not described in paragraphs (1) or (2) which are applicable to the Trust Territory of the Pacific Islands, but not their subsequent amendments unless specifically made applicable to the Northern Mariana Islands, as they apply to the Trust Territory of the Pacific Islands until termination of the Trusteeship Agreement, and will thereafter be inapplicable.

"(b) The laws of the United States regarding coastal shipments and the conditions of employment, including the wages and hours of employees, will apply to the activities of the United States Government and its contractors in the Northern Mariana Islands.

"SECTION 503. The following laws of the United States, presently inapplicable to the Trust Territory of the Pacific Islands, will not apply to the Northern Mariana Islands except in the manner and to the extent made applicable to them by the Congress by law after termination of the Trusteeship Agreement:

"(a) except as otherwise provided in Section 506, the immigration and naturalization laws of the United States:

"(b) except as otherwise provided in Subsection (b) of Section 502, the coastwise laws of the United States and any prohibition in the laws of the United States against foreign vessels landing fish or unfinished fish products in the United States; and

"(c) the minimum wage provision of Section 6, Act of June 25, 1938, 52 Stat. 1062, as amended.

"SECTION 504. The President will appoint a Commission on Federal Laws to survey the laws of the United States and to make recommendations to the United States Congress as to which laws of the United States not applicable to the Northern Mariana Islands should be made applicable and to what extent and in what manner, and which applicable laws should be made inapplicable and to what extent and in what manner. The Commission will consist of seven persons (at least four of whom will be citizens of the Trust Territory of the Pacific Islands who are and have been for at least five years domiciled continuously in the Northern Islands at the time of their appointments) who will be representative of the federal, local, private and public interests in the applicability of laws of the United States to the Northern Mariana Islands. The Commission will make its final report and recommendations to the Congress within one year after the termination of the Trusteeship Agreement, and before that time will make such interim reports and recommendations to the Congress as it considers appropriate to facilitate the transition of the Northern Mariana Islands to its new political status. In formulating its recommendations the Commission will take into consideration the potential effect of each law on local conditions within the Northern Marina Islands, the policies embodied in the law and the provisions and purposes of this Covenant. The United States will bear the cost of the work of the Commission.

"SECTION 505. The laws of the Trust Territory of the Pacific Islands, of the Mariana Islands District and its local municipalities, and all other Executive and District orders of a local nature applicable to the Northern Mariana Islands on the effective date of this Section and not inconsistent with this Covenant or with those provisions of the Constitution, treaties or laws of the United States applicable to the Northern Mariana Islands will remain in force and effect until and unless altered by the Government of the Northern Mariana Islands.

"SECTION 506. (a) Notwithstanding the provisions of Subsection 503(a), upon the effective date of this Section the Northern Mariana Islands will be deemed to be a part of the United States under the Immigration and Nationality Act, as amended for the following purposes only, and the said Act will apply to the Northern Mariana Islands to the extent indicated in each of the following Subsections of this Section.

"(b) With respect to children born abroad to United States citizen or non-citizen national parents permanently residing in the Northern Mariana Islands the provisions of Sections 301 and 308 of the said Act will apply.

"(c) With respect to aliens who are 'immediate relatives' (as defined in Subsection 201(b) of the said Act) of United States citizens who are permanently residing in the Northern Mariana Islands all the provisions of the said Act will apply, commencing when a claim is made to entitlement to 'immediate relative' status. A person who is certified by the Government of the Northern Mariana Islands both to have been a lawful permanent resident of the Northern Mariana Islands and to have had the 'immediate relative' relationship denoted herein on the effective date of this Section will be presumed to have been admitted to the United States for lawful permanent residence as of that date without the requirement of any of the usual procedures set forth in the said Act. For the purpose of the requirements of judicial naturalization, the Northern Mariana Islands will be deemed to constitute a State as defined in Subsection 101(a) paragraph (36) of the said Act. The Courts of record of the Northern Mariana Islands and the District Court for the Northern Mariana Islands will be included among the courts specified in Subsection 310(a) of the said Act and will have jurisdiction to naturalize persons who become eligible under this Section and who reside within their respective jurisdictions.

"(d) With respect to persons who will become citizens or nationals of the United States under Article III of this Covenant or under this Section the loss of nationality provisions of the said Act will apply.

"ARTICLE VI

"REVENUE AND TAXATION

"SECTION 601. (a) The income tax laws in force in the United States will come into force in the Northern Mariana Islands as a local territorial income tax on the first day of January following the effective date of this Section, in the same manner as those laws are in force in Guam.

"(b) Any individual who is a citizen or a resident of the United States, of Guam, or of the Northern Mariana Islands (including a national of the United States who is not a citizen), will file only one income tax return with respect to his income, in a manner similar to the provisions of Section 935 of Title 26, United States Code.

"(c) References in the Internal Revenue Code to Guam will be deemed also to refer to the Northern Mariana Islands, where not otherwise distinctly expressed or manifestly incompatible with the intent thereof or of this Covenant.

"SECTION 602. The Government of the Northern Mariana Islands may by local law impose such taxes, in addition to those imposed under Section 601, as it deems appropriate and provide for the rebate of any taxes received by it, except that the power of the Government of the Northern Mariana Islands to rebate collections of the local territorial income tax received by it will be limited to taxes on income derived from sources within the Northern Mariana Islands.

"SECTION 603. (a) The Northern Mariana Islands will not be included within the customs territory of the United States.

"(b) The Government of the Northern Mariana Islands may, in a manner consistent with the international obligations of the United States, levy duties on goods imported into its territory from any area outside the customs territory of the United States and impose duties on exports from its territory.

"(c) Imports from the Northern Mariana Islands into the customs territory of the United States will be subject to the same treatment as imports from Guam into the customs territory of the United States.

"(d) The Government of the United States will seek to obtain from foreign countries favorable treatment for exports from the Northern Mariana Islands will encourage other countries to consider the Northern Mariana Islands a developing territory.

"SECTION 604. (a) The Government of the United States may levy excise taxes on goods manufactured, sold or used or services rendered in the Northern Mariana Islands in the same manner and to the same extent as such taxes are applicable within Guam.

"(b) The Government of the Northern Mariana Islands will have the authority to impose excise taxes upon goods manufactured, sold or used or services rendered within its territory or upon goods imported into its territory, provided that such excise taxes imposed on goods imported into its territory will be consistent with the international obligations of the United States.

"SECTION 605. Nothing in this Article will be deemed to authorize the Government of the Northern Mariana Islands to impose any customs duties on the property of the United States or on the personal property of military or civilian personnel of the United States Government or their dependents entering or leaving the Northern Mariana Islands pursuant to their contract of employment or orders assigning them to or from the Northern Mariana Islands or to impose any taxes on the property, activities or instrumentalities of the United States which one of the several States could not impose; nor will any provision of this Article be deemed to affect the operation of the Soldiers and Sailors Civil Relief Act of 1940, as amended, which will be applicable to the Northern Mariana Islands as it is applicable to Guam.

"SECTION 606. (a) Not later than at the time this Covenant is approved, that portion of the Trust Territory Social Security Retirement Fund attributable to the Northern Mariana Islands will be transferred to the Treasury of the United States, to be held in trust as a separate fund to be known as the 'Northern Mariana Islands Social Security Retirement Fund'. This fund will be administered by the United States in accordance with the social security laws of the Trust Territory of the Pacific Islands in effect at the time of such transfer, which may be modified by the Government of the Northern Mariana Islands only in a manner which does not create any additional differences between the social security laws of the Trust Territory of the Pacific Islands and the laws described in Subsection (b). The United States will supplement such fund if necessary to assure that persons receive benefits therefrom comparable to those they would have received from the Trust Territory Social Security Retirement Fund under the laws applicable thereto on the day preceding the establishment of the Northern Mariana Islands Social Security Retirement Fund, so long as the rate of contributions thereto also remains comparable.

"(b) Those laws of the United States which impose excise and self-employment taxes to support or which provide benefits from the United States Social Security System will upon termination of the Trusteeship Agreement or such earlier date as may be agreed to by the Government of the Northern Mariana Islands and the Government of the United States become applicable to the Northern Mariana Islands as they apply to Guam.

"(c) At such time as the laws described in Subsection (b) become applicable to the Northern Mariana Islands:

"(1) the Northern Mariana Islands Social Security Retirement Fund will be transferred into the appropriate Federal Social Security Trust Funds;

"(2) prior contributions by or on behalf of persons domiciled in the Northern Mariana Islands to the Trust Territory Social Security Retirement Fund or the Northern Mariana Islands Social Security Retirement Fund will be considered to have been made to the appropriate Federal Social Security Trust Funds for the purpose of determining eligibility of those persons in the Northern Mariana Islands for benefits under those laws; and

"(3) persons domiciled in the Northern Mariana Islands who are eligible for or entitled to social security benefits under the laws of the Trust Territory of the Pacific Islands or of the Northern Mariana Islands will not lose their entitlement and will be eligible for or entitled to benefits under the laws described in Subsection (b).

"SECTION 607. (a) All bonds or other obligations issued by the Government of the Northern Mariana Islands or by its authority will be exempt, as to principal and interest, from taxation by the United States, or by any State, territory or possession of the United States, or any political subdivision of any of them.

"(b) During the initial seven year period of financial assistance provided for in Section 702, and during such subsequent periods of financial assistance as may be agreed, the Government of the Northern Mariana Islands will authorize no public indebtedness (other than bonds or other obligations of the Government payable solely from revenues derived from any public improvement or undertaking) in excess of ten percentum of the aggregate assessed valuation of the property within the Northern Mariana Islands.

"ARTICLE VII

"UNITED STATES FINANCIAL ASSISTANCE

"SECTION 701. The Government of the United States will assist the Government of the Northern Mariana Islands in its efforts to achieve a progressively higher standard of living for its people as part of the American economic community and to develop the economic resources needed to meet the financial responsibilities of local self-government. To this end, the United States will provide direct multi-year financial support of the Government of Northern Mariana Islands for local government operations for capital improvement programs and for economic development. The initial period of such support will be seven years, as provided in Section 702.

"SECTION 702. Approval of this Covenant by the United States will constitute a commitment and pledge of the full faith and credit of the United States for the payment, as well as an authorization for the appropriation, of the following guaranteed annual levels of direct grant assistance to the Government of the Northern Mariana Islands for each of the seven fiscal years following the effective date of this Section:

"(a) $8.25 million for budgetary support for government operations, of which $250,000 each year will be reserved for a special education training fund connected with the change in the political status of the Northern Mariana Islands;

"(b) $4 million for capital improvement projects, of which $500,000 each year will be reserved for such projects on the Island of Tinian and $500,000 each year will be reserved for such projects on the Island of Rota; and

"(c) $1.75 million for an economic development loan fund, of which $500,000 each year will be reserved for small loans to farmers and fishermen and to agricultural and marine cooperatives, and of which $250,000 each year will be reserved for a special program of low interest housing loans for low income families.

"SECTION 703. (a) The United States will make available to the Northern Mariana Islands the full range of federal programs and services available to the territories of the United States. Funds provided under Section 702 will be considered to be local revenues of the Government of the Northern Mariana Islands when used as the local share required to obtain federal programs and services.

"(b) There will be paid into the Treasury of the Government of the Northern Mariana Islands, to be expended to the benefit of the people thereof as that Government may by law prescribe, the proceeds of all customs duties and federal income taxes derived from the Northern Mariana Islands, the proceeds of all taxes collected under the internal revenue laws of the United States on articles produced in the Northern Mariana Islands and transported to the United States, its territories or possessions, or consumed in the Northern Mariana Islands, the proceeds of any other taxes which may be levied by the Congress on the inhabitants of the Northern Mariana Islands, and all quarantine, passport, immigration and naturalization fees collected in the Northern Mariana Islands, except that nothing in this Section shall be construed to apply to any tax imposed by Chapters 2 or 21 of Title 26, United States Code.

"SECTION 704. (a) Funds provided under Section 702 not obligated or expended by the Government of the Northern Mariana Islands during any fiscal year will remain available for obligation or expenditure by that Government in subsequent fiscal years for the purposes for which the funds were appropriated.

"(b) Approval of this Covenant by the United States will constitute an authorization for the appropriation of a pro-rata share of the funds provided under Section 702 for the period between the effective date of this Section and the beginning of the next succeeding fiscal year.

"(c) The amounts stated in Section 702 will be adjusted for each fiscal year by a percentage which will be the same as the percentage change in the United States Department of Commerce composite price index using the beginning of Fiscal Year 1975 as the base.

"(d) Upon expiration of the seven year period of guaranteed annual direct grant assistance provided by Section 702, the annual level of payments in each category listed in Section 702 will continue until Congress appropriates a different amount or otherwise provides by law.

"ARTICLE VIII

"PROPERTY

"SECTION 801. All right, title and interest of the Government of the Trust Territory of the Pacific Islands in and to real property in the Northern Mariana Islands on the date of the signing of this Covenant or thereafter acquired in any manner whatsoever will, no later than upon the termination of the Trusteeship Agreement, be transferred to the Government of the Northern Mariana Islands. All right, title and interest of the Government of the Trust Territory of the Pacific Islands in and to all personal property on the date of the signing of this Covenant or thereafter acquired in any manner whatsoever will, no later than upon the termination of the Trusteeship Agreement, be distributed equitably in a manner to be determined by the Government of the Trust Territory of the Pacific Islands in consultation with those concerned, including the Government of the Northern Mariana Islands.

"SECTION 802. (a) The following property will be made available to the Government of the United States by lease to enable it to carry out its defense responsibilities:

"(1) on Tinian Island, approximately 17,799 acres (7,203 hectares) and the waters immediately adjacent thereto;

"(2) on Saipan Island, approximately 177 acres (72 hectares) at Tanapag Harbor; and

"(3) on Farallon de Medinilla Islands, approximately 206 acres (83 hectares) encompassing the entire island, and the waters immediately adjacent thereto.

"(b) The United States affirms that it has no present need for or present intention to acquire any greater interest in property listed above than that which is granted to it under Subsection 803(a), or to acquire any property in addition to that listed in Subsection (a), above, in order to carry out its defense responsibilities.

"SECTION 803. (a) The Government of the Northern Mariana Islands will lease the property described in Subsection 802(a) to the Government of the United States for a term of fifty years, and the Government of the United States will have the option of renewing this lease for all or part of such property for an additional term of fifty years if it so desires at the end of the first term.

"(b) The Government of the United States will pay to the Government of the Northern Mariana Islands in full settlement of this lease, including the second fifty year term of the lease if extended under the renewal option, the total sum of $19,520,600, determined as follows:

"(1) for that property on Tinian Island, $17.5 million;

"(2) for that property at Tanapag Harbor on Saipan Island, $2 million; and

"(3) for that property known as Farallon de Medinilla, $20,600.

The sum stated in this Subsection will be adjusted by a percentage which will be the same as the percentage change in the United States Department of Commerce composite price index from the date of signing the Covenant.

"(c) A separate Technical Agreement Regarding Use of Land To Be Leased by the United States in the Northern Mariana Islands will be executed simultaneously with this Covenant. The terms of the lease to the United States will be in accordance with this Section and with the terms of the Technical Agreement. The Technical Agreement will also contain terms relating to the leaseback of property, to the joint use arrangements for San Jose Harbor and West Field on Tinian Island, and to the principles which will govern the social structure relations between the United States military and the Northern Mariana Islands civil authorities.

"(d) From the property to be leased to it in accordance with this Covenant the Government of the United States will lease back to the Government of the Northern Mariana Islands, in accordance with the Technical Agreement, for the sum of one dollar per acre per year, approximately 6,458 acres (2,614 hectares) on Tinian Island and approximately 44 acres (18 hectares) at Tanapag Harbor on Saipan Island, which will be used for purposes compatible with their intended military use.

"(e) From the property to be leased to it at Hanapag Harbor on Saipan Island the Government of the United States will make available to the Government of the Northern Mariana Islands 133 acres (54 hectares) at no cost. This property will be set aside for public use as an American memorial park to honor the American and Marianas dead in the World War II Marianas Campaign. The $2 million received from the Government of the United States for the lease of this property will be placed into a trust fund, and used for the development and maintenance of the park in accordance with the Technical Agreement.

"SECTION 804. (a) The Government of the United States will cause all agreements between it and the Government of the Trust Territory of the Pacific Islands which grant to the Government of the United States use or other rights in real property in the Northern Mariana Islands to be terminated upon or before the effective date of the Section. All right, title and interest of the Government of the Trust Territory of the Pacific Islands in and to any real property with respect to which the Government of the United States enjoys such use or other rights will be transferred to the Government of the Northern Mariana Islands at the time of such termination. From the time such right, title and interest is so transferred the Government of the Northern Mariana Islands will assure the Government of the United States the continued use of the real property then actively used by the Government of the United States for civilian governmental purposes on terms comparable to those enjoyed by the Government of the United States under its arrangements with the Government of the Trust Territory of the Pacific Islands on the date of the signature of this Covenant.

"(b) All facilities at Isely Field developed with federal aid and all facilities at that field usable for the landing and take-off of aircraft will be available to the United States for use by military and naval aircraft, in common with other aircraft, at all times without charge, except, if the use by military and naval aircraft shall be substantial, a reasonable share, proportional to such use, of the cost of operating and maintaining the facilities so used may be charged at a rate established by agreement between the Government of the Northern Mariana Islands and the Government of the United States.

"SECTION 805. Except as otherwise provided in this Article, and notwithstanding the other provisions of this Covenant, or those provisions of the Constitution, treaties or laws of the United States applicable to the Northern Mariana Islands, the Government of the Northern Mariana Islands, in view of the importance of the ownership of land for the culture and traditions of the people of the Northern Mariana Islands, and in order to protect them against exploitation and to promote their economic advancement and self-sufficiency:

"(a) will until twenty-five years after the termination of the Trusteeship Agreement, and may thereafter, regulate the alienation of permanent and long-term interests in real property so as to restrict the acquisition of such interests to persons of Northern Mariana Islands descent; and

"(b) may regulate the extent to which a person may own or hold land which is now public land.

"SECTION 806. (a) The United States will continue to recognize and respect the scarcity and special importance of land in the Northern Mariana Islands. If the United States must acquire any interest in real property not transferred to it under this Covenant, it will follow the policy of seeking to acquire only the minimum area necessary to accomplish the public purpose for which the real property is required, of seeking only the minimum interest in real property necessary to support such public purpose, acquiring title only if the public purpose cannot be accomplished if a lesser interest is obtained, and of seeking first to satisfy its requirement by acquiring an interest in public rather than private real property.

"(b) The United States may, upon prior written notice to the Government of the Northern Mariana Islands, acquire for public purposes in accordance with Federal laws and procedures any interest in real property in the Northern Mariana Islands by purchase, lease, exchange, gift or otherwise under such terms and conditions as may be negotiated by the parties. The United States will in all cases attempt to acquire any interest in real property for public purposes by voluntary means under this subsection before exercising the power of eminent domain. No interest in real property will be acquired unless duly authorized by the Congress of the United States and appropriations are available therefor.

"(c) In the event it is not possible for the United States to obtain an interest in real property for public purposes by voluntary means, it may exercise within the Commonwealth the power of eminent domain to the same extent and in the same manner as it has and can exercise the power of eminent domain in a State of the Union. The power of eminent domain will be exercised within the Commonwealth only to the extent necessary and in compliance with applicable United States laws, and with full recognition of the due process required by the United States Constitution.

"ARTICLE IX

"NORTHERN MARIANA ISLANDS REPRESENTATIVE AND CONSULTATION

"SECTION 901. The Constitution or laws of the Northern Mariana Islands may provide for the appointment or election of a Resident Representative to the United States, whose term of office will be two years, unless otherwise determined by local law, and who will be entitled to receive official recognition as such Representative by all of the departments and agencies of the Government of the United States upon presentation through the Department of State of a certificate of selection from the Governor. The Representative must be a citizen and resident of the Northern Mariana Islands, at least twenty-five years of age, and, after termination of the Trusteeship Agreement, a citizen of the United States.

"SECTION 902. The Government of the United States and the Government of the Northern Mariana Islands will consult regularly on all matters affecting the relationship between them. At the request of either Government, and not less frequently than every ten years, the President of the United States and the Governor of the Northern Mariana Islands will designate special representatives to meet and to consider in good faith such issues affecting the relationship between the Northern Mariana Islands and the United States as may be designated by either Government and to make a report and recommendations with respect thereto. Special representatives will be appointed in any event to consider and to make recommendations regarding future multi-year financial assistance to the Northern Mariana Islands pursuant to Section 701, to meet at least one year prior to the expiration of every period of such financial assistance.

"SECTION 903. Nothing herein shall prevent the presentation of cases or controversies arising under this Covenant to courts established by the Constitution or laws of the United States. It is intended that any such cases or controversies will be justiciable in such courts and that the undertakings by the Government of the United States and by the Government of the Northern Mariana Islands provided for in this Covenant will be enforceable in such courts.

"SECTION 904. (a) The Government of the United States will give sympathetic consideration to the views of the Government of the Northern Mariana Islands on international matters directly affecting the Northern Mariana Islands and will provide opportunities for the effective presentation of such views to no less extent than such opportunities are provided to any other territory or possession under comparable circumstances.

"(b) The United States will assist and facilitate the establishment by the Northern Mariana Islands of offices in the United States and abroad to promote local tourism and other economic or cultural interests of the Northern Mariana Islands.

"(c) On its request the Northern Mariana Islands may participate in regional and other international organizations concerned with social, economic, educational, scientific, technical and cultural matters when similar participation is authorized for any other territory or possession of the United States and under comparable circumstances.

"ARTICLE X

"APPROVAL, EFFECTIVE DATES, AND DEFINITIONS

"SECTION 1001. (a) This Covenant will be submitted to the Mariana Islands District Legislature for its approval. After its approval by the Mariana Islands District Legislature, this Covenant will be submitted to the people of the Northern Mariana Islands for approval in a plebiscite to be called by the United States. Only persons who are domiciled exclusively in the Northern Mariana Islands who meet such other qualifications, including timely registration, as are promulgated by the United States as administering authority will be eligible to vote in the plebiscite. Approval must be by a majority of at least 55% of the valid vote cast in the plebiscite. The results of the plebiscite will be certified to the President of the United States.

"(b) This Covenant will be approved by the United States in accordance with its constitutional processes and will thereupon become law.

"SECTION 1002. The President of the United States will issue a proclamation announcing the termination of the Trusteeship Agreement, or the date on which the Trusteeship Agreement will terminate, and the establishment of the Commonwealth in accordance with this Covenant. Any determination by the President that the Trusteeship Agreement has been terminated or will be terminated on a day certain will be final and will not be subject to review by any authority, judicial or otherwise, of the Trust Territory of the Pacific Islands, the Northern Mariana Islands or the United States.

"SECTION 1003. The provisions of this Covenant will become effective as follows, unless otherwise specifically provided:

"(a) Sections 105, 201–203, 503, 504, 606, 801, 903 and Article X will become effective on approval of this Covenant;

"(b) Sections 102, 103, 204, 304, Article IV, Sections 501, 502, 505, 601–605, 607, Article VII, Sections 802–805, 901 and 902 will become effective on a date to be determined and proclaimed by the President of the United States which will be not more than 180 days after this Covenant and the Constitution of the Northern Mariana Islands have both been approved; and

"(c) The remainder of this Covenant will become effective upon the termination of the Trusteeship Agreement and the establishment of the Commonwealth of the Northern Mariana Islands.

"SECTION 1004. (a) The application of any provision of the Constitution or laws of the United States which would otherwise apply to the Northern Mariana Islands may be suspended until termination of the Trusteeship Agreement if the President finds and declares that the application of such provision prior to termination would be inconsistent with the Trusteeship Agreement.

"(b) The Constitution of the Northern Mariana Islands will become effective in accordance with its terms on the same day that the provisions of this Covenant specified in Subsection 1003(b) become effective, provided that if the President finds and declares that the effectiveness of any provision of the Constitution of the Northern Mariana Islands prior to termination of the Trusteeship Agreement would be inconsistent with the Trusteeship Agreement such provision will be ineffective until termination of the Trusteeship Agreement. Upon the establishment of the Commonwealth of the Northern Mariana Islands the Constitution will become effective in its entirety in accordance with its terms as the Constitution of the Commonwealth of the Northern Mariana Islands.

"SECTION 1005. As used in this Covenant:

"(a) 'Trusteeship Agreement' means the Trusteeship Agreement for the former Japanese Mandated Islands concluded between the Security Council of the United Nations and the United States of America, which entered into force on July 18, 1947:

"(b) 'Northern Mariana Islands' means the area now known as the Mariana Islands District of the Trust Territory of the Pacific Islands, which lies within the area north of 14° north latitude, south of 21° north latitude, west of 150° east longitude and east of 144° east longitude;

"(c) 'Government of the Northern Mariana Islands' includes, as appropriate, the Government of the Mariana Islands District of the Trust Territory of the Pacific Islands at the time this Covenant is signed, its agencies and instrumentalities, and its successors, including the Government of the Commonwealth of the Northern Mariana Islands;

"(d) 'Territory or possession' with respect to the United States includes the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam and American Samoa;

"(e) 'Domicile' means that place where a person maintains a residence with the intention of continuing such residence for an unlimited or indefinite period, and to which such person has the intention of returning whenever he is absent, even for an extended period.

"Signed at Saipan, Mariana Islands on the fifteenth day of February, 1975.

"For the people of the Northern Mariana Islands:

EDWARD DLG. PANGELINAN,
Chairman, Marianas
Political Status Commission.
VICENTE N. SANTOS.
Vice Chairman, Marianas
Political Status Commission.

"For the United States of America:
Ambassador F. HAYDN WILLIAMS,
Personal Representative of the
President of the United States.

"Members of the Mariana Political Status Commission:

JUAN LG. CABRERA.
VICENTE T. CAMACHO.
JOSE R. CRUZ.
BERNARD V. HOFSCHNEIDER.
BENJAMIN T. MANGLONA.
DANIEL T. MUNA.
DR. FRANCISCO T. PALACIOS.
JOAQUIN I. PANGELINAN.
MANUEL A. SABLAN.
JOANNES B. TAIMANAO.
PEDRO A. TENORIO."

SEC. 2. There is hereby authorized to be appropriated such amounts as may be necessary (in addition to amounts previously authorized to be appropriated) for the purpose of making full payments of awards under title II of the Micronesia Claims Act of 1971, Public Law 92-39.

SEC. 3. (a) The President is hereby authorized to extend to Puerto Rico, the Virgin Islands, Guam, American Samoa, the Mariana Islands District and the other Districts of the Trust Territory of the Pacific Islands, all Federal programs providing grant, loan, and loan guarantee or other assistance to the States unless he determines that such extension is inconsistent with the purposes of the statutory authorization under which such assistance is provided or unless such extension is disapproved by resolution of either House of Congress as provided in subsection (b).

(b) The President shall transmit to the Congress notice of any extension action taken under subsection (a) and any such action shall take effect at the end of the first period of sixty calendar days of continuous session of Congress after the date on which the notice is transmitted to it unless, between the date of transmittal and the end of the sixty-day period, either House passes a resolution stating in substance that that House does not favor such extension. For purposes of this subsection, passage of such resolution shall be subject to the same procedures as apply in the case of resolutions disapproving government reorganization plans under Chapter 9 of Title 5, United States Code.

The SPEAKER. Is a second demanded?

Mr. DON H. CLAUSEN. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER. The gentleman from California (Mr. PHILLIP BURTON) will be recognized for 20 minutes, and the gentleman from California (Mr. DON H. CLAUSEN) will be recognized for 20 minutes.

The Chair now recognizes the gentleman from California (Mr. PHILLIP BURTON).

Mr. PHILLIP BURTON. Mr. Speaker, I yield myself 12 minutes.

Mr. Speaker, House Joint Resolution 549 provides for congressional action on the Covenant To Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States of America.

On June 17, 1975, the people of the Northern Mariana Islands overwhelmingly approved the covenant in a United Nations-observed plebiscite administered by the President's representative, Mr. Erwin Canham, editor emeritus of the Christian Science Monitor. The people's high degree of interest in the question of becoming a territory of the United States is demonstrated by a participation rate in the plebiscite of 95 percent of the eligible voters, of whom 78.8 percent voted to approve the proposed covenant. It is worthy of note that, in his appearance before our subcommittee on July 14, Mr. Canham stated that after the plebiscite, the leaders of the proponents and opponents of the covenant publicly commented on the fairness and objectivity of the election process, as did the United Nations observers.

Prior to the plebiscite, the Mariana Islands District Legislature unanimously approved the covenant which had been signed previously on February 15, 1975, by the citizens who had been commissioned by the legislature and the people of the Northern Marianas to negotiate an agreement on their behalf; namely, the Marianas Political Status Commission. The President's personal representative, F. Haydn Williams, signed in behalf of the United States.

These events culminated more than 20 years of continuous effort by the people of the Northern Marianas to enter into close union with the United States. In his testimony before our subcommittee, the Honorable Vicente Santos, president of the Mariana Islands District Legislature, detailed some 15 resolutions adopted by the district legislature which dealt with this matter beginning with the creation of the district legislature in 1963. Prior to that, the councils of the municipalities enacted similar resolutions, beginning in 1948. The origins of this strong, enduring desire for freedom were well-stated to the Subcommittee on Territories by the chairman of the Marianas Political Status Commission, when he said:

> For over 400 years, the people of the Marianas have been ruled by foreign powers . . . we had no opportunity to speak out on matters . . . such as the nature of our government . . . but . . . after twenty-five years of American administration, our people have come to understand and appreciate the American system of government . . . of individual liberty, of equal justice under the law, and a country that has historically been a refuge for the oppressed . . . for the first time in four centuries, the people of the Northern Mariana Islands live as free men and women. As a result, we have been very active in expressing our strong desire to become a part of the American political family. . . .

This is the background of the historical process by which this matter comes before the House today. And I am pleased to say that the spirit in which all concerned parties dealt with this matter—the administration representatives led by the outstanding Ambassador Williams who has earned the commendation of all, the negotiations for the Mariana Islands, the members of our committee, and other Members of Congress—has matched, I believe, the desire and unity of the Mariana peoples which provided the original impetus leading to today's events. This matter has been the subject of communications, almost without count, between the concerned executive, congressional, and Marianas representatives, seeking . . . effectively consulting before the fact, meeting with each other and with the full range of Marianas leaders and citizenry, to an extent far greater than any other legislative matter in which I have been involved.

The final step by which this matter comes before the House today reflects this same unity. The bipartisan—nonpartisan manner in which the Subcommittee on Territorial Affairs and the Full Committee on Interior and Insular Affairs have considered this subject during the past 3 years is reflected in the unanimous voice vote of the subcommittee and the recorded vote of 30 yeas to 0 nays by which House Joint Resolution 549 was reported to the House by the full Committee on Interior and Insular Affairs.

Mr. Speaker, at this time I would like to express by own personal thanks to the ranking minority member of the full committee, the gentleman from Kansas (Mr. SKUBITZ). Perhaps even more important, I would like to thank my distinguished colleague from California, the ranking minority member of the subcommittee (Mr. DON H. CLAUSEN), the gentleman from California (Mr. LAGOMARSINO), the gentlewoman from California (Mrs. PETTIS), the gentleman from Arizona (Mr. STEIGER), and others on the other side of the aisle. I would be remiss as well if I did not note the long enduring interest of our distinguished colleague from Hawaii (Mrs. MINK) and the enormous effort she has made in this matter, as well as the distinguished gentleman from Washington (Mr. MEEDS).

Furthermore, I would be remiss if I failed to recognize the very important contribution made by the distinguished Resident Commissioner from Puerto Rico (Mr. BENITEZ), and our distinguished colleagues from Guam (Mr. WON PAT) and the Virgin Islands (Mr. DE LUGO).

Last, but absolutely not least, I must make reference to the absolutely vital and constructive role played by an old friend of ours, our most distinguished colleague, who has, since the initial consideration of this legislation, just within the past month or so, moved his assignment over to the Committee on Ways and Means, but without the help of our thoughtful and concerned colleague, the gentleman from California (Mr. KETCHUM) perhaps the high degree of cooperation would not have been possible.

I also want to praise the staff, Mr. Adrian Winkel and Nancy Drake, as well as Tom Dunmire for their long hours and invaluable assistance. Also Mr. Emmett Rice and Steve Sander of the Interior Department deserve commendation for their assistance.

It has been our objective to leave no record of partisan behavior in our treatment of this subject, but to deal with it in the objective manner which would best serve the legitimate interests of both parties to the negotiations. It would not have been possible to achieve this objective without the full cooperation of all members of the committee, and I am deeply grateful to them. That we succeeded in our joint effort is indicated by Chairman Pangelinan before the subcommittee—

> The bipartisan cooperation that we have been shown by the subcommittee reenforces our belief that the American political system is one with which we want permanently to be attached.

The passage by the Congress of House Joint Resolution 549 will start a series of steps, as provided for by the covenant, which will result in:

First. The administrative separation of the Northern Mariana Islands from the Trust Territory of the Pacific Islands;

Second. The drafting and adoption of a constitution for the Northern Mariana Islands by the Marianas people and the approval of that constitution by the U.S. Government;

Third. The election and establishment of the government provided for by the constitution;

Fourth. The conferring of full U.S. Commonwealth status on the Northern Mariana Islands, following the termination of the trusteeship agreement for all of the Trust Territory of the Pacific Islands.

It is hoped the latter event will take place in the near future when the future political status of the other districts of the territory will have been determined.

At this point, I want to mention some individual provisions of the covenant in which the committee has had a particular interest.

Article I, section 105, provides that specified provisions of the covenant may be modified only with the mutual consent of the Government of the United States and the government of the Northern Mariana Islands. The applicability of this provision is limited to certain basic articles and sections of the covenant: Article I, Political Relationship; article II, Constitution of the Northern Mariana Islands; article III, Citizenship and Nationality; section 501, applicability of certain provisions of the Constitution to the Northern Mariana Islands; section 805, restriction of the alienation of land to persons of Northern Mariana descent (Chamorros and Carolinians). This provision is deemed to be in the best interests of both parties. United States interests are protected in that the application of the provision is specifically limited and defined. Conversely, the provision is in accord with the true meaning of the right of self-determination, which is accorded to the Marianas people under the trusteeship agreement.

Article II, section 203(c) provides that the power of the legislature will extend to "all rightful subjects of legislation." So as to protect employment opportunities for the residents of the Marianas, the record of the subcommittee hearing establishes that all parties—U.S. and Marianas Political Status Commission representatives and the subcommittee—agreed that the understanding of and ability to use the Chamorro language would be a valid factor for the legislature to establish as a measure of employability in the Mariana Islands.

This same subsection of the covenant provides for a bicameral legislature, in one house of which each of the chartered municipalities of the Northern Mariana Islands will be equally represented. This provision is based on the very large disparity in population between the municipalities on Saipan and the municipalities on the other islands. For example, out of 5,500 votes cast in the recent plebiscite, 4,239 were cast on the island on Saipan and only 766 on the other islands. This disparity is caused by population ratios—not by voter participation ratios. More importantly, the centuries-old history of the Mariana Islands is based on the tradition of the significance of land to the people and. therefore, the relative equality and independence of each island. In this respect, the concept is even stronger than the original concept of the equality of our states and we on the committee believe that this concept is understandable and acceptable.

Article VI, section 602 specifies that the government of the Northern Mariana Islands will have the authority to impose local taxes in addition to those imposed by the Federal income tax laws as provided for in the preceding section 601. The record of the hearing on House Joint Resolution 549 before the subcommittee established the intent that section 602 authorizes, among other actions, the providing of rebates on taxes collected and the enactment of surtaxes on income by the government of the Northern Mariana Islands, and that the assistance of the U.S. Internal Revenue Service will be available for such activities to the extent feasible.

Article VII, section 702 provides that for each of 7 fiscal years following the establishment of the new government, the following amounts will be provided:

First. The amount of $8.25 million for budgetary support for government operations. Of this amount each year, $250,000 will be reserved for a special education training fund connected with the change in the political status of the Northern Mariana Islands.

Second. The amount of $4 million for capital improvement projects. Of this amount, $500,000 each year will be reserved for such projects on Tinian and $500,000 each year will be reserved for such projects on Rota.

Third. The amount of $1.75 million for an economic development loan fund, of which $500,000 each year will be reserved for small loans to farmers and fishermen and to agricultural and marine cooperatives, and of which $250,000 each year will be reserved for a special program of low-interest housing loans to low-income families; and

Fourth. In addition to the above, this legislation authorities a one-time appropriation of $19,520,600 in payment of a land lease.

Article VII, section 703(a) of the covenant provides that the United States will make available to the Northern Mariana Islands the full range of Federal programs and services available to the territories of the United States. This section provides, in part, for the Marianas what section 3 of House Joint Resolution 549 is designed to provide for all of the territories.

Article VIII, section 805 provides that for 25 years following termination of the trusteeship, the Northern Marianas Government must, and may thereafter, "regulate the alienation of permanent and long-term interests in real property so as to restrict the acquisition of such interests to persons of Northern Mariana Islands descent." The subcommittee has had a strong interest in this section. On the basis of that unfortunate past experience of other territories and newly developing areas, and because of the especial significance of land in the cultural traditions of the people, and, finally, because of the extreme scarcity of land, it was our judgment that regulation as provided by this section was essential. It is also the clear intent of all parties that, by the language, "persons of Northern Mariana Islands descent," is meant both Chamorro and Carolinian residents.

Section 2 of House Joint Resolution 549 authorizes the appropriation of such sums as may be necessary to make full payment of title II adjudicated claims under the provisions of the Micronesian Claims Act of 1971 as passed by the Congress and approved by the President—Public Law 92-39. This statute was enacted in recognition of the fact that the United States had a moral and legal obligation to the people of Micronesia as a result of postwar activities in Micronesia by the United States. It is in the fulfillment of these responsibilities that section 2 is necessary.

Section 3 authorizes the President to extend to the territories Federal programs providing grant, loan and loan guarantee programs or other assistance to the States, unless such extension is inconsistent with the purposes of the act under which such assistance is provided, or unless such extension is disapproved by either House of Congress in the manner provided for by section 3.

It is hoped that this discretionary authority will be generously exercised to the end that the offshore areas—the Commonwealth of Puerto Rico, Guam, the Virgin Islands, American Samoa, and the other districts of the Trust Territory of the Pacific Islands—will be included in the various Federal programs, for example, SSI, from which they have been left out. The section contemplates that the executive may decide to include all—or just some—of the offshore areas in the various programs. One, some, all, or none of the areas may be included in each specific program.

Mr. Speaker, as I have previously said, this resolution comes to the House with the unanimous approval of the Interior Committee and the Territorial Subcommittee, with the approval of the administration, with the unanimous approval of the Marianas District Legislature, and with the approval of the large majority of the Marianas people. I urge similar approval by the House of Representativees.

In conclusion, Mr. Speaker, I wish to include in the Congressional Record at this point, the letter addressed to me by President Gerald Ford in which he urges early congressional approval of this joint resolution. I sincerely trust the House will take just such action.

The White House,
Washington, July 19, 1975.

Hon. Phillip Burton,
House of Representatives,
Washington, D.C.

Dear Phil: On July 1, I sent to the President of the Senate and the Speaker of the House of Representatives a proposed Joint Resolution which, if passed by the Congress, would constitute Congressional approval of a Covenant to establish a Commonwealth of the Northern Mariana Islands under American sovereignty. The islands are now administered by the United States as one of the districts of the Trust Territory of the Pacific Islands.

The Marianas Covenant is the result of more than two years of negotiations between Ambassador F. Haydn Williams and a commission of 15 persons representing the Northern Mariana Islands. The document was signed on February 15 and has been overwhelmingly approved in the Marianas. The local legislature voted unanimously in favor of the agreement on February 20.

At that time, I appointed Erwin D. Canham, Editor Emeritus of *The Christian Science Monitor,* as Commissioner to conduct an impartial plebiscite in which the people could approve or disapprove the Covenant. The plebiscite, which was officially observed by a Visiting Mission of the United Nations Trusteeship Council, was held on June 17. Mr. Canham has certified to me that 95 percent of the registered voters cast ballots and that a 78.8 percent majority supported the Covenant.

The next step in the approval process is consideration by the United States Congress. Approval will set into motion a series of steps leading to the creation of a Commonwealth of the Northern Mariana Islands. The preliminary steps will include administrative separation of the Northern Marianas from the rest of the Trust Territory and the adoption of a locally-drafted and popularly-approved Constitution. Conferral of full Commonwealth status on the islands, and United States citizenship on the Marianas people, would occur after termination of the Trusteeship Agreement for the entire Trust Territory. It is not expected that this action will take place until 1980-81.

Since the Covenant provides for self-government in the Northern Marianas, approval by the Congress will make possible the implementation of the freely expressed will of the people of these islands.

Favorable consideration of the Covenant by the Congress will represent one more step in the fulfillment of the legal and moral obligations which the United States undertook when the Congress approved the Trusteeship Agreement on July 18, 1947. I urge early Congressional approval.

Sincerely,

Jerry Ford.

Mr. DON H. CLAUSEN. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, I rise to join enthusiastically with my colleague, the gentleman from California (Mr. Philip Burton) in support of House Joint Resolution 549. I want to take just a brief moment to extend to him my personal expression of appreciation and commendation for the leadership and the extension of bipartisan cooperation which certainly has prevailed throughout the entire time that we were considering this legislation. Also, I wish to express my appreciation to Mr. Ketchum, who as a former member of the Interior Committee, contributed so much in the development of the legislation before us. Further, I add my gratitude to the Interior staff for their contribution to House Joint Resolution 549.

Mr. Speaker, I extend my congratulations to the negotiators of both the Northern Mariana Islands and the United States in developing a commonwealth covenant, which the President of the United States has endorsed and now transmits to the Congress for approval. The historic plebiscite of last month, wherein the people of the Northern Marianas overwhelmingly voted to join the American political family, culminates over 2½ years of negotiations. During this time, both parties scrupulously labored to perfect the document which this body takes under consideration today. Expeditious approval of the covenant must ensue in order to enable the establishment of separate administrations for the Northern Marianas and those remaining Micronesian districts that have failed to express a desire for U.S. territorial status. It is incumbent upon the Congress to act quickly, thus upholding the faith demonstrated in the American system by the people of the Northern Marianas.

Through the process of self-determination, the people of the Northern Marianas Islands have selected a commonwealth status, wherein the future Marianas' Government will exercise maximum internal self-government, including the right to draft and adopt their own constitution and to establish local courts. The covenant further stipulates that sovereignty over the Marianas will be vested in the United States, including complete authority in the fields of defense and international relations.

To prevent land alienation, the future government of the Marianas will preserve control over land ownership. Persons born in the Marianas prior to the establishment of the Commonwealth will have the opportunity to choose either U.S. citizenship or U.S. national status. Persons born in the Marianas after the establishment of the Commonwealth will be U.S. citizens. The future commonwealth government will have power to enact local taxes in addition to those imposed by the U.S. Internal Revenue Code. And, as is currently the case in Guam, the United States will return to the Marianas' Treasury all custom duties, excise taxes and Federal income taxes derived from the Marianas. The covenant also provides that the United States may lease for 50 years with an automatic renewal option for another 50 years, 18,000 acres in the Northern Marianas for military contingency and training purposes. Economically, the United States agrees to provide for the next 7 years multiyear financial support, at the rate of $14 million per annum, to the government of the Northern Marianas Islands.

Regarding the negotiating process, I wish to commend highly, Ambassador Haydn Williams, the President's personal representative for Micronesian political status negotiations, for the diligence he displayed in keeping members of the Interior Committee informed on progress made throughout the negotiating process. Since 1971, the Office of Micronesian Status Negotiations has conducted 10 formal congressional hearings—four in the other body and six in the House. In addition, many more informal briefings, usually following each round of negotiations, were conducted with concerned Members of Congress; and, of course, the staff of the Interior Committee was in continual touch with the Ambassador's office. In my 13 years as a Member of Congress, I have never witnessed a closer or more cooperative relationship established between the Congress and the executive branch.

I now turn my attention to the people of the Marianas, whose future now rests in our hands. During World War II, as a Navy carrier pilot, I first visited the Mariana Island chain. Even in that time of strife, I was impressed with the determination and stamina exhibited by the inhabitants, whose 30 years of subjugation under the Japanese were then being rewarded with war's total destruction. My heart filled with compassion for those gallant people; however, under the circumstances, there was little I could do to alleviate their plight. Accordingly, the part I now play in seeking approval of the Marianas' Covenant is especially meaningful. After 30 years, the opportunity is at hand to witness the triumph of justice in the Western Pacific.

Upon termination of the war, the people of the Marianas have steadily progressed under the constitutional guidelines of the United States. The Marianas have developed economically, socially, and educationally to a point where they are ready and eager to join the American political family. As a new Commonwealth of the United States, an organizational structure for future political relationship within our federal system will be established. The people of the Marianas have sought to change their political status with good will and rationality rather than with scandal and violence. Avoiding the self-destruction of charismatic polemics and nationalistic chauvinism—so often the case in other underdeveloped areas—the Marianas' people have deliberately and unemotionally chosen a course of permanent affiliation with the United States. Their future now resides with this body.

As a Californian, I am especially concerned with the future of the Pacific Basin. Approval of the Marianas Covenant will represent one more step in framing a "Partnership of the Pacific," wherein all peoples, who live in or rim this greatest of all oceans, can prosper in peaceful cooperation, mutually benefiting from the vast oceanic resources and enjoying the incomparable scenic beauty. I entreat the territories of American Samoa and Guam, as well as the other districts of Micronesia, not to consider the formulation of the Northern Marianas Commonwealth as a threat but rather an ally, whose political advancement will be a boon and not a detriment to their own future aspirations.

Mr. Speaker, although the population of the Mariana Islands is small and the amount of Federal expenditures envisaged is relatively small, the political, legal, and social precedents to be established with approval of the Marianas Covenant are salient. Foremost, a new system of local government, unique in the annals of U.S. history, will be enacted. Secondly, new patterns of economic and social advancement for the undeveloped world will be launched; and finally, America's leadership in the Pacific basin takes on a new and very constructive dimension. Therefore, I urge my colleagues to pass unanimously House Joint Resolution 549—to approve the Covenant To Establish a Commonwealth of the Northern Mariana Islands in Political Union With the United States of America—and to fulfill, thereby, the aspirations, not only of the Marianas' people but of all Americans as well.

Mr. WHITE. Mr. Speaker, will the gentleman yield?

Mr. DON H. CLAUSEN. I yield to the gentleman from Texas.

Mr. WHITE. Mr. Speaker, I applaud the efforts of the committee to bring this segment of the world into the community of free states as a commonwealth, but could the gentleman from California explain the legal difference between a U.S. national and a U.S. citizen?

The SPEAKER. The time of the gentleman has expired.

Mr. DON H. CLAUSEN. I yield myself 1 additional minute.

Mr. WHITE. I note that the resolution speaks of persons born in the Marianas prior to the establishment of the Commonwealth of northern Marianas, having the opportunity of becoming either U.S. nationals or U.S. citizens, and those born there thereafter to be citizens of the United States.

What is the legal difference between those designations?

Mr. DON H. CLAUSEN. Mr. Speaker, in response to the inquiry of the gentleman from Texas, following the implementation of the covenant, those born in the Marianas will become American citizens. For those persons born in the Marianas prior to becoming a commonwealth, American national status requires allegiance to the United States in return for which the American national is provided free access to the United States and is afforded protection under the U.S. consular system when abroad. On the other hand, American nationals are precluded from holding Federal public office and cannot participate in national elections.

In regard to the Marianas covenant, an individual must state before a Federal or local court that he desires U.S. national status rather than citizenship. No advantage, such as tax exemption, would occur if one opted for national status; such a procedure merely follows precedents already established in Puerto Rico and Guam and insures that citizenship remains one of individual choice rather than one of legislative fiat.

Mr. PHILLIP BURTON. Mr. Speaker, I yield such time as he may consume to the Delegate from Guam (Mr. Won Pat).

Mr. WON PAT. Mr. Speaker, I take great pleasure in rising to add my support for House Joint Resolution 549, legislation to approve the covenant establishing a Commonwealth of the Northern Mariana Islands with the United States.

That the Congress should consider amalgamating 14,000 freedom-loving people on the even of our Nation's own Bicentennial is entirely fitting. This proposed new union, if ratified by the Congress, will mark an event in international relations—when peoples are united by mutual agreement instead of by force. In effect, the people of the Northern Marianas, through its recent plebescite, have exercised their rights to self-determination.

The covenant is the product of many months of arduous negotiations and is reflective of the immense thought and mutual good will which went into the negotiations. The United States can be justly proud of the covenant. It speaks more than words can tell about this Nation's continued devotion to liberty and man's inherent right to dignity. The covenant is also living testimony to the peoples of the Northern Marianas and their decision to cast their future with American-style democracy. It is also a tribute to the memories of those who gave their lives to the liberation of these islands as well as those who continue in the service of their country, including some Members of this august body.

My own congressional district of Guam is, of course, extremely interested in this historic action. We are geographically and culturally part of the Marianas and the people on Saipan who worked on the covenant did so with an eye to beneficial relations with the United States. We are also hopeful that this union will usher in a new era of good will, mutual cooperation and eventual union of all Chamorros in the Marianas.

Ever since the tides of western history first washed over the shores of our islands over 400 years ago, the people of the Marianas have seldom experienced self-determination. With the granting of American citizenship to Guam in 1950 and now with the consideration of the covenant today, new chapters are continuously being written on the lasting friendship between the peoples of the Northern Marianas and the United States. This union will be mutually beneficial.

The American citizens of Guam welcome the support of the covenant, for it will insure continued American presence in our part of the globe and deny to other countries these areas for purposes which may not be to our best interests. During these times of changing political relations, we believe it is absolutely imperative to maintain a strong American military force in the Western Pacific. If this covenant is ratified, the United States will be authorized to establish new and important bases on the island of Tinian, which will vastly benefit the local economy of the Northern Marianas and add to the strategic importance of both Guam and our sister islands to the north.

I, therefore, urge that the House approve House Joint Resolution 549. Your support of this measure will be a significant step toward protecting American interests in the Western Pacific. At this juncture in our history, a union between the Northern Marianas and the United States is in the best interests of all parties concerned. This action will also bring the peoples of the Marianas closer to a total unity of purposes which will hopefully result in a closer relationship on other topics as well.

Mr. PHILLIP BURTON. Mr. Speaker, I yield such time as he may consume to the distinguished Delegate from the Virgin Islands (Mr. de Lugo).

Mr. de LUGO. Mr. Speaker, I rise in full support of the legislation that is presently before the House today. Mr. Speaker, before I address myself to my very brief prepared statement, I would like to digress and say that as one who comes from an American Territory and as one who has observed the often agonizing and difficult struggle toward self-government that we have had in the American Virgin Islands, I could not help but be impressed by the manner in which the United States entered into these negotiations and by the honor that everyone affiliated with these negotiations displayed. I wish that all of us could have been present at the Interior subcommittee hearings and the full committee hearings when the representatives of the people of the Northern Marianas appeared and spoke eloquently of their desire for American citizenship and for association with the United States.

Mr. Speaker, we are often told that we live in an age of jaded cynicism, but I would like to say how profoundly moved and inspired I was by my experience in these hearings.

Quite simply, it was heartening to learn what the possibility of American citizenship means to the people of the northern Marianas and the cooperation and dedication they displayed in working toward that goal.

The proposed covenant to establish a commonwealth of the Northern Mariana Islands in political union with the United States was negotiated over a period of the last 3 years by the personal representative of the United States, Ambassador F. Haydn Williams, and the Marianas Political Status Commission, representing the people of the Northern Mariana Islands. As a member of the Interior Subcommittee on Territorial Affairs, I would like to say how impressed I was by the dedicated efforts and the cooperative attitudes of both Ambassador Williams and the Marianas Political Status Commission. The result of these efforts was unanimous approval of the covenant document by the Mariana Islands District Legislature and nearly 80 percent approval in a district-wide plebescite in which 95 percent of the eligible voters participated.

Not only was I impressed with this exemplary exercise in democracy, but I was also impressed with the fine display of cooperation between the Congress and the executive branch on this issue as well. So many times in our recent past, there has been unnecessary acrimony between the different branches, resulting in dispirited and inefficient Government. The difference in this case has been not only the personal cooperation and qualities of Ambassador Williams and the leaders of the Marianas Political Status Commission, but, as was pointed out by our distinguished colleague, the ranking member of the Subcommittee on Territorial Affairs (Mr. Don H. Clausen), the leadership displayed by our chairman, Congressman Phillip Burton, has been of the highest order.

Mr. Speaker, I was proud to have played a part in this historic legislation, and I would urge the wholehearted support of my colleagues.

Mr. PHILLIP BURTON. Mr. Speaker, I yield 2 minutes to the distinguished Resident Commissioner of Puerto Rico (Mr. Benitez).

Mr. BENITEZ. Mr. Speaker, I have studied with the greatest care this covenant and the whole process that has gone into its formulation. I must say that I am profoundly convinced of the fact that this covenant fulfills and protects the wishes, the interests, and hopefully the future of the people of the northern Marianas as expressed by them through their representatives during a 3-year period of negotiations and later by their own unfettered decision in a plebiscite.

It is particularly noteworthy that the United States has provided all possible guarantees against injecting their own preferences into the procedures. They have selected a most experienced and trustworthy representative to preside over the electoral process and have accorded generous as well as fair provisions to safeguard the autonomy of the Government, the rights of the citizens and the viability of the new body politic. The covenant furthermore scrupulously observes the legitimate interests of the United Nations and of the time-frame required under the creation of the trust territory. It is evident to me that the people of the northern Marianas are entering into this covenant in good faith, and that the members of the subcommittee, of the committee and of the U.S. Congress are doing likewise. In this new experiment in association, members from both sides of the aisles in the subcommittee and in the committee deserve the thanks not only of the communities directly involved, but also of the millions and millions of people around the globe who hope for new patterns of cooperation and goodwill among men and women in our shrinking world.

Mr. DON H. CLAUSEN. Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. Ketchum).

Mr. KETCHUM. Mr. Speaker, this is truly a historic occasion. The result of the action which we are about to take, is that this country opens its arms to approximately 12,000 new citizens. What makes it historic is the fact that this is a territory not purchased, not coerced, and not bought. These 12,000 citizens went to the polls and by self-determination in these troubled times made their determination to become citizens of the United States.

I am somewhat parochial, I suppose, in that I participated in the liberation of Guam during World War II and I came to know the Chamorro people whom Mr. Won Pat so ably represents. In a subsequent visit after a 30-year absence, about a year ago, I had the opportunity to meet the people of Tinian and Saipan.

I would say this subcommittee and the full committee have remained scrupulously neutral in avoiding any hint of interference in those negotiations which were so delicate. I commend Ambassador Haydn Williams for his participation with us and in keeping us informed on practically a daily basis as to what was transpiring.

I commend the subcommittee chairman (Mr. Phillip Burton) and the ranking minority member (Mr. Don H. Clausen) for the bipartisan manner in which this resolution arrived on the floor.

I know the Chamorro people to be among the most patriotic of all Americans and I know the Members will join with me in welcoming our new brothers and sisters from the Northern Marianas.

Mr. Speaker, I certainly hope this resolution passes unanimously and with alacrity so these people may truly become Americans in every respect.

Mr. DON H. CLAUSEN. I yield to the gentlewoman from California (Mrs. Pettis) such time as she may consume.

Mrs. PETTIS. Mr. Speaker, I join with my colleagues today in congratulating the residents of the Northern Marianas on their effort to become associated with the United States. I listened to the testimony of the Mariana Representatives in the House Territorial and Insular Affairs Subcommittee and was repeatedly impressed by the patriotism and concern shown by those individuals. They have an intense desire to achieve what for them has been a 25-year goal: They want to be able to recognize the United States as their country.

This is certainly an historic occasion, but it is important to consider why it is just that. Many nations and peoples throughout history have applauded and approved the concept of political self-determination. Few, however, have been eager to allow lesser powers to freely choose the course of their future when that choice could possibly conflict with their own interests. One finds *numerous* examples of annexation and warfare that testify to the fact that self-determination has not always been an accepted practice.

Even today, the political desires of many peoples are not allowed to be expressed; even today, self-determination is often achieved only after bitter and dividing strife, sometimes accompanied by bloodshed; even today, a small minority often contends that what it wishes is synonymous with what the people as a whole desire.

Mr. Speaker, this has not been the case with the Northern Marianas. It is not the Congress which seeks to obtain the Marianas; it is instead the residents of the islands themselves who seek to establish a more complete relationship with the United States. Nowhere has this been more clearly expressed than in the recently conducted plebiscite held in the Northern Mariana Islands. Over 95 percent of those registered to vote did so; and the decision was overwhelming. Nearly 79 percent of the people voted to pursue the course now being taken by the Mariana leadership delegation.

Even more important, this was an informed and democratic decision made by the people. Meetings were held, discussions were conducted, broadcasts were aired, time was given equally and plentifully to those who did not favor the covenant. Finally, after an extensive period of voter education, the voice of the people of the Marianas was heard. Seldom, if ever, has political self-determination been carried to this extent.

Not only has the voice of the people been heard in the ballot box, it has been heard at our committee hearings here. I was moved by the respect and affection delegation members from the Marianas had for our Nation, for our practices, beliefs, and traditions. Their loyalty is unquestionable; their dreams are unlimited; the contributions they will make to our country are immeasurable.

I can only call for the immediate consideration and approval of this proposal by the Congress. The people of the Marianas need our decision as to the merits of the covenant relationship. I would urge other Members to study it, and to add their support to this task. Only by prompt, decisive action—only if we accept the covenant—can we fulfill the desire of the people of Mariana.

To the residents of the Northern Mariana islands may I say: Thank you for your expression of confidence, and welcome to our country—soon to become your country also. During the coming congressional recess, I plan to travel to the Mariana territory. While I am there, I hope to meet with many residents to more fully determine their needs and desires, to insure that the spirit and the letter of the covenant are implemented as soon as possible. I look forward to visiting with the Mariana people I have come to know, respect, and appreciate.

Mr. DON H. CLAUSEN. Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. Lagomarsino).

Mr. LAGOMARSINO. Mr. Speaker, I join in commending the administration and especially Ambassador Franklin Haydn Williams; the chairman of the subcommittee, the gentleman from California (Mr. Phillip Burton); the gentleman from California (Mr. Don H. Clausen), the ranking minority member; and, of course, the gentleman from California (Mr. Ketchum) who played such a large part in the negotiations that brought this bill about, and also all the members of the subcommittee and of the full Committee on the Interior.

I rise in strong support of House Joint Resolution 549, on June 17, 1975, 95 percent of the registered voters in the Northern Marianas cast their ballots in a United Nations observed plebescite. Seventy-eight and eight-tenth percent voted in favor of the "covenant to establish a Commonwealth of the Northern Mariana Islands in political union with the United States of America." Having decided upon the course they wish their political future to take, the people of the Marianas now ask Congress to fulfill this desire which has been the single most important hope for them since 1947, when the United States took over the administration of the Marianas District.

In the face of mounting criticism directed at America's institutions, last week's testimony by a Marianas delegation before the Territories and Insular Affairs Subcommittee renewed faith in the efficacy of our political system. Let me repeat some of that testimony, rendered by those who value democracy and have strived for so long to bring their community into close association with the American political family:

> We shall never forget the tremendous sacrifices made by the American people for our islands and its people (in World War II) . . . the deep friendship of our people with the American Nation can truly be said to have a bond, sealed in the blood and sacrifices of these early days of liberation.—Francisco C. Ada, District Administrator.
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> For over 400 years . . . the people of the Mariana Islands have been ruled by foreign powers. By conquest came the Spaniards, then the Germans, then the Japanese: Without consultation or consideration, our lives, homes, land, culture, and tradition were crushed. We had no opportunity to speak out on matters of importance to us, such as the nature of our government, the development of our economy, and our future destiny. But now we do have this opportunity, for after twenty-five years of American administration our people have come to understand and appreciate the American system of Government. The spirit of two hundred years of democracy, of individual liberty, of equal justice under the law, of a country that has historically been a refuge for the oppressed and a land of opportunity for all people, was brought to the Marianas by the United States.—Edward D. L. G. Pangelinan, Chairman, Marianas Political Status Commission.
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> In the final analysis the U.S. has, with our participation and consent, helped us avoid many of the social, economic, and political evils which plague the world. Under the United States tutorship we have recaptured our human dignity and basic rights. Today, justice and freedom are realities on our islands in all sectors of our community. For these reasons, and many others, the United States of America has gained our love and respect. Therefore we freely expressed our aspirations on June 17th of this year to join the United States political family as provided in the covenant.—Dr. Francisco T. Palacios.

Mr. Speaker and Members of the House, the people of the Mariana Islands believe that only by negotiation with the United States for a commonwealth status would their desire for a truly democratic system of government be realized.

The legislation before us is historic. It cuts across partisan lines and reaffirms the principles of self-determination, envisaged by our Founding Fathers over 200 years ago. In quickly approving the Northern Marianas' Covenant, the Congress will insure the continuation of liberty's flame in the Western Pacific.

Mr. SKUBITZ. Mr. Speaker, today we take another step in an historic and unique action—the granting of commonwealth status to the Northern Marianas islands. Our prompt action is necessary for the fulfillment of the desires of the residents of the Marianas for they have chosen in a democratic and peaceful manner to become more closely allied with our country.

When one studies history more often than not the union of two peoples has been the result of political struggle or war. The strong have imposed their will upon the weak. The larger power has annexed the smaller for economic, political, military, or geographic gain.

Quite to the contrary this has not been the story of our country's relationship with the Marianas. Over recent years, the islands have, often without our encouragement, peacefully sought and worked for union with the United States. The people have spoken repeatedly—in plebiscites, in referendums, and in legislatures; the arguments have been thoroughly debated; and the residents have democratically expressed their right of political self-determination. As Ambassador Haydn Williams has testified:

> The initiative and call to negotiate with the United States came from the *people* of the Northern Marianas, from the villages, from the individual island municipal councils, and from the District-wide elected legislature."

But, Mr. Speaker, their voice and their vote is not enough. It is up to this Congress to deliver to the peoples of the Marianas their wish: The Congress must approve the covenant which establishes commonwealth status. I would urge my colleagues to act expeditiously on this matter. It is up to us to conclude a quest by the people of the Marianas that has spanned nearly a quarter of a century.

The work over that period has not been easy; there are many individuals that deserve our congratulations and thanks. Ambassador Williams has gone above and beyond the call of duty—his dedicated service has benefited not only the Marianas, but also this Congress, and, specifically, the Interior Committee.

The Office of Micronesian Status Negotiations has consistently provided us with information and help concerning the Marianas situation. The Marianas Political Status Commission has been influential in bringing about and refining the covenant and proceeding negotiations. Finally, the peoples of the Northern Marianas themselves must be congratulated for their informed, free, and democratic decision to seek commonwealth status with the United States.

Mr. Speaker, in listening to the witnesses from the Marianas in both subcommittee and committee hearings, I can only emphasize how impressed and moved I was by their sincere professions of confidence in and agreement with our Nation and the ideals it stands for. As one member of the Marianas delegation stated:

> We are only about 14,000 people on small islands in the Western Pacific—we have little to offer the United States except our love and loyalty to the Constitution and the American ideals. If we are accepted into your country we shall be but the proudest American citizens during the Bicentennial celebration of the birth of your country.

Certainly, such a loyalty is one of the best tributes this Republic has had paid to it in this century. I can only hope, that by our actions, we continue to merit such affection. I look forward to the day when we welcome the Northern Marianas islands into commonwealth fellowship with the United States.

Mrs. MINK. Mr. Speaker, I rise in support of House Joint Resolution 549, to approve the Marianas Covenant which will lead to the establishment of the Commonwealth of the Northern Marianas. I do so, however, with a statement of concern for the manner in which we have, by executive action, and now by act of Congress, committed the people of the proposed new Commonwealth to a state of political and administrative limbo.

We have heard repeated many times the long held desire of the people of the Marianas to become permanently associated with the United States, and certainly the overwhelming approval of the covenant in the June 17 prebiscite indicates that these desires are still strong. I do not have any reservations about the wishes of the people of the Marianas, and believe that now that the covenant is before us, it is incumbent upon the Congress to approve it, and allow the further steps to take place which will lead the islands into the political status for which they have voted.

What I am concerned about is the need for further action by the United States, as administering authority over this trust territory of which the Marianas will remain a part under provisions of the covenant, to approach the United Nations at the earliest possible date to separate the

Marianas once and for all from the territory. Having committed our country to accepting these new citizens in accordance with their wishes, and having agreed through the mutually negotiated covenant we have before us today, that the full rights of citizenship shall be available to the people of the Northern Marianas, we have provided that these islands will not attain their full status until the future of the remaining islands in the trust territory has been resolved and the trusteeship agreement has been terminated through action of the United Nations.

It is my understanding that the United States has remained firm on this. I believe that this is most unfortunate, and that there should be no delay in according the people of the Marianas their full rights under the covenant on which we vote today. Notwithstanding those provisions of the covenant which provide for the delay, which may be for as many as 5 or 6 years in the estimate of United States and Micronesian negotiators, I would urge the administration to reevaluate its position, and to move expeditiously toward granting this measure of self-government to these islands in accordance with our stated goals of developing the trust territory "toward self-government or independence" as may be appropriate.

I join my colleagues in welcoming the people of the Northern Marianas into political union with the United States, and urge my colleagues to record their votes in favor of the resolution.

The SPEAKER. The question is on the motion offered by the gentleman from California (Mr. Phillip Burton) that the House suspend the rules and pass the joint resolution (H.J. Res. 549).

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the joint resolution was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. DON H. CLAUSEN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the subject of this legislation.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

MEDICAL CARE FOR CERTAIN MEMBERS OF ALLIED WARTIME FORCES

Mr. ROBERTS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 71) to amend title 38, United States Code, to provide hospital and medical care to certain members of the armed forces of nations allied or associated with the United States in World I or World War II.

The Clerk read as follows:

H.R. 71

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 109 of title 38, United States Code, is amended by adding at the end thereof the following:

"(c)(1) Any person who served during World War I or World War II as a member of any armed force of the Government of Czechoslovakia or Poland and participated while so serving in armed conflict with an enemy of the United States and has been a citizen of the United States for at least ten years shall, by virtue of such service, and upon satisfactory evidence thereof, be entitled to hospital and domiciliary care and medical services within the United States under chapter 17 of this title to the same extent as if such service had been performed in the Armed Forces of the United States unless such person is entitled to, or would, upon application thereof, be entitled to, payment for equivalent care and services under a program established by the foreign government concerned for persons who served in its armed forces in World War I or World War II.

"(2) In order to assist the Administrator in making a determination of proper service eligibility under this subsection, each applicant for the benefits thereof shall furnish an authenticated certification from the French Ministry of Defense or the British War Office as to records in either such Office which clearly indicate military service of the applicant in the Czechoslovakian or Polish armed forces and subsequent service in or with the armed forces of France or Great Britain during the period of World War I or World War II.".

The SPEAKER. Is a second demanded?

Mr. HAMMERSCHMIDT. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER. The gentleman from Texas (Mr. Roberts) will be recognized for 20 minutes and the gentleman from Arkansas (Mr. Hammerschmidt) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Texas (Mr. Roberts).

Mr. ROBERTS. Mr. Speaker, H.R. 71 would amend title 38 to provide hospital and medical care to certain members of the Armed Forces of nations allied or associated with the United States in World War I or World War II.

The bill is identical to H.R. 13377, enacted by the House during the last session of Congress. That bill passed the House on August 5, 1974, by an overwhelming vote; however, the Senate failed to act on the bill before sine die adjournment. The bill was reintroduced this Congress with 109 cosponsors.

H.R. 71 would provide that any person who served during World War I or World War II as a member of any armed force of the governments of Czechoslovakia or Poland and participated while so serving in armed conflict with an enemy of the United States and has been a citizen of the United States for at least 10 years shall, by virtue of such service, and upon satisfactory evidence thereof, be entitled to hospital and domiciliary care and medical services from the Veterans' Administration to the same extent as if such service had been performed in the Armed Forces of the United States.

The bill specifically provides that, in order to assist the Administrator in making a determination of proper service eligibility, each applicant for the benefits thereof shall furnish an authenticated certification from the French Ministry of Defense or the British War Office as to records in either such office which clearly indicate military service of the applicant in the Czechoslovakian or Polish armed forces and subsequent service in or with the armed forces of France or Great Britain during the period of World War I or World War II.

During World War I and World War II many citizens of countries in Central Europe fought with great courage in alliance with and against the foes of the United States and its major allies. After the war there was a change of government in these countries, particularly in Poland and Czechoslovakia which deprived many of these people the freedom for which they so valiantly had struggled. Consequently, these men immigrated to the United States and became citizens in search of the kind of life they could no longer lead in their own countries and have subsequently greatly enriched our Nation, both economically and morally. Nonetheless, since they are not technically veterans of the Armed Forces of the United States and at the same time have no recourse to veterans' benefits in their Communist-controlled homelands, many of them have no way to turn to secure needed medical and hospital care and attention.

For a number of years the veterans' laws codified in title 38 have authorized certain veterans' benefits on the basis of "reciprocal services" (section 109, title 38) upon request of the proper officials of the government of any nation allied or associated with the United States in World War I or in World War II. As I indicated however, in view of the change in government control in Poland and Czechoslovakia, recourse to the reciprocal services authority is not available.

Many bills have been introduced in recent years to extend similar benefits to members of the Armed Forces of other Central European countries. But in view of the basic almost insurmountable problem of adequately authenticating the appropriate military service contemplated by the predecessor bills, the present bill has been limited to former servicemen of Poland and Czechoslovakia.

Following hearings during the last Congress and subsequent meetings with the chief congressional sponsor and representatives of the groups concerned, the committee was reasonably assured that in most, if not all, of the meritorious cases it will be possible to secure appropriate service certifications from either the British War Office or the French Ministry of Defense.

The Veterans' Administration advises the committee that it is not possible to estimate the cost of H.R. 71, since information is not available as to how many individuals may qualify for benefits. It would appear that the number of potential beneficiaries is relatively small, and in context with the expenditures for the overall broad veterans' programs, the actual cost of this legislation would be insignificant.

Your committee reported H.R. 71 by unanimous vote. I urge that it be adopted, and at this time recognize the distinguished ranking minority member of the committee, the gentleman from Arkansas (Mr. HAMMERSCHMIDT).

Mr. Speaker, I yield such time as he may consume to the gentleman from Illinois (Mr. ANNUNZIO).

Mr. ANNUNZIO. Mr. Speaker, I want to commend the distinguished gentleman from Texas, the Honorable RAY ROBERTS, who chaired the hearings on this bill in the 93d Congress, and who is now managing the bill on the floor of the House, for his cooperation. I rise in support of H.R. 71. I would also like to take this opportunity to thank the Honorable DAVID E. SATTERFIELD, the chairman of the Subcommittee on Hospitals, for holding hearings on this legislation in the 94th Congress, because this bill means much to a group of men who valiantly fought our enemies in both world wars. I also want to extend my deep appreciation to Congressman HAMMERSCHMIDT from Arkansas for his support in this effort.

I would like to call to the attention of the Members that I have received invaluable assistance, counsel, and guidance in the preparation of this legislation from the members of the staff of the Veterans' Affairs Committee as well as from officials of the Veterans' Administration, and I thank all of the members of the Veterans' Affairs Committee for their patient understanding and the courtesy they extended last year to all of the witnesses who testified before the Veterans' Affairs Committee and outlined the need and importance of this bill. Let me also thank all of the members of the Veterans' Affairs Committee for their unanimous affirmation in committee of this bill's merits.

Legislation has been introduced every Congress for the past several sessions to extend certain veterans benefits to new beneficiaries, other than those veterans presently entitled by definition in title 38, United States Code, and on August 5, 1974, this legislation passed overwhelmingly in the House of Representatives by a vote of 341 ayes to 40 noes.

Mr. Speaker, I also wish to point out that in addition to unanimous committee approval of this bill in the 94th Congress, 105 Members of the House, including many committee members, have joined me in sponsoring this crucial legislation. They include: BELLA ABZUG of New York, JOSEPH ADDABBO of New York, GLENN ANDERSON of California, HERMAN BADILLO of New York, WILLIAM BARRETT of Pennsylvania, MARIO BIAGGI of New York, JONATHAN B. BINGHAM of New York, JAMES J. BLANCHARD of Michigan, EDWARD P. BOLAND of Massachuetts, JOHN BRADEMAS of Indiana, WILLIAM M. BRODHEAD of Michigan, GEORGE E. BROWN, Jr. of California, JAMES A. BURKE of Massachusetts, YVONNE BRATHWAITE BURKE of California, JOHN L. BURTON of California, CHARLES J. CARNEY of Ohio, SHIRLEY CHISHOLM of New York, WILLIAM S. COHEN of Maine, SILVIO O. CONTE of Massachusetts, WILLIAM R. COTTER of Connecticut, DOMINICK V. DANIELS of New Jersey, MENDEL J. DAVIS of South Carolina, JOHN H. DENT of Pennsylvania, EDWARD J. DERWINSKI of Illinois, JOHN D. DINGELL of Michigan, ROBERT DUNCAN of Oregon, JOSEPH D. EARLY of Massachusetts, JOSHUA EILBERG of Pennsylvania, DANTE B. FASCELL of Florida, DANIEL J. FLOOD of Pennsylvania, JAMES J. FLORIO of New Jersey, HAROLD E. FORD of Tennessee, JOSEPH M. GAYDOS of Pennsylvania, ROBERT N. GIAIMO of Connecticut, BENJAMIN A. GILMAN of New York, TOM HARKIN of Iowa, MICHAEL HARRINGTON of Massachusetts, AUGUSTUS F. HAWKINS of California, MARGARET M. HECKLER of Massachusetts, JOHN H. HEINZ III of Pennsylvania, HENRY HELSTOSKI of New Jersey, ELIZABETH HOLTZMAN of New York, FRANK HORTON of New York, HENRY J. HYDE of Illinois, JAMES M. JEFFORDS of Vermont, HARLOD T. JOHNSON of California, JACK F. KEMP of New York, EDWARD I. KOCH of New York, JOHN J. LAFALCE of New York, ROBERT J. LAGOMARSINO of California, WILLIAM LEHMAN of Florida, RAY J. MADDEN of Indiana, EDWARD R. MADIGAN of Illinois, DAWSON MATHIS of Georgia, RALPH H. METCALFE of Illinois, DONALD J. MITCHELL of New York, PARREN J. MITCHELL of Maryland, JOE MOAKLEY of Massachusetts, THOMAS E. MORGAN of Pennsylvania, RONALD M. MOTTL of Ohio, JOHN M. MURPHY of New York, MORGAN F. MURPHY of Illinois, JOHN P. MURTHA of Pennsylvania, LUCIEN N. NEDZI of Michigan, ROBERT N. C. NIX of Pennsylvania, HENRY J. NOWAK of New York, JAMES L. OBERSTAR of Minnesota, GEORGE M. O'BRIEN of Illinois, RICHARD L. OTTINGER of New York, WRIGHT PATMAN of Texas, EDWARD J. PATTEN of New Jersey, EDWARD W. PATTISON of New York, CLAUDE PEPPER of Florida, CARL D. PERKINS of Kentucky, PETER A. PEYSER of New York, MELVIN PRICE of Illinois, FREDERICK W. RICHMOND of New York, MATTHEW J. RINALDO of New Jersey, PETER W. RODINO, JR., of New Jersey, ROBERT A. ROE of New Jersey, DAN ROSTENKOWSKI of Illinois, MARTIN A. RUSSO of Illinois, FERNAND J. ST GERMAIN of Rhode Island, RONALD A. SARASIN of Connecticut, PAUL S. SARBANES of Maryland, GEORGE E. SHIPLEY of Illinois, PAUL SIMON of Illinois, NEAL SMITH of Iowa, STEPHEN J. SOLARZ of New York, GLADYS NOON SPELLMAN of Maryland, JAMES V. STANTON of Ohio, FORTNEY H. STARK of California, SAMUEL S. STRATTON of New York, JAMES W. SYMINGTON of Missouri, CHARLES THONE of Nebraska, BOB TRAXLER of Michigan, RICHARD F. VANDER VEEN of Michigan, CHARLES A. VANIK of Ohio, JOSEPH P. VIGORITO of Pennsylvania, WILLIAM F. WALSH of New York, HENRY A. WAXMAN of California, ANTONIO BORJA WON PAT of Guam, GUS YATRON of Pennsylvania, CLEMENT J. ZABLOCKI of Wisconsin, LEO C. ZEFERETTI of New York.

This legislation is limited to providing only hospital, domiciliary care, and medical services by the Veterans' Administration to those who served in combat during World War I or World War II, as a member of any armed force of the Governments of Czechoslovakia or Poland, against enemies of the United States. They must have been American citizens for at least 10 years to qualify and they must not be entitled to equivalent care or services provided by a foreign government or ally of the United States.

In our original bill in the last Congress, we proposed to include similarly situated soldiers who fought on behalf of the allied causes of the Governments of Bulgaria, Estonia, Hungary, Latvia, Lithuania, Romania, and Yugoslavia. However, with research and historical inquiry, it developed that it would be impossible to document adequately the necessary proof of service from the Communists with respect to men who served in the armed forces of these countries.

As my colleagues are fully aware, we require strict evidentiary proof of service for veterans of our own armed services. Accordingly it appeared that only service of veterans of Poland and Czechoslovakia, who are able to secure appropriate service certifications from either the British War Office or the French Ministry of Defense, could reasonably be equated with the service requirements for our own veterans.

It is for this reason that the bill in its present form is now limited to veterans of Poland and Czechoslovakia who, we have been assured, can secure the appropriate service certification from either Britain or France.

Extensive hearings on this legislation were held during the 93d Congress, and a number of outstanding witnesses outlined the need for enactment of this bill. They include: Aloysius A. Mazewski, president of the Polish American Congress and the Polish National Alliance; Alexander Stelmaszczyk, chairman, Polish Veterans Coordinating Committee of Illinois, Polish Army Veterans Association, Chicago, Ill.; John E. Hamilton, legislative officer, Combined Veterans Association of Illinois; Janusz Krzyzanowski, president, Polish Veterans of World War II; Zbigniew A. Konikowski, adjutant general, Polish Army Veterans Association of America; Henry Wyszynski, vice president of the Polish American Congress and president of the Eastern Pennsylvania Division, Polish American Congress; Jan Karski, professor of government, School of Foreign Service, Georgetown University, Washington, D.C.; Casimir Lenard, former executive director of the Polish American Congress and presently a member of the Bicentennial Ethnic Council; and Herbert J. Naylor, Association for former Czechoslovak Officers in Exile, Bethesda, Md.

Mr. Mazewski pointed out at those hearings that the men covered by this legislation:

> Share the heroism of sacrifices, burdens, and sufferings of many historic battlefields. After serving with unreserved commitment and dedication to the common cause of freedom and dignity of man for which the United States entered two wars, they settled among us and became a vital part of the socio-civic and economic structure of our society. In the best traditions of America's pluralistic society, we accepted them warmly and recognized the value of their service to the cause of freedom and democracy.

Passage of these limited benefits is supported by the Illinois Division of the American Legion, the National Council of the Veterans of Foreign Wars, the 82d Airborne Division Association, Inc., the 101st Airborne Division Association, and also the Combined Veterans Associations of Illinois which embraces the following organizations: AMVETS, the Catholic

War Veterans, the Italian-American War Veterans, the Jewish War Veterans, the Marine Corps League, the Navy Club, the Military Order of the Purple Heart, the Paralyzed Veterans of America, the Polish Legion of American Veterans, the United Spanish-American War Veterans, the Veterans of Foreign Wars of the United States, and the Veterans of World War I. It is also supported by the Service Employees International Union, and many other groups and individuals.

There are various estimates as to how many persons would be covered by this bill—and it appears that, at the most, about 35,000 would be entitled to benefits. However, it has also been estimated by or Veterans' Administration that usually less than 11 percent of those entitled to benefits actually apply for them. Keeping these estimates in mind, and also taking into account the fact that each year more and more of these freedom fighters pass away due to the infirmities of advancing age, the cost for providing medical benefits to the 4,000 or 5,000 who may apply would be relatively small.

Mr. Speaker, I want to emphasize that these freedom fighters, unlike others who fought with great courage against the enemies of the United States, were not able to return to their homelands after the war was over, because their homelands remained under Communist control. For many years, our veterans laws—title 38, United States Code—have permitted certain veterans benefits to those who were not actually in the U.S. Armed Forces on the basis of "reciprocal services" upon request by the government allied with our country during World War I or World War II. However, because the homelands of the freedom fighters are still under Communist control, recourse of the "reciprocal services" authority is unavailable. Thus, the freedom fighters are denied benefits and recognition not only in our country, but in their native lands as well.

Several allied countries, including Canada, Britain, Australia, and New Zealand, have granted full veteran privileges to the Polish veterans who settled in their lands. However, the United States has not, despite the fact that we already provide medical and hospital benefits to World War II veterans of the Philippine armed forces, even if they are not U.S. citizens. Yet, the heroic sacrifices that were made by the Poles and Czechs were the same as Philippine nationals—why, then, should not the recognition be the same?

Two years ago, while in Italy, I visited the cemetery in Monte Cassino dedicated to the Polish war dead. Close to 12,000 members of the Polish army-in-exile were killed in the Italian campaigns of World War II and are buried at Monte Cassino and other cemeteries in Italy. These freedom fighters were committed to the cause of liberty. They fought for democracy. They fought for self-determination. They fought for freedom, and their devotion to this sacred cause never wavered. They gave willingly of their blood and their lives as they fought shoulder to shoulder with the Americans and the allied forces in Europe.

We hear so much about the millions of people who died in World War II, but how many of us are aware of the fact that more than 5 million Poles were killed in World War II. This is a figure that is rarely mentioned, but it must be mentioned today, because these men fought on the allied side against the common enemy. They sacrificed their lives and gave their all—willingly—with no hope of reward, other than to be free.

Many of the freedom fighters who survived came to America, because their native lands, Poland and Czechoslovakia, remained under Communist control. They became citizens, raised families, and became productive and exemplary members of our communities. Many of these freedom fighters who established themselves in our country have been able to provide well for themselves and their families. They are in no need of the medical benefits that would be provided by H.R. 71 and undoubtedly will never apply for these benefits.

Yet there is one overwhelming cloud in their lives, and that is the knowledge that official recognition for their great contribution in the cause of freedom during World War II has been denied, despite the fact that the same recognition has been given to others. This is an unconscionable oversight on our part, and gives a hollow ring to our words of gratitude. Those 12,000 Polish graves in Italy are mute evidence of the courage and dedication of the freedom fighters. It is, therefore, our solemn obligation to give tangible recognition to their unforgettable sacrifices.

We have more to consider here than providing medical benefits for a few remaining freedom fighters who have not yet succumbed to the infirmities of old age. We must keep in mind the moral aspect and the spirit of the law—a spirit which for Americans always has meant recognition for sacrifices made in behalf of the American cause. This is part of the American heritage—an integral part of the thinking of every American from the earliest days of the founding of our Republic. Let us for a brief moment recall the magnificent contributions made during our Revolutionary War by Pulaski and Kosciuszko, two noble sons of Poland, without whose help the birth of our great country might not have been possible. Pulaski died in battle before our own country was established, but in the case of Kosciuszko, who returned to Europe once our Revolutionary War was won, our grateful Nation bestowed on him land grants in Ohio as recognition for his indispensable assistance in our war of independence.

It is this same spirit that is reflected in the provisions of H.R. 71.

Mr. Speaker, at this point I would like to quote from the testimony given by Dr. Jan Karski, now a professor of government at Georgetown University, who was a spy during World War II for the Allies and personally reported to President Roosevelt in 1943. In committee testimony this courageous man said:

> We are war veterans. We did fight in the Allied ranks. We are American citizens. We do serve these United States which we learned to love and respect with undivided loyalty. We would defend this country, if need be, giving our lives. Could this Nation which extended its generosity to others on a scale unparalleled in all human history deny us, its citizens, a status of war veterans.

Mr. Speaker, in summary let me say that these valiant Americans are not asking for a memorial of granite and marble, they are not asking for special privileges. What they are asking for is the official recognition of the U.S. Government of their status as war veterans. They love this Nation and the principles it stands for and it is a high honor for them to be accorded the title "American War Veteran." Passage of this bill would be a living memorial to them in the name of the American people to commemorate their sacrifices for the ideals of freedom. Their native country was taken away from them and they have never received even this symbolic recognition from their adopted land. I strongly urge my colleagues to grant these fine Americans this justly deserved recognition and honor.

Mr. HAMMERSCHMIDT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 71. This legislation, in my estimation, is long overdue. It would bestow upon certain veterans of the armed forces of nations allied with the United States in both World Wars entitlement to medical care from the Veterans' Administration.

The veterans concerned are those who served in the Armed Forces of Czechoslovakia or Poland, and because of a change in the governments of their homelands, do not have recourse to medical treatment available to veterans of other Allied Nations by reciprocal service agreements permitted under existing law.

This bill stipulates that in order to be eligible, the veteran must have been a citizen of the United States for at least 10 years and produce a certification from either the French Minister of Defense or the British War Office, showing military service in the Armed Forces of Czechoslovakia or Poland with subsequent service with the Armed Forces of France or Great Britain during World War I or II.

I favor this legislation, because I believe that not only is it needed, but it also provides a means for us to show our gratitude to a group of people who aided and abetted our war efforts, but to the present time have never received any of the benefits granted to other more fortunate veterans of our allies.

Mr. Speaker, I yield 1 minute to a strong support of this bill, the gentleman from Illinois (Mr. DERWINSKI).

Mr. DERWINSKI. Mr. Speaker, as a cosponsor of H.R. 71, I am pleased to join other Members in emphasizing my views as to why this legislation should be approved by the House this afternoon.

I know the Members have not forgotten that during World Wars I and II many troops of countries in Central Europe fought with great courage in alliance with, and against the foes of, the United States and its allies. There was a change of government in these countries after the war, and particularly in Poland and Czechoslovakia, which deprived may of these Europeans of freedom for which they so valiantly had struggled.

Many emigrated to the United States where they could live with full and rightful dignity rather than accept the shackles imposed on them by Communist governments.

These Americans have given much to our Nation—they have contributed to our economic life, and they are a spirited example of individuals determined that freedom is the most precious possession of any people.

There is a gap in our laws which deprives these individuals of the right to full first-class citizenship—they are ineligible to receive any of the benefits available to veterans of the Armed Forces. It is time for us to right this injustice. H.R. 71 provides that former servicemen of Poland and Czechoslovakia, who have been citizens of the United States for 10 years, shall be entitled to hospital and domiciliary care and medical services from the Veterans' Administration to the same extent as if their service had been performed in the Armed Forces of the United States.

Mr. Speaker, H.R. 71 certainly deserves our support.

Mr. GILMAN. Mr. Speaker, as a cosponsor of H.R. 71, I am pleased to rise in support of this bill which will authorize limited VA hospital and medical benefits to Americans of Polish and Czech descent who fought with the Allies in both World War I and World War II and who have been U.S. citizens for at least 10 years.

Typical of these gallant men is one of my constituents, Rubin Perlmutter of Middletown, N.Y., who served with the rank of captain in the Polish Free Army which was attached to the U.S. Fifth Army from 1942 until 1948. For the bravery shown by Captain Perlmutter, he was awarded the Croix de Guerre, the Star of Italy, the African and Middle East British Defense Medal, and the Monte Casino Cross. Immediately after his discharge in 1948, Mr. Perlmutter came to the United States and became a naturalized American citizen. Mr. Perlmutter, besides being a distinguished and respectable member of the community, is a member of the American Order of Lafayette, the 18th Polish Rifle Battalion, and a member of the American-French Croix de Guerrre.

Mr. Speaker, we must bear in mind that many of the brave men who fought so courageously with the allies, emigrated to America after the war and have made significant contributions to our Nation. This legislation indicates to these brave men that America is grateful to them for their commitment to our Nation's ideals.

We should also take note that other countries have honored these former soldiers by providing for the medical care of former Polish Freedom Fighters, including the following allies: Canada, Britain, Australia, and New Zealand. We can do no less.

Mr. ANDERSON of California. Mr. Speaker, it is with some reservations that I rise in support of H.R. 71, which pertains to medical care for soldiers of certain allied nations during World Wars I and II.

I support the principles of this act wholeheartedly. Veterans of the Polish and Czechoslovak armies certainly fought bravely during World War II, only to find that they could not return to their native lands, because of political situations. It is only right that we extend to these people the use of our veterans' medical services. After all, these men fought bravely, along with the forces of the United States, for the same cause and against a common enemy, only to find their nations were no longer their own.

However, men from other nations also fought side by side with our troops during those wars, and do not receive U.S. medical benefits even if they are now citizens of this country.

During World War II, one of the most crucial battlefields in the Pacific theater was the Philippine Islands, which were at that time under the protection of the United States. Many fierce battles were waged over these islands, and American and Filipino fought side by side in many of those encounters.

Of course, many of these brave men enlisted in the Regular U.S. Armed Forces and are thus eligible for benefits. However, many more battled under the flag of the Commonwealth of the Philippines.

These men often faced dangers even graver than those confronting our own troops, because the lives of their families were often in jeopardy. Many Filipinos paid dearly for their patriotism and courage during their battle for freedom.

However, Filipino veterans who served in the Commonwealth forces are not eligible for full benefits due veterans of U.S. forces, even if they are citizens of the United States.

It seems incredible, but under current law a veteran who served in the Philippine Commonwealth armed services receive medical benefits—but only if he lives in the Philippines and can go to a veterans hospital there which is subsidized by the United States. But should that same veteran decide to live in the United States, he loses all medical benefits except in the case of certain war-related disabilities.

I feel that this situation is obviously unfair to many Filipino veterans.

Mr. Speaker, I applaud the spirit behind H.R. 71, and I fully intend to vote for its passage. But I hope that this same spirit of generosity will be extended to the many Filipino Americans who fought so valiantly with us during World War II.

Mr. BIAGGI. Mr. Speaker, H.R. 71 is legislation which will provide medical care for those citizens of Czechoslovakia and Poland who fought for the Allies in World War I and II and who have since become American citizens for a period of 10 years. I consider passage of this legislation to be crucial if we are to demonstrate our true gratitude and appreciation for the gallant efforts these men made to preserve democracy and the ideals of freedom for millions of people in the world.

I am pleased to be an original cosponsor of this legislation and hope it can avoid the problems which confronted it during the 93d Congress. While we passed this bill overwhelmingly last August, the Senate failed to act and the bill died. It is my hope that this year the Senate will join the House in passing this important legislation.

During World Wars I and II many citizens of countries in Central Europe fought side by side with American troops against our common enemy. Many of these men after fighting gallantly for the cause of freedom returned to their homelands to discover radical changes in government and an abrupt end to their personal freedoms.

As a result many of these individuals immigrated from Czechoslovakia and Poland to the United States to pursue those freedoms denied them by their homeland. While in this Nation, these men have contributed to the economic and moral well-being of our Nation. Yet due to serious gaps in our laws they have been denied the right to important medical benefits which are otherwise available to other veterans of the U.S. Armed forces including those persons who served in the Armed Forces of the Philippines even though they may not be American citizens.

This legislation will correct this long standing inequity and will provide these veterans with all the various forms of medical care provided by the Veterans' Administration including hospital, and domiciliary care.

This legislation also provides for facilitated administrative procedures which were lacking from earlier bills. In order to be eligible all a person has to do is obtain proof of military service to the governments of Poland and Czechoslovakia from either the French Ministry of Defense or the British War Office as well as show proof of American citizenship for a period of at least 10 years. These procedures preclude these veterans from having to obtain their records from their homelands, many of which would present numerous obstacles.

Mr. Speaker, I wish to take this opportunity to pay a special tribute to my distinguished colleague from Illinois who has donated years of untiring efforts on behalf of this legislation. The passage of H.R. 71 by the House today and the Senate in the near future will allow his efforts to achieve fruition. He deserves the commendation of the full House for his efforts and I am sure that the men who become eligible for benefits under this bill will be eternally grateful to Mr. ANNUNZIO.

Freedom has been challenged on numerous occasions in the 20th century. While we are embarking on a course of cooperation with our main adversaries the fact remains that communism continues to pose a threat to the security of the free world. We cannot forget the contributions of those who fought in earlier days so we can be free today. We are paying tribute to those veterans of Polish and Czech extraction who not only fought to make our Nation free but as citizens they have worked to keep it strong and free. They have earned these benefits. They are not handouts. I urge the swift enactment of this bill into law.

The SPEAKER. The question is on the motion offered by the gentleman from Texas (Mr. ROBERTS) that the House suspend the rules and pass the bill, H.R. 71.

The question was taken, and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ROBERTS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the legislation just passed.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

VETERANS' LAWS TECHNICAL AMENDMENTS ACT OF 1975

Mr. ROBERTS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3350) to amend title 38 of the United States Code in order to make certain technical corrections therein, and for other purposes, as amended.

The Clerk read as follows:

H.R. 3350

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Veterans' Laws Technical Amendments Act of 1975".

SEC. 2. Chapter 1 of title 38, United States Code, is amended as follows:

(1) Section 101(29) is amended by striking out "such date as shall thereafter be determined by Presidential proclamation or concurrent resolution of the Congress" and inserting in lieu thereof "May 7, 1975"; and

(2) Section 108(c) is amended by inserting immediately before "section 784" the following: "section 775 or".

SEC. 3. Section 230(b) of title 38, United States Code, is amended by inserting immediately before "territory" the following: "the".

SEC. 4. Chapter 11 of title 38, United States Code, is amended as follows:

(1) The table of sections at the beginning of such chapter is amended by striking out "356. Minimum rating for arrested tuberculosis.".

(2) Section 301 is amended—

(A) by striking out "Leprosy" in paragraph (3) and inserting in lieu thereof "Hansen's disease";

(B) by striking out "Leprosy" in paragraph (4); and

(C) by inserting in paragraph (4) between "Filiariasis" and "Leishmaniasis, including kala-azar" the following: "Hansen's disease".

(3) Section 314 is amended—

(A) by striking out "in combination with total blindness with 5/200 visual acuity or less," in clause (o); and

(B) by striking out "3203(f)" in clause (r) and inserting in lieu thereof "3203(e)".

SEC. 5. Section 415 of title 38, United States Code, is amended—

(1) by redesignating section (b)(2) as section (b)(4);

(2) by striking out section (b)(1) and inserting in lieu thereof the following:

"(b)(1) Except as provided in paragraph (4) of this subsection, if there is only one parent, dependency and indemnity compensation shall be paid to the parent according to the following formula:

"The monthly rate of dependency and indemnity compensation shall be $123 reduced by—	For each $1 of annual income	
	Which is more than—	But not more than—
$0.00	0	$800
.03	$800	1,000
.04	1,000	1,300
.05	1,300	1,600
.06	1,600	1,800
.07	1,800	2,000
.08	2,000	3,000.

"(2) In no case may the amount of dependency and indemnity compensation payable to any parent under this subsection be less than $4.

"(3) In no case may dependency and indemnity compensation be paid under this subsection to any parent if the annual income of such parent exceeds $3,000.";

(3) by striking out subsections (c) and (d) and inserting in lieu thereof the following:

"(c)(1) Except as provided in subsection (d) of this section, if there are two parents, but they are not living together, dependency and indemnity compensation shall be paid to each parent according to the following formula:

"The monthly rate of dependency and indemnity compensation shall be $86 reduced by—	For each $1 of annual income	
	Which is more than—	But not more than—
$0.00	0	$800
.02	$800	1,100
.04	1,100	2,100
.05	2,100	2,500
.06	2,500	3,000.

"(2) In no case may the amount of dependency and indemnity compensation payable to any parent under this subsection be less than $4.

"(3) In no case may dependency and indemnity compensation be paid under this subsection to any parent if the annual income of such parent exceeds $3,000.

"(d)(1) If there are two parents who are living together, or if a parent has remarried and is living with his or her spouse, dependency and indemnity compensation shall be paid to each parent according to the following formula:

"The monthly rate of dependency and indemnity compensation shall be $83 reduced by—	For each $1 of annual income	
	Which is more than—	But not more than—
$0.00	0	$1,000
.01	$1,000	1,100
.02	1,100	2,500
.03	2,500	3,500
.04	3,500	4,200.

"(2) In no case may the amount of dependency and indemnity compensation payable to any parent under this subsection be less than $4.

"(3) In no case may be dependency and indemnity compensation be paid under this subsection to either parent if the total combined annual income exceeds $4,200."; and

(4) by inserting "and" immediately after the semicolon in subsection (g)(1)(L).

SEC. 6. Chapter 15 of title 38, United States Code, is amended as follows:

(1) Section 503(a) is amended—

(A) by striking out the period at the end of clause (8) and inserting in lieu thereof a semicolon; and

(B) by inserting "and" after the semicolon at the end of clause (16);

(2) Section 541(e)(1)(D) is amended by striking out "the expiration of ten years following termination of the Vietnam era" and inserting in lieu thereof "May 8, 1985";

(3) Sections 510 and 531 are repealed; and

(4) The table of sections at the beginning of such chapter 15 is amended by striking out

"510. Confederate forces veterans."

and

"531. Widows of Mexican War veterans.".

SEC. 7. Section 521 of title 38, United States Code, is amended by striking out subsections (b) and (c) and inserting in lieu thereof the following:

"(b)(1) If the veteran is unmarried (or married but not living with and not reasonably contributing to the support of his or her spouse) and has no child, pension shall be paid to the veteran according to the following formula:

"The monthly rate of pension shall be $160 reduced by—	For each $1 of annual income	
	Which is more than—	But not more than—
$0.00	0	$300
.03	$300	500
.04	500	900
.05	900	1,500
.06	1,500	1,900
.07	1,900	2,300
.08	2,300	3,000.

"(2) In no case may the amount of pension payable to any veteran under this subsection be less than $5.

"(3) In no case may pension be paid under this subsection to any veteran if the annual income of such veteran exceeds $3,000.

"(c)(1) If the veteran is married and living with or reasonably contributing to the support of his or her spouse, or has a child or children, pension shall be paid to the veteran according to the following formula:

"The monthly rate of pension for a veteran shall be— $172 if he or she has one dependent; $177 if he or she has two dependents; and $182 if he or she has three or more dependents; reduced by—	For each $1 of annual income	
	Which is more than—	But not more than—
$0.00	0	$500
.02	$500	700
.03	700	1,800
.04	1,800	3,000
.05	3,000	3,500
.06	3,500	3,800
.07	3,800	4,000
.08	4,000	4,200.

"(2) In no case may pension be paid under this subsection to any veteran if the annual income of such veteran exceeds $4,200.".

SEC. 8. Section 541 of title 38, United States Code, is amended by striking out subsections (b) and (c) and inserting in lieu thereof the following:

"(b)(1) If there is no child, pension shall be paid to the widow or widower according to the following formula:

"The monthly rate of pension shall be $108 reduced by—	For each $1 of annual income	
	Which is more than—	But not more than—
$0.00	0	$300
.01	$300	600
.03	600	900
.04	900	1,100
.05	2,100	3,000.

"(2) In no case may the amount of pension payable to any widow or widower under this subsection be less than $5.

"(3) In no case may pension be paid under this subsection to any widow or widower if the annual income of such widow or widower exceeds $3,000.

"(c)(1) If there is a widow or widower and one child, pension shall be paid to the widow or widower according to the following formula:

"The monthly rate of pension shall be $128 reduced by—	For each $1 of annual income	
	Which is more than—	But not more than—
$0.00	0	$700
.01	$700	1,100
.02	1,100	2,100
.03	2,100	3,000
.04	3,000	4,200.

"(2) In no case may pension be paid under this subsection to any widow or widower if the annual income of such widow or widower exceeds $4,200.

"(3) Whenever the monthly rate payable to any widow or widower under paragraph (1) of this subsection is less than the amount which would be payable to the child under section 542 of this title if the widow or widower were not entitled, the widow or widower shall be paid at the child's rate."

Sec. 9. Chapter 17 of title 38, United States Code, is amended as follows:

(1) The title of such chapter is amended by inserting immediately before "DOMICILIARY" the following: "NURSING HOME,".

(2) The title of subchapter II of such chapter is amended by inserting immediately after "Hospital" the following: ", Nursing Home".

(3) The title of section 610 is amended by inserting immediately after "hospital" the following: ", nursing home".

(4) Section 610(a)(1)(B) is amended by inserting immeidately after "hospital" the following: "or nursing home".

(5) The title of section 611 is amended by striking out "Hospitalization" and inserting in lieu thereof "Care".

(6) Section 612(e) is amended by striking out "Indian wars" and inserting in lieu thereof "Indian Wars".

(7) Section 616 is amended by striking out "Bureau of the Budget" and inserting in lieu thereof "Office of Management and Budget".

(8) The title of subchapter III of such chapter is amended by inserting immediately after "Hospital" the following: "and Nursing Home".

(9) Clauses (1), (2), and (3) of section 621 are each amended by inserting immediately after "hospital" each time it appears the following: ", nursing home".

(10) Section 622(a) is amended by striking out "610(a)(1)" and inserting in lieu thereof "610(a)(1)(B)"; and by striking out "632(b)" and inserting in lieu thereof "632(a)(2)".

(11) Section 627 is amended by striking out "1958" and inserting in lieu thereof "1957".

(12) Section 628(a)(1) is amended by striking out "they" and inserting in lieu thereof "delay".

Sec. 10. (a) The table of parts and chapters at the beginning of title 38, United States Code, and the table of chapters at the beginning of part II of such title are each amended by inserting immediately after "Hospital," in the title of chapter 17 the following: "Nursing Home.".

(b) The table of sections at the beginning of chapter 17 of such title is amended—

(1) by inserting in the title of subchapter II immediately after "HOSPITAL" the following: ", NURSING HOME";

(2) by inserting in the title of section 610 immediately after "hospital" the following: ", nursing home";

(3) by inserting in the title of subchapter III immediately after "HOSPITAL" the following: "AND NURSING HOME"; and

(4) by striking out in the title of section 611 "Hospitalization" and inserting in lieu thereof "Care."

Sec. 11. Chapter 19 of title 38, United States Code is amended—

(1) by amending sections 717 and 718 to read as follows:

"§ 717. Insurance maturing on or after August 1, 1946

"(a) The insured, under a policy maturing on or after August 1, 1946, shall have the right to designate the beneficiary or beneficiaries of such insurance and, at all times, subject to regulations, to change the beneficiary or beneficiaries without the consent of such beneficiary or beneficiaries.

"(b) Insurance maturing on or after August 1, 1946, shall be payable in accordance with the following optional modes of settlement:

"(1) In one sum (only available if selected by the insured).

"(2) In equal monthly installments of from 36 to 240 in number, in multiples of 12.

"(3) In equal monthly installments for 120 months certain with such payments continuing during the remaining lifetime of the first beneficiary.

"(4) As a refund monthly life income continuing throughout the lifetime of the first beneficiary. Payment shall be in monthly installments payable for such period certain as may be required in order that the sum of the installments certain, including a last installment of such reduced amount as may be necessary, shall equal the face value of the contract, less any indebtedness. Such optional settlement shall not be available in any case in which such settlement would result in payments of installments over a shorter period than 120 months.

"(c) The insurance shall be payable to the designated beneficiary or beneficiaries under the optional mode of settlement selected by the insured, except:

"(1) If the insured has not selected a settlement option, payment shall be made in 36 equal monthly installments.

"(2) The first beneficiary may elect to receive payment under any option which provides for payment over a period of time longer than the option elected by the insured, or if the insured elected no option, in excess of 36 months.

"(3) If the option selected requires payment to any beneficiary of monthly installments of less than $10, the amount to such beneficiary shall be paid in the maximum number of installments, in multiples of 12, required to pay a monthly installment of at least $10.

"(4) If the present value of the amount payable at the time any person initially becomes entitled to payment thereof is not sufficient to pay at least 12 monthly installments of not less than $10 each, payment shall be in one sum.

"(5) The optional modes of settlement set forth in paragraphs (3) and (4) of this subsection shall not be available if any firm, corporation, legal entity (including the estate of the insured), or trustee is the beneficiary.

"(d) In no event shall there be any payment to the estate of the insured or of the beneficiary of any sums unless it is shown that any sums paid will not escheat. Payment to an estate shall be in one sum and shall be made in the following circumstances:

"(1) To the estate of the insured—

"(A) if no beneficiary is designated,

"(B) if no designated beneficiary survives the insured, or

"(C) if a designated beneficiary, not entitled to lump-sum settlement, survives the insured, but dies before receiving all benefits due and payable, and there is no surviving beneficiary entitled to those benefits; but payment pursuant to this subparagraph shall be the commuted value of the remaining insurance, whether accrued or not.

"(2) To the estate of the beneficiary if such beneficiary is entitled to a lump-sum settlement, but elects some other mode of settlement and dies before receiving all the benefits due and payable under the mode selected; but payment pursuant to this paragraph shall be the present value of the remaining unpaid amount.

"(e) Under such regulations as the Administrator may promulgate, the cash surrender value of any policy of insurance or the proceeds of an endowment contract which matures by reason of completion of the endowment period may be paid to the insured under the optional modes of settlement set forth in subsection (a)(2) or (4) of this section. All settlements under the option set forth in subsection (a)(4) of this section, however, shall be calculated on the basis of The Annuity Table for 1949. If the option selected requires payment of monthly installments of less than $10, the amount payable shall be paid in such maximum number of monthly installments as are a multiple of 12 as will provide a monthly installment of not less than $10.

"§ 718. Assignments

"(a) The nonassignability and exempt status of benefits due under any law administered by the Veterans' Administration as provided under section 3101(a) of this title shall apply to any interest of the insured or a designated beneficiary under a National Service Life Insurance contract; except that—

"(1) assignments of all or any part of the beneficiary's interest may be made by a designated beneficiary to a widow, widower, child, father, mother, grandfather, grandmother, brother, or sister of the insured, when the designated contingent beneficiary, if any, joins the beneficiary in the assignment, and if the assignment is delivered to the Veterans' Administration before any payments of the insurance shall have been made to the beneficiary, but—

"(A) an interest in an annuity, when assigned, shall be payable in equal monthly installments in such multiple of 12 as most nearly equals the number of installments certain under such annuity, or in 240 installments, whichever is the lesser, and

"(B) provisions of this paragraph (1) shall not be applicable to insurance maturing on or after July 27, 1962; and

"(2) with respect to insurance granted under the provisions of section 722(b) of this title, any person to whom insurance maturing on or after July 27, 1962, is payable may assign all or any portion of his interest in such insurance to a widow, widower, child, father, mother, grandfather, grandmother, brother, or sister of the insured when the designated contingent beneficiary, if any, joins the beneficiary in the assignment, but such joinder shall not be required in any case in which the insurance proceeds are payable in a lump sum.

"(b) The exempt status referred to in subsection (a) of this section does not include exemption from Federal estate tax."

(2) by amending section 722 and 723 to read as follows:

"§ 722. Service disabled veterans' insurance

"(a)(1) Insurance may be granted by the United States against death occurring while such insurance is in force to any person released from active military, naval or air service, under other than dishonorable conditions, on or after April 25, 1951, if—

"(A) the Administrator finds such person to be suffering from a disability or disabilities for which compensation would be payable if 10 percent or more in degree, and except for which such person would be insurable according to the standards of good health established by the Administrator;

"(B) such person applies in writing for such insurance within one year from the date on which service-connection of such disability is determined by the Veterans' Administration; and

"(C) such person pays the premiums as provided for by this subchapter.

"(2) If a person who meets the requirements of subsection (a) (1) (A) of this section is shown by evidence satisfactory to the Administrator to have been mentally incompetent during any part of the one-year period, application for insurance under this section may be filed within one year after a guardian is appointed or within one year after the removal of such disability as determined by the Administrator, whichever is the earlier date. If the guardian was appointed or the removal of the disability occurred before January 1, 1959, application for insurance under this section may be made within one year after that date.

"(3) Insurance granted under this section shall be issued upon the same terms and conditions as are contained in the standard policies of National Service Life Insurance, except that—

"(A) the premium rates for such insurance shall be based on the Commissioners 1941 Standard Ordinary Table of Mortality and interest at the rate of 2¼ percent per annum;

"(B) all cash, loan, paid-up, and extended values shall be based upon the Commissioners 1941 Standard Ordinary Table of Mortality and interest at the rate of 2¼ percent per annum;

"(C) all settlements on policies involving annuities shall be calculated on the basis of The Annuity Table for 1949, and interest at the rate of 2½ percent per annum; and

"(D) insurance granted under this section shall be on a nonparticipating basis and all premiums and other collections therefor shall be credited directly to a revolving fund in the Treasury of the United States, and any payments on such insurance shall be made directly from such fund.

"(4) Appropriations to the revolving fund referred to in paragraph (3) (D) of this subsection are hereby authorized.

"(5) As to insurance issued under this section, waiver of premiums pursuant to section 602(n) of the National Service Life Insurance Act of 1940 and section 712 of this title shall not be denied on the ground that the service-connected disability became total before the effective date of such insurance.

"(b) (1) Any person who, on or after April 25, 1951, was otherwise qualified for insurance under the provision of section 620 of the National Service Life Insurance Act of 1940 or subsection (a) of this section, but who did not apply for such insurance, shall be deemed to have applied for, and to have been granted, such insurance, as of the date of death, if it can be shown by evidence satisfactory to the Administrator that such person—

"(A) was mentally incompetent from a service-connected disability—

"(i) at time of release from active service;

"(ii) during any port of the one-year period from the date the service-connection of a disability is first determined by the Veterans' Administration; or

"(iii) after release from active service but is not rated service-connected disabled by the Veterans' Administration until after death;

"(B) remained continuously so mentally incompetent until date of death; and

"(C) died before the appointment of a guardian, or within one year after the appointment of a guardian.

"(2) Such insurance shall be issued in an amount which, together with any other United States Government or National Service Life Insurance in force, shall aggregate $10,000.

"(3) The date to be used for determining whether such person was insurable according to the standards of good health established by the Administrator, except for the service-connected disability, shall be the date of release from active service or the date the person became mentally incompetent, whichever is later.

"(4) Payments of insurance granted under subsection (b) (1) of this section shall be made only to the following beneficiaries and in the order named—

"(A) to the widow or widower of the insured, if living and while unremarried;

"(B) if no widow or widower entitled thereto, to the child or children of the insured, if living, in equal shares; or

"(C) if no widow or widower or child entitled thereto, to the parent or parents of the insured who last bore that relationship, if living, in equal shares.

"(5) No application for insurance payments under this subsection shall be valid unless filed in the Veterans' Administration within 2 years after the date of death of the insured or before January 1, 1961, whichever is the later. The relationship of the applicant shall be proved as of the date of death of the insured by evidence satisfactory to the Administrator. Persons shown by evidence satisfactory to the Administrator to have been mentally or legally incompetent at the time the right to apply for death benefits expires, may make such application at any time within 1 year after the removal of such disability.

"(6) Notwithstanding the provisions of section 717 of this title, insurance under this subsection shall be payable at the election of the first beneficiary in 240 equal monthly installments or under the optional modes of settlement set forth in section 717(b) (3) or (4) of this title. Any installments certain of insurance remaining unpaid at the death of any beneficiary shall be paid to the person or persons then in being within the classes specified in subsection (b) (4) of this section and in the order named. Such payment shall be in equal monthly installments in an amount equal to the monthly installments paid to the first beneficiary.

"(7) The right of any beneficiary to payment of any installments shall be conditioned upon his or her being alive to receive such payments. No person shall have a vested right to any installment or installments of any such insurance. Any installments not paid to a beneficiary during such beneficiary's lifetime shall be paid to the beneficiary or beneficiaries within the permitted class next entitled to priority, as provided in subsection (b) (4) of this section. No installments of such insurance shall be paid to the heirs or legal representatives as such of the insured or of any beneficiary. If no person within the permitted class survives to receive the insurance or any part thereof no payment of the unpaid installments shall be made.

"§ 723. Veterans' Special Life Insurance

"(a) Insurance heretofore granted under the provisions of section 621 of the National Service Life Insurance Act of 1940, against the death of the policyholder occurring while such insurance is in force, is subject to the same terms and conditions as are contained in standard policies of National Service Life Insurance on the 5-year level premium term plan except that—

"(1) such insurance may not be exchanged for or converted to insurance on any other plan except as provided under subsection (b) of this section;

"(2) the premium rates for such insurance shall be based on the Commissioners 1941 Standard Ordinary Table of Mortality and interest at the rate of 2¼ percent per annum;

"(3) all settlements on policies involving annuities shall be calculated on the basis of the Annuity Table for 1949, and interest at the rate of 2¼ percent per annum; and

"(4) all premiums and other collections on such insurance and any total disability provisions added thereto shall be credited to a revolving fund in the Treasury of the United States, which, together with interest earned thereon, shall be available for the payment of liabilities under such insurance and any total disability provisions added thereto, including payments of dividends and refunds of unearned premiums.

"(b) Any term insurance heretofore issued under section 621 of the National Service Life Insurance Act of 1940 may be converted to a permanent plan of insurance or exchanged for a policy of limited convertible 5-year level premium term insurance issued under this subsection. Insurance issued under this subsection shall be issued upon the same terms and conditions as are contained in the standard policies of National Service Life Insurance except that—

"(1) after September 1, 1960, limited convertible term insurance may not be issued or renewed on the term plan after the insured's 50th birthday;

"(2) the premium rates of such limited convertible term or permanent plan insurance shall be based on table X–18 (1950–54 Intercompany Table of Mortability) and interest at the rate of 2½ percent per annum;

"(3) all settlements on policies involving annuities on insurance issued under this subsection shall be calculated on the basis of The Annuity Table for 1949, and interest at the rate of 2½ percent per annum;

"(4) all cash, loan, paid-up, and extended values, and, except as otherwise provided in this subsection, all other calculations in connection with insurance issued under this subsection shall be based on table X–18 (1950–54 Intercompany Table of Mortality) and interest at the rate of 2½ percent per annum; and

"(5) all premiums and other collections on insurance issued under this subsection and any total disability income provisions added thereto shall be credited directly to the revolving fund referred to in subsection (a) of this section, which together with interest earned thereon, shall be available for the payment of liabilities under such insurance and any total disability provisions added thereto, including payments of dividends and refunds of unearned premiums.

"(c) The Administer is authorized to invest in, and the Secretary of the Treasury is authorized to sell and retire, special interest-bearing obligations of the United States for the account of the revolving fund with a maturity date as may be agreed upon by the Administrator and Secretary. The rate of interest on such obligations shall be fixed by the Secretary of the Treasury at a rate equal to the rate of interest, computed as of the end of the month preceding the date of issue of such obligations, borne by all marketable interest-bearing obligations of the United States then forming a part of the public debt that are not due or callable until after the expiration of 5 years from the date of original issue; except that where such average rate is not a multiple of one-eighth of 1 percent, the rate of interest of such obligations shall be the multiple of one-eighth of 1 percent nearest such average rate."; and

(3) by amending section 784 to read as follows:

"§ 784. Suits on insurance

"(a) Action may be brought against the United States on any claim, including claim for refund of premiums, arising as the result of disagreement between the Veterans' Administration and any person or persons claiming under a contract of National Service Life Insurance, United States Government Life Insurance, or yearly renewable term insurance. Such action shall be brought either in the United States District Court for the District of Columbia or in the district court in and for the district in which such person or any one of them resides. Jurisdiction is conferred upon such courts to him and determine all such controversies.

"(b) All persons having or claiming to have an interest in such insurance may be made parties to such suit. Parties who are not inhabitants of or found within the district within which suit is brought may be brought in by order of the court and may be served personally or by publication or in such other reasonable manner as the court may direct.

"(c) In all cases where the Veterans' Administration acknowledges indebtedness of the United States upon any such contract of insurance and there is a question as to the person or persons entitled to payment, a suit in the nature of a bill of interpleader may be brought against all persons having or claiming to have any interest in such insurance. Such suit shall be brought in the name of the United States at the request of the Veterans' Administration and shall be in the United States District Court for the District of Columbia or in the district court in and for the district in which any such claimant resides. However, no less than 30 days before instituting such suit the Veterans' Administration shall mail a notice of such intention to each of the persons to be made parties to the suit.

"(d) The court of appeals for the several circuits, including the District of Columbia, shall respectively exercise appellant jurisdiction and except as provided in section 1254 of title 28, the decrees of such courts of appeals shall be final.

"(e) No suit on yearly renewable term insurance, United States Government life insurance, or National Service Life Insurance shall be allowed under this section unless the same shall have been brought within 6 years after the right accrued for which the claim is made. For the purposes of this section it shall be deemed that the right accrued on the happening of the contingency on which the claim is founded. The limitation of 6 years is suspended for the period elapsing between the filing in the Veterans' Administration of the claim sued upon and the denial of said claim; except that in any case in which a claim is timely filed the claimant shall have not less than 90 days from the date of mailing of notice of denial within which to file suit. After June 28, 1936, notice of denial of the claim under a contract of insurance shall be by registered mail or by certified mail directed to the claimant's last address of record. Infants, insane persons, or persons under other legal disability, or persons rated as incompetent or insane by the Veterans' Administation shall have 3 years in which to bring suit after the removal of their fails for defect in process, or for other reafails for defect in process, or for other easons not affecting the merits, a new action, if one lies, may be brought within a year though the period of limitation has elapsed. No State or other statute of limitations shall be applicable to suits filed under this section.

"(f) In any suit or proceeding brought under this section, a United States district court may issue subpoenas to witnesses residing outside the district of the issuing court; except that no writ shall issue for witnesses residing more than 100 miles from the situs of the hearing, unless permission of the court has been obtained upon proper application and cause shown. The word 'district' and the words 'district court' as used herein shall be construed to include the District of Columbia and the United States District Court for the District of Columbia.

"(g) Attorneys of the Veterans' Administration, when assigned to assist in the trial of cases, and employees of the Veterans' Administration when ordered in writing by the Administrator to appear as witnesses, shall be paid the regular travel and subsistence allowance paid to other employees when on official travel status.

"(h) When ordered in writing by the Administrator to appear as witnesses in suits under this section, part-time and fee-basis employees of the Veterans' Administration, may, within the discretion and under written orders of the Administrator be allowed a fee not exceeding $50 per day. Such fee may be paid in addition to the regular travel and subsistence allowance.

"(i) Employees of the Veterans' Administration who are subpoenaed as witnesses for a party to a suit brought under the provisions of the section, shall be granted court leave or authorized absence, as applicable for the period they are required to be away from the Veterans' Administration in answer to such subpoenas.

"(j) Whenever a judgment or decree shall be rendered in an action brought under the provisions of this section, the court as a part of its judgment or decree, shall determine and allow reasonable fees for the attorneys of the successful party or parties and apportion same, if proper. Such fees may not exceed 10 percent of the amount recovered and will be paid by the Veterans' Administration out of payments to be made under the judgment or decree. The rate of payment will not exceed one-tenth of each of such payments until paid. However, in a suit brought by or in behalf of an insured during the insured's lifetime for waiver of premiums on account of total disability, the court, as part of its judgment or decree, shall determine and allow a reasonable fee to be paid by insured to his attorney.

"(k) The term 'claim' as used in this section means any writing which uses words showing an intention to claim insurance benefits. The term 'disagreement' means the denial of a claim after consideration on its merits, by the Administrator, or any employer or organizational unit of the Veterans' Administration.

"(l) In any suit brought under provisions of this section, the Attorney General of the United States may, pursuant to compromise recommended by the defending United States Attorney, upon such terms and for sums within the amount claimed, agree to a judgment to be rendered by the Chief Judge of the United States Court having jurisdiction. The Administrator shall make payment in accordance with any such judgment. The Comptroller General of the United States shall allow credit in the accounts of disbursing officers for all payments of insurance made in accordance therewith. All such judgments shall constitute final settlement of the claim and no appeal therefrom shall be authorized.".

Sec. 12. Section 1502(d) of title 38, United States Code, is amended by striking out "1780" and inserting in lieu thereof "1772".

Sec. 13. (a) Chapter 34 of title 38, United States Code, is amended—

(1) by striking out "United States Code," in section 1652(e);

(2) by striking out "section 1780" in subsections (a) and (b) of section 1681 and inserting in lieu thereof "chapter 36";

(3) by striking out "1787" in section 1682 (a)(1) and inserting in lieu thereof "1783";

(4) by striking out "1787 or 1786" in section 1684 and inserting in lieu thereof "1780 or 1782";

(5) by striking out "1798" in section 1686 and inserting in lieu thereof "1796, 1797, 1798,"; and

(6) by redesignating section 1697A as section 1698.

(b) Such chapter 34 is further amended by striking out the center heading which immediately precedes each of subsections (a) and (b) of section 1661, subsections (a), (b), and (c) of section 1662, and subsections (a), (b), and (c) of section 1681.

(c) The table of sections at the beginning of such chapter 34 is amended by striking out "1697A." and inserting in lieu there "1698.".

Sec. 14. (a) Chapter 35 of title 38, United States Code, is amended—

(1) by striking out "1786" in section 1723 (c) and inserting in lieu thereof "1781";

(2) by striking out "section 1780" in section 1731(a) and inserting in lieu thereof "chapter 36";

(3) by amending section 1734—

(A) by striking out "1787" in subsection (a) and inserting in lieu thereof "1782", and

(B) by striking out "1786" in subsection (b) and inserting in lieu thereof "1780";

(4) by striking out "1798" in section 1737 and inserting in lieu thereof "1796, 1797, 1798,";

(5) by redesignating sections 1761, 1762, and 1763 as sections 1751, 1752, and 1753, respectively; and

(6) by redesignating sections 1765 and 1766 as sections 1755 and 1756, respectively.

(b) The table of sections at the beginning of such chapter 35 is amended by striking out "1761.", "1762.", "1763.", "1765.", and "1766." and inserting in lieu thereof "1751.", "1752.", "1753.", "1755." and "1756." respectively.

Sec. 15. (a) Chapter 36 of title 38, United States Code, is amended—

(1) by striking out "1778" in section 1770(b) and inserting in lieu thereof "1769", and by redesignating such section 1770 as section 1760;

(2) by striking out "1772" in section 1171 (b)(2), and inserting in lieu thereof "1762", and by redesignating such section 1771 as section 1761;

(3) by striking out "1787" in section 1772(c) and inserting in lieu thereof "1782", and by redesignating such section 1772 as section 1762;

(4) by redesignating sections 1773, 1774, and 1775 as sections 1763, 1764, and 1765, respectively;

(5) by amending section 1776—

(A) by striking out "1775" in subsection (a) and inserting in lieu thereof "1765";

(B) by striking out

"§ 1776. Approval of nonaccredited courses"

and inserting in lieu thereof

"§ 1766. Approval of nonaccredited courses—application";

and

(C) by redesignating subsection (c) as new section 1767 with the following section heading:

"§ 1767. Approval of nonaccredited courses—criteria";

(6) by redesignating sections 1777, 1778, and 1779 as sections 1768, 1769, and 1770, respectively;

(7) by striking out section 1780 and inserting in lieu thereof the following:

"Subchapter II—Miscellaneous Provisions

"§ 1771. Payment of educational assistance or subsistence allowances; determination of enrollment

"(a) Payment of educational assistance or subsistence allowances to eligible veterans or eligible persons pursuing a program of education or training, other than a program by correspondence or a program of flight training, in an educational institution under chapter 31, 34, or 35 of this title shall be paid as provided in this chapter and, as applicable, in section 1504, 1682, 1691, or 1732 of this title. Such payments shall be paid only for the period of such veterans' or persons' enrollment, but no amount shall be paid—

"(1) to any eligible veteran or eligible person enrolled in a course which leads to a standard college degree for any period when such veteran or person is not pursuing his course in accordance with the regularly established policies and regulations of the educational institution and the requirements of this chapter or of chapter 34 or 35 of this title; or

"(2) to any eligible veteran or eligible person enrolled in a course which does not lead to a standard college degree (excluding programs of apprenticeship and programs of other on-job training authorized by section 1782 of this title) for any day of absence in excess of thirty days in a twelve-month period, not counting as absences weekends or legal holidays (or customary vacation periods connected therewith) established by Federal or State law (or in the case of the Republic of the Philippines, Philippine law) during which the institution is not regularly in session.

Notwithstanding the foregoing, the Administrator may, subject to such regulations as he shall prescribe, continue to pay allowances to eligible veterans and eligible persons enrolled in courses set forth in clause (1) or (2) of this subsection during periods when the schools are temporarily closed under an established policy based upon an Executive order of the President or due to an emergency situation, and such periods shall not be counted as absences for the purposes of clause (2).

"(b) The Administrator may, pursuant to regulations which he shall prescribe, determine enrollment in, pursuit of, and attendance at, any program of education or training or course by an eligible veteran or eligible person for any period for which he receives an educational assistance or subsistence allowance under this chapter for pursuing such program or course.

"§ 1772. Advance payment of initial allowance

"(a) The educational assistance or subsistence allowance advance payment provided for in this section is based upon a finding by the Congress that eligible veterans and eligible persons need additional funds at the beginning of a school term to meet the expenses of books, travel, deposits, and payment for living quarters, the initial installment of tuition, and the other special expenses which are concentrated at the beginning of a school term.

"(b) Subject to the provisions of this section, and under regulations which the Administrator shall prescribe, an eligible veteran or eligible person shall be paid an educational assistance allowance or subsistence allowance, as appropriate, advance payment. Such advance payment shall be made in an amount equivalent to the allowance for the month or fraction thereof in which pursuit of the program will commence, plus the allowance for the succeeding month. In the case of a serviceman on active duty, who is pursuing a program of education (other than under subchapter VI of chapter 34), the advance payment shall be in a lump sum based upon the amount payable for the entire quarter, semester, or term, as applicable. In no event shall an advance payment be made under this section to a veteran or person intending to pursue a program of education on less than a half-time basis. The application for advance payment, to be made on a form prescribed by the Administrator, shall—

"(1) in the case of an initial enrollment of a veteran or person in an educational institution, contain information showing that the veteran or person—

"(A) is eligible for educational benefits,

"(B) has been accepted by the institution, and

"(C) has notified the institution of his intention to attend that institution; and

"(2) in the case of a re-enrollment of a veteran or person, contain information showing that the veteran or person—

"(A) is eligible to continue his program of education or training, and

"(B) intends to re-enroll in the same institution, and, in either case, shall also state the number of semester or clock-hours to be pursued by such veteran or person.

"(c) Subject to the provisions of this section, and under regulations which the Administrator shall prescribe, a person eligible for education or training under the provisions of subchapter VI of chapter 34 of this title shall be entitled to a lump-sum educational assistance allowance advance payment. Such advance payment shall in no event be made earlier than thirty days prior to the date on which pursuit of the person's program of education or training is to commence. The application for the advance payment, to be made on a form prescribed by the Administrator, shall, in addition to the information prescribed in subsection (b)(1), specify—

"(1) that the program to be pursued has been approved;

"(2) the anticipated cost and the number of Carnegie, clock, or semester hours to be pursued; and

"(3) where the program to be pursued is other than a high school credit course, the need of the person to pursue the course or courses to be taken.

"(d) For purposes of the Administrator's determination whether any veteran or person is eligible for an advance payment under this section, the information submitted by the institution, the veteran or person, shall establish his eligibility unless there is evidence in his file in the processing office establishing that he is not eligible for such advance payment.

"(e) The advance payment authorized by subsections (b) and (e) of this section shall, in the case of an eligible veteran or eligible person, be—

"(1) drawn in favor of the veteran or person;

"(2) mailed to the educational institution listed on the application form for temporary care and delivery to the veteran or person by such institution; and

"(3) delivered to the veteran or person upon his registration at such institution, but in no event shall such delivery be made earlier than thirty days before the program of education is to commence.

"(f) Upon delivery of the advance payment pursuant to subsection (e) of this section, the institution shall submit to the Administrator a certification of such delivery is not effected within thirty days after commencement of the program of education in question, such institution shall return such payment to the Administrator forthwith.

"§ 1773. Prepayment of subsequent allowances.

"Except as provided in section 1774 of this title, subsequent payments of educational assistance or subsistence allowance to an eligible veteran or eligible person shall be prepaid each month, subject to such reports and proof of enrollment in and satisfactory pursuit of such programs as the Administrator may require. The Administrator may withhold the final payment for a period of enrollment until such proof is received and the amount of the final payment appropriately adjusted.

"§ 1774. Payments for less than half-time training

"Payment of educational assistance allowance in the case of any eligible veteran or eligible person pursuing a program of education on less than a half-time basis (except as provided by section 1772(c) of this title) shall be made in an amount computed for the entire quarter, semester, or term during the month immediately following the month in which certification is received from the educational institution that such veteran or person has enrolled in and is pursuing a program at such institution. Such lump sum payment shall be computed at the rate provided in section 1682(b) or 1732(a)(2) of this title, as applicable.";

(8) by striking out the subchapter heading immediately preceding section 1781;

(9) by redesignating sections 1781, 1782, and 1783 as sections 1775, 1776, and 1777, respectively;

(10) by striking out "1780(d)(5)" in section 1784(b) and inserting in lieu thereof "1772(e)", and by redesignating such section 1784 as section 1778;

(11) by redesignating section 1785 as section 1779;

(12) by striking out section 1786 and inserting in lieu thereof the following:

"§ 1780. Correspondence courses

"(a)(1) Each eligible veteran (as defined in sections 1652(a) (1) and (2) of this title) and each eligible wife or widow (as defined in section 1701(a)(1) (B), (C), or (D) of this title) who enters into an enrollment agreement to pursue a program of education exclusively by correspondence shall be paid an educational assistance allowance computed at the rate of 90 per centum of the established charge which the institution requires nonveterans to pay for the course or courses pursued by the eligible veteran or wife of widow. The term 'established charge' as used herein means the charge for the course or courses determined on the basis of the lowest extended time payment plan offered by the institution and approved by the appropriate State approving agency or the actual cost to the veteran or wife or widow, whichever is the lesser. Such allowance shall be paid quarterly on a pro rata basis for the lessons completed by the veteran or wife or widow and serviced by the institution.

"(2) The period of entitlement of any veteran or wife or widow who is pursuing any program of education exclusively by correspondence shall be charged with one month for each $270 which is paid to the veteran or wife or widow as an educational assistance allowance for such course.

"(b) No educational assistance allowance shall be paid to an eligible veteran or wife or widow enrolled in and pursuing a program of education exclusively by correspondence until the Administrator shall have received—

"(1) from the eligible veteran or wife or widow a certificate as to the number of lessons actually completed by the veteran or wife or widow and serviced by the educational institution; and

"(2) from the training establishment a certification or an endorsement on the veteran's or wife's or widow's certificate, as to the number of lessons completed by the veteran or wife or widow and serviced by the institution.

"§ 1781. Enrollment agreements

"(a) Any enrollment agreement entered into pursuant to the provisions of section 1780 of this title shall fully disclose the obligation of both the institution and the veteran or wife or widow and shall prominently display the provisions for affirmance, termination, refunds, and the conditions under which payment of the allowance is made by the Administrator to the veteran or wife or widow. A copy of the enrollment agreement shall be furnished to each such veteran or wife or widow at the time such veteran or wife or widow signs such agreement. No such agreement shall be effective unless such veteran or wife or widow shall, after the expiration of ten days after the enrollment agreement is signed, have signed and submitted to the Administrator a written statement, with a signed copy to the institution, specifically affirming the enrollment agreement. In the event the veteran or wife or widow at any time notifies the institution of his intention not to affirm the agreement in accordance with the preceding sentence, the institution, without imposing any penalty or charging any fee shall promptly make a full refund of all amounts paid.

"(b) In the event a veteran or wife or

widow elects to terminate his enrollment under an affirmed enrollment agreement, the institution (other than one subject to the provisions of section 1766 of this title) may charge the veteran or wife or widow a registration or similar fee not in excess of 10 per centum of the tuition for the course or $50, whichever is less. Where the veteran or wife or widow elects to terminate the agreement after completion of one or more but less than 25 per centum of the total number of lessons comprising the course, the institution may retain such registration or similar fee plus 25 per centum of the tuition for the course. Where the veteran or wife or widow elects to terminate the agreement after completion of 25 per centum but less than 50 per centum of the lessons comprising the course, the institution may retain the full registration or similar fee plus 50 per centum of the course tuition. If 50 per centum or more of the lessons are completed, no refund of tuition is required.";

(13) by amending section 1787—

(A) by striking out "1777" in subsection (a)(2) and inserting in lieu thereof "1768";

(B) by redesignating subsection (c) as subsection(d);

(C) by inserting immediately after subsection (b) the following new subsection:

"(c) No training assistance allowance shall be paid to an eligible veteran or eligible person enrolled in and pursuing a program of apprenticeship or other on-job training until the Administrator shall have received—

"(1) from such veteran or person a certification as to his actual attendance during such period; and

"(2) from the training establishment a certification, or an endorsement on the veteran's or person's certificate, that such veteran or person was enrolled in and pursuing a program of apprenticeship or other on-job training during such period."; and

(D) by redesignating such section 1787 as section 1782;

(14) by redesignating sections 1788 and 1789 as sections 1783 and 1784, respectively;

(15) by striking out section 1790 and inserting in lieu thereof the following:

"§ 1785. Overcharges by educational institutions

"If the Administrator finds that an educational institution has—

"(1) charged or received from any eligible veteran or eligible person pursuing a program of education under this chapter or chapter 34 or 35 of this title any amount for any course in excess of the charges for tuition and fees which such institution requires similarly circumstanced nonveterans not receiving assistance under such chapters who are enrolled in the same course to pay, or

"(2) instituted, after the effective date of sections 1772 and 1773 of this title, a policy or practice with respect to the payment of tuition, fees, or other charges in the case of eligible veterans and the Administrator finds that the effect of such policy or practice substantially denies to veterans the benefits of the advance and prepayment allowances under such sections,

he may disapprove such educational institution for the enrollment of any eligible veteran or eligible person not already enrolled therein under this chapter or chapter 31, 34, or 35, of this title.

"§ 1786. Discontinuance of allowances

"The Administrator may discontinue the educational assistance allowance of any eligible veteran or eligible person if he finds that the program of education or any course in which the veteran or person is enrolled fails to meet any of the requirements of this chapter or chapter 34 or 35 of this title, or if he finds that the educational institution offering such program or course has violated any provision of this chapter or chapter 34 or 35, or fails to meet any of the requirements of such chapters.

"§1787. Recovery of erroneous payments

"If an eligible veteran or eligible person fails to enroll in or pursue a course for which an educational assistance or subsistence allowance advance payment is made, the amount of such payment and any amount of subsequent payments which, in whole or in part, are due to erroneous information required to be furnished under section 1772 (b) and (c) of this title shall become an overpayment and shall constitute a liability of such veteran or person to the United States and may be recovered, unless waived pursuant to section 3102 of this title, from any benefit otherwise due him under any law administered by the Veterans' Administration or may be recovered in the same manner as any other debt due the United States.

"§ 1788. Examination of records

"The records and accounts of educational institutions pertaining to eligible veterans or eligible persons who received educational assistance under this chapter or chapter 31, 34, or 35 of this title shall be available for examination by duly authorized representatives of the Government.

"§ 1789. False or misleading statements

"Whenever the Administrator finds that an educational institution has willfully submitted a false or misleading claim, or that a veteran or person, with the complicity of an educational institution, has submitted such a claim, he shall make a complete report of the facts of the case to the appropriate State approving agency and, where deemed advisable, to the Attorney General of the United States for appropriate action.";

(16) by redesignating sections 1791, 1792, 1793, 1794, and 1795 as sections 1790, 1791, 1792, and 1793, and 1794, respectively;

(17) by striking out "1794" in section 1796(b) and inserting in lieu thereof "1793", and by redesignating such section 1796 as section 1795;

(18) by striking out section 1798 and inserting in lieu thereof the following:

"§ 1796. Eligibility for loans

"(a) Each eligible veteran and eligible person shall be entitled to a loan under this subchapter in an amount determined under, and subject to the conditions specified in, subsection (b)(1) of this section if the veteran or person satisfies the requirements set forth in section 1797 of this title.

"(b)(1) Subject to paragraph (3) of this subsection, the amount of the loan to which an eligible veteran or eligible person shall be entitled under this subchapter for any academic year shall be equal to the amount needed by such veteran or person to pursue a program of education at the institution at which he is enrolled, as determined under paragraph (2) of this subsection.

"(2)(A) The amount needed by a veteran or person to pursue a program of education at an institution for any academic year shall be determined by subtracting (i) the total amount of financial resources (as defined in subparagraph (B) of this paragraph) available to the veteran or person which may be reasonably expected to be expended by such veteran or person for educational purposes in any year from (ii) the actual cost of attendance (as defined in subparagraph (C) of this paragraph) at the institution in which such veteran or person is enrolled.

"(B) The term 'total amount of financial resources' of any veteran or person for any year means the total of the following:

"(i) The annual adjusted effective income of the veteran or person less Federal income tax paid or payabe by such veteran or person with respect to such income.

"(ii) The amount of cash assets of the veteran or person.

"(iii) The amount of financial assistance received by the veteran or person under the provisions of title IV of the Higher Education Act of 1965, as amended.

"(iv) Educational assistance received by the veteran or person under this title other than under this subchapter.

"(v) Financial assistance received by the veteran or person under any scholarship or grant program other than those special specified clauses (iii) and (iv).

"(C) The term 'actual cost of attendance' means, subject to such regulations as the Administrator may provide, the actual per-student charges for tuition, fees, room and board (or expenses related to reasonable commuting), books, and an allowance for such other expenses as the Administrator determines by regulation to be reasonably related to attendance at the institution at which the veteran or person is enrolled.

"(3) The aggregate of the amounts any veteran or person may borrow under this subchapter may not exceed $270 multiplied by the number of months such veteran or person is entitled to receive educational assistance under section 1662 or subchapter II of chapter 35, respectively, of this title, but not in excess of $600 in any one regular academic year.

"§ 1797. Amounts and conditions of loans

"(a) An eligible veteran or person shall be entitled to a loan under this subchapter if such veteran or person—

"(1) is in attendance at an educational institution on at least a half-time basis and (A) is enrolled in a course leading to a standard college degree, or (B) is enrolled in a course, the completion of which requires six months or longer, leading to an identified and predetermined professional or vocational objective;

"(2) has sought and is unable to obtain a loan, in the full amount needed by such veteran or person, as determined under section 1796(b) of this title under a student loan program insured pursuant to the provisions of part B of title IV of the Higher Education Act of 1965, as amended, or any successor authority; and

"(3) enters into an agreement with the Administrator meeting the requirements of subsection (b) of this section.

No loan shall be made under this subchapter to an eligible veteran or person pursuing a program of correspondence, flight, apprentice, or other on-job, or PREP training.

"(b) Any agreement between the Administration and a veteran or person under this subchapter—

"(1) shall include a note or other written obligation which provides for repayment to the Administrator of the principal amount of, and payment of interest on, the loan in installments over a period beginning nine months after the date on which the borrower ceases to be at least a half-time student and ending ten years and nine months after such date;

"(2) shall include provision for acceleration of repayment of all or any part of the loan, without penalty, at the option of the borrower;

"(3) shall provide that the loan shall bear interest, on the unpaid balance of the loan, at a rate prescribed by the Administrator, with the concurrence of the Secretary of the Treasury, but at a rate not less than a rate determined by the Secretary, taking into consideration the current average market yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the maturity of loans made under this subchapter, except that no interest shall accrue prior to the beginning date of repayment; and

"(4) shall provide that the loan shall be made without security and without endorsement.

"§ 1798. Defaults

"(a) Except as provided in subsection (b) of this section whenever the Administrator determines that a default has occurred on any loan made under this subchapter, he shall declare an overpayment, and such overpayment shall be recovered from the veteran or person concerned in the same manner as any other debt due the United States.

"(b) If a veteran or person who has received a loan under this section dies or becomes permanently and totally disabled, then the Administrator shall discharge the veteran's or person's liability on such loan by repaying the amount owed on such loan.

"(c) The Administrator shall submit to the Committees on Veterans' Affairs of the Senate and the House of Representatives, not later than one year after the date of enactment of the Vietnam Era Veterans' Readjustment Assistance Act of 1974 and annually thereafter, a separate report specifying the default experience and default rate at each educational institution along with a comparison of the collective default experience and default rate at all such institutions."; and

(19) by striking out "1798(e)" in section 1799 and inserting in lieu thereof "1798".

(b) The table of sections at the beginning of such chapter 36 is amended to read as follows:

"SUBCHAPTER I—STATE APPROVING AGENCIES

"Sec.
"1760. Scope of approval.
"1761. Designation.
"1762. Approval of courses.
"1763. Cooperation.
'1764. Reimbursement of expenses.
"1765. Approval of accredited courses.
"1766. Approval of nonaccredited courses—application.
"1767. Approval of nonaccredited courses—criteria.
"1768. Approval of training on the job.
"1769. Notice of approval of courses.
"1770. Disapproval of courses.

"SUBCHAPRER II—MISCELLANEOUS PROVISIONS

"1771. Payment of educational assistance or subsistence allowances; determination of enrollment.
"1772. Advance payment of initial allowance.
"1773. Prepayment of subsequent allowances.
"1774. Payments for less than half-time training.
"1775. Limitations on educational assistance.
"1776. Control by agencies of the United States.
"1777. Conflicting interests.
"1778. Reports by institutions; reporting fee.
"1779. Overpayments to eligible persons or veterans.
"1780. Correspondence courses.
"1781. Enrollment agreements.
"1782. Apprenticeship or other on-job training.
"1783. Measurement of courses.
"1784. Period of operation for approval.
"1785. Overcharges by educational institutions.
"1786. Discontinuance of allowances.
"1787. Recovery of erroneous payments.
"1788. Examination of records.
"1789. False or misleading statements.
"1790. Change of program.
"1791. Advisory committee.
"1792. Institutions listed by Attorney General.
"1793. Use of other Federal agencies.
"1794. Limitation on period of assistance under two or more programs.
"1795. Limitation on certain advertising, sales, and enrollment practices.

"SUBCHAPTER III—EDUCATION LOANS TO ELIGIBLE VETERANS AND ELIGIBLE PERSONS

"1796. Eligibility for loans.
"1797. Amounts and conditions of loans.
"1798. Defaults.
"1799. Revolving fund; insurance.".

SEC. 16. Section 2014(b) of title 38, United States Code, is amended by striking out "1788" and inserting in lieu thereof "1783".

SEC. 17. Section 3102(b) of title 38, United States Code, is amended by striking out "(as defined in sections 101 and 1801),".

SEC. 18. Chapter 61 of title 38, United States Code, is amended as follows:

(1) Section 3503(d)(1) is amended by striking out "(a)", and inserting in lieu thereof "(A)", and by striking out "(b)" and inserting in lieu thereof "(B)".

(2) Section 3505(c) is amended by striking out "the Treasury" and inserting in lieu thereof "Transportation".

SEC. 19. (a) Sections 4005A, 4006, 4007, 4008, and 4009 are redesignated as sections 4006, 4007, 4008, 4009, and 4010, respectively.

(b) The table of sections of chapter 71 of such title 38 is amended by striking out "4005A.", "4006.", "4007.", "4008.", and "4009.", and inserting in lieu thereof "4006.", "4007.", "4008.", "4009.", and "4010.", respectively.

SEC. 20. Chapter 73 of title 38, United States Code, is amended as follows:

(1) Section 4103 is amended by striking out in subsection (a)(4) "recommendations" and inserting in lieu thereof "recommendation".

(2) Section 4108(b) is amended by striking out "pursuant to" and inserting in lieu thereof "referred to in".

(3) Section 4114(b)(2) is amended to read as follows:

"(2) For the purposes of this title, the term 'internship' shall include the equivalency of an internship as determined in accordance with regulations which the Administrator shall prescribe, and the term 'intern' shall mean a person serving an internship."

SEC. 21. Chapter 81 of title 38, United States Code, is amended as follows:

(1) Section 5001(a)(2) is amended by striking out "tuberculosis" and inserting in lieu thereof "tuberculous".

(2) Section 5054(b) is amended by inserting "the" immediately before "surrounding medical community" the second time it appears.

(3) Section 5055(a) is amended by striking out in the second sentence thereof "for Research and Education in Medicine" and inserting in lieu thereof "charged with administration of the Department of Medicine and Surgery medical research program."

SEC. 22. Section 5083(a) of title 38, United States Code, is amended by striking out "subchapter IV of chapter 81 of".

The **SPEAKER**. Is a second demanded?

Mr. **HAMMERSCHMIDT**. Mr. Speaker, I demand a second.

The **SPEAKER**. Without objection, a second will be considered as ordered.

There was no objection.

The **SPEAKER**. The gentleman from Texas (Mr. ROBERTS) is recognized for 20 minutes, and the gentleman from Arkansas (Mr. HAMMERSCHMIDT) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Texas (Mr. ROBERTS).

Mr. **ROBERTS**. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 3350 as amended would amend title 38 in order to make certain technical corrections therein.

Eighteen years ago, the Committee on Veterans' Affairs, after extensive committee staff work in conjunction with the Office of the House Legislative Counsel, the General Counsel Office of the Veterans' Administration, the then Bureau of the Budget and the General Accounting Office, reported legislation which incorporated into a single act the subject matter of the extensive body of existing legislation authorizing and governing veterans' programs. Subsequently, through the full and active cooperation of the Committee on the Judiciary and its Subcommittee on Revision of Laws, the bill was amended and put into a codified form which resulted in the first enactment of all the laws relating to veterans into what is now known as title 38, United States Code.

At the end of each Congress thereafter, the Committee on Veterans' Affairs has amended title 38 to reflect the changes made in the Congress insofar as substantive changes are involved. Over the years, some errors have developed of an nonsubstantive character and, as can be readily imagined, it has become necessary to renumber some sections and repeal other sections which are no longer required. It is the purpose of this bill as amended to accomplish this objective. As originally introduced, the bill included some substantive changes in the law, and the Veterans' Administration in its favorable report on the bill expressed opposition to some of these substantive changes. I can assure the Members that all such substantive changes set out in the original bill have been deleted and every change in the reported bill is a technical change. In other words, there are no increases in benefits nor liberalizations of programs. This bill will not require the expenditure of one additional dollar of public money except for printing costs.

The changes recommended in the bill have been carefully checked by the Office of the Legislative Counsel of the House and the General Counsel staff of the Veterans' Administration.

I now recognize the distinguished ranking minority member of the committee, the gentleman from Arkansas (Mr. HAMMERSCHMIDT).

Mr. **HAMMERSCHMIDT**. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 3350, a bill to make certain technical corrections in title 38 of the United States Code.

I can assure Members that this bill contains no substantive changes in the law. It eliminates errors, correctly renumbers sections, and otherwise corrects the text of title 38. The bill neither increases nor decreases benefits.

The Veterans' Administration, in offering comment upon the bill, has said its provisions are highly desirable.

Mr. Speaker, I urge that the bill be approved.

The **SPEAKER**. The question is on the motion offered by the gentleman from Texas (Mr. ROBERTS) that the House suspend the rules and pass the bill H.R. 3350, as amended.

The question was taken, and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. **ROBERTS**. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 3350, the bill just passed.

The **SPEAKER**. Is there objection to

the request of the gentleman from Texas?

There was no objection.

VETERANS' ADMINISTRATION PHYSICIANS AND DENTISTS COMPARABILITY PAY ACT OF 1975

Mr. ROBERTS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 8240) to amend title 38, United States Code, to provide special pay and incentive pay for certain physicians and dentists employed by the Department of Medicine and Surgery of the Veterans' Administration in order to enhance the recruitment and retention of such personnel, and for other purposes.

The Clerk read as follows:

H.R. 8240

A bill to amend title 38, United States Code, to provide special pay and incentive pay for certain physicians and dentists employed by the Department of Medicine and Surgery of the Veterans' Administration in order to enhance the recruitment and retention of such personnel, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Veterans' Administration Physicians and Dentists Comparability Pay Act of 1975".

SEC. 2. (a) Section 4107 of title 38, United States Code, is amended—

(1) by striking out ", other than Chief Medical Director and Deputy Chief Medical Director," in the first sentence of subsection (a);

(2) by striking out in subsection (a) the following:

"Associate Deputy Chief Medical Director, at the annual rate provided in section 5316 of title 5 for positions in level V of the Executive Schedule.

"Assistant Chief Medical Director, $41,734.

"Medical Director, $36,103 minimum to $40,915 maximum."

and inserting in lieu thereof the following:

"Chief Medical Director, $56,000.

"Deputy Chief Medical Director, $54,000.

"Associate Deputy Chief Medical Director, $52,000.

"Assistant Chief Medical Director, $50,000.

"Medical Director, $40,000 minimum to $49,000 maximum.";

(3) by striking out the Physician and Dentist Schedule in subsection (b)(1) and inserting in lieu thereof the following:

"Physician and Dentist Schedule

"Director grade, $39,000 minimum to $48,000 maximum.

"Executive grade, $38,000 minimum to $47,000 maximum.

"Chief grade, $35,000 minimum to $46,000 maximum.

"Senior grade, $28,000 minimum to $37,000 maximum.

"Intermediate grade, $23,000 minimum to $31,000 maximum.

"Full grade, $20,000 minimum to $26,000 maximum.

"Associate grade, $17,000 minimum to $23,000 maximum.";

(4) by amending subsection (d) to read as follows:

"(d) Except with respect to the pay provided for the Chief Medical Director and the Deputy Chief Medical Director under subsection (a) of this section, and except as provided in subsection (f) of this section, the limitations in section 5308 of title 5 shall apply to pay under this section. Notwithstanding any other provision of law and except as provided in subsection (f) of this section, pay may not be paid to the Chief Medical Director and to the Deputy Chief Medical Director at a rate in excess of the rate of basic pay for levels III and IV, respectively, of the Executive Schedule."; and

(5) by adding at the end thereof the following new subsection:

"(f)(1) In order to attract and to retain the services of highly qualified physicians and dentists in the Department of Medicine and Surgery, the Administrator, under such regulations as he shall prescribe, may pay to any physician or dentist employed on a full-time basis by such Department special pay of $5,000 per annum in the case of a physician and $2,500 per annum in the case of a dentist. The amount of special pay paid under this paragraph during the fifty-two-week period beginning on the effective date of this subsection to any physician or dentist shall, if the annual basic salary rate of such physician or dentist under subsection (b)(1) is less than $36,000 on such effective date, be reduced by the difference between the annual basic salary rate of such physician or dentist in effect on the day before such effective date and the annual basic salary rate in effect on such effective date.

"(2) In order to attract and to retain the services of highly qualified physicians and dentists in the Department of Medicine and Surgery, the Administrator may pay, in addition to the special pay provided for under paragraph (1), incentive pay in an amount not to exceed $8,500 per annum to any physician employed on a full-time basis and not to exceed $4,250 per annum to any dentist employed on a full-time basis. Such incentive pay may be paid in such amounts, at such times, and subject to such conditions as the Administrator shall by regulation prescribe. In promulgating regulations to carry out the purposes of this paragraph, the Administrator shall take into account only the following factors and may pay no more than the indicated per annum amounts to each physician eligible therefor, or proportional amounts to each dentist eligible therefor:

"(A) appointment to full-time status, $1,000;

"(B) tenure of service within the Department of Medicine and Surgery of—

"(i) from 3 to 6 years, $500;

"(ii) from 6 to 9 years, $1,500;

"(iii) from 9 to 12 years, $2,000;

"(iv) from 12 or more years, $2,500;

"(C) scarcity of medical or dental specialty, $2,000;

"(D) Board certification, $1,000;

"(E) professional responsibility in the case of—

"(i) Service Chief and Assistant Chief of Staff, $2,000;

"(ii) Executive Grade, $3,500;

"(iii) Director Grade and Deputy Service Director, $3,750;

"(iv) Service Director, $4,250;

"(v) Deputy Assistant Chief Medical Director, $4,500;

"(vi) Chief Medical Director, Deputy Chief Medical Director, Associate Deputy Chief Medical Director, Assistant Chief Medical Director, $5,000.

"(3)(A) The limitations in section 5308 of title 5 shall not apply to special pay and incentive pay payable under this subsection.

"(B) Any special pay or incentive pay paid to any individual pursuant to this subsection—

"(i) shall be in addition to any other pay and allowance to which such individual may be entitled; and

"(ii) shall not be deemed to be compensation for purposes of subchapter VI and section 5595 of chapter 55, chapter 81, 83, or 87 of title 5 or for purposes of any other benefit based on basic pay.".

(b) Section 4114(a)(2) of title 38, United States Code, is amended by adding at the end thereof the following new sentences: "Temporary full-time physicians and dentists employed under paragraph (1) of this subsection may be paid special pay and incentive pay in the same amounts and under the same conditions as provided in section 4107(f) of this title for other full-time physicians and dentists. Part-time physicians and dentists empoyed under paragraph (1) of this subsection on a half-time or more basis may be paid such special pay and incentive pay at the same per annum rate and under the same conditions as provided in section 4107(f) of this title for full-time physicians and dendentist may be paid an aggregate amount of may be paid an aggregate amount of basic pay, special pay, or incentive pay in excess of $41,000 per annum, and (B) no part-time tists; except that (A) no part-time physician basic pay, special pay, or incentive pay in excess of $36,000 per annum.".

(c) No increase in any annual rate of basic pay which results from the conversion, on the effective date of this Act, to the physician and dentist schedule in section 4107(b)(1) of title 38, United States Code (as amended by paragraph (3) of subsection (a) of this section) may exceed $5,000 in the case of any physician or may exceed $2,500 in the case of any dentist. For purposes of this subsection, the term "conversion" shall not include any other personnel action occurring on such effective date.

(d) No special pay or incentive pay may be approved pursuant to section 4107(f) of title 38, United States Code (as added by paragraph (5) of subsection (a) of this section) or pursuant to section 4114(a)(2) of such title (as amended by subsection (b) of this section) after September 25, 1976, unless the applicability of such sections is extended by Congress.

SEC. 3. Not later than April 30, 1976, the Administrator of Veterans' Affairs shall submit to the Committees on Veterans' Affairs of the House of Representatives and the Senate a report of the effectiveness and operation of the special and incentive pay program provided for by section 4107(f) of title 38, United States Code.

SEC. 4. (a) No later than August 31, 1976, the Comptroller General of the United States shall complete the following and shall submit a report thereon to the Congress:

(1) An investigation of the short-term and long-term problems facing the departments and agencies of the Federal Government (including the uniformed services) in recruiting and retaining qualified physicians and dentists.

(2) An evaluation of the extent to which the implementation of a uniform system of pay, allowances, and benefits for all physicians and dentists employed in Federal service would alleviate or solve such recruitment and retention problems.

(3) An investigation and evaluation of such other solutions to such recruitment and retention problems as the Comptroller General deems appropriate.

(4) On the basis of the investigations and evaluations required to be made under paragraphs (1), (2), and (3) of this subsection, develop appropriate alternative suggested courses of legislative or administrative action (including proposed legislation) which in the judgment of the Comptroller General will solve such recruitment and retention problems.

(b) In preparing the report required by subsection (a) of this section, the Comptroller General should consult with the Secretary of Defense, the Secretary of Health, Education, and Welfare, the Administrator of Veterans' Affairs, the Chairman of the Civil Service Commission, and with the heads of other appropriate Federal departments and agencies. The report shall also include—

(1) a comprehensive analysis of—

(A) the existing laws and regulations relating to the employment of physicians and dentists by the various departments and agencies of the Government (including the uniformed services), with special emphasis being given to an analysis of the various pay systems established pursuant to such laws,

(B) the existing physician and dentists recruitment, selection, utilization, and promotion practices used by the various departments and agencies, and

(C) the degree to which the various pay systems referred to in subparagraph (A), the practices referred to in subparagraph (B), and other relevant departmental and agency practices are effective in meeting recruitment and retention needs; and

(2) a comparison of the remuneration received by physicians and dentists employed by the Federal departments and agencies with the remuneration received by physicians and dentists in private practice or academic medicine who have equivalent professional or administrative qualifications, based upon information available through medical and health associations and such other public sources as may be available.

SEC. 5. Title 5, United States Code, is amended by—

(1) striking out in section 5314 the following:

"(38) Chief Medical Director in the Department of Medicine and Surgery, Veterans' Administration."; and

(2) striking out in section 5315 the following:

"(31) Deputy Chief Medical Director in the Department of Medicine and Surgery, Veterans' Administration.".

SEC. 6. This Act shall take effect September 28, 1975.

The SPEAKER. Is a second demanded?

Mr. HAMMERSCHMIDT. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER. The gentleman from Texas (Mr. ROBERTS) is recognized for 20 minutes, and the gentleman from Arkansas (Mr. HAMMERSCHMIDT) is recognized for 20 minutes.

The Chair recognizes the gentleman from Texas (Mr. ROBERTS).

Mr. ROBERTS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this bill is designed to assist the Administrator in recruiting and retaining quality physicians and dentists for the Veterans' Administration's medical program. The legislation was recommended as part of the quality care study conducted by the Chief Medical Director as directed by the President on March 31, 1974. As a result of this report, the administration sent a bill to the Congress that would have provided special and incentive pay for VA physicians with practically no strings attached.

The bill before the House today is a far better bill, in my opinion, than that proposed by the administration because the bill is specific in designating how the money is to be spent. Before I defer to my distinguished colleague, the gentleman from Virginia (Mr. SATTERFIELD) for an explanation of the bill, I want to commend him and the members of our Subcommittee on Hospitals for the outstanding work they have done in bringing this particular bill to the floor. They have spent many hours working on this bill. Under the leadership of the chairman of the subcommittee, the ranking minority member, Mr. HAMMERSCHMIDT, and the other subcommittee members, we have a bill that I think will receive the support of the House. I congratulate the chairman, Mr. SATTERFIELD.

Mr. Speaker, I yield such time as he may consume to the gentleman from Virginia (Mr. SATTERFIELD) for an explanation of the bill.

Mr. SATTERFIELD. Mr. Speaker, it is the opinion of the Committee on Veterans Affairs that the Congress should swiftly enact H.R. 8240 which contains 1 year legislative authority to place the pay scales of VA physicians and dentists on parity with other physicians in the Federal service.

At the outset, Mr. Speaker, I wish to express special appreciation to the distinguished chairman of our committee, the gentleman from Texas (Mr. ROBERTS) and the ranking minority member of our committee, the gentleman from Arkansas (Mr. HAMMERSCHMIDT) for their tireless efforts in working with me and other members of the committee to draft this important legislation.

Mr. Speaker, on March 31, 1974, President Nixon directed the Veterans' Administration to investigate the quality of care in VA hospitals and clinics. As a result of the Presidential directive, a survey was conducted under the direction of the Chief Medical Director in 32 hospitals and one clinic during the period of April 17 through May 23, 1974. The report of the Chief Medical Director's findings were transmitted to the President on July 31, 1974, and after review by the President, the findings were made public on October 26, 1974.

The No. 1 priority recommendation contained in the quality care study requiring legislative action was the need for increased salaries for physicians and dentists covered under title 38, United States Code. The study concluded that:

> Financial considerations are the major impediment to achieving sustained, satisfactory levels of recruitment and retention of physicians, dentists, nurses, licensed practical nurses, and nursing assistants.

A recent survey conducted by our committee indicated that of the approximately 5,500 physicians presently employed by the Department of Medicine and Surgery, 40 percent are affected by the $36,000 salary limitation and cannot expect any increase whatsoever in the near future. As a result, many highly trained physicians are leaving the Agency for more lucrative offers. For example, during the period of July 1, 1974, through March 31, 1975, 279 full-time physicians terminated VA employment. During the same period, 153 physicians converted from full time to part time. Over 400 physicians rejected offers made by the Veterans' Administration for employment giving as their reason for rejecting the VA offer—inadequate salary. This represents a rejection rate of 66 percent of the offers made and these physicians indicated that the salary offer needed to be increased by about $10,000 in order for them to accept VA employment.

Another factor that must be considered is the passage of Public Law 93-274 on April 23, 1974. This legislation upgraded the pay and allowances for other Federal physicians in the military and public health service. The act revised the pay structure of Federal physicians in the military and Public Health Service by utilizing a bonus and incentive pay feature to allow higher remuneration for those in the uniformed and Public Health Services. The act provides authority to pay a bonus of up to $13,500 per year for each year of service if the person agrees to continue on active duty for a period of 1 to 4 years. Thus, under this act, uniformed and Public Health Service physicians have total pay ranging from $28,000 to $55,594, depending on grade and length of service. Time spent in medical school also counts for pay and retirement purposes.

Our bill, H.R. 8240, seeks to put VA physicians on the same approximate pay level as provided in Public Law 93-274 which covers military and public health physicians and dentists.

Data compiled by the Congressional Research Service for the committee indicates that average net income for physicians in the United States for non-Federal positions is $49,415; the average salary for those physicians serving in the military is $37,355 as compared to an average of $31,000 for VA physicians. This same data shows that 57.4 percent of private physicians in the United States have net incomes of more than $41,000, and that 69 percent of the military physicians have incomes over $37,000 compared to 40 percent of VA physicians with salaries of $36,000. The highest paid uniformed services physicians earn $55,594 while over 15 percent of the non-Federal physicians earn over $71,000 net.

Hearings conducted by the subcommittee disclosed that medical care for our veterans is rapidly deteriorating due to a lack of qualified physicians largely attributable to the current $36,000 pay limitation and the lack of parity of VA physicians with their counterparts in the Federal service.

Mr. Speaker, the bill now before us, H.R. 8240, would permit additional special and incentive pay of up to $13,500 per year for VA physicians and dentists in order to achieve parity with other Federal physicians and dentists for a period of 1 year.

To accomplish that purpose, the Administrator would be authorized to pay to any full-time physician employed by the agency up to $5,000 per annum special pay, in addition to his regular basic pay. Any sum paid under this authority would be in accordance with regulations prescribed by the Administrator, and would be paid in such installments as prescribed in those regulations. Part-time physicians, employed by the agency half time or more, would be eligible for the special pay at the same per annum rate and under the same conditions as that provided full-time physicians. For example, a physician employed by the Department of Medicine and Surgery on a half-time basis would be eligible for an amount of special pay not to exceed $2,500. If the physician is employed less than half time, he would not be eligible for any amount of special pay.

The Administrator would be authorized to pay to any full-time dentist up to $2,500 special pay, in addition to his regular basic pay. Part-time dentists, employed half time or more, would be eligible for the special pay. A dentist employed on a half-time basis would be eligible for an amount of special pay not to exceed $1,250. As in the case of the part-time physicians, if the dentist is employed less than half time, he would not be eligible for any amount of special pay.

In addition to the special pay, the Administrator would be authorized to pay to an eligible full-time physican employed by the agency incentive pay not to exceed $8,500 per annum, in addition to his regular basic pay. Any sum paid under this authority would be based on several factors including: First, full-time status; second, tenure of service within the Department of Medicine and Surgery; third, scarcity of medical or dental specialty; fourth, board certification, and fifth, professional responsibility. Part-time physicians, employed by the agency half time or more, would be eligible for the incentive pay at the same per annum rate and under the same conditions as that provided full-time physicians. For example, a physician employed by the Department on a half-time basis may be eligible for an amount of incentive pay not to exceed $4,250. If the physician is employed less than half time, he would not be eligible for any amount of incentive pay.

The Administrator would be authorized to pay to any full-time dentist up to $4,250 incentive pay, in addition to his regular basic pay. Part-time dentists, employed half time or more, would be eligible for the incentive pay. A dentist employed on a half-time basis may be eligible for an amount of incentive pay not to exceed $2,125. As in the case of the part-time physician, if the dentist is employed less than half time, he would not be eligible for any amount of incentive pay.

The bill would transfer the positions of chief medical director and deputy chief medical director from the executive salary schedule provision of title 5, United States Code, and add them to the provisions of title 38. Regular basic pay for these positions would remain at the present rates for levels III and IV of the executive schedule in which these positions are now placed.

The bill provides that no later than April 30, 1976, the Administrator of Veterans' Affairs shall submit to the House and Senate Committees on Veterans Affairs a report on the effectiveness and operation of the special and incentive pay program.

The bill also provides that the Comptroller General of the United States shall conduct an investigation related to the problems facing the departments and agencies of the Federal Government in attracting and retaining the services of qualified physicians and dentists; an evaluation of the extent to which the implementation of a uniform pay system of pay, allowances, and benefits for all physicians and dentists employed in Federal service would alleviate or solve such recruitment and retention problems, and based on such investigation and evaluation, develop appropriate alternative suggested courses of legislative or administrative action which, in the judgment of the Comptroller General, will solve recruitment and retention problems.

Mr. Speaker, the administration submitted a legislative proposal which would have provided special and incentive pay for physicians only up to $13,500 per annum. The proposal, as submitted, was reviewed, and the general consensus was that its provisions were not precise enough and left too much discretion to the Veterans' Administration in authorizing incentive pay. H.R. 8240 clearly spells out this authority rather than leaving it on a discretionary basis which could conceivably permit various forms of abuse.

The full year cost for the administration proposal, which did not provide special or incentive pay for dentists, is estimated to be $62.6 million. H.R. 8240, which includes provisions covering dentists is estimated to cost $61.7 million or over three-quarters of a million dollars less than the administration proposal. The fiscal year 1976 cost impact of H.R. 8240 will be about $46.3 million with an additional $15 million required for the transition period.

Mr. Speaker, I ask unanimous consent for permission to revise and extend my remarks at this point in the RECORD in order to include more detailed information about the provisions of H.R. 8240.

No attempt is being made to make the VA competitive with civilian physicians in this bill. It is the committee's hope that increases under the reported bill will close the gap between the VA and military physicians' earnings. Increases in pay provided by H.R. 8240 will not make the VA competitive with the uniformed services due to various fringe benefits available to those who practice medicine in service.

For example, there are other factors to be considered in comparing fringe benefits received by physicians in the military services which are not available to VA physicians. Some examples are as follows:

First. In the uniformed services, a medical officer's years of service for longevity purposes and computation are paid from his date of entry into medical school, not his actual date of entry into active duty. Thus the uniformed service physician receives credit for 4 years of training which he received in medical school for pay and retirement purposes.

The Veterans' Administration physician receives no credit for retirement or other purposes for his medical training.

Second. Uniformed services physicians are eligible for post exchange and commissary privileges. VA physicians are not.

Third. Uniformed services physicians are eligible for free health care for their dependents. VA physicians are not.

Fourth. Uniformed services physicians make no contribution toward retirement while VA physicians are required to make a 7 percent contribution toward their retirement.

Fifth. Physicians in the uniformed services pay no taxes on certain other allowances and fringe benefits. They also receive a tax advantage on special pay provided under Public Law 93-274. VA physicians will receive no such tax advantage on their special pay or on any of their fringe benefits.

Sixth. Uniformed services physicians and their families are entitled to free medical and dental care for themselves and their families. VA physicians must either forgo these fringe benefits or contribute toward their cost.

The committee is recommending passage of H.R. 8240 as a stopgap measure to prevent the mass exodus of physicians and dentists from the VA system and to aid the Chief Medical Director in recruiting physicians to replace those who have already resigned or retired from the Agency.

It is the opinion of the committee that the President should take immediate action to appoint a President's Salary Study Commission to include the chief medical officers of all Federal departments involved in the delivery of health care in Federal hospitals and other medical facilities. It is further recommended that the Chairman of this Commission be independent of any Federal department or agency in employment relationship. In addition, the Civil Service Commission should be included among the members of the Special Study Commission.

The committee hopes that the Commission which has been suggested would make formal recommendations 12 months after it is established for a uniform pay system relating to all Federal physicians in order to avoid continuation of a chaotic condition which necessarily results from the passage of stopgap measures relating to the payment of salaries for Federal physicians.

To augment the Commission study, H.R. 8240 directs the Comptroller General to also conduct a study on the problems of attracting and retaining the services of qualified physicians and dentists and to report his findings to the Congress no later than August 31, 1976, with legislative and administrative recommendations leading to a permanent solution. In proceeding with this dual approach, the committee feels that a sound basis can be formulated to arrive at a permanent formula for payment of salaries and fringe benefits to federally employed physicians and dentists.

Mr. Speaker, the committee is convinced that the Veterans' Administration is facing a serious crisis in the retention and recruitment of qualified physicians and dentists to discharge its obligation to America's sick and disabled ex-servicemen.

This crisis was best expressed in a statement by the Chief Medical Director, Dr. John D. Chase, in testimony before the Subcommittee on Hospitals. Dr. Chase stated:

> I am not talking about short-category specialists alone but about physicians across the board. Of course, our traditional problem of attracting certain specialties has become even more acute. For example: 44 of our chief-of-psychiatry positions are either vacant or filled on a part-time basis; 67 of our chief-of-laboratory positions are either vacant or filled by part-time pathologists or pathologists on a consultant or contract basis; 71 of our chief-of-radiology positions are either vacant or filled on a part-time or contract basis; and we are in need of a full-time chief of anesthesiology at approximately one-half of our hospitals.
>
> As important as these figures are, I think our primary message is told better as follows: Last year, of all bona fide offers of

employment to physicians, we had a 66 percent rejection rate on the basis of salary; in the past 2 years, the percentage of foreign medical graduates in our physician work force has moved from 26 percent to almost 32 percent; in the past 5 years, the number of individual physicians has increased by 34 percent, but our complement of part-time physicians has jumped by 174 percent, while the number of full-time physicians went up only 7 percent. One measure of quality of physician performance is his or her ability to gain academic rank in a medical school. In the past year, the number of VA physicians gaining this distinction has dropped from 51 percent to 40 percent.

We must reverse this trend of high-caliber physicians in all categories either leaving, or refusing employment in our health care facilities. It is a matter of extreme urgency that a solution be found that will make VA's salary structure for physicians competitive at least with the salaries payable to comparably qualified physicians in the other Federal health care systems, namely those in the Department of Defense and the U.S. Public Health Service.

Mr. Speaker, I believe this legislation will greatly enhance the Veterans' Administration's ability to retain and recruit outstanding physicians and dentists to care for America's sick and disabled veterans throughout the vast medical system of 171 hospitals and over 200 clinics, and I urge immediate passage.

Mr. Speaker, I include at this point in the RECORD a section-by-section explanation of H.R. 8240 as well as a detailed comparative chart prepared by the Veterans' Administration which sets forth the current law governing physicians and dentists pay scales; the proposal made by the Administration; and the provisions contained in H.R. 8240 now under consideration by this body:

H.R. 8240—SECTION-BY-SECTION EXPLANATION

References to provisions of existing law contained in this explanation refer to provisions of title 38, United States Code.

SECTION 1. This section provides that the Act may be cited as the "Veterans' Administration Physicians and Dentists Comparability Pay Act of 1975".

SEC. 2. Subsections (a)(1) and (2) would amend section 4107(a) of existing law to include the positions of Chief Medical Director and the Deputy Chief Medical Director under title 38, and would revise the per annum full-pay scale or ranges for various positions provided in section 4103, Subsection (a)(3) would amend section 4107(b)(1) by revising the grades and per annum full-pay ranges for physician and dentist positions provided in paragraph (1) of section 4104.

Subsection 4107(d) of existing law limits the basic rate of pay for physicians and dentists to level V of the Executive Schedule. Subsection (a)(4) would provide that the per annum basic rate of pay for the Chief Medical Director and the Deputy Chief Medical Director shall be at the rate of basic pay for levels III and IV, respectively, of the Executive Schedule. All other physicians and dentists would be limited to the rate of basic pay for level V. Subsection (a)(5) would provide that the Administrator, under such regulations as he shall prescribe, may pay to any physician or dentist employed on a full-time basis by the Department of Medicine and Surgery special pay not to exceed $5,000 (in the case of a physician) and not more than $2,500 (in the case of a dentist.) If the annual basic rate of pay of such physician or dentist is less than $36,000, the amount of special pay will be reduced by the amount of increase the physician or dentist may receive by revising the grades and per annual full-pay ranges in the Physician and Dentist Schedule.

In addition to the special pay, the Administrator may pay to any full-time physician or dentist incentive pay in an amount not to exceed $8,500 per annum and $4,250 per annum, respectively. In determining eligibility for the incentive pay, the Administrator shall take into account only the following factors and may pay no more than the indicated per annum amounts to each physician eligible therefor, or proportional amounts to each dentist eligible therefor:

(A) appointment to full-time status, $1,000;

(B) tenure of service within the Department of Medicine and Surgery of from 3 to 6 years, $500; from 6 to 9 years, $1,500; from 9 to 12 years, $2,000; and from 12 to 15 years, $2,500.

(C) scarcity of medical or dental specialty, $2,000;

(D) Board certification, $1,000; and

(E) professional responsibility in the case of Service Chief and Assistant Chief of Staff, $2,000; Executive Grade, $3,500; Director Grade and Deputy Service Director, $3,750; Service Director, $4,250; Deputy Assistant Chief Medical Director, $4,500; Chief Medical Director, Deputy Chief Medical Director, Associate Deputy Chief Medical Director, and Assistant Chief Medical Director, $5,000.

The limitations in section 5308 of title 5 would not apply to special pay and incentive pay payable under this subsection.

Any special pay or incentive pay paid to any individual pursuant to this subsection shall be in addition to any other pay and allowance to which such individual may be entitled: and shall not be considered basic pay for purposes of Civil Service Retirement or other benefits related to basic pay.

Subsection (b) would provide that special and incentive pay shall be paid to "Temporary full-time physicians and dentists employed by the Department of Medicine and Surgery. It would also provide that special pay and incentive pay may be paid in the same amounts and under the same conditions as provided for full-time physicians and dentists. For example, a physician employed by the Department on a half-time basis may be eligible for special pay in an amount not to exceed $2,500. In addition, if he has been employed by the Department for seven years, employed in a scarce medical specialty, and is Board certified he may be eligible for $2,250 incentive pay. The aggregate amount of basic pay, special pay, or incentive pay for any part-time physician or dentist shall not exceed $41,000 and $36,000, respectively. No physician or dentist employed less than half-time under this subsection would be eligible for either special or incentive pay.

Subsection (c) would provide that no increase in the annual rate of basic pay which results from revising the grades and per annum full-pay ranges of the Physician and Dentist Schedule under Section 2(a)(3) of the bill may exceed $5,000 in the case of any physician or may exceed $2,500 in the case of any dentist.

Subsection (d) would provide that no special pay or incentive pay may be paid to any physician or dentist after September 25, 1976, unless approved by Congress.

SEC. 3. This section would provide that no later than April 30, 1976, the Administrator shall submit to the House and Senate Veterans' Affairs Committees a report on the effectiveness and operation of the special and incentive pay program.

SEC. 4. This section would direct the Comptroller General of the United States to conduct an investigation related to the problems facing the departments and agencies of the Federal Government in attracting and retaining the services of qualified physicians and dentists, develop appropriate alternative suggested courses of legislative or administrative action which in his judgment would bring about a permanent solution to such recruitment and retention problems, and submit his report to the Congress no later than August 31, 1976.

SEC. 5. This section would remove the positions of Chief Medical Director and Deputy Chief Medical Director from title 5, United States Code.

SEC. 6. This section would provide that the provisions of the legislation become effective September 28, 1975.

H.R. 8240—COMPARISON OF CURRENT LAW, ADMINISTRATION PROPOSAL, AND PROVISIONS OF H.R. 8240 RELATING TO PHYSICIANS AND DENTISTS PAY SCHEDULES IN THE VETERANS' ADMINISTRATION

Current law	Section of bill	Administration proposal	Cost (millions)		H.R. 8240	Cost (millions)	
			1 yr	9 mo		1 yr	9 mo
	Sec. 1 (House)	No short title included			The act may be cited as the "Veterans' Administration Physicians and Dentists Comparability Pay Act of 1975".		
(a) Chief Medical Director and Deputy Chief Medical Director are paid under level III ($40,000) and level IV ($38,000) respectively of title 5.	Sec. 1 (administration) Sec. 2 (House).	(a) Makes no change in current law with respect to the positions of Chief Medical Director and Deputy Chief Medical Director and does not change their basic salary rate.			(a) Would transfer the positions of Chief Medical Director and Deputy Chief Medical Director to title 38 from title 5, and upgrade their basic pay scale.		
		(b) Makes no change in current pay rate for Associate Deputy Chief Medical Director, Assistant Chief Medical Directors, or Medical Directors.			(b) Upgrade the title 38 basic pay scale [illegible] Associate Deputy Chief Medical [illegible] tor, Assistant Chief Medical [illegible] the [illegible] and Medical Directors. [illegible] edule"	$12.672	$9.504
		Makes no change in current pay scale in the "Physicians and Dentists Schedule".			Upgrade the basic pay [illegible] "Physicians and De[illegible] cal Direc- (38 U.S.C. 4107). [illegible] authorized		
		(c) No comparable provision			(c) Basic rate of pay for [illegible] ive Schedule. tor would be [illegible] puty Chief Medi- for level III [illegible] be no more than Basic rate [illegible] of pay for all other cal Dire[illegible] be no more than level [illegible] incentive pay would be in indusic pay.		
		(d) Variable allowance would be in addition to basic pay.			(d) Sp[illegible] [illegible] ends sec. 4107 to add subsec- which would:		

H.R. 8240—COMPARISON OF CURRENT LAW, ADMINISTRATION PROPOSAL, AND PROVISISIONS OF H.R. 8240 RELATING TO PHYSICIANS AND DENTISTS PAY SCHEDULES IN THE VETERANS' ADMINISTRATION—Continued

Current law	Section of bill	Administration proposal	Cost (millions)		H.R. 8240	Cost (millions)	
			1 yr	9 mo		1 yr	9 mo
(1) Uniformed services physicians currently receive "bonus" of up to $13,500 per annum. Military dentists receive special pay.		(1) Authorizes payment upon acceptance of a written agreement executed by eligible physician, under regulations prescribed by the Administrator and approved by the President, of a variable allowance not exceeding $13,500 per annum. Dentists are not included.	$51.992 33.600	$38.994 20.250	(1) Authorize payment of $5,000 special pay to full-time physicians; $2,500 special pay to full-time dentists. If such individual's pay is less than $36,000 the special pay is reduced by the amount individual will receive by upgrading Physician and Dentist Schedule.	42.967 20.554	32.2 15.416
		(2) No specific statutory breakdown between basic allowance and additional variable allowance.	18.392	13.794	(2) In addition to special pay, the Administrator could pay incentive pay to: (A) Any full-time physician up to $8,500 per year. (B) Any full-time dentist up to $4,250 per year.	22.413	16.810
		(C) VA intends to implement by granting eligible physician a basic allowance of $6,000 and an additional allowance of up to $7,500 which would recognize individual factors such as length of service; appointment to full-time status; position of greater responsibility; practice in selected scarce specialties.			(C) Administrator's regulations to take into account and he may pay eligible physicians and dentists, based on: full-time status $1,000; tenure of 3 to 6 yr $500, 6 to 9 yr $1,500, 9 to 12 yr $2,000, and from 12 or more years $2,500; scarce medical or dental specialty $2,000, Board certification $1,000 professional responsibility in the case of Service Chief and Associate Chief of Staff $2,000, Executive Grade $3,500, Director Grade and Deputy Service Director $3,750, Service Director $4,250, Deputy Assistant Chief Medical Director $4,500, Chief Medical Director, Deputy Chief Medical Director, Associate Deputy Chief Medical Director, Assistant Chief Medical Director $5,000.		
(3)(A) Current rates (not exceeding $36,000) precludes VA from being competitive. 40 percent of VA physicians receive limit. Better pay is readily available in private practice, academic medicine and military medicine.	Sec. 2 (administration.)	(3)(A) The $36,000 ceiling under sec. 5308 of title 5 shall not apply to the variable allowance.			(3)(A) $36,000 ceiling under sec. 5308 of title 5 shall not apply to special pay and incentive pay.		
		(B) Variable allowance pay shall not apply toward civil service retirement or other benefits related to basic pay.			(B) Incentive pay and special pay shall not apply toward civil service retirement or other benefits related to basic pay. (Note additional amounts payable up to $36,000 because of new pay schedule would be creditable.)		
		(a) VA intent to provide variable allowance to "Temporary" full-time physicians, but not to dentists.			(a) Provide special and incentive pay for "Temporary" full-time physicians and dentists.		
(B) VA gaining more part-time and foreign trained because of pay limitation. Many accept part-time employment only in order to continue outside practice.		(b) Physicians employed on a part-time or intermittent basis would be eligible to receive most elements of the variable allowance at the same per annum rate as for full-time physicians prorated by hours employed, but not dentists.	10.625 9.048 1.577	7.969 6.786 1.183	(b) Part-time physicians and dentists employed on a half-time or more basis may receive special pay and pay for most elements of incentive pay at the same rate and under the same conditions as full-time physicians and dentists, prorated by hours employed, except no such part-time physician could total more than $41,000 per annum, and no part-time dentist could total more than $36,000 per annum.	6.130 2.721 3.409	4.598 2.041 2.557
		Authority to provide the variable allowance would become effective July 1, 1975, and expire June 30, 1976.			(c) The authority for providing special and incentive pay will remain in effect until Sept. 25, 1976, unless extended by Commerce.		
	Sec. 2 (administration) Sec. 3 (House).	Report will be submitted to Congress no later than April 30, 1976.			Report will be submitted to Congress no later than April 30, 1976.		
	Sec. 4 (administration) sec. 6 (House).	Act becomes effective on July 1, 1975			Act becomes effective Sept. 28, 1975		
	Sec. 4 (House)	VA letter transmitting the Administration draft bill stated that the Office of Management would conduct a study in consultation with VA, DOD, and HEW, in an effort to reach a long-term solution to the physician pay problem in the Federal service and make legislative recommendations in 1976.			Directs Comptroller General to conduct a study of the problem of recruiting and retaining the services of highly qualified physicians and dentists in the Federal service, and report to appropriate Congressional Committees by Aug. 31, 1976, on a long-term solution to the problem.		
		Estimated total cost	62.617	46.963		61.759	46.319

Note: VA intends requiring the qualifica variable allowance on a selective basis to those with responsibilities physician. This would mean that hospital, center, domiciliary and clinic directors, among others, would be excluded. Estimated cost of special and incentive pay for "Temporary" full-time physicians and dentists is included with other full-time personnel.

Mr. HAMMER DT. Mr. Speak-
er, I concur fully w remarks just
made by the gentlem well and I
commend the gentlem Virginia
(Mr. SATTERFIELD) for his lead-
ership in our subcommittee com-
mend the chairman of our ful t-
tee, the gentleman from Te
ROBERTS) for his patience and
standing as we listened to witnesse

prepared this legislation and brought it through the subcommittee and full committee to the floor.

Mr. Speaker, I support, and will vote for, H.R. 8240.

It is known officially as the Veterans' Administration Physicians and Dentists Comparability Pay Act of 1975.

And that is precisely its objective:

To make VA physicians' and dentists' pay more nearly comparable to that of the Public Health Service and the military services.

Even as we have a commitment to assure our military personnel of medical care second to none, we have an identical commitment to the veterans of our wars.

This commitment is not new; nor has it been assumed lightly. Quite the contrary. This commitment is deep and severe. It is founded in a history whose first chapter was written in the actions of the Original Colonies.

Yet, today, as the Committee on Veterans' Affairs and its Hospitals Subcommittee has learned, that commitment is being compromised. If relief is not forthcoming, it could be abrogated.

The heart of the problem is, simply, the pay scale for VA physicians and dentists. This pay scale has been permitted to fall seriously behind that of the other Government services; to say nothing of that of private practice.

Even to the most dedicated of professional persons, of which the Veterans' Administration has an abundance, a shortage of actual dollars, combined with the continued upward cost of supporting a family, must frequently prove the ultimate determinant as to what one must do in life.

Consequently, the record of testimony taken in lengthy hearings by the Hospitals Subcommittee leaves no doubt of a most startling fact:

Unless the Congress enacts an immediate remedy, VA seems destined to lose its hard-fought battle to recruit and to retain medical personnel of the caliber necessary to meet the quality medical care commitment to which VA has been assigned by the Congress.

That this statement is, by no means, overdrawn is supported, graphically, by the report of the subcommittee's findings.

For example:

While retention of physicians in the Veterans' Administration hospital system has already reached a crisis stage, recruitment to fill vacancies has continued to deteriorate at an alarming rate.

As the record also demonstrates, this alarming condition of rapid deterioration is "largely attributable to the $36,000 pay limitation" currently imposed upon the earnings of full-time VA physicians and dentists.

This $36,000 figure compares to the more than $71,000 earned by more than 15 percent of America's non-Federal physicians, and to the $55,594 figure realized by the highest paid physicians in our uniformed services.

I would emphasize that, in H.R. 8240, no effort is made to make VA competitive with non-Federal physicians' pay. Nor, in fact, is an effort made to make VA truly competitive with the total pay and fringe benefits package available to physicians and dentists in our uniformed services.

Rather, as the bill's official title indicates, the effort, here, is simply to close the currently yawning gulf between VA and military incomes and, thereby, approach an element of pay comparability; an element which, hopefully, will stimulate recruitment of qualified new VA medical personnel while encouraging retention of those already in the VA fold. It is an important short-term consideration of our Nation's commitment to our 29 million war veterans, many of them now achieving advanced age with its related medical problems.

Specifically, the measure will authorize for 1 year special pay for full-time physicians in the amount of $5,000 per annum and to the full-time dentists in the amount of $2,500 per annum.

It also authorizes the Administrator to pay, in addition to the special pay, an amount not to exceed $8,500 per annum to any physician employed on a full-time basis and not to exceed $4,250 per annum to any dentist employed on a full-time basis. Such incentive pay may be paid in such amounts, at such times, and subject to such conditions as the Administrator shall, by regulations, prescribe.

Factors meriting incentive pay are full-time status; tenure or length of service; scarcity of medical or dental specialty; board certification and professional responsibility.

I urge my distinguished colleagues to join me in voting for its passage.

Mr. KAZEN. Mr. Speaker, will the gentleman yield?

Mr. HAMMERSCHMIDT. I yield to the gentleman from Texas (Mr. KAZEN).

Mr. KAZEN. Mr. Speaker, how does the pay schedule proposed by this bill compare with the schedule of the armed services medical officers, the comparable medical officers in the service hospitals?

Mr. HAMMERSCHMIDT. Actually the comparability for full-time personnel is basically the same except for the fringe benefits received by the military medical physicians and dentists.

Mr. KAZEN. In other words, we will be raising the VA medical personnel to eliminate the difference between them and the service medical people. The difference will be done away with by the passage of this bill. Is that your understanding?

Mr. HAMMERSCHMIDT. That is correct. The reason for this legislation is there has been a great disparity within the Federal medical community, between those in the Veterans' Administration and those in the military services and Public Health hospitals. This bill corrects that inequity.

Mr. KAZEN. I thank the gentleman from Arkansas.

Mr. HAMMERSCHMIDT. Mr. Speaker, I yield such time as he may consume to the gentleman from Ohio (Mr. WYLIE), a member of the committee.

Mr. WYLIE. Mr. Speaker, as a member of the Veterans' Affairs Committee I am happy to lend my support to H.R. 8240, a bill to provide special and incentive pay for physicians and dentists employed by the Department of Medicine and Surgery of the Veterans' Administration.

The importance of incentive pay for physicians and dentists employed by the Veterans' Administration is critical There was ample evidence presented to the committee to indicate that without immediate improvement in remuneration, the VA's ability to recruit and retain well-qualified physicians will be seriously impaired. Many highly trained physicians are leaving the Veterans' Administration for more lucrative offers from the private sector, and a failure to provide incentive pay for these professionals would certainly lead to an acceleration of resignations. If the quality of care in our veterans' hospitals is to be second to none then the remuneration which we offer to their professional personnel must compare more favorably than it does at present with that offered by the private sector. Moreover, we must not countenance the gross disparity between VA physicians' pay and the salaries of other Federal physicians.

The Chief Medical Director of the Veterans' Administration has referred to the inability of the Agency to offer competitive salaries to its physicians as the gravest threat to the VA's ability to deliver the quality of care expected of the Agency. The retention of U.S.-trained, full-time physicians in the VA hospital system has reached a crisis stage. The trend of this Nation's growing reliance on foreign medical graduates has been seriously aggravated by the nationwide health manpower shortage. The VA's inability to offer its physicians pay comparable to that in other health care delivery systems has forced the VA to turn to foreign-trained physicians to fill 31.3 percent of the professional positions in the system.

This bill does not contemplate pay comparability with physicians in the private sector. However, not only does a disparity exist between VA physicians' pay and the opportunities for remuneration in the private sector, but also between VA physicians' pay and the benefits enjoyed by physicians employed by other Federal agencies. The physicians employed by the Department of Medicine and Surgery of the VA no longer have pay comparability with the doctors in the uniformed services of the Department of Defense and the Public Health Service. This gap must be closed if the VA is going to deliver proper medical care to our veterans.

Forty percent of the 5,500 full-time physicians presently employed by the Veterans' Administration are affected by the $36,000 salary limitation under title 5. The high rate of attrition among full-time physicians in the VA health system is directly attributable to this ceiling. In 1974, of a total 1,209 bona fide offers of full-time employment, a deplorable 66 percent were declined owing to inadequate salary. This bill will enable the VA Administrator to offer special and incentive pay over and above the $36,000 ceiling in order to recruit and retain the highly qualified physicians so desperately needed by the VA hospital system. The increased expenditure called for by this bill is minimal. The total cost is well within the $63 million cost approved for this purpose by the administration, which shares our concern for the maintenance of high quality health care for veterans.

H.R. 8240 is admittedly a stopgap measure which cannot solve the long-term problem of recruiting and retaining professional medical personnel. Nonetheless, H.R. 8240 is an urgently needed palliative to abate the alarming rate of deterioration in recruitment of VA physicians. The evidence shows that the signal failure of the VA physician recruitment and retention efforts is associated in the overwhelming number of cases with the inadequacy of the salary accompanying offers of full-time employment. The long-term problem of retention and pay comparability for Federal physicians requires long-term solutions which in this case ought to be soon forthcoming. In the interim, it is hoped this legislation will fill the gap.

Mr. Speaker, I thank the gentleman for yielding.

Mr. WALSH. Mr. Speaker, I rise in support of H.R. 8240, in order to insure to our veterans the high quality of medical care from the Veterans' Administration to which they are entitled.

Because the VA cannot offer competitive salaries to physicians and dentists, they are resigning in alarming numbers, and recruitment efforts have failed to even approach keeping pace with them. This bill does not attempt to make the VA competitive with civilian physicians, but it does aim at closing the gap between the earnings of VA physicians and military physicians. The latter can earn up to $55,594 a year, whereas the VA physician is limited to a maximum salary of $36,000.

The legislation under consideration would provide up to $5,000 a year in special pay and $8,500 a year in incentive pay to physicians with one-half these amounts for dentists. The $36,000 ceiling would not apply to either payment.

This pay program would continue for only 1 year, unless extended by the Congress. During this year, the Veterans' Administration would be required to report on its effectiveness to the House and Senate Committees on Veterans' Affairs.

The bill also directs the Comptroller General to provide the appropriate congressional committees with a solution to the problem of recruitment and retention of physicians and dentists in the Federal service after conducting a study of it. The report is to be submitted by August 31, 1976.

In effect, therefore, this bill might well be viewed as a stopgap measure, designed to stem the deterioration of the Veterans' Administration medical program, pending the outcome of the requested studies.

I strongly favor this legislation, and intend to vote for it.

Mrs. HECKLER of Massachusetts. Mr. Speaker, as a member of the Veterans' Health and Hospitals Subcommittee, I rise in support of H.R. 8240, which provides a graduated scale of incentive and bonus pay for physicians and dentists in the Veterans' Administration health system.

This legislation has become necessary because the VA is experiencing serious difficulty in recruiting and retaining physicians and dentists.

The plain fact we must recognize is that a physician or dentist can earn significantly more in either private practice or in other Government health agencies. The result is a situation which prompted the VA Chief Medical Director, Dr. John Chase, to recommend congressional action. In his report to the President and Congress on VA health care, Dr. Chase specified that financial considerations are the "major impediment to achieving sustained, satisfactory levels of recruitment and retention."

In working on drafting this legislation, I contacted VA physicians and dentists from my own area in Massachusetts. Their comments confirmed that a serious problem is developing, especially in recruiting young medical school graduates from the fine medical schools in the Boston area.

Mr. Speaker, the VA hospital system is a leader in rehabilitative medicine, as well as the lead agency in providing a wide range of medical services for the men and women who have served their country. I am committed to providing veterans with the best medical care possible, and I will support legislation to maintain the high standards of the VA hospital system.

This bill is essential to insure that the VA can make use of the finest medical professionals in the United States. I urge my colleagues to vote with me on this bill.

Mr. HAMMERSCHMIDT. Mr. Speaker, I have no further request for time and reserve the balance of my time.

Mr. ROBERTS. Mr. Speaker, I have no further request for time.

The SPEAKER. The question is on the motion offered by the gentleman from Texas (Mr. ROBERTS) that the House suspend the rules and pass the bill H.R. 8240.

Mr. HAMMERSCHMIDT. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore (Mr. O'NEILL). Pursuant to clause 3 of rule XXVII, and the Chair's prior announcement, further proceedings on this motion will be postponed.

GENERAL LEAVE

Mr. ROBERTS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous matter on the bill H.R. 8240.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

AMENDING DEFENSE PRODUCTION ACT OF 1950, AS AMENDED, TO EXTEND NATIONAL COMMISSION ON SUPPLIES AND SHORTAGES

Mr. REES. Mr. Speaker, I move to suspend the rules and pass the joint resolution (H.J. Res. 560) to amend the Defense Production Act of 1950, as amended, to extend the National Commission on Supplies and Shortages.

The Clerk read the joint resolution as follows:

H.J. RES. 560

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That subsections (d) (2), (h), (i) (2), and (l) of section 720 of the Defense Production Act of 1950, as amended, are amended to read as follows:

"(2) Strike semicolon following 'compensation' and add: ', and may appoint additional nonvoting ex officio members from agencies having jurisdiction over areas being considered by the Commission;'

"(h) In the first sentence strike out 'June 30, 1975' and insert 'March 31, 1976'. In the second sentence strike out 'December 31, 1975' and insert 'October 1, 1976.'

"(2) In the second sentence strike out 'to remain available until December 31, 1975' and insert 'to remain available until October 1, 1976'.

"(l) Strike out 'to remain available until December 31, 1975' and insert 'to remain available until October 1, 1976'."

The SPEAKER pro tempore. Is a second demanded?

Mr. J. WILLIAM STANTON. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER. The gentleman from California (Mr. REES) is recognized for 20 minutes, and the gentleman from Ohio (Mr. J. WILLIAM STANTON) is recognized for 20 minutes.

The Chair recognizes the gentleman from California.

Mr. REES. Mr. Speaker, last September this House passed unanimously legislation to create the National Commission on Supplies and Shortages. This is a Commission composed of members of the private sector, of the administration, and also of the legislative branch. The gentleman from Ohio (Mr. J. WILLIAM STANTON) and I are the two Members from the House of Representatives who are on this Commission.

Unfortunately because of many unforeseeable circumstances the Commission was very late in going to work. As a result of missing certain dates for reports, we find that the Commission is in technical violation of the law. Under the law the Commission was to come up with its first report on June 30, 1975.

That time has come and gone and the Commission has just barely been appointed and has not had its first meeting; so, obviously, it did not come up with a report.

What this legislation does is to extend the report time from June 30, 1975, to March 31, 1976.

We also extend the life of the Commission from December 31, 1975, to October 1, 1976.

We also continue the appropriation until October 1, 1976.

The Commission is just starting to do their staffing. No funds have been spent by the Commission.

This resolution extends the appropriation that the Commission now has. I feel personally, and I believe the gentleman from Ohio (Mr. J. WILLIAM STANTON) does, that the Commission on Supplies and Shortages is a very important Commission. They will be looking into the dependency of the United States on raw materials and projecting what our dependency will be now and in the future. With this Commission we can, I think, estimate what problems we might have that in the future regards our dependency on raw materials and make policies to allocate these future problems.

Mr. J. WILLIAM STANTON. Mr. Speaker, the distinguished gentleman from California, the chairman of the Subcommittee on International Trade, has just fully and adequately explained the legislation that is before us at this moment.

As he said, it is rather an embarrassing situation to be back to ask the committee and the House to extend this legislation once again; but as the chairman of the subcommittee has said, it is an embarrassment completely out of the control of the House, who are members of the Commission.

It is regrettable there has been this delay, but I, for one, am convinced we are on the track now. The public members have been appointed and all things are go. Meetings will be held shortly.

So, Mr. Speaker, I concur fully with the gentleman from California.

The SPEAKER pro tempore (Mr. O'NEILL). The question is on the motion offered by the gentleman from California (Mr. REES) that the House suspend the rules and pass the resolution (H.J. Res. 560).

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the joint resolution was agreed to.

A motion to reconsider was laid on the table.

JOHN F. KENNEDY CENTER

Mr. RONCALIO. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 6151) to authorize appropriations for services necessary to nonperforming arts functions of the John F. Kennedy Center, as amended.

The Clerk read as follows:

H.R. 6151

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (e) of section 6 of the John F. Kennedy Center Act is amended by adding at the end thereof the following: "There is authorized to be appropriated to carry out this subsection not to exceed $2,575,000 for the fiscal year ending June 30, 1976, $741,000 for the transition period ending September 30, 1976, and $3,100,000 for the fiscal year ending September 30, 1977.".

The SPEAKER pro tempore. Is a second demanded?

Mr. WALSH. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Wyoming (Mr. RONCALIO) will be recognized for 20 minutes and the gentleman from New York (Mr. WALSH) will be recognized for 20 minutes.

The chair now recognizes the gentleman from Wyoming (Mr. RONCALIO).

Mr. RONCALIO. Mr. Speaker, I yield myself 10 minutes.

Mr. Speaker, H.R. 6151, is a bill authorizing appropriations for the National Park Service to carry out the nonperforming arts functions of the John F. Kennedy Center for the Performing Arts which include maintenance, security, information, interpretation, janitorial, and all other nonperforming arts functions at the Center. This bill, limited to 2 fiscal years and the transition period, would authorize $2,575,000 in fiscal year 1976, $741,000 for the transition period from July 1, 1976 to September 30, 1976, and $3,100,000 for fiscal year 1977. The administration has requested this action. Our committee has felt it inadvisable to grant an open-ended authorization; therefore, we have limited this authorization to 2 fiscal years so that we may be able to take a good, long look at the operation on a continuing basis.

Mr. Speaker, this legislation is a very pressing issue and I urge quick, positive consideration, as the National Park Service Authority to continue to operate the nonperforming arts functions has expired as of June 30, 1975. The funds contained in the bill are minimal in order to keep this memorial to a former President operating at the same quality level as other monuments and memorials in this Nation's capital. I would like to point out for the record at this time that the Kennedy Center is the only unit of the park system that must seek a separate authorization in order to operate.

Mr. Speaker, the John F. Kennedy Center is the second highest visitation point in Washington, second only to the United States Capitol. An estimated 3 million tourists visit the center every year, a figure that should increase substantially in this bicentennial year. This figure is exclusive of those attending the performing arts functions in the evening.

In addition, I would like to point out that there are many special public service activities at the Center. These include a special price ticket program whereby up to 15 percent of the tickets to all performances are set aside for sale at half price to students, senior citizens, the handicapped, certain members of the military, and the underprivileged. Numerous festivals have been sponsored by the Kennedy Center with the assistance of several corporations and foundations, including the Christmas festival attended free of charge by 46,000 people, a free Easter festival attended by 26,000 visitors, numerous free concerts involving in excess of 1 million schoolchildren; weekly, free organ recitals; the American College Theater festival involving 350 entries from throughout the country; and several music festivals which have received national and international critical acclaim. Further, the Park Service conducts a regular tour of the Center for vistors, and they have facilities for special group tours available to Members of Congress and to organizations. I personally have found more and more requests from my constituents for visits to the Center, and particularly groups.

I believe that the efforts made by the Park Service to keep expenses at a minimum while maintaining the quality for which they are known should be praised. Perhaps the most dramatic example of their efforts is reflected in their energy conservation program and the resulting electrical costs of the Center. In July of 1973 when the fiscal 1974 authorization was passed at $2.4 million and $2.5 million for fiscal 1975, the electric bill for the Kennedy Center was running approximately $60,000 per month, or $720,000 per year. Now the bill is averaging about $82,400 per month—in spite of a 30-percent reduction in use. This annual cost, therefore, is up to about $1 million, which does not leave much to make some of the necessary repairs due to ordinary wear and tear. And the monthly electrical costs will not go down since Pepco is seeking an additional rate increase of about 20 percent.

We must act quickly and decisively now in order that the Center can continue to operate. I urge my colleagues to join me in passing this measure today.

The SPEAKER pro tempore. The Chair recognizes the gentleman from New York (Mr. WALSH).

Mr. WALSH. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 6151, a bill to provide authorization through fiscal year 1977 for the nonperforming arts functions of the John F. Kennedy Center for the Performing Arts. Since fiscal year 1972 Congress has provided funds through the National Park Service to provide maintenance, security, information, interpretation, janitorial, and all other services necessary to nonperforming arts functions of the Center. In the past there have been several questions regarding the appropriateness of this expenditure. I support this expenditure since the Center acts as a memorial to the late President Kennedy just as the Washington Monument and the Lincoln and Jefferson Memorials act as monuments to those Presidents as well. Although the cost for the Kennedy Center is higher, it is a complex building of 1.5 million square feet with elaborate heating and cooling systems, 100 restrooms, several elevators, all of which need services this bill provides.

The allocation of costs between the National Park Service and the Center itself was also the subject of discussion. A GAO report issued in April of this year concluded that the allocation of costs was computed correctly and in accordance with the agreement. At the current time the allocation is 76.2 percent for the National Park Service and 23.8 percent for the performing arts functions for the maintenance and services of the building. GAO believes this method of allocation is acceptable. Center officials stated they reviewed this method with officials of OMB and Interior who gave it their approval.

The allocation is based on the hours of building use by each function. The percentage breakdown is based on the Center's being open 15 hours a day and the theater use of 25 hours a week. Thus, 80 hours—76.2 percent—are allocated to the nonperforming and the remaining hours—23.8 percent—are allocated to the performing arts functions. These are forecasts, and based on actual operating experience, there is a difference of approximately 4 percent.

The method of allocation is used for three reasons: First, it is a simple method which requires no additional recordkeeping, second, it was the one method which could fairly accurately be determined at the time of the signing of the agreement in 1972, and, three, it eliminated the need to conduct studies to determine the square feet used by each function. Although the percentage of time allocated to each function is slightly different now than it was estimated at the time of the agreement, it is generally in line with actual use.

The administration has requested this legislation and supports the continuation of funding of the nonperforming arts functions of the Center. I emphasize this authorization is strictly for maintenance and other services connected with the Center and not for any payment for contracts or claims pending in the U.S. Court of Claims or any construction at the Center. I urge enactment of this legislation so that the appropriations committee may include funds for the Center for the current fiscal year. At the present time there is authority to do so, and without that authority, visitor services during the nonperformance hours at the Kennedy Center would be curtailed. The Center is a very attractive building and offers much to the visitor to Washington. We should make every attempt to keep this Center open for these visitors, which are in excess of 15,000 a day during peak periods. I urge enactment of this bill.

Mr. RONCALIO. Mr. Speaker, I have no further requests for time.

Mr. WALSH. Mr. Speaker, I yield 5 minutes to the gentleman from Ohio (Mr. Harsha).

Mr. HARSHA. Mr. Speaker, I would like to call the attention of the House to the fact that the Kennedy Center is the only unit of the National Park System which has a legislative ceiling imposed upon its maintenance activities. This in some respects restricts good management of the institution.

Because of previous experience, the committee felt that it was best to retain a 1-year or a 2-year authorization over these activities until such time as we could get the maintenance and services properly straightened out and functioning in proper order. This bill is for 2 years and the reason for that is because the Kennedy Center enters into contracts for various services and most of them are by competitive bidding. In order to get the best possible competitive bids and in order to have the best possible management available, the National Park Service would like to have a 2-year authorization.

It really serves no further purpose to elaborate on that. As I said, this is the only institution under the administration of the National Park Service that has a legislative ceiling imposed upon its maintenance.

In addition, there has been some comparison between the cost of operating the Kennedy Center and the cost of operating other Presidential memorials in the District of Columbia. We really cannot make a comparison between the two because the Kennedy Center is much larger and has many more facilities. It has three theaters, the Eisenhower Theater, the Opera House, and the Concert Hall, in addition to all the maintenance and mechanical rooms housing the enormous air conditioning, electrical, heating and plumbing systems, all of which have many valuable fixtures.

So this sum is authorized to the National Park Service in order to maintain security, protect the Federal investment in the Kennedy Center, and make the place inviting for the approximately 2.5 million visitors who come to this institution every year. This sum as provided in this bill is the same sum that the administration has requested.

Mr. Speaker, the authorization is within the budget, and, therefore, I urge the adoption of this legislation.

Mr. McCLORY. Mr. Speaker, will the gentleman yield?

Mr. HARSHA. I yield to the gentleman from Illinois.

Mr. McCLORY. Mr. Speaker, do these funds or does any part of these funds go to the stagehands, those whose duties have to do with the scenery or behind-the-scenes operations at any of these theaters in the Kennedy Center?

Mr. HARSHA. None of these funds goes to the stagehands. These are funds for only the maintenance of the nonperforming arts function of the memorial.

Mr. McCLORY. Mr. Speaker, will the gentleman yield again for a minute?

Mr. HARSHA. I yield to the gentleman from Illinois.

Mr. McCLORY. Mr. Speaker, it has been reported to me that some of those persons who move the scenery and who work at the Kennedy Center earn as much as $40,000 per year. I understand that the salaries of the stagehands at the Kennedy Center are the highest of any theater in the country.

It just seems to me that if this is involved, we should take a good look at that and see that at least the cost of operating these theaters is brought down to a size comparable to the operating costs of other theaters around the country. I do not think the costs at the Kennedy Center should be extravagant.

Mr. HARSHA. Mr. Speaker, I can well understand the gentleman's concern, but the responsibility for putting on the performances, the reponsibility for the scenery and for the change in schedules, and the responsibility for the moving of material and scenery in the Concert Hall, in the Eisenhower Theater, and the Opera House are the responsibilities of a completely different facility and do not involve the National Park Service. That is done under contract with the performing arts section and the Board of Trustees of the Kennedy Center. It does not affect this legislation.

Mr. RONCALIO. Mr. Speaker, will the gentleman yield?

Mr. HARSHA. I yield to the gentleman from Wyoming for a further elaboration of the bill.

Mr. RONCALIO. I thank my friend, the gentleman from Ohio (Mr. Harsha), for yielding to me. I think the gentleman from Illinois (Mr. McClory), perhaps deserves additional response to his query, and I would attempt to do so.

First, referring to the matter of excess payments to the stagehands this was one of the myriad of problems that arose in getting this massive project underway, and contracts were made with the stagehands which were too liberal, but they had no alternative but to make the contracts at the time. I might add the one that bothered me far more than the stagehands' contract at that time was the fact that I.T. & T., through a parking subsidary called Hopgood, managed to get the franchise for parking at this institution, and now 66⅔ percent of all profits from parking cars goes to I.T. & T., and not to the Kennedy Center. I might add that that contract is in the process of renewal.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. WALSH. I yield 1 additional minute to the gentleman from Ohio (Mr. Harsha).

Mr. RONCALIO. If the gentleman will permit me to continue, the other contract, as pointed out, was with the stagehands, and there were some abuses by the stagehands in the first 6 months of operations. That contract was very strongly renegotiated so that now, although there may be a number of top people who have a proprietary interest in the property being moved, for instance, when the Stuttgart Ballet comes, who receive larger salaries, but the actual stagehands are not paid anything higher than, say, those paid at the Lincoln Center in New York, and other comparable places.

But the gentleman from Illinois has a good point.

Mr. HARSHA. Mr. Speaker, I would further like to point out that this, in effect, was a Republican amendment to the previous legislation authorizing the expenditure of funds for the maintenance of the Kennedy Center. But, because some of the matters the distinguished chairman of the subcommittee, the gentleman from Wyoming (Mr. Roncalio) has pointed out, and the gentleman from Illinois (Mr. McClory) has pointed out at the Kennedy Center, these matters were brought to a head. We on the minority side thought the Center would be better managed and more effectively handled if the National Park Service handled the security and maintenance of the nonperforming arts functions of the Kennedy Center. That is what this legislation is all about. It does not in any way affect contracts with the Kennedy Center and those connected with the performing arts, the subject matter brought up by the gentleman from Illinois. I urge adoption of this legislation.

Mr. WALSH. Mr. Speaker, I yield such time as he may consume to the gentleman from Michigan (Mr. Esch).

Mr. ESCH. Mr. Speaker, I would just in support of this legislation. This legislation reflects success. As the previous speaker has indicated, it was the intention of the Congress to give the responsibilities for the maintenance of the Center to the National Park Service. The increase costs for the maintenance of the center reflect success of the programs of the Kennedy Center itself, the increased visitors, and to the festivals and other activities which are brought about through donations of corporations.

Additionally, recognition should also be given to the Friends of the Kennedy Center who have provided an estimated 50,000 hours of volunteer service in providing tours. So I would suggest to the Members, Mr. Speaker, that the success of the center is a unique blend of the contribution of private sector, of a large number of volunteer efforts, and the staff of Kennedy Center itself, all working together so as to provide a living memorial in the best sense of the word.

I would strongly recommend that this authorization be approved.

Mr. WALSH. Mr. Speaker, I would like to take this opportunity to commend the chairman of the subcommittee, the gentleman from Wyoming (Mr. Roncalio) for his diligence. We have worked very, very closely together in preparing this budget. I might say that I have looked at a lot of other budgets in my time, and I can very flatly and firmly state that I do not think there is any fat in this budget, and I can heartily recommend it to my colleagues.

Mr. Speaker, I have no further requests for time.

Mr. RONCALIO. Mr. Speaker, I am delighted to yield to the chairman of the full committee, the gentleman from Alabama (Mr. Jones) such time as he may consume.

Mr. JONES of Alabama. Mr. Speaker, may I commend the chairman of the Subcommittee on Public Buildings and Grounds, the gentleman from Wyoming (Mr. Roncalio), the ranking minority member, the gentleman from New York (Mr. Walsh), and all the members of the subcommittee for their fine work on the bill before us today.

This bill furthers the original objectives of the Kennedy Center as a national monument. The use of the Kennedy Center as an attraction for visitors from all over the world has been even greater than our original expectations. This bill will simply mean that it will be properly maintained and properly utilized for the benefit of all who visit the center.

I support H.R. 6151. This legislation authorizes the Secretary of the Interior to continue for another 2 years the maintenance and other essential services that are involved in the nonperforming arts functions of the John F. Kennedy Center for the Performing Arts.

This is the third time that the issue of authorizing appropriations for the National Park Service to carry out the nonperforming arts functions of the center has come before us. We have watched this body consider first a 1-year authorization and then a 2-year authorization. Now we are considering an authorization for fiscal year 1976 of $2,575 million, $741,000 for the transition period, and $3,100,000 for fiscal year 1977. The committee in its wisdom has felt it best not to give an open-ended authorization in an effort to allow the Congress to have continuous oversight.

We found this to be a very workable arrangement; it enabled us to take a good, long look at the operation and to familiarize ourselves with the necessary services—such things, in addition to maintenance, as security and information for visitors. These are basically the same services provided for all other monuments here in the Nation's Capital, and I believe they are justified for the nonperforming arts activities of the Kennedy Center. The center has become one of the most popular attractions in Washington, second only to the U.S. Capitol. It is estimated 2,500,000 tourists visit the Center each year. This should increase during the Bicentennial year. This is legislation that is for all Americans and clearly in the national interest. May I close on a personal note.

One of the genuine satisfactions of my 30 years of service in the Congress has been the opportunity to work closely with the men and women who have given unsparingly of themselves to build and perpetuate the John F. Kennedy Center for the Performing Arts. I would single out for exceptional merit Mr. Ralph E. Becker, Trustee and General Counsel for the Center since its inception in 1958, when President Eisenhower appointed him to that post.

He is one of the founders of the then-named National Cultural Center for the Performing Arts, which was renamed in 1964 as a living memorial to the late President Kennedy. Without his untiring work, his dedication and devotion, there would be no Kennedy Center today and all of us would be the poorer.

I know of no one who has given more of himself, at great sacrifice to an outstanding legal practice, than this distinguished and internationally known lawyer, and I would like the Record to show clearly his contributions to the success of the Kennedy Center over a span of 18 years.

Today, the Center is justly famed throughout the world for its cultural achievements; during the Bicentennial, productions created in many foreign lands will be presented there, and each of them owes something to Ralph Becker. On behalf of all the Members of the Committee on Public Works and Transportation, past and present, and of our committee staff, I wish to acknowledge our great debt to this dedicated public man.

Mr. FOUNTAIN. Mr. Speaker, will the gentleman yield?

Mr. RONCALIO. I yield to the gentleman from North Carolina.

Mr. FOUNTAIN. I thank the gentleman for yielding. I note with interest on page 3 of the report:

> Electrical energy consumption at the John F. Kennedy Center has been reduced substantially as a result of coordinated action by the National Park Service and Kennedy Center.

I think that they are to be commended for this. I am prompted, however, to ask a question to which the explanation may be self-explanatory. It says:

> During fiscal year 1973, 46,144,800 kilowatt hours were consumed at a cost of $671,097.12. Consumption during fiscal year 1975 has been reduced to 29,083,400 kilowatt hours costing $874,227.10 (estimated).

I notice we have almost cut the consumption in half, but the cost has gone up by about $200,000. Is that because of the increase in the cost of energy?

Mr. RONCALIO. The gentleman states precisely the reason, and we have not seen the end of that problem.

Mr. FOUNTAIN. I thank the gentleman.

Mr. RONCALIO. Mr. Speaker, I have no further requests for time.

The **SPEAKER** pro tempore. The question is on the motion offered by the gentleman from Wyoming (Mr. Roncalio) that the House suspend the rules and pass the bill (H.R. 6151), as amended.

Mr. SYMMS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were refused.

Mr. SYMMS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The **SPEAKER** pro tempore. Pursuant to clause 3 of rule XXVII and the Chair's prior announcement, further proceedings on this motion will be postponed.

Mr. SYMMS. Mr. Speaker, I withdraw my point of order.

GENERAL LEAVE

Mr. RONCALIO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill H.R. 6151 under consideration.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from Wyoming?

There was no objection.

RURAL ELECTRIFICATION LOAN PROGRAM AMENDMENTS

Mr. BERGLAND. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4799) to amend sections 306 and 308 of the Rural Electrification Act of 1936, as amended.

The clerk read as follows:

H.R. 4799

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 306 of the Rural Electrification Act of 1936, as amended, is amended—

(a) by adding at the end of said section 306 the following: "A guaranteed loan, including the related guarantee, may be assigned to the extent provided in the contract of guarantee executed by the Administrator under this title; the assignability of such loan and guarantee shall be governed exclusively by said contract of guarantee."; and

(b) by inserting the world "initially" before the words "made, held, and serviced" in the sixth sentence of said section 306.

Sec. 2. Section 308 of the Rural Electrification Act of 1936, as amended, is amended by striking therefrom the words "of which the holder has actual knowledge" and substituting in lieu thereof the words "of which the holder had actual knowledge at the time it became a holder".

Sec. 3. Section 6 of the Rural Electrification Act of 1936, as amended, is amended by striking the period at the end of said section and adding the following: ": *Provided,* That the amounts authorized to be appropriated for the purposes specified in this section for each fiscal year ending after September 30, 1976, shall be the sums provided annually by law.".

Amend the title so as to read: "A bill to

amend sections 6, 306, and 308 of the Rural Electrification Act of 1936, as amended.".

The SPEAKER pro tempore. Is a second demanded?

Mr. MADIGAN. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

The gentleman from Minnesota (Mr. BERGLAND) will be recognized for 20 minutes, and the gentleman from Illinois (Mr. MADIGAN) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Minnesota (Mr. BERGLAND).

Mr. BERGLAND. Mr. Speaker, I rise in support of H.R. 4799, as amended, a bill which amends the Rural Electrification Act. The bill is largely clarifying and technical in nature. It has bipartisan support and was approved in committee by a unanimous vote.

H.R. 4799 contains three amendments to the Rural Electrification Act. The first is an amendment to section 306 which adds statutory language to expressly authorize the assignment of REA guarantees so as to eliminate questions which have arisen concerning the assignability and incontestability of REA loan guarantees.

The 1973 amendments to the Rural Electrification Act (P.L. 93–32) vested in the Administrator of REA the authority to guarantee loans made to rural electric and telephone systems by lenders other than REA. The assignment or pledge of guarantees is essential if REA-approved lenders are to be able to utilize guarantees to obtain funds at the lowest possible interest rates for the benefit of the rural systems.

To achieve this end, lenders must be able effectively to assign or pledge their REA guarantees, along with the guaranteed loans, to a trustee as security for their bonds, or assign these guarantees to holders of securities representing beneficial ownership in the guaranteed loans.

The absence from section 306 of express provision for assigning or pledging guarantees has caused doubts whether any such assignment or pledge is authorized. Should such doubts ultimately prevail in the financial community, it may prove impossible for REA-approved lenders to borrow in the capital market at the favorable rates contemplated by the guarantee provision of the Rural Electrification Act. The bill furnishes the assignability language required to erase these doubts. It would also leave in the complete control of the REA Administrator the extent of permissible assignments. Such commitment of assignability authority to Government agency discretion would be consistent with the handling of guarantee assignments in other Federal statutes.

The second technical amendment of the bill would clarify in an important respect section 308, which provides for REA contracts of insurance and guarantee to be supported by the full faith and credit of the United States. Section 308 now stipulates that the Government's full faith and credit obligation shall be "incontestable except for fraud or misrepresentation of which the holder has actual knowledge."

Questions have been raised whether this language might be construed to bar enforcement of an REA guarantee held by an assignee, pledgee, or other holder who first learned of fraud or misrepresentation on the part of the original lender after the holder had acquired the guarantee in good faith. The proposed amendment merely makes clear the applicability of the equitable rule that an assignee's vulnerability to defenses of fraud or misrepresentation arises only if the assignee had actual knowledge of the fraud or misrepresentation at the time it became a holder of the guarantee.

Finally, the bill contains an amendment to the Rural Electrification Act which would enable the committee to exercise more effective oversight concerning the operations of the program. The amendment would require an annual authorization from the Congress for each fiscal year beginning after September 30, 1976, of appropriations needed for administration of the act. The requirement would apply to salaries and expenses, investigations, publications, and reports, but not to the loan funds used in the operation of the program such as funds used for insured and guaranteed loans.

During the hearings on the bill, testimony was heard from the Department of Agriculture and the National Rural Electric Cooperative Association; both were in strong support of H.R. 4799.

The committee notes that afer commenting on the merits of H.R. 4799, the Department of Agriculture addresses itself in its report to the use of REA loan guarantees in leveraged lease transactions. The Department specifically states that its "position on this bill is predicated on the assumption that the intent of the legislation is not to permit the assignment of guaranteed loans or loan guarantees to lessors in leveraged leases." The committee in recommending approval of this legislation does not in any way seek to prohibit or approve the use of REA guarantees in leveraged lease financing. This matter was not considered in the hearing on the bill and is not in any way involved as the subject of the bill.

The committee estimates that no measurable cost would be incurred by the Federal Government during the current and the 5 subsequent fiscal years as a result of the enactment of this legislation. The committee estimates that only minimal administrative expenses would be incurred in carrying out the provisions of this bill. The same cost estimate was submitted to the committee by the Department of Agriculture.

H.R. 4799 is a good bill; it is a needed bill; it deserves your support. I urge that my colleagues in the House join me in voting in support of H.R. 4799, as amended.

Mr. MADIGAN. Mr. Speaker, I rise in support of H.R. 4799, a bill to amend sections 6, 306, and 308 of the Rural Electrification Act, REA of 1936.

This is a short, noncontroversial bill—

First, amends section 6 of the Rural Electrification Act such that it would require an annual authorization each fiscal year, beginning in fiscal year 1977, for REA funding;

Second, amends section 306 of the Rural Electrification Act by expressly authorizing assignment of REA-guaranteed loans, including the related guarantee, to the extent permitted by the REA Administrator; and

Third, amends section 308 of the Rural Electrification Act, which provides for REA contracts of insurance and guarantee to be supported by the full faith and credit of the United States, to assure that such contracts shall be incontestable except for fraud or misrepresentation of which the holder had actual knowledge at the time it became a holder.

The Department of Agriculture does not believe enactment of H.R. 4799 would have any measurable direct effect on the costs of carrying out the provisions of the Rural Electrification Act of 1936, as amended.

The Department believes that enactment of this bill would clarify the guarantee provision in the act and facilitate the obtaining of funds in the money market for bulk power facility financing under the REA "guarantee program."

The Department did not testify regarding the amendment to section 6 of the REA Act, inasmuch as it was added in full committee and relates the congressional function of authorizing appropriated funds.

The testimony in committee was unanimously in favor of this legislation. Representatives of the National Rural Electric Cooperative Association summed up their testimony as follows:

> We firmly believe that the two technical, clarifying changes in the Act proposed by H.R. 4799 are essential to avoid frustration of the Congressional intent in enacting the loan guarantee provisions of the Act, and are highly desirable by any test in the public interest.

The testimony of the Deputy Administrator, REA, Mr. David Askegaard, was also favorable:

> We appreciate the opportunity to appear before the committee to present the views of the Department of Agriculture on H.R. 4799. We understand that a major objective of this bill is to facilitate the lending of funds by the National Rural Utilities Cooperative Financing Corporation (C.F.C.) where such loans are supported by REA guaranteees. It should be noted that the CFC is a lending institution owned by REA borrowers, which is specifically mentioned in the amended REA Act as an institution whose loans might be supported by an REA guarantee.
>
> First, the proposed legislation is designed to expressly authorize the assignment of REA guarantees to the extent provided in the contract of guarantee executed by the Administrator. This provision could facilitate raising of funds by the lender, and with the restrictions as proposed, we do not feel it objectionable.
>
> Secondly, the proposed legislation seeks to clarify the provision that provides for the incontestability of the government guarantee "except for fraud or misrepresentation of which the holder has actual knowledge." The amendment to this language proposed by H.R. 4799 would merely make clear that the fraud or misrepresentation which would bar a holder from enforcing the guarantee must have been known to the holder at the time he acquired the loan. It would do this by substituting for the words "of which the

holder has actual knowledge," the words "of which the holder had actual knowledge at the time it became a holder." It is interesting to note that the equitable rule incorporated in this amendment, in the opinion of the Department of Agriculture, is the proper interpretation of incontestability language of the Rural Development Act which is identical to the present provision of Section 308 of the Rural Electrification Act. The need, nevertheless, for clarifying Section 308 *to expressly* incorporate this equitable rule arises from the fact that attorneys for investment bankers and other organizations in the financial community, which are expected to purchase securities issued by REA-guaranteed lenders in reliance on the incontestability provision, have raised doubts concerning the proper interpretation of Section 308. These doubts would be laid to rest by the express incorporation of the equitable rule into the incontestability provision.

The emergence of the Federal Financing Bank as the principal supplier of funds for the REA-guaranteed loan program appears to make less necessary the amendments proposed in H.R. 4799. However, we believe it to be important to maintain the viability of the CFC and other financial institutions as possible sources of funding for guaranteed loans. This Department believes that enactment of this bill would clarify the guarantee provisions in the Act and facilitate the obtaining of funds in the money market for bulk power facility financing under the REA guarantee program.

The amendment of section 6 of the REA Act was sponsored by Congressman DE LA GARZA, and its aim is to give greater oversight over REA activities to the committee.

Somewhat similar legislation was passed by the House (H.R. 12525) in the 93d Congress. However, a provision having to do with an exemption from the Securities and Exchange Commission laws, which led to some controversy, has been dropped from this bill.

I plan to vote for passage of this bill, and I urge all of my colleagues to do the same.

Mr. BERGLAND. Mr. Speaker, I have no further requests for time.

Mr. MADIGAN. Mr. Speaker, I have no further requests for time.

The **SPEAKER** pro tempore. The question is on the motion offered by the gentleman from Minnesota (Mr. BERGLAND) that the House suspend the rules and pass the bill H.R. 4799, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The title was amended so as to read: "A bill to amend sections 6, 306, and 308 of the Rural Electrification Act of 1936, as amended.".

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. BERGLAND. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of the bill just passed.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

CHILD SUPPORT PROGRAM IMPROVEMENTS

Mr. CORMAN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 8598) to amend title IV of the Social Security Act to make needed improvements in the recently enacted child support program, as amended.

The Clerk read as follows:

H.R. 8598

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TEMPORARY SUSPENSIONS OF CERTAIN REQUIREMENTS FOR STATES MAKING GOOD-FAITH EFFORTS TO COMPLY

SECTION 1. (a) Section 404(c) of the Social Security Act (as added by the Social Services Amendments of 1974) is amended to read as follows:

"(c) No State shall be found, prior to January 1, 1977, to have failed to comply with the requirements of section 402(a)(26) or 402(a)(27) if, in the judgment of the Secretary, such State is making a good-faith effort (1) to comply with such requirements to the maximum extent possible and to implement so much of the child support program under part D as may be implemented under the law of such State, and (2) to secure the enactment of such legislation or additional legislation as may be necessary to comply fully with such requirements and implement fully such program.".

(b) Section 455 of such Act (as so added) is amended by striking out "for the operation of the plan approved under section 454" and inserting in lieu thereof the following: "for the operation of its plan approved under section 454 or (if it has no plan so approved but is treated under section 404(c) as not having failed to comply with the requirements of section 402(a)(27)) for the conduct of activities with respect to which payment under this section would be made in the case of a State having a plan so approved,".

(c) If a State does not meet the requirements of section 402(a)(26) of the Social Security Act but is treated under section 404(c) of that Act as not having failed to comply with those requirements, incentive payments shall be made under section 458 of that Act for all collections of support rights that would have been assigned to the State if the State met the requirements of such section 402(a)(26).

PROTECTION AGAINST DECREASE IN GRANTS BECAUSE OF PAYMENT OF SUPPORT DIRECTLY TO THE STATE

SEC. 2. Section 402(a) of the Social Security Act is amended—

(1) by striking out "and" at the end of paragraph (26);

(2) by striking out the period at the end of paragraph (27) and inserting in lieu thereof "; and "; and

(3) by adding after paragraph (27) the following new paragraph:

"(28) provide that, in determining the amount of aid to which an eligible family is entitled, any portion of the amounts collected in any month as child support pursuant to a plan approved under part D, and retained by the State under section 457, which (under the State plan approved under this part) would not have caused a reduction in the amount of aid paid to the family if such amounts had been paid directly to the family, shall be added to the amount of aid otherwise payable to such family under the State plan approved under this part.".

SAFEGUARDING OF INFORMATION

SEC. 3. Section 402(a)(9) of the Social Security Act (as amended by the Social Services Amendments of 1974) is amended to read as follows:

"(9) provide safeguards which restrict the use or disclosure of information concerning applicants or recipients to purposes directly connected with (A) the administration of the plan of the State approved under this part, the plan or program of the State under part B, C, or D of this title or under title I, X, XIV, XVI, XIX, or XX, or the supplemental security income program established by title XVI; and (B) the administration of any other Federal or federally assisted program which provides assistance, in cash or in kind, or services, directly to individuals on the basis of need;".

FEDERAL COURT JURISDICTION

SEC. 4. (a) Section 460 of the Social Security Act (as added by the Social Services Amendments of 1974) is repealed.

(b) Section 452(a) of such Act (as so added) is amended by striking out paragraph (8), and by redesignating paragraphs (9) and (10) as paragraphs (8) and (9), respectively.

(c) Section 454(4)(B) of such Act (as so added) is amended by striking out ", except that" and all that follows and inserting in lieu thereof a semicolon.

MODIFICATION OF PROVISIONS GOVERNING ACCESS TO FEDERAL RECORDS

SEC. 5. (a)(1) Part D of title IV of the Social Security Act (as added by the Social Services Amendments of 1974) is amended by striking out section 453 and inserting in lieu thereof the following new section:

"ASSISTANCE IN LOCATING PARENTS

"SEC. 453. (a) Upon receiving from the organizational unit established or designated under the plan of a State approved under this part a request, containing such information as the Secretary may by regulation prescribe, for assistance in locating a parent (of a dependent child with respect to whom aid is being provided under the plan of the State approved under part A)—

"(1) against whom an order for the support and maintenance of such child has been issued by a court of competent jurisdiction but who is not making payments in compliance or partial compliance with such order, or against whom a petition for such an order has been filed in a court having jurisdiction to receive such petition, and

"(2) whom the organizational unit has been unable to locate after requesting and utilizing, pursuant to section 1106, information included in the files of the Department of Health, Education, and Welfare maintained pursuant to section 205,

the Secretary shall furnish to the Secretary of the Treasury or his delegate the name and social security account number of the parent and the name of the organizational unit which submitted the request. The Secretary of the Treasury or his delegate shall endeavor to ascertain the address of the parent from the master files of the Internal Revenue Service, and shall furnish any address so ascertained to the organizational unit which submitted the request.

"(b) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of subsection (a). The Secretary shall transfer to the Secretary of the Treasury from time to time sufficient amounts out of the sums appropriated pursuant to this subsection to enable him to perform his duties under subsection (a).".

(2) Section 452(a) of such Act (as added by the Social Services Amendments of 1974 and amended by section 4(b) of this Act) is amended—

(A) by adding "and" after the semicolon at the end of paragraph (7),

(B) by striking out paragraph (8), and

(C) by redesignating paragraph (9) as paragraph (8).

(3) Section 454(8)(B) of such Act (as added by the Social Services Amendments of 1974) is amended to read as follows:

"(B) where applicable, assistance available under sections 453 and 1106;".

(b) Subsection (d) of section 101 of the Social Services Amendments of 1974, and the amendments to section 1106 of the Social Security Act made by that subsection, are repealed; and section 1106(c)(1)(A) of the Social Security Act is amended—

(1) by striking out "Upon request" and all that follows down through "public assistance program," and inserting in lieu thereof "Upon request of any agency participating in the administration of a State plan approved under part D of title IV"; and

(2) by striking out "or program" in clause (ii).

ELIMINATION OF AUTHORITY FOR INTERNAL REVENUE SERVICE COLLECTION OF CHILD SUPPORT OBLIGATIONS

Sec. 6. (a) Subsection (b) of section 101 of the Social Services Amendments of 1974, and section 6305 of the Internal Revenue Code of 1954 as added by that subsection, are repealed.

(b)(1) Section 452(a) of the Social Security Act (as added by the Social Services Amendments of 1974 and amended by sections 4(b) and 5(a)(2) of this Act) is amended by striking out paragraph (6), and by redesignating paragraph (7) and (8) as paragraphs (6) and (7), respectively.

(2) Section 452 of such Act (as so added and amended) is amended by striking out "(a)" immediately after "Sec. 452.", and by striking out subsections (b) and (c).

PROTECTION OF CHILD'S BEST INTEREST

Sec. 7. (a) Section 402(a)(26)(B) of the Social Security Act (as added by the Social Services Amendments of 1974) is amended by inserting immediately after "such applicant or such child" the following: ", unless (in either case) such applicant or recipient is found to have good cause for refusing to cooperate as determined by the State agency in accordance with standards prescribed by the Secretary, which standards shall take into consideration the best interests of the child on whose behalf aid is claimed;".

(b) Section 454(4)(A) of such Act (as so added) is amended by inserting after "such child," by following: "unless the agency administering the plan of the State under part A of this title determines in accordance with the standards prescribed by the Secretary pursuant to section 402(a)(26)(B) that it is against the best interests of the child to do so,".

(c) Section 454(4)(B) of such Act (as so added and as amended by section 4(c) of this Act) is amended by inserting immediately after "other States" the following: ", unless the agency administering the plan of the State under part A of this title determines in accordance with the standards prescribed by the Secretary pursuant to section 402(a)(26)(B) that it is against the best interests of the child to do so".

EXCLUSION OF CERTAIN MANDATORY PROTECTIVE PAYMENTS FROM LIMITATION ON PERCENTAGE OF INDIVIDUALS WITH RESPECT TO WHOM SUCH PAYMENTS ARE MADE

Sec. 8. The last sentence of section 403(a) of the Social Security Act is amended by inserting "or section 402(a)(26)" immediately before the period at the end thereof.

AUTHORITY FOR QUARTERLY ADVANCES TO STATES FOR CHILD SUPPORT PROGRAMS

Sec. 9. (a) Section 455 of the Social Security Act (as added by the Social Services Amendments of 1974 and amended by section 1(b) of this Act) is amended by inserting "(a)" immediately after "Sec. 455." and by adding at the end thereof the following new subsection:

"(b)(1) Prior to the beginning of each quarter, the Secretary shall estimate the amount to which a State will be entitled under subsection (a) for such quarter, such estimates to be based on (A) a report filed by the State containing its estimate of the total sum to be expended in such quarter in accordance with the provisions of such subsection, and stating the amount appropriated or made available by the State and its political subdivisions for such expenditures in such quarter, and if such amount is less than the State's proportionate share of the total sum of such estimated expenditures, the source or sources, from which the difference is expected to be derived, and (B) such other investigation as the Secretary may find necessary.

"(2) The Secretary shall then pay, in such installments as he may determine, to the State the amount so estimated, reduced or increased to the extent of any overpayment or underpayment which the Secretary determines was made under this section to such State for any prior quarter and with respect to which adjustment has not already been made under this subsection.

"(3) Upon the making of any estimate by the Secretary under this subsection, any appropriations available for payments under this section shall be deemed obligated.".

MODIFICATION OF AUDIT REQUIREMENTS

Sec. 10. (a) Section 452(4) of the Social Security Act (as added by the Social Services Amendments of 1974 and amended by the preceding provisions of this Act) is amended by striking out "not less often than annually" and inserting in lieu thereof "from time to time".

(b) Section 403(h) of such Act (as so added) is amended by striking out "as the result of the annual audit".

PAYMENTS TO STATES FOR CERTAIN EXPENSES INCURRED DURING JULY 1975

Sec. 11. Notwithstanding any other provision of law, amounts expended in good faith by any State (or by any of its political subdivisions) during July 1975 in employing and compensating staff personnel, leasing office space, purchasing equipment, or carrying out other organizational or administrative activities, in preparation for or implementation of the child support program under part D of title IV of the Social Security Act, shall be considered for purposes of section 455 of such Act (as amended by this Act), to the extent that payment for the activities involved would be made under such section (as so amended) if section 101 of the Social Services Amendments of 1974 had become effective on July 1, 1975, to have been expended by the State for the operation of the State plan or for the conduct of activities specified in such section (as so amended).

EFFECTIVE DATE

Sec. 12. The amendments made by this Act shall be effective on August 1, 1975.

The SPEAKER pro tempore. Is a second demanded?

Mr. VANDER JAGT. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from California (Mr. Corman) will be recognized for 20 minutes, and the gentleman from Michigan (Mr. Vander Jagt) will be recognized for 20 minutes.

The Chair recognizes the gentleman from California (Mr. Corman).

Mr. CORMAN. Mr. Speaker, H.R. 8598, contains amendments to title IV of the Social Security Act to improve the child support program now scheduled to go into effect August 1. This legislation is needed prior to August 1 because of serious problems regarding implemetation of the program which would result if the law goes into effect on that date without amendment. The estimated cost of the bill is approximately $20 million. It should be noted that this cost is to prevent a loss of income for needy families and is not an increase in cost over the cost of the AFDC if the provisions in title IV prior to the implementation of the new child support program were to continue after August 1.

Last fall the House approved Services Amendments of 1974 as H.R. 17045 to authorize a new social services program in title XX of the Social Security Act. The child support provisions in title IV, which H.R. 8598 amends, was added by the Senate to this bill. While the House had not had the opportunity to hold hearings on the child support legislation added by the Senate, it was felt that resolving the social services program controversy was essential and therefore the conferees last December accepted many of the child support amendments added by the Senate.

On signing into law the Social Services Amendments of 1974 (Public Law 93–647), the President expressed a number of serious concerns about the child support provisions. The Committee on Ways and Means has also found serious problems with the program now scheduled to go into effect on August 1.

A major problem which prompted the Congress to delay the effective date of the program from July 1 to August 1 was the inability of many States to make necessary changes in State welfare laws prior to that date to avoid being out of compliance with Federal law and, therefore, were threatened with losing all their Federal matching under the welfare cash assistance program of aid to families with dependent children.

H.R. 8598 would provide that if a State is making a good faith effort to comply with the child support law that they continue to be eligible for Federal matching both in the child support program in part D of title IV and the cash assistance program under part A of title IV of the Social Security Act.

Another problem found by the committee was that after August 1, many families in 12 States plus Puerto Rico will suffer reduction in their total income. Those 12 States are: Arizona, Arkansas, Georgia, Indiana, Maine, Mississippi, Missouri, Nebraska, South Carolina, Tennessee, Virginia, and Wyoming. Some States have been unable to provide AFDC payments as large as the amounts that are recognized to be needed by families.

This frequently results in a gap which the State permits to be filled by private income, in this instance, child support from the absent father. Since under the new child support program the support payments are made directly to the State or local welfare agency instead of to the family, there is a resulting reduction in the family's total income. Therefore, the committee's bill would require that the State shall increase its assistance payments to the family to compensate for this loss.

The bill also addresses the question of safeguarding information by reenacting essentially the provisions of law now in effect. The Ways and Means Committee believes that prior law has represented a reasonable compromise between the individual's right to privacy and the need for information which exists in the administration of welfare and other programs where assistance is provided on the basis of an individual's financial need.

In signing into law Public Law 93–647 which establishes the child support program in title IV of the Social Security Act the President expressed grave concern about the provisions to inject the Federal Government through the Federal courts, the Internal Revenue Service, and HEW into areas that heretofore have been the responsibilities of State and local governments. The committee shares the concern of the President and, therefore, has included in H.R. 8598 amendments to repeal the provisions to use Federal courts to enforce delinquent court orders for child support and the provision to establish a Federal parent locator service.

Also repealed is the use of the Internal Revenue Service for collecting child support payments. Your committee agrees that the function of IRS is to collect taxes and not carry out these types of functions. H.R. 8598 also corrects a seriout flaw found in the new child support program which, unless corrected, could cause an irreparable damage to children and mothers as it relates to the mother's cooperation in attempting to locate an absent father or to secure child support payment.

The child support law and regulations allow little leeway for Federal and State welfare administrators in determining whether tracking down the absent parent might subject the child or mother to substantial danger or physical harm or undue harassment. The committee added language in H.R. 8598 that provides that an applicant or recipient for AFDC found to have good cause for refusing to identify the father or assist in securing child support would not be subject to loss of AFDC because she was not cooperating.

At the same time, it does not intend that cooperation be broadly waived because of a philosophy by administrators that the collection of child support does not generally serve the best interest of the child. Cooperation or noncooperation in these circumstances would be determined by the State agency in accordance with the best interests of the child under the standards prescribed by the Secretary of HEW.

The committee also added to H.R. 8598 a number of technical amendments requested by HEW which they found would facilitate the implementation of the child support program.

H.R. 8598 is a very important piece of legislation as it affects the children and mothers of this country. While doing what is necessary to see to it that absent parents provide support for the rearing of their children, we must not forget that Federal law should not cause harm in such a process to the same children we are attempting to help through a strengthened program of enforcement of child support.

Mr. VANDER JAGT. Mr. Speaker, I support H.R. 8598 as reported by the Committee on Ways and Means. The bill became necessary when a number of problems arose with respect to the anticipated implementation of Public Law 93–647, which was enacted late last year.

Public Law 93–647 included a new part D of title IV of the Social Security Act. Title IV concerns the program of aid to families with dependent children, AFDC, and part D established machinery designed to help locate absent parents and enforce their child support obligations. Part D was added by the other body to the Social Services Amendments of 1974, and most of its provisions would have become effective July 1 of this year. But because of administrative and other problems, the effective date was postponed to August 1.

H.R. 8598 comprises a series of amendments aimed at alleviating these problems, and because the effective date is less than 2 weeks away, congressional action on the measure should be completed as soon as possible.

Under Public Law 93–647, each State which participates in the AFDC program must meet two requirements. First, it must have an approved plan to implement the child support program. Second, it must require AFDC recipients to assign all of their support payment rights to the State, which is to enforce support obligations and collect the payments. In order to comply, a number of States would have to amend their laws, and would need time to do so. Therefore, Public Law 93–647 included a provision allowing the State to be considered in compliance with the first of the two requirements, through calendar 1976, if it were making a good faith effort to comply. Section 1 of H.R. 8598 would apply this good faith provision to the second requirement as well. It also would provide a Federal fund matching rate of 75 percent in States making a good faith effort to comply as well as in those already in compliance.

Section 2 is designed to correct a situation in which some AFDC recipients would receive less income because of the child support provisions. In some States, AFDC payments are less than the State's standard needs levels. Many AFDC recipients in these States have been allowed to receive and retain child support payments to the extent that they make up the difference between the welfare payment and the State needs level. But under the new law, recipients must assign their child support rights to the State, which would return only part of the money to the AFDC family. The bill before us would allow these families to continue to retain child support payments up to the State needs level.

Section 3 of the bill provides further safeguards on the use or disclosure of information relating to AFDC applicants. Under Public Law 93–647, such information could be dispensed to public officials in pursuit of their official duties, and numerous complaints have been raised to the effect that the language is too broad and would permit an invasion of privacy which the Congress has sought to protect. The bill would limit the use or disclosure of this information to purposes directly connected with the administration of need-related programs or Federal or federally assisted programs providing cash or in-kind assistance.

Section 4 of H.R. 8598 would strike provisions permitting the use of Federal courts in enforcing delinquent court orders for child support. In considering this amendment, the Committee on Ways and Means took into account the fact that Federal court dockets are full, and that family law traditionally has been the responsibility of State courts.

H.R. 8598 would make a number of other changes in the child support program, Mr. Speaker, but most of these are technical in nature. Two, however, were discussed extensively in committee and I would like to comment briefly on them.

Under the law establishing the child support program, a parent locator service would be created within the Department of Health, Education, and Welfare. This service would make virtually all Federal records available to both State officials and private citizens for the purpose of establishing or enforcing child support obligations. Both the administration and committee members agreed that the Federal Government should not play this kind of role. Therefore, the bill would repeal the provision for a parent locator service and would reinstate provisions of prior law, under which Social Security and Internal Revenue records are available to State officials for the purpose of locating absent parents of AFDC children.

Also under Public Law 93–647, AFDC recipients are required to cooperate in efforts to locate absent parents. Many members of the committee were concerned about potential problems, such as those arising from situations in which a child or mother might be subjected to physical harm or harassment in carrying out this requirement. Therefore, the bill would permit noncooperation for good cause. State agencies administering the program would take into consideration the best interests of the child or children involved in determining what constituted cooperation or the lack of it.

Mr. Speaker, on some provisions of H.R. 8598 I have reservations, which I believe are shared by a number of my colleagues. However, my reservations for the most part are minor, and I feel the bill on balance would serve a good purpose. I believe it would correct obvious difficulties associated with the child support program, and that it should be enacted before that program becomes fully effective on August 1.

Mr. KAZEN. Mr. Speaker, will the gentleman yield?

Mr. VANDER JAGT. I yield to the gentleman from Texas.

Mr. KAZEN. Mr. Speaker, we have got a letter from our welfare people in Texas saying that they had relied upon the July 1 date, and in reliance upon the effective date of the act, they went ahead and hired staff and made all the preparations to go into this program. Then, the Congress—without, apparently, any warning at all, as the gentleman stated—changed the effective date to August 1.

Now, they are saying, "We are caught in a bind because we cannot extend any funds that were promised in advance under the original deadline. What are we going to do?"

Does this bill address itself to that situation?

Mr. VANDER JAGT. The problem the gentleman outlines was addressed by the committee in an amendment presented by the gentleman from Texas (Mr. PICKLE). I believe that the problem which the gentleman describes was taken care of through a committee amendment to the bill.

Mr. KAZEN. I thank the gentleman.

Mr. WYLIE. Mr. Speaker, will the gentleman yield?

Mr. VANDER JAGT. I yield to the gentleman from Ohio.

Mr. WYLIE. Mr. Speaker, will the gentleman state the administration's position on this bill?

Mr. VANDER JAGT. The administration, like the gentleman from Michigan, has some minor reservations with respect to some of the ways in which problems were addressed to the bill. I believe that the administration, like the gentleman from Michigan, feels that the reservations are minor compared with the overall objectives of the bill, and they are especially minor when compared with the enormous difficulties which will be faced if we do not act prior to August 1, when most provisions of the new child support program will go into effect.

Mr. WYLIE. Mr. Speaker, will the gentleman yield for another question?

Mr. VANDER JAGT. I yield further.

Mr. WYLIE. Mr. Speaker, the reason I ask that is because back in January, when President Ford signed similar legislation, he said that he did so despite several reservations.

Specifically, he requires the use of the Federal courts and the Internal Revenue Service on the enforcement procedure, and the precise implication of the parent locator service. As I understand it, those three objections have now been met.

Mr. VANDER JAGT. The thrust of the objections which the gentleman mentioned have been met. I would say the good that would be accomplished exceeds what minor reservations might remain, and I would urge the adoption of this legislation.

Mr. WYLIE. Does the gentleman think the President will sign this bill without reservation?

Mr. VANDER JAGT. As the gentleman so well knows, all of us should be very careful about ever speaking for the President, but I certainly would urge the President to sign the bill and I would have every expectation that he would sign the bill since the corrections which the gentleman cited really came about at his urging and at his request.

Mr. WYLIE. I thank the gentleman.

Mr. BAUMAN. Mr. Speaker, will the gentleman yield?

Mr. VANDER JAGT. I yield to the gentleman from Maryland.

Mr. BAUMAN. I thank the gentleman for yielding.

I recall that the amendments which were originally adopted in 1974 were generally for the purpose of tightening up the collections from parents, "run-away papas," as they are sometimes referred to, so that the taxpayers might be saved the burden of supporting children on welfare rather than have the natural parents pay for this kind of expenditure.

However, my opinion is that this bill would allow some applicants, and in some cases the States themselves, to avoid seeking establishment of the paternity of the child or seeking parental support for the child when such action would be as the bill says, "in the best interest of the child."

Would the gentleman tell me when it would be in the best interest of a child not to seek out the parent or when it would be in the best interest of the child not to seek the parent's financial support?

That seems to be a contradiction of terms.

Mr. VANDER JAGT. The underlying assumption of the gentleman from Maryland is that part D of title 4 of the Social Security Act would reduce the taxpayer's burden in bearing the cost of maintaining children whose parent had departed the premises.

With regard to the specific question that the gentleman asked, I have difficulty thinking of an instance when locating an absent father would not be in the best interest of the child.

Conversely, though, I believe that if there were an instance when it would not be in the best interest of the child, since that interest is so paramount, we should permit an option.

There might be an instance, for example when a child might be in danger of physical harm or when it might be advisable to shield information from the child. There might be such cases, and when those cases arise, we would provide for them.

Mr. BAUMAN. If the gentleman will yield further, I readily agree that there are perhaps individual instances when a great many people would just as soon not know their parents, or at least their ancestry; but we are talking about U.S. taxpayers in this instance, and when I read section 7 of the bill it appears there is a wide-open loophole for professional welfarists to claim blanket amnesty when people refuse to cooperate in finding the father. The welfare mother is asked, "Who is the father of this child?" and this bill allows her to refuse to respond. The alternative would be for the taxpayer to pay the bill, and the welfare mother can say, "I refuse to cooperate because in the best interest of the child I do not want to tell who the father is."

That seems to me to be a wide-open loophole. There are a great many AFDC and other welfare recipients. In fact, AFDC is one of the largest and fastest growing areas of welfare payments. It seems to me this bill is only increasing the possiblity that the already over-burdened taxpayers will be getting socked with a great deal of additional money right out of their own pockets in order to support the children of parents, some of whom refuse to accept their rightful responsibilities.

That, I think, is unreasonable when the average taxpayer has his own children to support.

Mr. VANDER JAGT. Mr. Speaker, I think the gentleman from Maryland has a very valid point that needs to be made and needs to be remade. I would disagree with the gentleman from Maryland only on his statement of the size of that loophole.

The gentleman calls this a wide-open loophole. I call it a loophole which is only about the size of the eye of a needle. The section does require that the mother cooperate with the authorities in locating the whereabouts of the father. The exception to that is when such cooperation would not be in the best interests of the child, and the State agency would make that determination. I think those cases would be very minimal.

Mr. Speaker, I would, therefore, call this an eye-of-the-needle loophole rather than a wide-open loophole, as my friend, the gentleman from Maryland, describes it.

Mr. BAUMAN. Mr. Speaker, if my biblical friend will yield once more, I am sure he will recall that it was a camel that was alleged to pass through the eye of a needle. If this bill is passed, I can just see whole herds of camels galloping through this one.

Mr. FRASER. Mr. Speaker, I want to indicate my support for the child support amendments. This bill corrects oversights in the 1974 act which would seriously disrupt the AFDC program and restores to the States their proper role in undertaking child support activities.

I am particularly pleased that the bill includes an amendment offered in committee by the gentleman from Illinois, Representative MIKVA, which is intended to protect the best interests of the child. The act requires, as a condition of eligibility, the cooperation of the AFDC applicant or recipient in establishing the paternity of her child and in locating the absent father for purposes of child support collection. The regulations developed by HEW to implement this program allow for an exception to the mandatory cooperation requirement only in cases where incest or forcible rape have been involved. The committee wisely saw that these exceptions were limited and that there may be additional cases where cooperation may not serve the best interests of the child. Though we can reasonably assume that welfare recipients will be eager to collect child support, we cannot ignore the potential for mandatory cooperation to provoke retaliatory action. The absent father may pose a threat to the physical well-being of the child, subject the family to undue harassment, or render the child deeply disturbed when learning the identity of the father. I am impressed with committee action on these very sensitive issues and support this amendment wholeheartedly.

I also find important the clarification in the committee report of the applicant/recipient right to a fair hearing before her grant is refused or cut because of failure to cooperate. The report clarifies that this hearing right also extends to situations when the applicant or recipient is dissatisfied with the individual selected as a protective payee for her child after having lost her own grant by failing to cooperate.

The committee has given us a thoughtful and necessary bill. I am hopeful that Congress will move quickly to approve this legislation.

Mr. **KOCH**. Mr. Speaker, H.R. 8598 raises a very important issue which relates to the safeguarding of personal information. There will always be a balance to be achieved when information concerning an individual is either used or made available by the Government. Congressman CORMAN has addressed himself to this issue insofar as it relates to information pertaining to needy persons receiving Government aid.

Frankly, I do not know whether the safeguards are adequate. Obviously the purpose of the bill to reach deserting fathers is one that I am sure all of us are in accord with. I believe that the Privacy Protection Study Commission on which I serve should consider appropriate safeguards and examine the results of this legislation and its impact during the course of its 2-year study.

Appropriate alternative safeguards that should be considered by HEW in administering this legislation are:

First, that when this information is disclosed, the recipient agency, if it is not within the Social Security Administration, will not make any further disclosures of the information;

Second, that the Secretary of HEW shall by very specific regulation specify the programs which can disclose information and the agencies which can receive this information;

Third, that the Secretary of HEW shall condition the eligibility of agencies and programs to receive this information on their standards of disclosure and confidentiality;

Fourth, that the Secretary of HEW should promulgate regulations permitting individual access to records with the right to correct erroneous information. If this information is to be transferred, it is essential that it be accurate.

Fifth, that the Secretary of HEW shall be directed to supply the Privacy Protection Study Commission with a report dealing with the standards and criteria governing the transfer of this information and to the maximum extent possible, detail those agencies, be they Federal, State, or local agencies, that have access to this information, and what controls they have regarding its further dissemination.

The **SPEAKER** pro tempore. The question is on the motion offered by the gentleman from California (Mr. CORMAN) that the House suspend the rules and pass the bill (H.R. 8598) as amended.

The question was taken.

Mr. **BAUMAN**. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The **SPEAKER** pro tempore. Pursuant to clause 3 of rule XXVII and the Chair's prior announcement, further proceedings on this motion will be postponed.

GENERAL LEAVE

Mr. **CORMAN**. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 8598, Child Support Program Improvements.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

ANNOUNCEMENT BY THE SPEAKER

The **SPEAKER** pro tempore. The debate has been concluded on all motions to suspend the rules.

Pursuant to clause 3, rule XXVII, the Chair will now put the question on each motion, on which further proceedings were postponed, in the order in which that motion was entertained.

Votes will be taken in the following order: H.R. 6971, H.R. 8240, H.R. 6151, and H.R. 8598.

Pursuant to the provisions of clause 3(b)(3), rule XXVII, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device may be taken on all the additional motions to suspend the rule on which the Chair has postponed further proceedings.

CONSUMER GOODS PRICING ACT OF 1975

The **SPEAKER**. The unfinished business is the question of suspending the rules and passing the bill, H.R. 6971.

The Clerk read the title of the bill.

The **SPEAKER** pro tempore. The question is on the motion offered by the gentlewoman from Texas (Miss JORDAN) that the House suspend the rules and pass the bill, H.R. 6971, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 380, nays 11, not voting 43, as follows:

[Roll No. 411]

YEAS—380

Abdnor
Abzug
Adams
Addabbo
Alexander
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N. Dak.
Annunzio
Archer
Armstrong
Aspin
AuCoin
Bafalis
Baldus
Barrett
Baucus
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Bennett
Bergland
Bevill
Biaggi
Biester
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Brademas
Breaux
Brinkley
Brodhead
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Byron
Carney
Carr
Carter
Casey
Cederberg
Chappell
Chisholm
Clancy
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Collins, Ill.
Conable
Conte
Corman
Cornell
Cotter
Coughlin
Crane
D'Amours
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Danielson
Davis
de la Garza
Delaney
Dellums
Derrick
Derwinski
Devine
Dickinson
Diggs
Dingell
Dodd
Downey, N.Y.
Downing, Va.
Drinan
Duncan, Oreg.
Duncan, Tenn.
du Pont
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
Emery
English
Erlenborn
Esch
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fary
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Florio
Flynt
Foley
Forsythe
Fountain
Fraser
Frenzel
Frey
Fuqua
Gaydos
Giaimo
Gilman
Ginn
Goodling
Gradison
Grassley
Green
Gude
Guyer
Hagedorn
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Hansen
Harkin
Harrington
Harris
Hastings
Hawkins
Hayes, Ind.
Hébert
Hechler, W. Va.
Heckler, Mass.
Hefner
Heinz
Helstoski
Henderson
Hicks
Hightower
Hillis
Holland
Holt
Holtzman
Horton
Howard
Howe
Hubbard
Hughes
Hungate
Hutchinson
Ichord
Jacobs
Jarman
Jeffords
Jenrette
Johnson, Calif.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kasten
Kastenmeier
Kazen
Kelly
Kemp
Ketchum
Keys
Kindness
Koch
Krebs
Krueger
Landrum
Latta
Leggett
Lehman
Lent
Levitas
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lujan
McClory
McCloskey
McCollister
McCormack
McDade
McEwen
McFall
McHugh
McKay
McKinney
Madden
Madigan
Maguire
Mahon
Martin
Mathis
Meeds
Metcalfe
Mezvinsky
Michel
Mikva
Milford
Miller, Calif.
Mills
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Pa.
Morgan
Mosher
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
Obey
O'Brien
O'Hara
O'Neill
Ottinger
Passman
Patterson, Calif.
Pattison, N.Y.
Perkins
Pettis
Pickle
Pike
Poage
Pressler
Preyer
Price
Pritchard
Quie
Quillen
Randall
Rangel
Rees
Regula
Reuss
Richmond
Riegle
Rinaldo
Risenhoover
Roberts
Robinson
Rodino
Roe
Rogers
Roncalio
Rooney
Rosenthal
Rostenkowski
Roush
Rousselot
Roybal
Runnels
Russo
Ryan
St Germain
Santini
Sarasin
Sarbanes
Satterfield
Scheuer
Schneebeli
Schroeder
Sebelius
Seiberling
Sharp
Shipley
Shriver
Shuster
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steelman
Steiger, Ariz.
Stephens
Stokes
Stratton
Stuckey
Studds
Symington
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thompson
Thone
Thornton
Traxler
Treen
Tsongas
Udall
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Vigorito
Waggonner
Walsh
Wampler
Waxman
Weaver
Whalen
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolff
Wright
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Tex.
Zablocki
Zeferetti

NAYS—11

Ashbrook
Collins, Tex.
Conlan
Dent
Harsha
McDonald
Melcher
Miller, Ohio
Moorhead, Calif.
Rhodes
Schulze

NOT VOTING—43

Andrews, N.C.
Ashley
Badillo
Bell
Bingham
Bowen

Breckinridge
Brooks
Brown, Mich.
Conyers
Eshleman
Flowers
Ford, Mich.
Ford, Tenn.
Fulton
Gibbons
Goldwater
Gonzalez
Hays, Ohio
Hinshaw
Hyde
Johnson, Colo.
LaFalce
Lagomarsino
Litton
Macdonald
Mann
Matsunaga
Mazzoli
Meyner
Mink
Patman, Tex.
Patten, N.J.
Pepper
Peyser
Railsback
Rose
Ruppe
Spence
Steiger, Wis.
Sullivan
Young, Fla.
Young, Ga.

So (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

The Clerk announced the following pairs:

Mr. Hays of Ohio with Mr. Ashley.
Mr. Breckinridge with Mr. Ford of Tennessee.
Mr. Bingham with Mr. Fulton.
Mr. Matsunaga with Mr. Conyers.
Mr. Mazzoli with Mr. Gibbons.
Mr. Pepper with Mr. Ford of Michigan.
Mr. Patman with Mr. Litton.
Mrs. Meyner with Mr. Eshleman.
Mrs. Mink with Mr. Gonzalez.
Mr. Badillo with Mr. Hinshaw.
Mrs. Sullivan with Mr. Patten.
Mr. Bowen with Mr. Goldwater.
Mr. Brooks with Mr. Peyser.
Mr. Flowers with Mr. Bell.
Mr. Macdonald of Massachusetts with Mr. Hyde.
Mr. Rose with Mr. Lagomarsino.
Mr. Young of Georgia with Mr. Andrews of North Carolina.
Mr. Mann with Mr. Brown of Michigan.
Mr. LaFalce with Mr. Railsback.
Mr. Young of Florida with Mr. Ruppe.
Mr. Steiger of Wisconsin with Mr. Spence.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

ANNOUNCEMENT BY THE SPEAKER

The **SPEAKER** pro tempore. Pursuant to the provisions of clause 3(b)(3), rule XXVII, the Chair announces he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device may be taken on all the additional motions to suspend the rule on which the Chair has postponed further proceedings.

VETERANS' ADMINISTRATION PHYSICIANS AND DENTISTS COMPARABILITY PAY ACT OF 1975

The **SPEAKER** pro tempore. The unfinished business is the question of suspending the rules and passing the bill H.R. 8240.

The Clerk read the title of the bill.

The **SPEAKER**. The question is on the motion offered by the gentleman from Texas (Mr. ROBERTS) that the House suspend the rules and pass the bill, H.R. 8240, on which the yeas and nays are ordered.

The question was taken; and there were—yeas 382, nays 3, not voting 49, as follows:

[Roll No. 412]

YEAS—382

Abdnor
Abzug
Adams
Addabbo
Alexander
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N. Dak.
Annunzio
Archer
Armstrong
Ashbrook
Aspin
AuCoin
Badillo
Bafalis
Baldus
Barrett
Baucus
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Bennett
Bergland
Bevill
Biaggi
Biester
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Brademas
Breaux
Brinkley
Brodhead
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Calif.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Byron
Carr
Carter
Casey
Cederberg
Chappell
Chisholm
Clancy
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Collins, Ill.
Collins, Tex.
Conable
Conte
Corman
Cornell
Cotter
Coughlin
Crane
D'Amours
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Danielson
Davis
de la Garza
Delaney
Dellums
Dent
Derrick
Derwinski
Devine
Dickinson
Diggs
Dodd
Downey, N.Y.
Downing, Va.
Drinan
Duncan, Oreg.
Duncan, Tenn.
du Pont
Early
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
Emery
English
Erlenborn
Esch
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fary
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Florio
Flynt
Foley
Ford, Mich.
Forsythe
Fraser
Frenzel
Frey
Fuqua
Gaydos
Giaimo
Gilman
Ginn
Goodling
Gradison
Grassley
Green
Gude
Guyer
Hagedorn
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Hansen
Harkin
Harrington
Harris
Harsha
Hastings
Hawkins
Hayes, Ind.
Hébert
Hechler, W. Va.
Heckler, Mass.
Hefner
Heinz
Helstoski
Henderson
Hicks
Hightower
Hillis
Holland
Holt
Holtzman
Horton
Howard
Howe
Hubbard
Hughes
Hungate
Hutchinson
Ichord
Jarman
Jeffords
Jenrette
Johnson, Calif.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Kasten
Kastenmeier
Kazen
Kelly
Kemp
Ketchum
Keys
Kindness
Koch
Krebs
Krueger
Lagomarsino
Landrum
Latta
Leggett
Lehman
Lent
Levitas
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lujan
McClory
McCloskey
McCollister
McCormack
McDade
McDonald
McEwen
McHugh
McKay
McKinney
Madigan
Maguire
Mahon
Martin
Mathis
Meeds
Melcher
Metcalfe
Mezvinsky
Michel
Mikva
Milford
Miller, Calif.
Miller, Ohio
Mills
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
Obey
O'Brien
O'Hara
O'Neill
Ottinger
Passman
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Perkins
Pettis
Pickle
Pike
Poage
Pressler
Preyer
Price
Pritchard
Quie
Quillen
Randall
Rangel
Rees
Regula
Reuss
Rhodes
Richmond
Riegle
Rinaldo
Risenhoover
Roberts
Robinson
Rodino
Roe
Rogers
Roncalio
Rooney
Rosenthal
Rostenkowski
Roush
Rousselot
Roybal
Runnels
Russo
Ryan
St Germain
Santini
Sarasin
Sarbanes
Satterfield
Scheuer
Schneebeli
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Shriver
Shuster
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steelman
Steiger, Ariz.
Stephens
Stokes
Stratton
Stuckey
Studds
Symington
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thompson
Thone
Thornton
Traxler
Treen
Tsongas
Udall
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Vigorito
Walsh
Wampler
Waxman
Weaver
Whalen
Whitehurst
Whitten
Wiggins
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolff
Wright
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Tex.
Zablocki
Zeferetti

NAYS—3

Burke, Fla.
Dingell
Shipley

NOT VOTING—49

Andrews, N.C.
Ashley
Bell
Bingham
Bowen
Breckinridge
Brooks
Brown, Mich.
Carney
Conlan
Conyers
Eckhardt
Eshleman
Flowers
Ford, Tenn.
Fountain
Fulton
Gibbons
Goldwater
Gonzalez
Hays, Ohio
Hinshaw
Hyde
Jacobs
Johnson, Colo.
Karth
LaFalce
Litton
McFall
Macdonald
Madden
Mann
Matsunaga
Mazzoli
Meyner
Mink
Patman, Tex.
Pepper
Peyser
Railsback
Rose
Ruppe
Spence
Steiger, Wis.
Sullivan
Waggonner
White
Young, Fla.
Young, Ga.

So (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

The Clerk announced the following pairs:

Mr. Hays of Ohio with Mr. Andrews of North Carolina.
Mr. Waggonner with Mr. Ashley.
Mr. Breckinridge with Mr Gonzalez.
Mr. Brooks with Mr. Jacobs.
Mr. Carney with Mr. Conyers.
Mr. Eckhardt with Mr. White.
Mr. Macdonald of Massachusetts with Mr. Hinshaw.
Mr. Matsunaga with Mr. Bell.
Mr. Pepper with Mr. Steiger of Wisconsin.
Mr. Mazzoli with Mr. Eshleman.
Mr. Patman of Texas with Mr. Young of Georgia.
Mrs. Mink with Mr. Brown of Michigan.
Mrs. Sullivan with Mr. Hyde.
Mr. Young of Florida with Mr. Ruppe.
Mr. LaFalce with Mr. Conlan.
Mr. Karth with Mr. Gibbons.
Mr. Bingham with Mr. Railsback.
Mr. Bowen with Mr. Goldwater.
Mr. Flowers with Mr. Peyser.
Mr. Ford of Tennessee with Mr. Spence.
Mr. Fountain with Mr. Fulton.
Mr. McFall with Mr. Madden.
Mr. Mann with Mrs. Meyner.
Mr. Litton with Mr. Rose.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

JOHN F. KENNEDY CENTER

The **SPEAKER** pro tempore. The unfinished business is the question of suspending the rules and passing the bill H.R. 6151, as amended.

The Clerk read the title of the bill.

The **SPEAKER** pro tempore. The question is on the motion offered by the gentleman from Wyoming (Mr. RONCALIO) that the House suspend the rules and pass the bill H.R. 6151, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

CHILD SUPPORT PROGRAM IMPROVEMENTS

The **SPEAKER** pro tempore. The unfinished business is on the question of suspending the rules and passing the bill H.R. 8598, as amended.

The Clerk read the title of the bill.

The **SPEAKER** pro tempore. The question is on the motion offered by the gentleman from California (Mr. CORMAN) that the House suspend the rules and pass the bill H.R. 8598, as amended, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 357, nays 37, not voting 40, as follows:

[Roll No. 413]

YEAS—357

Abdnor
Abzug
Adams
Addabbo
Alexander
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N. Dak.
Annunzio
Armstrong
Aspin
AuCoin
Badillo
Bafalis
Baldus
Barrett
Baucus
Beard, R.I.
Beard, Tenn.
Bedell
Bennett
Bergland
Bevill
Biaggi
Biester
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Brademas
Breaux
Brinkley
Brodhead
Broomfield
Brown, Calif.
Broyhill
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Byron
Carney
Carr
Carter
Casey
Cederberg
Chappell
Chisholm
Clausen, Don H.
Clay
Cleveland
Cochran
Cohen
Collins, Ill.
Conable
Conte
Corman
Cornell
Cotter
Coughlin
D'Amours
Daniel, R. W.
Daniels, N.J.
Danielson
Davis
de la Garza
Delaney
Dellums
Dent
Derrick
Derwinski
Dickinson
Diggs
Dingell
Dodd
Downey, N.Y.
Downing, Va.
Drinan
Duncan, Oreg.
Duncan, Tenn.
du Pont
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
Emery
Erlenborn
Esch
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fary
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Florio
Foley
Ford, Mich.
Forsythe
Fountain
Fraser
Frenzel
Frey
Fuqua
Gaydos
Gilman
Ginn
Gradison
Green
Gude
Guyer
Hagedorn
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Harkin
Harrington
Harris
Harsha
Hastings
Hawkins
Hayes, Ind.
Hays, Ohio
Hébert
Hechler, W. Va.
Heckler, Mass.
Hefner
Heinz
Helstoski
Hicks
Hightower
Hillis
Holland
Holtzman
Horton
Howard
Howe
Hubbard
Hughes
Hungate
Hutchinson
Jacobs
Jarman
Jeffords
Jenrette
Johnson, Calif.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Kasten
Kastenmeier
Kazen
Kelly
Ketchum
Keys
Kindness
Koch
Krebs
Krueger
Latta
Leggett
Lehman
Lent
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lujan
McClory
McCloskey
McCollister
McCormack
McDade
McEwen
McFall
McHugh
McKay
McKinney
Macdonald
Madden
Madigan
Maguire
Mahon
Martin
Meeds
Melcher
Metcalfe
Mezvinsky
Mikva
Milford
Miller, Calif.
Mills
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Mollohan
Moore
Moorhead, Pa.
Morgan
Mosher
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
Obey
O'Brien
O'Hara
O'Neill
Ottinger
Passman
Patman, Tex.
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Perkins
Pickle
Pike
Poage
Pressler
Preyer
Price
Pritchard
Quie
Quillen
Randall
Rangel
Rees
Regula
Reuss
Rhodes
Richmond
Riegle
Rinaldo
Risenhoover
Roberts
Robinson
Rodino
Roe
Rogers
Roncalio
Rooney
Rosenthal
Rostenkowski
Roush
Roybal
Runnels
Russo
Ryan
St Germain
Santini
Sarasin
Sarbanes
Scheuer
Schneebeli
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Shipley
Shriver
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steelman
Stephens
Stokes
Stratton
Stuckey
Studds
Symington
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thompson
Thone
Thornton
Traxler
Treen
Tsongas
Udall
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Vigorito
Waggonner
Walsh
Wampler
Waxman
Weaver
Whalen
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolff
Wright
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Tex.
Zablocki
Zeferetti

NAYS—37

Archer
Ashbrook
Bauman
Brown, Ohio
Burleson, Tex.
Clancy
Clawson, Del
Collins, Tex.
Conlan
Crane
Daniel, Dan
Devine
English
Flynt
Goodling
Grassley
Hansen
Holt
Ichord
Kemp
Lagomarsino
Landrum
Levitas
Lott
McDonald
Mathis
Michel
Miller, Ohio
Mitchell, N.Y.
Montgomery
Moorhead, Calif.
Pettis
Rousselot
Satterfield
Shuster
Steiger, Ariz.
Symms

NOT VOTING—40

Andrews, N.C.
Ashley
Bell
Bingham
Bowen
Breckinridge
Brooks
Brown, Mich.
Conyers
Eshleman
Flowers
Ford, Tenn.
Fulton
Giaimo
Gibbons
Goldwater
Gonzalez
Henderson
Hinshaw
Hyde
Johnson, Colo.
Karth
LaFalce
Litton
Mann
Matsunaga
Mazzoli
Meyner
Mink
Pepper
Peyser
Railsback
Rose
Ruppe
Spence
Steiger, Wis.
Sullivan
Ullman
Young, Fla.
Young, Ga.

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The Clerk announced the following pairs:

Mr. Mazzoli with Mr. Fulton.
Mrs. Meyner with Mr. Andrews of North Carolina.
Mr. Pepper with Mr. Mann.
Mrs. Sullivan with Mr. Rose.
Mr. Karth with Mr. Gonzalez.
Mr. LaFalce with Mr. Conyers.
Mr. Matsunaga with Mr. Ullman.
Mr. Breckinridge with Mr. Hyde.
Mr. Bingham with Mr. Ford of Tennessee.
Mr. Bowen with Mr. Goldwater.
Mr. Ashley with Mr. Peyser.
Mr. Brooks with Mr. Brown of Michigan.
Mr. Giaimo with Mr. Railsback.
Mr. Henderson with Mr. Spence.
Mrs. Mink with Mr. Ruppe.
Mr. Young of Georgia with Mr. Bell.
Mr. Gibbons with Mr. Steiger of Wisconsin.
Mr. Flowers with Mr. Young of Florida.
Mr. Litton with Mr. Eshleman.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PROVIDING FOR CONSIDERATION OF H.R. 7217, EDUCATION FOR ALL HANDICAPPED CHILDREN ACT OF 1975

Mr. **MADDEN**. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 614 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 614

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 7217) to amend the Education of the Handicapped Act to provide educational assistance to all handicapped children, and for other purposes. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Education and Labor, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Education and Labor now printed in the bill as an original bill for the purpose of amendment under the five-minute rule. At the conclusion of such consideration, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions. After the passage of H.R. 7217, the Committee on Education and Labor shall be discharged from the further consideration of the bill S. 6, and it shall then be in order in the House to move to strike out all after the enacting clause of the said Senate bill and insert in lieu thereof the provisions contained in H.R. 7217 as passed by the House.

The **SPEAKER**. The gentleman from Indiana is recognized for 1 hour.

Mr. **MADDEN**. Mr. Speaker, I yield 30 minutes for the minority to the gentleman from Mississippi (Mr. LOTT), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 614 provides for an open rule with 1 hour of general debate on H.R. 7217, a bill to amend the Education of the Handicapped Act.

House Resolution 614 provides that it shall be in order to consider the amendment in the nature of a substitute now printed in the bill as an original bill for the purpose of amendment under the 5-minute rule.

House Resolution 614 also provides that after the passage of H.R. 7217, the Committee on Education and Labor, shall be discharged from the further consideration of the bill S. 6 and it then shall be in order in the House to move to strike out all after the enacting clause of S. 6 and insert in lieu thereof the provisions contained in H.R. 7217 as passed by the House.

H.R. 7217 extends for an additional 2 fiscal years, the current entitlement formula for payments to States under the act. In fiscal year 1978, the bill establishes a new formula for payments to States and local communities based on the number of handicapped children served, times 50 percent of the average per-pupil expenditure.

Mr. Speaker, there are more than 8 million handicapped children in the United States. At the present time only 3.9 million of these children are receiving an adequate education and more than half of all handicapped children are not having their special needs met. State and local educational agencies have a responsibility to provide education for all handicapped children but present financial resources are inadequate and thus we must pass this legislation to assure that all handicapped children have available to them special educational and related services designed to meet their needs and to assist States and local educational systems in providing the education to meet those needs.

Mr. Speaker, passage of this legislation will aid the visually handicapped, the deaf, and the hard of hearing children. It will provide the authorization for funds to educate speech handicapped, emotionally disturbed, mentally retarded, learning disabled, and multiple handicapped children. I urge the adoption of House Resolution 614 in order that we may discuss, debate, and pass H.R. 7217.

Mr. LOTT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as has been noted by the gentleman, this rule provides for the consideration of H.R. 7217, the Education for All Handicapped Children Act of 1975. Under the terms of the rule, the bill is subject to 1 hour of general debate and is open to all germane amendments. The committee substitute is made in order as an original bill for purposes of amendment.

The rule further provides that after the passage of H.R. 7217, it shall be in order to take the Senate bill, S. 6, from the Speaker's table and to move to strike all after the enacting clause and insert in lieu thereof the text of H.R. 7217 as passed by the House.

The purpose of the Education for All Handicapped Children Act of 1975 is to make educational opportunities available to all handicapped children. In accomplishing this objective, H.R. 7217, as amended, would—

First. Extend for 2 additional years for the entitlement formula for payments to States which was adopted under the Education Amendments of 1974.

Second. Establish a new formula which would begin in fiscal year 1978 for payments to States and communities based on the number of handicapped children served, times 50 percent of the average per pupil expenditure.

Third. Establish eligibility and application procedures for local education agencies.

Fourth. Establish provisions relating to evaluation.

Fifth. Provide for grievance procedures at the State and local levels.

Sixth. Provide that all handicapped children must be served as of October 1, 1978.

Seventh. Provide that an individualized program be developed for each handicapped child.

Eighth. Provide that State advisory councils be established.

Ninth. Provide broader authority for the Secretary of HEW to enter into agreements with institutions of higher education and State and local agencies for the establishment and operation of centers of educational media and materials for the handicapped.

Tenth. Provide for making grants to pay part or all of the cost of existing buildings for the removal of architectural barriers.

The authorization levels in this legislation are quite large; $1,332,000,000 is authorized for fiscal years 1976 and 1977 for formula payments; and $5,000,000 is authorized annually for the removal of architectural barriers in existing buildings. While the Committee on Education and Labor reported this bill favorably on June 17 by a 37 to 0 vote, several of its members have expressed a serious concern for the authorization figures. Since in 1975 Congress appropriated only $100 million to carry out the provisions of this act, it is almost unrealistic to assume that the authorizations called for under H.R. 7217 will be met with an equal amount of appropriations.

Differing opinions also have been expressed in relation to the specific learning disabled cap in the bill and the method of funding distribution. Therefore, Mr. Speaker, in light of these views, I would favor the adoption of this rule so that the House may have the opportunity to debate and offer amendments to this important legislation.

Mr. Speaker, I have no requests for time.

Mr. MADDEN. Mr. Speaker, I have no requests for time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

Mr. BRADEMAS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 7217) to amend the Education of the Handicapped Act to provide educational assistance to all handicapped children, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from Indiana (Mr. Brademas).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 7217, with Mr. Roberts in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Indiana (Mr. Brademas) will be recognized for 30 minutes, and the gentleman from Vermont (Mr. Jeffords) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Indiana (Mr. Brademas).

Mr. BRADEMAS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise to urge my colleagues to give their strong support to H.R. 7217, the Education of All Handicapped Children Act, a bill to amend and extend the Education of the Handicapped Act.

This is a strong measure, Mr. Chairman, because strong measures are required if we are to insure that all children in the United States receive the free education to which they are entitled. The need for this bill arises from a set of grim and depressing facts:

There are over 8 million handicapped children in the United States and only 3.9 million are currently receiving an appropriate education; 1.75 million handicapped youngsters are receiving no education at all; and 2.5 million children are receiving an inappropriate education.

In short, Mr. Chairman, over 50 percent of the handicapped children in this Nation are being denied a fundamental educational opportunity which can help some of them become self-sufficient adults.

Last year, many significant advances were made in the education of handicapped children. In the Education Amendments of 1974, Congress significantly expanded a basic aid-to-States program for the education of handicapped children in authority and appropriations, with a clear mandate that the 1-year emergency authorization under that measure would not be sufficient for the long-term purposes of providing adequate support to States and local communities to meet the educational needs of handicapped children. We have met that mandate with H.R. 7217.

Let me take a moment, Mr. Speaker, to cite the major provisions of H.R. 7217. The bill would:

Extend for 2 additional years the present entitlement formula, referred to as the Mathias formula.

Establish a new formula to begin in fiscal 1978 for payments to States and local communities based on the number of handicapped children served, times 50 percent of the average per pupil expenditure;

Establish eligibility and application procedures for local education agencies;

Establish procedures relating to evaluation;

Provide for grievance procedures at State and local levels;

Provide that all handicapped children must be served as of October 1, 1978;

Provide that an individualized program be developed for each handicapped child;

Provide that State advisory councils be established;

Provide broader authority for the Secretary of Health, Education, and Welfare to enter into agreements with institutions of higher education and State and local agencies for the establishment and operation of centers of educational media and materials for the handicapped, and,

Provide for making grants to pay part or all of the cost of altering existing buildings for the removal of architectural barriers.

Mr. Chairman, before I discuss these provisions in greater detail, let me observe that this bill was ordered reported from the Subcommittee on Select Education with a unanimous bipartisan vote, and that it was reported from the Committee on Education and Labor by a vote of 37 ayes, no nays, and 2 not voting.

Before addressing the merits of this bill, Mr. Chairman, I would like to thank the chairman of our committee, Mr. PERKINS, for his support of the subcommittee's efforts. I would also like to thank the ranking minority member of the Education and Labor Committee, Mr. QUIE, for his auspicious contributions to the pending bill.

Mr. Chairman, the members of the select subcommittee and the full Committee on Education and Labor have worked hard and long on this legislation and I would like to publicly thank and congratulate them for this effort.

BACKGROUND

Mr. Chairman, we are here today, not as representatives of positions on either side of the aisle, but as legislative decisionmakers who, through the power of body, can make a commitment to the over 8 million handicapped children of this Nation. It is a shameful exercise of the principles on which this country was conceived and developed that our educational system completely excludes 1.75 million of these handicapped children and provides inadequate educational services to over half the total population of handicapped children. This is a waste of one of our most valuable resources, our young people and the potential they possess to become contributing and self-sufficient members of this society.

Mr. Chairman, in 1966 Congress added a new title to the Elementary and Secondary Education Act, title VI, entitled the Education of the Handicapped Children. This new title authorized grants to States in assisting them to initiate, expand and improve programs and projects for the education of the handicapped.

In 1970 the Congress again recognized the needs of this Nation's handicapped children and created a separate act, the Education of the Handicapped Act, which consolidated a number of previously separate legislative enactments related to the education of the handicapped. Among these enactments was title VI.

Part B of the act, the State grant program, authorized some $630 million over a 3-year period for educational programs for handicapped children at the preschool, elementary, and secondary school levels.

Since the passage of the original act in 1976, Federal assistance to the States under part B has grown from $2.5 million to $100 million in fiscal year 1975.

Mr. Chairman, on the surface this may appear to be a substantial fiscal effort on the part of the Federal Government. However, the fiscal year 1975 appropriation represents a Federal dollar contribution which equals about $12.50 per handicapped child if each such child were to receive the same portion of that appropriation amount.

It is estimated that it would cost approximately twice the national average per pupil expenditure, or $2,500, to educate a handicapped child. Thus, the $12.50 presently spent by the Federal Government on each handicapped child represents only 0.5 of 1 percent of the estimated total cost to educate one handicapped child.

DEVELOPMENT

Mr. Chairman, for the past 3 years the Subcommittee on Select Education, which I have the honor to chair, has been involved in various oversight and evaluation activities which directly relate to the education of the handicapped. Over these 3 years a need for comprehensive legislation has been generated by at least four major developments.

First, there have been landmark judicial decisions in which the courts have recognized the rights of each handicapped child to have a free appropriate public education. Thus far there have been some 46 court cases regarding the right to an education for each handicapped child.

Second, State legislatures have passed new laws to guarantee each handicapped child within their States the right to a free public appropriate education.

Third, the lack of fiscal resources on the part of the States has either postponed or prevented implementation of court decisions and State statutes.

And fourth, increased awareness of the educational needs of handicapped children and the continuous development of identification and programing techniques represent positive prospects for handicapped children in this country.

All of these developments pose the challenge to the Federal Government to expand its role in the education of the handicapped if indeed expeditious and substantial progress is to be made in providing full educational opportunities for each handicapped child.

NINETY-THIRD CONGRESS

Mr. Chairman, last year in Public Law 93–380, the Education Amendments of 1974, Congress authorized a temporary 1-year entitlement program under part B which would provide some $680 million in fiscal year 1975 for the education of the handicapped children. This money was to be distributed to the States on a basis proportional to the number of all children aged 3–21 in each State. This entitlement formula expired this June 1975 and returns the authorization ceilings for appropriations under part B to $100 million for fiscal year 1976 and $110 million for fiscal year 1977. These amendments also represented a major Federal development in the area of the education of handicapped children in these ways: By adding important new provisions to the act which would require the States to establish a goal of providing full educational opportunities to all handicapped children; to provide procedures for insuring that handicapped children and their parents are guaranteed procedural safeguards in identification and placement of the handicapped child; and that where possible, the handicapped child be integrated into a normal classroom environment.

Despite the tremendous strides realized through the refinement of both national and State policy toward the elimination of one of this Nation's areas of extreme neglect, there are over 4 million handicapped children today who are not receiving the public education programs which they so desperately require.

H.R. 7217, AS AMENDED

Mr. Chairman, the legislation pending before us today, H.R. 7217, would authorize a further, even more substantial, Federal contribution toward the guarantee of an appropriate public education for America's 8 million handicapped children. This legislation represents not only a strong congressional statement with regard to the education of all handicapped children but it is the vehicle by which this Congress can make a commitment to this Nation's handicapped children.

Mr. Chairman, I would like at this time to detail some of the important features of H.R. 7217.

FORMULA

H.R. 7217 would extend the entitlement formula for payments to States for fiscal year 1975 under the Education of the Handicapped Act for 2 additional fiscal years, fiscal year 1976 and fiscal year 1977, and would add that no State could receive less than its fiscal year 1974 appropriations or $300,000 whichever is greater. It is estimated that the bill would authorize appropriations for each of these fiscal years of approximately $660 million.

The extension of these amendments would provide a temporary ceiling which would be high enough to help the States and localities prepare for the new entitlement formula for fiscal year 1978.

Beginning in fiscal year 1978 and continuing for every fiscal year thereafter H.R. 7217 would incorporate a new entitlement formula which would be based on the number of handicapped children served aged 5 through 17 times 50% of the National average per pupil expenditure, which is approximately $1250 at this time and 50% of which would therefore be $625.

The term "served" is defined in H.R. 7217 to include only those handicapped children who are enrolled in programs of free public appropriate education.

In determining the allotment for local educational agencies, the number of handicapped children served cannot exceed 12 percent of the school age population, 5–17 years of age, inclusive, and children with specific learning disabilities can compose not more than 2 percent of this handicapped population. No State can receive less than its fiscal year 1977 allotment or $300,000, whichever is greater. This 12 percent limitation was included in the bill to act as a safeguard preventing States and localities from mislabeling and overreporting handicapped children.

Payments would be made by the Federal Government to pay the excess cost of educating a handicapped child and in no way would the Federal funds be used to supplant State and local funds unless every handicapped child within that State is receiving a free public education.

Mr. Chairman, if each State actually served 12 percent of its school age population, it is estimated that the fiscal year 1978 authorization would amount to $3.8 billion.

Mr. Chairman, I realize that these figures are large. However, the committee felt that it had a duty to define the universe of need and after studying the educational needs of handicapped children, determined that this level of appropriations would be necessary to help State and local educational agencies meet the educational needs of handicapped children.

ALLOCATION

Mr. Chairman, H.R. 7217 provides for the allocation of funds to local educational agencies, beginning in fiscal 1978. This differs from the present allocation process, which distributes funds to the State educational agencies which then distribute funds to local educational agencies on a discretionary grant basis.

However, while funds under H.R. 7217 are allocated to the local educational agencies, they are not allocated directly.

In order to be eligible for funding under the entitlement formula which would go into effect in fiscal 1978, local educational agencies must submit a plan to the State educational agency which must be in compliance with the overall State plan.

The State may deny funds to a local educational agency if the State feels that the program is of insufficient size and scope; if the local educational agency is already providing adequate services to handicapped children with State and local funds; and, if the local educational agency has failed to comply with the requirements of the State plan or other provisions of this legislation.

Mr. Chairman, we hope by this method of allocation to give local educational agencies a degree of certainty with regard to the funding of special education programs and still maintain accountability.

ADDITIONAL PROVISIONS

Mr. Chairman, there are several other provisions in this measure which I would like to discuss briefly.

H.R. 7217 enlarges the definition of "handicapped" to include those youngsters with specific learning disabilities such as dyslexia or aphasia. While these children are usually of normal intelligence, they have disabilities which prevent their learning as other children do: some children for example, cannot read because their brain reverses the letters they see on a page. These children can be helped with special education and can be trained to lead normal lives.

Mr. Chairman, we also provide that an individualized plan of instruction must be provided for each handicapped child and evaluated at least annually. Individualized plans are of great importance in the education of handicapped children in order to help them develop their full potential.

In addition, Mr. Chairman, H.R. 7217 sets priorities in the expenditure of Federal funds, mandating that these moneys be spent first on those children who are receiving no education at all, and second, on those children with the most severe handicaps.

This bill also provides that by September 30, 1978, all handicapped children who are within the age group mandated by State law to receive a full free public education be provided this educational opportunity.

Mr. Chairman, another important feature of H.R. 7217 is the grievance and compliance mechanism established by this bill.

Court action and State laws throughout the Nation have made clear that the right to education of handicapped children is a present right, one which is to be implemented immediately. H.R. 7217 provides for mechanisms which would assure equal protection of the laws and which would support action to assure that handicapped children throughout the United States have available to them appropriate educational services.

H.R. 7217 would authorize a grievance-compliance mechanism which is three-tiered; that is, first a grievance mechanism must exist within each school district to allow complaints relative to the maintenance of the handicapped child's educational rights; then the State educational agency must review the facts of each case and review the findings of the local educational agency; if the State finds the local district in noncompliance, the State must take measures for the expeditious correction of any such noncompliance.

This process can be effected informally at first and then, if necessary, the State must take formal action. Finally, the U.S. Commissioner of Education could cut off funds for Federal education programs specifically designed for the education of the handicapped going to the local district or the State if noncompliance is found and not corrected.

Mr. Chairman, H.R. 7217 also directs itself to the importance of evaluation activities in the area of the education of the handicapped. It provides for the Commissioner of Education to authorize grants or to enter into contracts to assure effective implementation of the provisions of this bill and to develop effective methods and procedures for evaluation.

The bill also provides that the Commissioner of Education annually collect and report information regarding numbers of handicapped children in and out of a public educational system, the number of handicapped children by type of handicapping condition, and the amount of Federal, State, and local expenditures specifically used for the handicapped. This objective can be achieved by a sampling of the State and local educational agencies. The Commissioner must also report annually to the Congress regarding the progress being made toward reaching the goal of providing a full free public education for each handicapped child.

Mr. Chairman, I would like to conclude by briefly describing some other aspects of H.R. 7217.

H.R. 7217 provides for inservice training of special and supportive educational personnel for the handicapped.

H.R. 7217 provides broader authority for the Secretary of Health, Education, and Welfare to enter into agreements with institutions of higher education and State and local agencies for the establishment and operation of centers of educational media and materials for the handicapped. Present law authorizes a single National center for these purposes.

H.R. 7217 also contains provisions for a State planning and advisory council to be established to advise the State educational agency on the unmet needs of the handicapped children and prescribe general policies to determine priorities for educating handicapped children.

This bill also contains a provision authorizing the Commissioner of Education to make grants to State and local educational agencies for the purpose of removing architectural barriers consistent with the standards of Public Law 90-480. In the past, these architectural barriers have used a reason for denying a free appropriate public education to handicapped children.

Mr. Chairman, in conclusion, let me once more remind my colleagues that the measure before us enjoyed overwhelming bipartisan support in the Committee on Education and Labor. I hope that there will be equally strong support on both sides of the aisle for H.R. 7217 when the final vote is taken.

Mr. Chairman, as a cosponsor of H.R. 7217 and as a member of the Education and Labor Committee, I rise in support of the passage of the Education For All Handicapped Children Act of 1975.

The right to a free appropriate public education has long been the right of most children in this country. But that right has not been available to a substantial segment of our young people—the handicapped. Of the more than 8 million youngsters with handicaps, the Bureau of the Education of the Handicapped estimates that 2.5 million are receiving an inappropriate education while close to 2 million are receiving no educational services at all.

That children with physical or emotional handicaps should be so excluded from an equal educational opportunity is a shame. H.R. 7217 represents historic legislation in this Nation's growing commitment to its handicapped children which began in 1966 when Congress passed title VI of the elementary and secondary education amendments and took its first step in assisting the handicapped.

In 1970, passage of the Education of the Handicapped Act continued this country's effort. Then in 1971 the first court decision—the first in what would turn out to be a large number—held that all handicapped children have a constitutional right to a free public education. Last year Congress passed a 3-year extension of the 1970 act. Since that time, the Select Subcommittee on Education under the leadership of its chairman, JOHN BRADEMAS, has had an opportunity to assess the unmet needs in this area and to suggest means of meeting those needs. H.R. 7217 is the result of that year-long analysis. The fact the measure was unanimously reported by the subcommittee and the full committee manifests the strong bipartisan support of the legislation.

The legislation and court decisions I have mentioned have made a significant contribution in treating handicapped youngsters as first class citizens. But a moral commitment or a judicial ruling is not enough—it costs money to educate handicapped children. According to the National Education Finance Project, it costs about twice as much to educate a handicapped child as a nonhandicapped one.

Mr. Chairman, briefly the legislation provides a 2-year extension of the present formula whereby the State educational agency receives its entitlement based upon the population aged 3–21 times $8.75 and then distributes the funds to local educational agencies on a discretionary project basis.

Beginning in fiscal years 1978, the formula will be changed to operate in this manner—each local educational agency will receive its entitlement from counting the number of handicapped children served times 50 percent of the average per-pupil expenditure in the United States—now approximately $650.

The legislation also provides for grievance procedures at the local and State levels. An individualized program for each handicapped student is also called for.

In order to prevent over-labeling by the local educational agencies, the bill provides no State may report more than 12 percent of its total population aged 5–17 as handicapped chiildren.

The members of the committee are mindful that the bill calls for potentially high authorizations. The realities of economic life indicate the appropriations will not equal the authorizations.

However, if we are to recognize that all handicapped children are entitled to a free appropriate public education, this financial effort follows.

Progress has been made since 1967 in meeting our responsibilities to handicapped children and their parents but achieving the goal of full educational opportunities for handicapped children calls for a cooperative effort by State, local, and Federal Governments. H.R. 7217 is a good effort in that direction and I urge its passage.

Mr. JEFFORDS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I am in full agreement, although somewhat awkwardly, with the comments made by the gentleman from Indiana. I say awkwardly as there will be strong disagreement expressed and an amendment proposed by other members of the minority with respect to the funding formula. I fully agree with the bill and will a little later on explain one of the basic differences which I am sure will be the subject of amendment at the appropriate time.

I believe it is most important that we face up to our responsibilities with respect to the handicapped. This is an issue which is essential because the court has deemed it essential. Unless we do move in and give the appropriate education necessary for our handicapped children we are going to be depriving children who have a legal right to such education. This bill moves a long way forward in that respect.

The basic argument will be a dispute with respect to the level at which the bill should be funded, that is the funding goal set forth in the formula. I personally feel it is essential to focus attention upon the cost of this kind of education which will be essential under the requirements of the courts. We are going to be faced with the cost which is in the billions, up to $4 billion in order to do the job properly. The dispute on the bill will be as to whether the responsibility for this cost should be borne by the Federal Government or whether the responsibility for the cost should be placed with the local communities and State governments to fulfill that obligation. There are of course strong arguments in each direction.

Some people feel very strongly, and I am sure there will be a move to amend the bill, that the burden ought to be where the educational burdens have been in the past, that is with the local and State governments. Others, and I fall in this category, believe that, because of the extreme burden placed upon the real estate taxes of this country which have been used fundamentally to provide education and because of the financial straits in which our States find themselves, it is essential that we change our Federal priorities. New areas of education which must be funded, such as we have here, should be absorbed and taken up within the Federal priorities. Thus I feel the opposite perhaps of what some of my colleagues do. But this is an issue we should all listen closely to, because if we go the way this is headed in order to live up to our obligations there will be an expensive program which will be borne by the Federal Government within the Federal priorities. Otherwise the States will have to fend for themselves in seeking funds for this program.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. JEFFORDS. I yield to the gentleman from Maryland (Mr. BAUMAN).

Mr. BAUMAN. Mr. Chairman, the gentleman seems to be the only member of the committee minority on the floor at the moment and he is a very able Member as I have learned from my own observations. I have been informed that the administration is strongly opposed to this legislation because eventually it entails an expenditure of nearly $4 billion a year, contrary to the inflation impact statement in this report which leads one to believe this will have little effect on our spending priorities.

Does the gentleman have any information as to whether the President will veto this bill at its present spending level? Aside from the intrinsic merits of what is sought to be done in the bill, has any administration witness testified on this bill as far as their position?

Mr. JEFFORDS. As far as I know there has not been an expressed statement by the White House as to whether the President will veto this bill. I would expect they will await the action of the appropriations process.

As the gentleman has indicated, there is no doubt the administration has indicated its strong opposition to this approach to funding aid to the handicapped children.

It gets back to the basic philosophic dispute, who ought to bear the costs of this? An appropriate education has been mandated by the courts. This is not some new program springing out of the imagination or the desires of Congress, starting something completely new. This is something that is going to be required in educational systems; so regardless who funds it, if we talk about inflation, of course, there is going to be an increase in expenditures. I would agree it might be more likely that on the State or local level that the budget would be balanced than the Federal level, but there is no question somebody has to provide for this education.

Mr. BAUMAN. Mr. Chairman, if the gentleman will yield further, while the gentleman has made a strong point as to which level of government is going to be required to pay for this, I would observe no level of government will be required to pay. All Americans including the parents of the handicapped children will be required to pay for this legislation through the burden of taxes. That is a tax burden, perhaps, spread unevenly, but it is spread all over the country, just so we can clear up the point as to who will pay for this program. Where the check is written is incidental. We all pay. But are we not all also going to price of inflation this kind of spending causes? Does the gentleman feel, if he would respond to this question, that the formulas and the definition as to who is or who is not handicapped, under this legislation are adequate. Or will they allow the usual unlimited expansion that one sees in programs such as food stamps? In other words does this bill go beyond serious cases, those in wheel chairs, those totally deaf or blind and needing special education, but to borderline cases. For example, there is some discussion in the bill of aphasia, dyslexia, and minimal brain disfunction, all of which are sometimes difficult to diagnose, I can say from my own experience in my own family. It seems to me this is a wide-open program that could be abused despite a very good original purpose.

Mr. JEFFORDS. Mr. Chairman, the committee was aware of that possibility and many of us recognize that we have definitions that are broad or narrow, depending on who is defining them, in other words, which are very difficult to peg as to individuals as to whether or not they are handicapped and thus can be expanded broadly.

The committee, therefore, in its formulas did place a 12-percent cap which is related to the educational population of a State. The national average of handicapped to nonhandicapped is 12 percent. This cap would not allow States to define everyone in the State as sort of handicapped so they could get more aid and share in the educational funds. It is tied into the existing educational population and, thus, would not lend itself to the kind of expansion to which the gentleman is referring.

Mr. BRADEMAS. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Kentucky, the chairman of the committee (Mr. PERKINS).

Mr. PERKINS. Mr. Chairman, I rise in support of H.R. 7217, the Education for All Handicapped Children Act for 1975. Before discussing the merits of this legislation, I would like to congratulate the author of the bill, our colleague, JOHN BRADEMAS, who is chairman of our Subcommittee on Select Education. He is to be complimented for his great leadership and untiring efforts in designing a bill which will in the future make it possible for all handicapped children to receive a free appropriate public education.

I should like also to congratulate the ranking minority member of the committee, Mr. QUIE, and members of the committee from both sides of the aisle for their important and helpful contribution to the pending bill.

When enacted, H.R. 7217 will mark another step forward in the consistent pattern of growth of our national programs for handicapped children and adults—a pattern which has marked the last three decades.

Mr. Chairman, it has been my privilege to have played a part in the growth of rehabilitation and education programs for disabled citizens. When I first came to Congress, I had a deep concern and interest in expanding rehabilitation services. I was aware of the great need in my own congressional district, particularly with respect to disabled coal miners. And I had the privilege in the early 1950's of personally being involved in the legislation to expand and strengthen the Federal-State program of rehabilitation services.

I recall working with the Special Subcommittee on the Physically Handicapped, chaired by our former colleague, Carl Elliott, as we conducted hearings not only in Washington but in various locations across the country. Those hearings and studies were later described as the hearings which served to convince many Members of Congress that any expansion of rehabilitation activity was in the national interest as well as in the interest of the individual. The record of accomplishment in the rehabilitation field is clearly impressive.

And we have made progress also in special education programs for handicapped children. Late in 1965 we were successful in amending title I of the Elementary and Secondary Education Act to provide additional assistance for handicapped children in State institutions. In 1967, in legislation which I sponsored, we created title VI of the Elementary and Secondary Education Act with a variety of programs focusing on education for handicapped children. Just last year in the elementary and secondary school amendments, we took another constructive step toward expanding Federal support with the adoption of an entitlement formula to fund the basic program of grants for special education.

The State-grant program for the education of handicapped children has grown from a $2 million appropriation in 1967 to over $100 million today. This is something we can be proud of. But, when this is measured against the well-documented needs, we recognize that we must do a great deal more. This legislation is the vehicle for doing just that. With passage of H.R. 7217 we will be making a commitment to shoulder at the Federal level a much greater responsibility in the years ahead for supporting needed special education programs for handicapped children throughout this Nation.

H.R. 7217 continues the existing entitlement formula through fiscal year 1976 and 1977. With adequate financing in this 2-year period we will be ready to move to the new formula proposed for fiscal year 1978 and years thereafter. At that time we will start to count the number of children enrolled in special education programs and we will make payments on that basis.

Much, if not all the debate, Mr. Chairman, on this bill will focus on what some allege to be holding out false hopes because of the authorization being proposed. In my judgment, the committee and the Congress would be remiss in its responsibilities if it did not, as we did, assign some share of the cost of providing educational services to handicapped children to the Federal Government.

We suggest that share equal one-half of the national average per pupil expenditure for education. This will mean, since the cost of educating a handicapped child is twice the average cost, that the Federal responsibility works out to be 25 percent of the total. If we did not set a specific amount, we would have provided no guidance whatsoever to the Budget and Appropriations Committees.

In making out determinations we have considered the urgent needs of handicapped children and the large burdens borne by State and local educational agencies in meeting those needs. Moreover, if we did not have a specific amount in the bill there would not only be no guidance for the Appropriations and Budget Committees but there would be no limitation at all on the amount that could be appropriated.

Mr. Chairman, there are other features of this legislation which merit attention.

This bill establishes new State plan requirements which would provide for a planning and advisory panel which will advise the SEA of unmet needs of the handicapped within the State in the education of handicapped children; comments publicly on any rules or regulations proposed for issuances by the State and procedures for distribution of funds, and assist the State in developing and reporting such data and evaluations as may assist the Commissioner under the provisions for evaluations. In addition, there are provisions for assurances of fiscal control and provisions to assure that those handicapped children who are placed in private schools and facilities by the local educational agency are given the same rights and privileges as those students served in public educational agencies.

H.R. 7217 also establishes provisions for applications for funding which are to be submitted to the State's educational agency for their approval before funds are distributed. The criteria for these applications are so provided in section 10 of this bill. There are also provisions for administration, evaluation, grievance procedures, and the removal of architectural barriers so that children with handicapping conditions may attend the same schools which children without such handicaps may attend.

In conclusion, Mr. Chairman, I reiterate my support for H.R. 7217 and urge the speedy passage of this bill which will help to increase of Nation's commitment to the education of our handicapped children.

Mr. BRADEMAS. Mr. Chairman, I have no further requests for time.

Mr. JEFFORDS. Mr. Chairman, I yield 10 minutes to the gentleman from Minnesota (Mr. QUIE).

Mr. QUIE. Mr. Chairman, I rise in strong support of this legislation.

Mr. Chairman, I rise in very strong support of this legislation which we are considering today because I believe it is one of the most meaningful and beneficial steps ever taken by the Congress on behalf of our Nation's handicapped children and goes a long way toward bringing equal educational rights for them.

This bill recognizes that there are millions of handicapped children throughout the United States who are in need of special educational and related services but are not receiving them. This bill amends the existing Education of the Handicapped Act by making it a permanent authority and continues the commitment that we, in the Federal Government, have made to helping the handicapped.

According to the Bureau of Education for the Handicapped, there are at least 7.8 million handicapped children in the country, and of these BEH reported to the Congress this year that only 55 percent were receiving a public education. In addition, BEH claims that only 22 percent of preschool aged handicapped children are receiving public education. Handicapped children have been excluded from public schools or from programs designed to specifically meet their unique needs because as a general rule it is more expensive to educate them.

THE PROBLEM

The major problem facing the handicapped today is that a great number of children are simply not receiving an education or an education designed to meet their unique problems or needs. It is generally more expensive to educate these children, and because of the high cost, numerous school systems until recently have tended to systematically exclude many of these children from not only special educational programs but quite often from school itself. In recent years this situation has begun to reverse itself because there have been numerous lawsuits filed in behalf of handicapped children to force schools to provide educational services. The suits have been based on State compulsory attendance laws. All of us when we were young were required to attend school because of compulsory attendance laws. In spite of these laws, over one million handicapped children are still denied access to an education today. The lawsuits which had been filed in their behalf are based on the right of handicapped children to be educated, and the suits have contended that State laws requiring education simply have not been carried out. Twelve suits have already been concluded, and at the present time, there are over 40 right to education suits pending against States. The suits are designed to force States and local school systems to provide educational services for the 4 million handicapped children who are in school but not receiving special educational services as well as those who are excluded from school altogether.

WHAT ARE EXCESS COSTS?

To simplify the explanation, assume that all of the members of the Education and Labor Committee attended the Rayburn School and their classroom was room 2175. Assume also that the District of Columbia School System pays $1,500 per student. $1,500 covers all school expenses, that is, teacher salaries, principal salaries, transportation, books, cafeteria, equipment, building costs, and so forth. Now assume that one day, through a testing program, one of the students was identified as handicapped. The student was then placed in a classroom for the "handicapped" in room 2261 of the Rayburn School, and the cost for providing a "special education" was $2,500 for each student in that room. The excess costs would be the difference between the $1,500 and $2,500 figures—or $1,000.

This, of course, was a very simple explanation, because all handicapped children are not the same. Children often have unique problems. Not all blind children need the same special program; many can be educated in regular classrooms with some assistance from readers and special braille textbooks; others are trained in special segregated classrooms or institutions. Not all retarded children require special segregated classes; many can be educated in regular classrooms and given supplementary services through a resource program. As you can see, it is difficult to make a generalized statement that applies to all handicapped children. Also it is difficult to make a judgment simply on the basis of the word "handicapped" because a deaf child may require far more services, specialized personnel, training, and equipment than a retarded child. A child with cerebral palsy may in addition to the CP problems have hearing and visual problems; however, not all CP children have all of these problems; many are gifted. Costs vary from child to child. To complicate this problem even further, states reimburse local school districts for providing services to handicapped children in a variety of ways since it is virtually impossible to get one common set of statistics or data base which may be applied nationally and be easily translated when comparing one state to another or one school district to another.

WHAT ARE STATES DOING?

It must be clearly understood that this legislation is not intended nor will it be a substitute or a replacement for local and State expenditures for the handicapped. Quite the contrary, States and local governments have increased their expenditures significantly over the last decade to meet the educational needs of handicapped children. In fact, the amounts of money that the Federal Government has put into the education of the handicapped programs have been insignificant in comparison to what is actually put forward. During our committee's hearings Mrs. Francis McIntyre of the State Department of Education provided the following chart showing the State of Maryland's expenditure for education of the handicapped for the last 10 years.

Maryland State aid for the handicapped

	Total cost
1966–67	$4,749,484
1967–68	9,999,264
1968–69	14,793,506
1969–70	15,794,967
1970–71	20,686,572
1971–72	26,220,334
1972–73	27,493,899
1973–74	30,663,600
1974–75	34,500,000
1975–76	43,900,000

Of this amount he claimed less than $2 million comes to the State of Maryland from the Federal Government under title VI B—the legislation we are amending today. Mr. McIntyre contended that Federal funds are needed, but to date the amount contributed by the Federal Government was insignificant when compared to the States contribution and the degree of need.

FEATURES OF THE BILL

There are many features in the bill which I feel are significant and I believe will guarantee that money appropriated under this legislation will go directly to serve handicapped children and will not be comingled in general education budgets, is the requirement that moneys derived from this act must be spent after a school district computes and determines the average expenditure for each student in that school district and spends that amount of money on each handicapped child before these Federal dollars are spent. Through this requirement it is our intent that because it is so much more expensive to serve handicapped children than those who are normal, this money should be used to provide those services which are over and above those which any student in a particular school system would receive.

The bill also includes a requirement for the development of individualized education programs for each handicapped child. This would be an educational plan which is developed jointly by the local education agencies, a teacher involved with the specific education of the handicapped child, and his parents or guardian. The plan would include a statement of the child's present level of educational performance, a statement of the goals to be achieved, a statement of the specific services which will have to be provided, a projected date for initiation and duration of the services, and criteria and evaluation procedures for determining whether the objectives are being met. Because handicapped children are unique, setting up plans for each one makes good sense and by involving the parents in the development of such plans, the benefits begun in school hopefully would be continued at home. It is important to point out that it is an educational plan developed jointly, but it is not intended as a binding contract by the schools, children, and parents.

The bill also includes a provision which specifies that the first priority for services under this act will go to handicapped children who are not now receiving an education or necessary special services. The second priority will be to handicapped children who have the most severe handicaps and who are not receiving adequate special education or related services. The second priority to the most severely handicapped means the most severely handicapped within each particular disability category and not a judgment as to whether one type of handicap is more severe than another.

Finally, the bill includes a provision which covers all education legislation and not just legislation for the handicapped. As you know, the Education Amendments of 1974 grant Congress the authority to review regulations promulgated by HEW for a period of 45 days after their publication in the Federal Register. Congress during this time may choose to issue a resolution of disapproval pointing out those portions of the regulations which are inconsistent with the act or take no action. It is easily arguable that in the event Congress takes no action, it is implicitly consenting to and approving of the subject regulations. This provision will prevent HEW from arguing that Congress inaction constitutes implied approval or consent to such regulations. Thus, Congress will not be stopped from claiming at a later date that the regulations are, in fact, inconsistent.

AUTHORIZATION LEVELS

Having pointed out all of the good features of the bill, I feel that it is important to express my concerns about one major flaw which I feel must be corrected. I refer to the formula for distributing funds.

I want this bill to become law but I am concerned that through the projected expenditures, we may be inviting a veto. In the committee report I, along with several other colleagues—Messrs. BELL, ERLENBORN, BUCHANAN, PRESSLER, GOODLING—expressed real concern about the projected costs of the legislation and referred to them as unrealistic. I urge each Member to read those views found on pages 59 and 60 of report 94–332.

On Wednesday when this bill is considered, I intend to offer an amendment which will delete the projected entitlement and authorizations from the bill and allow the Appropriation and Budget Committee process to determine the actual level of funding provided. This is the way it will work anyway. Because so many of the provisions included are significant, I feel that we should not jeopardize the entire bill by passing leglislation that contains "unreachable levels."

The amendment follows:

AMENDMENT TO H.R. 7217 TO BE OFFERED BY MR. QUIE

Page 30, strike out line 4 and insert in lieu thereof the following:

GRANT ENTITLEMENTS: EXTENSION OF CERTAIN PROVISIONS

SEC. 2. (a)(1) Section 611(b)(1) of the Education of the Handicapped Act (20 U.S.C. 1411(b)(1)) (hereinafter in this Act referred

to as the "Act") is amended to read as follows:

"(b) (1) Except as provided in section (c) (1), from the total amount appropriated for any fiscal year, the Commissioner shall allot to each local educational agency an amount equal to the product of—

"(A) the number of handicapped children in the school district of the local educational agency who are enrolled in programs of free appropriate public education which meet the criteria established in section 614(a) (1), divided by the total number of such handicapped children in the school districts of all local educational agencies of all the States; and

"(B) the total amount appropriated for such fiscal year."

Page 30, line 5, strike out "Sec. 2. (a) (1)" and insert in lieu thereof "(2)".

Page 30, beginning on line 6, strike out "(hereinafter in this Act referred to as the 'Act')".

Page 30, line 11, strike out "(2)" and insert in lieu thereof "(3)"; on line 16, strike out "(3)" and insert in lieu thereof "(4)"; and on line 21, strike out "(4)" and insert in lieu thereof "(5)".

Page 39, strike out line 19 and everything that follows down through page 40, line 5, and insert in lieu thereof the following:

"(b) (1) Except as provided in section (c) (1), from the total amount appropriated for any fiscal year, the Commissioner shall allot to each local educational agency an amount equal to the product of—

"(A) the number of handicapped children in the school district of the local educational agency who are enrolled in programs of free appropriate public education which meet criteria established in section 614(a) (1), divided by the total number of such handicapped children in the school districts of all local educational agencies of all the States; and

"(B) the total amount appropriated for such fiscal year."

Page 41, strike out line 9 and everything that follows through page 42, line 17, and insert in lieu thereof the following:

"(d) The State educational agency shall fix dates before which each local educational agency shall report to it on the amount of funds available to the local educational agency, under the provisions of subsection (b) (1) which it estimates that it will expend in accordance with the provisions of this part. The amounts so available to any local educational agency, or any amount which would be available to any other local educational agency if it were to submit an approvable program, which the State educational agency determines will not be used for the period if its availability, shall be available for allocation to those local educational agencies, in proportion to the number of handicapped children counted by each such local educational agency, which the State educational agency determines will need additional funds to carry out approved programs."

SPECIFIC LEARNING DISABILITY

At this time I would like to commend the gentleman from Florida, Mr. Lehman, with whom I have been working to develop a compromise which will eliminate the restriction in the bill that places a cap of 1/6 of the state's total number of handicapped children who may be counted as specific learning disabled. When amendments are considered, I also plan to offer (with Mr. Lehman's approval and support) the following:

Page 42, immediately after line 17, insert the following new subsections:

(b) (1) The Commissioner of Education shall, no later than one year after the effective date of this subsection, prescribe—

(A) regulations which establish specific criteria for determining whether a particular disorder or condition may be considered a specific learning disability for purposes of designating children with specific learning disabilities; and

(B) regulations which establish and describe diagnostic procedures which shall be used in determining whether a particular child has a disorder or condition which places such child in the category of children with specific learning disabilities.

(2) The Commissioner shall transmit any proposed regulation written under paragraph (1) to the Committee on Education and Labor of the House of Representatives and the Committee on Labor and Public Welfare of the Senate, for review and comment by each such committee, at least 15 days before such regulation is published in the Federal Register in accordance with section 431 of the General Education Provisions Act (20 U.S.C. 1232).

(3) For purposes of this subsection:

(A) The term "children with specific learning disabilities" means those children who have a disorder in one or more of the basic psychological processes involved in understanding or in using language, spoken or written, which disorder may manifest itself in imperfect ability to listen, think, speak, read, write, spell, or do mathematical calculations. Such disorders include such conditions as perceptual handicaps, brain injury, minimal brain dysfunction, dyslexia, and developmental aphasia. Such term does not include children who have learning problems which are primarily the result of visual, hearing, or motor handicaps, of mental retardation, of emotional disturbance, or of environmental, cultural, or economic disadvantage.

(B) The term "Commissioner" means the Commissioner of Education.

(4) The provisions of this subsection shall take effect on the date of the enactment of this Act.

(c) Effective on the date upon which final regulations prescribed by the Commissioner of Education under subsection (b) take effect, the amendment made by subsection (a) is amended, in paragraph (1) of section 612(c) of the Act (as such paragraph would take effect on the effective date of subsection (a)), by striking out ", and may not count, as part" and all that follows through "one-sixth of such percentage".

Page 42, line 18, strike out "(b)" and insert in lieu thereof "(d)".

Page 65, line 22, strike out "8," and insert in lieu thereof "8(a), 8(d),".

The amendment will require the Commissioner of Education to spell out in detail exactly what may and may not be considered a Specific Learning Disability. Although there is a definition for SLD is in the law, it is felt by both Mr. LEHMAN and myself that further clarification is necessary and must be forthcoming. This amendment will accomplish just that. In addition to defining SLD more specifically the Commissioner will be required through regulation to establish diagnostic procedures which will have to be followed in identifying and classifying SLD children. Much of Mr. LEHMAN's concern, with which I concur, is that many children are improperly labeled and stigmatized because they have personal problems which are difficult for a classroom teacher to handle. Often, to eliminate such a child from a classroom, he or she is placed in a special class for the learning disabled and as a result, stigmatized for life. This is not the intent of the bill nor was it ever in the existing law and it is my hope that through this amendment the entire Specific Learning Disability matter will be put into its proper context.

Mrs. MINK. Mr. Chairman, I am pleased to give my support to H.R. 7217, the Education for All Handicapped Children Act of 1975.

In recent years, our schools have been confronted with historic court decisions on the public responsibility to provide a free appropriate public education for our Nation's handicapped children. H.R. 7217 recognizes the States' urgent requirement to comply with this judicial mandate by alleviating the fiscal burden placed upon States to meet the special educational needs of handicapped children.

The predecessor of H.R. 7217 was enacted by the 93d Congress as the Education Amendments of 1974—Public Law 93–380—which represented a major step forward in meeting the goal of full educational opportunities for all handicapped children. In that legislation, a 1-year emergency authorization was adopted which greatly increased aid to States for fiscal year 1975; a goal of providing full educational opportunities to all handicapped children and a time table for implementation of this goal was established; and required a plan from the States demonstrating how they will identify, evaluate and serve all of their handicapped children.

As set forth in the pending bill, more than half of the 8 million handicapped children today receive no appropriate educational services and 1 million handicapped children receive no educational services at all. Statistically, these numbers point out the void in our Nation's ability to care for its greatest resource—our young children. In human terms, I share the anguish of the parents of handicapped children who can find no recourse when their children are denied access to public schools because of a lack of trained personnel, because their children are viewed as an extra burden, or for a variety of other reasons.

H.R. 7217 then commits all of us to reverse these appalling statistics. It extends for 2 additional years the formula in current law, commonly known as the "Mathias Formula." This entitlement formula provides, when fully funded, for each State to receive an amount equal to $8.75 times the number of children in the State between the ages of 3 and 21. Beginning in fiscal year 1978, a new formula takes effect based on the number of handicapped children served in a State times 50 percent of the average per pupil expenditure of the United States.

Other major provisions of H.R. 7217 would require that an individualized education program be developed with a child's teacher in consultation with the parents. It also establishes grievance procedures to give parents and guardians of handicapped children an opportunity to present complaints regarding the manner in which special education and related services are provided.

As H.R. 7217 establishes September 30, 1978, as the target date for States to provide all handicapped children with an appropriate special education and related services, it demonstrates the willingness of the Federal Government in providing assistance to meet these excess costs. The full service goal makes it incumbent upon Congress to pledge significant financial assistance in order for States to provide the required educational services.

We have witnessed the indifference of the executive branch to the educational needs of handicapped children when it sends down to the Congress a rescission request and a greatly reduced budget request for education of the handicapped. The Congress, however, has voted down all education rescissions and voted for increased funding for handicapped education.

I firmly believe that our handicapped children must take priority among the competing needs placed upon our Nation's resources. I believe the Congress must continue to assert its leadership for educational assistance for all handicapped children and vote for passage of H.R. 7217.

Mr. BIAGGI. Mr. Chairman, I rise in support of H.R. 7217, the Education for All Handicapped Children Act of 1975, of which I am a cosponsor.

This bill, long overdue in my estimation, seeks to provide some viable solutions to the gross lack of educational opportunities and services for millions of children across this land who just happen to be handicapped in one way or another. H.R. 7217 changes the formula of distribution of funds by making moneys available directly to the local education agencies, provides for grievance procedures at the State and local levels; provides for a State advisory council; provides that an individualized program for each handicapped child be established; and, finally, provides that every handicapped child be served as of October 1, 1978.

As far as funding is concerned, H.R. 7217 would continue to utilize the present formula until fiscal year 1978. There are several reasons for this. First, it would allow the States to continue their education of the handicapped programs in the same manner they are currently being implemented. Second, it would allow the States to get ready for the new local education entitlement program which will go into effect in fiscal year 1978.

That formula will provide each local education agency with funds directly from the Federal Government. The amound of funding will be determined by counting the number of handicapped children served, times 50 percent of the average per pupil expenditure in the United States.

This seems to be the most equitable and efficient method of funding since the program is so comprehensive. The amount that each local education agency will receive will be proportionate to the cost of educating the children involved. And who is in a better position to determine those costs than the local agency? I believe it is a good system and I fully support the concept.

While the right of every unimpaired child to receive an education has been recognized for many years in this country, this has not always been the case with handicapped children. For decades, they were put aside and ignored. Many have been prevented from becoming useful citizens and self-reliant adults only because they were deprived of training which would make them so.

It is a disgraceful waste of their talents. Over 3 million children in this country are receiving either below par education or none at all. That is unacceptable to me. H.R. 7217 would go a long way toward correcting that unfortunate situation.

The bill calls for educating these youngsters in the classroom whenever possible, since this is the most ideal approach. However, it also provides for instruction in their homes, in hospitals, and in institutions. In this way, many children who were heretofore deprived of educational opportunities will be served.

Reflective of our expanding understanding of the best way to educate children with impairments, other types of instruction are provided by H.R. 7217. For example, the bill seeks to provide some physical education, including participation in team sports. It is a common fact that physical training of children is an essential element to their overall education. It is about time that this knowledge be applied to the complete education of handicapped children. It is especially significant that such a provision be included as we find ourselves working to provide other groups, including women, with equal physical training and participatory activities.

Other ways of teaching the handicapped child will be adopted. It has been determined that art is a viable teaching tool for instructing the unteachable. The bill encourages local education agencies to provide some exposure to the arts by providing classes and visits to museums and art galleries.

My home State of New York was among the very first to enact mandatory laws establishing programs for the handicapped children in the State. That was 1917. Since then numerous other States have followed suit. We have traveled far in those years, however, a look at the statistics will show there continues to exist a problem of ineffective enforcement of the mandatory laws. That is why H.R. 7217 is so essential.

Every child has a right regardless of handicap to realize his fullest potential, no matter how great or how small. I would urge this body to let these millions of children know that we have faith in their abilities and that we are concerned about them. The best way to do that is to pass this legislation.

Mr. MINISH. Mr. Chairman, I rise to indicate my support of H.R. 7217, a bill to provide assistance to all handicapped children. Mr. BRADEMAS' Subcommittee on Select Education deserves commendation for their diligent and thorough work on this comprehensive special education measure over the past 2 years. I hope this measure will reach final passage next week.

I am also proud to be a cosponsor of legislation similar in nature and scope to H.R. 7217; both bills seek to assure the right of all the handicapped to receive full educational opportunities.

The legislation, H.R. 7217, extends for 2 years the fiscal year 1975 entitlement formula for payments to States, an amount of approximately $666 million. In fiscal year 1978 the new formula would be established based upon the number of handicapped children served, times 50 percent of the average per-pupil expenditure.

To qualify for funds under this act, States would be required to show that by fiscal year 1979 they will achieve the objective of providing special education and related services to all handicapped children—in private as well as public schools—who are within any age group for which free public education is provided in the State. It also requires the State to establish a planning and advisory panel to advise the State education agency on general policies and rules under which the States will determine priorities for educating handicapped children.

It is long past time that the Government recognize its responsibility to see to it that each individual has the opportunity to reach his or her highest potential. Recent statistics indicate that there are approximately 8 million handicapped children in the United States. Only 3.9 million of these children are receiving an appropriate education. Thus leaving 2.5 million children with an inappropriate education level and some 1.75 million handicapped receiving no education at all. This, my colleagues, is a tragic waste of human resources.

H.R. 7217 addresses itself to the needs of this neglected minority of our school-aged population. It establishes the necessary strong Federal supportive role to assist States with grants designed to insure that those provisions enacted in the 1967 Education of the Handicapped Act are extended, resulting in the maximum benefits to handicapped children and their families.

In my own State of New Jersey, the Department of Education revealed that out of an estimated 231,000 handicapped children in 1972–73, there were still 80,000 handicapped children for whom special educational programs were not available. This untenable situation persists even though a law mandating that all eligible handicapped children be provided with an appropriate public education is in force.

Through the provision of appropriate educational services many of these individuals will be able to become contributing members of our society, and will not have to rely upon subsistence payments from public funds. The time has come to reject the false notion that persons with disabilities are sole cases for charitable action. This legislation will assure that all handicapped persons are granted the opportunity to make the valuable and significant contributions, of which they are capable, to our society.

Mr. BRADEMAS. Mr. Chairman, I have no further requests for time.

Mr. JEFFORDS. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. If there are no further requests for time, pursuant to the rule the Clerk will now read the committee amendment in the nature of a substitution printed in the reported bill, for the purpose of amendment.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Education for All Handicapped Children Act of 1975".

Mr. **BRADEMAS**. Mr. Chairman, I move that the Committee do now rise.

The motion was agree to.

Accordingly the Committee rose; and the Speaker having resumed the Chair, Mr. ROBERTS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 7217) to amend the Education for All Handicapped Act to provide educational assistance to all handicapped children, and for other purposes, had come to no resolution thereon.

GENERAL LEAVE

Mr. **BRADEMAS**. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 7217.

The **SPEAKER** pro tempore (Mr. O'NEILL). Is there objection to the request of the gentleman from Indiana?

There was no objection.

NEED TO REGULATE STRIP MINING

(Mr. **RONCALIO** asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. **RONCALIO**. Mr. Speaker, on June 10, the House failed to override the Presidential veto of H.R. 25, the Surface Mining Control and Reclamation Act of 1975 by a mere three votes. Only a few weeks before that regrettable action, Washington was beseiged with hundreds of coal trucks thundering through the streets in opposition to H.R. 25. Our offices were inundated with strip mine operators and their employees pleading that passage of this legislation would bring ruin upon them and their operations. Many of those trucks and mine operators were from Wise County, Va.

H.R. 25 was a much needed bill to regulate strip mining througout the Nation and especially in the West and Wyoming where massive strip mine operations are just getting underway.

I cannot help but ask how many Members voted against H.R. 25 because of the demonstration against that bill by strip miners from Wise County? How many were concerned that enactment of this bill would bring poverty to that region and further handicap miners and operators already living on a string? The following article from this Sunday's Washington Post is extremely enlightening about life in Wise County, Va., about how the destruction of the land without a Federal strip mine bill has produced massive wealth for a vocal pressure group which was heard all too well.

The article follows:

MINING TOWNS PROSPERING WITH INFUSION OF COAL CASH

(By Bill McAllister)

WISE, VA.—Lloyd Sturgill, a Wise County tax official, last week made his annual pilgrimage to ascertain the number of planes at the small one-runway airstrip serving this remote mountain town and saw a sight that he still finds difficult to believe.

Sturgill thought there were only 10 airplanes in the county and he was amazed to discover 32 aircraft, including six twin-engine planes and one helicopter, at the airport.

"I didn't think it would be anything like that," he said softly.

After all, Wise County, nestled against the Kentucky border in the southwest corner of Virginia, is in the midst of Appalachia, a region long regarded as a bedrock of American poverty. It was a section of Virginia so poor and neglected that residents used to joke that "most Virginians think the state ends at Roanoke," 165 miles east of here.

But, as taxman Sturgill's discovery illustrates, there is a new-found affluence suddenly surfacing in coal mining towns dotting the spine of the Appalachian mountains. Not only has the wealth appeared at airports, but it's also visible in scores of $12,000, white-vinyl topped Cadillac Eldorados and in the Mercedes-Benz autos crowding the narrow mountain roads.

It is seen also in $300,000 mansions rising on ridges sometimes overlooking shanties and house trailers, and in the mushrooming of independent banks that have piled up millions of dollars in assets within days of opening.

What's behind the region's prosperity is the same thing that has been behind its past famines—coal. The energy crisis and the nation's rediscovery of coal as a basic energy source has brought an unprecedented boom to the mining towns of Appalachia.

The money coal is bringing into this community has made millionaires of a handful of onetime small coal operators and has trickled down to bankers, miners, truck drivers, salesmen, repairmen and innkeepers.

"The recession really hasn't come here," said William Hartley, a professor of economics at the 800-student Clinch Valley College in Wise. Indeed, while unemployment and welfare rolls have been climbing elsewhere, they have fallen here.

"We were the poorest people in the state up until six or seven years ago," when the price of coal began rising, agreed Louise Camblos, Wise County treasurer.

Even though the region's coal prices have dipped sharply from their 1974 highs, they remain well above the 1973 levels. "The industry," said Leonard Westerstrom, a coal economist with the U.S. Bureau of Mines in Washington, "is making money like it never did before."

Much of the affluence now appearing in the mining towns was reaped in 1974 when coal prices in Virginia leaped to as high as $60 a ton from a 1973 average of $11.12 a ton. The current price is estimated by Westerstrom at about $20 a ton, almost four times the price miners were getting here in 1969.

The peak prices were short-lived but they produced a handful of millionaires from once relatively small coal operators and spawned what Hartley calls "the Appalachian version of the nouveau riche."

Although some of the coal operators plowed their profits back into their mining operations, others splurged their wealth on Rolls Royce automobiles, shopping centers, diamond rings, cattle farms, a race car track, and even the construction of a small, tourist-carrying railroad line.

The men who residents say made fortunes in the coal fields last year are quick to issue disclaimers that their prosperity is continuing. "It's all over," said tobacco-chewing A. M. (Smiley) Ratliff Jr., throwing his hands up in the air.

Ratliff, a former high school football coach who borrowed $1,500 to enter the coal mining business in 1956, was willing to admit that his coal mining profits have allowed him to buy a silver Rolls Royce, "the largest cattle outfit in Virginia" (7,000 cattle on a Tazewell County farm), a motel and a shopping center.

"The coal business is like a yo-yo," agreed Russell Large, who has plowed his coal profits into a shopping center, and a ⅜-mile NASCAR-approved race track, which he dismisses as "something the people can be proud of" rather than profit-making ventures.

Millionaires aside, the coal boom has brought other changes. For the first time since the 1940s families are moving into the coal mining towns. Wise County's population, for instance, rose to an estimated 37,600 in 1972, the latest period for which figures are available, from 35,947 in 1970.

The attitude of what mine operator Large admits were once "backwoods people" also has changed. "Now people are more proud. They're holding up their heads and aren't ashamed to say, 'I am a miner.'"

Politicians are paying more attention to the region. Thursday night U.S. Sen. Lloyd Bentsen (D-Tex.) became the first presidential hopeful in the memory of local politicians to visit the county. A Bentsen press aide discounted speculation that the senator was seeking funds for his campaign, but added: "Obviously, if we are offered any, we aren't going to turn it down."

The manager of a small jewelry store in nearby Norton said, "You just can't believe it, the way they wheel out the money" for diamonds. He did a land-office business in diamond rings for both men and women last year.

Cadillac sales at Witt Motor Co., the Norton General Motors dealership, also have jumped upward, and Walley Witt, general manager, said cash sales are "not very uncommon. They do that without flinching, just like buying a $150,000 loader." (A loader is a piece of heavy earth-moving equipment used in strip mining.)

Bankers in Norton and Clintwood, another nearby mining town, delight in telling outsiders how some mining clients carry huge balances in their checking accounts and write million-dollar checks, often at tax time.

William T. Clements, president of Wise County National Bank, said two of his best mining customers each used to make about $37,000 a year. Last year the men had to—and could—write checks to the Internal Revenue Service for $2.7 million.

Paying taxes is something that most mining operators dislike because the upsurge in coal prices can sweep some of them into an 80 per cent tax bracket before they can find a tax shelter, according to townsfolk. At the new Virginia Citizens Bank in nearby Clintwood, bank president Jimmie Vanover has a client who keeps $500,000 in his checking account because he refuses to pay taxes on the interest the money would earn in a savings account. "And I can understand how he feels," Vanover added.

Vanover's bank opened its doors on Dec. 6 in a $275,000 white-columned office that has yet to have a sign, and by the end of its first month the bank had $5 million in deposits. In April it had $13 million. After the mining operators wrote their IRS checks the bank's deposits slumped to their present level of $9 million, Vanover said.

At Grundy, a new bank formed by Ratliff, the mining operator, picked up $8.6 million in deposits on its first day. The bank has about $25 million in assets today, Ratliff said.

"I think the average coal miner is sharing in the wealth," said John Kennedy, a United Mine Workers of America field representative in Virginia. "Everybody who wants to work in the coal fields can," he said. "There is no shortage of jobs."

Under the union's latest contract, trainees start work in the region's mines at $42.75 a day and miners at $55 a day. Most miners work two Saturdays a month at overtime rates that mean "about everybody can take home $300 for a two-week period," Kennedy said.

Coming at a time when the rest of the nation is in a recession, miners' wages have helped boost incomes for almost everyone in the coal mining country. An apprentice mechanic who earned $3.50 an hour three years ago now can demand $6 to $7.50 an hour and "you have to pay him that if you want to keep him," according to George E. Hunnicutt, a Norton soft drink bottler and city councilman.

The boom has also given the region's usually hard-pressed governments more money than they've ever had. In Wise County one of the issues facing county government leaders is where to put and what to name the five new elementary schools the county is planning. In Clintwood banker Vanover noted that Dickenson County soon will replace its tiny, store-front library with a $500,000 building built with surplus county funds.

If wealth has changed the style of life in the mining towns, most folks say they can't notice it. The new mining millionaires are "just old boys who used to wear overalls with patches on them: only now they can have a $250,000 home and drive a Lincoln Continental," said Vanover.

Some mountain attitudes, such as distrust of outsiders, remain. Last year a traveling broker selling stock found himself talking to Shelcy Mullins, who dabbles in mining but is more properly known as the sheriff of Wise County. Mullins checked the man out and let him continue, but townsfolk say It's unlikely that the man sold much stock.

Mountaineers' distrust of outsiders has a good basis, according to professor Hartley. "If outsiders came in, it was always to do something to them."

Even so, the Inn at Wise Courthouse, a 19th-century hotel filled with antique furniture, keeps its 80 rooms filled, and guests are warned to make reservations at least a week in advance.

As for entertainment, there isn't much. The county has two drive-in movies, and one shows X-rated movies. Hard liquor is illegal, but wine and beer are sold at several small cafes. The ban on sales of stronger drink is supported by the area's numerous fundamentalist churches and the county's weekly newspaper. The Coalfield Progress, which recently attacked the use of alcohol on prime-time television.

Poverty remains in the county, but it is apparently on the decrease or falling in relation to the county's total population. Countl social services director B. G. Jennings said the number of families receiving food stamps in June was down to 841 from 1,051 in June 1972. The number of people in other welfare programs has remained stable in the face of easier eligibility requirements and a greater number of people in the county.

"Everybody's living better out here," said James A. Brown, Jr., a 31-year-old graduate of Virginia Polytechnic Institute in mining engineering and one of the few miners in the area with an academic brackground in mining. Brown, who left a position with a Cincinnati mining firm to return to the coalfields in 1972 said the secret to being a success in the industry is simple.

"A good rule in the coal business is "just don't lose any money," he said in his paneled office in a new building built over what was once a collection of mining shanties. A successful miner must be able to keep making a modest profit "and accept the fact that once in every four years, I'll make enough to make it all worthwhile.

"The woods," he said, "are full of miners who made millions and then went broke."

GUAM ORGANIC DAY

The SPEAKER pro tempore (Mr. McFall). Under a previous order of the House, the gentleman from Guam (Mr. Won Pat) is recognized for 60 minutes.

Mr. WON PAT. Mr. Speaker, July 21 is the occasion for a dual celebration on Guam by virtue of Guam's law, for it marks the anniversary of Guam's liberation from Japanese forces in 1944 and the enactment of the Guam Organic Act by Congress which conferred American citizenship upon the people of Guam and established civil government.

This year, the date takes on special significance as we celebrate the 25th anniversary of the signing of the Organic Act on August 1, 1950 by President Harry S. Truman.

When the President affixed his signature to that historic document, he made permanent the union between the peoples of Guam and the United States. For the people of Guam, the Organic Act is, somewhat, similar to the Constitution in that both documents conferred upon the people political integrity. The United States will celebrate its Bicentennial next year. Guam, as part of America will cheerfully and patriotically share in the festivities. But, none of us who labored so long and hard 25 years ago can forget that the Organic Act marked Guam's ascension to closer and inextricable ties to this Nation's affairs and brought to our people political rights and economic progress.

Now, 2½ decades later, I, as Guam's first elected Delegate to the Congress, take considerable pride in my island's advances under the Organic Act. Guam has progressed from being an isolated military outpost in the Pacific to our present position as one of the most developed and prosperous societies in the Western Pacific. Much of the credit for these developments rest with the Congress for having the wisdom and foresight to provide the territory with the legal means to carry out our political, social, and economic developments.

The realization of those dreams had their origins many years since 1898 when Spain ceded Guam to the United States in the Treaty of Paris. From that point on, Guamanians began harboring hopes of closer American ties and the aspiration of citizenship. In 1925, a visiting team of 11 Congressmen who visited the island were implored by local residents to support legislation granting citizenship to the Guamanians. Their quest met with partial success in 1936 when the U.S. Senate actually considered such legislation.

However, World War II interrupted those dreams with a horrifying suddenness. For Guam, that period carried severe hardships for we were occupied by the enemy for 3 years during which time our people never lost their loyalty to America nor the hope that the Americans would one day return in triumphant victory.

With the return of the Americans in 1944, Guam once again began the pursuit of more permanent relations with Washington. The passage by Congress in 1950 of Public Law 81–630, the Guam Organic Act, brought a partial fulfillment of our hopes and aspirations. I had the pleasure and privilege of participating in the formulation of that historic document.

Since that time, Congress has seen fit to modify the Organic Act on a number of occasions, chief of which authorized an elected Governor and elected Delegate to the Congress. And, today, I on behalf of the people of Guam, continue our quest to improve our political status within the American framework. Recently, I introduced House Joint Resolution 489 asking for the creation of a special status commission for Guam comprised of Members of Congress, White House officials, and representatives of the Government of Guam. The measure addresses the need for a review and study of the Guam Organic Act and the relation of Guam with the Federal Government.

Whatever the future brings, one thought must remain evident: The Organic Act will go down in Guam's history as one of the high water marks of our political development and a lasting memorial to the bonds of friendship between this country and Guam.

As we pause to reflect on the developments in Guam since 1950, I urge each of my colleagues who have chosen to add their comments to mine here today to join with me as I also salute the entire United States for making this day possible. Together, all Americans have created a climate of liberty which has nourished the democratic institutions of Guam into the proud successes they are today. For this I am eternally grateful and look forward to another 25 years of continued progress in Guam's relationship with this country.

Mr. JOHNSON of California. Mr. Speaker, it is with great pleasure that I join our colleague from Guam, the Honorable Antonio Borja Won Pat, on the occasion of the 25th anniversary of the Organic Act of Guam. The territory of Guam has great reason to celebrate and I take this opportunity to extend my congratulations not only to Tony but to all the citizens of the territory.

The Organic Act of Guam conferred American citizenship on the people of Guam, and also established a civil government for the island. In a very real sense, this provided the birth of democracy for the Guamanians, whose civil rights and political status were uncertain for nearly half a century in the 1900's.

Some 25 years ago, President Harry S. Trumar signed into law the organic act which formally made the citizens of Guam American citizens. We salute this historic document and the people who have implemented the statute so effectively.

American citizens living on the island of Guam today have the cherished authority to elect their own Governor and most recently a Delegate to the U.S. House of Representatives. It has been my pleasure to serve with our good friend Tony Won Pat as a member of the House Interior Committee. Without reservation, I can testify to his effectiveness as a legislator and as a representative of his people. Tony has done an exemplary job and I join with his fellow colleagues here in the House in commemorating not only this anniversary, but also the fine work of the Delegate from Guam.

In recent months the political situation in the Pacific has taken new turns. American forces have withdrawn from countries of Southeast Asia and have drawn a new line of defense in the Pacific. Certainly one of our most important strategic positions is on the Island of Guam. This important territory has contributed much to the defense and protection of the U.S. mainland, and it is reassuring to note that the Guamanians will forever remain our friends, our allies, and our fellow countrymen as we endeavor to protect our country from dangers in that part of the world.

It is also important to note that many citizens from Guam have individually contributed to our armed services, to our Government service, and to other aspects of our national life. As American citizens, they help to select our nominees for the two highest offices in our country, President and Vice President. Guam has much to offer us, and in turn I believe we can provide benefits to the island.

Through the Organic Act of Guam the citizens of that island have learned the benefits of a democratic system of government. They have used this to good advantage and are contributors to the overall improvement of American life.

I take this opportunity to wish continued Godspeed to the people of Guam, and we in the Congress look forward to a continued mutually beneficial relationship.

Mr. KETCHUM. Mr. Speaker, it is with great pride and pleasure that I congratulate the people of Guam as they celebrate 25 years of American citizenship. Only last week, I referred to the fine Americans our brothers and sisters in Guam have proven to be. With loyalty, and patriotism, they have served the United States in times of war and peace.

I made my first acquaintance with Guam during one of those times of war. On D-day, I landed there with the 77th Infantry. Last year, I was privileged to revisit Guam, only to find that my first impression of the Guamanians had proven correct. With pride, determination, diligence, and fortitude, they rebuilt, developed, and strove toward the finest possible standard of living. Thirty years after my D-day landing, I found Guam to be smoothly run, modern, and up to date. Most importantly, she still boasts a continually proud people, dedicated to the democratic process.

I have often kidded my good friend, Mr. Won Pat, about that 1974 visit. Upon learning that several hotels, recreational facilities, and businesses were run by Japanese, I told him that, for one horrible moment, I thought I had misread the outcome of that D-day invasion. Obviously, this is not the case—Guam is simply living up to democracy in every sense of the word, giving each and every inhabitant the chance to perform to the fullest of his abilities.

I find it most fitting that, on the 25th anniversary of Guam's Organic Act, this House should approve the pact reached with the Northern Marianas, taking us one step closer to welcoming 12,000 more new Americans. I know they will be great Americans, as have our Guamanian brothers.

The passage of Guam's Organic Act in 1950 was but the beginning of a viable, energetic, and enthusiastic relationship between Agana and Washington, D.C. With each year, we have seen Guam achieve greater goals, and have watched the communication and cooperation between this Federal city and Guam grow stronger.

To Mr. Won Pat, and to all those he is privileged to represent here in the Congress, I extend my heartiest best wishes on this occasion.

Mr. ALBERT. Mr. Speaker, August 1, 1975 marks an important day in the history of the United States. Twenty-five years ago, President Truman signed into law the Organic Act of Guam, which conferred American citizenship on the people of Guam, established a civil government, a bill of rights, and paved the way for the development of a modern Guam.

The Organic Act was passed in the 81st Congress, and I had the privilege of supporting that legislation. It is, therefore, a distinct personal honor to join my colleagues, and my good friend, the Honorable Antonio B. Won Pat, on this historic occasion in recognition of this landmark act which extended the principles of democracy to our fellow citizens on America's westernmost frontier.

Often called the gateway to the Orient, Guam houses major Naval and Air Force bases and provides a strategic American defense structure and an important communications center in the Pacific. This was especially important during the recent Southeast Asia conflict when citizens from the United States and Guam fought shoulder to shoulder for the cause of freedom. As that conflict drew to a close, both the United States and Guam responded with compassion to help those forced to flee their homeland. In times of strife and in times of peace, the people of Guam and the people of the United States have found their ties strengthened and the partnership mutually beneficial.

I believe that it is in the best interest of this country and Guam to expand our friendship and our alliance, and I am happy to offer congratulations to my fellow countrymen on the anniversary of their citizenship. I am pleased that I have had the opportunity to visit Guam so many times, and I believe that every American can be rightfully proud of the contributions made by our fellow citizens who live on this beautiful island. I extend my very best wishes for continued growth and prosperity.

Mr. McFALL. Mr. Speaker, I am pleased today to join with my colleagues in commemorating the 25th anniversary of President Truman's signing of the Guam Organic Act on August 1, 1950. That historic act replaced the military control which the island had been under for more than 50 years, since the Treaty of Paris of 1898, with civil government, and conferred American citizenship on the Chamarros of Guam.

Further democratic progress has continued since that time. The U.S. Congress has faithfully responded to the loyalty of the people of Guam and today, Guamanians are served by their own elected governor, Ricardo Bordallo, and their elected Delegate to the U.S. House of Representatives, our friend and colleague, Tony Won Pat. Through the 93d Congress and now in the 94th, Tony has shown outstanding dedication in representing Guam, and currently serves on both the Interior and Armed Services Committees.

In order to continue the democratic progress of the people of Guam, Tony has recently proposed legislation, which I understand is to be considered next by the House Interior Committee, to create a Commission on the Political Status of Guam to revew the relationship between the Federal Government and the people of Guam, with the view toward recommending to the Congress the most appropriate status for the territory.

The pride and devotion the people of Guam have continually demonstrated toward the United States is of high value to our country and I trust the United States will continue to respond to such devotion in the future. I, along with those of California's 14th Congressional District, wish the people of Guam continued success in years to come.

Mr. MEEDS. Mr. Speaker, it is indeed a pleasure and a privilege today for me to join with my distinguished colleague, Antonio Won Pat, in commemorating the 25th anniversary of the liberation of Guam from the Imperial Japanese Army.

The enactment of the Organic Act on August 1, 1950 established civil government on an island which had suffered the general malaise of political and economic stagnation which characterized the Spanish Empire in its declining years and had subsequently been ruled by military law since American acquisition following the Treaty of Paris of 1898. This shift of the administration of Guam from the Navy Department to the Interior Department also bestowed American citizenship and a bill of rights on the Chamorros whose right to self-determination had been denied for over five decades.

As a member of the Territories Subcommittee, I had closely followed the political development of Guam. The amending legislation empowering the residents of Guam to elect their own Governor and a delegate to the U.S. House of Representatives are expressions of our continuing effort to meet our responsibility of assuring Guam's political advancement.

Unlike the islands of the Trust Territory, Guam does not come under the jurisdiction of any well-intented trusteeship system. Guam's present status is that of an unincorporated U.S. territory.

The enactment of Public Law 12–17 in April of 1973, by the 12th Guam Legislature, established the Guam Political Status Commission. This law imposes on the commission the responsibility of reviewing alternative political status for Guam, including statehood, incorporated territory, commonwealth, independence, continued unincorporated status, or even affiliation with another nation. It does appear presently that there is a general consensus among the people of Guam to remain part of the American system.

It is indeed fitting and proper that on this 25th anniversary of the enactment of the Organic Act and on the verge of our Nation's 200th anniversary of its independence that we extend to the people of Guam our support of their efforts toward even more control of their own affairs.

I would also ask that my colleagues join me in congratulating Congressman Won Pat for his dedication in faithfully representing the people of Guam. It has been both an honor and a privilege for me to serve with him on the Interior and Insular Affairs Committee and on the Territorial Subcommittee. His devotion to not only his constituents but also to the traditions of American democracy are a matter of record.

Mr. DON CLAUSEN. Mr. Speaker, I wish to extend my congratulations to the people of Guam on the attainment of U.S. citizenship 25 years ago. Since Guam's annexation in 1898, the people of Guam have demonstrated time after time their loyalty and patriotism, serving in this century with valor and distinction in all of America's wars. During one of those wars—World War II in the Pacific—I first glimpsed Guam, serving aboard a U.S. aircraft carrier as a Navy pilot. From that instant, I have empathized with the Guamanian-Americans in their quest toward greater economic and political self-sufficiency.

With the passage of Guam's Organic Act on August 1, 1950, a dynamic relationship between Agana and Washington, D.C. was established. A decentralization of political power was the result, initially leading to American citizenship for the Guamanians and thence popular election of their Governor and their Delegate to the U.S. Congress. But the impetus toward greater autonomy has not ceased. Today, Federal and island officials represent both branches of government in Guam. As ranking minority member of the Subcommittee on Territorial and Insular Affairs, I am proud to be a part of this concerted effort.

Mr. Won Pat, please extend my best wishes to the inhabitants of Guam on this significant anniversary. Assure them that I shall continue to maintain these bridges of democracy and communication which have been so carefully constructed and have proved so meaningful.

As one who believes strongly in the "partnership of the Pacific" concept, I see Guam as one of the key members of that partnership. In addition to your own dreams and aspirations as a people, we, of the United States, envision a strengthening of our relationship and further look forward to the Guamanians very constructive and creative contribution to, and expansion of, the American dream—dedicated to freedom, liberty, individualism, independence, and an improved quality of life for all.

We are proud of our association with Guam and deeply appreciative of their willingness to sustain and advance the cause of functioning democracy in this key area of the Pacific.

Again, my heartiest congratulations to our fellow Americans on their 25th anniversary.

Mr. REUSS. Mr. Speaker, I join our distinguished colleague, the gentleman from Guam, in celebrating the 25th anniversary of the Organic Act.

It is a very pleasant experience to look back at an act of Congress after 25 years of operation and to see that it has worked. There is satisfaction on the mainland and on the island. The people have flourished and have enjoyed the civil and political rights of American citizenship. Our relationship is a happy one, and our efforts have created a warm friendship.

So this is an occasion that truly merits celebration.

Our ventures across the Pacific have not always been so wise or so fortunate.

But in Guam we have been true to our traditions of humanitarianism and liberty. The Constitution did follow the flag. And we are all better off for it.

Often, and quite properly, we investigate things that have gone wrong. Here's something we did right. Perhaps we should investigate and learn how to do it again.

Mr. LONG of Louisiana. Mr. Speaker, I feel highly honored in joining my colleagues here today as we pay tribute to the 25th anniversary of the signing of the document which made the people of Guam citizens of the United States.

During the past 2½ decades, the people of Guam have demonstrated that they are truly topnotch citizens of our Nation, serving their country in time of peace and war. This willingness to play a major role in America's destiny has earned the citizens of Guam the full respect of their fellow Americans.

Perhaps it is best if I speak of firsthand knowledge in my dealings with the citizens of Guam. Upon my arrival in Congress I had the pleasure of meeting and coming to know our friend and colleague, Tony Won Pat, who is something of a pioneer to the people of Guam. His untiring efforts brought forth congressional permission for Guam to elect a Governor and a Delegate to the U.S. House of Representatives. The people of Guam fittingly elected Tony to be their very first Delegate to Congress.

Tony has served untiringly in this capacity. His office is directly across the hall from mine, and I can say in all honesty that the "midnight oil" burns very often as both Mr. Won Pat and his excellent staff work late into the night to serve their constituents.

I am proud to add my voice to that of the many friends both of Guam and Tony Won Pat on this proud day in Guam's young, but growing history.

Mr. STEPHENS. Mr. Speaker, it is with great pleasure that I join my colleagues here today in a salute to that historic document which brought the people of Guam into the fold as American citizens: the Guam Organic Act.

As you know, August 1 marks the 25th anniversary of the signing of the Organic Act which also provided Guam with civil government. In the 2½ decades which have transpired since President Truman affixed his signature to the Organic Act, Guam has earned the respect of their fellow Americans for their willingness to serve our country in time of peace and war.

The Congress has rightly responded by granting the American citizens of Guam the cherished authority to elect their own Governor and a Delegate in the U.S. House of Representatives. Serving in the latter capacity, is, of course, our friend and colleague Tony Won Pat, with whom I serve on the House Interior Committee. Tony has done an outstanding job for his people and I am happy to have this opportunity to add my voice to that of his many other friends in recognition of this proud day in Guam's history.

This occasion takes on a special note during these times when America faces severe tests in our relations with many countries in the Pacific. Despite our many setbacks there in recent months, it is reassuring to note that Guamanians will forever remain our friends, allies, and fellow countrymen as we strive to protect American interests in that part of the globe. I wish the people of Guam every success in the years to come as I know do the people of Georgia's 10th Congressional District.

Mr. YATES. Mr. Speaker, I am deeply grateful to the honorable gentleman from Guam (Mr. Won Pat) for inviting me to speak on the 25th anniversary of Guam's return to civil rule.

It is hard to believe there have been 25 years since the signing of the Organic Act of Guam. This act made the Guamanians full citizens of the United States, and they have discharged this responsibility in the best tradition of the American spirit.

The Guamanian love for freedom with government of, by, and for the people is personified in my distinguished colleague and good friend Mr. Won Pat, who was instrumental in the passage of this illustrious Act a quarter century ago. My heartfelt congratulations go to the Guamanian people and their esteemed representative on this commemorative day.

Mr. de la GARZA. Mr. Speaker, a quarter of a century ago, by act of Congress, civil government was established in Guam and American citizenship was bestowed on its people. The Organic Act of Guam passed by Congress was approved by the President on August 1, 1950, marking the beginning of a new era in the history of the island.

Guam was discovered by the Spanish explorer, Ferdinand Magellan, in 1621, and remained in the possession of Spain until 1898. After the Spanish-American War it was ceded to the United States.

Guam was occupied by the Japanese after Pearl Harbor, but U.S. forces regained possession on August 9, 1944.

An important air and naval base was immediately established and Guam became the site of the major airfields for the squadrons of U.S. superfortresses that bombarded Japan during the last days of the war. Later the island was the headquarters of the Trust Territory of the Pacific Islands and the U.S. Strategic Air Command in the Pacific.

Guam was again very much in the news a few weeks ago when it became a staging area for thousands of Vietnamese fleeing to the sanctuary of the United States. This event reemphasized the strategic importance of the island to our country.

As a Texan, I remember proudly that a fellow Texan and my friend, Bill Daniel, served as Governor of Guam for a period in the early 1960's. Bill Daniel is a member of a distinguished Texas family. His brother, the Hon. Price Daniel, was a Member of the U.S. Senate and was Governor of Texas.

We should not forget, Mr. Speaker, the original inhabitants of this beautiful island, the great and noble people known as Chamorros who had their own language and culture in that area of the vast Pacific.

In honoring the Guamians, I wish also to pay tribute to the Hon. Antonio Borja Won Pat, their delegate to the U.S. Congress. He is a man who has spent most of his adult life in the service of his homeland. Our colleague was elected to the Advisory Guam Congress in 1936 and as speaker of the Guam Assembly in 1948. He served as speaker from the first through the seventh Guam Legislatures, was elected in 1965 as Guam's first representative in Washington and reelected in 1968. In 1972, he was elected as Delegate from Guam to Congress and reelected in 1974. I am proud to serve with this distinguished patriot.

Mr. BADILLO. Mr. Speaker, it is a privilege to join with my colleagues, especially the Honorable Antonio Won Pat, Delegate from Guam, to commemorate the approaching anniversary of the Guam Organic Act. The act, Public Law 81-630, was signed into law by the late President of Guam have been American citizens and have established a territorial civil government.

Additionally, since the original act was past, 25 years ago, it has been amended so that the people of Guam could elect their own governor and a Delegate to the U.S. House of Representatives. This gradual growth of independence has created a political renaissance in Guam.

The citizens of Guam deserve our respect, continued confidence, and recognition for their deeds and service to the United States in time of peace and war. Today, July 21, marks the anniversary of the liberation of Guam from the Imperial Japanese Army. This is a fitting occasion to restate the country's confidence and appreciation for the bond that exists between Guam and the United States. I am sure that the future holds prosperity and growing political independence for the people of Guam.

Mr. WHALEN. Mr. Speaker, I am pleased to join with so many of my colleagues in this observance of the 25th anniversary of the Organic Act of Guam.

The Organic Act of Guam was passed by the 81st Congress in 1950. The legislation conferred U.S. citizenship on the Chamorros of Guam and provided for the establishment of civil government. In noting this anniversary we must also recognize a people who have contributed so greatly to our Nation.

Although Guam was ceded by Spain to the United States in 1898 under the Treaty of Paris, the island had gained little prominence in the Pacific until the enactment of the Organic Act, for it was without a defined political status. Guam is the only American territory in the Western Pacific, and it has become an invaluable economic and military center there. In addition to being the Navy's largest home port, it is also the Pentagon's chief coordinating station for all military communications in the area.

The economic growth of the island in recent years has been phenomenal. Guam's annual growth is more than 25 percent and its construction rate is more than 50 percent a year. Indeed, the economic potential of the island is virtually incalculable. Guam has come a great distance since 1950, and it is destined to go even farther in the future.

I commend our fellow citizens of Guam for their accomplishments in the development of the island, and I congratulate them in this celebration of the Organic Act. The success of Guam has indeed been a success for the entire Nation.

Mr. SANTINI. Mr. Speaker, August 1 will mark the 25th anniversary of the Organic Act of Guam, the act which conferred American citizenship on the Chamorros of the island and which established a civil government there.

This act is of significant historical importance to both the native Guamians and to those in the 50 States. It marked the emergence of this indigenous people from a relative state of political limbo—more than 50 years of military control lasting from the signing of the Treaty of Paris in 1898 until the passage of the Organic Act on August 1, 1950—to a state of relative independence.

The Organic Act was followed by the passage of a bill which provided for a Guam-elected Governor and also for an elected delegate from Guam to the U.S. House of Representatives.

At present, Guam is an unincorporated American territory united to our Nation by virtue of treaty, friendship, common interest and citizenship. The people of Guam have repeatedly demonstrated their pride and devotion as well as loyalty to this country through sacrifices and steadfast support in World War II, Korea, and the Vietnam war. This is not to mention the unswerving resolve they have shown in protecting our interests in the Pacific through years of political trials and hardships.

At a time when we as a Nation are celebrating our 200th anniversary, I feel that it is only proper that we take this time to reconsider our policies and views toward this American territory. To be provided the opportunity to share equally in the principles which guide our great country is a right which the people of Guam have earned and deserve.

Mrs. MINK. Mr. Speaker, as one born and raised in a U.S. territory prior to the time when Hawaii became our 50th State, I have a particular empathy with our island neighbors to the west who live in the territory of Guam. Consequently, I am pleased to join my colleague, the Honorable Anthony B. Won Pat, in commemorating the 25th anniversary of the signing of the Organic Act of Guam, which occurred on August 1, 1950, and commend him for seeking these special orders today to do so.

I rejoice with the people of Guam in celebration of this historic day, and am at the same time mindful of the mood of restlessness which prevails among many who express concern about the territory's future. This restlessness manifests itself in serious discussion of the alternate future political courses for this distant island territory, and has come especially to the fore in the last several months as the related Chamorro peoples of the northern Mariana Islands chain, only a few dozens of miles away, have moved swiftly toward the establishment of a Commonwealth government in permanent association with the United States.

As the negotiations have progressed for the peoples of the northern Marianas, legitimate questions have been raised about the rights and privileges offered them by the United States in relation to those same rights and privileges for which the people of Guam waited so long. I believe there is a clear case for a substantive review of Guam's status as a territory, some determination as to whether this territorial status ought to be changed, and some mechanism established by which the people of the territory can have some input into this process.

Our colleague, Mr. Won Pat, has noted that the Organic Act has been changed on a number of occasions, and I have been actively involved in some of the debates on these changes. I continue to maintain a high interest in this country's insular possessions and the continuing political maturing process through which many of them are progressing. I take this occasion to wish the people of Guam "Hafa Adai!", and to reassure them of the continuing interest of my colleagues in this most distant piece of U.S. soil, where America's day begins.

Mr. PHILLIP BURTON. Mr. Speaker, I take great pleasure and pride on rising together with so many of our colleagues to salute the 25th anniversary of the Guam Organic Act.

In 1950, Congress passed, and President Truman signed, the Guam Organic Act which provided the residents of that island with American citizenship and a civil government. Congress has further responded to the aspirations of the people of Guam by legislating amendments to the Organic Act which have given the island an elected governor and a delegate in the U.S. Congress, that delegate position now so ably filled by Congressman Tony Won Pat.

As chairman of the Subcommittee on Territorial and Insular Affairs, I predict that Congress soon will make further changes in the Organic Act to insure a sound continuation of Guam's economic and political progress.

For the past 25 years, the Guam Organic Act has served the people of Guam. Now under study is Tony Won Pat's House Joint Resolution 489 calling for a review of the Organic Act for Guam. I look forward to joining with our colleague from Guam and other members of the House Interior Committee in this study.

It is important that we do so. In these times of changing governments and revised standards, the United States is indeed fortunate to have in the Guamanians a people who are proud to be called Americans. During their entire 75-year history under the stars and stripes, they have repeatedly supported their dedication to the principles of freedom and democracy with affirmative action in both war and peace.

The welfare of our fellow Americans on Guam is a concern to me, to my fellow members of the House Interior Committee, and to the total Congress.

We are indeed fortunate to have as a member of our committee our good friend, Tony Won Pat, who has so ably represented his people for many years. The expertise and experience he brings with him has contributed greatly to our ability to understand the needs of Guam and other areas of the Pacific. We shall continue to work with him and to seek his advice as we consider the constitutional development of these areas. Thank you.

Mr. BINGHAM. Mr. Speaker, I am pleased to join with my colleagues in extending congratulations and best wishes to the people of Guam on the 25th anniversary of the Guam Organic Act. Twenty-five years ago next week, on August 1, 1950, President Truman signed that act into law, and the people of Guam became American citizens.

It is enitrely fitting that now, as political relationships in the Pacific are in flux, we reaffirm the ties between the United States and Guam. Guam is not only an integral part of our Nation, a key to America's Pacific defense network, but also a thriving, self-governing society. The people of Guam have every right to be proud of what they have done, and their fellow citizens on the mainland are proud of them.

When I had the pleasure of visiting Guam in 1961, I was especially impressed by the fierce loyalty the people there hold for the United States. I suggested to leaders of the Guam legislature that, in response to critics at the United Nations, they consider holding a plebiscite to determine whether Guamanians favored independence or continuing ties with the United States. My suggestion was hotly rejected. They asked me, "Would you ask the residents of Texas, or perhaps New York, whether they would want such a plebiscite?"

Let me also pay tribute, Mr. Speaker, to the Delegate from Guam, Mr. Antonio Won Pat. I have come to know him as a friend, I have worked with him on the Interior Committee, and I know him as a fine legislator and representative of his constituents at home. They could not have made a better choice when they elected him, and I am proud to call him "colleague."

GENERAL LEAVE

Mr. MILLER of California. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include therein extraneous material on the subject of the special order today by the gentleman from Guam (Mr. Won Pat).

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

AN AMENDMENT TO CREATE THE CONSTITUTIONAL OFFICE OF CHIEF OF STATE

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. Reuss) is recognized for 60 minutes.

Mr. REUSS. Mr. Speaker, I introduce today a constitutional amendment which would create an office of Chief of State. In such an office would be placed the symbolic and ceremonial functions which impose such a heavy burden on the time and energy of the President under our present constitutional system.

The act of proposing basic institutional changes in a document as sacred and successful as our Constitution is bound to be controversial. We all hesitate, very naturally, to tinker with a system that has lasted almost 200 years, and that has nourished a continual growth of political, economic, and religious freedom and opportunity unique in the history of the world.

Nevertheless, in the aftermath of Vietnam and Watergate, many Americans are wondering whether some fundamental changes in the structure and institutions of the Federal Government may now be necessary. Political scientists are again taking up the debate over the relative advantages of a parliamentary system over our system of Government. And at the heart of this debate is the question of the power and accountability of the President, who serves as both Chief of State and Chief Executive under our Constitution.

No one seriously believes that we are going to abandon our Constitution in favor of a system modeled on the government of some other parliamentary democracy such as Great Britain, Canada, or West Germany. Some idealists see a golden panacea for our problems in parliamentary government. But parliamentary systems have their own drawbacks. Moreover, the difficulties of grafting a parliamentary system onto unique American political traditions are probably insurmountable.

Nevertheless, parliamentary systems have some features which could be adopted and adapted within the framework of our Constitution, and which would establish a better balance between the legislative and executive branches of the Federal Government. One such is the constitutional amendment I introduced in 1974—and again this year as House Joint Resolution 569—requiring a special election for the President and Congress when Congress by a three-fifths vote declares "no confidence" in the President.

Another is the amendment I am offering today to separate the roles of Chief of State and Chief Executive.

Taken together, the two amendments offer a way of improving our system without departing from its fundamentals. The case is well stated in the August 1975 Progressive by Arthur S. Miller, professor of constitutional law at George Washington University:

ON ALTERANTIVES TO IMPEACHMENT

(By Arthur S. Miller)

A year ago, in the final throes of the Nixon Administration, scholars, journalists, and Americans in all walks of life pondered the problems posed by our constitutional process for removing a President who is unfit to remain in office. Richard M. Nixon is gone, but the problems remain, and we would do well to address them now, rather than wait until we are brought to the brink of our next constitutional crisis.

All too often in this century the people's choice for President has become the people's curse. At least four, perhaps six or even seven or eight, Twentieth Century Chief Executives should have left office before they did. Four completely lost the confidence of Americans in their ability to govern and govern well: Herbert Hoover, Harry Truman, Lyndon Johnson, and Richard Nixon. Woodrow Wilson was physically incompetent for many months during his second term, as was Franklin Roosevelt during the last year of his life. The possible eighth was Dwight Eisenhower after his two illnesses.

That is a bad track record for any office, let alone the most powerful office in the world. We need some way other than impeachment by which Presidents may be removed.

The Constitution provides only for impeachment or voluntary resignation, plus the halfway-house of stepping aside because of temporary disability—either voluntarily or at the request of leading Government officials. None of these provisions meet the needs of a nation that spans a continent and that has interests transcending even the planet.

Impeachment, as the effort against Nixon demonstrated, is too slow, too cumbersome, too divisive, and traumatic. Rather than a catharsis, it is a hammer blow at the body politic. No one can say with certainty what an impeachable offense is—although if the Nixon effort proves anything, it proves that something close to a "smoking gun" must be shown. The world spins on while Americans indulge themselves in their ancient constitutional ceremonies. Impeachment is a stately Eighteenth Century minuet, completely out of place in the mad pace of the last quarter of the Twentieth Century.

Resignation is possible, of course, as Nixon demonstrated. But his unprecedented action pointed up the basic defect of resignation—that it *cannot be compelled*. The same defect applies to stepping aside temporarily under the Twenty-fifth Amendment, for it is not likely that the designated officials would muster the courage to compel a President to relinquish his powers.

A search for a feasible alternative must recognize at the outset that the United States, like all major modern governments, is dominated by the Executive. We have Presidential government in fact, whatever the Constitution says, and that system, whatever its merits, is not likely to change. The practical problem is not how to eliminate Presidential leadership but how to make it *accountable*.

We need, in other words, a means by which political power can be made as tolerable and decent as possible. As Watergate demonstrated, the ancient principle of separation of powers, called by Madison "the sacred maxim of free government," is no longer working. A flow of power to the Presidency, constitutionalized by Congressional statutes and Supreme Court decisions, has created an office that puts far too much authority *in one person*. No other major nation so concentrates political power. Even in the Soviet Union, formal political power is lodged in a collective leadership.

Barbara Tuchman has suggested "pluralizing" the Presidency into six different executives, but that seems neither feasible nor desirable. If it were to be adopted, the necessary leadership of a Chief Executive would be lost. A better proposal has been proffered by Michael Novak, who details in *Choosing Our King* the difficulties that arise when, as in the United States, one person is both head of state and chief of government.

Were the Presidency divided into those two functions, then the ceremonial duties and much of what Senator Eugene McCarthy called the "personality cult" and the "sacralizing" of the Presidency could devolve to some person elected or named "head of state." Novak suggests a person elected for 10 years. The symbolism and the trappings of the office that contributed so severely to the difficulty of removing Nixon would rest with the 'head of state," who would have no real power. The President as Chief Executive could continue to be elected as he is now.

If the Presidency were split into the ceremonial functions of head of state and the actual governing power of Chief Executive, a better alternative to impeachment would become possible. Something akin to a parliamentary system could be adopted. Last year, Representative Henry Reuss, Wisconsin Democrat, introduced a joint resolution in the House of Representatives calling for an amendment establishing a "no confidence" vote on the President alone. If three-fifths of each house of Congress were to vote no confidence, the President would be required to step aside and a special election would be held. Reuss subsequently amended his proposal to expand the vote of confidence to include a special election for Congress.

There are difficulties in this scheme, mainly revolving around the absence of precise standards that would call for no-confidence votes. Such standards would have to be worked out in Congressional hearings accompanied by public debate. Few would want Presidents to be toppled for blindly partisan or trivial reasons, so standards are necessary, however difficult they may be to frame.

Some fear that a no-confidence procedure would make the Presidency too weak and Congress too strong, but that is not likely. In Great Britain, the last prime minister removed from office in this century after a vote of no confidence was Ramsey MacDonald in 1924. Some prime ministers, such as Edward Heath, have voluntarily dissolved Parliament and called elections, only to be defeated. Neville Chamberlain was persuaded to resign in 1940 even though he had won a vote of confidence. Anthony Eden resigned after the Suez disaster in 1956, apparently because he had temporarily lost his health and his policies were in disarray.

The great merit in the Reuss proposal, if it were accompanied by the Novak suggestion, would be that a President could be removed without the trauma of impeachment and without the stigma of being charged with an impeachment offense within the constitutional provisions of "high crimes and misdemeanors." Furthermore, the United States would be spared the need—if the time came—to remove both head of state and chief of government *at the same time*. That was one great difficulty about Nixon: his attempted impeachment was the equivalent of a British effort simultaneously to topple the Queen *and* the Prime Minister. A no-confidence vote on the President as Chief Executive would not constitute an assault on the symbolism of the office. It would not be "regicide."

While the process would be far speedier than impeachment, there is no reason to assume that Congress would be quick to vote no confidence. A legislature that, at the very nadir of Nixon's tenure, managed to override only one of twelve or thirteen Presidential vetoes is not likely to act with unseemly haste when it comes to turning a Chief Executive out of office. The three-fifths vote is additional insurance.

Adoption of the Reuss proposal would probably force Presidents into greater cooperation with Congress, thereby furthering the goal of increased accountability. Some aspects of pluralized decision making would be introduced, for the President would indeed have to answer in another place (Congress) for his actions. Our present system allows him to thumb his nose at Congess, as in invocation of executive privilege and other secrecy devices.

Congress, too, would probably be forced to reorganize itself, were the Reuss proposal to be adopted. A President could not consult with all 535 members of Congress. Some means of legislative leadership and party responsibility would have to be developed.

Whatever the specific merits of the Reuss resolution, certainly there is a pressing and continuing need to reexamine the impeachment procedures of "civil officers" of government—not only the President but Federal judges and members of Congress as well. We should not be bemused by words written in 1787. Impeachment, which for the British in the Middle Ages was "the chief institution for the preservation of the government," has degenerated in the United States into a rarely used blunderbuss. It distinctly is *not* an instrument to impose badly needed accountability upon those who govern us.

To devise alternatives to impeachment is not to tinker with the Constitution, but to improve it. If the Founding Fathers intended anything by writing the Constitution of 1787, it was that each generation would solve its own problems of governance. They deliberately left the fundamental law vague, so that succeeding generations could use it flexibly and revise it to fit contemporary exigencies. A vote of no confidence is no panacea; it would merely be an improvement.

The United States is the only modern democracy in which the ceremonial and symbolic functions of Chief of State, and the political and administrative functions of Chief Executive, are combined in the same Office, the Presidency. In constitutional monarchies such as Great Britain, Japan, the Netherlands, and the Scandinavian countries, the royal family exercises the symbolic and ceremonial functions of Chief of State, but is expected to maintain political neutrality, while party leadership and administrative responsibility are vested in the head of government, the prime minister or premier. In the absence of a monarchy, as in Israel, West Germany, Italy and France, an elected President, who cannot be a member of Parliament, performs the symbolic and ceremonial functions.

The Congressional Research Service informs me that in 45 of the world's 152 countries, the head of state is largely ceremonial. In most Latin American countries the President as Chief of State is the chief executive officer. In some African countries the chief executive holds both the offices of President and Prime Minister.

All European constitutional monarchies follow the British model, and throughout the British Commonwealth a Governor General as the representative of the Queen performs many ceremonial functions and stands at the top of the list of officials. In many Communist countries the Chief of State is largely ceremonial, with power resting with the Party Chairman, though in the case of Yugoslavia, Romania, Mongolia, and the People's Republic of China the Head of state is also head of the party and the center of power.

Of the States with largely ceremonial Chiefs of State, 21 are members or former members of the British Commonwealth, 9 are constitutional monarchies—outside of the Commonwealth—8 are parliamentary democracies, and 7 are Communist countries.

The names of these countries arranged in alphabetical order under these categories are as follows:

Countries With Ceremonial Chiefs of State

MEMBERS AND FORMER MEMBERS OF THE COMMONWEALTH

Australia, Bahamas, Barbados, Belize, Canada, Comoro Islands, Fiji, Grenada, Guyana, India.

Jamaica, Malaysia, Malta, New Zealand, Pakistan, Rodesia, Singapore, South Africa, Sri Lanka, United Kingdom, Trinidad and Tobago.

EUROPEAN CONSTITUTIONAL MONARCHIES

Belgium, Denmark, Luxembourg, Norway, Netherlands, Sweden, Japan.

In the oriental monarchies of Thailand and Nepal, the king is chiefly a ceremonial figure.

PARLIAMENTARY DEMOCRACIES

Austria, Federal Republic of Germany, Greece, Ireland, Israel, Iceland, Italy, Turkey.

COMMUNIST COUNTRIES

Albania, Cuba, Czechoslovakia, German Democratic Republic, Hungary, Poland, USSR.

Amending the Constitution to create an office of Chief of State of the United States would be beneficial in two ways: First, it would significantly lighten the tremendous strain on the time and energy of the President by relieving him of onerous ceremonial duties, such as attending funerals of other Chiefs of State abroad, hosting visits of foreign Chiefs of State, accepting credentials of foreign envoys, and so on.

Second, it would reduce the tendency to deify Presidents, to render them immune to criticism, to make them our elected Kings. The rise of the "imperial presidency" during this century has posed a serious threat to the proper functioning of the checks and balances provided in the United States Constitution. Separation of the roles of Chief of State and Chief Executive would help to demystify the Presidency and to dispel the undemocratic attitude that "the King can do no wrong."

Let us now look at both the physical burden and the unnecessary deification of the Presidency.

1. THE BURDEN OF THE PRESIDENCY

Woodrow Wilson once said that the Presidency "requires the constitution of an athlete, the patience of a mother, the endurance of an early Christian." Harry Truman called the job "like riding a tiger. A man has to keep riding or be swallowed."

From the very beginning, Presidents have groaned at the severity of the burden imposed on them by the oath of Office. Washington called the duties of the office "arduous"; Adams called them "oppressive"; and Jefferson called them "drudgery".

As James Monroe was about to leave the White House, he sent Congress "a few remarks . . . founded on my own experience, in this Office." Beyond a certain limit, he wrote, no one can go. If unimportant details are forced upon the attention of the President, he loses the time he ought to devote to matters of greater importance. The higher duties of his Office, said Monroe, "are sufficient to employ the whole mind, and unceasing labors, of any individual." Among these duties he cited the message to Congress, the replies to calls for information, personal contact with Members of Congress, and "the supervision and control of the several departments so as to preserve efficiency in each, and order and consistency in the general movement of the Government." Monroe was one of the first to suggest the desirability of aid to the President.

In December, 1848, President Polk made this entry in his diary:

> The public have no idea of the constant accumulation of business requiring the President's attention. No President who performs his duty faithfully and conscientiously can have any leisure. If he entrusts the details and smaller matters to subordinates, constant errors will occur. I prefer to supervise the whole operations of the Government myself rather than entrust the public business to subordinates, and this makes my duties very great.

The task undermined Polk's health, and he died shortly after leaving the White House.

President Cleveland wrote:

> I do not want the office. It involves a responsibility beyond human strength to a man who brings conscience to the discharge of his duties.

Benjamin Harrison said:

> And it is a rare piece of good fortune during the early months of an administration if the President gets one wholly uninterrupted hour at his desk each day. His time is so broken into bits that he is often driven to late night work, or to set up a desk in his bedroom when preparing a message or other paper requiring unbroken attention.

President Taft said:

> I have come to the conclusion that the major part of the work of a President is to increase the gate receipts of expositions and fairs and bring tourists into the town.

Coolidge wrote:

> The duties of the Presidency are exceedingly heavy. The responsibilities are overwhelming. But it is my opinion that a man of ordinary strength can carry them if he will confine himself very strictly to a performance of the duties that are imposed upon him by the Constitution and the law. If he permits himself to be engaged in all kinds of outside enterprises, in furnishing entertainment and amusement to great numbers of public gatherings, undertaking to be the source of inspiration for every worthy public movement, for all of which he will be earnestly besought with the inference that unless he responds civilization will break down and the sole responsibility will be on him, he will last in office about 90 days.

President Hoover complained:

> Another of these useless exhaustions, which had always plagued Presidents, was signing routine papers. No man could read them even on a twenty-four-hour shift. They comprised all military officers' commissions, many appointments of civil servants, Treasury orders, documents relating to the guardianship of individual Indians, pension authorities, etc., all of which the President could only sign on the dotted line and trust to Heaven and his Cabinet officers that they are all right.

President Truman reflected on "the weight of its unbelievable burdens," referred to the Presidency as a "man-killer," and concluded that "the pressures and complexities of the Presidency have grown to a state where they are almost too much for one man to endure."

And in his memoirs Truman wrote:

> I have learned that one of the hardest things for the President to do is to find time to take stock. I have always believed that the President's office ought to be open to as many citizens as he can find time to talk to; that is part of the job, to be available to the people, to listen to their troubles, to let them share the rich tradition of the White House. But it raises havoc with one's day, and even though I always got up early, usually was at work ahead of the staff, and would take papers home with me at night to read, there always seemed to be more than I could do.

President Eisenhower said:

> Of course, the duties of the President are essentially endless. No daily schedule of appointments can give a full timetable—or even a faint indication—of the President's responsibilities. Entirely aside from the making of important decisions, the formulation of policy through the National Security Council, and the Cabinet, cooperation with the Congress and with the States, there is for the President a continuous burden of study, contemplation and reflection.

It is thus evident that the burden of the President's symbolic and ceremonial role as Chief of State impinges very severely on the time available for "study, contemplation and reflection."

According to Clinton Rossiter, an authority on the Presidency:

> First, the President is Chief of State. He remains today, as he has always been, the ceremonial head of government of the United States, and he must take part with real or apparent enthusiasm in a range of activities that would keep him running and posing from sunrise to bedtime if he were not protected by a cold-blooded staff. Some of these activities are solemn or even priestly in nature; others through no fault of his own, are flirtations with vulgarity. The long catalogue of public duties that the Queen discharges in England, the President of the Republic in France, and the Governor-General in Canada is the President's responsibility in this country, and the catalogue is even longer because he is not a king, or even the agent of one, and is therefore expected to go through some rather undignified paces by a people who think of him as a combination of scoutmaster, Delphic oracle, hero of the silver screen, and father of the multitudes.
>
> As figurehead rather than working head of our government, he greets distinguished visitors from all parts of the world, lays wreaths on the tomb of the Unknown Soldier and before the statue of Lincoln, makes proclamations of thanksgiving and commemoration, bestows medals on flustered pilots, holds state dinners for the diplomatic corps and the Supreme Court, lights the nation's Christmas tree, buys the first poppy from the Veterans of Foreign Wars, gives the first crisp banknote to the Red Cross, throws out the first ball for the Senators (the harmless ones out at Griffith Stadium), rolls the first eggs for the Easter Bunny, and in the course of any month greets a fantastic procession of firemen, athletes, veterans, Boy Scouts, Campfire Girls, boosters, hog callers, exchange students, and heroic school children. The annual United Fund Drive could not possibly get underway without a five-minute telecast from the White House; Sunday is not Sunday if the President and his lady skip church; a public-works project is not public until the President presses a silver key in Washington and explodes a charge of dynamite in Fort Peck or Hanford or the Tennessee Valley.
>
> The President is not permitted to confine this sort of activity to the White House and the city around it. The people expect him to come to them from time to time, and the presidential grand tour, a precedent set conspicuously by George Washington, is an important aspect of the ceremonial function. Nor is this function, for obvious political and cultural reasons, untained with commercialism. If it isn't one "Week" for him to proclaim or salute, it's another, and what President, especially in an election year, would turn away the Maid of Cotton or the Railroad Man of the Year or, to keep everybody happy, the Truck Driver of the Year from the White House door?
>
> The President, in short, is the one-man distillation of the American people just as surely as the Queen is of the British people; he is, in President Taft's words, "the personal embodiment and representative of their dignity and majesty." (Mr. Taft, it will be remembered, was uniquely shaped by nature's lavish hand to be a personal embodiment of dignity and majesty.) Or as Attorney General Stanberry argued before the Supreme Court in 1867 in the case of Mississippi v. Johnson:
>
> Undoubtedly so far as the mere individual man is concerned there is a great difference between the President and a king; but so far as the office is concerned—so far as the great executive office of this government is concerned—I deny that there is a particle less dignity belonging to the office of President than to the office of King of Great Britain or of any other potentate on the face of the earth. He represents the majesty of the law and of the people as fully and as essentially, and with the same dignity, as does any absolute monarch or the head of any independent government in the world.

2. THE SYMBOLIC DEIFICATION OF THE PRESIDENCY

The national symbolism attached to the Presidency has been developing since the early days of the Republic. The late Henry Jones Ford, in his book, "The Rise and Growth of American Politics," wrote that—

> In the Presidential office as it has been constituted since Jackson's time, American democracy has revived the oldest political institution of the race, the elective kingship. It is all there: The prerecognition of the notables, and the tumultuous choice of the free-

men, only conformed to the modern conditions.

If he had wished to cite examples, Ford might have mentioned the elaborate ritual of the inauguration suggestive of the coronation, the 21-gun salute on arrival and departure of the President, and the throngs that gather to see and hear him.

Long before Ford's observation, Lincoln's Secretary of State, William H. Seward, answered an inquisitive English newspaper correspondent:

> We elect a king for four years and give him absolute power within certain limits, which after all he can interpret for himself.

The symbolism and reverence attached to the Presidency is an outlet for the same human emotion that Britons feel toward their monarch. As one British author put it:

> Certain it is that democratic government is not merely a matter of cold reason and prosaic policies. There must be some display of colour, and there is nothing more vivid than royal purple and imperial scarlet. During the present century, therefore, we have placed almost intolerable burdens on the royal family. They must not only head subscription lists and appear on State occasions; they must, also, inspect this and that, open this and that, lay this stone and that, and undertake a thousand other dull tasks in a blaze of publicity. We can hardly blame Edward VIII if he preferred to make toffee in the kitchen.

The English monarch is kept busy full-time with ceremonial duties, but the President of the United States must somehow find time to perform his duties as Chief Executive, party leader, and Commander in Chief as well.

The fact that custom has imposed upon the President extraofficial burdens similar to those of royalty is indicative of the symbolism of the President. By and large, he symbolizes the American Government to the American people. There can be no doubt that this symbolism also serves to strengthen the practical powers of the Presidential office.

The founding fathers were ambivalent and deeply divided over the appropriate symbolism for an American head of Government. They had rejected monarchy, but the habit of reverence for the king as a national symbol was deeply ingrained. The inauguration of President Washington, as well as later procedures and etiquette introduced by the Federalists, precipitated a great deal of controversy.

Vice President John Adams declared:

> Take away thrones and crowns from among men and there will be an end of all dominion and justice.

Accordingly, while presiding over the Senate, Adams was urging an elaborate and high-sounding title for President Washington and was horrified when the simple title prescribed by the Constitution was retained precisely as set down. "What," he demanded, "will the common people of foreign countries, what will the sailors and soldiers say, 'George Washington, President of the United States?' They will despise him to all eternity."

In the Constitutional Convention Hamilton had avowed a preference for monarchy. Soon President Washington was being maneuvered into something of the separateness of a monarch under the management of public affairs by his energetic Secretary of the Treasury. Hamilton assumed the role—secretly even the title—of prime minister, recommended measures to Congress, and pressured Congressmen to enact them, with the consequence that the legislative program of the first administration still stands as Hamilton's, not Washington's.

Adams' and Hamilton's "aping of monarchy" brought about a strong emotional reaction on the part of the inland agrarians. The symbol-smashing French Revolution, which produced an epidemic of Jacobin Clubs in the United States, reenforced the reaction. Jefferson coined a word "monocrats," and, to the glee of his partisans, applied it to the Federalists. Even Washington's inauguration, thought Jefferson, had been "not at all in character with the simplicity of republican government and looking, as if wistfully, to those of European courts." So when the time came for Jefferson's inauguration in 1801, he walked unostenstatiously from his boarding house over to the Capitol to deliver his inaugural address to the two Houses assembled in the Senate Chamber. The Puritans had not been one whit more determined to eradicate popish symbols from their churches than were the Jeffersonians to divest the President of the trappings of royalty. Deprived of its symbolism, the Office of President was to be nothing more than a purely utilitarian agency of government, merely a means to an end.

It was the upsurge of the recently enfranchised masses and their election of Andrew Jackson to the Presidency as their champion in 1828 that terminated the purely utilitarian conception of the Presidency and made the President peculiarly the symbol of the national Government. State legislatures had in the main been selecting Presidential electors, but this ceased in 1828, and Jackson was really the first popularly elected President. His unequivocal denunciation of nullification in 1833 and readiness to use armed force in order to "take care that the laws be faithfully executed" enhanced the prestige and symbolism of the Presidency. As a "tribune of the people" Jackson used the veto against special privilege such as the bill to renew the Bank charter in 1832. To this day, a Presidential veto tends to strengthen the prestige of a President.

The acclaim with which President Andrew Jackson was greeted by the populace heralded a revival of the symbolism of the Presidency. His journey to New England in 1833 illustrates the point. Entering Philadelphia on a white charger, provided for the occasion, the aging warrior accepted the obeisances of the crowds for 5 hours as they filled streets, windows, roofs, and the reception continued for 4 days and nights. From New York City Jackson wrote, "I have bowed to upward of 200,000 people today." His passage through Connecticut was a continuous ovation "Across Rhode Island cannon boomed from town to town as if New England were a battle line," and receptions overlapped each other. In Boston he was "received with all the show of honor which we paid to Lafayette," wrote an astonished citizen. And Harvard outdid itself in conferring upon Jackson the degree of Doctor of Laws.

A generation after Jackson's election, so exalted had the President become as the symbol of the Federal Government that the symbolism became a major factor in the secession movement. Secession could scarcely have been based on a cool calculation of the results of the election of 1860. The fact is generally overlooked that, although the Republicans had elected Lincoln—with a popular plurality of about 40 percent—they had nevertheless lost both Houses of Congress. They had only 31 of the 66 Senators and 105 of the 237 Representatives. Had the southern Senators and Representatives retained their seats, Lincoln could not have made one important appointment—not even of his Cabinet members—with the consent of only Republican Senators. When the southern Senators and Representatives walked out, they turned the Government over to Lincoln and thus paid an unconscious tribute to the symbolism and authority that had become attached to the office of the President.

Day after day English newspapers and periodicals must feed the insatiable public appetite for pictures of the Queen and her family. This has its counterpart in the President and his family. Since the first Roosevelt, the White House family has belonged to the Nation as an essential element in the symbol of the Presidency. Theodore Roosevelt's children running bareheaded out of the White House on their way to school, Quentin riding his pony into the White House and getting it on the elevator, the vivacious young Alice keeping Washington agog with her quips and her unconventional ways, were all part of the first Roosevelt regime. The death of Coolidge's son touched the heart of every American parent. Truman's, Eisenhower's, and Kennedy's families all added to their popularity. The President's family is part of the national symbol that constitutes the Presidency.

Never was the symbolism of the Presidency more dramatically demonstrated than in the sudden translation of diffident Vice President Harry S Truman, into President, Chief Executive, and Commander in Chief in the command of our farflung battle line in a global war. As Jonathan Daniels wrote in his book "Frontier on the Potomac" (1946):

> Harry, as the clock under the portrait of Woodrow Wilson in the Cabinet room passed 7:09, suddenly ceased to be 'Harry' and became Mr. President. Then within the time it takes for the clicking of cameras, he was the almost superstitiously honored man symbol of America who can still after our pattern of reverence, be described in the native argument in the American language as one angry truck driver might describe another . . . He was not Harry Truman any longer; he never would be again. The prison of the presidency dropped around him. The Secret Service scurried beside him as he moved. The personages shook his hands and fell away.

Perhaps the most conclusive evidence of all for the symbolism of the Presidency is the overwhelming demonstration of personal grief that accompanies the death of a President during his term of office. For Lincoln, Garfield, McKinley, Harding, Franklin Roosevelt, and John Kennedy, the response was the same, regardless of their relative stature in office. Henry Reiff, in "We Live by Symbols," ("The Social Studies," XXXI, No. 3, (1940) p. 103), records that the son who protested to his foreign-born mother Harding's lack of merit when he found her weeping over news of the President's death got this significant response: "Ach, aber er ist doch der President," which translates, "Ah, but he is still the President."

George E. Reedy, in his book, "The Twilight of the Presidency," provides an excellent summary of the development and effect of the symbolism attached to the Imperial Presidency:

> The framers of the Constitution had no way of foreseeing the effects of their most important decision—to give the presidency the functions of both chief of state and chief of government. It is doubtful whether they were aware at the time that the functions could exist separately. They knew that there had to be someone who spoke for all the government. They also knew that there had to be someone to manage the affairs of the country. The concept that these two functions could be separated was alien to their experience, even though the origins of separation were already apparent in the relationship between the king of England and the English prime minister.
>
> They lived in a universe dominated by the concept of ownership and in which management independent of ownership was unknown. The parallel to government seemed obvious in their minds. Furthermore, they were confronted with an immediate and apparent problem which far overshadowed what could then only be abstract ideas of the distinction between reigning and ruling. They had a nation which was being pulled apart by the centrifugal forces of state pride. Their task was to devise some method by which thirteen quite independent political units could be merged into a collective whole. Their problem was to find some counterweight that would balance forces of disunity and induce Americans to think of themselves as citizens of the United States rather than as citizens of Connecticut, New York, Virginia, or Georgia.
>
> The most practical method of unifying people is to give them a symbol with which all can identify. If the symbol is human, its efficacy is enhanced enormously. The obvious symbol was the president—the man who held the role of commander-in-chief of the armed forces; the man to whom all could pay respect as the first citizen. In short the founding fathers established the presidency as a position of reverence and, as they were truly wise and sophisticated men, their efforts were as effective as human wisdom could make them.
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> The consequences of this decision were ultimately inescapable although not immediately discernible. In the simple society of the eighteenth-century United States, it was not easy to conceive of the Federal government in terms of grandeur. An Abigail Adams could hang her washing in the East Room; a Dolly Madison could act as a porter, running to safety with important works of art in advance of British occupation; and Andrew Jackson could invite all his frontier friends into the White House for a rollicking party where they could trample the official furniture with muddy boots and pass out dead drunk on the plush carpets of the Oval Room. But even in a nation as close to the realities of the frontier as the United States, a position established to inspire awe and reverence would inevitably pick up the trappings of reverence. And the trappings could not fail to have an effect upon the man whom they served as a buffer against the rest of the world.
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> Among the fundamental characteristics of monarchy is untouchability. Contact with the king is forbidden except to an extremely few people or as a rare privilege to be exercised on great occasions. The king's body is sanctified and not subject to violation by lesser mortals unless he himself so wishes. He is not to be jostled in crowds; he is not to be clapped on the back; he is not to be placed in danger of life or limb or even put to the annoyance of petty physical discomfort. Nor can he be compelled to account for his actions upon demand.
>
> By the twentieth century, the presidency had taken on all the regalia of monarchy except ermine robes, a scepter, and a crown. The president was not to be jostled by a crowd—unless he elected to subject himself to do so during those moments when he shed his role as chief of state and mounted the hustings as a candidate for re-election. The ritual of shaking hands with the president took on more and more the coloration of the medieval "king's touch" as a specific for scrofula. The president was not to be called to account by any other body (after the doctrine of executive privilege was established). In time, another kingly habit began to appear and presidents referred to themselves more and more as "we"—the ultimate hallmark of imperial majesty.

And, he concludes:

> The real question every president must ask himself is what he can do to resist the temptations of a process compounded of idolatry and lofty patriotic respect for a national symbol. By all the standards of past performance, he should be well equipped to face it. As a general rule, he has fought his way up through the political ranks. He has flattered and been flattered—and the mere fact that he has survived to the threshold of the White House should indicate a psychological capacity to keep flattery in perspetive. He has dealt with rich people, poor people, wise men, fools, patriots, knaves, scoundrels, and wardheelers. Had he not maintained his perspective on human beings generally, it is doubtful that he would ever have received his party's nomination.
>
> But the atmosphere of the White House is a heady one. It is designed to bring to its occupant privileges that are commensurate in scope with the responsibilities that he must bear. A privilege is, by definition, a boon not accorded to other people. And to the extent that a man exercises his privileges, he removes himself from the company of lesser breeds who must stand in line and wait their turn on a share-and-share-alike basis for the comforts of life. To a president, all other humans are "lesser breeds."
>
> Furthermore, a president would have to be a dull clod indeed to regard himself without a feeling of awe. The atmosphere of the White House is calculated to instill in any man a sense of destiny. He literally walks in the footsteps of hallowed figures—of Jefferson, of Jackson, of Lincoln. The almost sanctified relics of a distant, semimythical past surround him as ordinary household objects to be used by his family. From the moment he enters the halls he is made aware that he has become enshrined in a pantheon of semidivine mortals who have shaken the world, and that he has taken from their hands the heritage of American dreams and aspirations.
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> Unfortunately for him, divinity is a better basis for inspiration than it is for government. The world can be shaken from Mount Olympus but the gods were notoriously inefficient when it came to directing the affairs of mankind. The Greeks were wise about such matters. In their remarkable body of lore, human tragedy usually originated with divine intervention and their invocations to the deities were usually prayers of propitiation—by all that is holy, leave us alone.
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> A semidivinity is also a personification of a people, and presidents cannot escape the process. The trouble with personification is that it depends upon abstraction and, in the course of the exercise, individual living people somehow get lost. The president becomes the nation and when he is insulted, the nation is insulted; when he has a dream, the nation has a dream; when he has an antagonist, the nation has an antagonist.

THE CHIEF OF STATE AMENDMENT

This states the case for an office of Chief of State—to relieve the President of the onerous burden of ceremonial duties, and to demystify the office of the Presidency. The proposed amendment follows:

H.J. Res. —

Joint Resolution proposing an amendment to the Constitution of the United States to create the office of Chief of State to be the ceremonial head of the United States

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution of the United States, to be valid only if ratified by the legislatures of three-fourths of the several States within seven years after the date of final passage of this joint resolution:

"ARTICLE —

"SECTION 1. The ceremonial head of the United States shall be a Chief of State who shall be the sole officer of the United States to receive ambassadors and other public ministers, and shall do so as recommended by the President.

"SEC. 2. The Chief of State shall be nominated by the President and take office for a term of four years to start at the President's mid-term, upon confirmation by a majority vote of both Houses of Congress. No person shall be Chief of State who shall not have attained to the age of thirty years, and been nine years a citizen of the United States. In the event of a vacancy in the Office of Chief of State, a Chief of State shall be nominated by the President, and, upon confirmation by a majority vote of both Houses of Congress, take office for the remainder of the term of the person holding the office immediately prior to the vacancy.

"SEC. 3. The Chief of State shall reside at the seat of government and receive a compensation at the rate provided by law for the President. The Chief of State shall not receive for the period for which he shall have been appointed any other emolument from the United States, or any of them.

"SEC. 4. Before he enters on the execution of his office, he shall take the following oath or affirmation:—'I do solemnly swear (or affirm) that I will faithfully execute the office of Chief of State, and will to the best of my ability, preserve, protect, and defend the Constitution of the United States'.

"SEC. 5. The Chief of State shall be removed from office on impeachment for and conviction of treason, bribery, or other high crimes and misdemeanors."

EXPLANATORY NOTE

Section 1 describes the office. The Chief of State shall be the ceremonial head of the United States. He shall receive ambassadors and other public ministers, as recommended by the President. This would supplant the present article II, section 3, providing that the President "shall receive Ambassadors and other public ministers."

During the Johnson and Nixon years, ambassadors no longer presented their credentials in individual ceremonies. Instead, they were herded past the President in groups. Congressman JAMES SYMINGTON, President Johnson's Chief of Protocol, writes that this was done "to save the President's time, but is a highly unsatisfactory procedure, as most ambassadors would privately attest." And Wiley Buchanan, the Eisenhower Chief of Protocol, notes:

> There were times, especially in my early days as Chief of Protocol, when I felt that we really ought to make our accreditation ceremony a little more impressive. . . . The truth was that since our Chief Executive was both Head of Government and Head of State, he simply didn't have the time for elaborate ceremony, whereas in other countries where the two functions are separate, more attention can be paid to such formalities.

In addition, the Chief of State could relieve the President of some of the ceremonial burdens inherent in visits by foreign head executives and chiefs of state, now averaging more than 20 a year.

The Chief of State would also have the status necessary to represent the United States at ceremonial occasions abroad, when the President is unable to attend. This would help solve the current diplomatic problem arising when the President must send a lesser official such as a Cabinet member, the Chief Justice of the Supreme Court, or the Vice President, thus risking offense or insult to the host country. A recent example of such a delicate diplomatic situation was the funeral of Chiang Kai-shek. The Chinese were said to be disappointed at the proposed sending of our Secretary of Agriculture: The Vice President was sent instead.

Dean Rusk, the former Secretary of State, has expressed the problems connected with Presidential travel abroad vividly and realistically:

> The President is as mobile as a jet aircraft, but it is not clear that the Presidency is equally so. One can accept the pleasant and necessary fiction that the White House is wherever the President happens to be and still recognize that prolonged absences from Washington impair the effective performance of the office. Unless the President is accessible decisions on important matters are postponed by sympathetic subordinates or settled at the level of the common denominator among the departments and agencies concerned. On his own side, the President will be partially cut off from his cabinet offices, his personal staff, his usual flow of information, the leaders of Congress and of his own party. In addition he cannot act with regard to many of formal and informal aspects of his office. . . . A President must be free to leave Washington, on business or on vacation, but the effect of his absence is greater than his personal staff would have him believe.

Section 2 sets the terms and conditions of the office of Chief of State. Under the amendment, the Chief of State would be nominated by the President and confirmed by a majority vote of both Houses of Congress for a term of 4 years, with no limitation on the number of terms to be served. This 4-year term compares with the 5-year term of the Chiefs of State of Germany, Canada, and Israel.

The term of office would extend from the middle of a Presidential term to the middle of the next Presidential term. Eligibility requirements set a minimum age of 30, the same as for Senators.

The Chief of State must have been a citizen for 9 years. This provision avoids the thorny and perpetually controversial problem of defining a "natural born citizen," a requirement imposed on our President by the Constitution.

Section 3 states that the Chief of State shall reside at the seat of government, and shall receive the same compensation as the President. The President, even though relieved of his responsibilities as head of state, should remain in the White House. That is his traditional residence. Surely a suitable residence with necessary facilities could be found in Washington for the Chief of State.

Section 4 provides the oath of office for the Chief of State, which is essentially the same as the oaths for Presidents and Vice Presidents.

Section 5 states that the Chief of State shall be subject to the same impeachment provisions as the President.

FAIR TRADE LAWS MUST BE ELIMINATED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. RAILSBACK) is recognized for 5 minutes.

Mr. RAILSBACK. Mr. Speaker, early in U.S. antitrust law, vertical price-fixing agreements were condemned in a series of cases ending in *United States* v. *Arnold, Schwinn & Co. et al.*, 388 U.S. 365 (1967). However, resale price maintenance—the specification by manufacturers of prices below which their products would not be sold by retailers—was authorized by most States under the euphemism fair trade and finally granted special exemption from section 1 of the Sherman Act through the Miller-Tydings Resale Price Maintenance Act of 1937. The Miller-Tydings Act exempted from antitrust attack contracts between manufacturers and retailers prescribing minimum prices for the resale of trade-marked or branded commodities where such contracts were authorized by State laws. Dissatisfied with the failure of some retailers to abide by the manufacturers' specified prices, most States added nonsigner clauses making adherence to the prescribed prices binding upon all retailers in the State if any single retailer signed a price maintenance contract with the manufacturer. When the Supreme Court held that Miller-Tydings exempted only the one express contract and not adherence by nonsigners—*Schwegmann Bros. et. al.*, v. *Calvert Distillers Corp.*, 341 U.S. 384 (1951)—Congress passed the McGuire Act permitting the enforcement of price maintenance contracts upon nonsigners where State law so allowed.

The enforcement of resale price maintenance contracts by a manufacturer against both signers and nonsigners is immune from Federal antitrust attack in those States with nonsigner clauses even though the arrangement clearly constitutes vertical price fixing. However, anomalously, any attempt by retailers collectively to enforce a price agreement among themselves is absolutely illegal as horizontal price fixing.

Vertical price fixing results in higher prices to consumers, primarily by eliminating price competion among retailers in sales of a particular manufacturer's product, but also by allowing manufacturers to control the retail prices of their products and thereby discourage competitive price trimming by rival manufacturers. Resale price maintenance protects the margin between retail and wholesale prices from competition. It prevents the sale of products as loss leaders—items sold at low prices in order to attract customers who are expected to purchase other goods from a retailer—which is said to injure manufacturers' reputations for quality products and to injure small retailers who might specialize in products chosen as loss leaders. Neither of these arguments is widely accepted, or strongly supported by evidence. Contemporary customers are not likely to be deceived about the quality of a product by its low price. Further, resale price maintenance deprives consumers of a choice between low-margin prices and high-margin prices accompanied by service. If consumers patronize large-discount retailers and avoid smaller, high-margin retailers, they are demonstrating a preference for the former style of distribution, and to retain fair trade laws would frustrate the market response to that consumer preference and perpetuate a costlier, less efficient system of distribution.

The fair trade laws do not reflect an even balance of economic costs and benefits but have instead been promulgated for the protection of clearly defined interests in accordance with a social policy that has lost much if not all of its original appeal. It is doubtful whether resale price maintenance protects the products' goodwill or preserves the existence of small retailers. It is clear that it increases prices to consumers. This form of legalized price fixing must be stopped. I, therefore, urge my colleagues to support H.R. 6971.

GEN. DANIEL "CHAPPIE" JAMES, JR.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. DIGGS) is recognized for 5 minutes.

Mr. DIGGS. Mr. Speaker, one of the most distinguished members of the U.S. Armed Forces, and one of my oldest friends, Gen. Daniel "Chappie" James, has recently earned the honor of being nominated the first black four-star general in our Nation's history.

While this honor—the fourth star—is a remarkable achievement for any man or woman, it is especially meaningful to a black man who had to overcome bigotry, prejudice, and jealousy to gain the respect and recognition he commands today.

It has been my pleasure and privilege to have been associated with General James since our days together as fellow officers in Tuskeegee, Ala., where the Tuskeegee Airmen, as we were called, fought for equal rights for blacks in the Army Air Corps.

Mr. Speaker, Mr. William Greider of the Washington Post has written an in-depth portrait of Gen. "Chappie" James which appeared this morning. For the benefit of my colleagues in Congress, it

is with considerable pride that I insert the text of Mr. Greider's article into the Record at this time:

[From the Washington Post, July 21, 1975]

An American Success Story

(By William Greider)

Scott Air Force Base, Ill.—The general is a man of heavy presence, tall and broad shouldered, with a deep and serious voice, a natural "command voice" that subtly extracts deference from those around him.

So it was a rare moment, listening to this man after hours, over drinks, in the standard red-brick general's house assigned to the base's vice commander. His voice turned soft and rheumy as he stretched out in the lounge chair and sketched word pictures from his past.

"When I was going to school with my mother, we always did shows," he said. "We'd have an Easter operetta, a Fourth of July patriotic blast and I'd have the largest speaking parts."

Lt. Gen. Daniel James Jr., 55, talked about a small boy nicknamed "Chappie" standing on a stage, dressed in a pink tuxedo with white lapels, while his cousin Mabel sang to him a song written by his older sister.

The general's voice shifted to a falsetto imitation of his cousin Mabel and he began to sing:

"Handsome is as handsome does, So the wise man say. Feathers fine may make fine birds. But folks are not that way.

"It's what is in your heart that counts. Deny it if you can; I'm not impressed with how you dress, 'Cause clothes don't make the man."

The general laughed at his own singing. Why, he wondered, do those words stick in his memory after all these years? He was growing up poor in Pensacola, Fla., only he didn't know it. His mother never told him.

The television set in the corner was turned to the evening news, with the sound turned down, when the general's own face appeared abruptly on the screen. The general jumped up to turn up the volume.

A news announcer introduced him: Gen. Chappie James, the first black man in the history of the U.S. military to be nominated for four-star general. The first black man to win four stars in the Air Force, the first in any branch of the armed forces. When the Senate confirms his promotion, he will take charge of the North American Defense Command in Colorado Springs.

On the TV screen, the interviewer was asking Chappie James the same question that has followed him everywhere in his career, the question about racial equality. James gave the same confident answer he always gives.

"We still got another mile to run in that race for equality," the general said in his general's voice. "But we got a lot better track to run on and the trophies at the end are a lot better than they used to be."

James nodded unconsciously, endorsing the words of his filmed image. Some black people, he volunteered, resent that answer. Behind his back, they whisper the familiar put-down word—"token" and "Oreo"—and they talk about Gen. James, the fighter pilot who made it to the top, as though he were a 6-foot-4 puppet of the white man's establishment. Chappie James' "command voice" turned suddenly to an old soldier's growl.

"These young people today," the black general said scornfully, "suffering all these obstacles to equality. B-u-l-l--! Most of their obstacles are illusionary. You can vote. You can go to any school you want to. Most of them are making a career out of being black. They don't know what suffering is."

His tone shifted again, impatient but more sympathetic, almost pleading. "I hate to see kids going back, trying to pretend they have to do this all over again," said. "These black kids aren't fighting any battles today—they're going back over plowed ground. All they need to do is solidify the gains that have been made."

James was there when the racial barricades were still up and, in his own way, he helped to push them down. He attended segregated schools and sat in the back of the bus. He entered the Army Air Corps when black cadets were carefully kept apart, when black officers couldn't get a drink in the white officers' club. James was there when the now celebrated "Tuskegee Airmen" and other black servicemen staged their frontal protests against Jim Crow in the midst of World War II, the agitation and demonstrations that some scholars believe were the seedbed of the civil rights movement.

On one level, his career is a striking measure of how much America has changed in a generation, how very far it has come from rigid caste system into which he was born. In another way, however, the success of Chappie James is an ordinary story in an old tradition—a strong-hearted mother, stern father, a home in which he learned upward American values: hard work, ambition, honesty, the precious rewards of education.

James is a complicated man. He comes on belligerently orthodox in his values, yet boyishly sweet in his gratitude to family. Faintly bitter in his memories of Jim Crow, but reluctant to dim the glow of success by recalling those shadows. Proud of that time when black officers stood up to defy the established order, yet mildly embarrassed, now that he is one of those in authority, to remember the time when he struggled against its abuses.

Chappie James would rather talk about his mother and father, both dead now. His parents had 17 children, 10 of whom died before their last son, Daniel Jr. was born in 1920.

They lived in a small frame house on North Alcaniz Street in Pensacola, which, unlike the streets in the white neighborhood four blocks away, was unpaved and without street lights. "They just called it the sandbed," James remembered, "because that's where the pavement stopped. I remember pop trucks would get stuck down there and kids loved that. We'd run up and grab pop. If my mother caught me, I'd get it. That's one thing, we didn't steal and we didn't lie."

His father worked first as a lamplighter, then in the gas plant, pushing a coal dolly. As a boy, the general ran down to the gas plant to deliver his father's hot lunch. If the food was cool, dad knew that Chappie has stopped to daydream on the way.

"They used to say I was the baby," James said, "but I remember getting my whacks. It was pretty tough standards all the way through. Lots of love from Mom, lots of love. Dad, he was a tough taskmaster."

The general's mother, the daughter of New Orleans servants, fixed her life on education. She had a high school education, but she concluded that the segregated "colored school" in Pensacola was not good enough for her children. So she started her own school.

The Lillie A. James School at 1606 North Alcaniz St. started with her children, then grew to as many as 70 children as neighbors asked her to take theirs, too. Tuition was a nickel a day for those who could pay. Others attended on credit, which had more dignity than charity.

"I don't ever remember being hungry or raggedy," James remembered. "We were middle class in that time. As Bill Cosby says, we were poor but we didn't know it. We worked hard. We were never on welfare, I'll tell you that."

Lillie James taught her children a great deal more than reading and writing. Today, when Gen. James makes speeches before young black people, as he often does, his preaching echoes his mother's sermons.

"My mother used to say, "Don't stand there banging on the door of opportunity, then when someone opens it, you say, wait a minute, I got to get my bags. You be prepared with your bags of knowledge, your patriotism, your honor, and when somebody opens that door, you charge in.' "

And: "For you, my son, there is an 11th commandment: thou shall not quit."

And: " 'Prove to the world that you can compete on an equal basis.' "

And: "See to it that your children get a better education than you got.' "

And: " 'Don't go somewhere else looking for your piece of the pie. Your piece is right here. You're an American, you're not an African and don't you listen to any of this stuff about niggers going back to Africa. You answer: "I didn't come from Africa. I came from 1606 North Alcaniz Street, Pensacola, Fla.' "

If those articles of faith strike some of his present-day audiences as naive or simplistic, James reminds them that faith in the future was about all that American blacks had going for them when he grew up.

When James went off to study at Tuskegee Institute in Alabama, he thought he would become an undertaker, one business in which segregation by race was not a barrier to success. But he also wanted to fly.

"Pensacola was the Navy's main training base for fliers, the sky was full of airplanes everyday and naturally as a young man. I wanted to fly," James said. "I *didn't* want to go into the Navy, although that was my first love, because I wanted to fly. I didn't want to cook," the task of many blacks in the Navy then, he said.

Even after the Army Air Corps began gingerly to accept young black men for flight training (an elite of the best educated, most ambitious recruits), they were kept apart, training at Tuskegee in everything from Piper Cubs to P40s. "It was a helluva traffic pattern," said James, who was commissioned in the summer of 1943. "With all the different speeds, surviving was a big thing."

After training at Tuskegee, the "Tuskegee Airmen" were transferred to different bases. Some went to Europe and flew combat with the 99th Squadron. Others went on to train in bombers and cargo planes. But they were always kept together, segregated, a black air force fighting for democracy both at home and abroad.

At Selfridge Air Force Base in Michigan, where James was assigned, the airmen encountered separate facilities for white officers and black, despite military regulations prohibiting segregation on bases.

The black officers, after a while, decided to change things. They started going to the white club. The club would close. When it reopened, they went back, again and again.

What started small was building to a crisis when the black airmen were abruptly transferred to other air bases—all in the South where they might be less eager to confront Jim Crow.

But, notwithstanding official threats that they could be accused of mutiny in wartime, the protests continued. At Godman Field, next to Ft. Knox, Ky., James and the others tried again to enter the white clubs. One of the aggressive leaders among them was a young labor organizer from Detroit named Coleman Young, who today is mayor of Detroit.

"They shipped the bomber group to Freeman Field at Seymour, Ind.," Young remembered, "and took the noncommissioned officers club and gave it to the black officers. We had determined to do the same thing. They read an order warning us that we would be arrested and court-martialed if we tried to enter the [white] club.

"I was in the first wave arrested, then we persuaded others. The damn thing started to escalate and pretty soon every black officer on the place was marching on the officers club, demanding to be arrested."

That was April 5, 1945, and 101 black airmen were arrested, charged with mutiny, treason, disobeying an order, and conduct unbecoming an officer. One of the "barracks lawyers" among them was a bright young law student from Philadelphia, William T. Coleman, who is now Secretary of Transportation. James remembers "Bumps" Coleman as a curbstone strategist:

"Coleman was smooth. He said, 'If you guys don't go too far, you listen to me, you won't get locked up.' So we listened to him and we got locked up. Next day, he came in and says, 'You guys went too far. But, don't worry, I'm going to get you out.' "

The "101" were flown back to Ft. Knox under guard and confined in their old barracks—with a new barbed-wire fence and armed MPs outside. But the nation hardly noticed. One week after the mass arrests President Franklin D. Roosevelt died and the Air Corps' embarrassment was obscured by the nation's grief.

It is a small point, perhaps, but some others in the "101" do not remember that Chappie James was one of those arrested. They do not remember that his name is on the list, which has become something of a latter-day honor roll.

But Coleman Young remembers that Lt. James aided the group in another way. James was piloting daily courier flights from Ft. Knox in a C-47 and he helped spread the word to the black press and official Washington that 101 black officers had stood their ground against segregation, almost unnoticed. Coleman Young would dictate press releases to a black orderly with a typewriter and would slip them through the fence to James, who would deliver them to newspapers in the East.

"Coleman would get the stuff out to me," said James, laughing at the memory, "and I'd drop it off in the big cities. Boy, they'd have killed me if they'd known I was doing that—using military aircraft."

The Army put three men on trial in July, 1945, and all were acquitted. One defense lawyer, sent in by the NAACP, was Thurgood Marshall, now Justice Marshall of the Supreme Court. Another was Theodore Berry, now mayor of Cincinnati. After the acquittals, the other charges were dropped and the men continued on their careers, in and out of the service.

Chappie James stayed in, though he remained at the rank of first lieutenant for more than six years, perhaps because of the shadow of that earlier episode, perhaps because promotions were scarce in those postwar years. President Truman, meanwhile, issued the historic 1948 order integrating all of the armed forces.

In Korea, where he became Air Force Capt. James, he flew 101 combat missions. He bailed out once, was picked up by helicopter and was back up in the air flying the same day. He also was living what his mother taught him about competing on an equal basis.

"Over a few beers, I've even had white guys say they like me, but you can keep all those others," James said. "They respect me. They've seen me roll in on that target when the flak was heavy, just like they did, and come scooting out the other side. They respect me."

As a colonel, James flew combat again in Vietnam, 78 missions, and led the 8th Tactical Fighter Wing. On one sweep over Hanoi, it destroyed seven MIGs, the highest total kill of any mission during the Vietnam war. On another day, he flew back to Thailand with 52 holes in his plane. He also was noticed by Washington—a black combat pilot willing to stand up for the war, for the government, for the flag. James won his first star in July, 1970, and, under the sponsorship of former Defense Secretary Melvin R. Laird, he has gotten an additional star every summer since. The steady promotions rankle some white officers who didn't get them, but others figure that James is just catching up for the lost time of the Jim Crow years.

His appointment is 1970 as assistant secretary of defense for public affairs made him a "name" in Washington and he still travels widely for speaking engagements, trying to convince young blacks that "equal opportunity" is a reality in the armed services, that the door is open.

His four stars, he said, are "important to me in the largest sense, the effect it will have on some young kid on a hot sidewalk in the ghetto, where I was as a youngster, needing an inspiration to show that better things are possible."

And, though he did talk about them, James would just as soon forget those earlier days when black officers were treated as different and conflict with authority ensued. "I hate to think of that time," he said. "It makes me bitter at a time of life when I ought to feel good."

REPORTING REQUIREMENTS IMPOSED BY EMPLOYEE RETIREMENT INCOME SECURITY ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. VANIK) is recognized for 15 minutes.

Mr. VANIK. Mr. Speaker, last year, the Congress finally enacted long-needed legislation to provide better supervision of the Nation's private pension plans and to protect workers from loss of retirement income because of failures in these plans.

In an effort to provide supervision and obtain necessary data to administer the new law, a number of reporting requirements were included. In recent months, there has been a growing concern by pension managers about the volume of reporting paperwork required by the new law.

It would be my hope that the volume of paperwork could be held to a minimum consistent with the Government's need for information to determine the true health of various pension plans and to guarantee the pension income of America's workers.

At the suggestion of Representative SAM GIBBONS, the Oversight Subcommittee of the House Ways and Means Committee has obtained the assistance of other agencies in determining the status of the act's reporting requirements and what steps are underway—and not underway—to consolidate and coordinate reporting requirements wherever possible.

Following is an up-to-date description of the reporting requirements required by the Department of Labor, the IRS, and the Pension Benefit Guaranty Corporation and the status of the report forms:

	IB brief description of reporting requirements	General act. first filing date	Form	Regulation
DEPARTMENT OF LABOR				
Plan description	Description of plan including names and addresses of administrators, provisions of collective bargaining agreements and procedures for eligibility, nonforfeitable benefits, disqualification, financing, and claims.	Apr. 30, 1975	EBS-1, mailed (subject to change).	Public comment until July 9, 1975; filing postponed until May 30, 1976 (interim Aug. 30, 1975).
Summary plan description	Same as plan description, written to be understood by plan participants	do		As above.
Plan modification or change	Any material modification in terms of plan or change regarding contents of plan description.	60 days after amendment.	EBS-1, mailed	Do.
Annual report	Certified financial and actuarial statements, statement of assets plus liabilities, change in assets and liabilities regarding benefits, fiduciary identification and reasons for change, number of employees, names of persons receiving compensation, amount and relationship to plan.	July 30, 1976	Under development	Under development.
Terminal report	Not specified	Not specified	do	Do.
IRS				
Appl. for determination of qualification.	Evidence that each employee has been notified, other information as prescribed by regulation.	do	Defined contribution and employer or employee sponsored IRA's issued, others under development.	Undergoing amendment or development.
Annual registration	Information on separated participants deferred vested benefit	do	Under development	Under development (filing will be in calendar 77).
Annual return	Information on tax qualifications, financial conditions and plan operations as prescribed by regulation.	May 15, 1976	do	Under development.
Notice of change of status	Change in plan name, address of administrator, plan termination, merger, consolidation or division or liabilities.	Not specified	do	Do.
Periodic report of actuary	Description of funding method and assumptions, actuarial certifications, re: full funding, reasonable and accurate, other information as required.	do	do	See DOL annual report.
Trustee report of IRA	Information including contributions, distributions as required by regulation	do	do	Under development.

	IB brief description of reporting requirements	General act. first filing date	Form	Regulation
PBGC				
Notice of intent to terminate	Notice of the occurrence	10 days prior to occurrence.	do	Initial issued, interim under development.
Terminal report	Not specified, DOL requirement	Not specified	do	Under development.
Notice of reportable events	Amendments causing benefit reduction, 20 percent to 25 percent drop in participants, plan inability to pay benefits, plan merges, consolidates, or transfers assets, distribution to substantial owner; and others to be specified.	W/in 30 days of occurrence.	do	Do.
Notice of withdrawal substantial employer.	Notice of withdrawal, request for PBGC to determine liability of employer	W/in 60 days of occurrence.	do	Do.
Notice of withdrawal 20 percent employees.	Employer treated as withdrawing substantial employer	do	do	Do.
Annual report	Identity of plan and administrator, statement disclosing reportable events, notification of any withdrawal.	Mar. 2, 1976	do	Do.
Premium payment	Insurance premium to PBGC	Oct. 2, 1974	PBGC-1	Issued, will be revised.

It is obvious from the size of the above list that consolidation and coordination is essential. Following is a listing—which is subject to change at any time—of how each of the agencies involved plans to coordinate reporting requirements internally:

IIA SUMMARY OF PROPOSED ERISA REPORTING REQUIREMENTS WITHIN DOL, IRS AND PBGC

(Indented Items Will Be Included Within Numbered Items)

DOL/OEBS

1. Plan description.
    Plan mod. or change.
2. Summary plan description.
3. Annual report.
    Terminal report.

IRS/EP/EO

1. Appl. for determ. of qual.
    Initial and amendment.
    Termination.
        Actuarial stm't of merger.
2. Annual return of plan.
    Periodic report of actuary.
    Annual registration.
    Notice of change of status.
    Employer's report.
    Trustee report of IRA's.

PBGC

1. Preminum payment.
2. Reportable events.
3. Annual report.
4. Notice of intent to terminate.
    Term data needs.
    Terminal report.

Thankfully, attempts are also being made to coordinate reporting requirements between the three agencies. The House Education and Labor Committee has already done a great deal to improve the administration of this program. For example, there appears to be good cooperation between the Department of Labor, the IRS, and PBGC to consolidate termination reports. However, the PBGC feels that it needs additional termination data and the consolidation in this area is by no means complete. In another area, the annual reports required by Labor and IRS will probably be consolidated. On the other hand, there has been a failure to date to coordinate the original application or plan description between Labor and IRS. This is a major area of potential savings which should be considered. In addition, there are indications that PBGC is having difficulties consolidating its requirements concerning annual reports, reportable events, and premium payments.

Because of the significant administrative costs which can be created for these private pension plans and which is thereby lost to the enrollees and because of unconsolidated reporting requirements, the Oversight Subcommittee will be attempting to determine whether the level of coordination by the IRS can be improved and expanded.

While the subcommittee's staff will be primarily dealing with the agencies involved, we welcome any reporting simplification proposals from interested parties. Proposals for improvements in the reporting requirements of Public Law 93-406 should be forwarded to the Oversight Subcommittee, House Ways and Means Committee, 1539 Longworth House Office Building, Washington, D.C., 20515; AC 202—225-2743.

REPORT ON CYPRUS REFUGEES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. BRADEMAS) is recognized for 5 minutes.

Mr. BRADEMAS. Mr. Speaker, the Senate Subcommittee on Refugees, chaired by the distinguished senior Senator from Massachusetts, Mr. KENNEDY, last week issued a report on the condition of refugees on Cyprus.

The report states that—

> Since Turkey's invasion and occupation of Cyprus one year ago . . . over 200,000 people—a third of the population—mostly Greek Cypriots, remain in need of humanitarian assistance.

Mr. Speaker, the so-called Cyprus question involves not only a dispute over the use of American arms by Turkey in violation of conditions mandated by U.S. law. It also involves the continuing suppression of over 80 percent of the island's population by the Turkish occupation force.

Later this week, Mr. Speaker, Members of the House will have an opportunity to cast a vote on these issues. In the meantime, I would urge every Member to read the Senate report to which I have referred, and I include at this point in the RECORD the preface to the report by Senator KENNEDY.

PREFACE TO REPORT ON CYPRUS PREPARED FOR THE SENATE SUBCOMMITTEE ON REFUGEES

(By Senator EDWARD M. KENNEDY, Chairman)

Since Turkey's invasion and occupation of Cyprus one year ago, tragically little has changed for the beleaguered people of the island—politically, diplomatically, and most importantly, in human terms. One year after the invasion of Cyprus, over 200,000 people—a third of the population—mostly Greek Cypriots, remain in need of humanitarian assistance as refugees, as people in distress or as families torn apart by the effects of war and partition.

PURPOSE OF REPORT

The purpose of this report is to up-date the findings and recommendations of a Subcommittee Study Mission dispatched to the region last autumn to assess, first hand, the human and political tragedy created by the Turkish invasion and occupation of the island. It is sad proof of the total lack of progress over the Cyprus issue, as well as a tragic comment on the failure of American diplomacy, to note—one year later—that the essential findings of the Study Mission's report stand as true and as real today as they did when they were written many months ago. It is hoped that this up-dated report will serve as another reminder to the Congress and the American people as to how little things have really changed for the unfortunate people of Cyprus.

REPORT OF OCTOBER, 1974

As I wrote in the preface to the Study Mission's report last October:

"The Turkish invasion turned the island into shambles. In political terms, it violated the integrity of an independent state. In economic terms, it shattered the island's flourishing economy. And in human terms, it brought personal tragedy to thousands of families—and turned half the population into refugees, detainees, or beleagured people caught behind ceasefire lines.

"In too many quarters—including our own Government—the human dimensions of the Cyprus crisis, and the plight of Cypriot civilians, has taken second place to the political and military issues at stake—and to the special interests of those who have much to lose or to gain by the outcome of the conflict. But the civilians of Cyprus—both Greeks and Turks—also have interests. And for hundreds of thousands, recent weeks have been a nightmare of death and tragedy and grief."

NO PROGRESS SINCE OCTOBER

Regrettably, during the many months since these words were written, the plight of the Cypriot people continues to take second place to political and military issues. Once again, the President is asking Congress to provide more military aid to Turkey, rather than asking for the return of refugees to their homes. Once again we are being asked to "compromise" with Turkey, despite the recognized lack of progress in negotiations, and despite any sign of goodwill or flexibility from Turkey in responding to basic humanitarian issues—such as allowing the free movement of people—let alone the resettlement of refugees to their homes. Indeed, senior officials at the Department of State continue to admit that nothing has really changed on Cyprus one year later.

Despite the continuing and almost total absence of progress toward reaching a settlement, we have repeatedly, over the past many months, been assured by Department of State spokesmen of optimistic signs for "moving the parties involved on Cyprus to early negotiations." Those were, for example, the words written in a letter to me by the Department on November 22, 1974. Several weeks later, on January 6th, Secretary Kissinger echoed similar optimism in a letter responding to an inquiry by four members of the Refugee Subcommittee. The Secretary stated: "Fortunately, some progress has been made in recent weeks toward getting substantive negotiations underway."

FIRST ANNIVERSARY OF TURKISH INVASION

Yet, today, on the first anniversary of the Turkish invasion, we have yet to see any meaningful negotiating posture on the part of Turkey nor any new developments in the field to match the continuing optimism of Administration spokesmen. *If* "progress" means the shuttling of our diplomats around the globe, the occasional meeting of Turkish and Greek and Cypriot diplomats, or even the regular contacts of the two Cypriot communities in Nicosia and Vienna—then such "progress" is hollow, since it has not brought positive developments in the field, such as the return of some refugees to their homes or the beginning of a return to economic normalcy. These are the true indicators of progress—not more talk that leads nowhere. And these indicators of progress on Cyprus, must also be our benchmarks in assessing whether military assistance to Turkey should be resumed.

PLIGHT OF REFUGEES IGNORED

Instead, we no longer hear but incidental reference made by the highest leaders of our nation to the problems on Cyprus. In fact, we rarely hear Cyprus mentioned at all in the context of the renewed debate over our nation's policy toward Turkey—as if the crisis on Cyprus had no relationship to the original action of Congress, or to the original concern of the American people.

We no longer hear reference made to over two hundred thousand refugees and others displaced from their lands, their homes, or their sources of livelihood, many of whom lack employment and subsist on government hand-outs.

We no longer hear much concern over the restoration of the full independence and sovereignty and territorial integrity of Cyprus.

We no longer find Administration spokesmen speaking of the need for "gestures of goodwill" on the part of Turkey.

We no longer see much effort to secure the implementation of United Nations resolutions on Cyprus—resolutions supported and voted for by our government.

In fact, we rarely hear the President, the Secretary of State, or other high Administration officials speak of the problems on Cyprus—muchless about the urgent plight of tens of thousands of Cypriot refugees. Rather, we hear only about Turkey—of U.S. bases, of strategic concerns in the Eastern Mediterranean, and about Turkish sensitivities.

These strategic concerns are clearly important, as are our relations with Turkey. But what of our relations with our other NATO ally in the Eastern Mediterranean—Greece? And what of the plight of homeless people? And what about respect for law and our nation's long-standing opposition to military intervention and blatant aggression?

DE FACTO PARTITION OF CYPRUS

Are we to condone the invasion and occupation of Cyprus by simply forgetting about it? Are we to condone the nibbling away of an independent state simply by no longer speaking of it? Are we to condone the human tragedy brought about by the illegal use of American supplied weapons by sending more? And are we to stand silent in the face of our continued failure to condemn the Turkish invasion, unrelenting occupation, and de facto partition of an independent nation?

I believe the American people expect better of their government, and this is clearly reflected in the renewed debate in Congress. The time is long overdue for the President and members of the Administration to show greater evidence of concern and action over the human and political tragedy of Cyprus.

The people and nation of Cyprus—and, indeed, of Greece and Turkey—still remain on the brink of new conflict and even greater tragedy. Our government's policy bears a special responsibility. This is so not only because of past omissions in our diplomacy, and our consistent support of the Turkish position, but also because of the President's insistence on maintaining a business-as-usual attitude toward military shipments to Turkey. It is so because we have let our diplomacy ignore the urgent and legitimate right of refugees to return to their homes in safety, and in peace.

There is still time for us to rescue our foreign policy from a course that is disastrous to our best traditions and interests in the Eastern Mediterranean—if only we are to act.

BINGHAM INTRODUCES LEGISLATION TO END GOVERNMENT CENSORSHIP BY INJUNCTION

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from New York (Mr. BINGHAM) is recognized for 10 minutes.

Mr. BINGHAM. Mr. Speaker, the most historic case before any court of the United States this year has almost certainly been *Knopf* v. *Colby*, 509 F2d 1362, the second chapter of the constitutional crisis first addressed in *U.S.* v. *Marchetti*, 466 F2d 1309 (4th Cir., 1972). The case is a painful first in the history of the first amendment—the first and only time that a court has used the power of the injunction to assist the Government in restraining the exercise of basic first amendment freedoms. In the language of the lawbooks, the two Marchetti cases effected a "prior restraint" on both freedom of the press and freedom of speech. To use blunter language, the case involves the unprecedented censorship of a book by the Government.

It is ironic that both U.S. against Marchetti and Knopf against Colby have been refused the attention of the U.S. Supreme Court. By turning down the petitions for writs of certiorari in these cases, the Court has left standing as the law opinions by the Fourth Circuit's Judge Haynsworth which are patently repugnant to the first amendment. I believe that a review of the facts of the entire case, and of the historic principles involved, will make it clear that Judge Haynsworth's opinions in U.S. against Marchetti and Knopf against Colby are a major blot upon the first amendment, one that can and must be reversed by appropriate legislation.

THE CASE

Victor L. Marchetti was employed by the CIA in October 1955. He resigned from the Agency in September 1969, after having held posts that included that of Special Assistant to the Deputy Director.

Following his resignation from the CIA, Mr. Marchetti signed a contract with Alfred A. Knopf to write a nonfiction book about the CIA. This book was finally published by Knopf, in 1974, under the title "The CIA and the Cult of Intelligence." The 168 deletions that so prominently mar that book are testimony to the success of 3 years of litigation by the U.S. Government and the CIA, which diligently pursued the aim of censoring Marchetti's book. The Haynsworth decisions in the Marchetti cases are the legacy of this massive effort to gain judicial approval of governmental censorship.

Litigation in the case was begun on April 18, 1972, when the United States went into court to request temporary injunctive relief—which later became permanent—against the real or imagined threats posed by Marchetti's writings. The permanent injunction that was eventually issued against Marchetti is as extraordinarily broad as it is unprecedented. It required then—and still requires now—that Marchetti submit to the CIA "any manuscript, article or essay, or other writing, factual, fictional, or otherwise, which relates to or purports to relate to the Central Intelligence Agency, intelligence, intelligence activities, or intelligence sources of methods"; and it authorizes the Director of Central Intelligence, within 30 days, to order deleted "any classified information relating to intelligence activities, (and) any classified information concerning intelligence sources and methods." The injunction exempts from its scope classified information which has been placed in the public domain by the United States.

This first round of litigation in the Marchetti case was conducted in the shadow of the Pentagon Papers case, *New York Times Co.* v. *U.S.*, 403 U.S. 713 (1971). There, of course, the Supreme Court had explicitly refused—on first amendment grounds—to enjoin the publication of highly classified documents by the New York Times and the Washington Post. Stressed the Court in its per curiam opinion—quoting *Bantam Books, Inc.* v. *Sullivan*, 372 U.S. 58, 70 (1963)—

> Any system of prior restraints of expression comes to this Court bearing a heavy presumption against its constitutional validity.

Both the district court and the court of appeals, however, in U.S. against Marchetti, gave barely a nod in the direction of N.Y. Times against U.S. What distinguished the Marchetti case, said the Court, was the fact that Marchetti had signed a contract with the CIA in which he had agreed never to make public classified information which he had come across while employed by the CIA. The district court had stated the matter directly:

> In the opinion of the Court the contract takes the case *out of the scope of the First Amendment;* and, to the extent the First Amendment is involved, the contract constitutes a waiver of the defendants' rights thereunder. It is these documents that the Court feels distinguish this case from *New York Times Co. v. U.S.*, 403 U.S. 713 (1971), and render it *no more than a usual dispute between an employer regarding the revelation of information obtained by that employee during his employment.* Consequently, there is no prior restraint and no such heavy burden on the United States to show irreparable damage to the country as was imposed by *New York Times.*

Round One ended with the Supreme Court refusing certiorari, 409 U.S. 1063—three Justices dissenting. The fourth circuit's opinion stood: the Government could henceforth make use of court injunctions to censor books prior to publication. Twenty years after signing a secrecy agreement, a former government employee could and would find himself unprotected by the first amendment.

The absurdity of attempting to fashion a watered-down version of first amendment rights based on waivers, creating a legal territory on which free speech cases suddenly find themselves transformed into "no more than a usual dispute" over the provisions of a contract, has been amply illustrated by round 2 of the Marchetti controversy. Together with Jonathan Marks, Marchetto completed his CIA manuscript for Knopf. Pursuant to the injunction, he then submitted the manuscript for censorship to the CIA. The CIA originally made 339 deletions; these were later negotiated down to 225, and then again to 168.

Objections to these 168 cuts were the basis for the proceedings that have now produced the Byzantine logic of Knopf versus Colby.

The district court upheld only 28 of the CIA's 168 deletions. It found that in the other 140 cases, there was no persuasive evidence that the material had actually been classified. Said the Court:

> The decision as to each item here in question by an individual Deputy Director seems to have been made on an ad hoc basis as he viewed the manscript, founded on his belief at that time that a particular item contained classifiable information which ought to be classified.

It should be noted that the district court was asserting no constitutional right on behalf of Knopf and Marchetti in its decision. Rather, it was merely finding that as a matter of fact 140 of the CIA's deletions dealt with material that the CIA could not show was classified, and which thus—under the decision of the court of appeals—could not be deleted.

The court of appeals reversed these findings of fact. In order to justify this reversal, Judge Haynsworth enunciated in his opinion a hitherto undiscovered lynchpin of constitutional law, known as the "presumption of regularity" in the decisions of governmental officials. Given this presumption, said the court, the Government did not need to show any actual proof that a piece of information had actually been classified; rather, it had merely to argue that the information was "classifiable," and that it was contained somewhere in a document with a classification stamp on it. Actual evidence, though "nice," is unnecessary, said the court. It was from this basis that Judge Haynsworth proceeded to detail the nature of the Government's "burden" in such a case as Marchetti's. Not surprisingly, he found that the Government had met that "burden" in each of the 168 instances where it was attempting to do so.

Other peculiar exercises indulged in by Judge Haynsworth in Knopf are now also on the verge of being incorporated into our venerated first amendment. The original injunction against Marchetti did not include a prohibition against publishing material that had entered the public domain. Marchetti, Marks, and Knopf claimed that 74 items among the 168 deletions had been discussed publicly, and showed this at trial with congressional hearings, newspaper and magazine articles, and a transcript of a television program. Public domain? No, said the district court, in a ruling that the court of appeals affirmed; no, despite the fact that "It does, of course, put Marks and Marchetti in a position of being unable to write about matters that everyone else can write about." The court of appeals elaborated:

> Rumors and speculations circulate and sometimes get into print. It is one thing for a reporter or author to speculate or guess that a thing may be so or even, quoting undisclosed sources, to say that it is so; it is quite another thing for one in a position to know of it officially to say that it is so.

In other words, "highly sensitive" information can be bandied about by the press only so long as the American public entertains some doubt as to its authenticity. Cross the barrier between "rumors and speculations" and facts, however, and you leave the first amendment behind.

Such surprises abound in the jurisprudential territory opened up by Knopf; behind every news-stand there lurks a censor, equipped with a "presumption of regularity." As a final instance of this, let us take the court of appeals' reversal of the district court on the issue of whether Marchetti could publish information "which was either learned by them outside of their employment or was learned both during their employment and afterwards and would have been learned afterwards 'in any event.'" The district court held that as a matter of fact, seven deleted items fell within this category; as a matter of law, it held that these items could be published, since the secrecy agreement in Marchetti's employment contract—which was the basis for the original injunction—quite clearly did not cover matters learned of after the termination of Marchetti's employment. The court of appeals agreed with the latter point of law, but rendered it meaningless with another presumption. Said Judge Haynsworth:

> Regardless of the District Court's finding of fact, neither (petitioner) should be heard to say that he did not learn of information during the course of his employment if the information was in the Agency and he had access to it. At least, a substantial presumption should be raised against him.

Rather than continuing to plunge down through this Kafkesque abyss of lamb-like burdens and maniacal presumptions, I shall cut off discussion of Judge Haynsworth's opinion: given the presumption of an after-life, it is clear that the eloquence of Justice Black's outraged ghost must be drowning out my own words anyway. So that I here retreat from the perils of Knopf against Colby, to return to the more familiar principles of the first amendment; based upon a discussion of these principles, I believe, a reasonable approach to the problem of security secrets versus the first amendment can be suggested.

PRIOR RESTRAINT AND THE FIRST AMENDMENT

The first amendment's strictures upon prior restraints directed against freedom of the press and of speech are so elementary to our constitutional Government that they hardly require any detailed review. Justice Black wrote:

> Both the history and the language of the First Amendment support the view that the press must be left free to publish news, whatever the source, without censorship, injunctions, and prior restraints. *New York Times Co. v. U.S.*, 403 U.S. 713, 715.

Wrote Justice Douglas, citing the definitive modern treaties on the first amendment (Zachariah Chafee's "Free Speech in the United States" (1941), and Thomas Emerson's "The System of Freedom of Expression" (1970)):

> It is common knowledge that the First Amendment was adopted against the widespread use of seditious libel to punish the dissemination of material that is embarassing to the powers that be.

The landmark case in the development of the law of prior restraint is, of course, *Near* v. *Minnesota,* 283 U.S. 697 (1931). Chief Justice Hughes' opinion there definitively stated what a reading of history already revealed: that the "chief purpose of (the First Amendment's) guarantee (is) to prevent previous restraints upon publication." *Near* v. *Minnesota,* supra, at 713. In speaking of the Near case, Chief Justice Hughes justified "the immunity of the press from previous restraint" in terms that are as applicable to the Marchetti case as they were to the Pentagon Papers case, or *Near* v. *Minnesota* itself:

> While reckless assaults upon public men, and efforts to bring obloquy upon those who are endeavoring faithfully to discharge official duties, exert a baleful influence and deserve the severest condemnation in public opinion, it cannot be said that this abuse is greater, and it is believed to be less, than that which characterized the period in which our institutions took shape. Meanwhile, the administration of government has become more complex, the opportunities for malfeasance and corruption have multiplied, crime has grown to most serious proportions, and the danger of its protection by unfaithful officials and of the impairment of the fundamental security of life and property by criminal alliances and official neglect emphasizes the primary need of a vigilant and courageous press . . . The fact that the liberty of the press may be abused by miscreant purveyors of scandal does not make any the less necessary the immunity of the press from previous restraint in dealing with official misconduct.

Whether any circumstances can justify the imposition of prior restraints on the press has been a topic of hot debate. The range of language in the Times against United States case indicates the significan differences of opinion on the question. The per curiam opinion of the Court hedged, stating merely that any system of prior restraints "comes to this court bearing a heavy presumption against its constitutional validity," (citing "Bantam Books," *Inc.* v. *Sullivan*, 372 U.S. 58, 70 (1963)), and that with regard to any restraint, the Government "carries a heavy burden of showing justification." Justices Black and Douglas went further. Justice Douglas asserted:

> The First Amendment "leaves . . . no room for governmental restraint on the press.

Justice Brennan, on the other hand, identified "a single, narrow class of cases in which the first amendment's ban on prior judicial restraint may be overridden—such cases may arise only when the Nation "is at war," *Schenck* v. *United States*, 249 U.S. 47, 52 (1919), during which times "no one would question but that a government might prevent actual obstruction to its recruiting service or the publication of the sailing dates of transports or the number and location of troops." *Near* v. *Minnesota*, 283 U.S. 697, 716 (1931)." Justice Stewart stated the matter negatively. He wrote:

> I am convinced, that the Executive is correct with respect to some of the documents (the Pentagon Papers) involved. But I cannot say that disclosure of any of them will surely result in direct, immediate, and irreparable damage to our Nation or its people. That being so, there can under the First Amendment be but one judicial resolution of the issues before us.

It is important to note that all of those opinions in the Times case which indicated that some prior restraint might be justified, stated that the government's case against publication of the Pentagon papers was substantially weakened by the absence of any relevant legislation by Congress. Justice White wrote:

> At least in the absence of legislation by Congress, based on its own investigations and findings, I am quite unable to agree that the inherent powers of the Executive and the courts reach so far as to authorize remedies having such sweeping potential for inhibiting publications by the press.

Interestingly, those in accord with this position include—or at least did once include—Mr. William Colby. The CIA's Director has sought in the past, and continues to seek, legislation which would criminalize the disclosure of classified information, and which would provide the CIA with the authority to seek injunctive relief against such disclosures. In a letter introduced at trial during the Marchetti case, Colby conceded that no authority to seek suitable injunctive relief currently exists:

> Prevention of disclosure in order to avoid serious damage to the intelligence collection effort better serves the national interest than punishment after disclosure; however, *there is no existing statutory authority for injunctive relief*. (Emphasis added.)

It would certainly be interesting to know at what point the Government decided that old-fashioned contract law could be fashioned into an adequate substitute for the explicit "statutory authority for injunctive relief" whose absence Mr. Colby once viewed with such concern.

What I propose today is that the Congress make available suitable injunctive relief in a specifically defined range of cases. By carefully and narrowly defining that range, we will eliminate such unwarranted and lawless use of prior restraint as was approved by the fourth circuit in the Marchetti case. At the same time, we may expedite the lawful handling of cases where a matter seriously affecting the national security is legitimately involved.

PROPOSED LEGISLATION

The first purpose of legislation on prior restraint must be to eliminate from our law the false distinctions and destructive judicial doctrine that have been thrust upon us by U.S. versus Marchetti and Knopf versus Colby. Foremost among these is the Fourth Circuit's bizarre notion that the existence of a "secrecy agreement" is both a constitutional and a sensible way to determine whether or not an injunction may issue to suppress a particular piece of news. That idea, I submit, makes as little sense from a policy point of view as it does from a historical viewpoint; its practical consequences are as unsound as its tortured construction of the first amendment.

Perhaps the best way to dramatize this is to compare the important facts in the Marchetti case with those involved in the Pentagon Papers case. Aside from the secrecy—and there are indications that such a contract, signed by some party in the chain of communication of the Pentagon Papers, might have been unearthed if only the contract enforcement argument had been cooked up in time by the Government—there are only two primary distinctions between the two cases. The first is that the Times had in hand the "stolen" documents that it sought to publish, whereas Marchetti retained only his memory of events; and the second is that the Times published top secret documents in their original form, as opposed to publishing a manuscript created without actual reference to such documents. The factual distinctions would seem to make out a stronger case for suppressing the Pentagon Papers than Marchetti's book. Yet the opposite result was reached, and the doctrine propounded that classified documents stolen by a nonemployee can be suppressed only with a showing of certain "direct, immediate and irreparable damage to our Nation," whereas the recall of an ex-employee can be censored without any such showing.

This result violates the historic purpose of the first amendment: preventing the Government from using older legal doctrines—whether the common law of seditious libel or equitable enforcement of a contract—to suppress publication of news. It violates the principle that Government employees "are not relegated to a watered-down version of constitutional rights," *Garrity* v. *New Jersey*, 385 U.S. 493, 500 (1967). It ignores the settled principle that the Government may not enforce contractual provisions which are "barred by some controlling constitutional prohibition," *King* v. *Smith*, 392 U.S. 309, 333 n. 34 (1968) and that waivers of fundamental rights cannot be enforced against any party by the Government, *Pickering* v. *Board of Education*, 391 U.S.C. 563 (1968). And it does all these things without any reference to the legitimate security interests of the United States; the abrogation of fundamental constitutional principles has been rested not upon national security needs, but on the circumstance of whether or not a piece of news is associated with a man who once signed a particular kind of Government employment contract.

We cannot tolerate such meaningless distinctions cluttering up the first amendment. Section 4 of the bill I am introducing today thus directly reverses U.S. against Marchetti:

> No provision in any agreement or contract between the United States and any individual shall be the basis for the issuing of any restraining order, or temporary or permanent injunction, against any party seeking to speak, print or publish any matter relating to his employment by the United States. No such contractual provision shall be deemed relevant in any way to any proceeding in which the United States seeks the injunctive relief provided for in Section 2 of this Act.

My bill proposes that instead of looking toward irrelevant contract law, we look toward respected constitutional precedents to guide us in the decision of when to authorize restraints upon the publication of news. Section 2 of my bill adapts the language of Justice Stewart, quoted above, and sets out the following general guideline for when an injunction may issue against publishing the news:

> The District Courts of the United States are hereby empowered to grant the petition of the United States to enjoin speech, or the printing or publication of any matter, if and only if the Government has both alleged and proved that communication of such matter will surely result in direct, immediate and irreparable damage to the security of the United States or its people.

The key phrase here is, of course, "such matter will surely result in direct, immediate and irreparable damage to the security of the United States or its people." This formula, while adaptable to a variety of situations, is meant to be interpreted as narrowly as possible. Clearly, it would permit prior restraint in such a situation as was described by Chief Justice Hughes in Near against Minnesota—that is, where there is a threat to publish the sailing dates of transports during wartime. *Near* v. *Minnesota*, supra at 716. It would also include the nonwartime situation hinted at by Justice Brennan in Times against U.S., where the publication of information might somehow—in a manner that the Government would be obliged to set out specifically—"set in motion a nuclear holocaust." I suggest that even during peacetime, certain crucial military information could be suppressed. I would hope that congressional hearings will consider in detail the question of when information about intelligence gathering would be considered so vital to the national security as to justify prior restraint. Censoring accounts of the identities and activities of agents currently in dangerous positions abroad comes quickly to mind as a fruitful topic for discussion; I am certain, too, that the Congress will want to give attention to a number of other situations where the "irreparable damage" threatened is to something less than the "security of the United States or its people."

What would clearly not be included among permissible prior restraints under section 2 are injunctions against the kind of information that the Government attempted to suppress in the Pentagon papers, and which it has successfully suppressed in the Marchetti case; information whose release threatens no lives, but which would prove embarassing to the Government. The Pentagon papers are a clear case of such embarassing information; the tragic, stubborn, unforgiveable blindness of the Nation's leaders was revealed, but no lives were lost as a result of publication, nor was the Nation rendered suddenly vulnerable to enemy attack. Similarly with Marchetti: the suppressed information in his book would help reform our estimate of the virtues inherent in the recent conduct of U.S. foreign policy, but obviously would not have suddenly crippled the Nation in any way—we note that nothing in court opinions ever indicated that release of the information would have posed any genuine danger "to the United States or its people."

Finally, I think it important to make certain that the determination of the seriousness and irreparableness of a threat posed by a publication is not left to the Executive—whose keen interest it will always be to prevent the release of the embarassing along with the potentally fatal. My bill therefore provides that:

> No classification of documents by the executive, pursuant to 5 U.S.C. 552, shall be deemed decisive in determining the outcome of any petition by the United States, pursuant to section 2 of this act, for a restraining order or a temporary or permanent injunction against any party.

This leaves room for a court to consider the Executive's classification and the reasons given for it as a factor in its own decision. It does not, however, permit a court to defer to this judgment. In the Pentagon papers case, the top secret classification on the documents did not keep the court from finding that the material did pose the threat of "direct, immediate and irreparable damage"—though the Government claimed that publication threatened "grave and irreparable danger" to the Nation. My bill would require a court to make an independent evaluation of the information involved before issuing any injunction.

It should be noted, too, that this proposed independent evaluation by the Court is significantly different from the necessity for a review of "classifiability" that has been thrust upon the courts by the Freedom of Information Act, 5 U.S.C. 552. The Pentagon Papers may or may not have been properly classified; regardless of that question, the danger posed by their imminent disclosure did not meet the "heavy burden" of justification that the Supreme Court there imposed upon the Government. Nor would a simple determination that the documents which Marchetti recalled in his book were properly classified be adequate grounds for suppressing them: the burden of justification that section 2 of my bill imposes upon the Government in all attempted prior restraints—including proposed injunctions against ex-employees—goes far beyond the question of classifiability; it demands, instead, that the Government clearly explain just how a particular piece of information would irreparably damage the security of the Nation. If the Government should fall short in its effort to do so, the courts, under my bill, would be obliged to refuse the requested injunctive relief.

During the several months that have passed Knopf was decided, events have repeatedly showed that the guarantees of the first amendment are not simply the ideals that keep our Nation vital, but are themselves vital to our national security. As embarrassing as certain revelations regarding the CIA have been, to have persisted in our ignorance would certainly have been genuinely dangerous. As Justice Stewart wrote in the Pentagon Papers case:

> In the absence of the governmental checks and balances present in other areas of our national life, the only effective restraint upon executive policy and power in the areas of national defense and international affairs may lie in an enlightened citizenry—in an informed and critical public opinion which alone can here protect the values of democratic government. For this reason, it is perhaps here that a press that is alert, aware, and free most vitally serves the basic purpose of the First Amendment. For without an informed and free press there cannot be an enlightened people.

My bill would do away with the peculiar doctrine that a free press may publish "rumor and speculation"—in Judge Haynsworth's words—about an issue, but not the facts; it would eliminate from our law the notion that certain men—in particular, those in possession of the embarassing facts—live outside the protection of the first amendment, in a jurisprudential netherworld where the Government may use injunctions to cut off their ability to communicate with the public. I believe that the Congress should act quickly to remove the Marchetti and Knopf decisions from our law before the year is out; we must refuse to let our 200th year be one in which we acquiesce to a major weakening of our Bill of Rights.

Text of the bill:

Section 1. No court of the United States shall grant to the United States any restraining order or temporary or permanent injunction against any party seeking to freely speak, print or publish any matter, except as specifically set out in this Act.

Sec. 2. The District Courts of the United States are hereby empowered to grant the petition of the United States to enjoin speech, or the printing or publication of any matter, if and only if the government has both alleged and proved that communication of such matter will surely result in direct, immediate and irreparable damage to the security of the United States or its people.

Sec. 3. No classification of documents by the Executive, pursuant to 5 U.S.C. 552, shall be deemed conclusive in determining the outcome of any petition by the United States, pursuant to Section 2 of this Act, for a restraining order or a temporary or permanent injunction against any party.

Sec. 4. No provision in any agreement or contract between the United States and any individual shall be the basis for the issuing of any restraining order, or temporary or permanent injunction, against any party seeking to speak, print or publish any matter relating to his employment by the United States. No such contractual provision shall be deemed delevant in any way to any proceeding in which the United States seeks the injunctive relief provided for in Section 2 of this Act.

REMOVING BARRIERS FOR THE HANDICAPPED

(Mr. KOCH asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, I was recently made acutely aware of the problems encountered by handicapped visitors in wheelchairs as they try to get around on Capitol Hill. It seems extremely important to me that, at the Capitol perhaps more than any other location, such barriers be removed wherever possible.

The details of my experience with a handicapped member of my constituency are set forth below in my correspondence on the matter. I am delighted to say that the funds requested by the Architect of the Capitol, George M. White to remove barriers for the handicapped, were included by the conference in both the Senate and House versions of the legislative branch appropriations bill. Thus whatever legislation is ultimately sent to the President will definitely have these moneys in it.

There should be local legislation in every State that barriers restraining the handicapped be removed both in government facilities and in the private sector. It is only just.

I also want to take special note of and commend the positive attitude expressed by Chief of Police James M. Powell in dealing with the problems of the handicapped here in the Capitol.

The correspondence follows:

House of Representatives,
Washington, D.C., May 22, 1975.

Superintendent of Buildings,
246 Cannon HOB,
Washington, D.C.

Dear Sir: I am distressed that the Longworth House Office Building at the Independence Avenue entrance does not have a ramp which would permit the handicapped in wheelchairs to enter and leave the building with greater ease. This became particularly painful for me and members of my staff when my office was visited by a constituent in a wheelchair recently and she was subject to great discomfort and embarrassment when leaving the building. She needed assistance which she otherwise would not have had to have or want; and in this case, the young woman had to leave her wheelchair and be assisted down the steps. May I ask that this situation be remedied not only with Longworth House Office Building but with other Congressional buildings. I believe that ramps should be provided at every entrance to every Capitol building, wherever feasible; and not simply at special entrances. I would appreciate your providing me with your comments on this matter.

Sincerely,

EDWARD I. KOCH.

HOUSE OF REPRESENTATIVES,
Washington, D.C., May 22, 1975.

JAMES M. POWELL,
Chief of Police, U.S. Capitol, Washington, D.C.

DEAR CHIEF POWELL: I have been advised by handicapped persons in wheelchairs who have visited my office that they have great difficulty in obtaining taxis to stop and drive them, generally to the airport. These are generally visitors who come to Congress to petition as do other citizens for assistance to their plight as well as in support or opposition to other legislation. Recently one such handicapped person was assisted by a member of my staff to the Independence Avenue exit and they sought to flag a taxi for the young woman. None would stop. When a member of my staff asked the Capitol policeman to assist in flagging down a cab his response was that he could not compel a taxi driver, with a cab otherwise empty of passengers, to take a wheelchair passenger. You understand, Chief Powell, these people are able to leave the wheelchair and enter a cab and have the wheelchair folded for placement in the cab.

My understanding is that taxi operators are required to take all passengers capable of entering their cab including the handicapped and if they do not, they are subject to disciplinary action including the loss of their license. I would appreciate your advising me whether my understanding is correct. And if I am, then I would ask you to direct all Capitol police to provide special assistance to the handicapped; particularly those in wheelchairs in getting cabs and if necessary to order the cab driver to accept the passenger. If the taxi regulations do not cover this, please advise me and I will pursue the matter with Mayor Washington.

Sincerely,

EDWARD I. KOCH.

MAY 27, 1975.

Hon. EDWARD I. KOCH,
U.S. House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN KOCH: This will acknowledge your letter of May 22nd, concerning the difficulty being experienced by handicapped persons in wheelchairs who try to obtain taxicab service while on the U.S. Capitol Grounds.

First, let me say that I am sorry the situation you related occured—I hope the Officer you referred to did not refuse to try and assist the handicapped person by at least attempting to flag down a taxi. If he did, I certainly would hope he is the exception on our Force and I would be interested in knowing his identity.

A licensed taxi operator, if not "on call" or "off duty," is obligated to stop for a passenger seeking service. Should a citizen be ignored by a taxi operator, that citizen can complain to the Public Vehicles Division, Department of Motor Vehicles, 300 Indiana Avenue, N.W. 20001. Taxi Operators cannot display their "off duty" signs on weekdays between 7 and 9:30 a.m. and 4 and 6:30 p.m. Further, their manifest should indicate when they are "off duty" or "on call."

The officer has a right to stop a taxi, which is not "on call" or "off duty" and request that a handicapped person in a wheelchair be transported. If the passenger is refused transport by the taxi operator, the operator can be charged with "Refusal to transport a passenger," "Failing to display on call or off duty sign," "Failing to maintain manifest," (either one or all of the foregoing, whichever is appropriate). The Metropolitan Police Department has a form, P.D. 31, which can be used to report to the Public Vehicles Division any flagrant violation by a licensed taxi operator.

While I would say the officer does not have a right to *compel* the driver to take a passenger, if the taxi operator is in violation, he/she would be subject to charge and subsequent action by the Public Vehicles Division. Both the citizen and the officer have a responsibility to report such flagrant violations to the PVD.

In conclusion, let me say that I have directed the enclosed memorandum to the Force in order to preclude the recurrence of similar complaints.

Thank you for taking the time to bring this incident to my attention and with kind regards, I am

Sincerely yours,

JAMES M. POWELL,
Chief, U.S. Capitol Police.

U.S. CAPITOL POLICE,
OFFICE OF THE CHIEF,
Washington, D.C., May 28, 1975.

MEMORANDUM

To: All Members of the Force.

Subject: Obtaining taxicabs for handicapped persons in wheelchairs.

It was recently brought to my attention by a Member of Congress that an officer refused to flag down a taxicab for a handicapped constituent of his who was confined to a wheelchair and had been ignored by a number of taxicab operators.

Officers have a right to flag an empty taxicab which does not display the "on call" or "off duty" sign, to assist such a handicapped person. However, you cannot compel the taxi operator to take the passenger but the operator who refuses can be charged with any one or all of the following offenses, whichever is applicable: "Failing to transport a passenger," "Failing to display an 'on call' or 'off duty' sign," "Failing to Maintain Manifest."

I have personally observed that taxi operators are unusually cooperative with officers in such requests but should this not be the case, either the citizen or the officer, or both, can report the incident to the Public Vehicles Division, Department of Motor Vehicles, 300 Indiana Avenue, NW., Washington, D.C. 20001, and the taxi operator may subsequently suffer further disciplinary action by that Division.

In conclusion, let me say that I have seen many officers assist individuals in obtaining taxicabs, including the handicapped, and the incident referred to by the Congressman was probably the exception than the rule. Whenever possible, however, the handicapped should be given special assistance in such situations.

JAMES M. POWELL,
Chief, U.S. Capitol Police.

THE ARCHITECT OF THE CAPITOL,
Washington, D.C., July 1, 1975.

Hon. EDWARD I. KOCH,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN KOCH: I believe the best response to your letter of June 16, 1975, requesting my comments regarding ramps for the handicapped in the House Office Buildings, is the enclosed copy of pertinent parts of my testimony before the Subcommittee on Legislative Branch Appropriations in March, 1975.

I testified in support of my budget request for Fiscal Year 1976 for $2,700,000 for removal of barriers to the handicapped throughout the Capitol Buildings and Grounds. As you will note, the work would include 30 additional building ramps and 200 additional curb cuts. As you know, the Legislative Branch Appropriation Bill, 1976 has already been passed by the House including funds for this project.

I shall, of course, be pleased to provide any other information you may deem desirable.

Cordially,

GEORGE M. WHITE, FAIA,
Architect of the Capitol.

ALTERATIONS AND IMPROVEMENTS TO PROVIDE FACILITIES FOR THE HANDICAPPED

Mr. WHITE. We come next to the item entitled Alterations and Improvements, Buildings and Grounds, to provide facilities for the physically handicapped.

Mr. CASEY. This is a new item for 1976 and your request is for $2,700,000.

Alterations and improvements, buildings and grounds, to provide facilities for the physically handicapped	$2,700,000

This is a nonrecurring item, requested for the fiscal year 1976, to eliminate architectural barriers in the Legislative group of buildings.

The objective of this budget request is consistent with the provisions of Public Law 90–480, as amended by Public Law 91–205, enacted to insure that Federal Buildings are designed, constructed, or altered in such manner as to be readily accessible to the physically handicapped.

Action was initiated in this matter as a result of consultation with the Chairman of the Subcommitte on the Handicapped, Senate Committee on Labor and Public Welfare; the Chairman of the Special Senate Committee on Aging; and the Chairman of the Subcommittee of the House Committee on Education and Labor.

As was discussed during the Hearings on the 1974 Appropriation Bill and shown as obligated during the Hearings on the 1975 Appropriation Bill, with the approval of the Speaker of the House of Representatives and the Chairman of the Senate Committee on Appropriations, a personal service contract was entered into by the Architect of the Capitol with Mr. Edward H. Noakes, Architectural Consultant, May 15, 1973, in the amount of $5,000, payable from the appropriation account "Contingent Expenses, Architect of the Capitol", for making a detailed investigation of existing architectural barriers which obstruct the accessibility and usability to handicapped and elderly people of the Capitol Building and Grounds, the Senate and House Office Buildings, the Capitol Power Plant, the Library of Congress Buildings, the Supreme Court Building, and the Botanic Garden Conservatory.

Under the terms of the contract, the Consultant was required, after completion of his investigation, to submit to the Architect of the Capitol a report of his findings, together with recommendations for the elimination of architectural barriers in, and in the approaches to, said buildings and grounds—such report to list all problems by location, type, and dimension, and to contain recommendations for solutions to existing problems to the extent such solutions are reasonably apparent to an expert consultant in this field.

The Consultant was further required to submit in his report solutions complete enough to enable working drawings to be prepared from the sketches to be furnished with the solutions, where appropriate.

The Consultant completed his investigations and studies and submitted a voluminous report to the Architect of the Capitol, March 14, 1974, containing his recommendations and proposed solutions of work required to be done to eliminate existing architectural barriers.

The Consultant's report was carefully reviewed by the Architect of the Capitol, and the Consultant was advised by the Architect of all recommendations contained in the report which were deemed feasible to adopt in buildings in the Legislative Group.

The budget estimate of $2,700,000 is the result of the Consultant's studies and recommendations, as reviewed and recommended by the Architect of the Capitol, and such amount is requested for the fiscal year 1976 on the basis of the following estimated cost per building to eliminate, as far as feasible, architectural, structural, and other barriers in the buildings under the Architect of the Capitol, in the interest of making those buildings more accessible and useful for persons with physical handicaps.

Capitol Buildings	$631,000
Senate Office buildings	475,000
House Office buildings	1,030,000
Capitol Grounds	137,000
Botanic Garden	62,000
Library of Congress	365,000
Total estimate	2.700,000

The estimate of $2,700,000 is requested for 1976 for performance of the afore-stated work. Example of major items of work involved include:

Sign and map systems for all buildings.

Elevator modifications where modernization has not already been accomplished.

Toilet room alterations to provide convenient access for the physically handicapped.

Construction of building entrance ramps.

Alterations to provide access to visitors' galleries in House and Senate Chambers for persons in wheel chairs.

Modifications to doors at building entrances.

The estimate also includes the cost of consultant's fee for preparation of working drawings and the cost of administrative expenses.

Because of the need to perform the construction at such times as will not interfere with the ongoing activities of the Congress, it is requested that this appropriation be provided on a "remain available until expended" basis, which will enable scheduling and rescheduling of the work to such extent as found necessary to conform to the work schedule of the Congress.

BASIS FOR PROGRAM

Mr. White. This is an item, Mr. Chairman, which has resulted from a desire on the part of the Congress, as brought to us through committees on both the House and Senate sides, to bring the buildings on Capitol Hill, insofar as we can, in conformity with the provisions of Public Law 90-480, as amended by Public Law 91-205, which was enacted to insure that Federal buildings are designed, constructed, or altered in such manner as to be readily accessible to the physically handicapped.

We were authorized to use funds in the amount of $5,000 from our contingent expenses appropriation in May 1973 to employ, by contract, the services of Mr. Edward H. Noakes, who is an architectural consultant knowledgeable in the field of removal of architectural barriers obstructing accessibility to the handicapped, for the purpose of performing a study of the buildings on Capitol Hill and recommending methods of removing those barriers.

PRELIMINARY WORK ACCOMPLISHED

We have, with our own forces, effected a number of these changes already, in order to at least make a remedial step in that direction. We have provided such things as curb cuts, one for each building, so that one has a ramp to go up to the sidewalk from the street.

We have provided for lowered public telephone facilities, one in each building, so that persons can have access to those.

We have provided ramps where possible at entrances to buildings within our capacity to do so with our ordinary maintenance funds.

This request is to enable us to do a more complete remedial job, as it should be done, but it is substantially beyond our capacity to do so with our regular maintenance funds.

EXAMPLES OF WORK PROPOSED TO BE DONE

We have, for example, shown on page 147 the dollar amounts as they would apply to the various buildings, so as to maintain, accountingwise, cost records of work performed in each building. The kind of items we are talking about doing are improved toilet room facilities such as I mentioned, alterations to elevators to lower the buttons, for example, so that persons at a lower height can reach the buttons.

These items are incidentally being accomplished in elevators as they are being altered in any event. This item we are proposing now is to accomplish that change in elevators which haven't been done in prior alterations.

We have an item for removing revolving doors in vestibules and replacing them with ordinary swinging doors.

Power-activated doors are requested, although not all doors, to provide ready access to a building through at least one area; a ramp in various places; the lowering of some drinking fountains so that people can reach them from wheelchairs; also, telephone booths; mail slots which need to be lowered here and there in order to enable people to reach them where they are now very high on the wall.

GALLERY MODIFICATIONS

We have an item for altering the galleries on both the House and Senate side to enable wheelchairs to be placed in the galleries. As you may recall, Mr. Chairman, at present, one enters the galleries at a door from the corridor and there is a step immediately upon entering the gallery, so wheelchairs can only be placed in the doorway. We would propose to alter one corner in each gallery, one in the House side, one in the Senate side—I think we may have a drawing here of that—to enable wheelchairs to be placed in such corners. However, movable chairs could be placed there in the event there were no wheelchairs. So we wouldn't lose any seating.

OTHER ALTERATIONS

Some items, such as ramps on the subway platforms, are proposed, although not simply for wheelchair people. We can't get wheelchairs into the subway cars anyway. But some people have difficulty, aged and infirm people, in taking a step up to the car from the platform. This would enable them to walk up a ramp to enter on a level with the subway car, at least at one portion of the platform.

I have already mentioned curb cuts.

Signs in buildings would be installed to indicate a pathway through the building that disabled people can take who can't climb steps or otherwise negotiate the ordinary path through the building.

That is a list of the kinds of items that are incorporated in this report and funds for which are being requested in this item.

House of Representatives,
Washington, D.C., July 21, 1976.

George M. White, FAIA,
Architect, The Capitol, Washington, D.C.

Dear Mr. White: I am very appreciative of your response of July 1 providing me with your comments concerning the removal of barriers to the handicapped throughout the Capitol buildings and grounds. I am delighted that you will have a budget for Fiscal Year 1976 of $2,700,000 to accomplish this.

May I suggest that pending the construction of the permanent facilities provided for in that appropriation, that you install temporary ramps which would permit access to Independence Avenue in the three House office buildings. Surely that would involve a very miniscule amount and give immediate entry and exit from the Capitol side of the buildings.

Sincerely,

Edward I. Koch.

ON THE PLIGHT OF VALENTYN MOROZ

(Mr. KOCH asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, I would like again to bring to the attention of my colleagues the plight of Ukrainian historian Valentyn Moroz whose situation serves as a constant reminder of the closed and antilegal character of the Soviet Union. Mr. Moroz is presently serving the first part of a 14-year sentence for "anti-Soviet agitation and propaganda." Moroz's unjust sentence has prompted a worldwide outcry on his behalf. We cannot condone the repressive and fearful atmosphere prevailing in the Soviet Union. Denial of human rights in any country is an international matter. There is nothing more important than personal liberty and we must stand by those who have the courage to fight these oppressive Soviet forces.

Yet despite support *from* people all over the world, the Soviet Union is continuing its flagrant harassment, intimidation, and outright denial of freedom to historian Valentyn Moroz. Having recently ended a 145-day hunger strike, after which the Soviet authorities agreed to certain concessions on Moroz' behalf, the Ukrainian author has suddenly been transferred to a special psychiatric prison hospital where he is being subjected to treatment consisting of injections of drugs and chemicals.

The KGB's official reason for transfer to a psychiatric hospital is that "a normal person would not have been able to last through a 5-month-long hunger strike." Yet it is more likely that the Soviet Union has decided on this move, in spite of the adverse publicity Moroz' case has generated, in order to intensify efforts to break the historian before he has to be transferred to a hard labor camp next year where he would be in contact with other political prisoners, and where it would be more difficult to isolate and break him.

The cause of intellectual freedom in Russia must not be abandoned. While the Soviet Union cannot be moved by internal legal safeguards for the protection of the individual, it has been established that it will move in response to world public opinion albeit all to slowly. All those who believe in personal liberty and the exercise of basic human rights should write to Ambassador Dobrynin of the Soviet Embassy registering their deep concern over Russia's treatment of Valentyn Moroz.

FLUORIDATION AND CANCER

(Mr. DELANEY asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. DELANEY. Mr. Speaker, are the American people guinea pigs? Over 23 years ago, my Select Committee to Investigate the Use of Chemicals in Food and Cosmetics initiated a widespread examination of chemical additives. I introduced and was successful in obtaining passage of legislation prohibiting the use of such unsafe chemicals in food and establishing a zero tolerance for carcinogens. Many supposedly "safe" products in use for years were subsequently shown to be harmful. No one, Mr. Speaker, had taken the trouble to thoroughly explore their negative impact before marketing them.

My committee in 1952 devoted 7 days of public hearings to the issue of imposed fluoridation of public water supplies. At that time, *a number of scientists expressed their fear that the safety of fluoridated water was not sufficiently demonstrated.*

In November 1963, in a statement before the Joint Hearings on Fluoridation of the city of New York, I strongly opposed the addition of fluorides to our New York drinking water as "an unnecessary health risk and unwarranted intrusion on the rights of our citizens." In a letter to *The New York Times* on December 12 of the same year, I noted that there was "*nothing holy or infallible in the opinions of American public health officials,*" nor was "there reason to label competent physicians and respectable citizens as 'anti-dental health' because they disagreed with the current position of the medical hierarchy." Then, in 1966, the House Appropriations Subcommittee on Labor, Health, Education, and Welfare received a lengthy statement from me on the need to investigate all the effects fluorine might have on vital organs.

Now, Mr. Speaker, I have before me a communication dated July 8, 1975, from Dr. Dean Burk, Ph. D., recently retired head of the cytochemistry section of the U.S. National Cancer Institute after a distinguished career of 50 years of research on the cancer problem, and Dr. John Yiamouyiannis, Ph. D., Science Director of the National Health Federation.

On the basis of their analysis of reports issued by the U.S. Department of Health, Education, and Welfare and the U.S. Bureau of Census, these two eminent scientists have drawn to my attention some new and very disturbing information which *warrants immediate action.*

Their study of newly available official mortality and fluoridation statistics covering a 20-year period indicates that 25,000 or more excess cancer deaths occur annually in U.S. cities subjected to imposed water fluoridation—a death every 20 minutes.

Mr. Speaker, these findings are *based on experience with real people*—with our fellow Americans—not on experimentation with test animals. How many of us have felt the pain of personal loss of loved ones among family and friends from this dread disease—a disease which now conceivably could be linked to Government-imposed fluoridation processes?

These two scientists may have discovered one of the crucial factors in explaining the rise in U.S. deaths from gastrointestinal, urinary, and female-related cancers.

Mr. Speaker, I am deeply concerned—the American public must be protected. The questions raised by this epidemiological study are of vital importance to our 90 million citizens who drink artificially fluoridated water.

I now recommend immediate suspension of all artificial fluoridation pending further investigation.

In view of the seriousness of this action, I request the consent of the House to extend my remarks at this point in the RECORD and include the Burk-Yiamouyiannis communication of July 8 in its entirety.

JULY 8, 1975

Hon. JAMES J. DELANEY,
Rayburn House Office Building,
Washington, D.C.

DEAR CONGRESSMAN: In continuation of recent conversation with you in your office, we are enclosing herewith a brief statement of our recent studies on "Fluoridation-Linked Human Cancer and the Delaney Amendment," abstracted from a more detailed paper under this title that is scheduled for publication shortly, with inclusion of much data in tabular form.

SUMMARY

(1) A study of new and extensive official mortality and fluoridation data indicates that some 25,000 or more excess cancer deaths per year occur in the United States in cities subjected to imposed public water fluoridation.

(2) Invocation of the Federal Delaney Amendment to eliminate public water fluoridation throughout the country may well be in order.

(3) The newly discovered apparent fluoridation-linked human cancer mortality rate increase offers one quantitatively important explanation for the continued rise in the overall U.S. cancer mortality and morbidity rates, following upon increasing public water fluoridation over past decades.

FEDERAL STATUTES

According to the Federal (Congressional) Food, Drug, and Cosmetic Act (Sec. 409 (348) (c) (3) (a)), no food additive "shall be deemed to be safe if it is found to induce cancer when ingested by man or animal" (Delaney Amendment). From the same Act (Sec. 201 (321) (f)), "the term 'food' means (1) articles used for food or drink for man or other animals." Drinking water and its derived products constitute the most prominent example of drink for man.

Thus, if a quantitatively significant demonstration or finding of fluoridation-linked cancer is obtained, the Delaney Amendment would statutorily call for regulatory cessation of public water fluoridation throughout the United States, regardless of state, county, or city laws implementing such fluoridation, and regardless of any claimed benefits of fluoridation in other connections, such as tooth improvement.

DATA SOURCES

The recent, extensive, and monumental publication, "U.S. Cancer Mortality by County: 1950–1969" issued late in 1974 by the U.S. Department of Health, Education, and Welfare (Publication No. (NIH) 74–615, 729 pp.), the "Fluoridation Census 1969" issued in 1970 by U.S. DHEW (U.S. Government Printing Office: O–380–791), and the U.S. Bureau of Census Report, "U.S. Census of Population for 1960, vol. I," issued in 1963 indicate such a finding.

EARLY ANALYSIS

This data was first correlated early in 1975 by Dr. John Yiamouyiannis of the National Health Federation (cf. NHF Bulletin, *21*, 9–11, April 1975, and later *21*, 1–13, July–August, 1975, and in the publication, "Let's Live," *43*, 58–60, June 1975). He reported large increases in standard cancer mortality rates in large fluoridated American cities compared to large non-fluoridated American cities, with respect to gastrointestinal tract (mouth; esophagus, stomach, large intestine and rectum), kidney, and bladder and urinary organs, in white males, and breast and ovary and Fallopian tube, in white females. He found relatively little or no excess of cancer mortality with respect to *lung*, trachea, bronchus, biliary passages, liver, larynx, uterus, prostate, skin, brain, muscle, or in leukemia, aleukemia, lymphosarcoma, reticulosarcoma, or Hodgkins disease. Mortality rates due to cancer of the lip, salivary gland, testis, thyroid, other endocrine glands, bone, eye, nose, ear, connective tissues, and sinuses were too small for statistically significant correlations to be made with respect to fluoridation.

PRESENT ANALYSIS

In our joint studies involving the possible role of the Delaney Amendment, we have not been interested at present in making an exhaustive analysis of all possible aspects of fluoridation-linked cancer mortality, but rather in examining "*any* quantitatively and statistically significant fluoridation-linked human cancer." This limited objective would appear to have been definitively achieved.

We have limited our studies of fluoridated cities to those fluoridated since before 1958, and have eliminated those four large cities whose fluoridation did not commence until 1965–7 (New York, Detroit, Dallas, and Fort Worth), since the mortality data covered the years 1950–1969 inclusive, and these four cities involved only a relatively short period of fluoridation and therefore of potential cancer induction and mortality excess.

There are obviously many possible types of comparisons with respect to fluoridated versus non-fluoridated cities, and we present you here several interesting and meaningful type instances, reserving still more such for our forthcoming more extensive paper already referred to. To go into exhaustive considerations will undoubtedly take years of effort on the part of many investigators, but for Delaney Amendment considerations this is quite unnecessary here, once *any* positive indication is obtained, a caveat one should never lose sight of.

TYPE I COMPARISON

As a first comparison, we will follow up the original Yiamouyiannis finding with respect to the nine organ cancer types where he reported evident positive correlations of excess cancer mortality with fluoridation, as already listed. We compare the sum of the mortality rates (average annual age-adjusted mortality rates per 100,000 population) for each of the nine organ sites, totalled city by city, with respect to the 10 largest cities fluoridated since between 1952–6, as compared to the 10 largest non-fluoridated cities, as follows: Fluoridated: 121.0, 124.6, 119.2, 113.1, 121.9, 119.9, 125.9, 119.3, 112.1, 121.6, (respectively, Chicago, Philadelphia, Baltimore, Washington, Cleveland, San Francisco, Milwaukee, St. Louis, Pittsburgh, Buffalo); non-fluoridated: 94.3, 82.7, 123.1, 104.1, 84.2, 85.6, 96.7, 115.2, 83.4, 85.8 (respectively, Los Angeles, Houston, Boston, New Orleans, San Antonio, San Diego, Seattle, Cincinnati, Memphis, Atlanta). It is quite evident, by visual inspection, that the average for the fluoridated group is much greater than that for the non-fluoridated group, the actual calculated average values being 119.9 and 95.4 respectively, with a difference between the means of 24.5 excess mortality per 100,000 fluoridated population (=26% excess), at a statistical confidence level of greater than 99.9% ($t=5.1$, $P=<0.001$). Were the values in each group further weighted according to city population size, the difference between the groups would be negligibly changed. These results reported on a basis of *mean* difference have been further confirmed by analyses based on the rank *median* test (cf. Mack, *Essentials of Statistics*, Plenum Press, New York, 1967), which is little affected by the greater range spread (distribution) in one group than in the other.

The total populations for the two groups of fluoridated and nonfluoridated cities are (1960 census) approximately 11,000,000 and 8,000,000. If the excess rate of mortality of 24.5 per 100,000 population in the fluoridated group were extrapolated linearly, by the long-established principle of William of Occam, up to a total fluoridated population of some 90,000,000 in the United States, this would amount to some 22,500 excess deaths in the United States per year linked with fluoridation. Occam's Razor calls for the simplest assumption until *shown* inadequate.

Since it would appear that the nine-organ sites involved account for some 90% of all of the excess cancer mortality, a value of some 25,000 *total excess mortality* (one death every twenty minutes) is then linked with fluoridation. This same value is attained by a quite different type of comparison reported below, with somewhat different underlying assumptions being involved. For instance, the individual city summed rates first cited above were based on white males for seven of the nine organ-sites and on white females for the two other sites, with the assumption that excess values for white males, white females, non-white males and non-white females were not too far different for the purposes of the Delaney Amendment calculations, an assumption we have found to be sufficiently true though cannot detail here, but will in our later extended publication. We are well aware, of course, that we have somewhat unconventionally added together results for white males with those of white females, and neglected non-white males and females, but again analysis not detailed here shows us that, for purposes of the Delaney Amendment examination here, no unredeemable error is involved, because whether the 25,000 number is actually 15,000 or 35,000 makes very little difference all being so very large in any event. For instance, if the female white data were totally excluded, the 25,000 number would be about 19,000 for white males only. We are interested here in the woods, not the trees, which is, again, a caveat one should never lose sight of: it is the *order of magnitude* that is of primary concern here. Even without the foregoing extrapolation to some 90,000,000 fluoridated population, one would still have a cancer mortality excess of 24.5 x 110=2700 in the 11,000,000 fluoridated population, a quantity more than adequate to call for evocation of the Delaney Amendment. Over 20 years, this would be 54,000 deaths.

TYPE II COMPARISON

In a second type of comparison between fluoridated and nonfluoridated groupings of cities, we have taken the only six large fluoridated cities available for which we have the cancer death rates for the cities *per se* i.e., either the city population equals the county population, or the cancer death rate was actually given for the city. In this instance, the type of comparison now included *all* cancer deaths from *all* four of the following categories: white male, white female, non-white male, and non-white female. We then weighted the mortality rates for each of these categories in accordance with the actual number of deaths involved per category, to yield the total number of cancer deaths per given city. Then the total number of deaths per city were weighted according to the total city population, to yield, finally, the total number of cancer deaths in the entire group of six cities, which, divided by the total population of the six cities yielded the fully weighted average mortality rate. The same procedure was then carried out for the six largest non-fluoridated cities. The fluoridated cities were Philadelphia, Baltimore, Washington, St. Louis, San Francisco, and Denver, Colorado (respective total populations, in 100,000's: 20.0, 9.4, 7.6, 7.5, 7.4, and 4.9), with a total population of 57 100,000's, and a fully weighted mortality rate (as described) of *188* cancer deaths per year per 100,000 population. The non-fluoridated cities were Los Angeles, Houston, Boston, New Orleans, San Antonio, and San Diego (respective total populations, in 100,000's: 24.8, 9.4, 7.0, 6.3, 5.9, and 5.7) with a total population for the group of 59 100,000's, and a fully weighted mortality rate of *163* cancer deaths per year per 100,000 population. The excess mortality in the fluoridated group was thus 188−163=25, or 15%! If this excess rate of 25 deaths per year per 100,000 population for a total group population of 5,700,000 were extrapolated linearly up to a total fluoridated population of some 90,000,000 in the United States, as in the second foregoing paragraph, this would amount to some 22,500 excess deaths in the United States per year linked with imposed fluoridation, the same value in order of magnitude as before, though with a different grouping comparison, and with somewhat different underlying assumptions, which as already indicated, do not appear, from our more detailed studies, to be far removed from actuality. The value of 15% excess has a confidence level of $\geqq$99.9%, the numbers of deaths in each group being of the order of 10,000 and 11,500, each with a relative error of the order of only 1% (e.g., *ca.* (10,000)½/10,000).

TYPE III COMPARISONS

As another type of comparison, related to "geographical distribution," we took the cancer death rates (per 100,000 per year) for each of the above six fluoridated cities (Denver, San Francisco, St. Louis, and Philadelphia, Baltimore and Washington) and compared them, so far as possible, with major non-fluoridated cities in their respective geographical areas, with respect to *white males:*

Denver is fluoridated, but with a mortality rate much below that of the other five fluoridated cities (163.9 versus 221.0, 233.3, 203.7, 220.1, 212.0). However, the value of 163.9 for Denver is still notably higher compared to non-fluoridated Boulder (134.7), Pueblo County (134.8), Cheyenne (142.6), Santa Fe (138.2), and Salt Lake City (142.6). These non-fluoridated "neighboring" cities average 138.5 ± 5 (99.9% confidence level) compared to Denver's rate of 163.9.

San Francisco is fluoridated with a cancer mortality rate of 212.0, as compared to non-fluoridated Oakland (179.1), Sacramento (186.2), Los Angeles (174.8), San Diego (164.3), Portland (178.4), Tacoma (165.0) and Seattle (180.5). These non-fluoridated cities average 175.5 ± 11 (99.9% confidence level), compared to San Francisco's 212.0. Between 1955–1972, the total cancer death *rate* per 100,000 in San Francisco increased 22%, compared to California's 9% (San Francisco Department of Public Health Statistical Report, 1955–1972), California being a relatively unfluoridated state.

St. Louis is fluoridated, and has a cancer mortality rate of 220.1 as compared to the non-fluoridated cities Kansas City (182.0), Cincinnati (203.8), and Memphis (187.8). These non-fluoridated cities average 191.2 ± 12.2 (99.9% confidence level), compared to St. Louis's 220.1.

The following cities are fluoridated, and are all in the same general geographic area: Philadelphia (221.1), Baltimore (233.3), and Washington (203.7). Unfortunately for this analysis, virtually every highly populated area in the vicinity has been fluoridated. Two non-fluoridated cities nearby are Dover, Delaware (152.3) and Harrisburg, Pa. (177.8). These data do not allow for a valid statistical comparison beyond visual inspection.

OTHER TYPE COMPARISONS

We have examined still other forms of comparison of fluoridated and non-fluoridated groupings (e.g., considering cities down to populations of one-quarter million, providing groups of about 20 cities each), but with little difference in qualitative conclusion. Obviously, the smaller the city size, the smaller will its weight be in relation to respective county size upon which nearly all the mortality data are reported, and so, in general, the city data are "diluted out" and one reaches a lower limit of usable city size. Similar "dilution" of true and pertinent excess mortality values may occur from a variety of reasons, e.g., (a) population migrations, or (b) the initial part of the 1950–69 period did not involve fluoridation until at least 1952, and even up until 1956, all of which could make the value of 25,000 excess deaths due to fluoridation too low, perhaps much too low.

OVERALL SIGNIFICANCE

It need scarcely be pointed out that effects of public water fluoridation upon annual excess cancer mortality (ca. 25,000) that we have reported are a highly significant fraction of the annual cancer death rate in the United States of the order of 350,000 deaths per year. From our studies, it is not likely that these excess mortality values will be reduced to anywhere near insignificance by any attempt to rule them out on bases of "social status", ethnic composition, sex, climate, other carcinogens conceivably introduced into the water supplies, and many other possibilities that have occurred to us, or that have been suggested to us. Thus, for example, it has been suggested that "Much of the excess (mortality) in the cities with high rates that are cited is due to an excess of *lung cancer*." But, when we have subtracted, for instance, lung cancer death rates from total cancer rates from all sources, for, say, the cities Baltimore, Philadelphia, New York, Cleveland, Detroit, and Chicago, the % increases in cancer death rates in these fluoridated cities remain almost unchanged, the reduction in % increase averaging only a few per cent, about the same as in non-fluoridated cities similarly tested. Lung cancer death rates provide virtually no explanation for the fluoridation-linked excess mortality rates, and the same may be said of factors such as occupational exposure, air pollutants, organic pollutants in the water supply, etc., until *so demonstrated* as distinguished from hypothesized without solid basis. Even then, such demonstration would have to be total, not partial, according to both the Delaney Amendment and Occam's Razor.

We would emphasize that our results refer, in a strict sense, to data based on the *process of fluoridation,* without commitment as to whether it is the fluoride component that is wholly responsible for the effects observed and reported. This is perhaps an academic distinction, but the actual data used do refer to "fluoridation" and so we say "fluoridation-linked" rather than "fluoride-linked". Thus, for example, it is remotely conceivable that the fluorides used contain traces of some other contaminant that is the effective agent. But this is a problem for future investigation, and, at the moment, it is the total process of imposed fluoridation that is involved.

And so, in view of the extensive fluoridation industry and commitment involved, a dilemma of no small magnitude is clearly raised: a choice is opened between otherwise claimed benefits of fluoridation on the one hand as ranged against the increased cancer mortality on the other; or elimination or alteration of the Delaney Amendment on the one hand as against relinquishment of endorsement of fluoridation of public drinking waters (cf. Appendix A). Will the dilemma be resolved by sophistry, or by Federal law based on demonstrated fact? Will the National Cancer Institute and Division of Dentistry continue to dismiss now-demonstrated fact as a "fluoride scare report?" (cf. Appendix B, April 25, 1975). The material in Appendix B is unresponsive to the major numerical data reported by Yiamouyiannis, presumably because no substantive and interdicting response was possible and had to be replaced by sophistry, nitpicking, and wishful generalities.

To consider "natural fluoridation" (fluoridation provided by nature) is beyond the scope of this report, but any such consideration will have to go into the full nature of natural fluoridation, including certification of analytical methods currently used to measure it. For instance, natural fluoridation may involve more than simple fluoride ions, if positively charged groups (such as proteins, and even inorganic complexes) may bind fluoride in ways not assayed by standard methods of analysis or not eliminated in defluoridation processes. If natural fluoridation is involved in cancer mortality rates, it may offer some explanation for the refractoriness of many cancers to successful treatment, and why so relatively little progress has been made in recent decades in the treatment of many human cancers. On May 14, 1975, the HEW News reported that deaths from cancer "continued upward in 1974. The rate of death increased 1.3 percent from 1973." Defluoridation may become important just as decreased imposed fluoridation would also appear to be indicated. Since it is rather generally conceded that a very large fraction of human cancer is induced by environmental and industrial conditions (cf. Newsweek, p. 42, July 7, 1975), elimination of imposed fluoridation, together with more extensive defluoridation, would appear to offer a relatively easy means of reducing that very large fraction, not only with respect to cancer mortality but also morbidity, which is ordinarily much larger than mortality. A comparable example, but here on a national scale, is the eventual elimination of Minamata disease, in Japan, caused by decade-long pollution by methyl mercury from industry.

We are not now here dealing with such instances as where the Delaney Amendment has indeed been invoked regulatorily on a nation-wide basis as a result of a few hundred rats, at most, developing cancer following dosage with enormous "unhuman or inhuman" quantities of a compound such as a cyclamate. Here we are dealing with *millions* of Americans (currently some 90,000,000 of them) being fluoridated with dosages otherwise regarded as "optimal" so far as teeth are concerned, but without any regard heretofore to cancer mortality potentials. Perhaps it is as well that the people of Los Angeles very recently chose by a good majority not to fluoridate; and certainly it would be well for states now contemplating compulsory statewide water fluoridation to take due pause before committing themselves to a course of action leading to conflict with the force and logic of the Delaney Amendment, and the numerical values reported in this letter. Any show of error in the latter must be *total*, to avoid evocation of the Delaney Amendment; partial error will not suffice.

As of 1970, public water fluoridation was banned in Austria, Denmark, France, Greece, Italy, Luxembourg, Norway, Spain, Yugoslavia, and, except for a very few experimental cities, in Finland, Germany, Holland, Portugal, Sweden, and Switzerland! What now will the United States do?

All people drink water, so far as we know, and nearly half of them in the United States drink imposed fluoridated water. At such time as these people become acquainted with the potential cancer mortality involved thereby (and even greater cancer morbidity and, conceivably, still greater incidence), one may wonder what they will be thinking about as every glass of water or water-derived fluoridated product goes down their throats? We venture, something more important than teeth of mainly pre-adolescents, which could be fluoridated by various means other than via the public drinking water. Some other means of disposing of the large amounts of industrially produced fluorides will have to be found, we venture, than fluoridation of public drinking waters.

Sincerely yours,
Dr. DEAN BURK, Ph.D.,
Retired, U.S. National Cancer Institute (1939–1947); Dean Burk Foundation, Inc., Washington, D.C.
Dr. JOHN YIAMOUYIANNIS, Ph.D.,
Scientific Director, National Health Federation, Monrovia, Calif.

APPENDIX A—U.S. DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE, PUBLIC HEALTH SERVICE, DIVISION OF DENTISTRY

NATIONAL ORGANIZATIONS ENDORSING FLUORIDATION

American Academy of Pediatrics.
American Association for the Advancement of Science.
American Association of Dental Schools.
American Association of Industrial Dentists.
American Association of Public Health Dentists.
American College of Dentists.
American Dental Association.
American Dental Hygienists' Association.
American Federation of Labor & Congress of Industrial Organizations.
American Heart Association.
American Hospital Association.
American Institute of Nutrition.
American Legion.
American Medical Association.
American Nurses Association.
American Osteopathic Association.
American Pharmaceutical Association.
American Public Health Association.
American Public Welfare Association.
American School Health Association.
American Society of Dentistry for Children.
American Veterinary Medical Association.
American Water Works Association.
Association of Public Health Veterinarians.
Association of State & Territorial Health Officers.
Canadian Dental Association.
Canadian Medical Association.
College of American Pathologists.
Consumer Federation of America.
Federation of American Societies for Experimental Biology.
Federation Dentaire Internationale.
Great Britain Ministry of Health.
Health Insurance Association of America.
Health League of Canada.
Inter-Association Committee on Health.
National Commission on Community Health Services.
National Congress of Parents and Teachers.
National Education Association.
National Health Council.
National Institute of Municipal Law Officers.
National Research Council.
Office of Civil Defense.
Pan American Health Organization.
Society of Toxicology.
U.S. Department of Agriculture.
U.S. Department of Defense.
U.S. Department of Health, Education, and Welfare.
U.S. Environmental Protection Agency.
U.S. Junior Chamber of Commerce.
World Health Organization.

APPENDIX B—U.S. DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE, PUBLIC HEALTH SERVICE, HEALTH RESOURCES ADMINISTRATION

Refer: FL–76
April 1975

NATIONAL CANCER INSTITUTE REJECTS FLUORIDE SCARE REPORT

The National Cancer Institute today reaffirmed that its epidemiological studies show no relationship between the fluoridation of water and cancer.

The statement was prompted by a number of letters received by the Institute and generated by a one-page flyer issued in January by the National Health Federation, a California-based group. The flyer advertises a report prepared by the Federation and purporting to show that the cancer death rate is higher in cities with fluoridated water supplies.

The National Cancer Institute, whose figures are cited in the Federal report, in March noted errors, omissions, and statistical distortions in the Federation report and stated that "Results of this analysis fail to support any suspicion of hazard associated with fluoridation."

Another Federation report, citing the same Cancer Institute figures used in the earlier report, on March 25 purported again to show "a definite link between fluoridation and cancer death rate."

However, the Cancer Institute statement issued today says the Institute's epidemiological study cited in the Federation's statement "fails to show any relationship between the fluoridation of water and cancer. In fact, the results of the study rather suggest a protective influence from fluoridation."

DIVISION OF DENTISTRY,
Bethesda, Md.

Enclosure, National Cancer Institute Statement.

STATEMENT BY THE NATIONAL CANCER INSTITUTE ON FLUORIDATION STUDIES BY THE NATIONAL HEALTH FEDERATION

Two recent statements, dated January 6 and March 25, 1975, have been distributed by the National Health Federation naming certain major cities in the United States and implying that there is some relationship between the presence or absence of artificial fluoridation of water in these cities and their cancer death rates. According to these statements, the data are based on two Government publications: "Fluoridation Census, 1969" published by the National Institute of Dental Research; and "U.S. Cancer Mortality by County: 1950–1969," published by the National Cancer Institute.

The statements distributed by the National Health Federation contain factual errors and oversimplified data, and ignore other factors in the complex matter of cancer causation. Furthermore, by directly relating fluoridation with higher death rates from cancer, the authors are ignoring other factors that are known to have a relationship to cancer. For example, the fluoridated cities on the list are cities that have been industrialized for a much longer time than the nonfluoridated cities named. Environmental pollutants associated with industrialization are known to have carcinogenic (cancer-causing) effects that undoubtedly contribute to the high cancer mortality rates in those cities. Factors such as social class and ethnic origin are also known to affect the development of cancer, inasmuch as they influence such areas as diet, access to medical care, lifestyle, and genetic background.

To account for such factors, a more accurate picture might be obtained by including cities with a population of 500,000 or more (according to the 1960 census). For example, Boston, Cincinnati, and New Orleans, all non-fluoridated cities, are closer to the six fluoridated cities on the list in terms of socioeconomic factors and level of industrialization. An analysis of data in the NCI publication shows that these three cities had cancer mortality rates equal to or greater than the six cities quoted in the statement.

A better comparison might also be achieved by comparing each industrial city before and after its water was fluoridated. There are eight cities in which such a comparison can be made for the 20-year period covered by the NCI survey. In seven of these, the average death rate from cancer during the nonfluoridated period was equal to or greater than that for the entire 20-year span.

In summary, *the NCI epidemiological study cited in the National Health Federation's statement fails to show any relationship between the fluoridation of water and cancer. In fact, the results of the study rather suggest a protective influence from fluoridation.*

For further information, contact the Office of Cancer Communications, National Cancer Institute, Bethesda, Maryland, 20014.

Updated March 14, 1975.

The American Cancer Society Policy Statement on Fluoridation

The American Cancer Society from time to time receives requests for information on the relation of the fluoridation of water supplies to the incidence of cancer. The American Cancer Society has examined available evidence and does not consider that there is any relationship between the fluoridation of water and the incidence of cancer.

The Society believes present knowledge about human cancer does not provide any basis on which populations desiring fluoridation for reduction of dental caries should forego its use.

GENERAL LEAVE

Mr. DINGELL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 7014 considered in the House last week and to include therein certain extraneous matter.

The SPEAKER pro tempore (Mr. McFall). Is there objection to the request of the gentleman from Michigan?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mrs. Meyner (at her own request), for today, because of natural disaster preventing arrival in Washington.

Mr. Pepper (at the request of Mr. O'Neill), for today, on account of official business.

Mr. Young of Florida (at the request of Mr. Michel), for today, on account of delay in return flight from Florida.

Mr. Mann (at the request of Mr. O'Neill), for today on account of official business.

Mr. Hefner (at the request of Mr. O'Neill), until 11:30 a.m. today, on account of official business.

Mr. Matsunaga (at the request of Mr. O'Neill), for today, on account of illness.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Member (at the request of Mr. Mitchell of New York), to revise and extend his remarks, and to include extraneous matter:)

Mr. Railsback, for 5 minutes, today.

(The following Members (at the request of Mr. Miller of California), to revise and extend their remarks, and to include extraneous matter:)

Mr. Gonzalez, for 5 minutes, today.
Mr. Rodino, for 15 minutes, today.
Mr. Diggs, for 5 minutes, today.
Mr. Vanik, for 15 minutes, today.
Mr. Brademas, for 5 minutes, today.
Mr. Bingham, for 10 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Wampler, immediately preceding passage of S. 435 today.

Mr. Annunzio, following the remarks of Mr. Roberts on H.R. 71.

(The following Members (at the request of Mr. Mitchell of New York) and to include extraneous matter:)

Mr. Horton.
Mr. Fish.
Mr. Abdnor in two instances.
Mr. Derwinski in three instances.
Mr. Archer.
Mr. Lagomarsino.
Mr. Rhodes in three instances.
Mr. Whalen.
Mr. Gradison.
Mrs. Pettis.
Mr. Gilman.

(The following Members (at the request of Mr. Miller of California) and to include extraneous material:)

Mr. Hawkins.
Mr. Mann.
Mr. Anderson of California in three instances.
Mr. Gonzalez in three instances.
Mr. Annunzio in six instances.
Mr. Rangel in 10 instances.
Mr. Solarz in three instances.
Mr. Vanik in five instances.
Mr. John L. Burton in two instances.
Mr. Dingell.
Mr. Risenhoover.
Mr. Patten of New Jersey.
Mr. Bonker.
Mr. Hamilton.
Mr. Evins of Tennessee in 10 instances.
Mr. Dominick V. Daniels.
Mr. Rosenthal.
Mr. Jones of Oklahoma.

BILLS PRESENTED TO THE PRESIDENT

Mr. HAYS of Ohio, from the Committee on House Administration, reported that that committee did on July 18, 1975, present to the President, for his approval, bills of the House of the following title:

H.R. 4035. To provide for more effective congressional review of proposals to exempt petroleum products from the Emergency Petroleum Allocation Act of 1973 and certain proposed administrative actions which permit increases in the price of domestic crude oil; and to provide for an interim extension of certain expiring energy authorities; and

H.R. 5901. Making appropriations for the Education Division and related agencies, for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes.

ADJOURNMENT

Mr. MILLER of California. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 1 minute p.m.), under its previous order, the House adjourned until Tuesday, July 22, 1975, at 10 o'clock a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1429. A letter from the Assistant Secretary of Defense (Comptroller), transmitting a report covering the third quarter of fiscal year 1975 on receipts and disbursements pertaining to the disposal of surplus military supplies, equipment, material, and for expenses involving the production of lumber and timber products, pursuant to section 812 of Public Law 93–437; to the Committee on Appropriations.

1430. A letter from the Secretary of Defense, transmitting the 1974 annual report of the Defense Civil Preparedness Agency, pursuant to section 406 of the Federal Civil Defense Act of 1950; to the Committee on Armed Services.

1431. A letter from the First Vice President and Vice Chairman, Export-Import Bank of the United States, transmitting a statement describing a proposed transaction with Hidroelectrica Espanola, S.A. and Compania Sevillana de Electricidad, S.A. which exceeds $60 million, pursuant to section 2(b)(3) of the Export-Import Bank Act of 1945, as amended [12 U.S.C. 635]; to the Committee on Banking, Currency and Housing.

1432. A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to empower the Secretary of Commerce to permit certain personnel to carry firearms and to make arrests; to the Committee on Interstate and Foreign Commerce.

1433. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a determination by the Acting Secretary of State that it is in the national interest not to transfer to the account established in the Treasury pursuant to sections 7(c) and 9 of the Fishermen's Protective Act of 1967, as amended, funds from the Foreign Assistance Act of 1961 programed for Ecuador and Peru, equal to the amounts paid to the owners of fishing vessels seized by those governments, pursuant to section 5(b) of the Fishermen's Protective Act [22 U.S.C. 1975 (b)]; to the Committee on Merchant Marine and Fisheries.

1434. A letter from the Chairman, U.S. Civil Service Commission, transmitting a draft of proposed legislation to amend chapter 89 of title 5, United States Code, to provide for a new medicare supplement option under the Federal employees health benefits program, and to provide a Government contribution to the subscription charge for an employee or annuitant enrolled in such new option equal to 100 percent of the subscription charge up to the maximum dollar contribution the Government makes toward the health insurance of any employee or annuitant enrolled for high option coverage under the Government-wide plans; jointly, to the Committees on Post Office and Civil Service, and Ways and Means.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BROWN of California:

H.R. 8774. A bill to amend the act of August 27, 1958, and the Federal Meat Inspection Act for purposes of imposing penalties with regard to the inhumane slaughter of livestock; to the Committee on Agriculture.

H.R. 8775. A bill authorizing the Secretary of the Army to provide certain construction on the Santa Ana River, Calif.; to the Committee on Public Works and Transportation.

By Mr. DELLUMS (for himself, Mr. Mezvinsky, Mr. Pattison of New York, and Mr. Young of Georgia):

H.R. 8776. A bill to amend chapter 5 of title 5, United States Code, relating to agency rulemaking, to provide that such chapter applies to matters relating to public property, loans, grants, benefits, or contracts, and for other purposes; to the Committee on the Judiciary.

By Mr. FOLEY:

H.R. 8777. A bill to authorize the Secretary of the Interior to construct, operate, and maintain the Oroville-Tonasket unit extension, Okanogan-Similkameen division, Chief Joseph Dam project, Washington, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. FOLEY (for himself, Mr. Alexander, Mr. Ashley, Mr. Badillo, Mr. Beard of Tennessee, Mr. Benitez, Mr. Boland, Mr. Bonker, Mr. Burke of Massachusetts, Mr. Burke of Florida, Mr. Clay, Mr. Cohen, Mr. Cornell, Mr. Cotter, Mr. Dan Daniel, Mr. Dellums, Mr. Downey of New York, Mr. Eilberg, Mr. Fisher, Mr. Fuqua, Mr. Gibbons, Mr. Gude, Mr. Harrington, Mr. Hechler of West Virginia, and Mr. Koch):

H.R. 8778. A bill to amend the act of August 24, 1966, as amended, to assure humane treatment of certain animals, and for other purposes; to the Committee on Agriculture.

By Mr. FOLEY (for himself, Mr. Leggett, Mr. Long of Maryland, Mr. McCormack, Mr. McFall, Mr. Madden, Mr. Mazzoli, Mr. Meeds, Mr. Michel, Mr. Mikva, Mr. Moakley, Mr. Mollohan, Mr. Moss, Mr. Nix, Mr. Nowak, Mr. Ottinger, Mr. Perkins, Mr. Pickle, Mr. Rangel, Mr. Reuss, Mr. Rodino, Mr. Seiberling, Mr. Smith of Iowa, Mr. J. William Stanton, and Mr. Steiger of Wisconsin):

H.R. 8779. A bill to amend the act of August 24, 1966, as amended, to assure humane treatment of certain animals, and for other purposes; to the Committee on Agriculture.

By Mr. FOLEY (for himself, Mr. Thompson, Mr. Udall, Mr. Ullman, Mr. Young of Florida, and Mr. Winn):

H.R. 8780. A bill to amend the act of August 24, 1966, as amended, to assure humane treatment of certain animals, and for other purposes; to the Committee on Agriculture.

By Mr. FREY (for himself, Mr. Byron, Mr. Baldus, Mr. Bauman, Mr. Bevill, Mr. Edwards of Alabama, Mr. Haley, Mr. Hayes of Indiana, Mr. Jones of Alabama, Mr. Long of Maryland, Mr. Moorhead of California,, Mr. Pattison of New York, Mr. Randall, Mr. Rose, Mr. Sikes, Mrs. Smith of Nebraska, and Mr. Stephens):

H.R. 8781. A bill to amend the Communications Act of 1934 with respect to the renewal of licenses for the operation of broadcasting stations; to the Committee on Interstate and Foreign Commerce.

By Mr. FUQUA:

H.R. 8782. A bill to amend title XVIII of the Social Security Act to provide for the furnishing of outpatient rehabilitation services; to the Committee on Ways and Means.

By Mr. JACOBS:

H.R. 8783. A bill to incorporate the United States Submarine Veterans of World War II; to the Committee on the Judiciary.

By Mr. KARTH:

H.R. 8784. A bill to prohibit any change in the status of any member of the uniformed services who is in a missing status under chapter 10 of title 37, United States Code, until the provisions of the Paris Peace Accord of January 27, 1973, have been fully complied with, and for other purposes; to the Committee on Armed Services.

By Mr. MYERS of Pennsylvania:

H.R. 8785. A bill to amend title 39, United States Code, to increase to 60 days the period before an election during which a Member of, or Member-elect to, the Congress may not make a mass mailing as franked mail if such Member or Member-elect is a candidate in such election; to the Committee on Post Office and Civil Service.

By Mr. PERKINS:

H.R. 8786. A bill to provide incentives and otherwise to encourage the utilization of home-dialysis and to encourage early kidney transplantation under the renal disease program authorized under section 226 of the Social Security Act; to the Committee on Ways and Means.

By Mr. STUDDS (for himself, Mr. Eilberg, and Mr. Pike):

H.R. 8787. A bill to extend on an interim basis the jurisdiction of the United States over certain ocean areas and fish in order to protect the domestic fishing industry, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. CHARLES H. WILSON of California:

H.R. 8788. A bill to make any alien who becomes a public charge within 24 months of his arrival in the United States subject to deportation, and for other purposes; to the Committee on the Judiciary.

By Mr. ANDERSON of California:

H.J. Res. 577. Joint resolution to stop the sale of one landing ship (LST) to Ecuador, and for other purposes; to the Committee on Armed Services.

By Mr. REUSS:

H.J. Res. 578. Joint resolution proposing an amendment to the Constitution of the United States to create the Office of Chief of State to be the ceremonial head of the United States; to the Committee on the Judiciary.

By Mr. BIAGGI:

H. Res. 615. Resolution to express concern over the attempts to expel Israel from the United Nations; to the Committee on International Relations.

By Mr. KARTH:

H. Res. 616. Resolution establishing a select committee to study the problem of U.S. servicemen missing in action in Southeast Asia; to the Committee on Rules.

By Mr. OBERSTAR:

H. Res. 617. Resolution establishing a select committee to study the problem of U.S. servicemen missing in action in Southeast Asia; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

233. By the SPEAKER: Memorial of the Legislature of the Trust Territory of the Pacific Islands, relative to appropriations for the trust territory; to the Committee on Appropriations.

234. Also, memorial of the Legislature of the Trust Territory of the Pacific Islands, relative to charges at military medical facilities in Guam and Hawaii; to the Committee on Armed Services.

PETITIONS, ETC.

Under clause 1 of rule XXII,

172. The SPEAKER presented a petition of the Ponape District Legislature, Kolonia, Ponape, Eastern Caroline Islands, Trust Territory of the Pacific Islands, relative to the future political status of Micronesia, which was referred to the Committee on Interior and Insular Affairs.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 7014

By Mr. MYERS of Pennsylvania:

At the end of the amendment offered by Mr. Broyhill of North Carolina, strike the requisite number of words.

SENATE—*Monday, July 21, 1975*

The Senate met at 12 noon and was called to order by Hon. John C. Culver, a Senator from the State of Iowa.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

O God in whom our fathers trusted, we put our trust in Thee. May Thy spirit be in all who serve this Nation in public office. May the abiding values and virtues of the past become a living reality in us today. Rule in our personal lives and in our corporate actions, that we may witness to pure religion and high patriotism.

May Thy spirit lay hold upon all the nations of the Earth, that faith may displace fear, that truth may arise above falsehood, that justice may triumph over greed, and that love may prevail over hate. Send out Thy light and Thy truth until mankind is gathered in Thy perfect kingdom over which Thou dost rule in everlasting righteousness.

We pray in the Redeemer's name. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., July 21, 1975.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. JOHN C. CULVER, a Senator from the State of Iowa, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

Mr. CULVER thereupon took the chair as Acting President pro tempore.

Mr. MANSFIELD addressed the Chair.

QUORUM CALL

The ACTING PRESIDENT pro tempore. The Senate having adjourned in the absence of a quorum on Saturday last, the Chair directs the clerk to call the roll to ascertain the presence of a quorum.

The second assistant legislative clerk called the roll, and the following Senators answered to their names:

[Quorum No. 60 Leg.]

Allen
Bartlett
Beall
Bentsen
Byrd, Robert C.
Cranston
Culver
Ford
Griffin
Hart, Gary W.
Helms
Hruska
Mansfield
McClellan
Nunn
Scott, Hugh
Stevens
Stone
Talmadge
Young

The ACTING PRESIDENT pro tempore. A quorum is not present.

Mr. MANSFIELD. Mr. President, I move that the Sergeant at Arms be directed to request the presence of absent Senators.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to.

The ACTING PRESIDENT pro tempore. The Sergeant at Arms will execute the order of the Senate.

Pending the execution of the order, the following Senators entered the Chamber and answered to their names:

Abourezk
Baker
Bellmon
Biden
Brock
Brooke
Buckley
Burdick
Byrd, Harry F., Jr.
Cannon
Case
Chiles
Church
Clark
Curtis
Dole
Domenici
Eagleton
Fannin
Fong
Garn
Glenn
Goldwater
Gravel
Hansen
Hart, Philip A.
Hartke
Haskell
Hathaway
Hollings
Huddleston
Humphrey
Javits
Johnston
Kennedy
Laxalt
Leahy
Long
Magnuson
McClure
McGee
McGovern
McIntyre
Metcalf
Mondale
Montoya
Morgan
Nelson
Packwood
Pearson
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, William L.
Sparkman
Stafford
Stennis
Stevenson
Symington
Taft
Thurmond
Tower
Tunney
Weicker

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Arkansas (Mr. BUMPERS), the Senator from Mississippi (Mr. EASTLAND), the Senator from Hawaii (Mr. INOUYE), the Senator from Washington (Mr. JACKSON), the Senator from Utah (Mr. MOSS), the Senator from Maine (Mr. MUSKIE), the Senator from Rhode Island (Mr. PASTORE), the Senator from Rhode Island (Mr. PELL), and the Senator from New Jersey (Mr. WILLIAMS) are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from Oregon (Mr. HATFIELD), the Senator from Illinois (Mr. PERCY), and the Senator from Maryland (Mr. MATHIAS) are necessarily absent.

The ACTING PRESIDENT pro tempore. A quorum is present.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Saturday, July 19, 1975, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may be permitted to meet during the session of the Senate today, except during debate on the Durkin-Wyman issue.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

SENATE CONCURRENT RESOLUTION 54—PROVIDING FOR A CONDITIONAL ADJOURNMENT OF CONGRESS FROM AUGUST 1, 1975, UNTIL SEPTEMBER 3, 1975

Mr. MANSFIELD. Mr. President, on Saturday, I submitted a concurrent resolution having to do with adjournment. I ask unanimous consent that it be called up for immediate consideration.

The ACTING PRESIDENT pro tempore. The concurrent resolution will be stated.

The legislative clerk read as follows:

S. CON. RES. 54

Resolved by the Senate (the House of Representatives concurring), That when the two Houses adjourn on Friday, August 1, 1975, they stand adjourned until 12 o'clock noon on Wednesday, September 3, 1975, or until 12 o'clock noon on the second day after their respective Members are notified to reassemble in accordance with section 2 of this resolution, whichever event first occurs.

SEC. 2. The Speaker of the House of Representatives and the President pro tempore of the Senate shall notify the Members of the House and the Senate, respectively, to reassemble whenever in their opinion the public interest shall warrant it or whenever the majority leader of the House and the majority leader of the Senate, acting jointly, or the minority leader of the House and the minority leader of the Senate, acting jointly, file a written request with the Clerk of the House and the Secretary of the Senate that the Congress reassemble for the consideration of legislation.

SEC. 3. During the adjournment of both Houses of Congress as provided in section 1, the Secretary of the Senate and the Clerk of the House, respectively, be, and they hereby are, authorized to receive messages, including veto messages, from the President of the United States.

The ACTING PRESIDENT pro tempore. Is there objection to the immediate consideration of the concurrent resolution?

There being no objection, the concurrent resolution was considered and agreed to.

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, I yield the floor.

The ACTING PRESIDENT pro tempore. Does the acting minority leader seek recognition at this time?

Mr. HELMS. No, Mr. President.

PETITIONS AND MEMORIALS

The ACTING PRESIDENT pro tempore. Under rule VII, the Chair now calls for the presentation of petitions and memorials.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The ACTING PRESIDENT pro tempore (Mr. STONE) laid before the Senate the following letters, which were referred as indicated:

AMENDMENTS TO APPROPRIATIONS REQUEST FOR THE NATIONAL TRANSPORTATION SAFETY BOARD—(S. DOC. 94–80)

A communication from the President of the United States transmitting proposed amendments to the request for apropriations transmitted in the 1976 budget for the fiscal year 1976 in the amount of $620,000 and for the transition period July 1, to September 30, 1976, in the amount of $284,000 for the National Transportation Safety Board (with accompanying papers); to the Committee on Appropriations, and ordered to be printed.

AMENDMENTS TO APPROPRIATIONS REQUEST FOR THE DEPARTMENT OF AGRICULTURE—(S. DOC. 94–81)

A communication from the President of the United States transmitting proposed amendments to the request for appropriations for the fiscal year 1976 in the amount of $163,895,000 and for the transition quarter July 1, 1976 through September 30, 1976, in the amount of $1,230,000 for the Department of Agriculture (with accompanying papers); to the Committee on Appropriations, and ordered to be printed.

AMENDMENTS TO APPROPRIATIONS REQUEST FOR THE DEPARTMENT OF LABOR—(S. DOC. 94–82)

A communication from the President of the United States transmitting proposed amendments to the request for appropriations for the fiscal year 1976 in the amount of $7,812,000, including the transition period July 1 through September 30, 1976, for the Department of Labor (with accompanying papers); to the Committee on Appropriations and ordered to be printed.

AMENDMENTS TO APPROPRIATIONS REQUEST FOR THE VETERANS' ADMINISTRATION—(S. DOC. 94–83)

A communication from the President of the United States transmitting proposed amendments to the request for appropriations for the fiscal year 1976 in the amount of $1,413,500,000 and for the transition quarter July 1 through September 30, 1976, in the amount of $266 million for the Veterans Administration (with accompanying papers); to the Committee on Appropriations and ordered to be printed.

AMENDMENTS TO APPROPRIATIONS REQUEST FOR THE ENERGY RESEARCH AND DEVELOPMENT ADMINISTRATION—(S. DOC. 94-84)

A communication from the President of the United States transmitting proposed amendments to the request for appropriations for the fiscal year 1976 in the amount of $279,100,000, and for the transition period July 1 through September 30, 1976, in the amount of $44,400,000, for the Energy Research and Development Administration (with accompanying papers); to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES

The ACTING PRESIDENT pro tempore. The Chair now calls for reports of standing and select committees.

The following reports of committees were submitted:

By Mr. JACKSON, from the Committee on Interior and Insular Affairs, with an amendment:

S. Res. 145. A resolution to express the disapproval of the Senate of the President's proposed amendment to the regulations promulgated under section 4(a) of the Emergency Petroleum Allocation Act of 1973 to oil, residual oil, propane, and refined petroleum products (together with minority and additional views) (Rept. No. 94-286).

By Mr. MONTOYA, from the Committee on Public Works, with an amendment:

S. 1587. A bill to amend the Public Works and Economic Development Act of 1965 to increase the antirecessionary effectiveness of the program and for other purposes (together with additional views) (Rept. No. 94-285).

By Mr. CANNON, from the Committee on Rules and Administration, without amendment:

S. Res. 41. A resolution continuing the authorization for two additional temporary professional staff members and two additional temporary assistants for the Committee on Finance (Rept. No. 94-287).

By Mr. CANNON, from the Committee on Rules and Administration, with amendments:

S. Res. 42. A resolution authorizing additional expenditures by the Committee on Finance for routine purposes (Rept. No. 94-288).

By Mr. PELL, from the Committee on Labor and Public Welfare, with amendments:

S. 1800. A bill to amend and extend the National Foundation on the Arts and Humanities Act of 1965, to provide for the improvement of museum services, and to provide indemnities for exhibitions of artistic and humanistic endeavors, and for other purposes (Rept. No. 94-289).

EXECUTIVE REPORTS OF COMMITTEES

As in executive session, the following executive reports of committees were submitted:

By Mr. LONG, from the Committee on Finance:

Forrest David Mathews, of Alabama, to be Secretary of Health, Education, and Welfare; and

John Meier, of Colorado, to be Chief of the Children's Bureau, Department of Health, Education, and Welfare.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

EMERGENCY LOAN PROGRAM—SUBMISSION OF A CONFERENCE REPORT (REPT. No. 94-290)

Mr. TALMADGE submitted a report from the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 555) to amend the Consolidated Farm and Rural Development Act, which was ordered to be printed.

WAIVER OF CALL OF CALENDAR UNDER RULE VII

Mr. MANSFIELD. Mr. President, I ask unanimous consent to waive the call of the calendar for unobjected-to measures under Senate Rule VII.

Mr. ALLEN. I object.

The ACTING PRESIDENT pro tempore. The objection is heard.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The ACTING PRESIDENT pro tempore. The Chair now calls for the introduction of bills and joint resolutions.

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. SPARKMAN (by request):

S. 2137. A bill to provide for the entry of nonregional members, the Bahamas and Guyana, in the Inter-American Development Bank, and for other purposes. Referred to the Committee on Foreign Relations.

By Mr. STEVENS:

S. 2138. A bill to amend the Shipping Act, 1916, in order to provide that a State, the District of Columbia, the Commonwealth of Puerto Rico, and a territory or possession of the United States shall be considered a citizen of the United States for the purposes of such act. Referred to the Committee on Commerce.

S. 2139. A bill to authorize the Secretary of the Interior to convey certain property to Morris L. Porter, Seldovia, Alaska. Referred to the Committee on Interior and Insular Affairs.

By Mr. HARTKE:

S. 2140. A bill to provide for the orderly and timely implementation of certain requirements of law concerning development of high-speed rail transportation in the Northeast Corridor. Referred to the Committee on Commerce.

By Mr. JAVITS:

S. 2141. A bill for the relief of Carolyn Joan Bodden. Referred to the Committee on the Judiciary.

By Mr. THURMOND (for himself and Mr. Hollings):

S. 2142. A bill to authorize the Secretary of Commerce to transfer the N.S. *Savannah* to Patriot's Point Development Authority, an agency of the State of South Carolina. Referred to the Committee on Commerce.

By Mr. INOUYE:

S. 2143. A bill for the relief of Peter Francis Berdzar. Referred to the Committee on Armed Services.

By Mr. JACKSON (for himself and Mr. Fannin) (by request):

S. 2144. A bill to establish within the Department of the Interior the position of an additional Assistant Secretary of the Interior, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

By Mr. CRANSTON (for himself, Mr. Tunney, Mr. Beall, Mr. Buckley, Mr. Chiles, Mr. Fannin, Mr. Fong, Mr. Philip A. Hart, Mr. Humphrey, Mr. Inouye, Mr. Jackson, Mr. Mansfield, Mr. McClellan, Mr. Hugh Scott, Mr. Taft, Mr. Williams, Mr. Stone, Mr. Mondale, and Mr. Young):

S. 2145. A bill to provide Federal financial assistance to States in order to assist local educational agencies to provide public education to Vietnamese and Cambodian refugee children, and for other purposes. Referred to the Committee on Labor and Public Welfare.

By Mr. HELMS:

S. 2146. A bill to amend title IX of the Education Amendments of 1972, and to preserve academic freedom. Referred to the Committee on Labor and Public Welfare.

By Mr. HOLLINGS:

S. 2147. A bill to amend the Communication Act of 1934 to provide that licenses for the operation of broadcasting stations may be issued and renewed for terms of 5 years, and for other purposes. Referred to the Committee on Commerce.

By Mr. HARTKE:

S. 2148. A bill to amend the Wild and Scenic Rivers Act by designating a segment of the New River, Va., as a component of the national wild and scenic rivers system. Referred to the Committee on Interior and Insular Affairs.

By Mr. NELSON (for himself, Mr. Bentsen, Mr. Brock, Mr. Dole, Mr. Humphrey, Mr. Kennedy, Mr. Mondale, Mr. Nunn, Mr. Pell, and Mr. Weicker):

S. 2149. A bill to amend the Internal Revenue Code of 1954, and the Tax Reduction Act of 1974, to make permanent certain changes made by such act in the Internal Revenue Code which affect small businesses. Referred to the Committee on Finance.

By Mr. RANDOLPH (for himself and Mr. Gary W. Hart):

S. 2150. A bill to amend the Solid Waste Disposal Act to authorize State program and implementation grants, to provide incentives for the recovery of resources from solid wastes, to control the disposal of hazardous wastes, and for other purposes. Referred to the Committee on Public Works.

By Mr. BENTSEN:

S. 2151. A bill to amend chapter 44, title 18, United States Code, to prohibit possession of a handgun by certain persons, and for other purposes. Referred to the Committee on the Judiciary.

By Mr. JAVITS (for himself and Mr. Percy):

S. 2152. A bill to promote more effective management of certain law enforcement functions of the executive branch by transferring functions of the Secretary of the Treasury under the Gun Control Act of 1968 to the Attorney General, by consolidating certain law enforcement functions under that act in a Firearms Safety and Abuse Control Administration, in the Department of Justice, and for other purposes. Referred to the Committee on Government Operations.

By Mr. JAVITS (for himself and Mr. Percy):

S. 2153. A bill to amend the Intergovernmental Cooperation Act to prevent lawless and irresponsible use of handguns in selected areas with high crime rates, and for other purposes. Referred to the Committee on the Judiciary.

By Mr. WILLIAMS (for himself, Mr. JAVITS, and Mr. SCHWEIKER):

S. 2154. A bill to amend the Railroad Unemployment Insurance Act to increase unemployment and sickness benefits and for other purposes. Referred to the Committee on Labor and Public Welfare.

By Mr. BEALL:

S.J. Res. 110. A bill authorizing the President to proclaim April 14 of each year as "John Hanson Day." Referred to the Committee on the Judiciary.

CONCURRENT AND OTHER RESOLUTIONS

The ACTING PRESIDENT pro tempore. The Chair now calls for concurrent and other resolutions.

RESOLUTION TO DECLARE A VACANCY

The ACTING PRESIDENT pro tempore. The Chair now lays before the Senate a resolution coming over under the rule.

The legislative clerk read as follows:

S. RES. 204

Resolved, That the office of United States Senator for the State of New Hampshire for the term commencing January 3, 1975, is hereby declared vacant.

Mr. ROBERT C. BYRD addressed the chair.

The ACTING PRESIDENT pro tempore. The Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, I move to postpone consideration of that resolution until September 15.

The ACTING PRESIDENT pro tempore. Is there objection? The question is on agreeing to the motion.

Mr. ALLEN. Mr. President, I call for the yeas and nays.

The ACTING PRESIDENT pro tempore. Is there a sufficient second?

There is a sufficient second. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Arkansas (Mr. BUMPERS), the Senator from Mississippi (Mr. EASTLAND), the Senator from Hawaii (Mr. INOUYE), the Senator from Washington (Mr. JACKSON), the Senator from Utah (Mr. MOSS), the Senator from Maine (Mr. MUSKIE), the Senator from Rhode Island (Mr. PASTORE), the Senator from Rhode Island (Mr. PELL), and the Senator from New Jersey (Mr. WILLIAMS) are necessarily absent.

I further announce that, if present and voting, the Senator from Rhode Island (Mr. PASTORE), the Senator from Washington (Mr. JACKSON), the Senator from Rhode Island (Mr. PELL), and the Senator from New Jersey (Mr. WILLIAMS) would each vote "yea".

Mr. GRIFFIN. I announce that the Senator from Oregon (Mr. HATFIELD), the Senator from Maryland (Mr. MATHIAS), and the Senator from Illinois (Mr. PERCY) are necessarily absent.

The result was announced—yeas 45, nays 41, as follows:

[Rollcall Vote No. 302 Leg.]

YEAS—45

Abourezk
Bentsen
Biden
Burdick
Byrd, Robert C.
Cannon
Chiles
Church
Clark
Cranston
Culver
Eagleton
Ford
Glenn
Gravel
Hart, Gary W.
Hart, Philip A.
Hartke
Haskell
Hathaway
Hollings
Huddleston
Humphrey
Johnston
Kennedy
Leahy
Long
Magnuson
Mansfield
McClellan
McGee
McGovern
McIntyre
Metcalf
Mondale
Montoya
Nelson
Proxmire
Randolph
Ribicoff
Sparkman
Stevenson
Stone
Symington
Tunney

NAYS—41

Allen
Baker
Bartlett
Beall
Bellmon
Brock
Brooke
Buckley
Byrd, Harry F., Jr.
Case
Curtis
Dole
Domenici
Fannin
Fong
Garn
Goldwater
Griffin
Hansen
Helms
Hruska
Javits
Laxalt
McClure
Morgan
Nunn
Packwood
Pearson
Roth
Schweiker
Scott, Hugh
Scott, William L.
Stafford
Stennis
Stevens
Taft
Talmadge
Thurmond
Tower
Weicker
Young

NOT VOTING—13

Bayh
Bumpers
Eastland
Hatfield
Inouye
Jackson
Mathias
Moss
Muskie
Pastore
Pell
Percy
Williams

So the motion was agreed to.

QUORUM CALL

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

Mr. JAVITS addressed the Chair.

The ACTING PRESIDENT pro tempore. The clerk will call the roll to ascertain the presence of a quorum.

The second assistant legislative clerk called the roll, and the following Senators entered the Chamber and answered to their names:

[Quorum No. 61 Leg.]

Abourezk
Allen
Baker
Bartlett
Bayh
Beall
Bellmon
Bentsen
Biden
Brock
Brooke
Buckley
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cranston
Culver
Curtis
Dole
Domenici
Eagleton
Fannin
Fong
Ford
Garn
Glenn
Goldwater
Gravel
Griffin
Hansen
Hart, Gary W.
Hart, Philip A.
Hartke
Haskell
Hathaway
Helms
Hollings
Hruska
Huddleston
Humphrey
Javits
Johnston
Kennedy
Laxalt
Leahy
Long
Magnuson
Mansfield
Mathias
McClellan
McClure
McGee
McGovern
McIntyre
Metcalf
Mondale
Montoya
Morgan
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Scott, William L.
Sparkman
Stafford
Stennis
Stevens
Stevenson
Stone
Symington
Taft
Talmadge
Thurmond
Tower
Tunney
Weicker
Williams
Young

The ACTING PRESIDENT pro tempore. A quorum is present.

CLOTURE MOTION

The ACTING PRESIDENT pro tempore. The time for debate under the unanimous-consent agreement having expired, pursuant to rule XXII, the Chair lays before the Senate the pending cloture motion, which the clerk will state.

The assistant legislative clerk read as follows:

CLOTURE MOTION

We the undersigned Senators, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, hereby move to bring to a close the debate upon the motion to proceed to the consideration of H.R. 6219, an Act to amend the Voting Rights Act of 1965 to extend certain provisions for an additional 10 years, to make permanent the ban against certain prerequisites to voting, and for other purposes.

Mike Mansfield, Floyd K. Haskell, Wendell H. Ford, William D. Hathaway, Patrick J. Leahy, Gary W. Hart, Dick Clark, John Glenn, Walter D. Huddleston, Lee Metcalf, Jacob K. Javits, Charles McC. Mathias, Mark O. Hatfield, Clifford P. Case, William Proxmire, Hubert H. Humphrey, Jennings Randolph, George McGovern, Philip A. Hart, Edward M. Kennedy, John V. Tunney, Joseph R. Biden, Jr., John C. Culver, James Abourezk, Gaylord Nelson, Richard S. Schweiker.

CALL OF THE ROLL

The ACTING PRESIDENT pro tempore. Pursuant to rule XXII, the Chair now directs the clerk to call the roll to ascertain the presence of a quorum.

The second assistant legislative clerk called the roll and the following Senators answered to their names:

[Quorum No. 62 Leg.]

Abourezk
Allen
Baker
Bartlett
Bayh
Beall
Bellmon
Bentsen
Biden
Brock
Brooke
Buckley
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cranston
Culver
Curtis
Dole
Domenici
Eagleton
Fannin
Fong
Ford
Garn
Glenn
Goldwater
Gravel
Griffin
Hansen
Hart, Gary W.
Hart, Philip A.
Hartke
Haskell
Hathaway
Helms
Hollings
Hruska
Huddleston
Humphrey
Javits
Johnston
Kennedy
Laxalt
Leahy
Long
Magnuson
Mansfield
Mathias
McClellan
McClure
McGee
McGovern
McIntyre
Metcalf
Mondale
Montoya
Morgan
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Scott, William L.
Sparkman
Stafford
Stennis
Stevens
Stevenson
Stone
Symington
Taft
Talmadge
Thurmond
Tower
Tunney
Weicker
Williams
Young

The PRESIDING OFFICER (Mr. GARY W. HART). A quorum is present.

VOTE

The PRESIDING OFFICER. The question is, is it the sense of the Senate that debate on the motion to proceed to the consideration of H.R. 6219, an act to amend the Voting Rights Act of 1965, to extend certain provisions for an additional 10 years, to make permanent the ban against certain prerequisites of voting, and for other purposes, shall be brought to a close?

The yeas and nays are mandatory under the rule. The clerk will call the roll.

Mr. ROBERT C. BYRD. Mr. President, because this will be a close vote, I ask that the Chair maintain order at all times until the result is announced.

The PRESIDING OFFICER. The Chair will maintain order.

The assistant legislative clerk proceeded to call the roll.

The PRESIDING OFFICER. The Senate will be in order. Senators will please take their seats during the voting. The clerk will suspend until Senators have taken their seats.

The clerk may proceed.

The rollcall was resumed.

Mr. MORGAN (when his name was called). Mr. President, I ask to be recorded as "present."

Mr. ROBERT C. BYRD. Mr. President, may we have order so that Senators may hear their names as the votes are announced?

The PRESIDING OFFICER. The Senate will be in order. Senators will please take their seats.

The rollcall was resumed and concluded.

Mr. ROBERT C. BYRD. I announce that the Senator from Arkansas (Mr. BUMPERS), the Senator from Mississippi (Mr. EASTLAND), the Senator from Hawaii (Mr. INOUYE), the Senator from Washington (Mr. JACKSON), and the Senator from Utah (Mr. MOSS) are necessarily absent.

I further announce that, if present and voting, the Senator from Arkansas (Mr. BUMPERS), and the Senator from Washington (Mr. JACKSON) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from Oregon (Mr. HATFIELD) and the Senator from Illinois (Mr. PERCY) are necessarily absent.

I further announce that, if present and voting, the Senator from Oregon (Mr. HATFIELD) would vote "yea."

The yeas and nays resulted—yeas 72, nays 19, as follows:

[Rollcall Vote No. 303 Leg.]

YEAS—72

Abourezk
Baker
Bartlett
Bayh
Beall
Bellmon
Bentsen
Biden
Brock
Brooke
Burdick
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cranston
Culver
Dole
Domenici
Eagleton
Fong
Ford
Garn
Glenn
Gravel
Griffin
Hart, Gary W.
Hart, Philip A.
Hartke
Haskell
Hathaway
Hollings
Huddleston
Humphrey
Javits
Johnston
Kennedy
Leahy
Long
Magnuson
Mansfield
Mathias
McGee
McGovern
McIntyre
Metcalf
Mondale
Montoya
Muskie
Nelson
Packwood
Pastore
Pearson
Pell
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Stafford
Stevens
Stevenson
Stone
Symington
Taft
Tower
Tunney
Weicker
Williams

NAYS—19

Allen
Buckley
Byrd, Harry F., Jr.
Curtis
Fannin
Goldwater
Hansen
Helms
Hruska
Laxalt
McClellan
McClure
Nunn
Scott, William L.
Sparkman
Stennis
Talmadge
Thurmond
Young

ANSWERED "PRESENT"—1

Morgan

NOT VOTING—7

Bumpers
Eastland
Hatfield
Inouye
Jackson
Moss
Percy

The PRESIDING OFFICER. On this vote the yeas are 72 and the nays are 19, with one Senator answering "present." Three-fifths of the Senators duly chosen and sworn having voted in the affirmative, the motion is agreed to.

The motion to invoke cloture having carried, the motion to proceed to the consideration of H.R. 6219 is to be the business of the Senate until disposed of. Under the rules, each Senator has 1 hour. Who yields time?

MOTION TO PROCEED TO CONSIDER AMENDMENT OF THE VOTING RIGHTS ACT

The Senate continued with the consideration of the motion to proceed to consider the bill (H.R. 6219) to amend the Voting Rights Act of 1965.

Mr. JAVITS. Mr. President, I yield myself 1 minute, and I ask unanimous consent that Charles Warren and Patricia Shakow of my office staff be accorded the privilege of the floor during this debate.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THURMOND. Mr. President, I ask unanimous consent that two members of my staff, Gary Clary and Bill Coates, be accorded the privilege of the floor during discussion on this subject.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TUNNEY. Mr. President, I ask unanimous consent that, during consideration of the Voting Rights Act, Jane Frank, Marshall Goldberg, and Ben Dixon of the Constitutional Rights Subcommittee be accorded the privilege of the floor, and that Mr. Robert Bates and Thomas Susman of Senator KENNEDY's office be accorded the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that George Shanks of my staff be granted privilege of the floor during consideration of the pending measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WILLIAM L. SCOTT. Mr. President, I ask unanimous consent that James Carty of the Veterans' Affairs Committee be granted the privilege of the floor during the consideration of this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, I ask unanimous consent that Charles Gentry and Bret Ringle of my staff be granted floor privilege during the remainder of the debate on this matter.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NUNN. Mr. President, I ask unanimous consent that Gordon Giffin of my staff be accorded the privilege of the floor during the remainder of debate on the Voting Rights Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CRANSTON. Mr. President, I ask unanimous consent that Janet Mueller, Roy Greenaway, and Jonathan Fleming have the privilege of the floor during the consideration of this matter.

The PRESIDING OFFICER. Without objection, is is so ordered.

Mr. PHILIP A. HART. Mr. President, I make a similar request for Michael Mullin, of my office, and for William Heckman of Senator BAYH's office.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TALMADGE. Mr. President, I ask unanimous consent that Dan Tate of my office may have the privilege of the floor during the consideration of the pending measure

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BROOKE. Mr. President, I ask unanimous consent that Ralph Neas, of my staff, have the privilege of the floor during the duration of the debate on the Voting Rights Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, I ask unanimous consent that Claude Alexander, of my staff, have the privilege of the floor during the debate on this matter.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSTON. Mr. President, I ask unanimous consent that William Jefferson, of my staff, have the privilege of the floor during the debate on this matter.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CHILES. Mr. President, I ask unanimous consent that Bob Harris have the privilege of the floor during the consideration of this matter.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. I yield myself 3 minutes.

Mr. President, today we begin debate on the extension of what has been called the most successful civil rights law ever enacted. I was a member of the Judiciary Committee in 1965 when the original Voting Rights Act passed, and as one of the floor managers of that bill, I take great pride in what its passage has accomplished. I think it has accomplished an enormous amount during the time it has been in effect.

Since 1965, more than a million new black voters have been registered in the seven covered Southern States. The gap between black and white voter registration in these jurisdictions has narrowed during that time period from 44 to 11 percent. More than a thousand black officials have been elected in these States and the full power of the ballot has been felt, not only by black people themselves, but also by the whole body of law in those States.

Also, Mr. President, I take considerable satisfaction from the fact that the act has been implemented in the North; and in my own State, we have practiced what we preach. I have been asked that many times on the floor of the Senate in the course of the last 15 or 18 years, and here is proof of it. There has been no demurrer from New York, where three of our largest counties—Bronx, New York, and Brooklyn; Kings, as we call it technically—are covered by the act. Not only are we subject to the preclearance requirements of section 5 of the act, but also, since elections in English were found to be a "test or device" within the meaning of the act, we now provide election materials in Spanish as well as English in New York. The original act also had an impact on the Puerto Rican community in New York since section 4(e), which Senator Robert Kennedy and I authored, allowed citizens educated in American-flag schools in Puerto Rico to prove their literacy by showing they were educated in Spanish. This special provision, upheld by the Supreme Court in the case of Katzenback against Morgan, has been mooted by the suspension of all literacy tests mandated by the 1970 act, but between 1965 and 1970 it was of great assistance to those members of our community who were educated in Puerto Rico.

The bill before us today is more than another simple extension of the 1965 act. First, it would extend the law for 10 years instead of the customary 5. The purpose of this change is to get us by the crucial post-census period during which most of the section 5 preclearance applications have been filed. After every census, most States and localities reapportion. Each reapportionment plan in a covered jurisdiction must be approved by the Attorney General, and after the last census we found that applications for preclearance increased dramatically because of this factor. Because we would not like the law to expire during such a crucial period we now propose to extend until 1985.

The PRESIDING OFFICER. The 3 minutes of the Senator have expired.

Mr. JAVITS. I yield myself 2 additional minutes.

Second, this bill would extend coverare in two different ways, to certain "language minorities." Title II of the bill extends all the provisions of the act to those areas where at least 5 percent of the population belongs to a "language minority" and less than 50 percent of eligible voters actually voted. The phrase "test or device" is defined—as it was by the courts in New York case of Torres against Sachs—as the use of English-only election materials in such a district. Title III of the bill requires that those jurisdictions which have a 5 percent language minority must provide election materials in the relevant language as well as in English. This is a departure from the original concept of the 1965 act, since we are endeavoring to eliminate voter discrimination which is not based on race, but I believe it is a necessary and workable solution to this problem.

Finally, Mr. President—and if necessary, I yield myself an additional minute—I am really amazed at the dug-in opposition to this bill, which the majority leader spoke of so feelingly the other day. It was generally acknowledged in the course of all the civil rights debates—and I have participated in them here since 1957—that if there was one route to go, it was the route of equal opportunity to vote. Everybody, it was said, would agree on that as the inalienable privilege of every American. It is amazing to me that even to this very day, late as it is in this whole civil rights struggle, that there still is a residual, dug-in opposition even to a voting rights bill as clear as this one and pursuant to what seemed to be a general consensus, even in the Senate, that of all the inalienable rights of Americans, the voting right was the most prized and should be protected.

Everyone paid tribute to that. Let us hope that within the next few days, the tribute will be a valid one, instead of just for purposes of rhetoric.

Finally, Mr. President, I agree thoroughly with the leadership upon pressing this matter now. We must stay here until it is passed. There will be irremediable damage if the law lapses, as it will on August 6, with many cases falling by the boards and much retrogression in the advance which the law has made. It is our bounden duty, vacation or no vacation, to stay here with the determination necessary to pass this measure and see it signed by the President. I believe that the last vote indicates a heavy consensus that that is exactly what we shall do. I say this as one proponent of this measure, so that no one may have any illusions as to the progress of the debate, no matter what may be the perfectly proper parliamentary devices which will tend to delay it, probably inordinately. But for the sake of American freedom, we will live with it and work through until we pass this measure and make it law.

Mr. WILLIAM L. SCOTT. Mr. President, I yield myself such time as I may consume.

Whenever we have a bill before us, I believe that the title often plays a part in whether or not we support or reject a measure. The bill before us today is called "The Extension of the Voting Rights Act of 1965." Of course, "voting rights" has a good sound to it. We are all in favor of the 15th amendment to the Constitution. We do not want anyone to be discriminated against because of his race or color. We are in favor of the 19th amendment, which was adopted some 50 years after the 15th, to prevent discrimination in the voting process because of sex. We do not want to be thought of as someone who discriminates against any of our fellow citizens.

While "voting rights" has a good connotation, I believe we should review this act. We should see what is permanent legislation applying to all the States and compare it with what is temporary legislation. Obviously, when a part is permanent legislation, if the portion that is permanent covers the right of everyone to vote and removes discriminations or grants recourse when there is discrimination to a proper extent, then there is no reason to have the portion that is temporary extended.

Under the temporary portions of the bill, there has been harassment of individual States, particularly in the South. My own State of Virginia has had to submit more than 2,200 requests to the Attorney General of the United States for approval of some action taken by the State of Virginia. He has approved all of those more than 2,200, except in eight instances. But having to submit more than 2,200 acts of our State and political subdivisions to Washington for approval has been a hardship and an undue stigma upon the Commonwealth of Virginia.

So, because of the harassment of a number of the States, we might call this extension "The Harassment Expansion Act." We could, in the vernacular of the day, call it "The Stick It to the South Act." We could call it "The Discrimination Against the South Act." Or, we might say, "The Extension of Discrimination Against the South."

My purpose today is addressed to the permanent act, what it provides, and then, of course, to compare it with the temporary legislation, and to suggest that the permanent act sufficiently protects all our citizens. My plea will be to vote on the merits of the bill rather than on the title of the act.

It is a high-sounding *title*, that is not sufficient, in my opinion, to justify anyone voting in favor of the act merely because it is called a "Voting Rights Act." I am saying that merely because the author of the bill has seen fit to call this the Extension of the Voting Rights Act of 1965, we should look behind the title and see what we actually have under consideration and vote our conviction based upon the facts. Let me, therefore, devote at least a portion of my comments to this basic law regarding voting rights.

As we know, the 15th amendment says that the rights of citizens of the United States to vote shall not be denied or abridged by the United States or by any State on account of race or color or previous condition of servitude and that Congress shall have power to enforce this article by appropriate legislation. This is the basic law of the land, a law that we are all sworn to uphold.

The 15th amendment was ratified by the requisite number of States in 1870. I do not believe that any Member of this body would change this basic law if he had the opportunity to do so.

Pursuant to the 15th amendment, Congress did enact legislation——

AMENDMENTS CONSIDERED AS READ UNDER RULE XXII—H.R. 6219

Mr. ALLEN. Will the Senator yield for 1 minute for a unanimous-consent agreement?

Mr. WILLIAM L. SCOTT. I am glad to yield.

Mr. ALLEN. Mr. President, I ask unanimous consent that when H.R. 6219 becomes the business of the Senate, all amendments at the desk prior to the cloture vote shall be treated as having been read in compliance with rule XXII.

The PRESIDING OFFICER. Is there objection?

Mr. PELL. Reserving the right to object, I do not understand the full import of the very skilled parliamentary intelligence of the Senator from Alabama.

Mr. ALLEN. If the Senator wishes to object, it is perfectly all right. All this would allow is that amendments be left at the desk rather than for the Senators to get recognition and offer the amendments and have them read. It is the customary procedure.

Mr. PELL. I withdraw my objection.

Mr. ALLEN. The amendments lie at the desk and are treated as having been read, any that are offered prior to the cloture motion.

Mr. JAVITS. Mr. President, reserving the right to object, I notice that Senator MANSFIELD and Senator BYRD are not in the Chamber. Does not the Senator feel that, as a matter of courtesy to them, we should at least give them notice that this request is being made?

Mr. ALLEN. That is perfectly all right. The Senator from West Virginia is present.

Mr. ROBERT C. BYRD. Mr. President, the Senator is making a request that all amendments at the desk to the motion to take up——

Mr. ALLEN. No, H.R. 6219, when it becomes the business of the Senate.

Mr. ROBERT C. BYRD. When that becomes the business?

Mr. ALLEN. Yes, that all matters at the desk, rather than go through the formality of having them read and consume time.

Mr. ROBERT C. BYRD. I understand. Will the Senator repeat his request?

Mr. ALLEN. I ask unanimous consent that when H.R. 6219 becomes the business of the Senate, all amendments presented at the desk prior to the announcement of the cloture vote will be considered as having been read in compliance with rule XXII of the Senate.

Mr. WILLIAM L. SCOTT. Mr. President, reserving the right to object, and of course, I shall not object, I wonder if the Senator will amend that request so that it will include the Senate version of the bill in the event, if and when that becomes the business before the Senate. Then we would have it as to both bills.

Mr. ROBERT C. BYRD. Mr. President, I venture to say that the Senator from Alabama has made the right approach and I will not object to his request.

Mr. ALLEN. Very well; I shall not amend my request.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Virginia.

Mr. WILLIAM L. SCOTT. Pursuant to the 15th amendment, Congress did enact legislation known as the Enforcement Act of 1870, our first comprehensive law on voting rights. If we look at the United States Code annotated, we shall find that only one short paragraph of this basic act remains and that there was a general overhaul and supplement to the act by the Voting Rights Act of 1965. Again, the present Voting Rights Act is permanent legislation, applying generally to all of the States of the Union. Let me review this act section by section.

Title 1 of the act bears the simple heading, "Voting Rights." Section 2 of the title states that no voting qualification or prerequisite to voting or standard, practice or procedure shall be imposed or applied by a State or political subdivision to deny or abridge the right of any citizen of the United States to vote on account of race or color. Mr. President, that applies to every State of the Union. It is a matter that was finally decided by the States in 1870, when they ratified the 15th amendment. I do not believe that any Member of this body will question the desirability of this section of the permanent legislation.

The following section provides that whenever the Attorney General institutes a proceeding under any statute to enforce the guarantees of the 15th amendment in any State or political subdivision, the court shall authorize the appointment of Federal examiners by the U.S. Civil Service Commission, in accordance with section 6 of the act, to serve for such period of time and for such political subdivisions as the court shall determine is appropriate to enforce the guarantees of the 15th amendment. Mr. President, you will note that this section relates to any statute to enforce the guarantees of the 15th amendment, which, of course, would include such statutes as the various civil rights acts and other permanent legislative acts relating to votes. This is merely one example of the broad power that is given the courts under permanent legislation. It applies equally to all of the States of the Union.

The same section authorizes the court, as part of any interlocutory decree, if the court determines that the appointment of examiners is necessary to enforce guarantees under the 15th amendment, or as part of any final judgment if the court finds that violations of the 15th amendment justifying equitable relief have occurred in any State or political subdivision, but does lessen the harshness of the act by providing that the court need not authorize the appointment of examiners when abridgements of the right to vote have been few in number, have been promptly and effectively corrected by State or local action, the continuing effect of such incidents has been eliminated, and there is no reasonable probability of their recurrence in the future.

In other words, Mr. President, in the main portion of the Voting Rights Act, applying to all of the 50 States, the Attorney General is authorized to take positive action to eliminate any wrong in the voting process. This positive action by the Attorney General, under which he brings a lawsuit in the Federal Court to remedy a wrong, is in direct contrast to the presumption of wrongdoing under the temporary portions of the act adopted in 1965 and now sought to be extended. The extension presupposes a wrongdoing on behalf of those States covered by the temporary provisions, and requires that any action taken by them relating to the voting processes, including changes in precinct boundary lines, changes in the location of a voting place, annexation by cities and towns, must be submitted to the Attorney General of the United States for his approval before they become effective and must be approved by the U.S. District Court for the District of Columbia.

Portions of the States of Hawaii and Alaska are either included or will be included under the proposed extension and their attorney general would have to come all the way to Washington if a lawsuit developed under the temporary legislation, rather than to have a trial in the Federal court of his own State.

I mention these two States merely because they are the most distant from the Nation's Capital.

Under the proposed extension they would be included in whole or in part. They are two of the 25 States that would be covered. To me it is unconscionable under our Federal system to say that representatives of a State must have Federal approval, in the absence of any showing of wrongdoing, before they can realign a precinct boundary line, can change a place of voting in a precinct or, as it developed in the city of Fredericksburg, Va., relocate a partition in the office of the registrar of the city.

I believe Senators should know the absurdity of some of this legislation we are called to vote upon.

But returning to the permanent legislation, Mr. President, section 3(b) of Title I indicates that if, in a proceeding instituted by the Attorney General under any statute to enforce the guarantees of the 15th amendment, the court finds that a test or device—of course, we are generally talking about the general so-called literacy test—has been used for the purpose of or with the effect of denying or abridging the right of any citizen of the United States to vote on account of race or color, it shall suspend use of tests or devices in such State or political subdivision if the court shall determine it appropriate, and for such period as it deems necessary.

Let me say, Mr. President, in my own State of Virginia the State Constitution was amended by a vote of the people of our State in 1971 to eliminate any requirement for a literacy test, and the statute under which such a minimal test was required has been repealed. There is no question in my mind that in my own State, if the temporary provisions of the law are not extended, we shall not have any further literacy tests.

Continuing with the permanent legislation applying equally to all of the States of the Union, Mr. President, section 3(c) provides that if the court finds violations of the 15th amendment justifying equitable relief have occurred within a State or a political subdivision, the court, in addition to such relief as may be granted, may retain jurisdiction for such period as it deems appropriate. During such period no voting qualification or prerequisite to voting or standard practice or procedure with respect to voting different from that in force or effect at the time the proceeding was commenced shall be used unless the court finds that such qualification, prerequisite, standard practice or procedure does not have the purpose and will not have the effect of denying or abridging the right to vote on account of race or color.

Once again, Mr. President, we are talking of the present law, the law that does not expire, the law that applies throughout the Nation, including the States covered by the temporary legislation now sought to be extended. It contains authority on behalf of the Attorney General to bring an action against any State of the Union or any political subdivision whenever he is of the opinion that citizens within a State or political subdivision may be denied the right to vote because of their race or color.

This section further provides that the voting procedure or practice within a State or political subdivision, when such action is brought, may continue such practice if the Attorney General has not interposed any objection within 60 days after submission of any changes in the qualifications, prerequisites, standard, practice or procedure of voting.

We then come to sections 4 and 5, Mr. President, which contain somewhat similar language as the permanent legislation. The sections, however, presume wrongdoing on behalf of the covered States and, in my opinion, are punitive in nature. They are effective in a given State when the Attorney General determines that on November 1, 1964, a literacy test of any type was in effect, and the Director of the Census determines that less than 50 percent of the persons of voting age were registered on November 1, 1964, or less than 50 percent voted in the Presidential election of November 1964.

You will recall, Mr. President, that the act was passed in 1965. It used the 1964 Presidential year and was temporary legislation for a period of 5 years. Later it was extended to apply for an additional 5-year period. Now it is contemplated to extend it for an additional 10-year period.

The triggering mechanism that places a State under the temporary legislation is based upon what the facts were on November 1, 1974. Even the Supreme Court has said that legislation of a temporary nature may be valid where more permanent legislation would not be. But this date, which placed the State under the punitive temporary provisions, was 11 years ago, in 1964, and if the act is extended for 5 years, as was provided in the bill introduced in the Senate when the legislation was filed, or for 10 years, as provided in the House bill as well as the bill reported by the Senate Judiciary Committee, it could mean that the facts existing as long as 21 years ago would determine whether a given State is guilty of wrongdoing in the vote process. I believe that sober reflection by any Member of this body will establish the unfairness of such a provision of law.

In the event there is any need for an extension of the Voting Rights Act, the dates that would cover any State under this temporary punitive legislation should be current dates, 1972, the date of the last presidential election, is preferable to 1964.

In my opinion, the right of a State to work itself out from the punitive provisions by showing progress by the time of the 1976 or the 1980 elections should exist. It is ridiculous, in my opinion, to place a few of our States under the provisions of this act and, for practical purposes, to have a presumption of wrongdoing applied to them ad infinitum.

All of us are familiar, Mr. President, with the fact that we had a Civil War somewhat over a 100 years ago, and the country was split during that time. There was an effort made to have two separate nations, but the Northern States won, and the Union was preserved.

Mr. President, I am sure we are all glad that we are a part of one country today, that we live together under a form of Federal Government which permits some diversity of views within the Union. I hate to see old wounds opened and punitive measures adopted against any State of the Union based upon facts as they existed in the past and not at the present time.

If we start pointing the finger in one direction it can make a full circle. Within our history there has been discrimination against black people, against Orientals, against Spanish-speaking people; there has been discrimination against the Irish, against the Roman Catholics, against the Jews, against the Mormons, against the American Indians; in fact, I have heard discriminatory remarks made against white Anglo-Saxon Protestants. They are sometimes called WASPS.

I have asked the Library of Congress to give me a report on the various discriminations that have existed during our history against various segments of our population, and I hope to have it for at least some period during our debate and have it inserted in the Record.

But, Mr. President, I do not believe that any useful purpose is served or that it is in the national interest to go back into history for the purpose of legislating. I believe we should legislate on the facts as they exist today. We have permanent legislation on the books under which the rights of every citizen of this country can be adequately protected. Therefore I will skip further reference to sections 4 and 5 of this act for the time being and go on to section 6.

Section 6 of the 1965 Act is not affected by the 1970 amendments and provides for the appointment of examiners by the Civil Service Commission either pursuant to the portions of the Act that are permanent in nature or the temporary provisions. The commission may appoint as many examiners as may be necessary to enforce the guarantees of the 15th amendment; to prepare and maintain lists of persons eligible to vote in Federal, State, and local elections; and to carry out other provisions and purposes of the general act.

Section 7 authorizes the examiners to examine applicants concerning their qualifications for voting and authorizes the Civil Service Commission to prepare the necessary forms upon which a person may apply for registration and to prepare a list of eligible voters within a State or political subdivision when the court finds by either an interlocutory or final decree that there has been a violation of the voting rights under the 15th amendment. Any person whose name appears on the examiner's list shall be entitled and allowed to vote in the election district of his residence and no one shall be permitted to vote whose name does not appear on the examiner's list of eligible voters.

Again, Mr. President, I believe we should understand that this law is permanent legislation, applying to every State of the Union but only when suit has been brought in Federal court and the court finds that a person's rights under the 15th amendment have been violated.

With permanent legislation such as this on the books I cannot understand why anyone familiar with all of the provisions of the permanent legislation can feel that the extension of the temporary provisions of the act are essential to preserve the rights of our citizens under the 15th amendment. It is unfair, in my opinion, to retain a presumption of wrongdoing based upon the percentage of people who voted in 1964. It is unfair to provide that the Government must prove wrongdoing insofar as some of the States of the Union are concerned and to have a presumption of wrongdoing without proof as to other States.

But continuing on, section 8 of the act, which also is permanent legislation, authorizes the Civil Service Commission, at the request of the Attorney General, to send observers to any election held in any political subdivision to which an examiner has been appointed. They are required to observe the casting and counting of ballots and to report their observations to the Attorney General and to the court. A portion of the section reads as follows:

> (1) To enter and attend at any place for holding an election in such subdivision for the purpose of observing whether citizens who are entitled to vote are being permitted to vote and to (2) enter and attend at any place for tabulating the votes cast at any election held in such subdivision for the purpose of observing whether votes cast by persons entitled to vote are being properly tabulated.

Now, Mr. President, my own State of Virginia has never had any Federal examiners brought into our State either under permanent or temporary legislation. They have had no allegations that any individual has been deprived of his rights under the 15th amendment by the State of Virginia or by any political subdivision within the State. If charges were made at any time against Virginia or any other State of the Union, sufficient permanent legislation exists for relief and to compel compliance with the 15th amendment.

Virginians realize that our republican form of government cannot reach its full potential without full participation in its rights and privileges by all of our citizens. But we are wholeheartedly opposed to punitive legislation directed at a few States because of past wrongs dating back to the Civil War.

Section 9 of the act is also permanent legislation. It provides that a hearing officer appointed by and responsible to the Civil Service Commission shall hear challenges to listings on the eligibility list. Challenges are to be filed in an office within the State designated by the Civil Service Commission. It must be supported by affidavits by at least two persons having personal knowledge of the facts constituting grounds for the challenge and must be determined within a 15-day period.

The decision of the hearing officer may be appealed to the circuit court but may not be overturned unless clearly erroneous. The same section provides that the Civil Service Commission shall prescribe regulations setting forth the times, places, procedures, and form of application, listing and removals from the eligibility list. The Commission, after consultation with the Attorney General, shall instruct examiners concerning the qualifications required for listing and concerning the laws of eligibility to vote. Power is given to the Civil Service Commission to issue subpenas.

Section 10 of the act contains a finding by the Congress that the payment of a poll tax cannot be used as a prerequisite for voting, which I believe coincides with a decision of the Supreme Court, and of course is binding upon each State of the Union.

Sections 11 and 12 contain criminal prohibitions and penal sanctions for interfering with rights guaranteed by the 15th amendment and violations of the Voting Rights Act. They include fines up to $10,000 and 5 years imprisonment for violating specified provisions.

This, once again, Mr. President, is permanent legislation, indicating the strength of the Voting Rights Act and the protection afforded all citizens of the country under permanent law without any extension of any kind of the temporary or the punitive provisions directed at individual States or political subdivisions.

None of us, in my opinion, can stand here on the Senate floor or would want to stand here and argue against the provisions of the 15th amendment or against its strict enforcement, but we do have a very valid case against the Congress enacting legislation which discriminates against any section of the country or any State of the Union. In our zealous efforts, and they should be zealous to protect the rights of the individual citizens, the Government should not harass individual States or political subdivisions where there are no indications existing of violations of the rights of citizens.

In other words, we should consider the facts as they exist today and not go back into history to find a cause to penalize a portion of the States of the Union. If we search deep enough, we can find that every State in the Union at one time or another has been guilty of discrimination.

Section 13 provides for the removal of examiners and the termination of listing procedures when the need for them no longer exists.

Section 14 relates to criminal contempt procedure; to jurisdiction, to trial of various suits under the act; defines a number of terms and sets forth jurisdictional requirements for the issuing of subpenas.

Section 15 amends the Civil Rights Act of 1964. Section 16 provides for joint study by the Attorney General and the Secretary of Defense of voting discrimination within the Armed Forces and section 17 provides that nothing in the act shall be construed to impair the right to vote of any person registered under State or local law.

Now, Mr. President, this summation relates only to title I of the act. The remainder of the act, titles II and III, are permanent legislation, except for the provision banning literacy tests throughout the country.

Section 202 relates to residential requirements for voting; section 203 for judicial relief; and title III for voting by citizens 18 years of age or older.

The whole thrust of my comments today, Mr. President, is that we have a voting rights bill on the books which is permanent legislation—which protects the rights of all of our citizens everywhere in the Union. And I would urge that each Member of the Senate study this bill—give careful consideration to it and not be swayed by emotional appeal or by any spirit of vindictiveness against a given State or a given section of the country.

If we are not entirely familiar with specific legislation we may well be swayed by the title—a clean air or a clean water bill has an appeal, a reform bill. I remember a Congressman, during consideration of a measure in the House, indicating that people would vote for a trashcan if it was referred to as a reform can.

Voting rights, of course, has an emotional appeal and I hope that Members will not vote blindly on a matter as important as this, merely because of the title of the legislation.

On Friday, when the leadership made its motion to take up the House version of the voting rights bill, even though the Senate Judiciary Committee had reported a version on the same day, I referred to the need for us to utilize our committees, to study proposals in depth by persons with a degree of expertise, and to obtain their recommendations rather than to bypass the committee system.

I believe, however, Mr. President, on matters as important as the present proposal, any of us would be derelict in our responsibilities if we did not become individually and personally acquainted with this proposal—know the difference between what is proposed by permanent legislation and what is provided in temporary legislation.

Mr. ALLEN. Mr. President, will the Senator yield me 15 seconds?

Mr. WILLIAM L. SCOTT. If the Senator will permit, I only have 15 seconds remaining.

Mr. ALLEN. I thank the Senator.

Mr. WILLIAM L. SCOTT. I would submit, Mr. President, that all of the guarantees under the 15th amendment are even now in permanent legislation and that those portions sought to be extended are punitive in nature and present presumptions of wrongdoing against individual States—a presumption difficult if not impossible to overcome.

Mr. President, I reserve the remainder of my time.

MESSAGE FROM THE HOUSE

A message from the House of Representatives delivered by Mr. Hackney, one of its reading clerks, announced that the House disagrees to the amendment of the Senate to the bill (H.R. 6799) to approve certain of the proposed amendments to the Federal Rules of Criminal Procedure, to amend certain of them, and to make certain additional amendments to those Rules; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. HUNGATE, Mr. MANN, Mr. THORNTON, Miss HOLTZMAN, Mr. RUSSO, Mr. WIGGINS, and Mr. HYDE were appointed managers of the conference on the part of the House.

The message also announced that the House has passed, without amendment, the following Senate bill and joint resolutions.

S.435. An act to amend section 301 (b)(7) of the Agricultural Adjustment Act of 1938, as amended, to change the marketing year for wheat from July 1–June 30, to June 1–May 31;

S.J. Res. 41. A joint resolution to provide for the reappointment of Thomas J. Watson, Jr., as citizen regent of the Board of Regents of the Smithsonian Institution; and

S.J. Res. 42. A joint resolution to provide for the reappointment of Dr. John Nicholas Brown as citizen regent of the Board of Regents of the Smithsonian Institution.

MOTION TO PROCEED TO CONSIDER AMENDMENT TO THE VOTING RIGHTS ACT

The Senate continued with the consideration of the motion to proceed to the consideration of the bill (H.R. 6219) to amend the Voting Rights Act of 1965.

Mr. STENNIS. Mr. President, what is the pending order of business?

The PRESIDING OFFICER (Mr. DOLE). The motion to proceed to the consideration of H.R. 6219.

Mr. STENNIS. Mr. President, I thank the Chair. I propose to use a part of my allotted 1 hour, but as a matter of convenience I ask unanimous consent that on my time I may yield to the Senator from Alabama for 15 seconds.

Mr. ROBERT C. BYRD. Mr. President, I will not object.

Mr. STENNIS. I thank the Senator. I asked him to let me get the floor so I could go to a conference at 3 o'clock.

CLOTURE MOTION

Mr. ALLEN. Mr. President, I send a cloture motion to the desk.

The PRESIDING OFFICER. The cloture motion having been presented under rule XXII, the Chair, without objection, directs the clerk to read the motion.

The legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, hereby move to bring to a close the debate upon S. Res. 166, relating to the determination of the contested election for a seat in the United States Senate from the State of New Hampshire.

James B. Allen, Herman E. Talmadge, Sam Nunn, John Sparkman, William L. Scott, Paul J. Fannin, Jesse Helms, John Tower, Strom Thurmond, Roman L. Hruska, Russell B. Long, James L. Buckley, Howard H. Baker, Jr., Robert Dole, Jake Garn, Paul Laxalt, Bill Brock, Clifford P. Hansen.

Mr. ROBERT C. BYRD. Mr. President, I make a point of order that the cloture motion is not in order because Senate Resolution 166 is not before the Senate at this time.

Mr. ALLEN. Mr. President, rule XXII says that a cloture motion can be filed to the unfinished business. It does not have to be the pending business.

Mr. ROBERT C. BYRD. The unfinished business must be before the Senate.

The PRESIDING OFFICER. Rule XXII provides:

2. Notwithstanding the provisions of rule III or rule VI or any other rule of the Senate, at any time a motion signed by sixteen Senators, to bring to a close the debate upon any measure, motion, or other matter pending before the Senate, or the unfinished business, is presented to the Senate, the Presiding Officer shall at once state the motion to the Senate.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. STENNIS. I yield to the request of the Senator from West Virginia, for a short time, on my time.

Mr. ROBERT C. BYRD. Mr. President, I will be glad if the Senator will yield on my time, by unanimous consent.

Mr. STENNIS. Mr. President, I so request. I ask unanimous consent that I may yield to the Senator for 5 minutes on his time.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Will the Senator yield on my time for a parliamentary inquiry?

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. ROBERT C. BYRD. Time is running against me.

The PRESIDING OFFICER. Yes.

Mr. ROBERT C. BYRD. Mr. President, I make a point of order that the cloture motion is not in order, and I ask the Chair to rule.

The PRESIDING OFFICER. The Chair ruled that the point of order is not well-taken.

Mr. ROBERT C. BYRD. Then I appeal the ruling of the Chair.

Mr. STENNIS. Mr. President——

The PRESIDING OFFICER. It is not debatable.

Mr. STENNIS. Mr. President, my I make a special request? We have been trying to get a military procurement bill—I am on my time, Mr. President—for nearly 60 days, and we are having a meeting with the conferees at 3 o'clock in the Senate preliminary to a meeting tomorrow of the full conference.

I would like to present some remarks and then yield the floor.

Mr. ROBERT C. BYRD. Mr. President, under the cloture rule, all discussion should be germane to the matter before the Senate.

The PRESIDING OFFICER. The appeal is not debatable.

Mr. ALLEN. I call for the yeas and nays.

Mr. STENNIS. Mr. President, I make a point of order. I did not yield for any such purpose as this. I just yielded for the purpose of 15 seconds to the Senator from Alabama to make a motion and then I tried to be courteous to the Senator from West Virginia and agreed to yield 5 minutes to him on his time. I think the overall considerations are, Mr. President, and I hope the Chair would rule, that I have the floor and have the right to proceed for 30 minutes.

Mr. ROBERT C. BYRD. Mr. President, I realize there is no debate on this appeal. May I say to my friend from Mississippi I had no knowledge of what the Senator from Alabama was going to do.

Mr. STENNIS. I did not either.

Mr. ROBERT C. BYRD. That is in the first place. In the second place, no debate under the cloture rule can be had unless it is germane to the matter before the Senate.

Mr. STENNIS. Mr. President, if I may, I ask unanimous consent that this controversy about the cloture motion and the appeal from the ruling of the Chair be temporarily laid aside until the Senator from Mississippi has spoken on a matter highly germane to the pending order of business.

The PRESIDING OFFICER. Is there objection?

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object, and I certainly want to cooperate with the Senator, how much time does the Senator from Mississippi wish to use?

Mr. STENNIS. Well, 30 minutes. Not over 30 minutes.

Mr. ROBERT C. BYRD. Will the Senator permit me to make a request that will take care of the Senator's situation?

Mr. STENNIS. Very well.

Mr. HANSEN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HANSEN. I was on the floor on Saturday, and at that time we were operating under the Byrd rule, which rather surprised me. Are we still operating under the Byrd rule?

Mr. ROBERT C. BYRD. Mr. President, I ask for the regular order at this time, which is the vote on the appeal from the Chair's ruling.

Mr. ALLEN. I call for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is: Shall the decision of the Chair stand as the judgment of the Senate? Those supporting the ruling of the Chair will vote "yea"; those desiring to sustain the appeal will vote "nay."

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Mississippi (Mr. EASTLAND), the Senator from Maine (Mr. HATHAWAY), the Senator from Hawaii (Mr. INOUYE), the Senator from Louisiana (Mr. JOHNSTON), and the Senator from Utah (Mr. MOSS) are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from Oregon (Mr. HATFIELD) and the Senator from Illinois (Mr. PERCY) are necessarily absent.

I further announce that, if present and voting, the Senator from Oregon (Mr. HATFIELD) would vote "nay."

The result was announced—yeas 31, nays 61, as follows:

[Rollcall Vote No. 304 Leg.]

YEAS—31

Allen
Baker
Bartlett
Bellmon
Brock
Buckley
Byrd,
  Harry F., Jr.
Cannon
Curtis
Dole
Fannin
Garn
Goldwater
Hansen
Helms
Hruska
Laxalt
Long
McClellan
McClure
McIntyre
Metcalf
Morgan
Nunn
Pearson
Scott,
  William L.
Sparkman
Talmadge
Thurmond
Tower
Young

NAYS—61

Abourezk
Bayh
Beall
Bentsen
Biden
Brooke
Bumpers
Burdick
Byrd, Robert C.
Case
Chiles
Church
Clark
Cranston
Culver
Domenici
Eagleton
Fong
Ford
Glenn
Gravel
Griffin
Hart, Gary W.
Hart, Philip A.
Hartke
Haskell
Hollings
Huddleston
Humphrey
Jackson
Javits
Kennedy
Leahy
Magnuson
Mansfield
Mathias
McGee
McGovern
Mondale
Montoya
Muskie
Nelson
Packwood
Pastore
Pell
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Stafford
Stennis
Stevens
Stevenson
Stone
Symington
Taft
Tunney
Weicker
Williams

NOT VOTING—7

Eastland
Hatfield
Hathaway
Inouye
Johnston
Moss
Percy

So the ruling of the Chair was overruled.

The PRESIDING OFFICER. The decision of the Chair not having been sustained, the motion to invoke cloture cannot be filed.

MOTION TO PROCEED TO CONSIDER AMENDMENT OF THE VOTING RIGHTS ACT

The Senate continued with the consideration of the motion to proceed to the consideration of the bill (H.R. 6219) to amend the Voting Rights Act of 1965.

Mr. STENNIS. Mr. President, I intend to use part of my time—and I ask to be notified at 3 o'clock—regarding the motion to take up the so-called voting rights bill.

Mr. ROBERT C. BYRD. Mr. President, the Senator is entitled to be heard. I ask that the Chair maintain order in the Senate.

The PRESIDING OFFICER. The Senate will be in order.

Mr. STENNIS. Mr. President, the Senator from Virginia has just made a good speech on this bill. I am satisfied that if the Membership of this body will just read, carefully examine, and realize the facts that are involved in this bill, a majority of them will vote against its reenactment.

This measure was passed originally in 1965, for a 5-year period, to correct so-called abuses in certain States with reference to discrimination against the blacks regarding their voting rights.

The provision was that any changes in the voting laws—in the precincts or anything in connection with elections—would have to be approved by the Attorney General of the United States, in the areas where they applied. No one was permitted to file a suit to show that they either were not under the provision or had reformed, so to speak, and had come out from under the provisions, except if they filed in the U.S. District Court of the District of Columbia.

Any changes, so far as election officials were concerned, which were made in precincts, county districts, school districts, municipalities, or State legislatures, or any other kind of officers, had to be submitted here to the Attorney General for his approval. Well, we say that was all right. It worked 5 years, and a lot of changes were brought about. It was reenacted 5 years ago—erroneously, I think—but now 10 years have passed, and a part of this act will expire on August 6. A part of it will continue as permanent law if we do not enact this measure now.

The facts have changed. The modifications have been made. The facts that caused the law to be enacted are almost totally different. There is no basis whatsoever to reenact this law now, except—and I say this respectfully—as a political proposition. The reenactment of this law is a political matter, I respectfully submit, and it cannot rest with reason on any other basis.

It is still written so that it will apply only to a very small part of the Nation. Five years ago, the Senate soundly voted down an amendment to make it apply to all States alike, and I am going to propose that amendment again, when we reach the point at which amendments are in order. Also, I intend to offer other amendments, as will other Members.

In my State, I have talked to very fine officials in many of the counties. Just within the last few days, in making preparations, I have found, for example, that in Hinds County, Miss., which is the most populous county, if the district has acquired so many voters that they want to have more than one place for the voters to mark their ballots, they have to get the change made and approved by the Attorney General of the United States.

In that county, they wanted to rent and install voting machines for the election—the old, lever-type, easily understood machines. Their attorney advised them not to use the machines unless they could get approval by the Attorney General of the United States. They are not permitted to make any changes in any way in the preparation of the ballots.

One suggestion they had was that they have a central counting center for the votes, where they would have the benefit of using accepted mechanical devices and have the returns tabulated much sooner, but that could not be done without prior approval of the Attorney General of the United States.

These are the very highest officials, and they have told me that when they make calls to inquire about such matters, they are told by the representative of the Attorney General here that a change is a change, and that is the only answer they are able to obtain.

Mr. President, this matter has been played with and kicked around and has become a regular football, a matter of punishment, a matter of supervision directly from Washington, in many, many cases, without giving their requests any kind of attention.

I have an illustration of an event that actually happened in Virginia. The city hall in the city of Fredericksburg was scheduled to have a hallway enlarged to make an alcove for a sitting room for the mayor. Such a change would have required partitioning off approximately 3 feet of the registrar's office. The city was advised by the Department of Justice that this was a change subject to the preclearance provisions of the Voting Rights Act, and the hallway could not be widened for 60 days. That is a capricious absurdity, Mr. President.

The people down there are working in cooperation with the races. Some of the officials are black and some are white. The two parties are involved. The election commissioners are trying to carry out the letter and the spirit of the voting laws that have been approved, and they receive capricious answers such as this, which are what amounts to cruel, insulting, and absurd supervision.

To put the entire picture before this body will require some time. But no one should have to make any explanation, much less an apology, for trying to get these facts before the membership of this body. As I say, it is taken up in the attitude of a political rally.

The motion was made to take up the bill; and a few minutes later, a cloture motion was filed. I am not referring to any Member of this body in any personal way, but I say that the way this matter was brought up proves that there was no willingness to let the matter go through the normal debates. We have before us the House bill which was held at the desk, not the Senate bill that our committee was considering last week. There has been no effort to delay this matter. I am not trying to delay it now. I want a chance that it be explained and these amendments debated on their merits.

I have an amendment that I ask unanimous consent that I may introduce now and that my colleague (Mr. EASTLAND) be a joint author of it, Mr. President.

It would add the word "significant" in one place in the bill just before the word "change," so as, at least, to cut out the servile nature of the services that these election officials are trying to render and give these responsible people, elected officials, as in my State, where the clerk of the circuit court is the registrar of voters—give those people just a little respectful discretion, rather than having them conscious of their servile position and conscious of the contempt in which they are often held by representatives of the Attorney General's office.

I refer again to the answer that they got, that a change was a change, and however small and inconsequential it might be, even about counting the votes at some central place, it would have to be submitted to the Attorney General here.

I do not know how many people are employed in this matter. I do not know how many examiners and watchers they have employed. They are well paid, with big expense accounts. As long as that is tolerated and the money appropriated, there will be pressure, if from nowhere else, from them for the continuation of this law.

Further than that, by and large, this, I think, has become a political stick that is held over the head of those areas of the country that come under the original triggering effects of the law. If they could get into court now and just prove the bare facts of the case, there is no doubt about it, they would be able to prove that the facts do not now apply to them and they would be entitled to their liberation. Before this debate is over, I shall show a memorandum from one of the officials of one of the committees here that will not only show that, but will affirmatively state that if we do not keep this law going so as to keep the courthouse door closed on these areas, then they will prove that they are entitled to come out from under the law.

Why, we can have people who are guilty of committing premeditated murder, with malice aforethought, convicted by a jury, by a unanimous vote of 12 men in the jury box, and sentenced to life imprisonment or whatever the punishment is, and we give that person a chance to come up, once in awhile anyway, and offer evidence of his retribution, his reform, and give him a chance, at least, to explain why the punishment should be mitigated. Or bring in after-discovered evidence. But here this law says in State after State that, by the terms of the Act, the law willfully, premeditatedly, precludes them from coming to their courts to get any kind of relief. They must come here to the courts in Washington.

If a little village wants to change its voting places or wants to change the boundaries of those voting places, what chance do they have to hire a lawyer to come to Washington and represent them with the Department of Justice appearing for the other side? This law is used as a prosecution, as an intimidation, and, more, it is an insult. It is an insult to the officials there who carry out these duties that are largely thankless, anyway, in counting and holding these elections. Many are not paid at all. It is considered a patriotic or community duty to perform these services, and we have them operating under, I believe, the most oppressive law that we can find anywhere in the books.

I know it is the most rigid, severe, unjust and most ridiculous measure I have ever seen come before this body in the time that I have been here. If it were on any other subject except the so-called civil rights, and if there were any other area of the United States except some parts of the Southern States that were being subjected to this penalty, it would not have a chance of being seriously considered, much less have a chance to pass.

My plea today is to the membership of this body to inform themselves as to the provisions and then as to the facts and then make a judgment as to whether or not they should vote for the passage of this law.

The provisions of it are going to continue to apply. It is already permanent law in a large way, but there are just a few fragements where we would have a chance to prove our case if the added provisions here are not renewed. I believe—I have no doubt—if we could get the ear of the membership here what would be the outcome of this case. The indications are now that it has already been prejudged and that it is not going to be given the mature, sound, and deliberate consideration that it is entitled to under the subject matter.

As I indicated earlier, Mr. President, I have another responsibility. I should not want to use up all my time, anyway. I am going to this other duty now, but with the hope that the Members will find out what the facts are and then make a judgment as to whether or not enough time has passed and whether or not we should let these areas come into court and prove their case.

We are complying with the law, but we have a situation here whereby we are going to tear the races apart. We have an impediment here that prevents cooperation between the races in many, many places where this law unjustly applies. The progress that has been made is totally obliterated, no credit given, and the punishment is continued as if no effort had been made.

It is not right. It is not just. It is not in keeping with the principles of our Constitution and our law.

On every other front that I know about a citizen who performs patriotic services, like these election managers, and in other fields, too, is rewarded. He is acclaimed. Whereas, under this procedure here, there is this severity and there is punishment and no confidence, a vote of no confidence is voted on and on and on and on. This time it is going to be extended under the provisions not for 5 years—there is no reason given—but for 10 years, which shows that this is a willful political act by those who have not thought through it, I think, and those who have neglected to go into it, and I urge them to do so, and I believe they will change their minds.

Mr. President, how much time have I used?

The PRESIDING OFFICER. The Senator has consumed a total of 21 minutes.

Mr. STENNIS. I beg your pardon?

The PRESIDING OFFICER. Twenty-one minutes.

Mr. STENNIS. Mr. President, I reserve the remainder of my time.

I ask that I may introduce out of order an amendment.

Mr. MANSFIELD. Mr. President, I would like to call the attention of the Senate and the Senator that under rule XXII it states:

> Except by unanimous consent——

Mr. HANSEN. Would the majority leader use his microphone?

Mr. MANSFIELD. It states:

> Except by unanimous consent, no amendment shall be in order after the vote to bring the debate to a close, unless the same has been presented and read prior to that time.

Would that amendment fit in that category?

Mr. STENNIS. Mr. President, I have some amendments that do, but I have one that will not fit in. As I understood the vote on cloture, it was just on the motion to take up.

Mr. MANSFIELD. That is correct.

Mr. STENNIS. Take up the bill. If it becomes the pending measure, I would judge certainly an amendment would be in order then.

Mr. MANSFIELD. Yes.

Mr. STENNIS. Until cloture, if it is voted at all, it is voted on the—that will be all right.

Mr. MANSFIELD. May I say, Mr. President, I just wanted to call this to the attention of the Senate, and I will not object.

Mr. STENNIS. I thank the Senator.

Mr. ALLEN. Mr. President, will the Senator yield? Will the distinguished majority leader yield?

Mr. MANSFIELD. I am saving my time.

Mr. ALLEN. On my time.

Mr. MANSFIELD. Yes, indeed.

Mr. ALLEN. I would like to point out to the distinguished majority leader that this morning unanimous consent was given that any amendment to H.R. 6219 that is filed with the Secretary, with the clerk, at any time prior to the announcement of the cloture vote will be treated as having been read under rule XXII.

Mr. MANSFIELD. Well, Mr. President, I must apologize then if I was in error.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. HANSEN. Mr. President, on my time, if the distinguished Senator from Virginia will yield me the courtesy, I ask unanimous consent that Tom Cantrell be allowed full privileges of the floor during Senate consideration of the Voting Rights bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HANSEN. I thank the Senator.

Mr. MANSFIELD. Mr. President, will the Senator allow me?

ORDER VITIATING SECOND CLOTURE MOTION

Mr. President, I ask unanimous consent that the second cloture motion filed on the motion to proceed to the consideration of H.R. 6219 be vitiated.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARRY F. BYRD, JR. Mr. President, I yield myself 5 minutes.

Mr. President, would the Chair state the pending business?

The PRESIDING OFFICER. The pending business is the motion of the Senator from Montana to proceed with the consideration of H.R. 6219.

Mr. HARRY F. BYRD, JR. I have a second parliamentary inquiry: Would the Chair state the unfinished business.

The PRESIDING OFFICER. The unfinished business is Senate Resolution 166.

Mr. HARRY F. BYRD, JR. The unfinished business is Senate Resolution 166.

The PRESIDING OFFICER. Popularly known as the New Hampshire contest.

Mr. HARRY F. BYRD, JR. Mr. President, the Senator form Alabama a short time ago presented a cloture motion on the unfinished business, Senate Resolution 166.

The Senator from Virginia—I guess I should say the senior Senator from Virginia—was not a signer of that cloture motion. But in reading the rules such a cloture motion seemed clearly in order, and the Chair so ruled.

I read into the RECORD rule XXII, section 2 of that rule:

> Notwithstanding the provisions of rule III or rule VI or any other rule of the Senate, at any time a motion signed by sixteen Senators, to bring to a close the debate upon any measure, motion, or other matter pending before the Senate, or the unfinished business, is presented to the Senate, the Presiding Officer shall at once state the motion to the Senate,

And so forth.

Mr. President, that is so clear, that rule is so clear, it seems very unfortunate, I think, that the Senate, because of its determination to—how should I say it—bring about the enactment of a particular piece of legislation, acts so that the rules, in effect, are discarded.

It seems to me in the long run the Senate is going to be much better off to follow the rules, whether those rules sometimes might adversely affect the position of certain Senators at a particular time.

The Chair ruled that the cloture motion submitted by the Senator from Alabama was in order. The Senate, upon motion to overrule the Chair, voted contrariwise.

Of course, the Senate had the right to do that; but, in doing that, as I see it, the Senate has ridden roughshod over a minority of the Members of the Senate but, more importantly, has run roughshod over the rules of the Senate. Thus, might makes right.

I would like to address another parliamentary inquiry to the Chair.

The **PRESIDING OFFICER**. The Senator's 5 minutes have expired.

Mr. **HARRY F. BYRD, JR.** I yield myself 1 minute.

The **PRESIDING OFFICER**. One additional minute.

Mr. **HARRY F. BYRD, JR.** My additional parliamentary inquiry to the Chair is when the Chair ruled that the cloture motion was in order, is the Senator from Virginia correct in his belief that the Chair had ruled not only on his own, as the Presiding Officer of the Senate, but also based on the professional judgment of the Parliamentarian of the Senate?

The **PRESIDING OFFICER**. The Senator is correct. The Chair made the ruling with the advice of the Parliamentarian.

Mr. **HARRY F. BYRD, JR.** I thank the Chair, and I reserve the remainder of my time.

Mr. **MANSFIELD**. Mr. President, will the Senator yield?

Mr. **HARRY F. BYRD, JR.** Yes.

Mr. **MANSFIELD**. If the Senator will turn to Senate Procedure on page 212, down toward the middle "Applicability of a Cloture Motion—Pending Business"—page 212.

Mr. **HARRY F. BYRD, JR.** Is that of the Senate Manual?

Mr. **MANSFIELD**. Senate Procedure, page 212, about line 10, and the heading is "Applicability of a Cloture Motion—Pending Business." I believe that the appeal of the distinguished Senator from West Virginia (Mr. ROBERT C. BYRD), the assistant majority leader, lies with respect to the first paragraph which reads as follows:

> A cloture motion is applicable only to the "measure, motion, or other matter pending before the Senate, or the unfinished business,——

Mr. **HARRY F. BYRD JR.** Correct.

Mr. **MANSFIELD**:

> "pending at the time it was filed without regard to whether or not it had been laid aside."

And that, I think, is the genesis of the appeal from the ruling of the Chair made by the presiding officer of the Senate, and concurred in by the parliamentarian at that time.

So I would respectfully call this to the distinguished Senator's attention to achieve a better understanding of why the appeal motion was made.

Mr. **HARRY F. BYRD, JR.** I do not see, I might say to the distinguished Senator from Montana, that that is different from the rule that I just read, it is the same.

Mr. **MANSFIELD**. Well, I would say it is quite different from rule XXII and I would think, as I interpret it, as I know the distinguished Senator from West Virginia does, that does furnish material for an appeal.

Mr. **HELMS**. Will the Senator yield?

Mr. **HARRY F. BYRD, JR.** I might say, in each case it is stated clearly that the unfinished business is subject to cloture—and the unfinished business is Senate Resolution 166.

Mr. **HELMS**. Will the Senator yield on my time?

Mr. **HARRY F. BYRD, JR.** I yield to the Senator from North Carolina.

Mr. **HELMS**. Mr. President, the Senator from Virginia is absolutely correct if the English language is to be accepted in this Chamber.

I would call the attention of the distinguished majority leader to page 217 of the Senate Procedure where it says:

> Sixteen Senators may at any time—

And I emphasize at any time—

> sign and present a motion to the Presiding Officer "to close debate" on any "measure, motion, or other matter pending before the Senate, or the unfinished business."

Now, I do not see, Mr. President, how the majority leader would cite either reference in the Senate Procedure as a validation of the motion by the distinguished majority whip.

I thank the Senator for yielding. Incidentally, I spoke on my own time.

Mr. **ROBERT C. BYRD** addressed the Chair.

The **PRESIDING OFFICER**. The Senator from West Virginia.

Mr. **ROBERT C. BYRD**. I yield on my own time.

Now, I take it that the Senate is presently discussing the appeal which I lodged against the ruling of the Chair, in which the Chair ruled against my point of order that a motion to invoke cloture, presented by Mr. ALLEN earlier on Senate Resolution 166, was not in order.

Mr. President, I have read the rules and I have read the precedents. As a matter of fact, I read all of the chapter on cloture procedures yesterday at least 3 times. I have read this entire book on Senate Procedure at least 3 times, and I have still much to learn about the rules and the precedents.

I know what the rule says. However, I also know that there is no clear precedent on the point raised, and I also know that the paragraph from the book on Senate Procedure, which I think the distinguished majority leader has just read into the RECORD, would indicate that the Point of Order made by me was correct.

The paragraph appears on page 212 and it appears under the subheading, Applicability of a Cloture Motion—Pending Business.

> A cloture motion is applicable only to the "measure, motion, or other matter pending before the Senate, or the unfinished business," pending at the time it was filed without regard to whether or not it had been laid aside.

Now, Mr. President, I have been in the Senate almost 18 years and I have always been taught that a cloture motion can only be offered to a matter then pending before the Senate.

It is true that the New Hampshire election resolution, Senate Resolution 166, has been the unfinished business, but Senate Resolution 166 was not pending before the Senate at the time the distinguished Senator from Alabama (Mr. ALLEN) offered his cloture motion. The matter then pending before the Senate was the motion by Mr. MANSFIELD to proceed to the consideration of the voting rights bill.

Now, that was the motion pending befor the Senate, but we go one step further. The Senate, when Mr. ALLEN offered a cloture motion on Senate Resolution 166, had invoked cloture on the debate on the motion by Mr. MANSFIELD to take up the voting rights bill.

So, the Senate, by voting cloture on debate on the Mansfield motion, said—and I now quote from the cloture rule:

> Then said . . . motion, . . . shall be the unfinished business to the exclusion of all other business until disposed of.

In other words, the Senate, by a vote of more than 60 Senators decided in the affirmative earlier today that the motion offered by Mr. MANSFIELD to take up the Voting Rights Act would be the unfinished business to the exclusion of all other business until disposed of.

That motion has to be disposed of before any other business can be called up.

Ordinarily, a call for the regular order might bring up the unfinished business, but if it takes a call for the regular order to bring up the unfinished business, it must be logical to assume that the unfinished business is not before the Senate—else a call for the regular order would not be needed to call it up.

As I have stated, the Senate today invoked cloture on Mr. MANSFIELD's motion, and the matter before the Senate, under rule XXII, is the motion by Mr. MANSFIELD, and quoting from that rule, the motion by Mr. MANSFIELD "shall be the unfinished business to the exclusion of all other business until disposed of." So, the Mansfield motion was the unfinished business before the Senate when Mr. ALLEN offered a cloture motion on Senate Resolution 166 today. Senate Resolution 166 was not then, and is not now, the unfinished business before the Senate.

Mr. President, I think the Senate set the right precedent today. There was no clear precedent on this question, but the Senate has now spoken and has nailed down for all time—until and unless the Senate reverses that precedent—the rule that a cloture motion can only be offered to a matter that is then, in that precise instant, pending before the Senate.

Who would argue that the motion by Mr. MANSFIELD was not the matter then pending before the Senate? The Senate, by its vote on cloture, so stated.

Mr. President, that states the case.

I yield the floor.

Mr. **ALLEN**. Mr. President, I yield myself such time as I may require.

Mr. President, those who seek to steamroller this bill have the votes. They set in motion a procedure whereby cloture can be applied, and has already been applied on the motion to bring up. That, on a final vote on this motion, will bring up the bill itself, H.R. 6219.

But the distinguished Senator from West Virginia stating that he had always understood that the matter had to be the pending question before a cloture motion could be filed as to the matter does not make it a rule, just because he had that notion.

A reading of the rule itself shows that the distinguished Senator from West Virginia was wrong in his understanding.

I read again from rule XXII, section 2:

> Notwithstanding the provisions of rule III or rule VI or any other rule of the Senate—

That would mean including rule XXII itself—

> At any time a motion signed by 16 Senators—

And that was submitted—

> to bring to a close the debate upon any measure, motion, or other matter pending before the Senate,—

In the alternative—

> or the unfinished business, is presented to the Senate, the Presiding Officer shall at once state the motion to the Senate, and 1 hour after the Senate meets on the following calendar day but one, he shall lay the motion before the Senate

So, Mr. President, this sentence that they read from page 212 answers their own question. It answers the argument by deciding against their contention. Let us read that:

This is from Senate Procedure, page 212.

> A cloture motion is applicable only to the "measure, motion, or other matter pending before the Senate, or the unfinished business,"

That is a direct quote from the Rules starting at "measure,"

> "or the unfinished business,"

And then they add, "pending at the time it was filed without regard to whether or not it had been laid aside."

So the unfinished business under the very sentence that they cited, even if it has been laid aside, is subject to having a cloture motion filed against it.

Either Senate Resolution 166 is the unfinished business or it is not. On every Senator's desk is a calendar of business for Monday, July 21, 1975.

I ask unanimous consent that the front page of the calendar of business for Monday, July 21, 1975, be printed at this point in the Record.

There being no objection, the front page of Calendar of Business, Monday, July 21, 1975, was ordered to be printed in the Record, as follows:

[Senate of the United States, Ninety-Fourth Congress, First Session, convened January 14, 1975, No. 106]

CALENDAR OF BUSINESS

MONDAY, JULY 21, 1975—SENATE CONVENES AT 12 NOON

Pending Business

Motion to proceed to the consideration of Calendar No. 170, H.R. 6219, Voting Rights Act of 1965 extension. (*July 18, 1975.*)

Unfinished Business

S. Res. 166 (Order No. 150), relating to the determination of the contested election for a seat in the United States Senate from the State of New Hampshire. (*June 12, 1975.*)

(SPECIAL ORDERS CONTINUED ON P. 2).

Prepared under the direction of Francis R. Valeo, Secretary of the Senate. By HAROLD G. AST, LEGISLATIVE CLERK.

Mr. ALLEN. Senators will notice that there are two items of business—"the pending business," and that is Mr. Mansfield's motion, the motion to proceed to the consideration of calendar No. 170, H.R. 6219, and "the unfinished business." All we have to do is to read the rule itself, rule XXII. This motion "signed by 16 Senators, to bring to a close the debate upon any measure, motion, or other matter pending before the Senate, or the unfinished business,". That may be done.

Reading again from section 2, "Notwithstanding the provisions of rule III, or rule VI or any other Rule of the Senate,".

Mr. President, no one had any doubt about the final outcome of this matter. Nobody has any doubt now about the outcome of this motion to proceed to the consideration of H.R. 6219. But the Senator from Alabama would feel just a little bit better if the leadership had not gone against the ruling of the Chair based on advice from the Parliamentarian.

If a Senator had been in the chair based on his own decision and his own thinking, I would say that an appeal from such a ruling would look just a little bit better. But when the Parliamentarian, the nonpartisan expert in the matter of parliamentary procedure, says that such a motion is in order, I believe it comes with little grace on the part of those who are seeking to steamroller this measure through the Senate.

History will decide the question, but I am somewhat surprised that the leadership would resort to this tactic in order to carry its will here in the Senate.

It takes just a little bit of the shine, a little bit of the glow, a little bit of the gloss out of this great victory that they are soon to win. Was it necessary to do that? Well, they apparently thought it was.

Do the Senators know why? This motion to proceed to the consideration of H.R. 6219, do the Senators know what that does? It sweeps under the rug the New Hampshire election contest.

A week or 10 days ago we saw and heard a whole lot of breast beating here in the Senate that the Senate has the constitutional responsibility and duty of deciding and judging the election in New Hampshire. Everything had to be put aside. We had to take that up. But now they swept that under the rug. Mr. Wyman and Mr. Durkin, who sat either before the Senate committee or here in the Chamber week after week, month after month, are going to be sacrificed on the altar of political expediency.

What my motion did was to call for a cloture vote on whether or not we went back to the unfinished business, went back to this great constitutional question.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield for a question?

Mr. ALLEN. Yes, I will.

Mr. ROBERT C. BYRD. The Senator says his motion would have made the Senate decide whether or not it went back to the unfinished business.

Mr. ALLEN. Exactly.

Mr. ROBERT C. BYRD. The unfinished business at the time the Senator offered his cloture motion was the motion of the Senator from Montana (Mr. Mansfield), not Senate Resolution 166.

Mr. ALLEN. The Senator is wrong and I will call for a ruling. The Mansfield motion is the pending question. The unfinished business continues to be Senate Resolution 166.

I have yielded for a question now. If the Senator has a question to ask, I will be glad to answer it, but I would rather he not make a voluntary statement, other than a question.

Mr. ROBERT C. BYRD. Does the Senator not agree that the following phraseology from rule XXII would indicate that the motion by Mr. Mansfield to take up the voting rights bill is now the unfinished business?

Mr. ALLEN. No, that is not correct.

Mr. ROBERT C. BYRD. I quote from the rule:

> And if that question—

The vote on cloture this morning—

> shall be decided in the affirmative by two-thirds of the Senators present and voting, then said measure, motion, or other matter pending before the Senate, or the unfinished business, shall be the unfinished business to the exclusion of all other business until disposed of.

"Said motion" was and is the Mansfield motion.

Mr. ALLEN. Very well. I will pose the question to the Chair. Is the Mansfield motion the pending business, and Senate Resolution 166 the unfinished business, under the facts and circumstances at the present time? I call on the Chair for an answer.

The PRESIDING OFFICER (Mr. Dole). The Chair has so ruled and stated previously.

> said measure, motion, or other matter pending before the Senate, or the unfinished business, shall be the unfinished business to the exclusion of all other business until disposed of.

Mr. ALLEN. Very well. But does Senate Resolution 166 cease to be the unfinished business?

The PRESIDING OFFICER. It is the understanding of the Chair that it is put in limbo as the unfinished business until the pending motion is acted on. It is not displaced and put back on the calendar at this point. If the pending motion is agreed to, it would be displaced.

Mr. ROBERT C. BYRD. Mr. President, will the Senator allow me to pose a question to the Chair on my own time?

Mr. ALLEN. Yes, I will do that.

Mr. ROBERT C. BYRD. I pose the following questions to the Chair: What was the question that was to be decided in the affirmative by the vote of 60 Senators earlier today?

The PRESIDING OFFICER. The question to be decided was, Is it the sense of the Senate that the debate be brought to a close on the motion by the Senator from Montana to proceed to the consideration of H.R. 6219?

Mr. ROBERT C. BYRD. And was that question not decided in the affirmative by 60 or more Senators?

The PRESIDING OFFICER. It was. That question was decided in the affirmative by 60 or more Senators.

Mr. ROBERT C. BYRD. Very well. I read the following paragraph from rule XXII:

> And if that question—

In other words, the question as to whether or not the debate should be brought to a close on the motion by Mr. Mansfield—

> shall be decided in the affirmative—

As the Chair says it was, then the rule says—

> then said measure, motion, or other matter pending before the Senate, or the unfinished business, shall be the unfinished business to the exclusion of all other business until disposed of.

The Senate having invoked cloture on the motion to take up, then the motion to take up becomes the unfinished business to the exclusion of all other business; am I not correct?

The PRESIDING OFFICER. That is what the rule states. The Chair might——

Mr. ALLEN. Did not the Chair rule that the cloture motion was admissible on the theory that——

Mr. ROBERT C. BYRD. I would like to get a response to my question first.

Mr. ALLEN. Very well.

Mr. ROBERT C. BYRD. Is not the motion by Mr. Mansfield—cloture having been invoked thereon today—now "the unfinished business, under rule XXII, to the exclusion of all other business until disposed of"?

The PRESIDING OFFICER. The rule says "the unfinished business." The Chair might state that in response to an earlier query from the distinguished Senator from Virginia, on the advice of the Parliamentarian, the Chair stated that the motion to proceed to the consideration of H.R. 6219 was the pending business, and that Senate Resolution 166 was the unfinished business.

Mr. ROBERT C. BYRD. The Chair is not answering my question. The Senate having invoked cloture on the motion by Mr. Mansfield to proceed to take up the voting rights matter, is not the motion by Mr. Mansfield now, under rule XXII, the unfinished business to the exclusion of all other business until disposed of?

The PRESIDING OFFICER. That is the exact language of the rule.

Mr. ROBERT C. BYRD. I thank the Chair.

Mr. TALMADGE. Mr. President, will the Senator yield at that point so that I may propound a parliamentary inquiry?

Mr. ALLEN. I yield.

Mr. TALMADGE. If that is the unfinished business, I would like to ask the Chair, what is the pending business?

The PRESIDING OFFICER. The pending business is the motion to proceed to the consideration of Calendar No. 170, H.R. 6219.

Mr. TALMADGE. Can we have a situation where the unfinished business and the pending business are the same, simultaneously?

The PRESIDING OFFICER. The Chair is advised that at present we do and that it is frequently the case.

Mr. ALLEN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. ALLEN. I understood that the Chair ruled that the cloture motion was in order on the theory that it was directed to the unfinished business. Is that not correct?

The PRESIDING OFFICER. That was the basis of the Chair's ruling.

Mr. ALLEN. The Chair is not making any change in that ruling, is he?

The PRESIDING OFFICER. That was the basis of the Chair's statement.

Mr. ALLEN. But the Chair did rule that the unfinished business is Senate Resolution 166? That was the Chair's ruling?

The PRESIDING OFFICER. That was the statement by the Chair, the Senator is correct.

Mr. ALLEN. Well, the Chair ruled that, did he not?

The PRESIDING OFFICER. That is correct.

Mr. ALLEN. I thank the Chair.

Mr. ROBERT C. BYRD. Mr. President, the Chair did not so rule. There has been no such ruling of the Chair.

Mr. ALLEN. I do not yield any further to the Senator from West Virginia. He has an hour; I invite him to use it when the time comes.

Mr. President, the only ruling that the Chair has made is that the cloture motion was in order because Senate Resolution 166 is the unfinished business. That being true, it should have been admitted under the provisions of rule XXII.

Reading further from Senate Procedure, on page 217:

> A cloture motion, when properly signed, may be presented at any time, and a Senator who has the floor may be interrupted for such purpose.

So high is the priority of a cloture motion that a Senator occupying the floor and having the right to the floor as long as he wishes to speak can be taken off the floor or interrupted for the purpose of filing a cloture motion. That shows the high priority that it has.

However, time was yielded to the Senator from Alabama to offer the cloture motion.

What would that have done? It would have given the Senate an opportunity to decide whether it is going to discharge its constitutional duty, that we used to hear so much about here in this Chamber.

I have not heard that mentioned in the last week or 10 days, the constitutional duty that rests upon the Senate to judge the New Hampshire election. It shows the priorities. Are we going to discharge a constitutional duty? The Senate thought so for quite some time, 2 or 3 weeks, and they tried six cloture motions, I believe. But then they decided they wanted to put something else ahead of this constitutional duty that they have, and then came the motion to proceed to H.R. 6219.

So, Mr. President, apparently the leadership does not want to face up to its constitutional duty. It has turned its back on New Hampshire.

When the Senator from Alabama tried to get them to consider that again, the distinguished Senator from West Virginia appeals from the ruling by the Chair backed up by the Parliamentarian.

Had the Senator from Alabama appealed the ruling of the Chair here in a cloture proceeding, we would have heard protests loud and long.

When we came into the Chamber, it is true two of them were directed by the rules, we had three live quorums, one motion to postpone the matter of New Hampshire, sending that election back to New Hampshire, and then the cloture motion.

For all I know we have not had any motions to adjourn or any cloture motions since that time.

Mr. President, arguing the merits of the matter, and we will leave, as I say, to history the question of whether it was right and proper for this appeal to have been decided in the manner that it was by sheer weight of numbers, on the matter of the Voting Rights Act itself. In the first place the distinguished Senator from Virginia (Mr. Scott) has pointed out the Voting Rights Act is not about to expire, despite all we read in the paper and hear on television and radio.

It is true that the two trigger sections, aimed directly at the seven Southern States, would expire but, if they did, we would still have a strong voting rights law. The only problem is it would be applicable nationwide, and that is what the supporters of this bill do not want. They want it to apply to the South with some language-type extensions at this time, but primarily to the South, and that is one of the chief objections that I have to the bill.

In my home State of Alabama, and throughout the South so far as I know, no one is denied the right to register. No one who registers is denied the right to vote. No one who votes is denied having his vote counted.

So really there is no need for singling the South out for this punitive legislation, and it is punitive.

I might say right at this time that Mr. Pottinger, with the Justice Department Civil Rights Division, testified before the House of Representatives committee that it is impossible for a Southern State, under the existing law, to get out from under the provisions of this law, even though there is a provision saying that if a State for 10 years is not guilty anywhere in the State of voter discrimination it is entitled to come out from under the provisions of the law. But they say that the existence of a dual school system in that 10-year period makes it impossible.

So as we are extending the voting rights law for another 10 years in all, I would like to see, as to the 10-year period that is necessary, supposedly during which there are no violations of the law, no acts of discrimination, us allow that 10-year period to remain the same.

I might say that I offered to the proponents of this bill to withdraw my active opposition to the bill if they would agree to that 10-year period, go ahead and extend it for another 10 years, making 20 in all, but to allow the 10-year period to apply on coming out from under the law, provided there had been no acts of discrimination during that time.

Then the law requires that every time the State legislature, city government, or county government in the affected States passes any law or ordinance or resolution, having to do by any stretch of the imagination with election or voting rights or weight of votes or annexation, these measures have to be approved here in Washington by the Justice Department or by a district court here. Our people have to come hat in hand up to Washington to get advanced approval or approval after they have passed before they can go into effect.

We object to that. If an amendment were accepted that would allow, in the alternative, that this preclearance could also be done by a district court in the jurisdiction involved, that would remove one of our major objections to the bill. The Supreme Court charged the Federal district courts with enforcing their desegregation of public schools ruling, and they did a tremendous job of desegregating the public schools in the South.

I might say as long as it was confined to the South, that has suited everybody outside the South. But now it is being applied in areas outside the South, and they are saying, "Well, we did not know that applied to us; we just thought that applied down South."

So, if we could get permission for the local Federal district courts to handle this matter of preclearance of statutes, ordinances, and resolutions, that would remove one of our objections to the bill.

Then on the matter of coming out from under the provisions of the act, now we have to apply to a three-judge Federal court in the District of Columbia for permission to come out from under the provisions of the act. But the Supreme Court has already ruled that the Southern States could not come out from under it, because they were guilty of discrimination back in the early days of this 10-year period, so it is absolutely ineffective. But if it leaves the period of 10 years and allows the Federal courts in the South, or the other sections that might be involved, to rule on this matter, subject to appeal, I believe, from a three-judge court, direct to the Supreme Court, that would remove one of our objections to the bill.

I submitted these proposals not only to proponents of the bill but to both members of the Democratic leadership, but I am sorry to state that I received word back that they were not interested in any compromise along those lines.

Mr. President, let us consider the matter—how much more time does the Senator from Alabama have?

The PRESIDING OFFICER. The Senator from Alabama has 47 minutes remaining.

Mr. ALLEN. Forty-seven minutes.

I thank the Chair.

Mr. President, on the matter of how this bill comes to be before us today, and I might state right at this time, that last Friday remarks were made by the leadership concerning prospective opposition to the bill, opposition that it was suggested might come from the Senator from Alabama. On Friday afternoon, had the Senator from Alabama been able to get the floor, he would have replied to those remarks, but he was unable to get the floor, due to resort to a procedure whereby the floor was retained by the leadership. He would have answered these comments on Friday, had he been able to get the floor. He would have answered the comments on Saturday, had not the distinguished assistant majority leader obtained the floor and refused to yield to the Senator from Alabama on his own time. But the Senator from Alabama does not care to dignify these comments with an answer, and he is going to refrain from comment on any such comments.

I should like to discuss, however, the manner in which this bill is before the Senate. Of course, the bill could have been brought up years ago. It could have been pushed starting some 4 years and 11 months ago, rather than wait until right to the last to bring it up.

The House bill has been on the Senate calendar for about 6 weeks. The leadership could have brought it up during that time. It is on the calendar without benefit of committee consideration. It never has been referred to a committee. Not to this good date has H.R. 1629 been referred to a Senate committee. Yet, that is what we are discussing here today.

Mr. President, the Senate bill was in the Committee on the Judiciary. There were some on the committee who were opposed to the bill and are opposed to the bill, and they made an effort to get amendments to the bill. The proponents of the bill, having some difficulty in holding meetings, finally received permission to hold them. Then they went through a routine about, "Well, will we report it Monday or Tuesday of this week, or what? What will we do? How much time will we give you?"

They gave an indication that they were going to proceed on the Senate bill, while they were negotiating about what day they were going to report it. I told the members of the Committee on the Judiciary who opposed the bill that they were being lulled to sleep; that the proponents had no intention of proceeding on the Senate bill; that while negotiations were being held in the Senate Judiciary Committee, plans were being made on the Senate floor to attack by moving to bring up the House bill. Those to whom I mentioned it expressed disbelief that that tactic would be used.

I was very interested by the reaction of the distinguished Republican leader, Mr. HUGH SCOTT, who generally joins with the Democratic leadership on civil rights matters—I might say pro-busing matters joined in by the joint leadership. Usually, bills of this sort are pushed by the joint leadership. However, when the motion was made to bring up the House bill, the distinguished Senator from Pennsylvania (Mr. HUGH SCOTT) quickly got to his feet and disavowed any connection with this tactic of moving to proceed to the House bill rather than waiting on the Senate bill. He said he knew nothing about it. Why was it necessary for him to wash his hands of this procedure? My only comment is: Draw your own conclusions.

Mr. President, in 1965, they passed a 5-year voting rights bill. They said that any time a State is free from discrimination for a period of 5 years, it can petition to come out from under the bill. Well, about the time those 5 years were up, they had another 5 years, back in 1970. So then they had to prove 10 years of nondiscrimination. Now, just about the time that 10-year period is up, they come forward with another 10 years to add to it.

It is pretty much like a man serving a 5-year sentence in the Federal penitentiary; and along about the last few days of his 5-year term, they come around and tell him, "We're sorry, but the judge has added another 5 years to your sentence."

The fellow says, "Well, that's all right. I have served 5 years; I guess I can take another 5 years."

Then, when he just about serves that 5 years, they come around today with a bill, H.R. 1629, and say, "Sorry, fella, we got to add another 10 years to your sentence."

That becomes a little frustrating, somewhere down the line.

I notice another interesting thing. Some say that I might be somewhat incorrect when I speak of this bill being inspired by a feeling that to let the South be the whipping boy makes political hay in areas outside the South. They say that cannot be.

Let us read from the dissenting views of Mr. M. Caldwell Butler on page 80 of the House report. Note that we have to go by the House report, because there is no Senate report. The bill never has been to a Senate committee. Let us see what he says on page 80:

> The Voting Rights Act was described as Reconstruction by Rev. Theodore M. Hesburgh, C.S.C., President, University of Notre Dame; he urged the Subcommittee not to make the mistake of ending the "unfinished Second Reconstruction."

So the Senator from Alabama did not just make up this charge. Here is Reverend Hesburgh saying that this is reconstruction. I believe that was 105 or 110 years ago. We should have been reconstructed by now. We should be let back in the Union.

In 1965, Mr. Justice Hugo Black, in the case of Katzenbach against South Carolina, held that section V was unconstitutional, by which States are made to come in and submit their laws to Washington before they can go into effect.

He said that just makes provinces out

of these States. They are Southern States; they should not be required to come to Washington to get approval of their law.

So the Reverend Hesburgh urged the subcommittee not to make the mistake of ending the unfinished second reconstruction.

Mr. President, I believe it is time to end this period of so-called reconstruction. I believe the South has been reconstructed enough and that this added 10-year sentence to further reconstruction is not necessary.

Mr. President, we object further to the fact that under the trigger provision——

The PRESIDING OFFICER (Mr. GARN). Will the Senator suspend to receive a message from the President?

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Heiting, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the Committee on Armed Services.

(The nominations received today are printed at the end of the Senate proceedings.)

Mr. ALLEN. I wish to hear the messages read, Mr. President, on the time of the Senate.

The PRESIDING OFFICER. The clerk will read the message.

Mr. MANSFIELD. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MANSFIELD. The Senator from Alabama asked to have the messages read?

The PRESIDING OFFICER. He did.

Mr. MANSFIELD. On his time?

The PRESIDING OFFICER. No, sir, on the time of the Senate.

Mr. MANSFIELD. What is the justification for such a ruling, may I ask the Chair?

The PRESIDING OFFICER. The Chair has not ruled.

Mr. MANSFIELD. The Chair has agreed to the suggestion made by the Senator from Alabama, who was making a very interesting speech, which I wanted to hear all the way through.

Mr. ALLEN. I thank the distinguished majority leader. He is going to hear the rest of it.

There was no objection made when the Chair asked the Senator to suspend for the reception of the message. So it was received and the Senator from Alabama is merely asking that it be read. He wishes to find out what the President has to say.

Mr. ROBERT C. BYRD. Mr. President, no objection could be made if the Chair wishes to recognize a messenger from the President of the United States. The Senator from Alabama does not have to yield, nor would he be taken off the floor.

Mr. ALLEN. I merely wish to have it read.

Mr. MANSFIELD. The Chair, on his own, asked the Senator from Alabama to desist so he could receive a message from the President of the United States.

The PRESIDING OFFICER. There is nothing in the rules that requires the messages to be read.

Mr. ALLEN. I appeal the ruling and call for the yeas and nays.

The PRESIDING OFFICER. The question is, Shall the decision of the Chair stand as the judgment of the Senate?

Is there a sufficient second?

Mr. MANSFIELD. Mr. President, what is the ruling of the Chair which we are asked to appeal from?

The PRESIDING OFFICER. The ruling of the Chair was that the message did not have to be read.

Mr. MANSFIELD. I thank the Chair.

The PRESIDING OFFICER. There is a sufficient second. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Delaware (Mr. BIDEN), the Senator from Mississippi (Mr. EASTLAND), the Senator from Kentucky (Mr. FORD), the Senator from Michigan (Mr. HART), the Senator from Hawaii (Mr. INOUYE), the Senator from Utah (Mr. MOSS), and the Senator from Missouri (Mr. SYMINGTON) are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from New Mexico (Mr. DOMENICI), the Senator from Oregon (Mr. HATFIELD), the Senator from Illinois (Mr. PERCY), and the Senator from Connecticut (Mr. WEICKER) are necessarily absent.

I further announce that, if present and voting, the Senator from Oregon (Mr. HATFIELD) would vote "yea."

The result was announced—yeas 88, nays 0, as follows:

[Rollcall Vote No. 305 Leg.]

YEAS—88

Abourezk
Allen
Baker
Bartlett
Bayh
Beall
Bellmon
Bentsen
Brock
Brooke
Buckley
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cranston
Culver
Curtis
Dole
Eagleton
Fannin
Fong
Garn
Glenn
Goldwater
Gravel
Griffin
Hansen
Hart, Gary W.
Hartke
Haskell
Hathaway
Helms
Hollings
Hruska
Huddleston
Humphrey
Jackson
Javits
Johnston
Kennedy
Laxalt
Leahy
Long
Magnuson
Mansfield
Mathias
McClellan
McClure
McGee
McGovern
McIntyre
Metcalf
Mondale
Montoya
Morgan
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Scott, William L.
Sparkman
Stafford
Stennis
Stevens
Stevenson
Stone
Taft
Talmadge
Thurmond
Tower
Tunney
Williams
Young

NAYS—0

NOT VOTING—11

Biden
Domenici
Eastland
Ford
Hart, Philip A.
Hatfield
Inouye
Moss
Percy
Symington
Weicker

So the ruling of the Chair was sustained as the judgment of the Senate.

MOTION TO PROCEED TO CONSIDER AMENDMENT OF THE VOTING RIGHTS ACT

The Senate continued with the consideration of the motion to proceed to the consideration of the bill (H.R. 6219) to amend the Voting Rights Act of 1965.

The PRESIDING OFFICER. Who yields time?

Mr. ALLEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. ALLEN. I believe I have the floor.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. ALLEN. Mr. President, how much time remains to the Senator from Alabama?

The PRESIDING OFFICER. The Senator from Alabama has 27 minutes remaining.

Mr. ALLEN. I thank the Chair.

Mr. President, earlier when there were not nearly so many Senators in the Chamber, I pointed out the areas that I thought might well be subject to amendment in the hopes that some agreement might be reached with respect to these amendments, and I mentioned first the matter of a——

Mr. WILLIAM L. SCOTT. Mr. President, could we have order?

The PRESIDING OFFICER. May we have order in the Senate? The Senator from Alabama is speaking and deserves the courtesy, as does any other Senator, to be heard. Please continue conversations in the cloakroom so it may be very nice and quiet.

Mr. ALLEN. I thank the Chair.

I mentioned that if the bill is passed to add an additional 10 years to the life of the bill—or actually that would be the life of sections 4 and 5, because the great book of law is permanent legislation—I suggested that if the extension is now to 20 years, an additional 10 years, that we leave at 10 years the period that a State has to be free from any alleged discrimination before it is eligible to apply for coming out from under the provisions of the bill.

As it is now, Mr. Pottinger with the Justice Department, Civil Rights Division, testified before the House Judiciary Committee that it is not possible for the Southern States to come out from under the provisions of the bill because the 10-year period gets it back in a period when they had the so-called dual school system, which in itself was held to be a device, but if we left at 10 years the period during which they have to be free from violations, then that would be fair and equitable, as the Senator from Alabama sees it.

The Senator from Alabama feels that in Alabama and throughout the South, any person who is 18 years of age and a resident of the State is able to register; that any such person who desires to register to vote can register; any such person who is registered can vote; any person who votes will have his vote counted; and while I do not particularly approve of Federal registrars and observers coming to Alabama and the South when I believe that this can be done and is being done by the duly constituted State authorities, I would not make any particular objection to a continuation of that.

But on the matter of preclearance of our State laws, city ordinances, and county resolutions, I feel that we ought to add as an alternative to getting those laws precleared here in Washington before the Justice Department or the district court, that we add in the alternative that clearance could be made by a district court in the jurisdiction involved.

On the matter of the forum and if it is to come out from under the provisions of the law, I think that could be handled by a three-judge court in the jurisdiction involved rather than to require the State to come to Washington for the purpose of seeking to get a judgment on coming out from under the provisions of the law.

Those three modest requests would certainly expedite the passage of this bill, and I submitted those proposals to the Democratic leadership and to one of the leading proponents of the legislation, but to no effect.

I was stating when the Chair accepted the message from the President, that we object, of course, to singling out the South for punitive and discriminatory legislation and I feel that we all would feel much better about this law if it were made applicable nationwide. I feel that we could accept it with a whole lot more enthusiasm if the provisions were made nationwide.

I might also take exception to the fact that it said that the Voting Rights Act will expire on August 5 or 6. Well, that is not correct, of course, because the great book of voting rights law is permanent legislation and it would be only the trigger provisions making it applicable just in the South and the preclearance of laws, those two sections, section 4 and 5, that would expire. The voting rights law applicable nationwide would continue. Mr. President, we object to any formula based on 1964 facts and on registration and voting in that year and under the trigger provisions when the State is caught by the trigger or caught back in 1964. What it amounts to under the 1965 act, they are conclusively presumed to have been in violation of the law in the matter if every man, woman, and child in Alabama or in the South was registered, everyone voting, every person elected in the State was of a minority race, still we would not come out from under the provisions of the law.

We were conclusively presumed to be in violation, whereas elsewhere in the country it takes actual proof of discrimination before they can be brought under the provisions of those sections that are applicable nationwide.

Mr. President, on the matter of preclearance of our laws, I would like to point out, based on the House of Representatives Voting Rights Act Extension Committee Report, Report No. 94–196, and I might point out we do not have any Senate committee report because while they were negotiating in the Senate committee, the Judiciary Committee, with respect to when this Senate bill was going to be reported, they were laying plans to strike here in the Senate Chamber, and strike they did.

Let us consider some of the number of changes submitted under section 5 and reviewed by the Justice Department by State and year for the decade from 1965 through 1974. There were a total of 4,476 submissions for preclearance of State and local laws.

That is on page 9.

On page 10 is a table pointing out that in that entire——

Mr. HELMS. Mr. President, may we have order?

Mr. ALLEN. During the entire 10-year period——

The PRESIDING OFFICER. Will the Senator yield until the Senate is in order?

Mr. ALLEN. In that entire 10-year period out of the 4,476 submissions there were only 163 that were not approved—163 to which objections were interposed by the Department of Justice.

That is less than 4 percent, and that takes in some of the earlier years as well.

Of those that were submitted to them, fewer than 4 percent of the laws were objected to by the Justice Department.

That does not show a whole lot of violations.

I might say in the 2 months of 1975 there were only two laws to which exception was taken by the Justice Department. Of all the laws of all the States involved, only two were turned back by the Justice Department. One of those came from the State of Arizona and the other one came from a Southern State. So that does not show a great deal of violation on the part of the States involved.

Mr. President, a great deal has been said about the tremendous job and the tremendous accomplishments of this act. I am certainly pleased that large numbers of our citizens all over the South have been enfranchised. I certainly am glad that that is the case. But I want to pay tribute, in addition to the work that has been done by Federal registrars, to the local boards of registrars. Let us see what they have done.

I read again from the only committee report available, the House report, on page 11:

> In general, it is estimated that 18.9 percent of black registration has been accomplished through Federal examiners.

That is, less than 19 percent of the registration in the last 10 years has been done by Federal examiners.

Where did the rest of it come from? It came from local boards of registrars.

Mr. President, I say that all laws are being observed in the South. I believe it would be punitive legislation to continue this 10-year extension of this sentence on the South when there is every indication that there is no more discrimination in the matter of voting in any area of the South. It is the public policy of our State to encourage registration; to encourage registration of all citizens; to encourage all of our citizens to vote. But we do not like the idea of using a situation that existed back in 1964 to say that because in 1964 fewer than half of the people voted in the general election we have to be subjected to this punitive legislation for 20 years from its inception.

Why do they not use 1968 figures? Why do they not use 1972 figures?

One might say, "Well, they are using them, but they also use 1964." If they caught a State back then, there is no way to get out from under it. There ought to be a time when a State, by showing compliance with all laws for 10 years, should be exempt from the provisions of the law.

So, Mr. President, this law is not needed any more. I am still hopeful that some type of compromise can be worked out. But until such time as a compromise can be agreed upon, I am going to have to oppose legislation which I feel is aimed at my section of the country, legislation that discriminates against my section of the country. This same provision ought to be applicable nationwide. We need uniform rules just like we need a uniform Federal desegregation policy.

I wish I had the clipping to have printed in the RECORD—I did at the time—the NAACP, I believe, was observing the 20th anniversary of the Brown decision. One of the persons connected with the NAACP was talking about the great progress that had been made in the South with regard to desegregating the public schools there. I believe it was a lady who made this statement. She said, "Yes, the South has desegregated their schools. There has not been this same observance of the law, this same willingness to comply with the law, in other sections of the country. The South beats them all." It was that or that in effect.

She said, "Many people in the North felt that the Supreme Court ruling in the Brown case and the desegregation orders that later followed in other cases did not apply to the North." She said, "Their attitude is, 'We thought this just applied down South. We did not know it was going to become applicable up North'."

Now you see the struggle that is taking place in areas outside of the South. So we need uniform rules. We need uniform rules with respect to registration, not just rules applicable in the South. Let us make this nationwide.

But I do not see any indication that that is in the offing.

I might say that on many occasions the distinguished Senator from Massachusetts (Mr. BROOKE) has taken the floor to praise the South for its attitude with regard to desegregation, and to praise the South for its spirit and the manner in which it has complied with the law of the land. He has gone further to say that he is not too well pleased with the record in areas outside of the South.

So, Mr. President, if you will treat the Southern States not as conquered provinces, as Mr. Justice Black said they are being treated in his dissent in the Katzenbach versus South Carolina case, if you will treat our States as sovereign States, if you will not make us come up here to Washington to have our laws monitored and approved and, in the absence of that, to strike them down, you will find that we are going to comply with the law

We are law-abiding people, and we do not need this type of legislation to make us comply with the law.

Mr. President, I feel that there is a matter of great principle involved here, and I feel that I must take a stand for principle. I feel that not making possible a statement of our dissatisfaction with certain elements of this law was the part that makes of our States less than sovereign States. I feel that in time we will have accomplished something to get this message out through the country, to show that we are not being dealt with fairly, and that there is still an attitude in this Chamber, Mr. President, that the way to make political hay in areas outside of the South is to harass the South and make of the South a whipping boy for the Nation.

I believe that is the wrong attitude. We had a point of order and appeal from the ruling of the Chair—how much time do I have remaining, Mr. President?

The PRESIDING OFFICER. The Senator from Alabama has 5½ minutes remaining.

Mr. ALLEN. I thank the Chair.

We had a very important appeal from a ruling of the Chair. Did we see Senators, when they came in, grab the rule book to decide whether the point of order was well taken, or did we see a decision made on an entirely different basis?

Mr. President, I am confident that had every Member of the Senate read the rules, made just a little bit of a study of the rules, we would have sustained the Chair in the ruling that he made that the cloture motion was in order at the time the Senator from Alabama offered it with respect to Senate Resolution 166.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

The question is on agreeing to the motion.

Mr. THURMOND. Mr. President, in 1965 I testified before the Committee on the Judiciary of the U.S. Senate on the Voting Rights Act, and I wish to repeat some of the things that I said at that time. I will review my statement to the committee on that occasion:

> The primary issue involved is the constitutional protection of the privilege of the ballot—a privilege which, I am sure, we all consider dear. More particularly involved is the protection accorded that privilege by the 15th amendment to the Constitution. Since the pending measure is predicated solely upon the 15th amendment, it becomes incumbent upon us to carefully examine the provisions of the amendment. It provides on section I that:
>
> "The right of citizens of the United States to vote shall not be denied or abridged by the United States or by any State on account of race, color, or previous condition of servitude."
>
> The second section of the amendment authorizes Congress "to enforce this article by appropriate legislation."
>
> In my judgment, the pending bill is not appropriate legislation, such as is contemplated by the 2d section of the 15th amendment.
>
> In my judgment, the pending bill is unconstitutional, because it is in direct conflict with other portions of the Constitution.
>
> The pending bill would invalidate, among other things, the literacy tests of 7 States, 34 counties in another State and 1 county each in 3 States, according to the Attorney General's testimony. Literacy tests are one valid method by which a State can judge the qualifications of citizens who offer to vote. At the present time, more than 20 States, obviously including many States outside the South, have some form of a test which could, in more or less degree, be described as a literacy test.
>
> The provisions of the Constitution which authorize a State to require the proof of literacy for voters are clear and unequivocal. Article I, section 2 of the Constitution states:
>
> "Electors (for Members of the House of Representatives) in each State shall have the qualifications requisite for electors of the most numerous branch of the State legislature."
>
> The 17th amendment, adopted more than 40 years after the 15th amendment, contains language identical to that found in article I section 2, of the Constitution. In providing for the direct election of U.S. Senators, the Congress and the people of this country specifically reaffirmed the basic principle that it is the function of the States to establish qualifications for voters.
>
> The pending bill would override both of these provisions of the Constitution and substitute qualifications for voters established by the Federal Government.
>
> I assume that there is no question but that the pending bill would have that effect. However, if there had previously been any doubts, the statement by the Attorney General to this committee has certainly resolved them. On page 10 of his prepared statement, the Attorney General said:
>
> "The Commission (speaking of the Civil Service Commission), after consultation with the Attorney General, will instruct examiners as to the qualifications applicants must possess. The principal qualifications will be age, citizenship, and residence, and obviously will not include those suspended by the operation of section 3."
>
> The intervening adoption of the 15th amendment in no way invalidates the specific provisions of article I, section 2 of the Constitution and the 17th amendment. At a very early date, but subsequent to the adoption of the 15th amendment, the Supreme Court held that literacy tests which are drafted so as to apply alike to all applicants for the voting franchise would be deemed to be fair on their face, and in the absence of proof of discriminatory enforcement could not be viewed as denying the equal protection of the laws guaranteed by the 14th amendment. Therefore, it is implicit that neither would they violate terms of the 15th amendment.

During that hearing, former Senator Sam Ervin was chairman of the subcommittee that conducted the hearing, and he propounded questions to me at that time. I would like to read the questions and answers.

> Senator Ervin. I interrupt you to ask a question which is relevant to what you are discussing.
>
> Senator Thurmond. Yes, sir.
>
> Senator Ervin. Do you not agree with me in this, that the 15th amendment made no change whatever in any of the provisions of the original Constitution, but on the contrary, all it did was prohibit action by a State which would have been valid in the absence of the amendment?
>
> Senator Thurmond. I thoroughly agree with the able chairman on that point. There has been no decision of the Supreme Court of the United States to the contrary.
>
> Senator Ervin. Now, the 15th amendment merely prohibits the United States and any State from denying or abridging the right of any qualified citizen to vote on account of his race or color.
>
> Senator Thurmond. That is correct.
>
> Senator Ervin. And the only authority it gives Congress to legislate is the authority which prevents the United States or the States from violating that provision?
>
> Senator Thurmond. I am in concurrence with the chairman on that point.
>
> Senator Ervin. And the courts have held in a number of cases, have they not, that the 2d section of the 15th amendment and the concluding section of the 14th amendment do not confer upon the Congress the power to adopt an affirmative code of laws to take care of those things which the amendments assume that the States will do?
>
> Senator Thurmond. In my opinion, the chairman's statement is correct. The 15th amendment did not alter, amend, or change article I, section 2, of the Constitution, which leaves to the States . . .

And I want to emphasize that. This is article I, section 2, of the Constitution, which leaves to the States—

> of fixing voter qualifications.
>
> Furthermore, the 15th amendment is self executing, anyway.
>
> Senator Ervin. And the Supreme Court has held that it does not change the power of the States to fix voter qualifications, including the prescribing of a literacy test in a number of cases, the last of which is the *Lassiter* v. *Northampton County Board of Elections*, which was handed down in 1959; is that not true?
>
> Senator Thurmond. That is correct. The 15th amendment did not alter any other provision of the Constitution, as the chairman stated. But if it had done so, the 17th amendment, which was adopted 40 years later, came along and repeated verbatim, word for word, article I, section 2 of the Constitution, which would have put it back. Although in my opinion, and I believe in the opinion of the chairman, the 15th amendment did not affect that provision.
>
> Senator Ervin. In other words, the second section of article I in the 17th amendment makes it as clear as the noonday sun that Congress intended that the States should not only have the power to prescribe the qualifications for voters in State and local elections, but should also have the power to prescribe the qualifications for electors, for Senators, and for Representatives in the House of Representatives.
>
> Senator Thurmond. That is right, because article I, section 2, and the 17th amendment provide that if an elector is qualified to vote for the most numerous branch of the State legislature, which is the house of representatives in a State, he is qualified to vote in a Federal election.
>
> Senator Ervin. I thank you.
>
> Senator Thurmond. In 1959, Justice Douglas, speaking for the Court in the case of *Lassiter* v. *Northampton Election Board*, the case the distinguished chairman just referred to—said:
>
> "No time need be spent on the question of the validity of the literacy test considered alone since we have seen its establishment was but the exercise by the State of a lawful power vested in it not subject to our supervision, and indeed, its validity is admitted."
>
> This decision upheld the literacy test of the State of North Carolina against a charge of unconstitutionality on its face.
>
> Even as recently as March 1 of this year, 1965, the Court, speaking through Justice Stewart, made the following observation concerning the constitutional rights of the States to prescribe voter qualifications:
>
> "There can be no doubt either of the historic function of the States to establish, on a nondiscriminatory basis, and in accordance with the Constitution, other qualifications for the exercise of the franchise. Indeed, the States have long been held to have broad powers to determine the conditions under

which the right of suffrage may be exercised. *Lassiter* v. *Northampton Election Board,* 360 U.S. 45."

In that case, the Court quoted with approval the following language taken from *Pope* v. *Williams,* 193 U.S. 621:

"In other words, the privilege to vote in a State is within the jurisdiction of the State itself to be exercised as the State may direct, and upon such terms as it may deem proper."

Mr. Chairman, it would be possible to continue giving citations and examples which prove beyond the shadow of doubt that a State has both the constitutional right and responsibility to specify the qualifications for voters, both in State and Federal elections, including requiring voters to pass literacy tests if such literacy tests are not used as a cloak to discriminate against anyone on the basis of race, color, or previous condition of servitude. However, this should be sufficient authority to convince anyone of the basic constitutional right of the States to require literacy standards for voters. For this reason, I would like to turn now to the bill itself and attempt to point out some of the more obvious defects of the proposal.

The primary object of the bill is to outlaw the use of any "test or device" to determine the qualifications of voters in any State or political subdivision of a State if (1) less than 50 percent of the person of voting age residing in the State were registered on November 1, 1964, or, (2) less than 50 percent of such persons voted in the presidential election of November 1964.

The Attorney General is empowered to determine what standard required by a State will be considered a "test or device" for the purposes of the bill. Section 3(b) of the bill contains broad guidelines for the Attorney General, but it is clear that he is delegated unlimited power to brand any qualification a "test or device" and outlaw its further use. To illustrate, if an applicant is required to sign his name to the application blank, then obviously he is being required to demonstrate his ability to write. The Attorney General, under the terms of this bill, could determine that this is a prohibited test or device. Similarly, the prohibition against requiring an applicant to "demonstrate any educational achievement" forces me to the conclusion that title I, the voting rights section, of the Civil Rights Act of 1964 falls within the prohibition of this bill. As you are aware, that act states that proof of a sixth grade education raises a rebuttable presumption of literacy. This is unquestionably a requirement of educational achievement which would fall within the proscriptions of the pending measure. In this unhappy circumstance, a State registration official would be placed in the inevitable position of violating one Federal law by enforcing another Federal law.

Senator Ervin. Before you leave that point, this section 3(b) defines the phrase, "test or device," to mean any requirement that a person, as a prerequisite for voting or registration for voting, demonstrate his knowledge of any particular subject. In other words, under that, you cannot even require the person to demonstrate he knows what precinct he is voting in?

Senator Thurmond. That is the way the law can be interpreted.

Senator Ervin. That is literally what it says, is it not? I quoted it word for word.

Senator Thurmond. That is right.

Mr. Chairman, this bill is predicated upon the assumption that the terms of the 15th amendment have been violated merely by the existence of the fact that less than 50 percent of the voting age residents of a State or political subdivision of a State were registered or voted at the time of the presidential election of 1964. This is a presumption which has no logical or legal connection with the facts. It must be remembered that the 15th amendment prevents the United States or any State from denying or abridging the right of a citizen to vote solely on account of his race, color, or previous condition of servitude. Any appropriate legislation designed to further effectuate the protection provided by this amendment must be predicated upon the denial of the right to vote for the specific reasons enumerated in the amendment.

The pending bill goes far beyond that. It would allow the registration of individuals who are not qualified to vote under any objective standard, regardless of race or color, in the guise of preventing discrimination solely because of race or color, If the presumption were valid, then the bill would apply and would have to be enforced in all political subdivisions which meet the statistical test. It is evident, however, that the Department of Justice has no intention of applying the terms of this bill to any section of the country outside of the South.

There is no question in my mind but that the premise of the pending bill fails to meet any objective standards which would be necessary to assure its constitutionality. In reality, the bill would not effect and override racial discrimination which exists in areas outside the South. The bill would allow an illiterate to register and vote in the 6 Southern States and 34 counties of the other Southern State covered, but it would not allow the same illiterate to register and vote in any of the other States of the Union which require a literacy standard but do not fall statistically within the purview of this proposal.

Senator Ervin. I would like to ask one or two questions on what you have just discussed. Is it not held that it is the denial of due process of law to establish by legislative act any presumption or assumption unless there is a rational relationship between the fact established and the ultimate fact?

Senator Thurmond. The Senator is eminently correct.

Senator Ervin. Does the mere fact that 50 percent of the adult population failed to vote in a particular State or in a particular political subdivision of a State bear any rational relationship to the ultimate fact that people have been denied, that qualified citizens have been denied the right to vote on account of race or color?

Senator Thurmond. None whatsoever that I can see.

Senator Ervin. Under this bill, a State or political subdivision could register all the citizens residing within its borders without discrimination and still it would be branded as in violation of the 15th amendment if less than 50 percent of the registered voters went out and voted, would it not?

Senator Thurmond. That is what this bill provides.

Senator Ervin. Now, the Senator has been active in politics for many years and the Senator knows that people fail to go out and to vote for multitudes of reasons, does he not?

Senator Thurmond. That is true.

Senator Ervin. And the chief reason is apathy or lack of interest in the election, is it not?

Senator Thurmond. Indifference.

Senator Ervin. Is it not also true that courts have held that a legislative body cannot establish a presumption based upon a fact which the party against whom the presumption is directed could not prevent?

Senator Thurmond. That is true.

Senator Ervin. Now, does not the provision of this bill which bases a presumption of violation of the 15th amendment on the fact that less than 50 percent of the adult population of a State or political subdivision failed to vote base the presumption on something for which the State or political subdivision cannot be held responsible?

Senator Thurmond. That is correct, and I think that the proposal in the bill, as some other proposals in the bill, is clearly unconstitutional.

Senator Ervin. There is no way, is there, by which a State or political subdivision can compel people to go out and vote under the American system of freedom?

Senator Thurmond. That is correct, and I cover that point a little bit later.

Senator Ervin. I am sorry I interrupted you.

Senator Thurmond. That is all right.

Senator Ervin. Are there not something in the neighborhood of 20 States which have literacy tests?

Senator Thurmond. That is correct.

Senator Ervin. And this bill would outlaw the literacy test in six Southern States and in 34 counties of another State, North Carolina, would it not, and leave the literacy test in force in the other States which have it?

Senator Thurmond. That is correct.

Senator Ervin. Does not the Senator think that provision of the bill is a violation of the ruling of the Supreme Court in *Coyle* v. *Smith* (221 U.S. 559), where it said, "This Union was and is a Union of States equal in power, dignity, and authority, each competent to assert that residuum of authority not delegated to the United States by the Constitution itself"?

Does this bill, in making that difference between the continuance of literacy tests in some States and the abrogation of literacy tests in other States, violate that rule for delegation of the powers of the States?

Senator Thurmond. *I think* this bill clearly violates the interpretation the Senator just expressed in that decision.

Senator Ervin. Thank you, Senator.

Senator Thurmond. To this extent, the bill establishes a double standard—one for the federalized States and another for the States which were fortunate enough to have over 50 percent of their voting age population registered and voting in November, 1964. It is grossly unfair to the people of these six Southern States to have rank discrimination imposed upon them.

The figures upon which all of these conclusions have been based are subject to serious question. This is a point I am not sure has been raised. The Attorney General and other proponents of this bill primarily rely upon a tabulation of registration and statistics compiled and distributed by the Commission on Civil Rights. Needless to say, the figures contained in this compilation pertain to only 11 Southern States.

To illustrate my contention concerning the questionable nature of these figures, a large portion of the statistics for the State of South Carolina contained in this study by the Civil Rights Commission are attributed to an article from the November 1, 1964, edition of the Charleston News and Courier. By no means do I question the dedication and ability of the author of this article; but the fact remains that these are, at best, unvalidated and unofficial figures. This article estimates the total registration for the State of South Carolina as of November 1, 1964, to be 816,457. The figure given by the Civil Rights Commission is 816,458 registered voters, a deviation of only 1 voter. However, a newspaper article which appeared in the Greenville (S.C.) News on March 16, 1965, states that the official total registration for the 1964 election in South Carolina was 772,748. This figure was attributed to the Secretary of State of South Carolina. Hon. O. Frank Thornton, whose office has jurisdiction over the official voting records in South Carolina. For that reason, I believe that the latter figures of 772,748 would be more reliable. This one example merely serves to point out the difficulty in obtaining accurate and meaningful statistics upon which to base any proposal, if this is indeed the proper way to proceed in this matter.

The total voting age population of the State of South Carolina, according to the 1960 census, was 1,266,251. The total voting age population of the State of South Carolina as of November 1, 1964, according to the estimates of the Bureau of the Census, was 1,380,000.

I would like to remind the members of this committee that this figure is an approximation and is not an official tabulation. By using every possible combination of the four figures available, over 50 percent of the voting age population of the State of South Carolina was registered at the time of the presidential election of 1964.

If registration were the sole erosion contained in this bill, the State of South Carolina as a whole would not be covered. However, South Carolina is covered, simply because an unfortunately large percentage of those registered to vote chose not to vote in the presidential election of 1964. There were 524,748 registered voters cast their ballot in the presidential election last fall. This is less than 50 percent of either the official voting age populaion based on the 1960 census or the unofficial estimate by the Bureau of the Census of the voting age population as of November 1, 1964.

Senator Ervin. And with respect to either one of these figures, this bill provides that the certification of the Bureau of the Census is final, does it not, and cannot be contradicted even if it is untrue?

Senator Thurmond. There does not seem to be any way provided in the bill.

Senator Ervin. As you pointed out, the estimated figures put out by the Bureau of the Census for population in November 1964 are merely estimates and they are contradicted by another set of figures, are they not, which are just as reliable, if not more so?

Senator Thurmond. That is correct, and the figures given by the Civil Rights Commission, which seems to be the primary source here, conflict with the official figures as were given by the Secretary of State in the article which appeared in the paper.

Senator Ervin. Do you not think it is a poor way to search for facts and truth in the courts, to have a provision that a certificate cannot be contradicted, even in a case where it is in error.

Senator Thurmond. I certainly do.

Senator Ervin. Thank you.

Senator Thurmond. Mr. Chairman, there is no Federal law, and no State law that I know of, which requires qualified citizens to vote. Neither have I heard it suggested by any of the proponents of this legislation that such a law is desirable or is a necessary prerequisite to the full and free enjoyment of the freedom which is sought to be achieved through the enactment of the pending bill.

We all agree that it is one of the responsibilities of citizenship to vote in all elections and thereby contribute to representative government. Mr. Chairman, I take a back seat to no one in attempting to get out the vote. Last fall, I traveled all over the State of South Carolina in an effort to get out the vote, and my efforts were not limited to the State of South Carolina.

I spoke to everyone who would come to hear me. I urged that they vote in the presidential election. I might add that I even suggested very strongly which candidate they should support. Even with all these efforts by me and many others, less than 50 percent of the voting age population of South Carolina voted last November. Even so, the total vote far exceeded any previous vote ever cast in the State. Previous voting records were surpassed by at least 100,000 votes.

South Carolina has made and is continuing to make great strides in voter registration and participation, and yet no mention is made of this fact. One must be forced to the conclusion that freedom necessarily includes the right not to vote as well as the right to vote as each individual decides.

Section 3(c) of the bill is another unjustified contrivance calculated to frustrate the legitimate attempts of any State or political subdivision to eliminate itself from coverage by this bill.

This section would require any State or political subdivision which falls prey to the provisions of subsection (a) of section 3, to carry the affirmative burden of cleansing itself of sins which it may not even have been accused of committing. Nevertheless, the State must override this "guilt by statistic" in order to be allowed to have the election process of the State returned to the local level.

An action for a declaratory judgment must be brought in the U.S. District Court of the District of Columbia, and the petitioner in any such case would be required to prove that no discriminatory actions had taken place within a 10-year period preceding the bringing of the action.

Senator Ervin. If the Good Lord were to put down a requirement to show that we had not committed a single sin for 10 years as a prerequisite of salvation, many of us would never see salvation, would we? Is that not what this bill provides?

Senator Thurmond. It is an unreasonable provision of the bill, and it is hard to feel that any fair-minded man would have written such a bill.

Senator Ervin. How many voting precincts do you have in South Carolina?

Senator Thurmond. About 1,600.

Senator Ervin. And you would have to prove that not a single person who had applied for registration in any of those 1,600 precincts during the 10 years prior to the time of the bringing of the action for declaratory judgment had been denied the right to register to vote by a single election official on the account of race or color, would you not?

Senator Thurmond. That is correct, and I shall bring that out in just a minute.

Senator Ervin. If one election official had violated the 15th amendment with respect to one application of the right to vote within those 10 years, the State of South Carolina would be denied the privilege of exercising its constitutional powers, would it not?

Senator Thurmond. For a period of 10 more years after such a claimed violation.

This is an almost impossible burden of proof which would require bringing voluminous voting records from their places of depository to the District of Columbia. This section places an onerous burden upon the back of States which have not been convicted or even charged with voting discrimination on account of race, color, or previous condition of servitude; if the State is found to be in conformity, then, regardless of any previous court order, any State or subdivision should be entitled to a declaratory judgment, removing it from the coverage of this measure.

Mr. Chairman, one of the worst affronts to the dignity of any sovereign State which could be imagined is contained in section 8 of this bill. This section would require a sovereign State to seek prior approval of the Federal judiciary before enforcing any law modifying in any respect the voter qualifications in force and effect on November 1, 1964.

This procedure is an insult to the integrity of the elected officials and the people of the States covered. I know of no precedent in the law for such a provision. The legislatures of the States covered are made subservient to the Federal courts insofar as all voting laws are concerned without regard to whether the proposal in question bears any relation to the prohibitions of the 15th amendment. This is patently absurd, as well as unconstitutional.

There are no charges of voting discrimination in South Carolina based on race, color, or previous condition of servitude. Even the Attorney General, in his statement to this committee, states that:

"Of the six Southern States in which tests and devices would be banned statewide by section 3(a), voting discrimination has unquestionably been widespread in all but South Carolina and Virginia * * *"

His attempt to justify the application of this bill to South Carolina on the basis that, "other forms of racial discrimination are suggestive of voting discrimination," does a great injustice to the State of South Carolina and is unworthy of any high ranking Federal official. This is guilt by association in its worst form.

Senator Ervin. The Attorney General stated before this committee that he had no evidence that North Carolina was presently engaged, any of the counties of North Carolina that would come under this bill are presently engaged in violations of the 15th amendment. I asked him on what kind of basis he justified including them, and he said, "Well, they were part of the old Confederacy."

I also pointed out that Arkansas and Texas were part of the old Confederacy, but they were exempted from the bill, and also Florida. So the clear guilt by association, even in the old Confederacy, is not carried out to any logical degree by the Attorney General in the draft of this bill.

Senator Thurmond. That is certainly correct.

Senator Ervin. I do not advocate the extension of the bill to any other States in the old Confederacy or to any other State, because I think the bill is so iniquitous constitutionally that it ought not to be extended to anything.

Senator Thurmond. Well, I agree with the chairman. However, the effect of the Attorney General's statement is that discrimination in voting does not exist in South Carolina, and yet South Carolina was included here on the ground that other forms of racial discrimination are suggestive—suggestive. He does not even say they have been proved—suggestive of voting discrimination.

I challenge him to prove it. It is a false statement.

I urge this committee to carefully consider this measure in the light of provable facts, and not solely on unfounded accusations. If, after doing so, you determine that it is necessary for the Federal Government to assume the responsibility for establishing voter qualifications and registering voters, then I urge you to proceed by the only constitutional method available. That method is, of course, by constitutional amendment. This is the method which was followed in doing away with the poll tax as a prerequisite for voting in Federal elections. It is the only method available by which the Federal Government can constitutionally establish voter qualifications in any State.

Mr. Chairman, I want to say just again in closing that there is no voting discrimination against anyone in South Carolina. There has been no complaint from anyone about being denied the right to vote. I have always favored every qualified person voting in South Carolina.

We have a very low requirement for voting. The only requirement is for a person to be able to read and write the Constitution, which simply means to be able to read and write. And if he cannot do that, he can still vote if he owns $300 worth of property. That is a very low qualification. But that is the qualification fixed by the State constitution of South Carolina. That is the law of South Carolina.

Under article I, section 2, the States have a right to fix their voting qualification, and we feel it is unjust and unconstitutional to provide in this legislation for the States to be denied the right to fix voter qualifications, which this bill would do if it passes.

Senator ERVIN. For your consolation. I would like to state that I went this summer to the 34 counties in North Carolina which would be deprived of their sovereignty under this bill, and I urged them to come out to vote for the candidates for President and Vice President, and I regret to say that in some cases they did not heed my summons, because less than 50 percent of them came out to vote.

I found in some of these counties that there was great disinclination to favor the candidates of either of the tickets. That is what kept them home rather than discrimination or violation of the 15th amendment. I did all I could to get them to come out in total quantities to vote and was unable to do so.

There is a very interesting editorial in the Sunday Star for April 4, 1965, and I would like to find out how much you agree with it or disagree with it. It says:

"Our basic objections to the administration's voting rights bill have already been stated. We think there is need for a reasonable literacy test, provided there is no discrimination in its application to would-be voters.

Do you agree with that?"

Senator THURMOND. I agree with that, that a reasonable literacy test should be required. The State of New York, I believe, has an eighth-grade education, which is a much higher test than South Carolina has.

Senator ERVIN. Now, North Carolina's literacy test merely requires that a person applying for registration to demonstrate his capacity to read and write the English language by reading or copying a provision of the State constitution.

Is that not true?

Senator THURMOND. That is practically the same requirement we have in our State, except in our State, they can even vote if they cannot do that if they own $300 worth of appraised property.

Senator ERVIN. Now, this editorial proceeds further and says:

"The administration's bill, in one aspect outlaws any and all literacy tests, and is designed to permit total illiterates to vote."

Do you agree with that interpretation?

Senator THURMOND. It does. It simply means that in South Carolina an illiterate would be allowed to vote, whereas in New York, an illiterate could not vote.

Senator ERVIN. The editorial proceeds.

The educational voting level is low enough now without enacting a Federal law to push it down even further.

Do you agree with that?

Senator THURMOND. I certainly do.

Senator ERVIN. To continue:

"The second important aspect of this bill imposes its harsh and punitive provisions on any State which has a literacy test in which fewer than 50 percent of the residents over 21 are registered or actually voted in the 1964 election."

The bill does that, does it not?

Senator THURMOND. You are right.

Senator ERVIN. And it does it notwithstanding the fact that there is no way in the world a State can compel any percentage of its voters to come out and vote, does it not?

Senator THURMOND. The Senator is correct.

Senator ERVIN. The editorial goes on,

"This bill contains other provisions which are reminiscent of the Reconstruction era following the Civil War."

Do you agree with that?

Senator THURMOND. It certainly sounds so to me from statements made by the distinguished chairman and from the other information that has been brought out during this hearing.

Senator ERVIN. Now, during Reconstruction, they did allow a man to get a trial, get his case tried in the locality in which he lived, either in a military court or civil court, did they not?

Senator THURMOND. That is correct.

Senator ERVIN. Yet this bill would allow him to be deprived of the right to be tried before a court in the locality in which he lives, would it not?

Senator THURMOND. That is true.

Senator ERVIN. The Magna Carta, which was written, as I recall, in A.D., 1215, more than 700 years ago, says to no one will we deny justice; to no one will we delay it. Do you not consider that it is a denial of justice to say to the States of Alabama, Mississippi, Louisiana, and Georgia, where they have had some lawsuits in this field, that they cannot be given justice for 10 years and cannot be allowed for 10 years to show that they are not engaged in violation of the 15th amendment?

Senator THURMOND. I think the provision of the law along that line is completely unconstitutional, as well as unreasonable and unfair.

Senator ERVIN. Do you not agree with me that it is a delay of justice to South Carolina and the 34 North Carolina counties and the State of Virginia to say that they cannot have access to the courts, the Federal courts located within their borders, but are required to bypass courthouses in their localities, whose doors are nailed shut, and come to the District Court of the District of Columbia to even petition for a few crumbs of justice?

Senator THURMOND. I agree with the chairman, as I brought out in my statement on that point.

Senator ERVIN. Now, Benjamin Disraeli said the justice is truth in action. Now, under this bill, 34 North Carolina counties would be denied the right to use literacy tests on the theory that the literacy test is being used to prevent Negroes from registering and voting. The figures supplied by the Civil Rights Commission for the 1960 election show that in these, in the entire State of North Carolina, more than 99.99 percent of all persons who applied for registration passed the literacy test and were registered. Do you not think that Disraeli's definition of justice as truth in action fails to fit the 34 North Carolina counties or the State of North Carolina in view of that fact?

Senator THURMOND. It would seem that the chairman is making a statement that is well borne out by the record.

Senator ERVIN. I would like to put in the record this entire editorial from the Washington Star of April 4, 1965, at this point.

(The article referred to follows:)

[From the Washington Star, Apr. 4, 1965]

VOTING DISCRIMINATION

Our basic objections to the administration's voting rights bill have already been stated. We think there is need for a reasonable literacy test, provided there is no discrimination in its application to would-be voters. The administration's bill, in one aspect, outlaws any and all literacy tests, and is designed to permit total illiterates to vote. The educational voting level is low enough now without enacting a Federal law to push it down even farther.

The second important aspect of this bill imposes its harsh and punitive provisions on any State which has a literacy test, and in which fewer than 50 percent of the residents over 21 are registered or actually voted in the 1964 election.

This bill contains other provisions which are reminiscent of the Reconstruction era following the Civil War. But the two which we have mentioned, taken together, offend one's sense of fairness. If enacted, in its present form, this bill would result in a legislative discrimination as bad or worse than the evil the bill is supposed to remedy.

Let's take the case of Virginia, which is brought under this bill because it requires a literacy test and, though more than 50 percent of its eligibles are registered, fewer than 50 percent voted in 1964.

What is Virginia's literacy test? As spelled out by Senator Harry Byrd in his recent statement, any person desiring to register must be able, without assistance, to give in writing the following information: His name, the date and place of his birth, his *current* residence, his occupation, and, if he has voted before, the county and precinct in which he voted. That is all.

Is this a test which opens the door to such obviously discriminatory requirements as being able to interpret to the satisfaction of some ignorant registrar sections of a State constitution? Is it a test which asks too much of a person who wants to vote on the important and complicated issues which face us today? We do not think so. Furthermore, the administration concedes that *this is not* an unreasonable literacy test, and that there is no evidence that it has been used in Virginia to discriminate against Negroes.

If this is so, why does the bill link a reasonable and nondiscriminatory literacy test to an arbitrary formula with respect to voting or registration percentages?

One explanation is that the statistics on registration are unreliable. But this is said to be true in West Virginia, which is not affected by the bill because it has no literacy test. What nonsense.

In addition to Virginia, the States covered by the bill are Louisiana, Mississippi, Alabama, Georgia, and Alaska. We are puzzled by the inclusion of Alaska, in which Negroes certainly are not discriminated against. There are few if any there. As to the others, we haven't enough information to pass judgment.

But it is our firm belief that this is a discriminatory bill. If its purpose is to protect Negro voting rights, it discriminates in favor of New York, which requires a rather strict literacy test but which has met the voting percentage standards. It also discriminates in the case of Texas, which did not meet the percentage-of-voting standard in 1964, but which does require a literacy test, although it is verbal in character and is called by some other name.

There have been reports that the administration's bill will be changed or modified in some unrevealed aspects. We hope this is true. We also hope that the bill, if modified, will be made applicable to Virginia (in which we have a special interest) on the basis of facts rather than fiction. And certainly not on the basis of some arbitrary formula dreamed up by someone who hasn't the faintest idea what the facts are. Or, if he knows, doesn't care.

Senator ERVINS. I would like to ask you this. It says that—speaking particularly of the State of Virginia—it says that their so-called literacy tests merely require that a person give in writing his name, the date, and place of his birth, his current residence, his occupation, and if he has voted before, the county and precinct in which he voted. Then it proceeds to say that this bill applied to Virginia simply because less that 50 percent of the adults in Virginia voted in the presidential election of 1964.

Senator THURMOND. That is the same reason that would apply to South Carolina, because we have more than 50 percent of our eligible voters registered.

Senator ERVIN. And then it proceeds to say that if they are going to get some bill, it should get some kind of formula that is more just than this. It says that the formula will operate on the basis of facts rather than fiction, and adds, "Not on the basis of some arbitrary formula dreamed up by someone who hasn't the faintest idea what the facts are. Or, if he knows, doesn't care."

Do you think that has a relevancy to this bill?

Senator THURMOND. I thoroughly agree

> with the chairman in that statement. I belive that editorial inadvertently left out South Carolina as being one of the States covered by the bill.
>
> Senator Ervin. No, it mentions that. It mentions the six States.
>
> I am going to put some figures in the record. These figures, I might state, were supplied to me in response to requests from the boards of election of these counties. Unfortunately, some of them did not reply. But one of the counties that is to be denied the right to use of the literacy test is Bertie. Bertie County records show that 560 Negroes passed the literacy test in 1964 and only 30 failed.
>
> Camden County is another one of these counties. It shows that only 43 Negroes passed the test in 1964, and only 4 failed it.
>
> Craven County shows that 2,810 Negroes passed the test in 1964 and only 32 failed it.
>
> Greene County showed that in 1964, 87 Negroes passed the test and 5 failed it.
>
> Hoke County shows that 116 Negroes passed the test and 3 failed it.
>
> Hyde County shows that in 1964, 96 Negroes passed the test and 5 failed it.
>
> Lenoir County shows that 942 Negroes passed the test and 10 failed it.
>
> Martin County shows that 454 Negroes passed the test and only 25 failed it in 1964.
>
> Pasquotank shows that 551 Negroes passed the test in 1964 and only 26 failed it.
>
> Person County shows that 150 Negroes passed the test and only 1 failed it.
>
> And Robeson County shows that 3,935 Negroes passed the test and only 13 failed it.
>
> The records for Scotland County show that 1,319 Negroes passed the test and only 12 failed it.
>
> The Union County records show that 1,131 Negroes passed the test in 1962 and only 5 failed it.
>
> Wilson County shows that in 1964, 919 Negroes passed the test and only 6 failed it.

Then we continue, Mr. President.

> Senator Ervin. I would like to say that I think we need further hearings, but the committee received the bill under an order from the Senate that it must report it back by Friday of this week. If the committee should complete its work and mark up the bill by that time, we shall have to stop the hearings at this time.
>
> I think it is very unfortunate when the Senate placed a time limit upon a committee which ought to be devoting itself to a search for wise and constitutional legislation. But the Senate is our master, and we its mere servants: we are bound by this order of the Senate.

And so forth.

Mr. President, I repeated the testimony given when the original bill was passed because I wanted the Senate to hear the background of the bill as it was originally passed, and when it was renewed later because it is the same basic bill and has the same basic defects.

I just want the Members of the Senate and the people of this Nation to know the unfair legislation that was passed in 1965. It is still unfair, it is very unfair.

Mr. President, how much longer do I have?

The PRESIDING OFFICER (Mr. Stone). The Senator has 6 minutes remaining.

Mr. THURMOND. Mr. President, I have an editorial here, but I will not use that now.

I just want to state before giving up the floor—and I want to reserve a few minutes—that when I became Governor of South Carolina we had a poll tax as a prerequisite to voting. As Governor, I recommended the removal of that poll tax because I did not want to see any obstacle to voting. I wanted to see all the people vote and I did not want any impediment to keep people from voting.

The legislature submitted that amendment to the people, the people of South Carolina voted favorably and the poll tax was removed. This was, I guess, 8 or 10 years before Congress removed it by a constitutional amendment.

I know of no one in South Carolina that takes any step to prohibit anyone from voting. The Junior Chamber of Commerce, the Women's League of Voters, the Lions Club, the Kiwanis Club, the Rotary Club, all the civic organizations have put on drives to encourage people to vote. I have made speeches in every corner of the State, urging people to vote, urging everyone to vote.

I want to see everybody vote, but to have this bill reenacted here, to me, is completely unreasonable because there is no question in my mind, but that it is clearly unconstitutional.

Aside from that, I think it is very unfair.

Under this bill, South Carolina has to come to Washington and request preclearance from the Attorney General for every little piece of legislation that is passed, even the date of an election in a city or community, or the time of voting, or place of a polling precinct, any little thing pertaining to an election, must have the attorney general's approval. That is very unfair.

Then, too, as I stated, when this bill was passed, we had more than 50 percent of the people registered, but fewer than 50 percent voted. Well, no one can make the people vote. Every step possible was taken to encourage people to vote.

But why should the State of South Carolina be insulted and embarrassed and intimidated when it is one of the sovereign States of the Nation, one of the Original 13 Colonies, one of the original 13 States, the eighth State to enter the Union, and why should our people, when there is no impediment to voting, no one claiming there is any impediment, when no one has deprived anybody of the right to vote, when no one is claiming they are deprived of the right to vote, why should we have to remain under the bill simply because of an unreasonable formula that was adopted here on the theory that South Carolina was one of the Confederate States, evidently, and therefore it has discriminatory voting laws. Why should we be forced to come to Washington to get a preclearance for election law changes simply because fewer than 50 percent of the people voted.

Mr. President, again I say this is a very unfair piece of legislation. It was a mistake to ever pass it in the first place, but certainly it should not be renewed at this time in view of all of the facts, the statistics, and the lack of evidence here to show that there is any need for it.

Mr. President, I reserve the remainder of my time.

Mr. HARRY F. BYRD, JR. Mr. President, I yield myself such time as I may require.

Mr. President, I believe the Senator from South Carolina performed a worthwhile service to the Senate to bring to the attention of the Senate today the background of this legislation. It is the same legislation that is being proposed to be extended for another 10 years. The colloquy by the Senator from South Carolina and the former Senator from North Carolina, Mr. Ervin, brings out in some detail the inequities of the legislation.

The caption of the legislation, Voting Rights Act, is one the objective of which I certainly agree with. Never would I be a party to attempting to keep people from voting. As as matter of fact, my whole political career has been based on urging people to vote. I believe we have a better Government if we have a large voter turnout. So I encourage people to vote.

In any case, I would never be a party to attempting to keep persons from voting.

This so-called Voting Rights Act is so very unfair. It singles out seven States: Alabama, Georgia, Louisiana, Mississippi, South Carolina, Virginia, and about one-half of North Carolina.

It forces those States to take courses of action that no other States are required to take. For the sake of accuracy, I might say that there are a few other States affected insofar as a few counties in those States are concerned, but as a practical matter this legislation applies only to seven States. The other 43 States, as a practical matter, are not involved. Yet the crown of thorns is pressed down upon the brow of these seven States and these seven States are forced to come to Washington to have approved by Federal officials here any changes in their election laws. I believe it is very unfair and very unjust. I do not note that many Senators from States outside of these seven are advocating that their States be put under the Voting Rights Act, but they think it is very fine, of course, to press down upon these seven States this very iniquitous and unjust piece of legislation.

As I say, the objective is all right; the objective is good. I favor the objective of it. It is the method and the tactics that I disapprove of.

People of Virginia are just people. There are 99 Members of the Senate now—98 besides myself—and I have not heard any proponent of this legislation cite any evidence or make any charge that the State of Virginia has discriminated against its citizens and attempted to prevent any citizens from voting. No charge has been made. No evidence has been presented. Yet the legislation is introduced and is being pressed upon the Senate affecting only Virginia and six other States.

I do not know from experience, but I daresay there have been violations of voting procedures in many other States, probably in all the other States. We have heard a lot in the past and we still hear a lot about Cook County, Ill. I am sure that everything is not Simon pure in New York City, or in almost any other city of the country one could mention.

I do not see why just seven States should be singled out for this unequal treatment.

Mr. President, I recognize that before the week is over, and probably by Thursday, the so-called voting rights extension will be approved by the Senate. As I stated, there are only seven States which are adversely affected by it. That means that the other 43 can press down upon the seven any time they wish. The endeavor will be to do it very soon. I suspect by Thursday night the Voting Rights Act Extension will be passed.

I want to raise my voice in opposition to it because I believe it to be unfair; I believe it to be unjust. I believe it singles out a few States without being willing to address itself to the shortcomings of other States of the Union.

If we are going to determine for each State how its election laws shall be handled, then I think it should be done for each of the States and not just for a very few.

It is regrettable, I feel, there is apparently a bitterness on the part of individuals throughout our country in opposition to the southern part of our great Nation. I must say I had not been aware until today of the comment which is printed on page 80 of the House committee report, in which it quotes the Reverend Theodore M. Hesburgh, president of the University of Notre Dame, whom I do not know personally but whom I always felt was a very fine individual. This committee report said:

> He urged the subcommittee not to make the mistake of ending the "unfinished second reconstruction."

Well, if I have ever read an extreme statement, certainly that is one.

I find myself in agreement with the committee statement of eight committee members of the Judiciary Committee of the House of Representatives who commented on that statement by Hesburgh. I quote now these eight committee members who say:

> We believe that nothing is more inappropriate in the Twentieth Century than Reconstruction legislation. The time has come to vote against the hypocrisy of such legislation.

I subscribe to those views. As I say, everything I had known about Mr. Hesburgh has been very fine. I do not know him personally. But I do think it is a very extreme view when he urges Congress—let me try to get his exact words—not to make the mistake of ending the "unfinished second Reconstruction."

But I think that is the spirit in which this bill was written. It is the spirit in which the extension of it is being passed, which is, I feel, very unfortunate, not only for those seven States involved, but for the Nation as a whole.

I reserve the remainder of my time.

Mr. ALLEN. Mr. President, I yield myself 15 seconds.

I have noted that the distinguished Senator from California (Mr. TUNNEY), who is floor manager of the bill, has been on the floor here from time to time. I wish he would come out and start managing the bill, because I would like to find out a little something about it.

The PRESIDING OFFICER. The Senator's 15 seconds has expired.

Mr. ALLEN. I suggest the absence of a quorum.

Mr. MANSFIELD. Mr. President, I yield myself 30 seconds.

In the absence of the floor manager, it is the responsibility, I think, of the leadership on this side of the aisle to undertake that charge.

Mr. CRANSTON. Mr. President, may I also state that the Senator from California has been on the floor a great part of the afternoon. He and I have been in touch with each other, and presently this Senator from California is on the floor.

The PRESIDING OFFICER. The Senator from Alabama has suggested the absence of a quorum. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. TUNNEY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TUNNEY. I yield myself 3 minutes.

Mr. President, I think that it is very important that it be understood that the bill that we are considering now, the House-passed bill on the voting rights extension, is before us because of the very close timetable that we are operating under to get this extension passed before August 6. As the Senate knows, we go out on a statutory recess on August 1, which does not give us very much time.

The history of the legislation is that committee hearings were held in the Senate in April and the early part of May. The Subcommittee on Constitutional Rights passed the bill on to the full Judiciary Committee on the 11th of June, and since the 11th of June, until last week, we were not able to get an executive session in the full Judiciary Committee to report the bill out. Because it appeared that we were going to have delays on the floor as a result of opposition from some Senators who feel conscientiously and sincerely that the bill should not pass, it became clear last week that time was of the essence.

I compliment the leadership and the role that they have taken on this matter. They have shown great strength of purpose and wisdom. I think that history will show that in calling the House bill off the desk and making it the pending business, they have made it possible to have an extension of the Voting Rights Act in the Senate before the August recess, whereas I think it would have been impossible to have had that extension before the August recess if we had waited on the Senate bill to come to the floor under applicable procedures.

The facts are that the Committee on the Judiciary, when on Friday of last week it reported the voting rights bill to the Senate, did so with the understanding that the report would be filed this Tuesday at midnight. This would have meant that we would not have been able to consider the legislation until Wednesday, July 23. Assuming that there had been a cloture petition laid down on Wednesday, we would not have gotten to the vote until Friday. On the other hand, by following the strategy of the leadership we were able to obtain the vote on cloture today, which has given us 4 additional days to consider the bill and amendments on their merits.

When you consider that we are only about 10 days from the recess, that could be critical in the consideration of this legislation. I feel that it is most important that the Senate understand that there was nothing high-handed about the leadership's position in calling the House bill off the desk. We have had plenty of time to evaluate this legislation.

The House sent it over on June 5—1 week, as a matter of fact, before the Constitutional Rights Subcommittee passed the Senate bill on to the full Judiciary Committee. So we have had adequate time to consider the legislation, and I feel very strongly that the leadership provided just that, excellent leadership, in taking the action that they did. I want to thank both the Senator from Montana and the Senator from West Virginia for the role that they have played in making it possible for us to have the monumental and historic vote that we had today, in which 72 Senators voted to invoke cloture and make the extension of the Voting Rights Act the pending business.

The PRESIDING OFFICER. The Senator's 3 minutes have expired.

Mr. ALLEN. Mr. President, will the Senator yield for a question?

Mr. TUNNEY. I do not yield. I would be happy to listen to the Senator on his own time.

Mr. ALLEN. I thank the Senator for his courtesy, or lack of it.

The PRESIDING OFFICER. The question is on agreeing to the motion to proceed to consider.

Mr. HELMS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from North Carolina is recognized.

Mr. HELMS. I thank the Chair.

Mr. President, I regret that the distinguished Senator from California is not willing, for whatever reason, to respond to questions. I, like the distinguished Senator from Alabama, wanted to ask a few questions which may have resolved this matter to the satisfaction of the Senator from North Carolina, at least.

The primary question is why this legislation is limited to just a few States and not made applicable to all States. While I confess that I am apprehensive about this type of legislation in general, because it clearly is another Federal intrusion upon State sovereignty, I would be willing to vote in favor of a Voting Rights Act that was made applicable to all 50 States and all political subdivisions thereof.

But as has been pointed out, this is purely punitive legislation. Incidentally, I observe, Mr. President, that there are six Senators in the Chamber now at 6:30 in the evening. That includes the distinguished Senator now presiding. So any attempt to achieve a sense of reason concerning this legislation falls on deaf ears—or, more aptly, absent ears.

In observing the proceedings on this matter and on many others, since I came to the Senate, I am about to reach the regrettable conclusion that it really does not matter what the facts are, or what the equity is or is not, that Senators just come into the Chamber on a yea and nay vote and vote in a steamroller fashion.

Earlier today there was a vote on a ruling by the Chair, with the advice of the Parliamentarian, and it seemed to the Senator from North Carolina that the simple English language of the rules of the Senate showed that the Senator from Alabama was perfectly within the rules in sending forward a cloture motion for consideration.

I do not want to be too heavyhanded, Mr. President, in assessing the activities of other Senators or any Senator in particular, but I felt that I was observing a little bit of a shell game when I heard what seemed to me a rather specious explanation of the basis for the motion made by a distinguished Senator for whom I have the highest regard in defense of his using the power structure of the Senate to block consideration of the petition sent forward by the Senator from Alabama.

What I am saying, Mr. President—and I say it very sadly, because I love this Senate and I respect its traditions—and it is very meaningful to be a part of this body—is that I fear we are rapidly discarding something very vital in terms of what the Senate was intended to be. We no longer listen to each other. Sometimes it appears that we do not care what the facts are; sometimes it appears that we deliberately disregard equity and fairness. It is just a matter of who has the votes, who can push aside the minority.

I wish I did not feel this way, and I hope that my feelings will change, but it is a rather depressing set of circumstances to see what I consider to be power plays that repeatedly abrogate the rights of the minority.

I also wonder, Mr. President, about the people of New Hampshire. Here we are, approaching the 1st of August, and the people of New Hampshire yet have only one Senator and are likely to have only one for many weeks to come, because the New Hampshire issue has obviously been laid aside.

When one considers, from this Senator's point of view at least, that the matter of the New Hampshire dispute could have been so easily settled with fairness and equity weeks and months ago, simply by sending the decision back to the people of New Hampshire who want it, I am constrained to wonder why the Senate has not done exactly that and proceeded to other business, including the Voting Rights Act, for which there would have been plenty of time. But no, we have a scenario of repeated power plays, and I use the word advisedly and sadly. This Senator hopes that maybe comity can return to the Senate and not be permanently replaced by comedy and that we can get down to business on a fair and equitable basis.

I reiterate, Mr. President, that I speak in sadness and as a citizen who, for all of my adult life, has had a tremendous love and respect for the Senate, its traditions, and its rules; but I would be less than honest, Mr. President, if I did not say on this occasion that I am serving in the Senate these days in great disappointment at what I am observing.

I reserve the remainder of my time, and I sincerely thank the Chair.

The PRESIDING OFFICER. The question is on agreeing to the motion to proceed to the consideration of Calendar Order No. 170, H.R. 6219.

Mr. MANSFIELD. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. HARRY F. BYRD, JR. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ALLEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ALLEN. Mr. President, how much time remains to the Senator from Alabama?

The PRESIDING OFFICER. Four minutes and 45 seconds.

Mr. ALLEN. I yield myself 1 minute.

Mr. President, in a moment, I am going to put in a quorum call, to run until 6:30, to give any Senator who wishes to address himself pro or con on this matter the opportunity to do so. If there are no further speeches to be made, the Senator from Alabama would not care to use his remaining 3 minutes.

Mr. HARRY F. BYRD, JR. Mr. President, will the Senator yield, on my time?

Mr. ALLEN. I yield.

Mr. HARRY F. BYRD, JR. I do not have a speech to make, but I have several questions I would like to address to the——

Mr. ALLEN. It is difficult to find anybody who will respond to questions. I tried to get the distinguished Senator from California (Mr. TUNNEY) to submit to a question, but he chose not to do so. So I do not think there is any way the Senator can get an answer to his questions. That seems to be the situation.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. TUNNEY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TUNNEY. Mr. President, it is my understanding that when I left the Chamber for a few moments to take a telephone call, the Senator from Alabama made some remarks with respect to my absence. I wonder whether the Senator from Alabama would care to repeat those statements, now that I am back in the Chamber.

Mr. ALLEN. The Distinguished Senator from Virginia (Mr. HARRY F. BYRD, JR.) said that he had some questions he wished to ask of someone who was sponsoring the bill. I told him of the inability of the Senator from Alabama to get the distinguished Senator from California (Mr. TUNNEY) to respond to a question; and I suggested to the distinguished Senator from Virginia that I did not know how he could obtain an answer to a question, in the absence of anyone willing to answer the question.

Mr. TUNNEY. As the Senator from Alabama knows, I have been in the Chamber all afternoon. I have left only momentarily, from time to time, to take telephone calls. I will be happy to answer questions on the Senator's time. When we get to the bill itself, I will be happy to respond to questions on my time, as long as I have time. But now we are in that condition preceding consideration of the bill where it does not seem to me to be worthwhile to be spending a great deal of time in discussing the merits of the bill when that fact is not before us. But I will be happy to answer questions on the time of the Senator from Virginia or the Senator from Alabama.

Mr. HARRY F. BYRD, JR. Mr. President, will the Senator from California yield, on my time?

Mr. TUNNEY. I yield.

Mr. HARRY F. BYRD, JR. As I understand it, the Senator from California is chairman of the Subcommittee on Constitutional Rights of the Committee on the Judiciary.

Mr. TUNNEY. That is correct.

Mr. HARRY F. BYRD, JR. And, as such, held hearings on the extension of the Voting Rights Act.

Mr. TUNNEY. That is correct.

Mr. HARRY F. BYRD, JR. Did any witness come before the committee and testify that Virginia has been discriminating against any individual in the State or any group of individuals insofar as their right to vote in any election is concerned?

Mr. TUNNEY. The only testimony we have had that related to that was the testimony we had from the Civil Rights Commission, which was general in tone. I do not recall that in their testimony they specifically referred to Virginia, but the Commission report on the Voting Rights Act, 10 years after, which was filed with the committee, does discuss Virginia.

Mr. HARRY F. BYRD, JR. If the Senator will yield for another question, is the Senator from California aware that in 1961, 4 years before the original enactment of this law, the U.S. Commission on Civil Rights specifically stated in its conclusion that the Commonwealth of Virginia did not practice discrimination in its voting practices?

Mr. TUNNEY. I was not aware that in 1961, the Civil Rights Commission had made that statement, no.

Mr. HARRY F. BYRD, JR. The fact is that the Civil Rights Commission did make that statement in 1961. It was prior to the enactment of the Voting Rights Act. I am seeking to find out now whether there is anything which has occurred since 1961 to justify putting Virginia under the Voting Rights Act and whether there have been charges or evidence of discrimination?

Mr. TUNNEY. The standards, it is my understanding, that were applied in 1961 were different than the standards that were applied in 1965 by the Civil Rights Commission.

For instance, in 1965, one of the standards that was applied was whether or not there was a literacy test. Of course, Virginia had such a test.

Mr. HARRY F. BYRD, JR. Will the Senator yield?

Mr. TUNNEY. Yes.

Mr. HARRY F. BYRD, JR. Virginia does not have such a test now.

Mr. TUNNEY. It is my understanding that the State legislature has repealed such a literacy test since 1965.

Mr. HARRY F. BYRD, JR. Virginia has not had a literacy test for quite some time.

Mr. TUNNEY. It is my understanding that they have repealed that literacy test. But as I say, the standard that was applied in 1961 was different from the standard which was applied in 1965 when they made such a finding.

Mr. HARRY F. BYRD, JR. Have they found any evidence—what I am trying to understand is, did anybody come before the Senator's committee and say that Virginia should be under this Voting Rights Act, because here is the evidence that she has been discriminating against her citizens?

Mr. TUNNEY. One of the things, of course, that the Senator from Virginia knows is that, since the 1970 extension of the Voting Rights Act, it has been unlawful, nationwide, to have a literacy test. In that sense, Virginia is not any different from any other State, because no State has a literacy test.

Mr. HARRY F. BYRD, JR. Well, if Virginia, which we both recognize, does not have a literacy test and has not had a literacy test—it was removed from Virginia's Constitution some years ago—what justification is there for including Virginia under the Voting Rights Extension Act?

Mr. TUNNEY. If Virginia meets the triggering standard of the legislation, then she is included. As the Senator knows, Virginia attempted to bail out and the court found that she did not meet the necessary conditions for the bailout. So she remained included.

Mr. HARRY F. BYRD, JR. She did not meet the congressional edict. I think the Senator from California will agree that the court at no point stated that Virginia was discriminating in her voting processes.

Mr. TUNNEY. What the court found was that she did not meet the standard which had been established by Congress for the bailout. That, unfortunately, under the act itself, meant that Virginia had to remain covered.

Mr. HARRY F. BYRD, JR. May I ask the Senator from California this? The Senator from California is a fair and just man. Is there any means by which any of these States can cause themselves to be eliminated from the Voting Rights Act?

Mr. TUNNEY. Yes, there is.

Mr. HARRY F. BYRD, JR. What is the standard?

Mr. TUNNEY. Within the act, in section 4(d), which is the part of the bailout provision, it states that for purposes of this section:

> No State or political subdivision shall be determined to have engaged in the use of tests or devices for the purpose or with the effect of denying or abridging the right to vote on account of race and color if:
>
> 1. Instances of such use have been few in number and have been promptly and effectively defeated by State or local action; or
>
> 2. The continuing effect of such instances has been eliminated; and
>
> 3. There is no reasonable probability of their continuance in the future.

Mr. HARRY F. BYRD, JR. I might say to the Senator there have been no instances; by his own testimony, by his own statement in the Senate, there have been no instances in Virginia.

Mr. TUNNEY. I thought the question to me was, in our hearings, did we have any specific testimony of such incidents.

Mr. HARRY F. BYRD, JR. Yes.

Mr. TUNNEY. I indicated that we did not have any specific testimony, to my recollection, of specific instances, other than the general statement that was made by the Civil Rights Commission and, of course, they filed with the committee their report in "The Voting Rights Act Ten Years After," in which Virginia is mentioned in a couple of instances.

The only thing I can say to the Senator from Virginia—and I can understand full well how deeply concerned he is about the fact that his State is covered by the triggering device in the legislation—is the fact that there was a State of Virginia suit to bail out and the court found that Virginia did not meet the necessary prerequisites of the Voting Rights Act.

Mr. HARRY F. BYRD, JR. Will the Senator from California tell the Senate how any of these States—what is the mechanism for any State, other than coming here to the city of Washington and getting sufferance of a Federal official, what other means is there for any State to get out from under the Voting Rights Act?

Mr. TUNNEY. Well, they have to follow the procedures as outlined in the Voting Rights Act. That means coming to a court in the District of Columbia. The State of Alaska bailed out. They were able to meet the standard as it is described in section 4(d). Virginia was not able to.

Mr. HARRY F. BYRD, JR. But there has been no evidence of discrimination; yet there is no way that Virginia can get out from under the law.

Mr. TUNNEY. I read from the Commission report, "The Voting Rights Act Ten Years After," as it relates to Virginia. The Commission said:

> According to the Rev. Curtis Harris, independent candidate for Congress in the Fourth Congressional District, overt intimidation to keep people from registering and voting is now no longer a common practice in Virginia. Instead, pressure is more subtle. "They let people know they just might lose their jobs if they register and vote. If they work at a factory or on a farm, they are never given time off to go and register."
>
> There is considerable fear about registering and voting among blacks in Petersburg, according to the Rev. Clyde Johnson, a city council member. He said that blacks have been threatened with economic reprisal if they registered or voted. Such tactics, Johnson believes, are particularly effective against people in domestic service and in low-paying factory jobs. For example, two manufacturers in the area hire many blacks in low-paying jobs. Supervisory help, he alleges, often tell such workers who the "right" candidate is.

And so on.

Mr. HARRY F. BYRD, JR. Of course, only official State actions are covered by the Voting Rights Act. If that were the case here, would not the Voting Rights Act, under the legislation passed 10 years ago, could not Mr. CURTIS and Mr. HARRIS, if they desired to, utilize the Voting Rights Act, if this is occurring under the Voting Rights Act?

Mr. TUNNEY. They certainly could petition the Attorney General and ask the Attorney General to take action under section 3, section 4, section 5.

Mr. HARRY F. BYRD, JR. Anyone can present charges. But under the Voting Rights Act, charges must be substantiated. These, obviously, could not be.

The fact that there have been no challenges made is certainly pretty conclusive evidence, it seems to me, that there is no discrimination. As a matter of fact, I say again, the U.S. Commission on Civil Rights specifically stated, as long ago as 1961, that Virginia does not practice discrimination.

I thank the Senator.

Mr. TUNNEY. I thank the Senator.

Mr. MORGAN. Mr. President, before we vote on this motion, I want to make a few remarks for the RECORD and state my position on it. First, when the vote is taken I shall vote "no."

I want to make it clear, however, if and when we come to voting on the extension of the Voting Rights Act I shall vote for the bill unless there are amendments that I do not know about now.

But my vote today is a vote of protest against the procedure we are following. It may be that I am a little old-fashioned, but I just think if the committee system is going to exist, and if it is a good system, then we should not bypass the system.

A few days ago I had some conflicts and could not meet all of my schedules. I finally sort of made the statement:

> Well, I am going ahead to the other meeting because the Senate has gotten along 200 years without me, and I think they can do without me a little while longer.

Then, sort of facetiously, Mr. President, I said:

You know, we have not done too well in the last 200 years. We are in the middle of a recession, we are in the middle of an inflation, we just lost a war.

I could name several other things. The more I see, Mr. President, of the operation of the Senate and of this Congress the more convinced I am that Congress has to share its rightful—to take its rightful share of the responsibility for it.

I came here the other day prepared to discuss a bill on Federal Rules of Criminal Procedure. I had done my homework. I had called the Federal judges in my State and discussed it with them. I had talked with a good many members of the bar in my State, had a couple of amendments to be offered. Lo and behold, I suddenly found that because of limitations of time and parliamentary maneuvers a substitute bill had been offered that was not considered by the committee or discussed by the committee, to my knowledge, and then I was prevented from even speaking on the substitute bill.

After the bill had passed, I went to my office and I spent a great deal of time over the weekend looking to see what we had passed. We passed a bill that, in my opinion, was almost completely different from what the bill was that came out of committee.

Mr. President, we cannot as individual Members of the Senate study and understand every bill that comes before us. Of necessity, we are going to have to at some time or another learn to rely on the work of our colleagues as they function as committee members. But if we are going to come in and, by parliamentary rules and procedures, bypass the committees, then I think we have struck a blow against the committee system, and I think we will continue to perpetuate many of the problems that confront us today.

As I read the memorandum on my desk today that was placed here by the Subcommittee on Constitutional Rights, I guess it is, of the Judiciary Committee, I understand they have heard over 30 witnesses in the Senate subcommittee. Now they are asking us to come here and vote on this bill without the benefit of knowing what those witnesses had to say. What is wrong with waiting until the committee report comes to the floor of the Senate, and then consider the bill in an orderly fashion? If we waited too late, then why have we waited so long? We have known all of this session that the Voting Rights Act expired August 7. Why did we wait until the last 10 days before the August recess and then come in and try to bypass the committee? If it means staying here until August 7 to consider the committee bill and the report then let us do that. But let us not come in by mere strength, because you have the votes and try to pass something without adequate consideration.

I resent high-handedness whether it is on the side on which I intend to vote or whether it is carried out by the opposition. I just do not think we ought to engage in this sort of thing. I do not think we ought to take the House bill from the table and vote on it, and it certainly dampens my respect for the committee system in the operations of the Senate.

Mr. President, I am sure the votes are already counted, but I think that this day, if we follow this procedure, there will come another day where this precedent will come back to haunt us.

So when I cast my vote it is going to be a vote against this kind of parliamentary procedure and it is going to be a vote, I think, in favor of an orderly committee process.

Mr. ALLEN. Mr. President, will the Senator yield?

Mr. MORGAN. I will be happy to.

Mr. ALLEN. I want to commend the distinguished Senator from North Carolina for his remarks and for his high-minded approach to this problem.

I have observed the distinguished Senator from North Carolina as he has served his first year here in the U.S. Senate and I am greatly impressed by his work, his ideals, his call for responsibility on the part of the Senate.

As I understand the distinguished Senator from North Carolina, he is disturbed by the fact that the bill that is sought to be brought up, H.R. 6219, has never been before the Senate Judiciary Committee or any other committee of the Senate; is that correct?

Mr. MORGAN. That is correct.

Mr. ALLEN. I wonder if it disturbs the distinguished Senator from North Carolina that at the time the Senate bill was under consideration in the Judiciary Committee and negotiations were being made with the opponents of the voting rights bill, and they were trying to determine whether the opponents would have through Monday or through Tuesday in which to file their report, and while they were negotiating with the opponents of the bill that, at the same time, plans were being laid here on the Senate floor to strike by seeking to bring up the House bill. Does that disturb the distinguished Senator from North Carolina?

Mr. MORGAN. I would say to the distinguished Senator from Alabama I am not familiar with the actions of the Judiciary Committee. I was aware of the fact that the Judiciary Committee was acting on this bill and was about ready to report it. But it does disturb me that the effort was made to bring the bill up last week without some notice to the Members of the Senate.

I just do not think we are playing a cat-and-mouse game in the U.S. Senate. I believe that every measure that is considered here ought to be considered on its merits and ought to be adopted in an orderly fashion. I say this without criticism of anyone, but we simply need to know in advance what is coming up because we just cannot stay prepared on the spur of the moment for everything that might be brought up without some advance notice of it.

Mr. ALLEN. Well, does the Senator think that the proponents of the bill, with more than 70 votes for the bill, with the leadership calling the shots at all times, with an appeal being taken from a ruling of the Chair or the Parliamentarian through the Chair, does the Senator think that the manner in which this bill has been handled, in the face of this tremendous majority for the bill, has taken just a little bit of the bloom, a little bit of the glow, a little bit of the gloss out of the victory they are going to have here in just a few days?

Mr. MORGAN. Well, I would say this to the distinguished Senator from Alabama, I always felt when I was serving in the senate of my home State, or even when I was trying a case in the courts, if I had the strength to win the issue at hand that was the time to lean over backwards to make sure I not only was fair to my opponents, but that I left the impression with everyone that I had been fair.

Mr. ALLEN. Has that proposition been shown with respect to this bill, in the judgment of the Senator from North Carolina?

Mr. MORGAN. Well, I will say to the Senator, I do not want to pass judgment. I think I made my statement clear as to why I am voting "no."

Mr. ALLEN. I believe the Senator has made it abundantly clear.

I thank the Senator.

Mr. MORGAN. I would say to the Senator with regard to the appeal from the ruling of the Chair today, when the debate on that was carried out I was in a committee meeting, and when I came to the Senate I made inquiry, as I normally do as to what is pending, and after doing that I came down to the front and discussed the pending matter with the Parliamentarian and asked him to show me the rules on which he made his ruling.

In other words, I tried to vote for what I thought was a correct interpretation of that ruling and I did not try to vote a party line.

I am not talking about Republican or Democrat, but I did not try to vote the side I might eventually vote on, and I think that is the way we ought to make our decisions, especially on cases or decisions that might be cited in years to come as a precedent for other Senates to follow.

For that reason, I tried to make the decision on the New Hampshire matter.

Mr. ALLEN. Well, how did the Senator vote? I really do not know.

Mr. MORGAN. I voted in favor of sustaining the Chair.

Mr. ALLEN. Well, I am not surprised, the Senator having read the rules, coming to that decision.

Mr. MORGAN. I say to the Senator from Alabama, I think there is room for difference there, but after reading the rule on which he based his opinion and going back and reading the precedent that had been cited in support of the appeal from the Chair, I concluded that the precedent was not relevant to this particular question and, therefore, I voted to sustain the ruling of the Chair as he had been advised by the Parliamentarian.

Mr. ALLEN. I think the Senator made an eminently fair and correct decision.

Mr. SPARKMAN. Mr. President, will the Senator yield to me briefly?

Mr. MORGAN. I am delighted to.

Mr. SPARKMAN. I commend the Senator on his expressing his thoughts as he has here.

I have been in the Senate a long time and somehow I feel a little sadness these days, because I do not feel that we are moving actively in the way we ought to at all times.

I am not aiming criticism at anyone, but I just feel we are not having the Senate as a body operate the way I would like to think that it would operate.

I want to say with reference to this legislation that will be pending sooner or later, as a matter of fact I would like to see the voting rights law extended provided they can treat us all alike. I have felt there has been a high degree of unfairness, lack of uniformity as among the several States of the Union.

I hope to goodness that amendments may be offered and accepted that will remove that lack of fairness as among all of the States of the Union.

I may say this, and I join with the Senator, I wish I could see a copy not only of the report of the committee, but of the hearings, see what these witnesses said.

I listened to the questions by the distinguished Senator from Virginia this afternoon as to what was in the hearings with reference to the State of Virginia. I would like to see what is in there with reference to the State of Alabama.

I may say this, I have been voting a long time and I have never seen any discrimination as among people, whether it is racial, or between rich and poor, or whatever the classes may have been, I have never seen any at any polling place in my State, and I have been in a good many races over the 39 years that I have been running for Congress.

Mr. ALLEN. And successfully.

Mr. SPARKMAN. I believe if it had been there, I would have seen it, certainly in my home town and in my home county.

So I will say this, I think the Voting Rights Act did some good. I think it proved to be a good measure and, undoubtedly, did help out, in many instances. But because Virginia may have had a blot on it in 1961 does not mean it ought to be held there until 1975.

Mr. HARRY F. BYRD, JR. Will the Senator yield on my time?

Virginia did not have a blot in 1961. As a matter of fact, the U.S. Civil Rights Commission stated in 1961 that there is no evidence that Virginia discriminated in voting rights to its citizens.

Mr. SPARKMAN. I am glad the Senator corrected me. I remember the date being used, 1961, and I thought there was something charged against Virginia in 1961.

I am certain there have been things done in my State over the years, but I would like to see it in the record. I wish we had those hearings on our desks so we could see what has been said by witnesses, and I would like to see that there are things, if there are conditions in Alabama, that set us apart from other States in the Union, I would like to know what they are.

I just do not believe that we ought to be required to accept an act as long as there is unfairness in it, as I believe there is in the act as it stands today.

It can be cleared up by amendments, if we ever get to the point where amendments will be allowed and if adequate time is given to the presentation of those amendments. It can be cleared up, and I hope it will be, because I believe that good can be accomplished with a good Voting Rights Act.

Mr. MORGAN. I thank the distinguished Senator from Alabama.

Mr. President, I conclude my remarks by saying that I realize that as a new Member of the Senate, the better part of judgment would tell me to refrain from expressing my views, but I am afraid if I do not express my thoughts while I am new in the Senate, that I, too, may soon get so involved and so tied up that I might fall into the same rut without ever having expressed them. So I am going to continue to do so.

I conclude by saying—it may be an old cliche, but it is true—that it is not hard to do what is right if one knows what is right and the only way I can try to determine what is right is to have the benefit and wisdom of my colleagues who have made studies and indepth studies of a question.

I thank the Chair.

Mr. ALLEN. Mr. President, I yield myself 2 minutes.

Mr. President, I would like to call to the attention of my distinguished senior colleague (Mr. SPARKMAN) an interesting statement on page 11 of the House report. We do not have a Senate report.

> In general, it is estimated that 18.9 percent of black registration has been accomplished through Federal examiners.

Where did the other 81.1 percent of the registration come from? It came from the local boards of registrars in the States. So while we praise the work, Mr. President, of the Voting Rights Act, let us bear in mind also that our own State authorities have been responsible for registering 81.1 percent of the blacks who have been registered throughout the South since the original Voting Rights Act.

I would also like to suggest to the distinguished Senator from Alabama who has expressed the hope that amendments will be received and accepted, that I would not count too much on that, I will say to my distinguished senior colleague. I fear that the old steamroller is going to be at work and no amendment, no basic and fundamental amendment, will be permitted to this bill.

I would not count too much on the bill being straightened out here in the Chamber. I would predict that not one single basic and fundamental amendment giving any relief to Southern States will be accepted in the Senate.

I reserve the balance of my time and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ALLEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ALLEN. How much time remains to the Senator from Alabama?

The PRESIDING OFFICER. One minute 45 seconds remains.

Mr. ALLEN. Mr. President, I call for the yeas and nays and yield back the remainder of my time.

The PRESIDING OFFICER. The yeas and nays already have been ordered. Is all time yielded back?

Mr. ALLEN. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the motion to proceed to the consideration of H.R. 6219. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from South Dakota (Mr. ABOUREZK), the Senator from Indiana (Mr. BAYH), the Senator from Arkansas (Mr. BUMPERS), the Senator from Mississippi (Mr. EASTLAND), the Senator from Kentucky (Mr. FORD), the Senator from Michigan (Mr. HART), the Senator from Colorado (Mr. HASKELL), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Minnesota (Mr. HUMPHREY), the Senator from Hawaii (Mr. INOUYE), the Senator from Louisiana (Mr. LONG), the Senator from Arkansas (Mr. MCCLELLAN), the Senator from Montana (Mr. METCALF), the Senator from Utah (Mr. MOSS), the Senator from Wisconsin (Mr. NELSON), the Senator from Missouri (Mr. SYMINGTON), and the Senator from Delaware (Mr. BIDEN) are necessarily absent.

I further announce that, if present and voting, the Senator from Minnesota (Mr. HUMPHREY), the Senator from Michigan (Mr. HART), and the Senator from South Dakota (Mr. ABOUREZK) would each vote "yea."

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. BARTLETT), the Senator from New Mexico (Mr. DOMENICI), the Senator from Arizona (Mr. GOLDWATER), the Senator from Oregon (Mr. HATFIELD), the Senator from Illinois (Mr. PERCY), and the Senator from Connecticut (Mr. WEICKER) are necessarily absent.

The result was announced—yeas 63, nays 13, as follows:

[Rollcall Vote No. 306 Leg.]

YEAS—63

Baker
Beall
Bellmon
Bentsen
Brock
Brooke
Buckley
Burdick
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cranston
Culver
Curtis
Dole
Eagleton
Fong
Garn
Glenn
Gravel
Griffin
Hart, Gary W.
Hartke
Hathaway
Hollings
Hruska
Jackson
Javits
Johnston
Kennedy
Laxalt
Leahy
Magnuson
Mansfield
Mathias
McClure
McGee
McGovern
McIntyre
Mondale
Montoya
Muskie
Packwood
Pastore
Pearson
Pell
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Stafford
Stevens
Stevenson
Stone
Taft
Tower
Tunney
Williams

NAYS—13

Allen
Byrd, Harry F., Jr.
Fannin
Hansen
Helms
Morgan
Nunn
Scott, William L.
Sparkman
Stennis
Talmadge
Thurmond
Young

NOT VOTING—23

Abourezk
Bartlett
Bayh
Biden
Bumpers
Domenici
Eastland
Ford
Goldwater
Hart, Philip A.
Haskell
Hatfield

Huddleston
Humphrey
Inouye
Long
McClellan
Metcalf
Moss
Nelson
Percy
Symington
Weicker

So the motion was agreed to.

AMENDMENT OF THE VOTING RIGHTS ACT

The **PRESIDING OFFICER**. The bill will be stated by title.

The legislative clerk read as follows:

A bill (H.R. 6219) to amend the Voting Rights Act of 1965 to extend certain provisions for an additional 10 years, to make permanent the ban against certain prerequisites to voting, and for other purposes.

CLOTURE MOTION

Mr. **MANSFIELD**. Mr. President, I send a cloture motion to the desk.

The **PRESIDING OFFICER**. The cloture motion, having been presented under the rule XXII, the Chair, without objection, directs the clerk to read the motion.

The legislative clerk read as follows:

Cloture Motion

We, the undersigned Senators, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, hereby move to bring to a close the debate upon H.R. 6219, An Act to amend the Voting Rights Act of 1965 to extend certain provisions for an additional 10 years, to make permanent the ban against certain prerequisites to voting, and for other purposes.

Mike Mansfield, Alan Cranston, Stuart Symington, Gale W. McGee, John Glenn, Gary W. Hart, William Proxmire, Gaylord Nelson, John Culver, Lee Metcalf, John V. Tunney, Richard (Dick) Stone, Jennings Randolph, Charles McC. Mathias, Jr., Richard S. Schweiker, and Bob Packwood.

Mr. **MANSFIELD**. Mr. President, may I have the attention of the Senate?

The **PRESIDING OFFICER**. The Senate will be in order. Senators will take their seats.

The Senator from Montana.

ORDER FOR RECESS UNTIL 11 A.M. TOMORROW

Mr. **MANSFIELD**. Mr. President, I ask unanimous consent that, when the Senate completes its business this evening, it stand in recess until the hour of 11 a.m. tomorrow.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

TIME LIMITATION AGREEMENT CONFERENCE REPORT S. 555

Mr. **MANSFIELD**. Mr. President, I ask unanimous consent that there be a time limitation of not to exceed 5 minutes on the conference report on S. 555. If granted, I ask unanimous consent that the conference committee, under the chairmanship of the distinguished Senator from Georgia (Mr. Talmadge), turn to that immediately.

The **PRESIDING OFFICER**. Is there objection?

Without objection, it is so ordered.

The Senator from Georgia.

EMERGENCY LOAN PROGRAM—CONFERENCE REPORT

Mr. **TALMADGE**. Mr. President, I submit a report of the committee of conference on S. 555, and ask for its immediate consideration.

The **PRESIDING OFFICER**. The report will be stated by title.

The legislative clerk read as follows:

The committee on conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 555) to amend the Consolidated Farm and Rural Development Act, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all the conferees.

The **PRESIDING OFFICER**. Is there objection to the consideration of the conference report?

There being no objection, the Senate proceeded to consider the report, as follows:

Conference Report [To Accompany S. 555]

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 555) to amend the Consolidated Farm and Rural Development Act, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment insert the following:

Sec. 2. Subsection (a) of section 321 of the Act is amended to read: "The Secretary shall designate any area in the United States, Puerto Rico, and the Virgin Islands as an emergency area if he finds that a natural disaster has occurred in said area which substantially affected farming, ranching, or aquaculture operations. For purposes of this subtitle 'aquaculture' means husbandry of aquatic organisms under a controlled or selected environment.".

Sec. 3. Subsection (b) of section 321 of the Act is amended as follows:

(a) in the first sentence after the words "major disaster" insert "or emergency", strike the words "oyster planters" and "oyster planting" and insert in lieu thereof the words "persons engaged in aquaculture" and "acquaculture", respectively; and

(b) delete everything after the first sentence, strike the period, and insert: "and are unable to obtain sufficient credit elsewhere to finance their actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in the community in or near which the applicant resides for loans for similar purposes and periods of time. The provisions of this subsection shall not be applicable to loan applications filed prior to July 9, 1975.".

Sec. 4. Section 322 of the Act is amended to read: "Loans may be made under this subtitle for any of the purposes authorized for loans under subtitle A or B of this title, as well as for crop or livestock changes deemed desirable by the applicant: *Provided*, That such loans may include, but are not limited to, the amount of the actual loss sustained as a result of the disaster.".

Sec. 5. Section 324 of the Act is amended to read: "Loans made or insured under this Act shall be (1) at a rate of interest not in excess of 5 per centum per annum on loans up to the amount of the actual loss caused by the disaster, and (2) for any loans or portions of loans in excess of that amount, the interest rate will be that prevailing in the private market for similar loans, as determined by the Secretary. All such loans shall be repayable at such times as the Secretary may determine, taking into account the purposes of the loan and the nature and effect of the disaster, but not later than provided for loans for similar purposes under subtitles A and B of this title, and upon the full personal liability of the borrower and upon the best security available, as the Secretary may prescribe: *Provided*, That the security is adequate to assure repayment of the loans; except that if such security is not available because of the disaster, the Secretary shall (i) accept as security such collateral as is available, a portion or all of which may have depreciated in value due to the disaster and which in the opinion of the Secretary, together with his confidence in the repayment ability of the applicant, is adequate security for the loan, and (ii) make such loan repayable at such times as he may determine, not later than that provided under subtitles A and B of this title, as justified by the needs of the applicant: *Provided further*, That for any disaster occurring after January 1, 1975, the Secretary, if the loan is for a purpose described in subtitle B of this title, may make the loan repayable at the end of a period of more than seven years, but not more than twenty years, if the Secretary determines that the need of the loan applicant justifies such a longer repayment period: *Provided further*, That notwithstanding the provisions of any other law, any loan made by the Small Business Administration in connection with a disaster occurring on or after the date of enactment of this amendment under section 7(b) (1), (2), or (4) of the Small Business Act shall bear interest at the rate determined in the first paragraph following section 7(b) (8) of such Act for loans under paragraphs (3), (5), (6), (7), or (8) of section 7(b).".

Sec. 6. Section 325 of the Act is amended to read as follows: "The Secretary may delegate authority to any State director of the Farmers Home Administration to make emergency loans in any area within a State of the United States, Puerto Rico, or the Virgin Islands on the same terms and conditions set out in section 321(a) without any formal area designation being made: *Provided*, That the State director finds that a natural disaster has substantially affected twenty-five or less farming, ranching, or aquaculture operations in the area.".

Sec. 7. At the end of subtitle C of the Act, add a new section 329 stating: "An applicant seeking financial assistance based on production losses must show that a single enterprise which constitutes a basic part of his farming, ranching, or aquaculture operation has sustained at least a 20 per centum loss of normal per acre or per animal production as a result of the disaster.".

Sec. 8. At the end of subtitle C of the Act, add a new section 330 stating: "Subsequent loans, to continue the farming, ranching, or aquaculture operation may be made under this subtitle on an annual basis, for not to exceed five additional years, to eligible borrowers, at the prevailing rate of interest in the private market for similar loans as determined by the Secretary, when the financial situation of the farming, ranching, or aquaculture operation has not improved sufficiently to permit the borrower to obtain such financing from other sources.".

Sec. 9. At the end of subtitle D of the Act, add a new section 345 to read as follows:

"Sec. 345. On or before February 15 of each calendar year beginning with calendar year 1976, or such other date as may be specified by the appropriate Committee, the Secretary of Agriculture shall testify before the Senate Committee on Agriculture and Forestry and the House Committee on Agriculture and provide justification in detail of the amount requested in the budget to be appropriated for the next fiscal year for the purposes authorized in the Consolidated Farm and Rural Development Act, as amended, and of the amounts estimated to be utilized during such fiscal year from the Agricultural Credit Insurance Fund and the Rural Development Insurance Fund.".

And the House agree to the same.

Herman E. Talmadge,
James O. Eastland,
George McGovern,
James B. Allen,
Hubert H. Humphrey,
Robert Dole,
Carl T. Curtis,
Henry Bellmon,
Managers on the Part of the Senate.

Bob Bergland,
E de la Garza,
Alvin Baldus,
Glenn English,
Jack Hightower,
Berkley Bedell,
Richard Nolan,
William C. Wampler,
Edward R. Madigan,
Richard Kelly,
Managers on the Part of the House.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 555) to amend the Consolidated Farm and Rural Development Act submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report. The differences between the Senate bill and the House amendment and the substitute agreed to in conference are noted in the following outline, except for conforming, clarifying, and technical changes:

(*1*) *Designation of emergency areas.*

The *Senate* bill "authorizes" the Secretary to designate any area as an emergency area for purposes of the emergency loan program if he finds that a natural disaster has occurred in the area which substantially affected farming, ranching, or "oyster-producing" operations.

The *House* amendment "requires" the Secretary to make loans in such situations; and strikes "oyster-producing" each place it appears in the *Senate* bill and inserts in lieu thereof "aquaculture". The *House* amendment defines "aquaculture" as meaning "husbandry of aquatic organisms under a controlled or selected environment". The *House* amendment also includes under the definition of "natural disaster" the natural occurrence of certain biological organisms, including organisms known as "the Red Tide".

The *Conference* substitute adopts the *House* amendment with an amendment deleting the sentence which provides that "natural disaster" shall include the natural occurrence of certain biological organisms, including the Red Tide.

The *Conferees* intend, however, that the Secretary of Agriculture coordinate his activities with those of the Secretary of Commerce and the Administrator, Small Business Administration, so as to insure that all possible assistance will be made available to those engaged in agriculture who are victims of natural occurrences such as the Red Tide. It is of particular concern to the *Conferees* that those engaged in agriculture, as defined in section 2 of this bill, not find themselves in a "no man's land" of disaster assistance where, through technical interpretations of the law, they are unable to obtain disaster loan assistance from either the Farmers Home Administration or the Small Business Administration.

Therefore, the Secretary of Agriculture, working in conjunction with the Secretary of Commerce, and the Administrator, Small Business Administration, is directed to conduct a study and make a report to the Congress on or before January 1, 1976, concerning the extent of economic injury incurred by those involved in agriculture, as defined in this bill, who are unable to produce and market a product for human consumption because of disease or toxicity in such product caused by the natural occurrence of certain biological organisms such as, but not limited to, the Red Tide. The report shall include: (1) descriptions of programs under which loan assistance is made available to such disaster victims; (2) statistics setting forth the amount of loan assistance provided; (3) geographical areas, or boundaries, within which such assistance has been provided; and (4) types of natural occurrences of certain biological organisms which have been covered by loan assistance.

The Secretary is further directed to include in his report action which has been, or is being, undertaken by the Executive Branch to resolve any problems which may involve disaster victims engaged in aquaculture who apply for disaster loan assistance and to submit legislative recommendations where existing legal authority is unclear or in need of amendment.

(2) *"Credit elsewhere" requirement.*

Both the *Senate* bill and the *House* amendment provide that loans would be made only to victims of a disaster who are unable to obtain sufficient credit elsewhere at reasonable rates and terms.

The *House* amendment provides that this "credit elsewhere" requirement shall not apply to loan applications filed prior to July 9, 1975.

The *Conference* substitute adopts the *House* amendment. It is, however, the intent of the *Conferees* that the "credit elsewhere" requirement be implemented by the Farmers Home Administration in such a manner as not to delay affording needed assistance to victims of diasters.

(3) *Emergency loans for crop or livestock changes.*

The *Senate* bill authorizes loans for crop or livestock changes deemed desirable "as a result of changes in market demand since the occurrence of the disaster".

The *House* amendment authorizes loans for crop or livestock changes deemed desirable "by the applicant".

The *Conference* substitute adopts the *House* amendment.

(4) *Interest rate on loans in excess of $100,000.*

The *Senate* bill provides (as under existing law) that the maximum rate of interest for emergency loans made for actual losses would be 5 percent per year.

The *House* amendment retains the *Senate* provision but revises it to provide that the amount eligible for the 5 percent rate of interest could not "exceed $100,000 per loan". The balance would be at the interest rate prevailing in the private market for similar loans.

The *Conference* substitute deletes the limitation contained in the *House* amendment. In taking this action, the *Conferees* note that there is no such limitation in the Small Business Act under which the Small Business Administration makes disaster loans.

(5) *Security and collateral for emergency loans.*

The *House* amendment requires the Secretary to accept as security for repayment of emergency loans collateral which has depreciated in value because of the disaster if the collateral, together with the lender's confidence in the repayment ability of the applicant, is adequate security.

The *House* amendment also requires the Secretary to make emergency loans if no collateral is available because of the disaster and the lender has sufficient confidence in the repayment ability of the applicant to assure repayment of the loan. In both cases, the Secretary is required to make the loans repayable at such times as he may determine, as justified by the needs of the applicant (but not later than the repayment periods for real estate loans and operating loans under existing law).

The *Senate* bill contains no comparable provision.

The *Conference* substitute adopts the *House* amendment with two modifications. The *Conference* substitute deletes the requirement that loans be made in cases where no collateral is available. In cases where the collateral has depreciated in value because of the disaster, the loan is required to be made if the collateral, together with the *Secretary's* confidence in the applicant's repayment ability, is adequate security.

(*6*) *Special loans.*

The *Senate* bill authorizes the Secretary—with respect to any disaster occurring between January 1, 1975, and July 1, 1976—to make an emergency loan for an operating-type purpose for not more than 20 years if it is determined that the applicant's financial need as a result of the disaster justifies a longer repayment term than that normally extended for operating loans, and there is adequate security to assure repayment over the longer period.

The *House* amendment retains the *Senate* provision but makes it applicable with respect to any disaster occurring after January 1, 1975.

The *Conference* substitute adopts the *House* amendment.

(7) *Interest rate of disaster loans made by the Small Business Administration.*

The *House* amendment provides that, notwithstanding the provisions of any other law, any loan made by the Small Business Administration in connection with a disaster occurring on or after the date of enactment of the bill shall bear interest *at* the rate determined under section 7(a)(4)(b) of the Small Business Act; namely, at the average annual interest rate on all interest bearing obligations of the United States, then forming a part of the public debt as computed at the end of the fiscal year next preceding the date of the loan and adjusted to the nearest one-eighth of one per centum plus one-fourth of one per centum per annum.

The *Senate* bill contains no comparable provision. (Under existing law, the maximum rate of interest for disaster loans made by the Small Business Administration is 5 percent per year and is governed by the interest rate for FHA emergency loans under section 324 of the Consolidated Farm and Rural Development Act. The *Senate* bill and the *House* amendment amend section 324 of the Act to provide that the prevailing private market rate of interest for similar loans, as determined by the Secretary, shall apply to the amount of any loan in excess of the actual loss caused by the disaster.)

The *Conference* substitute adopts the *House* amendment with an amendment that provides that loans made by the Small Business Administration in connection with a disaster occurring on or after the date of enactment of the bill shall bear interest at a rate that shall be *not more than* the rate specified in the *House* amendment.

(8) Eligibility for assistance based on production loss.

The *Senate* bill provides that, in order to be eligible for emergency loan assistance based on a production loss, an applicant must show that he incurred at least a 20 percent loss of normal per acre or per animal production as a result of the disaster.

The *House* amendment retains the *Senate* provision but modifies it to provide that the applicant must show that "a single enterprise which constitutes a basic part" of his operation sustained at least a 20 percent loss.

The *Conference* substitute adopts the *House* amendment. The *Conferees* intend that the term "single enterprise" shall be construed to mean enterprises which constitute parts of the applicant's farming, ranching, or aquaculture operation. The following are examples of "single enterprises"; (a) all cash crops; (b) all feed crops; (c) beef operations; (d) dairy operations; (e) poultry operations; (f) hog operations; and (g) aquaculture operations.

A "single enterprise" which constituted not less than 25 percent of the gross income from the farming operation is to be considered a "basic" enterprise. Therefore, in order to be eligible for a disaster loan, an applicant must have sustained at least a 20 percent loss of normal per acre or per animal production as a result of the disaster in one or more basic single enterprises.

(9) Use of the ACIF to pay administrative expenses.

The *Senate* bill provides that in the administration of the emergency loan program, the Secretary may utilize funds from the Agricultural Credit Insurance Fund to pay for administrative expenses of the program.

The *House* amendment strikes the *Senate* provision.

The *Conference* substitute deletes the *Senate* provision. The *Conferees* note that, under existing law, the Secretary may draw whatever amounts are needed from the Agricultural Credit Insurance Fund for administration of the emergency loan program.

(10) Congressional authorization prior to any appropriations under the Consolidated Farm and Rural Development Act; use of revolving funds.

The *House* amendment provides that amounts authorized to be appropriated for the purposes of the Consolidated Farm and Rural Development Act for each fiscal year ending after September 30, 1976, shall be the sums hereafter authorized by law. The *House* amendment also provides that the Secretary could utilize sums from the Agricultural Credit Insurance Fund and the Rural Development Insurance Fund during each fiscal year after September 30, 1976, only in such amounts as may be authorized annually by law.

The *Senate* bill contains no comparable provision.

In lieu of the *House* amendment, the *Conference* substitute provides that on or before February 15 of each calendar year beginning with calendar year 1976, or such other date as may be specified by the appropriate Committee, the Secretary of Agriculture shall testify before the Senate Committee on Agriculture and Forestry and the House Committee on Agriculture and Forestry and the House Committee on Agriculture and provide justification in detail of the amount requested in the budget to be appropriated for the next fiscal year for the purposes authorized in the Consolidated Farm and Rural Development Act, and of the amounts estimated to be utilized during such fiscal year from the Agricultural Credit Insurance Fund and the Rural Development Insurance Fund.

Under the *Conference* substitute, the Secretary would be required to testify and provide a detailed justification (1) of appropriations requested for such items as the restoration of losses previously incurred in the Agricultural Credit Insurance Fund and the Rural Development Insurance Fund, direct loans and grants under the Consolidated Farm and Rural Development Act, and salaries and expenses of the Farmers Home Administration in administering programs authorized under the Act, and (2) of amounts provided in the budget as estimated to be expended for the next fiscal year from the Agricultural Credit Insurance Fund and the Rural Development Insurance Fund for such matters as financing real estate loans, operating loans, emergency loans, water and facility loans, industrial development loans, and community facility loans.

Herman E. Talmadge,
James O. Eastland,
George McGovern,
James B. Allen,
Hubert H. Humphrey,
Robert Dole,
Carl T. Curtis,
Henry Bellmon,
Managers on the Part of the Senate.

Bob Bergland,
E de la Garza,
Alvin Baldus,
Glenn English,
Jack Hightower,
Berkley Bedell,
Richard Nolan,
William C. Wampler,
Edward R. Madigan,
Richard Kelly,
Managers on the Part of the House.

Mr. TALMADGE. Mr. President, I announce that I do not see any need for a yea-and-nay vote on the conference report inasmuch as the conferees all signed it.

Mr. President, S. 555 changes the emergency disaster loan program for agriculture administered by the Farmers Home Administration. It simplifies the procedures under which loans are made to victims of natural disasters and makes additional credit assistance available.

Every year American agriculture is buffeted by a sometimes fickle mother nature. The blizzards of last winter annihilated thousands of cattle and left many producers reeling at the brink of bankruptcy.

The recent torrential floods in the Red River Valley have not only destroyed this year's crops, but they demolished entire farms.

Much the same sort of crisis has occurred in Maryland and Virginia in the past 2 weeks on a somewhat smaller scale.

While some disasters are more dramatic than others, the hardships for the individual producer who has lost his crops, livestock, and the results of a life's work is the same in a $5 million disaster as in one of the $100 million magnitude.

It is impossible for anyone or any program to totally alleviate this suffering or replace the losses—but they can be minimized.

It is, therefore, of paramount importance that our disaster programs be rapid in application and adequate in scope so as to reduce to a minimum human suffering and economic losses.

Mr. President, S. 555 is legislation which permits timely reaction to emergencies at levels adequate to do the job. I ask unanimous consent to have printed in the Record a summary of the bill, as amended by the conference committee.

There being no objection, the summary was ordered to be printed in the Record, as follows:

SUMMARY OF S. 555, AS AMENDED BY THE CONFERENCE COMMITTEE

S. 555, as amended by the Conference Committee, makes the following changes in the Farmers Homes Administration emergency loan program:

(1) The requirement in existing law that there be a general need for agricultural credit would be eliminated. Therefore, it would not be necessary to determine whether adequate credit is available before designating the area for emergency loans.

(2) The bill makes it clear that the Secretary may delegate authority to State directors of the Farmers Home Administration to make emergency loans in an area (without it being formally designated by the Secretary) if the State director finds that a natural disaster has substantially affected twenty-five or less farming, ranching, or aquaculture operations in the area.

(3) Loans would be made only to victims of a disaster who are unable to obtain credit from other sources, thereby directing emergency assistance to those who most need it. This provision would not apply to loan applications filed prior to July 9, 1975.

(4) In addition to loans for production losses and physical losses, emergency loans could be made for crop or livestock changes deemed desirable by the applicant borrower.

Many producers need financing to enable them to change their operations because of economic conditions and to overcome the financial difficulties caused by the disaster.

(5) Loans could be made for an amount in excess of the actual loss caused by the disaster. However, loans in excess of the actual loss would be at the commercial rate of interest for similar loans. As under existing law, the interest rate on loans up to the amount of the actual loss could not exceed five percent per year.

(6) The bill requires the Secretary to accept as security for repayment of emergency loans collateral which has depricated in value because of the disaster if the collateral, together with the Secretary's confidence in the repayment ability of the applicant, is adequate security. In such case, the Secretary is required to make the loan repayable at such times as he may determine, as justified by the needs of the applicant (but not later than the repayment periods for real estate loans and operating loans under existing law).

(7) The bill provides that, in order to be eligible for emergency loan assistance based on a production loss, an applicant must show that "a single enterprise which constitutes a basic part" of his operation sustained at least a 20 percent loss.

The term "single enterprise" is to be construed to mean enterprises which constitute parts of the applicant's farming, ranching, or aquaculture operation. The following are examples of "single enterprises": (a) all cash crops; (b) all feed crops; (c) beef operations; (d) dairy operations; (e) poultry operations; (f) hog operations; and (g) aquaculture operations.

A "single enterprise" which constituted not less than 25 percent of the gross income from the farming operation is to be considered a "basic" enterprise. Therefore, in order to be eligible for a disaster loan, an applicant must have sustained at least a 20 percent loss of normal per acre or per animal production as a result of the disaster in one or more basic single enterprises.

(8) Annual subsequent emergency loans for a period up to five years could be made when the borrowers need the credit to continue their operations and cannot obtain financing from other sources. However, the interest rate of such subsequent loans would be at the commercial rate for similar loans.

This provision takes account of the need for emergency loans during the recovery period following a disaster. Such annual financing should enable producers to recover from the disaster and return to their normal sources of credit within a reasonable period of time.

(9) With respect to any disaster occurring after January 1, 1975, the Secretary would be authorized to make an emergency loan for an operating-type purpose for not more than twenty years if it is determined that the applicant's financial need as a result of the disaster justifies a longer payment term than that normally extended for operating loans and there is adequate security to assure repayment over the longer period.

This provision should enable the Secretary to afford needed relief to victims of such severe disasters as the January 1975 blizzard in the Midwest.

(10) The bill provides that loans made by the Small Business Administration in connection with a disaster occurring on or after the date of enactment of the bill shall bear interest at a rate that shall not be more than the average annual interest rate on all interest-bearing obligations of the United States. (Under existing law, the maximum rate of interest for disaster loans made by the Small Business Administration is five percent per year and is governed by the interest rate for FHA emergency loans under section 324 of the Consolidated Farm and Rural Development Act. The bill amends section 324 of the Act to provide that the prevailing private market rate of interest for similar loans, as determined by the Secretary, shall apply to the amount of any FHA loan in excess of the actual loss caused by the disaster.)

(11) The bill provides that on or before February 15 of each calendar year beginning with calendar year 1976, or such other date as may be specified by the appropriate Committee, the Secretary of Agriculture shall testify before the Senate Committee on Agriculture and Forestry and the House Committee on Agriculture and provide justification in detail of the amount requested in the budget to be appropriated for the next fiscal year for the purposes authorized in the Consolidated Farm and Rural Development Act, and of the amounts estimated to be utilized during such fiscal year from the Agricultural Credit Insurance Fund and the Rural Development Insurance Fund.

Mr. MAGNUSON. Mr. President, will the Senator yield me 10 seconds?

Mr. TALMADGE. I yield to the distinguished Senator from Washington.

Mr. MAGNUSON. When the Senator says "Red River," he means the Red River of the North, not the Red River down in Arkansas.

Mr. TALMADGE. The Red River in Minnesota and North Dakota.

Mr. DOLE. Mr. President, will the Senator yield?

Mr. TALMADGE. I yield to the distinguished ranking minority member of our committee.

Mr. DOLE. Mr. President, I confirm what the distinguished Senator from Georgia has said with reference to unanimous agreement, and I support the statement made by the distinguished Senator from Georgia.

Mr. TALMADGE. I thank my distinguished colleague.

Mr. President, I move the adoption of the conference report.

The **PRESIDING OFFICER.** The question is on agreeing to the motion of the Senator from Georgia.

The motion was agreed to.

ADDITIONAL STATEMENTS SUBMITTED JULY 18, 1976

ABORTION AND CIVIL RIGHTS: THE MYTHS AND THE FACTS

Mr. BUCKLEY. Mr. President, during the debate over the Bartlett amendment to the Nurse Training and Health Revenue Sharing and Health Services Act of 1975 which, had it passed, would have prohibited Federal funding of abortions, a proabortion report from the U.S. Civil Rights Commission was put into the RECORD. There are those who feel that this report played a part in defeating the Bartlett amendment, as it was highly critical of any effort to prohibit Federal funding of abortions.

I have criticized the Civil Rights Commission report on many grounds, not the least of which was an almost total lack of understanding of the complexities of the issue and an insensitivity to the religious feelings of millions of Americans. It is an intellectually sloppy, historically inaccurate and, in parts, deeply prejudiced document—hardly what we expect from a Civil Rights Commission.

I am happy to report that we now have a detailed, scholarly—and devastating—full-length criticism of that unfortunate document, written by Eugene Krasicky, general counsel for the National Conference of Catholic Bishops, Washington, D.C. The inaccuracies, the unstated but implicit religious bias, the misreading of history and the general polemic nature of the Civil Rights Commission report are dealt with in a scholarly yet forceful manner. I hope it will receive the attention it most certainly deserves.

Mr. President, I ask unanimous consent that the report entitled "A Critical Analysis of the Report of the U.S. Commission on Civil Rights on Abortion" be printed in the RECORD.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

A CRITICAL ANALYSIS OF THE REPORT OF THE U.S. COMMISSION ON CIVIL RIGHTS ON ABORTION

(By Eugene Krasicky)

INTRODUCTION

The U.S. Commission on Civil Rights has now become an instrument for repression of civil rights it was once designed to safeguard. Through its April 1975 tract, euphemistically entitled, "Constitutional Aspects of the Right to Limit Child-bearing", and through the circumstances surrounding the issuance of that document, the Commission has evidenced its readiness to put down the shield of protector and to take up the sword of the partisan.

The Report profferred by the Commission is remarkable. It celebrates abortion with a commitment so manifestly complete that it even calls for the repeal of legislation designed to protect First Amendment guarantees. An arm of government specifically concerned with the maintenance of civil rights has allowed its preoccupation with abortion to override any sensitivity to the rights of the unborn or for the freedom of conscience of those individuals and institutions opposed to participation in abortion procedures because of conscience.

The Commission was established as a public body to appraise the policies of the federal government with respect to civil rights, and to serve as a reliable source for legislative proposals.

Originally, jurisdiction of the Commission was limited to those deprivations grounded in discrimination by reason of color, religion, race, or national origin.[1] In 1972, Congress extended the grounds to include sex based discrimination. However, the Congress did so with the caveat that the "grant of additional jurisdiction should not be allowed to cloud the other, important concerns of the Commission."[2] The Report submitted by the Commission not only clouds other concerns, it literally obscures them. It exhibits a callous attitude for the rights of the unborn child and no consideration whatsoever is given to the rights of those who oppose abortion procedures because of conscience.

This disregard for constitutional guarantees is magnified by the manner in which the Report was using during the Senate debate on the Bartlett Amendment. The Bartlett proposal would have barred the use of Federal funds in payment of elective abortions. The debate on this proposal took place on April 10, 1975. A member of the Senate secured a letter from Arthur Flemming, Chairman of the U.S. Commission on Civil Rights, dated April 9, 1975, which specifically urged the Senate to reject the proposed amendment and offered the then unreleased Report as the basis for this recommendation. This Senator placed copies of this letter on each senator's desk and read portions of it during the floor debate.[3]

The Commission issued its Report four days later. In a very real sense, then, this Report was a part of the maneuverings to defeat the Bartlett Amendment and its significance cannot be assessed apart from that action.

REPORT RECOMMENDS REPEAL OF CONSCIENCE CLAUSE AMENDMENT

One of the primary requisites of a democratic society is the right to freedom of conscience. It is this right of individuals within the body politic which is protective of all other rights.

The right to abortion or its more genteel formulation referred to in the preface to the Report, the "right to limit childbearing", has purportedly been discovered, in indirect fashion, in the penumbra of the Constitution. The freedom of conscience on the other hand, is guaranteed in the Constitution.[4] Protection from the violation of conscience, moreover, has been clearly established by case law to be an inviolate right not originating in the right to worship or religious sentiment.[5] Madison referred to this as the most important of guarantees and his Memorial and Remonstrance was issued to secure this right.[6]

Immediately after the decisions in *Roe* and *Doe*, strong congressional opinion recognized a need for the government to take affirmative measures to protect the freedom of conscience of those morally opposed to participation in abortion procedures.[7] Congressional awareness of this problem was, and is, widespread and strong felt.[8]

Further, the concern for the protection of freedom of conscience is manifested in the *Roe, Doe* decisions. The Georgia statute examined in *Doe* v. *Bolton* contained a conscience clause which was approved by the Court.[9] In the face of forceful congressional policy, buttressed by compatible court decisions, it is indeed alarming to find that the U.S. Commission on Civil Rights' Report makes a direct attack on the conscience clause amendments.

The "conscience clause" amendment prohibits the withholding of federal funds authorized by the act from hospitals, both public and private, which refuse to perform abortions or sterilizations on the basis of religious or moral beliefs. This statute flies in the face of the decisions in *Doe* and *Roe* governing access to abortions as well as the

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Footnotes at end of article.

rulings of several federal and state courts which, following *Roe* and *Doe*, have declared unconstitutional the refusal of public hospitals to permit the performance of abortions. Such refusal, the Supreme Court has decided, is a deprivation of the right to privacy and liberty in matters relating to marriage, sex, procreation, and the family; all in violation of the First, Fourth, Fifth, Ninth, and 14th Amendments to the Constitution.[10]

This is an incorrect reading of *Roe* and *Doe*.[11] Moreover, there is evident in the tone of the Report more than a failure to protect but rather an active threat. Through its Report, the Commission becomes a partisan seeking to set the weight of its authority against those whose rights are now being protected.[12]

This, of course, brings us face to face with the most disturbing aspect of the Report. The Commission was formed to check the evil of discrimination harmful to the body politic (discrimination because of color, religion, race or national origin).

The open contempt of these civil rights, recognized by both the Supreme Court and the Congress, has placed the Commission at odds with the mandate of its very existence. Ironically, the Commission's position as guardian of these liberties permits that body an immunity from the very accountability which its existence is supposed to insure in others.

Clearly, the U.S. Commission on Civil Rights has breached the trust which Congress placed in that body. A democratic government is premised, ultimately, on the principle of accountability. The U.S. Commission on Civil Rights should not be, and indeed may not be, irresponsible. The forthright contempt of the protected First Amendment rights of individuals and institutions and the partisanship evidenced by this Report are matters far too serious to be allowed to escape congressional scrutiny. Congress must not by its silence ratify the metamorphosis of the Commission into an active partisan in derogation of that body's statutory responsibilities imposed by Congress.

PRO-LIFE AMENDMENTS AS VIOLATIVE OF THE ESTABLISHMENT CLAUSE OF THE FIRST AMENDMENT

The presence of this argument in the Report is witness to the efficacy of Catholic-baiting as a polemic device. The "theory" is not well drawn and the clumsy presentation does little to enhance it. The springboard to this exposition is the well-worn ruse that the whole abortion debate turns on the question of when life begins and that the only resolution of this question is one that is religious.

Armed with this insight, the Commission proceeds to the conclusion that an amendment to the Constitution which coincides with the views of a certain religious group would constitute an establishment of religion and thereby impinge upon the Establishment Clause.

". . . (S)o long as the question of when life begins is a matter of religious controversy and no choice can be rationalized on a purely secular premise, the people, by outlawing abortion through the amending process, would be establishing one religious view and thus inhibiting the free exercise of religion of others."[13]

The Commission makes a game but hapless attempt to fashion its argument in the context of the tests used by the U.S. Supreme Court in the school aid cases. The thin logic of these decisions proves too elusive for the Commission. The Commission does not understand the multifaceted tests adhered to by the High Court in the resolution of the school cases. In their place we find such confused statements as:

"There is no clearly secular legislative purpose, there is a primary effect that advances certain religious institutions; and there would be excessive government entanglement with religion in the enactment and ever present in the enforcement of the provisions.

"Furthermore, whenever the involvement of religious groups in the political process surrounding a subject of governmental control is convincingly traceable to an intrinsic aspect of the subject itself in the intellectual and social history of the period, government and religion have become so excessively entangled as to violate the First Amendment."[14]

Another landmark was reached with the statement that:

"There can be no constitutionally valid state objective in outlawing abortion in the first trimester if the basis for the prohibition is excessively entangled with a certain religious persuasion and no completely nonreligious basis for it can be ascertained."[15]

Reflection upon this Establishment Clause argument is difficult, especially if one happens to be familiar with Constitutional law. The Report is such a jumble of misconception as to sorely tempt the constitutional lawyer to dismiss it out of hand. Nevertheless, the argument may well be appealing to those who have no legal training.

The first difficulty with this argument is that it presumes that religious doctrine is the sole basis for the controversy over the abortion issue. The Commission totally ignores the Supreme Court's acknowledgement in *Roe* that the disciplines of medicine and philosophy as well as theology are involved in the abortion question. The Report focuses only on the religious aspect and does not even attempt to discuss the medical and biological questions involved. This is consistent with the Commission's tunnel vision approach in its consideration of First Amendment issues. The Commission emphasizes religion while ignoring other relevant considerations.

Although the question of when life begins remains an important one, it is unfortunate that so much of the controversy surrounding this matter has railed over a non-issue. The debate concerns the end of life, not simply the beginning of it. If the process of life has not begun, then what is it that the physician does? The "abortion decision" is naught else than the agreement between the woman and the physician that unless something is done to stop it, a child is going to be born. In each abortion there is a consensus between the woman and her doctor that a life has begun within her.

The Commission seeks to buttress this misconception with a reference to Callahan's *Abortion: Law, Choice and Morality*. The chapter cited is entitled "The Sanctity of Life" and does *not* maintain that opposition to abortion springs solely from religious views. Rather, the chapter seeks to use the consensus regarding the sanctity of life as a basis for addressing the abortion issue. Callahan deals with the existence of a consensus on the sanctity of life, not with the sources of opposition to abortion.[16] This misrepresentation is unworthy as scholarship and patently misleading.

The Commission states that the religious issue comes into play because "no wholly secular reason can be advanced".[17] Presumably, this statement is meant to satisfy the secular purpose element of the Supreme Court's "Establishment" tests. Unfortunately, the Commission has misread the cases. The test it proposes is more severe than that required by the Court. In fact, the extract of the cases cited by the Commission belies its interpretation. The Supreme Court does not require a "wholly secular" purpose. The purpose must be sufficiently secular to warrant the legislation. That purpose must be "clearly secular" but certainly not "wholly secular". The Commission allows no admixture whereas the education cases clearly do.[18]

The meaning of the term "wholly secular" is not defined by the Commission and is far from apparent. At one point the Report states: "Government should neither require nor prohibit abortions at any stage where such legislation would be based on a question of morality related to religious values."[19] Laws relating to burglary, murder, rape, and street crimes are also "related to religious values". Surely, the polemic has run away with the Commission here and it cannot be taken at its word.

The Report also undertakes to apply the entanglement element of the establishment test and the result is ludicrous. What is getting entangled? Where is it getting entangled? The Report fails to come to grips with some basic distinctions. The Report claims to deal with constitutional amendments and the impact of those amendments upon other portions of the Constitution. If the amendment succeeds and becomes part of the Constitution, is the government then in danger of becoming "entangled" in the Constitution? How does one become "entangled" with the Constitution? The Commission obviously does not understand the distinction between the Government and the Constitution.

The Report states that the majority of the Supreme Court adopted the view that whether a fetus has life or not is up to each individual to decide.[20] At no point in its opinion did the Supreme Court make such a statement. In fact, the majority in *Roe* refused to resolve the question of when life begins and it certainly did not leave this important decision up to each individual as the Commission has alleged. The Supreme Court directly avoided the life question and instead focused on what it termed the potential for life. While the Supreme Court should not be complimented for avoiding an important question surrounding the abortion issue, it also should not be charged with saying what it clearly did not say.

Ultimately, it seems the major failing of the Commission's "Establishment" argument lies in the fact that it was made at all. The fact that the value of the sanctity of life is coincidental with certain religious tenets is certainly not sufficient to "establish" a religion. Ironically enough, the passage in Callahan which the Commission misappropriates are useful to demonstrate that the value of respect for human life is so widespread throughout the world, so pervasive, that it can hardly be said to be doctrinal in nature.[21]

THE PRO-LIFE AMENDMENT AS AN INFRINGEMENT UPON THE FREE EXERCISE CLAUSE

The Commission contends that there would also be a deprivation of Free Exercise rights.

"Those who advocate such an amendment should clearly understand that they would be compelling every woman to accept the view that a constitutionally protected person exists from the 'moment of conception' even when such a view conflicts with an individual woman's religious views, and that they would be, in effect, amending the First Amendment."[22]

Obviously, an amendment would not, in itself, affect belief. A statute or amendment which prohibits an act which an individual may feel is religiously permissible does not necessarily infringe upon the First Amendment just because it is contrary to the individual's religious views. The Free Exercise Clause embraces two concepts—freedom to believe and freedom to act. The first is absolute, but in the nature of things, the second cannot be.[23] The gravamen of the anti-abortion proposals is the performance of the abortion itself and not the prohibition of a belief in abortion. It is well settled that acts which are detrimental to the public welfare can be regulated even though the acts regulated may involve an exercise of a religious belief.[24] A prohibition against abortion would not infringe upon the Free Exercise Clause in any manner.

Footnotes at end of article.

Beyond this, however, is the novel implication that abortion can have religious significance. At page 37 of the Report, the Commission speaks of abortion as "a protected exercise of religion." [25] Apparently, the Commission has recognized some rather bizarre forms of worship and it has accomplished this without any citation of authority.

COMMON LAW ARGUMENT

Segments of the Commission Report dealing with the First Amendment impact of the proposals and the entire portion of the Report dealing with the Ninth Amendment depend on the recognition of a common law right to an abortion. Support for this proposition is drawn principally from the work of Cyril Means and buttressed by the Supreme Court's approving reference to those works in its *Roe* decision. [26]

Despite the Supreme Court's approbation, it is unclear that Means' arguments are probative of "abortional freedom". There is a substantial distinction between uneven enforcement of a law and an affirmative right. Means, the Supreme Court, and now the U.S. Commission on Civil Rights, have maintained that women "enjoyed rights" to abortion. How is it possible to extrapolate a handful of 300 year old cases into such a contention?

Professor Robert Byrn has criticized the Means scholarship, but this fact did not make its way into the Commission Report. Even a slight veneer of objectivity would have been sufficient to cause the Commission to note the existence of this criticism of Means and his arguments. Scholarship would, of course, dictate that the two positions be fully laid out. Here the Commission does not even feign objectivity.[27]

Leaving aside the question of Mean's interpretation of the language of the ancients, there is still the question of his entire approach. The Commission and the Supreme Court are witness to the contention that Means purports to give us more than simply the interpretation of legal language. These "authorities" witness the fact that Means purports to relate the practice of abortion in the past. The motive of this resort to history is unclear. According to Albert Camus in *The Rebel*:

"... The movement of rebellion is founded ... on the confused conviction of absolute right which, in the rebel's mind is more precisely the impression that he has 'the right to' ... Rebellion cannot exist without the feeling that somewhere, somehow, one is right." [28]

Perhaps it is this curious need that sends the Commission, Means, et al., searching out the past for comfort. When Means returns to us from those halcyon days he does not, however, bring us the fully integrated past. He brings us what he can use and leaves the rest for others to retrieve.

The classic exposition of this type of historiography was written by Herbert Butterfield. His essay focused on what he dubbed the "Whig Fallacy".

In essence, the theme of his work is that:

"... When we organize our general history by reference to the present we are producing what is really a gigantic optical illusion: and that a great number of the matters in which history is often made to speak with most certain voice, are not inferences made from the past but are inferences made from a particular series of abstractions from the past-abstractions which by the very principle of their origin beg the very questions that the historian is pretending to answer." [29]

The Commission through Means does not wish to show us the past. It wants to use it. Those who go to the past to use it inevitably succumb to the "pathetic fallacy":

"It is the result of the practice of abstracting things from their historical context and judging them apart from their context—estimating them and organizing the historical story by a system of direct reference to the present." [30]

Neither the Commission nor Means gives us the picture of abortion practices during the period to which they refer. Such a history would have to include attendant medical, social and, yes, even religious practices. This history is not provided. For Means as well as for the U.S. Commission on Civil Rights, the past is slave to the present. This may be effective polemics but it is not history. The historian, in Butterfield's words:

"... comes to his labours conscious of th fact that he is trying to understand the past for the sake of the past, and though it is true that he can never enirely abstract himself from his own age, it is nonetheless certain that his consciousness of his purpose is a very different one from that of the Whig historian, who tells himself that he is studying the past for the sake of the present. Real historical understanding is not achieved by the subordination of the past to the present, but rather by our making the past our present and attempting to see life with the eyes of another century than our own.[31]

The argument that abortion rights were freer in the past is indeed curious. One is led to wonder why it was made. It seems clear that the Court, Means, and the U.S. Commission on Civil Rights see it as being relevant. What is the nature of this relevancy? Implicit in the argument is the notion that the action of a thirteenth century individual participating in an abortion is somehow relevant to our own time. Is this so? In the first place, the Means argument does not demonstrate that thirteenth century society ever embraced "abortional freedom". Secondly, it is fallacious to suggest that those of the twentieth century are free to ignore available information and to make judgments on the basis of the actions of a small number of those of the thirteenth century. In short, the relevancy of the Means argument to the abortion debate must turn on the willingness to ignore the distinctions between our age and the thirteenth century. This, then, is a fundamental error in the common law argument adopted by the Commission.

The works of Coke and Bracton did not contemplate twentieth century science. How is it that the term "quickening" has so much meaning for the Commission and Means if they do not advocate an approach to this problem with thirteenth century science. What is quickening but a measurement, albeit crude, of the development of the unborn child? Surely, the ability to measure has advanced significantly since the thirteenth century. In fact, the ability to measure is an important aspect of the advance of all science.

"Empirical inquiry has been conceived as a process from description to explanation... the principal technique in effecting the transition from description to explanation is measurement." [32]

The increased ability to measure has given the twentieth century man a greater appreciation of life as a continuum. One can study the zygote and know the significance of the genetic package.

Clearly, a full unraveling of a "significant strand of the tangled skein" would have required consideration of twentieth century science.[33] This would have shown that no longer can you separate what an organism is from what, in its later development, it does.[34] Admittedly, any position concerning the unborn child necessarily involves important religious and philosophic considerations. However, this is not to say that science may be ignored, especially by a government agency. An unborn child has many characteristics; it becomes, it grows, and continues its function until that event known as death. Reliance upon scientific standards of the thirteenth century is unacceptable.

Mean's articles are simply not relevant to the abortion debate. Viability and quickening have little to do with a twentieth century scientific conception of the nature of the unborn child. It is clear, then, that the Commission's adoption of the claim of a common law right to abortion is not definitely established. Far more evidence would be needed to support such a contention.

PRO-LIFE AMENDMENTS AND THE FOURTEENTH AMENDMENT

The Commission's analysis of the impact of the proposed constitutional amendment on the Fourteenth Amendment begins with the argument that a redefinition of the word "person" as used in the Fourteenth Amendment will produce numerous uncertain difficulties.[35] The entire argument of the Commission ignores the fact that corporations have been deemed a legal person for over 100 years. The census takers have not been troubled by this. The application of the other clauses or amendments has not been adversely affected by this corporate fiction. Indeed, Mr. Justice Douglas in his dissenting opinion in *Sierra Club* v. *Morton*, commented on the corporation being considered a "person," and sought to extend "personhood" to valleys, Alpine meadows, rivers, lakes, estuaries, beaches, ridges, trees, swampland, and even air, so that each could speak for the unit of life that it is a part of and which is threatened with destruction.[36] Surely, the unborn child is entitled to personhood before objects such as these. In any event, it is clear that the argument that redefinition of the word person to include an unborn child would confuse the application of various laws is an alarmist tactic with no real basis in law.

The Commission suggests that the states' rights amendment which would allow the abortion matter to be dealt with by the individual states would be substantially ineffective if passed. The Commission cites the requirement that the word "person" have uniform, nationwide application.

"Any statute passed under the authority of such an amendment, which would make a fetus a person, would be of no Federal constitutional significance because the word 'person' in the Federal Constitution must have a nationwide uniform interpretation for Federal purposes. These purposes include such matters as defining who is a citizen, determining qualification for Representatives and Senators, and determining who shall be counted in the census for determining the appointment of seats in the House of Representatives. Thus, no matter what a State elected to do in declaring a fetus a 'person' for some State law purposes, it could not bind either Federal or State courts in interpreting the word 'person' in the Federal Constitution." [37]

This assessment of the impact of such an amendment ignores the fact that under the *Erie* v. *Tompkins* docrine, the federal court applies the substantive law of the appropriate forum.[38] In all likelihood, abortion matters would be dealt with on a strictly state level.

The portion of the Fourteenth Amendment analysis which deals with the "liberty guarantees" contains two principal arguments. First, the U.S. Commission on Civil Rights suggests that the states' rights amendment would force a woman to "submit her body to carry a child to term without her consent," thereby submitting her will and personal liberty to another. In essence, the Commission argues that the passage of the states' rights amendment would result in the slavery of those women who want abortions.[39] Underlying this analogy is the theory that a woman has an unlimited right to do with her body as she pleases and an amendment prohibiting abortion would interfere with her personal liberty. This type of claim was specifically rejected by the Supreme Court in *Roe*, a fact which the Report fails to mention.[40]

The argument is interesting in that it sug-

Footnotes at end of article.

gests that the woman would be submitting her will to another. Implicit in this claim is the recognition that "another" is a person.

The second argument contained under the heading of "Liberty" is that the states rights amendment would allow the states to order the priorities of women. The Commission acknowledges that there have been cases where an individual's liberty has been constrained by the needs of the state. In spite of these authorities, the argument here is that the state is unable to show a sufficient interest to warrant the intrusion upon the woman's privacy and that a constitutional amendment making it possible for the state to regulate abortion would be:

". . . to coerce someone into having a child before it can be shown that a greater risk to maternal health exists or that a fetus is present and viable does not seem to threaten the whole society. The choice is in the realm of morality, not law. Shall an entity for which the question of life is not settled take precedence in protection under the law before a born alive person? [41]

After a thorough discussion of the need to protect women from impositions of this type, the Commission concludes that:

"No purpose, except an extra-constitutional religious one or the intent to breed litigation, could be served by deliberately making a factor that is largely undeterminable a part of fundamental law." [42]

The Commission then deals with the Equal Protection Clause. The initial argument here is that the states rights amendment would have the effect of penalizing poor women.

"Unlike the poor woman, the private patient of financial means and education was often able to persuade her physician that she qualified for a legal abortion under the then available limited circumstances, usually on psychiatric grounds. When the woman of means could not obtain on abortion in her own State, she purchased a plane ticket to a foreign country or a State with liberalized abortion laws, or placed her life in the nonprofessional hands of persons willing to evade the law for financial gain. Restrictive abortion laws can be and have always been evaded.[43]

The rationale of this argument has seen much public exposure. The difficulty with it is the fact that the same can be said of any criminal statute. An individual who has the advantage of resources is definitely better equipped to plan and execute a criminal project than an indigent who must rely solely on his cunning and brute force. Of course, we do not repeal the laws against burglary and murder, etc., because of this inequity. Nor do we repeal the laws because the police are unable to catch all of those who have committed crimes.

The Commission cites *Boddie* v. *Connecticut,* as standing for the proposition that there can be no economic discrimination.[44] This case hold only that the states must pay the filing fees of an indigent person in divorce proceedings. At best, it is a narrow precedent and the court makes it clear that the only reason for the decision was that the state was the source of the need to seek judicial process in obtaining a divorce.[45] In a sense, the state was a party to the action by virtue of the fact is required judicial process for divorce. This is hardly true with abortion regulation.

In considering the First, Ninth, and Fourteenth Amendment arguments, the Commission reveals a woeful lack of knowledge of the fact that under Article V of the U.S. Constitution, the people of the United States have the fundamental right to amend their Constitution. To imply, as the Commission does, that the exercise of this constitutional right somehow undermines the Constitution is patently absurd.

The purpose of Article V is to give the people the means to amend their Constitution when they deem it necessary. Article V supplies the essential tools to make the necessary changes in the Constitution. The Commission implies that a constitutional amendment aimed at nullifying the Supreme Court abortion decisions in *Roe* and *Doe* is somehow invidious when it states that such an amendment would undermine the civil rights fabric of the Constitution.[46] The American people have the right, if not the duty, to rectify an erroneous decision of the Supreme Court. When the Supreme Court engages in social engineering through the use of raw judicial power,[47] and creates new rights not heretofore found in the Constitution, as it did in *Roe* and *Doe,* the only recourse left to the American people is the amendment process. We note that this process was used to overturn the effects of the infamous *Dred Scott* decision,[48] which has been likened to the abortion decisions.[49] This is the process which must be utilized to offset the equally infamous *Roe* and *Doe* decisions.

CONCLUSION

The citation of legal authority does not go to the wisdom of that authority. Our legal tradition places significance in the fact that an authority has taken a position. It is, then, not the wisdom of the past that is evoked by citation; rather it is the weight of the past.

The significance of the U.S. Commission on Civil Rights Report examined herein does not lie in its wisdom nor in the persuasiveness of its argument. It is totally lacking in both. The importance of this document flows from the fact that a prestigious governmental body can be cited as an authority for the conclusions contained in the Report, conclusions which were not preceded by the customary procedures of the Commission to hold public hearings.

Public hearings would have served the Commission well. They would have educated the Commission so that its Report would have safeguarded the basic civil rights of all persons.

FOOTNOTES

[1] 42 USCA 1975 c. See also, 1957 U.S. Code, Cong. & Admin. News, Vol. 1 at 705.

[2] 1972 U.S. Code, Cong. & Admin. News, Vol. 2 at 3623.

[3] 121 Cong. Rec. 9808 (April 10, 1975).

[4] Sherbert v. Verner, 374 U.S. 398 (1963).

[5] Welsh v. United States, 398 U.S. 333 (1970); United States v. Seeger, 380 U.S. 163 (1965).

[6] Annals of Congress I at 433–434; Everson v. Board of Education of Ewing Township, 330 U.S. 1, Appendix at 63–72 (1974).

[7] Roe v. Wade, 410 U.S. 113 (1973); Doe v. Bolton, 410 U.S. 172 (1973), (hereinafter referred to as Roe and Doe).

[8] The Senate Journal at 5726, March 27, 1973 records vote of 92–1 in enacting this legislation. House Journal at 44161, May 31, 1973 records the vote of 372–1.

[9] "And the hospital itself is otherwise fully protected. Under par. 26–1202(e), the hospital is free not to admit a patient for an abortion. It is even free not to have an abortion committee. Further a physician or any other employee has the right to refrain, for moral or religious reasons, from participating in the abortion procedure. These provisions obviously are in the statute in order to afford appropriate protection to the individual and to the denominational hospital." *Doe* v. *Bolton,* 410 U.S. 179 at 197 (1973).

[10] U.S. Commission on Civil Rights, "Constitutional Aspects of the Right to Limit Childbearing" at 12 (April, 1975) (hereinafter referred to as Report).

[11] Doe at 197.

[12] 121 Cong. Rec. 9813 (April 10, 1975).

[13] Report at 31.

[14] *Id.* at 29.

[15] *Id.* at 32

[16] "Fortunately, in the principle of 'the sanctity of life', Western culture (and much of Eastern culture as well) possesses one fundamental basis for an approach to moral consensus; we are not forced to begin from within a vacuum. On the basis of this principle, moral rules have been framed; human rights claimed and defended; and cultural, political and social priorities established". D. Callahan, *Abortion: Law, Choice & Morality* at 307–348 (1970).

[17] Report at 27.

[18] Committee for Public Education v. Nyquist, 413 U.S. 756 (1973); Lemon v. Kurtzman, 403 U.S. 602 (1971); Meek v. Pittenger, 43 U.S. L.W. 4596 (May 19, 1975).

[19] Report at 32.

[20] *Id.* at 31.

[21] Callahan, *supra,* p. 308.

[22] Report at 27.

[23] Cantwell v. Connecticut, 310 U.S. 296, 304 (1940).

[24] Reynolds v. U.S., 98 U.S. 149 (1879); Cleveland v. U.S., 329 U.S. 14 (1946).

[25] "If Congress could establish that having an abortion at any stage of pregnancy was, even though *a protected exercise of religion,* a violation of social duties or subversive of good order. Congress could outlaw abortion from the moment of conception without regard to the First Amendment." Report at 37 (emphasis supplied).

[26] Report at 46.

[27] Byrn, "An American Tragedy: The Supreme Court on Abortion," 41 *Ford. L. Rev.,* 807 (1973).

[28] A. Camus, *The Rebel: An Essay on Man in Revolt* at 1 (1956).

[29] H. Butterfield, *The Whig Interpretation of History,* at 29 (1965).

[30] *Id.* at 30.

[31] *Id.* at 16.

[32] B.J.F. Lonergan, *Insight* at 164–5 (1957).

[33] C. Means, "The Phoenix of Abortional Freedom: Is a Penumbral or Ninth Amendment Right About to Arise from the Nineteenth Century Legislative Ashes of a Fourteenth Century Common Law Liberty?" 17 *N.Y.L.F.* 335 (1971).

[34] R. G. Collingwood, *The Idea of Nature* at 17–23 (1970).

[35] Report at 58.

[36] Sierra Club v. Morton, 405 U.S. 727, 742, 743 (1972), (Douglas, J., dissenting).

[37] Report at 58.

[38] Erie R. Co. v. Tompkins, 304 U.S. 64 (1938).

[39] Report at 62.

[40] Roe v. Wade, 410 U.S. 113, 154 (1973).

[41] Report at 64.

[42] *Id.* at 67.

[43] *Id.* at 69–70.

[44] Boddie v. Connecticut, 410 U.S. 371 (1971).

[45] The decision in *United States* v. *Kras,* 409 U.S. 436 (1973) underscores the narrowness of the *Boddie* ruling.

[46] Report at 77.

[47] Doe v. Bolton, 410 U.S. 172, 222 (1973), (White, J., dissenting).

[48] Scott v. Sandforth, 60 U.S. (19 How.) 393 (1857).

[49] Byrn, *supra,* p. 862.

DÉTENTE IN SPACE AND WHEAT

Mr. MOSS. Mr. President, we are certainly elated at the continuing success of the Apollo-Soyuz project. I note that for all our efforts at détente, it took NASA and the Russian equivalent to get our two nations working together—in spaceships, no less—to achieve a common goal.

Yet even now there is another form of Soviet-American interaction in the making. The third largest American grain dealer just announced that the Soviet Union has negotiated a purchase of 2 million tons of wheat from us. Generally, such trade with foreign countries is regarded as highly desirable. However, no sooner had the news broken, than the price of wheat surged on the Chicago Board of Trade.

The Department of Agriculture and Secretary Butz have assured the public that this year's sale to the Russians will be too small to have more than a minimal impact on the price of grain in the United States. Nevertheless, the speculators and the public are not so confident.

The problem is that the memory of the unfortunate 1972 Soviet grain purchase is still fresh in our minds. The Soviets bought up huge quantities of American wheat. Then this, coupled with unexpected crop failures in major grain-producing nations, led to a higher price of bread on the American dinner table.

I believe that the sale of grain to the Soviets is desirable only if we can be assured that the American consumer is not going to be gouged as a result of high prices.

Uncertainty is the culprit here. If we could know what the world grain production will be and how much the Russians are producing, then we would be much more confident about selling them our grain. We could trade with the Russians without the fear of overextending ourselves because we would know better the consequences of our actions.

Ironically, NASA again, as with Apollo-Soyuz, may be the matchmaker whose technology will ultimately bring the United States and the Soviet Union together again—this time in a grain bin, not in a spaceship. The economic courtship may eventually depend again on a spacecraft of sorts—the Landsat satellite. By using Landsat imagery to monitor world food production we may be able to remove enough uncertainty so that we can trade food grain with the Russians without fear of serious adverse effects on the American food prices. In other words, Landsat could help protect the American consumer by furnishing us with the knowledge to avoid excessive export of U.S. grain which leads to domestic food price hikes.

With that in mind, NASA, the Department of Agriculture, and the National Oceanic and Atmospheric Administration have embarked on a joint venture called LACIE—large area crop inventory experiment. The core of the project is NASA's Landsat satellite. There are two of these satellites in orbit now, and together they can cover the Earth every 9 days. From the Landsat imagery, experts will someday determine the acreage of selected crops planted around the world. Combining this information with weather data, scientists believe that they will be able to predict the annual yield of various crops all around the world.

Admittedly, such use of Landsat on the LACIE experiment is limited to an inventory of one crop—wheat—grown in one part of the United States—the Midwest.

Nevertheless, the results of tests conducted so far suggest that accurate global food monitoring of other crops and many things may be within our grasp.

For instance, a researcher at the University of Kansas identified wheat acreage over a 10-county area in southwest Kansas to an accuracy of 99 percent. This same researcher was able to estimate production in March within one-half percent of the official Statistical Reporting Service August report for his 10-county area.

But, of course, of equal interest is how useful Landsat is in measuring the crop output of other nations. I think that it is most significant that a member of the University of Athens faculty in Greece achieved identification accuracies on the order of 90 percent over Grecian wheat fields that ranged in size from 50 to 100 acres.

The larger the fields, the better the forecasting, I am told. So remote sensing of the vast Russian wheat fields should yield excellent results. Apparently, the Soviets recognize that they and everyone else will benefit from a greater certainty about world food production.

In fact, as one of the agreed areas of space cooperation with the Soviet Union, NASA is working with the Soviet Academy of Sciences in remote sensing of the natural environment. This includes an effort to define an experimental agricultural research program based on exchanging data from similar test sites in the two countries.

As long as we continue to make all the Landsat imagery available to any nation or individual who requests it, I believe that we will be able to overcome any objections that any nations may have about their agriculture being monitored. I think they will see that if everyone has all their cards laid out on the table, no one need fear what is up someone's sleeve.

And I think that foresighted world leaders recognize that one day Landsat may be protecting not only the American consumer from higher food prices but millions of other people around the world from starvation. I recall what Secretary of State Kissinger said of Landsat in an address to the United Nations World Food Conference held in Rome last fall:

> This is a promising and potentially vital contribution to rational planning of global production.

As my colleagues know, I have been an avid supporter of this system for some time now, even before the name was changed from ERTS to Landsat. I believe that Landsat will eventually take its place alongside two other families of operational satellites that have clearly established themselves as being a boon to mankind, namely the communications satellites and our weather satellites.

We have known that Landsat can map the earth, locate mineral deposits, survey flood damage, and do a host of other important activities.

But if Landsat turns out to be the next device in space that facilitates improvements in Soviet-American relations, then all the better.

EDUCATION APPROPRIATIONS—H.R. 5901

Mr. HATFIELD. Mr. President, the Senate has given final consideration to the conference report on the education appropriations bill, H.R. 5901. I commend the education subcommittees on both sides of the Congress for reporting the bill promptly, to allow educational institutions to begin making their plans.

In most respects I am pleased with the levels of funding in the bill. Although there have been rumors of a veto of the bill, we must not begin to cut back on the support of these vital education programs.

The conferees settled upon the lower Senate figure on the funding of the National Institute of Education. This disappointed me, for I feel NIE could very profitably use the House amount of $80 million. With a new Director and with some tightening up of research plans, NIE is worthy of congressional support in its efforts to direct and stimulate educational research.

I noted that the conferees selected the Senate language in reference to the amount for the regional laboratories. The amount is to be up to $30 million. This gives appropriate flexibility to NIE to fund the regional lab programs which measure up to the quality of other NIE projects.

The cut of $10 million from the administration and House figures for NIE, of course, will mean that some worthy new projects will not be funded. The NIE must weigh one project against another, in the light of the needs of the entire educational community. One proposed area of new research involves careful evaluation of the success of competency-based education programs. This new movement in education appropriately emphasizes helping the student to be able to demonstrate practical and meaningful skills. The focus in testing is on what the student can do rather than just what he knows. The teacher begins each course or unit with clearly defined behavioral goals and evaluates the student's performance against these objectives. In the State of Oregon, the entire secondary school curriculum is being reorganized on this basis. High school graduation will be based not just on obtaining passing grades in certain courses, but on demonstrating that one can do certain intellectual and physical skills, hopefully of importance in the real world.

On May 9, 1975, the Acting Director of NIE, Emerson J. Elliot, informed me that research on competency-based education would be a major emphasis in the new projects for 1976. If NIE had been funded at $80 million, approximately $4.6 million would have gone toward such projects. While it may be necessary to reduce this level, it is my hope that this priority will not be set aside. It is vital to proceed with this research while there is the opportunity to evaluate the work now being done in Oregon schools and elsewhere. Many legitimate objections have been raised against the research being funded by the Federal Government, but the research in competency-based education is practical and very deserving of public assistance.

OIL SPILL FIGHTER

Mr. HUMPHREY. Mr. President, I bring to the attention of my colleagues a lively and informative article which appeared in the July/August issue of the EPA Journal.

The article details briefly, but very vividly, some of the factors involved in the control and cleanup of massive oil spills, which have grown to be a serious problem not only for our Government but for governments all over the world.

The subject of the article is Mr. Kenneth Biglane, Director of the Oil and Special Materials Control Division of the Environmental Protection Agency. Formerly with the Federal Water Pollution Control Administration, Mr. Biglane traces his interest in oil spill control to his preteenage days in Louisiana. A native of Shreveport, Mr. Biglane became a pioneer in the field as chief of water pollution control for the Louisiana Wild Life and Fisheries Commission and as executive secretary of the Louisiana Stream Control Commission.

Representing the U.S. Government, Mr. Biglane has answered calls in all parts of the Nation and, indeed, in many parts of the world, for his assistance and counsel on methods of cleaning up massive, potentially lethal spills which can have devastating effects on the environment.

Many of our citizens spend a good deal of time complaining about bureaucracies, Mr. President. For some, "bureaucrat" is a generalized, uncomplimentary term used in a blanket fashion to condemn the spreading tangle of Government agencies and regulations.

But I believe we owe it to our colleagues in the Congress and to our citizens to shed some light on the fine work that is done by the vast majority of Government employees. Mr. Biglane's work is an outstanding example of Government service of the finest caliber, and as a public official, I congratulate and thank him for his dedication and commitment to preserving our precious environment.

This article should also serve to alert each of us to the fact that while a great deal of progress has been made in the control of oil spillage, we must assure the maintenance of resources necessary to move quickly and decisively when spills occur in the future. As Mr. Biglane says:

> We are a lot more ready than we used to be. We can minimize damage, but we can't protect everything. We have the expertise now, but we need to keep our forces fine tuned.

Mr. President, I ask unanimous consent that the article, entitled, "Oil Spill Fighter," be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Oil Spill Fighter

As the Coast Guard cutter circled the huge and spreading oil slick bubbling up from a leaking well in the blue Santa Barbara channel, Kenneth Biglane radioed to the Coast Guard station at Santa Barbara, Calif.:

"She's coming into the harbor. There's no way of stopping her now."

The man who sounded this warning knew that one of the most dramatic and trying chapters was about to begin in his long career of oil spill prevention and control.

At that time, February 4, 1969, Mr. Biglane, who is now Director of EPA's Oil and Special Materials Control Division, was with the Federal Water Pollution Control Administration, one of EPA's predecessor agencies.

For the next several weeks after the vast carpet of oil smeared the harbor and shoreline of Santa Barbara, he played a key role in a tireless struggle by officials of FWPCA, Coast Guard, other Federal and local Government agencies and the Union Oil Co., owner of the leaking well, to curb the damage from the huge spill.

One of Mr. Biglane's main concerns, was to discourage the spraying of detergents, except in cases of fire hazard, to help clean up the oil smears.

He explained that he had learned as an observer of the effort to clean up after the tanker Torrey Canyon was wrecked in 1967 off the coast of England that the use of detergents greatly increases the harm to water fowl and sea life.

"The Torrey Canyon was the first major oil spill and is still the largest because 33 million gallons of Kuwait crude spilled from this vessel," Mr. Biglane recalled.

"The oil from this spill hit both the English and the French shores. When I was sent to the scene as an observer I found that the English were using three million gallons of detergents in an attempt to get their beaches cleaned for the tourist season.

"Oil by itself is toxic. Adding detergents makes it more toxic. The French started using physical means such as straw and wood chips to clean up oil on their shores. As long as they did this the damage to fish and wild life was minimal. But then the French hotels got worried about the tourist season so the French also began to use detergents."

Mr. Biglane recalled that "the impact of the Torrey Canyon caused every major country to consider what it would do if something like this happened to them."

Since the Torrey Canyon spill Mr. Biglane has traveled to countries around the world as a consultant or observer when major oil spills have occurred.

Approximately one year after the Torrey Canyon spill, he flew to Puerto Rico as a senior advisor to the U.S. Department of the Interior after the tanker, Ocean Eagle, broke in two and spilled over three million gallons of oil in the San Juan harbor.

"This was a case where we learned the importance of working with a local Department of Public Works because it could provide the manpower and equipment we needed—resources a pollution control agency does not normally have in any quantity.

"I discouraged the use of detergents because I felt certain that use of these dispersants would have killed tons of fish in the San Juan harbor. Straw was used to soak up the oil on shore and then we also got every septic tank truck on the island to haul oil away to surface pits or an oil refinery."

In December, 1968, Mr. Biglane flew to Panama as a consultant to the Smithsonian Instituton after the tanker, Whitwater, broke in two and spilled oil on a coral reef the Smithsonian's tropical laboratory had been studying.

"When the oil got to the shoreline we held it in pools with booms until it could be pumped out with bilge pumps. It was pumped into shore pits and then burned. Again we avoided using detergents."

In October, 1968, Mr. Biglane had served as a U.S. delegate to the International Conference on Pollution on the Sea in Rome. This meeting led to the Brussels Intervention Convention in Belgium in November, 1969, which Mr. Biglane also attended as a U.S. delegate.

"It was at the Brussels conference that agreement was reached that one Nation could seize another's country's ship if it was about to pollute by oil the shores of the first country. In the case of the Torrey Canyon, Britain had been reluctant to seize this vessel because it was flying a foreign flag."

In 1970–71, Mr. Biglane was an advisor or observer at three off-shore oil well fires in the Gulf of Mexico.

"We learned from the Chevron oil well fire in 1970 that it was better to let the fire keep burning until a relief well could be drilled to stop fresh oil from feeding the blaze," Mr. Biglane said. He explained that as long as the fire was burning the amount of oil escaping to pollute the Gulf of Mexico was relatively small.

In 1971, Mr. Biglane was also a consultant on cleanup efforts after the collision of two tankers in San Francisco Bay resulted in a large oil spill.

"We learned a great deal in this case about using aerial surveillance to check the extent and density of the oil spill," he recalled.

In the summer of 1971, Mr. Biglane flew to Australia to testify at hearings on proposed drilling for oil in the Great Barrier Reef.

"I gave sworn testimony for five days on oil pollution control and prevention," he remembers. "I was grilled by three sets of barristers and they dredged up every bit of experience I ever had. I gave over 300 pages of testimony. It was pleasing in a way because it indicated that other countries were beginning to seek out our technology."

In 1972, Mr. Biglane helped advise on the cleanup after "one of the largest oil spills in this country" was caused by Hurricane Agnes. He said that six million gallons of waste oil being held in storage lagoons along the Schuylkill River (above Philadelphia) were swept away when the hurricane-lashed river water rose 20 feet.

"We found oil 20 feet high in trees and in the second floors of homes," Mr. Biglane recalled. "Thousands of barrels of hazardous chemicals were also carried away by this storm. We had to find and dispose of these barrels."

In 1973, Mr. Biglane went back to Puerto Rico to advise on the cleanup after another tanker spilled oil on the island's south coast. In the same year he traveled as a consultant to the Smithsonian Institution to Jakarta, Indonesia, to conduct a workshop on marine oil pollution.

Last year, Mr. Biglane says, "I had to stay home and mind the store. We were working on our oil spill prevention program and we inherited the ocean dumping program. We did work on the granting of an ocean dumping permit for the burning of wastes in the incinerator ship Vulcanus—that was the first."

Earlier this year he went to Hawaii for an EPA hearing on whether more than 11,000 tons of Herbicide Orange, a toxic plant killer, should be burned in the Vulcanus in the Pacific Ocean about 1,000 miles west of Hawaii.

Asked how he became involved in the oil spill cleanup work, Mr. Biglane said, "At the age of 12 I worked as a roustabout in the oil fields of South Arkansas where an uncle of mine owned some wells. I became familiar with oil spills and leaks early."

A native of Shreveport, La., Mr. Biglane received bachelor and master of science degrees in aquatic biology from Louisiana State University. He later became chief of water pollution control, Louisiana Wild Life and Fisheries Commission, and executive secretary, Louisiana Stream Control Commission.

Recalling those days, he said, "Some of the worst examples of continuous discharges of oil I ever saw were on the coast of Louisiana. It used to be an ecological pig sty. Certain areas of the Louisiana coast became a biological desert as a result. The environment can bounce back from a one-time spill, but a continual discharge of oil can do great damage."

He added that he has been pleased to notice when flying over the Louisiana coast recently that "it is now well on its way to being cleaned up, due in part, at least, to action by EPA and the Coast Guard.

Reviewing the progress made in this country in coping with oil spills, Mr. Biglane said that all EPA Regional Offices and all Coast Guard districts now have contingency plans. There are also a number of private contractors around the country now who know how to cope with oil spills.

"We are a lot more ready than we used to be. We can minimize damage, but we can't protect everything. We have the expertise now, but we need to keep our forces fine tuned."

Asked when the next major oil spill is likely to occur. Mr. Biglane smiled and replied:

"We try to be ready every day."

THE MIDDLE-INCOME TAXPAYER

Mr. PACKWOOD. Mr. President, for years, we in public office have been asking questions like, "How do we get this group or that group to think 'our way'?" I say we should reverse the question. Why do we not try thinking "their way"? In my mind, the key to the revival of confidence in Government is to listen to the man and woman in the middle—the working American—the middle-income taxpayer. Listen to their complaints, their grievances, their needs, their wants, and then address ourselves to them and set about trying to help them.

I have had the opportunity in the U.S. Senate for the last 6 years to listen to these people. I have had a chance to read their mail, to meet with them in schools and factories, and then to try to solve their problems. I find their concerns are not much different no matter where I go in this country, be it Portland, Oreg., Dover, Del., or Cincinnati, Ohio.

The theme that comes through over and over is unresponsiveness. " I can't find out why my mother didn't get her social security check." "I bought a washing machine that's defective and the retailer has gone out of business and the manufacturer won't fix it."

Included in their complaints about unresponsiveness is the complaint about a faceless bureaucracy, and they mean both Government and business. The frustration they feel at the inability to eyeball anybody, to grab somebody's lapels who is responsible for making the decision. Month by month, year by year, these people are turning off—turning off not just on the Republican Party, or the Democratic Party, but on Government in general, and I might add, on big business and big labor as well.

Our Government must address itself to these people if we want them to support this Government. I will tell you specifically the things I think we have to do.

First, let us delegate as much power as possible to local governments and away from the Federal Government. National standards should be set only for compelling reasons. I know the argument this raises: "The Federal Government undertakes a general revenue-sharing program, and cities spend too much for police cars and not enough for day care."

Or stated another way: "Local Government just doesn't understand the proper priorities."

That means, of course, that they do not understand the priorities as we see them in Washington, D.C. Well, there are over 38,000 units of local government in this country.

I can assure you that any delegation of power from Washington, D.C., will cause some of those governments to do things with which you and I do not agree. That is, however, infinitely preferable to the Federal Government creating a nationwide program under which it imposes a uniform mistaken standard on every community in this Nation.

Second, we should recognize that bigness and unresponsiveness are not unique to government; business has the same problem. And as I would limit big government when it becomes unresponsive, so would I limit big business when it becomes unresponsive. Not only should business be broken up under the present antitrust laws when they get so big that they can monopolize a market, or rig a price; they should, in addition, be broken up into smaller businesses if they can no longer be responsive to the legitimate grievances of their customers. If that takes amendment of the present antitrust laws, they should be so amended. The best interests of this country are served by numerous, responsive businesses freely competing with each other.

If the antitrust laws can be so amended, then I would also encourage further competition by either limiting or getting rid of most of the regulatory agencies like the Interstate Commerce Commission, and the Civil Aeronautics Board. Let business earn their profits by delivering the best goods at the lowest price. This, then, is the ideal: antitrust laws firmly enforced against conspiracy, monopoly, and unresponsiveness, leaving businesses free of regulation to compete in a free market economy.

Third, limit the power of the Federal Government over us as individuals. Let us renew our dedication to the protection of civil liberties. If there is any singularly frightening thing I have discovered in Washington, it is the unlimited power of the Federal Government, especially the executive branch, to tap a phone, to snoop, to burgle.

In my earlier years in Congress, I realized that there was a capacity to do evil in the centralization of the Federal Government: that there was a capacity to abridge the individual liberties of the people of this country. It was only later that I fully comprehended and realized it was actually being done. It was brought forcibly home to me personally when I discovered that the phones of two of my good friends, honest Americans, were being tapped and that the Federal Government—my Government—was listening to my conversations with my friends. My fellow Americans, the Federal Government has no business listening to my phone conversations or your phone conversations.

There is nothing more dangerous to this country than people in power who are resolutely convinced they are right, people who are so convinced that if you disagree with them, you are wrong. Let us remember as elected officials that God did not speak to any of us and make us eternally, perpetually right.

The bill of rights, the greatest protection of the individual in the history of this world, should be reread and remembered by every American. It gives us the power to protect ourselves against the abuses of our individual liberty by an overreaching Federal Government.

Fourth, we must find out what specific social programs the majority of the people genuinely want, and set about providing those programs in the most expeditious manner. There is no secret to finding out if people want day care, or company pensions in addition to social security, or subsidies to buy houses. It is the function of those of us in politics to know. The Federal Government should then encourage business to provide these programs by granting tax incentives.

There is nothing unusual about business providing social benefits. Workmen's compensation is a perfect example. The Government mandates the level of benefits that shall be provided. The employer is obligated to pay for the benefits, but they are provided through a private insurance carrier. It is a perfect marriage of social policy well administered and paid for by business. Business is infinitely better at delivering almost anything, be it a social service or a product, than the Federal Government will ever be. I can assure you if the U.S. Government itself starts providing these programs directly, we are going to do it with all of the dispatch and efficiency of the U.S. Postal Service.

Finally, let us face the issue of spending. We in Congress should practice fiscal restraint. Take a look at where the country has been and where it is going. From 1965 through 1974, we ran up an additional $109 billion deficit in what is now regarded in retrospect as relatively good economic times. I place the blame for that equally on President Johnson, President Nixon, and the Congress, because we all had a hand in it. In 1975, the deficit is projected at $42.6 billion. For 1976, President Ford proposes a deficit now estimated at $60 billion. Unfortunately, the Congress has already upped that to $70 billion. My hunch is that by the end of 1976, the deficit for that year will be someplace between $70 and $80 billion. Between March 1, 1975, and October 1, 1976, total Federal Government borrowing will hit roughly $140 to $160 billion. That, together with the borrowing that State and local governments do, will constitute 80 percent of all the bonded indebtedness in the United States.

That means that all the rest of us who wish to borrow—individuals and businesses—have a thin slice of the pie left. Small businesses that have a moderate credit rating will pay 10 to 12 percent to borrow money, and they will be lucky if there is any money to borrow at all—at any rate. Of course, if they can borrow, they will pass along the cost in the form of increased prices to their customers. Homeowners will be lucky to borrow at anything less than 9 to 11 percent.

The upshot of all of this will be that when the public has finally had it, the Congress will mistakenly delegate to the President the power to impose wage and price controls, credit allowances, interest ceilings, and then we will try to blame the President if he will not impose them.

I think the working American understands that it took us about 10 years to get into the recession we are in. We started under Lyndon Johnson in 1965 with guns and butter. We thought we could escalate the war in Vietnam and start the war on poverty and not pay for it. President Nixon continued the same fiscal policy. Unfortunately, the piper now wants his due. If we try to spend ourselves out of this recession by borrowing $140 to $160 billion, all we are asking for down the road is higher inflation, immense interest rates, and possibly national bankruptcy. A bankrupt America is not going to be good for the rich or the poor, or for anybody else.

When President Ford gave his state of

the Union message in January, he announced that the state of the Union was not good. That depends upon your point of view. I agree that the state of Government is not good. I find the state of the Union not bad. I still find people basically optimistic. Most of them are still working, they still coach Little League, they bowl on Wednesday nights, and they take reasonable care of their families. They do not ask much of Government, except to be protected, to be secure and to be left alone.

The most significant, but least understood, fact of political life is that the stability of our Government, and our ability to have a government for all of our people, rich and poor, depends upon the continued tolerance and cooperation of the middle-income American. Those people pay for the cost of this Government, including the excesses of this Government. Up to now, they have been responsive to the needs of the poor and the prosperity of the rich. But if that group ever turns off on Government permanently, as Government has turned off on them, if that middle-income taxpayer who does not get food stamps, who does not get welfare, and who does not ask for much, turns off on this Government, he is going to strike both ways, at the rich and and at the poor. To the rich he will say, "You got rich off of me, because of unjustifiable loopholes." And to the poor, he will say, "You're undeserving and you'll get nothing." In the process, he may tumble the entire competitive, free enterprise system to boot.

We cannot let that happen. We must show the middle-income taxpayer that our system has earned their support by demonstrating a concern for their desires. Those working Americans still know there is greatness in this country. These people—the middle Americans—who have carried our country through the best and worst times—will always be the force that keeps our Nation alive.

We must listen to those unheard voices of the middle-income taxpayer. We must listen and let them lead the way. They have never let us down, and now it is our turn to show them that together we will not ever let each other down. Their way will be our way, and together we shall accomplish what none of us can accomplish alone.

FEA UNDERSTATES OIL PRICE IMPACT JEC ANALYSIS REVEALS

Mr. HUMPHREY. Mr. President, the FEA's estimate of the economic impact of President Ford's oil decontrol plan grossly understates the drastic consequences of this program compared to appraisals by the Joint Economic Committee staff and other sources:

The FEA estimates that the President's program would add only 0.1 percent to the unemployment rate in 1977. But, the JEC staff analysis shows that, even with a full refund to consumers of the Administration's proposed excise tax and of the $2 tariff on imported oil, the unemployment rate would be 0.8 percent higher. That means that about 750,000 more people would be unemployed than if the controls are continued.

According to our analysis, consumer prices would be over 2 percent higher in 1977 and lost GNP would exceed $50 billion, solely as a result of the President's mistaken action. The decontrol program would add about $600 to the cost of running the average American family. Many other experts regard the conclusions of the JEC staff on the severity of these consequences as conservative. This is more than the stagnant American economy and the battered American consumer can be asked to bear.

Mr. President last week I released a preliminary evaluation of the probable impact of what at that time appeared to be the administration's energy program. In light of the recent announcements by the President of his new decontrol program, I asked the staff of the Joint Economic Committee to reevaluate that program. The results presented in the summary table which follows are based on the following assumptions:

First. A 30-month phased decontrol of regulated domestic oil.

Second. A ceiling on domestic oil prices of $13.50 per barrel.

Third. A $2 per barrel excise tax on uncontrolled domestic oil and a $2 per barrel tariff on imported oil to be fully refunded through tax reductions to consumers.

Fourth. A 15 percent increase in the price of OPEC oil effective October 1, 1975.

Fifth. Increased Federal spending of $3 billion per year and increased grants to State and local governments of $2 billion per year, to offset higher energy prices.

In making this estimate, the Joint Economic Committee staff assumed that monetary policy would accommodate the increased inflation. This meant money supply growth rates in excess of 9 percent throughout 1976. If monetary policy does not accommodate large petroleum price increases, the impact on real growth and unemployment could easily be more severe than these staff estimates.

Mr. President, I ask unanimous consent that the summary table be printed in the Record.

There being no objection, the table was ordered to be printed in the Record, as follows:

SUMMARY TABLE—ECONOMIC IMPACT OF ADMINISTRATION ENERGY PROPOSALS AND OPEC PRICE INCREASE

	75:4-76:1	76:2-76:3	76.4-77:1
Reduction in real economic growth (percentage points)	0.85	2.0	3.0
Increase in unemployment rate (percentage points)	.1	.3	.8
Increase in Consumer Price Index (percentage points)	2.3	2.1	2.2

WHY THEY DREAD SCOTT

Mr. McCLURE. Mr. President, it is refreshing to note that some people in the media are beginning to appreciate the junior Senator from Virginia (Mr. William L. Scott. Given the leftwing leaning of the urban eastern press, self-education is no mean feat. But then, as Stan Evans points out in his article in Human Events, to have emerged as a continual target of the liberal left so early in the game, he must be doing something right. I know how effective Senator William L. Scott is, having served with him in the House of Representatives as well as in this body.

I, therefore, ask unanimous consent that the article in Human Events be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Why They Dread Scott

(By M. Stanton Evans)

Every once in a while the boys and girls on the media bus will play a game called "it"—in which they select some target for annihilation and work him over pretty fiercely.

Past recipients of this treatment have included Spiro Agnew in the '70s, Barry Goldwater in the '60s, and Joe McCarthy in the '50s. Sometimes the charges have contained a shred of truth, though more often they have not. Sometimes the victims have survived, sometimes they haven't. But one thing has been fairly constant: The target is almost always a conservative, and someone the liberals fear can do them political damage.

Of late there is a brand-new candidate for these peculiar honors—Sen. William L. Scott of Virginia. Since his days in the House and more especially since his campaign for the Senate in 1972, Scott has been subjected to a media blitz that rivals, on a local scale, the toughest hatchet jobs on Barry Goldwater. No charge is too outrageous, it appears, to be hurled at the head of the Virginia Republican.

Beginning in the journals of the New Left, then gradually seeping through to more conventional media, the rap on Scott has echoed and re-echoed: Mean to his staff, a penny-pincher, the "dumbest man in the Senate," and so on. The intensity of feeling against a freshman senator struck me as intriguing, so I resolved to meet and talk with this supposed paragon of vices and judge the matter for myself.

Recently I spent a considerable period chatting with Sen. Scott, and emerged with quite a different picture. Most easily scotched in this discussion was the idea that Scott is dumb. Whatever else he may be, dumb he is not. He is a trained legalist, has a wide-ranging knowledge of the issues, and conducts a varied, lively conservation. And he seemed to me an accessible personality—which many U.S. senators emphatically are not.

Those who have read the usual billingsgate on Scott would be surprised, indeed, to learn of his educational and professional background. He holds a Juris Doctor degree from George Washington University, was a trial attorney for the Justice Department, is a past chancellor of his legal fraternity, and has served in numerous civic leadership posts. His three children are all graduates of William and Mary.

Equally suggestive is Scott's political career, which got going in earnest when he converted Virginia's 8th District from Democratic to Republican, continued to build as he increased his winning margins there, then took a quantum jump as he became the only Republican Senate aspirant in 1972 to defeat an incumbent Democrat—liberal favorite William Spong. Not exactly the record of a political bungler.

On the other counts, an informal talk of course proves nothing—but they are irrelevant anyway. Considering the moral ambiance of Washington and the things that normally go on here, the idea of crucifying a man for the alleged crime of saving paper clips is downright ludicrous. We may be sure that the onslaught has as little to do with Scott's frugality or style of office management as it does with his intelligence.

The real reason for the attack emerges readily from conversation with Scott—as it does from his record in the Congress. He is, and no mistake about it, a solid, blunt conservative, without apologies. On issue after issue, he goes down the line for traditional values: Against Red trade and busing, for balanced budgets and retention of the Panama Canal, against the wilder frenzies of the environmentalists.

In recent weeks, for example, Scott has zeroed in on the misnamed Agency for Consumer Advocacy, opposed the punitive strip-mining bill, attacked the discriminatory Voting Rights Act, plumped for stronger national defense, and so on. His daily performance is one of no-nonsense activity in behalf of limited government, freedom of enterprise, and protection of our national sovereignty.

Of course Scott isn't the only firm conservative in the Senate, so this alone doesn't entirely explain the blitz. It is a combination of other qualities, I think, that has marked him as a special enemy of the left.

First, he is very much his own man—as he proved by being one of the few Republicans to oppose the confirmation of Nelson Rockefeller (and make some excellent points in doing so); second, he is a comer, with the ability to get his message over to the voters—as he has proved by winning some tough elections.

Consider, if you will, Scott's declaration on the Rockefeller question, explaining why he wouldn't go quietly down the line for the recommendation of the president.

"I feel," Scott said, "that this nomination is different from the customary right of the President to name his own cabinet or the heads of government commissions or agencies. We are acting . . . in lieu of a general election in which the voters of the country decide who shall be President and Vice President.

Therefore, I urge that each member of the Senate determine, in his own mind, whether Nelson Rockefeller is qualified to serve as Vice President, whether he would tend to restore the confidence of the people in their government and its elected representatives, and whether the people themselves, if afforded the opportunity, would elect him to this high office.

"For my part, I am not satisfied on these issues and cannot support the nominee."

Now, that's the kind of man the liberals *really* dislike, and would love to sandbag if they can. So, from this perspective, the attack on Scott can be taken as a form of compliment. To be so distasteful to the liberal left so early in the game, he must be doing something right.

RESTORATION OF CITIZENSHIP TO GEN. ROBERT E. LEE

Mr. HARRY F. BYRD, JR. Mr. President, the efforts to restore full rights of citizenship to Gen. Robert E. Lee are reaching a long-awaited and hopefully successful crescendo in the House of Representatives. On June 19, 1975, the House of Representatives' Judiciary Committee reported favorably Senate Joint Resolution 23 by a vote of 28 to 2.

Recently, three excellent articles have appeared on this topic. On June 22, 1975, the Washington Star published an article by Brian Kelly. In that article, Mr. Kelly probed in depth the efforts by Elmer O. Parker, the assistant director of the Old Military Records Division of the National Archives, who, in 1970, discovered the original Oath of Allegiance sworn to by General Lee on October 2, 1865.

In describing Mr. Parker's momentous task, Brian Kelly noted that "two and a half billion pieces of paper are in the Nation's official archives, but Elmer O. Parker, after more than 5 years of on-and-off searching, found it."

Kelly goes on: "Archivist Parker was convinced that Lee must have completed the oath * * *"

> "I felt he did it, because why else would he repeatedly have urged others to do something he himself did not do?", adds **Parker,** a Georgia native and great-grandson of two men who served the South.

In a second article carried on the front page of the Wall Street Journal of June 24, 1975, Ronald G. Shafer wrote an excellent piece on the history of the efforts to restore General Lee's rights, entitled "After 110 Years, U.S. May Be About Ready To Forgive General Lee."

Mr. Shafer notes the necessity of the present congressional action in his article:

> Some rights of citizenship, such as the right to vote, were restored to General Lee on Christmas, 1868, when President Johnson declared a universal amnesty for Confederate officials. But the General's citizenship couldn't be fully restored by the President because a provision in the 14th Amendment to the Constitution bars certain rights, such as the right to hold office, to any U.S. officer who "engaged in insurrection or rebellion" against his country. The "disability" can only be removed by a two-thirds vote of both Houses of Congress.

Most recently, on June 26, 1975, the Washington Star carried an article by Edwin M. Yoder: "The Two Faces of Robert E. Lee." In this brief but thoughtful article, Mr. Yoder explores the depth of Less character and the difficult decision he was compelled to make during the last decade of his life.

Mr. Yoder writes that General Lee's "self-containment of his personal emotions concerning this matter helps account for what one must view as a national indecency—that Robert E. Lee remains, after a century, a man without a country."

I ask unanimous consent that the article by Brian Kelly, the article by Ronald G. Shafer, and the article by Edwin M. Yoder be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Washington Star, June 22, 1975]

FIVE-YEAR HUNT TO FIND LEE'S VOW OF LOYALTY

(By Brian Kelly)

Two and a half billion pieces of paper are in the nation's official archives, but Elmer O. Parker, after more than five years of on-and-off searching, found it.

Admittedly he was a professional, an archivist, and admittedly most of the billions of documents were grouped, categorized, indexed or whatever.

Yet, certain as Parker was of its existence, the one piece of paper he wanted would have been more than a century old, and most of the scholars, the important historians and biographers, said it didn't exist. One wrote a 17-page chapter explaining why not.

It was a hunt for "the needle in the haystack," Parker acknowledges.

Then the assistant director of the Old Military Records Division of the National Archives, Parker began looking during the years of the Civil War Centennial, more than a decade ago.

He long had been a Civil War buff, and he was interested in Confederate Gen. Robert E. Lee.

Parker knew that Lee, after the surrender at Appomattox, had applied for pardon and restoration of his U.S. citizenship. A symbol of post-war reconciliation, Lee publically had urged his fellow Confederates to accept President Andrew Johnson's offers of pardon and amnesty, to rejoin the Union and to build the nation anew.

In addition to the application that Lee wrote out in Richmond shortly after the war's end, an application later to be endorsed warmly by his opposite number, Gen. Ulysses S. Grant, Lee should have subscribed to an oath of allegiance to the U.S. Constitution.

He should have, but many historians felt he didn't. There was no known record of its receipt here in Washington, and Lee died in 1870 still unpardoned, still a man without citizenship.

Archivist Parker was convinced that Lee must have completed the oath. He probably would have done it when he wrote out his application in June 1865 in Richmond, but at that time, according to Grant himself, Lee did not know the oath was an additional requirement for presidential pardon.

"I felt he did it, because why else would he repeatedly have urged others to do something he himself did not do?" adds Parker, a Georgia native and great-grandson of two men who served the South.

But the oath, if there was one, was nowhere to be found when Parker began looking. He could find no record of its receipt, presumably by Secretary of State William H. Seward's department of the 1860s.

For that matter, Parker initially couldn't even find Lee's letter of application for citizenship. But there was ample supporting material reporting its receipt, the Grant endorsement and the contents of both. It had, in Parker's words, "left tracks."

And he soon located the application, in the files of the Illinois State Historical Library. Somewhat mysteriously also, it had found its way to a Grant collection there after passing through the hands of a minor Union general and a Philadelphia publisher who once offered it to the War Department for $100 and was turned down.

In fact, publisher Charles Walsh was turned down with an obscure clerk's notation, "Seen by Genl. Ainsworth who directs that the writer be informed that this Department has no money to purchase records of any kind."

So much for the Lee application. By Parker's reconstruction of events, it initially went to Grant and later to Secretary of State Seward, who gave it to Maj. Gen. Daniel Sullivan "as a souvenir." Thence to Sullivan's heirs, to publisher Walsh and by some further alchemy to its final resting place in Illinois.

Meanwhile, what of the Lee oath? And why didn't Lee know about the added requirement of a separate oath of allegiance?

In Prologue, a National Archives publication, Parker some time ago explained the historical setting:

"Facing an indictment for treason, Lee read in Richmond newspapers President Andrew Johnson's proclamation of May 29, 1865, 'to induce all persons to return to their loyalty.' Lee immediately informed . . . Grant that he wanted to comply with the provisions of the proclamation and enclosed 'the required application'.

"It was not in order, for it was not accompanied by an oath of allegiance to the United States. . . .

"General Grant attempted to justify the absence of the oath. He explained to the President that Gen. E.O.C. Ord, commanding the Department of Virginia at Richmond, informed him that the order requiring it (the oath) had not reached the city when Lee's application was forwarded.

"Grant, therefore, earnestly recommended that amnesty and pardon be granted the old warrior."

But it wasn't, apparently because of the missing oath.

Meanwhile, Lee had accepted an offer to become president of Washington College, now Washington and Lee University, in Lexington, Va., and on his famous Horse Traveller made his way by slow stages to the Shenandoah Valley town for his inauguration as head of the school on Oct. 2, 1865.

As we now know, Lee also took time on that rather busy and special day in his life to go before a young attorney and notary public in Lexington, one Charles Davidson, and in a rather shaky hand signed a printed form headed in big block letters, "Amnesty Oath."

In it, "I, Robert E. Lee of Lexington, Virginia" swore to support, protect and defend the Constitution and furthermore to support and abide by, "all laws and proclamations which have been made during the existing rebellion with reference to the emancipation of slaves."

That was the Lee oath, and 105 years later it turned up in a 12-inch box stored away in the National Archives, a cardboard container of unsorted State Department papers, most of them look-alike amnesty oaths of the same period. The man shuffling through those papers in 1970 was Elmer O. Parker.

Now retired in Columbia, S.C., and apparently a modest man given to understatement, Parker recalls, "I was aware of its importance."

But how could it have happened? How could an amnesty oath from such a key Confederate figure have vanished like that?

"Sir, that is a mystery," Parker says. "And I wonder if anyone will eventually know how that oath found its way into those records without leaving any tracks. I can't understand why it found its way into that file.

"If I hadn't come upon it, it may well have remained there for another 100 years."

Any theories?

"I really don't know why—maybe it was done deliberately, maybe it was through the inadvertence of some clerk."

In any case, as a result of Parker's discovery, the latest of several posthumous efforts to grant Lee his citizenship finally is moving through Congress.

Sponored by Sen. Harry F. Byrd Jr., I-Va., the Lee citizenship resolution was approved by the Senate on April 10. Two weeks ago, it cleared a subcommittee of the House Judiciary Committee, and last week it cleared the full Judiciary Committee by a 28-1 vote. Next step, the House floor, with sponsors hoping for final action by July 4.

Parker's reaction to the citizenship effort? Again, the understatement: "I certainly would not object to it."

As for Byrd's resolution, it would grant Lee his citizenship effective June 13, 1865, the day he sat down in Richmond, the old capital of the Confederacy, and wrote out his application for pardon, unaware of the required amnesty oath that would lie buried in dusty papers—one sheet among billions—for more than a century.

[From the Wall Street Journal, June 24, 1975]

AFTER 110 YEARS, UNITED STATES MAY BE ABOUT READY TO FORGIVE GENERAL LEE

(By Ronald G. Shafer)

WASHINGTON.—The bitter war is over. It's time, they say, to let bygones be bygones. And so the cry is spreading up from Virginia and through the U.S. capital—amnesty for Gen. Robert E. Lee.

That's right. The Gen. Lee who commanded the Confederate Army in the Civil War. When that war began, Mr. Lee was a colonel in the Union Army. But the native-born Virginian felt he had to join the Confederacy. After the South lost the war, the rebel leaders and soldiers no longer were considered to be U.S. citizens unless pardoned by the Union government. Gen. Lee's citizenship never was fully restored.

But it may be soon. The Senate unanimously passed a resolution in April to restore "full rights of citizenship" to Gen. Lee, retroactive to 1865, the year the war ended. With the Virginia delegation leading the charge, the House is expected to approve the measure this week, capping a four-year fight by Sen. Harry Byrd to make Robert E. Lee a U.S. citizen again.

Sen. Byrd is an independent from Virginia. His resolution isn't a sectional matter, he says, "but rather it is a step that should have been taken by the nation as a whole long ago." Gen. Lee, Sen. Byrd notes, wasn't only a military hero; he also is credited by historians with helping to bring the North and South together after the Civil War.

While the expected congressional action will come too late to help Gen. Lee himself, its purpose is to remove a cloud over his memory.

Just why Gen. Lee wasn't pardoned long ago is a mystery. After the war, President Andrew Johnson offered "full amnesty and pardon" to rebel soldiers who would swear allegiance to the U.S. Constitution. Gen. Lee and other Confederate leaders first had to apply for pardons so their cases could be considered individually. In June 1865 Gen. Lee applied for a pardon in a letter to Union Gen. Ulysses S. Grant, who sent the application to President Johnson "with the earnest recommendation" that the pardon be granted. Gen. Lee separately urged other Southerners to follow his lead, saying, "I believe it to be the duty of every man to unite in the restoration of the country and the reestablishment of peace and harmony."

CONGRESS IS KEY

But the pardon never came, apparently because the White House never received from Gen. Lee a separate oath of allegiance to the Union. Subsequently, the general's pardon application became lost after Secretary of State William H. Seward apparently gave it to a friend as a souvenir. It eventually fell into the hands of a Philadelphia publisher, who offered to sell it in 1899 to the War Department for $100. The department replied that it had "no money to purchase records of any kind." The application now is in an Illinois museum.

Some rights of citizenship, such as the right to vote, were restored to Gen. Lee on Christmas 1868, when President Johnson declared a universal amnesty for Confederate officials. But the general's citizenship couldn't be fully restored by the President because a provision in the 14th Amendment to the Constitution bars certain rights, such as the right to hold office, to any U.S. officer who "engaged in insurrection or rebellion" against his country. The "disability" can only be removed by a two-thirds vote of both houses of Congress.

Some historians have stated that the government didn't pardon Gen. Lee because of Northern enmity against him. Other historians have suggested that Gen. Lee wouldn't sign the oath of allegiance because he believed there was a possibility the government would indict him for treason. But none of these explanations satisfied many Lee admirers.

One of them was Elmer O. Parker, who worked as a Civil War history specialist at the National Archives here. Mr. Parker says he was convinced that Gen. Lee must have signed an oath because "I just felt he wouldn't urge others to do something he wouldn't do himself." Spurred by inquiries during the Civil War centennial in the mid-1960s, Mr. Parker began searching for evidence to back up his belief.

In 1970, he found the oath itself at the archives. It had been lost for decades in a cardboard container of old State Department papers. Signed by "R. E. Lee" before a notary public at Rockbridge County, Va., the oath was dated Oct. 2, 1865. It stated that:

"I, Robert E. Lee of Lexington, Virginia, do solemnly swear, in the presence of almighty God, that I will henceforth faithfully support, protect and defend the Constitution of the United States, and the Union of the states there under, and that I will, in like manner, abide by and faithfully support all laws and proclamations which have been made during the existing rebellion with reference to the emancipation of slaves, so help me God."

There was no evidence that the document ever had been officially received by the government. How did it get lost? "I think that will remain a mystery forever," says Mr. Parker, who is retired and living in Columbia, S.C.

Mr. Parker's discovery was the key to efforts to restore Gen. Lee's citizenship. The lack of such an oath was one factor that had doomed a 1957 amnesty-for-Lee resolution co-sponsored by several Senators, including a Yankee Senator from Massachusetts named John F. Kennedy. But the new evidence didn't produce instant victory.

Sen. Byrd first introduced his resolution in 1970, but it got bogged down in debate over whether or not President Nixon could legally grant Gen. Lee amnesty by simply signing an executive order. (In this case, it was decided, he couldn't.) The Senator tried again last year, but this time liberals wanted to expand the measure to include general support of amnesty for Vietnam war resisters. Sen. Byrd, a staunch conservative who opposes such clemency, followed Gen. Lee's battlefield strategy at Gettysburg—he took his resolution and retreated.

When the Senator introduced his resolution for a third time this year, he picked up support outside Congress. The Alexandria (Va.) Gazette began printing support-Lee coupons and asked its readers to clip them out and mail them in. So far the paper, which has a daily circulation of about 19,000, has received over 14,000 coupons; they have come from most states, Puerto Rico and "someplace in Denmark," says editor Terry Wooten. Other papers also have taken up the cause by running citizenship-for-Lee coupons of their own or editorials. Among others supporting the action is a New Jersey group made up of descendants of Union soldiers.

Some congressional liberals, such as Rep. Elizabeth Holtzman, a New York Democrat, still argue that Congress should also vote amnesty "for those who are living" and refused to fight in Vietnam. But Sen. Philip Hart, a Michigan Democrat who has introduced legislation to pardon Vietnam war draft evaders, favors the Lee resolution. "Basically we revere him because he had the guts to say 'no' when he thought his country was wrong," Mr. Hart said before the Senate vote. He urged his colleagues to consider "extending the tradition of tolerance and forgiveness to those who refused to go to war in Vietnam."

[From the Washington Star, June 26, 1975]

THE TWO FACES OF ROBERT E. LEE

(By Edwin M. Yoder, Jr.)

The face of Robert E. Lee—in the national imagination and in what used to be called down South the cult of the Lost Cause—is as rigidly set in alabaster as the face of his lifelong model, George Washington. It was the historian Charles A. Beard, who should have known better, who told us with stunning irrelevance that Lee's lips "were never profaned by an oath, whiskey or tobacco"—thus erecting for the contemplation of a whole generation of neo-Confederate ladies a saintly exemplar of Sunday school piety and Prohibition.

But one has only to visit the still-undisturbed little office at the Washington and Lee library to see the conventional image belied. Photographs taken of the general after the war show us another Lee. It is a face in ruins, furrowed and darkened by immeasurable remorse. It almost seems to freeze on paper the terrible portrait in Dr. Freeman's biography—Lee wandering the stricken sward at Gettysburg after Pickett's charge, murmuring "Oh, too bad. Oh, too bad."

If, as we may suppose with Beard, General Lee's lips were not "profaned" by strong words or drink, his face reflects the worst of human torments: The torment of divided loyalty and bitter regret. They were common emotions of that time and episode. Whole families were driven by them. "Three brothers of Mrs. Lincoln died for the South," write the historians Morison and Commager, "whilst near kinsmen of Mrs. Davis were in the Union army."

In a house on West 20th Street in New York, a little boy named Theodore Roosevelt prayed for the Union armies at the knee of his Georgia mother, whose brothers were in the Confederate navy. At the same moment, in the Presbyterian parsonage of Augusta, Ga., another little boy named Thomas Woodrow Wilson knelt in the family circle while his Ohio-born father invoked the God of Battles for the Southern cause."

Robert E. Lee, the most brilliant military figure of his generation, knew and felt this anguish. A brave and effective soldier in the Mexican campaigns, later superintendent of the U.S. Military Academy where he had stood second in his class, he was a figure ensnared by the quarrels of stronger, more elemental wills. His was the fate that befalls temperate men when, as Yeats put it, "the best lack all conviction, while the worst are filled with passionate intensity." Yeats' lines might stand, in fact, as epigraph to the Lee story, as to the Lincoln story, as indeed to the whole story of the Irrepressible Conflict. Not that he lacked conviction. His convictions were not convenient and did not lend themselves to easy choice. One of them was that the new President, Abraham Lincoln, was dead right about the great issue of spring, 1861.

"In your hands, and not in mine," Lincoln had told the secessionist hotheads in his First Inaugural, "is the momentous issue of the civil war. The government will not assail you. But I hold that, in contemplation of the universal law and the Constitution, the union of these states is perpetual. No state, upon its own mere action, can lawfully get out of the union." Many (including at one time the arch-abolitionist Horace Greeley) disagreed. Lee agreed. Secession, he declared, "is nothing but revolution." But another, stronger conviction eclipsed his agreement with the President about the illegality of secession. He thought it would be monstrous "to raise my hand against my native state, my relatives, my children and my home." When the Virginia convention, following others, voted to secede, Lee sadly rejected field command of the Union armies. In mid-April, 1861, he crossed the Potomac to what simpler, hard-bitten men would call treason: A harsh term for a profound preference.

Our age, which finds supreme importance in political abstractions, which often betrays personal loyalties in their name, would not find Lee a congenial figure. And it was all the more baffling that after making his choice and seeing it through to Appomattox, he walked away from this war he had not wanted, for a cause he had regarded as illegal, whose ruin and fratricide tore at his spirit, with not so much as a word of explanation or apology.

Perhaps it was that infuriating self-containment, that patrician neglect of the memoirist's convenient hindsight, that helps account for what one must view as a national indecency—that Robert E. Lee remains, after a century, a man without a country. Congress, one reads, is at least moving in its leisurely way to rectify this disgrace. But the long neglect is a comment on the poverty of our sense of history. Lee's anguish, no less than Lincoln's, summed up the divisions of an era—divisions too deep for casual judgment, and certainly too sad for revenge.

CONSTITUTIONAL AMENDMENT AND ABORTION

Mr. PACKWOOD. Mr. President, as hearings continue in the Senate Judiciary Committee's Subcommittee on Constitutional Amendments, I feel it important to bring to the attention of my colleagues testimony presented by Harriet Pilpel, regarding the serious questions of Federal-State relationships that could arise out of any "right to life" amendments. In the following addendum to her testimony, Ms. Pilpel, herself an attorney, discusses the possible enactment of numerous inconsistent and conflicting laws that could result from passage of Senate Joint Resolutions 10 and 11. I ask unanimous consent that her statement be printed in the Record.

There being no objection, the statement was ordered to be printed in the Record, as follows:

Addendum to Testimony of Harriet F. Pilpel, Attorney

In addition to introducing the federal government into areas which have heretofore been the exclusive province of the states, all three amendments, if adopted, would raise serious questions of federal-state relationships. All three provide for enforcement through appropriate legislation by Congress and by the several states.

The authorization of power to Congress is not unusual; in fact, such authorization is contained in a number of other Amendments, including the Thirteenth and Fourteenth. But the authorization of concurrent power to Congress and the states is unprecedented. While the Prohibition Amendment did authorize the states to enforce its provisions, the substantive rule of law, that is the outright prohibition on the manufacture, sale or transportation of intoxicating liquors, was contained within the Amendment itself. The power delegated to the states was therefore limited to the power to prosecute and punish infringements of that federal enactment. But because the Helms and Buckley amendments (with the exception of Section 2 of S.J. Res. 11) are not self-executing, the enforcement authorization contained in these amendments would permit both the federal government and the several states to enact substantive law to protect the "right to life."

These amendments thus make likely the enactment of numerous inconsistent and possibly conflicting laws governing not only abortion, but any area of law involving the "right to life." And they give no guidance as to whether the federal or the state government action is to prevail in the event of such conflict. The Helms amendment provides simply that "Congress and the several states shall have concurrent powers to enforce this article by appropriate legislation." Assuming a conflicting state and federal law, which preempts the other? How could a doctor faced with conflicting federal and state laws, for example, if abortion were variously permitted to protect the "life", "health" or "safety" of the mother, decide whether performing an abortion would subject him to criminal penalties? Would both laws be void for vagueness—not in their terms but because of the conflict and uncertainty of their application? The Helms amendment provides no guidance in answering these questions.

The language of both Buckley amendments is even more troublesome. Sesctions 3 of S.J. Res. 10 and 11 provide that: "Congress and the several states shall have power to enforce this article by appropriate legislation within their respective jurisdictions." Does this mean that Congress may act throughout the geographical limits of the United States, only in geographical territories which are not part of the several states, or is it limited to action in those substantive areas which fall within the enumerated powers of the Congress in Article 1 of the Constitution? Can the states enact any "right to life" laws applicable within the geographical confines of the state or only those laws which can be considered as falling within the powers reserved to the states under the Tenth Amendment? Again, the amendments provide no guidance.

It is thus clear that, in addition to many other unfortunate collateral legal consequences, these amendments would present serious and perhaps insoluble questions which would provide additional fertile fields for litigation and dispute.

FIRST AMENDMENT WINS AGAIN

Mr. PROXMIRE. Mr. President, a three-judge Federal court panel ruled in New York this week that a State campaign law may not control what a candidate says, even when attacking an opponent.

In ruling unconstitutional parts of the New York State Fair Campaign Code, the judges said this:

> Nothing in our decision downgrades that state's legitimate interest in insuring fair and honest elections. Undoubtedly, deliberate calculated falsehoods when used by political candidates can lead to public cynicism and apathy toward electoral process. However, *When the State though the guise of protecting the citizen's right* to a fair and honest election *tampers with what it will permit the citizen to see and hear even that important state interest must give way to the irresistible force of protected expression under the First Amendment.* (*Emphasis* added.)

One of the reasons the judges ruled as they did was the "substantial chill" created by the New York law. The chill is the deterrence the law might effect on the candidates. As the court put it:

> Upon consideration of these factors (the effect of charges filed against a candidate before the New York State Board of Elections and publicity on board findings) it is not difficult to see how a political candidate might be deterred from making protected statements when he must consider the consequences of a Board proceeding.

The court said the New York law was unconstitutional in banning "misrepresentation of any candidate's qualifications," "personal vilification," "scurrilous attacks," and "attacks based on race, sex, religion or ethnic background."

The Federal judges said:

> Such expression may be offensive but by that fact alone it does not lose its constitutional protection.

The three-judge panel held—

> That the challenged sections of the Code and of the statute are repugnant to the right of freedom of speech guaranteed by the First Amendment and are unconstitutional on their face.

Mr. President, I do not bring this case to the attention of the Senate because of campaign practices or because of Federal election reform legislation now being tested in the courts.

Rather, my purpose is to draw attention to the parallel with the Federal Communications Commission's fairness to doctrine and the equal time law for political candidates. I have contended that these controls over broadcasters are unconstitutional. And I have introduced S. 2, the First Amendment Clarification Act of 1975, to abolish the fairness doctrine and repeal its statutory authority along with the equal time rule.

In fairness, it must be noted that the decision of the three-judge panel of the U.S. District Court of the Eastern District of New York may be appealed. But until it is and until it is overturned, the decision is part of case law and can become a precedent.

And because it does deal with the first amendment, the New York decision could be cited in a case on the fairness doctrine.

Attacks on the fairness doctrine have noted its chilling effect. Suporters have brushed aside this argument, saying that there is no proof that broadcasters have indulged in self-censorship because of the fairness doctrine. They say that no first amendment problems arise because the fairness doctrine does not dictate what broadcasters will air concerning controversial issues of public importance. It only says, they contend, that once having done so, the broadcasters must provide reasonable opportunities for opposing viewpoints to be heard. The fairness doctrine also requires that every broadcaster devote some air time to discussion of controversial issues of public importance, that being part of their obligations to serve the public interest, convenience, and necessity.

The equal time rules says that when a political candidate is granted broadcast time, any other candidate for the same office must be granted the same amount of time. A corollary has extended the rule to spokesmen for candidates. The law also states that the broadcaster may not censor the candidate's material.

I believe the equal time rule is unconstitutional because it interferes with the free press rights of broadcasters to concentrate on the major candidates for a particular office. I will not dwell on the equal time problem, for the fairness doctrine is more pertinent to the New York case.

If a court finds that State law cannot regulate campaign speech, even when that might entail slurs as repugnant as name calling, attacks based on race, sex, religion, or ethnic background, misrepresentation of a candidate's position, because that might deter robust discussion, then, I ask, how can the FCC chill discussion on public issues?

In ruling on the sections of the New York Code dealing with "attacks on a candidate based on race, sex, religion, or ethnic background," the three judges quoted a 1970 case in which the Supreme Court recognized the real world.

The Supreme Court said in Monitor Patriot Co. against Roy—

> Given the realities of our political life, it is by no means easy to see what statements about a candidate might be altogether without relevance to his fitness for the office he seeks.

The three judges then said:

> It would be a retreat from reality to hold that voters do not consider race, religion, sex or enthic background when choosing political candidates. Speech is often provocative and indeed offensive . . . but unless it falls into one of those "well defined and narrowly limited classes" of unprotected speech (e.g., "fighting words") it enjoys constitutional protection. New York's attempt to eliminate an entire segment of protected speech from the arena of public debate is clearly unconstitutional.

What about the sections of the New York Code that deal with misrepresentations of a candidate's qualifications, positions, or party affiliation? The board of elections claimed those were carefully drafted so that only deliberate calculated falsehood—speech which is unprotected by the Constitution—was subject to regulation. The judges disagreed. They concluded:

> These sections cast a substantial chill on the expression of protected speech and are unconstitutionally overbroad and vague on their face.

Other court decisions are quoted to back up their reasoning on this "overbreadth doctrine." They said:

> In effect, it is a doctrine which recognizes that despite any legitimate state interest involved, the chilling effect on protected expression is too high a price to pay when the regulatory scheme has not been narrowly drawn."

Again, a reference to "chilling."

And, still another one a few paragraphs later in the decision:

> It is not hard to see then, given the often difficult task of trying to define, for example, what a political candidate's "position" is on issues discussed during a campaign, that the term "misrepresentation" could be applied to almost all campaign speech. The candidate who wishes to avoid the consequences of a Code proceeding—including the adverse publicity such a proceeding would generate—might very well be "chilled" from the expression of protected First Amendment speech.

And a few more paragraphs into the decision, more about chilling effect:

> Initially, we note that the inhibitory "chilling effect" resulting from the overbreadth of the Code, applies to important First Amendment speech. Free debate on public issues is essential to the survival of the Republic. It hardly needs repeating that such speech should be "uninhibited, robust and wide-open." . . . In our view, the Code creates a "substantial chill" and had a significant likelihood of deterring this important First Amendment speech. We cannot agree with the Board's contentions that any chill on protected expression is "minor or purely speculative," and that the chill of unlimited liability for damages or imprisonment under the Times and Garrison decisions is "much more significant than any chill that might result from the Code's existence."

Among the provisions of the New York Code noted in the decision are the administrative proceedings as opposed to judicial proceedings—although the board can go to court to force its decisions—and the ability to levy fines of up to $1,000. These, too, the judges say add to the chilling effect of the campaign code.

So, here is what we have in the decision of the three-judge panel: Chilling effects caused by the campaign code's overbroad language and by enforcement procedures.

And those, in my opinion, are exactly the conditions present in the Communications Act and the rules, procedures, and penalties that can be imposed by the FCC on broadcasters: the law is overbroad; penalties chill protected speech.

The FCC's authority for controlling the programing of some 8,000 radio and television broadcasters are but a few broadly phrased policies in the Communications Act. "Public interest, convenience and necessity" is the FCC's principal hatrack. That phrase reoccurs in the law.

The authority for the fairness doctrine appears in the equal time section (315) of the act. It says:

> Nothing in the foregoing sentence shall be construed as relieving broadcasters, in connection with the presentation of newscasts, news interviews, news documentaries, and on-the-spot coverage of news events, from the obligation imposed upon them under this Act to operate in the public interest and to afford reasonable opportunity for the discussion of conflicting views on issues of public importance.

To back up those authorities, the FCC has made rules and administrative law, and has issued reports to interpret them.

Although relatively speaking it has not happened often, the FCC has followed through with fines of $1,000 or more to back up its rulings on programing and, in a few instances, has imposed the ultimate weapon, denial of license. I am not referring to the bulk of the penalties, imposed for technical and engineering violations, but for editorials, failure to live up to programing promises, and for news handling.

The FCC does not have to act very often to get its way. Supporters of the fairness doctrine point to the relatively few times penalties have been imposed in its 35-year history. And they deny the chilling effect.

Yet, the three judges found a chilling effect in the New York Campaign Code enacted only last year.

The same element is present in both the New York code and the fairness doctrine: a threat of penalty for speaking out in a robust fashion on public issues and on public persons.

Surprisingly, this has happened under the Communications Act despite section 326 of that law:

> Nothing in this Act shall be understood or construed to give the Commission the power of censorship over the radio communications or signals transmitted by any radio station, and no regulation or condition shall be promulgated or fixed by the Commission which shall interfere with the right of free speech by means of radio communication.

In practice, the FCC hides behind section 326 most often when answering complaints from citizens about sex and violence in entertainment programs.

The Supreme Court has interpreted, in effect, the phrase "public interest, convenience, and necessity" to be stronger than the Communications Act's reminder about the first amendment.

The Supreme Court has seen the fairness doctrine as possible chiller of broadcast news and public affairs programing, but it says it will be time enough to act when there is evidence of self-censorship induced by the fairness doctrine.

Perhaps the time will come when the Supreme Court or the Congress will see the chilling effect of the fairness doctrine the way Judges Henry F. Werker, Leonard P. Moore, and Mark A. Costantino did in the New York Campaign Code.

CAPTIVE NATIONS WEEK

Mr. HRUSKA. Mr. President, the week of July 13–19 marks the 17th observance of Captive Nations Week. This year's observance is a particularly bitter one for those of us in the free world. As the American people prepare for the celebration of the 200th anniversary of the founding of our great Republic, two more countries, South Vietnam and Cambodia, have fallen under the oppressive rule of communism.

As a direct result of that disaster in Southeast Asia, it is now questionable how long Laos and Thailand will remain as free nations. Furthermore, South Korea, one of our closest allies, is increasingly threatened with invasion by the brutal forces of North Korea. In the meantime, half way around the world and much closer to the American mainland, Portugal, a NATO ally, is in immediate danger of falling into the Communist camp. Such an event would constitute a severe blow to NATO and the security of the free world.

These tragic events clearly demonstrate that today the forces of communism are as dangerous to our own well-being as they were in 1959, when the first Captive Nations Week was observed. The only difference between then and now is that countless millions of additional people are now forced to live under this evil ideology.

The lessons of the past year shows that while détente is a desirable policy, if it leads to a relaxation of tensions, it must not be used as an excuse to allow the Communists to gobble up the remaining weak but free nations of the world.

As the elected representatives of the most powerful Nation in the world, the Members of Congress have a moral obligation to work for the preservation of freedom. This is not to say that the United States should be the world's policemen, but neither should it refuse assistance to countries under attack simply because their system of government is not entirely to our liking. An imperfect democracy is far more preferable than a Communist dictatorship. For those who doubt this fact, I offer the following advice: I say go to Czechoslovakia, go to Hungary, go to the Ukraine, go to the Baltic States, go to Berlin, go and see how people live in the "workers' paradise."

Mr. President, despite the losses suffered in the last year the struggle for man's freedom has not been lost. The Communists will never win that struggle as long as the captive people whom they rule maintain the hope of their future freedom. This is a fact which the Communists fully understand. Therefore, it is critical that the United States at the European Security Conference not agree to permanent Russian hegemony over Eastern Europe. We must not break faith with the countless millions who look to the United States as the leader of the free world for their ultimate salvation.

THE PRISON FACILITY AT LORTON, VA.

Mr. HARRY F. BYRD, JR. Mr. President, the Honorable Jack Herrity, Fairfax County, Va., supervisor representing the Springfield district of southern Fairfax County, wrote a thoughtful and well-reasoned letter to the Washington Post urging the removal of the District of Columbia's prison facility at Lorton, Va.

His letter was printed in "The Weekly Forum" section of the Post, dated July 17, 1975. In calling for the removal of the prison complex from Virginia, he notes that—

> Outrageous conditions exist at the prison that serve neither the best interests of the prison population nor that of the neighboring community.

In an editorial on the same subject, the Northern Virginia Sun on July 11, 1975, noted that—

> The District of Columbia has finally admitted that Lorton Prison is not the nice place that Mayor Walter Washington and other District of Columbia officials would like for us to believe.

Herman J. Obermayer is editor and publisher of the Sun.

I think this is telling commentary on the situation which confronts the people of Fairfax County: that a unique and, unfortunately, "outrageous" operation of a prison complex by one jurisdiction within the boundaries of another State exists in the first place is bad enough. That the District of Columbia recognizes just how undesirable this facility is and persists in its refusal to do anything about it is, in the words of Fairfax County Board of Supervisors Chairman Jean Packard, "unconscionable."

I ask unanimous consent that these two articles be printed in the Record.

There being no objection, the articles were ordered to be printed in the Record, as follows:

[From the Northern Virginia Sun,
July 11, 1975]

An Editorial: Move Lorton?

The District of Columbia has finally admitted that Lorton Prison is not the nice place that Mayor Walter Washington and other District of Columbia officials would like for us to believe.

"We're no longer going to put undesirable sites in areas **where blacks live," said Julian** Dugas, DC's city administrator as he pointed out that the prison could be relocated in the heavily white populated sections of Northwest Washington.

Dugas suggested the prison could be relocated in Glover-Archbold Park or the Foxhill Road area. How he left out a site along Embassy Row remains a mystery.

Dugas said **that there were already "enough** negative facilities" east of Rock Creek and that Lorton, if it is to be in the district, must be relocated in the Northwest.

He rejected the suggestion of four Fairfax Republicans Monday that Lorton be relocated at Fort Lincoln in the Northeast. Dugas said that the Fort Lincoln site was needed for urban renewal and to broaden the district's tax base.

The sites Dugas mentioned were:

Glover-Archbold Park, which borders land that France wants for a new embassy.

A segment of Rock Creek Park;

The Tregaron estate now occupied by the Republic of China;

Several Foxhall Road estates, the road which runs in front of Vice-President Nelson Rockefeller's estate;

The Miller Tract on the Maryland-D.C. line;

The McLean Gardens site.

With all those listed, it is a wonder he didn't add the Mall, because it is empty now that the folk festival has packed up for another year.

Sen. William Scott (R-Virginia) who lives in Fairfax County and used to represent the Lorton Area as a congressman, viewed Dugas' statements as **"Congress-baiting."**

Scott suggested a number of possible sites—a Potomac River mud flat called Goose Island, the Blue Plains sanitary landfill, several urban renewal sites—only to have Dugas say that each was unacceptable.

Scott said, "The impression that comes over . . . is that you just don't want this facility in the District of Columbia."

"I think that's a fair statement," said Dugas.

But for all the rhetoric, a positive step was taken in that for the first time the District of Columbia has said that Lorton is not a desirable neighbor. It appears it is going to remain in Fairfax for many years.

[From the Washington Post, July 17, 1975]

Arguing for Closing Lorton

Twenty miles south of the District, in suburban Fairfax County, the city maintains its Lorton correctional complex. Escapes, inmate and guard killings and prison disturbances have prompted some Virginia officials to call for the closing of the facility and its relocation in the District of Columbia. Today, Fairfax Supervisor Jack Herrity, whose Springfield district embraces the Lorton complex, argues for its removal from Virginia. Next week, Delbert C. Jackson, director of the D.C. Department of Corrections, presents the opposite view.

(By Jack Herrity)

The District of Columbia department of corrections prison facility in Lorton, Va., is the only non-federal prison in the United States located outside the boundaries of the jurisdiction that operates it. Neither the Commonwealth of Virginia nor the County of Fairfax has any control over its administration. This absence of local and state control combined with the apparent indifference to the needs and concerns of the local citizenry by the officials of the District of Columbia constitute the core of the problems that exist at the prison complex in Lorton. Those who are responsible for running the prison, and I am talking about the District of Columbia government as well as the prison administration, do not have to account to anybody in the Commonwealth of Virginia or the electorate of Fairfax County if the prison is mismanaged, as numerous studies, reports and investigations have shown it to be, or if they fail to honor the various agreements they have signed with the Fairfax County Board of Supervisors.

In my opinion they have taken full advantage of this unusual situation and as a consequence, outrageous conditions exist at the prison that serve neither the best interests of the prison population nor that of the neighboring community.

I am not alone in holding this view. Chief Judge John J. Sirica, speaking for the judges of the U.S. District Court for the District of Columbia, in a 1972 letter to then U.S. Attorney General Richard Kleindienst, said that "discipline is lax or nonexistent. Prisoners have not been protected from . . . assault and bodily harm at the hands of other prisoners, and there are frequent escapes . . . of prisoners deemed to be highly dangerous to the law-abiding citizens of this area." He added that "services, facilities and programs are totally inadequate insofar as sentencing objectives are concerned."

Sirica has been joined in his criticism by Federal Judge John H. Pratt and Chief District Judge George L. Hart. In 1974 Judge Pratt sent a convicted counterfeiter to a federal prison instead of to Lorton because, he said, the reformatory's furlough program "makes a mockery" of the sentencing process. Pratt also said that he didn't feel the five-year term would be carried out at Lorton because "those people at Lorton feel they have the authority to do pretty much what they want to. Conditions at Lorton are so shockingly lax that if we have the discretion never to send anyone in that institution we're not going to." Pratt acted after state prosecutors filed a report with him listing 15 specific instances in which persons convicted of violent crimes, and sentenced as recently as a year before were regularly released on unescorted trips under Lorton's furlough program.

Judge Hart declared that the D.C. corrections department "has taken over the sentencing functions from judges of the court" by allowing inmates, well before their paroles, to spend long periods of time outside Lorton. He cited figures for fiscal year 1974 that 16 percent of all criminal cases in federal court here are escape cases. All of them, according to Hart, involved escapes by inmates on furlough or by halfway house residents or inmates in similar pre-release programs.

A closer look at the escape statistics and prison disturbances including riots bears out the concerns of these prominent jurists and shows why the majority of Fairfax County citizens want the D.C. prison comnlex moved out of Virginia. According to a 1974 General Accounting Office report entitled "Better Management needed for Tighter Security at Lorton Correctional Institutions," there were 380 escapes over a three-year period ending June 30, 1973, and there were 64 more escapes during the six months ending Dec. 31, 1973.

About 30 per cent of these escaped from the confines of the Lorton institutions; and about 70 per cent escaped while outside the institutions on authorized absences. Many of the escapes were multiple in nature, involving two or more inmates. It was during one of the 1972 multiple escapes that five inmates held a Fairfax County family hostage for several hours before stealing their car and fleeing the area. In May of 1970 a major disturbance occurred at the complex involving not only escapes but also rioting, burning, and destruction of approximately $500,000 worth of prison property. On Christmas Day in 1974 there was a 24-hour prison riot in which three inmates escaped, one of whom was killed, 10 guards were held hostage, and a Fairfax County resident was kidnapped. In February of this year approximately 30 inmates participated in a hunger strike on the grounds that D.C. corrections had allegedly failed to abide by the terms of an agreement reached in settlement of the December, 1974, disturbance.

What concerns me about the high number of escapes, apart from the obvious threat of danger to the citizens of Fairfax County, is that these escapes and riots point to an incredibly shocking absence of proper management by the D.C. department of corrections administration. I am concerned because this is not a new revelation. The House Committee on the District of Columbia, in a report filed in 1970, for example, found 32 findings of fact of mismanagement. To name just a few;: 1) narcotics use was widespread; 2) prisoners were provoked to near riots when asked to do menial tasks; 3) no background checks were made on supervisory personnel employed at the prison; and 4) the few responsible officers who did strictly enforce regulations were summarily transferred to other duties.

The GAO Report revealed that little had changed since 1970, adding that there were lax disciplinary procedures towards narcotics users and that there was a need for uniform procedures for identifying visitors and their belongings so as to lessen the frequency of escapes by inmates who simply walk out with the visitors.

In addition to the documentation of mismanagement, I have had numerous conversations with people knowledgeable about the conditions at the Lorton complex, and I have received letters from former guards and former prisoners. They all say the same thing: Lorton is run by the prisoners and that the administration there has consistently failed to demonstrate either the ability or the willingness to provide for proper safekeeping, care, protection, instruction or discipline of the inmate population and they have consistently failed to properly maintain and operate the complex so as to prevent the dangers that exist to the health, safety and welfare of the citizens of Fairfax County, and particularly those who reside in the vicinity of the prison.

As if all of this were not enough, the D.C. department of corrections adds insult to injury by continuing to operate the prison in violation of federal, state and local laws against pollution. Their water treatment and waste water treatment plants, the coal dust run-off from their coal-fired boilers and gases from other matters emitted from the operation of the facilities have polluted and continue to pollute the waters, streams and air of or in Fairfax County.

A local TV station said not long ago that the D.C. prison at Lorton was an economic asset to Fairfax County. Far from it. Neither the County nor the Commonwealth of Virginia realizes one penny of revenue from the prison. As a matter of fact, part of our tax money goes to pay for the police, fire and rescue services that the D.C. prison in Lorton has received for more than 20 years, services which have not been compensated for by the District of Columbia.

And to make matters even worse, our policemen and firemen have been forced to operate in unsafe conditions without adequate support systems and in buildings and structures which do not meet federal, state or local standards of safety.

All of these reasons have convinced me that the solution that will best serve all of the respective parties is to relocate the prison in the District of Columbia. There is much support in Virginia for this solution to the Lorton problem, so much so that various proposals are being suggested for the use of the 3,200 acres at Lorton, the most popular of which seems to be that it be converted into a national cemetery. I am told that the Veterans Administration is looking for five sites in the nation, and I understand that the soil in Lorton is suitable for such a use.

I personally think that the idea is a good one—it has the backing of the Veterans of Foreign Wars and other groups, and I would hope that the proposal would find support in Congress. Another proposal has been that the property be converted into state park land, and this is also a commendable idea. But whatever public use the land may eventually serve, what should be evident at this time is that the land should not continue to be used for the operation of a prison by an outside jurisdiction that is indifferent to the health, safety and welfare of the citizens of the Commonwealth of Virginia.

HILLMAN LUEDDEMANN

Mr. HATFIELD. Mr. President, I want to call attention to the retirement of a unique Oregonian, Mr. Hillman Lueddemann, from public service to the people of our State. When I was Governor of Oregon, I asked "Lueddie" to undertake a very difficult task. We had put together the first department, where we took agencies and departments that were under no central direction, and we grouped these related areas under a State department of commerce.

What was important about this was that it paved the way for later consolidation and streamlining of other agencies, departments, and bureaus.

What was unique about my choice of "Lueddie" to head this important post is that he was 69 years young at the time. He had finished a distinguished career as a businessman, and was at an age when most people think about enjoying retirement. But not "Lueddie." He now has worked for three Oregon Governors, and done an outstanding job for all three of us. He has announced his intention to retire at the still-young age of 80. As I have heard in Oregon since this announcement was made, he probably really is not retiring in the usual sense, but merely getting ready for some new task. I believe it of "Lueddie."

At a time when all of us are aware of growing budgets and growing bureaucratic kingdoms, I also want to call attention to another quality of this remarkable Oregonian. I know my fellow former Governors will take special note of this accomplishment. His own office has remained only "Lueddie" and a secretary. There has been no empire-building, no coveting a stable of aids, no attempt to persuade the budget committee that he merited special appropriations for a personal office and staff. It is truly remarkable.

To a longtime friend, I say congratulations. You have earned a respite from the struggle of providing better service for the people of Oregon. But when I read the word "retirement," I just do not believe it.

I ask unanimous consent that editorials from both Portland papers that comment on "Lueddie's" retirement be printed in the Record.

There being no objection, the articles were ordered to be printed in the Record, as follows:

[From the Oregon Journal, July 12, 1975]

Lueddemann's Retirement July 12

It is now reported that Hillman Lueddemann is about to retire, and it seems to us that we've heard that line before.

Lueddemann was alleged to be in retirement when Gov. Mark Hatfield tapped him to take on a particularly difficult challenge.

A breakthrough in government reorganization had been made—tentatively, as least. Several related but separate and uncoordinated little agencies were being pulled together into one Department of Commerce. It was temporary at first. If the grouping into a cabinet-type department was successful, a future Legislature could give it permanence and perhaps follow up with some additional reorganized departments.

Lueddemann was asked to tackle the job. He was 69 and already retired as a highly respected business executive. He went at the task with youthful enthusiasm, the patience of one who has seen may years pass by and the skills of the executive.

The department went together. Lueddemann had succeeded. The groundwork was laid for far-reaching reorganization that has followed.

It was 11 years ago when Lueddemann answered the call and went to Salem. Now, at 80, he says he's going to retire again. Anybody want to bet that's just a good cover until he decides what he wants to do next, or until he is called on for further service?

In the meantime, he has earned the right to step down from the Commerce post, and with the plaudits of his state for his contribution.

"Lueddie" Steps Out

Gov. Mark Hatfield made a wise choice, in 1963, when he asked Hillman Lueddemann, a former high executive in Pope & Talbot, to come out of retirement and head up a new State Department of Commerce. The Legislature had authorized this department as the trial horse, for three years unless continued by the Assembly, of the cabinet form of government previously advocated by Governors Charles Sprague and Bob Holmes and by a citizens' committee on which Mr. Lueddemann has served.

Under Lueddemann, who took charge Jan. 1, 1964, the department was outstandingly successful, and the Legislature, thus encouraged, has added six more departments to the cabinet. Had it failed, state government would have continued to proliferate among hundreds of semi-autonomous, inadequately supervised agencies and commissions, scrambling for appropriations, staff and influence.

What has never ceased to astonish new members of the Legislature's Joint Ways and Means Committee is that Hillman Lueddemann comes in every session with a tiny budget for his own office, which is manned by him and one secretary. This long-experienced businessman believes in finding top men for the agencies of government and giving them responsibility. It has worked well as the number of units of state government under his supervision has increased from 15 to 53 (under 36 budgets).

Mr. Lueddemann was 69 when he took the assignment and is 80 now, after serving under three governors, and is still commuting from Portland to Salem every working day and reaching his office at 7:30 a.m. Under no hints from the governor's office, he announced Thursday his resignation as director of the Department of Commerce—"to make way for a younger man." Gov. Bob Straub has asked him to continue to serve, after his successor is found, as a consultant in a broader range of state government.

EXPORT PROMOTION AND THE FLOATING EXCHANGE RATES

Mr. INOUYE. Mr. President, recently the Office of Management and Budget produced a report, still embargoed, entitled "Interagency Report on U.S. Government Export Promotion Policies and Programs." This report, which stirred strong opposition within the administration and by American exporters basically concluded that the United States should deemphasize export promotion programs and rely instead on the operation of floating exchange rates to correct trade imbalances.

This overly theoretical model of the way international trade works is totally divorced from reality. In fact, there is no free market in currency markets. Every country will, from time to time, intervene in these markets for political, social, or economic reasons. Since exports are much more important to all of our competitors' economies than to the United States, these governments either engage in dirty floats or stimulate exports through expensive programs or both. Unilaterally dismantling American programs would clearly leave American exporters at a disadvantage. I should finally note that the interagency report reached its conclusions with very little attention to the effects which adoption of its recommendations would have.

On July 14, 1975, the Wall Street Journal printed a column which pointed out further weaknesses in this monetarist analysis. Principal among the columnist's findings was the fact that changes in currency values are not the accurate, fine-tuning instrument they were once thought to be. He writes that a Scandinavian official noted, "Central bankers rarely know more than any outsider about why money is moving in or out." The column is an interesting, though indirect commentary on those academic theorists who would weaken our export efforts and rely instead on floating to correct trade deficiencies.

I ask unanimous consent that the column be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Review of Current Trends in Business and Finance

London—At one of those meetings where people plot a future international monetary system, a colleague glances at a graying central banker and recalls, "He's always been a big floater." The neutral remark reminds one how rapidly connotations can change, because within a decade, being known as a floater has meant being known as a harmless academic dreamer, a subversive schemer, a dangerous revolutionary and now, a pragmatic manager.

Perhaps a somewhat disillusioned one, too, as the widespread floating of currencies since March 1973 is exposing problems which strongly resemble those of the old fixed rate system. Enough so, it seems, to explain why once-enthusiastic "reformers" are no longer able to envision—much less agree upon—any ideal alternative.

The problem is "on the plate," as the British say, of central bankers and treasury chiefs. But it also has a lot to do with whether we buy VWs or Chevies, with whether that Swiss vacation which looked affordable proves unbearable at bill-paying time, whether unemployment lingers longer in West Virginia or Westphalia, and even with whether the Atlantic defense alliance strengthens or weakens.

The ideological break was clear enough. Against the old worry that world trade would suffer from uncertainty, governments would decide how many units of another currency a dollar should buy, and central banks enforced the decisions by routine rate-steadying "intervention" dealings. The new ideology relies on supply and demand, counting on free market forces instead of bureaucratic decisions to keep currencies floating at realistic rates.

But the practical work hasn't gotten any easier. "You'd be surprised how much time we spend," sighs a Scandinavian central banker, in trying to distinguish brief market flurries which can be "smoothed" from "fundamentals" which mustn't be resisted anymore. Central bankers rarely know more than any outsider about why money is moving in or out, he concedes, half-joking that the only way to know whether a market force was fundamental or not is by "counting how much we spent" to counter it.

Just what constitutes a "fundamental" force anyway is fast becoming less clear, other insiders fret. The old basic test used to be whether a country was regularly running a surplus or deficit in its foreign trade. But these days there is so much "capital" around that desire of investors or speculators to acquire a currency ought to be considered a "fundamental" force in itself, a key continental argues.

A few figures in the table below hint at the magnitudes to which international money movements have grown. Exports and imports are a bare minimum, analysts say, because the currencies may change hands frequently during a year. Central bank reserves can be used to pay a government's bills abroad as well as for market intervention, and Eurocurrency market deposits, already outside their home countries, are particularly well-poised for swift switching. Dollar totals are billions.

	1970	*1974*
Imports	$295.1	$777.6
Exports	280.7	779.5
Reserves	92.4	217.9
Eurocurrency	75.0	220.0

Dislodging even tiny fragments of the money mountain into a single country's currency can make floating very turbulent, and the prospect of such trouble underlies the caution with which continental countries are expanding their network of jointly floating currencies. That "very massive" amount of money is all the more reason, argues German central bank deputy Otmar Emminger, to put off trying to restore a wider fixed rate system, lest it be smashed with wider consequences.

There couldn't be a stable global system again without an active American role, of course. But even if America could muster the political will, European officials find it annoyingly ironic that the richest western power couldn't muster the foreign currencies with which to buy up excess dollars. Despite the American campaign to get gold out of the system, they note, the U.S. still keeps the bulk of its reserves in gold.

Whether other central banks would lend the U.S. the bigger amounts of foreign currencies that might be needed these days isn't certain, as some continentals blame their own inflation mainly on having created too much currency for dollar-propping purchases under the old system. Snapping his hand sharply up to his chin, one European official declares, "We have had it up to here with that."

On the other hand, some officials still yearn for a fixed-rate system to exert anti-inflation discipline. British unions might have been frightened months ago into moderating their wage demands, one analyst argues, "if we could have had a good old-fashioned sterling crisis." Lacking the sanction of a sharp one-time devaluation, officials have resorted to public warnings of a deepening downward float, opening themselves to suspicion of trying to influence the rate.

Indeed, suspicions about each other's true intentions appears to be one reason governments are so slow to commit themselves to any permanent new system.

Is France in effect clandestinely supporting its franc, some wonder, by bartering goods for oil? Or is America Machiavellian enough to have sent interest rates down so sharply, others ask, to cheapen the dollar long enough to induce Europe to buy U.S. warplanes instead of making their own? If so, would that be a purely political act to keep Europe militarily tied to the U.S., or an economic act to save U.S. jobs at the expense of European ones? Should any new rules deal with such things? Or could they?

Before the floaters' revolution runs its course, a lot more heads are apt to go gray in its service.

HEALTH CARE AND GOVERNMENT POLICIES

Mr. FANNIN. Mr. President, in recent years, Congress has enacted and the administration has promoted a number of programs and policies designed to moderate the rising costs in health care. These efforts have, for the most part, taken the form of regulating health care providers; that is, physicians and hospitals. Among the more significant efforts by the Congress has been the establishment of the Professional Standards Review Organization which is a Federal program through which local physicians review services delivered by other physicians to medicare and medicaid recipients.

In addition, the Congress enacted the National Health Planning and Resource Development Act of 1974. This legislation reformed existing State and local health planning agencies by strengthening their ability to question and reject, if necessary, program proposals utilizing Federal funds which are duplicative and construction projects which are unnecessary. Finally, in Public Law 92–603, the Social Security Amendments of 1972, the Congress reformed a number of existing medicare and medicaid statutes to better control the costs of these two programs. Perhaps the most important of these reforms concerned utilization review. This provision required the development of an effective review mechanism to reduce overutilization of hospital services.

For its part, the Department of Health, Education, and Welfare has, since January, promulgated numerous regulations designed to limit costs. Some of these regulations have not only served to demonstrate the case for regulatory reform, but have raised serious questions about their effectiveness as cost control mechanisms and their potential for jeopardizing the practice of medicine itself.

These policies and programs, in isolation, may have some merit, but taken together they form a clear and unmistakable pattern of increased Federal involvement in health care delivery. The growth of Federal participation in recent years has made such regulation a necessity and no one can doubt the need to control such costs but we should be concerned over the development of regulations which intrude in the work of health care professionals and their relationship with their patients. More importantly, we should be concerned with the effects of such regulations on the state of the medical community and its ability to do an effective job in delivering quality care. We are, of course, only beginning to feel the pains of increased Federal involvement and we have the chance to recognize those pains for what they are; early warning signals that the relationship between government, especially the Federal Government, and the medical community is becoming divisive if not hostile. We can avoid a confrontation that is certain to come if we recognize the value of a partnership between the Federal Government and physicians and hospitals in the delivery of quality health care. If we act now to eliminate unreasonable regulations and questionable legislation, we can hope to avoid disputes which can only poison the relationship between doctor and patient and between the medical community and government.

Mr. President, the British experience with its national health program can teach us what can happen when government attempts to manage health care providers. A recent article entitled "Can Private Practice Survive Barbara Castle?" by Harry Schwartz appearing in the July-August issue of Prism magazine clearly points out the problems of government involvement in health care programs. If we want to avoid the same fate we can learn much from this timely article.

Mr. President, I ask unanimous consent to have the article printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Turmoil in Britain—Can Private Practice Survive Barbara Castle?

(By Harry Schwartz)

(The Author: Former visiting professor of medical economics at Columbia, Harry Schwartz is now Distinguished Professor, State University of New York at New Paltz.)

A highly significant chapter in British medicine was closed in May, 1975, with what many observers believe must be called a betrayal by the government of the 12,000 hospital-based consultants, who historically comprise the elite of British medicine.

In essence, the government began the official banishment of private beds in British hospitals. It also sought to discourage a rapidly growing movement to provide some facilities across the country for private practice. To make the picture—and the future of British medicine—even darker than it has been, the Labour government of Harold Wilson appeared to renege on an agreement made only weeks earlier with the consultants. In the light of increasing government control over medicine in the United States, it is important to document this cautionary tale, which has intrinsic interest of its own.

The chapter opened in the first months of 1975, a period dominated by the unprecedented "work-to-contract" job action, or semi-strike, of most of Britain's consultants. Goaded by actions of the hospital workers' unions and by what they saw as the take-it-or-leave-it ultimatum of the government on a new contract, the majority of the consultants decided to work a maximum of 35½ to 38½ hours a week, rather than the 50 to 60 hours they had been working.

This is the way the *British Medical Journal* described the National Health Service (NHS) in an editorial published March 22, 1975.

". . . the descent of the N.H.S. into anarchy has accelerated. Each week these are fresh press reports of withdrawals of labour, of union officials deciding who may or may not be admitted to hospital—and of expansion of facilities by the private sector. An Independent Hospital Group has now been formed to provide facilities throughout the country for private practice. We are close to the point of no return. Once a comprehensive service of private hospitals, nursing homes, and similar units has been established, a two-tier system will be with us in perpetuity."

The *British Medical Journal* concluded its long and doleful examination of the state of the National Health Service with this evaluation of the consultants' "job action".

"Even within the medical profession consultants have traditionally been seen as remote from medical politics—so their present untypical militancy is surely indicative of their concern for the future. Management experts assert that repeated industrial action within any business concern is evidence of deeply felt resentments and needs radical measures to put the situation right. That diagnosis now applies to the nation's medical service."

A LITTLE HISTORY

To better understand the turbulent currents in the delivery of British medical care, we need to step back for a moment and examine a little history. The present troubles began 27 years ago when a shrewd and somewhat devious Labour politician, the late Aneurin Bevan, embraced *The Beveridge Report* (1942) on the welfare state and persuaded the British medical profession to go along with his plan for a National Health Service. He did this in part by splitting the profession, in particular by winning over the hospital specialists with promises of special privileges. As he himself boasted privately later to his friends, he "choked their mouths with gold" by providing a system of bonus payments that would go mainly to prestigious specialists in London and other key centers.[1] Also, all consultants would be allowed, if they wished, to treat private fee-for-service patients in their offices, if they made the appropriate arrangements with the government, and the government would maintain a few private beds in NHS hospitals.

Bevan also had the notion that in the Britain of 1948 there were many citizens with ills who could be cured as soon as they had free access to medical care. Once that was done, he expected the cost of medical care to go down, since everybody, or almost everybody, would be healthy. It apparently did not occur to him that persons cured of

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Footnotes at end of article.

one ailment live to an older age and then fall prey to other and more serious diseases, many of them harder and more expensive to treat, such as cancer and heart disease. Moreover, he seems to have had no premonition that rapid medical progress would tend to provide more effective and expensive techniques for curing disease and prolonging life.

The National Health Service went along for many years more or less as Bevan had foreseen because of several factors. First, the authorities invested little capital in the Health Service, and so the volume of care was automatically limited by a fixed number of beds—in old and often poorly equipped hospitals, by modern standards.

Little importance, too, was attached to increasing the number of domestically trained physicians, and so the rising demand for care was met by importing more and more physicians from India, Pakistan, Africa, and the West Indies. Finally, there was no sign of public revolt as persons who needed elective surgery—for conditions that might be painful or embarrassing or unsightly but not life-threatening—were compelled to wait longer and longer periods.

What in retrospect looks now like the first major crack in the success of the Bevan formula came in the mid-1960s when there was a revolt of sorts by the general practitioners, the backbone of British medicine. The GPs had always felt that they were "had" when the health service was set up, and they resented the superior rewards and prestige granted the hospital consultants. The more ambitious of them also resented the fact that when their patients needed hospitalization, they were turned over completely to the consultants and their junior staff members—and many of the latter could barely speak English. (Until this year, it should be remembered, the National Health Service required no formal examination at all for foreigners who go to Britain to practice medicine.)

At any rate, the GP militancy of the mid-1960s was quickly rewarded by higher capitation fees and other gains that began to reverse their position relative to the consultants. As a result, the general practitioner began to be seen as the lord of the medical manor, and soon the number of applicants for GP positions grew gratifyingly. Simultaneously, it became increasingly difficult to get consultants for hospitals in relatively undesirable areas of the United Kingdom, as well as to work in those specialties—geriatrics, for example—which lack the psychic rewards of spectacular cures.

ROOTS OF DISCONTENT

The increasing dissatisfaction of the consultants that culminated in this year's job action has some roots in the elevation of the GP's a decade ago. But its more important origins stem from recent times. One root of their discontent was the growing feeling among consultants that their incomes were not keeping pace with inflation—which recently has been pushing prices up 20 percent a year—or with the more rapid earnings gains of manual laborers who have strong unions and do not hestiate to strike.

Further, a sort of generation gap opened up between the older consultants, who had bought their homes and expensive cars and educated their children in private schools in an earlier era when they were an economic elite, and the younger generation of consultants who found, after long years of training and hard competition, that a attainment of the long-sought goal did not bring the expected standard of living.

In a letter to the *British Medical Journal*, one physician calculated in March, 1975, that since 1970 alone, doctors' salaries had fallen 38.5 percent behind the rise in the cost of living. And he added that this ignored the progressive income tax which made the comparison of after-tax incomes of doctors and the cost of living even worse than his figures indicated.[2]

UNDERSTANDABLE RESENTMENTS

Another British physician put the matter this way in a September, 1974, letter:

"Clearly the skilled and semi-skilled in industry are demanding and obtaining high rewards for their labours—to criticize their achievement is only to be envious of them. How then do we rate our training and our skills if an engine driver, car worker, miner, docker, or salvage collector can receive wages as high or if not higher than those of many doctors? . . .

"I fear that militancy and toughness in dealing with politicians are essential—soft speech, soft measures, and soft action are obsolete. . . ."[3]

Beyond the understandable resentments based on the consultants' own economic difficulties, these doctors also increasingly rebelled at the evidence all around them that they were not being permitted to take care of their patients as well as they had been trained to do. The historic tradition of minimizing capital spending assured that many British hospitals even now are very old (100 years or more in not a few cases) and have relatively little modern equipment. The House of Commons Committee on Expenditures, in its report published in September, 1974, concluded that "no Government has ever provided sufficient money to allow the Health Service to function and to react to growing needs successfully."[4]

A half year later, Dr. David Owen, one of the Labour government's ministers of state for Health and Social Security, indicated that this situation would continue indefinitely, declaring, "The health service is a rationed service. There will never be a government or a country that has enough resources to meet all the demands any nation will make on a national health service."[5]

For consultants, the final straw on this issue was delivered by the Conservative government in December, 1973, when it ordered heavy cuts in capital expenditures for the health service. (The Labour Party regime that came to power in early 1974 reaffirmed the cuts.) The practical consequence in many parts of Britain was that construction of hospitals and other health facilities came to a halt. This happened even though many of these aborted projects represented essential installations whose construction had been promised for many years, facilities on whose future existence had been based complex plans for improving the health service over large areas.

A NATIONAL FUROR

Finally, the third general motive behind the consultants' job action of early spring was the effort of unionized manual laborers in some hospitals to bar private patients. In mid-1974, a national furor was created when a union at London's new Charing Cross Hospital threatened to starve out the few private patients there by denying them food delivery and all other services. The anger this inspired among virtually all British physicians was reflected even in the liberal *Lancet*, which had won much ill-will by backing the government and denouncing the consultant job action. But even in *The Lancet*, an anonymous doctor/poet responded with this prediction in verse:

> "Physicians leave for Paris,
> And surgeons plan removal
> To where their operation lists
> Need no union's approval;
> Where patients are not left unfed
> For being in a private bed."[6]

What made the issue even more important was the open declaration by the Labour Party—including Mrs. Barbara Castle, the chief government official over the health service—that it intended to end the compromise Bevan had engineered in 1948. It looked forward to ending the existence of private beds in the National Health Service hospitals, and as rapidly as possible. No attempt was made to deny that this move pandered to pure envy—though Mrs. Castle herself was much embarrassed by the revelation that several years earlier she herself had been cared for as a private surgical patient.

As far as the Labour Party was concerned, "queue jumping"—*i.e.*, the ability of a private patient to have an operation done at a time of his convenience and far more quickly than if he waited on the long National Health Service line—was politically unpopular with the majority of Britons who did not use the private medicine option. Hence the promise that it would go produced votes. But among doctors it produced more anger still, for it was seen as unilaterally abridging the historic bargain on which the health service was founded.

Only about half of Britain's consultants are "part timers"—*i.e.*, those who sacrifice two-elevenths of a consultant's normal income to have time for private patients. And even for the majority of part timers, private practice constitutes only a small part of their incomes. But for many British physicians, whole timers and part timers alike, the option of engaging in private practice is far more important than its present reality or even its economic importance in their lives. The option symbolizes their retention of professional freedom against the monopolistic state that employs them. Consequently, they see all attempts to prohibit private practice or to make it nonviable as attacks on their remaining professional integrity and freedom. It is an emotional issue the importance of which goes far beyond the economic.

It was against this background that Mrs. Castle and her associates, in late 1974, offered a new contract which the consultants saw as an attack at just this point. To avoid technical details that would be of little interest to the American reader, the issue can be oversimplified in these terms.

Mrs. Castle offered very attractive financial terms to consultants who would pledge themselves to work full time in the National Health Service and eschew any professional work outside the NHS. On the other hand, consultants who did not wish to make such a full-time commitment were offered contracts much less attractive; indeed, they contained punitive features aimed at making private practice as unremunerative as possible.

To the consultants, this seemed an act of dictation. They decided that the government had no business mandating whether or not they engaged in private practice or even in inquiring how their free time was employed. The consultants demanded a contract that would specify the number of hours of NHS work they needed to do, regardless of how they spent the rest of their time. When this demand was met by what the consultants regarded as Mrs. Castle's take-it-or-leave-it attitude, they decided on the job action we have already described, beginning January 2 in England and February 10 in Scotland.

Not only did they cut their working hours, but many of the consultants decided that they would try to give really good, conscientious and humane care, by spending far more time with each patient than they had been able to in the past.

The result was predictable, of course. Many thousands of people who would normally have seen consultants during the period of the job action did not get to see them. Moreover, the waiting lists for elective surgery grew longer and longer. (But at all times the consultants were pledged to pro-

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Footnotes at end of article.

vide emergency care, and this writer saw no accusation that lives were endangered because consultants would not respond when needed in a serious situation.)

The members of the junior hospital staffs, the British equivalent of our interns and residents, were the immediate gainers from the consultants' job action. It was only in 1974 that they had won recognition of an 80-hour work week with overtime pay for work beyond that limit. In March, 1975, the junior staff won a major concession by announcing that they were ready to go on strike with the consultants, if the government did not establish 40 hours as their normal work week.

With the consultants engaged in a job action, a strike by the junior doctors would have forced the closing of the hospitals and the National Health Service. So the government recognized power when it saw it—at least in words—and promised to meet the junior doctors' demands, though some wondered whether it would keep its promise after the consultants had gone back to normal work schedules and the huge bills for overtime pay for the junior doctors started to come in.

The tension in the National Health Service could not go on forever. Something or someone had to give. The apparent resolution of the dispute came in mid-April when, in a closely coordinated series of moves, the consultants went back to working normally; Mrs. Castle publicly "clarified" her ideas about the contract for the hospital doctors in a way that reassured they would not be forced to become full-time salaried civil servants denied the right to see private patients; and all physicians in the National Health Service got the largest pay boost in history.

RELATIVE PEACE

However, the most militant doctors—represented by the Hospital Consultants and Specialists Association, a small, rival union with 5,000 members that has both competed against and cooperated with the British Medical Association—felt the settlement was inadequate. Nevertheless, for the moment at least, relative peace has returned to the National Health Service.

The lever used to "end" the impasse between the consultants working to contract and the British government represented by Mrs. Castle was provided by the fact that on April 1 the British government received a report from an impartial Review Board that had examined the incomes of British doctors and dentists. It was common knowledge that the board would urge a large salary increase to make up for years during which physicians' incomes had lagged well behind rapidly rising prices. But the government remained mum about the review board's decision, and tension mounted as day after day went by without word.

The implicit threat contained in this silence was that the Labour government would refuse to accept any recommendation for a large salary increase, justifying its refusal by the continued consultant work-to-contract tactics. In effect, Prime Minister Wilson was serving notice that any large pay increase was hostage to resolution of the dispute.

EQUAL ETHICAL OBLIGATION

That "resolution" took place in intensive negotiations between BMA representatives and Mrs. Castle, negotiations that began at 4 p.m. on April 16 and did not conclude until 6 a.m. the following morning. The outcome of these talks was a pair of statements by Mrs. Castle which added up to assurance that consultants will not have to be full-time salaried government employees but will continue to have the option of accepting less than full-time government contracts so they can see private patients. Moreover, Mrs. Castle recognized that each consultant had an equal "ethical obligation to all his patients when emergencies arise"; *i.e.*, putting on a par both NHS *and* private patients.

Hence, on April 18, 1975, the British Medical Association advised the consultants to go back to a normal schedule of work. That same day Prime Minister Wilson announced he had accepted the recommendations of the review board, which, on average, provided for pay scales 35 percent above those of April 1, 1974 (a gain lowered to 30.3 percent when allowance is made for automatic cost-of-living increases physicians had received since April 1, 1974).

Under the new scale, the highest paid NHS doctors (138 whole-time consultants in a so-called A+ category who receive the most generous bonus payments) will be receiving 21,374 pounds (about $50,000) annually. But the great majority of consultants who do not receive bonus payments will be earning between 7,536 and 10,689 pounds (roughly between $18,000 and $26,000) annually, while general practitioners are expected to average an annual net income of about 8,500 pounds (about $21,000).

HIDDEN CARD

These figures do represent major increases by British standards, and the London *Economist*—which is frequently highly critical of British and American medicine—has criticized the new pay scales as "generous," implying they are more than the doctors deserve or than the British economy can afford. But viewed in international perspective, the earnings of most British doctors seem relatively modest, and the income incentive for continued emigration from Britain to the United States, Canada, Australia, and the continental nations of Western Europe still exists.

Nevertheless, the consultants *were* given increases. But a number of them wondered whether the government had fully revealed its hand. Circumstances proved their doubts had substance, for in early May, Mrs. Castle finally played her "hidden card."

She announced in Parliament that the Labour government was going to move quickly to end the existence of private beds in NHS hospitals and declared that a group of these beds was being immediately returned to the general NHS pool of beds. In the future, she added, rich people who wanted to use NHS hospitals and pay for the privilege—Arabian rulers, for example—would be allowed to do so, but their payments would all go to the government; the doctors treating these private patients in NHS hospitals would get no extra pay.

A TRUCE

Finally, as though to rub salt in the doctors' wounds, Mrs. Castle announced that the government was also taking action to contain the growth of a separate and parallel private medical system. And all of these reforms, it was indicated, would be done in a way designed to make it virtually impossible for any future Conservative government to undo what was intended to be the final, virtually complete socialization of all British medicine.

To many a British consultant, this program must have appeared like a complete betrayal of all that had been promised and implied in the settlement of mid-April. How after all, could a physician have an ethical obligation to a private patient if the government made it impossible for him to have any private patients?

The sense of betrayal many British physicians must have felt was well suggested by the acid comment of the *British Medical Journal* in its May 10, 1975, issue. Obviously written at the last minute and immediately after hearing of Mrs. Castle's statement, the editorial declared in part:

"So private practice will be subjected to a pincer attack—excluded from the N.H.S. and corralled outside it. Is the Government frightened that too many consultants will opt for private practice? Surely this restrictive approach, clearly influenced by trade union attitudes, may persuade many of them [i.e., the consultants] that their future lies abroad. . . . The lesson to the profession, whose representatives had 30 minutes' warning of the Government's policy declaration, will be that militancy pays."

The possibility looms, in short, that the settlement of the spring of 1975 may have provided for a truce in the war between physicians and the government not a lasting settlement. For if the British medical profession concludes in the *Journal*'s phrase, "that militancy pays," then the logical corollary may well be that the profession was not militant enough between January and April, 1975, and laid down its weapons too soon and much too cheaply.

FOOTNOTES

[1] *The Lancet*, Nov. 24, 1973, p. 1197.

[2] Scott BO: "Cost of Living and the Review Body," *British Medical Journal*, March 15, 1975, p. 630.

[3] Woodcock PH: "Trade Union Tactics," *Ibid.*, Sept. 21, 1974, p. 744.

[4] "Parliamentary Committee on Expenditure," *Ibid.*, Sept. 14, 1974, p. 697.

[5] *The Times* (London), Feb. 6, 1975.

[6] "Elderly Emigrants," *The Lancet*, Sept. 21, 1974, p. 710.

A DECLARATION OF COMMON SENSE

Mr. ABOUREZK. Mr. President, we are all caught up in the excitement of celebrating our Nation's Bicentennial. Certainly one of the most fitting tributes to our revolutionary struggle and 200 years of independence is Senator McGovern's suggestion that we issue a "Declaration of Common Sense." Mr. President, I ask unanimous consent that Senator McGovern's article about this declaration, which appeared in The Nation on July 19, 1975, be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

A Declaration of Common Sense

(By Senator George McGovern)

1976 is the Bicentennial anniversary of the Declaration of Independence which set the American nation on a revolutionary course toward national independence and personal freedom. For two centuries we have asserted the propositions of human equality, the sanctity of life, the blessings of liberty and the pursuit of happiness. These liberating ideals not only fueled a revolution; they raised standards of national measurement so high that they are not likely to be fully realized. Thus, we live with a continuing, unfinished revolution that challenges each succeeding generation.

The Declaration of Independence and the revolutionary struggle it described represent neither a static document nor a completed historical event. Instead, these dynamic principles comprise a never ending, always changing call to the nation to give direction and purpose to its historical process by applying enduring principles to contemporary conditions. As Woodrow Wilson wrote in 1913: "The Declaration of Independence is of no consequence to us unless we can translate its general terms into examples of the present day. It is not a theory of government, but a program of action. Unless we can translate it into questions of our own day, we are not worthy of it."

Thomas Paine attempted in his day to translate the gospel of liberty into a plea for public action by means of a series of essays entitled *Common Sense*. Paine recognized that his calls for revolutionary change were "not yet sufficiently fashionable to procure them general favor. . . ." Cognizant of the resistance to change of established power and practice, Paine noted that "a long habit of not thinking a thing *wrong* gives it a superficial appearance of being *right*, and raises at first a formidable outcry in defense of custom. But," he wrote, "the tumult soon subsides. Time makes more converts than reason."

In the 1960s, many frontal assaults were launched in America against practices that contradicted the nation's integrity. The ramparts of racism, prejudice and poverty were assailed on a scale that approached civil war. Simultaneously, millions of Americans were mobilized to oppose a war in Southeast Asia that insulted fundamental precepts of decency and dignity. Those efforts were often clumsily orchestrated and erratically led, but they grew out of America's revolutionary and constitutional ideals and they represent our best hope for a future based on common sense rather than neurotic dreams of power and glory.

It is worth noting that the decade of the 1960s began with a farewell warning by President Eisenhower that the nation was falling into the clutches of an unprecedented "military-industrial complex." That warning has not been heeded by any subsequent President or Congress. Presidents Kennedy and Johnson did, however, seek to advance the *domestic* rights of the American people within the confines of an exhausting, self-defeating, militaristic foreign policy. We must hope that the 1960s have taught us that it is not possible to maintain domestic tranquillity while pursuing a course of interventionism and militarism that dissipates our ideals and resources abroad.

We must also hope that the first half of the 1970s has taught us that politics and foreign policy, when separated from the nation's constitutional principles, can lead only to political and economic despair. If these lessons are now being perceived, perhaps in the spirit of Thomas Paine's memorable call for "common sense" of 1776, it is appropriate to propose "A Declaration of Common Sense" for 1976. What are the propositions such a declaration would include?

First, America's influence in the world is dependent more upon the power of our example as an enlightened, humane democracy than upon the force of our arms. If America is to be a witness for what is worthy and noble in human affairs, we must draw upon the basic economic, political and spiritual sources of national power. Conversely, we must avoid excessive militarism, mindless intervention and clandestine disruption of the affairs of other nations. Never again should American forces be committed abroad without full debate and careful judgment by the Congress of the United States.

A decent respect for the opinions of mankind requires recognition that all human beings on this planet are creatures of equal worth, needing the respect and love of their fellow humans. This, in a sense, is a declaration of *interdependence*. Just as thirteen colonies once pledged together their lives, their fortunes and their sacred honor, we must now realize that life and fortune and honor depend upon the assent and cooperation of people around the world. It is not common sense to organize the world in armed camps and rival commercial blocs. Rather, it is the course of common sense for vast national arsenals and armies to be reduced and coordinated in an international peacekeping power under the auspices of the United Nations. Peace between Americans and Cubans, Arabs and Israelis, Turks and Greeks, Russians and Chinese depends not upon the size of national arms but upon a recognition of their mutual dependence and the superior claims of international law.

Thus, in 1972 I called upon America to lead the way to a new agenda of peace and public investment by converting excessive military spending to such constructive purposes as efficient public transportation and urban reconstruction. It was my view that this conversion from military overkill to needed public investment could proceed at a rate of $10 billion a year over the course of three years. That is even more strongly my view today. We will create more jobs, with less inflation and with greater service to our people, if we proceed on a common-sense basis to convert the excess in the arsenals of war to the works of peace. A common-sense military budget designed for a foreign policy based on international peacekeeping and interdependence can make us a stronger, more secure and happier nation.

Second, "A Declaration of Common Sense" calls us to recognize that we and our fellow human beings are stewards of the world's finite resources of air, water, land and minerals. Responsible stewardship requires an appreciation not only of the fragile and limited character of resources but of the need to employ their fruits for the benefit of all persons, including those who will follow us in future generations.

There is only a limited supply of energy in the world to fuel our machines and to feed our bodies. Thus, the production, distribution, pricing and management of fuel and food is a matter of primary importance in human affairs. America is uniquely endowed to lead the way toward common-sense international agreements on the wise use of fuel, food and other commodities. Economic warfare, environmental neglect, short-term exploitation and mindless population growth are the great enemies of mankind. None of these enemies can be conquered either by isolated national efforts or by indecision and drift. They can all be resolved if we act from a clear recognition of global interdependence and responsible stewardship.

Third, America must nurture its own great human and physical resources by constructing a new agenda based on wise public investment, fair taxation and just economic order. We must provide a job opportunity for every citizen who is capable of working, even if this involves substantial public investment in constructive enterprises. For example, the nation needs to rebuild its antiquated rail system and to construct clean, efficient public transit systems in our cities. These projects will probably require public financing and development, but they will provide countless jobs for those who are now idle. For those who are unable to work, we should develop a simple, automatic income insurance policy to replace the existing patchwork of welfare, food stamp and public assistance programs.

The rallying cry of the American Revolution—"No taxation without representation"—must now become "No taxation without justice." Taxation, if properly constructed, is the privilege of a free citizen, who should be taxed according to ability to pay—not on the basis of special-interest concessions and unfair shifting of the tax burden.

And if our "free enterprise system" is to be truly free, it must be liberated from the grip of monopoly. The steadily growing concentration of economic power must be reversed by an honest enforcement of our antitrust statutes. Beyond this, workers must be liberated from needless danger to life and limb, or from discrimination based on sex or prejudice in any form.

These are some of the elements I suggest for the consideration of my fellow citizens that might comprise "A Declaration of Common Sense for the Bicentennial."

CONFERENCE ON SECURITY AND COOPERATION IN EUROPE

Mr. **FANNIN**. Mr. President, for 2½ years, deliberations have been in progress toward a conclusion of the Conference on Security and Cooperation in Europe. This concept of world order, which originated in the Soviet Union in 1954, will be given the status of an international agreement when a concluding document is signed in Helsinki, Finland on July 30 of this year.

While this document is not binding and is only a statement of intent, it nevertheless gives the appearance of Western acceptance of the Communist concept of post-World War II Europe. This Soviet concept does not perceive countries of the Baltic and Balkan regions of Eastern Europe as captive nations but as Russian territory. The Conference agreement with the signatures of Western European nations, the United States and Canada among others, will stamp approval on the status quo in East Europe. Certainly, the Soviet Union will interpret this document to mean that captive nations no longer have any independent existence separate from their antagonistic superpower neighbor. Following up after the Conference, the Russian propaganda machine will undoubtedly spew out Western concurrence at Helsinki as justification for tighter controls in East Europe and destruction of any displays of nationalism in that area of the world.

The whole world has changed since 1945 and the end of World War II. Progress has been made in every corner of the world through development of social, economic, technological and defense programs. This progress must be used to foster human rights and improved economic conditions. I am afraid, Mr. President, that in the case of the captured nations, it is being used to subjugate national minorities and to appropriate adjacent territory.

American policy should not be so blind as to ignore changing situations and political realities in Eastern Europe. The Soviet Union is undoubtedly the dominant power there and it must be dealt with in terms of its strength. Certainly we must realize that the captive nations are not in a position, militarily or politically, to force the Soviet Union to treat them as sovereign equals. They need the moral support of the West. Ever since the end of World War II this combination of Eastern European countries and Western conscience has been sufficient to deter total incorporation of these nations into the U.S.S.R. It has not been enough to force Soviet acceptance of their inherent right to independence. It is my concern that a Helsinki agreement will go the final step in giving international approval to the Soviet idea of Eastern Europe as an extension of Mother Russia.

The inherent danger in signing such an agreement is that the United States will assume that peace in the world is at hand.

The final document from the Conference on Security and Cooperation in Europe will not assure peace. In the first place, it is a non-binding agreement; in the second place, it is subject to independent interpretation by the 35 nations which participated in constructing the document. It seems to me that this agreement will contain many of the same problems the United Nations Charter and Declaration of Human Rights has encountered. It is obvious that the United Nations is not working as the peace keeping organization it was intended to be. There is no reason to believe that a mere Conference document will be instrumental in bringing an era of peace to the world.

The United States cannot use the Conference agreement as an excuse to relax the constant vigilance that is necessary to keep open the possibility of peace in the world. We must understand the philosophies upon which national and international goals of our enemies and allies are based in order to assume the responsibilities we have inherited as the leader of the Western world. To understand the Communist principles behind such terms as peaceful coexistence and détente is to reject them since they spell certain disaster for free enterprise, human rights and freedom of expression which is central to our way of life.

Mr. President, it is my belief that we must not let the desire to attain a true relaxation of international tensions inhibit our duty to protect the principles which are the basis of our national existence. Détente should not blind us to the realities of the power and ambition of the Soviet Union. To me, détente is the use of negotiation rather than military force in settling disagreements between the free world and the Communist countries. However, détente does not mean surrender of our principles for the sake of maintaining friendly relations with the Communist world. Captive Nations Week provides a perfect opportunity to caution the U.S. Government as well as the rest of the free world to be extremely cautious about agreeing to a document in Helsinki on Security and Cooperation in Europe which contains broad ranging concepts involving the existing and proposed status of international relationships in Europe.

Mr. President, I wholeheartedly support the Senate joint resolution on the Europeon Security Conference.

CONGRESSIONAL LEADERSHIP FOR SATELLITE EDUCATION EXPERIMENTS AND DEMONSTRATIONS

Mr. MOSS. Mr. President, when taking up the conference report on the Education Division and Related Agencies Appropriation Act, 1976, H.R. 5901, on Thursday, July 17, 1975, the distinguished Senator from Washington (Mr. MAGNUSON) said:

> There are two items of special interest which we hope will help improve the National Institute of Education. The first deals with educational laboratories and centers. The conferees agreed to Senate language which would continue the centers at or near last year's level. It is our intention that existing centers be allowed to compete for funds on an open, fair basis.
>
> In another area, it is our intention that $5 million of the NIE appropriation be used to continue satellite communication experiments and demonstrations, using the soon-to-be-launched communications technology satellite and other satellites such as the applications technology satellite. Senator Stevens and myself feel very strongly about this. It appears to be a good, sound investment of NIE time and effort. More importantly, this will result in the education community reaping the benefits of technology.

The Senator from Alaska (Mr. STEVENS) also made a strong statement supporting the continuation of education experiments and demonstrations by the National Institute of Education on the Communications Technology Satellite, to be launched in December, and on the existing Applications Technology Satellites.

Mr. President, I could not agree more with my colleagues. It is a "good and sound investment" for the National Institute of Education to pursue a strong program in the use of technology to bring educational services to the people of this country. The Government has invested millions of dollars in experimental communications satellites and the Senator from Washington and the Senator from Alaska and the Appropriations Committee are right when they urge and direct an agency of the Government to use these satellites for experimental and demonstration purposes so that the benefits of technology can reach the people. I hope that the committee has been heard by the National Institute of Education and its new director, and that NIE will pursue a strong program using these communication satellites for experimental and demonstration purposes.

Mr. President, I commend the Committee on Appropriations for its forthright action in stating its intention that the National Institute of Education pursue these educational satellite experiments and I congratulate the Senator from Washington and the Senator from Alaska for their leadership.

CAPTIVE NATIONS WEEK

Mr. BEALL. Mr. President, the week of July 13 to 19, 1975, marks the 17th observance of Captive Nations Week. Since President Eisenhower proclaimed the first Captive Nations Week in 1959, three additional nations have slipped behind the Iron Curtain. Two of these three nations, Cambodia and South Vietnam, have fallen to Communist expansionism in 1975. Mr. President, I ask unanimous consent that a list of the captive nations be printed in the RECORD at this point in my remarks.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

Captive nations and peoples

Armenia	1920
Azerbaijan	1920
Byelorussia	1920
Cossackia	1920
Georgia	1920
Idel-Ural	1920
North Caucasia	1920
Ukraine	1920
Far Eastern Republic	1922
Turkistan	1922
Mongolia	1924
Estonia	1940
Latvia	1940
Lithuania	1940
Albania	1946
Bulgaria	1946
Yugoslavia (Serbs, Croats, Slovenians, etc.)	1946
Poland	1947
Romania	1947
Czecho-Slovakia	1948
North Korea	1948
Hungary	1949
East Germany	1949
Mainland China	1949
Tibet	1951
North Vietnam	1954
Cuba	1960
Cambodia	1975
South Vietnam	1975

Mr. BEALL. Mr. President, there is a continuing instability in many regions of the world which bode ill for the free world. As our U.N. Ambassador Moynihan has noted in a recent speech, liberal democracies are being replaced by totalitarian regimes and there is little if any evidence of a trend in the other direction.

In light of the defeat our policy has sustained in Southeast Asia, the continuing instability of the Middle East, and the grave uncertainties surrounding future developments in Cyprus, Greece, Turkey, Spain, Italy, India, Portugal, Angola, Argentina, and so forth, I believe it is safe for us to conclude that the international environment is neither stable nor conducive to American interests. Whenever the international environment becomes conducive to our national interest our security is adversely affected. Thus I believe that we must continue to bear the burden necessary to maintain a strong and unassailable military posture.

I believe that a strong America and a strong free world will not only help to contain future Communist expansion but will serve as a source of hope for the millions of people now living behind the Iron Curtain.

I would hope that whenever we enter into an agreement with any of the Communist nations we would seek concessions designed to make it more difficult for them to maintain the repressive domestic policies they have pursued in the past. Our objectives could include a freer exchange of ideas and people, freer emigration, prohibition on jamming, and other similar measures. By pursuing such a policy, we could also increase the security of the United States and the free world by making it more difficult for our adversaries to pursue their military and expansionistic objectives.

I think all Americans might reflect upon your importance of Captive Nations Week to people on both sides of the Iron Curtain. To those citizens of the nations which have fallen to Communist aggression, Captive Nations Week holds out the hope that they have not been forgotten in their continuing struggle to regain there freedom and independence. To the people of the United States and the free world, it is a time each year for us to reflect on just how precious, valuable, and fragile our freedoms are and how important it is for us to be vigilant in the defense of them.

REA POLICY

Mr. ABOUREZK. Mr. President, on April 10, I participated in a discussion in the Senate on a proposed policy of the Rural Electrification Administration that would have increased interest rates on loans for generation and transmission cooperatives from 5 percent to about 8 percent. The policy proposal was that loans for wholesale power cooperatives would, with a few exceptions, not be made from a revolving fund established by the 1973 amendments to the REA Act, but rather be guaranteed by that agency at the market rate of interest.

Mr. David A. Hamil decided, wisely, to withdraw this policy recommendation.

The reason for that policy, Mr. Hamil said, was to make "maximum amount of REA insured loan funds available for the financing of electric distribution facilities."

Senator GEORGE MCGOVERN, on April 30, conducted oversight hearings concerning this proposed policy change. He commented on that occasion:

> The revolving fund amounts to billions of dollars, enough that REA is continuing to lend from it without revolving any of the mortgages to replenish the fund. At this time and in the foreseeable future, availability of money in the revolving fund is no problem. If there is any scarcity it is one that is arbitrarily imposed by the Administration, like an impoundment of appropriated funds.

The Congress is now considering the appropriations bills for REA for fiscal year 1976.

Those appropriation bills make recommendations on the amount of insured loans to be made. The House bill recommends not less than $750 million nor more than $900 million for electric loans and not less than $250 million for telephone loans.

Because of higher operating costs, more cooperatives are now eligible for the 2 percent loans than when the new program was established in 1973. So that all of us may know the exact status of the revolving fund, I requested the General Accounting Office to report to me on its status. GAO supplied me a series of schedules provided to it by the REA. I was surprised to learn that the fund has grown since it was established. When the fund was established on May 11, 1973, it was $7,792,839,918. On May 31, 1975, it was $8,162,745,160. This additional $370 million in the revolving fund is irrefutable evidence that Senator MCGOVERN is correct in his appraisal that "at this time and in the foreseeable future availability of money in the revolving fund is no problem."

Also available to the REA Administrator is approximately $366 million of appropriated funds, money in addition to that which the Administrator has available through the revolving fund.

Mr. President, I ask that unanimous consent that five schedules provided GAO by REA showing the status of the revolving fund and other information concerning operation of this agency since 1973 be printed in the RECORD.

There being no objection, the schedules were ordered to be printed in the RECORD, as follows:

UNITED STATES DEPARTMENT OF AGRICULTURE—RURAL ELECTRIFICATION ADMINISTRATION

RURAL ELECTRIFICATION AND TELEPHONE REVOLVING FUND—COMPARATIVE BALANCE SHEETS

	May 11, 1973	June 30, 1973	June 30, 1974	May 11, 1975
ASSETS				
Cash	$298,225,485	$247,592,512	$163,290,343	$187,212,504
Receivables:				
Notes and bonds	6,494,449,847	6,566,528,607	7,195,768,528	7,775,120,767
Interest	104,233,111	100,659,083	97,070,107	92,064,889
Less: Allowance for losses	(9,940,000)	(10,265,000)	(11,653,000)	(11,653,000)
	6,588,742,958	6,656,922,690	7,281,185,635	7,855,532,656
Funds available on Treasury Notes to cover undisbursed balance of electric and telephone loans under secs. 4, 5, and 201 loans	845,871,475	845,871,475	445,771,475	0
Class A capital stock of RTB	60,000,000	60,000,000	90,000,000	120,000,000
Total	7,792,839,918	7,810,386,677	7,980,247,453	8,162,745,160

	May 11, 1973[1]	June 30, 1973	June 30, 1974	May 31, 1975
LIABILITIES AND GOVERNMENT EQUITY				
Liabilities:				
Notes payable to U.S. Treasury:				
Advanced	$6,562,642,068	$6,562,642,086	$6,963,336,068	$7,409,107,543
Unadvanced	845,871,475	845,871,475	445,771,475	0
	7,408,513,543	7,408,513,543	7,409,107,543	7,409,107,543
Government equity	384,326,375	401,873,134	571,139,910	753,637,617
Total	7,792,839,918	7,810,386,677	7,980,247,453	8,162,745,160

[1] Assets, liabilities and Government equity transferred to the Fund at date of establishment.

RURAL ELECTRIFICATION AND TELEPHONE REVOLVING FUND—PRINCIPAL AND INTEREST PAYMENTS BY REA BORROWERS, FISCAL YEARS 1973 TO 1975

	Fiscal year 1973			Fiscal year 1974			Fiscal year 1975[1]		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
U.S. total:									
Electric program	$179,199,479	$103,803,621	$283,003,100	$182,061,900	$113,084,468	$295,146,368	$179,998,407	$125,978,782	$305,977,189
Telephone program	4,704,787	29,625,076	71,329,863	45,986,053	31,159,283	77,145,336	45,947,575	31,524,143	77,471,718
Total, United States	220,904,266	133,428,697	354,332,963	228,047,953	144,243,751	372,291,704	225,945,982	157,502,925	383,448,907
South Dakota:									
Electric program	4,366,077	2,024,436	6,390,513	4,433,702	2,031,153	6,464,855	3,713,111	1,721,129	5,434,240
Telephone program	881,718	673,758	1,555,476	954,225	709,536	1,663,761	782,459	611,034	1,393,493
Total, South Dakota	5,247,795	2,698,194	7,945,989	5,387,927	2,740,689	8,128,616	4,495,570	2,332,163	6,827,733

[1] Through May 31, 1975.

Note: Includes payments made through reduction of advance payment balances.

RURAL ELECTRIC AND TELEPHONE BORROWERS—ASSETS AND NET EQUITY AS OF DEC. 31, 1974

Program	Borrowers reporting	Assets	Net equity
U.S. total:			
Electric:			
Distribution borrowers	927	$6,786,435,026	$2,237,008,646
G & T	41	2,442,602,586	170,300,294
Total	968	9,229,037,612	2,407,308,940
Telephone	851	3,213,801,374	723,619,459

Program	Borrowers reporting	Assets	Net equity
South Dakota:			
Electric:			
Distribution borrowers	32	$119,101,085	$33,969,163
G & T borrowers	2	30,010,614	5,516,409
Total	34	149,111,699	39,485,572
Telephone	16	44,883,044	3,701,499

REA INSURED LOANS BY TYPE OF BORROWER AND INTEREST RATE, FISCAL YEARS 1973 TO 1975

[Dollars in thousands]

Insured loans by type of borrower	May 12 to June 30, 1973			Fiscal year 1974			Fiscal year 1975		
	2 percent	5 percent	Total	2 percent	5 percent	Total	2 percent	5 percent	Total
U.S. total:									
Electric:									
Distribution	(32)$15,151	(243)$198,015	(275)$213,166	[1] (118)$65,510	(364)$347,563	[1] (423)$413,073	(134)$105,000	(423)$398,457	(557)$503,457
G & T		(12) 176,834	(12) 176,834		(12) 205,521	(12) 205,521		(22) 196,543	(22) 196,543
Total, electric	(32) 15,151	(255) 374,849	(287) 390,000	[1] (118) 65,510	(376) 553,084	[1] (494) 618,594	(134) 105,000	(445) 595,000	(579) 700,000
Telephone	(29) 33,984	(31) 55,016	(60) 89,000	(58) 55,193	(66) 84,807	(124) 140,000	(56) 70,000	(86) 129,939	(142) 199,939
Total, United States	(61) 49,135	(286) 429,865	(347) 479,000	[1] (176)120,703	(442) 637,891	[1] (618) 758,594	(190) 175,000	(531) 724,939	(721) 899,939
South Dakota:									
Electric:									
Distribution	(5) 1,914	(1) 254	(6) 2,168	[1] (14) 8,266	(2) 1,171	[1] (16) 9,437	(17) 12,976	(3) 2,317	(20) 15,293
G & T								(1) 1,988	(1) 1,988
Total, electric	(5) 1,914	(1) 254	(6) 2,168	(14) 8,266	(2) 1,171	(16) 9,437	(17) 12,976	(4) 4,305	(21) 17,281
Telephone	(4) 3,447	(1) 76	(5) 3,523	(6) 3,182		(6) 3,182	(8) 7,549		(8) 7,549
Total, South Dakota	(9) 5,361	(2) 330	(11) 5,691	[1] (20) 11,448	(2) 1,171	[1] (22) 12,619	(25) 20,525	(4) 4,305	(29) 24,830

[1] Includes 1 sec. 4 direct loan for $594,000.

Note: Figures in parentheses represent the number of loans approved in each category.

REA LOAN GUARANTEE COMMITMENTS, FFB LOAN COMMITMENTS AND FFB LOAN ADVANCES

[Dollars in thousands]

Program	May 12 to June 30, 1973			Fiscal year 1974			Fiscal year 1975		
	REA loan guarantee commitment	FFB loan commitment	FFB loan advances	REA loan guarantee commitment	FFB loan commitment	FFB loan advances	REA loan guarantee commitment	FFB loan commitment	FFB loan advances
U.S. total:									
Electric:									
Distribution borrowers									
G & T borrowers				(6)$974,433			(10)$1,206,343	(14)$1,976,151	$249,237
Total, electric				(6) 974,433			(10) 1,206,343	(14) 1,976,151	249,237
Telephone							(35) 200,000	(14) 76,324	5,529
Total, United States				(6) 974,433			(45) 1,406,343	(28) 2,052,475	254,766
South Dakota: (There have been no loan guarantee commitments to South Dakota borrowers.)									

Note: Figures in parentheses represent number of commitments.

THE NIGHT BILLY REGAN MADE THE TEAM

Mr. PROXMIRE. Mr. President, the American way, it is said, is to root for the underdog. We are competitive. We like winners. But we—at least we like to think so—can understand the guy who cannot make it, but tries hard.

Coach Marty Crowe, of JFK Prep in St. Nazianz, Wis., has written an essay about just such a dedicated loser, Billy Regan. The Capital Times of Madison, Wis., ran the piece on July 14.

It is more than a tribute to the Billy Regans of this country. It is more than the lumps in the throats of many unsung coaches and teachers.

Without saying so, Marty Crowe has given an affectionate pat to the backsides of five JFK varsity players plus many unknown other young people around the country who really do get something more from sports than visits and tempting offers from recruiters.

Mr. President, I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE NIGHT BILLY REGAN MADE THE TEAM

(By Marty Crowe)

Billy Regan was a nine-minute miler.

Every man who has ever coached knows the type. Comes out for everything. Can't do anything. But a great and wonderful kid. He will never quit. (Sometimes, for once, you wish he would.) He gives all that he has but it's never going to be enough.

Like that last night of football practice his senior year.

It's a quiet time. The guys realize, all at once, that a special part of their lives is over. It will not come again. So after practice it's a long, quiet walk in the early dark of late October in to the dressing room. Nobody says very much.

The boy ahead of me was walking alone—and slow. I passed him and I saw that it was Billy Regan. I wonder how he felt that night. The four years of desperate trying over now. The dream, at long last, finally dead.

Oh, I'd tried to play him once but it was just no go. He was so small and so unskilled but so determined that when the ball was snapped he'd begin to thrash his arms around. Wildly.

"Fifteen yards!"

"Huh?"

"Unnecessary roughness!"

How ridiculous can you get? Roughness! Billy Regan was the gentlest boy on the team. But again the ball is snapped and again Billy wildly swings his arms.

"Fifteen yeards!"

We had to get him out of there. And that was as close as Billy ever came to making the team. It didn't seem fair somehow. A boy with that much dedication and grim perseverance. But what the hell. Like I say, every coach has had a Billy Regan. Every teacher has had one in his class.

The guys took their showers slowly that night. And it was quiet. One by one, they finished dressing at last and slipped out the door for the final time and were gone. After a while, there were just five guys left in the room. Plus Billy, of course. He took his shower and he was the last one. Then he began to put on his clothes.

He almost made it.

By that time I knew something was up. The five guys were—waiting around. They could have left—but they hadn't. Five seniors. Regulars. The stars of the team.

Billy had everything on but his shoes when they made their move. Without a word, they walked over and grabbed him by the arms and legs. They carried him into the shower—clothes and all—and turned the water on and left him there.

Then, still with no word at all, they came out, went through the door—and were gone.

It was quite a while before Billy come out of that shower. And it took him a while to get the wet clothes off. When he came over to the equipment cage he held up the wet clothes—and I gave him a sweatsuit to go home in.

And the tears were shining in his eyes.

But those were tears of wonder, man. Tears of glory. Magic. Choose your word. And I was privileged to be there. As a teacher and a coach, I had the honor that night to be there when five guys on the ball club saw to it that Billy Regan made the team.

"Night, coach."

"Good night, Bill."

"And . . . thanks."

"Okay."

And he was gone.

Sure his mother called the principal that night and gave him Royal Canadian hell. And sure, he called me and passed it on.

But who cares.

I saw Billy Regan make the team . . .

A teacher's career is crowded with little things like that. Moments that light up his life. A guy in this profession should be grateful for that. Maybe, even, some night on his knees.

I go along with those teachers in convention in L. A. I am for a better salary scale—and all of that. But a teacher can get lost if he's not careful. There's more to this job than money. There are all the dreams we all had. Once. There's the chance to help and the chance to care. There's the chance just to be there when a boy needs somebody. There.

I keep thinking of that story of the well-off businessman watching the old nun working, under incredibly unpleasant conditions, with the very sick and the very poor. The place looks bad and it smells worse.

"I wouldn't do this for a million dollars!" the man says.

"Neither would I" replies the nun.

And I guess, in there somewhere, is something of what I've been trying to say.

CONGRESS WELCOMES ALEXANDR SOLZHENITSYN

Mr. BIDEN. Mr. President, Alexandr Solzhenitisyn, a Nobel Prize winner for literature, was welcomed at a congressional reception held in his honor in the Senate caucus room on Tuesday, July 15, 1975.

I am pleased to have played a role in his coming to talk to us, so we could convey our appreciation for his courageous actions on behalf of human rights.

In his remarks, Mr. Solzhenitsyn, a victim of Soviet oppression, but now in exile, said:

> Whether or not the United States so desires, it stands at the peak of world history and takes the leadership if not of the whole world, then of at least a good half of it. The United States has not had a thousand years to train for this. Maybe the 200 years of your existence has been time to weld together a sense of national awareness. The load of obligations and responsibilities has fallen on you unbidden.

I hope the United States can live up to this challenge and we can continue to provide leadership for the free world.

Mr. President, I ask unanimous consent that Alexandr Solzhenitsyn's remarks to Members of Congress be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

SPEECH BY ALEXANDR SOLZHENITSYN

Here, in the Senate Office Building, I must begin by saying that I have in no way forgotten the signal, and even exceptional, honor paid me by the United States Senate in twice endeavoring to declare me an honorary citizen of the United States.

I interpret this to mean that you have in mind not just myself as a person, but the millions of my fellow countrymen who have been deprived of rights, and even those in the other communist countries—those millions who have never been able, and are still unable, to express their opinions in the press, in parliaments, or at international conferences.

In conveying to you my gratitude for the decisions of the United States Senate relating to myself, I am even more conscious of my responsibility as representative of those others—a responsibility almost too burdensome for the shoulders of a single human being. But since I have never lost sight of the suffering, the striving, and the yearnings of those other voiceless millions, and have had no other aim in life than to give voice to them, this has lent me strength for my public appearances in this country and for my appearance before you here today. There are as yet few back there, in the communist countries, who speak out, but millions understand how loathsome and repulsive the system is. Whoever can do so "votes with his feet," simply fleeing from this mass violence and extermination.

Here today I see not only members of the Senate, but also a group of Representatives. Thus, I am speaking for the first time to participants in your country's legislative process whose influence in recent years has spread well beyond the limits of American history alone.

In virtually every respect of our Russian historical experience has been almost the opposite of yours. Our enormous sufferings in the twentieth century have made this Russian experience a bitter example, one which is too overwhelming, one which—as it were—comes to you from the future. Hence it is the more needful that we convey to one another our mutual experiences—persistently and with complete sincerity. One of the most terrible dangers of the present day is precisely that the destinies of the world are tangled together as never before, so that events or mistakes in one part of the world are immediately felt in all the others. At the same time the exchange of information and of opinions between populations is blocked by iron barriers on the one side, while, on the other, it is distorted by distance, by misinformation, by narrowness of outlook, or through deliberate misinterpretation by observers and commentators.

In my few addresses here in your country I have attempted to break through that calamitous wall of ignorance or of unconcerned arrogance. I have tried to convey to your countrymen constrained breathing of the inhabitants of Eastern Europe, in these very weeks when an amicable agreement of diplomatic schovels will bury and pack down bodies still breathing in a common grave. I have tried to explain to Americans that 1973, the tender dawn of detente, was precisely the time when the starvation rations in the prisons and concentration camps of the USSR were made even skimpier while in the very most recent months, when more and more Western speechmakers were pointing to the beneficial consequences of "detente", the Soviet Union put the finishing touches on an even more novel and important improvement in its system of punishment: retaining their undying primacy in the invention of forced labor camps, the Soviet jailers, have now established a novel form of solitary confinement—forced labor in the solitary cells—cold, hungry, without fresh air, without sufficient light, and working according to impossible output norms. And failure to fulfill is punished by confinement under even more brutal conditions.

Alas, such is human nature that we never feel the sufferings of others until we ourselves have to share them. I am not certain that in my addresses here I have succeeded in conveying the breath of that terrible reality to American society which is complacent in its prosperity. But I have done what I was bound to do, and what I could. So much the worse if the justice of my warnings becomes evident only some years hence.

Your country has just recently passed through the extended ordeal of Vietnam, which so exhausted and divided your society. I can tell you with confidence that this ordeal was the least of the long chain of similar trials which awaits your country in the near future.

Whether or not the United States so desires, it stands at the peak of world history and takes the burden of leadership if not of the whole world, then of at least a good half of it. The United States has not had a thousand years to train for this. Maybe the 200 years of your existence has been time to weld together a sense of national awareness. The load of obligations and responsibilities has fallen on you unbidden.

That is why you members of the Senate and of the House of Representatives, each one of you, is not just an ordinary member of an ordinary Parliament—you have been elected to a particular position in the contemporary world. I would like to convey to you how we—the citizens of the communist countries look upon your words, deeds, proposals, and enactments—as brought to us over the radio sometimes with warm approval and sometimes also with horror and despair. But we never have a chance to respond out loud.

Perhaps some of you, in your minds, still feel yourselves just representatives of your state or party—but we from over there, far away from here, the whole world itself, does not perceive these differences. We do not look upon you as Democrats or Republicans, not as representatives of the East or West coast or the Midwest, we see you as figures upon each of whom depends whether the course of world history will tend to tragedy or salvation.

In the oncoming combination of a world political crisis with a shift in the spiritual values of a humanity exhausted and choked by the existing false hierarchy of values you or your successors in the Capitol will have to confront, and are confronting today, tasks which are immeasurably greater, incomparably greater, than the petty calculations of diplomacy, the inter-party struggle, or the clash between President and Congress. There is no choice but to rise to the tasks of the age.

Very soon, only too soon, your state will have need not only of exceptional men but of great men. Find them in your souls. Find them in your hearts. Find them in the heart of your country.

THE GENOCIDE CONVENTION AND THE FIRST AMENDMENT

Mr. PROXMIRE. Mr. President, today I intend to continue my examination of arguments that have been raised in opposition to ratification of the Genocide Convention.

A popular argument against ratification was one brought up by members of the Committee on Foreign Relations and by the American Bar Association:

> Article III (c) of the Convention concerning "direct and public incitement to commit genocide" violates freedom of speech and press in the United States.

There is no basis for such a concern. The convention does not abridge the first amendment. There has never been unrestrained freedom of speech here in the United States or anywhere else in the world. Incitement has a definitive meaning in American law and under this meaning, has often been made a punishable offense. By our law, criminal acts include incitement to riot, to murder of officials and to mutiny. The convention only seeks to apply the same principles to acts of genocide. Moreover, the Genocide Convention provides that the contracting nations enact legislation to make the convention effective "in accordance with their respective constitutions."

Among those citing this case is the American Civil Liberties Union:

> If this Convention did interfere with the First Amendment, the American Civil Liberties Union would be the first one to complain, without regard to whether or not we commend the objectives of the Convention. However, we do not think there is any problem under the First Amendment to the Constitution.

With the clarification of this point, I urge the ratification of the Genocide Convention without further hesitation or delay.

JOSEPH W. HATCHETT NAMED FLORIDA STATE SUPREME COURT JUSTICE

Mr. CHILES. Mr. President, I take this opportunity to extend to newly appointed Florida State Supreme Court Justice Joseph W. Hatchett, my sincere congratulations and to bring to the attention of his appointment to my colleagues in this body.

Justice Hatchett is the first black American to hold such a high judicial office in the South in nearly 100 years and the first ever in Florida.

Acting to fill a vacancy on the State supreme court, Gov. Reubin Askew picked Judge Hatchett from among seven outstanding attorneys and judges recommended by the Florida Supreme Court Nominating Commission.

A native Floridian, Mr. Hatchett graduated from Florida A & M University in Tallahassee and from Howard University here in Washington.

Hank Drane of the Florida Times-Union wrote a fine article on Judge Hatchett's appointment and I ask unanimous consent that it be printed in the RECORD following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. CHILES. Mr. President, I am sure that it is with a great deal of pride that Joseph Hatchett now takes his place in history with William H. Hastie, who was the first black to head a Federal court district, 1937; Ms. Jane Bolin, first black woman judge, 1939; Irwin Mollison, the first black judge appointed to the U.S. Customs Court, 1945; and U.S. Supreme Court Justice Thurgood Marshall, 1967.

I am sure that I express the sentiment of a majority of Floridians when I say that we, too, wish him well.

EXHIBIT 1

[From the Florida Times-Union, July 9, 1975]

ASKEW TAPS HATCHETT AS JUSTICE OF HIGH COURT

U.S. Magistrate Joseph W. Hatchett of Jacksonville, youngest son of a Clearwater fruit picker, was appointed Tuesday as Florida's first black Supreme Court justice and the first in the South since Reconstruction.

Hatchett, 42, was named by Gov. Reubin Askew to fill a vacancy, effective Aug. 30, created by the resignation of Justice David McCain who quit the court in May while under threat of impeachment by the Florida House.

"For a black professional to get ahead, I think he has to have something extra," Askew told reporters in his Tallahassee announcement of the appointment. "I think Mr. Hatchett does."

He was selected by Askew from a list of seven attorneys and judges recommended by the Florida Supreme Court Nominating Commission.

"He is eminently qualified but so were the other six nominees," Askew said.

Hatchett, who was named U.S. magistrate for the federal district court in January of 1971, said he was deeply honored by the confidence of the governor and the nominating commission.

"I am mindful of the great responsibilities that devolve upon a justice of the Supreme Court and I will undertake the tasks of that office with a deep sense of humility and dedication," he said.

Hatchett was born in Clearwater, one of four sons of Mr. and Mrs. John Hatchett. The father, now deceased, was a laborer and fruit picker most of his life. His mother still resides in Clearwater.

Hatchett is a graduate of Florida A & M University in Tallahassee and received his law degree in 1959 from Howard University in Washington.

He practiced law in Daytona Beach for seven years before being named an assistant U.S. attorney here. In 1967 he was named chief assistant U.S. attorney for the Jacksonville office and was appointed as U.S. magistrate in 1971 by the five district judges.

He served two years in the U.S. Army after graduating from Florida A&M in 1954, being discharged as a first lieutenant.

He and his wife Betty, a graduate of Florida A & M and an elementary teacher, reside with their two daughters, Brenda and Cheryl, in the fashionable Harbor subdivision off Ft. Caroline Road.

Askew said Hatchett was highly recommended by U.S. District Judges Gerald Tjoflat and Charles Scott with whom Hatchett works closely in the Jacksonville district court office.

Tjoflat said following announcement of the appointment that Askew appointed a highly qualified lawyer of utmost integrity to the Supreme Court.

"As our magistrate for the past five years, Mr. Hatchett has an enviable record," Tjoflat said, "His reputation has grown to such an extent he is now recognized as one of the finest magistrates in the federal judicial system.

"He will be sorely missed here and his shoes will be hard to fill, but we wish him well."

Scott said by telephone from the Ocala court that he has enjoyed a close working relationship with Hatchett since 1966 and Hatchett has tried many important cases before him as an assistant U.S. attorney.

"In 1970 the judges of the Middle District unanimously selected him as magistrate where he has served faithfully and well. In my opinion he will make an outstanding contribution to the Supreme Court."

Scott said Hatchett's honesty, integrity and character are above reproach and he is held in high regard by lawyers and judges here as well as law enforcement personnel.

"He has patience and understanding as well as judicial temperament and a tremendous amount of good common sense," Scott said.

Askew was asked if he would have appointed Hatchett if the new justice had been white. "That's something I don't have to consider because that's not the case," Askew said, "God made him black."

Askew said at another point he is well aware it will be the first time a black will serve on the Florida Supreme Court.

Hatchett must seek election on his own in 1976 and Askew said he was confident Hatchett could be elected to a full, six-year term.

"I think that once the people have a chance to see him perform they will judge him as an individual and not on his race," Askew said.

Rep. Mary Singleton of Jacksonville, the second black woman ever elected to the Florida Legislature, said she had written Askew urging Hatchett's appointment.

"He's one of the finest men I ever met," she said. "I don't think anyone can cast a stone at him. He is dedicated and capable."

Mrs. Singleton said the appointment is a beautiful example for young people, black and white, "that the system is working and if you deserve it, you can get to the top in any profession."

The six other nominees recommended for the post, of the 51 considered, are former Sen. Fred Karl, Public Counsel Woodie Liles and Appellate Court Judge Guyte McCord, Jr. of Tallahassee; Circuit Judge Howell Melton of St. Augustine; Appellate Court Judge James Walden of West Palm Beach, and attorney Alan R. Schwartz, Miami.

DISENGAGEMENT FROM KOREA

Mr. CHURCH. Mr. President, since serving with distinction as U.S. Ambassador to Japan, Edwin Reischauer has been one of our country's most valued analysts of American foreign policy in Asia. Now, in a June 28 article for the Washington Post, Reischauer urges us not to panic in repeating in Korea the mistakes learned so painfully in Vietnam.

Reischauer points out that today South Korea enjoys superiority over the North in manpower and weaponry and internal unity not known in South Vietnam. Neither China nor Russia shows an inclination to support a North Korean military venture into the South. Moreover, American public opinion is not likely to sanction a repeat performance that would draw us into another Asian war, particularly to defend a government of which it does not approve.

But, Reischauer says, a situation is developing which "over a longer time span may produce conditions like those that proved fatal to South Vietnam." The Park government is using repressive measures which are beginning to build up internal forces of resistance. Economic problems brought on by oil prices and worldwide recession haunt the South Korean economy. It is, therefore, possible that the presence of 40,000 American soldiers near the border could threaten to draw the United States into a future conflict brought on as much by forces internal to South Korea as external.

While it would not be appropriate for the United States to take immediate action, we must begin now to institute a policy of gradual but deliberate disengagement from Korea, one which would be fully understood by our most important friend and ally in Asia, Japan. As Reischauer says:

> Now is the time, while the Vietnam dust is settling, to start thinking through this

problem. We should before long have a clear program to present to Park of measured withdrawals of American troops and reductions of military aid until both are entirely gone within a few years.

I support this view and believe we should begin taking the Ambassador's advice. I, therefore, ask unanimous consent that the article, "Korea and Vietnam: The Nonparallels," by Edwin O. Reischauer, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, June 28, 1975]

KOREA AND VIETNAM: THE NONPARALLELS

(By Edwin O. Reischauer)

False analogies between Korea and Vietnam originally helped get us into a fundamentally worse situation in Vietnam. Let us not now reverse the process and panic over Korea because of analogies mistakenly drawn with Vietnam.

South Korea simply is not vulnerable at present to the two basic ills that destroyed South Vietnam—the uncertain loyalty of its people, and the resultant possibility for easy penetration and subversion by the North. At present it would require a massive external flow to overthrow the South, and there seems no sign of this happening.

Kim Il Sung, the northern dictator, is trying to take advantage of the sudden collapse in Vietnam to intimidate South Korea, but despite repeated cries of warning, the situation along the border in Korea is in actuality less menacing than at most times during the past two decades. Pyongyang does have more than twice the air strength of Seoul, but this advantage is offset by the presence of American air power in the South, while in ground forces the South outnumbers the North by about 600,000 men to 400,000, with reserves and paramilitary units that give an overall balance of 3 million to less than 2 million.

These figures reflect the facts that the South has more than twice the population of the North (in Vietnam it was the North that was the larger), and both regimes are as completely militarized as any in the world. Pyongyang could not risk war without the strong support of China or the Soviet Union, and both of these seem much more eager to avoid a conflict in Korea than they were in the past.

This may sound reassuring, but it concerns only the false crisis derived from mistaken analogies with Vietnam. Back of this, however, is a real danger that is escaping adequate attention, in part because of the red herring of Vietnam.

It is not an immediate crisis, but rather a situation that over a longer time span may produce conditions like those that proved fatal to South Vietnam. In other words, an ultimate, Vietnam-like debacle may be in the cards for us in Korea unless we start to do something about it soon.

The experiences of the Korean War made the South Koreans the most bitterly anti-Communist people in the world and therefore insured their loyalty to Seoul. But this shows signs of eroding.

There has always been much popular dissatisfaction with the government in South Korea. Despite rapid economic growth in recent years, the discrepancies in wealth were severe and seemed to be growing worse. Corruption in government and business—recently highlighted by the admission of a $4 million bribe to government authorities by the Gulf Oil Corp.—has always drawn much criticism. Except for a brief period in 1960–61 of ineffective Democratic government, Korea's democracy has always been imperfect and incomplete. Individual rights and freedoms were often curtailed.

But at the same time, there was enough individual liberty and democratic participation in government to make people feel that there was sufficient difference from the completely repressive regime of the North to make the South worth fighting to preserve.

This situation, however, has been changing of late. In October, 1972, President Park Chung Hee declared martial law and followed this with a new constitution, which, by giving him the right to appoint one-third of the members of Parliament, reduced that body and all electoral politics to a sham.

He followed this by Draconian measures seriously limiting individual freedoms, including those of political criticism and self-expression, and enforced these with brutal police controls. The opposition forces have been cowed into virtual silence, but hostility and tensions run deep.

Especially among the city dwellers and the better educated, including the bulk of the influential Protestant and Catholic groups, there is a sense of desperation. Student activism may have been successfully repressed; but probably at the cost of creating secret student revolutionaries. Step 1 has been taken toward the making of a Vietnamese situation.

South Korea has recently suffered another blow, this one not of its own making. Korea's dazzling economic record of recent years was based on industrialization and world trade—an incipient replica of the Japanese economic miracle—and therefore the oil crisis that started in the autumn of 1973 dealt Korea a serious blow.

It is particularly dependent on markets in and investments from Japan and the United States, and both these countries have themselves been in recessions. In addition, the picture of an increasingly repressive South Korean regime makes both Japanese and Americans more critical of conditions in Korea, more dubious about its future and less willing to invest there, thus adding to Korea's economic woes. A serious economic downturn could further erode South Korean loyalties.

The deterioration of the political situation in South Korea has also increased doubts about the American commitment to help defend the country. The post-Vietnam mood in the United States is reason enough for such doubts, but they are greatly increased by a picture of a dictatorial and cruelly repressive regime in Seoul, which is repugnant to Americans.

The American commitment is hedged by the phrasing that "In case of an external armed attack" each nation "would act to meet the common danger in accordance with its constitutional processes." Still, the presence of about 40,000 American soldiers as a sort of trip-wire near the border has always made American involvement in a renewed Korean War seem almost automatic.

But this may well not be true, given the popular mood in the United States, as strengthened by the distasteful political actions of Park's government. In other words, the United States has made a commitment reinforced by a military presence that the American people would very possibly be unwilling to live up to. This is indeed a perilous position for the United States to be in.

Park or his successors have only two paths they can follow.

On the one hand, they can smother all political criticism and ruthlessly eradicate all sources of opposition. North Korea, North Vietnam and China itself show the viability of this sort of regime in an East Asian setting though it may be much more difficult to create one on a rightist rather than a leftist ideological basis, as the experience of the Chinese Nationalists suggest. Of course, this road would ultimately lead to the forfeiture of the American military commitment, and probably much of Japanese and American economic support.

The other road would be a return toward a more open society with a growing role for democratic political institutions. High educational levels make such a course perfectly feasible in Korea, and in my judgment it would be by far the better bet, even in stark military terms.

But what should the United States do? The tendency is to sweep the problem under the rug—to leave things alone and pretend the problem does not exist, counting on the improbability of war, at least in the near future, to see us safely through until some still unknown but, it is hoped, better situation develops later on.

In the very short run, this policy is understandable. The shock of the sudden collapse in Vietnam for Americans, Koreans and the world at large makes it wise to let the dust settle a bit before making any decisive new moves in Korea. But such a do-nothing policy cannot be allowed to continue indefinitely, as South Korean loyalties wither and popular American distaste for Korean dictatorship grows.

The defense of South Korea, regardless of the nature of its systems, is not vital to American interests. A defense line in the straits between Japan and Korea has always made more military sense than one in the middle of the peninsula. Aside from our emotional involvement in the well-being of the brave and talented people of South Korea, our only major concern in the area is the adverse impact its fall to North Korea would have on Japan, a nation of very great importance to the United States.

A sudden collapse resulting in part from an American refusal to live up to its commitments might start a nervous Japan back on the road toward remilitarization, or might frighten it into a stance of much less cooperation with the United States on vital shared problems of economics and world order.

If, however, the United States had disengaged militarily from Korea by slow and well understood steps prior to a collapse, the impact might be quite negligible.

Now is the time, while the Vietnam dust is settling, to start thinking through this problem. We should before long have a clear program to present to Park of measured withdrawals of American troops and reductions of military aid until both are entirely gone within a few years—unless the South Koreans find it possible in the meantime to change course again and start moving back to a freer, more democratic system that would better win the loyalties of their own people and the support of the American public.

To avoid damaging shocks both in Korea and Japan, such a program would have to be spread over several years. Although the crisis is not an immediate one, we must start very soon if we are to complete the maneuver before the situation does reach crisis proportions.

The present is also a good time to start forming a longer-range Korean strategy. Korea has all along been a more dangerous threat to world peace than Vietnam, not just because it is a larger and more effectively militarized country, but because of its more strategic location between three of the largest nations of the world—Japan, China and the Soviet Union—with the fourth, the United States, deeply involved in the peninsula for historical reasons.

The surrounding great powers should move toward an agreement to isolate this danger spot from other issues.

What is needed is a four-power agreement between the United States, the Soviet Union, China and Japan that they will not allow disturbances in Korea to spill over to involve them in their relations with one another.

The distrust and hostility between China and the Soviet Union stand in the way of such an agreement today, as does also the presence of American forces in the South. Such as agreement will not be easy to achieve but it is an obvious goal that the United States should be working toward now.

When achieved, it will not only neutralize one of the most dangerous trouble spots in the world, but may also take some of the tensions out of the situation in Korea itself. It could lead to agreed military limitations between the two Korean regimes, which would be an economic boon to both, and possibly might open the way for ultimate reunification, which is of course the dream of all Koreans.

PRESIDENT RECOGNIZES NEED FOR JUDICIAL SALARY RISE

Mr. ABOUREZK. Mr. President, last week the President of the United States addressed the Sixth Circuit Judicial Conference in Michigan. He spoke of some of the major problems confronting the Federal judiciary at this time.

Included in his remarks were two very important statements. For the first time that I am aware of, the President recognized the need to increase the salary of Federal judges.

I think the President should be complimented on his call for higher salaries. I have already introduced legislation calling for just such an increase, and urge my colleagues to support this needed legislation.

Mr. President, I ask unanimous consent that the full text of the President's remarks be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

Remarks of the President at the Judicial Conference

Judge Engel, Governor Milliken, Justice Stewart, Senator Bob Griffin, Judge Phillips, distinguished Members of the Congress, my former colleagues in the House, Al Cederberg, Phil Ruppe and Guy VanderJagt; Bishop Dimmick, and an old very dear friend of mine, Judge McAllister and his wonderful wife Dorothy, ladies and gentlemen:

Before I begin, I would like to ask a question of this very distinguished Judicial Conference.

Last Thursday, one of the tires on Air Force One blew out as we were landing in Cleveland and that night a newspaper reported the incident as follows: "Air Force One landed in Cleveland today with a flat tire." (Laughter) "And President Ford stepped out." (Laughter)

And now for the question: Can I sue? (Laughter)

It is a privilege to meet this morning with such a distinguished group of jurists and lawyers from Kentucky, Michigan, Ohio and Tennessee, and obviously I am honored to share the platform with my former law school classmate, Justice Potter Stewart.

It is wonderful to see you, Potter, and we look back, I am sure, from time to time, at those fine days in the Yale Law School.

And I am extremely pleased to see so many families here today, and families of people that I have known so long myself.

I can't help but make an observation and comment about Judge Tom McAllister. I was delighted that Tom was finally accorded the recognition that he should get. The University of Michigan Law School finally gave him his degree (Laughter) after some 55 years of reticence.

And secondly, some of you may or may not know but just a few years ago Tom McAllister was permitted to receive the Legion of Honor from the French Government that he earned in World War I.

And, Tom, it is nice to see you. I can't see where you are sitting.

I think it was in 1936 that Tom ran for the House of Representatives from the district that I had the honor to represent, and he came so close—I think less than 200 or 300 votes—if he had ever won I probably wouldn't be here. (Laughter)

And then I am especially pleased to have been introduced by Judge Albert Engel. His father was a very distinguished Member of the House of Representatives when I first went to the Congress in 1949, and he decided after one—my first term—he decided to seek the Governorship of Michigan.

And he had had a long and very distinguished record on the Committee on Appropriations. And when he left to seek the Governorship, I was fortunate enough to get on the Committee of Appropriations at a relatively early stage in my Congressional career.

I was sorry that Albert didn't get to be Governor, but I was thankful that I was given the opportunity to succeed him on the Committee on Appropriations, and I can only say to you, Albert, your father was one of the outstanding Members of the House of Representatives during my career in the Congress.

Now, despite the importance of the Judiciary, I think we on the outside do recognize that many of the problems that you face and that you tackle go unnoticed and unreported. Too often we pay attention only when Federal court decisions are controversial, or the problems of court management become overwhelming.

You know better than even those of us who look at the statistics, that the case loads in Federal courts have expanded tremendously in the past decade.

Those of you on the Federal bench know personally about the 25% increase in criminal cases, and the 55% increase in civil cases between 1964 and 1974. And I think, with mixed blessings, we recognize that the Sixth Circuit is one of the busiest and most productive and has one of the finest records, according to the statisticians in the country. And I compliment you and congratulate all of you, those on the Circuit Court as well as those in the district courts, for that very enviable record.

You have this impressive record of accomplishment in keeping up with the explosive development of cases in or under Federal jurisdiction, and by all of the experts that I have read you have handled these tremendous responsibilities extremely well.

But I think it is self-evident there is a very serious question how long the Federal Judiciary will be able to function smoothly without additional manpower.

And I can say with emphasis that this Administration strongly supports the recommendations for additional district circuit court judgeships.

Your judicial conferences have said on more than one occasion, the need is there, and legislation has been introduced in both the House and the Senate to provide I think it is 5 or 53 additional Federal judges.

I can assure you personally that I will do all I can to convince the Congress that action is required. I think all of us in this room recognize that you may have to make some division between one group and another in order to get it approved, but I think the overriding interest is in the need for judges.

So, as far as we are concerned, we will work out with those that feel there should be some equal division—and I understand it—so that we can meet the needs of our Federal court system. I think we also have to recognize there is a need for an increase in Federal judicial salaries.

Let me assure you that in the most discreet way the Chief Justice, without violating any Constitutional limitations, has talked to me on several occasions—(Laughter)—has talked to a number of Members of the Congress and at his specific request, I got a group of the Democratic and Republican leaders to the White House along with people from the Executive Branch to again mention with emphasis the problems in the field of compensation for Federal judges.

So, you have a good advocate. We just have to find some way to get some action.

Let me say this: In my crime message, which was submitted to the Congress several weeks ago, I strongly supported, as I think it is absolutely essential, legislation to expand the jurisdiction of Federal magistrates.

You know better than I that the expansion of that responsibility can be very helpful in alleviating some of the case load problems in the Federal judicial system.

In addition, in this crime message, I did propose action on the scope and the process of Federal jurisdiction, including the range of diversity, jurisdiction, the advisibility of three-judge courts, possible avenues of Federal-State cooperation and related proposals, all of which could be materially beneficial in reducing the case load.

Accordingly, in this process, I have requested a comprehensive review of Administration efforts on judicial improvements and an examination of the full spectrum of problems facing the Judiciary.

Because the State courts are being equally, if not greater, taxed by special problems, I have recommended an extension of Law Enforcement Assistance Administration programs calling attention specifically to the financial and the technical assistance requirements of our State courts.

The Administration is also aware of the need to consider the judicial impact of any new legislation, and I can assure you that we will examine the potential for litigation arising from any of our proposals.

It has been my observation that too often Federal laws have been passed without adequate consideration of their impact on the effect on our Federal court system.

From its founding, the Nation has expected its courts to perform vitally important functions, and in recent years the Federal bench has wrestled with many of these controversial issues in our society.

In fact, we are turning too often to the Federal courts for solutions to conflicts that should have been tackled by other agencies of the Federal Government, or even the private sector.

We cannot expect the Judiciary to resolve and to balance all of our opposing views in our society. Neither can we rely on the courts as the sole protector of our individual liberties.

I think other agencies, or partners in the Federal Government, have an equal responsibility. We can't, in all honesty, put the full burden and total load on the judicial system.

The Judiciary is the Nation's standing army in defense of individual freedom, but all segments of our society—Government, business, labor, education—must work to see that the individual is not stifled.

In our first century, the Nation established a continentwide system, a very unique system of Government. That first century of our country's history provided our people with the opportunity to put together a Government that worked to protect the rights of individuals and created stability for this new and growing Nation.

In our second century, we developed a very strong economic system. We moved from the East Coast to the West, and from the North to the South, and we developed this industrial complex under a free enterprise system that permitted our country to move ahead and become the strongest industrial nation in the history of the world.

So, in the first two centuries, we developed that wonderful form of Government that we have. Along side with it in our second century we put together this industrial might that has given us so much.

We developed stability in freedom in the first one hundred years, and economic strength in the second.

In the third, the challenge is, as I see it, to advance individual independence. If we don't do something in this third century to protect the individual against mass education, mass Government, mass labor, where the rights of the individual are lost because of the totality of the effort, the individual, has to be given his unique opportunities to participate and not get lost in the crowd.

Daniel Boone moved West to find some elbow room. Elbow room for the individual is what our next century as a capitalized nation must be about. We must give ourselves as individuals ample room to grow, to achieve and to be different if we want to be, and to define the basic quality of our personal existence.

You know out of the slogans and the myths of 200 years of American history the first words still ring very, very true. "We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable rights, that among these are life, liberty and the pursuit of happiness."

Those words are not just for political orations or even court decisions. They are the watchwords of what we must be about as a people in the coming years. Freedom for a nation begins and ends with the freedom of the individual.

With that commitment, our future will be as glorious as our past.

Thank you very much.

TWO HUNDRED YEARS AGO

Mr. YOUNG. Mr. President, I recently read a very interesting story which was printed in the Pierce County Tribune, Rugby, N. Dak., and which I think has considerable significance as our country prepares to celebrate its 200th anniversary. It was written by the Reverend A. A. A. Schmirler.

Father Schmirler's article is an historical account of a person he maintains was the first white man in North Dakota exactly 200 years ago. This historical sketch presents evidence of a man known as "Old Menard," a Frenchman and a trader, dealing with the Indians of that time in what is now Bottineau County, N. Dak., which is in the extreme north-central part of my State.

I think this article, written by Father Schmirler, is a valuable historical document and I believe it merits reprinting.

I ask unanimous consent to have this article printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TWO HUNDRED YEARS AGO

(ED. NOTE.—author of the following historical sketch is Fr. A. A. A. Schmirler, presently assistant pastor of Little Flower Catholic Church, Rugby. He says he has researched and studied the topic since 1960.)

To love the United States, as headlined in the Pierce County Tribune recently, is a good goal for the Bicentennial Year. We can love an object better when we know more about it. Let us look at the heartland of the North American continent, which is the middle-north of North Dakota, 200 years ago. Is there any history? Archeology, yes; but history? Yes, a little; and one important happening has been neglected by historians. They have slighted the central figure of the action two hundred years ago: the man who was killed in 1803.

In 1776 Assiniboine tribes, called Cristeneaux by some, held hunting rights over the trade areas of present day Velva, Rugby, Towner, Minot, Rolete, Willow City, Upham, Dunseith, Bottineau, Westhope, Boissevain, Deloraine and Melita. We focus upon the loop of the Mouse, or, Souris River, and will probably miss naming some towns: Logan, Surrey, Norwich, Verendrye, Karlsruhe, Granville, Denbigh, Berwick, Barton, Bantry, Glenburn, Lansford, Maxbass, Newburg, Kramer, Gardena, which had 7 inches rain last week, Omemee, Souris, Carbury and the smaller post offices across the border.

I know a man who after twenty years wishing, viewed remains of fur trading posts near Tresbanks, Manitoba. And after twenty six years, he lifted frustration to mail a postcard at Carbury, N.D.; but that had no particular historical significance. Many boys and girls have grown up in the towns and on the farms of the Mouse loop area since; but 200 years ago the Montreal Peddler who transected it might have been the only human being in the loop. He was the only white man in what is now North Dakota.

Sioux activities had hardly begun at the south end of Assiniboine hunting grounds, then. For history does record one date in the Indian world very definitely, that in 1740, or two hundred and thirty-five years ago, the Sioux dislodged the Cheyennes from Section 18, 135N 54W in the southeastern part of North Dakota, and from the state as a whole as a result of that massacre of Indian by Indian. Archeologists refer to the Cheyenne village as the Biesterfield Site. (Biesterfield was the farmer scratching to make his mortgage payments in the 1900's when Columbia University dug up the village site.) This site is really located on the lower Sheyenne River, the stream somebody misspelled with an "s". It may well have taken the Sioux 35 years to move upstream on the Cheyenne, north and then west toward its beginning in Sheridan County. Chippewa returnees from the Great Lakes restrained their westward urge at the Red River. A map thought to date to 1795 (by Antoine Souhard) shows Cristeneaux (Assiniboine) just north of the Sioux in what is now Pembina County, on the west side of the Red River.

When an Indian family had to move, the warrior's wife could pack their personal property on a travois. (When a European settler was foreclosed after twenty years on his homestead, he had ten times as much personal property to offer at an auction sale.) Nor had Indians acquired much by way of private property rights, i.e., land holdings; though they established hunting rights as already noted. Rising above the general Indian culture, was the complex of five tribes termed the "Mandan Villages" at the big bend of the Missouri River roughly in the Stanton, N.D. area. They enjoyed more personal and private property, and communal holdings. Mentally I picture their land holdings as fitting within the combined city limits of Rugby and Towner.

Verendrye (Pierre Gauthier de Varennes) had indeed crossed from the Assiniboine to the Mandans more than two hundred years ago; he had visited the Mandans two years before the historic date when the Sioux massacred the Cheyennes. (Verendrye, N.D. was named in his honor, but not with reference to his route.)

Privileged, active fur traders received pelt territory more accessible to the market. Adventuresome souls ranged farther west and north in Canada; and from east and south came up as far as South Dakota. Spain also inched upward on the West Coast; while Russia leap-frogged downward. Less privileged, free traders had to range farther from market; they had criss-crossed northern Minnesota, western Ontario and eastern Manitoba; by the time of the Declaration of Independence at Philadelphia. The Indians indeed knew one could canoe from the Gulf of the St. Lawrence, to either the Gulf of Mexico, or the Gulf of California, routed through North Dakota. Not so the white man; and except for Verendrye's little known exploratory trips, North Dakota, and Montana also, remained a conundrum to him.

A probability does exist Old Menard had heard tales of Verendrye's crossing between the Assiniboine River and the Mandans by an over land route. Aside from that probability, the sea of grass covering the long slopes of the Mouse loop remained uncharted in 1776. Sinking in at each step as if on a shag carpet, the peddler at times walked a hundred miles from the nearest living person. The only road in North Dakota was less than three miles long, connecting two of the Mandan villages. Later landmarks in the loop became well known: Dogden Buttes, Bald Hill Butte, Buffalo Lodge north of present day Denbigh, from which the traveler could see the Turtle Mountains. Some years later, 1784–1795, Northwest Company traders and wholly free traders enjoyed the nearer convenience of a fur depot on Rainy Lake, Minnesota; when Menard started in 1776, his base for operations had to be Michilimackinac.

In a good book entitled "Before Lewis and Clark" by A. P. Nasatir, Vol. I, p. 82, we read: that in August, 1790, Jacques D'Eglise obtained a license in St. Louis to hunt on the river, and " . . . in his meanderings became the first Spanish subject to reach the Mandan and Tayenne Indian Villages via the Missouri. According to D'Eglise the Mandans lived about 800 leagues above its mouth . . ." (This is 2400 miles up river from St. Louis, Mo.) "While among them D'Eglise received authentic information from a Frenchman (Menard) who had been living among these Indians for fourteen years." Thus began commerce in North Dakota in 1776.

Another name better known in local North Dakota history is Alexander Henry Jr., and he wrote this in his journal, (Coues Ed. p. 311): "At nine o'clock we left the Mouse River and directed our course S.S.W. on a level plain." This is not far from the juncture of the Mouse with the Assiniboine in Canada, a distance they had already covered by several days riding. A footnote by the author states that Henry crossed the border, entered the NW corner of Bottineau County; later leaving the Mouse River on his left, and proceeding south southwest over the prairie. Had they gone on the eastside of of the Mouse, they would have crossed Willow Creek. The way they went, the first river Henry records as Rivie're Pl'e; this has also been named Green River, Cutbank Creek, and appears on maps now as Deep River. "At noon we stopped to refresh our horses; in an hour we were again on our march and at four o'clock crossed Rivie're Pl'e which takes its rise in Moose Mountain and after a course of 20 leagues through an open plain, empties into Rivie're la Souriss, a few leagues below Riviere aux Saules." "Along this river no wood grows except a few stunted willows. At this place old Menard was pillaged and murdered by three Assiniboines in 1803 on his way to the Missouri. Having crossed this river we pushed as fast as possible, sometimes at a gallop and never slower than a trot, until sunset, when we stopped for the night on the open plains.'

"We found much water on this low and level plain, and, of course, mosquitoes in abundance."

Spanish authorities, according to Truteau in 1974, trusted Menard, who ". . . has the reputation among the Indians of being a man to be depended upon, frank and honest . . ." His fellow-diplomat, Rene Jusseaume, did not enjoy such an all-around good reputation among the Indians, though both men could and did write a letter to the Spanish, and brought about a diplomatic peace with the tribes. If the five villages on the big bend of the Missouri had not learned the advantages and procedures of diplomatic peace fourteen years earlier, they could have sealed the Lewis and Clark expedition in failure at this juncture. The Michaux Expedition had failed earlier, at St. Joseph, Mo., if I remember rightly. Had Lewis and Clark been snuffed out in their winter quarters, the West Coast might conceivably be much different today. Had there been no states of Oregon and Washington, one can argue Jim Hill would never have built the Great Northern to the West Coast; and a stop named Rugby would not exist on Amtrak today.

Where is the exact spot where Menard left his monument; his body, on the plains? He may have intended to camp overnight in the concealment of the stunted willows. Again depending upon observations made by Henry, the Assiniboines may have followed his movements during the day themselves unperceived, and used those very willows to spring their ambush. At that time, willows were probably found from four to six miles along Deep River, upstream from its juncture with the Mouse. Highway 14 leads closest to the area near Upham, N.D.

ANNOUNCEMENTS FROM THE FEDERAL ELECTION COMMISSION

Mr. CANNON. Mr. President, I ask unanimous consent that certain announcements from the Federal Election Commission be printed in the CONGRESSIONAL RECORD.

There being no objection, the announcements were ordered to be printed in the RECORD, as follows:

FEDERAL ELECTION COMMISSION, NOTICE 1975–14, REPORTING UNDER THE FEDERAL ELECTION CAMPAIGN ACT

NOTICE OF PROPOSED REVISION OF FORMS REQUIRED UNDER THE ACT

The Federal Election Commission (FEC) was established by the Federal Election Campaign Act Amendments of 1974 (Public Law 93–443, 2 U.S.C. § 431 et seq.). The Act provides in 2 U.S.C. § 438(a)(1) that the FEC is to "develop and furnish to the person required by the provisions of this Act prescribed forms for the making of reports and statements required to be filed with it under this chapter" (Chapter 14 of Title 2 of the United States Code). Pursuant to this responsibility, the FEC is preparing a revision of the existing forms used by candidates and committees to report campaign contributions and expenditures, and initiating new forms for the other information required to be reported under the Act. The FEC intends to prepare revised forms that are written in clear language, and designed to facilitate all disclosure required by the Act.

Any interested person or organization is invited to submit written comments to the FEC concerning any aspect of the revision of the forms required under the Act. The facts, opinions, and recommendations presented in writing, in response to this notice will be considered in designing forms and drafting regulations necessary to implement the statutory provisions.

Set forth below is a general description of the matters which the FEC believes require the most immediate attention:

I. Reporting of Receipts and Expenditures.

Persons or organizations commenting on this section should attempt to suggest ideas and recommendations that will allow candidates and political committees to complete relatively simple, yet comprehensive, reports that will not require extensive backup material or the services of a professional staff to maintain the backup material or prepare the required reports.

1. Comments are invited as to what is the best format for the reports required by 2 U.S.C. § 434(b) for obtaining information from candidates and political committees on their receipts and expenditures. If helpful, reference should be made to desirable revisions, modifications, and changes in the existing receipts and expenditure reporting forms.

2. Comments are invited as to whether one or more of the existing forms for reporting campaign receipts and expenditures should be combined into a single form to avoid unnecessary repetition of similar information. Specific recommendations for the design of such a form also are requested.

3. Comments are invited as to whether short and long reporting forms, similar to those employed by the Internal Revenue Service, should be designed to more satisfactorily meet the separate needs of candidates and committees which receive and expend numerous large sums, and those which have made or received relatively few contributions and expenditures. Specific recommendations for the design of such forms also are required.

4. Comments are invited as to whether any real benefit would stem from the use of differently colored or designed forms, to clearly distinguish between the different reporting dates provided in 2 U.S.C. § 434(a).

5. Comments are invited on the contents and design of a receipt and expenditure summary reporting sheet which will contain only the minimum essential information for obtaining an overview of a candidate's or committee's financial operations.

II. Other Reports Required By Chapter 14 of Title 2 of the United States Code.

Persons and organizations commenting on this section should attempt to suggest ideas and recommendations that will allow for the creation of new forms that are comprehensive, but are written in simple language and designed to be readily comprehensible to the reader.

1. Comments are invited as to what should be the form and detail (other than already provided in 2 U.S.C. § 433) of the statement of registration of a political committee.

2. Comments are invited as to the contents of the regulations which will prescribe the manner for reporting campaign debts and pledges as required by 2 U.S.C. § 436(c). Recommendations as to the design and content of forms to implement these regulations also are welcome.

3. Comments are invited as to what should be the form and detail of the full and complete financial statement on convention financing which is required by 2 U.S.C. § 437.

4. Comments are invited as to what should be the contents and format of the forms required by 2 U.S.C. § 437a for the reporting by a person (other than an individual) "who expends any funds or commits any act directed to the public for the purpose of influencing the outcome of an election or who publishes or broadcasts to the public any material referring to a candidate (by name, description, or other reference) advocating the election or defeat of such candidate, setting forth the candidate's position on any public issue, his voting record, or other official acts (in the case of a candidate who holds or has held Federal office), or otherwise designed to influence individuals to cast their vote for or against such candidate or to withhold their votes from such candidates . . .".

5. Comments are invited as to the most appropriate means of reporting the designated campaign depository provided in 2 U.S.C. § 437b, and the format that should be taken in requiring such information.

III. Reports Required Under Title 26 of the United States Code.

Persons and organizations commenting on this section should attempt to suggest ideas and recommendations that either may be combined with existing forms or developed independently. All forms or parts of forms should have, wherever possible, a simple format that is written in readily comprehensible language, yet is sufficiently comprehensive in coverage.

1. Comments are invited as to whether the information required under 26 U.S.C. §§ 9003, 9004, 9007, 9008, 9033, 9037, and 9038 on public campaign and convention financing can be best obtained through further development and use of the existing reporting forms, or whether separate forms should be developed. Recommendations as to the design and contents of the required information also are invited. If the new forms are to be developed, comments are particularly invited as to whether there should be:

a. separate forms for use in reporting public financing of primary election campaigns general election campaigns, and national political conventions;

b. long and short versions of these forms;

c. differently colored or designed forms for each type of election which is to be publicly financed, and/or differently colored or designed forms for each reporting period for that type of election; or

d. a summary sheet containing essential information for each type of election, and/or reporting period under the class of election.

Comment period.—Comments should be mailed to the Task Force on Forms, Federal Election Commission, 1325 K Street, N.W., Washington, D.C. 20463 by ten working days after the appearance of this notice. For further information call (202) 382–3484.

THOMAS B. CURTIS,
Chairman for the Federal Election Commission.

FEDERAL ELECTION COMMISSION, NOTICE 1975–13

ADVISORY OPINION REQUESTS

In accordance with the procedures set forth in the Commission's Notice 1975–4, published on June 24, 1975 (40 FR 26660), Advisory Opinion Requests 1975–13 through 1975–17 are published today. Some of the Requests consist of similar inquiries from several sources which have been consolidated in cases where appropriate.

Interested persons wishing to comment on the subject matter of any Advisory Opinion Request may submit written views with respect to such requests within 10 calendar days of the date of the publication of the request in the Federal Register. Such submission should be sent to the Federal Election Commission, Office of General Counsel, Advisory Opinion Section, 1325 K Street NW., Washington, D.C. 20463. Persons requiring additional time in which to respond to any Advisory Opinion Request will normally be granted such time upon written request to the Commission. All timely comments received by the Commission will be considered by the Commission before it issues an advisory opinion. The Commission recommends that comments on pending Advisory Opinion Requests refer to the specific AOR number of the Request commented upon, and that statutory references be to the United States Code citations, rather than to the Public Law citations.

AOR 1975–13: Bentsen in '76 Committee (Reimbursement of Travel Expenses from Corporate Funds) (Request Edited by the Commission).

"DEAR COMMISSIONERS: This is a request for an advisory opinion on behalf of the Bentsen in '76 political committee as to the legality under Section 610 of Title 18, U.S. Code, of a Presidential candidate receiving travel expenses for a speaking engagement at a Chamber of Commerce, where the Chamber has money contributed by corporations in its general treasury.

Senator Lloyd Bentsen was invited to address a luncheon meeting of a Chamber of Commerce in the State of New York. The Chamber has offered to pay from its general treasury travel expenses for the Senator and Mrs. Bentsen from Washington, D.C. to New York State, and back. Like other Chambers of Commerce, this Chamber is supported by contributions from dues-paying members, many of whom are corporations. The Senator addressed the Chamber on the state of our nation's economy and on the crisis of confidence in government.

Senator Bentsen is a declared candidate for the Democratic nomination for President of the United States. He has been filing personal Reports of Receipts and Expenditures with the appropriate supervisory offices for some time under the Federal Election Campaign Act. Moreover, he has a registered political committee working actively on his behalf.

Our specific question is whether or not Senator Bentsen may legally receive a reimbursement from the Chamber of Commerce for air fare and other travel expenses under the circumstances noted above. We refer you specifically to Section 610 which prohibits corporations from making contributions or expenditures "in connection with" Federal elections, and prohibits any person from accepting or receiving any such contributions.

Robert N. Thomson,
Counsel, Bentsen in '76.

Source: Bentsen in '76 by Robert N. Thomson, Counsel Preston, Thorgrimson, Ellis, Holman, Fletcher, 1776 F Street, NW., Washington, D.C. 20006, (June 6, 1975).

AOR 1975–14: Contributions by Banks, Corporations, and Labor Unions to Defray Constituent Services Expenses.

A. Request of Congressman Moore (Contribution of Corporation's Computer to Analyze Response to Constituent Survey) (Request Edited by the Commission).

"Dear Mr. Chairman: I plan in the near future to send out a franked questionnaire to my constituents in an attempt to learn their feelings on various issues. My question is this:

"If a corporation donates the use of its computer to analyze the results of this questionnaire, is this considered a corporate contribution to my campaign?"

W. Henson Moore,
Member of Congress.

Source: Congressman W. Henson Moore, 427 Cannon House Office Building, Washington, D.C. 20515, (June 23, 1975).

B. Machinists Non-Partisan Political League (Contributions from Union Dues, to Congressional Office, Constituency or Newsletter Funds) (Request Edited by the Commission).

"Dear Sir: As provided for under Title II USC, Section 437F, I am requesting an advisory opinion in regards to donating monies out of our educational fund (which is dues monies from our various local lodges) to incumbent United States Senators and Representatives for their Office, Constituency or Newsletter funds. Specifically, I would like to know if there is any restriction that would prevent us from making such contributions to these or similar funds under the present or any previous election law that is still in existence."

William J. Holayter,
Director, MNPL.

Source: William J. Holayter, Director, Machinists Non-Partisan Political League, 1300 Connecticut Ave. NW., Washington, D.C. 20036, (June 23, 1975).

C. Request of Congressman Butler (Contributions by Banks to Defray Expenses of Conference with Constituents) (Request Edited by the Commission).

* * * "It is my intent to hold my fourth annual Farm Conference this August for the purpose of giving the farmers and other agricultural interests in the Sixth Congressional District the opportunity to present their views and concerns to me, as well as, to the various heads of the Federal and state agricultural agencies.

[My question is whether] this conference would be considered official business [so] that * * * any contribution made by a bank or bank holding company to defray the expenses of the conference would not come under the coverage of the Federal Election Laws.

I would greatly appreciate a written advisory on this matter. * * *"

M. Caldwell Butler,
Member of Congress.

Source: Congressman M. Caldwell Butler, 109 Cannon House Office Building, Washington, D.C. 20515 (June 23, 1975).

AOR 1975–15: Payment of Royalties by Campaign Committee to Candidate (Request Edited by the Commission).

"Dear Mr. Curtis: There is * * * enclosed a copy of the contract that this Corporation has with George C. Wallace and we ask you for a written opinion as to whether or not there is any prohibition against receiving payments under this contract. When we advertise these articles we intend to state that George C. Wallace receives a royalty and have previously advertised that royalties are being paid."

Charles S. Snider,
Executive Director.

The Wallace contract provides as follows:

"This agreement made and entered into this day of , 1974, by and between The Wallace Campaign, a non-profit corporation, hereinafter called Campaign; and George C. Wallace, hereinafter called Wallace;

WITNESSETH

1. Wallace does hereby grant unto the Campaign the sole and exclusive right to use his photograph, facsimile signature, a photo biograph and a minted likeness of himself on the following items:

In a book, on a watch, on specially minted medallion or coinlike replicas.

Said right to the exclusive use thereof shall be for a period of ten (10) years.

2. In consideration of such exclusive use which the Campaign may copyright or trademark, if necessary, in the name of Wallace but still owning only the license above granted, the Campaign shall retain a royalty for Wallace in the following portions:

	Each
Photo biograph	$1
Watches	7
Gold coin or medal	5
Silver coin or medal	3
Bronze coin or medal	2

All such royalties to be net to Wallace, the Campaign to bear the full cost of sale, mailing, promotion and distribution.

3. As the Campaign collects funds from the above items, it shall maintain and keep an account of all such items above referred to and furnish Wallace with an accounting thereof. It shall pay Wallace the sum of Fifteen Thousand Dollars ($15,000.00) per annum and no more. Same may be paid whenever Wallace shall choose, whether it be in one sum, quarterly or however, but it shall not exceed Fifteen Thousand Dollars ($15,000.00) per year regardless of the amount collected, and Wallace may not draw nor have access to any fund so collected.

4. At the termination of this Agreement, it may be extended by the parties hereto for additional five year periods by mutual consent and if not extended, then any funds remaining in said account shall be paid to Wallace at the termination hereof.

5. This Agreement shall inure to the benefit of the heirs, executors, administrators or assigns of Wallace.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals on the day and year first hereinabove written."

The Wallace Campaign.
Charles S. Snider, Chairman; George C. Wallace; F. Alton Dauphin, Jr., witness.

Source: The Wallace '76 Campaign, by Charles S. Snider, Executive Director, P.O. Box 1976, Montgomery, Alabama 36103, (May 15, 1975).

AOR 1975–16: Requests of Congresman John Dingell.

A. Interpretation of Principal Campaign Committee, Reporting Schedule, and Campaign Depository Provisions (Request Edited by the Commission)

Dear Mr. Chairman: I would appreciate having answers to the following questions pertaining to the Federal Election Campaign Act Amendment of 1974 * * *

(1) May I have a full interpretation of the one committee requirement? Under the new law, may more than one commitee remain in existence, and if so, under what conditions?

(2) Under the amended Act it is my understanding that no report is necessary to be filed provided that no more than $1,000 was received or expended in a reporting period. If no more than $1,000 was received or expended, is there any obligation to file a report? My specific question is, would a report be required stating "no more than $1,000 received or expended?"

(3) Is there a time limit which is imposed between the receipt of a campaign contribtuion and the deposit of such a contribution in a campaign account?"

John D. Dingell,
Member of Congress.

B. Corporate Contributions from Membership Organization (Request Edited by the Commission).

"Dear Mr. Chairman: I am writing to you in an effort to clarify a question with regard to a contribution to my Citizens for John D. Dingell Campaign Committee.

The contributor is a VFW Post which is incorporated. Can a contribution be accepted from them, although they are incorporated, if a vote of the Executive Board is taken approving the contribution?" * * *

John D. Dingell,
Member of Congress.

Source: Congressman John D. Dingell, 2210 Rayburn House Office Building, Washington, D.C. 20515, (June 25, 1975).

AOR 1975–17: Request by Congressman Neal (Campaign Contributions from a Partnership) (Request Edited by the Commission).

"Dear Sir: I would appreciate * * * an advisory opinion on the following question:

"How much money in campaign contributions may I accept from a two or three member partnership? * * *"

Stephen L. Neal,
Member of Congress.

Source: Congressman Stephen L. Neal, 502 Cannon House Office Building, Washington, D.C. 20515, (June 12, 1975).

Neil Staebler,
Vice Chairman for the Federal Election Commission.

THE EDUCATION DIVISION AND RELATED AGENCIES APPROPRIATIONS BILL—H.R. 5901

Mr. THURMOND. Mr. President, several weeks ago I voted against the Senate version of H.R. 5901, legislation making appropriations for the education division and related agencies. Yesterday I voted against the final version of this bill, a compromise worked out by the House and Senate.

In view of my interest in education throughout the years, as exemplified during my service as an educator, State senator, and Governor of South Carolina, I feel it appropriate to comment on the votes I cast on this particular legislation. My interest in education remains at the highest level ever, and I am convinced that education is the hope of the Nation. Education is an investment in the future, and I shall always favor programs to provide the best educational opportunities for our youth.

In spite of my commitment to the field of education, I cannot ignore the need for this Congress to exercise fiscal responsibility. The total cost of the final version of this bill was $7,480,312,952. This was $202,198,900 under the original Senate version but $560,594,952 over last year's appropriation and a whopping $1,345,973,952 over the administration's budget request for fiscal 1976. With a projection of a national deficit for fiscal 1976 of approximately $60 billion, if expenditures can be held just to the level of the administration's budget, we cannot afford to have another $1.3 billion added to our deficit—even in the name of education.

Mr. President, when is the Congress going to face up to the fact that the fiscal irresponsibility it has displayed is one of the principal reasons for our recent depressed economic situation? It is particularly disturbing to see the Congress begin to stoke the fires of inflation just when the country is beginning to make an economic upswing with some control of inflation.

How are we ever going to have any economic stability in this country if the Congress will not face up to the hard decision to reduce Federal expenditures and move toward a balanced budget? The attitude that has existed in this Congress for the past decade—that problems can be solved just by throwing money at them—has got to be stopped or it will eventually lead to the economic ruin of our Nation.

Another disturbing aspect of this legislation was the failure of the conference committee to include the House language regarding busing in the final version of the bill. The House language unequivocally prohibited any of the funds appropriated by the bill to be used to take any action to force the busing of students. The Senate language, which was included in the final bill, was not as prohibitive and would allow funds to be used to require forced busing if the school or school district were not classified as "desegregated", as defined in title IV of the Civil Rights Act of 1964. This leaves open to interpretation by the Department of Health, Education, and Welfare whether schools have "desegregated." In my opinion, the Congress should face up to the issue of forced busing to achieve a racial balance once and for all. The American people, black and white, do not want it, and this Congress should have the intestinal fortitude to put an end to it. Halfhearted attempts and wishy-washy language will not suffice.

THE ECONOMICS OF UNEMPLOYMENT

Mr. CHURCH. Mr. President, when the Congressional Budget Office was formed, there were those who said that it would not work. Congress, it was said, could not control itself in the area of spending nor could it form a unified front on economic issues.

It may still be too early to say that the naysayers were totally wrong, but it is not too early to point out that early indications are that they will be proved in error. The Congressional Budget Office has issued its first report on the economy and it provides significant food for thought for both the Congress and the Executive. Hobart Rowen wrote of the report in the July 10, 1975, issue of the Washington Post:

> It is a thoroughly professional job that proves the wisdom of giving the Congress an independent role in the formulation of budget policy.

It is an indication of how far astray the separation of powers doctrine had gone that Mr. Rowen should speak in terms of "giving" Congress—the body with constitutional power over the Nation's expenditures—a voice in the formation of budget policy when the Congress should be the voice and the body as well. While I do not agree with all Mr. Rowen has to say, his article is of some solace to those of us who have felt for some time that Congress must reassert its rightful authority over the pursestrings of the Nation.

I ask unanimous consent that Mr. Rowen's article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

The Rivlin Economic Report

(By Hobart Rowen)

Alice Rivlin's Congressional Budget Office has produced its first report on the economy. Sen. Edmund S. Muskie and Rep. Brock Adams, chairmen of the two new budget committees on the Hill, are justifiably proud of it.

As might have been expected from a staff directed by economist Rivlin, it is a thoroughly professional job that proves the wisdom of giving Congress an independent role in the formulation of budget policy.

And although the report sticks to the requirement that the CBO provide non-partisan analysis of economic policy options, it pulls no punches.

Thus, the Rivlin report says that "given the depressed state of the economy at the moment, expansionary fiscal policies to reduce unemployment would have only minor ill effects on the inflation rate."

To concentrate on restrictive policies designed to reduce the deficit and tighten up monetary policy, the report adds, would not only risk aborting whatever economic recovery is in prospect, but do little to reduce inflation.

Needless to say, Treasury Secretary William E. Simon, champion of the "old-time religion" that abhors budget deficits, vigorously disagrees with this cautiously stated conclusion. Simon argues the classic line that it is best not to push too hard for an expansion of the economy that might re-stir the inflationary fires.

Better to live with high unemployment rates now than even higher ones in a new, big bust, Simon feels.

The good Secretary has worried too long and too loudly about inflation. Three months ago, he was predicting a "crowding out" of private borrowing in the financial markets because of the pressures of the federal deficit. But as others of his cabinet colleagues confess, it hasn't happened, and isn't likely to happen unless and until recovery is substantially more advanced.

Democrat Arthur M. Okun, who now expects a more vigorous economic recovery than some of his liberal pals, points out that the hopeful scenario that he sees will still leave the economy at the end of 1976 only half way back to where it was in the summer of 1972.

In other words, even if you accept the more optimistic Okun thesis, the economy at the end of next year would be operating with a great deal of idle capacity and an unemployment rate over 7 per cent.

Given that outlook, it is hard to buy Simon's prescription for holding back on economic stimulus. Some time next year, if then, may be the time to be worrying about inflation, not now. There has been an amazing retreat from price inflation, with the consumer index in the last three months increasing at only a 5 per cent rate. That's less than half the rate at the end of 1974.

What Secretary Simon should do is announce that the Whip Inflation Now (WIN) campaign has produced a belated victory, relegating inflation to a No. 2 priority, behind the No. 1 problem of restoring full employment.

That won't always be the case. As Mrs. Rivlin & Co. point out, hitting the expansion button without worrying about inflation can be done "only when the economy is in a deep recession."

Given the worry about jobs, the report adds, "it would be very surprising if pushing the unemployment rate down from 9 per cent to 7 or 8 per cent led to a marked escalation in wage demands."

One uncertainty about prices, of course, is what the oil cartel will do in the fall. Another couple of dollars per barrel will certainly be a new inflationary factor—and one which at the same time worsens recession by reducing the real purchasing power of consumers.

If the administration continues meekly to knuckle under to whatever the cartel decides to do, it will certainly have to consider offsetting any new depressant on the economy by junking its own $2 per barrel import duty and asking for additional tax cuts.

With or without a new OPEC "dictate," the administration and Congress should be aggressively seeking to cut the unemployment rate, speed economic expansion, and get us out of a recession that the CBO says represents a loss of output equal to $1,000 for every man, woman, and child in America.

SEND IT BACK TO NEW HAMPSHIRE

Mr. HANSEN. Mr. President, there has never been a doubt in my mind about the fact that the New Hampshire election matter should be sent back for resolution by the people of New Hampshire.

I have been convinced for a long time that the majority of Americans in all 50 States feel the people of New Hampshire, and not the Senate, should decide who shall represent them in this body.

A growing list of editorial writers constitute an overwhelming consensus that the press shares this deep and growing conviction.

My good friend and distinguished editor of the Wyoming State Tribune, Mr.

Jim Flinchum, in the July 15 edition of that newspaper, addressed this issue.

Mr. President, I ask unanimous consent that this editorial be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Senate Majority Hurts Itself

> The Senate will debate, if necessary, a year from now on the issue of who was elected U.S. Senator from New Hampshire, majority leader Mike Mansfield promised yesterday. Mansfield said the Senate cannot evade its constitutional duty in the issue of resolving the Wyman-Durkin contest. He might have added that it also will overlook no opportunity to prove that it would rather stall forever rather than get a clear decision as to who won.
>
> The Republicans and a few Democrats with more sense than some of their fellows are willing to send this thing back where it belongs, to the voters of New Hampshire to conduct another election so that they can have the final word on whom they wish to represent them. But the Senate Democrats who already hold a huge majority (60 to 37 Republicans plus one independent plus one Conservative-Republican) apparently are not willing to risk this; so in a remarkable display of the dog in the manger attitude, they are perfectly willing to maintain a state of limbo perhaps indefinitely rather than have it decided possibly on the chance of its going to the Republican, Wyman.
>
> The longer this thing keeps on, the greater the loss of credibility of the Senate majority Democrats.

S. 692—WILL WORSEN THE NATION'S SHORTAGE OF NATURAL GAS

Mr. BARTLETT. Mr. President, developing a proper solution to our Nation's worsening natural gas shortage is, in my opinion, the most important of all the energy issues to be addressed by this Congress. The bill reported by the Senate Commerce Committee, S. 692, dealing with the natural gas issue is a wholly inadequate approach to this critical problem. It is doomed to failure. The citizens of this country deserve a solution from Congress that will guarantee success, not one mimicking the regulatory scheme which caused the natural gas shortage in the first place.

The Commerce Committee's bill will probably be debated by the Senate next week. Many of the statements in the majority report accompanying this bill are inaccurate and misleading. They can only lead to erroneous conclusions as to the proper direction for Federal natural gas policy. The problem is so serious that any approach other than the free market, the one based on fundamental economic principles and proved successful in the intrastate gas market and for all other commodities, is inadequate. In order that my colleagues would not be misled by the many fallacious statements, arguments, and conclusions contained in the majority report, I should like to comment on several of the more fundamental, but inaccurate and incorrect ones.

The basic flaw which permeates S. 692 is the erroneous, factual assumption on which it is based; namely, that the current critical shortage would have come about regardless of Federal regulation of the wellhead price and that "natural gas demand has mushroomed primarily because it is the cleanest burning of the fossil fuels." Thus, the majority of the committee is unwilling to face the glaring fundamental economic facts which have been accepted by practically every objective student of the natural gas shortage. Cost-based controlled prices for wellhead sales of gas in interstate commerce have placed severe constraints on the ability of producers to explore for and develop any but the most promising sources of new natural gas and simultaneously have artificially stimulated the demand for this valuable resource.

The proponents of the bill attempt to prove their claim that Federal regulation did not diminish the ability of producers to find and deliver adequate gas supplies by stating:

> Domestic natural gas production has increased from 9 trillion cubic feet in 1954 (when regulation of wellhead natural gas prices was required by the Supreme Court in the Phillips case) to 22 trillion cubic feet today.

The implication of this statement is totally wrong. Usage of natural gas increased because of high demand, and this natural gas demand was and still is stimulated by the artificially low, controlled price for interstate natural gas. Adequate supplies were available to meet this demand primarily because of drilling efforts and discoveries made prior to the time controls were mandated by the Court. Natural gas replaced other fuels, primarily coal, as an energy source largely for an economic reason—it was cheaper. Federal regulation of natural gas prices thus had the additional effects of retarding expansion of the use of coal, of crippling the coal industry, and of discouraging the development of alternate energy sources.

What is much more significant, however, is that the volume of reserves added to interstate supply in recent years has not kept pace with consumption. These figures are the direct evidence of the size of exploration and development effort by the producers and prove that the FPC price has not succeeded to elicit adequate supply. In every year since 1968, the new reserves added in the Nation have been less than the amount of gas produced as the following table comparing interstate reserves additions to consumption demonstrates.

RESERVES, PRODUCTION, AND RESERVE ADDITIONS OF INTERSTATE PIPELINES FORM 15 DATA (LOWER 48 STATES)

[Volumes in trillions of cubic feet]

	End of year reserves	Net production	Net reserve additions
1963	188.5	9.4	NA
1964	189.2	10.0	10.7
1965	192.1	10.4	13.3
1966	195.1	11.1	14.1
1967	198.1	11.8	14.8
1968	195.0	12.6	9.5
1969	187.6	13.4	6.1
1970	173.6	14.1	.04
1971	161.3	14.2	1.9
1972	146.9	14.2	(.2)
1973	134.3	13.7	1.1

It is false and misleading, therefore, to focus on production figures alone and conclude that the pricing mechanism which has governed wellhead prices since 1960 has served us well. The significant fact is that over the last 7 years, the interstate pipelines have been unable to match production with new reserve additions and have eaten away at existing reserves in an attempt to keep up with customer demands. The frightening results of this trend are revealed by the FPC's estimate that deliveries from presently attached reserves to interstate pipelines will decline almost 16 percent by 1976 and over 30 percent by 1978.

The majority report further refers to recent estimates by the USGA of the undiscovered natural gas resources and then implies that this resource base is "too small to satisfy the huge potential demand for clean energy." What the report does not say, however, is that the USGS figures are merely guesses at completely unknown quantities. Regardless of the volume of undiscovered resources, there is little chance of ever finding and producing any of these resources if wells are not drilled to explore for them. These wells will not be drilled if the pricing procedures of S. 692 are adopted. Thus the consumer will be deprived of this gas and forced to use substitutes consisting of high cost foreign oil, SNG, or coal.

The culprit in this scenario for disaster is the regulation of the wellhead price, not the fact that natural gas is the "cleanest burning of the fossil fuels." Cost-based regulation, including the use of an average cost as a ceiling rate, has brought an exploratory decline. Former Commissioner Moody has concisely described the effect of this ratemaking approach for producers:

> These average cost-based rates have the appearance, and the stated purpose, of guarding consumers against the extortion of excessive profits by gas producers. But such rates have the inevitable effect of sealing off from exploration and development all but the most profitable drilling opportunities. What occurs after an FPC rate, based on average costs, is announced? Common sense tells me that gas producers begin to measure their drilling prospects in terms of profitability. If a particular drilling prospect will be profitable at the FPC-set rate level, it will be drilled; if the economics of the venture indicate that profitability is not reasonably to be expected, the prospect is not drilled. I do not believe that any reasonably prudent operator will drill when his own best estimates of cost, and productivity, tell him that if he finds gas he can sell it only at a loss. Thus, an FPC rate is, in practical effect, a ceiling on what gas wells are drilled—but it is not a ceiling on profits.

The authors of the Majority Report admit that the easily accessible large reserves of natural gas have been discovered and that what remains is in smaller formations and more difficult to find. New reserves will be found at deeper depths and in hostile and costly environments. It is obvious that rates based upon average "costs," such as proposed in the bill, must be eliminated if such supplies are to be found. The Majority Report admits that—

> The price of natural gas is important to provide sufficient incentive to facilitate the

discovery and production of that gas which remains.

But, just when the reader is expecting to hear the conclusion that the price of new natural gas should be freed from controls, he is smacked in the face with just the opposite:

> The evidence inescapably suggests that ceiling prices at the level contemplated in this bill would bring forth essentially the same volumes of gas as would total decontrol of new natural gas.

This startling conclusion, in light of the prior discussion is completely unsupported, except by a reference to the Project Independence Blueprint Report prepared by the Federal Energy Administration. This report is cited by the authors for the proposition that a price of $2 or more per MCF in 1985 will result in production in the lower 48 States of about the same volume of unassociated natural gas—19.41 Tcf—as would be produced at a price of 80 cents per Mcf—19.114 Tcf. Tracing this citation, however, reveals that the Majority Report has committed a gross abuse in the manner in which it has utilized these figures, which were obtained out of context, and without reference to the explanation, from one of the numerous charts and projections contained in the Project Independence Report. As the explanation to this chart states:

> As discussed in detail elsewhere in the report, these schedules are not supply curves in an economic sense, as they were not derived in a manner consistent with the economic definition of a supply curve. They are merely the aggregate results of projections made without reference to market prices. Therefore, the schedule should not be read "given a 'price' X, we project production Y", but rather, "given a projected production level Y, we must have 'price' X to break even, given our required rate of return and assumed findings per foot of hole drilled. This is a major distinction.

It is gross misrepresentation of this type which belie the underlying premise and conclusion of the majority report that this legislation will facilitate discovery and production of the remaining supplies of natural gas which are available. In fact, this bill will choke off that effort, and it will force the consumer onto more expensive and less reliable alternative sources faster and in more chaotic fashion than would otherwise be the case if an uncontrolled market price for our remaining supplies of gas were allowed.

Thus the inescapable conclusion is—rather than proposing legislation which corrects the true cause of the shortage, the majority of the Commerce Committee attempts to create phantom issues and deal with them.

Let us now look critically at some of the specific provisions in S. 692 and the unsupported conclusions reached in the majority report.

At the very outset one is told that the bill provides new incentives to insure maximum production. The first of these incentives is said to be a new national ceiling price which would reflect "prospective costs and profit margins high enough to attract capital for gas producing activities." It would not have these results. This procedure is nothing more than the inadequate methodology now being used by the FPC and which has directly led to the natural gas shortage.

In fact, the FPC is permitted only limited flexibility to set the rate using the above criteria, because the range within which the Federal Power Commission would be allowed to establish the "new" ceiling price begins at a low of 40 cents per Mcf—which is 20 percent below the base rate already established by the FPC for the years 1973–74, and may not exceed a high of 75 cents per Mcf—which is below current replacement cost levels. Thus, the "incentive" ceiling set by this proposed legislation would, in fact, be a price freeze at a level below current costs. Moreover, these rates could not be changed for the next 5 years thus removing any flexibility to adjust to changing costs.

The second element of the incentive built into this legislation is higher prices for certain higher cost production areas. S. 692 offers nothing new. The incentive is now available to producers under present law.

The third so-called incentive, which is described as "in essence, decontrol of gas prices—for onshore gaswell gas found by independent producers," is in reality, a snare and a delusion. Never has the "decontrol" label been so badly misused or distorted. The purported "exemption" for independents in the sale of onshore gas was recently described as follows by former FPC Commissioner Rush Moody, Jr., in a speech to the Independent Petroleum Association of America:

> . . . I cannot read Section 203(L), or any other part of S. 692 as deregulating anyone, anywhere. FPC has control over ¾ of the revenues generated. You will probably have to go to the FPC before making a sale for a determination that you are a qualified seller, and that your gas is a qualified commodity. If you sell under 203(L), you will have special reporting requirements imposed upon you. In Section 203(L)(2) it is stipulated that the FPC "shall collect data . . . from producers . . ." who use 203(L) sales procedures ". . . on gas exploration, development, production and reserves on an annual basis."
>
> Somehow, this does not add up to deregulation to me.

The pricing provisions of S. 692 are held out by its proponents as desirable because they will produce "certainty" for producers. The comments of the majority report on this issue begin with the proud announcement:

> The uncertainty and delay of regulatory proceedings is eliminated.

Is this so? That conclusion certainly does not emerge from a reading of S. 692 itself. Consider the problems outlined by former Commissioner Moody:

> In order to discuss the pricing aspects of S. 692, you need to understand first that this is an extremely complex piece of legislation, and that the regulatory pattern which it mandates is extremely complex.
>
> For example, if you ask "for what rate will I be able to sell new gas?", I cannot give an answer until I know:
>
> 1. What is your FPC classification? Are you a producer, a small producer, a producer who qualifies as an independent, or an affiliate producer? Each of these is a term of art; each does not mean what you might guess without reading the bill; but you cannot know what your rate structure will be until your classification is determined.
>
> 2. Before I can tell you what your rate will be, I must know whether your gas will be classified as "old" gas, "new" gas, "exempt" gas, or "intrastate" gas. Again, the definitions are technical, and will, in my judgment, require rulings from the FPC before anyone knows where he stands.
>
> 3. Before telling you what your sales rate will be, I must know whether your gas is associated or non-associated.
>
> 4. Before telling you what your sales rate will be, I must know whether your gas is produced from lands controlled by the Federal government or from private lands.
>
> 5. Before telling you what your sales rate will be, I must know the length of your contract term.
>
> 6. Before telling you what your sales rate will be, I must know when your gas was discovered, and by whom; and I must know when it was dedicated to commerce.
>
> Now, if you furnish all this information to me, still I can give you no concrete assurance as to what your sales rate will be—except in those cases where you are marketing gas from acreage previously dedicated to interstate commerce.

In certain other respects, however, the majority report is correct is concluding that the proposed pricing provisions will create certainly, although not necessarily the kind that the drafters intend. The price freeze on new natural gas for a period of 5 years within the range arbitrarily set by S. 692 will simply create the certainty that no gas supplies which a producer thinks will be unprofitable at that rate will be sought. We will have the certain knowledge with S. 692 that maximum efforts to find and develop our remaining resources of natural gas will not occur.

The majority report in its summary contends in support of the bill's provisions extending for the first time Federal regulatory controls to the intrastate market, that there will be a "more equitable distribution of available supplies" between the intra- and interstate markets. But consumers in producing States have willingly paid for years free market prices—averages of which are far below the Btu equivalent cartel price for oil—which have in turn produced adequate supplies to balance demand. Taking this gas away, as provided in S. 692, is nothing more than legalized thievery.

Furthermore, no explanation is given as to why consumers in the producing States should be prevented from paying higher prices in order to obtain new supplies. As with so many of the facile statements contained in the majority report, the reader is simply expected to accept the invalid assumption that higher prices will not bring forth more supply. Thus, rather than stimulating the interstate market by deregulating the price, the bill proposes to control the intrastate price in order that interstate buyers can compete. An ingenious scheme. No one will have any gas.

This analysis serves to illustrate why this legislation cannot possibly achieve the purpose or objectives which its proponents hold out for it. To the contrary, S. 692 is more of an anticonsumer than an antiproducer bill. Its enactment would eliminate the normal incentives provided by the free market. Its enactment would be a devasting blow to the efforts which must be undertaken if this Nation is to develop its own energy resources. The ability of the free market to balance supply and demand in the natural gas industry has recently been demonstrated in the Texas intrastate market. There, when shortages developed, the operation of the free market resulted in higher prices. This in turn brought about a substantial increase in drilling activity and thereafter more supply. As a result, prices to consumers in Texas are decreasing as supply now is beginning to exceed demand.

In this regard, a recent Business Week article states:

> . . . some Texas oilmen fear that talk of even a temporary gas surplus in the state will bring a storm of critcism from congressmen who charge that producers are withholding gas from the interstate market to force prices up. But a lot of oilmen are quick to speak out anyway, believing that the turnaround in the Texas market proves how uncontrolled energy prices can eliminate shortages by encouraging new supplies and discouraging unnecessary demand. Observes Kenneth E. Montague, president of Houston's General Crude Oil Co.: "It's a perfect example of what happens when a market is allowed to function freely."

Except for proposals such as Senate bill S. 692 which thwart the operation of fundamental economic principles, the free market could operate as well in the rest of the country. Production of natural gas resources are vital to achieving a reasonable transition to the longer term development of alternate domestic sources of energy, such as coal, solar and nuclear power. The big loser under S. 692 would be the consumer, despite the efforts of the authors to conceal this damaging fact.

NATURAL GAS SHORTAGE

Mr. HANSEN. Mr. President, I wish to commend my distinguished colleague, Senator Bartlett, for his excellent analysis of the problems surrounding our domestic supplies of natural gas.

Mr. President, I have received a number of letters from retired people expressing concern over the Buckley amendment that would deregulate the wellhead price of new natural gas.

I can well understand their concern over the prospects of higher prices for natural gas or anything else for that matter. Inflation strikes harder at those on retirement and fixed incomes and I share their fears of further cost-of-living increases.

President Ford recognizes inflation as the Nation's most serious problem and is, in my opinion, doing his best to combat the double threats of inflation and recession which he inherited.

But, in my opinion, the charges made against deregulation of natural gas by Ralph Nader's "Public Citizen" and Lee C. White's Consumer Federation of America are inaccurate, misleading, and false.

Inasmuch as at least two Members of this body have circulated the views of these two groups in dear colleague letters, I feel it incumbent to present the other side of the issue as well.

Senator Buckley in an article published by the Washington Post did an excellent job of explaining the need to deregulate the price of natural gas at the wellhead and I ask unanimous consent that the article be printed in the Record following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. HANSEN. The Washington Post itself has also done an excellent job in pointing the finger at FPC regulation of natural gas as the principal reason for the shortages that may this winter shut down plants across the country and worsen an already serious unemployment problem. I ask unanimous consent that the excerpts from Post editorials and other newspaper comment around the country also be printed in the Record.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. HANSEN. Ralph Nader has contended that there is no energy shortage but only a contrived shortage created by a conspiracy of the major oil companies and Lee White has charged that these same companies have conspired to withhold gas from the market.

Numerous congressional committees have investigated these charges as well as the Federal Power Commission, the Federal Trade Commission, and the Federal Energy Administration. None of them have been substantiated.

The Federal Energy Administration has, in fact, issued a briefing book on new gas deregulation which was based partly on testimony and studies by some of these committees, particularly the Senate Interior Committee and its study of natural gas policies.

The conclusion of the FEA study is that, "There is no doubt but that the shortage is real. Past and present allegations that the shortage is due to the under reporting of reserves by interstate pipelines are in error both as to logic—pipelines do not increase their rate base by paying higher prices—and as to methodology. The shortage is already severe in some States. Natural gas supplies last winter fell short of promised delivery by 1.7 trillion cubic feet, according to the Federal Energy Administration. By the end of 1975, that figure is expected to rise to 3.3 trillion cubic feet and projections for future years are even higher. The failure to enact new gas deregulation will result in unemployment, higher consumer costs and increased vulnerability from foreign dependence.

Also refuted by the FEA report are the wild and unfounded predictions of astronomical consumer cost increases if the Buckley amendment is enacted.

If new natural gas deregulation were enacted, the report states, the average annual residential users bill would increase much less in percentage terms then the field price because most gas will be flowing under old contracts and the field price represents only about 17 percent of the residential user charge. It is estimated that the average annual residential gas bill of $156 would rise by $25 as of January 1, 1976, even if all new gas prices were $1.50 per thousand cubic feet and new gas had been regulated as of January 1, 1973. By January 1, 1980, the cumulative price increase would be about $72.

The highest new gas price now allowed by the FPC is about 50 cents per thousand cubic feet and the average price paid to producers is about 26 cents. Compare those prices with a delivery price of $1.50 to $2 for foreign produced liquified natural gas and even higher prices for gas produced from coal and deregulation and the incentives of a free market place make sense. Canadian gas will cost the United States $1.91 by the end of this year.

The opponents of deregulation make quite an issue of price but fail to explain how consumers would benefit from low gas prices if it is unobtainable at those prices.

I believe anyone who fully understands the issue and is not basically opposed to the free enterprise system would rather pay a price more nearly the true value of natural gas and have some assurance of a continued supply rather than the threat of continued shortages at unrealistically low prices under FPC regulation.

If competitive natural gas pricing is not restored and quickly the only alternative will be an allocation of the shortage. The Oil and Gas Journal in an editorial pointed up the fallacy of continued controls and the depressing impact of price regulations. I ask unanimous consent that the editorial, "Dividing Up the Shortage No Answer to Gas Crisis" be printed in the Record.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 3.)

Exhibit 1

[From the Washington Post, Nov. 2, 1974]

Deregulating Natural Gas

(By James L. Buckley)

The Federal Power Commission recently announced that cutbacks in the delivery of natural gas by interstate pipelines this year will exceed last year's by 81 per cent. This stark statistic underscores the fact that our most immediate challenge, in the field of energy, is to expand domestic gas production so as to meet the demand for our most useful and environmentally acceptable source of fuel.

The experts agree that vast amounts of natural gas remain to be discovered within the United States. They also agree that there is one measure that can be put into immediate effect that will stimulate an accelerated exploration for new sources of gas and their commitment to interstate pipelines; and that step is to free "new" natural gas (i.e., natural gas which is not now flowing under contract in the interstate markets) from the price controls that the Federal Power Commission has imposed since the late 1950s. As the Washington Post correctly observed in an editorial almost two years ago, the FPC experience has been "an instructive failure, demonstrating the importance of prices on any policy for fuels and energy." The facts presented in exhaustive Senate National Fuels and Energy Policy Study hearings demonstrated beyond question that wellhead price regulation has discouraged exploration, and has caused most of the gas being discovered onshore to be sold in unregulated intrastate markets.

This is why the deregulation of new natural gas has headed most lists of "energy musts," why it has such broad backing not only from gas distribution companies trying to avoid further curtailment of services, but by gas consumers as well, especially businesses which face major cutbacks in operations if adequate supplies can't be assured. (It is estimated, for example, that anticipated cutbacks this winter may cause New Jersey employers to lay off 12,000 workers, with adverse effects on 400,000 additional workers in related industries.)

Yet, because of widespread misinformation, there is still strong opposition to deregulation from a mistaken understanding of where the consumers' interests lie. These critics focus solely on the narrow question of the price of natural gas delivered to a pipeline to the total exclusion of questions of supply or of the cost of alternative sources. They also vastly exaggerate the cost impact of deregulation on the consumer.

It has been suggested, for example, that deregulation would cost consumers $9 billion-$11 billion a year over the next several years. The facts of the matter are vastly different. Because the price of new gas would be averaged into the cost of the great bulk of the gas that is flowing into interstate pipelines under long-term contracts at prices that currenly average 26.3 cents per thousand cubic feet (MCF).

The most conspicuously high estimates of the increase in consumer prices appears to have arisen out of an over-estimation of the amounts of "old" natural gas contracts which will expire in 1975. While it has been alleged that "old" natural gas contracts totalling 1.6 trillion cubic feet will expire in 1975, the only comprehensive study done on expiring natural gas contracts actually based on FPC records ("The Impact of Deregulation on Natural Gas Prices" by Foster Associates, Inc.) shows that only 0.9 trillion cubic feet of natural gas contracts will expire through Jan. 1, 1977. When the correct estimates are used, the estimates made suggesting a staggering burden on consumers are without foundation.

The following figures, provided by the Federal Energy Administration, offer a far more accurate understanding of the impact of deregulation on the average residential consumer even on the extreme assumption that the market price of new natural gas would rise as high as $2.20 by 1980, which is higher than most specialists predict. Based on this assumption, the total increase in cost to the average residential consumer over the period from 1973 to 1980 would aggregate $180.21, for an average increase of about 13.6 per cent per year. The increase that the householder would pay in the year 1980 would be $38.35, or an average of a little more than $3 per month.

Now no one enjoys paying higher prices for any commodity, however convenient or necessary. But this begs the question. Given the rate at which the gap between domestic supply and demand for natural gas is widening (shortfalls of as much as 25 per cent are expected in some states this winter), the question is not what the consumer would like to pay, but what he will have to be prepared to pay in order to be assured of sufficient supplies to meet his demand.

The supplemental needs of gas consumers in the Washington metropolitan area can be met in one of three ways: By rapidly increasing the rate of development and commitment of new sources of domestic natural gas to interstate pipelines; by expanding the importation of liquified natural gas (LNG); and by the manufacture of synthetic natural gas (SNG), largely from imported naptha. What are the costs of these alternatives? Even assuming that the interstate pipelines were to bid up the price of new gas to the energy equivalent of the average cost of domestic and foreign crude oil now being consumed in the United States, the price of this new gas would be approximately $1.40 per MCF. In the first year, this would raise the current 45 cents "city gate" price of pipeline gas delivered to the Washington area by less than 10 cents. By way of contrast, synthetic gas in this area has an equivalent "city gate" cost of $3 per MCF, and LNG a cost of between $2.50 and $3 per MCF; and of course, each of these latter commodities is dependent on foreign sources of supply. In light of these facts, can anyone really question where the consumer interests lie?

No one any longer refutes the fact that current natural gas shortages are the direct result of artificially low prices imposed by Federal Power Commission regulations. As a predictable result, the search for new gas reserves has declined sharply over the period, while the bulk of the gas that has been discovered in the process of looking for oil has been sold intrastate at unregulated prices. Thus gas distributors in consumer states are now being forced to supplement supplies with the far more expensive alternatives provided by LNG and SNG. Thus, the deregulation of new gas is the only sensible course for us to follow. Failure to act promptly will inexorably increase the price consumers must bear without any sensible economic rationale for doing so.

Question has been raised concerning the responsiveness of those seeking to supply natural gas to an increase in prices. The experience in my own state, New York, provides an illustration in microcosm of what we can expect on a nationwide basis if the wellhead price of natural gas is deregulated. In early 1972, natural gas produced from wells in the western part of New York State sold for 30 cents per MCF. Because this gas was sold only in the free market (i.e., intrastate), its price was allowed to rise as demand increased. By 1973, the price had doubled to 60 cents per MCF, and increased by another 20 cents in 1974. However, the number of natural gas new wells drilled or reactivated in 1973 rose nearly four times and production nearly tripled (from 2.2 to an estimated 6.0 million cubic feet in the current year), and the number of producing wells rose from 628 in 1971 to an estimated 800 in 1974. This rapid expansion of natural gas exploration and production has occurred in a state not considered to be an oil and gas producing state. The increase in prices has provided the incentive for entrepreneurs to search for gas in New York State where it would not otherwise have been economically feasible.

One final matter. It is charged that the price of deregulated gas would be set not by the marketplace but by oil industry monopolists. The massive data and studies collected by the Senate Interior Committee, the FPC, and other public and private sources, however, point to just the opposite conclusion. The price at which natural gas will be supplied will be as close to free market competitive prices as any commodity in the United States. This would occur as a consequence of the fact that there are thousands of independent natural gas producers in the U.S. so that no producer or small group of producers could maintain control over the price of natural gas. In its 1973 annual report to the Congress, the FPC stated that "after careful analysis, we have concluded that workable competition exists in the natural gas production industries." A similar conclusion was reached by the Federal Trade Commission in a staff report published earlier this year in which it was noted that "concentration is relatively low in natural gas production."

Thus, we have an ideal set of circumstances for the marketplace to work efficiently: a strong but unsatisfied consumer demand, a competitive industry, and an in-place distribution system. We now need only take the final step to make the marketplace work: free the price so that new supplies of natural gas can be developed and brought to the market.

It is for all these reasons that the regulatory agency itself advocates deregulation. In a letter dated Oct. 2, 1974, conveying the Commission's endorsement of a pending amendment to deregulate new natural gas, FPC Chairman Nassikas stated: "The Amendment will more nearly enable market forces to allocate effectively our natural gas resources, and should encourage the development of additional domestic gas supplies. The Commission believes these objectives to be of prime importance to the American natural gas consumers."

Exhibit 2

[From the Washington Post, Apr. 3, 1975]

Gas Prices and Jellybeans

As the shortage of natural gas grows more serious in the Washington area, some customers are being forced to convert to oil. Nobody converts voluntarily. The price of gas to a large customer is $1.60 per thousand cubic feet. The equivalent energy in the form of fuel oil is now up around $2.60. That difference is, in fact, the explanation of the gas shortage. There are three basic fuels. Congress insists on holding the price of gas far below the prices of oil and coal. That is the heart of the controversy over the deregulation of natural gas.

The way to deal with the gas shortage is to deregulate the price. In present circumstances, it ought to be done in stages, over several years, to cushion the impact. No one can exactly say where fuel prices will be several years from now. But they certainly will not return to the level of two years ago. The basic reason for the great upswing in fuel costs is not the producers' cartel but a worldwide surge of demand for cheap fuel. Higher prices are a signal that supplies are not unlimited and we have to begin conserving. Price controls merely suppress that warning signal. Natural gas currently provides one-third of this country's energy supply. We can afford to make mistakes in our national policy on jellybeans, but not on basic fuels.

[From the Los Angeles Times, May 26, 1975]

Natural Gas: What to Do

The Senate Commerce Committee wrestled for weeks with the question of taking price controls off natural gas producers, and approved a bill that contributes little or nothing to the main goal: to spur the development of additional supplies of gas in time to avoid a serious shortage. We believe that Congress can do better. As Sen. John V. Tunney (D-Calif.) has pointed out in defense of his support of deregulation, cheap gas won't do consumers much good if there isn't enough gas to go around. And there won't be if the law isn't changed.

Artificially depressed prices have made natural gas a bargain for consumers, but have created a growing disincentive for its production.

No Californian would like having to spend $1,000 or more to convert from gas to electric cooking and heating. And the electric utilities might not have the power to spare. Even if they did, it would not be cheap power, because the generating plants would be burning fuel oil costing up to $16 per barrel, several times today's natural gas prices.

A so-called compromise has been approved by the Senate Commerce Committee, and awaits action on the floor. It would deregulate independent producers, but would allow the 23 largest companies—which account for 80% of natural gas production—to sell their gas for no more than 75 cents per thousand cubic feet. In addition, the measure would extend federal controls to intrastate sales of gas, thereby forcing an actual rollback of prices from current levels.

This is a bad piece of legislation (S. 692). It might comfort consumers in the short run. But since it would do little or nothing to increase gas supplies—and might even cause further contraction—it would hurt consumers in the long run.

INDUSTRIAL WASTELAND

Half of all the energy used by industry in America comes from natural gas And the industries in the Midwestern, Northeastern and Middle-Atlantic states are being told that there isn't enough gas available to keep them running at full capacity the winter of 1975–76.

This is ridiculous, because we have the gas right here!

The federal Energy Research and Development Administration tells us that there are at least 500 trillion cubic feet of natural gas locked in the Devonian shale formations in Ohio, Michigan, Illinois, Indiana, Kentucky, Alabama, Tennessee, West Virginia, Pennsylvania and New York.

What do you think about that, New York? How about that, Pennsylvania, New Jersey, Connecticut, Massachusetts, Rhode Island, Maine, Vermont and New Hampshire? Can the factories in Ohio, Illinois, Indiana, Michigan, Kentucky, Tennessee and Alabama use this gas? And how about Virginia, West Virginia, Maryland, Delaware, Washington, D.C., North Carolina and South Carolina?

Let us all join forces now. Government, industry, labor and the scientific community to develop ALL the gas we know is here to keep the flame of American industry burning."

[From the San Francisco Examiner, June 1, 1975]

CALIFORNIA'S NEED FOR ALASKAN GAS

Proposals that California's natural gas utilities put up front money for development of new gas sources in Alaska's North Slope fields are before the California Public Utilities Commission. Under the proposals the State's gas consumers would pay higher rates now as a step toward assuring them supplies of scarce natural gas in the 1980s and 90s.

Eighty-six percent of all California households—more than 17 million people—rely on natural gas for winter heating. Natural gas is the chief and virtually indispensable source of energy for scores of California's major industries, the giant food processing industry among them.

In the long term, meaning 1985 and beyond, the undisputed testimony before the utilities commission is that supplies from existing sources—approximately two trillion cubic feet a year—will shrink to a trickle.

[From the New York Daily News, June 14, 1975]

NEVER SAY DIE

The Federal Power Commission is kicking around an idea that agency bigwigs believe might alleviate the natural gas shortage caused, for the most part, by FPC regulation of wellhead gas prices. The solution: Put Uncle Sam in the business of buying and supplying the fuel.

Here is an example, par excellence, of how the minds of Big Brother-oriented bureaucrats work. When federal intervention screws up the market place, they automatically look to further government meddling as a cure for the ailment.

A far better idea would be to deregulate gas prices altogether at the wellhead, and let nature take its course. But that seems to be too simple and logical an answer for the big brains in Washington.

[From the San Francisco Examiner-Chronicle, June 1, 1975]

COMMENTARY

Eighty-six per cent of all California households—more than 17 million people—rely on natural gas for winter heating. Natural gas is the chief and virtually indispensable source of energy for scores of California's major industries, the giant food processing industry among them.

The outlook for future supplies is bleak. In the near term, meaning the next four years, declines in supply will be so substantial that the utilities commission has ordered schedules for curtailment of service to many commercial consumers.

In the long term, meaning 1985 and beyond, the undisputed testimony before the utilities commission is that supplies from existing sources—approximately two trillion cubic feet a year—will shrink to a trickle.

While the Alaskan fields cannot meet all of California's needs—other states either are or will be competing for the same gas—they can help substantially. Alaska's Prudhoe Bay field has proven reserves of 24 trillion cubic feet. Potential reserves in the total North Slope area are put at 114 trillion cubic feet.

[From the Minneapolis Star, June 14, 1975]

DEREGULATION NEW GAS PRICES

The Federal Power Commission (FPC) reports that the nation's natural gas utilities estimate they will be almost 20 percent short of gas needed to meet firm requirements over the next 12 months. But another federal agency, the Federal Trade Commission (FTC), accuses the natural gas industry of underestimating available reserves in a move 'tantamount to collusive price rigging.'

In this confusing atmosphere, Congress continues to argue about whether to abandon or change the way in which prices are regulated on natural gas. The record, we think, suggests the government must either get into regulation more deeply than it already is, and for other fuels as well as gas, or it should abandon regulation of at least new natural gas discoveries.

We believe reregulation should be tried first. Control has worked to the nation's disadvantage during the 20 years it has been in effect.

Desirable because it is a clean fuel, gas also was given the advantage of a relatively lower price. Its share of the energy market has doubled in the past 25 years. Coal's share has been cut in half.

The low return also has worked to discourage industry exploration for additional gas supplies. The cost of finding gas rose, but the price didn't go up along with it. On top of that, intrastate purchasers of gas are not subject to price regulation, and intrastate prices have risen to three times the regulated price for gas going into the interstate pipelines, with the not unexpected result that the intrastate market is getting more than its share of the gas.

It's clear to us that we haven't found the right way to regulate the price of energy nor do we feel the nation wants at this point to undertake a more comprehensive plan for regulation. Let's ease off on the controls and see if the results aren't better than what we have.

[From the Portland Oregonian, June 18, 1975]

EDITORIAL

President Ford has waited with growing impatience for Congress to either support the administration or produce its own energy program, but the Congress has done nothing but swallow air. Its failure to move on oil conservation and energy is a national disgrace.

The nation is spending more than $25 billion a year for foreign oil and the percentage of these imports is climbing while there is talk among the oil-producing nations of another price increase. Meanwhile, nothing has been done to encourage exploration for natural gas, which is in short supply. Many sections of the country face a severe hardship next winter if extreme cold weather is experienced.

[From the Los Angeles Times, June 23, 1975]

EDITORIAL

On a single day last week these events occurred:

The House gave final approval to a weak energy tax bill that would do very little to promote fuel conservation or reduce imports of increasingly higher-priced petroleum.

The House Commerce Committee set its face to the past and voted to retain the present unrealistic controlled price of "old" oil while rolling back the currently uncontrolled price of "new" oil. Those actions are a prescription for reduced development of domestic oil resources.

The U.S. Geological Survey reported that undiscovered recoverable resources of oil and natural gas liquids apparently are much less than previously estimated. The combined estimate now ranges from 61 billion to 149 billion barrels. In March, 1974, the combined estimate was between 200 and 400 billion barrels.

[From the Washington Post, July 3, 1975]

FORD WARNED OF LACK OF NATURAL GAS

President Ford was told by energy advisers yesterday that the nation faces a serious shortage of natural gas this winter.

In a meeting with Federal Energy Administrator Frank G. Zarb and other advisers, Mr. Ford was warned that many Midwestern and Northeastern states can expect "shortages that cannot be made up by other fuels," White House press secretary Ron Nessen said.

Nessen said the shortages would apply "entirely or almost entirely to industrial users."

Earlier, asked whether the nation could expect a shortage of gasoline this summer, Nessen said no. He did not elaborate.

Natural gas supplies last winter fell short of promised delivery by 1.7 trillion cubic feet, Nessen said, By the end of 1975, that figure is expected to rise to 3.3 trillion cubic feet, and projections for subsequent years are even higher, he said.

Nessen said the President believes that the expected shortage will be at least partially caused by the federal price controls now in effect on natural gas in interstate commerce, and that during the meeting Mr. Ford called for an end to those controls, as he has in the past.

[From the Minneapolis Farmer]

A RACE AGAINST TIME

There are certainties and uncertainties about natural gas production, the Farmer learned in a recent tour of Gulf of Mexico developmental gas fields, on and offshore.

Chief among the certainties: Demand is fast outstripping present natural gas production. Gas usage has doubled since 1954; by 1985, it is expected to double again.

The Pearson-Bentsen amendment to U.S. Senate Bill 692 (Natural Gas Production and Conservation Act of 1975), soon to be debated in the Senate, would be of immense help in the natural gas situation. Its passage would give the go-ahead to gas reserve development by immediate decontrol of wellhead prices for new onshore gas and gradual price control phaseout of new offshore gas. The alternative may be to curtail development of new gas reserves for lack of economic incentive and to be at mercy of foreign petroleum suppliers.

[From the Washington Post, July 9, 1975]

NATURAL GAS AND NEXT WINTER

The eastern seaboard is going to get much less natural gas over the coming winter than last year. Consider a specific case: the city of Danville, Va., down near the North Carolina border. Its population is 46,000. Its principal industry is Dan River Mills, a huge textile manufacturer, that employs 9,000 people. Dan River Mills has to have gas for the cloth finishing process, which requires an open flame. Without gas, the factory shuts down.

This country has been treated very kindly by the weather. Since the gigantic rise in fuel prices at the end of 1973, both winters have been unusually warm. Less gas used for heating means more available for industry—but the reverse is also true. A wise and foresighted nation would not count on a third warm winter in a row.

Exhibit 3

Dividing Up the Shortage No Answer to Gas Crisis

The staff report of the Federal Power Commission gives a disturbing picture of the future for natural-gas supply in the U.S. It concludes that there's little chance of ever finding enough gas to satisfy all the potential customers, and therefore measures to share the shortage should be taken immediately.

Most industry observers will agree partially with the FPC staff assessment of the gas-supply situation. It is ominous, and it has been for many years under the repressive hand of price regulation. Gas producers long have warned that just such a supply crisis as outlined by FPC would come to pass unless gas prices were freed to give incentive for finding new reserves.

But the supply outlook still may not be hopeless, and certainly other measures to increase supply and dampen demand should be tried before full allocation with all its political implications is imposed.

A defeatist psychology dominates the report.

The FPC staff, in the first place, doesn't have enough confidence in the industry's ability to find more gas. The distorted picture doesn't have to happen. The industry has operated for 20 years under the depressing impact of strict price regulations. Given the incentive of a free market, a vigorous exploration drive can be mounted. There's much gas to be found in Alaska, in vast untested offshore areas, and even on land in the Lower 48 states.

The FPC staff is correct that new reserves can't supply all potential demand. Under new environmental regulations the potential demand for gas is just too great, especially when the price is artificially made cheap by regulation. But potential demand can be reduced sharply by competitive gas pricing, by measures to conserve gas, and by switching industrial users to alternative fuels.

Coal, synthetics, and nuclear fuels must be developed to fill the rest of the supply void. The FPC staff report does not sufficiently stress these alternatives, especially the use of coal, of which the U.S. has vast reserves which are penalized by environmental laws.

Increasing energy supply is by far preferable to full allocation. The FPC already is allocating supplies of interstate pipelines under its curtailment orders. Legislation pending before Congress would result in allocation of intrastate supplies as well. Consumers and their supporters in Congress will fight for a "fair share" of an ever-dwindling supply. Producing states could be forced to share their supply with more politically powerful regions served by the interstate lines.

There's danger that, in the political wrangling, politicians will lose sight of the dire need to free gas prices and provide other incentives for finding more reserves. Politics will replace the economics of the free market as the basis for regulation. This is an approach sure to choke off new supply. Allocation should be only the last resort after every effort at increasing supply by new exploration and use of alternate fuels has been exhausted.

ENERGY POLICY

Mr. McCLURE. Mr. President, let me begin by complementing Senators HANSEN and BARTLETT for their fine remarks on this issue. I wish to associate myself with their fine presentation by my own presentation.

Mr. President, the Senate will have before it, soon now, perhaps even next week, a bill which could very well make the difference between sound energy policy and continued empty rhetoric.

Mr. President, the coming shortfall in natural gas supplies, given a severe winter, will be catastropic indeed. The problem is enormous and the only real solution will not be an easy one for us to accept. It is going to take a great deal of moral leadership and courage on the part of this body to admit the policies of the past on this issue no longer work; and that we must look to individual initiative to find our ultimate answer, instead of bureaucratic regulation.

Mr. President, so many academic authorities have spoken on the need for prudent congressional action to remove Government price controls from new interstate natural gas.

Let me name a few: Stephen G. Breyer, professor of law, Harvard; Paul W. Macavoy, professor of economics, Massachusetts Institute of Technology; Keith C. Brown, associate professor of economics, Purdue University; Dr. William A. Johnson, professor of economics, George Washington University; Herman Kahn, head Hudson Institute; Walter J. Mead, professor of economics, University of California at Santa Barbara; Milton Russel, professor of economics, Southern Illinois University; Clark A. Hawkins, associate professor of finance and economics; John J. Schanz, Jr., professor of economics, University of Arizona; Helmut J. Frank, professor of natural resources and senior research economist, University of Denver; Edward W. Erickson, professor of economics and business, North Carolina State University; Robert W. Spann, Virginia Polytechnic University; Dr. Norman B. Ture, consulting economist, Washington, D.C.; Prof. Edmund Kitch, University of Chicago; Prof. Edward J. Mitchell, University of Michigan; Dr. Robert S. Pindyck, assistant professor of economics, Massachusetts Institute of Technology; Ezra Solomon, professor of finance, Stanford University; Robert B. Helms, senior staff member, American Enterprise Institute; Thomas Gale Moore, senior fellow, Hoover Institute, Stanford University; and William H. Riker, professor of political science, University of Rochester.

Mr. President, not only the academic community, but some members of the Nation's media have also joined in the public request for more natural gas supplies.

My good friend and colleague Senator HANSEN has previously noted several of these references by the media.

Mr. President, I commend these efforts to give Americans the energy supply they want and deserve, as well as the hundreds of thousands of letters, phone calls, and telegrams that concerned citizens have made on this behalf.

Mr. President, when S. 692 comes before us, the Senate of the United States hopefully will seize this opportunity to turn our performance around and begin the work to get this Nation back on track.

Mr. President, I ask unanimous consent that a number of quotes from distinguished members of the academic community as well as several media editorials and articles on the issue of natural gas regulation be a part of the RECORD at this time.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Opinions of Natural Gas Regulation

(By Stephen G. Breyer, professor of law, Harvard University, and Paul W. Macavoy, professor of economics, Massachusetts Institute of Technology)

We believe that natural gas regulation has hurt more consumers than it has helped. It is widely recognized that regulation brought about a *reserve* shortage beginning in 1962, which grew into an actual *production* shortage in 1969. But, it is less often noted that these shortages directly raised fuel costs for consumers, for they led millions of consumers who might have used gas to rely instead on other, more expensive fuels . . . if existing regulations keeps gas prices low, it may save present consumers of gas billions of dollars. But, it will do so only by imposing great costs (we predict greater costs) upon other consumers—consumers of, say, oil or electricity who might otherwise have the opportunity to use gas, consumers of natural gas whose reserve backing is no longer adequate, and customers of firms whose products would be cheaper were natural gas obtainable.[1]

To hold down new gas prices will *decrease* gas production, creating a shortage and, by driving smaller, higher cost producers out of business, increase the very economic concentration that the FPC . . . seeks to avoid. . . .[2]

It is difficult to see how an FPC that, from everyone's point of view, has failed to find the proper prices for natural gas after 15 years of trying could perform successfully the far more complex job of deciding which customers shall get natural gas and which shall not. . . .[3]

In sum, the arguments against the present system of gas field market regulation are compelling. Price control is not needed to check monopoly power, and efforts to control rents require impossible calculations of producer costs and lead to arbitrary allocation of cheap gas supplies. In practice, regulation has led to a virtually inevitable gas shortage. It has brought about a variety of economically wasteful results, and it has ended up by hurting those whom it was designed to benefit. Thus, less, not more, regulation is required.[4]

Regulation induced a gas shortage of considerable dimensions. . . . And its major objective—benefiting the home consumer—was not achieved. The lower prices produced benefits with one hand that were taken away with the other. Excess demand generated from the reduced prices took away the benefits—regulation denied consumers gas reserves for which they would have been willing to pay.[5]

The arguments against continued efforts to control the exact price of natural gas are strong. Regulation is not necessary to check the market power of producers. Moreover, there is no practical way to calculate and capture rents in competitive gas markets: setting the prices for producers individually is not feasible; setting area rates is adminis-

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Footnotes at end of article.

tratively complex and of necessity produces a gas shortage.

Some consumer groups have argued that the Federal Power Commission should deal with the problems that arise from its regulatory efforts by introducing still more regulation. The FPC might, for example, seek to expand its jurisdiction over intrastate sales. . . . It might then establish end-use controls, specifically allocating gas to particular individuals or classes of customers. Such an approach, however, would not solve the problems raised here. More intense regulation would reduce even further the incentives to increase reserves or improve gas production technology. . . .[6]

Efforts to regulate the prices charged by natural gas producers should be abandoned. De-regulation in all likelihood would end the gas shortage, while competition among producers probably would keep prices near market-clearing levels. . . .[7]

FOOTNOTES

[1] Breyer, Stephen G. and Paul W. MacAvoy, "Natural Gas and the Consumer", *The Washington Post,* October 14, 1974.

[2] *Ibid.*

[3] *Ibid.*

[4] Breyer, Stephen and Paul W. MacAvoy, "The Natural Gas Shortage and the Regulation of Natural Gas Producers", *Consumer Energy Act of 1974,* Hearings before the Committee on Commerce, United States Senate, Part 2, 1973, p. 850.

[5] Breyer, Stephen G. and Paul W. MacAvoy, *Energy Regulation by the Federal Power Commission,* The Brookings Institution, 1974, pp. 86–87.

[6] *Ibid.*, p. 87.

[7] *Ibid,* pp. 132–133.

Opinion of Prof. Edmund Kitch, University of Chicago

The second reason that the present regulation has encouraged the industrial uses of natural gas is related to the regional distribution of those industrial uses. The west-south-central area is composed of the States of Texas, Louisiana, Arkansas and Oklahoma. In these States natural gas is largely supplied by the intrastate market. This area is the most intensive natural gas consuming area in the Nation. The area consumes 34 percent of the natural gas produced in the Nation. Ninety-one percent of the gas consumed in this region is consumed industrially. Put another way, 40 percent of all natural gas in the United States which is consumed industrially is consumed in the west-south-central area. By holding down the price of natural gas within the region, the Federal regulation has effectively acted as a subsidy to this industrial market, and therefore as a subsidy to the industrial growth of the Southwest. The only practical way to reduce the industrial use of gas within the Southwest is to raise the price of gas in that region. . . . Put another way, the residential gas consumer of the Pacific Coast, upper Midwest and the East Coast is prevented by Federal law from paying 10 to 15 percent more for his gas, thereby making gas in the American Southwest 50 percent cheaper than it would otherwise be and subsidizing the movement of industry from the consumer's home region to the Southwest.[1]

Opinion of Herman Kahn, Head, Hudson Institute

The following quote is taken from Mr. Kahn's critique of the Final Report of the Energy Policy Project of the Ford Foundation *A Time to Choose America's Energy Future:*

"The study refers frequently to the need for all sorts of government control and regulation; indeed, it is clearly biased in favor of such action. People who take this stance, unfortunately, tend to underestimate the enormous role high prices can play in a free market and to ignore the harm governments can do. In many cases regulation would be useful if carried out with great skill, but disastrous if such skill is not forthcoming. For example, I would argue that the Arab oil embargo of 1973 could not have had serious effects in this country, had our government not made at least two serious mistakes. The first was to allow our energy stocks to reach dangerously low levels. In fact, if there had been a very cold winter or very warm summer in 1973 or 1974, our home heating and air conditioning needs would have been so great that a large part of our industry might have been forced to shut down. Behavior like this is similar to the disastrous gamble of the British Labour Party on a warm winter in 1948. *The second major mistake by our government was to keep the domestic price of natural gas at an artificially low level, at a time when we were negotiating to buy it abroad for a dollar or more per thousand cubic feet (at this writing the domestic price is still about 50 cents). I really don't know of any sensible person who will still defend this policy.* As a result of this mistake, perhaps 40 percent of our natural gas has been consumed inefficiently. If the price had been more rational, much of our gas would have been kept in storage, and quite probably, more would have been discovered." * (Emphasis added)

Opinions

(By Edward W. Erickson, Professor of Economics and Business, North Carolina State University, and Robert W. Spann, Virginia Polytechnic University)

The consumer consequences of natural gas field market price deregulation would be higher prices, but these prices would allow relatively smooth consumer adjustments, would limit necessary abandonments and curtailments, and would call forth substantial new gas supplies.

Our major conclusions are that natural gas field markets are effectively competitive and that the most efficacious solution to the natural gas dimensions of the energy crisis is deregulation of the wellhead price of natural gas.

There is a shortage of natural gas reserves and production.

This shortage is a result of a variety of factors. Some of these include:

shortages of refinery capacity and crude oil inputs,

shifts of fuel demands to natural gas,

Federal Power Commission ceilings on the wellhead price of natural gas,

and uncertainties about the future of regulation of the wellhead price of natural gas.

Regulatory reform is a necessary ingredient for a long-run solution of our natural gas shortage.[1]

The evidence from the offshore bidding data is especially important for public policy formation with regard to natural gas field markets. It indicates that higher supply prices for new natural gas supplies are the result of the higher costs of securing those supplies.[2]

A significant part of the current shortage is demand induced. In addition to finding ways to stimulate supply, public policy should also cause available supplies to be rationed among the highest valued uses. The price system is the most efficient rationing system we know. A way to both stimulate new supply and conserve our scarce resources by allocating them to their highest valued use is to allow market clearing prices to operate.

Although markets in which prices are allowed to clear demands and supplies are the most efficient rationing systems for allocating scarce resources among competing uses, would not allowing the field markets for new natural gas to clear work be an inequitable hardship on gas consumers? . . . these increases would be gradual and would allow consumers to adjust smoothly. Moreover, these prices would perform the rationing function discussed above that is so important to the effective conservation of natural gas resources. We believe that consumers would prefer to have adequate gas supplies at prices which reflected the costs of the resources they are using rather than curtailments and abandonments at artificially low prices. . . .[3]

It has been suggested that one part of the solution to the natural gas portion of the energy crisis should be the formation of a national energy company to explore for, develop and produce new natural gas reserves. There is one example of such a venture in another area. This is TVA. The total assets of TVA are about $4,000,000,000. The total assets of Amerada-Hess are $1,378,000,000. Thus, if we were to create a national energy company dedicated to oil and gas production, it would only be about 3 times as large as Amerada-Hess. Even if all the resources of such a venture were committed to oil and gas exploration and production, the contribution of such a venture to the long-run oil and gas supply problem would be marginal. Moreover, we could not create such a national energy company overnight. The natural gas supply problem is here and now. The most promising solution to the natural gas crisis is to allow prices in the field markets for new natural gas supplies to rise to their market clearing level.[4]

The indications are that substantial reserves remain to be discovered in the onshore and offshore United States. If prices are sufficient to cover the costs, these reserves will be forthcoming. . . If we are to enjoy the benefits of these potentially discoverable reserves, field market prices must encourage the exploration activity necessary to bring them into economic existence.[5]

Our conclusions are: . . . the long-run marginal costs for incremental new gas supplies are substantially higher than the current average field prices, and if field market prices were allowed to rise to market clearing levels, new natural gas discoveries would eliminate the current shortage.[6]

The current shortage of natural gas represents a regulatory failure. That regulatory failure has been FPC ceilings on wellhead prices in natural gas field markets. The appropriate solution to our problem of natural gas shortages is complete and immediate deregulation of the wellhead price of natural gas—both old gas and new gas.

Precise estimates of the supply and demand responses to higher natural gas prices are very chancey. This is true regardless of whether they are made by geologists, economists, engineers or lawyers. We can say with certainty that supplies will be larger and demands lower than they would otherwise be, but not precisely by how much. This situation is in part a result of the pernicious effects of regulation itself.

Suppose that deregulation resulted in no increase in U.S. gas reserves, would it still be a desirable policy? The answer is yes. A policy which prevents U.S. reserves and production from falling contributes an increment to supply that would otherwise be filled by imports, constitute unmet demand or be met by higher cost alternatives.

Is deregulation of natural gas prices capitulation to OPEC with respect to U.S. energy prices and should we resist deregulation on those grounds? No. The plain fact is that the marginal cost of energy to the U.S. economy is the price of imported oil. To pretend otherwise is unrealistic. Moreover, one of the prerequisites for enhancing the probability that the cartel price will erode in real terms is getting the U.S. domestic energy house in order. Natural gas deregulation is a step in that direction.

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[1] Kitch, Edmund W., "The Shortage of Natural Gas," Occasional Papers from the Law School, The University of Chicago, 1 February 1972, pp. 10–11.

* Kahn, Herman, "A General Overview", *No Time to Confuse,* Institute for Contemporary Studies, San Francisco, 1975, pp. 143–44.

Footnotes at end of article.

The advantages of natural gas deregulation include:

1. enhanced supply,
2. conservation in demand,
3. reduction of the U.S. excess demand for imported oil,
4. increased probability of lower world real oil prices,
5. decreased reliance upon higher cost substitutes for natural gas,
6. rationalization of the relation between the interstate and intrastate natural gas markets, and
7. creation of confidence in a set of rules of the game which facilitate investment decisions."[7]

FOOTNOTES

[1] Erickson, Edward W. and Robert M. Spann, Statement at Hearings before the Committee on Commerce, United States Senate, 93rd Congress, *Consumer Energy Act of 1974*, Part 2, Nov. 8, 1973, p. 752.

[2] *Ibid.*, p. 757.

[3] *Ibid.*, p. 758.

[4] *Ibid.*

[5] *Ibid.*, pp. 758–9.

[6] *Ibid.*, p. 759.

[7] Erickson, Edward W., "Natural Gas Deregulation", Statement before the Committee on Interstate and Foreign Commerce, United States House of Representatives, March 17, 1975. (Entire statement)

Opinion of Ezra Solomon, Professor of Finance, Stanford University

"The . . . most critical element in the development of the current energy problem was the imposition of price ceilings on the wellhead price of natural gas used in interstate commerce . . . the ceilings were set and kept significantly below equilibrium market levels all through the 1960's."[1]

". . . Given . . . the rising ratio of energy input per unit of gross national product and the increased emphasis on environmental quality, the proper course for natural gas policy would have been one that encouraged the maximum development of its potential supply, and discouraged the very rapid growth in its overall consumption especially for purposes which reflect less-than-economic use of its full value.

"The evidence is overwhelming that the pricing policies which were followed in the 1960's did precisely the opposite.

". . . Ceiling prices were set too low to bring forth an adequate finding and developmental effort. Between 1960 and 1970 exploratory natural gas well completions in the lower 48 states fell by one-half . . ."[2]

". . . Not only did artificially low prices discourage the development of new reserves of gas, they also encouraged an extremely rapid growth in gas consumption, both in absolute terms and relative to other fuels. During the decade of the 1960's end-use gas consumption rose by 84 percent or nearly 6.3 percent per annum. In contrast, the use of bituminous coal rose 29 percent and of petroleum 45 percent."[3]

". . . a pattern of declining interstate sales is a major social cost of gas price regulation."[4]

"The adverse effects of natural gas price policy in the 1960's, which gathered momentum all through the decade, began to manifest themselves dramatically in 1970—nor were these effects confined to the gas sector alone. One of the arguments sometimes used in favor of low ceiling prices on gas is that this would tend to keep the price of competing fuels down. This would be true only if the low price of gas were due to large supplies of gas. But artificially mandated low gas prices produce exactly an opposite effect. It lowers gas supply and creates shortages. Unmet demands for gas are then transferred to other fuels, and the result of higher demand for those fuels is rising prices. This is what occurred beginning in 1970. Given the depleted level of reserves, domestic gas output virtually reached its limit and deliveries to some users had to be curtailed. At the same time as natural gas curtailments increased, the total demand for clean fuel was rising. As a result, there has developed a relative shortage of and a consequent sharp increase in the price of low-sulfur oil. The subsequent attempt to increase the output of fuel oil per barrel of crude has, in turn, affected gasoline output, and shortages in this sector have also emerged. These are the symptoms. The root cause lies in a decade-long attemp to hold natural gas prices at artificially low levels."[5]

"The . . . most promising, approach would be to permit wellhead prices of natural gas to move freely to their market-clearing level. The argument for this approach can be stated succinctly:

"(a) The U.S. has abundant undiscovered deposits of natural gas. . .

"(b) Allowable price ceilings were set, and kept, at levels too low to induce the exploration and development of those abundant gas supplies. At the same time the artificially low prices induced an abnormal growth in gas consumption.

"(c) The restoration of a free market in gas would stimulate a significant expansion in exploratory and developmental activity and this would lead to a significant increase in the availability of new supplies. At the same time, market-clearing prices would restrain the rapid growth rate of consumption, shift gas supplies automatically from less efficient to more efficient end-uses and thereby restore a proper balance between supply and demand at a much higher level than would otherwise be the case.

"(d) The restoration of a more efficient equilibrium in the gas sector would aid the restoration of equilibrium for other fuels, . . . it would result in lower fuel oil prices than would otherwise prevail and also result in a significantly lower dependence on imports and all that this implies for the national economy and for national security."[6]

". . . Rationing existing supplies of natural gas does nothing to reduce the overall shortfall of supply—it simply shifts the problem and the burden to another sector, creating new problems there. Furthermore, the implied course of action would eventually, and predictably, worsen the gas supply situation, even for the temporarily "preferred" group of users."[7]

"There is no precise way to calculate the cost which regulation has imposed on unsatisfied gas consumers by forcing them to alternative fuels. Attempts which have been made to place a "money value" on the size and costs of the shortage induced by price regulation have concluded that the costs probably exceed even the *gross* benefit conferred by the lower price to those fortunate consumers whose demand for gas has been satisfied.

"In sum, regulation benefited consumers who received and used the lower price gas; it benefited industrial users who were able to bid away an increasing fraction of new supplies from the artificially depressed interstate market; it benefited a small army of people, in and out of Government, who ran the expensive and time-consuming process of regulation.

"On the other hand, regulation hurt, and will continue to hurt new residential and commercial consumers—usually those in new and growing population centers—who were and are willing to pay more for gas but cannot obtain supplies; it hurt the producing industry directly and indirectly hurt those who participate in the overall exploration, development and producing process; it hurt the public at large through a fall in tax receipts below levels that otherwise would have prevailed; finally, it hurt users of competing fuels by the upward pressure which the gas shortage has exerted on the price of such alternatives.

"On balance, the effort to capture the economic rents of producers through price regulation has ended up by hurting the consumer: the direct and indirect losses arising from the shortage which has been created are so great they outweigh the maximum possible benefits that can be achieved by the further pursuit of lower prices through wellhead regulation.

"If price control has been the key to the shortage of gas, then substantial or total decontrol must be the key to its correction."[8]

". . . the evidence suggests that the joint effect of freer market prices on supply and demand would lead either to an equilibrium or near equilibrium situation in gas markets by 1985. Certainly it would lead to a situation that will be far closer to equilibrium than the gross disequilibrium which can be predicted if present regulatory policy is continued. The economic case for substantial or complete reregulation is an extremely strong one."[9]

"The case for more controls is a weak one. It also ignores some clear and important lessons.

"(1) Mandatory ceilings . . . has already converted a situation of abundant gas supply into a situation of serious shortages. A continuation of FPC price ceilings means that the shortage will get worse.

"(2) Rationing a commodity which is in short supply can do nothing to increase its total availability or to hold down the potential growth in demand. At best, it is an arbitrary way of distributing the social and economic burdens caused by the shortage. What it does do is to transmit the real burden of meeting the predictable shortfall in supply to other energy sectors. It thereby exposes the nation to the huge costs of accommodating to such a shift. These costs include the deprivation of some users; slower commercial and industrial growth especially in the potentially faster growing areas; lower long-run employment levels; higher financial costs per unit of energy for those users for whom rationing cuts off gas supply; more severe balance of payments problems; and finally a higher level of dependence on the whims of foreign sources of energy supply."[10]

". . . The basic issue is what happens to those numerous users who will be forced to do without gas under a long-term system of price control and rationing: Either they will suffer deprivation or they will be forced to turn to alternative forms of energy which cost more than they would have to pay for gas in a free market."[11]

". . . total deregulation of all gas sales at well-head . . . would maximize the certainty and durability of the shift to freer markets for field gas. It would also have the maximum possible impact on supply and on demand. On the supply side, it would encourage and facilitate investment in existing fields that would both speed the withdrawal and yield additional supplies not available if deregulation is confined to new gas alone. It would also contribute additional cash flows that would almost certainly be reinvested to expand production."[12]

FOOTNOTES

[1] Solomon, Ezra, Statement before the Committee on Commerce, United States Senate, Transcript of Proceedings, *Hearings on Natural Gas Regulation Bills*, p. 580.

[2] *Ibid.*, pp. 580–581.

[3] *Ibid.*, p. 582.

[4] *Ibid.*

[5] *Ibid.*, pp. 582–583.

[6] *Ibid.*, pp. 587–588.

[7] *Ibid.*, p. 589.

[8] *Ibid.*, pp. 602–603.

[9] *Ibid.*, p. 606.

[10] *Ibid.*, pp. 606–607.

[11] *Ibid.*, p. 608.

[12] *Ibid.*, p. 613.

Opinions of John J. Schanz, Jr., Professor of Economics, University of Arizona, and Helmut J. Frank, Professor of Natural Resources and Senior Research Economist, University of Denver

" . . . deregulation would obviate the need for deciding administratively which customers and markets should enjoy adequate gas supplies at attractive prices and which should be excluded. In our view, any attempt to make such a determination would result in the probability of a misallocation of resources; it would saddle the FPC with responsibilities that neither it nor any other governmental body should be asked to shoulder, at least in peace time; and it would redirect the decisionmaking process from the realm of economics into the political arena, where extraneous pressures would inevitably overwhelm rational decision criteria. In short, any such effort would be foredoomed to failure. Moreover, adverse repercussions on all segments of the gas industry could not be avoided. . ."[1]

" . . . substantial increases in gas prices would accomplish several highly important objectives. For energy consumers (and local authorities concerned with setting pollution standards), a clear choice would be offered: Is a cleaner environment worth the added cost of burning a premium fuel? Continuing to pretend that ample gas supplies will be available at costs equal to, or even lower than, the "dirty" hydrocarbons seems objectionable as well as inherently self-defeating. For producers of natural gas, substantially higher prices would offer the challenge of responding to adequate incentives and of substantiating their claim that reduced incentives under regulation have been the major obstacle to providing consumers with ample supplies. For potential suppliers of supplementary gas sources (imports, LNG, and synthetic gas), higher prices would represent a clear signal to proceed with rapid development in response to the prospect that these new supplies could find a ready market as they become available. For American industry, science and technology, higher gas prices would present a chance to search for new ways to utilize the fuels with which this country is amply blessed—especially coal—without polluting our cities. Past performance gives grounds for optimism if the rewards justify the necessary expenditure in money, time, and effort."[2]

"Our argument against increased regulation and for allowing a freer rein to market forces rests on broad conceptual grounds, as well as on what we believe to be a sound economic basis . . . in times of shortage, prices in the most perfect of competitive markets will be far above the 'normal supply price,' as defined by Alfred Marshall.[3] . . . to pursue a course that would paralyze, rather than take advantage of, healthy economic forces would appear wholly ill-advised."[4]

Opinion of Dr. Norman B. Ture, Consulting Economist, Washington, D.C.

"It must surely be evident that FPC has seriously underestimated both the increase in demand and the increase in the costs of gas production . . . the industry is appropriately characterized as one of increasing costs. Efforts to increase gas supply by the addition of reserves result in sharply rising average costs. Taken together with the rapidly accelerating increases in the demand for gas, these factors have called for substantial increases in gas prices if shortages were to be averted. FPC ceiling prices, no matter how determined, have fallen far short of those required to clear the market.

"Both abstract and empirical analyses leave no room for doubt that since gas prices were established by the FPC at the level of gas costs, regulation must be blamed for the gas shortage that has developed. Moreover, regulation *per se* is responsible for the shortage, entirely irrespective of the degree of competitiveness of the regulated industry."[1]

"Part of the objection to the "windfalls" which producers allegedly would realize if gas prices were deregulated is that consumers would get nothing in return for the higher prices they would pay and the greater profits producers would realize. The objection is without basis. Too low ceiling prices have inhibited capital commitment in the industry, retarded reserve additions, and curtailed gas output relative to what it otherwise would have been. By the same token, the price increases which would result from deregulation will both encourage and make possible larger investments in additional reserves and greater gas production than can be expected so long as regulation persists.

"This is true not merely with respect to the price of 'new' gas but the price of 'old' gas as well. The revenues from the sale of 'old' gas provide the bulk of the funds required for producers' capital commitments for exploration, development, and production of 'new' gas. The capital requirements for any given amount of 'new' gas are continuously increasing, both because of the inherent increasing cost nature of exploration, development, and production, and because of the increase in the price level. Future revenue increases from higher prices for 'new' gas are inadequate to finance the increase in capital commitments required now. Without freeing the price of 'old' gas, future gas supplies will be lower than otherwise.

'Too low prices for gas have encouraged wasteful uses of this energy source; the price increases which would result from deregulating and allowing the price of gas to clear the market would result in more efficient and economical use of gas.

"Consumers will get more gas from deregulation, and they will use it more efficently."[2]

"Continued insistence on a regulated price for gas equal to the 'just and reasonable' price based on at best grossly imprecise cost estimates, therefore, is the same as continued insistence on market disequilibrium.

"The argument that continued regulation of the price of gas is necessary to protect the interests of consumers is equivalent to asserting that consumers are better served by artificially depressed prices and the resulting shortages than they would be by higher, market-clearing prices. Artificially low prices and attendant shortages necessarily mean that some non-price, non-market mechanism must be used to allocate the quantity of gas supplied would-be purchasers. Conceivably, some such non-price distribution method may be justified on political grounds; it cannot be justified on economic grounds. . . . Any gas allocation other than that resulting from free market prices impairs consumer well-being."[3]

"Examination of the characteristics of the natural gas producer industry and of the data pertaining to its operations reveals that in every significant respect the industry is highly and effectively competitive. The contentions that the industry is noncompetitive rest on faulty analysis and misconceptions concerning competitive behavior and results as well as upon incorrect interpretations of the operational significance of some of the industry's practices. Under critical examination, those contentions fail both analytically and factually.

"To argue that the industry is monopolistic and for that reason must continue to be regulated in its interstate operations in order to protect the interests of consumers is to urge the indefinite perpetuations of gas shortages. . . . Regulated prices do not serve the interests of consumers; rather, under present and foreseeable circumstances, they generate shortages which impair consumer well being. . . ."[4]

FOOTNOTES

[1] Ture, Norman B., Prepared Statement to Committee on Commerce, United States Senate, 93rd Congress, *Consumer Energy Act of 1974*, Part 1, Oct. 24, 1973, p. 351.

[2] *Ibid.*, pp. 355–56.

[3] *Ibid.*, pp. 356–57.

[4] *Ibid.*, p. 364.

Opinion of Dr. Robert S. Pindyck, Assistant Professor of Economics, Massachusetts Institute of Technology

". . . consumers can experience a negative benefit under regulation because the cost to those consumers who don't receive . . . gas is greater than the benefit to the consumers who get gas at a lower price.

"I believe that is the case with gas. I believe this based on the estimates that we have made and the investigation that we have made into the structure of consumer demand for natural gas.

"The structure is such that under a scheme of strict regulation where there would be considerable shortage, that the net effect would be negative."[1]

FOOTNOTE

[1] Pindyck, Dr. Robert S., *Consumer Energy Act of 1974*, Hearings before the Committee on Commerce, United States Senate, 93rd Congress, October 25, 1973, Part 2, p. 518.

Opinion of Keith C. Brown, Associate Professor of Economics, Purdue University

"FPC regulation of the maximum price that jurisdictional purchasers are allowed to pay producers of natural gas seems to have been at least partially responsible for the current unsatisfactory conditions existing in the natural gas producing and distributing industries. At current price levels, the quantity of gas demanded by consumers considerably exceeds that which producers are willing to supply. There is no evidence that large enough quantities of substitutes for natural gas produced in the forty-eight contiguous states (gas from coal or oil, Canadian imports by pipeline, or liquefied natural gas from Alaska or foreign countries) will be available in the next decade to substantially reduce the projected demand growth for natural gas, either at current or prospective equilibrium natural gas prices. Therefore, providing market conditions under which quantity of natural gas supplied is likely to increase to quantity demanded seems to be the only way to end the current problem."[1]

". . . most economists feel that independent producers have possessed little, if any, monopoly power. If this finding is accepted, then the argument that price regulation is necessary to control producer market power collapses."[2]

". . . A price ceiling does little, per se, to encourage competition. Therefore, measures aimed at making gas production more competitive . . . seem more appropriate than setting ceiling prices for combatting monopoly power.

"It's obviously true that if gas prices rise, some producers will receive more than the minimum that would have been necessary to induce them to sell their gas. But one wonders why such revenues in the gas producting industry ought to be singled out for special attention. Similar revenues earned in other

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[1] Schantz, John J., Jr. and Helmut J. Frank, "Natural Gas in the Future National Energy Pattern", *Regulation of the Natural Gas Producing Industry, Resources for the Future*, Inc., Washington, D.C., 1972, p. 47.

[2] *Ibid.*

[3] Marshall, Alfred, *Principles of Economics*, MacMillan, 8th Edition, 1947, bk. 5, Chap. 5, pp. 363–80.

[4] Schantz, John J., Jr. and Helmut J. Frank, *op. cit.*, p. 48.

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[1] Brown, Keith C., "Introduction," *Regulation of the Natural Gas Producing Industry*, Resources for the Future, Inc., 1972, pp. 11–12.

[2] Brown, Keith C., Statement in *Consumer Energy Act of 1974*, Hearings before the Committee on Commerce, United States Senate, Part 5, 1974, p. 2042.

markets (for example by owners of farmland or owners of stock in firms which have unexpected earnings increases) seem to be accepted in our society today without consensus that they be limited by permanent price controls or any means other than income and capital gains taxes . . ."[3]

". . . Finding the appropriate ceiling price by looking at historical costs is almost impossible during periods when drilling and exploration costs are changing rapidly and when widespread exploration is being undertaken in areas unlike those for which cost history is available."[4]

"Whatever else one may say about the history of producer price regulation by the FPC, one must admit that a serious shortage of natural gas has developed and apparently will persist for some time. There is no guarantee that regulators can do better in the future."[5]

Opinion of Thomas Gale Moore, Senior Fellow, Hoover Institute, Stanford University

The following vote is taken from Mr. Moore's critique of the Final Report of the Energy Policy Project of the Ford Foundation *A Time To Choose America's Energy Future:*

"Chapter 9 starts by asserting that energy is essential and a 'breakdown of supplies must be avoided' (p. 229). Later, the authors assert that 'Oil and gas companies, unlike regulated public utilities, have no legal obligation to maintain adequate supply' (p. 253). These statements are true, of course, not only for the oil industry but for many other industries that provide essential services—the food industry, for example.

"Next year will be the 200th anniversary of the publication of a much better book, one the report's authors would have done well to study. Adam Smith, in his *Inquiry into the Nature and Causes of the Wealth of Nations*, wrote 'It is not from the benevolence of the butcher, the brewer, or the baker, that we expect our dinner, but from their regard to their own self interest.' To paraphrase Smith, it is not from the benevolence of the oil companies that we expect our gasoline but from their regard to their own self interest. The sort of a utility regulation advocated in chapter 9 is neither necessary nor sufficient to guarantee an adequate supply of petroleum products. In fact, the record on such regulation suggests that the result more likely is to produce inadequate supplies, inefficiency, and cost increases than to guarantee 'adequate supply.'

"The authors would also have benefitted from careful study of our country's experience under natural gas regulation. There, as elementary economic theory would predict, shortages have developed. Prices have been held below market clearing levels, with the result that exploration and development has been retarded. Such experience is not confined to natural gas . . ."[1]

"The proposed method of regulation is to require energy companies to incorporate federally. Federal chartering is envisioned as a method of setting limitations on profit margins, requiring more investment in developing supply, requiring full disclosure, and appointing public members to the board of directors. The authors fail to recognize that lower profit margins are inconsistent with increasing investment in private enterprise economy, but then the federal chartering plan they envision is more akin to Yugoslav socialism than private enterprise in its present form."[2]

Opinion of William H. Riker, Professor of Political Science. University of Rochester

The following quote is taken from Mr. Kahn's critique of the Final Report of the Energy Policy Project of the Ford Foundation *A Time to Choose America's Energy Future*:

"Shortages and confusion achieved through mistakes in planning are common occurrences in the real world. We see them constantly in socialist and fully regulated societies. We see them in the United States whenever we try to regulate prices. In the field of energy itself, we see them in the current shortage of natural gas—even though there is plenty of gas to be drilled—because we have regulated the price so low that everybody wants to use it and nobody wants to produce it . . ."[1]

Opinion of Walter J. Mead, Professor of Economics, University of California at Santa Barbara

The following quote is taken from Mr. Mead's critique of the Final Report of the Energy Policy Project of the Ford Foundation *A Time to Choose America's Energy Future*:

". . . they suggest 'adoption of a combined policy covering oil and natural gas pricing' that would provide 'high enough prices to attract sufficient capital for the development of oil and gas resources' (p. 333). Here is an obvious demand for continued government price controls. Oil and natural gas are already covered by such controls; let us examine the record. Though oil controls have not been in force long enough to permit evaluation, the well-head price of interstate natural gas has been controlled for twenty-one years and the resulting shortage is clearly documented. Some consumers are able to buy all the gas they want at very low prices and use it wastefully as a result, while others cannot buy it at any price. We are importing Canadian gas at $1.00/Mcf and Algerian gas (LNG) at about $1.50/Mcf, while requiring domestic sales of new gas at well-head at 51¢/Mcf. The price control system has caused demand to increase and development of new reserves to decline. Proved reserves reached a peak in 1967 and have been declining since then. The report presents no evidence to suggest that the government can determine and administer the optimum price for oil and gas. It does not examine the shortcomings of past price control policy. In the absence of such research and analysis, it cannot responsibly recommend continued controls without inviting . . . criticisms . . ."[1]

Opinion of Clark A. Hawkins, Associate Professor of Finance and Economics

". . . If the price set by the F.P.C. for natural gas in the field is below what would otherwise prevail then a shortage of gas in the interstate market will develop. It will appear as the lower rate of commitment of gas to the interstate market in the future than will be required by demand. Excess demand will prevail, and unless some other laws are enacted forcing the gas into the interstate market, the F.P.C. will need to ration the supply of natural gas to would-be users. . ."[1]

". . . it is only the market that will give the lowest price consistent with maximum output in the long run. . ."[2]

Opinion of Prof. Edward J. Mitchell, University of Michigan

If consumption is so sensitive to price or cost, why haven't we observed a substantial curtailment of energy use over the years as the energy problem developed? The answer is simple. The price of energy has been falling almost continuously for the past twenty years relative to the price of other goods and services. Rather than stifling demand growth, energy prices have been stimulating it. From 1950 to 1960 an index of real prices paid by final energy consumers—both household and industrial—fell by more than 6 percent. From 1960 to 1970 it fell by more than 13 percent. Thus, real consumer energy prices have fallen roughly 20 percent in 20 years.

Incidentally, this simple fact hints at the absurdity of claims that the energy crisis was engineered by the oil companies as Mr. Nader, the FTC and some Washington polls have suggested. Imagine oil company executives conspiring to drive down the price of their products for two decades so as to artificially induce a demand for their product that they cannot meet!"[1]

My guess is that, overall, real energy cost or scarcity is not very different now from what it was before the energy "crisis" arrived. The crisis and the whole price structure is artificial, caused by the intervention of government agencies, particularly the U.S. Federal Government, in the marketplace. When we look back years from now, the appropriate epitaph to the crisis will be found on a sign hanging at a Hempstead, Long Island, gas station which you may have seen in a recent issue of the New York Times. The sign reads:

"This station closed because of U.S. Government bungling."

The thrust of U.S. government policy in natural gas since the early 1960's has been to artificially stimulate consumption while stifling discovery, all in the name of protecting the consumer. Vast resources exist on Federal offshore properties and Alaskan lands that have not been offered for exploitation. The reasons for withholding these resources from the people vary from the pettiness of Congressional politics to the bumbling of Executive branch bureaucrats. . . ."[2]

To demonstrate that these interventions are not small matters, let us take just the case of natural gas price regulation. Using the various supply-price models for natural gas, one can project the future supply of natural gas under free market prices and under continued regulation. At estimated free market prices, an average projection for 1985 would give a domestic supply of 30 trillion cubic feet. At current real ceiling prices the supply would be 13 trillion cubic feet, substantially less than half. This difference converted into its oil equivalent represents about 8 million barrels per day. When we consider that the "scare" projections of oil imports from the Middle East in the 1980's of ten million barrels per day are generally based on the assumption of low regulated natural gas prices, we see that it is the domestic policy decision to regulate gas prices that in large part places us in this precarious international position.

But what will happen to consumer prices if we deregulate natural gas? The question hardly requires statistics to answer. For the increased supplies of gas to be sold, they must be offered at a price equal to or lower than other fuels. And the increased gas supplies will tend to reduce other energy prices since they would then face greater competition from natural gas. For the statistically-minded, a recent study of consumer prices after deregulation of new wellhead contracts suggests a first year increase of 6 percent followed by increases on the order of 3 percent for several years thereafter. The smallness of these increases compared with the large gap between regulated and free market prices is due to the fact that transportation and distribution costs are predominantly what the consumer pays in his gas bill: the gas itself represents only 17 percent of the cost to the average user. But the key point is still that gas, to be sold, must be a better buy than the alternatives.[3]

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[3] *Ibid.*

[4] *Ibid.*

[5] *Ibid.*

[1] Moore, Thomas Gale, "Choosing or Judging: A Time to Choose," *No Time to Confuse*, Institute for Contemporary Studies, San Francisco, 1975, pp. 85–85.

[2] *Ibid.*, p. 85–86.

[1] Riker, William H., "The Ideology of A Time to Choose", *No Time to Confuse*, Institute for Contemporary Studies, San Francisco, 1975, p. 153.

[1] Mead, Walter J., "Private Enterprise and Energy," *No Time To Confuse*, Institute for Contemporary Studies, San Francisco, 1975, p. 71.

[1] Hawkins, Clark A., *The Field Price Regulation of Natural Gas*, Florida State University Press, Tallahassee, 1969, p. 213.

[2] *Ibid.*, p. 214.

Footnotes at end of article.

. . . we always have the options of high prices and surpluses, or low prices and shortages, or market-clearing prices. The national interest, if we can define such a thing, would seem to call for the latter. The political process has given us surpluses in the 50's and early 60's and shortages in the 70's.

This suggests that hope for the late 1970's and 1980's lies in swinging back part way without overreacting in a wave of energy hysteria. Any sensible energy policy would have to include deregulation of natural gas . . . On the hysterical side the dangers seem to reside in grand-scale Federal research and development projects which offer tens of billions in added taxes on the one hand and tens of billions of added consumer prices on the other. I would place elaborate Federal conservation schemes and Government energy corporations in the same category.

This shift will require on the part of consumer-state politicians a bit more public-spiritness. In recent years it has been as though the consumer-oriented Congressmen who were afraid to kick the oil industry in the shins when it was standing tall are falling over themselves to get in their licks now that the giant is politically prone. Most important, the voter will have to recognize that being anti-industry is not the same as being pro-consumer.[4]

. . . my studies of the petroleum industry over the past five years, lead me to believe that the forces of competition are all that are required to keep petroleum company profits down to the minimum necessary to natural gas since 1959 and on crude oil and acquire enough capital to meet demand. What has happened is that the hand of regulation in the form of price controls on products since 1971 have depressed earnings below the rate needed to attract adequate capital. This is why we face shortages of natural gas and oil today.[5]

. . . We . . . have extensive and profound experience with FPC regulation of interstate gas prices and there has developed a general consensus among economists that FPC regulation has created a massive shortage of natural gas. Perhaps at the time the decision was made to regulate interstate gas prices there were doubts about the competitiveness of the industry and about the size of the supply response to price. I cannot verify the degree of uncertainty at that time because I was not involved in the regulation issue then. But the number of studies that have been conducted on the natural gas market since then and their virtually uniform conclusions do not leave much room for controversy or speculation today. In reviewing possible future studies for my energy project the natural gas regulation issue looms as one of the most important. But in consulting other energy economists about further work on the issue I do not find any pressing questions that require answers before we can make a policy choice. The issue has been studied to death. The industry is competitive. The FPC price regulations have caused a huge shortage of gas. Whether they are liberals, conservatives, middle-of-the-roaders, or of no particular political persuasion, that is the view held by economists I talk to. We may all be wrong. But one would hope that the Congress give a great deal of thought to the matter before it proceeds on that assumption.[6]

. . . If regulators use average costs as a basis for pricing they confer economic rents on half the suppliers and losses on the other half. Recognizing this the higher cost supplies do not get produced. This not only creates a shortage of supplies but also reduces the observed average cost, thus depressing the ceiling price and causing still greater shortages in the future.

These problems can only be resolved by moving to a marginal cost pricing system. But it is far more efficient to allow the market to handle this than to order regulators to focus on marginal costs. The market assures that no one can charge more than that marginal cost necessary to meet demand. It is not clear how a regulator would do this except by initiating the market.

My brief reflection on the horrors of area rate cost-of-service regulation with exemption of independent producers suggests to me that it would wind up as an entirely political exercise. Economic efficiency would be abandoned and political muscle put in its place.

If one is intent on public utility status for the petroleum industry it seems to me it could only be managed on the basis of regional monopolies, much in the way we regulate electricity generation, transmission, and distribution, with the FPC regulating interregional transactions. While this might be more manageable, cost minimization would disappear along with the competition, and consumer prices would undoubtedly be much higher than under competition.

I believe the domestic petroleum industry is essentially competitive and that competition would be a far better disciplinarian than regulation. . . .[7]

While . . . import control alternatives have captured the headlines the greatest room for improvement in U.S. energy policy is on the domestic side. While our consumption of oil has actually declined since the period just before the Arab embargo our domestic production of oil has declined even faster and imports have risen somewhat. The reason for recent declines in domestic oil and gas production is simple: price controls. We will not allow our own domestic producers the same price we pay to the cartel. As a result we subsidize the cartel, we import more from them than is necessary, and we discourage domestic production. The best single action we could take to reduce long run oil prices and imports is paradoxically, to let U.S. producers receive the world price.

It is significant that among the few policy prescriptions agreed upon by the panel of five economists testifying before the Ways and Means committee last week were the following:

(1) deregulate natural gas prices and phase out price regulations on old oil;

(2) repeal the oil depletion allowance; and

(3) reject a windfall profits tax on oil and gas.

At the present time de-control of old oil and new gas prices is the only measure that improves our security and helps the consumer in the long run . . .[8]

FOOTNOTES

[1] Mitchell, Edward J., "The Energy Problem: Causes and Cures", an Address delivered to the 1973 Annual Business Conference of the Graduate School of Business Administration, The University of Michigan, pp. 5–6.

[2] *Ibid.*, p. 8.

[3] *Ibid.*, pp. 9–10.

[4] *Ibid.*, pp. 11–12.

[5] Mitchell, Edward J., Statement before the Committee on Commerce, United States Senate, 93rd Congress, *Consumer Energy Act of 1974*, Part 3, March 28, 1974, p. 1349.

[6] *Ibid.*, p. 1350.

[7] *Ibid.*, p. 1351.

[8] Mitchell, Edward J., Statement before the Subcommittee on Energy and Power, Committee on Interstate and Foreign Commerce, U.S. House of Representatives, 94th Congress, March 10, 1975.

OPINION OF DR. WILLIAM A. JOHNSON, FORMER ENERGY ADVISER TO DEPUTY SECRETARY OF THE TREASURY WILLIAM E. SIMON, CURRENTLY PROFESSOR OF ECONOMICS, GEORGE WASHINGTON UNIVERSITY

. . . our short-term difficulties with gas, coal, and oil are, very largely, the result of various policies of Federal, State, and local governments. For years, we have been sacrificing the long-run interests of the Nation to secure short-run objectives such as unrealistically low prices for consumers and the too rapid application of environmental controls and restrictions. Now, unfortunately, we are paying for past policies.[1]

Let me begin by presenting a brief overview of some of these policies. First, natural gas. In no segment of the industry have our policies been so wrong or created such damage as in gas. I refer primarily to the regulation of natural gas prices at the wellhead.

The conscious decision of past Federal Power Commissions to keep gas prices as low as possible, regardless of the consequences on future exploration, and, worse, to change retroactive prices already approved by the FPC, has discouraged investment in drilling. In the 10 years since 1962 gas well completions have fallen from 5,848 wells to 3,830 wells per year. As a result, we are now withdrawing natural gas from reserves at twice the rate at which we are adding gas to reserves. We have created a shortage that need not have occurred. This shortage has, in turn, encouraged investment by the pipeline and gas companies in such high-cost alternatives as syngas and liquefied natural gas, which will, in the end, cost the consumer far more than if wellhead prices were deregulated.

The Nation's experience with regulation of wellhead prices demonstrates two fundamental principles. First, it does little good to assure a consumer a low price for a good or service that he cannot buy. Second, whenever the Government requires a producer of a good or service to subsidize the consumer, as it has been doing in gas, it is doomed to failure, for in the end neither producer, nor consumer, nor the Nation as a whole will benefit. And so, today, many consumers are unable to obtain gas and are turning, instead, to oil which, for a number of reasons, is also in short supply.[2]

There are other policies that we must also change. Let me mention briefly some of them. . . .

We need to accelerate off-shore drilling and remove administrative and environmentalist obstacles that have restricted our ability to exploit off-shore oil and gas reserves.[3]

We must deregulate natural gas, not only to assure the higher price necessary to produce more gas, but to enable the industry to operate free of uncertainties about changes in future FPC policies.[4]

Perhaps most important, we must stop deluding ourselves that the energy crisis is a result of anything other than our own mistakes. We must come to the realization that we must do all we can to remove the policy impediments that have discouraged the development of our energy industries.

For this reason, I am deeply disturbed by the mood that seems to possess our country now, a mood which implies that we need do very little. Increasingly, we all hear allegations that the energy crisis is a hoax, that it is a contrivance by the oil industry, and especially the major oil companies, to get higher prices and to drive the independent segment of the industry out of business. In fact, the major oil companies, as well as other segments of the industry, are merely

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Footnotes at end of article.

responding to the disincentives that we have created, the various policies that have made it uneconomic to drill for oil and gas and to build refineries.

The belief that there is a massive plot by the industry is the most dangerous of all self-delusions. For some, who would use the industry as a scapegoat, it is an act of deceit. It is reminiscent of the late 1940s and early 1950s when the Red Scare was raised by those who would have us believe that every foreign policy setback was the result of a Communist conspiracy at home. In fact, we have created the energy crisis. We are all responsible. And, when we realize this, and are willing to admit this, then half the battle will be won.. "The fault, dear Brutus, lies not in our stars but in ourselves, . . ."

We must also shun fanciful notions that nationalization of the industry or the creation of a government owned company is the solution to our oil and gas shortages. We must avoid, not embrace, ever greater intrusions by the government into the activities of the industry. For the only fuel that the Government is capable of producing in any volume is paper and this, as most of you know, has an extremely high cost per Btu.[5]

FOOTNOTES

[1] Johnson, Dr. William A., Remarks before the National Capital Petroleum Section—Society of Petroleum Engineers of AIME, Washington, D.C., September 18, 1973, as reprinted in *Department of the Treasury News*, p. 3.

[2] *Ibid.*, pp. 3–4.

[3] *Ibid.*, p. 13.

[4] *Ibid.*, p. 14.

[5] *Ibid.*, pp. 15–16.

Opinion of Milton Russell, Professor of Economics, Southern Illinois University

. . . at any given price more gas would be produced without regulation than with . . . not only because resources will be allocated more efficiently, but also because more resources will be committed to the industry.

On the consuming side, the relocation of gas using firms to gas-producing regions to avoid jurisdictional supplies would tend to be reversed because there would be less reason to fear a gas shortage in the nonproducing states . . . Some of the impetus for developing gas substitutes has come from fears of gas shortage, not from the natural gas price. Deregulation will allow the market to clear, and the equilibrium price may well be below the cost of gas from substitutes or from nondomestic sources . . . Since the range between the price of environmentally inferior fuels and gas would be widened by the increase in gas prices, further incentives will be generated for development of pollution control devices . . .[1]

. . . Some potential consumers will be made better off by deregulation because under regulation they were unable to get as much gas as they wanted. Others of course will be harmed, but again the total negative redistributional effect will be partly offset by the increase in total welfare due to improved energy industry efficiency . . .[2]

The long-run effect of deregulation is likely to be an industry that will be able to respond more flexibly to changes impinging from shifts in its environment. . . . The ultimate effect of deregulation would be . . . an increase in economic welfare, as defined, for the community at large.[3]

Public policy toward the natural gas industry, as reflected in field price regulation by the area price method from 1960 to the present, has led to misallocation of resources and to gas shortages in the jurisdictional consumer markets . . . The costs of pursuing the existing regulatory method have become increasingly high over time, and the benefits received have become less demonstrable . . .[4]

Even with modifications suggested to reduce producer uncertainty and to minimize time lags, the cost-based area price scheme leads to very significant economic losses to the community. Most obviously, a gas shortage has arisen under . . . this same regulation, and there is no indication that regulation based on costs can, in the future, adjust to changing market conditions to prevent its development again . . .[5]

Price deregulation . . . under such a policy . . . resources will be allocated efficiently, leading to maximum total economic welfare . . . On the basis that the public interest is identified with maximum economic welfare, . . . the public interest would call for deregulation of the field price of natural gas . . .[6]

. . . Natural gas regulation has created a significant social cost by placing an essentially economic matter into the sphere of public conflict. Divisive forces have been fostered in the nation that might as easily have been avoided. But, now that the regulation exists, it satisfies elements (mainly consumers) who, whatever the facts, think themselves better off because of it . . . the nation has more or less accustomed itself to the existence of regulation and therefore has paid in social discontent for its implementation . . .[7]

. . . natural gas price regulation . . . lowers the efficiency with which resources are allocated when the alternative is an unregulated workably competitive industry.[8]

FOOTNOTES

[1] Russell, Milton, "Producer Regulation for the 1970s", *Regulation of the Natural Gas Producing Industry*, Resources for the Future, Inc., Washington, D.C., 1972, p. 235.

[2] *Ibid.*

[3] *Ibid.*

[4] *Ibid.*, pp. 235–236.

[5] *Ibid.*, p. 236.

[6] *Ibid.*, pp. 236–237.

[7] *Ibid.*, p. 237.

[8] *Ibid.*

Opinion of Robert B. Helms, Senior Staff Member, American Enterprise Institute, Former Assistant Professor of Economics, Loyola College

* * * FPC area-rate regulation has had the effect of preventing the industry from responding to the increased demand that occurred in the late 1960s. Before 1967, abundant supplies of gas and declining pipelines demand caused field market prices to decline, thereby creating the illusion that area-rate regulation was a successful way to regulate a competitive industry. By the time the demand for gas began to increase after 1967, area-rate price controls were firmly in place. Their effect was to dissuade producers from searching for and developing new gas reserves. Prospective returns on investment in producing new gas reserves were too low to attract capital from alternative uses, given the price ceilings set by the FPC. As a result a large shortage of natural gas developed, eventually leading the FPC to allow some price increases in an attempt to alleviate the shortage. Despite this late attempt, the commission has been forced to ration the available supply.[1]

* * * in the absence of field price regulation, natural gas producers would have responded to higher gas demand with increased search for and development of new reserves and the commitment of these reserves to the interstate market. Had field prices been allowed to rise, current consumption in both interstate and intrastate markets would have been smaller and natural gas reserves would have been more efficiently allocated over time. These findings lead us to the conclusion that the FPC has yet to devise a "successful" system of field market regulation for 'providing adequate supplies at reasonable prices, as long as "reasonable prices" are interpreted to be prices which do not increase. The experience with field market controls shows clearly the inevitable long-run results of holding the price of a competitively produced product below the market equilibrium price. Some gain will accrue to existing consumers at the expense of retarded growth in service to new consumers, over consumption of expensive alternative fuels, and a reduction in the inventory of proven reserves.

Given these results, there seems to be no real case for continuing field market regulation.[2]

By complete deregulation I mean the removal of FPC authority over the provisions of all natural gas contracts negotiated between producers and pipelines . . . This action would eliminate price controls on both new and old contracts, thereby giving producers an incentive to develop old fields fully, to search for and develop new gas reserves, and to commit both old and new reserves to the interstate market.

Eliminating the FPC's regulatory control over natural gas contracts, both existing and future, would deregulate field prices and consequently reduce producers' uncertainty about future regulatory policy. This would give producers an added incentive to increase investment in natural gas exploration and development. However, if only new gas prices are deregulated, but not "old" gas prices, producers would be likely to interpret this as suggesting congressional intent to retain some control over natural gas prices. The result would be a smaller supply response to higher prices than would occur in the absence of such an interpretation.[3]

. . . Higher field prices resulting from complete deregulation could be expected to give the active producer companies added incentive to add to their inventory of gas reserves and might bring some of the now inactive producer companies back into business.[4]

. . . The market supply curve, by standard economic definition, relates the quantities of gas that producers will place on the market during some time period to a set of prices. Given the nature of the gas-producing industry, there is no reason to believe that the market supply of natural gas will not be upward-sloping. Studies (including this one) have estimated the elasticity of domestically produced gas at approximately +.5—that is, for a 10 percent increase in field prices, reserves can be expected to increase 5 percent. On the basis of this past behavior of the industry, there seems to be no reason not to expect producers to respond to higher gas prices.

Another argument against complete deregulation is a historical one. Opponents of the current attempts to deregulate the field market argue that it is "ironical" that large quantities of gas were dedicated to the interstate market during the 1960s under strict price controls while, during the 1970s, at a time when the FPC has been trying to raise the controlled field price and allow some exemptions to its regulations, interstate commitments have been declining. This argument seems to imply that producers are not responsive to price—that they are more willing to sell gas in the interstate market when controlled prices are at a low level and less willing to sell gas when prices are allowed to increase.

This argument fails when one considers both the history of the field market and the effect of regulation on producers' expectations. The large quantities of gas committed in the early 1960s resulted from development of major discoveries of the 1950s. The large supply caused the market prices of gas to decline relative to the FPC's price ceilings. Prices started to increase in the late 1960s when producers no longer had a large inventory of undeveloped fields with which to respond to rising demand. With prices

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bumping against ceilings which were below the expected cost of finding and developing new fields, the producers had little incentive to explore for new supplies.

Costs had increased but ceilings were stationary or moving upward more slowly than costs. The FPC was paddling upstream with a small paddle when it tried to react to the gas shortage. Its policy changes were late and of a short-run nature. They did little to change producers' long-run expectation that they would not be allowed protection against rising production costs and inflation through higher field-market gas prices.

Higher nationwide ceilings, however, can never substitute for complete deregulation. A nationwide ceiling set above the market prices prevailing in most areas would duplicate the situation producers faced in the mid-1960s under area-rate controls. If market prices should again increase, as they did during the 1967–69 period, the nationwide price ceiling could again become binding in the major low-cost producing areas. In that event, the FPC could be expected to move slowly, just as it did in the past. Thus, in the absence of congressional decontrol, consumers might once more be faced with inadequate supplies of gas resulting from producer uncertainty about FPC policy.[5]

Those who wanted to protect consumers through natural gas regulation may have had good intentions—but that is what the road to hell is paved with. The problem of monopoly exploitation of consumers never existed in the field market and was probably greatly exaggerated for the pipeline industry. Indeed, there is strong evidence that the monopoly and monopsony power of pipelines has been significantly increased by FPC regulation itself. Perhaps it is time to question not only the prescription of regulation, but the original diagnosis of monopoly power which brought it about. People who see ghosts in all dark places may be afraid of the dark. The cure may be not to create a bureaucratic monster to chase away the ghosts, but to shed more light on the dark places.[6]

FOOTNOTES

[1] Helms, Robert R., *Natural Gas Regulation, An Evaluation of FPC Price Controls*, American Enterprise Institute for Public Policy Research, Washington, D.C., 1974, p. 67.

[2] *Ibid*, pp. 67–68.

[3] *Ibid*., p. 68.

[4] *Ibid*., p. 70.

[5] *Ibid*., p. 72.

[6] *Ibid*., p. 74.

[From the Washington Post, Apr. 3, 1975]

GAS PRICES AND JELLYBEANS

As the shortage of natural gas grows more serious in the Washington area, some customers are being forced to convert to oil. Nobody converts voluntarily. The price of gas to a large customer is $1.60 per thousand cubic feet. The equivalent energy in the form of fuel oil is now up around $2.60. That difference is, in fact, the explanation of the gas shortage. There are three basic fuels. Congress insists on holding the price of gas far below the prices of oil and coal. That is the heart of the controversy over the deregulation of natural gas.

The local distributor, Washington Gas Light, has accepted no new customers for three years. The pipeline companies supplying the Washington area have cut back deliveries and, in turn, Washington Gas Light is dropping service to its interruptible customers—those that got a lower rate for signing a conditional contract. Most of them are big apartment houses and office buildings, but the list includes some schools and colleges. Next in jeopardy are the industrial customers. Some of them would have been cut off months ago if the weather had been normal. But for the second year in a row this region was lucky. It was a warm winter. What about next winter?

Gas is the cleanest of all the major fuels, and ought to be sold at a premium on environmental grounds alone. Instead, as the cheapest of the three competing fuels, it is used to fire boilers by any industry or utility that can get it. With the enormous increases in oil prices over the past two years, the disparity has become increasingly severe. By last summer, to use a standard comparison, the gas delivered to utility generators throughout the country cost only 26 per cent as much as their fuel oil. Coal cost 38 per cent as much but was rising fast, as contracts expired or were renegotiated. Soft coal went for about $5 a ton throughout the 1960s, but prices now range from $15 to $25 and are climbing. The wider the price gap between gas and the other fuels, the more severe the gas shortage will be.

It is as though Congress were keeping down the price of red jellybeans, to protect the consumers—but not the prices of black or white jellybeans which, in the current inflation, are rising. In time you would find it increasingly difficult to get red jellybeans, although there would be plenty of the others in the stores. In Congress, the defenders of the consumers would explain that the rapacious and monopolistic jellybean industry was willfully withholding red jellybeans from the public. That, of course, would be an outrage. Several senators would promptly introduce bills establishing intricate rules for allocating the dwindling supply of red jellybeans—and maybe extending price controls to the black ones as well, since they are getting increasingly popular.

In the Senate Commerce Committee, Sens. Warren G. Magnuson (D.-Wash.) and Adlai E. Stevenson (D.-Ill.) are currently drafting a bill to resolve the natural gas issue pretty much along the lines of the jellybean case. Their bill would greatly expand and refine the system of allocation and price control that is already in effect. It would extend price ceilings for the first time to gas burned within the state where it is produced. The uncontrolled intrastate prices are currently running almost four times as high as the present federal maximum for gas crossing state lines.

The Commerce Committee's draft bill is pursuing a principle that deserves attention. It would raise the present ceiling price, but deliberately keep it far below the comparable price for oil. The price of oil has been jacked up artificially high, the argument goes, by a cartel of foreign governments. If the U.S. government has lost control of oil and coal prices, why should it voluntarily permit gas prices to accompany them to such unreasonable heights? This view is not a frivolous one. It reflects a well-considered conviction that, as a matter of social justice, it is better to have shortages—managed by various allocation and rationing systems—than high prices.

But keep in mind that any price ceiling turns out to be a subsidy paid by somebody. As people in the Southwest point out, a low ceiling on natural gas means that relatively low-income states like Oklahoma and Louisiana are subsidizing the standards of living in much wealthier states of the northeast—not to mention metropolitan Washington. To help the poor and the elderly in times of rapidly rising prices, the most effective remedies are those that directly increase the amounts of money in their pockets. Straightforward income redistribution is infinitely better than trying to fiddle and distort the mechanisms for pricing each of the hundreds of commodities that are, to one degree or another, necessities of life.

The way to deal with the gas shortage is to deregulate the price. In present circumstances, it ought to be done in stages, over several years, to cushion the impact. No one can exactly say where fuel prices will be several years from now. But they certainly will not return to the level of two years ago. The basic reason for the great upswing in fuel costs is not the producers' cartel but a worldwide surge of demand for cheap fuel. Higher prices are a signal that supplies are not unlimited and we have to begin conserving. Price controls merely suppress that warning signal. Natural gas currently provides one-third of this country's energy supply. We can afford to make mistakes in our national policy on jellybeans, but not on basic fuels.

[Los Angeles Times, May 26, 1975]

NATURAL GAS: WHAT TO DO

The Senate Commerce Committee wrestled for weeks with the question of taking price controls off natural gas producers, and approved a bill that contributes little or nothing to the main goal: to spur the development of additional supplies of gas in time to avoid a serious shortage. We believe that Congress can do better.

As Sen. John V. Tunney (D-Calif.) has pointed out in defense of his support of deregulation, cheap gas won't do consumers much good if there isn't enough gas to go around. And there won't be if the law isn't changed.

The Federal Power Commission has done a good job of holding down natural gas prices. Gas moving in interstate commerce is markedly cheaper than coal or oil. Even with the increase approved by the FPC last year, the ceiling price for new gas is 51 cents per thousand cubic feet. If oil were similarly priced in terms of equivalent heating value, it would be selling for $3 a barrel; instead, imported oil is $12, and even price-controlled domestic oil from "old" wells sells for $5.25.

Artificially depressed prices have made natural gas a bargain for consumers, but have created a growing disincentive for its production.

Natural gas met 13% of the nation's energy needs in 1946; it now accounts for a third of consumption. Discoveries of new supplies are not keeping pace, however. For the past several years consumption has been outrunning discoveries almost 2 to 1.

And most new gas supplies are being sold in the states where produced rather than to the interstate pipelines, because the price for gas in the unregulated intrastate markets, at $1.50 to $2 a thousand cubic feet, is three to four times the price the interstate pipelines are allowed to pay.

Interstate gas supplies have fallen short of the need for the past three winters, forcing interruption of service to many electric power companies and industrial users in California and elsewhere. The energy laboratory of the Massachusetts Institute of Technology has estimated that, if artificially low pricing continues, by 1980 there will be a 30% shortage. If so, owners of new houses will find it hard to get gas. And even many existing customers could be cut off or rationed.

No Californian would like having to spend $1,000 or more to convert from gas to electric cooking and heating. And the electric utilities might not have the power to spare. Even if they did, it would not be cheap power, because the generating plants would be burning fuel oil costing up to $16 per barrel, several times today's natural gas prices.

Local gas utilities may be able to cushion the shortage by making deals for Alaskan gas, but not at a wellhead price of 51 cents. They might turn to liquefied natural gas imported from abroad. But this would bring new dependence on foreign sources, and the price would be several times higher than today's level.

The answer is to encourage new gas supplies. And the best way to do that is to allow prices for newly discovered natural gas in onshore fields to float up in a fundamentally free market. Deregulation should be accompanied by a windfall-profits tax to be imposed if the producers failed to plow most of the profits back into the hunt for new supplies.

Deregulation of newly discovered gas supplies has been proposed by the Ford Administration; it is supported by four of the five FPC members and by many outsider experts. However, it is opposed by consumer groups and many if not most Democratic members of Congress because of the impact on consumer pocketbooks.

Although deregulation probably would mean that the price of new gas entering interstate markets would quadruple to $2 per thousand cubic feet, it would not mean that consumers would pay four times as much for their gas.

The wellhead price accounts for only 17% of the ultimate cost to the consumer. Only new gas supplies would be deregulated; existing supplies would continue to be sold at much lower contractual prices which currently average about 30 cents per thousand cubic feet. Since only about 5% of the gas entering interstate markets in any given year is newly discovered gas, the impact on consumers would be spread over a period of 10 to 20 years.

A so-called compromise has been approved by the Senate Commerce Committee, and awaits action on the floor. It would deregulate independent producers, but would allow the 23 largest companies—which account for 80% of natural gas production—to sell their gas for no more than 75 cents per thousand cubic feet. In addition, the measure would extend federal controls to intrastate sales of gas, thereby forcing an actual rollback of prices from current levels.

This is a bad piece of legislation. It might comfort consumers in the short run. But since it would do little or nothing to increase gas supplies—and might even cause a further contraction—it would hurt consumers in the long run.

The committee bill is aimed less at encouraging new gas production than at forcing a restructuring of the oil industry to reduce the market power of the major oil companies. This may or may not be a laudable goal, but it deserves much more serious study than given by the Senate Commerce Committee.

The choice is not between cheap and expensive natural gas, because there is no such thing as a plentiful supply of cheap gas. The choice is between supply and scarcity, between paying higher prices to go to foreign governments or to domestic producers. Congress take note.

[From the Wall Street Journal, May 29, 1975]

Natural Gas Now, or—Industrial Wasteland: The Misery of Unemployment Must Not Become a Way of Life in America!

Half of all the energy used by industry in America comes from natural gas. And the industries in the Midwestern, Northeastern and Middle-Atlantic states are being told that there isn't enough gas available to keep them running at full capacity the winter of 1975–76.

Some industries will have to shut down altogether. The problem is so acute that there will be virtually no gas at all for industry in these states in 1976–77.

We are told to look to exotic energy sources such as coal gasification, geo-thermal energy and solar energy.

Fine. Except that none of these sources will be one bit of help to us for the next five or ten years. Maybe longer. We are told we'll have to face curtailment, unemployment and shutdowns because of this natural gas shortage.

This is ridiculous, because we have the gas right here!

We do not need to suffer more unemployment, more misery or frustrating shutdowns.

The federal Energy Research and Development Administration tells us that there are at least 500 trillion cubic feet of natural gas locked in the Devonian shale formations in Ohio, Michigan, Illinois, Indiana, Kentucky, Alabama, Tennessee, West Virginia, Pennsylvania and New York.

That's enough gas to supply the industrial needs of 23 industrial states for 100 years!

What do you think about that, New York? How about that, Pennsylvania, New Jersey, Connecticut, Massachusetts, Rhode Island, Maine, Vermont and New Hampshire? Can the factories in Ohio, Illinois, Indiana, Michigan, Kentucky, Tennessee and Alabama use this gas? And how about Virginia, West Virginia, Maryland, Delaware, Washington, D.C., North Carolina and South Carolina?

There's as much Appalachian shale gas right under our feet as there ever was in the gas-rich South and Southwest. And we don't have to transport it thousands of miles. It's right here, where the jobs are.

The reason it hasn't been fully developed is because of the need to refine the fracturing technique to release the gas. Science can find the answer.

Once shale technology is developed we'll be able to get all the gas we need.

It will be industrial disaster if we don't go after it!

ERDA knows the gas is there, and recognizes the urgent need to develop the best extraction techniques.

But they only have $2.5 million a year to allocate to this development. That's like going on an elephant hunt with paper wads. By contrast, the federal government spends $8.3 million a year on the National Zoo in Washington.

ERDA needs $100 million to do the job now.

We organized the greatest technological effort in history to put a man on the moon. We accomplished the "impossible" with the wartime mobilization and Manhattan Projects.

Now we're in a war with unemployment, and we need to get the natural gas we know is here to keep our factories open.

We must gather a force of the nation's foremost scientists, geologists and engineers to develop these huge reserves in an immediate "Appalachia Project".

If we are to avoid the unnecessary misery of more unemployment of our hard-working people, we've got to provide ERDA the seed money.

The $100 million isn't very much when you consider the alternatives. Gas-related unemployment compensation will surely cost many times that figure. We have already appropriated $14 billion for extended unemployment compensation, and the figure is certain to go higher if we shut down our factories through a lack of natural gas.

The costs of welfare and crime which follow from unemployment will be even higher.

We're treating the symptoms. Not the disease.

Let's give ERDA the money it needs to develop shale gas.

Federal regulations are adding to the gas squeeze!

There are outmoded, absurd and illogical federal regulations which must be changed to let us move the gas. These regulations prohibit the use of the excess capacity of the interstate pipelines for the transport of locally produced gas. These pipelines are running well under their capacity, but we can't use that excess capacity to move our gas. Producers and drillers are willing to pay to use these pipelines.

The whole situation would be laughable if it were not so tragic in its consequences to the needlessly unemployed. The Federal Power Commission must act now to lift these restrictions. And, to provide the economic incentives necessary for drillers to sink new wells, Congress must deregulate the wellhead price of natural gas.

Fight for full natural gas production!

We want no more jobs lost. No more production lost. No more crippling energy shortages for industry.

Our very strength as a nation is at stake.

The future of America's working men and women depends on our ability to produce enough natural gas to meet our needs now.

The American people want jobs, not handouts. They want to provide for their families in a dignified manner. All of the social ills among able-bodied people come from the lack of jobs. Unemployment is the worst disease ever thrust upon mankind. It must not become contagious in America.

Because of the current recession, one out of every ten American workers is now unemployed.

Unless we begin now to solve our industrial energy problems, millions more will lose their jobs through no fault of their own.

America's social fabric cannot stand this kind of a shock.

Nothing happens until somebody does something. Every day we delay brings America closer to industrial disaster with its harsh consequences to our working men and women and their children.

Let us all join forces now. Government, industry, labor and the scientific community to develop all the gas we know is here to keep the flame of American industry burning.

Write, wire or call the Energy Research and Development Administration, the Federal Energy Administration, the Federal Power Commission, and your Congressional delegation to urge a $100 million commitment for the development of shale gas, the opening up of the interstate pipelines to move it, and the deregulation of interstate wellhead prices.

Sincerely,

JAMES A. RHODES,
Governor, State of Ohio.

[From the San Francisco Examiner, June 1, 1975]

California's Need for Alaskan Gas

Proposals that California's natural gas utilities put up front money for development of new gas sources in Alaska's North Slope fields are before the California Public Utilities Commission. Under the proposals the state's gas consumers would pay higher rates now as a step toward assuring them supplies of scarce natural gas in the 1980s and 90s.

We are not prepared to say whether the deals as currently outlined are the best the utilities can make. If the utilities commission can wangle a better bargain from the consumer standpoint, power to it.

Eighty-six per cent of all California households—more than 17 million people—rely on natural gas for winter heating. Natural gas is the chief and virtually indispensable source of energy for scores of California's major industries, the giant food processing industry among them.

The outlook for future supplies is bleak. In the near term, meaning the next four years, declines in supply will be so substantial that the utilities commission has ordered schedules for curtailment of service to many commercial consumers.

In the long term, meaning 1985 and beyond, the undisputed testimony before the utilities commission is that supplies from existing sources—approximately two trillion cubic feet a year—will shrink to a trickle.

This means that California's utilities must firm up new supply sources as soon as possible. Of all the potential sources—Soviet Siberia, Indonesia, Algeria, the Middle East, Alaska, offshore California—the proven Alaska supply offers the quickest, surest and safest bet.

While the Alaskan fields cannot meet all of California's needs—other states either are or will be competing for the same gas—they can help substantially. Alaska's Prudhoe Bay field has proven reserves of 24 trillion cubic feet. Potential reserves in the total North Slope area are put at 114 trillion cubic feet.

It's a seller's market. Idle talk of oil company ripoffs and threats of consumer boycotts against the oil companies owning the Alaskan gas are dangerous nonsense. California should make the best deal possible for that gas. But above all, it should make a deal.

[From the New York Daily News, June 14, 1975]

Never Say Die

The Federal Power Commission is kicking around an idea that agency bigwigs believe might alleviate the natural gas shortage caused, for the most part, by FPC regulation of wellhead gas prices. The solution: Put Uncle Sam in the business of buying and supplying the fuel.

Here is an example, par excellence, of how the minds of Big Brother-oriented bureaucrats work. When federal intervention screws up the market place, they automatically look to further government meddling as a cure for the ailment.

A far better idea would be to deregulate gas prices altogether at the wellhead, and let nature take its course. But that seems to be too simple and logical an answer for the big brains in Washington.

[From the Minneapolis Star, June 14, 1975]

Deregulate New Gas Prices

The Federal Power Commission (FPC) reports that the nation's natural gas utilities estimate they will be almost 20 percent short of gas needed to meet firm requirements over the next 12 months. But another federal agency, the Federal Trade Commission (FTC), accuses the natural gas industry of underestimating available reserves in a move "tantamount to collusive price rigging."

In this confusing atmosphere, Congress continues to argue about whether to abandon or change the way in which prices are regulated on natural gas. The record, we think, suggests the government must either get into regulation more deeply than it already is, and for other fuels as well as gas, or it should abandon regulation of at least new natural gas discoveries.

We believe deregulation should be tried first. Control has worked to the nation's disadvantage during the 20 years it has been in effect.

Desirable because it is a clean fuel, gas also was given the advantage of a relatively lower price. Its share of the energy market has doubled in the past 25 years. Coal's share has been cut in half.

The low return also has worked to discourage industry exploration for additional gas supplies. The cost of finding gas rose, but the price didn't go up along with it. On top of that, intrastate purchasers of gas are not subject to price regulation, and intrastate prices have risen to three times the regulated price for gas going into the interstate pipelines, with the not unexpected result that the intrastate market is getting more than its share of the gas.

It's clear to us that we haven't found the right way to regulate the price of energy nor do we feel the nation wants at this point to undertake a more comprehensive plan for regulations. Let's ease off on the controls and see if the results aren't better than what we have.

[From the Portland Oregonian, June 18, 1975]

Swallowing Air

President Ford has waited with growing impatience for Congress to either support the administration or produce its own energy program, but the Congress has done nothing but swallow air. Its failure to move on oil conservation and energy is a national disgrace.

The nation is spending more than $25 billion a year for foreign oil and the percentage of these imports is climbing while there is talk among the oil-producing nations of another price increase. Meanwhile, nothing has been done to encourage exploration for natural gas, which is in short supply. Many sections of the country face a severe hardship next winter if extreme cold weather is experienced.

The House Ways and Means Committee and its chairman, Rep. Al Ullman, have submitted the only comprehensive program that is a real alternative to President Ford's plan which would work greater individual and economic hardships on the nation.

It has become painfully evident that many new Democrats in Congres would rather talk about energy than make the hard choices requiring national sacrifices. Virtually every member of the House has his own little energy plan, but hardly any would qualify as a comprehensive program.

The Oregonian has favored fixed import quotas, coupled with regional allocation systems, for conserving gasoline, but also believes that Ullman's program is far more acceptable than the "price-rationing" plan offered by the President. The administration, because of the disarray in Congress, may well get most of its program by default. But this will hit industry and consumers with higher prices, further fueling inflation and depressing business by adding huge costs to transportation, home heating and products made from petroleum.

While Congress fiddles with tax credits for home insulation and solar heating, the nation continues to burn foreign oil. Encouraging alternative energy sources ought to be a part of a national energy policy, but these proposals fail to deal directly and immediately with the critical issue: The fact is the nation is dangerously exposed to the whims and caprices of foreign oil producers and this dependence is growing rather than receding.

[From the Los Angeles Times, June 23, 1975]

Still No Energy Program

On a single day last week these events occurred:

—The House gave final approval to a weak energy tax bill that would do very little to promote fuel conservation or reduce imports of increasingly higher-priced petroleum.

—The House Commerce Committee set its face to the past and voted to train the present unrealistic controlled price of "old" oil while rolling back the currently uncontrolled price of "new" oil. Those actions are a prescription for reduced development of domestic oil resources.

—The U.S. Geological Survey reported that undiscovered recoverable resources of oil and natural gas liquids apparently are much less than previously estimated. The combined estimate now ranges from 61 billion to 149 billion barrels. In March, 1974, the combined estimate was between 200 and 400 billion barrels.

All of these things are, as always, subject to change. The Senate could, as it certainly should, do what the House failed to do and vote a meaningful, comprehensive energy tax bill. Among other things, the bill should include strict mandatory fuel economy standards for new cars, and provision for some gasoline tax to support research and development of new energy sources. Congress also should act to end controls on petroleum prices by adopting procedures for gradual deregulation. Prices that accurately reflect the real market value of energy would encourage the search for and development of new domestic energy resources.

That is what should happen. For now we are left with what has happened. There is no sound mandatory energy conservation program, even though conservation is demonstrably the easiest and fastest way to stretch domestic supplies. There is no sensible tax or pricing program to finance government research or expanded private investment in new energy sources.

Meanwhile, a steadily rising percentage of the oil and natural gas used in the United States is purchased overseas. The oil cartel has made it clear it intends to increase prices once again in the fall. More American wealth will leave the country to pay for what the nation consumes. America's economic vulnerability will increase, affecting jobs, production, investment. It is a situation that is not just serious but dangerous. Each day's inaction, each day's delay in facing up to the scope and demands of the problem, adds to the danger.

[From The Washington Post, July 3, 1975]

Ford Warned of Lack of Natural Gas

(By Cynthia Gorney)

President Ford was told by energy advisers yesterday that the nation faces a serious shortage of natural gas this winter.

In a meeting with Federal Energy Administrator Frank G. Zarb and other advisers, Mr. Ford was warned that many Midwestern and Northeastern states can expect "shortages that cannot be made up by other fuels," White House press secretary Ron Nessen said.

Nessen said the shortages would apply "entirely or almost entirely to industrial users."

Earlier, asked whether the nation could expect a shortage of gasoline this summer, Nessen said no. He did not elaborate.

Natural gas supplies last winter fell short of promised delivery by 1.7 trillion cubic feet, Nessen said. By the end of 1975, that figure is expected to rise to 3.3 trillion cubic feet, and projections for subsequent years are even higher, he said.

Nessen said the President believes that the expected shortage will be at least partially caused by the federal price controls now in effect on natural gas in interstate commerce and that during the meeting Mr. Ford called for an end to those controls, as he has in the past.

On July 15 energy advisers will provide the President with a state-by-state breakdown of the predicted shortage, Nessen said, along with a recommendation as to how the shortage should be met.

In other action, President Ford yesterday signed the Emergency Housing Act of 1975. The compromise bill was passed by Congress last Thursday, after Mr. Ford vetoed as "unfair and inflationary" a Democratic-sponsored housing bill.

The new law allows the government to increase by up to $10 billion its mortgage purchase authority, through which federal agencies buy mortgages from banks and other lenders. This releases money for lending to either existing or new homes.

It also provides up to $250 a month in mortgage relief payments for unemployed home owners, and allots $100 million to the Department of Housing and Urban Development for low interest housing rehabilitation loans.

The act will help finance an estimated 65,000 units of housing and provide new construction jobs, the President said.

The earlier version of the bill, which Mr. Ford vetoed on June 24, included direct subsidy programs and $1,000 cash grants for middle-income homebuyers. Mr. Ford criticized both those provisions, saying they would "damage the housing industry and damage the economy." They were dropped from the new bill.

As he signed the bill in the Rose Garden of the White House, the President praised Congress for approving what he called "the alternative approach" to the vetoed housing bill.

"This is an excellent example of the way in which the Congress and the executive branch can—and should—work together in the best interests of the American people," he said.

The President yesterday also nominated Herbert J. Spiro, 50, a member of the policy planning staff at the State Department, to be ambassador to the Republic of Cameroon.

Today Mr. Ford is to fly to Cincinnati to speak to the National Environmental Research Center, then go to Cleveland to address a Republican fund-raising dinner. He is to return to the White House tonight.

[From the Minnesota Farmer]

A RACE AGAINST TIME

There are certainties and uncertainties about natural gas production, THE FARMER learned in a recent tour of Gulf of Mexico development gas fields, on and offshore.

Chief among the certainties: Demand is fast outstripping present natural gas production. Gas usage has doubled since 1954; by 1985, it is expected to double again.

Chief uncertainty: Will the U.S. be able to win this race against time—to tap and develop new reserves (gas and oil) before becoming near totally dependent upon petroleum imports? The latter is risky in terms of economic stability and national security.

We visited wellhead sites of newly-tapped gas wells on the outer continental shelf, in water depths up to 400′, 100 to 130 miles off the Louisiana-Texas coast. (The U.S. will have to rely chiefly on offshore development for new gas reserves). From the people who do the discovery, drilling, pumping and pipelining of gas, we learned something about initial costs of gas as it comes from several thousands of feet beneath the ocean floor.

For example, a development firm such as Sun Oil Company, our tour hosts, may spend $40 million or more in developing a new reserve before a dollar's worth of gas is sold. The odds are 60 to 1 against finding commercially significant quantities of gas when drilling for new reserves; 10 to 1 against finding any at all, according to the American Petroleum Institute. Many millions more are expended by the transfer company that buys the gas at the wellhead site, pipes it beneath the ocean floor, runs it through "scrubbing" and compressing facilities, then pipes it northward to the Midwest.

Point is, development of new gas reserves is costly—beyond the price the Federal Power Commission allows at the wellhead. Natural gas producers are analogous to farmers—the raw material producers. Put on a control price at the producer level (as has been the case with natural gas since 1954) and there's not much incentive to develop new gas reserves at a loss.

Agriculture has a big stake in whether or not new natural gas reserves will be developed—and soon enough. So do consumers of ag products. Of energy inputs to argiculture, including manufacture of fertilizer, chemicals and the like, as well as direct farm usage, natural gas now makes up 38%, according to the American Gas Association. And 53% of U.S. farms now use propane. Natural gas is the major feedstock for ammonia fertilizer and propane production.

Wellhead control price of natural gas, from reserves new since Jan. 1 this year, is 51–54 cents per 1,000 cu. ft. (depending on gas B.t.u. quality). This is for any gas sold interstate (all offshore gas must be sold interstate). The only noncontrolled wellhead price is on onshore gas sold intrastate, and that price, in Texas or Louisiana, often is three or more times the controlled price—an illustration of how great the demand is.

Decontrol of the wellhead price is needed if U.S. demand for gas is to be at least halfway met the next 5 to 10 years (it takes 3 to 10 years to develop a new offshore reserve). Wellhead prices undoubtedly will rise, in keeping with gas discovery and developmental costs. In tough drilling conditions (on or offshore) an explorer needs up to 91 cents or more per 1,000 cu. ft. to make exploration pay, we were told. But as volume of flow builds from new gas reserves and competition increases, costs to natural gas buyers should level off.

The Pearson-Bentsen amendment to U.S. Senate Bill 692 (Natural Gas Production and Conservation Act of 1975), soon to be debated in the Senate, would be of immense help in the natural gas situation. Its passage would give the go-ahead to gas reserve development by immediate decontrol of wellhead prices for new onshore gas and gradual price control phaseout of new offshore gas. The alternative may be to curtail development of new gas reserves for lack of economic incentive—and to be at the mercy of foreign petroleum suppliers.

[From the Washington Post, July 9, 1975]

NATURAL GAS AND NEXT WINTER

The Eastern Seaboard is going to get much less natural gas over the coming winter than last year. Consider a specific case; the city of Danville, Va., down near the North Carolina border. Its population is 46,000. Its principal industry is Dan River Mills, a huge textile manufacturer, that employes 9,000 people. Dan River Mills has to have gas for the cloth finishing process, which requires an open flame. Without gas, the factory shuts down.

Danville gets its gas from the Transcontinental Gas Pipeline Corporation, which is having severe supply troubles. The troubles are all related to the way that the federal government regulates gas prices, but Transco's shortfall is greater than most. Last winter Transco curtailed deliveries to its customers, but the winter was warm and no actual unemployment resulted. Now Transco is projecting much more severe curtailments, and shortages along its line are inevitable.

Under the Federal Power Commission's rules, residential consumers and small commercial establishments have first priority for gas. Transco also supplies some of metropolitan Washington's natural gas. There are no large industrial users here in Washington and most of the gas goes into private homes. As they now stand, the FPC rules mean that all gas would be shut off to all industry in Danville, regardless of the effects on employment, before there was any reduction to households in Washington. These rules say that it is more important to use gas for drying clothes or keeping houses as warm as the owner pleases, than to use it for manufacturing in which peoples' livelihoods are at stake. There is something wrong with that order of priorities.

The same thought has occurred to the FPC, which is now reconsidering some of those priorities. But it is unlikely that there will be any change in time to help Danville this winter. Dan River Mills now has two choices—both of them instructive commentaries on the way that things are going under the present system of regulation. Dan River can buy propane. But it costs five times as much as natural gas, and propane too may shortly be in shortage as other factories all over the north and east do the same thing.

Dan River's other choice is more interesting, for it involves a basic change in federal regulatory policy. Last spring the FPC told large industrial users that it would consider permitting them to buy gas on the unregulated intrastate market and ship it, through pipelines like Transco, across state lines. To see the significance of this proposal, you have to keep it in mind that the federal price controls apply only to gas in the interstate sales. As the present procedure works, Transco buys gas from a well in, say, Texas. Transco is held to the federal ceiling price—which is so low that very few producers will sell to the interstate pipelines. Transco transports the gas to Virginia, adding its transit charge, and sells that gas to the city of Danville which resells it to Dan River Mills. The FPC is now proposing that Dan River's management get on a plane to Houston, buy gas directly from the producers at the unregulated intrastate price, and then ship that gas back to Danville via Transco. In one case the pipeline is the middleman. In the other, it is a common carrier, like a railroad carrying a customer's coal from the mine to the power plant.

This new procedure—if the FPC decides to permit it—would constitute an elegant evasion of the regulatory principle. But since the principle is a bum one and is creating serious trouble for industry in this part of the country, the evasion is useful and welcome. The federal ceiling price for intrastate sales is 53 cents a thousand cubic feet. The unregulated price for sales within a state is anywhere from $1 to $2 a thousand feet, and there is no shortage at that price. With transportation charges, direct purchasing might push Dan River's gas costs two or three times as high as the present level—but, at the present level, they are not going to get any gas. Even at the unregulated price, natural gas is a great deal cheaper than propane, which runs nearly $4 a thousand feet. More important, it is a reliable supply to maintain production and employment.

Danville is perhaps an extreme case in its vulnerability. But the example is repeated, to one degree or another, throughout this entire region. In the immediate vicinity of Washington it is easy to ignore the threat, because jobs here do not depend on manufacturing. In Baltimore, it is another matter. Baltimore depends on a different pipeline system than Danville, and fortunately the cutbacks forecast for it this winter are not quite so severe as Transco's. The distributing company, Baltimore Gas and Electric, thinks that it can get through the winter with no job losses among its customers if three conditions hold—if 1) the weather is no colder than normal, 2) its customers practice reasonable conservation, and 3) the pipeline curtailments are no worse than currently estimated. Those are, of course, large qualifications. A serious gas shortfall in Baltimore would hit steel and automobile production sharply. The biggest single user of gas in Baltimore is the General Motors assembly plant.

This country has been treated very kindly by the weather. Since the gigantic rise in fuel prices at the end of 1973, both winters have been unusually warm. Less gas used for heating means more available for industry—but the reverse is also true. A wise and foresighted nation would not count on a third warm winter in a row.

[From the San Francisco Examiner, June 1, 1975]

CALIFORNIA'S NEED FOR ALASKAN GAS

Proposals that California's natural gas utilities put up front money for development of new gas sources in Alaska's North Slope fields are before the California Public Utilities Commission. Under the proposals the state's gas consumers would pay higher rates now as a step toward assuring them supplies of scarce natural gas in the 1980s and 90s.

We are not prepared to say whether the deals as currently outlined are the best utilities can make. If the utilities commission can wangle a better bargain from the consumer standpoint, power to it.

Eighty-six per cent of all California households—more than 17 million people—rely on natural gas for winter heating. Natural gas is the chief and virtually indispensable source of energy for scores of California's major industries, the giant food processing industry among them.

The outlook for future supplies is bleak. In the near term, meaning the next four years, declines in supply will be so substantial that the utilities commission has ordered schedules for curtailment of service to many commercial consumers.

In the long term, meaning 1985 and beyond, the undisputed testimony before the utilities commission is that supplies from existing sources—approximately two trillion cubic feet a year—will shrink to a trickle.

This means that California's utilities must firm up new supply sources as soon as possible. Of all the potential sources—Soviet Siberia, Indonesia, Algeria, the Middle East, Alaska, offshore California—the proven Alaska supply offers the quickest, surest and safest bet.

While the Alaskan fields cannot meet all of California's needs—other states either are or will be competing for the same gas—they can help substantially. Alaska's Prudhoe Bay field has proven reserves of 24 trillion cubic feet. Potential reserves in the total North Slope area are put at 114 trillion cubic feet.

It's a seller's market. Idle talk of oil company ripoffs and threats of consumer boycotts against the oil companies owning the Alaskan gas are dangerous nonsense. California should make the best deal possible for that gas. But above all, it should make a deal.

[From the Des Moines Register, June 3, 1975]

Curb on Natural Gas

The Federal Energy Administration (FEA) has notified 79 electric utility companies, including four in Iowa, that it intends soon to order them to stop burning natural gas as boiler fuel in some of their power stations. This is the first step in an FEA program to phase out such use of gas.

Most utilities that burn gas have contracts with their suppliers requiring the utilities to shift to coal or oil during unusually cold weather when home-heating demands for gas begin to tax pipeline delivery capacity. Now, with the total reserves of natural gas uncertain, FEA believes gas ought not be used where coal, oil or nuclear energy can be readily substituted.

Several officials of Iowa firms affected by the FEA proposal agree in principle. But they, along with Iowa Commerce Commission Chairman Maurice Van Nostrand, feel that their firms have been discriminated against. Giving up gas would cost their customers an estimated $5.3 million annually in higher fuel prices.

Several of the Iowa firms had made arrangements with their supplier, Northern Natural Gas Co., to stop burning gas beginning a year from October, after present contracts expire. They believe—not unreasonably—that they should be allowed to follow that phaseout timetable.

FEA could have issued a general order setting gas cut-off dates far enough in the future that all or most utilities could have complied. Instead, it selected a group of those most readily able to comply: those which have immediate access to adequate coal, and those which have installed pollution-control equipment to make coal-burning environmentally acceptable.

If conversion from gas is to be gradual, this is the way to do it. But it is ironic that utilities which installed pollution controls (and their customers) are the first to be required to use higher-cost fuel.

The Iowa Commerce Commission doubts that much gas will be saved. The FEA order applies only to certain generating stations of the affected companies. They have other plants now burning oil which also could burn gas, and because gas is cheaper, they are expected to try to use their allotments from their supplier in those plants.

Possible appeals, and other delays in obeying the order, could prevent it from going into effect until a year and a half from now, when the firms affected plan to stop using gas as boiler fuel anyhow. It would be reasonable for the FEA to let them carry out their existing arrangements.

[From the Philadelphia Enquirer, June 11, 1975]

New Jersey Suffers—At Pipeline's End

When South Jersey faced a drastic cutback in natural gas supplies via pipeline last Winter, bumper-stickers in the gulf states declared: "Let the (blank) freeze in the dark." It was a displayed lack of sympathy for an energy-dependent part of the country that opposed drilling for gas and oil off its own shore.

South Jersey still faces the threatened loss of jobs because of its dependence on out-of-state gas. And oil companies continue pushing for both offshore drilling and deregulation of gas prices.

Some of the hard questions and dark suspicions that arose on those cold January days will, it is hoped, be answered this week in Washington. A subcommittee of the House Commerce Committee at last is holding hearings on why, for example, gas wells were temporarily shut down for repairs at such a crucial time.

At this point, all that's known is that South Jersey remains extremely vulnerable to such shutdowns and cuts in supplies. Even now, South Jersey Gas Co. asks a rate increase that would double bills, in order to stock supplies for a threatened 50 percent reduction next Winter.

The irony is that a recent Federal Power Commission study shows that 26 percent of present gas reserves are not in production. So, as South Jersey anticipates another hard Winter, the Department of the Interior presses for offshore drilling but has yet to show it's demanding maximum production from known reserves.

How does the nation force producers to tap these reserves? President Ford has the most certain solution, though probably also the costliest: remove price controls and make natural gas subject to supply and demand of the market place. The wellhead price for interstate natural gas is now limited to 50 cents per thousand cubic feet.

An interesting alternative surfaced last month in the U.S. Senate. It would allow the ceiling price on most gas to go to 75 cents per thousand cubic feet. The trouble is that the Federal Power Commission twice last year raised the ceiling price without appreciably encouraging exploration or production.

As long as maximum production of existing wells is not pushed vigorously by the Interior Department, South Jersey and its people and many other areas will continue to suffer the hardships of a fuel shortage.

[From the Philadelphia Bulletin, June 15, 1975]

Secretive Oil Rush

The U.S. Department of the Interior is pushing ahead on exploiting Atlantic Coast oil reserves without knowing the true extent and location of the offshore riches.

The department has received "nominations" of promising Atlantic tracts from 20 oil and gas companies in the usual fashion. That means the companies are telling the Federal Government where they think offshore oil and gas are apt to be found and the Government has to tag along with the companies.

Before the Atlantic continental shelf is punctured by a single drilling bit, Congress ought to reform the murky offshore development arrangements to give the Federal Government a direct role in determining the extent and location of oil and gas deposits and coastal states direct involvement in all of this.

The Senate is moving in this direction with two bills to amend the federal continental shelf management laws. The House is preparing to hold hearings on similar measures. One of the hearings will be in Atlantic City in mid-July.

The whole close-to-the-vest process of prospecting for oil leases is deeply disturbing to the Atlantic coastal states, as was shown by last week's vote of the National Governors Conference against immediate leasing. Asked to name the 20 prospective oil and gas developers, the Interior Department declined, saying that's competitively touchy information.

The best the coastal states have to go on are confidential indications being given them by the Interior Department of off-shore tracts in which unnamed companies are showing the greatest interest.

In New Jersey's case, the secretive bidding process means that the state will have to be satisfied, for now, in knowing simply that the closest drilling locale is likely to be 23 miles off Island Beach State Park, near Toms River. In all, the industry nominations cover a 3.1 million acre stretch of the outer continental shelf between Toms River and the Delaware-Maryland boundary.

The sub rosa bidding has unsettling implications for the coastal states and, though it seems to discount them, for the Ford Administration as well. As it's shaping up so far, the dimly monitored oil and gas hunt will leave the Interior Department almost totally dependent on the oil and gas companies for estimates of the undersea reserves. Industry figures, however forthright, will be used in the main to determine the value of upcoming leases—and the revenues that can be expected from them.

The oil and gas companies argue that offshore exploration is a risky venture and, since they are taking the risk, they ought to set the competitive ground rules. The risks, however, aren't industry's alone. They are environmental as well as financial and the coastal states share extensively in them.

Up to now, the Atlantic Coast reserves have been described in abundant terms. But as the bidding heats up, oil industry spokesmen are saying they may not be as extensive as was thought. Last week's report to a House oversight committee by the Federal Trade Commission that natural gas producers may have understated natural gas reserves in the Gulf of Mexico weakened the industry's credibility on resource reporting in some quarters.

Unless the secretive exploration system is changed, both the Federal Government and the coastal states are going to have to plan to cope with environmental hazards on the outer continental shelf largely in the dark.

[From the Tulsa Daily World, June 11, 1975]

Gas Guessing Game

It sometimes appears that the official policy of the United States Government is to do whatever is legally possible to make the energy crisis worse.

How else can one explain the series of negative Government moves in recent weeks—all calculated to punish the natural gas industry and to further discourage the search for new gas supplies?

The Federal Trade Commission got into the act this week by dredging up an old and previously-answered charge that the gas industry deflates its reserve estimates in order to convince the Federal Power Commission that prices of interstate gas shipments should be raised.

It remains to be seen whether the FTC can actually make a case against the accused gas companies. But to the gas consumer, the outcome of the case isn't all that important. He loses either way.

The only predictable result of the FTC action is that it will cost the gas industry a bundle of money—win or lose. This will further discourage investors *not* to put their money in a business that has become a whipping boy for Federal bureaucrats. (In fact, exploration budgets are down generally throughout the petroleum industry, partly because of higher taxes and other Government action.)

The real crime here isn't the fact that someone may have misguessed the amount of gas underground (after all, there is no way to measure it exactly). The crime is that the price and, therefore, the supply of this valuable product should depend on how Federal officials interpret such "guesstimates."

This new round of abuse comes as Congress is debating measures to put even more restraints on the people who are supposed to be finding additional gas supplies.

No wonder we're running out of gas.

[From the Minneapois Star, June 14, 1975]

Deregulate New Gas Prices

The Federal Power Commission (FPC) reports that the nation's natural gas utilities estimate they will be almost 20 percent short of gas needed to meet firm requirements over the next 12 months. But another federal agency, the Federal Trade Commission (FTC), accuses the natural gas industry of underestimating available reserves in a move "tantamount to collusive price rigging."

In this confusing atmosphere, Congress continues to argue about whether to abandon or change the way in which prices are regulated on natural gas. The record, we think, suggests the government must either get into regulation more deeply than it already is, and for other fuels as well as gas, or it should abandon regulation of at least new natural gas discoveries.

We believe deregulation should be tried first. Control has worked to the nation's disadvantage during the 20 years it has been in effect.

Desirable because it is a clean fuel, gas also was given the advantage of a relatively lower price. Its share of the energy market has doubled in the past 25 years. Coal's share has been cut in half.

The low return also has worked to discourage industry exploration for additional gas supplies. The cost of finding gas rose, but the price didn't go up along with it. On top of that, intrastate purchasers of gas are not subject to price regulation, and intrastate prices have risen to three times the regulated price for gas going into the interstate pipelines, with the not unexpected result that the intrastate market is getting more than its share of the gas.

It's clear to us that we haven't found the right way to regulate the price of energy nor do we feel the nation wants at this point to undertake a more comprehensive plan for regulation. Let's ease off on the controls and see if the results aren't better than what we have.

[From the St. Louis Post-Dispatch, June 16, 1975]

Price-Rigging by Deception?

A recently released Federal Trade Commission staff study adds new weight to often repeated charges that the big oil companies under-report their natural gas reserves. The FTC study, which was obtained and released by the House Commerce Subcommittee on Investigations but which has not yet been acted on by the FTC, accused the American Gas Association and 11 oil companies of operating a natural gas reporting system that is "tantamount to collusive price rigging." It also said the reporting system violated the commission act making "unfair or deceptive acts in commerce" unlawful.

The data on which the FTC staff charges were based were obtained under subpena from four companies, Continental Oil, Union Oil, Pennzoil and Gulf. (Seven other companies—including Exxon, Mobil, Standard of California, Standard of Indiana and Texaco—are still fighting subpenas.) The FTC staff said the firms reported 24 per cent less reserves to the gas association, which reports to the Federal Power Commission, than their internal estimates show. For example, Gulf reported to the association 2.3 trillion cubic feet for six offshore Louisiana fields, while its internal estimates showed 3.1 trillion cubic feet for the same area. Gulf, which like the other companies denies the staff charges, explains the discrepancy by claiming a "bureaucratic time lag" in updating the company books.

It seems odd, however, that oil company report to the gas association, a trade group, would be more up-to-date than their own internal figures, on which company decisions are presumably made. Representative John Moss, the House subcommittee chairman, voiced the not uncommon suspicion that gas reserves have been under-reported in order to induce the FPC to raise rates on interstate gas. When the FPC decided in 1968 to raise rates as reserves got lower, the industry began to report lower reserves, the FTC study concluded.

Mr. Moss also suspects misleading figures on reserves to be part of a campaign to persuade Congress to remove price controls from new natural gas, as advocated by the industry, by the FPC and by the Ford Administration. The FTC staff has even been reported to think that the FPC and the Interior Department should be censured for "conscious or unconscious complicity" with the gas industry on the reporting of reserves. Mr. Moss logically noted that it is incumbent upon executive agencies, as well as Congress, to rethink their positions to the extent that they have been influenced by inaccurate information.

Although FTC Chairman Lewis Engman, a conscientious public servant, was incensed over what he considered to be the premature release of the FTC study, Mr. Moss made the telling point that release was important if it might prevent Congress from acting on misleading data. Surely, the FTC study should at least cause the lawmakers to refrain from any hasty action on deregulation. Equally important, the study should indicate the need to abolish the present reporting system on gas reserves, as recommended by the FTC staff.

Why should not Congress—especially in the case of offshore fields which are owned by the Government—make reports by the companies directly to the FPC compulsory, even if the reports have to be kept confidential in order to avoid the release of competitive data? In this way, the Government would at least have more reliable information on which to base decisions on a resource that is owned by the public.

[From the Des Moines Register, June 19, 1975]

Tricky Figures on Gas

The natural gas industry has waged a long campaign to get the federal government to end control of the wholesale price of gas sold for interstate distribution. The industry argues: "If we made more profit, we could find more gas. Don't worry about high prices—trust us to let competition keep everything in line."

The imminent and actual cutoff of fuel to many gas-using industries as a result of a growing shortage has helped the industry gain new advocates for its position. President Ford is one of them.

But a majority of state governors are unconvinced. Pressed recently by governors of gas-producing states for approval of a resolution endorsing the removal of natural gas price controls (as well as petroleum production controls), a majority voted "no."

The vote at the National Governors Conference was ill-timed from the viewpoint of the gas industry. It followed by only a few days the release of a Federal Trade Commission (FTC) staff report which accused 11 major oil companies of releasing one set of gas reserve figures to the public while using another, bigger estimate within their own companies. The report accused Gulf Oil, for example, of reporting Louisiana gas reserves of 2.3 trillion cubic feet in 1970 while using the figure of 3.1 trillion in its own records.

The significance of dual figures is that the shrinking reserve supply of natural gas (as reported by the industry) has been one of the factors persuading the Federal Power Commission to increase the ceiling price of natural gas in recent years.

The FTC report is not a document to inspire public trust in the gas and oil industry.

[From the Baltimore Sun, June 20, 1975]

Price Fixing

If natural gas producers collude in understating their reserves in an effort to get higher prices or to secure price deregulation, obviously this is a form of attempted price-fixing. Senator Moss of Utah has released Federal Trade Commission data which purportedly show that the American Gas Association and 11 oil companies consistently underreported reserves. The Senator's data were made public against FTC's wishes because it is so crucial to any realistic consideration of the administration's proposal for gas price deregulation. Indeed it is, and Congress should not consider deregulation until it has all the facts on reserves.

[From the Boston Herald-American, June 26, 1975]

Deceptive Calm

With summer only a few days old, vacation plans, rather than next winter's energy needs, command the attention of most Americans. But those who have distracted into the belief that oil shortages—and higher prices—are a thing of the past, are due for a rude awakening.

President Ford recognized the grim prospect with his warning Wednesday that a new price increase contemplated by the exporting nations for next October would be "very disruptive in its adverse effect worldwide" and would call for the United States and its allies to find "some other answers than foreign oil."

What brought the threat even closer to home, however, was the prediction by Sen. Henry M. Jackson (D-Wash.) a few days earlier that the price of gasoline would go to $1 a gallon and heating oil would "soar through the roof" in New England this fall.

Jackson's gloomy forecast, made at a fund-raising affair at Agawam, might, under the conditions, have been written off as campaign propaganda. But too many other signs combine to point in the same direction. They indicate that instead of exaggerating the outlook, he may well have understated it by failing to add "in the event the supply is sufficient to meet the region's heavy demand."

One of the most significant is the continued failure of Congress to enact the comprehensive energy program it promised the American people. The watered-down energy bill approved so far by the House to roll back President Ford's import fees, is at best a second-rate compromise. It offers little lasting comfort because it assumes neither sufficient energy resources for the future, curtailment of waste nor conservation of current supplies.

Although refineries are reported glutted with crude, output of gasoline has been curtailed and federal energy experts are warning motorists of spot gasoline shortages as early as next week. They are also urging New England industries to convert, wherever possible to old-fashioned coal or space-age nuclear power in order to avoid over-dependence on oil.

Coupled with that, our Washington correspondent Grace Bassett cautioned these same industries—and homeowners, as well—in last Sunday's Herald Advertiser not to place great reliance on natural gas as a source of relief from impending oil shortages. Natural gas, too, is in increasing short supply and there is grave danger deliveries here will be seriously curtailed, possibly long before winter's arrival.

There is little to cheer about in the outlook for the immediate future. And those who have already forgotten the lessons of the past do little to brighten it. Instead they are creating a new crisis by wasting in midsummer the energy they will need to meet next winter's demands for heat and power.

[From the Chicago Tribune, June 18, 1975]

Back to the Drawing Board

What is left of the "Democratic alternative" to President Ford's energy proposals cannot by any stretch of the imagination be called a conservation program. It is a hodgepodge of meaningless provisions that will do virtually nothing to encourage conservation of energy or to stimulate development of alternative sources.

In the words of its chief sponsor, Rep. James Wright [D., Tex.,], "We didn't have the guts to vote for anything that would stick . . . We Democrats just couldn't put it together."

Altho the bill held some promise as it came out of the House Ways and Means Committee, the key provisions were knocked out during the first five days of floor debate. The House went along with an oil import quota system, but raised the quotas to a level higher than what we presently import. The Democratic majority, aided by a solid bloc of Republicans, rejected the 20 cent gasoline tax increase, and there is doubt whether even the remaining 3-cent-a-gallon tax will survive. Nor could the House leadership come up with enough votes to pass a stiff tax on "gas guzzling" cars because the United Auto Workers lobbied against it on the ground that it might aggravate unemployment.

The last key provision to be voted on is the one setting up an energy trust fund for the development of alternative sources of energy. As Arthur Siddon of our Washington Bureau noted, "If the House strips the bill of the fund, it will leave the bill with nothing that reduces oil consumption or imports and no means of funding a way to find alternative sources."

Among the alibis being given for the failure to enact a meaningful energy package is that there is no national consensus in favor of the program. That's a copout. What's happening is purely political. Many members campaigned last fall against a gasoline tax and they feel that to turn 180 degrees would antagonize their constituents.

Unless some compromise energy package can be enacted, the G.O.P. "united we stand" opposition could backfire against them at the polls next year. They will have some difficult explaining to do if the Arabs and the O.P.E.C. countries increase the price of oil later this year. This would give us the higher prices and perhaps force some conservation, but the proceeds will go to foreign powers rather than to Americans, and there will be no funds set aside for the development of alternative sources of energy.

The only thing to do, as we see it, is to go back into committee and start all over again, blending the best features of President Ford's program, including decontrol of oil and natural gas prices, with parts of the Democratic alternative. Leadership does not mean cringing for fear of public disapproval; it means making hard choices and then selling them to the people. If the Democrats, with their solid majorities in both houses of Congress, can't even come up with an effective energy program, how do they expect to win the White House and lead the country?

[From the Portland Oregonian, June 18, 1975]

Swallowing Air

President Ford has waited with growing impatience for Congress to either support the administration or produce its own energy program, but the Congress has done nothing but swallow air. Its failure to move on oil conservation and energy is a national disgrace.

The nation is spending more than $25 billion a year for foreign oil and the percentage of these imports is climbing while there is talk among the oil-producing nations of another price increase. Meanwhile, nothing has been done to encourage exploration for natural gas, which is in short supply. Many sections of the country face a severe hardship next winter if extreme cold weather is experienced.

The House Ways and Means Committee and its chairman, Rep. Al Ullman, have submitted the only comprehensive program that is a real alternative to President Ford's plan which would work greater individual and economic hardships on the nation.

It has become painfully evident that many new Democrats in Congress would rather talk about energy than make the hard choices requiring national sacrifices. Virtually every member of the House has his own little energy plan, but hardly any would qualify as a comprehensive program.

The Oregonian has favored fixed import quotas, coupled with regional allocation systems, for conserving gasoline, but also believes that Ullman's program is far more acceptable than the "price-rationing" plan offered by the President. The administration, because of the disarray in Congress, may well get most of its program by default. But this will hit industry and consumers with higher prices, further fueling inflation and depressing business by adding huge costs to transportation, home heating and products made from petroleum.

While Congress fiddles with tax credits for home insulation and solar heating, the nation continues to burn foreign oil. Encouraging alternative energy sources ought to be a part of a national energy policy, but these proposals fail to deal directly and immediately with the critical issue: The fact the nation is dangerously exposed to the whims and caprices of foreign oil producers and this dependence is growing rather than receding.

[From the Bergen Record, June 16, 1975]

Foxes Guarding the Gashouse

The price of natural gas sold in the interstate market is controlled by the Federal Power Commission. One of the yardsticks the FPC uses to determine the price at which gas sold is the extent of natural-gas reserves available to producers. The lower the total reserves of natural gas, the higher the FPC will allow producers to charge.

As long as controls are necessary, this is a fair way for the government to set prices—if the owners of natural gas reserves report the truth about their reserves. This, it seems, isn't what has been happening.

According to staff members of the Federal Trade Commission, 11 major oil companies owning natural gas wells have been lying about their reserves in order to con the FPC into setting a higher price for natural gas.

The FTC staffers want the FPC to sue the oil companies to force them to stop the phony reporting. In one case, the FTC staff members claim Gulf Oil Corporation has reported that its six offshore Louisiana gas wells had 2.3 trillion cubic feet of gas when the actual reserve was 3.1 trillion cubic feet. That's quite a discrepancy.

How did the FTC investigators uncover this alleged plot? They subpoenaed the producers' internal records. These records hold the true reserve estimates; those furnished to the government for price-setting purposes tell a different story.

So far, four of the eleven companies accused of underestimating their reserves have obeyed subpoenas to turn over their internal estimates of gas reserves to FTC investigators. The other seven are fiercely battling to keep their internal records from scrutiny. If they persist in this intransigence, the only conclusion to be drawn is that they have indeed been underestimating reserves in order to gain higher prices for their gas.

All these shenanigans have surfaced because Congress is considering the decontrol of natural gas prices. Unless the major owners of natural gas wells can assure Congress—and the rest of us—that their estimates of reserves are accurate, they can hardly expect Congress to abolish price controls.

False reporting, of course, results in higher prices for the consumer. More, it does the entire country a disservice. If there are indeed more energy reserves than the public—and the federal government—has been led to believe, then an entirely new element is present in determining how we cope with threats to a cut-off of energy by foreign producers.

A sure way to estimate true natural gas reserves is for a government agency rather than the owner of the reserves to monitor the estimating. If Congress elects to continue price controls based on reserves, determining the extent of these reserves should not be left solely to those who have a vested interest in underestimating.

[From the Salt Lake City Tribune, June 22, 1975]

Energy Policy Eludes House

House passage of the energy conservation bill Thursday displayed continuing Congressional reluctance to lay too heavy a hand on the petroleum consuming American public. The lawmakers deleted the gasoline tax increase provisions and settled for what is probably best described as a passive measure, If the bill survives a Senate tussle intact—an unlikely event—petroleum conservation will be less apparent to the auto driving public than it would have been if the House Ways and Means Committee views had prevailed.

Rather, the measure attacks the matter of oil conservation obliquely and not particularly in a forthright manner. Oil imports will be restricted pretty much to the present level, about six million barrels a day. Motorists, if they buy a "gas guzzler" after 1978 will be paying a penalty of $50 for each mile per gallon the vehicle falls under the 18 MPG mark. By 1985 that standard will go up to 28 miles per gallon.

The gasoline consumption tax will be assessed against manufacturers, but it is certainly going to be passed through to the customer.

The bill also contains provisions to give industries that convert from petroleum to other fuels some tax breaks for depreciation of equipment they install. Industry will be assessed an excise tax for consuming oil and natural gas as a fuel, 17 cents a barrel beginning in 1977 and rising to $1 a barrel by 1982.

About the only real "break" for anyone contained in the measure is the elimination of the excise taxes on radial tires (they give you more miles to the gallon) and intercity buses. The latter provision doesn't do much to get urban residents out of their cars, does it?

Rated on a scale of 0 to 10, the House effort ranks about 2.5. It is a lackluster effort to create a national energy policy, falling far short of the goal. The measure does little to discourage automobile driving. It lends very little encouragement to industry to find alternative sources of energy. And it produces virtually no incentives to improve and expand public transit systems.

And, worst of all, it assures Americans their fuel bills are likely to get bigger as energy supplies dwindle.

[From the Raleigh News & Observer, June 29, 1975]

BAD ADVICE FOR NORTH CAROLINA NATURAL GAS USERS

The Raleigh meeting this week to discuss the state's natural gas shortage focused needed attention on a problem that is likely to get worse before it gets better. Some of the advice dispensed here almost seemed aimed at fulfilling that notion.

Gas customers, for example, were told that they might avoid interstate curtailments by buying directly from gas producers in Texas and Louisiana. They now purchase gas from North Carolina firms, such as Public Service Co., who are supplied by the state's one and only carrier, Transcontinental Gas Pipeline Corp. (Transco).

Customers would pay intrastate prices in Texas or Louisiana and then could pay Transco to deliver the fuel. The gas would cost more, about three or four times as much, but at least customers would be assured of fuel. That was the theory presented.

It is one that is certain to end up in a legal tangle. Such a purchasing bypass flouts the whole purpose of federal regulation of interstate pipeline carriers and producers. The law clearly and for good reason places these utility companies under review of the Federal Power Commission. For North Carolina users to ignore the law would invite the same response from customers elsewhere. The gas producers, no doubt, would welcome such a bidding war where winter would take the hindmost.

Just why the gas producers are not happy with their record profits and interstate rates which are determined in public hearings is not clear. Other questions about the industry have been raised elsewhere.

An agency of the Federal Trade Commission last week charged that gas producers deliberately were under-reporting reserves to hike prices. Similarly, reports from the House Investigations Subcommittee headed by Rep. John Moss, D-Calif., say that well repairs made last winter might have been delayed to create a shortage for Transco's customers and thus provoke a public outcry for deregulation of producers' prices.

The shortage of candid information on the gas crisis is as much at issue as the lack of fuel. Until answers are more forthcoming, captive customers should take a skeptical view towards advice like that doled out in Raleigh this week.

[From the Raleigh News & Observer, June 29, 1975]

NOW YOU SEE IT; NOW YOU DON'T

Governor Holshouser's public hearing on natural gas also pointed again to a curious facet of the gas shortage.

When the governor asked if the shortage might be contrived, Transco President W. J. Bowen replied that he had no evidence of such.

"It's elected officials in Washington," claimed Bowen, "who continue to restrict Transco from buying this on-shore gas." He complained further, "If we could just pay the price, we could get some gas for you next winter."

In other words, the gas is there but producers apparently don't want to sell it for the federally set prices.

[From the Cleveland Plain Dealer, June 22, 1975]

ASSESSING THE ENERGY CRISIS

Administration officials call the energy bill passed by the House the "OPEC price support act of 1975." They assert it would make the United States more dependent on the Organization of Petroleum Exporting Countries (OPEC) than it is today. Some House Democrats privately express hope that the Senate will strengthen the measure.

This could be a forlorn hope because the Senate leadership has been reluctant to do anything about energy on a short-term basis on the ground that any moves to curb consumption could be harmful to the nation's economic growth.

There is, however, growing pressure from experts in the field that something will have to be done, and quickly, or the energy crisis will hit the American public almost overnight like the proverbial ton of bricks.

A thought-provoking article, analyzing not only the energy crisis but the wasteful industrial society which man has built in the last century, based chiefly on an assumption of unending supplies of energy resources, appeared on The Plain Dealer's Forum Page.

It was written by David R. Williams Jr., a man who knows his way around in engineering and development of natural resources. He is convinced that a wartime-like effort by the United States will be needed to avoid a major catastrophe.

He envisions that by the year 2000, natural gas and oil supplies will be close to exhaustion. Electric heating will make single-family dwelling units almost unique, mass public transit will be the mode of transportation, and tax structures will be rebuilt and massive new government-industry programs installed to meet urban needs—according to Williams.

But government, he charges, has its head in the sand and operates by crisis reflex today instead of through comprehensive planning and huge mobilization of effort.

The House-passed energy bill, originally intended to be the Democratic majority's answer to President Ford's approach to curb oil imports through higher prices, was gutted in the last two weeks of debate. The House dropped the gasoline tax that could have gone as high as 23 cents a gallon if Americans failed to reduce gasoline use. It weakened the penalties on auto makers who continue to make big, gas-guzzling cars.

We agree with Williams that comprehensive long-range planning, on a data base that can be trusted, is sorely needed. Computer statistics of government and private fuel corporations and associations seldom agree. Williams compares the American approach to the energy crisis to a giant airplane flying blindly with all instruments gyrating wildly.

Williams' presentation may be overdrawn in places, but his "leisure hypothesis"—the American dream that new technology would enhance new productivity without end—can be supported. The dream did not foresee the lag in capital formation or a lapse of technology.

The point for Congress to remember, as it strives to mix oil and party politics with a dash of special-interest lobbies included, is that the problem is not simply energy but the impact of an energy shortage on the American economy and way of life in years ahead.

[From the Boston Herald American, June 15, 1975]

ENERGY OVERLOAD

Just before the House of Representatives voted on whether to override the President's veto of the coal strip-mining bill. Capitol telephone operators reported a surge in calls. A spot check revealed that the callers were virtually unanimous in their support of the veto. The House voted against an override.

The point isn't whether the veto should have been sustained or not; it is, rather, whether avalanche-style lobbying does more harm than good to the democratic tradition.

A concerted, sudden-death campaign by lobbyists at a crucial last moment can portray public opinion as reflected by narrow interests rather than by the public.

That the coal industry opposed the bill all along is no secret. That the oil industry opposed the bill all along is no secret. Energy companies generally opposed the bill, supported the President's veto and made their opinion known all along.

Oil companies control 25 to 30 percent of the nation's coal production. They own millions of tons of strip coal reserves. They hold 80 percent of the uranium reserves. Oil companies also are the producers of natural gas, a fuel often found in conjunction with oil.

In all, seven major oil firms control the nation's oil, gas, coal and nuclear energy supplies. add to this the pipeline companies that either own, or are owned by, oil and gas producers and the inevitable conclusion is that a relative handful of corporations normally enjoy heavy influence on the production, transportation and price of fuels.

Quite naturally, these firms and their stockholders—a numerically substantial group—are interested in maintaining the robustness of their financial interests. It would be folly for them to do otherwise, and it is their right. To tinker with this right would be to tamper with the most successful economic system on earth.

But what deserves scrutiny is the lobbying technique that is wielded at precisely the moment that allows no response. It is a tactic that, no matter who employs it, can impose political pressures on legislators that is out of all proportion to reality.

In this particular instance, when the United States must develop new sources of energy as well as conserve energy, at a moment when the country has no coherent energy policy, it is of the greatest importance to ensure that what is interpreted as public opinion is actually the opinion of the public.

[From the Tulsa World, June 11, 1975]

GAS GUESSING GAME

It sometimes appears that the official policy of the United States Government is to do whatever is legally possible to make the energy crisis worse.

How else can one explain the series of negative Government moves in recent weeks—all calculated to punish the natural gas industry and to further discourage the search for new gas supplies?

The Federal Trade Commission got into the act this week by dredging up an old and previously-answered charge that the gas industry deflates its reserve estimates in order to convince the Federal Power Commission that prices of interstate gas shipments should be raised.

It remains to be seen whether the FTC can actually make a case against the accused gas companies. But to the gas consumer, the outcome of the case isn't all that important. He loses either way.

The only predictable result of the FTC action is that it will cost the gas industry a bundle of money—win or lose. This will further discourage investors not to put their money in a business that has become a whipping boy for Federal bureaucrats. (In fact, exploration budgets are down generally throughout the petroleum industry, partly beacuse of higher taxes and other Government action.)

The real crime here isn't the fact that someone may have misguessed the amount of gas underground (after all, there is no way to measure it exactly). The crime is that the price and, therefore, the supply of this valuable product should depend on how Federal officials interpret such "guesstimates."

This new round of abuse comes as Congress is debating measures to put even more restraints on the people who are supposed to be finding additional gas supplies.

No wonder we're running out of gas.

[From the Los Angeles Times, June 23, 1975]

STILL NO ENERGY PROGRAM

On a single day last week these events ocurred:

—The House gave final approval to a weak energy tax bill that would do very little to promote fuel conservation or reduce imports of increasingly higher-priced petroleum.

—The House Commerce Committee set its face to the past and voted to retain the present unrealistic controlled price of "old" oil while rolling back the currently uncontrolled price of "new" oil. Those actions are a prescription for reduced development of domestic oil resources.

—The U.S. Geological Survey reported that undiscovered recoverable resources of oil and natural gas liquids apparently are much less than previously estimated. The combined estimate now ranges from 61 billion to 149 billion barrels. In March, 1974, the combined estimate was between 200 and 400 billion barrels.

All of these things are, as always, subject to change. The Senate could, as it certainly should, do what the House failed to do and vote a meaningful, comprehensive energy tax bill. Among other things, the bill should include strict mandatory fuel economy standards for new cars, and provision for some gasoline tax to support research and development of new energy sources. Congress also should act to end controls on petroleum prices by adopting procedures for gradual deregulation. Prices that accurately reflect the real market value of energy would encourage the search for and development of new domestic energy resources.

That is what should happen. For now we are left with what has happened. There is no sound mandatory energy conservation program, even though conservation is demonstrably the easiest and fastest way to stretch domestic supplies. There is no sensible tax or pricing program to finance government research or expanded private investment in new energy sources.

Meanwhile, a steadily rising percentage of the oil and natural gas used in the United States is purchased overseas. The oil cartel has made it clear it intends to increase prices once again in the fall. More American wealth will leave the country to pay for what the nation consumes. America's economic vulnerability will increase, affecting jobs, production, investment. It is a situation that is not just serious but dangerous. Each day's inaction, each day's delay in facing up to the scope and demands of the problem, adds to the danger.

[From the New Orleans Times-Picayune, June 22, 1975]

HOUSE FLUNKS ENERGY

Congress, suffering from its own energy crisis, has finally, on the House side, passed an energy bill and sent it on to the Senate, where it might get worked on by mid-July and possibly, in a form as yet unpredictable, be offered to President Ford for signature in October.

It has been almost two years since the Arab oil embargo drew sharp outlines on America's only vaguely comprehended energy problem and almost six months since President Ford, tired of waiting for Congress to act, made and began to implement his own proposals. The Democratic-controlled House, determined to counter Mr. Ford's moves with a full-service energy plan, has been long in labor but has produced not an omnibus bill but a mishmash.

Instead of providing clear measures whose effectiveness could be readily foreseen, and thus providing a sense of leadership for a nation that is beginning to feel its leaders simply do not know what to do, the House bill does a little here, a little there, but little comprehensive.

Little sense of urgency is indicated by starting various programs no sooner than 1977. A new conservation-aimed tax on certain business and industrial use of oil and natural gas led one opponent to call the whole bill "an ounce of conservation and a gallon of loopholes." Other tax credits are intended to encourage homeowners and builders to use insulation and solar energy. Car manufacturers are encouraged to increase mileage by civil penalties and an eight-year timetable.

Oil import quota levels—the nut of the conservation and development crisis—are set at current levels into 1980, but with flexibility granted the President. Revenues from the new taxes and reduced tariffs go to a trust fund to foster conservation and energy-source conversion.

The bill's chief author, Rep. Al Ullman, D-Ore., chairman of the House Ways and Means Committee, now says he hopes President Ford "will show his desire to shape, rather than block, a more comprehensive program" in the Senate. We sorely need a more comprehensive program, but if it is to be based on this bill it will need a lot more than just shaping.

[From the Birmingham News, June 23, 1975]

INACTION ON ENERGY

The energy legislation just passed by the House is a signal to the world that the U.S. Congress just doesn't have the starch to provide the nation with the tough policy that is needed.

Unless President Ford takes further action under the authority he already has, the Organization of Petroleum Exporting Countries can count on a greater U.S. reliance on their exported oil. They are assured of conditions conducive to another round of price increases this fall.

Mr. Ford already has raised oil tariffs by $2 a barrel. He has the authority, and should use it, to decontrol domestic oil. Such a measure would provide the financial incentives to the petroleum industry to search out new domestic sources at the same time it would discourage, because of higher prices, overall consumption.

This is an extremely poor time to telegraph our national energy indecision to the rest of the world. And regardless of the international effects, it is ruinous to the country simply to drift.

Adding to worries over energy is the scaling down of estimates by the U.S. Geological Survey of undiscovered oil and natural gas reserves. The new estimates, which include decreases in every category, project a depletion of U.S. oil reserves within 37 to 62 years based on domestic oil production at 1974's level of 3.04 billion barrels a year.

Thirty-seven years is not a long time. If our consumption of oil increases because we do not have effective conservation measures, the time of oil famine will be pushed closer.

Modern life depends on oil. The bulk of it is burned, but it also is a vital raw material for industry. Take away oil and our civilization is a beached whale.

Instead of using up petroleum and natural gas as though there were a limitless supply of it, we should be exerting every national effort toward conserving it and using the economic base that oil provides to develop feasible alternatives.

The lifespan of oil is the rigid time framework within which we must find energy substitutes. If oil runs out before technology has found workable new energy sources, civilization will break down. Life again will become nasty, brutish and short. A remnant of mankind will survive among the ruins, but millions will perish. We have become an urban people dependent on our supply systems. Without the energy to run those systems, then what?

Perhaps technology will avert such a doomsday. Perhaps we will be able to replace the gasoline and Diesel engines with power systems fueled by something other than petroleum. Perhaps construction of nuclear plants will be speeded up and fusion power on a mass scale will be realized.

But to do all the things it will take to replace oil as the primary energy source will require a sense of utmost urgency.

The fact that Congress has not yet grasped the urgency of the energy dilemma in which we find ourselves is demoralizing and disheartening.

Thirty-seven years from now, will the 94th Congress be remembered as having lost the energy race for the nation because stern measures were unpopular at the time? And because Congress lacked the guts to provide leadership when it was needed? This is something congressmen should consider.

NATURAL GAS ANALYSIS

Mr. McCLURE. Mr. President, my colleague Senator BUCKLEY had planned to introduce for the RECORD a detailed analysis of natural gas supplies around the country. Unfortunately, he could not be here at this time, and he has asked me to introduce it in his place. Therefore, at this time, I ask unanimous consent that this analysis be printed in the RECORD at this time.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Natural gas is important to your state.

1. The number of users and their average annual gas bills (unless otherwise indicated, all figures are for 1973, the latest year for which complete state data is available) were:

Thousands of users (1974):	
Homes	577.5
Commercial	42.8
Industrial	1.2
Annual dollar cost of service (1974):	
Homes	154
Commercial	700
Industrial	76,600

2. In Alabama, 55% of the homes use natural gas.

3. Natural gas supplied 20% of all the energy used in the state.

4. Gas is the dominant domestic energy source, but its artificially low regulated price has created a supply shortage. Comparatively, the costs of energy per million Btu in Alabama were:

Natural gas:	
Homes	1.39
Commercial	.89
Industrial	.48
Heating oil:	
Homes	2.40
Electricity:	
Homes	5.37
Commercial	6.22
Industrial	2.82

5. The shortage of energy in the U.S. is primarily a shortage of natural gas. Alabama will be denied 68.25 Bcf of gas this year because of this supply shortage.

6. This predicted pipeline curtailment represents about 22.1% of the gas that would have been used in the state during 1975. Last year's actual curtailments were 16.4% of normal usage.

7. These curtailments will primarily affect current gas users in the industrial sector. The major gas using industries in Alabama are: Primary metal industries; paper & allied products; chemical products; and stone, clay & glass products.

8. Assuming alternative fuels are not available when gas is denied these and other gas dependent industries, a 20% gas supply reduction could potentially place 32,000 manufacturing and related industry workers out of work. This is a substantial part of the total of 907,000 workers in the state, excluding agricultural and government workers.

9. Restrictions are also being imposed which prohibit gas hook-ups for many new homes. These restrictions apply to companies serving 3% of the gas using homes in Alabama in 1975.

10. Some observers estimate that the deregulation will, by 1985, provide a 50% increase in the amount of gas available. This is 50% more gas than the drastically reduced amount which is expected to be available under present federal regulation.

11. Deregulation of producer (wellhead) prices for new supplies will mean a gradual increase in the price of gas to consumers but it will still be well below the cost of alternative forms of energy. Prices for this state in 1985 are estimated to be:

	Per million Btu
Natural gas	$3.53
Heating oil	5.14
Electricity	19.99

12. If regulation continues, consumers will be forced to depend more and more on already much more expensive substitute gases. (Currently estimated to be $2 to $4 per million Btu in 1975 dollars at city gates.) These supplemental gas supply costs in 1985 are expected to average nearly $5.00 per million Btu when delivered to homes.

Natural gas is a vitally important energy form to the United States.

Nationally, the numbers of users in the different classifications and their average annual gas bills were:

1974 thousands of users:	
Residences	40,670.6
Commercial establishments	3,392.0
Industry	248.5
1974 annual dollar cost of service:	
Residences	170
Commercial establishments	749
Industry	23,829

In 1974, 62 percent of the homes in the United States used natural gas. Natural gas supplied 40.5 percent of the total energy used, nationally, exclusive of that used for transportation.

Gas is the dominant domestic energy source, but its artificially low regulated price has created a supply shortage. Comparatively, the costs of energy per million Btu in 1974 were:

Natural gas:	
Homes	1.42
Commercial	1.10
Industrial	.68
Heating oil:	
Homes	2.54
Commercial	----
Industrial	----
Electricity:	
Homes	9.65
Commercial	9.73
Industrial	5.28

The shortage of energy in the United States is primarily a shortage of natural gas. For 1975, predicted curtailments of natural gas, nationwide, will total 2.9 trillion cubic feet. This represents about 16% of the gas that would have been used had it been available. In 1974, actual curtailments were nearly 10% of what would have been used.

These curtailments will primarily affect current gas users in the industrial sector. The major gas using industries in the United States are: Primary Metals, Chemicals & Allied Products, Petroleum Refining and Related, Food and Kindred Products, Paper and Allied Products, Stone, Clay, Glass and Concrete, Transportation Equipment, Machinery, Except Electrical, Fabricated Metals.

Assuming alternative fuels are not available when gas is denied these and other gas dependent activities, a 20% gas supply reduction could potentially place 2,000,000 manufacturing and related industry workers out of work. This is a significant part of the 63,000,000 employed labor force, exclusive of government and agricultural workers.

Restrictions are also being imposed which prohibit gas hook-ups for many new homes. These restrictions apply to companies serving 44 percent of the gas using homes in the United States.

Some observers estimate that deregulation will, by 1985, provide a 50% increase in the amount of gas available. This is 50% more gas than the drastically reduced amount which is expected to be available under present federal regulation.

Deregulation of producer (wellhead) prices for new supplies will mean a gradual increase in the price of gas to consumers but it will still be well below the cost of alternative forms of energy. Prices nationally in 1985 are estimated to be:

	Per million Btu
Natural gas	$3.96
Heating oil	5.30
Electricity	21.74

If regulation continues, consumers will be forced to depend more and more on already much more expensive substitute gases (currently estimated to be $2 to $4 per million Btu in 1975 dollars at city gates). These supplemental gas supply costs in 1985 are expected to average nearly $5.00 per million Btu when delivered to homes.

Natural gas is important to your state.

1. The number of users and their average annual gas bills (unless otherwise indicated, all figures are for 1973, the latest year for which complete state data is available) were:

Thousands of users (1974):	
Homes	19.0
Commercial	3.2
Industrial	.1
Annual dollar cost of service (1974):	
Homes	371
Commercial	1,450
Industrial	62,000

2. In Alaska, 26% of the homes use natural gas.

3. Natural gas supplied 40% of all the energy used in the state.

4. Gas is the dominant domestic energy source, but its artificially low regulated price has created a supply shortage. Comparatively, the costs of energy per million Btu in Alaska were:

Natural gas:	
Homes	1.42
Commercial	1.07
Industrial	.38
Heating oil:	
Homes	----
Commercial	----
Industrial	----
Electricity:	
Homes	8.94
Commercial	9.57
Industrial	5.85

5. The shortage of energy in the U.S. is primarily a shortage of natural gas. Alaska will be denied 0.0 Bcf of gas this year because of this supply shortage.

6. This predicted pipeline curtailment represents about —— % of the gas that would have been used in the state during 1975. Last year's actual curtailments were —% of normal usage.

7. These curtailments will primarily affect current gas users in the industrial sector. The major gas using industries in Alaska are: Food & kindred products.

8. Assuming alternative fuels are not available when gas is denied these and other gas dependent industries, a 20% gas supply reduction could potentially place 1,300 manufacturing and related industry workers out of work. This is a substantial part of the total of 59,000 workers in the state, excluding agricultural and government workers.

9. Restrictions are also being imposed which prohibit gas hook-ups for many new homes. These restrictions apply to companies serving 0% of the gas using homes in Alaska in 1975.

10. Some observers estimate that deregulation will, by 1985, provide a 50% increase in the amount of gas available. This is 50% *more* gas than the drastically reduced amount which is expected to be available under present federal regulation.

11. Deregulation of producer (wellhead) prices for new supplies will mean a *gradual* increase in the price of gas to consumers *but* it will still be well below the cost of alternative forms of energy. Prices for this state in 1985 are estimated to be:

	Per million Btu
Natural gas	$3.87
Heating oil	5.60
Electricity	20.63

12. If regulation continues, consumers will be forced to depend more and more on already much more expensive substitute gases. (Currently estimated to be $2 to $4 per million Btu in 1975 dollars at city gates.) These

supplemental gas supply costs in 1985 are expected to average nearly $5.00 per million Btu when delivered to homes.

Natural gas is important to your state.

1. The number of users and their average annual gas bills (unless otherwise indicated, all figures are for 1973, the latest year for which complete state data is available) were:

Thousands of users (1974):	
Homes	511.0
Commercial	42.3
Industrial	2.7
Annual dollar cost of service (1974):	
Homes	127
Commercial	500
Industrial	24,600

2. In Arizona, 79% of the homes use natural gas.

3. Natural gas supplied 44% of all the energy used in the state.

4. Gas is the dominant domestic energy source, but its artificially low regulated price has created a supply shortage. Comparatively, the costs of energy per million Btu in Arizona were:

Natural gas:	
Homes	1.29
Commercial	.77
Industrial	.49
Heating oil:	
Homes	----
Commercial	----
Industrial	----
Electricity:	
Homes	7.29
Commercial	6.26
Industrial	4.17

5. The shortage of energy in the U.S. is primarily a shortage of natural gas. Arizona will be denied 89.64 Bcf of gas this year because of this supply shortage.

6. This predicted pipeline curtailment represents about 33.6% of the gas that would have been used in the state during 1975. Last year's actual curtailments were 26.3% of normal usage.

7. These curtailments will primarily affect current gas users in the industrial sector. The major gas using industries in Arizona are: Primary metal industries; stone, clay and glass products.

8. Assuming alternative fuels are not available when gas is denied these and other gas dependent industries, a 20% gas supply reduction could potentially place 14,000 manufacturing and related industry workers out of work. This is a substantial part of the total of 555,000 workers in the state, excluding agricultural and government workers.

9. Restrictions are also being imposed which prohibit gas hook-ups for many new homes. These restrictions apply to companies serving 66% of the gas using homes in Arizona in 1975.

10. Some observers estimate that deregulation will, by 1985, provide a 50% increase in the amount of gas available. This is 50% more gas than the drastically reduced amount which is expected to be available under present federal regulation.

11. Deregulation of producer (wellhead) prices for new supplies will mean a gradual increase in the price of gas to consumers but it will still be well below the cost of alternative forms of energy. Prices for this state in 1985 are estimated to be

Per million Btu

Natural gas	$3.63
Heating oil	4.96
Electricity	22.61

12. If regulation continues, consumers will be forced to depend more and more on already much more expensive substitute gases. Currently estimated to be $2 to $4 per million Btu in 1975 dollars at city gates.) These supplemental gas supply costs in 1985 are expected to average nearly $5.00 per million Btu when delivered to homes.

Natural gas is important to your state.

1. The number of users and their average annual gas bills (unless otherwise indicated, all figures are for 1973, the latest year for which complete state data is available) were:

Thousands of users (1974):	
Homes	424.7
Commercial	48.4
Industrial	2.4
Annual dollar cost of service (1974):	
Homes	124
Commercial	450
Industrial	48,100

2. In Arkansas, 65% of the homes use natural gas.

3. Natural gas supplied 54% of all the energy used in the state.

4. Gas is the dominant domestic energy source, but its artificially low regulated price has created a supply shortage. Comparatively, the costs of energy per million Btu in Arkansas were:

Natural gas:	
Homes	0.87
Commercial	.64
Industrial	.40
Heating oil:	
Homes	----
Commercial	----
Industrial	----
Electricity:	
Homes	6.59
Commercial	6.36
Industrial	3.35

5. The shortage of energy in the U.S. is primarily a shortage of natural gas. Arkansas will be denied 204.10 Bcf of gas this year because of this supply shortage.

6. This predicted pipeline curtailment represents about 45.5% of the gas that would have been used in the state during 1975. Last year's actual curtailments were 34.6% of normal usage.

7. These curtailments will primarily affect current gas users in the industrial sector. The major gas using industries in Arkansas are: Chemicals and allied products; paper and allied products.

8. Assuming alternative fuels are not available when gas is denied these and other gas dependent industries, a 20% gas supply reduction could potentially place 38,500 manufacturing and related industry workers out of work. This is a substantial part of the total of 510,000 workers in the state, excluding agricultural and government workers.

9. Restrictions are also being imposed which prohibit gas hook-ups for many new homes. These restrictions apply to companies serving —% of the gas using homes in Arkansas in 1975.

10. Some observers estimate that deregulation will, by 1985, provide a 50% increase in the amount of gas available. This is 50% more gas than the drastically reduced amount which is expected to be available under present federal regulation.

11. Deregulation of producer (wellhead) prices for new supplies will mean a gradual increase in the price of gas to consumers but it will still be well below the cost of alternative forms of energy. Prices for this state in 1985 are estimated to be:

Per million Btu

Natural gas	$3.58
Heating oil	5.14
Electricity	20.21

12. If regulation continues, consumers will be forced to depend more and more on already much more expensive substitute gases. Currently estimated to be $2 to $4 per million Btu in 1975 dollars at city gates.) These supplemental gas supply costs in 1985 are expected to average nearly $5.00 per million Btu when delivered to homes.

Natural gas is important to your state.

1. The number of users and their average annual gas bills (unless otherwise indicated, all figures are for 1973, the latest year for which complete state data is available) were:

Thousands of users (1974):	
Homes	6,067.0
Commercial	364.7
Industrial	11.8
Annual dollar cost of service (1974):	
Homes	145
Commercial	570
Industrial	40,200

2. In California, 87% of the homes use natural gas.

3. Natural gas supplied 44% of all the energy used in the state.

4. Gas is the dominant domestic energy source, but its artificially low regulated price has created a supply shortage. Comparatively, the costs of energy per million Btu in California were:

Per million Btu

Natural gas:	
Homes	1.10
Commercial	.80
Industrial	.49
Heating oil:	
Homes	1.76
Commercial	----
Industrial	----
Electricity:	
Homes	7.24
Commercial	6.22
Industrial	3.54

5. The shortage of energy in the U.S. is primarily a shortage of natural gas. California will be denied 1,707.87 Bcf of gas this year because of this supply shortage.

6. This predicted pipeline curtailment represents about 10.2% of the gas that would have been used in the state during 1975. Last year's actual curtailments were 7.2% of normal usage.

7. These curtailments will primarily affect current gas users in the industrial sector. The major gas using industries in California are: Petroleum and coal prroducts; stone, clay and glass products; food and kindred products; chemicals and allied products.

8. Assuming alternative fuels are not available when gas is denied these and other gas dependent industries, a 20% gas supply reduction could potentially place 240,000 manufacturing and related industry workers out of work. This is a substantial part of the total of 6,113,000 workers in the state, excluding agricultural and government workers.

9. Restrictions are also being imposed which prohibit gas hook-ups for many new homes. These restrictions apply to companies serving __% of the gas using homes in California in 1975.

10. Some observers estimate that deregulation will, by 1985, provide a 50% increase in the amount of gas available. This is 50% more gas than the drastically reduced amount which is expected to be available under present federal regulation.

11. Deregulation of producer (wellhead) prices for new supplies will mean a gradual increase in the price of gas to consumers but it will still be well below the cost of alternative forms of energy. Prices for this state in 1985 are estimated to be:

Per million Btu

Natural gas	$3.87
Heating oil	5.60
Electricity	20.63

12. If regulation continues, consumers will be forced to depend more and more on already much more expensive substitute gases. (Currently estimated to be $2 to $4 per million Btu in 1975 dollars at city gates.) These supplemental gas supply costs in 1985 are expected to average nearly $5.00 per million Btu when delivered to homes.

Natural gas is important to your state.

1. The number of users and their average annual gas bills (unless otherwise indicated, all figures are for 1973, the latest year for which complete state data is available) were:

Thousands of users (1974): were:	
Homes	650.6
Commercial	73.5
Industrial	2.5
Annual dollar cost of service (1974):	
Homes	156
Commercial	680
Industrial	23,600

2. In Colorado, 85% of the homes use natural gas.

3. Natural gas supplied 43% of all the energy used in the state.

4. Gas is the dominant domestic energy source, but its artificially low regulated price has created a supply shortage. Comparatively, the costs of energy per million Btu in Colorado were:

Natural Gas:	
Homes	.82
Commercial	.68
Industrial	.35
Heating Oil:	
Homes	2.29
Commercial	--
Industrial	—
Electricity:	
Homes	7.57
Commercial	6.06
Industrial	3.86

5. The shortage of energy in the U.S. is primarily a shortage of natural gas. Colorado will be denied 0 Bcf of gas this year because of this supply shortage.

6. This predicted pipeline curtailment represents about —% of the gas that would have been used in the state during 1975. Last year's actual curtailments were —% of normal usage.

7. These curtailments will primarily affect current gas users in the industrial sector. The major gas using industries in Colorado are: Food & kindred products.

8. Assuming alternative fuels are not available when gas is denied these and other gas dependent industries, a 20% gas supply reduction could potentially place 17,000 manufacturing and related industry workers out of work. This is a substantial part of the total of 709,000 workers in the state, excluding agricultural and government workers.

9. Restrictions are also being imposed which prohibit gas hook-ups for many new homes. These restrictions apply to companies serving 89% of the gas using homes in Colorado in 1975.

10. Some observers estimate that deregulation will, by 1985, provide a 50% increase in the amount of gas available. This is 50% more gas than the drastically reduced amount which is expected to be available under present federal regulation.

11. Deregulation of producer (wellhead) prices for new supplies will mean a gradual increase in the price of gas to consumers but it will still be well below the cost of alternative forms of energy. Prices for this state in 1985 are estimated to be:

	Per million Btu
Natural gas	$3.63
Heating Oil	4.96
Electricity	22.61

12. If regulation continues, consumers will be forced to depend more and more on already much more expensive substitute gases. (currently estimated to be $2 to $4 per million Btu in 1975 dollars at city gates). These supplemental gas supply costs in 1985 are expected to average nearly $5.00 per million Btu when delivered to homes.

Natural gas is important to your state.

1. The number of users and their average annual gas bills (unless otherwise indicated, all figures are for 1973, the latest year for which complete state data is available) were:

Thousands of users (1974):	
Homes	361.8
Commercial	29.5
Industrial	2.6
Annual dollar cost of service (1974):	
Homes	246
Commercial	1,060
Industrial	13,000

2. In Connecticut, 35% of the homes use natural gas.

3. Natural gas supplied 9% of all the energy used in the state.

4. Gas is the dominant domestic energy source, but its artificially low regulated price has created a supply shortage. Comparatively, the costs of energy per million Btu in Connecticut were:

Natural gas:	
Homes	2.40
Commercial	1.87
Industrial	1.32
Heating oil:	
Homes	2.25
Commercial	----
Industrial	----
Electricity:	
Homes	8.85
Commercial	8.00
Industrial	5.62

5. The shortage of energy in the U.S. is primarily a shortage of natural gas. Connecticut will be denied 5.44 Bcf of gas this year because of this supply shortage.

6. This predicted pipeline curtailment represents about 7.6% of the gas that would have been used in the state during 1975. Last year's actual curtailments were 5.4% of normal usage.

7. These curtailments will primarily affect current gas users in the industrial sector. The major gas using industries in Connecticut are: Primary metals industries; machinery, except electrical.

8. Assuming alternative fuels are not available when gas is denied these and other gas dependent industries, a 20% gas supply reduction could potentially place 17,500 manufacturing and related industry workers out of work. This is a substantial part of the total of 1,073,000 workers in the state, excluding agricultural and government workers.

9. Restrictions are also being imposed which prohibit gas hook-ups for many new homes. These restrictions apply to companies serving 32% of the gas using homes in Connecticut in 1975.

10. Some observers estimate that deregulation will, by 1985, provide a 50% increase in the amount of gas available. This is 50% more gas than the drastically reduced amount which is expected to be available under present federal regulation.

11. Deregulation of producer (wellhead) prices for new supplies will mean a gradual increase in the price of gas to consumers but it will still be well below the cost of alternative forms of energy. Prices for this state in 1985 are estimated to be:

	Per million Btu
Natural gas	$5.20
Heating oil	5.39
Electricity	28.19

12. If regulation continues, consumers will be forced to depend more and more on already much more expensive substitute gases. (Currently estimated to be $2 to $4 per million Btu in 1975 dollars at city gates.) These supplemental gas supply costs in 1985 are expected to average nearly $5.00 per million Btu when delivered to homes.

Gas prices in the New England states have historically been greater than oil because of small volumes and long distance from source; and recently, due to expensive gas supplementals needed to compensate for curtailments.

Natural gas is important to your state.

1. The number of users and their average annual gas bills (unless otherwise indicated, all figures are for 1973, the latest year for which complete state data is available) were:

Thousands of users (1974):	
Homes	77.7
Commercial	5.3
Industrial	0.2
Annual $ Cost of Service (1974):	
Homes	217
Commercial	960
Industrial	46,400

2. In Delaware, 44% of the homes use natural gas.

3. Natural gas supplied 15% of all energy used in the state.

4. Gas is the dominant domestic energy source, but its artificially low regulated price has created a supply shortage. Comparatively, the costs of energy per million Btu in Delaware were:

Natural Gas:	
Homes	1.82
Commercial	1.38
Industrial	.68
Heating oil:	
Homes	2.30
Commercial	----
Industrial	----
Electricity:	
Homes	9.18
Commercial	7.91
Industrial	5.06

5. The shortage of energy in the U.S. is primarily a shortage of natural gas. Delaware will be denied 0.84 Bcf of gas this year because of this supply shortage.

6. This predicted pipeline curtailment represents about 3.4% of the gas that would have been used in the state during 1975. Last year's actual curtailments were 1.8% of normal usage.

7. These curtailments will primarily affect current gas users in the industrial sector. The major gas using industries in Delaware are: Primary metal industries.

8. Assuming alternative fuels are not available when gas is denied these and other gas dependent industries, a 20% gas supply reduction could potentially place 4,800 manufacturing and related industry workers out of work. This is a substantial part of the total of 201,000 workers in the state, excluding agricultural and government workers.

9. Restrictions are also being imposed which prohibit gas hook-ups for many new homes. These restrictions apply to companies serving 100% of the gas using homes in Delaware in 1975.

10. Some observers estimate that deregulation will, by 1985, provide a 50% increase in the amount of gas available. This is 50% *more* gas than the drastically reduced amount which is expected to be available under present federal regulation.

11. Deregulation of producer (wellhead) prices for new supplies will mean a *gradual* increase in the price of gas to consumers *but* it will still be well below the cost of alternative forms of energy. Prices for this state in 1985 are estimated to be

	Per million Btu
Natural gas	$4.29
Heating oil	$5.39
Electricity	$20.74

12. If regulation continues, consumers will be forced to depend more and more on already much more expensive substitute gases. (Currently estimated to be $2 to $4 per million Btu in 1975 dollars at city gates.) These supplemental gas supply costs in 1985 are expected to average nearly $5.00 per million Btu when delivered to homes.

Natural gas is important to your state.

1. The number of users and their average annual gas bills (unless otherwise indicated, all figures are for 1973, the latest year for which complete state data is available) were:

Thousands of users (1974):	
Homes	395.0
Commercial	26.8
Industrial	0.7
Annual dollar cost of service (1974):	
Homes	112
Commercial	1,210
Industrial	102,800

2. In Florida, 15% of the homes use natural gas.

3. Natural gas supplied 20% of all the energy used in the state.

4. Gas is the dominant domestic energy source, but its artificially low regulated price has created a supply shortage. Comparatively, the costs of energy per million Btu in Florida were:

Natural Gas:	
Homes	2.21
Commercial	1.26
Industrial	.49
Heating Oil:	
Homes	2.50
Commercial	-----
Industrial	-----
Electricity:	
Homes	6.52
Commercial	6.95
Industrial	4.07

5. The shortage of energy in the U.S. is primarily a shortage of natural gas. Florida will be denied 48.66 Bcf of gas this year because of this supply shortage.

6. This predicted pipeline curtailment represents about 23.0% of the gas that would have been used in the state during 1975. Last year's actual curtailments were 17.3% of normal usage.

7. These curtailments will primarily affect current gas users in the industrial sector. The major gas using industries in Florida are: Chemicals & allied products; paper & allied products; food & kindred products.

8. Assuming alternative fuels are not available when gas is denied these and other gas dependent industries, a 20% gas supply reduction could potentially place 24,000 manufacturing and related industry workers out of work. This is a substantial part of the total of 2,245,000 workers in the state, excluding agricultural and government workers.

9. Restrictions are also being imposed which prohibit gas hook-ups for many new homes. These restrictions apply to companies serving 22% of the gas using homes in Florida in 1975.

10. Some observers estimate that deregulation will, by 1985, provide a 50% increase in the amount of gas available. This is 50% more gas than the drastically reduced amount which is expected to be available under present federal regulation.

11. Deregulation of producer (wellhead) prices for new supplies will mean a gradual increase in the price of gas to consumers but it will still be well below the cost of alternative forms of energy. Prices for this state in 1985 are estimated to be

Per million Btu

Natural gas	$4.29
Heating oil	5.39
Electricity	20.75

12. If regulation continues, consumers will be forced to depend more and more on already much more expensive substitute gases (Currently estimated to be $2 to $4 per million Btu in 1975 dollars at city gates.) These supplemental gas supply costs in 1985 are expected to average nearly $5 per million Btu when delivered to homes.

Natural gas is important to your state.

1. The number of users and their average annual gas bills (unless otherwise indicated, all figures are for 1973, the latest year for which complete state data is available) were:

Thousands of users (1974):	
Homes	802.6
Commercial	63.1
Industrial	5.9
Annual dollar cost of service (1974):	
Homes	166
Commercial	690
Industrial	21,700

2. In Georgia, 59% of the homes use natural gas.

3. Natural gas supplied 25% of all the energy used in the state.

4. Gas is the dominant domestic energy source, but its artificially low regulated price has created a supply shortage. Comparatively, the costs of energy per million Btu in Georgia were:

Natural gas:	
Homes	1.27
Commercial	.92
Industrial	.54
Heating oil:	
Homes	2.00
Commercial	------
Industrial	------
Electricity:	
Homes	5.80
Commercial	6.46
Industrial	3.47

5. The shortage of energy in the U.S. is primarily a shortage of natural gas. Georgia will be denied 20.47 Bcf of gas this year because of this supply shortage.

6. This predicted pipeline curtailment represents about 5.9% of the gas that would have been used in the state during 1975. Last year's actual curtailments were 4.2% of normal usage.

7. These curtailments will primarily affect current gas users in the industrial sector. The major gas using industries in Georgia are: Textile mill products; stone, clay, and glass products; chemicals and allied products.

8. Assuming alternative fuels are not available when gas is denied these and other gas dependent industries, a 20% gas supply reduction could potentially place 32,000 manufacturing and related industry workers out of work. This is a substantial part of the total of 1,452,000 workers in the state, excluding agricultural and government workers.

9. Restrictions are also being imposed which prohibit gas hook-ups for many new homes. These restrictions apply to companies serving 3% of the gas using homes in Georgia in 1975.

10. Some observers estimate that deregulation will, by 1985, provide a 50% increase in the amount of gas available. This is 50% more gas than the drastically reduced amount which is expected to be available under present federal regulation.

11. Deregulation of producer (wellhead) prices for new supplies will mean a gradual increase in the price of gas to consumers but it will still be well below the cost of alternative forms of energy. Prices for this state in 1985 are estimated to be

Per million Btu

Natural gas	$4.29
Heating oil	5.39
Electricity	20.74

12. If regulation continues, consumers will be forced to depend more and more on already much more expensive substitute gases. (Currently estimated to be $2 to $4 per million Btu in 1975 dollars at city gates.) These supplemental gas supply costs in 1985 are expected to average nearly $5.00 per million Btu when delivered to homes.

Natural gas is important to your state.

1. The number of users and their average annual gas bills (unless otherwise indicated, all figures are for 1973, the latest year for which complete state data is available) were:

Thousands of users (1974):	
Homes	31.1
Commercial	2.3
Industrial	1.7
Annual dollar cost of service (1974):	
Homes	130
Commercial	810
Industrial	2,900

2. In Hawaii, 20% of the homes use natural gas.

3. Natural gas supplied 2% of all the energy used in the state.

4. Gas is the dominant domestic energy source, but its artificially low regulated price has created a supply shortage. Comparatively, the costs of energy per million Btu in Hawaii were:

Natural gas:	
Homes	3.51
Commercial	2.39
Industrial	2.27
Heating oil:	
Homes	-----
Commercial	-----
Industrial	-----
Electricity:	
Homes	8.99
Commercial	10.80
Industrial	5.27

5. The shortage of energy in the U.S. is primarily a shortage of natural gas. Hawaii will be denied 0 Bcf of gas this year because of this supply shortage.

6. This predicted pipeline curtailment represents about —% of the gas that would have been used in the state during 1975. Last year's actual curtailments were —% of normal usage.

7. These curtailments will primarily affect current gas users in the industrial sector. The major gas using industries in Hawaii are: Food & kindred products.

8. Assuming alternative fuels are not available when gas is denied these and other gas dependent industries, a 20% gas supply reduction could potentially place 3,500 manufacturing and related industry workers out of work. This is a substantial part of the total of 238,000 workers in the state, excluding agricultural and government workers.

9. Restrictions are also being imposed which prohibit gas hook-ups for many new homes. These restrictions apply to companies serving —% of the gas using homes in Hawaii in 1975.

10. Some observers estimate that deregulation will, by 1985, provide a 50% increase in the amount of gas available. This is 50% more gas than the drastically reduced amount which is expected to be available under present federal regulation.

11. Deregulation of producer (wellhead) prices for new supplies will mean a gradual increase in the price of gas to consumers but it will still be well below the cost of alternative forms of energy. Prices for this state in 1985 are estimated to be—

Per million Btu

Natural gas	$3.87
Heating oil	4.61
Electricity	20.63

12. If regulation continues, consumers will be forced to depend more and more on already much more expensive substitute gases. (Currently estimated to be $2 to $4 per million Btu in 1975 dollars at city gates.) These

supplemental gas supply costs in 1985 are expected to average nearly $5.00 per million Btu when delivered to homes.

Natural gas is important to your state.

1. The number of users and their average annual gas bills (unless otherwise indicated, all figures are for 1973, the latest year for which complete state data is available) were:

Thousands of users (1974):	
Homes	94.5
Commercial	12.6
Industrial	0.4
Annual dollar cost of service (1974):	
Homes	219
Commercial	830
Industrial	59,900

2. In Idaho, 32% of the homes use natural gas.

3. Natural gas supplied 25% of all the energy used in the state.

4. Gas is the dominant domestic energy source, but its artificially low regulated price has created a supply shortage. Comparatively, the costs of energy per million Btu in Idaho were:

Natural gas:	
Homes	1.59
Commercial	1.16
Industrial	.52
Heating oil:	
Homes	2.50
Commercial	----
Industrial	----
Electricity:	
Homes	4.60
Commercial	4.19
Industrial	1.90

5. The shortage of energy in the U.S. is primarily a shortage of natural gas. Idaho will be denied 3.70 Bcf of gas this year because of this supply shortage.

6. This predicted pipeline curtailment represents about 7.0% of the gas that would have been used in the state during 1975. Last year's actual curtailments were 5.0% of normal usage.

7. These curtailments will primarily affect current gas users in the industrial sector. The major gas using industries in Idaho are: Food and kindred products; chemicals and allied products.

8. Assuming alternative fuels are not available when gas is denied these and other gas dependent industries, a 20% gas supply reduction could potentially place 6,000 manufacturing and related industry workers out of work. This is a substantial part of the total of 189,000 workers in the state, excluding agricultural and government workers.

9. Restrictions are also being imposed which prohibit gas hook-ups for many new homes. These restrictions apply to companies serving —% of the gas using homes in Idaho in 1975.

10. Some observers estimate that deregulation will, by 1985, provide a 50% increase in the amount of gas available. This is 50% more gas than the drastically reduced amount which is expected to be available under present federal regulation.

11. Deregulation of producer (wellhead) prices for new supplies will mean a gradual increase in the price of gas to consumers but it will still be well below the cost of alternative forms of energy. Prices for this state in 1985 are estimated to be

	Per million Btu
Natural gas	$3.63
Heating oil	4.96
Electricity	22.61

12. If regulation continues, consumers will be forced to depend more and more on already much more expensive substitute gases. (Currently estimated to be $2 to $4 per million Btu in 1975 dollars at city gates.) These supplemental gas supply costs in 1985 are expected to average nearly $5.00 per million Btu when delivered to homes.

Natural gas is important to your state.

1. The number of users and their average annual gas bills (unless otherwise indicated, all figures are for 1973, the latest year for which complete state data is available) were:

Thousands of users (1974):	
Homes	2,871.9
Commercial	213.7
Industrial	18.0
Annual dollar cost of service (1974):	
Homes	227
Commercial	1,090
Industrial	18,600

2. In Illinois, 75 percent of the homes use natural gas.

3. Natural gas supplied 34 percent of all the energy used in the state.

4. Gas is the dominant domestic energy source, but its artificially low regulated price has created a supply shortage. Comparatively, the costs of energy per million Btu in Illinois were:

Natural Gas:	
Homes	1.18
Commercial	0.89
Industrial	0.66
Heating Oil:	
Homes	2.43
Commercial	----
Industrial	----
Electricity:	
Homes	8.63
Commercial	7.67
Industrial	3.98

5. The shortage of energy in the U.S. is primarily a shortage of natural gas. Illinois will be denied 411.80 Bcf of gas this year because of this supply shortage.

6. This predicted pipeline curtailment represents about 26.6 percent of the gas that would have been used in the state during 1975. Last year's actual curtailments were 21.0 percent of normal usage.

7. These curtailments will primarily affect current gas users in the industrial sector. The major gas using industries in Illinois are: Primary metal industries; food and kindred products; stone, clay, and glass products.

8. Assuming alternative fuels are not available when gas is denied these and other gas dependent industries, a 20 percent gas supply reduction could potentially place 173,000 manufacturing and related industry workers out of work. This is a substantial part of the total 3,698,000 workers in the state, excluding agricultural and government workers.

9. Restrictions are also being imposed which prohibit gas hook-ups for many new homes. These restrictions apply to companies serving 57 percent of the gas using homes in Illinois in 1975.

10. Some observers estimate that deregulation will, by 1985, provide a 50 percent more gas than the drastically reduced amount which is expected to be available under present federal regulation.

11. Deregulation of producer (wellhead) prices for new supplies will mean a gradual increase in the price of gas to consumers but it will still be well below the cost of alternative forms of energy. Prices for this state in 1985 are estimated to be

	Per million Btu
Natural gas	$3.80
Heating oil	5.36
Electricity	19.50

12. If regulation continues, consumers will be forced to depend more and more on already much more expensive substitute gases. (Currently estimated to be $2 to $4 per million Btu in 1975 dollars at city gates.) These supplemental gas supply costs in 1985 are expected to average nearly $5.00 per million Btu when delivered to homes.

Natural gas is important to your state.

1. The number of users and their average annual gas bills (unless otherwise indicated, all figures are for 1973, the latest year for which complete state data is available) were:

Thousands of users (1974):	
Homes	1,071.4
Commercial	107.8
Industrial	4.2
Annual dollar cost of service (1974):	
Homes	213
Commercial	840
Industrial	48,500

2. In Indiana, 57% of the homes use natural gas.

3. Natural gas supplied 24% of all the energy used in the state.

4. Gas is the dominant domestic energy source, but its artificially low regulated price has created a supply shortage. Comparatively, the costs of energy per million Btu in Indiana were:

Natural gas:	
Homes	1.19
Commercial	0.97
Industrial	0.59
Heating oil:	
Homes	2.43
Commercial	----
Industrial	----
Electricity:	
Homes	6.77
Commercial	6.78
Industrial	3.76

5. The shortage of energy in the U.S. is primarily a shortage of natural gas. Indiana will be denied 251.48 Bcf of gas this year because of this supply shortage.

6. This predicted pipeline curtailment represents about 32.0% of the gas that would have been used in the state during 1975. Last year's actual curtailments were 25.2% of normal usage.

7. These curtailments will primarily affect current gas users in the industrial sector. The major gas using industries in Indiana are: Primary metal industries; stone, clay and glass products.

8. Assuming alternative fuels are not available when gas is denied these and other gas dependent industries, a 20% gas supply reduction could potentially place 99,000 manufacturing and related industry workers out of work. This is a substantial part of the total of 1,715,000 workers in the state, excluding agricultural and government workers.

9. Restrictions are also being imposed which prohibit gas hook-ups for many new homes. These restrictions apply to companies serving 55% of the gas using homes in Indiana in 1975.

10. Some observers estimate that deregulation will, by 1985, provide a 50% increase in the amount of gas available. This is 50% more gas than the drastically reduced amount which is expected to be available under present federal regulation.

11. Deregulation of producer (wellhead) prices for new supplies will mean a gradual increase in the price of gas to consumers but it will still be well below the cost of alternative forms of energy. Prices for this state in 1985 are estimated to be:

	Per million Btu
Natural gas	$3.80
Heating oil	5.36
Electricity	19.50

12. If regulation continues, consumers will be forced to depend more and more on already much more expensive substitute gases. (Currently estimated to be $2 to $4 per million Btu in 1975 dollars at city gates.) These

supplemental gas supply costs in 1985 are expected to average nearly $5.00 per million Btu when delivered to homes.

Natural gas is important to your state.

1. The number of users and their average annual gas bills (unless otherwise indicated, all figures are for 1973, the latest year for which complete state data is available) were:

Thousands of users (1974):	
Homes	605.2
Commercial	71.7
Industrial	2.0
Annual dollar cost of service (1974):	
Homes	207
Commercial	760
Industrial	43,900

2. In Iowa, 63% of the homes use natural gas.

3. Natural gas supplied 39% of all the energy used in the state.

4. Gas is the dominant domestic energy source, but its artificially low regulated price has created a supply shortage. Comparatively, the costs of energy per million Btu in Iowa were:

Natural gas:	
Homes	1.16
Commercial	.87
Industrial	.50
Heating oil:	
Homes	2.20
Commercial	----
Industrial	----
Electricity:	
Homes	7.94
Commercial	7.88
Industrial	4.12

5. The shortage of energy in the U.S. is primarily a shortage of natural gas. Iowa will be denied 17.61 Bcf of gas this year because of this supply shortage.

6. This predicted pipeline curtailment represents about 5.4% of the gas that would have been used in the state during 1975. Last year's actual curtailments were 3.8% of normal usage.

7. These curtailments will primarily affect current gas users in the industrial sector. The major gas using industries in Iowa are: Food and kindred products; machinery, except electrical.

8. Assuming alternative fuels are not available when gas is denied these and other gas dependent industries, a 20% gas supply reduction could potentially place 34,500 manufacturing and related industry workers out of work. This is a substantial part of the total of 793,000 workers in the state, excluding agricultural and government workers.

9. Restrictions are also being imposed which prohibit gas hook-ups for many new homes. These restrictions apply to companies serving 76% of the gas using homes in Iowa in 1975.

10. Some observers estimate that deregulation will, by 1985, provide a 50% increase in the amount of gas available. This is 50% more gas than the drastically reduced amount which is expected to be available under present federal regulation.

11. Deregulation of producer (wellhead) prices for new supplies will mean a gradual increase in the price of gas to consumers but it will still be well below the cost of alternative forms of energy. Prices for this state in 1985 are estimated to be:

	Per million Btu
Natural gas	$3.67
Heating oil	5.36
Electricity	19.50

12. If regulation continues, consumers will be forced to depend more and more on already much more expensive substitute gases. (Currently estimated to be $2 to $4 per million Btu in 1975 dollars at city gates). These supplemental gas supply costs in 1985 are expected to average nearly $5.00 per million Btu when delivered to homes.

Natural gas is important to your state.

1. The number of users and their average annual gas bills (unless otherwise indicated, all figures are for 1973, the latest year for which complete state data is available) were:

Thousands of users (1974):	
Homes	625.6
Commercial	55.1
Industrial	8.3
Annual dollar cost of service (1974):	
Homes	141
Commercial	450
Industrial	17,800

2. In Kansas, 82% of the homes use natural gas.

3. Natural gas supplied 66% of all the energy used in the state.

4. Gas is the dominant domestic energy source, but its artificially low regulated price has created a supply shortage. Comparatively, the costs of energy per million Btu in Kansas were:

Natural Gas:	
Homes	0.77
Commercial	0.59
Industrial	0.35
Heating oil:	
Homes	2.00
Electricity:	
Homes	6.85
Commercial	5.98
Industrial	3.54

5. The shortage of energy in the U.S. is primarily a shortage of natural gas. Kansas will be denied 52.60 Bcf of gas this year because of this supply shortage.

6. This predicted pipeline curtailment represents about 9.8% of the gas that would have been used in the state during 1975. Last year's actual curtailments were 6.8% of normal usage.

7. These curtailments will primarily affect current gas users in the industrial sector. The major gas using industries in Kansas are: Chemicals and allied products; stone, clay and glass products.

3. Assuming alternative fuels are not available when gas is denied these and other gas dependent industries, a 20% gas supply reduction could potentially place 22,700 manufacturing and related industry workers out of work. This is a substantial part of the total of 584,000 workers in the state, excluding agricultural and government workers.

9. Restrictions are also being imposed which prohibit gas hook-ups for many new homes. These restrictions apply to companies serving 3% of the gas using homes in Kansas in 1975.

10. Some observers estimate that deregulation will, by 1985, provide a 50% increase in the amount of gas available. This is 50% *more* gas than the drastically reduced amount which is expected to be available under present federal regulation.

11. Deregulation of producer (wellhead) prices for new supplies will mean a *gradual* increase in the price of gas to consumers but it will still be well below the cost of alternative forms of energy. Prices for this state in 1985 are estimated to be

	Per million Btu
Natural Gas	$3.67
Heating oil	5.36
Electricity	20.48

12. If regulation continues, consumers will be forced to depend more and more on already much more expensive substitute gases (currently estimated to be $2 to $4 per million Btu in 1975 dollars at city gates). These supplemental gas supply costs in 1985 are expected to average nearly $5.00 per million Btu when delivered to homes.

Natural gas is important to your state.

1. The number of users and their average annual gas bills (unless otherwise indicated, all figures are for 1973, the latest year for which complete state data is available) were:

Thousands of users (1974):	
Homes	547.1
Commercial	53.4
Industrial	1.1
Annual dollar cost of service (1974):	
Homes	165
Commercial	620
Industrial	43,000

2. In Kentucky, 58% of the homes use natural gas.

3. Natural gas supplied 22% of all the energy used in the state.

4. Gas is the dominant domestic energy source, but its artificially low regulated price has created a supply shortage. Comparatively, the costs of energy per million Btu in Kentucky were:

Natural gas:	
Homes	.98
Commercial	.82
Industrial	.57
Heating oil:	
Homes	2.50
Commercial	----
Industrial	----
Electricity:	
Homes	5.84
Commercial	3.85
Industrial	2.49

5. The shortage of energy in the U.S. is primarily a shortage of natural gas. Kentucky will be denied 21.74 Bcf of gas this year because of this supply shortage.

6. This predicted pipeline curtailment represents about 10.4% of the gas that would have been used in the state during 1975. Last year's actual curtailments were 7.4% of normal usage.

7. These curtailments will primarily affect current gas users in the industrial sector. The major gas using industries in Kentucky are: Primary metal industries, chemicals and allied products.

8. Assuming alternative fuels are not available when gas is denied these and other gas dependent industries, a 20% gas supply reduction could potentially place 26,000 manufacturing and related industry workers out of work. This is a substantial part of the total of 841,000 workers in the state, excluding agricultural and government workers.

9. Restrictions are also being imposed which prohibit gas hook-ups for many new homes. These restrictions apply to companies serving 86% of the gas using homes in Kentucky in 1975.

10. Some observers estimate that deregulation will, by 1985, provide a 50% increase in the amount of gas available. This is 50% more gas than the drastically reduced amount which is expected to be available under present federal regulation.

11. Deregulation of producer (wellhead) prices for new supplies will mean a gradual increase in the price of gas to consumers but it will still be well below the cost of alternative forms of energy. Prices for this state in 1985 are estimated to be

	Per million Btu
Natural gas	$3.53
Heating oil	5.14
Electricity	19.99

12. If regulation continues, consumers will be forced to depend more and more on already much more expensive substitute gases. (Currently estimated to be $2 to $4 per million Btu in 1975 dollars at city gates.) These supplemental gas supply costs in 1985 are expected to average nearly $5.00 per million Btu when delivered to homes.

Natural gas is important to your state.

1. The number of users and their average annual gas bills (unless otherwise indicated, all figures are for 1973, the latest year for which complete state data is available) were:

Thousand of users (1974):	
Homes	811.3
Commercial	63.2
Industrial	2.7
Annual dollar cost of service (1974):	
Homes	97
Commercial	320
Industrial	83,400

2. In Louisiana, 82% of the homes use natural gas.

3. Natural gas supplied 75% of all the energy used in the State.

4. Gas is the dominant domestic energy source, but its artificially low regulated price has created a supply shortage. Comparatively, the costs of energy per million Btu in Louisiana were:

Natural gas:	
Homes	0.95
Commercial	.65
Industrial	.30
Heating oil:	
Homes	1.95
Commercial	----
Industrial	----
Electricity:	
Homes	6.50
Commercial	6.26
Industrial	2.87

5. The shortage of energy in the U.S. is primarily a shortage of natural gas. Louisiana will be denied 430.36 Bcf of gas this year because of this supply shortage.

6. This predicted pipeline curtailment represents about 44.3% of the gas that would have been used in the state during 1975. Last year's actual curtailments were 34.2% of normal usage.

7. These curtailments will primarily affect current gas users in the industrial sector. The major gas using industries in Louisiana are: Chemicals and allied products; petroleum and coal products; paper and allied products.

8. Assuming alternative fuels are not available when gas is denied these and other gas dependent industries, a 20% gas supply reduction could potentially place 35,000 manufacturing and related industry workers out of work. This is a substantial part of the total of 926,000 workers in the state, excluding agricultural and government workers.

9. Restrictions are also being imposed which prohibit gas hook-ups for many new homes. These restrictions apply to companies serving % of the gas using homes in Louisiana in 1975.

10. Some observers estimate that deregulation will, by 1985, provide a 50% increase in the amount of gas available. This is 50% more gas than the drastically reduced amount which is expected to be available under present federal regulation.

11. Deregulation of producer (wellhead) prices for new supplies will mean a gradual increase in the price of gas to consumers but it will still be well below the costs of alternative forms of energy. Prices for this state in 1985 are estimated to be

	Per million Btu
Natural gas	$3.58
Heating oil	5.14
Electricity	20.21

12. If regulation continues, consumers will be forced to depend more and more on already much more expensive substitute gases. (Currently estimated to be $2 to $4 per million Btu in 1975 dollars at city gates) These supplemental gas supply costs in 1985 are expected to average nearly $5.00 per million Btu when delivered to homes.

Natural gas is important to your state.

1. The number of users and their average annual gas bills (unless otherwise indicated, all figures are for 1973, the latest year for which complete state data is available) were:

Thousands of users (1974):	
Homes	18.2
Commercial	1.2
Industrial	fewer than 50
Annual dollar cost of service (1974):	
Homes	159
Commercial	1,080
Industrial	N/A

2. In Maine, 11% of the homes use natural gas.

3. Natural gas supplied 0.5% of all the energy used in the state.

4. Gas is the dominant domestic energy source, but its artificially low regulated price has created a supply shortage. Comparatively, the costs of energy per million Btu in Maine were:

Natural Gas:	
Homes	3.70
Commercial	2.21
Industrial	1.86
Heating Oil:	
Homes	2.11
Commercial	----
Industrial	----
Electricity:	
Homes	8.11
Commercial	7.98
Industrial	3.85

5. The shortage of energy in the U.S. is primarily a shortage of natural gas. Maine will be denied 0 Bcf of gas this year because of this supply shortage.

6. This predicted pipeline curtailment represents about % of the gas that would have been used in the state during 1975. Last year's actual curtailments were % of normal usage.

7. These curtailments will primarily affect current gas users in the industrial sector. The major gas using industries in Maine are: Food and kindred products.

8. Assuming alternative fuels are not available when gas is denied these and other gas dependent industries, a 20% gas supply reduction could potentially place 4,300 manufacturing and related industry workers out of work. This is a substantial part of the total of 283,000 workers in the state, excluding agricultural and government workers.

9. Restrictions are also being imposed which prohibit gas hook-ups for many new homes. These restrictions apply to companies serving 87% of the gas using homes in Maine in 1975.

10. Some observers estimate that deregulation will, by 1985, provide a 50% increase in the amount of gas available. This is 50% *more* gas than the drastically reduced amount which is expected to be available under present federal regulation.

11. Deregulation of producer (wellhead) prices for new supplies will mean a gradual increase in the price of gas to consumers but it will still be well below the cost of alternative forms of energy. Prices for this state in 1985 are estimated to be:

	Per million Btu
Natural gas	$5.20
Heating oil	5.39
Electricity	28.19

12. If regulation continues, consumers will be forced to depend more and more on already much more expensive substitute gases. (Currently estimated to be $2 to $4 per million Btu in 1975 dollars at city gates.) These supplemental gas supply costs in 1985 are expected to average nearly $5.00 per million Btu when delivered to homes.

Gas prices in the New England states have historically been greater than oil because of small volumes and long distance from source; and recently, due to expensive gas supplementals needed to compensate for curtailments.

Natural gas is important to your state.

1. The number of users and their average annual gas bills unless otherwise indicated, all figures are for 1973, the latest year for which complete state data is available were:

Thousands of users (1974):	
Homes	722.4
Commercial	47.8
Industrial	5.7
Annual dollar cost of service (1974):	
Homes	204
Commercial	670
Industrial	11,400

2. In Maryland, 60% of the homes use natural gas.

3. Natural gas supplied 17% of all the energy used in the state.

4. Gas is the dominant domestic energy source, but its artificially low regulated price has created a supply shortage. Comparatively, the costs of energy per million Btu in Maryland were:

Natural gas:	
Homes	1.68
Commercial	1.37
Industrial	0.80
Heating oil:	
Homes	2.58
Commercial	----
Industrial	----
Electricity:	
Homes	8.00
Commercial	7.51
Industrial	4.50

5. The shortage of energy in the U.S. is primarily a shortage of natural gas. Maryland will be denied 20.87 Bcf of gas this year because of this supply shortage.

6. This predicted pipeline curtailment represents about 11.3% of the gas that would have been used in the state during 1975. Last year's actual curtailments were 8.0% of normal usage.

7. These curtailments will primarily affect current gas users in the industrial sector. The major gas using industries in Maryland are:

Primary metal industries; chemicals and allied products; stone, clay, and glass products.

8. Assuming alternative fuels are not available when gas is denied these and other gas dependent industries, a 20% gas supply reduction could potentially place 16,700 manufacturing and related industry workers out of work. This is a substantial part of the total of 1,142,000 workers in the state, excluding agricultural and government workers.

9. Restrictions are also being imposed which prohibit gas hook-ups for many new homes. These restrictions apply to companies serving 99% of the gas using homes in Maryland in 1975.

10. Some observers estimate that deregulation will, by 1985, provide a 50% increase in the amount of gas available. This is 50% more gas than the drastically reduced amount which is expected to be available under present federal regulation.

11. Deregulation of producer (wellhead) prices for new supplies will mean a gradual increase in the price of gas to consumers but it will still be well below the cost of alternative forms of energy. Prices for this state in 1985 are estimated to be:

	Per million Btu
Natural gas	$4.29
Heating oil	5.39
Electricity	20.74

12. If regulation continues, consumers will be forced to depend more and more on already much more expensive substitute gases. Currently estimated to be $2 to $ per million Btu in 1975 dollars if city gates. These supplemental gas supply costs in 1985 are expected to average nearly $5.00 per million Btu when delivered to homes.

Natural gas is important to your state.

1. The number of users and their average annual gas bills unless otherwise indicated, all figures are for 1973, the latest year for which complete state data is available—were:

Thousands of users (1974):	
Homes	1,007.7
Commercial	64.7
Industrial	8.2
Annual $ Cost of Service (1974):	
Homes	255
Commercial	1,260
Industrial	6,600

2. In Massachusetts 52% of the homes use natural gas.

3. Natural gas supplied 12% of all the energy used in the state.

4. Gas is the dominant domestic energy source, but its artifically low regulated price has created a supply shortage. Comparatively, the costs of energy per million Btu in Massachusetts were:

Natural Gas:	
Homes	2.35
Commercial	1.90
Industrial	1.11
Heating Oil:	
Homes	2.63
Industrial	----
Commercial	----
Electricity:	
Homes	9.41
Commercial	8.40
Industrial	5.89

5. The shortage of energy in the U.S. is primarily a shortage of natural gas. Massachusetts will be denied 11.52 Bcf of gas this year because of this supply shortage.

6. This predicted pipeline curtailment represents about 6.3% of the gas that would have been used in the state during 1975. Last year's actual curtailments were 4.5% of normal usage.

7. These curtailments will primarily affect current gas users in the industrial sector. The major gas using industries in Massachusetts are:

Food and kindred products, chemicals and allied products, primary metal industries.

8. Assuming alternative fuels are not available when gas is denied these and other gas dependent industries, a 20% gas supply reduction could potentially place 26,000 manufacturing and related industry workers out of work. This is a substantial part of the total of 1,997,000 workers in the state, excluding agricultural and government workers.

9. Restrictions are also being imposed which prohibit gas hook-ups for many new homes. These restrictions apply to companies serving 41% of the gas using homes in Massachusetts in 1975.

10. Some observers estimate that deregulation will, by 1985, provide a 50% increase in the amount of gas available. This is 50% more gas than the drastically reduced amount which is expected to be available under present federal regulation.

11. Deregulation of producer (wellhead) prices for new supplies will mean a gradual increase in the price of gas to consumers but it will still be well below the cost of alternative forms of energy. Prices for this state in 1985 are estimated to be

Per million Btu	
Natural gas	$5.20
Heating oil	5.39
Electricity	28.19

12. If regulation continues, consumers will be forced to depend more and more on already much more expensive substitute gases. Currently estimated to be $2 to $4 per million Btu in 1975 dollars at city gates. These supplemental gas supply costs in 1985 are expected to average nearly $5.00 per million Btu when delivered to homes.

Natural gas is important to your state.

1. The number of users and their average annual gas bills (unless otherwise indicated, all figures are for 1973, the latest year for which complete state data is available) were:

Thousands of users (1974):	
Homes	2.045.0
Commercial	174.6
Industrial	10.9
Annual dollar cost of service (1974):	
Homes	234
Commercial	1,190
Industrial	27,400

2. In Michigan, 70% of the homes use natural gas.

3. Natural gas supplied 32% of all the energy used in the state.

4. Gas is the dominant domestic energy source, but its artificially low regulated price has created a supply shortage. Comparatively, the costs of energy per million Btu in Michigan were:

Natural Gas:	
Homes	1.16
Commercial	0.95
Industrial	0.69
Heating Oil:	
Homes	2.45
Commercial	----
Industrial	----
Electricity:	
Homes	7.45
Commercial	7.47
Industrial	4.22

5. The shortage of energy in the U.S. is primarily a shortage of natural gas. Michigan will be denied 22.60 Bcf of gas this year because of this supply shortage.

6. This predicted pipeline curtailment represents about 2.4% of the gas that would have been used in the state during 1975. Last year's actual curtailments were 1.8% of normal usage.

7. These curtailments will primarily affect current gas users in the industrial sector. The major gas using industries in Michigan are:

Primary metal industries, transportation equipment, paper and allied products, chemicals and allied products.

8. Assuming alternative fuels are not available when gas is denied these and other gas dependent industries, a 20% gas supply reduction could potentially place 152,000 manufacturing and related industry workers out of work. This is a substantial part of the total of 2,719,000 workers in the state, excluding agricultural and government workers.

9. Restrictions are also being imposed which prohibit gas hook-ups for many new homes. These restrictions apply to companies serving 6% of the gas using homes in Michigan in 1975.

10. Some observers estimate that deregulation will, by 1985, provide a 50% increase in the amount of gas available. This is 50% more gas than the drastically reduced amount which is expected to be available under present federal regulation.

11. Deregulation of producer (wellhead) prices for new supplies will mean a gradual increase in the price of gas to consumers but it will still be well below the cost of alternative forms of energy. Prices for this state in 1985 are estimated to be

Per million Btu	
Natural gas	$3.80
Heating oil	5.36
Electricity	19.50

12. If regulation continues, consumers will be forced to depend more and more on already much more expensive substitute gases.* These supplemental gas supply costs million Btu in 1975 dollars at city gates.

Natural gas is important to your state.

1. The number of users and their average annual gas bills—unless otherwise indicated, all figures are for 1973, the latest year for which complete state data is available—were:

Thousands of users (1974):	
Homes	638.4
Commercial	56.3
Industrial	5.6
Annual dollar cost of service (1974):	
Homes	247
Commercial	1,022
Industrial	18,600

2. In Minnesota, 54% of the homes use natural gas.

3. Natural gas supplied 31% of all the energy used in the state.

4. Gas is the dominant domestic energy source, but its artificially low regulated price has created a supply shortage. Comparatively, the costs of energy per million Btu in Minnesota were:

Natural gas:	
Homes	1.30
Commercial	1.04
Industrial	0.52
Heating oil:	
Homes	2.53
Commercial	----
Industrial	----
Electricity:	
Homes	7.47
Commercial	6.08
Industrial	4.36

5. The shortage of energy in the U.S. is primarily a shortage of natural gas. Minnesota will be denied 11.30 Bcf of gas this year because of this supply shortage.

6. This predicted pipeline curtailment represents about 3.4% of the gas that would have been used in the state during 1975. Last year's actual curtailments were 2.4% of normal usage.

7. These curtailments will primarily affect current gas users in the industrial sector. The major gas using industries in Minnesota are:

Paper and allied products, food and kindred products.

8. Assuming alternative fuels are not available when gas is denied these and other gas dependent industries, a 20% gas supply reduction could potentially place 47,000 manufacturing and related industry workers out of work. This is a substantial part of the total of 1,182,000 workers in the state, excluding agricultural and government workers.

9. Restrictions are also being imposed which prohibit gas hook-ups for many new homes. These restrictions apply to companies serving 12% of the gas using homes in Minnesota in 1975.

10. Some observers estimate that deregulation will, by 1985, provide a 50% increase in the amount of gas available. This is 50%

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* Currently estimated to be $2 to $4 per million Btu in 1975 dollars at city gates.

more gas than the drastically reduced amount which is expected to be available under present federal regulation.

11. Deregulation of producer (wellhead) prices for new supplies will mean a gradual increase in the price of gas to consumers but it will still be well below the cost of alternative forms of energy. Prices for this state in 1985 are estimated to be:

	Per million Btu
Natural gas	$3.67
Heating oil	5.36
Electricity	20.49

12. If regulation continues, consumers will be forced to depend more and more on already much more expensive substitute gases. Currently estimated to be $2 to $4 per million Btu in 1975 dollars at city gates. These supplemental gas supply costs in 1985 are expected to average nearly $5.00 per million Btu when delivered to homes.

Natural gas is important to your state.

1. The number of users and their average annual gas bills, unless otherwise indicated, all figures are for 1973, the latest year for which complete state data is available were:

Thousands of users (1974):	
Homes	335.6
Commercial	34.7
Industrial	1.5
Annual dollar cost of service (1974):	
Homes	121
Commercial	390
Industrial	47,500

2. In Mississippi, 52% of the homes use natural gas.

3. Natural gas supplied 58% of all the energy used in the state.

4. Gas is the dominant domestic energy source, but its artificially low regulated price has created a supply shortage. Comparatively, the costs of energy per million Btu in Mississippi were:

Natural gas:	
Homes	1.12
Commercial	.77
Industrial	.46
Heating oil:	
Homes	2.27
Commercial	----
Industrial	----
Electricity:	
Homes	5.53
Commercial	6.05
Industrial	3.50

5. The shortage of energy in the U.S. is primarily a shortage of natural gas. Mississippi will be denied 180.41 Bcf of gas this year because of this supply shortage.

6. This predicted pipeline curtailment represents about 49.5% of the gas that would have been used in the state during 1975. Last year's actual curtailments were 40.2% of normal usage.

7. These curtailments will primarily affect current gas users in the industrial sector. The major gas using industries in Mississippi are: Paper & allied products, chemicals & allied products, lumber & wood products.

8. Assuming alternative fuels are not available when gas is denied these and other gas dependent industries, a 20% gas supply reduction could potentially place 20,000 manufacturing and related industry workers out of work. This is a substantial part of the total of 537,000 workers in the state, excluding agricultural and government workers.

9. Restrictions are also being imposed which prohibit gas hook-ups for many new homes. These restrictions apply to companies serving 0% of the gas using homes in Mississippi in 1975.

10. Some observers estimate that deregulation will, by 1985, provide a 50% increase in the amount of gas available. This is 50% more gas than the drastic 'ly reduced amount which is expected to be available under present federal regulation.

11. Deregulation of producer (wellhead) prices for new supplies will mean a gradual increase in the price of gas to consumers but it will still be well below the cost of alternative forms of energy. Prices for this state in 1985 are estimated to be:

	Per million Btu
Natural gas	$3.53
Heating oil	5.14
Electricity	19.99

12. If regulation continues, consumers will be forced to depend more and more on already much more expensive substitute gases. Currently estimated to be $2 to $4 per million Btu in 1975 dollars at city gates. These supplemental gas supply costs in 1985 are expected to average nearly $5.00 per million Btu when delivered to homes.

Natural gas is important to your state.

1. The number of users and their average annual gas bills* were:

Thousands of users (1974):	
Homes	1,072.1
Commercial	85.7
Industrial	4.2
Annual dollar cost of service (1974):	
Homes	202
Commercial	780
Industrial	20,300

2. In Missouri, 68% of the homes use natural gas.

3. Natural gas supplied 32% of all the energy used in the state.

4. Gas is the dominant domestic energy source, but its artificially low regulated price has created a supply shortage. Comparatively, the costs of energy per million Btu in Missouri were:

Natural gas:	
Homes	1.13
Commercial	.78
Industrial	.49
Heating oil:	
Homes	2.60
Commercial	----
Industrial	----
Electricity:	
Homes	7.76
Commercial	7.34
Industrial	4.39

5. The shortage of energy in the U.S. is primarily a shortage of natural gas. Missouri will be denied 36.52 Bcf of gas this year because of this supply shortage.

6. This predicted pipeline curtailment represents about 2.5% of the gas that would have been used in the state during 1975. Last year's actual curtailments were 1.7% of normal usage.

7. These curtailments will primarily affect current gas users in the industrial sector. The major gas using industries in Missouri are: Stone, clay, & glass products, food & kindred products, chemical & allied products.

8. Assuming alternative fuels are not available when gas is denied these and other gas dependent industries, a 20% gas supply reduction could potentially place 65,000 manufacturing and related industry workers out of work. This is a substantial part of the total of 1,449,000 workers in the state, excluding agricultural and government workers.

9. Restrictions are also being imposed which prohibit gas hook-ups for many new homes. These restrictions apply to companies serving 11% of the gas using homes in Missouri in 1975.

10. Some observers estimate that deregulation will, by 1985, provide a 50% increase in the amount of gas available. This is 50% *more* gas than the drastically reduced amount which is expected to be available under present federal regulation.

11. Deregulation of producer (wellhead) prices for new supplies will mean a *gradual* increase in the price of gas to consumers *but* it will still be well below the cost of alternative forms of energy. Prices for this state in 1985 are estimated to be

	Per million Btu
Natural gas	$3.67
Heating oil	5.36
Electricity	20.48

12. If regulation continues, consumers will be forced to depend more and more on already much more expensive substitute gases.* These supplemental gas supply costs in 1985 are expected to average nearly $5.00 per million Btu when delivered to homes.

Natural gas is important to your state.

1. The number of users and their average annual gas bills unless otherwise indicated, all figures are for 1973, the latest year for which complete state data is available were:

Thousands of users (1974):	
Homes	152.9
Commercial	18.2
Industrial	0.6
Annual dollar cost of service (1974):	
Homes	195
Commercial	740
Industrial	32,200

2. In Montana, 70% of the homes use natural gas.

3. Natural gas supplied 26% of all the energy used in the state.

4. Gas is the dominant domestic energy source, but its artificially low regulated price has created a supply shortage. Comparatively, the costs of energy per million Btu in Montana were:

Natural gas:	
Homes	.98
Commercial	.73
Industrial	.42
Heating oil:	
Homes	----
Commercial	----
Industrial	----
Electricity:	
Homes	6.46
Commercial	6.00
Industrial	1.55

5. The shortage of energy in the U.S. is primarily a shortage of natural gas. Montana will be denied 0 Bcf of gas this year because of this supply shortage.

6. This predicted pipeline curtailment represents about 0% of the gas that would have been used in the state during 1975. Last year's actual curtailments were 0% of normal usage.

7. These curtailments will primarily affect current gas users in the industrial sector. The major gas using industries in Montana are:

Petroleum and coal products, food and kindred products; stone, clay and glass products.

8. Assuming alternative fuels are not available when gas is denied these and other gas dependent industries, a 20% gas supply reduction could potentially place 3,000 manufacturing and related industry workers out of work. This is a substantial part of the total of 171,000 workers in the state, excluding agricultural and government workers.

9. Restrictions are also being imposed which prohibit gas hook-ups for many new homes. These restrictions apply to companies serving 0% of the gas using homes in Montana in 1975.

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* Unless otherwise indicated, all figures are for 1973, the latest year for which complete state data is available.

* Currently estimated to be $2 to $4 per million Btu in 1975 dollars at city gates.

10. Some observers estimate that deregulation will, by 1985, provide a 50% increase in the amount of gas available. This is 50% more gas than the drastically reduced amount which is expected to be available under present federal regulation.

11. Deregulation of producer (wellhead) prices for new supplies will mean a gradual increase in the price of gas to consumers but it will still be well below the cost of alternative forms of energy. Prices for this state in 1985 are estimated to be

	Per million Btu
Natural gas	$3.63
Heating oil	4.96
Electricity	22.61

12. If regulation continues, consumers will be forced to depend more and more on already much more expensive substitute gases. Currently estimated to be $2 to $4 per million Btu in 1975 prices at the city gate. These supplemental gas supply costs in 1985 are expected to average nearly $5.00 per million Btu when delivered to homes.

Natural gas is important to your state.

1. The number of users and their average annual gas bills unless otherwise indicated, all figures are for 1973, the latest year for which complete data is available were:

Thousands of users (1974):	
Homes	349.0
Commercial	43.5
Industrial	9.0
Annual dollar cost of service (1974):	
Homes	197
Commercial	640
Industrial	6,600

2. In Nebraska, 72% of the homes use natural gas.

3. Natural gas supplied 52% of all the energy used in the state.

4. Gas is the dominant domestic energy source, but its artificially low regulated price has created a supply shortage. Comparatively, the csots of energy per million Btu in Nebraska were:

Natural gas:	
Homes	1.06
Commercial	.84
Industrial	.45
Heating oil:	
Homes	1.85
Commercial	----
Industrial	----
Electricity:	
Homes	6.19
Commercial	5.21
Industrial	3.72

5. The shortage of energy in the U.S. is primarily a shortage of natural gas. Nebraska will be denied 5.22 Bcf of gas this year because of this supply shortage.

6. This predicted pipeline curtailment represents about 2.5% of the gas that would have been used in the state during 1975. Last year's actual curtailments were 1.7% of normal usage.

7. These curtailments will primarily affect current gas users in the industrial sector. The major gas using industries in Nebraska are:

Food & Kindred products, chemicals & allied products.

8. Assuming alternative fuels are not available when gas is denied these and other gas dependent industries, a 20% gas supply reduction could potentially place 13,000 manufacturing and related industry workers out of work. This is a substantial part of the total of 425,000 workers in the state, excluding agricultural and government workers.

9. Restriction are also being imposed which prohibit gas hook-ups for many new homes. These restrictions apply to companies serving 9% of the gas using homes in Nebraska in 1975.

10. Some observers estimate that deregulation will, by 1985, provide a 50% increase in the amount of gas available. This is 50% *more* gas than the drastically reduced amount which is expected to be available under present federal regulation.

11. Deregulation of producer (wellhead) prices for new supplies will mean a *gradual* increase in the price of gas to consumers but it will still be well below the cost of alternative forms of energy. Prices for this state in 1985 are estimated to be:

	Per million Btu
Natural gas	$3.67
Heating oil	5.36
Electricity	20.48

12. If regulation continues, consumers will be forced to depend more and more on already much more expensive substitute gases. Currently estimated to be $2 to $4 per million Btu in 1975 prices at the city gate. These supplemental gas supply costs in 1985 are expected to average nearly $5.00 per million Btu when delivered to homes.

Natural gas is important to your state.

1. The number of users and their average annual gas bills, unless otherwise indicated, all figures are for 1973, the latest year for which complete state data is available, were:

Thousands of users (1974):	
Homes	97.8
Commercial	7.9
Industrial	0.1
Annual dollar cost of service (1974):	
Homes	180
Commercial	1,080
Industrial	*369,900

*Due to gas sold for electric generation in large quantities.

2. In Nevada, 39% of the homes use natural gas.

3. Natural gas supplied 27% of all the energy used in the state.

4. Gas is the dominant domestic energy source, but its artificially low regulated price has created a supply shortage. Comparatively, the costs of energy per million Btu in Nevada were:

Natural gas:	
Homes	1.46
Commercial	.94
Industrial	.50
Heating oil:	
Homes	----
Commercial	----
Industrial	----
Electricity:	
Homes	4.56
Commercial	5.24
Industrial	2.75

5. The shortage of energy in the U.S. is primarily a shortage of natural gas. Nevada will be denied 1.96 Bcf of gas this year because of this supply shortage.

6. This predicted pipeline curtailment represents about 2.6% of the gas that would have been used in the state during 1975. Last year's actual curtailments were 1.9% of normal usage.

7. These curtailments will primarily affect current gas users in the industrial sector. The major gas using industries in Nevada are:

Stone, clay and glass products, chemicals and allied products.

8. Assuming alternative fuels are not available when gas is denied these and other gas dependent industries, a 20% gas supply reduction could potentially place 1,400 manufacturing and related industry workers out of work. This is a substantial part of the total of 202,000 workers in the state, excluding agricultural and government workers.

9. Restrictions are also being imposed which prohibit gas hook-ups for many new homes. These restrictions apply to companies serving 0% of the gas using homes in Nevada in 1975.

10. Some observers estimated that deregulation will, by 1985, provide a 50% increase in the amount of gas available. This is 50% more gas than the drastically reduced amount which is expected to be available under present federal regulation.

11. Deregulation of producer (wellhead) prices for new supplies will mean a gradual increase in the price of gas to consumers but it will still be well below the cost of alternative forms of energy. Prices for this state in 1985 are estimated to be

	Per million Btu
Natural gas	$3.63
Heating oil	4.96
Electricity	22.61

12. If regulation continues, consumers will be forced to depend more and more on already much more expensive substitute gases, currently estimated to be $2 to $4 per million Btu in 1975 prices at the city gate. These supplemental gas supply costs in 1985 are expected to average nearly $5.00 per million Btu when delivered to homes.

Natural gas is important to your state.

1. The number of users and their average annual gas bills, unless otherwise indicated, all figures are for 1973, the latest year for which complete state data is available, were:

Thousands of users (1974):	
Homes	41.3
Commercial	4.0
Industrial	0.2
Annual dollar cost of service (1974):	
Homes	250
Commercial	1,030
Industrial	17,400

2. In New Hampshire, 17% of the homes use natural gas.

3. Natural gas supplied 7% of all the energy used in the state.

4. Gas is the dominant domestic energy source, but its artificially low regulated price has created a supply shortage. Comparatively, the costs of energy per million Btu in New Hampshire were:

Natural gas:	
Homes	2.02
Commercial	1.76
Industrial	.97
Heating oil:	
Homes	2.52
Commercial	----
Industrial	----
Electricity:	
Homes	8.20
Commercial	8.65
Industrial	4.45

5. The shortage of energy in the U.S. is primarily a shortage of natural gas. New Hampshire will be denied 0.65 Bcf of gas this year because of this supply shortage.

6. This predicted pipeline curtailment represents about 5.5% of the gas, that would have been used in the state during 1975. Last year's actual curtailments were 3.9% of normal usage.

7. These curtailments will primarily affect current gas users in the industrial sector. The major gas using industries in New Hampshire are:

Paper & allied products.

8. Assuming alternative fuels are not available when gas is denied these and other gas dependent industries, a 20% gas supply reduction could potentially place 4,000 manufacturing and related industry workers out

of work. This is a substantial part of the total of 252,000 workers in the state, excluding agricultural and government workers.

9. Restrictions are also being imposed which prohibit gas hook-ups for many new homes. These restrictions apply to companies serving 47% of the gas using homes in New Hampshire in 1975.

10. Some observers estimate that deregulation will, by 1985, provide a 50% increase in the amount of gas available. This is 50% *more* gas than the drastically reduced amount which is expected to be available under present federal regulation.

11. Deregulation of producer (wellhead) prices for new supplies will mean a *gradual* increase in the price of gas to consumers *but* it will still be well below the cost of alternative forms of energy. Prices for this state in 1985 are estimated to be:

	Per million Btu
Natural gas	$5.20
Heating oil	5.39
Electricity	28.19

12. If regulation continues, consumers will be forced to depend more and more on already much more expensive substitute gases. Currently estimated to be $2 to $4 per million Btu in 1975 prices at the city gate. These supplemental gas supply costs in 1985 are expected to average nearly $5.00 per million Btu when delivered to homes.

Natural gas is important to your state.

1. The number of users and their average annual gas bills unless otherwise indicated, all figures are for 1973, the latest year for which complete state data is available were:

Thousands of users (1974):	
Homes	1,620.1
Commercial	178.0
Industrial	6.2
Annual dollar cost of service (1974):	
Homes	202
Commercial	620
Industrial	13,500

2. In New Jersey, 73% of the homes use natural gas.

3. Natural gas supplied 19% of all the energy used in the state.

4. Gas is the dominant domestic energy source, but its artificially low regulated price has created a supply shortage. Comparatively, the costs of energy per million Btu in New Jersey were:

Natural gas:	
Homes	1.88
Commercial	1.54
Industrial	.81
Heating oil:	
Homes	2.40
Commercial	----
Industrial	----
Electricity:	
Homes	9.52
Commercial	8.65
Industrial	5.15

5. The shortage of energy in the U.S. is primarily a shortage of natural gas. New Jersey will be denied 150.85 Bcf of gas this year because of this supply shortage.

6. This predicted pipeline curtailment represents about 33.5% of the gas that would have been used in the state during 1975. Last year's actual curtailments were 27.3% of normal usage.

7. These curtailments will primarily affect current gas users in the industrial sector. The major gas using industries in New Jersey are:

Chemicals & allied products; food & kindred products; petroleum & coal products.

8. Assuming alternative fuels are not available when gas is denied these and other gas dependent industries, a 20% gas supply reduction could potentially place 61,300 manufacturing and related industry workers out of work. This is a substantial part of the total of 2,340,000 workers in the state, excluding agricultural and government workers.

9. Restrictions are also being imposed which prohibit gas hook-ups for many new homes. These restrictions apply to companies serving 100% of the gas using homes in New Jersey in 1975.

10. Some observers estimate that deregulation will, by 1985, provide a 50% increase in the amount of gas available. This is 50% more gas than the drastically reduced amount which is expected to be available under present federal regulation.

11. Deregulation of producer (wellhead) prices for new supplies will mean a gradual increase in the price of gas to consumers but it will still be well below the cost of alternative forms of energy. Prices for this state in 1985 are estimated to be

	Per million Btu
Natural gas	$4.51
Heating oil	5.18
Electricity	27.65

12. If regulation continues, consumers will be forced to depend more and more on already much more expensive susbtitute gases. Currently estimated to be $2 to $4 per million Btu in 1975 prices at the city gate. These supplemental gas supply costs in 1985 are expected to average nearly $5.00 per million Btu when delivered to homes.

Natural gas is important to your state.

1. The number of users and their average annual gas bills, unless otherwise indicated, all figures are for 1973, the latest year for which complete state data is available, were:

Thousands of users (1974):	
Homes	254.2
Commercial	24.0
Industrial	3.3
Annual dollar cost of service (1974):	
Homes	150
Commercial	490
Industrial	11,500

2. In New Mexico, 78% of the homes use natural gas.

3. Natural gas supplied 50% of all energy used in the state.

4. Gas is the dominant domestic energy source, but its artificially low regulated price has created a supply shortage. Comparatively, the costs of energy per million Btu in New Mexico were:

Natural gas:	
Homes	.95
Commercial	.70
Industrial	.36
Heating oil:	
Homes	3.38
Commercial	----
Industrial	----
Electricity:	
Homes	8.01
Commercial	6.12
Industrial	3.53

5. The shortage of energy in the U.S. is primarily a shortage of natural gas. New Mexico will be denied 23.91 Bcf of gas this year because of this supply shortage.

6. This predicted pipeline curtailment represents about 14.9% of the gas that would have been used in the state during 1975. Last year's actual curtailments were 11.1% of normal usage.

7. These curtailments will primarily affect current gas users in the industrial sector. The major gas using industries in New Mexico are: N/A.

8. Assuming alternative fuels are not available when gas is denied these and other gas dependent industries, a 20% gas supply reduction could potentially place 3,400 manufacturing and related industry workers out of work. This is a substantial part of the total 246,000 workers in the state, excluding agricultural and government workers.

9. Restrictions are also being imposed which prohibit gas hook-ups for many new homes. These restrictions apply to companies serving 0% of the gas using homes in New Mexico in 1975.

10. Some observers estimate that deregulation will, by 1985, provide a 50% increase in the amount of gas available. This is 50% more gas than the drastically reduced amount which is expected to be available under present federal regulation.

11. Deregulation of producer (wellhead) prices for new supplies will mean a gradual increase in the price of gas to consumers but it will still be well below the cost of alternative forms of energy. Prices for this state in 1985 are estimated to be

	Per million Btu
Natural gas	$3.63
Heating oil	4.96
Electricity	22.61

12. If regulation continues, consumers will be forced to depend more and more on already much more expensive substitute gases. Currently estimated to be $2 to $4 per million Btu in 1975 prices at the city gate. These supplemental gas supply costs in 1985 are expected to average nearly $5.00 per million Btu when delivered to homes.

Natural gas is important to your state.

1. The number of users and their average annual gas bills unless otherwise indicated, all figures are for 1973, the latest year for which complete state data is available were:

Thousands of users (1974):	
Homes	3,916.9
Commercial	257.3
Industrial	13.9

2. In New York, 71% of the homes use natural gas.

3. Natural gas supplied 17% of all the energy used in the state.

4. Gas is the dominant domestic energy source, but its artifically low regulated price has created a supply shortage. Comparatively, the costs of energy per million Btu in New York were:

Natural Gas:	
Homes	1.70
Commercial	1.41
Industrial	.97
Heating Oil:	
Homes	2.80
Commercial	------
Industrial	------
Electricity:	
Homes	10.30
Commercial	9.95
Industrial	4.18

5. The shortage of energy in the U.S. is primarily a shortage of natural gas. New York will be denied 158.24 Bcf of gas this year because of this supply shortage.

6. This predicted pipeline curtailment represents about 20.5% of the gas that would have been used in the state during 1975. Last year's actual curtailments were 16.2% of normal usage.

7. These curtailments will primarily affect current gas users in the industrial sector. The major gas using industries in New York are:

Primary metal industries; food & kindered products; stone, clay & glass products.

8. Assuming alternative fuels are not available when gas is denied these and other gas dependent industries, a 20% gas supply reduction could potentially place 119,000 manufacturing and related industry workers out of work. This is a substantial part of the total of 5,863,000 workers in the state, excluding agricultural and government workers.

9. Restrictions are also being imposed which prohibit gas hook-ups for many new homes. These restrictions apply to companies

serving 100% of the gas using homes in New York in 1975.

10. Some observers estimate that deregulation will, by 1985, provide a 50% increase in the amount of gas available. This is 50% more gas than the drastically reduced amount which is expected to be available under present federal regulation.

11. Deregulation of producer (wellhead) prices for new supplies will mean a gradual increase in the price of gas to consumers but it will still be well below the cost of alternative forms of energy. Prices for this state in 1985 are estimated to be

	Per million Btu
Natural gas	$4.51
Heating oil	5.18
Electricity	27.65

12. If regulation continues, consumers will be forced to depend more and more on already much more expensive substitute gases. Currently estimated to be $2 to $4 per million Btu in 1975 prices at the city gate. These supplemental gas supply costs in 1985 are expected to average nearly $5.00 per million Btu when delivered to homes.

Natural gas is important to your state.

1. The number of users and their average annual gas bills, unless otherwise indicated, all figures are for 1973, the latest year for which complete state data is available were:

Thousands of users (1974):	
Homes	295.5
Commercial	37.8
Industrial	2.5
Annual dollar cost of service (1974):	
Homes	185
Commercial	670
Industrial	34,400

2. In North Carolina, 15% of the homes use natural gas.

3. Natural gas supplied 12% of all the energy used in the state.

4. Gas is the dominant domestic energy source, but its artificially low regulated price has created a supply shortage. Comparatively, the costs of energy per million Btu in North Carolina were:

Natural gas:	
Homes	1.49
Commercial	1.26
Industrial	.66
Heating oil:	
Homes	2.53
Commercial	----
Industrial	----
Electricity:	
Homes	6.12
Commercial	5.31
Industrial	3.20

5. The shortage of energy in the U.S. is primarily a shortage of natural gas. North Carolina will be denied 94.98 Bcf of gas this year because of this supply shortage.

6. This predicted pipeline curtailment represents about 37.8% of the gas that would have been used in the state during 1975. Last year's actual curtailments were 29.6% of normal usage.

7. These curtailments will primarily affect current gas users in the industrial sector. The major gas using industries in North Carolina are:

Textile mill products; chemicals and allied products; stone, clay, and glass products.

8. Assuming alternative fuels are not available when gas is denied these and other gas dependent industries, a 20% gas supply reduction could potentially place 50,000 manufacturing and related industry workers out of work. This is a substantial part of the total of 1,683,000 workers in the state, excluding agricultural and government workers.

9. Restrictions are also being imposed which prohibit gas hook-ups for many new homes. These restrictions apply to companies serving 76% of the gas using homes in North Carolina in 1975.

10. Some observers estimate that deregulation will, by 1985, provide a 50% increase in the amount of gas available. This is 50% more gas than the drastically reduced amount which is expected to be available under present federal regulation.

11. Deregulation of produced (wellhead) prices for new supplies will mean a gradual increase in the price of gas to consumers but it will still be well below the cost of alternative forms of energy. Prices for this state in 1985 are estimated to be

	Per million Btu
Natural gas	$4.29
Heating oil	5.39
Electricity	20.74

12. If regulation continues, consumers will be forced to depend more and more on already much more expensive substitute gases. (Currently estimated to be $2 to $4 per million Btu in 1975 prices at the city gate.) These supplemental gas supply costs in 1985 are expected to average nearly $5.00 per million Btu when delivered to homes.

Natural gas is important to your state.

1. The number of users and their average annual gas bills (unless otherwise indicated, all figures are for 1973, the latest year for which complete state data is available) were:

Thousands of users (1974):	
Homes	63.9
Commercial	8.0
Industrial	.3
Annual dollar cost of service (1974):	
Homes	212
Commercial	1,180
Industrial	8,600

2. In North Dakota, 32% of the homes use natural gas.

3. Natural gas supplied 13% of all the energy used in the state.

4. Gas is the dominant domestic energy source, but its artificially low regulated price has created a supply shortage. Comparatively, the costs of energy per million Btu in North Dakota were:

Natural gas:	
Homes	1.14
Commercial	.74
Industrial	.52
Heating Oil:	
Homes	----
Commercial	----
Industrial	----
Electricity:	
Homes	7.56
Commercial	6.82
Industrial	6.00

5. The shortage of energy in the U.S. is primarily a shortage of natural gas. North Dakota will be denied Bcf of gas this year because of this supply shortage.

6. This predicted pipeline curtailment represents about % of the gas that would have been used in the state during 1975. Last year's actual curtailments were % of normal usage.

7. These curtailments will primarily affect current gas users in the industrial sector. The major gas using industries in North Dakota are: Food and kindred products.

8. Assuming alternative fuels are not available when gas is denied these and other gas dependent industries, a 20% gas supply reduction could potentially place 1,700 manufacturing and related industry workers out of work. This is a substantial part of the total of 132,000 workers in the state, excluding agricultural and government workers.

9. Restrictions are also being imposed which prohibit gas hook-ups for many new homes. These restrictions apply to companies serving % of the gas using homes in North Dakota in 1975.

10. Some observers estimate that deregulation will, by 1985, provide a 50% increase in the amount of gas available. This is 50% more gas than the drastically reduced amount which is expected to be available under present federal regulation.

11. Deregulation of producer (wellhead) prices for new supplies will mean a gradual increase in the price of gas to consumers but it will still be well below the cost of alternative forms of energy. Prices for this state in 1985 are estimated to be

	Per million Btu
Natural gas	$3.67
Heating oil	5.36
Electricity	20.48

12. If regulation continues, consumers will be forced to depend more and more on already much more expensive substitute gases. (Currently estimated to be $2 to $4 per million Btu in 1975 prices at the city gate.) These supplemental gas supply costs in 1985 are expected to average nearly $5.00 per million Btu when delivered to homes.

Natural gas is important to your state.

1. The number of users and their average annual gas bills (Unless otherwise indicated, all figures are for 1973, the latest year for which complete state data is avaliable) were:

Thousands of users (1974):	
Homes	2,561.4
Commercial	198.4
Industrial	6.8
Annual dollar cost of service (1974):	
Homes	223
Commercial	1,028
Industrial	52,700

2. In Ohio, 77% of the homes use natural gas.

3. Natural gas supplied 31% of all the energy used in the state.

4. Gas is the dominant domestic energy source, but its artificially low regulated price has created a supply shortage. Comparatively, the costs of energy per million Btu in Ohio were:

Natural gas:	
Homes	1.08
Commercial	0.90
Industrial	0.66
Heating oil:	
Homes	2.20
Commercial	----
Industrial	----
Electricity:	
Homes	7.11
Commercial	6.63
Industrial	3.08

5. The shortage of energy in the U.S. is primarily a shortage of natural gas. Ohio will be denied 79.77 Bcf of gas this year because of this supply shortage.

6. This predicted pipeline curtailment represents about 6.0% of the gas that would have been used in the state during 1975. Last year's actual curtailments were 5.0% of normal usage.

7. These curtailments will primarily affect current gas users in the industrial sector. The major gas using industries in Ohio are: Primary metal industries; stone, clay, and glass products.

8. Assuming alternative fuels are not available when gas is denied these and other gas dependent industries, a 20% gas supply reduction could potentially place 186,000 manufacturing and related industry workers out of work. This is a substantial part of the total of 3,516,000 workers in the state, excluding agricultural and government workers.

9. Restrictions are also being imposed which prohibit gas hook-ups for many new

homes. These restrictions apply to companies serving 56% of the gas using homes in Ohio in 1975.

10. Some observers estimate that deregulation will, by 1985, provide a 50% increase in the amount of gas available. This is 50% more gas than the drastically reduced amount which is expected to be available under present federal regulation.

11. Deregulation of producer (wellhead) prices for new supplies will mean a gradual increase in the price of gas to consumers but it will still be well below the cost of alternative forms of energy. Prices for this state in 1985 are estimated to be:

Per million Btu

Natural gas	$3.80
Heating oil	5.36
Electricity	19.50

12. If regulation continues, consumers will be forced to depend more and more on already much more expensive substitute gases. (Currently estimated to be $2 to $4 per million Btu in 1975 prices at the city gate.) These supplemental gas supply costs in 1985 are expected to average nearly $5.00 per million Btu when delivered to homes.

Natural gas is important to your state.

1. The number of users and their average annual gas bills* were:

(Unless otherwise indicated, all figures are for 1973, the latest year for which complete state data is available.)

Thousands of users (1974):	
Homes	556.9
Commercial	66.6
Industrial	4.2
Annual dollar cost of service (1974):	
Homes	134
Commercial	450
Industrial	19,700

2. In Oklahoma, 99% of the homes use natural gas.

3. Natural gas supplied 65% of all the energy used in the state.

4. Gas is the dominant domestic energy source, but its artificially low regulated price has created a supply shortage. Comparatively, the costs of energy per million Btu in Oklahoma were:

Natural gas:	
Homes	.87
Commercial	.61
Industrial	.30
Heating oil:	
Homes	2.35
Commercial	----
Industrial	----
Electricity:	
Homes	6.80
Commercial	3.72
Industrial	1.06

5. The shortage of energy in the U.S. is primarily a shortage of natural gas. Oklahoma will be denied 9.78 Bcf of gas this year because of this supply shortage.

6. This predicted pipeline curtailment represents about 2.7% of the gas that would have been used in the state during 1975. Last year's actual curtailments were 1.7% of normal usage.

7. These curtailments will primarily affect current gas users in the industrial sector. The major gas using industries in Oklahoma are: Petroleum & Coal products; stone, clay, & glass products.

8. Assuming alternative fuels are not available when gas is denied these and other gas dependent industries, a 20% gas supply reduction could potentially place 29,000 manufacturing and related industry workers out of work. This is a substantial part of the total of 654,000 workers in the state, excluding agricultural and government workers.

9. Restrictions are also being imposed which prohibit gas hook-ups for many new homes. These restrictions apply to companies serving % of the gas using homes in Oklahoma in 1975.

10. Some observers estimate that deregulation will, by 1985, provide a 50% increase in the amount of gas available. This is 50% more gas than the drastically reduced amount which is expected to be available under present federal regulation.

11. Deregulation of producer (wellhead) prices for new supplies will mean a gradual increase in the price of gas to consumers but it will still be well below the cost of alternative forms of energy. Prices for this state in 1985 are estimated to be:

Per million Btu

Natural gas	$3.58
Heating oil	5.14
Electricity	20.21

12. If regulation continues, consumers will be forced to depend more and more on already much more expensive substitute gases. (Currently estimated to be $2 to $4 per million Btu in 1975 prices at the city gate.) These supplemental gas supply costs in 1985 are expected to average nearly $5.00 per million Btu when delivered to homes.

Natural gas is important to your state.

1. The number of users and their average annual gas bills (Unless otherwise indicated, all figures are for 1973, the latest year for which complete state data is available) were:

Thousands of users (1974):	
Homes	223.6
Commercial	27.1
Industrial	0.6
Annual dollar cost of service (1974):	
Homes	220
Commercial	780
Industrial	79,300

2. In Oregon, 24% of the homes use natural gas.

3. Natural gas supplied 15% of all the energy used in the state.

4. Gas is the dominant domestic energy source, but its artificially low regulated price has created a supply shortage. Comparatively, the costs of energy per million Btu in Oregon were:

Natural gas:	
Homes	1.65
Commercial	1.37
Industrial	.59
Heating oil:	
Homes	2.07
Commercial	----
Industrial	----
Electricity:	
Homes	3.89
Commercial	3.94
Industrial	1.34

5. The shortage of energy in the U.S. is primarily a shortage of natural gas. Oregon will be denied 6.74 Bcf of gas this year because of this supply shortage.

6. This predicted pipeline curtailment represents about 7.0% of the gas that would have been used in the state during 1975. Last year's actual curtailments were 4.9% of normal usage.

7. These curtailments will primarily affect current gas users in the industrial sector. The major gas-using industries in Oregon are: Paper and allied products; lumber and wood products; food and kindred products.

8. Assuming alternative fuels are not available when gas is denied these and other gas-dependent industries, a 20% gas supply reduction could potentially place 29,000 manufacturing and related industry workers out of work. This is a substantial part of the total of 656,000 workers in the state, excluding agricultural and government workers.

9. Restrictions are also being imposed which prohibit gas hook-ups for many new homes. These restrictions apply to companies serving 91% of the gas-using homes in Oregon in 1975.

10. Some observers estimate that deregulation will, by 1985, provide a 50% increase in the amount of gas available. This is 50% more gas than the drastically reduced amount which is expected to be available under present federal regulation.

11. Deregulation of producer (wellhead) prices for new supplies will mean a gradual increase in the price of gas to consumers but it will still be well below the cost of alternative forms of energy. Prices for this state in 1985 are estimated to be:

Per million Btu

Natural gas	$3.87
Heating oil	5.60
Electricity	20.63

12. If regulation continues, consumers will be forced to depend more and more on already much more expensive substitute gases. (Currently estimated to be $2 to $4 per million Btu in 1975 prices at the city gate.) These supplemental gas supply costs in 1985 are expected to average nearly $5.00 per million Btu when delivered to homes.

Natural gas is important to your state.

1. The number of users and their average annual gas bills unless otherwise indicated, all figures are for 1973, the latest year for which complete state data is available were:

Thousands of users (1974):	
Homes	2,137.9
Commercial	147.9
Industrial	8.6
Annual dollar cost of service (1974):	
Homes	231
Commercial	980
Industrial	36,600

2. In Pennsylvania, 55% of the homes use natural gas.

3. Natural gas supplied 21% of all the energy used in the state.

4. Gas is the dominant domestic energy source, but its artificially low regulated price has created a supply shortage. Comparatively, the costs of energy per million Btu in Pennsylvania were:

Natural Gas:	
Homes	1.41
Commercial	1.13
Industrial	.73
Heating oil:	
Homes	2.54
Commercial	----
Industrial	----
Electricity:	
Homes	8.36
Commercial	7.51
Industrial	4.38

5. The shortage of energy in the U.S. is primarily a shortage of natural gas. Pennsylvania will be denied 159.98 Bcf of gas this year because of this supply shortage.

6. This predicted pipeline curtailment represents about 17.0% of the gas that would have been used in the state during 1975. Last year's actual curtailments were 13.4% of normal usage.

7. These curtailments will primarily affect current gas users in the industrial sector. The major gas using industries in Pennsylvania are: Primary metal industries, stone, clay, and glass products.

8. Assuming alternative fuels are not available when gas is denied these and other gas dependent industries, a 20% gas supply reduction could potentially place 108,000 manufacturing and related industry workers out of work. This is a substantial part of the total of 3,829,000 workers in the state,

excluding agricultural and government workers.

9. Restrictions are also being imposed which prohibit gas hook-ups for many new homes. These restrictions apply to companies serving 90% of the gas using homes in Pennsylvania in 1975.

10. Some observers estimate that deregulation will, by 1985, provide a 50% increase in the amount of gas available. This is 50% more gas than the drastically reduced amount which is expected to be available under present federal regulation.

11. Deregulation of producer (wellhead) prices for new supplies will mean a gradual increase in the price of gas to consumers but it will still be well below the cost of alternative forms of energy. Prices for this state in 1985 are estimated to be:

	Per million Btu
Natural gas	$4.51
Heating oil	5.18
Electricity	27.65

12. If regulation continues, consumers will be forced to depend more and more on already much more expensive substitute gases. (Currently estimated to be $2 to $4 per million Btu in 1975 prices at the city gate.) These supplemental gas supply costs in 1985 are expected to average nearly $5.00 per million Btu when delivered to homes.

Natural gas is important to your state

1. The number of users and their average annual gas bills (unless otherwise indicated, all figures are for 1973, the latest year for which complete state data is available) were:

Thousands of users (1974):	
Homes	150.9
Commercial	9.2
Industrial	1.6
Annual dollar cost of service (1974):	
Homes	232
Commercial	980
Industrial	6,100

2. In Rhode Island, 47% of the homes use natural gas.

3. Natural gas supplied 12% of all the energy used in the state.

4. Gas is the dominant domestic energy source, but its artificially low regulated price has created a supply shortage. Comparatively, the costs of energy per million Btu in Rhode Island were:

Natural gas:	
Homes	2.33
Commercial	1.96
Industrial	1.37
Heating oil:	
Homes	2.11
Commercial	----
Industrial	----
Electricity:	
Homes	9.53
Commercial	7.84
Industrial	5.79

5. The shortage of energy in the U.S. is primarily a shortage of natural gas. Rhode Island will be denied 1.74 Bof of gas this year because of this supply shortage.

6. This predicted pipeline curtailment represents about 7.0% of the gas that would have been used in the state during 1975. Last year's actual curtailment were 5.5% of normal usage.

7. These curtailments will primarily affect current gas users in the industrial sector. The major gas using industries in Rhode Island are: Stone, clay & glass products; primary metal industries.

8. Assuming alternative fuels are not available when gas is denied these and other gas dependent industries, a 20% gas supply reduction could potentially place 5,000 manufacturing and related industry workers out of work. This is a substantial part of the total of 308,000 workers in the state, excluding agricultural and government workers.

9. Restrictions are also being imposed which prohibit gas hook-ups for many new homes. These restrictions apply to companies serving 92% of the gas using homes in Rhode Island in 1975.

10. Some observers estimate that deregulation will, by 1985, provide a 50% increase in the amount of gas available. This is 50% more gas than the drastically reduced amount which is expected to be available under present federal regulation.

11. Deregulation of producer (wellhead) prices for new supplies will mean a gradual increase in the price of gas to consumers but it will still be well below the cost of alternative forms of energy. Prices for this state in 1985 are estimated to be

	Per million Btu
Natural gas	$5.20
Heating oil	5.39
Electrically	28.19

12. If regulation continues, consumers will be forced to depend more and more on already much more expensive substitute gases. (Currently estimated to be $2 to $4 per million Btu in 1975 prices at the city gate.) These supplemental gas supply costs in 1985 are expected to average nearly $5.00 per million Btu when delivered to homes.

Gas prices in the New England states have historically been greater than oil because of small volumes and long distance from source; and recently, due to expensive gas supplementals needed to compensate for curtailments.

Natural gas is important to your state.

1. The number of users and their average annual gas bills (unless otherwise indicated, all figures are for 1973, the latest year for which complete state data is available) were:

Thousands of users (1974):	
Homes	251.9
Commercial	26.2
Industrial	1.2
Annual dollar cost of service (1974):	
Homes	164
Commercial	648
Industrial	63,000

2. In South Carolina, 27% of the homes use natural gas.

3. Natural gas supplied 21% of all the energy used in the state.

4. Gas is the dominant domestic energy source, but its artificially low regulated price has created a supply shortage. Comparatively, the costs of energy per million Btu in South Carolina were:

Natural gas:	
Homes	1.65
Commercial	1.07
Industrial	.59
Heating oil:	
Homes	2.20
Commercial	-----
Industrial	-----
Electricity:	
Homes	6.27
Commercial	5.45
Industrial	2.89

5. The shortage of energy in the U.S. is primarily a shortage of natural gas. South Carolina will be denied 18.15 Bcf of gas this year because of this supply shortage.

6. This predicted pipeline curtailment represents about 11.0% of the gas that would have been used in the state during 1975. Last year's actual curtailments were 7.8% of normal usage.

7. These curtailments will primarily affect current gas users in the industrial sector. The major gas using industries in South Carolina are: Textile mill products; chemicals and allied products; stone, clay, and glass products.

8. Assuming alternative fuels are not available when gas is denied these and other gas dependent industries, a 20% gas supply reduction could potentially place 24,500 manufacturing and related industry workers out of work. This is a substantial part of the total of 817,000 workers in the state, excluding agricultural and government workers.

9. Restrictions are also being imposed which prohibit gas hook-ups for many new homes. These restrictions apply to companies serving 76% of the gas using homes in South Carolina in 1975.

10. Some observers estimate that deregulation will, by 1985, provide a 50% increase in the amount of gas available. This is 50% more gas than the drastically reduced amount which is expected to be avaliable under present federal regulation.

11. Deregulation of producer (wellhead) prices for new supplies will mean a gradual increase in the price of gas to consumers but it will still be well below the cost of alternative forms of energy. Prices for this state in 1985 are estimated to be:

	Per million Btu
Natural gas	$4.29
Heating oil	5.39
Electricity	20.74

12. If regulation continues, consumers will be forced to depend more and more on already much more expensive substitute gases. (Currently estimated to be $2 to $4 per million Btu in 1975 prices at the city gate.) These supplemental gas supply costs in 1985 are expected to average nearly $5.00 per million Btu when delivered to homes.

Natural gas is important to your state.

1. The number of users and their average annual gas bills (unless otherwise indicated, all figures are for 1973, the latest year for which complete state data is available) were:

Thousands of users (1974):	
Homes	81.9
Commercial	10.3
Industrial	0.3
Annual dollar cost of service (1974):	
Homes	202
Commercial	830
Industrial	17,500

2. In South Dakota, 40% of the homes use natural gas.

3. Natural gas supplied 16% of all the energy used in the state.

4. Gas is the dominant domestic energy source, but its artificially low regulated price has created a supply shortage. Comparatively, the costs of energy per million Btu in South Dakota were:

Natural gas:	
Homes	1.19
Commercial	.80
Industrial	.42
Heating oil:	
Homes	2.25
Commercial	----
Industrial	----
Electricity:	
Homes	7.36
Commercial	7.84
Industrial	4.82

5. The shortage of energy in the U.S. is primarily a shortage of natural gas. South Dakota will be denied 0.07 Bcf of gas this year because of this supply shortage.

6. This predicted pipeline curtailment represents about 0.1% of the gas that would have been used in the state during 1975. Last year's actual curtailments were 0.1% of normal usage.

7. These curtailments will primarily affect current gas users in the industrial sector. The major gas using industries in South Dakota are: Food and kindred products.

8. Assuming alternative fuels are not available when gas is denied these and other gas dependent industries, a 20% gas supply re-

duction could potentially place 2,800 manufacturing and related industry workers out of work. This is a substantial part of the total of 146,000 workers in the state, excluding agricultural and government workers.

9. Restrictions are also being imposed which prohibit gas hook-ups for many new homes. These restrictions apply to companies serving 37% of the gas using homes in South Dakota in 1975.

10. Some observers estimate that deregulation will, by 1985, provide a 50% increase in the amount of gas available. This is 50% more gas than the drastically reduced amount which is expected to be available under present federal regulation.

11. Derregulation of producer (wellhead) prices for new supplies will mean a gradual increase in the price of gas to consumers but it will still be well below the cost of alternative forms of energy. Prices for this state in 1985 are estimated to be

	Per million Btu
Natural gas	$3.67
Heating oil	5.36
Electricity	20.48

12. If regulation continues, customers will be forced to depend more and more on already much more expensive substitute gases (currently estimated to be $2 to $4 per million Btu in 1975 prices at the city gate). These supplemental gas supply costs in 1985 are expected to average nearly $5 per million Btu when delivered to homes.

Natural gas is important to your state.

1. The number of users and their average annual gas bills (unless otherwise indicated, all figures are for 1973, the latest year for which complete state data is available) were:

Thousands of users (1974):	
Homes	424.5
Commercial	53.2
Industrial	2.9
Annual dollar cost of service (1974):	
Homes	144
Commercial	750
Industrial	29,800

2. In Tennessee, 33% of the homes use natural gas.

3. Natural gas supplied 23% of all the energy used in the state.

4. Gas is the dominant domestic energy source, but its artificially low regulated price has created a supply shortage. Comparatively, the costs of energy per million Btu in Tennessee were:

Natural gas:	
Homes	1.09
Commercial	.91
Industrial	.49
Heating oil:	
Homes	2.32
Commercial	----
Industrial	----
Electricity:	
Homes	3.90
Commercial	5.08
Industrial	2.45

5. The shortage of energy in the U.S. is primarily a shortage of natural gas. Tennessee will be denied 61.29 Bcf of gas this year because of this supply shortage.

6. This predicted pipeline curtailment represents about 20.0% of the gas that would have been used in the state during 1975. Last year's actual curtailments were 14.6% of normal usage.

7. These curtailments will primarily affect current gas users in the industrial sector. The major gas using industries in Tennessee are: Chemicals and allied products; stone, clay and glass products.

8. Assuming alternative fuels are not available when gas is denied these and other gas dependent industries, a 20% gas supply reduction could potentially place 48,000 manufacturing and related industry workers out of work. This is a substantial part of the total of 1,295,000 workers in the state, excluding agricultural and government workers.

9. Restrictions are also being imposed which prohibit gas hook-ups for many new homes. These restrictions apply to companies serving 58% of the gas using homes in Tennessee in 1975.

10. Some observers estimate that deregulation will, by 1985, provide a 50% increase in the amount of gas available. This is 50% more gas than the drastically reduced amount which is expected to be available under present federal regulation.

11. Deregulation of producer (wellhead) prices for new supplies will mean a gradual increase in the price of gas to consumers but it will still be well below the cost of alternative forms of energy. Prices for this state in 1985 are estimated to be

	Per million Btu
Natural gas	$3.53
Heating oil	5.14
Electricity	19.99

12. If regulation continues, consumers will be forced to depend more and more on already much more expensive substitute gases. (Currently estimated to be $2 to $4 per million Btu in 1975 prices at the city gate.) These supplemental gas supply costs in 1985 are expected to average nearly $5.00 per million Btu when delivered to homes.

Natural gas is important to your state.

1. The number of users and their average annual gas bills (Unless otherwise indicated, all figures are for 1973, the latest year for which complete state data is available) were:

Thousand of users (1974):	
Homes	2,681.5
Commercial	241.0
Industrial	27.7
Annual dollar cost of service (1974)	
Homes	114
Commercial	350
Industrial	27,600

2. In Texas, 79% of the homes use natural gas.

3. Natural gas supplied 66% of all the energy used in the state.

4. Gas is the dominant domestic energy source, but its artifically low regulated price has created a supply shortage. Comparatively, the costs of energy per million Btu in Texas were:

Natural gas:	
Homes	1.00
Commercial	.64
Industrial	.31
Heating oil:	
Homes	2.50
Commercial	----
Industrial	----
Electricity:	
Homes	6.20
Commercial	5.26
Industrial	2.69

5. The shortage of energy in the U.S. is primarily a shortage of natural gas. Texas will be denied 32.60 Bcf of gas this year because of this supply shortage.

6. This predicted pipeline curtailment represents about 1.7% of the gas that would have been used in the state during 1975. Last year's actual curtailments were 1.1% of normal usage.

7. These curtailments will primarily affect current gas users in the industrial sector. The major gas using industries in Texas are: Petroleum & coal products; chemicals & allied products.

8. Assuming alternative fuels are not available when gas is denied these and other gas dependent industries, a 20% gas supply reduction could potentially place 153,000 manufacturing and related industry workers out of work. This is a substantial part of the total of 3,406,000 workers in the state, excluding agricultural and government workers.

9. Restrictions are also being imposed which prohibit gas hook-ups for many new homes. These restrictions apply to companies serving % of the gas using homes in Texas in 1975.

10. Some observers estimate that deregulations will, by 1985, provide a 50% increase in the amount of gas available. This is 50% more gas than the drastically reduced amount which is expected to be available under present federal regulation.

11. Deregulation of producer (wellhead) prices for new supplies will mean a gradual increase in the price of gas to consumers but it will still be well below the cost of alternative forms of energy. Prices for this state in 1985 are estimated to be

	Per million Btu
Natural gas	$3.58
Heating oil	5.14
Electricity	20.21

12. If regulation continues, consumers will be forced to depend more and more on already much more expensive substitute gases. (Currently estimated to be $2 to $4 per million Btu in 1975 prices at the city gate.) These supplemental gas supply costs in 1985 are expected to average nearly $5.00 per million Btu when delivered to homes.

Natural gas is important to your state.

1. The number of users and their average annual gas bills (unless otherwise indicated, all figures are for 1973, the latest year for which complete state data is available) were:

Thousands of users (1974):	
Homes	271.0
Commercial	19.5
Industrial	0.7
Annual dollar cost of service (1974):	
Homes	172
Commerical	495
Industrial	36,600

2. In Utah, 82% of the homes use natural gas.

3. Natural gas supplied 35% of all the energy used in the state.

4. Gas is the dominant domestic energy source, but its artificially low regulated price has created a supply shortage. Comparatively, the costs of energy per million Btu in Utah were:

Natural gas:	
Homes	.79
Commercial	.58
Industrial	.33
Heating oil:	
Homes	1.89
Commercial	-----
Industrial	-----
Electricity:	
Homes	6.53
Commercial	5.76
Industrial	3.85

5. The shortage of energy in the U.S. is primarily a shortage of natural gas. Utah will be denied — Bcf of gas this year because of this supply shortage.

6. This predicted pipeline curtailment represents about —% of the gas that would have been used in the state during 1975. Last year's actual curtailments were —% of normal usage.

7. These curtailments will primarily affect current gas users in the industrial sector. The major gas using industries in Utah are: Stone, clay and glass products; petroleum and coal.

8. Assuming alternative fuels are not available when gas is denied these and other

gas dependent industries, a 20% gas supply reduction could potentially place 8,000 manufacturing and related industry workers out of work. This is a substantial part of the total of 310,000 workers in the state, excluding agricultural and government workers.

9. Restrictions are also being imposed which prohibit gas hook-ups for many new homes. These restrictions apply to companies serving —% of the gas using homes in Utah in 1975.

10. Some observers estimate that deregulation will, by 1985, provide a 50% increase in the amount of gas available. This is 50% more gas than the drastically reduced amount which is expected to be available under present federal regulation.

11. Deregulation of producer (wellhead) prices for new supplies will mean a gradual increase in the price of gas to consumers but it will still be well below the cost of alternative forms of energy. Prices for this state in 1985 are estimated to be

	Per million Btu
Natural gas	$3.63
Heating oil	4.96
Electricity	22.61

12. If regulation continues, consumers will be forced to depend more and more on already much more expensive substitute gases (currently estimated to be $2 to $4 per million Btu in 1975 prices at the city gate). These supplemental gas supply costs in 1985 are expected to average nearly $5.00 per million Btu when delivered to homes.

Natural gas is important to your state.

1. The number of users and their average annual gas bills (unless otherwise indicated, all figures are for 1973, the latest year for which complete state data is available) were:

Thousands of users (1974):	
Homes	15.9
Commercial	0.9
Industrial: Less than 50 customers in State	
Annual dollar cost of service (1974):	
Homes	190
Commercial	1,150

2. In Vermont, 2% of the homes use natural gas.

3. Natural gas supplied 4% of all the energy used in the state.

4. Gas is the dominant domestic energy source, but its artificially low regulated price has created a supply shortage. Comparatively, the costs of energy per million Btu in Vermont were:

Natural Gas:	
Homes	1.89
Commercial	1.76
Industrial	.58
Heating Oil:*	
Homes	1.87
Commercial	-----
Industrial	-----
Electricity:	
Homes	7.60
Commercial	7.86
Industrial	5.21

* Gas prices in the New England states have historically been greater than oil because of small volumes and long distance from source; and recently, due to expensive gas supplementals needed to compensate for curtailments.

5. The shortage of energy in the U.S. is primarily a shortage of natural gas. Vermont will be denied 0 Bcf of gas this year because of this supply shortage.

6. This predicted pipeline curtailment represents about —% of the gas that would have been used in the state during 1975. Last year's actual curtailments were — of normal usage.

7. These curtailments will primarily affect current gas users in the industrial sector. The major gas using industries in Vermont are: None.

3. Assuming alternative fuels are not available when gas is denied these and other gas dependent industries, a 20% gas supply reduction could potentially place 1,700 manufacturing and related industry workers out of work. This is a substantial part of the total of 133,000 workers in the state, excluding agricultural and government workers.

9. Restrictions are also being imposed which prohibit gas hook-ups for many new homes. These restrictions apply to companies serving — percent of the gas using homes in Vermont in 1975.

10. Some observers estimate that deregulation will, by 1985, provide a 50% increase in the amount of gas available. This is 50% *more* gas than the drastically reduced amount which is expected to be available under present federal regulation.

11. Development of producer (wellhead) prices for new supplies will mean a *gradual* increase in the price of gas to consumers *but* it will still be well below the cost of alternative forms of energy. Prices for this state in 1985 are estimated to be

	Per million Btu
Natural gas	$5.20
Heating oil	5.39
Electricity	28.19

12. If regulation continues, consumers will be forced to depend more and more on already much more expensive substitute gases (currently estimated to be $2 to $4 per million Btu in 1975 prices at the city gate). These supplemental gas supply costs in 1985 are expected to average nearly $5.00 per million Btu when delivered to homes.

Natural gas is important to your state.

1. The number of users and their average annual gas bills (unless otherwise indicated, all figures are for 1973, the latest year for which complete state data is available) were:

Thousands of users (1974):	
Homes	436.8
Commercial	43.3
Industrial	2.8
Annual dollar cost of sevice (1974):	
Homes	213
Commercial	900
Industrial	17,100

2. In Virginia, 33% of the homes use natural gas.

3. Natural gas supplied 14% of all the energy used in the state.

4. Gas is the dominant domestic energy source, but its artificially low regulated price has created a supply shortage. Comparatively, the costs of energy per million Btu in Virginia were:

Natural gas:	
Homes	1.69
Commercial	1.22
Industrial	.67
Heating oil:	
Homes	2.25
Commercial	----
Industrial	----
Electricity:	
Homes	6.47
Commercial	5.92
Industrial	3.55

5. The shortage of energy in the U.S. is primarily a shortage of natural gas. Virginia will be denied 40.43 Bcf of gas this year because of this supply shortage.

6. This predicted pipeline curtailment represents about 21.9% of the gas that would have been used in the state during 1975. Last year's actual curtailments were 16.1% of normal usage.

7. These curtailments will primarily affect current gas users in the industrial sector. The major gas using industries in Virginia are: Stone, clay and glass products; paper and allied products; textile mill products.

8. Assuming alternative fuels are not available when gas is denied these and other gas dependent industries, a 20% gas supply reduction could potentially place 26,000 manufacturing and related industry workers out of work. This is a substantial part of the total of 1,340,000 workers in the state, excluding agricultural and government workers.

9. Restrictions are also being imposed which prohibit gas hook-ups for many new homes. These restrictions apply to companies serving 85% of the gas using homes in Virginia in 1975.

10. Some observers estimate that deregulation will, by 1985, provide a 50% increase in the amount of gas available. This is 50% more gas than the drastically reduced amount which is expected to be available under present federal regulation.

11. Deregulation of producer (wellhead) prices for new supplies will mean a gradual increase in the price of gas to consumers but it will still be well below the cost of alternative forms of energy. Prices for this state in 1985 are estimated to be

	Per million Btu
Natural gas	$4.29
Heating Oil	5.39
Electricity	20.47

12. If regulation continues, consumers will be forced to depend more and more on already much more expensive substitute gases (currently estimated to be $2 to $4 per million Btu in 1975 prices at the city gate). These supplemental gas supply costs in 1985 are expected to average nearly $5.00 per million Btu when delivered to homes.

Natural gas is important to your State.

1. The number of users and their average annual gas bills (unless otherwise indicated, all figures are for 1973, the latest year for which complete State data is available) were:

Thousands of users (1974):	
Homes	304.3
Commercial	37.8
Industrial	1.2
Annual dollar cost of service (1974):	
Homes	226
Commercial	1,000
Industrial	63,000

2. In Washington, 23% of the homes use natural gas.

3. Natural gas supplied 13% of all the energy used in the State.

4. Gas is the dominant domestic energy source, but its artificially low regulated price has created a supply shortage. Comparatively, the costs of energy per million Btu in Washington were:

Natural gas:	
Homes	1.50
Commercial	1.02
Industrial	.51
Heating oil:	
Homes	2.73
Commercial	----
Industrial	----
Electricity:	
Homes	3.15
Commercial	3.53
Industrial	.98

5. The shortage of energy in the United States is primarily a shortage of natural gas. Washington will be denied 3.70 Bcf of gas this year because of this supply shortage.

6. This predicted pipeline curtailment represents about 2.2% of the gas that would have been used in the State during 1975. Last year's actual curtailments were 1.4% of normal usage.

7. These curtailments will primarily affect current gas users in the industrial sector. The major gas using industries in Washington area: Paper and allied products; primary metal industries; food and kindred products; chemical and allied products.

8. Assuming alternative fuels are not available when gas is denied these and other gas dependent industries, a 20% gas supply reduction could potentially place 36,000 manufacturing and relating industry workers out of work. This is a substantial part of the total of 892,000 workers in the State, excluding agricultural and government workers.

9. Restrictions are also being imposed which prohibit gas hook-ups for many new homes. These restrictions apply to companies serving 2% of the gas-using homes in Washington in 1975.

10. Some observers estimate that deregulation will, by 1985, provide a 50% increase in the amount of gas available. This is 50% *more* gas than the drastically reduced amount which is expected to be available under present Federal regulation.

11. Deregulation of producer (wellhead) prices for new supplies will mean a *gradual* increase in the price of gas to consumers but it will still be well below the cost of alternative forms of energy. Prices for this State in 1985 are estimated to be:

	Per million Btu
Natural gas	$3.87
Heating oil	5.60
Electricity	20.63

12. If regulation continues, consumers will be forced to depend more and more on already much more expensive substitute gases (currently estimated to be $2 to $4 per million Btu in 1975 prices at the city gate). These supplemetnal gas supply costs in 1985 are expected to average nearly $5 per million Btu when delivered to homes.

Natural gas is important to your state.

The number of users and their average annual gas bills (unless otherwise indicated, all figures are for 1973, the latest year for which complete state data is available) were:

Thousands of users (1974):	
Homes	356.7
Commercial	31.7
Industrial	0.5
Annual dollar cost of service (1974):	
Homes	169
Commercial	62.0
Industrial	121,900

2. In West Virginia, 69% of the homes use natural gas.

3. Natural gas supplied 21% of all the energy used in the state.

4. Gas is the dominant domestic energy source, but its artificially low regulated price has created a supply shortage. Comparatively, the costs of energy per million Btu in West Virginia were:

Natural gas:	
Homes	.93
Commercial	.72
Industrial	.61
Heating oil:	
Homes	2.25
Commercial	----
Industrial	----
Electricity:	
Homes	6.82
Commercial	6.31
Industrial	3.20

5. The shortage of energy in the U.S. is primarily a shortage of natural gas. West Virginia will be denied 20.65 Bcf of gas this year because of this supply shortage.

6. This predicted pipeline curtailment represents about 11.3% of the gas that would have been used in the state during 1975. Last year's actual curtailments were 8.1% of normal usage.

7. These curtailments will primarily affect current gas users in the industrial sector. The major gas using industries in West Virginia are: Stone, clay and glass products; chemical and allied products; primary metal.

8. Assuming alternative fuels are not available when gas is denied these and other gas dependent industries, a 20% gas supply reduction could potentially place 8,300 manufacturing and related industry workers out of work. This is a substantial part of the total of 456,000 workers in the state, excluding agricultural and government workers.

9. Restrictions are also being imposed which prohibit gas hook-ups for many new homes. These restrictions apply to companies serving 85% of the gas using homes in West Virginia in 1975.

10. Some observers estimate that deregulation will, by 1985, provide a 50% increase in the amount of gas available. This is 50% more gas than the drastically reduced amount which is expected to be available under present federal regulation.

11. Deregulation of producer (wellhead) prices for new supplies will mean a gradual increase in the price of gas to consumers but it will still be well below the cost of alternative forms of energy. Prices for this state in 1985 are estimated to be:

	Per million Btu
Natural gas	$4.29
Heating oil	5.39
Electricity	20.74

12. If regulation continues, consumers will be forced to depend more and more on already much more expensive substitute gases (currently estimated to be $2 to $4 per million Btu in 1975 prices at the city gate). These supplemental gas supply costs in 1985 are expected to average nearly $5.00 per million Btu when delivered to homes.

Natural gas is important to your state.

1. The number of users and their average annual gas bills (unless otherwise indicated, all figures are for 1973, the latest year for which complete state data is available) were:

Thousands of users (1974):	
Homes	853.0
Commercial	69.3
Industrial	8.5
Annual Cost of Service (1974):	
Home	229
Commercial	1,024
Industrial	17,700

2. In Wisconsin, 50% of the homes use natural gas.

3. Natural gas supplied 27% of all the energy used in the state.

4. Gas is the dominant domestic energy source, but its artificially low regulated price has created a supply shortage. Comparatively, the costs of energy per million Btu in Wisconsin were:

Natural gas:	
Homes	1.40
Commercial	1.09
Industrial	.65
Heating Oil:	
Homes	2.49
Commercial	----
Industrial	----
Electricity:	
Homes	7.40
Commercial	7.99
Industrial	4.61

5. The shortage of energy in the U.S. is primarily a shortage of natural gas. Wisconsin will be denied 0.34 Bcf of gas this year because of this supply shortage.

6. This predicted pipeline curtailment represents about 0.1% of the gas that would have been used in the state during 1975. Last year's actual curtailments were 0.1% of normal usage.

7. These curtailments will primarily affect current gas users in the industrial sector. The major gas using industries in Wisconsin are: Paper and allied products; food and kindred products; primary metal; machinery, except electrical.

8. Assuming alternative fuels are not available when gas is denied these and other gas dependent industries, a 20% gas supply reduction could potentially place 69,000 manufacturing and related industry workers out of work. This is a substantial part of the total of 1,380,000 workers in the State, excluding agricultural and government workers.

9. Restrictions are also being imposed which prohibit gas hook-ups for many new homes. These restrictions apply to companies serving 25% of the gas using homes in Wisconsin in 1975.

10. Some observers estimate that deregulation will, by 1985, provide a 50% increase in the amount of gas available. This is 50% more gas than the drastically reduced amount which is expected to be available under present federal regulation.

11. Deregulation of producer (wellhead) prices for new supplies will mean a gradual increase in the price of gas to consumers but it will still be well below the cost of alternative forms of energy. Prices for this state in 1985 are estimated to be

	Per million Btu
Natural gas	$3.87
Heating oil	5.36
Electricity	20.63

12. If regulation continues, consumers will be forced to depend more and more on already much more expensive substitute gases (currently estimated to be $2 to $4 per million Btu in 1975 prices at the city gate). These supplemental gas supply costs in 1985 are expected to average nearly $5.00 per million Btu when delivered to homes.

Natural gas is important to your state.

1. The number of users and their average annual gas bills (unless otherwise indicated, all figures are for 1973, the latest year for which complete state data is available) were:

Thousands of users (1974):	
Homes	83.1
Commercial	10.5
Industrial	0.3
Annual dollar cost of service (1974):	
Homes	155
Commercial	540
Industrial	63,500

2. In Wyoming, 77% of the homes use natural gas.

3. Natural gas supplied 37% of all the energy used in the state.

4. Gas is the dominant domestic energy source, but its artificially low regulated price has created a supply shortage. Comparatively, the costs of energy per million Btu in Wyoming were:

Natural gas:	
Homes	.74
Commercial	.57
Industrial	.30
Heating Oil:	
Homes	2.11
Commercial	----
Industrial	----
Electricity:	
Homes	6.84
Commercial	5.01
Industrial	3.08

5. The shortage of energy in the U.S. is primarily a shortage of natural gas. Wyoming will be denied 3.26 Bcf of gas this year because of this supply shortage.

6. This predicted pipeline curtailment represents about 4.2% of the gas that would have been used in the state during 1975. Last year's actual curtailments were 2.9% of normal usage.

7. These curtailments will primarily affect current gas users in the industrial sector. The major gas using industries in Wyoming are: Petroleum and coal products; food & kindred products.

8. Assuming alternative fuels are not available when gas is denied these and other gas dependent industries, a 20% gas supply re-

duction could potentially place 1,000 manufacturing and related industry workers out of work. This is a substantial part of the total of 94,000 workers in the state, excluding agricultural and government workers.

9. Restrictions are also being imposed which prohibit gas hook-ups for many new homes. These restrictions apply to companies serving —% of the gas using homes in Wyoming in 1975.

10. Some observers estimate that deregulation will, by 1985, provide a 50% increase in the amount of gas available. This is 50% *more* gas than the drastically reduced amount which is expected to be available under present federal regulation.

11. Deregulation of producer (wellhead) prices for new supplies will mean gradual increase in the price of gas to consumers but it will still be well below the cost of alternative forms of energy. Prices for this state in 1985 are estimated to be

	Per million Btu
Natural gas	$3.63
Heating oil	$4.96
Electricity	$22.61

12. If regulation continues, consumers will be forced to depend more and more on already much more expensive substitute gases (currently estimated to be $2 to $4 per million Btu in 1975 prices at the city gate). These supplemental gas supply costs in 1985 are expected to average nearly $5.00 per million Btu when delivered to homes.

NATURAL GAS ACT AMENDMENTS OF 1975—S. 692 AMENDMENT NO. 703

Mr. FANNIN. Mr. President, more than a year and a half ago—on December 19, 1973—the Senate discussed the Buckley amendment to S. 2776, designed to provide effective and efficient management of the Nation's energy policies and programs.

Regrettably, in view of the deepening energy shortages since that time, the Buckley amendment to remove Federal controls over wellhead prices of new natural gas was tabled by the slimmest possible margin—45 to 43, with 12 Senators not voting.

I endorsed and supported the Buckley amendment then and I am still convinced that his approach represents a practical and sensible step to alleviate energy shortages—especially the alarming cutback in natural gas supply. I intend, therefore, to submit at this time an amendment in the form of a substitute for S. 692 which is essentially identical to the Buckley amendment.

Recalling that day of debate as the winter of 1973 began, it came at a time which clearly called for prompt action to deal with the drastic impact of the Arab oil cutoff, the endless lines of motorists at gasoline filling stations, the bleak immediate outlook for ample energy resources to keep our country's homes warm and its factories running. Despite all this, the Senate—by its negative vote on the Buckley amendment—did not appear to fully realize the urgency of our challenge. Now, 19 months later, let us reconsider the issue and let us try to make up for lost time.

As we take a fresh look at the imperative need to provide practical incentives to increase natural gas production, I would like to recall briefly what my colleagues and I said when the realistic Buckley amendment barely failed to earn this body's approval.

The Senator from New York (Mr. BUCKLEY) emphasized that—

> The most effective single step Congress can take at this time to build up supplies is by deregulating the price of new natural gas in the interstate market; that is, to remove Federal Power Commission jurisdiction over new gas.

This was the overwhelming conclusion reached, he said, on the basis of evidence presented in many months of expert testimony before the Committee on Interior and Insular Affairs, and other committees in Congress.

His cogent arguments for deregulation called particular attention to the discrepancy between mandatory price ceilings on gas moving in interstate commerce and the higher prices prevailing within States where gas is produced on an intrastate basis, a situation certainly to the detriment of consumers on a nationwide basis.

Among other points stressed by the Senator from New York were these:

Electric utilities which have been using great quantities of natural gas, because of its artificially low price, would turn to other fuels and make additional gas supplies available for individual consumers.

The elimination of price regulation on new gas would not result in a sharp increase to the cost to the ultimate consumer, because new supplies would be rolled in with gas already under long-term contracts.

And the door would not be opened to windfall profits, because renegotiation of existing contracts would be specifically prohibited.

It will be recalled that the Senator from Texas (Mr. BENTSEN), in requesting permission to be listed as a cosponsor of the Buckley amendment, declared he favored a phased deregulation approach because it would reduce the wasteful use of natural gas and increase its supply.

He said:

> If we ever hope to achieve (energy) self-sufficiency, we must adopt policies that conform with today's needs. The present regulatory system is not only unfair to domestic producers, it is contrary to our national interest.

Another distinguished colleague, the Senator from Kansas (Mr. DOLE) reflected the view, widely held then and even more openly endorsed editorially today in many influential newspapers, that—

> Deregulation provides the best, quickest, and surest answer to the stimulation of exploration and development . . . It is necessary to accept the reality of declining volumes of flowing gas. Re-establishment of incentives to get domestic exploration moving has to be done by Congress.

Not the least of benefits to be derived from adequate gas supplies, the Senator from Kansas pointed out, would be its potential in reducing air pollution and a better international trade balance through reduced dependence on costly and insecure foreign energy sources.

Mr. President, in reviewing the CONGRESSIONAL RECORD for December 19, 1973, I am keenly reminded of the narrow margin which tabled the Buckley amendment. In what easily may have been a decisive vote, the Senator from Illinois (Mr. PERCY) said he agreed with the overall objective of the amendment because, he stated, increased production is "really the best way, ultimately, to bring down prices and provide an adequate supply." He indicated his vote to table the amendment was in deference to hearings still pending in Congress at that time.

As for myself, Mr. President, I reiterate the view that we must make every effort, as soon as possible, to encourage the development of domestic supplies of energy, particularly natural gas. The essential question is: What is the best means to rapidly increase the supply of natural gas?

Deregulation of new gas is the option which is most favored by qualified academic economists, regardless of their party affiliation, who have no personal stake in its implementation.

It is also the option preferred by Federal agencies responsible for energy policy.

It is the option based upon a precedent which has succeeded.

It is the only option which would eliminate uncertainty and regulatory delays.

It is an option likely to achieve a balance of supply and demand.

It is an option which can—based upon actual precedent—guarantee a significant increase of supply while affecting residential and commercial consumers with only gradual increases in gas bills.

It is an option which can promote an effective and workable industrial switch to fuels other than gas.

The price of natural gas has been controlled for years by the Federal Power Commission with the result that natural gas at the wellhead sells for one-third the price of crude oil. Demand skyrocketed for this cheap, clean, fuel, far outstripping supply.

By 1974, the interstate pipeline shortage of natural gas amounted to almost 2 trillion cubic feet, or 16 percent of already contracted for firm requirements for the period September 1974 through August 1975. The projected curtailment of natural gas for interruptable customers during the 1975–76 winter season is projected to be 58 percent.

Interstate natural gas production has not been able to attract sufficient capital, because federally regulated prices have severely limited profits. The Federal Energy Administration projects a 40 percent decline in the U.S. natural gas production by 1985 unless supply trends are reversed by deregulating gas prices.

The only legislative response to date has been the preparation of a highly controversial natural gas bill by the Senate Commerce Committee, S. 692. It was reported by the committee on May 6. To properly analyze each of its convoluted provisions would require more space than is contained in the entire content of today's CONGRESSIONAL RECORD. Suffice it to say, in the words of a highly respected natural gas lawyer, the Commerce Committee bill "is extremely difficult to understand and produces a complex multitiered pricing structure for new natural gas, with numerous anomalies and clear disincentives to a supply response." Regrettably, some of the staff members who were chiefly responsible for its drafting enjoy a national reputation for rabid distrust of the natural gas producing industry and an unmitigated aversion to granting it any meaningful incentives to produce a natural resource which they feel "belongs to the poeple". In fact, several such staff members invaded Ohio with the intent of intimidating voters who supported deregulation. Their Gestapo tactics were later rebuked by members of the Senate Commerce Committee. I use this illustration as an example of the resistance by zealous committee staff personnel to legislation designed to cure, rather than exacerbate the natural gas shortage.

Mr. President, it is my fervent hope that my distinguished colleagues will join me in moving forward now on this long overdue effort to make orderly progress on the energy scene. I know they share my concern and I earnestly invite them to join with me in supporting our amendment to decontrol new natural gas.

Mr. President, I ask unanimous consent that the amendment as submitted be printed in the RECORD at this point.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT No. 703

Strike out all after the enacting clause and insert in lieu thereof the following:

"NATURAL GAS ACT AMENDMENTS OF 1975

SEC. 1. Section 1(b) of the Natural Gas Act is amended by inserting before the period at the end thereof the following: "or to the sale or delivery by a producer to a natural gas company of natural gas in interstate commerce (i) commenced on or before July 1, 1975; (ii) continued in interstate commerce after the expiration of a contract for the sale or delivery of such natural gas existing as of such date, or (iii) produced from wells commenced after such date; provided, however, that with respect to all sales or deliveries of natural gas in interstate commerce which are not exempt under Section 1(b) herein amended, the Federal Power Commission shall continue to exercise its regulatory jurisdiction over all such sales and deliveries."

SEC. 2. Section 1 of the Natural Gas Act is amended by adding subsections 1(d), 1(e), and 1(f) the following:

"(d) The Commission shall have no power to disallow, in whole or in part, in the rates and charges made, demanded, or received by any natural gas company the amounts actually paid for natural gas exempt from the Act pursuant to Section 1(b) as amended herein, except as otherwise provided in Subsection (1)(e)."

"(e) In any case where a natural gas company purchases natural gas from an affiliate or produces natural gas from its own properties, the Commission may not disallow any portion of the cost thereof in the rate or charge made by such company which is not in excess of current prices paid for comparable gas to nonaffiliates."

"(f) Once a sale or delivery of natural gas in interstate commerce shall have been previously determined by the Commission to be just and reasonable and such determination has become final and no longer subject to judicial review, the Commission shall have no power to order thereafter a decrease in the rate or charge made."

SEC. 3. Section 2 of the Natural Gas Act is amended by adding at the end thereof the following:

"(10) 'affiliate' of another person means any person directly or indirectly controlling, controlled by, or under common control with such other person."

"(11) 'Producer' means a person who is engaged in the production, gathering, or processing of natural gas from wells or reserves in the U.S. and whose annual gross revenue for the operation of a pipeline for the transportation and sale for resale of natural gas in interstate commerce do not exceed 10% of its total annual gross revenues.

CONSUMERS WILL BENEFIT FROM DEREGULATION OF NATURAL GAS

Mr. TOWER. Mr. President, once again, Mr. President, I admonish those who support Federal regulation of natural gas at the wellhead to look at the facts surrounding this issue. Much too frequently only rhetoric on the preeminence of consumers is heard while factual analysis is slighted. Based upon the available evidence, it is my firm conviction that consumers are not served by continued control of the price of gas. The very regulation which is supposed to benefit consumers has produced severe shortages and made allocation of this vital scarce resource a political question to be decided by remote Washington bureaucrats instead of an economic choice to be made by individual consumers.

Let us look at some of the facts which lead me to the conclusion that consumers will benefit by deregulation.

In 1938 the Natural Gas Act was adopted by the Congress on the premise that interstate natural gas transmission should be regulated by the Federal Government. Since a large portion of the cost of home delivery of natural gas was devoted to paying for expensive capital investment, the consumers would be served by an orderly system of pipeline construction.

The Federal Power Commission was delegated the task of preventing duplicating systems carrying too little gas at very large costs to the public. Prudent thinking lead to the conclusion that gas transmission like electric, water and telephone service, required public involvement in licensing sellers of a service which required large capital resources. Congress therefore permitted only those firms meeting standards established in the Natural Gas Act as administered by the FPC to construct and operate natural gas pipelines.

After a lengthy court battle, the Supreme Court held in the 1954 Phillips decision that the Congress had not only intended to regulate interstate transmission of gas but also had intended to regulate the price of gas purchased by pipeline companies at the wellhead. On the basis of that decision the FPC in the 1960's established average-producer, cost-based rates for wellhead sales of gas in interstate commerce for literally thousands of producers. This was done much in the same manner as the Commission computed rates for the pipelines which today are approximately 100 in number.

The fatal flaw in this type of regulation, which has been practiced by the Federal Government since the creation of the Interstate Commerce Commission in the 19th century, is the total lack of analogy between natural gas producers and other regulated industries. Gas production is not in any manner similar to generating electricity or providing telephone service.

A pipeline is owned by a single corporation. In contrast a single gas well may be owned by tens or even hundreds of legal entities. Each of these interest owners has its own accounting methods, and the size of ownership shares are based upon particular drilling agreements. The producers receive no license to sell; they do not have a given market in which to operate; and the sale is certified but a rate of return is not guaranteed.

Cost-based rates cannot be legitimately applied to the gas industry. There is no fair cost-based method for determining the proper price for gas which, unlike other regulated industries, must compete against alternative fuels and is only one of many jointly produced products.

Because cost-based regulation cannot legitimately be applied to natural gas production, regulation has lead to today's supply shortages.

Artifically low prices have placed severe constraints on the ability of producers to explore and develop resources. Only the most promising wells have been drilled. With lower prices producers understandably drilled only when there was a very strong promise of finding gas. Now, the only remaining sources are the most expensive and risky ventures.

At the same time artificially low prices made gas an inexpensive fuel in relation to other fuels, lower prices encouraged consumers to buy gas, our most efficient and cleanest burning source of energy.

The effects of lower prices can be seen in the statistics on reserve additions which are the key to understanding just exactly what Federal regulatory policy has produced. I must report that regulation has had a serious negative impact on consumers.

Natural gas reserves for the lower 48 States declined by approximately 20 percent from 1963 to 1973. In this same 10-year period, reserves dedicated to the regulated interstate market declined by 30 percent.

Since 1968 artificially low prices set by the Government have been unable to induce sufficient supply. New reserve additions have declined for the last 6 years. If current policies continue, even smaller reserves can be expected. Today the Nation has only about 10 years worth of gas reserves remaining. This is about half the reserves enjoyed in 1968 when the Nation had reserves sufficient to meet requirements for 25 years.

I remind my colleagues that 10 years reserves is small in comparison with national needs. It takes about 3 to 5 years to locate and develop new gas reserves, and this lag time is increasing because new reserves increasingly must be found at deeper depths and in expensive offshore locations.

It is already too late to correct the supply imbalance that is projected for the coming winter. The FPC has announced chilling prospects for gas deliveries this winter. Substantial curtailments are projected.

John Nassikas, Chairman of the Federal Power Commission, reported earlier this week to a House subcommittee that supply could fall short of demand by 2.9 trillion cubic feet of gas during this coming winter heating season. In order to compensate for this energy loss, the Nation would have to burn 516 million barrels of oil. If Americans were to purchase that much oil abroad, the consumer would have to pay $6.2 billion to foreign governments.

Remember that the total bill for all gas sold in interstate commerce is $3.1 billion. That is less than half the amount that would be paid for oil needed to replace gas lost because of projected curtailments this winter.

In addition to replacement costs, reduced supplies caused by attempts to apply cost-based, utility-type regulation entail other indirect costs as well. In direct contrast to the allegations by some Members of the Senate, regulation and lower prices can only continue insufficient supplies. Shortages themselves will in turn produce higher costs to consumers than the cost of deregulation. I have already mentioned the obvious consequences of plant closing on lost employment and earnings. There are many other hidden costs.

For example, lower supply means a higher per unit cost for transporting gas. Pipelines have invested huge sums in capital equipment to deliver gas. And these enormous investments remain intact and must be paid for by the consumer. As pipeline sales volumes decrease, operating cost must be spread over fewer units. Each unit, then, costs more to transport. A study conducted by Algonquin Gas Transmission Co. indicates that a 50 percent curtailment in gas supply could double the average transmission cost to the consumer.

Although price increases will not immediately eliminate gas shortages, accurate market pricing could greatly reduce supply and distribution problems caused by Government price controls. Furthermore, the removal of Government controls will not substantially escalate prices.

Market prices will only apply to newly discovered wells. The new price will be averaged in with old regulated prices. Five year from now in 1980, gas currently under contract would still account for 50 percent of interstate gas sales. In other words decontrolled prices would apply to a maximum of 50 percent of the gas sold for the next 5 years. And as in the past, the two other components which affect consumer gas bills—transportation, and distribution costs—will continue to be regulated.

Deregulation would be inexpensive in comparison to all available alternatives. With decontrol, the Federal Energy Administration estimates that the average annual residential gas bill will increase by only $10.21 in 1976, by $13.30 in 1977, and by $19.15 in 1978. Another study on the annual cost to consumers for gas as the result of deregulation concluded that annual gas bills would increase by an even small amount. Foster Associates, an independent consulting firm concluded that costs would only increase by $9.24 in 1976, $12.60 in 1977, and $13.08 in 1978 if price controls on new gas were removed.

A report prepared by H. Zinder & Associates Inc. estimates that removing price controls and the consequential increase in natural gas supplies could save consumers an estimated $8.6 billion in 1980 in comparison to the cost of securing alternative supplies of energy.

The high cost of continued Federal regulation of gas is unacceptable. Without additional supplies which will only be forthcoming under a market determined price, industrial plants will be forced to close, unemployment will be increased, and the Nation's balance of payments posture will be eroded as money is shipped abroad.

Dependence on foreign supplies is also unacceptable. This year we will import 40 percent of our oil needs. Eighteen months ago, before the oil embargo, the Nation imported only 33 percent of its oil needs. Continued regulation of gas can only lead to lower supplies and thus greater oil imports.

Economic independence and national security are directly linked to our ability to secure energy to run the world's largest economy. There is no more vital component in the Nation's energy supply than natural gas which provides one-third of our energy, cheaply, efficiently, and cleanly.

In deciding to deregulate gas in order to induce additional supplies, we are in effect deciding to continue to permit the consumers and the Nation as a whole to have the choice of continuing to enjoy a high standard of living. I, therefore, support deregulation as the only effective means not only for obtaining additional energy supplies but also of safeguarding national security and encouraging economic growth. Deregulation is the least expensive alternative available to the consumer.

NATURAL GAS POLICY

Mr. HELMS. Mr. President, I wish to compliment Senators participating in this colloquy for their excellent and important statements on this vital issue.

Mr. President, never in my experience with legislative matters has a highly controversial issue had as many facts and cogent arguments stacked on one side as does the debate on natural gas policy. We have experienced 21 years of Federal controls on the wellhead price of natural gas sold in interstate commerce. We have seen this premium fuel priced far below alternate fuels. We have seen the logical consequences of this pricing scheme: excessive demand for natural gas, a decline in coal development, solar development never getting off the ground, a rapid decline in exploration during the 1960's. In short, we have seen the logical consequences of illogical Government policy.

And yet the debate ranges back and forth. There are many who, when faced with today's serious shortage would offer, as an answer, S. 692 with its perpetuation of Federal controls and extension of Government regulation into more areas. There are those who still cling to the discredited notion that keeping the wellhead price of natural gas artifically low will protect the consumer. We know it cannot. We have known for years that artificially low natural gas prices would eventually create a shortage, loss of jobs and higher prices. That day has arrived, and more Federal controls will only exacerbate the problem.

The hearing record before the Commerce Committee is filled with facts on the causes of the natural gas shortage and sound solutions. Leading economists, industrial users of natural gas and others urge the removal of price controls as the essential first step toward increased natural gas supplies. The facts are clear from the record.

The July 14 statement of FPC Chairman John N. Nassikas before the Subcommittee on Oversight and Investigations of the House Interstate and Foreign Commerce Committee constitutes a presentation of up-to-date facts on natural gas.

In his statement, Chairman Nassikas carefully and logically paints a picture of the failure of Federal natural gas price controls. He shows the heavy burden of the shortage as the $6.2 billion cost of foreign oil to replace the 1975–76 curtailment of 2.9 trillion cubic feet is double the $3.1 billion paid producers in 1974 for all gas sold in interstate commerce.

Chairman Nassikas demonstrates how regulation has created a decline in natural gas reserves and production. He explains the role of cost disparity between natural gas and alternate fuels in creating shortages. And he marshals his facts to argue for an effective national energy policy which will mandate extensive development of domestic energy, especially natural gas.

We have reached the point of decision on natural gas. We are challenged to make a decision which will determine in large measure the direction our economy will take in future years. I believe the facts cry out for removal of Federal controls on the wellhead price of new natural gas, because this policy will stimulate exploration and increased supplies. The seriousness of this decision demands that it be based on facts, and I believe the testimony of Chairman Nassikas provides those facts.

Of course, this testimony is available to Senators from the record of the hearings. I urge that Senators take the time to secure copies of the Chairman's remarks and carefully review it.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. SPARKMAN (by request):

S. 2137. A bill to provide for the entry of nonregional members, and the Bahamas and Guyana, in the Inter-American Development Bank, and for other purposes. Referred to the Committee on Foreign Relations.

Mr. SPARKMAN. Mr. President, by request, I introduce, for appropriate reference, a bill to provide for the entry of nonregional members, and the Bahamas and Guyana, in the Inter-American Development Bank, and for other purposes.

The bill has been requested by the Department of the Treasury and I am introducing it in order that there may be a specific bill to which members of the Senate and the public may direct their attention and comments.

I reserve my right to support or oppose this bill, as well as any suggested amendments to it, when it is considered by the Committee on Foreign Relations.

I ask unanimous consent that the bill and the comparative type showing changes proposed by the bill be printed in the Record at this point, together with the letter from the Secretary of the Treasury to the President of the Senate dated July 2, 1975.

There being no objection, the bill and material were ordered to be printed in the Record, as follows:

S. 2137

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Inter-American Development Bank Act (22 U.S.C. 283 et seq.) is further amended as follows:

(1) By adding after section 22 the following new sections:

"Sec. 23. The United States Governor of the Bank is authorized to vote for three proposed resolutions of the Board of Governors entitled (a) 'Amendments to the Agreement Establishing the Bank with respect to the Creation of the Inter-regional Capital Stock of the Bank and to Related Matters', (b) 'General Rules Governing Admission of Nonregional Countries to Membership in the Bank', and (c) 'Increase in the Authorized Callable Ordinary Capital Stock and Subscriptions Thereto in Connection with the Admission of Nonregional Member Countries', which were submitted to the Board of Governors pursuant to a Resolution of the Board of Executive Directors approved on March 4, 1975.

"Sec. 24. The United States Governor of the Bank is authorized to agree to the amendments to Article II, Section 1(b) and Article IV, Section 3(b) of the Agreement Establishing the Bank, as proposed by the Board of Executive Directors, to provide for membership for the Bahamas and Guyana in the Bank at such times and in accordance with such terms as the Bank may determine."

"Sec. 25. The United States Governor of the Bank is authorized to agree to the amendments to article III, sections 1, 4 and 6(b) of the Agreement Establishing the Bank, as proposed by the Board of Executive Directors, to provide for lending to the Caribbean Development Bank."

(2) By inserting in the first sentence of section 5 after "article II, section 3" a comma and the words "or article IIA, section 2,"; and by inserting in the last sentence of section 5 after "article II, section 2" the words "or article IIA, section 1,".

(3) By deleting in the first sentence of section 11(a) the word "ordinary"; by inserting in section 11(a) after the words "article II, section 5," the words "and article IIA, section 4,"; and by inserting in section 11(a) after the words "article II, section 4 (a)(ii)," the words "or article IIA, section 3(c),".

Sec. 2. The amendments made by paragraphs (2) and (3) of the first section of this Act shall become effective upon approval by the Board of Governors of the Bank of the resolutions referred to in section 23 of the Inter-American Development Bank Act (22 U.S.C. 283 et seq.).

The Secretary of the Treasury,
Washington, D.C., July 2, 1975.

Hon. Nelson A. Rockefeller,
President of the Senate,
Washington, D.C.

Dear Mr. President: There is transmitted herewith a draft bill "To provide for the entry of nonregional members, and the Bahamas and Guyana, in the Inter-American Development Bank, and for other purposes," together with a comparative type showing the changes that would be made in existing law by the bill.

The proposed legislation would authorize the United States Governor of the Bank to agree to three Resolutions of the Board of Governors of the Inter-American Development Bank (IDB) which would (1) amend the Agreement Establishing the Bank with respect to the creation of inter-regional capital and other related matters; (2) establish general rules to govern the admission of nonregional members to the Bank; and (3) permit an increase in the ordinary callable capital stock of the Bank. The bill would also make certain technical changes in existing provisions of the Inter-American Development Bank Act (Public Law 86–147, as amended) which are necessitated by the creation of inter-regional capital. These Resolutions were submitted to the Board of Governors pursuant to a Resolution of the Board of Executive Directors approved on March 4, 1975.

Finally, the proposed legislation would authorize the U.S. Governor of the Bank to approve a proposal for the entry of the Bahamas and Guyana to membership in the Bank and for lending to the Caribbean Development Bank.

This legislation is necessary because Section 5 of the Inter-American Development Bank Act provides that Congressional authorization must be obtained for the United States Governor to agree to amendments to the Articles of Agreement and to increases in the capital stock of the Bank and in the resources of the Fund for Special Operations.

The Inter-American Development Bank was established in 1959 for the purpose of providing leadership and funds for the advancement of Latin American economic and social development. At present, the Bank's membership includes the United States, Canada and 22 Latin American countries. In 1974, the Bank extended a record $1.1 billion in development loans, bringing the Bank's net cumulative lending to $7.4 billion by December 31, 1974.

It has been a United States objective for some time to increase the involvement of nations outside the Western Hemisphere in financing development in Latin America, particularly through combining their efforts with those of the countries of the region in multilateral institutions such as the IDB. In fact, the proposed entry into the Bank of the twelve nonregional countries will culminate five years of efforts begun in April 1970 when a Committee of the Board of Governors of the Bank was entrusted the task of examining ways to increase the flow of resources to the Bank from nonmember developed countries.

As a condition of entry into the Bank, the twelve new nonregional members are expected to contribute to the Bank approximately $746 million over a three-year period. This total would be divided equally between the Bank's hard loan and soft loan windows, providing $373 million to subscribed capital and another $373 million to the Fund for Special Operations. Thus, the entry of nonregional countries would result in an increase of about 6 percent in total hard loan resources and of about 9 percent in total soft loan resources. Total contributions of the nonregional members during the next three years would be over one-half of the contributions of the United States during the last three years.

In addition to the above-mentioned subscriptions by the twelve nonregional countries, there would be about $130 million in unassigned capital available for subscription by nonregional countries. Similarly, an additional unassigned $130 million would be available for contributions by nonregional countries to the Fund for Special Operations. No further Congressional action would be required for such subscriptions and contributions.

Of the twelve countries which have expressed an interest in joining the Bank, the largest contributors are expected to be Germany, Italy, Japan, Spain and the United Kingdom. Each of these five countries would take from 16 to 18 percent of the group's total contributions. The remaining share would be contributed by Austria, Belgium, Denmark, Israel, The Netherlands, Switzerland, and Yugoslavia. The new arrangements are expected to go into effect in 1976, after the Bank's regional members and the nonregional countries have obtained the necessary approval from their respective legislatures.

While the actual effect of the new membership on the United States voting power would be to reduce it from the present 40 percent to around 36 percent, the United States would continue to have the largest voting share of any member country and to maintain its important role in the Bank. In the Fund for Special Operations, this voting power would preserve the veto of the United States since decisions on such operations must be approved by a two-thirds majority. Moreover, one of the proposed amendments to the IDB Charter provides that the United States will have not less than a 34.5 percent voting share in the Bank as long as it wants such a share and that the regional developing member countries and Canada will have not less than 53.5 percent and 4 percent, respectively.

To accommodate the addition to the Bank's capital and membership, a number of amendments to the Bank's Articles of Agreement must be approved. The most important change in the Bank's financial structure involves the creation of a new series of capital stock to be designated as inter-regional capital stock. This new stock will be created as a means of avoiding certain limitations which are attached to ordinary capital borrowings. In the past, the Bank has included covenants in its bond issues which restrict the amount of borrowings backed by its ordinary capital resources to the callable capital of the United States available on demand. The existence of this covenant means that contributions to the callable ordinary capital of the Bank from countries other than the United States cannot serve the purpose of supporting additional borrowings. As of the beginning of the year, such covenants are no longer being included in the Bank's bond issues. However, since such covenants were included in previous bond issues, some of which will not mature until 1995, the holders of these bonds may enjoin the Bank from borrowing for its ordinary capital resources in excess of the

U.S. callable capital subscription until all these bonds have been retired or redeemed.

Any member country would have the option of contributing in whole or in part to either ordinary capital or inter-regional capital. For the purpose of computing voting power and pre-emptive rights, no distinction is made between ordinary and inter-regional capital. An eventual merger between ordinary and inter-regional capital is anticipated when bonds with the restrictive covenants mature or all outstanding issues with such a covenant can be retired.

Certain technical amendments to the Inter-American Development Bank Act are necessary in connection with the entry of the nonregional members. The amendments ensure that the provisions of the Act which apply to ordinary capital will also apply to inter-regional capital.

The proposed legislation also authorizes the U.S. Governor to approve a proposal to permit membership in the IDB for the Bahamas and Guyana. These countries have recently gained their independence, but since they are not members of the Organization of American States their admission to membership in the Bank requires an amendment to the Bank's Articles. The United States is interested in the economic development and political stability of the Bahamas and Guyana and believes that they should be accorded the same access to regional financial resources as other Latin American and Caribbean countries.

Finally, the legislation would amend the Agreement to permit the Bank to lend funds to the Caribbean Development Bank (CDB) for the purpose of relending to CDB member countries whether or not they are also members of the Inter-American Development Bank. The CDB is a well run development finance institution which has been operating since 1969 and is the most significant regional institution directed at providing development assistance to the less developed countries of the Caribbean. The CDB's leading capabilities will be effectively bolstered through this program, thereby allowing it to make available additional funds to the less developed mini-states, most of which have a per capita GNP below $300.

I urge the Congress to give the legislation its prompt approval. A Special Report of the National Advisory Council on International Monetary and Financial Policies discussing the proposal in detail will be transmitted separately to you and to the Speaker of the House of Representatives.

It will be appreciated if you will lay the enclosed draft bill before the Senate. An identical draft bill has been transmitted to the House of Representatives.

The Office of Management and Budget advises that there is no objection to the presentation of this legislation for the consideration of the Congress and that its enactment would be in accord with the President's program.

Sincerely,

WILLIAM E. SIMON.

COMPARATIVE TYPE SHOWING CHANGES WHICH WOULD BE MADE IN EXISTING LAW BY PROPOSED BILL

(Matter proposed to be omitted enclosed in brackets; new matter italic.)

Inter-American Development Bank Act (73 Stat. 299, 22 U.S.C. 283 et seq. (1959)).

SEC. 5. Unless Congress by law authorizes such action, neither the President nor any person or agency shall, on behalf of the United States, (a) subscribe to additional shares of stock under article II, section 3, *or article IIA, section 2,* of the agreement; (b) request or consent to any change in the quota of the United States under article IV, section 3, of the agreement; (c) accept any amendment under article XII of the agreement; or (d) make a loan or provide other financing to the Bank, except that loans or other financing may be provided to the Bank by a United States agency created pursuant to an Act of Congress which is authorized by law to make loans or provide other financing to international organizations. Unless Congress by law authorizes such action, no governor or alternate appointed to represent the United States shall vote for any increase of capital stock of the Bank under article II, section 2, *or article IIA, section 1,* of the agreement or any increase in the resources of the Fund for Special Operations under article IV, section 3(g) thereof.

SEC. 11. (a) Any securities issued by the Bank (including any guarantees by the Bank, whether or not limited in scope) in connection with raising of funds for including in the Bank's [ordinary] capital resources as defined in article II, section 5, *and article IIA, section 4,* of the agreement, and any securities guaranteed by the Bank as to both the principal and interest to which the commitment in article II, section 4(a)(ii), *or article IIA, section 3(c)*, of the agreement is expressly applicable, shall be deemed to be exempted securities within the meaning of paragraph (a)(2) of section 3 of the Act of May 27, 1933, as amended (15 U.S.C. 77c), and paragraph (a)(12) of section 3 of the Act of June 6, 1934, as amended (15 U.S.C. 78c). The Bank shall file with the Securities and Exchange Commission such annual and other reports with regard to such securities as the Commission shall determine to be appropriate in view of the special character of the Bank and its operations and necessary in the public interest or for the protection of investors.

Sec. 23. The United States Governor of the Bank is authorized to vote for three proposed resolutions of the Board of Governors entitled (a) "Amendments to the Agreement Establishing the Bank with respect to the Creation of the Inter-regional Capital Stock of the Bank and to Related Matters", (b) "General Rules Governing Admission of Nonregional Countries to Membership in the Bank", and (c) "Increase in the Authorized Callable Ordinary Capital Stock and Subscriptions Thereto in Connection with the Admission of Nonregional Member Countries", which were submitted to the Board of Governors pursuant to a Resolution of the Board of Executive Directors approved on March 4, 1975.

Sec. 24. The United States Governor of the Bank is authorized to agree to the amendments to Article II, Section 1(b) and Article IV, Section 3(b) of the Agreement Establishing the Bank, as proposed by the Board of Executive Directors, to provide for membership for the Bahamas and Guyana in the Bank at such times and in accordance with such terms as the Bank may determine.

Sec. 25. The United States Governor of the Bank is authorized to agree to the amendments to Article III, Sections 1, 4 and 6(b) of the Agreement Establishing the Bank, as proposed by the Board of Executive Directors, to pravide for lending to the Caribbean Development Bank.

By Mr. STEVENS:

S. 2138. A bill to amend the Shipping Act, 1916, in order to provide that a State, the District of Columbia, the Commonwealth of Puerto Rico, and a territory or possession of the United States shall be considered a citizen of the United States for the purposes of such act. Referred to the Committee on Commerce.

Mr. STEVENS. Mr. President, today I introduce a bill which would amend the Shipping Act of 1916 and the Merchant Marine Act of 1920 to add to the list of definitions included in the Shipping Act the following language:

> The term "citizen of the United States" also includes a State, the District of Columbia, the Commonwealth of Puerto Rico, and a territory or possession of the United States.

The two acts, in various articles, confer exclusively upon citizens certain shipping and shipbuilding, including the right to obtain first lien on an American vessel. The intent of this aspect of the two acts is to prevent foreigners from exercising control over American shipping.

Unfortunately, although a State is not a foreigner, States are not explicitly included among those entities identified in the Shipping Act as citizens of the United States. Neither are they explicitly excluded. One consequence of this *defect* is that the State of Alaska is presently unable to obtain a first lien on a fisherman's vessel. Three years ago, Alaska instituted a revolving loan program for its fishermen. Since in most cases a fisherman's vessel is his only property which is of sufficient value to serve as collateral for these loans and which is not already mortgaged, the defect in the Shipping Act creates a serious and immediate problem in my home State which this amendment would eliminate.

The overall effect of my bill would be to clarify the ambiguity which presently exists in the two acts regarding the citizenship of States. When a bill identical to this one was introduced in the 93d Congress, it was not reported out of the Commerce Committee because of the uncertainty felt by several of the committee's members concerning the broad ramifications of the amendment on the lengthy shipping acts. No detailed analysis of the amendment had yet been made.

I recently obtained such an analysis from the General Counsel of the Department of Commerce. His assessment of the impact of the amendment was that either it did not affect a particular section or that it resolved an ambiguity in the language in such a way as advanced the purposes of the act. I ask that the text of this analysis be printed in the RECORD at the conclusion of my statement.

Mr. President, now that little question remains as to the beneficial impact of this amendment on the shipping acts which it affects, I urge prompt action on this bill.

Mr. President, I ask unanimous consent that the text of my bill, together with a letter from the General Counsel of the Department of Commerce, be printed in the RECORD.

There being no objection, the bill and letter were ordered to be printed in the RECORD, as follows:

S. 2138

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1 of the Shipping Act, 1916 (46 U.S.C. 801), is amended by adding the following definition: "The term 'citizen of the United States' also includes a State, the District of Columbia, the Commonwealth of Puerto Rico, and a territory or possession of the United States."

General Counsel of
the Department of Commerce,
Washington, D.C., April 16, 1975.
Hon. Ted Stevens,
U.S. Senate,
Washington, D.C.

Dear Senator Stevens: This is in reply to your request for our views as to the impact a bill you propose to introduce in the 94th Congress to amend section 1 of the Shipping Act, 1916, would have on that Act, on the Merchant Marine Act, 1920 and on the Merchant Marine Act, 1936. The language of your proposed bill is identical to that of an amendment to H.R. 13296, 93rd Congress, which passed the Senate but which the Conferees did not accept, primarily because of doubt as to the impact the amendment would have on the foregoing statutes. This language is as follows:

Section 1 of the Shipping Act, 1916, as amended (46 U.S.C. 801) is amended by inserting after the introductory paragraph and prior to the paragraph that begins "The term 'common carrier by water in foreign commerce' the following new paragraph:

"The term 'citizen of the United States' means any State or political subdivision thereof, any individual who is a citizen of the United States by birth, by naturalization, or other legal judgment, or any corporation, partnership, or association organized under and maintained in accordance with section 2 of this Act and the laws of any State. As used in this paragraph, 'State' means any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, American Samoa, the Virgin Islands, and the territories and possessions of the United States."

The term "citizen of the United States" is used in sections 9, 36, 37, and 40 of the Shipping Act, 1916, and in sections 1, 5, 7, 22, 23, 27, 30, and 37 of the Merchant Marine Act, 1920. Section 30 of the 1920 Act is the Ship Mortgage Act, 1920, and the term is used in subsections D(a)(5), O(d), O(e), and O(f) of that section. The term is also used in various sections of the Merchant Marine Act, 1936, but that Act would not be affected by the proposed amendment, because the definition of "citizen of the United States" incorporated in that Act by section 905(c) thereof is the definition in section 2 of the Shipping Act, 1916, and the proposed amendment would amend only section 1 of the 1916 Act.

THE SHIPPING ACT, 1916

Section 9 of the Shipping Act, 1916, provides that it is unlawful, without the consent of the Secretary of Commerce, to sell, mortgage, lease, charter, deliver or in any manner transfer, to any person not a citizen of the United States, or place under foreign registry, any vessel or any interest therein owned in whole or in part by a citizen of the United States and documented under the laws of the United States, or the last documentation of which was under the laws of the United States. The section further provides that the issuance, transfer or assignment, without the consent of the Secretary of Commerce, to a person not a citizen of the United States, of any bond, note or other evidence of indebtedness which is secured by a mortgage on a vessel of which a trustee is mortgagee, unless the Secretary of Commerce has approved the trustee, is unlawful. The statute provides that the Secretary shall approve the trustee if the trustee meets certain minimum requirements. The purpose of this section is to prevent citizens of foreign nations from obtaining control of our shipping in circumstances in which we would not want this to happen. Neither a State nor any of the other entities specified in your proposed amendment is a citizen of a foreign nation. We have therefore taken the view that the section is not applicable to transfers to such entities. Your proposed amendment would serve to affirm that view and to appropriately require that any transfer by a State or other entity specified would require approval under this section.

Section 36 provides that the Secretary of the Treasury is authorized to refuse clearance to any vessel destined for a foreign or offshore domestic port if he has satisfactory reason to believe the vessel refuses to accept cargo tendered for such port by any citizen of the United States unless the vessel has no space accommodations for such cargo, due regard being had for the proper loading of the vessel. There has been no litigation as to whether any of the entities specified in your proposed bill is a citizen for purposes of this section. It seems to us that such entities, as shippers, should be entitled to the benefits of this section. Your proposed amendment would clarify the section.

Section 37 provides that during any national emergency declared by the President, it is unlawful without the consent of the Secretary of Commerce:

(a) to transfer to foreign registry any vessel owned in whole or in part by a citizen of the United States or owned by a corporation organized under the laws of the United States.

(b) to sell, mortgage, lease, charter, deliver, or transfer in any manner, to any person not a citizen of the United States, (1) any such vessel or any interest therein, (2) any vessel documented under the laws of the United States or any interest therein, or (3) any shipyard, dry dock, shipbuilding or ship repairing facility, or any interest therein;

(c) to issue, transfer, or assign to a person who is not a citizen of the United States any bond, note or other evidence of indebtedness that is secured by a mortgage on a vessel or on a shipyard, dry dock, shipbuilding or ship repairing plant or facility, of which a trustee is mortgagee unless the Secretary of Commerce has approved the trustee, but if the trustee meets certain minimum requirements, the Secretary is required to approve;

(d) to enter into any contract to construct a vessel in the United States to be delivered to a person who is not a citizen of the United States without expressly stipulating that the construction shall not begin until after the emergency is over;

(e) to make any agreement whereby there is vested in a person not a citizen of the United States the controlling interest or a majority of the voting power in a corporation organized under the laws of the United States or of any State, District, Territory or possession thereof, and which owns any vessel, shipyard, dry dock, shipbuilding or ship repairing facility; or

(f) to cause any vessels constructed in the United States, which has never cleared for a foreign port, to depart from a port of the United States without being documented under the laws of the United States.

The United States has been in an emergency declared by the President since December 16, 1950. The purpose of this section is to prevent citizens of foreign nations from obtaining control of the facilities mentioned in the section in times of national emergency under circumstances in which we would not want this to happen. The entities specified in your proposed bill are not citizens of a foreign nation. We have therefore taken the view that the section is not applicable to transfers to such entities. Your proposed amendment would serve to affirm that view and to appropriately require that any transfer by a State or any other entity specified would require approval under this section.

Section 40 provides that whenever any bill of sale, mortgage, hypothecation, or conveyance of any vessel, or part thereof, is presented to any Collector of Customs, the vendee, mortgagee, or transferee shall file therewith a written declaration setting forth the facts with respect to his citizenship, and such other facts as the Secretary of Commerce requires, showing that the transaction does not involve a violation of sections 9 and 37.

Your proposed amendment would clarify the section.

The Merchant Marine Act, 1920, including the Ship Mortgage Act, 1920—

Section 37 of the Merchant Marine Act, 1920, provides that as used in that Act, the term "citizen of the United States" and certain other terms shall have the meaning assigned to them in sections 1 and 2 of the Shipping Act, 1916. There is at present no definition of "citizen of the United States" in section 1 of the 1916 Act.

Section 1 of the Merchant Marine Act, 1920, is a declaration of policy. The section states that it is necessary for its national defense and for the proper growth of its foreign and domestic commerce that the United States shall have a merchant marine of certain specified characteristics "ultimately to be owned and operated privately by citizens of the United States." Ownership and operation of vessels by one of the Governmental entities specified in your proposed amendment would not be private ownership and operation. Your proposed amendment, therefore, would not affect this section.

Section 5 authorizes the Secretary of Commerce to sell vessels to citizens of the United States, and section 6 authorizes the Secretary of Commerce to sell vessels to aliens. These two sections, however, are overridden by section 510(j) of the Merchant Marine Act, 1936, which provides that all of the Secretary's merchant vessels shall be placed in the national defense reserve fleet and may be sold only under certain specified provisions of the Merchant Marine Act, 1936. Your proposed amendment therefore would not affect either of these sections of the 1920 Act.

Section 7 directs the Secretary of Commerce to investigate and determine what steamship lines should be operated to promote the foreign and coastwise trade, to sell vessels to citizens of the United States to carry out this purpose and if a satisfactory sale cannot be arranged, to charter vessels to citizens of the United States who would be willing to carry out this purpose. Since the chartering authority is to be exercised only if a satisfactory sale cannot be made under the 1920 Act, and since the sales authority has been abrogated by section 510(j) of the 1936 Act, we believe the chartering authority under section 7 of the 1920 Act cannot now be exercised. Your proposed amendment therefore would not affect this section.

Section 22 provides that all foreign-built vessels admitted to American registry and owned by citizens of the United States on February 1, 1920, and all foreign-built vessels owned by the United States on June 5, 1920, when sold to and owned by citizens of the United States, may engage in the coastwise trade so long as they continue in such ownership. We understand that the Coast Guard will document United States-built vessels owned by the entities mentioned in your proposed bill for operation in the coastwise trade and that the United States Customs Service does not consider such operation to be in violation of the coastwise laws. We do not know what the views of those agencies would be with respect to the documentation and operation in the coastwise trade under existing law of the foreign-built vessels described in section 22 of the 1920 Act, if in fact there are any such vessels. Under your proposed bill, such vessels owned by the entities mentioned therein would be entitled to coastwise privileges.

Section 23 provides that for a period of ten years after June 5, 1920, any citizen of the United States who sells a vessel that was built prior to January 1, 1914, shall be exempt from income taxes on the proceeds of sale if such proceeds are used to construct new vessels in American shipyards. Since this ten year period has expired, your proposed amendment would not affect this section.

Section 27 provides that no merchandise shall be transported by water or by land and water, either directly or by a foreign port, between points in the United States embraced within the coastwise laws, in any vessel other than a vessel built in the United States, documented under the laws of the United States, and owned by citizens of the United States. Our understanding is that the Coast Guard will document a vessel owned by one of the entities mentioned in your proposed amendment for operation in the coastwise trade and that the United States Customs Service does not consider the operation of such a vessel in that trade to be a violation of section 27. Your proposed amendment therefore would not affect this section except to clarify it.

Section 30 is the Ship Mortgage Act, 1920. Subsection D(a)(5) of that section requires the mortgagee of a preferred ship mortgage on an American flag vessel to be a citizen of the United States. Subsection O(d) provides that no rights under a ship mortgage on an American flag vessel shall be transferred to a person not a citizen of the United States without the consent of the Secretary of Commerce. Subsection O(e) provides that no bond, or other evidence of indebtedness which is secured by a mortgage on an American flag vessel of which a trustee is mortgagee shall be issued, transferred, or assigned to a person not a citizen of the United States, without the consent of the Secretary of Commerce, unless the Secretary of Commerce has approved the trustee, and the Secretary of Commerce is required to approve the trustee if the trustee meets specified minimum requirements. Subsection O(f) provides that no American flag vessel shall be sold by order of a District Court of the United States in any suit in rem in admiralty to any person not a citizen of the United States. The way the issue whether the entities mentioned in your proposed amendment are citizens of the United States under this section would arise. . . .

* * * * *

By Mr. STEVENS:

S. 2139. A bill to authorize the Secretary of the Interior to convey certain property to Morris L. Porter, Seldovia, Alaska. Referred to the Committee on Interior and Insular Affairs.

Mr. STEVENS. Mr. President, the legislation which I introduce today would quiet title to 83.52 acres of land now in dispute between Morris L. Porter of Seldovia, Alaska, and five granddaughters of the late Anisum Alexanderoff.

In 1931, Anisum Alexanderoff was issued an Indian allotment which conveyed this land to him subject to the condition that it could not be alienated or sold without the approval of the Secretary of the Interior. In 1945, Mr. Alexanderoff died and Morris L. Porter purchased the subject property in good faith from the U.S. Commissioner who was administrator of Mr. Alexanderoff's estate. Mr. Porter moved onto the property and over the years has made several improvements.

In 1953, Mr. Porter discovered that the U.S. Commissioner had no authority over probating Mr. Alexanderoff's estate, since such authority was vested in the Secretary of the Interior. At that time Mr. Porter began his long, arduous attempt to obtain clear title. To complicate matters, in 1955 it was discovered that Mr. Alexanderoff had a surviving widow, Agnes Alexanderoff, who legally was the sole heir of Mr. Alexanderoff's estate and was entitled to the 83.52 acres.

In 1961, Agnes Alexanderoff died and in 1971 it appeared that this matter might finally be resolved. However, in 1972, it was discovered that Mrs. Alexanderoff had five daughters by a previous marriage and it was determined that each inherited an undivided share in her estate consisting of Anisum Alexanderoff's Native allotment of 83.52 acres of land.

Mr. President, Mr. Porter has been residing on this property since his original purchase in 1945. However, he has not been able to enjoy clear title to this land due to the interests of Mr. Alexanderoff's heirs and to the interest of the U.S. Government as trustee.

The bill which I offer today would resolve this matter once and for all. It would authorize the Secretary of the Interior to convey by quitclaim deed title in these 83.52 acres to Morris L. Porter. It would further authorize the Secretary of the Interior to acquire by purchase or exchange any interest in this property held by the heirs of Anisum Alexanderoff.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2139

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior is authorized and directed to convey, by quitclaim deed, to Morris L. Porter, Seldovia, Alaska, all right, title, and interest of the United States in and to the property known as U.S. Survey No. 1811, containing 83.52 acres, more or less, according to the official plat thereof in the Seldovia Recording District, Third Judicial District, State of Alaska, including any right, title, or interest acquired pursuant to section 2 of this Act.

SEC. 2. The Secretary of the Interior is authorized to take such action as may be necessary to acquire, by purchase or exchange, any right, title, or interest in or to the property referred to in the first section of this Act which may be held by the heirs of Anisum Alexanderoff or Agnes Alexanderoff, both deceased, on the date immediately preceding the date of the enactment of this Act.

SEC. 3. There is authorized to be appropriated such sum, not to exceed $30,000, as may be necessary to carry out the provisions of this Act.

By Mr. HARTKE:

S. 2140. A bill to provide for the orderly and timely implementation of certain requirements of law concerning development of high-speed rail transportation in the Northeast Corridor. Referred to the Committee on Commerce.

CORRIDOR DEVELOPMENT ACT OF 1975

Mr. HARTKE. Mr. President, today I am introducing the Corridor Development Act of 1975. This legislative proposal would provide for the necessary implementation of the long overdue Northeast Corridor project, which is required by the Regional Rail Reorganization Act of 1973. It is intended to serve as a focus for discussion at hearings to be held on this portion of the final system plan on Friday, July 25. Legislation implementing the Northeast Corridor project will form one of the basic components of the necessary final system plan implementing legislation for the reorganization of the midwest and northeast railroads.

Mr. President, the Northeast Corridor contains 20 percent of the population of the United States and only 2 percent of the land area. The major standard metropolitan statistical areas in the corridor contain almost 38 million of the corridor's 44 million residents. Mr. President, $15 million of detailed studies by the Department of Transportation over the last decade have conclusively demonstrated that the most cost efficient, energy efficient, and ecologically compatible way of improving transportation in the Northeast Corridor is to improve rail service. A plan has been formulated by the Federal Railroad Administration to do that, and the Regional Rail Reorganization Act requires the U.S. Railway Association to include such a plan as part of the final system plan. The legislation I am introducing today will assure that that plan is implemented in a timely manner.

Mr. President, this legislative proposal is intended as a conceptual framework for hearings that will be held soon to determine the optimal legislative structure for the financing, operation, development and timing of improvements on the corridor properties. Once a conceptual framework is decided upon by the Commerce Committee, it will be incorporated in the final system plan implementing legislation and the necessary conforming amendments will be made in the Regional Rail Reorganization Act.

Mr. President, I ask unanimous consent that the text of the Corridor Development Act of 1975 be printed in the RECORD so that those who wish to may review it in time for hearings on this matter, on July 25.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2140

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Corridor Development Act of 1975".

DECLARATION OF POLICY

SEC. 2. The Congress finds that special legislation is necessary to effectuate the orderly and timely implementation of improved high-speed rail passenger service in the Northeast Corridor, as required by Act of Congress in section 206(a)(3) of Public Law 93-236 (45 U.S.C. 716(a)(3)). The Congress further finds that such implementation is in the public interest and of the highest public importance to save money, to conserve energy, and to promote and enhance interstate commerce. It is therefore declared to be the purpose of Congress in this Act to establish a special and limited-life Corporation for the sole purpose of completing the required improvements on schedule, while assuring continuous rail service through the period of construction and improvement, and to direct that the Corps of Engineers, United States Army, function as construction manager for such Corporation.

CORRIDOR DEVELOPMENT CORPORATION

SEC. 3. (a) ESTABLISHMENT.—There is established, in accordance with the provisions of this section, an incorporated nonprofit association to be known as the Corridor Development Corporation (hereafter referred to as the "Corporation").

(b) ADMINISTRATION.—The Corporation shall be directed by a Board of Commissioners. The individuals designated, pursuant to subsection (d)(2) of this section, as the Government members of such Board shall be deemed the incorporators of the Corporation and shall take whatever steps are necessary to establish the Association. They shall take whatever steps are necessary (1) to establish the Corporation, including filing of articles of incorporation, and serving as an acting Board of Directors for a period of not more than 45 days after the date of incorporation of the Corporation; and (2) to terminate the Corporation upon certification by the construction manager for such Corporation and the Comptroller General of the United States that the goals of such Corporation have been achieved, including filing of articles of dissolution and distribution of any assets.

(c) STATUS.—The Corporation shall be a government corporation of the District of Columbia subject, to the extent not inconsistent with this Act, to the District of Columbia Nonprofit Corporation Act (D.C. Code, sec. 29-1001 et seq.). Except as otherwise provided, employees of the Corporation shall not be deemed employees of the Federal Government.

(d) BOARD OF COMMISSIONERS.—The Board of Commissioners of the Corporations shall consist of 15 individuals, as follows:

(1) the Chairman, a qualified individual who shall be apppointed by the President, by and with the advice and consent of the Senate;

(2) three Government members, who shall be the Secretary of Transportation; the President of the United States Railway Association, and the President of the National Railroad Passenger Corporation; and

(3) eleven nongovernment members, who shall be appointed by the President, by and with the advice and consent of the Senate, on the following basis—

(A) one to be selected from a list of qualified individuals recommended by the Association of American Railroads or its successor who are representatives of common carriers by railroad;

(B) one to be selected from a list of qualified individuals recommended by the American Federation of Labor and Congress of Industrial Organizations or its successor who are representative of railroad labor;

(C) one to be selected from a list of qualified individuals recommended by the Governor of the Commonwealth of Massachusetts;

(D) one to be selected from a list of qualified individuals recommended by the Governor of the State of Rhode Island and Providence Plantations;

(E) one to be selected from a list of qualified individuals recommended by the Governor of the State of Connecticut;

(F) one to be selected from a list of qualified individuals recommended by the Governor of the State of New York;

(G) one to be selected from a list of qualified individuals recommended by the Governor of the State of New Jersey;

(H) one to be selected from a list of qualified individuals recommended by the Governor of the Commonwealth of Pennsylvania;

(I) one to be selected from a list of qualified individuals recommended by the Governor of the State of Delaware:

(J) one to be selected from a list of qualified individuals recommended by the Governor of the State of Maryland;

(K) one to be selected from a list of qualified individuals recommended by the Mayor of the District of Columbia.

As used in this paragraph, a list of qualified individuals shall consist of not less than three individuals.

A member of the Board of Commissioners who is not otherwise an employee of the Federal Government may receive $150 per diem when engaged in the actual performance of his duties plus reimbursement for travel, subsistence, and other necessary expenses incurred in the performance of such duties.

(e) TERMS OF OFFICE.—The terms of office of the nongovernment members of the Board of Commissioners, except for the Commissioners appointed under paragraphs (3)(A) and (3)(B) of this section, shall expire 90 days after the expiration of the terms of office of the Governor or Mayor who recommended such appointment to the President. The terms of office of Commissioners appointed under such paragraphs (3)(A) and (3)(B) shall expire at the end of 3 years or upon termination of the Corporation, whichever occurs first. Successors to members of the Board of Commissioners shall be appointed in the same manner as the original members.

(f) QUORUM.—Beginning 45 days after the date of incorporation of the Corporation, six members of the Board of Commissioners shall constitute a quorum for the transaction of any function of the Corporation.

(g) GENERAL MANAGER.—The Board of Commissioners shall appoint a qualified individual to serve as the General Manager of the Corporation at the pleasure of the Board. The General Manager shall be compensated at a rate not to exceed the compensation paid to the President of the National Railroad Passenger Corporation.

(h) CONSTRUCTION MANAGER.—The Board of Commissioners shall appoint the Corps of Engineers, United States Army, to serve as the Construction Manager for the Corporation.

POWERS AND DUTIES OF THE CORPORATION

SEC. 4. (a) GENERAL.—To carry out the purpose of this Act, the Corporation is authorized to—

(1) have succession in its corporate name until the date of termination in accordance with section 3(b)(2) of this Act;

(2) adopt and use a corporate seal, which shall be judicially noticed;

(3) sue and be sued, complain and defend, in the name of the Corporation and through its own attorneys;

(4) adopt, amend, and repeal bylaws, rules, and regulations governing the manner in which its business may be conducted and its power exercised;

(5) enter into and implement such contracts and agreements as are necessary or appropriate in the conduct of its functions;

(6) determine the qualifications, appoint, assign the duties, fix the compensation, and oversee the effectiveness of such full-time and part-time employees as may be necessary for the conduct of its functions, without regard for the civil service laws of the United States;

(7) conduct its affairs, carry on operations, and maintain offices in the most cost-effective manner practicable;

(8) purchase or otherwise acquire the right to use railroad rights-of-way between Boston, Massachusetts and Washington, District of Columbia suitable for improved high-speed rail passenger service in the Northeast Corridor;

(9) purchase or otherwise acquire in the manner set forth in section 305(d)(1) of the Rail Passenger Service Act (45 U.S.C. 305 (d)(1)) any other lands and properties deemed by it to be necessary to improve such service, to the extent that funds are available therefor;

(10) acquire by purchase, lease, exchange, gift, condemnation, or otherwise, and hold, maintain, sell, lease, or otherwise dispose of such real or personal property, tangible and intangible, including rights to use railroad rights-of-way and interests therein, to the extent deemed necessary by the Board of Commissioners to carry out the functions of the Corporation and the purpose of this Act (including property necessary for the realignment of track, and for the installation, improvement, or operation of communications, power, or other facilities and equipment needed to provide improved high-speed rail passenger service in such Corridor);

(11) provide for the continuous maintenance of rail freight and rail passenger service in and through the jurisdictions involved pending the completion of the construction and improvement activities required by this Act;

(12) prepare and obtain specifications, designs, and prototypes, and obtain (by purchase, lease, or otherwise) sufficient rolling stock adequate for improved high-speed rail passenger service in such Corridor, taking account of the need for passenger comfort, energy-use minimization, and low operating cost;

(13) direct the implementation of such improvements in railroad rights of way in such Corridor as are necessary to achieve, as rapidly as practicable, the goal established by Congress in section 206(a)(3) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 716(a)(3));

(14) acquire, construct, improve, and install such terminal, communications, power, roadbed, public and private grade crossings and tunnels, and bridges, and other equipment and facilities over such rights of way as are appropriate to the providing of such improved high-speed rail passenger service for the largest number of persons at reasonable cost;

(15) enter into operating agreements with the National Railroad Passenger Corporation, the Consolidated Rail Corporation, regional and local transportation agencies, and other entities, to the extent necessary to assure that essential freight, intercity passenger, and commuter passenger rail services are continuously provide in and through such Corridor;

(16) adopt and amend as necessary an operating charter for rail operation within such Corridor;

(17) enter into an agreement with the National Railroad Passenger Corporation or other carrier for the operation of intercity rail passenger service over the rights of way acquired by the Corporation under this Act. Any such agreement shall include such terms and conditions as the Board of Commissioners consider necessary to enable the Corporation to recover, from total revenues received sufficient funds to meet all operating costs and to the extent possible to make payments of interest and principal on obligations issued under section 5 of this Act. The Corporation may enter into agreements for (A) the continuation of freight or other passenger service over such rights of way in return for adequate consideration from other railroads; (B) the maintenance of the rights-of-way; (C) the provision and operation of communications and related equipment needed for safe and efficient operations. The Corporation shall not be deemed a common carrier by railroad, within the meaning of the Interstate Commerce Act (49 U.S.C. 1 (3)), and it shall not be subject to any provision of that Act. With respect to operations over the rights-of-way acquired under this Act, neither the National Railroad Passenger Corporation nor any other passenger carrier with whom the Corporation contracts for service shall be subject to any provision of the Interstate Commerce Act (49 U.S.C. 1 et seq.);

(18) assist and cooperate fully with the Corporation's construction manager; and

(19) transfer all assets and liabilities, upon termination, to the National Railroad Passenger Corporation.

(b) Duties—In addition to its duties and responsibilities under other provisions of this Act, the Corporation shall—

(1) develop and apply an equitable formula for fully allocating all of the costs incurred by it in the discharge of its responsibilities under this Act, other than costs incurred prior to December 31, 1983 in accordance with sections 4 (a) (13) or (a) (14);

(2) implement the Corridor Development Plan as approved by the Construction Manager and the Board of Commissioners; and

(3) make available to the Secretary of Transportation such reports as he requests regarding implementation of the Corridor Development Plan.

(c) Taxation.—Any real or personal property of the Corporation, including any improvements thereon, are expressly exempt from taxation in any form or manner by any State or political subdivision thereof or by the District of Columbia. The Corporation shall, however, make payments in lieu of property taxes: *Provided*, That such payments shall not be in excess of the amount of any nondiscriminatory taxes which would have been payable with respect to such property in the condition that it was in when acquired by the Corporation.

(d) Environmental Impact.—No provision of the National Environment Policy Act of 1969 (42 U.S.C. 4332(2)(c)) shall apply to any action taken by or any activities of the Corporation.

FINANCING

Sec. 5. (a) General.—The Corporation is authorized to issue, with the approval of the Secretary of the Treasury as to terms and conditions, and to have outstanding at any time bonds and other obligations necessary for the purpose of acquiring Northeast Corridor properties necessary for the implementation of the purpose of this Act. Such obligations may have such maturities and bear such rate or rates of interest as may be determined by the Board of Commissioners and may be redeemed, at the option of such Board, prior to maturity in the manner stipulated therein. The aggregate amount of such obligations that may be issued and outstanding at any one time under this subsection shall not exceed $1,000,000,000.

(b) Short-Term Financing.—The Corporation is authorized, with the prior approval of the Secretary of the Treasury, to borrow on short term notes to meet operating expenses.

(c) Upgrading Loans.—The Corporation shall receive sufficient revenues from the National Railroad Passenger Corporation, Consolidated Rail Corporation, and other operating entities to meet operating and maintenance costs The Corporation shall receive from the Secretary of Transportation sufficient funds (not to exceed $4,000,000) from the Secretary of Transportation, as financed by the Secretary of the Treasury, to meet capital requirements for upgrading the Corridor and making necessary improvements pursuant to the Corridor Development Plan.

(d) Grants to Local Governments.—The Corporation is authorized to provide grants to States in the Corridor and to political subdivisions of such States up to 80 percent of the total cost of projects to develop and renovate portions of stations and related properties, including parking facilities, that are not otherwise funded under this Act.

(a) Special Financing.—Whenever the moneys available to the Corporation are insufficient to satisfy the obligations issued by it under subsection (a) of this section, the Corporation shall issue to the Secretary of the Treasury notes or other obligations in such forms and denominations, bearing such maturities and subject to such terms and conditions as may be prescribed by such Secretary. Such notes or other obligations shall be redeemed by the Corporation from funds appropriated under section 6 of this Act. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average market yield on outstanding marketable obligations of the United States of comparable maturities during the month preceding the issuance thereof. Such Secretary may at any time sell any of the notes or other obligations acquired by him under this subsection. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated as public debt transactions of the United States.

AUTHORIZATION FOR APPROPRIATIONS

Sec. 6. There are authorized to be appropriated out of any money in the Treasury not otherwise appropriated, to remain available until expended, such sums as are necessary for the administrative expenses of the Secretary of Transportation; for the administrative expenses in connection with the Corridor Development Project of the Secretary of the Army; for designing, engineering, and testing expenses associated with the acquisition of rolling stock and real property for such Corridor; and for those expenses incurred prior to the establishment of the Corporation. Such funds shall not exceed $50,000,000, and shall be in addition to funds authorized to carry out the Act of September 30, 1965, as amended (49 U.S.C. 1631 et seq.).

By Mr. THURMOND (for himself and Mr. Hollings):

S. 2142. A bill to authorize the Secretary of Commerce to transfer the NS *Savannah* to Patriot's Point Development Authority, an agency of the State of South Carolina. Referred to the Committee on Commerce.

Mr. THURMOND. Mr. President, in the summer of 1972, the General Assembly of the State of South Carolina established a committee to determine if a naval museum should be established in South Carolina. The committee made a report to the Governor and General Assembly in January 1973, recommending that a museum be established in Charleston, on approximately 500 acres of land, bordering on Charleston Harbor, to be taken as Patriot's Point.

The committee also recommended that a State authority be established to build the museum and to develop the remainder of Patriot's Point. The General Assembly passed a bill creating the Patriot's Point Development Authority, and it was signed by Gov. John C. West in April 1973.

On February 28, 1975, the U.S. Senate passed Senate Concurrent Resolution 9, a resolution supporting the establishment of a Naval and Maritime Museum at Patriot's Point. This resolution is presently under consideration by the House Armed Services Committee, in the Subcommittee for Military Installations. It gives me great pleasure to report to the Senat that the Museum is progressing well as it nears its opening date on October 13, 1975, the 200th birthday of the U.S. Navy. The museum is to be comprised substantially of a series of decommissioned ships, the first of which is the aircraft carrier USS *Yorktown*, which was just recently berthed at Patriot's Point.

The NS *Savannah*, the world's first nuclear-powered merchant vessel, would be an important educational addition to the museum. In 1973, the city of Savannah, Ga., proposed to support the NS *Savannah* as an historic museum. Unfortunately, that city was unable to make the necessary legal and financial arrangements and the *Savannah* is scheduled to be transferred to the Reserve Merchant Fleet at Beaufort, Tex., in late August.

Mr. President, on behalf of the State of South Carolina and the Patriot's Point Development Authority, it is a pleasure for Senator Hollings and myself to introduce a bill authorizing the Secretary of Commerce to transfer the NS *Savannah* to the Patriot's Point Naval and Maritime Museum.

I would like to point out that the laws governing the regulation and disposition of nuclear reactors require that the ship's reactor remain under control of the Government. Accordingly section 3 of the bill is a provision to permit appropriate agreements with the Nuclear Regulatory Commission to comply with those laws.

Mr. President, I ask unanimous consent that this bill be printed in the Record, and, in view of the *Savannah's* scheduled transfer to the Reserve Merchant Fleet, I urge my colleagues to give immediate and favorable consideration to this proposal.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2142

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding the provisions of section 510(j) of the Merchant Marine Act, 1936 (46 U.S.C. 1160(j)), the Secretary of Commerce is authorized, within one year after enactment of this Act, to transfer to Patriot's Point Development Authority, an agency of the State of South Carolina, the N.S. Savannah without monetary consideration, to be used as a museum ship and for other public purposes, but not for transportation, together with such of her fixtures, tackle, apparel, furnishings, and equipment as the Secretary of Commerce, in his discretion, determines.

Sec. 2. In connection with the transfer of the vessel authorized by section 1 of this Act, the Secretary of Commerce is authorized to pay the reasonable cost of towing the vessel to a site at Patriot's Point in Charleston harbor, South Carolina.

Sec. 3. Upon transfer of the vessel authorized by section 1 of this Act, the Nuclear Regulatory Commission is authorized to make appropriate agreements with agencies of the State of South Carolina to provide for control and disposition of the nuclear reactor materials remaining in the vessel, as required by law.

By Mr. CRANSTON (for himself, Mr. Tunney, Mr. Beall, Mr. Stone, Mr. Buckley, Mr. Chiles, Mr. Fannin, Mr. Fong, Mr. Philip A. Hart, Mr. Humphrey, Mr. Inouye, Mr. Jackson, Mr. Mansfield, Mr. Mondale, Mr. McClellan, Mr. Hugh Scott, Mr. Taft, Mr. Williams, and Mr. Young):

S. 2145. A bill to provide Federal financial assistance to States in order to assist local educational agencies to provide public education to Vietnamese and Cambodian refugee children, and for other purposes. Referred to the Committee on Labor and Public Welfare.

INDOCHINA REFUGEE CHILDREN ASSISTANCE ACT OF 1975

Mr. CRANSTON. Mr. President, Senator Tunney and I introduce, for appropriate reference, the Indochina Refugee Children Assistance Act of 1975. The bill will reimburse public schools for the initial costs of educating Vietnamese and Cambodian refugee children.

We are pleased to be joined in this effort by the distinguished majority leader, the Senator from Montana (Mr. Mansfield) and the distinguished minority leader, the Senator from Pennsylvania (Mr. Hugh Scott) and 15 others.

This bipartisan measure arises from our deep concern that schools across the country—already in grave financial condition—will be unable to assume the sudden costs of educating additional children this fall, children whose presence in the schools was not anticipated at the time budgets for the coming school year were planned. If every school-age refugee child enters school this fall—and a substantial number will—the national cost—based on an average of $1,260 per student, plus $300 for special assistance programs—would reach some $71 million in the first year alone.

Mr. President, all States but Mississippi—and that one instance is under court challenge—have compulsory school attendance laws. Children must attend and schools must provide educational services, from teachers to textbooks, regardless of the financial condition of the school district.

In California, for example, the State must pay, to each local education agency, about $500 per child for each pupil enrolled at the start of school. The money must be paid, by State law, to the schools regardless of the number of children or their origin. Similarly, State law in California—as in other States—mandates that each school educate every school-age child. If either State or local education agencies do not have surplus funds to cover the additional students, then existing education programs must be cut back in order to absorb the extra casts.

At the same time, in their struggle to meet additional costs in the coming school year, schools will be looking to their tax base to provide additional revenues. Over 50 percent—in California 56.5 percent—of most school costs are paid by property owners under the property tax. That means that more than half the cost of educating each refugee child—unless Federal help is forthcoming—will fall on the shoulders of the property taxpayer, already by far the most overburdened tax group in the country.

Any assumption that the property taxpayer can, or will, write a blank check for additional burdens brought on directly by Federal policy—and the relocation program clearly is Federal policy—is incorrect, insensitive, and grossly unfair.

The provision of Federal funds to help meet the urgent potential scope of the refugee education program is essential for other reasons as well. On May 8, by a vote of 91 to 1, the Senate adopted a resolution of welcome to the refugees, authored by Senator James B. Allen and me. Several days later, the Congress passed and sent to the President a bill authorizing $405 million in emergency moneys to aid in refugee relocation; $30 million of that total was designated for "bilingual and vocational training"—a term we later learned was interpreted by the Department of Health, Education, and Welfare as being primarily for the language and vocational training of refugee adults. No other moneys for education were provided under that bill.

During the Senate debate, I expressed to the distinguished chairman of the Foreign Relations Committee, Mr. Sparkman, my concern over the need for adequate provision of education funds for refugee children. In response, Senator Sparkman told me that the committee, during its consideration of the bill, "was very much aware of the potential refugee impact on schools," and he quoted from the committee report:

> The Committee anticipates that HEW will develop procedures to insure that local communities will not be adversely affected by resettlement of refugees.

I said at the time:

> If the federal government—specifically the Department of Health, Education, and Welfare—fails, in my judgment, to meet its responsibilities in full, I will introduce legislation . . . to assure that our already overburdened property taxpayers will not suffer under new, federally caused financial responsibilities.

Over the past 2 months I have monitored carefully the actions and plans of the Department toward provision of adequate education moneys and services. I have been very disappointed. On Wednesday, July 16, Senator Tunney and I met with Julia Taft, Director of the Interagency Task Force on Indochina, the administering agency for refugee programs. In this discussion, it became clear that we were in considerable disagreement over the refugee impact on schools. The administration sees just a scattering of refugee children throughout the schools. In areas of extreme impaction, HEW proposes a one-time payment of $300 per refugee child.

I believe this policy is neither realistic nor fair. It ignores the potential for significant numbers of refugee children to be present in the public schools this fall or later in the school year. It skirts the firm promise of the Federal Government to help avoid financial hardship in local communities. And it ignores cutbacks in school programs that may have to be made in order to accommodate additional children.

In House debate on the refugee assistance bill in May, Congresswoman Patsy Mink, speaking from her experience as representative of a State with substantial immigration each year, said:

> When we bring in a student from a foreign area who is completely unfamiliar with not only our language, but our ways, our culture, our government, and our school system, it is going to require a comprehensive program to make that child quickly a part of our community.

Mrs. Mink went on to say:

> I am sure that is the intention of this body, to make it possible for these young children to become integrated as soon as possible. This is going to require special attention, special education in bilingual programs and bicultural activities.

I could not agree more. And I believe every Member of Congress who has had experience with schools and school problems will recognize the truth of these words. I believe Members of Congress will also realize that projected administration policy, allowing no more than token reimbursement of the costs of educating school-age refugee children, carries the potential for grave financial hardship and community dissension when the real impact of educating refugee children hits home, and hits hard.

Therefore, in view of the urgency of the problem, Senator Tunney and I introduce the Indochina Refugee Children Assistance Act of 1975, and we urge its immediate and favorable consideration by the Congress.

Mr. TUNNEY. Mr. President, on May 6 of this year I introduced, along with Senator Cranston, S. 1661—a bill to amend the Migration and Refugee Assistance Act of 1962 to authorize resettlement assistance for Vietnamese and Cambodian refugees. In a floor statement subsequent to the introduction I expressed my concern that State and local governments in particular geographical areas of this country might be forced to bear a disproportionate share of an essentially Federal burden. Senator Cranston, too, expressed his concern in this regard. In response, we were both assured by Ambassador L. Dean Brown, the Indochina Task Force Director, that this would not be the case. Unfortunately, our fears have been borne out.

Last week the Department of Health, Education, and Welfare released its policy guidelines for reimbursement of States and localities in assisting refugee resettlement. Two aspects of that program merit support—medical assistance and financial aid—and I commend the Department for its initiative. Under those guidelines, the Federal Government would assume 100 percent of medical costs through the medical assistance program, and 100 percent of financial assistance based upon State AFDC standards.

There is one area where, however, the projected Federal assistance falls far short of estimated needs. This is in education. Under the Secretary's plan, the Federal Government would provide emergency educational assistance to school districts which were severely impacted—in other words, where the refugee student population exceeded either 100 students or 1 percent of the total student population—whichever is less.

If that minimum requirement is met, the school district would then qualify for grants of between $200 and $300 for each refugee pupil in excess of the minimum. HEW estimates that the total cost of this 1-year program would be between $6 and $10 million.

This past Wednesday, Senator Cranston and I met with Mrs. Julia Vadala Taft, Ambassador Brown's successor, to express our concern about the failure of the Federal Government to adequately support State and local educational needs. Mrs. Taft and several HEW education officials who accompanied her indicated that HEW's position had not changed.

Mr. President, the current plan is clearly inadequate and if we let it stand it could precipitate a crisis of disastrous proportions in school districts where large numbers of refugees choose to resettle. In the Nation as a whole, it is estimated that it will take almost $1,600 per year per refugee pupil to provide an adequate education. Adopting the 100-student minimum, this would mean that a school district would have to spend over $160,000 for refugee student education before it even became eligible for Federal aid which would then only amount to one-fifth of the cost of educating those children. I am certain I do not have to explain what a shortfall of the magnitude of $160,000 would mean to the average school district in this country struggling to make ends meet.

The Federal Government simply cannot turn its back on State and local governments in their efforts to aid refugees. From the beginning I have supported efforts to ease the absorption of Vietnamese and Cambodians into this society.

But I continue to believe that this is essentially a Federal problem. Mr. President, I do not intend to sit idly by and watch as the Federal Government shifts a burden for which it is primarily responsible onto hard-pressed State and local school systems. If this Nation does, in fact, have a responsibility for these emigres—and I believe we do—then it is incumbent that we propose a workable program which recognizes the essentially national character of the problem and which minimizes the adverse economic impact on State and local governments.

Therefore, I am again joining my distinguished colleague Senator CRANSTON in introducing legislation to further amend the refugee assistance program. Under our bill, the Federal Government would fund 100 percent of the cost of refugee education in fiscal year 1976 and in the transition period 1977—for totals of $71 million and $18.25 million respectively. This authorization would decline to 50 percent or $36.25 million in fiscal 1977 as the refugees themselves become taxpaying citizens and the States become more able to finance the burden from their own revenues. Following fiscal year 1977 the program would be phased out. The total 2-year cost would be $125.5 million.

Under our measure, the grants to State and local education agencies would be based upon full funding for each refugee student between the ages of 5 and 17 inclusive at a rate commensurate with the per pupil cost of education in that State, declining according to the schedule above. The estimated authorizations are calculated from the average national per pupil cost of $1,260 per year plus the HEW estimate of $300 per year per pupil for special refugee education needs. The total number of refugee children between the ages of 5 and 17 inclusive was estimated as 45,000—also based upon HEW data.

I want to emphasize that this is not another open-ended impact aid program. This is a one-shot authorization designed to speed the assimilation of these refugees into our educational system while minimizing the dislocation to our local school systems. In my talks with local and State representatives I have been impressed with their willingness to do their fair share, to face a dilemma which could involve difficulties far beyond the mere financial cost of teaching the refugees and providing them with education facilities. But these officials are rightly concerned that the added financial burden will have a serious adverse impact on the education of all of these children—refugee and native alike—if funds to offset their increased costs are not forthcoming.

In conclusion, Mr. President, let us graciously accept these Vietnamese and Cambodians into our society. Let us do everything in our power to make them productive, concerned citizens. But let us also place the burden of these changes equitably on all Americans rather than on a few select local school systems. This is truly a national problem. Its solution must be no less national in scope.

I strongly urge my colleagues in the Senate to support this most important measure.

I ask unanimous consent that the tables submitted by Senator CRANSTON and myself in support of this measure, along with the text of the bill, and a summary, be printed in the RECORD immediately following our remarks.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 2145

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Indochina Refugee Children Assistance Act of 1975".

DEFINITIONS

SEC. 2. As used in this Act—

(1) The term "Commissioner" means the Commissioner of Education.

(2) The term "elementary school" means a day or residential school which provides elementary education, as determined under State law.

(3) The term "free public education" means education which is provided at public expense under public supervision and direction, and without tuition charge, and which is provided as elementary or secondary school education in the applicable State.

(4) The term "Indochinese refugee children" means children who are provided free public education by a local educational agency of the State and who are refugees within the meaning of the term as defined in section 3 of the Indochina Migration and Refugee Assistance Act of 1975.

(5) The term "average per pupil expenditure" for a State means the aggregate current expenditures during the second fiscal year preceding the fiscal year for which the determination is made (or if satisfactory data for that year are not available at the time of computation, then during the most recent preceding fiscal year for which satisfactory data are available, of all local educational agencies in the State) plus any direct current expenditures by the State for the operation of such agencies (without regard to the source of funds from which either of such expenditures is made), divided by the aggregate number of children in average daily attendance to whom such agencies provided free public education during such preceding year.

(6) The term "local educational agency" means a public board of education or other public authority legally constituted within a State for either administrative control or direction of, or to perform a service function for, public elementary or secondary schools in a city, county, township, school district, or other political subdivision of a State, or such combination of school districts or counties as are recognized in a State as an administrative agency for its public elementary or secondary schools. Such term also includes any other public institution or agency having administrative control and direction of a public elementary or secondary school.

(7) The term "secondary school" means a day or residential school which provides secondary education, as determined under State law.

(8) The term "State" includes, in addition to the several States of the Union, the Commonwealth of Puerto Rico, the District of Columbia, Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands.

(9) The term "State educational agency" means the State board of education or other agency or officer primarily responsible for the State supervision of public elementary and secondary schools, or, if there is no such officer or agency, an officer or agency designated by the Governor or by State law.

STATE ENTITLEMENTS FOR PUBLIC EDUCATION OF VIETNAMESE AND CAMBODIAN REFUGEE CHILDREN

SEC. 3. (a) The Commissioner shall in accordance with the provisions of this Act, make payments to State educational agencies for the fiscal year 1976 and for the succeeding fiscal year for the purposes set forth in section 4.

(b) (1) Except as provided in section 7, the maximum amount of the grant to which a State educational agency is entitled under this Act shall be equal to—

(A) the number of Indochinese refugee children aged 5 to 17, inclusive, who are in average daily attendance at the schools of the local educational agencies of that State and for whom any such agency provided free public education during the fiscal year for which the determination is made; multiplied by—

(B) the average per pupil expenditure for that State for the fiscal year for which the determination is made.

(2) For the purpose of this subsection, the term "State" does not include Guam, American Samoa, the Virgin Islands and the Trust Territory of the Pacific Islands.

(c) (1) The jurisdictions to which this subsection applies are Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands.

(2) Each jurisdiction to which this subsection applies shall be entitled to a grant for the purposes set forth in section 4 in an amount equal to an amount determined by the Commissioner in accordance with criteria established by him, except that the aggregate of the amount to which such jurisdictions are so entitled for any fiscal year shall not exceed an amount equal to one per centum of the aggregate of the amounts to which all States are entitled under subsection (b) of this section for that fiscal year. If the aggregate of the amounts, determined by the Commissioner pursuant to the preceding sentence, to be so needed for any fiscal year exceeds an amount equal to such one per centum limitation, the entitlement of each such jurisdiction shall be reduced proportionately until such aggregate does not exceed such one per centum limitation.

(d) Determinations with respect to the number of Indochinese refugee children by the Commissioner under this section for any fiscal year shall be made, whenever actual satisfactory data are not available, on the basis of estimates. No such determination shall operate, because of an underestimate, to deprive any State educational agency of its entitlement to any payment, (or the amount thereof) under this section to which such agency would be entitled had such determination been made on the basis of accurate data.

USES OF FUNDS

SEC. 4. Payments made under this Act to any State may be used in accordance with applications approved under section 6 for educational programs, services, and activities for Indochinese refugee children in the schools of the local educational agencies of that State.

ALLOCATION OF APPROPRIATIONS

SEC. 5. (a) If the sums appropriated for any fiscal year for making the payments provided for in this Act are not sufficient to pay in full the total amounts which State educational agencies are entitled to receive under this Act for such year, the allocations to such State educational agencies shall be ratably reduced to the extent necessary to bring the aggregate of such allocations within the limits of the amount so appropriated.

(b) In the event that funds become available for making payments under this Act for any fiscal year after allocations have been made under subsection (a) for that year, the amounts reduced under subsection (a) shall be increased on the same basis as they were reduced.

APPLICATIONS

SEC. 6. (a) No State educational agency shall be entitled to any payment under this Act for any fiscal year unless that agency submits an application to the Commissioner at such time, in such manner, and containing or accompanied by such information, as the Commissioner may reasonably require. Each such application shall—

(1) provide that educational programs, services and activities for which payments under this Act are made will be administered by or under the supervision of the agency;

(2) provide that payments under this Act will be used for purposes set forth in section 4;

(3) provide assurances that such payments will be distributed among local educational agencies within that State in direct proportion to the number of Indochinese refugee children served by each such local educational agency, taking into consideration, to the extent feasible, the per pupil expenditure of each such agency;

(4) provide assurances that the State educational agency will not finally disapprove in whole or in part any application for funds received under this Act without first affording the local educational agency submitting an application for such funds reasonable notice and opportunity for a hearing; and

(5) provide for making periodic reports to the Commissioner evaluating the effectiveness of the payments made under this Act, and such other reports as the Commissioner may reasonably require to perform his functions under this Act.

(b) The Commissioner shall approve an application which meets the requirements of subsection (a). The Commissioner shall not finally disapprove an application of a State educational agency except after reasonable notice and opportunity for a hearing on the record to such agency.

SUPPLEMENTARY ASSISTANCE GRANTS

SEC. 7. (a) The Commissioner shall make a grant to any State educational agency which—

(1) has an application approved under section 6, and

(2) provides in the schools of the local educational agencies of that State for the unique educational needs of Indochinese refugee children who are aged 5 to 17, inclusive.

The amount of the payment for each fiscal year to which a State educational agency is entitled under this section shall be $300 for each such child in that State.

(b) Each State which—

(1) has an application approved under section 6, and

(2) desires to receive a payment under this section shall make an application to the Commissioner at such time, in such manner, and containing or accompanied by such information, as the Commissioner may reasonably require.

(c)(1) The Commissioner shall pay to each State having an application approved under subsection (b) of this section the amount to which the State educational agency is entitled under this section for use for the payment of excess costs incurred by local educational agencies of educational programs, services, and activities—

(A) which are designed to meet the unique educational needs of Indochinese refugee children who are aged 5 to 17 inclusive, and

(B) which the State educational agency determines are of sufficient size and scope as to give reasonable promise of substantial progress toward meeting such needs.

(2) For the purpose of this subsection, "educational programs, services, and activities" may include language training, bilingual education, and tutorial assistance.

(d) In addition to the sums necessary to pay entitlements under section 3, there are authorized to be appropriated $14,000,000 for fiscal year 1976, $3,750,000 for the period beginning July 1, 1976, and ending September 30, 1976, and $7,250,000 for the fiscal year 1977.

PAYMENTS

SEC. 8. (a) The Commissioner shall pay to each State educational agency having an application approved under section 6 the amount which that State is entitled to receive under this Act.

(b) The Commissioner is authorized to pay to each State educational agency amounts equal to the amounts expended by it for the proper and efficient administration of its functions under this Act, except that the total of such payments for any fiscal year shall not exceed one per centum of the amounts to which that State educational agency is entitled to receive for that year under this Act.

WITHHOLDING

SEC. 9. Whenever the Commissioner after reasonable notice and opportunity for a hearing to any State educational agency, finds that there is a failure to meet the requirements of this Act, the Commissioner shall notify that agency that further payments will not be made to the agency under this Act, or in his discretion, that the State educational agency shall not make further payments under this Act to specified local educational agencies (whose actions cause or are involved in such failure) until he is satisfied that there is no longer any such failure to comply. Until he is so satisfied, no further payment shall be made to the State educational agency under this Act or payments by the State educational agency under this Act shall be limited to local educational agencies whose actions did not cause or were not involved in the failure, as the case may be.

AUTHORIZATION OF APPROPRIATIONS

SEC. 10. There are authorized to be appropriated to make payments to which State educational agencies are entitled under this Act such sums, not to exceed $57,000,000 in fiscal year 1976, $14,500,000 for the period beginning January 1, 1976, and ending September 30, 1976, and $29,000,000 for fiscal year 1977.

SUMMARY—INDOCHINA REFUGEE CHILDREN ASSISTANCE ACT OF 1975

PURPOSE

To provide short-term federal financial assistance to states in order to assist local educational agencies in providing public education for Vietnamese and Cambodian refugee children.

RATIONALE

The federal government has a clear responsibility to furnish short-term, immediate financial relief to state and local education agencies who have financial burdens imposed upon them by the Southeast Asian refugee children who must be educated under our compulsory education laws. This should be provided only until such time as the refugees, as taxpayers, are capable of assuming their fair share of the costs of public education. For this reason, this program will conclude at the end of fiscal year 1977.

AUTHORIZATIONS

Fiscal year 1976, $71 million; 3-month interim period for fiscal year transition in 1976, $18.25 million; FY 1977, $36.25 million; Total authorization, $125.5 million.

DESCRIPTION OF PROGRAM

For this current fiscal year, the federal government would pay the average cost of providing the regular education program for each refugee child ($1260)[*] plus $300 per child to repay, in part, the excess costs of bilingual education, tutorial assistance and similar requirements. Funds would be allocated to the states based on the state average per-pupil expenditure, and the states would allocate them to local school districts based on the districts average per-pupil expenditures. The basic grants would be allocated on the basis of a simple count of eligible children; the excess cost grants would be distributed by the states on a per-pupil basis, or on the basis of applications specifying how local schools would meet the special educational needs of refugee children.

In FY 1977, 50% of the first year amount is authorized, and in FY 197T, 25% of the first year's amount is authorized.

STATE PARTICIPATION

States would gather and report to the Commissioner of Education figures on numbers of eligible children, and would establish arrangements for distribution of funds and necessary monitoring of the programs. Each state education agency could reserve up to 1% of its total grants for costs of state administration.

NUMBER OF VIETNAMESE/CAMBODIANS RESETTLED BY STATE—STATISTICS FURNISHED BY HEW-PUBLIC HEALTH, ATLANTA

Total: Since Day 1, 6/27.

Alabama	135
Alaska	35
Arizona	359
Arkansas	95
California	8304
Connecticut	147
Colorado	271
Delaware	25
District of Columbia	1217
Florida	990
Georgia	337
Hawaii	1141
Idaho	59
Illinois	554
Indiana	258
Iowa	105
Kansas	189
Kentucky	117
Louisiana	135

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[*] The National Center for Educational Statistics, U.S. Department of Health, Education and Welfare, estimates that the national average per-pupil expenditure for the 1975–76 school year will be $1258.

Maine	52
Maryland	924
Massachusetts	463
Michigan	317
Minnesota	174
Mississippi	52
Missouri	212
Montana	24
Nebraska	67
Nevada	135
New Hampshire	15
New Jersey	446
New York	1616
North Carolina	316
North Dakota	35
Ohio	517
Oklahoma	403
Oregon	209
Pennsylvania	573
Rhode Island	31
South Carolina	170
South Dakota	19
Tennessee	173
Texas	1274
Utah	293
Vermont	61
Virginia	1673
Washington	653
West Virginia	76
Wisconsin	240
Wyoming	17

U.S. TERRITORIES AND POSSESSIONS

Guam	10
Puerto Rico	4
Virgin Islands	10

The above figures are out of a total of 38,484 refugees released into the United States. The total number of refugees eligible for resettlement is approximately 130,000.

DEMOGRAPHIC DATA

Age	Male	Percent	Female	Percent	Total	Percent
0 to 5	9,243	7.9	8,424	7.2	17,667	15.1
6 to 11	9,828	8.4	8,775	7.5	18,603	15.9
12 to 17	9,360	8.0	8,190	7.0	17,550	15.0
18 to 24	9,945	8.5	9,009	7.7	18,954	16.2
25 to 44	16,511	14.1	15,665	13.3	32,176	27.4
45 to 62	5,134	4.4	4,450	3.8	9,884	8.2
63 and over	1,053	.9	1,521	1.3	2,570	2.2
Total	61,074	52.2	55,926	47.8	117,106	100.0

By Mr. HELMS:

S. 2146. A bill to amend title IX of the Education Amendments of 1972, and to preserve academic freedom. Referred to the Committee on Labor and Public Welfare.

Mr. HELMS. Mr. President, I am today introducing the Equal Educational Opportunity Amendments of 1975. This bill amends several sections of title IX of the Education Amendments of 1972 relating to nondiscrimination on the basis of sex in education programs and activities receiving Federal financial assistance.

BACKGROUND

In 1972, Congress enacted legislation for the purpose of insuring that members of both sexes are afforded an equal educational opportunity. Of course, I believe that every Member of the Senate favors that goal. However, in the House of Representatives, that legislation was made a part of the education amendments of that year in the full Education and Labor Committee, rather than the subcommittee, and it was not a product of adequate public hearings. In the Senate, that legislation was made a part of those amendments on the Senate floor, completely circumventing the committee and hearings process. Therefore, no adequate record of the legislative intent of title IX exists. Senators, Representatives, and bureaucrats alike must view and construe this legislation in a virtual vacuum.

That act provided that the Department of Health, Education, and Welfare should develop regulations implementing the law—title IX of the Education Amendments of 1972. On June 4, 1975, HEW published in the Federal Register its final regulations purporting to implement title IX. Those regulations are far in excess of the goal of insuring an equal educational opportunity for members of both sexes, and they go far beyond the intent of Congress as expressed in that legislation.

THE LAW

The primary active clause of title IX—the 1972 law—codified as 20 U.S.C. § 1681, et seq., provides as follows:

> No person in the United States shall, on the basis of sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any education program or activity receiving Federal financial assistance . . .

The meaning of this statutory language is clear. And, there being no significant legislative history, HEW has no license to expend its meaning beyond the natural and general connotations of the provision.

This clause, in its elemental divisions, may be viewed as follows:

(1) No person
(2) in the United States,
(3) shall, on the basis of sex
(4) be excluded from participation in, be denied the benefits of, or be subjected to discrimination under
(5) any education program or activity
(6) receiving Federal financial assistance.

Of course, it is a fundamental legal principle that all of the above elements must be present before a violation of the statute occurs.

HEW REGULATIONS

The regulations published by HEW, which purport to implement this law, are broad and sweeping in nature. Indeed, they bear little resemblance to title IX at all. Through overbroad interpretation inconsistent with the congressional enactment, HEW has extended the meaning of the term "education" to embrace programs, activities, and services which are not actually part of the educational curriculum, such as athletics, student housing, medical care, et cetera.

Additionally, HEW has effectively rewritten the law which pertains to education programs and activities "receiving Federal financial assistance." Under the HEW regulations, they cover such programs and activities "receiving or benefiting from Federal financial assistance." There are several problems with that "or benefiting from," but foremost is the fact that Congress did not say it. HEW said it.

These two gross excesses on the part of unelected bureaucrats, standing alone, are very significant. First, under the HEW use of the term "education," it applies very broadly to almost anything even remotely associated with a school or college. Second, by the insertion of the phrase "or benefiting from" in connection with Federal financial assistance, HEW brings within the coverage of its regulations activities which do not receive Federal financial assistance in any reasonable sense of the concept. Thus, the Department has made vague that which was precise, and with the nebulous legal environment that it has intentionally created, the Department now has the latitude to arbitrarily dictate "law" that will affect every schoolchild and student in America. And, this vast power is vested in a relatively small group of unelected bureaucrats who are not answerable to the people.

Of course, the list of HEW excesses goes on. But, the aforementioned concepts are fundamental to and underlie the problem. The practical manifestations of this distortion of the congressional enactment will, if allowed to stand, radically alter the structure, and eventually, the substance of all education throughout America. Such an alteration, effected by a small group of unelected individuals, will be forced upon countless thousands who do not want the brand of restrictive, debilitating so-called "equality" that limits freedom and inhibits traditional values.

A few examples of the application of the HEW regulations as they are transformed from the ivory tower of the HEW draftsmen to the real world of solid citizens attempting, often at great sacrifice, to provide an education and a better life for their children, illustrate the point. The regulations cover athletics and require generally that an educational institution "* * * which operates or sponsors interscholastic, intercollegiate, club, or intramural athletics shall provide equal athletic opportunity for members of both sexes." In determining whether equal opportunities are available, the Director of the HEW Office of Civil Rights will consider, among other factors—there follows a list of 10 items ranging from "whether the selection of sports and levels of competition effectively accommodate the interests and abilities of members of both sexes, to the scheduling of games and practices time," to "the provision of medical and training facilities and services," as well as "publicity." Of course, no one knows what the "other factors," that the Director of the Office of Civil Rights will consider, are. While unequal aggregate expenditures for athletics for members of each sex will not constitute per se noncompliance with the regulations, HEW will consider this as evidence bearing on the question of athletic opportunity. Therefore, it will obviously become very relevant notwithstanding any HEW implications to the contrary.

Other examples are equally as illustrative of the bureaucratic excesses. With regard to student housing, educational institutions are not permitted to require women students to be in their dormitory by a certain hour at night unless the same rule applies to the men students. Mixed classes of boys and girls are required in every course of instruction except sex education and that portion of physical education programs involving body contact sports. The exception allowing separate sex education classes for boys and girls is available only on the elementary and secondary school level. Therefore, HEW requires that such classes on the college level be taught in mixed groups. This Senator would not presume to state whether such classes should be taught in mixed or separate groups on the college level. He does, however, believe that such a decision should be left to local college officials and the teachers.

Additionally, HEW prohibits educational institutions from establishing any policies relative to the marital status as well as the actual or potential parental status of any student. The regulations specifically provide that an educational institution "* * * shall not discriminate against any student, or exclude any student from its education program or activity, including class or extracurricular activity, on the basis of such student's pregnancy, childbirth, false pregnancy, termination of pregnancy or recovery therefrom, unless the student requests voluntarily to participate in a separate portion of the program or activity of the recipient—educational institution."

Of course, there can be no doubt that "termination of pregnancy" means abortion. Remembering that the regulations prohibit any distinction based upon marital status, the pregnancy and abortion provision applies to married and unmarried students. Thus, at every level of education, a school is required by HEW to allow unwed, pregnant students to continue to remain in class, unless the student asks to participate in the educational curriculum separately. Then, apparently, the school must provide separate classes for pregnant students.

Since the HEW regulations apply to teachers, as well as students, the same disregard for marriage and the same treatment of pregnancy and abortion is mandated by HEW for teachers also. Now, I have no wish to seem "holier than thou," or to deliver any sermons, but I do believe that the example of an unwed, pregnant schoolteacher is something less than what the vast majority of American parents want for their children's educational experience.

Additionally, HEW requires that in providing a medical, hospital, accident or life insurance, policy or plan to any of its students, a school shall not discriminate on the basis of sex. It has been suggested that this provision requires such benefits and services to cover student's pregnancy or abortion. The regulations specifically mention with favor a school's providing "family planning services" to students. Of course, that means providing such service to married or unmarried students. One wonders if the HEW draftsmen actually envision a school providing single students with family planning services at the taxpayers' expense. It would appear so.

While it was the obvious intent of the 1972 law—title IX—that it apply to those seeking an educational opportunity, the HEW regulations cover the employees of educational institutions, and elaborate, complex regulations have been developed regarding them. If for no other reason, the inclusion of employees of an educational institution within the regulations is inappropriate, because there is another agency of the Federal Government which has already been assigned that jurisdiction and authority.

Section 703 of the Civil Rights Act of 1964 as amended by the Equal Employment Opportunity Act of 1972 specifically provides that—

> (I)t shall be an unlawful employment practice for an employer to fail or refuse to hire or to discharge any individual, or otherwise to discriminate against any individual with respect to his compensation, terms, conditions, or privileges of employment, because of such individual's . . . sex . . .

Section 705 of that act created the Equal Employment Opportunity Commission and section 706 empowered the Commission to prevent any person from engaging in any * * * "unlawful employment practice as set forth in section 703. * * * "

Clearly, the Equal Employment Opportunity Commission, not HEW, is the proper agency of the Federal Government to consider questions of possible discrimination on the basis of sex in employment. And, of course, its power and authority governs educational institutions as well as other employers. On April 5, 1972, the Commission published in the Federal Register regulations, or guidelines relative to discrimination because of sex. Those regulations are, of course, currently in effect.

In the light of the authority, jurisdiction, and work of the Equal Employment Opportunity Commission, it is suggested that the better reasoned view is that Congress did not intend title IX to be extended to cover employees of educational institutions. Rather, it is submitted that Congress intended the Equal Employment Opportunity Act of 1972, which was enacted in the same year as title IX to cover such matters. Frankly, it defies commonsense to conclude otherwise. Further, simple principles of good management and economy in Government require that competition among Federal agencies, at the taxpayers' expense, which has such a duplicative effect not be permitted.

Mr. President, the list of problems with the HEW regulations goes on. They require affirmative action programs to remedy the effects of so-called past discrimination, and thereby mandate inverse discrimination. They require, in effect, quotas, more burdensome redtape, expensive paper work, and the like.

On June 5, 1975, I submitted Senate Concurrent Resolution 46 to disapprove the HEW regulations. On July 8, 1975, I placed in the CONGRESSIONAL RECORD a copy of my memorandum in support of Senate Concurrent Resolution 46, which had previously been submitted to the chairman of the Senate Subcommittee on Education. The review period for the HEW regulations to which that resolution was addressed expires today. However, the bill that I am today introducing is addressed to the same concerns expressed in that memorandum, and the memorandum may be viewed as being equally supportive of this bill.

As Senators are aware, the Senate Committee on Labor and Public Welfare, to which Senate Concurrent Resolution 46 was very properly referred, met in executive session after conducting no public hearings and decided not to report the resolution to the full Senate. Of course, I was disappointed that this matter affecting every school child in America was not even presented for the consideration of the Senate. I do, however, understand that the distinguished Senator from New York (Mr. JAVITS), without agreeing to the resolution, did attempt to have it reported so that the full Senate could exercise its prerogatives. And, I certainly appreciate the Senator's consideration.

BILL

The bill that I am introducing addresses the concerns that I have expressed today as well as those contained in my memorandum in support of that resolution. The bill provides that title IX shall apply only to education programs and activities which directly receive Federal financial assistance and that such "education programs and activities" shall mean only those programs and activities which are an integral part of the required curriculum of an educational institution. Thus intercollegiate athletics and the like would be excluded from the coverage of title IX.

Additionally, HEW will be precluded from making any regulations pertaining to the actual or potential marital or parental status of any applicant or student, and mixed classes of members of both sexes will not be required but will be optional in the discretion of local school officials and teachers. Of course, the coverage of employees of an educational institution is left to the Equal Employment Opportunity Commission, not HEW.

Affirmative action programs, quotas and other such acts of inverse discrimination are prohibited. With regard to admissions and classifications within an institution, schools, and colleges are permitted to use tests, standards, and other criteria which are reasonably related to a proper educational purpose.

Thus, a more real equal educational opportunity will be insured to members of both sexes, and this goal will be achieved without unnecessarily restricting the freedom of anyone.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was

ordered to be printed in the RECORD, as follows:

S. 2146

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Equal Educational Opportunity Amendments of 1975".

SEC. 2. Title IX of the Education Amendments of 1972, relating to nondiscrimination on the basis of sex, is amended to read as follows:

(1) Subsections (b) and (c) of section 901 are redesignated as subsections (c) and (d), respectively, and the following new subsection is inserted immediately after subsection (a):

"(b) (1) Notwithstanding any other provisions of law, this section shall apply only to education programs and activities which directly receive financial assistance from the Federal Government. For purposes of this paragraph, 'education programs and activities' means only programs and activities which are an integral part of the required curriculum of an educational institution subject to this title.

"(2) Nothing in this section shall apply to any employees of any educational institution subject to this title.

"(3) Nothing in this section shall authorize any department or agency of the Federal Government to prepare, publish, or enforce, with respect to any educational institution or the programs or activities of any such institution, any regulations, rules, or orders relating to—

"(A) athletics, the participation in which is not a required part of the educational curriculum of such institution, or

"(B) the actual potential marital or parental status of any applicant or student at any such institution."

(2) Insert "(a)" after the section designation of section 902 and insert at the end of such section the following new subsection:

"(b) Regulations issued to carry out the provisions of this title shall be modified to conform with the provisions of the Equal Educational Opportunity Amendments of 1975. Such modified regulations shall be published in the Federal Register for public comment and shall become effective only upon the approval of the President. Any such modified regulations shall be subject to the provisions of section 431(d) of the General Education Provisions Act."

(3) (A) Insert "(a)" after the section designation of section 905 and add at the end of such section the following new subsections:

"(b) Notwithstanding anything to the contrary contained in this title, nothing contained herein shall be construed as to require the offering of any classes, courses of instruction, or other programs or activities in mixed groups of both sexes.

"(c) In the construction of the provisions of this title, general principles of statutory construction shall apply, and such provisions shall not be construed as remedial legislation. No department or agency of the Federal Government enforcing this title shall require any affirmative action program, nor shall any such department or agency require the imposition of any quotas.

"(d) (1) Notwithstanding anything to the contrary contained in this title, nothing contained herein shall be construed as prohibiting the adoption of any test, standard, or other criterion by any educational institution, or any administratively separate unit thereof, respecting admission to such institution, or administratively separate unit, or any education program or activity, or for classifications within such institution, unit, program, or activity: *Provided*, That such test, standard, or other criterion is reasonably related to a proper educational purpose. Upon a showing by an appropriate official of such institution, or administratively separate unit, that any such test, standard, or other criterion is generally accepted as being appropriate for a particular use, such use shall be presumed to be for a proper educational purpose and such test, standard, or other criterion shall be presumed to be reasonably related to such purpose.

"(2) In any proceeding pursuant to section 903, upon a showing of general acceptance as provided in paragraph (1) of this subsection the burden of proving that any such test, standard, or other criterion is not used for a proper educational purpose, or that such test, standard, or other criterion is not reasonably related to such educational purpose shall be upon the department or agency of the Federal Government seeking to enforce the provisions of this title. No such test, standard, or other criterion shall be held invalid without clear, cogent, and convincing evidence that such test, standard, or other criterion is not used for a proper educational purpose, or that they are not reasonably related to the educational purpose for which such test, standard, or other criterion is used."

(B) The heading of section 905 is amended to read as follows:

"EFFECT ON OTHER LAWS; CONSTRUCTION OF THIS TITLE".

By Mr. HOLLINGS:

S. 2147. A bill to amend the Communications Act of 1934 to provide that licenses for the operation of broadcasting stations may be issued and renewed for terms of 5 years, and for other purposes. Referred to the Committee on Commerce.

Mr. HOLLINGS. Mr. President, since coming to the Senate in 1966, I have been an author and supporter of legislation to improve the quality of broadcasting, so that the public will receive the best possible service with the minimum of bureaucracy. The bill which I am introducing today lays out certain criteria to be met for the renewal of broadcasting licenses, standards which a station must meet to qualify for renewal. These provisions are identical to those contained in H.R. 12993, as reported by the Senate Commerce Committee, and as passed by the Senate last year. This bill however, never went to conference because the House never appointed conferees.

The standards assure that a station applying for renewal has ascertained the problems, needs, and interests of residents within a station's service area and substantially met those needs with its program service during the preceding license term. Further, the station's operation must not have been characterized by serious deficiencies, which would include compliance with applicable laws and operating procedures.

It is my belief that when broadcasters are better informed of what standards they must meet in order to retain their licenses, they will then be better able to serve the public. By knowing what qualifications a station must maintain, it can plan its programing more effectively and therefore gain the stability to plan and operate efficiently. Further, once it has done its best and has met the criteria set forth, the station should have a reasonable assurance that its license will be renewed. Accordingly, the legislation provides that once the Commission finds compliance with the standards, a presumption in favor of renewal shall be established.

To give broadcasting stations an opportunity for greater efficiency, thereby insuring the public its best interests are being properly safeguarded, I have included in the bill a provision to lengthen the general license term from 3 to 5 years. The added 2 years will allow a station to better plan its programing, giving it a better opportunity to exercise its responsibility to meet the problems, needs, and interests of residents in its service area. This extension of time will in no way affect the FCC's power to suspend or revoke a license. Stations will continue to be subject to FCC rules and policies along with any new laws or rules established by Congress. Such laws, rules, or policies might specifically involve the areas of equal employment opportunity, political broadcasting, technical standards, or the fairness doctrine.

This extension provision was defeated during consideration of the bill last year, but I have always advocated this longer term, as a way of reducing the bureaucratic burdens on both the station and the Commission. Both sides are now spending too much time on the procedural aspects of renewal and too little on the quality of service. A longer license term, coupled with the strong performance standards of this bill, will substantially reduce the procedural burdens, while effectively and efficiently protecting and upgrading service.

Passage of this bill is definitely in the public interest, assuring higher quality broadcasting, and I urge its adoption. I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2147

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Broadcast License Renewal Act."

TERM OF LICENSES

SEC. 2. Section 307(d) of the Communications Act of 1934 is amended by striking the first two sentences and inserting in lieu thereof the following: "No license granted for the operation of any class of station shall be for a longer term than five years and any license granted may be revoked as hereinafter provided. Upon the expiration of any license, upon application therefor, a renewal of such license may be granted from time to time for a term of not to exceed five years if the Commission finds that public interest, convenience, and necessity would be served thereby.".

CONSIDERATION OF PUBLIC PROBLEMS, NEEDS, AND INTERESTS

SEC. 3. (a) Section 309 of the Communications Act of 1934 is amended by adding at the end thereof the following new subsection:

"(i) The Commission shall by rule establish procedures to be followed by licensees of broadcasting stations to ascertain throughout the terms of their licenses the problems, needs, and interests of the residents of their service areas for purposes of their program service. Such rules may prescribe different procedures for different categories of broadcasting stations.".

(b) Section 309(a) of such Act is amended by adding at the end thereof the following:

"In determining if the public interest, convenience, and necessity would be served by the renewal of a broadcast license, the Commission shall consider (1) whether the licensee, during the preceding term of its license, followed applicable procedures prescribed by the Commission under section 309(i) for the ascertainment of the problems, needs, and interests of the residents of its service area, (2) whether the licensee in its program service during the preceding license term has substantially met those problems, needs, and interests, and (3) whether the operation of the station has not otherwise been characterized by serious deficiencies. If the Commission determines that the licensee has satisfied the requirements of clauses (1), (2), and (3), a presumption shall be established that the public interest, convenience, and necessity would be served by such renewal. The Commission shall give expeditious treatment to proceedings involving an application for renewal of a broadcasting license and shall provide that any hearing shall be structured so as to proceed as expeditiously as possible.".

STUDY OF REGULATION OF BROADCASTERS: ACTION ON FEDERAL COMMUNICATIONS COMMISSION DOCKET

Sec. 4. The Federal Communications Commission shall conduct a study to determine how it might expedite the elimination of those regulations of broadcast licensees required by the Communications Act of 1934 which do not serve the public interest and shall make annual reports of the results of such study (including any recommendations for legislation) to the Committee on Commerce of the Senate and the Committee on Interstate and Foreign Commerce of the House of Representatives. The Commission shall include in its first annual report under this section its conclusions with respect to the differences among broadcast licensees on which are or may be based differentiation in their regulation under such Act.

By Mr. HARTKE:

S. 2148. A bill to amend the Wild and Scenic Rivers Act by designating a segment of the New River, Va., as a component of the National Wild and Scenic Rivers System. Referred to the Committee on Interior and Insular Affairs.

Mr. HARTKE. Mr. President, in June 1962, the Appalachian Power Co. filed documents with the Federal Power Commission to build two dams on the New River in Virginia as part of the Appalachian Power Co.'s proposed Blue Ridge hydroelectric powerplant. Not until June of 1974 did the Federal Power Commission issue a license for the project with a delayed effective date of January 2, 1975.

The matter is not yet decided definitively and in light of the profound consequences that this decision will have on many people who live along the river, it appears to me that we should take a stand and resolve this question once and for all.

Fundamentally, we have two possible choices. On one hand, we can choose to give the go-ahead on the hydroelectric plant; or, on the other hand, we can rule the New River part of the National Scenic Rivers System. Based upon the evidence available, I am staunchly opposed to the construction of the plant and am today introducing legislation to preserve the New River by including it in the Scenic Rivers System.

The novelty of the New River is unquestioned. It is the oldest river in the United States and only the Nile is older than it. The New River is a remnant of the old preglacial Teays River, the largest river on the North American Continent. It is now a segment of the great Mississippi River system, flowing northwestward from North Carolina through Virginia into West Virginia. Most of its course is through forested and farming country with little industrial development.

The roots of the people in the area go back to before the Revolution. The New River is the only rapid river than can be canoed year round. The New's scenic value is attested to by the fact that it is eligible to be placed in the State and National Scenic Rivers System under a State management plan. If the river were placed within this System, the people of the area could continue leading productive lives undisturbed by an unnecessary project whose objectives can be realized in a more efficient manner.

If the proposed dams are constructed, the ensuing lakes would physically cover 43,009 acres and make inaccessible many more acres. These lands presently produce in excess of $13,520,000 in crop and livestock sales. But the impact of this project would cost more than this amount in terms of the area's economy. If we assume that 80 percent of the crop and livestock income is spent locally by the farmers, we can say that this land contributes $67.6 million to the total local income. Needless to say, a circumstance such as this could destroy not only the scenic value of the area but also the life styles of some 500 farming families as well as many local merchants.

The Appalachian Power Co. is advocating this project because it claims it is the most inexpensive of their powerplant alternatives. It would, once constructed at a cost of $276,711,000—September 1968 prices—require an annual input of $33,967,000. Its next least expensive method of power storage, the construction of coal-fixed steam generators, would have an annual cost of $37,112,000. This means that the APC would be saving $3,145,000 annually by constructing the Blue Ridge plant. Initially, this might seem like a significant sum but now let us look into the great costs of the Blue Ridge plant.

The APC claims that the coal-fixed steam generators would harm the air quality more than the Blue Ridge project would harm the area in question. This is not true. The coal used could be of proper proportions of sulfur and fly ash so as to minimize any possible damage to the atmosphere. Going one step further, the latest technological advances in emission control could be employed at the coal plants. The Environmental Protection Agency has argued that it would be less polluting for APC to build a new coal-fixed facility rather than pumping energy into the Blue Ridge dams.

Speaking quantitatively about energy, the APC wants to build this dam to alleviate the peaking problems that they have experienced. I believe that this problem can be solved by increasing prices of electricity during the peak hours, thus lowering the amounts of electricity used as a matter of convenience, rather than need. In fact, even the APC plans to reduce by one-half their utilization of the facility during the first 20 years of service as shown below:

Estimated project output in megawatt-hours

Year:	
1975	4,100,000
1995	1,800,000

One major advantage of placing new advanced technology coal fixed plants in the system, rather than pumped-storage facility, is that the new coal plants could be used in conjunction with peak load pricing. If the pricing scheme were successful in reducing the spread between peak and offpeak loads, then the coal-fixed units that were being used to meet peak loads could also be used in meeting a more even pattern of demand. A pumped-storage system, like Blue Ridge, could be used only to meet peak loads.

The APC claims that the recreational benefits of the lakes formed would offset any harm done to the status quo. Their figures for determining the income from recreation in the area are arbitrarily chosen and based upon falacious reasoning.

Mr. President, this is ample evidence that the construction of the powerplant would destroy the New River socially, economically, and environmentally. The facts clearly indicate that whatever benefit may be derived by the proposed plant would be completely outweighed by the tragic loss to the nation of this magnificent river. The Audubon Society, the National Wildlife Federation, and the Environmental Protection Agency have all indicated that they would support legislation to place the New River in the National Wild and Scenic Rivers System.

Mr. President, I ask unanimous consent that the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2148

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3(a) of the Wild and Scenic Rivers Act, as amended (16 U.S.C. 1274(a)), is amended by adding at the end thereof the following:

"(11) New River, Virginia.—The segment located in the southern part of the Commonwealth of Virginia, to be administered by the Secretary of the Interior: *Provided,* That the Secretary of the Interior shall take such action as is provided for under subsection (b) of this section within the twelve month period following the date of the enactment of this paragraph: *Provided further,* That for the purposes of such segment, there are authorized to be appropriated such sums as may be necessary for the acquisition of lands and interests in lands and for development.".

By Mr. NELSON (for himself, Mr. Bentsen, Mr. Brock, Mr. Dole, Mr. Humphrey, Mr. Kennedy, Mr. Mondale, Mr. Nunn, Mr. Pell, and Mr. Weicker):

S. 2149. A bill to amend the Internal Revenue Code of 1954, and the Tax Reduction Act of 1974, to make permanent certain changes made by such act in the Internal Revenue Code which affect small businesses. Referred to the Committee on Finance.

Mr. NELSON. Mr. President, on behalf of myself, Senator Bentsen, Senator Brock, Senator Mondale, Senator Kennedy, Senator Weicker, Senator Nunn, Senator Humphrey, Senator Dole, and Senator Pell, I introduce for appropriate reference a bill to continue in effect the three principal small business tax provisions contained in the emergency Tax Reduction Act of 1975:

First. The tax rate for corporations earning less than $25,000 would remain at 20 percent.

Second. The corporate surtax would continue to take effect at the $50,000 level; and

Third. A total of $100,000 worth of used equipment would be eligible for any future investment credit.

There is a compelling need for such a bill as this because the two small business tax rate provisions for small- and medium-sized corporations are scheduled to expire at the end of 1975; and the third measure on eligibility of used equipment for the investment credit will remain in effect only until the end of 1976. Our bill would maintain the current provisions until enactment by the Congress of general tax reform legislation which treats the business tax area in an overall manner.

STATUS OF TAX REFORM PROCEEDINGS

The Ways and Means Committee of the House is currently engaged in general hearings on tax reform. Phase I of these proceedings should be concluded about July 31. The time at which the tax reform legislation will reach final enactment, and the effective dates of the various provisions, are, of course, unknown at this time. But, there is a substantial possibility that this law will not reach the statute books by the expiration dates of the small business provisions which I have described.

These provisions were enacted by Congress to give small- and medium-sized independent businesses—which occupy a strategic position in the economy accounting for more than one-half of the private employment—an opportunity to boost the economy out of the recession.

Unemployment rates are presently about 9 percent, and there are gloomy predictions that it may remain between 8 and 9 percent for a year. The gross national product has declined 7.7 percent in the last five quarters. Since smaller businesses traditionally respond faster to changing economic conditions, they are most likely to be among the first to hire, or rehire, some of the 8.1 million unemployed—3½ million of whom have been laid off or joined the labor force within the past year. Traditionally, small enterprise is also in the vanguard of invention and new industry, which can provide expanding jobs for the future.

UNCERTAINTY WILL INHIBIT SMALL BUSINESS ACTIVITY

However, the plans of these millions of companies will be paralyzed by uncertainty if they face the prospect that taxes may increase substantially next year by reverting to pre-1975 levels.

The House of Representatives, which has the constitutional primacy in tax affairs, is now deliberating the great issues of tax reform. Later, they will be debated in the Senate, by the Finance Committee on which I am privileged to serve.

In the meantime, the Senate Small Business Committee, has entered into an indepth study of the structure of business taxes jointly with the Subcommittee on Financial Markets of the Senate Finance Committee under the chairmanship of the Senator from Texas (Mr. Bentsen). We are attempting to shed some light on the highly complex and important questions of the relationship of taxes to employment, investment, productivity, and economic growth. We intend to deliver a preliminary report of our 3 days of June hearings to the Ways and Means Committee before the end of July, and we already are committed to holding these 3 additional days of hearings in September while our research goes forward on many fronts.

BILL WILL PERMIT DECISIONS AND ACTION TO COUNTER RECESSION

However, while this process is taking place, it is highly desirable for a stable tax situation to prevail for small- and medium-sized firms from this year to the next.

We are, therefore, introducing this measure with wide bipartisan cosponsorship and with the belief that early action by the House and Senate on such a measure will enable the small business community also to go ahead and take action to put people on the payroll, buy equipment, and advertise their products and services. In our view, this chain of events will have a very early and positive effect on employment and investment, and thus speed permanent and noninflationary economic recovery.

I ask unanimous consent that the bill be printed in the Record for the information of all concerned.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2149

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 301(c)(2) of the Tax Reduction Act of 1975 (relating to effective date for increase from $50,000 to $100,000 of dollar limitation on used property) is amended by striking out ", and before January 1, 1977".

(b) Section 11(b) of the Internal Revenue Code of 1954 (relating to normal corporate tax rate) is amended—

(1) by striking out "or after December 31, 1975," in paragraph (1), and

(2) by striking out "and before January 1, 1976," in paragraph (2).

(c) Section 305(b)(1) of the Tex Reduction Act of 1975 (relating to expiration of increase in the surtax exemption) is amended by striking out the last sentence.

By Mr. RANDOLPH (for himself and Mr. Gary W. Hart):

S. 2150. A bill to amend the Solid Waste Disposal Act to authorize State program and implementation grants, to provide incentives for the recovery of resources from solid wastes, to control the disposal of hazardous wastes, and for other purposes. Referred to the Committee on Public Works.

Mr. RANDOLPH. Mr. President, for many months the attention of the people of our Nation has been focused on our economic problems. Recession has brought about hardships for individual citizens and for our national institutions. We in the Congress have responded with legislation to ease the impact of the recession and to stimulate our lagging economy. While we have concentrated on the recession, many other urgent national problems remain to be solved. Among the foremost of these problems are the critical issues relating to solid waste management.

For more than a dozen years Members of our Committee on Public Works have been developing laws to protect the environment and to halt past abuses. Laws we wrote are being implemented with positive results in cutting down air and water pollution.

We must give the same attention to solid waste that we have to other pollutants. At a time when there seem to be general shortages, we should exert every effort to recover and reuse the millions of tons of valuable materials we once discarded.

Accordingly, I introduce the Solid Waste Utilization Act of 1975. I am joined in bringing these issues before the Senate by the able Senator from Colorado (Mr. Hart), the chairman of our Panel on Materials Policy since the beginning of the 94th Congress. It was this panel which conducted extensive hearings last year on solid waste issues, hearings which are the basis for the legislation we introduce today.

This bill addresses a wide range of solid waste issues, and we bring it to the Senate so that these issues may be more fully explored and resolved. The Subcommittee on Environmental Pollution began marking up solid waste legislation last fall. We had hoped to continue this work early in 1975, but urgent matters intervened making it necessary to postpone consideration of this subject.

The bill introduced today is essentially the staff working paper developed this spring and has been available for comment since April 2. It incorporates decisions reached by the Committee last fall and includes language changes based on comments on the original draft, as well as reflecting some of the more recent comments. Senator Hart and I do not consider the language of this bill to contain the final answers to the many and complex solid waste questions. Rather, we introduce it to raise these questions so that the Committee may develop and report its responses to the Senate. The inclusion of other relevant material in the final version is not precluded by the introduction of this bill.

To expedite this effort, it is our intention that this legislation be considered in conjunction with amendments to the Clean Air Act on which the Subcommittee on Environmental Pollution has already begun meeting.

The bill makes significant changes to broaden the scope of Federal activities in this field, facilitate the introduction of resource recovery programs, and regulate disposal of hazardous wastes.

Solid waste management is essentially a local matter, and the problem mayors and city council members identify as the most serious one facing these cities. The bill authorizes grants to States and local governments to assist in the development and administration of solid waste programs. Based on favorable results from other programs, it is important to approach resource recovery on a regional basis. Solid waste management, like most other environmental activities, cannot realistically be confined by political boundaries. Our bill, therefore emphasizes the organization and operation of areawide solid waste management planning and programs.

All open dumping of solid waste would be prohibited under the provisions of this measure. In addition, smaller communities would be assisted in developing new approaches to solid waste disposal as a result of the ban on open dumping and air and water pollution control regulations.

Funds are authorized by the bill to assist in the preconstruction development and planning of solid waste management and recycling programs. This includes implementation grants to help public bodies with marketing assistance for recovered materials, technical assistance, the funding of relevant studies, and other assistance necessary to allow communities to develop solid waste management or resource recovery systems.

Resource recovery systems in many cases will require substantial capital outlays. The bill provides Federal loan guarantees so that local agencies can secure the funds they need for this purpose. Similar guarantees would also be available for facilities which utilize recovered resources from resource recovery systems. In addition, the bill provides grant and loan assistance for such utilization facilities, on the theory that the most valuable action or investment in resource recovery will be stimulation of markets for renewal resources.

The particular problems and needs of rural communities in conducting solid waste programs are recognized in the bill by the provision of special financial assistance.

If we are to be successful in stimulating the recovery and reuse of waste resources, the Federal Government must set an example. Our proposed legislation requires the Federal Government in its procurement practices to give preference to materials and energy made with recovered resources.

Strict controls over the handling and disposal of hazardous wastes also are essential and are included in the legislation. The bill bans the disposal of harmful quantities of hazardous wastes and provides for the issuance of permits for the handling or disposal of hazardous wastes in any amount.

These are the elements generally believed necessary to a realistic and workable solid waste bill.

The completion of this legislation and its enactment into law will give the Federal Government strong, progressive programs in all environmental areas.

Mr. President, our society generates 4.4 billion tons of solid waste annually. The principal sources are animal wastes, 1.7 billion tons; and agricultural wastes, 640 million tons. Industrial sources account for 140 million tons. Urban wastes amount to 230 million tons annually.

By the year 2000 the United States will have to cope with 12 billion tons annually if current unstructured materials policies are continued. To avoid an escalation of the current unsatisfactory situation, we must institute a comprehensive national materials policy which closes the present cycle of resource extraction, use, and discard to include reuse as a fundamental premise. We must eliminate the word "waste" from our vocabulary and substitute the word "conservation."

The need to change our habits is underlined by the fact that we may be unable to sustain our society unless we extend the conservation ethic to raw materials. We are committed to clean air and clean water. We must be equally committed to clean cities and clean countrysides and the repeated reuse of nonrenewable resources that are becoming more and more precious.

Solid wastes exemplify our wholesale depletion of renewable as well as nonrenewable resources. In 1971, packaging consumed 5 percent of U.S. industrial energy to generate over 40 million tons of solid waste that was thrown away at substantial public expense.

It is estimated that our nations will have to spend $500 billion or $600 billion in the next decade to achieve energy self-sufficiency. This entails a $5 billion or $6 billion expenditure for each percent increase in energy supply. Yet an investment of only $5 billion for energy recovery from municipal solid waste streams will produce an increase of 2.5 percent in the national energy supply. This is two and one half times more cost effective than developing new conventional energy sources.

It has been estimated that the United States in the next few years could face a minerals crisis, one even worse than the energy crisis. As the world's most prodigious consumer of materials, we must now turn to recycled materials to supply our industrial machines.

Significant achievements toward materials conservation are possible through programs which encourage the reduction in unnecessary use of materials, the reuse and repairability of products, and the extension of product lifetime.

We are in the early stages of the recycling era, however. We do not yet have enough practical experience on which to determine whether source reduction, such as the banning of non-returnable containers, is in the national interest.

In a sense, solid waste management was our first generation effort.

The second generation—recycling—has yet to be tested. This is so, even though the foundation for this approach was established in the 1970 Resource Recovery Act.

The third generation may be product design to improve the potential for materials reuse. We have yet to consider the wider range of options beyond ban-the-can proposals, choices such as modification or redesign of products to enhance their potential for recycling.

America has grown rich with use-and-discard attitudes made possible by what we thought was an inexhaustible supply of resources. Reality is now forcing us to adopt conservation attitudes and to develop the potential for reusing many materials formerly considered waste.

Mr. President, this bill is a basic proposal on which we intend to build a comprehensive solid waste program. I anticipate its early consideration by the Committee on Public Works so that it can be brought to the Senate in the near future.

By Mr. BENTSEN:

S. 2151. A bill to amend chapter 44, title 18, United States Code, to prohibit possession of a handgun by certain persons, and for other purposes. Referred to the Committee on the Judiciary.

CRIMINAL OFFENDER HANDGUN AMENDMENTS

Mr. BENTSEN. Mr. President, I am introducing legislation to amend chapter IV, section 922 of title 18, United States Code, the Omnibus Crime Control and Safe Streets Act, to make it an offense for anyone who has been indicted for or convicted of an offense involving the use of a firearm and punishable by imprisonment for a term of 1 year or more to receive or possess a handgun. The purpose of my amendment is to see to it that guns are taken out of the hands of felons without disturbing the right of honest citizens to possess or own a gun.

For in fact, Mr. President, today handguns have become more than merely an instrument of sport or self-protection for the average gun owner, they have become a tool of the trade for the average criminal as well. The great difficulty confronting the Congress has been to devise a scheme that will curtail the criminal elements who have turned the gun into an instrument of terror for their victims without infringing at the same time on the activities of those who use guns for the sport and security purposes that we all find acceptable.

My approach to this problem is twofold. First, stiff mandatory sentences for repeat offenders who use guns in the commission of crime should be imposed.

Second, a prohibition that will make the possession of a gun itself by a convicted or indicted felon whose crime involved the use of a firearm a punishable offense. Obviously, there are categories of offenders whose crimes would not require that they be barred for life from possessing a handgun and the Omnibus Crime Control and Safe Streets Act already provides a mechanism for their relief. The Secretary of the Treasury through the auspices of the Bureau of Alcohol, Tobacco, and Firearms is permitted to remove the disability of any convicted felon whose crime did not involve the use of a firearm.

My amendment would give enforcement authorities an extremely effective means of denying guns to those who are most apt to use them for crime. The test established by my amendment would be simple, if a convicted or indicted felon who used a gun in his crime is found in possession of a gun he is guilty of a Federal offense and is subject to a mandatory 1-year sentence. This may be viewed by some as a hard approach but I believe that the chronic problem of crime in this country calls for such an approach.

No citizen is unaffected, no community is unscarred by the growth of crime in this country. It is estimated that crime had had an economic impact of nearly $90 billion for calendar year 1974 and that crime is on the increase in nearly every urban, suburban, and rural area in the country.

Violent crime has had a dramatic incease in the last 14 years—the rate of robberies is up 125 percent, forcible rape 143 percent, aggravated assaults up 153 percent, and murder a chilling 106 percent. These violent crimes increasingly involve the use of a gun and these criminals must be controlled.

It is further apparent that an increasing percentage of crimes are being committed by a relatively fewer number of career criminals and that a disturbingly large number of crimes are being committed by those who are out on bail for an earlier offsense.

Enforcement authorities must be given effective tools to deal with these habitual offenders and the amendment I propose will give them the help they need. In the hands of many indictees or convicts a gun is a threat of further crime and the authorities should be allowed to deal with that threat before, not after, another offense is committed.

It is my understanding that Federal authorities made significant progress in dealing with habitual criminals under similar provisions in section 1202 of the Omnibus Crime Act before that section was effectively invalidated by a 1971 Supreme Court decision—*United States* v. *Bass*, 404 U.S. 336—which read the statute narrowly and required that a direct relationship with interstate commerce had to be shown before conviction for possession of a gun by a felon could be sustained.

I believe my bill clearly shows that it is the express intention of Congress to regulate the possession of firearms and to do so by removing them from the hands of those who burden this country with their criminal conduct.

I hope that this proposal will receive a speedy congressional consideration and the active support of my colleagues.

By Mr. JAVITS (for himself and Mr. Percy):

S. 2152. A bill to promote more effective management of certain law enforcement functions of the executive branch by transferring functions of the Secretary of the Treasury under the Gun Control Act of 1968 to the Attorney General, by consolidating certain law enforcement functions under that act in a Firearms Safety and Abuse Control Administration, in the Department of Justice, and for other purposes. Referred to the Committee on Government Operations.

S. 2153. A bill to amend the Intergovernmental Cooperation Act to prevent lawless and irresponsible use of handguns in selected areas with high crime rates, and for other purposes. Referred to the Committee on the Judiciary.

INTERGOVERNMENTAL LAW ENFORCEMENT COOPERATION AND REORGANIZATION ACT OF 1975 AND INTERGOVERNMENTAL HANDGUN CONTROL ACT

Mr. JAVITS. Mr. President, during my more than 25 years in Congress, I have been deeply concerned about the senseless stimulus to crime and violence directly attributable to our failure to act on the issue of handgun control.

That failure to act has been due in large part to an extraordinarily intense lobbying effort by the National Rifle Association, which in turn has created in Congress a distorted and totally inaccurate impression of American public opinion on this question. The Gallop poll published across the Nation earlier this month reported that 67 percent favor registration of firearms, and even 55 percent of gunowners favor such controls.

Since the 1968 Gun Control Act was passed—a law riddled with loopholes—we have not had a strong, meaningful gun control bill reported to the Senate floor—and I do not regard the passage of the 1972 Saturday night special bill as strong or meaningful.

It was with this in mind that I and other Members sought to develop a new comprehensive approach to gun control which would require also some departmental reorganization in order to give the Senate Government Operations Committee an opportunity to work in parallel with the Senate Judiciary Committee to develop a new legislative approach to gun control.

Accordingly, I am today breaking the proposal into two separate bills, one of which contains the reorganization and some intergovernmental aspects of the proposal, and the second contains amendments to the Intergovernmental Cooperation Act to strengthen and in some instances to initiate new controls on the sale and interstate shipment, and transportation of handguns.

Before getting into the details of the bills which I introduce on behalf of myself and Senator Percy, the ranking minority member of the Government Operations Committee, I shall discuss in this statement as one comprehensive proposal, I should like to express my views on the problem of the "Saturday night special."

The much publicized "Saturday night special" bill which passed the Senate in 1972 would not reduce significantly the high level of handgun violence. That bill merely prohibits the future sale of certain handguns of extremely short barrel length by licensed dealers, manufacturers, and importers. It would not prevent anyone who presently owns a "Saturday night special" from owning or even selling it, and by its definition would exclude a large number of handguns not suitable for sporting purposes.

And even if it did effectively prohibit "Saturday night specials" that alone would not be enough because the Smith & Wesson would begin to replace the cheap import, and victims would encounter longer barreled guns instead of a 2- or 4-inch barrel.

The 1972 "Saturday night special" approach would have given us only the illusion of gun control, not its reality. While I have supported and cosponsored legislation to ban the manufacture of "Saturday night specials" with a barrel of 10 inches or less, that is only one step we must take to get this problem under control.

Congress and the media have been deeply concerned with the "Saturday night special," but statistics indicate that we must have a broader range of concerns. The office of the mayor of the city of New York has reported in a study entitled, "The Case of Federal Firearms Control," which I have already placed in the Record:

> In a 15-day period beginning Saturday, June 2, 1972, seven police officers were assaulted with handguns. . . . Three of the officers were killed, all with handguns. None of the handguns has yet been identified as a "Saturday night special."

The same study, in its chapter on "Suggested Federal Firearms Control Legislation," emphasized:

> . . . the experience in New York and elsewhere indicates that while these cheap handguns (Saturday night specials) are an important aspect of the handgun abuse problem faced by law-abiding citizens and police officers, eliminating them will not come close to fully eliminating the problem. Recent surveys conducted by the New York City Police Department of guns seized from arrested perpetrators determined that less than 30 per cent of the firearms seized were "Saturday Night Specials". Similarly, a survey of all handguns seized in the first six months of 1973 in the City's highest crime precinct found that even in this poverty neighborhood, approximately half of the classifiable handguns used by alleged perpetrators were high quality, expensive weapons.

The police departments of nine large cities around the country have reported that .22 or .25 caliber pistols—which account for most "Saturday night specials"—were responsible for only 43 percent of the handgun murders in those cities. Costlier and better crafted handguns, which would not be affected by the 1972 "Saturday night special" bill produced a majority of the homicides.

Measures geared solely to the "Saturday night special," in short, will not save a majority of the lives snuffed out by handguns. Moreover, in some ways Saturday Night Special legislation might be counter-productive. Robert Sherrill, in his book on the gun problem in the United States, was extremely suspicious of these proposals:

> . . . as a matter of fact, there is no proof that the Special is more a threat to society than a gun of superior quality . . . so why pick on the Special? Apparently those who do the most aggressive picking . . . are motivated by the fact that the cheapest Saturday night special increasingly became, after World War II, an irritating competition to the major gun manufacturers. . . . They (the makers of the specials) were taking trade away from the elite gun manufacturers, who, naturally, went to Congress to have the hole in their pocket sewed up.

The problem broadly stated is that existing controls on the manufacture, sale, possession, and use of handguns are inadequate, misunderstood, and ineffective. Strong enforcement of the 1968 act itself is extremely difficult because of the inherent weaknesses in the law. I believe that this Nation's experience shows that gun control laws can work and that stringent control laws reduce homicides. We must therefore begin by strengthening the 1968 act in light of its demonstrated failure to control the distribution of handguns.

I am keenly aware of the strong feelings held by many in this body that some of the options proposed for the Federal control of handguns over the years may be simply unacceptable.

Licensing of owners, registration of handguns, outright national banning of all handguns, prohibiting sales, transfers or possession of handguns, and prohibitive tax provisions are among the alternatives which have long been debated here.

While I have long supported—and continue to believe—that a national system of Federal licensing and registration of handguns is the most reasonable way to get at this problem, I have set this approach aside in an effort to find a new proposal designed to get all who have a positive interest in some remedial action to look at it with a fresh perspective.

It is with this purpose in mind that Senator PERCY and I have cooperated to develop the Intergovernmental Law Enforcement Cooperation and Reorganization Act of 1975, which I have divided into two bills and now send to the desk for appropriate reference.

Following consultation with State and local law enforcement and other governmental officials, it has been determined that current law imposes disabilities of a most severe nature upon intergovernmental efforts to control illicit handgun traffic by Federal, State, and local agencies. The U.S. Conference of Mayors, bar associations, law enforcement officers, organized labor, and many other groups at the local level believe that an intergovernmental relations problem of substantial proportions exists as a result. Getting more effective controls is a complex task which will involve initiatives at all levels preceded by a much more thorough understanding of the problem.

On the Federal level alone there must be a greatly strengthened and more consolidated effort in handgun trafficking enforcement, and more Federal-State-city cooperative enforcement activities to reduce the dimensions of the problem. Examining and proposing solutions to large-scale intergovernmental problems has always been a main concern of the Government Operations Committee.

Representatives of several cities and States have said that while their jurisdictions have independently enacted handgun control laws—with some success in curbing gun deaths—they are nearly impossible to enforce because of the lack of intergovernmental cooperation and regional uniformity.

Only eight States require licenses for buying handguns. They are Hawaii, Illinois, Massachusetts, Michigan, Missouri, New Jersey, New York, and North Carolina, and most of these do not require licenses to own handguns. In only 29 States must a permit be obtained to carry a handgun.

Other laws prohibit gun sales to those "under the heat of passion"—Texas—or outlaw the carrying of guns for those who have the "intent" of assaulting someone—Minnestota and Vermont. Some States enforce a "cooling-off" period between the buying and delivery of the gun.

New York City has the strongest gun law in the land. An applicant for a handgun must show a legitimate need for it, his background is thoroughly investigated and he must be photographed and fingerprinted. There is a waiting period of several weeks between the request for the issuance and the license.

Philadelphia enacted a stringent law in 1965 which requires a permit for the purchase and transfer of all firearms and all applicants must have their fingerprints and photographs taken. San Francisco and Miami Beach require the registration of firearms of all kinds. Toledo enacted a law in 1968 which requires everyone who wants to buy a handgun to have a special ID that is not given out to certain undesirables. Statistics confirm that State and local laws have somewhat controlled homicide and accident rates. New York City has the second lowest murder rate of America's 10 largest cities.

But, unquestionably the worst problem confronting States and municipal laws is the easy access to out-of-State or area guns. By far, the majority of out-of-State guns coming into a strict State are illegally bought or stolen, and often illegally owned. Five hundred thousand guns are stolen every year, many going to organized criminals, and yet there are no national theft prevention and security standards imposed upon manufacturers, dealers, importers, and shippers of handguns.

Second, law enforcement agencies at the State and local level have stated that they now have no intergovernmental system for developing regional and national statistics on handguns which have been used in the commission of crimes, and that tracing such weapons is now extremely difficult, if not impossible.

Third, in the 42 States where no license is required to purchase a handgun, the only restriction on buying handguns is a provision in the Federal Gun Control Act of 1968 which requires that the purchaser fill out a form giving him name and declaring that he is not a minor, and has no history of alcoholism, mental disorder, or felony conviction. But this requirement is almost worthless since it mandates no verification—such as a police check—to substantiate the purchaser's identity and his assertions.

In addition, anyone under age or with a criminal record can easily buy or accept a gun from a nondealer. The Federal law does not prevent private individuals from transferring their own guns at will within their own States, and does not specify what credentials the receiver must have.

Specifically, our proposals seeks to improve Federal, State, and local law enforcement capabilities in this field by:

First, transferring all functions relating to the enforcement of the 1968 act and now vested in the Secretary of the Treasury to the Attorney General. They would be exercised by a new Firearms Safety and Abuse Control Administration which would have expanded handgun information gathering authority;

Second, requiring verification of personal identification information required to be submitted by a prospective purchaser prior to delivery or shipment of any firearm;

Third, covering sale and resale of firearms between private persons who are not dealers, manufacturers, and collectors as regards verification of eligibility;

Fourth, requiring the development and enforcement by the Attorney General of national theft prevention and security standards which would apply to all licensed dealers, manufacturers, importers, collectors, and common carriers;

Fifth, banning the sale or delivery to any one person of multiple handguns in excess of one in any 1 calendar year except to police and other governmental units; and developing adequate licensing standards to assure that Federal licenses to manufacture, import, or deal in firearms will be issued only to responsible persons legitimately engaged in such business.

Sixth, authorizing joint Federal-local task forces for handgun trafficking control;

Seventh, banning with proper exceptions the possession, sale, use, or importation of handguns in public or private in any standard metropolitan statistical area—SMSA—where the violent crime rate is 20 percent above the national average, or where it is 10 percent above the national rate and 5 percent above the prior year's local rate;

Eighth, banning the domestic manufacture, sale, transportation, or possession of Saturday night specials—barrel length up to 10 inches; and

Ninth, authorizing the Advisory Commission on Intergovernmental Relations to undertake a study of the effectiveness of the 1968 Gun Control Act, particularly with respect to strengthening the Federal licensing system.

Mr. President, one of the long term, major obstacles to the enactment of Federal gun control legislation has been the lack of an approach which would be tailored to areas or regions of the country where the abuse of handguns as reflected in violent crime rates is greatest. Traditional political opposition to such a selective gun control approach should be substantially reduced.

Recently, Attorney Gen. Edward H. Levi suggested such a system of triggered Federal controls. His proposal, which is not yet reduced to legislation would ban the possession of handguns in public—not private—in any standard metropolitan statistical area where the violent crime rate reaches a certain level above the national average.

The principal criticism of the Attorney General's suggestion, and a general disadvantage of a regional approach is one which has plagued attempts at localized gun control. It does not limit handguns in the uncontrolled surrounding areas from which the weapons may continue to flow. The criminal use of handguns is a national problem which exists to some degree or another in every city and suburban area in the country. The programs that propose to deal with the problem on the local level or in isolated situations must if they are to have any real effect, confront and overcome the basic fact of handgun mobility.

First, our proposal—which amends the Intergovernmental Cooperation Act—adopts the basic Levi idea of banning possession of handguns in urban areas where the violent crime rate is 20 percent above the national, 10 percent above the previous year's local average. We then address the second side of the problem—illegal gunrunning into urban areas like New York City in violation of the 1968 act—by proposing several new laws as I have already indicated which are designed to develop the wherewithal for intergovernmental law enforcement authorities to do their job.

The standard metropolitan statistical area is established in our bill as the geographic areas for potential handgun control. Its ready availability and its use by the FBI in compiling violent crime statistics make it a useful classification. Of more importance is the fact that these areas all include a core city of 50,000 or more and therefore fall into the urban category. Moreover, they have been precisely defined in terms of their political boundaries, and the statistical bases developed for these areas provided a way to estimate the impact of the program proposed.

Under our proposal, once triggered, the controls would remain in force for a minimum period of 5 years, and would not be removed until the Attorney General published a finding based upon positive evidence that the high rates of crime have come down to the national or local levels, or that the pattern of illegal gun violations—for example, interstate gunrunning—had ceased. For 60 days following the triggering on of controls persons delivering handguns to depository agencies would be paid the market value of their weapons, although this could involve a considerable expense. Handguns could be surrendered voluntarily at any time thereafter without penalty.

I know that this is a complex, and in some respects perhaps an impractical approach to this problem, but I believe that it must be given the most careful consideration in Congress.

Mr. President, another major purpose of the bill is to ban the domestic output of cheap hand-held firearms known as Saturday night specials. As I have stated, the handgun's role in crime is disproportionate to its number in comparison with long guns, in the commission of homicide, aggravated assault, and armed robbery.

In an effort to further pinpoint ways in which we might improve Federal, State, and local capacity to deal with illicit handgun traffic, our proposal would authorize the Advisory Commission on Intergovernmental Relations to undertake a comprehensive study of the 1968 act, focusing on the adequacy of the Federal licensing system.

Mr. President, there are no simple solutions to the crime problem, no panaceas. The causes of crime and violence in our society are rooted in complex and stubborn forces which will not easily yield, except to comprehensive reform of our criminal justice system, but there are partial solutions—even though they might not be complete. There are actions which we can take to provide better protection for our shop keepers, our cab drivers, our police officers, and all of our people.

Protecting the lives, the property, and the rights of its citizens is the first purpose of government. The level and quality of public safety afforded by our governments is not adequate to our needs. It must be made so.

One action we must now undertake is to control the deadly interstate traffic in firearms.

Mr. President, I ask unanimous consent that the text of both bills be printed in the RECORD, together with a statement prepared by Senator PERCY.

There being no objection, the statement and bills were ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR PERCY

Crime is something which affects all of us in the most direct fashion, as victims of either violence or intimidation and fear of violence. The sad fact of life is that we are often afraid to venture out on many of the streets of our cities at night, afraid to carry large amounts of money on our persons, afraid to leave our doors unlocked and our property unguarded, afraid of crime, and particularly crimes of violence.

Statistics demonstrate clearly that the handgun is a favorite tool among practitioners of street crime. Easy to carry, easy to conceal, and so effective, the handgun in the hands of a skillful criminal places the victim in a helpless situation. In the hands of a less-than-skillful criminal, the dangers are yet higher. Accidental shootings by youthful first offenders are as much a real cause of injury and death as the premeditated executions of the professional criminal.

I am pleased to join with my distinguished colleague from New York, Senator Javits, in introducing important legislation in the area of handgun control.

To assure that the greatest expertise and consideration will be accorded this legislation, two separate bills we are introducing, one relating to changes in the substantive criminal law, the other creating and strengthening governmental structures to deal with the substantive problem.

This first bill creates a means for keeping the handgun away from the proven criminal, the minor, and the mentally unstable. In those localities where crimes of violence have reached an unacceptable level, a general prohibition against possession of the handgun will take effect. Set off by a statistical triggering device, this method would assure that the greatest controls are brought to bear in those areas where crime is the most intense. Localities where crime is less of a problem will remain unaffected by the more stringent remedies of the legislation.

The second bill enhances the effectiveness of existing and new legislation in this area of handgun control by creating a unified governmental structure to deal with the problem under the aegis of the nation's chief law enforcement agency, the Department of Justice. Such an approach would allow for concentrated effort and policy making at the Federal level. The bill also creates an independent Advisory Commission which will draw from expertise at the Federal, state and local levels in exploring new and better methods for the control of the unlawful use of firearms.

While there are certainly legitimate purposes for the possession of a handgun which this legislation recognizes, the need for effective crime control is certainly the highest priority for the Congress at this juncture. The legislation Senator Javits is introducing today will make a strong contribution to effective yet fair control of the handgun, and, as a result, of street crime itself.

S. 2152

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Intergovernmental Law Enforcement Cooperation and Reorganization Act of 1975".

STATEMENT OF FINDINGS AND PURPOSE

SEC. 2. (a) The Congress finds that—

(1) the effectiveness of cooperative intergovernmental efforts to control illicit handgun traffic by Federal, State and local governmental agencies are hindered by a lack of coordination among each level of government and the failure to develop and share necessary statistical and criminal intelligence information;

(2) Federal, State and local governmental agencies have found it difficult to mobilize existing law enforcement resources to mount more effective efforts to control the illegal traffic in and use of handguns; and

(3) the increasing rate of illegal activities involving the use of handguns constitutes a threat to national public safety, health, and welfare and requires a more strengthened and consolidated effort at the Federal level.

(4) since the enactment of Public Law 90–351 there continues to be widespread traffic in handguns moving in or otherwise affecting commerce, and that existing Federal procedures and organizational structures do not adequately enable the States to control illicit handgun traffic within each State;

(5) annual sales of handguns in the United States have continued to rise since 1968, despite the provisions of the Gun Control Act of 1968;

(6) handguns continue to play a major role, and a role disproportionate to their number in comparison with long guns, in the commission of homicide, aggravated assault, armed robbery, and other crimes of violence;

(b) It is the purpose of this Act to provide (1) a new organizational structure for improved performance, coordination, and evaluation of firearms control functions at the Federal level, and (2) more effective coordination between Federal, State and local governmental agencies in an effort to assist States and localities in improving interstate and local regulation of illicit handgun traffic.

DEFINITIONS

SEC. 3. As used in this Act

(1) "Department" means the Department of Justice;

(2) "function" includes power and duty;

(3) "handgun" means any weapon designed or redesigned to be fired while held in one hand having a barrel less than 10 inches in length and designed or redesigned or made or remade to use the energy of an explosive to expel a projectile or projectiles through a smooth or rifled bore;

(4) "licensed dealer" means any dealer, and "licensed importer" means any importer, and "licensed manufacturer" means any manufacturer licensed under the provisions of the United States Code;

(5) "possess" means asserting ownership or having custody and control not subject to termination by another or after a fixed period of time.

(6) "sell" means give, bequeath, or otherwise transfer ownership or possession.

TITLE I—GUN CONTROL TRANSFERS

TRANSFER OF FUNCTIONS

SEC. 101 (a) There are transferred to the Attorney General, and the Attorney General shall perform, all functions of the Secretary of the Treasury under the Gun Control Act of 1968.

(b) Within 180 days after the effective date of this section, the President may transfer to the Department any function of any other agency or office, or part of any agency or office, in the executive branch of the United States Government if the President determines that such function relates primarily to functions transferred to the Department by this section.

(c) Any reference in such Act to the "Secretary of the Treasury" is amended to read "the Attorney General".

ESTABLISHMENT OF THE FIREARMS SAFETY AND ABUSE CONTROL ADMINISTRATION

Sec. 102. (a) There is established within the Department the Firearms Safety and Abuse Control Administration. The Administration shall be headed by an Administrator appointed by the President, by and with the advice and consent of the Senate. The Administrator shall be under the supervision and direction of the Attorney General.

(b) The functions of the Attorney General under this Act shall be administered through the Administration.

ANNUAL REPORT

Sec. 103. (a) The Attorney General shall prepare and transmit to the Congress as part of the annual report of the Department of Justice a report on the activities of the Administration.

(b) Each such report shall include a description of the effective use of the resources of the Federal, State, and local law enforcement agencies in controlling illicit handgun traffic, the extent of intergovernmental cooperation in controlling such traffic, a detailed summary of the activities of the Administration, an assessment and evaluation of specific program of Federal, State, and local law enforcement agencies to reduce illicit handgun traffic, a description of the nature, extent, and effect of Federal, State and local law enforcement agency intelligence operations relating to illicit handgun traffic, and such recommendations, including recommendations for additional legislation, as the Attorney General deems appropriate.

TRANSFER OF OFFICES AND PERSONNEL

Sec. 104. (a) All personnel, liabilities, contracts, property, and records as are determined by the Director of the Office of Management and Budget to be employed, held, or used primarily in connection with any function transferred under the provisions of section 101, are transferred to the Attorney General.

(b) (1) Except as provided in paragraph (2) of this subsection, personnel engaged in functions transferred under this Act shall be transferred in accordance with applicable laws and regulations relating to transfer of functions.

(2) The transfer of personnel pursuant to subsection (a) shall be without reduction in classification or compensation for one year after such transfer.

SAVINGS PROVISIONS

Sec. 105. (a) All orders, determinations, rules, regulations, contracts, certificates, and privileges—

(1) which have been issued, made, granted, or allowed to become effective in the exercise of functions which are transferred under this title, by (A) any agency or office, or part thereof, any functions of which are transferred by this title, or (B) any court of competent jurisdiction, and

(2) which are in effect at the time this title takes effect,

shall continue in effect according to their terms until modified, terminated, superseded, set aside, or repealed by the Attorney General, by any court of competent jurisdiction, or by operation of law.

(b) The provisions of this title shall not affect any proceedings pending at the time this section takes effect before any agency or office, or part thereof, functions of which are transferred by this title; but such proceedings, to the extent that they relate to functions so transferred, shall be continued before the Department. Such proceedings, to the extent they do not relate to functions so transferred, shall be continued before the agency or office, or part thereof, before which they were pending at the time of such transfer. In either case orders shall be issued in such proceedings, appeals shall be taken therefrom, and payments shall be made pursuant to such orders, as if this title had not been enacted; and orders issued in any such proceedings shall continue in effect until modified, terminated, superseded, or repealed by the Attorney General, by a court of competent jurisdiction, or by operation of law.

(c) (1) Except as provided in paragraph (2)—

(A) the provisions of this title shall not affect suits commenced prior to the date this section takes effect, and

(B) in all such suits proceedings shall be had, appeals taken, and judgments rendered in the same manner and effect as if this title had not been enacted.

No suit, action, or other proceeding commenced by or against any officer in his official capacity as an officer of any agency or office, or part thereof, functions of which are transferred by this title, shall abate by reason of the enactment of this title.

No cause of action by or against any agency or office, or part thereof, functions of which are transferred by this title, or by or against any officer thereof in his official capacity shall abate by reason of the enactment of this title. Causes of actions, suits, or other proceedings may be asserted by or against the United States or such official of the Department as may be appropriate and, in any litigation pending when this section takes effect, the court may at any time, on its own motion or that of any party, enter an order which will give effect to the provisions of this subsection.

(2) If before the date on which this title takes effect, any agency or office, or officer thereof in his official capacity, is a party to a suit, and under this title any function of such agency, office, or part thereof, or officer is transferred to the Attorney General, then such suit shall be continued by the Attorney General (except in the case of a suit not involving functions transferred to the Attorney General, in which case the suit shall be continued by the agency, office, or part thereof, or officer which was a party to the suit prior to the effective date of this title).

(d) With respect to any function transferred by this title and exercised after the effective date of this title, reference in any other Federal law to any agency, office, or part thereof, or officer so transferred or functions of which are so transferred shall be deemed to mean the Department or officer in which such function is vested pursuant to this title.

(e) Orders and actions of the Attorney General in the exercise of functions, transferred under this title shall be subject to judicial review to the same extent and in the same manner as if such orders and actions had been by the agency or office, or part thereof, exercising such functions, immediately preceding their transfer. Any statutory requirements relating to notice, hearings, action upon the record, or administrative review that apply to any function transferred by this title shall apply to the exercise of such function by the Attorney General.

(f) In the exercise of the functions transferred under this title, the Attorney General shall have the same authority as that vested in the agency or office, or part thereof, exercising such functions immediately preceding their transfer, and his actions in exercising such functions shall have the same force and effect as when exercised by such agency or office, or part thereof.

COMPENSATION OF ADMINISTRATOR

Sec. 106. Section 5314 of title 5, United States Code, is amended by adding at the end thereof the following new paragraph:

"(62) Administrator, Firearms Safety and Abuse Control Administration, Department of Justice.".

TITLE II—ADVISORY COMMISSION ON INTERGOVERNMENTAL RELATIONS

STUDY OF EFFECTIVENESS OF PUBLIC LAW 90–351

Sec. 201. (a) The Act entitled "An Act to Establish an Advisory Commission on Intergovernmental Relations" approved September 24, 1959 (42 U.S.C. 4271 et. seq.) is amended by adding at the end thereof the following new section—

EVALUATION OF PUBLIC LAW 90–351

(a) The Commission in consultation with the U.S. Conference of Mayors and the National League of Cities, and representatives of federal, state and local law enforcement agencies shall investigate, analyze and report within 6 months of the enactment of the Act upon (1) intergovernmental problems involved in controlling illicit handgun traffic, and (2) effectiveness of Public Law 90–351, and particularly the requirements for licensing of manufacturers, importers and dealers.

S. 2153

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Intergovernmental Handgun Control Act."

STATEMENT OF FINDINGS AND PURPOSE

Sec. 2. (a) The Congress finds that—

(1) the effectiveness of cooperative intergovernmental efforts to control illicit handgun traffic by Federal, State, and local governmental agencies are hindered by a lack of coordination among each level of government and the failure to develop and share necessary statistical and criminal intelligence information;

(2) Federal, State, and local governmental agencies have found it difficult to mobilize existing law enforcement resources to mount more effective efforts to control the illegal traffic in and use of handguns;

(3) the increasing rate of illegal activities involving the use of handguns constitutes a threat to national public safety, health, and welfare and requires a more strengthened and consolidated effort at the Federal level;

(4) since the enactment of Public Law 90–351 there continues to be widespread traffic in handguns moving in or otherwise affecting commerce, and that existing Federal procedures and organizational structures do not adequately enable the States to control illicit handgun traffic within each State;

(5) annual sales of handguns in the United States have continued to rise since 1968, despite the provisions of the Gun Control Act of 1968; and

(6) handguns continue to play a major role, and a role disproportionate to their number in comparison with long guns, in the commission of homicide, aggravated assault, armed robbery, and other crimes of violence;

(b) It is the purpose of this Act to provide (1) a new organizational structure for improved performance, coordination, and evaluation of firearms control functions at the Federal level, (2) more effective coordination between Federal, State, and local governmental agencies in an effort to assist States and localities in improving interstate and local regulation of illicit handgun traffic, (3) procedures for the prohibition of handguns in certain areas with high crime rates, without placing any undue Federal burden on law abiding citizens with respect to the use of firearms for sporting and other lawful purposes, and (4) for increase public safety by banning the manufacture, sale, importation, and possession of handguns not suitable for sporting or other lawful purposes.

TITLE I—INTERGOVERNMENTAL COOPERATION ACT AMENDMENTS

SEC. 101 (a). Title 42, United States Code, Chapter 52 is amended by adding at the end thereof the following new subchapter:

"SUBCHAPTER VI—TECHNICAL SERVICES FOR STATES AND LOCAL UNITS OF GOVERNMENT IN CONTROLLING ILLICIT HANDGUN TRAFFIC

"SEC 4245. National Handgun Statistics. (a) In order to provide for more effective, intergovernmental efforts in controlling illicit, interstate handgun traffic, the Attorney General is authorized and directed, subject to the provisions of 5 U.S.C. 552(a), "The Privacy Protection Act of 1974," to—

(1) establish and maintain a national handgun statistics office, which shall be responsible for identifying—

(A) the name, address, and social security or taxpayer identification number of any person in the United States possessing a handgun,

(B) the number, if any, of the handgun license required by the Sttae or locality of residence of the individual possessing a handgun,

(C) the name of the manufacture, the caliber or gauge, the model and type, and the serial number of each such handgun, and

(D) the importation, production, shipment, receipt, sale, or resale or any other disposition of any handgun

(2) establish procedures for the verification of the information collected under clause (1) of this subsection, and to analyze such information; and

(3) distribute, upon request, the Federal, State, and local law enforcement agencies information developed and maintained by the Office established by this subsection.

(b) notwithstanding any other provision of this Title, no information of any kind shall be collected, maintained, or disseminated concerning any shotgun, short barreled shotgun, rifle or short barreled rifle.

(c) In order to carry out the provisions of this section, each importer, manufacturer, dealer and collector

and each person who possesses a handgun on the effective date of this Act shall furnish to the Attorney General the information required by subsection (a) of this section in such form, at such time, and at such place, as the Attorney General may by regulation prescribed.

(d) In order to carry out the provisions of subsection (a) of this section each importer, manufacturer, dealer, collector and any person who and any federal, state, or local unit of government which owns or possesses a handgun after the effective date of this Act and—

(1) who has lost a handgun after such effective date, or

(2) who has had a handgun stolen after the effective date of this Act, shall report the loss or theft of the handgun to the Attorney General not later than 60 days after the discovery of the loss or theft, in such form, at such place, and containing such description of the circumstances of the loss or theft, as the Attorney General may by regulation prescribe.

"SEC. 4246. EXEMPTIONS; PENALTIES. (a) The provisions of section 4245 of this title shall not apply to any handgun or handgun ammunition suitable for use in a handgun sold or delivered to or possessed by the United States or any department or agency of the United States, or any State or any department or agency of a State, or any political subdivision of a State or any department or agency of a political subdivision of a State.

(b) Whoever fails to comply with the provisions of the subchapter or knowingly makes any false statement or representation with respect to any information required by the provisions of section 4245(a) or violates any provision of section 4245(b) or section 4245 (c) shall be fined not more than $5,000, or imprisoned not more than 5 years, or both.

"SEC. 4247. VERIFICATION OF DATA CONCERNING FIREARMS TRANSACTIONS.

(a) (1) It shall be unlawful for any licensed importer, licensed manufacturer, licensed dealer, or licensed collector to sell or otherwise dispose of any firearm or ammunition to any person (other than those exempted under section 4246 above and another licensed importer, manufacturer, dealer, or collector) until—

"(A) such importer, manufacturer, dealer, or collector has, prior to the shipment or delivery of the firearm, forwarded by registered or certified mail (return receipt requested) a card in such form as the Attorney General shall prescribe setting forth the name and address of the transferee and that the transferee—

"(i) is (is not) under indictment for, or has been (has not been) convicted in any court of a crime punishable by imprisonment for a term exceeding one year;

"(ii) is (is not) a fugitive from justice; to the Department of Justice, Washington, District of Columbia, and has received a return receipt evidencing delivery of the form by the Department; and

"(B) such importer, manufacturer, dealer, or collector has delayed shipment or delivery for a period of at least ten days after the receipt of the notification of the acceptance of the delivery of that form.

The Attorney General shall take whatever action is necessary promptly to process the forms to determine the relevant information with respect to the transferee named in the submitted form and return the form by the speediest means available to the appropriate importer, manufacturer, dealer, or collector. The contents of the form required under this paragraph shall not be divulged by any government official to any other person other than the appropriate importer, manufacturer, dealer, or collector and the appropriate law enforcement officials as prescribed pursuant to regulations prescribed by the Attorney General.

"(2) It shall be unlawful for any licensed imported, licensed manufacturer, licensed dealer, or licensed collector to sell or otherwise dispose of any firearm or ammunition to any person without first requiring the presentation of reasonable proof of such person's identity, and the fact that he or she is a bona fide resident of the state and of the standard metropolitan statistical area in which such sale or other disposition is to take place, and is over the age of 21 knowing or having reasonable cause to believe that such person—

"(A) is under indictment for, or has been convicted in any court of, a crime punishable by imprisonment for a term exceeding one year;

"(B) is a fugitive from justice;

"(C) is an abuser of any depressant or stimulant drug (as defined in section 201(v) of the Federal Food, Drug, and Cosmetic Act) or narcotic drug (as defined in section 4731 (a) of the Internal Revenue Code of 1954); or

"(D) has been adjudicated as a mental defective or has been committed to any mental institution.

"(3) This subsection shall not apply with respect to the sale or disposition of a firearm or ammunition to a licensed importer, licensed manufacturer, licensed dealer, or licensed collector who is not precluded from dealing in firearms or ammunition, or to a person who has been granted relief from disabilities pursuant to subsection (c) of such section of such chapter."

"(4) It shall be unlawful 120 days after the effective date of this Act for any licensed importer, manufacturer, dealer, or collector, or any other person to sell or otherwise dispose of a handgun or handgun ammunition to any resident of any standard metropolitan statistical area identified by the Attorney General pursuant to section 4253 of this title if he knows or has reasonable cause to know that such handgun or handgun ammunition will be transported into a standard metropolitan statistical area.

"SEC. 4248. REQUIREMENT UPON RESALE.

(a) It shall be unlawful for any licensed importer, licensed manufacturer, licensed dealer or licensed collector to sell or deliver any handgun or ammunition suitable for a handgun after the effective date of the Intergovernmental Law Enforcement Cooperations and Reorganization Act of 1975 unless such importer, manufacturer, dealer or collector has submitted to the Attorney General the information required by section 4245(a)(1) (A), (B), and (C) of such Act.

"(b) It shall be unlawful for any person to resell 60 days after the effective date of the Intergovernmental Law Enforcement Cooperation and Reorganization Act of 1975 any handgun unless such person has submitted to the Attorney General the information required by section 4245(a) (1) (A), (B), and (C) of such Act, and complied with the provisions of section 4250 of this Title.

"(2) It shall be unlawful for any importer, manufacturer, dealer, or collector to sell any handgun to any person except a licensed importer, manufacturer, dealer, or collector without first giving notice of the requirement of paragraph (b) of this subsection.

"(3) For the purpose of this subsection the term 'resell' means the sale, or offer for sale of any handgun after the first purchase of it in good faith for purposes other than resale, and includes any gift, devise, or other transfer of ownership of a handgun.

SEC. 4249. BAN ON SALE OF MULTIPLE HANDGUNS. It shall be unlawful for any person including an importer, manufacturer, dealer, or collector licensed under the provisions of federal law, to sell or deliver more than one handgun within one calendar year to any person except a licensed importer, manufacturer, dealer or collector or to persons and organizations exempt under section 4246 of this Subchapter.

"SEC. 4250. THEFT PREVENTION AND SECURITY STANDARDS REQUIRED.

(a) No application for a license to engage in business as a firearms or ammunition importer, manufacturer or dealer submitted pursuant to federal law shall be approved unless the applicant is in compliance with theft prevention and security standards prescribed under paragraph (b) of this section;

(b) The Attorney General shall within 90 days after the effective date of this Act prescribe standards for theft prevention and security requirements for importers, manufacturers, dealers, and common carriers who transfer handguns in interstate commerce who are licensed under the provisions of federal law. Such standards shall be promulgated in accordance with the provisions of chapter 5 of title 5, United States Code."

"SEC. 4251. AUTHORIZATION FOR JOINT FEDERAL-LOCAL TASK FORCES FOR HANDGUN TRAFFICKING CONTROL.

(a) The Attorney General is authorized to enter into agreements with states, cities, localities and other units of local government to establish temporary task forces comprised of federal, state and local law enforcement personnel which shall—

(1) identify and trace handguns that have been transported interstate, illegally, and used in the commission of crimes, develop and exchange intelligence information regarding such illegal operations and assist in apprehending and prosecuting violators of the law; and

(2) collect, analyze and make available specific data on the amount, nature and flow of handguns in the interstate commerce.

(b) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this section.

"Sec. 4251A. Federal Firearms Licenses Standards Required.

(a) The Attorney General shall within 90 days after the effective date of this Act prescribe standards to assure that federal licenses to manufacture, import or deal in firearms will be issued only to persons determined to be responsible and legitimately engaged in the business for which the license is sought. Such standards shall be promulgated in accordance with the provisions of Chapter 5, United States Code.

Sec. 102. (a) Title 42, United States Code, Chapter 52, is amended further by adding at the end thereof the following new subchapter:

"SUBCHAPTER VII—EMERGENCY ASSISTANCE FOR CERTAIN LOCAL UNITS OF GOVERNMENT AND STANDARD METROPOLITAN STATISTICAL AREAS IN CONTROLLING ILLICIT HANDGUN TRAFFIC

"Sec.

"4252. Definitions.
"4253. Application.
"4254. Prohibition on possession of handguns.
"4255. Termination of applicability.
"4246. Exceptions.
"4247. Penalty.
"4248. Disposition of handguns; amnesty.
"4249. Rules and regulations; assistance to the Attorney General.

"Sec. 4252. Definitions

"As used in this chapter—

"(1) The term 'ammunition' means ammunition or cartridge cases, primers, bullets, or propellant powder designed for use in any handgun.

"(2) The term 'crime of violence' means any of the following crimes, or an attempt to commit any such crime: Murder, manslaughter, rape, mayhem, maliciously disfiguring another, abduction, kidnaping, burglary, robbery, housebreaking, larceny, any assault with intent to kill, commit or assault with intent to commit any offense punishable by imprisonment for a term exceeding one year.

"(3) The term 'handgun' means any weapon designed or redesigned to be fired while held in one hand; having a barrel less than ten inches in length and designed or redesigned or made or remade to use the energy or an explosive to expel a projectile or projectiles through smooth or rifled bore.

"(4) The term 'possess' means asserting ownership or having custody and control not subject to termination by another or after a fixed period of time.

"(5) The term 'standard metropolitan statistical area' means any areas as defined by the Director of the Office of Management and Budget having a city as one of its components with a populations of at least 50,000 residents.

"(6) The term 'sell' means give, bequeath, or otherwise transfer ownership.

Sec. 4253. Application

"(a) The provisions of this chapter shall apply to any political subdivision which is a component of a standard metropolitan statistical area with respect to which the Attorney General determines—

"(1) (A) the rate of crime for crimes of violence in that standard metropolitan statistical area is 120 percent of the rate of crime for crimes of violence for the United States, or

"(B) the rate of crime for crimes of violence in that standard metropolitan statistical area is 110 percent of the rate of crime for crimes of violence for the United States and is 105 percent of such rate for crimes of violence in that area for the year preceding the year for which the determination is made.

"(b) The provisions of this chapter shall also apply to any political subdivision which, within 90 days after the effective date of the Handgun Enforcement Reorganization Act of 1975 or within 60 days after the beginning of any calendar year beginning with the year after such date, notifies the Attorney General of the desire of such subdivision to be subject to the provisions of this chapter.

"(c) The Attorney General shall make the initial determination under subsection (a) of this section not later than 90 days after the effective date of this Act. Subsequent determinations for the applications of provisions of this chapter may be made not later than 60 days after the beginning of any calendar year beginning with the year after the year in which the initial determination was made. All determinations made under this section shall be based upon the most satisfactory recent data available to the Attorney General, and shall be published in the Federal Register.

"§ 4254. Prohibition against possession of handguns in high crime areas

"It shall be unlawful for any person, except as provided in section 4256 of this Act, 30 days after a determination has been made under section 932 of this chapter, who is a resident of any standard metropolitan statistical area subject to that determination to sell, deliver, possess, import, or to cause to be sold, delivered, possessed, or imported a handgun or ammunition suitable for use in a handgun.

"§ 4255. Termination of applicability of this chapter

"(a) Not earlier than 5 years after the year in which the determination under section 932 is made, the Attorney General may terminate the applicability of the provisions of this chapter with respect to any standard metropolitan statistical area if the Attorney General determines that—

"(1) (A) the rate of crime for crimes of violence in that standard metropolitan statistical area is 80 percent of the crime rate for crimes of violence for the United States, or

"(B) the rate of crime for crimes of violence in that standard metropolitan statistical area is 90 percent of the crime rate for crimes of violence for the United States and is 95 percent of such rate for crimes of violence in that area for the year preceding the year for which the determination is made;

"(2) that any pattern of illegal activity which showed evidence of danger to the residents of that area and which involved offenses committed with the use of handguns in violation of the laws of the United States has ceased to exist; and

"(3) the termination of the applicability of the provisions of this chapter to that standard metropolitan statistical area is not likely to result in a significant rise in the incidence of crimes of violence.

"(b) Any determination made under subsection (a) of this section shall be based upon the most satisfactory recent data available to the Attorney General, and shall be published in the Federal Register.

"§ 4256. Exceptions.

"(a) The provisions of this subchapter shall not apply to any handgun or ammunition suitable for use in a handgun sold or delivered to or possessed by the United States or any department or agency of the United States, or any State or any department or agency of the United States, or any State or any department or agency of a State, or any political subdivision of a State or any department or agency of a political subdivision of a State.

"(b) The provisions of this subchapter shall not apply to any handgun or ammunition suitable for use in a handgun sold or delivered to or possessed by any agency which furnishes security guard services if that agency is licensed by the State or a political subdivision of the State in which the handgun or the handgun ammunition is to be used and its employees are licensed and authorized to furnish such security service in the State or political subdivision concerned.

"Sec. 4257. Penalties.

"Whoever violates any provision of this chapter or knowingly makes any false statement or representation with respect to any information required by the provisions of this chapter shall be fined not more than $5,000, or imprisoned not more than 5 years, or both.

"Sec. 4258. Disposition of Handguns to the Attorney General; amnesty

"(a) (1) Any person who prior to a determination made under section 4254 of this chapter lawfully possessed a handgun or ammunition and who becomes ineligible to possess such handgun or ammunition by virtue of that provision, shall, if within 60 days after it becomes illegal for any such person to possess such handgun or hundgun ammunition, receive reasonable compensation for the handgun or the handgun ammunition or both upon its surrender to the Attorney General.

"(2) The Attorney General is authorized to pay reasonable value for handguns and handgun ammunition voluntarily reliquished to him under this section.

"(3) The Attorney General is authorized to take the action necessary to facilitate carrying out the provisions of this section including advertisement within the standard metropolitan statistical area concerned.

"(b) (1) The Attorney General may whenever he considers it will carry out the objectives of this chapter provide for periods of amnesty during which persons who voluntarily surrender handguns or handgun ammunition or both may be paid reasonable value for their surrender as provided in subsection (a) and shall be granted immunity from prosecution for unlawful possession of such handgun or handgun ammunition.

"(2) Nothing in this section shall be construed as granting immunity from prosecution by any court for any crime other than the unlawful possession of a handgun or handgun ammunition.

"§ 4259. Rules and Regulations; Assistance to the Attorney General

"(a) The Attorney General may prescribe such rules and regulations as he deems reasonably necessary to carry out the provisions of this chapter.

"(b) When requested by the Attorney General the head of each department and agency of the Federal Government shall assist the Attorney General in the administration of the provisions of this chapter.

"Sec. 203. (a) Title 42, United States Code, chapter 52 is amended further by adding at the end thereof the following new subchapter:

"SUBCHAPTER VIII—INTERGOVERNMENTAL REDUCTIONS OF HANDGUN RELATED CRIMES

"§ 4260. Prohibition of Certain Handguns

"(a) It shall be unlawful for any person to import manufacture, sell, buy, transfer, receive, transport, or possess any handgun which the Attorney General determines to be unsuitable for law enforcement, military uses, hunting, sport shooting, and other lawful purposes based upon standards established by the Attorney General.

"(b) (A) The Attorney General may, consistent with public safety and necessity, exempt from the operations of paragraph (1) of this subsection such importation, manufacture, sale, purchase, transfer, receipt, transportation, or possession of handguns by importers, manufacturers, or dealers licensed under this chapter.

"(B) Such exemptions may take into consideration the needs of police officers, security guards, sportsmen, target shooters, firearm collectors, and other lawful uses.

"(C) For the purposes of this subsection the term 'handgun' means any weapon designed or redesigned and intended to be fired while held in one hand; having a barrel less than ten inches in length and designed, redesigned, made, or remade to use the energy of an explosive to expel a projectile or projectiles through a smooth or rifled bore.

"(c) (1) Any person who prior to a determination made under subsection (a) of this chapter lawfully possessed a handgun or handgun ammunition and who becomes ineligible to possess such handgun or ammunition and who becomes ineligible to possess such handgun or ammunition by virtue of that provision, shall, if within sixty days after it becomes illegal for any such person to possess such handgun or handgun ammunition, receive reasonable compensation for the handgun or the handgun ammunition or both upon its surrender to the Attorney General.

"(2) The Attorney General is authorized to pay reasonable value for handguns and handgun ammunition voluntarily relinquished to him under this section.

"(3) The Attorney General is authorized to take the action necessary to facilitate carrying out the provisions of this section including advertisement within the standard metropolitan statistical area concerned.

"(b) (1) The Attorney General may whenever he considers it will carry out the objectives of this chapter provide for periods of amnesty during which persons who voluntarily surrender handguns or handgun ammunition or both may be paid reasonable value for their surrender as provided in subsection (a) and shall be granted immunity from prosecution for unlawful possession of such handgun or handgun ammunition.

"(2) Nothing in this section shall be construed as granting immunity from prosecution by any court for any crime other than the unlawful possession of a handgun or handgun ammunition.

TITLE III—MISCELLANEOUS PROVISIONS

"SEC. 301. EFFECTIVE DATE

(a) Except as provided in subsection (b) and (c) of this section, the amendment made by this Act shall take effect on the first day of the third month after its enactment.

(b) The provisions of Title II, except the provisions of sections 4245 and 4246 take effect sixty days after the date of enactment of this Act, or on such prior date after enactment of this Act as the President shall prescribe and publish in the Federal Register.

(c) Notwithstanding subsections (a) or (b), the officer provided for in section 102 may be appointed in the manner provided for in this Act, at any time after the date of enactment of this Act. That officer shall be compensated from the date he first takes office, at the rate provided for in this Act. Such compensation and related expenses of his office shall be paid from funds available for the functions to be transferred to the Department pursuant to this Act.

By Mr. WILLIAMS (for himself, Mr. JAVITS, and Mr. SCHWEIKER):

S. 2154. A bill to amend the Railroad Unemployment Insurance Act to increase unemployment and sickness benefits and for other purposes. Referred to the Committee on Labor and Public Welfare.

Mr. WILLIAMS. Mr. President, on June 13, 1975, I introduced S. 1939 which has for its purpose the updating of the obsolete unemployment insurance benefits covering the railroad industry. Today I am introducing for myself, Senator JAVITS, and Senator SCHWEIKER a bill which represents a modified version of S. 1939. Since the introduction of S. 1939, further consideration of these proposals has been undertaken by the parties whose rights would be affected by the legislation. That is, the representatives of employees who receive the benefits and the carriers who must pay for them through contributions to the trust fund.

As I explained in my remarks last month in introducing the earlier version of this bill, the unemployment and sickness insurance system for railroad employees was first established in 1938 when Congress enacted a national unemployment insurance program administered by the U.S. Railroad Retirement Board.

It has, of course, been necessary through the 35 year history of this Federal program for railroad employees to amend the act from time to time to adjust benefit levels, among other things, to correspond with changes in the wage structure in the railroad industry and to reflect the rapidly changing conditions in our economy. This has been particularly true during the post-World War II years. For example, the original act prescribed daily benefit rates from $1.75 to $3 per day. This maximum was raised to $4 per day in June of 1939 and throughout the years has been increased further to reflect changes in railroad wages until in 1968 the maximum benefit was increased from $10.20 per day to $12.70 per day, corresponding to approximately 50 percent of the average wage in the railroad industry at each point of correction.

Of course, the $12.70 maximum established 7 years ago was adequate for its day but, given the rapid inflation since that time, this level has become totally insufficient.

The bill which I am introducing today represents a compromise from the goals set forth in S. 1939. The interests of the workers who receive exceedingly low benefits at the present time require immediate legislation. Consequently, I hope and expect that S. 2154 will have the full support of the industry and labor organizations representing more than half a million employees.

The bill provides for an increase in the maximum for both unemployment and sickness compensation to $24 per day for the period beginning July 1, 1975, and ending June 30, 1976. Thereafter the maximum would be increased to $25 per day.

The unemployment and sickness benefit level remain at 60 percent of the daily rate of compensation for the railroad employees' last employment with a floor of $12.70. The maximum would be established for the current benefit year at $24, as I have stated, with the additional $1 increase to $25 to become effective for the benefit year beginning July 1, 1976.

The bill is of enormous importance to railroad employees throughout the United States. Unemployment in the railroad industry affects almost every State in the United States. Nationwide it has reached approximaely 40,000 railroad employees who have been furloughed and their families who are experiencing real hardship because of the substandard and outdated level of benefits in the existing law.

This bill provides that the changes in the benefit rate shall become effective retroactively beginning with July 1, 1975.

There are also other changes in the act. Sickness benefits under present law are payable only after the claimant has had 7 or more days of sickness during one 14-day registration period in a given benefit year. Beginning July 1 of each year thereafter, sickness benefits, under existing law are, payable for any sickness in excess of 4 days during a subsequent registration period in the same benefit year.

The bill will reduce the waiting period from 7 days to 4 days during the first registration period. Sick benefits are to be payable for each day of sickness in a "period of continuing sickness" after the first 4 consecutive days of sickness in the registration period in which the "period of continuing sickness" began and each day of sickness in excess of 4 during subsequent 14-day registration periods in which the "period of continuing sickness" persists.

A rail employee must earn $1,000 in the previous calendar year to qualify for benefits. Present law limits the amount which can be counted in any single month toward meeting this requirement to $400. Thus the employee must work in excess of 2 full months in the base year to be eligible, regardless of how much he earns per month.

The law also provides that an unemployed worker cannot receive more in aggregate benefits than he received in covered wages in the previous year. In order to require the same period of employment to qualify for maximum aggregate benefits as is currently required, the amount of wages to be counted in any month toward meeting that requirement is raised from $400 to $775.

Another significant change is the provision in the bill which would provide an extended benefit period of 13 weeks for employees with less than 10 years of service in the railroad industry. Employees in this group are limited under the existing law to 26 weeks of benefits. In other years special Federal legislation was passed during periods of high unemployment to provide for an extended benefit period. The bill would make this a permanent feature of the system.

The 1959 amendments to the Railroad Unemployment Insurance Act provided extended benefits for employees with 10 or more years of service in the railroad industry.

This bill would provide extended benefits for those with less than 10 years of service who are likely to be the first workers laid off and remain laid off for longer periods of time.

The new extended benefit provisions are coordinated with the provisions of the Federal-State extended unemployment compensation program as amended in 1974. Thus, this bill provides that the extended benefits are available only during periods of high unemployment, with trigger provisions adapted from the Federal-State program. For example, extended benefits would become available to railroad employees with less than 10 years of service 20 days after either the national "on" indicator becomes effective or after a 3-consecutive-month period in which the rate of railroad unemployment equals or exceeds the level required for the national "on" trigger.

Similarly, the provisions for terminating the extended benefits are patterned after the method used in the Federal-State system.

The formula for employer contributions to the unemployment account will be changed so as to provide adequate funding to finance the upgrading of benefits.

Thus the employer will contribute each month a percentage of earnings, not to exceed one-twelfth of the earnings subject to taxation under social security and railroad retirement. As under present law $400 per month is subject to employer contribution; however, the rate of contribution is substantially increased. A sliding scale is established which would require a contribution of 8.0 percent of wages paid if the insurance account balance is less than $50 million; 7.0 percent if the balance in the account is between $50 million and $100 million; 5.5 percent if the balance in the account is between $100 million and $200 million; 4.0 percent if the balance in the account is between $200 million and $300 million; and one-half of 1 percent if the balance in the account is more than $300 million.

This bill will also increase the maximum period for which benefits can be paid from 26 weeks to 39 weeks. In addition the number of months which a new employee must have worked in the base year to be eligible for benefits is reduced from 7 months to 2 months.

Other changes in the act include an increase from $3 per day to $10 per day in the amount an employee can earn in part-time work without losing his eligibility for benefits. The bill permits an acceleration of the benefit year for employees with at least 5 years of service instead of the current requirement of 10 years' service. The bill also provides for an additional 7-day waiting period before unemployment benefits may be paid in the case of workers unemployed as a result of a strike.

Mr. President, this bill also has some technical amendments to the Railroad Retirement Act of 1974 and the Railroad Retirement Tax Act.

As I stated in introducing S. 1939, the need for a substantial revision in railroad unemployment insurance is apparent. Both in terms of traditional levels of unemployment benefits received by railroad workers and in terms of benefits now received by nonrailroad employees covered by State unemployment insurance laws, it is clear that railroad employees have the right to expect a major overhaul in benefit rates. Accordingly, I will urge speedy action on this measure.

Mr. JAVITS. Mr. President, I am pleased to join with Senator WILLIAMS and Senator SCHWEIKER in sponsoring legislation to reform the railroad unemployment insurance program. The bill that we are introducing today has been worked out in coordination with the parties directly affected by the RUIA program—the representatives of the employees who receive benefits, and the rail carriers who must pay for those benefits.

The RUIA program was established by Congress in 1938 to provide assistance to railroad workers who become unemployed, or are unable to work because of sickness. The program is administered by the Railroad Retirement Board.

Since its original enactment, the program has been amended several times to provide for an increase in benefits and make other changes in the program. When originally enacted, the program provided for a daily benefit maximum of $3 per day. The most recent amendments, adopted by the Congress in 1968 raised the daily maximum from $10.20 to $12.70 per day.

The bill we are introducing today would raise the maximum daily benefit from $12.70 to $24 per day retroactive to July 1 of this year. After July 1 of 1976, the maximum would be raised to $25. These increases are designed to compensate unemployed railroad workers for the inflationary erosion which has taken place since the program was last amended.

The basic benefit standard—60 percent of most recent wages—is retained in the program. The bill also provides for substantial increases in the tax rate which employers pay into the railroad unemployment insurance fund. These increases will permit the fund to maintain fiscal soundness in light of the increased benefit maximums.

This bill also provides, for the first time, for a program of extended unemployment compensation for railroad workers with less than 10 years of seniority. These workers are likely to be the first laid off, and the last rehired during periods of recession. The bill would provide these workers with 13 weeks of additional benefits if they have exhausted their entitlements under the regular railroad unemployment insurance program. This extended benefits program would be triggered "on" either when the Federal-State Extended Benefits program for nonrailroad employees is triggered "on," or when the rate of railroad unemployment equalled or exceeded the trigger levels provided for the regular Federal-State Extended Benefits program. Workers with over 10 years of seniority are already covered by a program of extended benefits.

The bill also makes a number of other changes to improve the program. Included in these are changes in base period wage calculations which reflect the increase in maximum entitlements. Also included is a provision which mandates an additional 7-day waiting period before unemployment benefits may be paid in the case of workers who are unemployed as a result of a strike.

In addition to the amendments to the railroad unemployment insurance program, the bill makes a number of technical changes in the Railroad Retirement Act of 1974 and the Railroad Retirement Tax Act.

Mr. President, there is a clear and urgent need to pass this legislation reforming the railroad unemployment insurance program in order to provide adequate compensation for railroad employees who become unemployed. The simple fact that benefit maximums have not been adjusted since 1968 requires that Congress focus its attention on this matter as quickly as possible. I hope that with the active support of all concerned parties, it will be possible to consider this legislation before Congress adjourns for the August recess.

By Mr. BEALL:

S.J. Res. 110. A bill authorizing the President to proclaim April 14 of each year as "John Hanson Day". Referred to the Committee on the Judiciary.

Mr. BEALL. Mr. President, I introduce a joint resolution which would, if enacted, authorize the President to proclaim April 14 of each year as "John Hanson Day." On April 14, 1971, Senator MATHIAS and I sponsored a public ceremony in the Capitol marking the 250th birthday of the man who was to serve as the first "President of the United States in Congress Assembled." On that same date, I introduced a similar resolution (S.J. Res. 85).

I would note, Mr. President, that there is some dispute about the actual birthday of John Hanson. In spite of this dispute, I believe that there is considerable evidence to substantiate April 24, 1721 as his actual birth date. But the significance of John Hanson lies not in the date of his birth but in the contributions he made to our Nation during its early formative years. Although other men had served as the presiding officer of the Continental Congress, John Hanson assumed the post under rather unique circumstances:

First. He was "The first President elected under and according to our first Constitution"—The Articles of Confederation.

Second. He became President just as America had won her struggle for independence.

Third. He was charged with the responsibility of laying a foundation upon which a nation would be built. This Nation would contain 13 semi-independent colony/ states with diverse interests and deep seated in rivalries.

Fourth. He had to organize a civil government to conduct the affairs of our young republic.

Fifth. He had to do all these things within the loose framework of the Articles of Confederation. The States, jealous of their own independence and still fearing the power of the King, granted very little authority to the national government.

Faced with what might appear to be insurmountable difficulties, the Continental Congress turned to this outstanding Marylander to provide the leadership needed to build a Nation. Fortunately John Hanson was a man ideally suited, both in terms of intellect and temperment, for this task.

During his tenure as "President of the Congress of the Confederacy" Hanson laid the groundwork for our Cabinet, our Consular Service, our postal service, and our National judiciary. In addition to these achievements John Hanson established many of the precedents from which our Presidency evolved. This is especially significant in light of the fact that, in 1781, only one European state, Switzerland, had a Republican form of government.

President Hanson conscientiously and successfully sought to establish himself and his office as the Chief-of-State and head of the Government of the United States.

His success is reflected in the following quotes:

> 1. George Washington in a letter dated November 20, 1781, said ". . . I congratulate your excellency on your apointment to fill the most important seat in the United States."
>
> 2. In a document of the Continental Congress we read . . . "The President of the Congress being at the head of the Sovereignty of the United States takes precedence of all and every person in the United States."

Thus it might be said that our first constitutionally elected Chief Executive was a strong man in a weak position. But the personal strength of our first constitutionally elected Chief Executive gave strength, stability, and legitimacy to the Confederated Government which enabled it to guide us through the transition period from revoluntionary struggle to constitutional federalism. The achievements of the Confederated era are seldom discussed and rarely taught in our schools and colleges. The Articles of Confederation (1781–1789):

First, brought the States together in spite of their differences.

Second, provided continuity of leadership from the revolution era, to confederation, and on to our present constitutional government.

Third, unified foreign relations and established the United States of America as a Nation-State."

Fourth, enacted the ordinances of 1785 and 1787 (the ordinance of 1785—established policy for the distribution of Western lands—the Ordinance of 1787 established procedures for admitting new States which is still in use).

Fifth, provided the necessary governmental machinery for the transition from revolution to the Constitution of 1789.

In closing let me say that our interests should not be limited to recognizing John Hansen simply because he was our first President. Instead we should revive interest in him because he was a truly great American patriot and political leader who should be recognized as one of the founders of this great republic.

ADDITIONAL COSPONSORS OF BILLS AND RESOLUTIONS

S. 521

At the request of Mr. JACKSON, the Senator from South Carolina (Mr. HOLLINGS) was added as a cosponsor of S. 521, the Energy Supply Act of 1975.

S. 1359

At the request of Mr. MUSKIE, the Senator from Connecticut (Mr. RIBICOFF), the Senator from Washington (Mr. JACKSON), and the Senator from Illinois (Mr. PERCY) were added as cosponsors of S. 1359, a bill to coordinate State and local government budget-related actions with Federal Government efforts to stimulate economic recovery by establishing a system of emergency support grants to State and local governments.

S. 1280

At the request of Mr. TUNNEY, the Senator from California (Mr. CRANSTON) was added as a cosponsor of S. 1280, a bill to authorize the President to appoint Captain Ferdinand Mendenhall, U.S. Navy Reserve Retired, to the grade of rear admiral on the Reserve retired list.

S. 1286 WITHDRAWAL

At the request of Mr. BEALL, the Senator from Washington (Mr. JACKSON) was withdrawn as a cosponsor of S. 1286, a bill to amend title II of the Social Security Act.

S. 1286

At the request of Mr. BEALL, the Senator from New York (Mr. JAVITS) was added as a cosponsor of S. 1286, supra.

S. 1469

At the request of Mr. STEVENS, the Senator from Alaska (Mr. GRAVEL) was added as a cosponsor of S. 1469, a bill to amend the Alaska Native Claims Settlement Act to continue the authority of the Joint Federal-State Land Use Planning Commission for Alaska until June 30, 1979.

S. 1479

At the request of Mr. WILLIAMS, the Senator from Montana (Mr. METCALF) was added as a cosponsor of S. 1479, a bill to protect the economic rights of labor in the building and construction industry by providing for equal treatment of craft and industrial workers.

S. 1501

At the request of Mr. GRAVEL, the Senator from Alaska (Mr. STEVENS) was added as a cosponsor of S. 1501, an act to extend the existence of the joint Federal-State land use planning commission for Alaska.

S. 1513

At the request of Mr. RANDOLPH, the Senator from New Mexico (Mr. MONTOYA), the Senator from West Virginia (Mr. ROBERT C. BYRD), and the Senator from Alabama (Mr. ALLEN) were added as cosponsors of S. 1513, a bill to extend the Appalachian Regional Development Act of 1965.

At the request of Mr. BAKER, the Senator from Vermont (Mr. STAFFORD) and the Senator from New Mexico (Mr. DOMENICI) were added as cosponsors of S. 1513, supra.

S. 1607

At the request of Mr. RANDOLPH, the Senator from Hawaii (Mr. INOUYE) was added as a cosponsor of S. 1607, a bill to authorize the employment of reading assistants for blind employees and interpreters for deaf employees.

S. 1711

At the request of Mr. CRANSTON, the Senator from Florida (Mr. STONE) and the Senator from Georgia (Mr. TALMADGE) were added as cosponsors of S. 1711, a bill to amend title 38, United States Code, to provide special pay and other improvements designed to enhance the recruitment and retention of physicians, dentists, nursing personnel, and other health care personnel in the Department of Medicine and Surgery of the Veterans' Administration, and for other purposes.

S. 1746

At the request of Mr. BELLMON, the Senator from South Dakota (Mr. ABOUREZK) was added as a cosponsor of S. 1746, a bill to provide additional credit facilities for farmers and other rural residents.

S. 1843—WITHDRAWAL

At the request of Mr. DOLE, the Senator from Illinois (Mr. STEVENSON) was withdrawn as a cosponsor of S. 1843, a bill to amend and clarify certain regulatory authorities of the Federal Government over work and activities in navigable waters.

S. 1906

At the request of Mr. CHURCH, the Senator from Mississippi (Mr. EASTLAND), the Senator from South Carolina (Mr. THURMOND), the Senator from Tennessee (Mr. BROCK), the Senator from Oregon (Mr. HATFIELD), the Senator from Rhode Island (Mr. PASTORE), and the Senator from New York (Mr. JAVITS) were added as cosponsors of S. 1906, a bill to amend title XVIII of the Social Security Act to require the continued application of the nursing salary cost differential which is presently allowed in determining the reasonable cost of inpatient nursing care for purposes of reimbursement to providers under the medicare programs.

S. 1926

At the request of Mr. SCHWEIKER, the Senator from New Hampshire (Mr. McINTYRE) was added as a cosponsor of S. 1926, the Health Maintenance Organization Amendments of 1975.

S. 1961

At the request of Mr. BIDEN, the Senator from Minnesota (Mr. HUMPHREY) was added as a cosponsor of S. 1961, the Consumer Leasing Act of 1975.

S. 1989

At the request of Mr. STONE, the Senator from Iowa (Mr. CLARK) was added as a cosponsor of S. 1989, a bill to direct the preparation and submission to the President information to assist in negotiations with oil-producing countries.

S. 2001

At the request of Mr. EAGLETON, the Senator from Montana (Mr. MANSFIELD), the Senator from Pennsylvania (Mr. HUGH SCOTT), and the Senator from South Dakota (Mr. MCGOVERN) were added as cosponsors of S. 2001, a bill to amend title II of the Social Security Act to reduce from 20 to 10 years the period of time a divorced woman's marriage to an individual must have lasted for her to qualify for wife's or widow's benefits on the basis of the wages and self-employment income of such individual.

S. 2007

At the request of Mr. THURMOND, the Senator from Utah (Mr. GARN) was added as a cosponsor of S. 2007, a bill to amend the Internal Revenue Code of 1954 to provide a tax credit for wages paid in new jobs.

S. 2106

At the request of Mr. Tower, the Senator from Wyoming (Mr. Hansen) was added as a cosponsor of S. 2106, a bill to amend title IX of the Education Amendments of 1972.

SENATE RESOLUTION 214

At the request of Mr. Hugh Scott, the following Senators were added as cosponsors of S. Res. 214, expressing concern over attempts to expel Israel from the United Nations: Mr. Allen, Mr. Baker, Mr. Bayh, Mr. Beall, Mr. Brooke, Mr. Buckley, Mr. Robert C. Byrd, Mr. Case, Mr. Domenici, Mr. Eagleton, Mr. Fong, Mr. Garn, Mr. Gravel, Mr. Hansen, Mr. Philip A Hart, Mr. Hartke, Mr. Hatfield, Mr. Helms, Mr. Hruska, Mr. Inouye, Mr. Jackson, Mr. Javits, Mr. Magnuson, Mr. Mathias, Mr. McGovern, Mr. McIntyre, Mr. Mondale, Mr. Moss, Mr. Packwood, Mr. Ribicoff, Mr. Schweiker, Mr. Stafford, Mr. Stevens, Mr. Stone, Mr. Taft, Mr. Talmadge, Mr. Thurmond, Mr. Weicker, and Mr. Williams.

SENATE CONCURRENT RESOLUTION 48

Mr. HOLLINGS. Mr. President, I ask unanimous consent that an up-to-date list of cosponsors of Senate Concurrent Resolution 48, inviting Alexandr Solzhenitsyn to address a joint session of the Congress, be printed in the Congressional Record.

There being no objection, the list was ordered to be printed in the Record, as follows:

List of Cosponsors

Mr. Allen; Mr. Bayh; Mr. Beall; Mr. Bellmon; Mr. Bentsen; Mr. Brooke; Mr. Buckley; Mr. Bumpers; Mr. Byrd of Virginia; Mr. Cranston; Mr. Culver; Mr. Domenici; Mr. Fannin; Mr. Hansen; Mr. Hart of Michigan; Mr. Helms; Mr. Humphrey; Mr. Laxalt; Mr. McClure; Mr. McIntyre; Mr. Metcalf; Mr. Mondale; Mr. Moss; Mr. Nunn; Mr. Stone; Mr. Taft; Mr. Thurmond; Mr. Weicker; and Mr. Williams.

SENATE CONCURRENT RESOLUTION 51

At the request of Mr. McIntyre, the Senator from Connecticut (Mr. Weicker) and the Senator from Oregon (Mr. Hatfield) were added as cosponsors of Senate Concurrent Resolution 51, providing for a conditional adjournment of the Senate.

SENATE JOINT RESOLUTION 90

At the request of Mr. Domenici), the Senator from Alaska (Mr. Gravel) was added as a cosponsor of Senate Joint Resolution 90, a joint resolution to authorize the President of the United States to designate "National Ski Week."

SENATE RESOLUTION 215—SUBMISSION OF A RESOLUTION REQUIRING VERBATIM ACCOUNTS IN CONGRESSIONAL RECORD

(Referred to the Committee on Rules and Administration)

CONGRESSIONAL RECORD REFORM

Mr. PACKWOOD. Mr. President, I am joined today by Senators Beall, Brock, Chiles, Clark, Domenici, Garn, Goldwater, Gravel, Haskell, Percy, Stafford, and Stevens, in the introduction of legislation which would make several changes in the method by which Senate debate is reported in the Congressional Record. A similar bill was introduced in the House of Representatives by Congressman William Steiger.

Since 1873, the Congressional Record has provided a continuous account of the daily legislative activity in the House and Senate Chambers. In his article, "The Congressional Record, Fact or Fiction of the Legislative Process," Prof. Howard Mantel assigns the value of the Record to two functions: First, as a source of information and political control, and second, as an historical record of congressional activity and intent. It is the latter that is of particular consequence in this discussion.

Professor Mantel underscores its importance, "In an Era of Increasing Federal Activity, the answer to the question, 'What Did Congress Mean,' becomes of vital significance, and the documentation reflecting congressional intent becomes a part of the living literature of our statutes." While this increasingly holds true for interpretation of the law by Federal agencies, it has traditionally been a function of our courts to "construe the language so as to give effect to the intent of Congress" (Mr. Justice Reed, *U.S.* v. *American Trucking Associations*, 310 U.S. 534 at 542 (1940).

Acknowledging the importance of congressional intent to the interpretation of our statutes, it would logically follow that the Congressional Record, as the chief primary resource for determining congressional intent at the time of passage of an amendment, bill, resolution, or treaty, must be an accurate representation of that intent. It is not.

Title 44, section 901 of the United States Code, states that:

> The Congressional Record shall be substantially a verbatim report of the proceedings . . . in the House and Senate Chambers.

The rather broad interpretation given to the word "substantially" over the years has been a cause of concern to a number of the readers of the Record, including lawyers, judges, and scholars. I believe that their concern is just.

On almost any day, speeches that were never given on the Senate floor are included in the body of the Record and are largely indistinguishable from those actually delivered. Only the most experienced reader of the Record, or someone who was present in the Senate Chamber is able to tell the difference. When we are debating legislation and attempting to establish the congressional intent, it is grossly misleading—not to mention confusing—to line up speeches submitted for the Record with those given by Senators participating in the actual debate. Certainly, the time element would require that some speeches must be submitted only for the Record, but that should be clear to those who go back to the Record for the legislative history of a bill. It should be clear to anyone who reads the Congressional Record. It is not.

Nor is it readily apparent that what is printed in the Record under a Senator's name may not be what was actually said on the floor. All Senators enjoy the privilege of revising their remarks and the practice of "correcting the Record" is a common and widely employed one.

Examples abound of the above discussed misrepresentations in the Congressional Record. One oft quoted instance is the speech in which—according to the Record—Representative Hale Boggs wished his fellow Congressmen a Merry Christmas, 2 days after he died in a plane crash in Alaska.

Another example occurred just this week during the Senate debate on the New Hampshire contest. The July 16, 1975, edition of the Washington Post quoted one Senator as having remarked that the narrow margin of the vote on issue 1 of Senate Resolution 166 "indicates there is no steamroller in operation." However, a close reading of the account of that day's proceedings in the Congressional Record failed to yield any such statement. Consequently, further remarks referring to a "steamroller" effect were confusing and seemingly non sequitur.

The resolution my colleagues and I are proposing today would establish guidelines for the printing of the Congressional Record and would limit any revisions of the Record to grammatical corrections.

Specifically, the proposal stipulates:

First. That the Record be an accurate and verbatim account of remarks in the order they were delivered on the Senate floor;

Second. That revisions be limited to corrections of grammar—not changes of substance; and

Third. That insertions have a distinctive type face from that used for verbatim remarks.

It is the hope of those Senators sponsoring this resolution that the above guidelines will be effective in achieving a more accurate Record.

Mr. President, our attempt to reform the Record is not without precedent. One champion of an accurate Record was a predecessor of mine in this body, Senator Richard L. Neuberger. In 1958, he offered a resolution to write into the rules of the Senate that "no changes of a substantive nature" could be made in the text of Senate debate as taken down by the corps of Senate shorthand reporters. He declared:

> The very masthead, "Congressional Record" ought to assure rigid fidelity to truth and circumstances. Why else should the Government spend approximately $1,700,000 a year to publish some 43,000 copies of the Record?

Mr. President, that statement was made 17 years ago and I am sure no one will be surprised to learn that the inflation in cost we all must deal with these days has not spared the Congressional Record. However, notwithstanding our expressions of concern for wasteful government spending, we continue to condone the expenditure of a large sum of money on the Congressional Record with highly questionable results.

The current estimate for the printing costs alone is $278 per page. Last year the Congressional Record ran nearly 43,000 pages, costing about $11,954,000 and, quite frankly, I think if we are going to spend that kind of money, the result should at least be a document which is useful and accurate.

Mr. President, I would like to close my remarks today with a statement made by President Johnson, while he was still majority leader in the Senate. On one occasion, he remarked that:

> There are few documents more important than the CONGRESSIONAL RECORD. Locked in its pages are the debates, the resolutions, the bills, the memorials, the petitions, and the legislative actions that are the reasons for the existence of the Senate. It is a document which affects our laws, our precedents, and our judicial decisions.

I agree.

Unfortunately, the inherent worth of the CONGRESSIONAL RECORD is sadly diminished by its inaccuracies. It should be a document of integrity and I believe that we have an obligation to make it one. I urge my colleagues to take this opportunity to do so.

Mr. President, I ask unanimous consent that the text of the resolution be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

S. RES. 215

Resolved, That the body of the Congressional Record for the Senate shall contain an accurate and verbatim account of remarks actually delivered on the floor of the Senate together with such permitted tables, statistics, and other supporting data directly relating to the subject matter under discussion. Such remarks and data shall appear in the order in which they were delivered.

SEC. 2. Extensions and revisions of remarks in the Congressional Record delivered on the floor of the Senate shall be limited to the correction of grammatical and typographical errors. Such corrections shall not make any change in the meaning, content, or substance of those remarks.

SEC. 3. Senators may, by unanimous consent, make insertions in the Congressional Record of remarks not actually delivered on the floor. Such insertions shall appear as may be appropriate, following the record of the entire debate to which they are germane and prior to the record of a vote except that such insertions shall be printed in a type face distinctively different from that used for verbatim remarks.

SEC. 4. The Secretary of the Senate shall transmit a copy of this resolution to the Public Printer.

SENATE RESOLUTION 216—SUBMISSION OF A RESOLUTION RELATING TO THE ERADICATION OF BRUCELLOSIS

(Referred to the Committee on Agriculture and Forestry.)

Mr. HUDDLESTON (for himself, Mr. ALLEN, Mr. BAKER, Mr. EASTLAND, Mr. FORD, Mr. STONE, and Mr. TALMADGE) submitted the following resolution:

S. RES. 216

Whereas approximately $12,000,000 a year in losses are suffered by farmers and ranchers in the United States as the result of the animal disease brucellosis;

Whereas approximately $53,500,000 will be expended on the brucellosis control program in fiscal year 1975, $28,500,000 of which will be Federal funds;

Whereas in the United States such disease most commonly infects cattle and in fiscal year 1975 resulted in more than 1.7 million head of cattle being quarantined;

Whereas most experts agree that an intensive 5 year program would completely eradicate the disease and result in substantial savings in the future: Now, therefore, be it

Resolved, That the Secretary of Agriculture is requested to formulate and submit to the Committee on Agriculture and Forestry of the Senate, within 90 days after the date on which this resolution is agreed to, a plan for the complete eradication of the animal disease brucellosis over a 5 year period, a feasibility study of such plan, and the estimated cost of implementing such plan.

SEC. 2. The Secretary of the Senate shall transmit a copy of this resolution to the Secretary of Agriculture.

Mr. HUDDLESTON. Mr. President, today I am submitting a resolution which calls upon the Department of Agriculture to formulate a plan for the complete eradication of the animal disease brucellosis over a 5-year period. This resolution requests the Secretary of Agriculture to submit to the Senate Committee on Agriculture and Forestry the plan along with a feasibility study of the plan and the estimated cost of implementation within 90 days.

Brucellosis is not a problem in all States. The 11 southeastern States are endemic areas in that most of the brucellosis in the United States is centered in these States. Currently States surrounding the affected States are embargoing cattle from the infected areas by enforcing rigid quarantine regulations.

At the present time there are over 9,000 quarantined herds in the United States. This represents a quarantined cattle population of 1.7 million. There are over 3,000 quarantined herds in Texas; over 1,000 in Mississippi, and nearly 1,000 in Oklahoma. My State, Kentucky, is a border State regarding this disease. In the States to the north of Kentucky the disease is not prevalent. But Kentucky has over 250 quarantined herds.

The infection rate of brucellosis is alarming in some States. In Florida, for example, the infection rate is 21 herds per 1,000 herds. In Louisiana it is 19 herds per 1,000 herds and is nearly as high in Texas.

Brucellosis is an unpopular problem with cattlemen because there is no cure for infected animals and the control method is depopulation. No farmer enjoys the thought of having to dispose of his herd or select animals in the herd because they are infected. At the present time calfhood vaccination is only partially effective against the disease.

The USDA has had the authority to undertake a program to eradicate brucellosis for 31 years. Yet we are not much closer to eradication today than we were in 1944 when the authority to undertake eradication of the disease was given to the USDA by the Organic Act of 1944. I feel it is time to get on with the job at hand. It is an unpleasant task, so let us get it over with.

At present we are annually spending $28.5 million of Federal funds which are matched by $25 million of State funds to control the disease. It is estimated if the present control program were abandoned the losses would soar to $300 million yearly within 7 to 8 years from the $12 million now being suffered by farmers and ranchers. Most experts agree that an intensive 5-year program would totally eradicate the disease. This resolution asks the USDA to formulate such a program and report how difficult and how expensive it would be to implement it.

AMENDMENTS SUBMITTED FOR PRINTING

ROLE OF DEPOSITORY INSTITUTIONS—S. 1281

AMENDMENTS NOS. 699 THROUGH 702

(Ordered to be printed and to lie on the table.)

Mr. TAFT. Mr. President, today I am submitting several amendments to S. 1281, the bill which would require lenders to disclose the location by census tract of their mortgage loans.

Since coming to the Senate I have spent a great deal of time working on measures designed to improve general livability, and the housing specifically, in our older urban neighborhoods. I have done this because I believe that the fate of these neighborhoods will play a major role in the future of our cities. Responsible efforts to help preserve these neighborhoods are desirable from both an economic and a "people" standpoint.

These efforts on behalf of such neighborhoods and their residents have had mixed results at best. However, I am pleased that they have played a role in congressional decisions to change the national housing goal to emphasize the preservation of older housing, to require in the community development program that maximum feasible priority be given to efforts to prevent or eliminate slums and blight and to continue the 3 percent Federal housing rehabilitation loan program—section 312—at a $100 million authorization level for this fiscal year.

Thus, I am extremely interested in S. 1281, which has been advanced by its sponsors with a similar purpose in mind. The rationale most often advanced for this bill is that it will reduce the likelihood that financial institutions will engage in "redlining," or discriminating unjustly against entire neighborhoods in the provision of mortgage credit. The bill's sponsors hope that either through raising lenders' consciousness of the need to make a special effort to provide credit in our older neighborhoods, or through pressure brought by community groups as a result of the information disclosed, S. 1281 would help to increase the flow of credit into these neighborhoods. The legislation also has been justified on the grounds that all consumers, specifically depositors or potential depositors within a community, should have access to this type of information.

On the other hand, earlier this year I introduced the Inflation Impact Statement Act of 1975, the purpose of which was to insure that Congress considers fully the likely burden on private industry and thus the probable eventual cost to consumers of the regulatory legislation it passes. I take that idea very seriously. With regard to this bill, it means that we must assess the likely usefulness of the disclosure requirement carefully against the probable burden upon and cost to the financial institutions of course, other possible problems with the disclosure approach, such as the borrower privacy issue, which has surfaced in the limited demonstrations of the approach thus far, also must be considered.

Unfortunately, I believe that to some extent, the national debate on urban home lending practices has not focused upon the real issues. The use of the emotional term "redlining" has polarized the debate. It has helped to cause some community groups to regard the financial institutions' actions as unrealistically sinister and some financial institutions to respond as if their business practices are virtually above subjection to public examination.

Contrary to the claims of some financial institutions, I believe that there are some serious problems with regard to there performance in providing credit to our older neighborhoods—in which many of them are located. However, unlike some community groups, I do not attribute these problems largely to any sinister intent.

There undoubtedly are instances where whole neighborhoods are discriminated against on racial grounds or similar grounds which are illegal under the Civil Rights Act of 1968, and financial institutions should be held accountable for such actions. Admittedly in most cases the credit "discrimination" probably results from a good-faith business judgment concerning the lending risks involved rather than blatant intentional discrimination as we usually use the term, the problem with lenders' credit practices in these neighborhoods is that they sometimes are far more conservative than appears to be necessary, based on actual credit experience. The financial institution may feel that it can afford to be extremely conservative because it has plenty of business in the suburbs or wealthier neighborhoods.

By these practices, the financial institution may be contributing to the decline of various neighborhoods, even though its actions are motivated by what it believes to be legitimate business considerations.

Thus, the redlining issue is not generally a simple question of intentional discrimination, but rather a more difficult one concerning the propriety of business judgments and the possibilities for changing them.

The fundamental confusion about the redlining issue is equaled or surpassed by the confused claims concerning the effects of this bill. I feel that the financial community's concerns that the bill will have such effects as creating "runs" on financial institutions are exaggerated. Along the same lines, I am not as concerned as they about the dangers that the disclosed data will be misleading or used in a misleading manner. The raw data might be misleading or not very revealing in some instances, but I apparently have more faith than the financial institutions themselves in their ability to defend themselves publicly against inaccurate charges and to make their case to the public.

For similar reasons, I am not overly concerned that disclosure will force the institutions into making unsound loans. I also cannot reject this bill on the grounds that it is a first step toward credit allocation. Congress would have to evaluate any such allocation proposal on its own merits and the considerations would be quite different than those involved in this debate.

On the other hand, I feel that some of the community groups supporting this bill may expect it to do too much. In some cases the data obtained through disclosure may be inaccurate to a significant degree and misleading or not too meaningful, because there are several reasons other than redlining that a neighborhood may not be receiving much home mortgage credit.

Much more importantly, those who hope that this bill will result in the extension of mortgage credit by lenders with no assessment of the credit risk posed by a neighborhood's condition will be disappointed. We cannot expect lenders to make unsound loans, nor do we want them to do so. We must face the fact that even if lenders make the realistic and unbiased assessment of credit risks for which we strive, the result will not necessarily be a great influx of conventional loan money into those older areas where properties truly pose additional lending risks.

For those reasons, I feel that this bill's effects are likely to be more limited than either its proponents or its opponents claim. On the plus side, just the act of loan disclosure by location may give lenders a new awareness of the need to serve more adequately our older neighborhoods. The information may also benefit or result in positive actions involving community groups and consumers in some cases. The bill's most serious negatives are its cost and aggravation to the financial institutions and the borrower privacy issue. The facts are not well developed on either problem, but it appears that the cost to the institutions and thus consumers would not be a major impediment.

These considerations lead me to the conclusion that some loan location disclosure program is likely to be beneficial, but that practical experience is needed to reach that conclusion more definitely or confidently to propose what design any national program should take. Frankly, I am not satisfied that either the committee bill or the minority amendment would proceed adequately along these lines. The committee's permanent bill seems premature and too broad, while the minority substitute may be too limited even to provide an adequate demonstration of the concept. Thus, the amendments I am offering are designed to provide an assessment period in which the concept would be given meaningful but limited application.

My first amendment would include home improvement loans in the information which financial institutions would have to disclose. The importance of these loans to a neighborhood's health and survival is obvious, particularly since many of the neighborhoods in question have a larger number of older homes in need of repair. The amendment is cosponsored by the Senator from Missouri (Mr. SYMINGTON).

My second amendment would strengthen the minority's comprehensive amendment in several important ways, so that it would provide for a fuller demonstration of a loan location disclosure requirement's effects. The first portion of the amendment would increase the number of standard metropolitan statistical areas involved from 20 to 35, which coincides incidentally with the number of SMSA's that have populations greater than 1 million. This change would be made so that the demonstration program could involve more different types of SMSA's and perhaps a test of variations in the disclosure requirements.

The second part of that amendment would mandate that in a significant number of the metropolitan areas selected, the demonstration would have to involve the disclosure of data by census tract. Thus, it insures that the demonstration would require disclosure by census tract on at least a widespread enough basis to give that method a full and fair trial.

The present minority amendment leaves the choice of ZIP code or census tract totally to the discretion of the Federal Reserve Board. However, the argument that each ZIP code simply covers too large a population to make the disclosed information meaningful on a neighborhood basis is an extremely important one. I feel that in view of this concern, the possibility of disclosure by census tract must be given a full trial despite the alleged difficulties with that approach. Unless this is the case, the demonstration program simply will not fulfill its purpose satisfactorily.

That part of the amendment I am submitting also allows the Federal Reserve Board to choose easily definable geographic units other than ZIP code or census tract in some metropolitan areas, if the Board feels that this would improve the demonstration.

The third provision of this amendment to the minority amendment would require that to the maximum extent consistent with the necessity to have a sound and comprehensive demonstration, the Federal Reserve Board should choose metropolitan areas in which discriminatory neighborhood lending practices of the financial institutions have been alleged to be a problem. I believe that this amendment is extremely important to help insure that the demonstration will include a heavy representation of cities where redlining is a live and difficult issue as opposed to areas where the disclosure program may not invoke much interest. For example, the extent to which redlining is an issue varies drastically among the 14 metropolitan areas in my own State.

This amendment does not mean that all the SMSA's chosen should be problem areas, because that might limit the usefulness of the demonstration. However, a large number of such areas should be included.

I am prepared to offer these amendments to the minority amendment either in block as I am submitting them, or separately.

In the event the minority amendment fails, I will consider offering an amendment to the bill which limits its initial application to SMSA's with populations greater than 350,000. The committee debate concerning this bill centered almost completely around examples and testimony concerning very large SMSA's. The types of problems addressed may not exist to the same degree in smaller SMBA's. Furthermore, because fewer loans by institution and census tract may be involved, some of the data from smaller SMSA's may be less meaningful and involve more privacy problems.

According to the most recent figures I have, this amendment would leave 100 of the Nation's 253 SMSA's covered by the bill, in my own State, it would leave the eight most populous SMSA's covered, but exempt the Hamilton-Middletown, Lima, Lorian-Elyria, Mansfield, Springfield, and Steubenville SMSA's.

I also have had an amendment prepared which would make the bill's disclosure requirement prospective, rather than retaining the present requirement that lenders compile and disclose the location of all outstanding loans. This amendment would reduce the bill's cost to and burden upon the financial institutions considerably. However, the bill's effectiveness would not be undermined, because past lending decisions could not be affected by it in any event.

I understand that the bill's sponsors plan to offer such an amendment. Therefore, I am not introducing it formally today. However, I would be ready to offer it if necessary and I certainly will support an initiative of the sponsors on this issue.

Regardless of the fate of this bill, everyone should realize that it is at best only a small part of the answer to the problems of our older neighborhoods. In that regard, it is vitally important that cities provide the necessary level of services to such areas and that programs which can help, such as community development and section 312 rehabilitation loans, be allowed to proceed fully and effectively. With regard to the housing problem with which this bill deals most directly, the Government should help lenders share the risks involved. This can be done through the continuation and expansion of Government mortgage insurance programs. To avoid the unsound use of FHA insurance, to which community groups understandably have objected violently, coinsurance can be used so that lenders will retain a significant stake in the loans' soundness. I first proposed such a coinsurance strategy as part of housing legislation in 1973.

I intend to do all I can to see that these steps are carried out. Recently I introduced the Housing Preservation Alternatives Act, which would foster the development of several mechanisms designed to assist in the financing of improved housing for declining areas. That measure is certainly related to this bill's subject matter and should help put our debate on this bill in perspective. Therefore, I have submitted that act as an amendment to the bill. Although I do not expect to press for a vote, I do hope that the Bank, Housing and Urban Affairs Committee will be motivated to consider and act upon this measure promptly. I also expect to offer an amendment to the upcoming HUD appropriations bill to provide adequate funding for the section 312, housing rehabilitation loan program, if Senate committee action is insufficient.

Accordingly, I ask unanimous consent that the amendments I am submitting formally today be printed in the Record at this point. Following that material, I ask unanimous consent that a fact sheet on the Housing Preservation Alternatives Act—S. 1915—and a copy of my amendment consisting of the act itself be printed in the Record.

There being no objection, the amendments and fact sheet were ordered to be printed in the Record, as follows:

Amendment No. 699

On page 9, line 9, after "area" insert "having a population of 350,000 or more".

Amendment No. 700

On page 8, line 22, after "1974" insert "and a home improvement loan".

On page 10, line 12, strike "and".

On page 10, line 16, strike the period and insert in lieu thereof the following: "; and

(3) the number and dollar amount of home improvement loans."

On page 14, line 18, strike "and home improvement".

Amendment No. 701

On page 2, line 17, strike out "twenty" and insert in lieu thereof "thirty-five".

On page 3, strike lines 8 and 9 and insert in lieu thereof the following:

"On page 9, line 23, after 'census tract' insert 'or by zip code or other easily definable geographic unit, as determined by the Board, except that the Board shall require itemization by census tract in a significant number of the areas selected' "

On page 3, between lines 17 and 18, insert the following:

"On page 10, between lines 4 and 5, insert the following: 'For the purpose of carrying out its study and demonstration, the Board shall, to the maximum extent consistent with the necessity to conduct such study and demonstration in a sound and comprehensive manner, select those standard metropolitan statistical areas in which mortgage lending practices have been alleged to be discriminatory by geographic location.' "

"On page 5, line 13, strike "twenty" and insert in lieu thereof "thirty-five".

Amendment No. 702

At the end of the bill add the following new title:

TITLE II—HOUSING PRESERVATION ALTERNATIVES ACT

Sec. 201. This Act may be cited as the "Housing Preservation Alternatives Act of 1975".

FINDINGS AND DECLARATIONS; PURPOSE

Sec. 202. (a) The Congress—

(1) reaffirms its finding that policies designed to contribute to the achievement of the national housing goal have not devoted sufficient attention and resources to the preservation of existing housing and neighborhoods;

(2) reaffirms its declaration that, if the national housing goal is to be achieved, a greater effort must be made to encourage the preservation of existing housing and neighborhoods; and

(3) declares that in view of this situation, promising alternative means of encouraging such preservation should be developed and assessed promptly.

(b) It is the purpose of this Act to authorize, the Secretary of Housing and Urban Development (hereinafter referred to as the "Secretary") to develop and implement alternative means of encouraging the preservation and rehabilitation of existing housing and neighborhoods, on a scale which is at least sufficient for assessment purposes but which does not involve an excessive amount of new Federal outlays, and to report his evaluations and recommendations for future housing and neighborhood preservation policy to the Congress.

LEVERAGING OF LOCAL FUNDS

Sec. 203. Section 2(a) of the National Housing Act is amended by inserting before the period at the end of the first paragraph the following: "(or 100 per centum of such loss if (A) such loan, advance of credit or purchase is accompanied by a subsidy or grant of at least $2,000 to the owner or lessee of such real property in conjunction with any applicable approved community development program under title I of the Housing and Community Development Act of 1974, for the purpose of enabling such owner or lessee to undertake housing repairs, improvements, or rehabilitation, and (B) the State or unit of general local government supplying such subsidy or grant agrees to reimburse the Secretary for an amount equal to 20 per centum of any such loss)".

DEMONSTRATION ASSISTANCE FOR HOME IMPROVEMENT LOANS

Sec. 204. Title I of the National Housing Act is amended by adding at the end thereof the following new section:

"DEMONSTRATION GRANT ASSISTANCE

"Sec. 10. (a) The Secretary is authorized to undertake a program to demonstrate the feasibility of making grants or advances in connection with private financing, in order to enable homeowners to finance housing repairs, improvements, or rehabilitation with private capital to the extent feasible and without paying an excessive percentage of their monthly incomes for housing expenses, as determined by the Secretary. For this purpose, the Secretary is authorized to make grants or advances in connection with property improvement loans covered by insurance under section 2 of this title, or in connection with other private financing of housing repairs, improvements, or rehabilitation (including financing insured pursuant to this Act) upon such terms and conditions as he may prescribe, subject to the limitations of this section.

"(b) The cost of repairs, improvements, rehabilitation facilitated by any grant or advance made under this section shall not exceed the maximum insurable amount for a property improvement loan which is insured pursuant to section 2 of this title.

"(c) To the extent practicable, the Secretary shall carry out the provisions of this section through the financial institution which makes the loan in connection with which the grant or advance is made. The Secretary is authorized to utilize local public and private agencies where feasible to assist in the administration of this section.

"(d) Grants or advances under this section may not be made after March 31, 1978. For the purpose of making grants or advances pursuant to this section, there are authorized to be appropriated not to exceed $15,000,000 in any fiscal year.".

PORTFOLIO INSURANCE FOR REHABILITATION LOAN FUNDS

SEC. 205. Title I of the National Housing Act is further amended by adding at the end thereof the following new section:

"REHABILITATION FUND INSURANCE

"SEC. 11. (a) The Secretary is authorized upon such terms and conditions as he may prescribe to enter into contracts to insure revolving rehabilitation loan funds administered by State or local governments, or by public or private nonprofit agencies or organizations approved by the Secretary for purposes of this section, against part of the losses which such funds may sustain as a result of loans or advances of credit from the funds pursuant to loan programs which meet the requirements of this section. To the maximum extent practicable, the Secretary shall provide insurance pursuant to this section only in cases where he is satisfied that such insurance will result in a significantly larger rehabilitation program.

"(b) A loan program which meets the requirements of this section shall—

"(1) involve significant financial participation in the rehabilitation program by a State or local government;

"(2) involve loans to finance rehabilitation of predominantly residential property in a manner consistent with any approved community development plan under title I of the Housing and Community Development Act of 1974 for the community involved;

"(3) provide loans to persons who cannot obtain or afford private financing; and

"(4) meet such requirements concerning the nature of the loans involved, including requirements concerning the nature of the neighborhoods involved, as the Secretary determines necessary so that any guarantee pursuant to this section will be acceptable as a special risk.

"(c) The Secretary is authorized to establish and collect such insurance premiums or other fees or charges as he determines to be necessary in connection with the administration of this section. Any contract for insurance under this section shall be the obligation of the Special Risk Insurance Fund.

"(d) The aggregate amount of outstanding loans in revolving funds partially insured against losses under this section may not exceed $15,000,000, at the beginning of fiscal year 1977, and may not exceed $35,000,000, at the beginning of fiscal year 1978.".

LIMITATION ON INSURACE PROGRAM FOR EXISTING MULTIFAMILY PROJECTS

SEC. 206. The first sentence of section 223 (f) of the National Housing Act is amended by inserting before the period at the end thereof the following: ", except that a mortgage covering a project, the construction of which commenced after June 30, 1974, may not be insured prior to the expiration of 3 years after the completion of construction".

OTHER MEASURES TO FACILITATE HOUSING PRESERVATION

SEC. 207. The Secretary shall explore the feasibility and undertake demonstrations, where appropriate, of innovative measures by which the Federal Government can encourage the preservation of existing housing and neighborhoods other than the measures authorized by sections 3, 4, and 5 of this Act. Such measures shall include, but are not limited to—

(a) measures to develop a secondary market for home improvement and rehabilitation loans;

(b) the innovative use of mortgage insurance; and

(c) measures to render the refinancing of existing mortgages as a more economical means of housing preservation.

REPORT

SEC. 208. (a) Not later than March 31, 1978, the Secretary shall submit to Congress a report of the activities carried out pursuant to this Act. Such report shall include the Secretary's evaluation of such activities and of other demonstrations, programs, and measures designed to encourage the preservation of existing housing and neighborhoods (including tax measures, which the Secretary shall review in cooperation with the Secretary of the Treasury, and section 223 (f) of the National Housing Act), and the Secretary's recommendations concerning future Government policy for encouraging such preservation.

(b) No later than March 31, 1977, the Secretary shall submit to Congress an interim report which contains a description and evaluation, to the extent practicable, of the activities carried out pursuant to this Act.

FACTSHEET—HOUSING PRESERVATION ALTERNATIVES ACT OF 1975 (S. 1915)

Section 1—Title.

Section 2—Findings and Purpose—Reaffirms that our housing policy has not devoted enough attention and resources to preserving the housing we already have; purpose is to develop alternative means of fostering housing preservation at low Federal cost.

Section 3—Amends the FHA's unsubsidized home improvement loan insurance program to make it more attractive to financial institutions when used in connection with local government housing rehabilitation subsidies. Its purpose is to encourage local governments to work with their financial communities in obtaining private financing for this purpose at the lowest possible cost. Cost negligible.

Section 4—Authorizes up to $15 million annually for HUD to develop and to demonstrate ways in which government grants or advances could be combined with private financing for housing preservation purposes. Local governments could implement the results as they saw fit.

Section 5—Under certain conditions, authorizes HUD to give partial insurance to rehabilitation loan funds administered by State or local governments or approved private nonprofit groups. Federal red tape would be reduced by granting the insurance on an entire fund rather than loan-by-loan basis. Cost probably far less than $5 million.

Section 6—Alters a Taft-authorized provision of the National Housing Act (Section 223(f)) which authorizes FHA insurance of existing multifamily projects. Senator Taft had designed the provision as an aid for financing housing preservation and rehabilitation, but HUD is using it to help finance a large number of newly completed projects which did not have to meet the normal FHA requirements (environmental requirements, affirmative marketing, Davis-Bacon Act wage requirements, etc.) The amendment would limit section 223(f) in the future to its original intent, by requiring that except for projects which qualify for HUD's present program because construction was started prior to the June 30, 1974 deadline, insurance will only be available to projects at least three years old.

Section 7—Would authorize HUD to explore the feasibility, and undertake demonstations where appropriate, of other means of facilitating housing preservation such as the development of a secondary market for rehabilitation loans, means of making home refinancing more economical and the innovative use of mortgage insurance.

Section 8—Requires a report and recommendations to Congress in 3 years which evaluate this Act's provisions and all other programs designed to foster housing preservation.

NATURAL GAS ACT AMENDMENTS OF 1975—S. 692

AMENDMENT NO. 703

(Ordered to be printed and to lie on the table.)

Mr. FANNIN (for himself, Mr. HANSEN, Mr. BUCKLEY, Mr. DOLE, Mr. LAXALT, Mr. BARTLETT, Mr. CURTIS, Mr. BELLMON, Mr. WILLIAM L. SCOTT, Mr. TOWER, and Mr. GOLDWATER) submitted an amendment intended to be proposed by them jointly to the bill (S. 692) to regulate commerce to assure increased supplies of natural gas at reasonable prices for the consumer and for other purposes.

AMENDMENT NO. 722

(Ordered to be printed and to lie on the table.)

Mr. CLARK. Mr. President, during the consideration of S. 1281, the Home Mortgage Disclosure Act of 1975, I will be proposing an amendment that will bring rural areas under the provisions of the legislation, and I ask that the amendment which I now submit for printing be printed at this point in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 722

On page 10, between 4 and 5, insert the following:

(b)(1) Each depository institute which has its home office located outside any standard metropolitan statistical area shall compile and make available, in accordance with regulations of the Board, to the public for inspection and copying at each office of that institution the same information as is required to be compiled and made available under subsection (a)(1) by an institution referred to in subsection (a).

(2) The information required to be maintained and made available under paragraph (1) of this subsection shall also be itemized in order to clearly and conspicuously disclose the number and total dollar amount of mortgage loans by zip code.

On page 10, line 5, strike out "(b) and insert in lieu thereof "(c)".

On page 10, line 6, after "subsection (a)" insert "or (b)".

EXTENSION OF THE VOTING RIGHTS ACT—H.R. 6219

AMENDMENT NO. 704

(Ordered to be printed and to lie on the table.)

Mr. TALMADGE submitted an amendment intended to be proposed by him to the bill (H.R. 6219) to amend the Voting Rights Act of 1965 and to extend certain provisions for an additional 10 years, to make permanent the ban against certain prerequisites to voting, and for other purposes.

AMENDMENTS NOS. 708 THROUGH 710

(Ordered to be printed and to lie on the table.)

Mr. BELLMON (for himself and Mr. BARTLETT) submitted three amendments intended to be proposed by them jointly to the bill (H.R. 6219), supra.

AMENDMENT NO. 711

(Ordered to be printed and to lie on the table.)

Mr. STENNIS (for himself and Mr. EASTLAND) submitted an amendment intended to be proposed by them jointly to the bill (H.R. 6219), supra.

AMENDMENTS NOS. 712 THROUGH 719

(Ordered to be printed and to lie on the table.)

Mr. WILLIAM L. SCOTT submitted eight amendments intended to be proposed by him to the bill (H.R. 6219), supra.

AMENDMENT NO. 720

(Ordered to be printed and to lie on the table.)

Mr. DOMENICI submitted an amendment intended to be proposed by him to the bill (H.R. 6219), supra.

Mr. DOMENICI. Mr. President, racial discrimination at the polling place cannot be condoned in a truly democratic society. The Voting Rights Act has proven to be an effective and indispensable instrument to insure that no citizen will be hindered in the exercise of his right to vote. Wherever voter discrimination exists, it is the obligation of the Federal Government to intervene and assure the existence of a proper climate for the exercise of each citizen's right to vote. But wherever voter discrimination does not exist, it is the obligation of the Federal Government to decline to interfere with a State's orderly conduct of an election.

Application of the Voting Rights Act to States or political subdivisions to which voter discrimination is entirely foreign would serve no national interest and would not further the policy of the Act. It is senseless to require a State to submit to procedures such as preclearance with the Attorney General of the United States of legislative action in order to guarantee the elimination of a problem which does not exist. It is senseless to declare that a State is incapable of protecting its voters from violations of their rights if such violations have not occurred.

While the right to vote is truly basic, we must not forbid a voter's right to abstain where abstention is wholly voluntary and uncoerced. The Voting Rights Act is a mechanism ill conceived to dispel apathy. Triggering application of the act because of the use of a "test or device"—which could be the use of English-only election materials—and a voter turnout of less then 50 percent makes sense only if low turnout is a function of discrimination. Of course, subtle discrimination is often difficult to perceive and impossible to prove. Therefore, low voter turnout should create a presumption of discrimination. But there should be a mechanism in the act whereby a State or political subdivision can rebut this presumption. The standard to be met by the State must be extremely rigorous to prevent circumvention of the salutary purpose of the act.

The "bailout" provision I propose is stringent indeed. A State or political subdivision would be exempted from coverage by the Voting Rights Act if members of one minority group constituted at least 25 percent of the membership in each house of the State legislature or in the governing body of the political subdivision as of November 1, 1972—the significant date in the act's triggering provision. An exemption would also be merited if members of any minority groups constituted at least 30 percent of the membership in each house of the State legislature or in the governing body of the political subdivision as of November 1, 1972.

The act deals with the problem of racial discrimination at a low threshold, that is, intimidation at the polls. My "bailout" provision requires proof of the solution of the problem of discrimination at a very high threshold, that is, a large percentage of minority group members actually serving in elected offices. My proposal allows a State or political subdivision to "bailout" while it absolutely respects the goals of voting rights legislation.

Mr. President, I ask unanimous consent that my amendment be printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 720

On page 1, between lines 6 and 7, insert the following:

SEC. 102. The Voting Rights Act of 1965 is amended by inserting after section 4 the following new section:

"SEC. 4A. The provisions of sections 4, 5, and 203 of this Act shall not apply to any State or political subdivision in which—

"(1) any one minority group constitutes at least 25 per centum of the membership of each House of the legislature of such State or governing body of such political subdivision on November 1, 1972; or

"(2) the total minority group membership in each House of the legislature of such State or governing body of such political subdivision constitutes at least 30 per centum of the membership thereof on November 1, 1972."

On page 1, line 7, strike out "Sec. 102" and insert in lieu thereof "Sec. 103".

AMENDMENT NO. 721

(Ordered to be printed and to lie on the table.)

Mr. ROBERT C. BYRD submitted an amendment intended to be proposed by him to the bill (H.R. 6219), supra.

ENERGY CONSERVATION AND CONVERSION ACT OF 1975—H.R. 6860

AMENDMENT NO. 723

(Ordered to be printed and referred to the Committee on Finance.)

Mr. KENNEDY. Mr. President, I send to the desk an amendment to H.R. 6860, the House passed Energy Conservation and Conversion Act of 1975, and I ask that the amendment may be referred to the Finance Committee for its consideration.

H.R. 6860 is the major energy legislation which was passed by the House of Representatives last month and which is now pending in the Senate Finance Committee. Under the present tentative schedule, it appears that the bill will be reported to the full Senate in September, shortly after the August recess ends.

The purpose of the amendment I am introducing is to extend and increase the 1975 tax cuts for individuals and small business for another year. The amendment contains three principal provisions:

First, it extends through 1976 the $9.3 billion in tax cuts for individuals now due to expire on December 31 this year.

Second, it would increase the individual tax cuts for 1976 by an additional $4.5 billion, in order to permit withholding rates for individuals to remain constant in 1976 at their present level. Under the technical provisions of the 1975 tax cuts, withholding rates will go up next January 1, even if the cuts are extended, because the withholding rates were set last May to carry out the 1975 cut over only an 8-month period—the remainder of the year at the time the cuts were signed into law—rather than over the full 12-month period available in 1976. To avoid this artificial "tax increase" next January, the amount of the tax cut for 1976 must be increased by about 50 percent or $4.5 billion. The amendment I am introducing would accomplish this purpose by increasing the tax credit for personal exemptions from its present level of $30 in 1975 to $50 for 1976.

Third, the amendment would extend the $1.5 billion in 1975 tax cuts for small business through 1976. These tax cuts take the form of rate reductions and an increase in the so-called corporate surtax exemption. Large businesses were successful in writing 2-year benefits for themselves into the law last spring. Such benefits are already available to them for 1976, and no further action by Congress is necessary at this time. But it would be unfair to countless smaller enterprises in the Nation not to extend the provisions benefiting small business, at a time when Congress acts to extend the benefits for individuals.

Thus, the total amount of the 1976 tax cuts proposed in the amendment is $15 billion—$9.3 billion in extensions of the 1975 tax cuts for individuals; $4.5 billion in increased cuts for individuals to neutralize the need for higher withholding rates in 1976; and $1.5 billion in extension of the 1975 tax cuts for small business.

The goal of the amendment is to guarantee a vigorous recovery from the recession. In my view, extension of the 1975 tax cuts is essential to insure that the current anemic rebound from the recession develops into a full fledged economic recovery for the Nation. Congress should make its commitment to recovery clear, and the time for action is now, as part of H.R. 6860, the next major tax legislation due to reach the Senate floor.

The signs are everywhere that the administration is defaulting on its obligation to rescue the economy from the current deep recession. And so, Congress must keep the pressure for recovery on. It is not enough for economic signposts to be merely pointing up, if the country is still close to the bottom of the pit in which the recession has dumped us.

True, the early signs of a recovery are now appearing. But the opinion of the experts is virtually unanimous that the recovery will be slow and sluggish. We cannot be lulled into complacency by a single quarter's better GNP results. We cannot neglect the sick economy because the illness is starting to abate.

We know the situation in which we find ourselves today—the economy at the bottom of the worst recession since World War II, unemployment at a record high since the Depression, drastic oil price shocks in the wings, and yet the slowest and most anemic recovery of any of our six postwar recessions.

The minimum effective action we should now take to insure a strong and continuing recovery is to extend the 1975 tax cuts for another year.

Approximately $11 billion in tax cuts for individuals and small business were enacted last March as part of the $23 billion Tax Reduction Act of 1975. But these tax cuts were enacted for 1 year only. Of this amount, $2.5 billion was in the form of increases in the so-called standard deductions; $5.3 billion was in the form of a new $30 tax credit for each personal exemption of the taxpayer; $1.5 billion was in the form of a 10 percent "work bonus" to offset social security taxes on low-income workers; and $1.5 billion was in the form of tax cuts for small business.

As the law now stands, each of these tax reductions is applicable only to the calendar year 1975. Each would be extended for an additional year under the proposal I am making.

In fact, if these cuts are not extended, the tax laws will have an unpleasant and unfair surprise in store for the economy and for millions of ordinary taxpayers on January 1, 1976—a tax increase that will occur automatically if the 1975 reductions are not extended. Such a tax increase would impose a sudden and unjustifiable new drag on the recovery, a drag the country cannot afford if we hope to escape the grip of the present recession.

A tax increase at this time would be totally inconsistent with sound economic policy. No responsible economist is advocating such a step today. Yet, if we would not impose a tax increase directly, how can we accept a tax increase by default, by failing to extend the tax cuts due to expire in December?

For essentially the same reasons, it is not enough merely to enact a simple extension of the 1975 tax cuts. Congress must also take the additional step of neutralizing the impact of the increased withholding rates that will occur on January 1, 1976, even if the tax cut is extended.

This issue arises because the individual tax cuts for 1975 were implemented by reductions in withholding designed to compress the full year's worth of 1975 tax cuts into an 8-month period—the period left in 1975 after the bill was enacted.

Therefore, if the 1975 tax cuts are extended at only the same level for 1976, the withholding rates for individuals will still rise next January, since the $9 billion in cuts for 1976 would be implemented through withholding rates set for the full 12 months of the year.

Consequently, the amount of withholding would go up next January. Take-home pay would decline. As a result, for all practical purposes, individuals subject to withholding would suffer the consequences of a tax increase. To avoid this technical effect—which is a de facto tax increase next January—the amount of the tax cut in 1976 should be increased by enough—approximately $4.5 billion—to maintain the withholding rates for 1976 at their current levels.

Just to stay in place, therefore, we need to take two immediate steps in fiscal policy. We must extend the tax cut for another year. And we must neutralize the potential withholding increase. In this way, we can keep consumers whole, keep the recovery going, drive unemployment down, and escape the recessionary pressures that will be felt next January if we fail to take this stitch in time today.

The $15 billion in tax cuts for 1976 would cause no substantial risk of renewed inflation. As the recent study of the Congressional Budget Office indicates, an immediate additional tax cut as high as $24 billion—over and above the extension of the 1975 cuts—would actually produce a slightly lower rate of inflation for the rest of 1975 and throughout 1976, because of productivity gains in the economy.

Finally, it is important to separate the issue of a tax cut to keep the present recovery going well, from the issue of whatever additional tax cuts may be necessary to offset future oil price increases—either by the OPEC nations or by the misguided price decontrol policy of the Ford Administration.

I believe that Congress should make a commitment now to offset any oil price "shocks" to the economy, independently of our decision to extend the 1975 tax cuts for individuals and small business.

Those tax cuts deserve to be extended in their own right now, as the cornerstone of our continuing antirecession policy, even if there is no increase in oil prices.

By separating the oil and economic issues, and acting to extend the 1975 tax cuts now, Congress can clear the deck to consider whatever additional tax cuts may be necessary to neutralize an oil price increase, in the event such an increase actually takes place.

In this way, we can unmask the administration's apparent present strategy, which is to oppose action on extending the tax cuts now, in the hope that later in the year the extension can be made to do "double duty"—by serving the additional purpose of offsetting an oil price increase, by rejecting this insidious strategy and separating the economic and oil issues at this time, we stand the best chance not only of keeping the present recovery strong, but also of acting in time to prevent any new energy price increase from plunging the economy downward into a new recession.

Mr. President, I ask unanimous consent that the amendment I am submitting be printed in the Record. I also ask unanimous consent that two tables may be printed in the Record, one showing the growth in real GNP in previous recessions and illustrating the comparative slowness of the recovery from the present recession, and the other showing the specific tax cuts involved in the amendment and the consequences of a failure to extend them.

There being no objection, the amendment and material were ordered to be printed in the Record, as follows:

At the end of the Act, add the following new title:

TITLE V—EXTENSION OF 1975 TAX REDUCTIONS FOR INDIVIDUALS AND SMALL BUSINESS

Sec. 501. (a) The last sentence of section 209(a) of the Tax Reduction Act of 1975 is amended by striking out "December 31, 1975", and inserting in lieu thereof "December 31, 1976".

(b) Section 209 (b) and (c) of such Act are each amended by striking out "January 1, 1976" and inserting in lieu thereof "January 1, 1977".

Sec. 502. (a) Section 42(a) of the Internal Revenue Code of 1954 (relating to a credit for personal exemptions) is amended by striking out "$30" and inserting in lieu thereof "$50".

(b) The amendment made by subsection (a) shall apply to taxable years ending after December 31, 1975. Such amendment shall cease to apply to taxable years ending after December 31, 1976.

Sec. 503. (a) Section 11(b) of the Internal Revenue Code of 1954 (relating to normal corporate tax rate) is amended—

(1) by striking out "December 31, 1975," in paragraph (1) and inserting in lieu thereof "December 31, 1976,", and

(2) by striking out "January 1, 1976," in paragraph (2) and inserting in lieu thereof "January 1, 1977,".

(b) Section 305(b)(1) of the Tax Reduction Act of 1975 is amended by striking out "December 31, 1975" and inserting in lieu thereof "December 31, 1976".

Table I.—*Growth in real GNP in prior recessions by quarter, beginning with the quarter in which the trough of the recession occurs*

[In percent]

1949.4	− 3.3
1950.1	+21.6
1950.2	+11.0
1950.3	+17.5
1950.4	+ 8.2
1954.2	− 0.8
1954.3	+ 5.2
1954.4	+ 8.5
1955.1	+12.4
1955.2	+ 7.2
1958.2	+ 1.8
1958.3	+10.6
1958.4	+10.0
1959.1	+ 6.2
1959.2	+10.0
1961.1	− 0.9
1961.2	+ 8.7
1961.3	+ 7.3
1961.4	+ 8.4
1962.1	+ 6.2
1970.4	− 4.3
1971.1	+10.1
1971.2	+ 2.8
1971.3	+ 2.8
1971.4	+ 6.5
1975.2	− 0.3
1975.3	?
1975.4	?
1976.1	?
1976.2	?

TABLE II.—1975 TAX CUTS FOR INDIVIDUALS AND SMALL BUSINESS

Provision	1975 level	1976 level if provision not extended	Amount of 1975 cut (billions)
Minimum standard deduction	$1,600 single person; $1,900 joint return	$1,300 for single person or joint return	$2.5
Maximum standard deduction	16 percent of adjusted gross income; maximum deduction of $2,300 for single person, $2,600 for joint return.	15 percent; $2,000 maximum	2.5
Tax credit for each personal exemption	$30	0	5.3
Earned income credit (work bonus)	10 percent of earned income; maximum credit of $400	0	1.5
Corporate surtax exemption	$50,000	$25,000	1.2
Tax on corporate income	20 percent on first $25,000; 22 percent on second $25,000; 48 percent on balance.	22 percent on first $50,000; 48 percent on balance	0.3

AMENDMENT NO. 724

(Ordered to be printed and referred to the Committee on Finance.)

Mr. HARTKE submitted an amendment intended to be proposed by him to the bill (H.R. 6860), supra.

VETERANS' INSURANCE AMENDMENTS ACT OF 1975—S. 1911

AMENDMENT NO. 725

(Ordered to be printed and referred to the Committee on Veterans' Affairs.)

Mr. HARTKE submitted an amendment intended to be proposed by him to the bill (S. 1911) to amend title 38, United States Code, to provide certain persons insured under Servicemen's Group Life Insurance—SGLI—with a choice of conversion to either an individual term or whole life insurance policy or Veterans' Group Life Insurance policy upon the expiration of their Servicemen's Group Life Insurance coverage, and for other purposes.

OUTER CONTINENTAL SHELF MANAGEMENT ACT—S. 521

AMENDMENT NO. 726

Mr. HASKELL (for himself and Mr. Cranston) submitted an amendment intended to be proposed by them jointly to the bill (S. 521) to increase the supply of energy in the United States from the Outer Continental Shelf; to amend the Outer Continental Shelf Lands Act; and for other purposes.

AMENDMENT NO. 727

(Ordered to be printed and to lie on the table.)

Mr. HOLLINGS (for himself, Mr. Magnuson, and Mr. Stevens) submitted an amendment intended to be proposed by them jointly to the bill (S. 521), supra.

AMENDMENT NO. 728

(Ordered to be printed and to lie on the table.)

Mr. HOLLINGS (for himself, Mr. Jackson, Mr. Magnuson, Mr. Johnston, and Mr. Stevens) submitted an amendment intended to be proposed by them jointly to the bill (S. 521), supra.

ADDITIONAL COSPONSORS OF AMENDMENTS

AMENDMENT NO. 689

At the request of Mr. Kennedy, the Senator from Vermont (Mr. Leahy) was added as a cosponsor of amendment No. 689, intended to be proposed to the bill (S. 1517) to authorize appropriations for the administration of foreign affairs; international organizations, conferences, and commissions; information and cultural exchange; and for other purposes.

NOTICE OF HEARINGS: MAJOR SYSTEMS ACQUISITION REFORM

Mr. CHILES. Mr. President, I wish to announce the final schedule of witnesses for the Government Operations Subcommittee on Federal Spending Practices' reform effort in major systems acquisition programs.

We have held 5 days of hearings already—two devoted to a case investigation of the air combat fighter programs.

Support for our Procurement Commission reform package has been broad and heartening.

Now—next week—we will finally hear an administration position on commitments to move forward.

Witnesses scheduled are as follows:

TUESDAY, JULY 22, 1975

Hon. Elmer B. Staats, Comptroller General of the United States.

Hon. Hugh E. Will, Administrator, Office of Federal Procurement Policy, Office of Management and Budget.

Hon. William P. Clements, Jr., Deputy Secretary of Defense.

WEDNESDAY, JULY 23, 1975

R. G. Romatowski, Assistant Administrator for Administration, Energy Research and Development Administration, former Deputy Chief, Naval Materiel Command.

Hon. James C. Fletcher, Administrator, National Aeronautics and Space Administration.

Kenneth Woodfin, Assistant Administrator for Procurement, National Aeronautics and Space Administration.

William P. Davis, Deputy Assistant Secretary for Administration, Department of Transportation.

William E. Stoney, Acting Assistant Secretary for Systems, Department of Transportation.

THURSDAY, JULY 24, 1975

Adm. Joseph M. Lyle, president, National Security Industrial Association.

Karl G. Harr, Jr., president, Aerospace Industries Association.

V. J. Adduci, president, Electronic Industries Association.

David G. Soergel, DGS Associates.

Robert Perry, Economics Department, the Rand Corp.

All hearings are scheduled to begin at 10 a.m., room 3302, Dirksen Senate Office Building. Please contact the Subcommittee Chief Counsel, Mr. Les Fettig, 224–0211, for any further information.

NOTICE OF HEARING

Mr. MUSKIE. Mr. President, the Subcommittee on Intergovernmental Relations, Committee on Government Operations, will hold a hearing to receive the results of a General Accounting Office study of the impact of general revenue sharing in 26 selected jurisdictions on Wednesday, July 23, 1975 at 10 a.m. Room will be announced later.

ANNOUNCEMENT OF HEARING ON "TRANSPORTATION AND THE ELDERLY: PROBLEMS AND PROGRESS."

Mr. CHURCH. Mr. President, on Tuesday, July 29, the Special Committee on Aging will hold a hearing on the efforts of the Department of Transportation and the Administration on Aging to improve transportation services to older Americans. Testimony will center on the 16(b)(2) program under the Urban Mass Transportation Act of 1965 and the rural demonstration program authorized by section 147 of the Federal Aid Highway Act of 1973. The hearing will convene at 10 a.m. in room 6226, Dirksen Senate Office Building. Senator Lawton Chiles will preside.

HEARINGS ON PRESIDENT'S LABOR-MANAGEMENT ADVISORY COMMITTEE CHANGED TO JULY 31

Mr. METCALF. Mr. President, on July 16, I announced hearings (S12698) by the Subcommittee on Reports, Accounting and Management regarding recommendations dealing with electric utilities made by the President's Labor-Management Committee. The hearings were originally scheduled for Tuesday, July 29. The date of the hearing has been changed, to accommodate the witnesses, to Thursday, July 31. They will begin at 10 a.m. The hearings will be held in room 1114 Dirksen Senate Office Building, rather than in the room previously announced.

The witnesses will include Secretary of Labor John Dunlop, who serves as the committee's coordinator, and Frank G. Zarb, Administrator of the Federal Energy Administration.

NOTICE OF HEARING

Mr. MUSKIE. The Subcommittee on Intergovernmental Relations will hold a hearing, Wednesday, July 23, 1975, at 10 a.m. in room 4200 Dirksen Senate Office Building. The purpose of the hearing will be to receive testimony from

Comptroller General Elmer B. Staats on the General Accounting Office case studies of revenue sharing in 26 local governments.

ANNOUNCEMENT OF HEARINGS ON PRESIDENTIAL PROTECTION ASSISTANCE ACT

Mr. NUNN. Mr. President, the Subcommittee on Oversight Procedures of the Committee on Government Operations will conduct a hearing Monday, July 28, 1975, on the Presidential Protection Assistance Act. The hearing will begin at 10 a.m. in room 3302 of the Dirksen Senate Office Building.

NOTICE OF PROCEEDINGS ON S. 2154: RAILROAD UNEMPLOYMENT INSURANCE AMENDMENTS

Mr. WILLIAMS. Mr. President, today I introduced, for myself, Senator JAVITS and Senator SCHWEIKER, a bill to raise the level of unemployment benefits for railway workers.

Although there are significant differences, the purpose of S. 2154 is similar to that of H.R. 4716, a bill introduced on March 12 in the House of Representatives. The House Committee on Interstate and Foreign Commerce conducted hearings on H.R. 4716 on April 23. Extensive testimony was heard from all interested parties including representatives of the Railroad Retirement Board, Railway Labor Executives Association, Brotherhood of Railway and Airline Clerks, the National Railway Labor Conference and the Association of American Railroads.

The issues regarding changes in the level of benefits and other important features of the Railway Unemployment Insurance Act were thoroughly explored at those hearings.

All interested parties are invited to submit to the Senate Labor and Public Welfare Committee any written comments and supporting data relating to S. 2154 for the record to Donald Elisburg, general counsel, Committee on Labor and Public Welfare, room 4230, Dirksen Senate Office Building, by Friday, July 25, 1975.

The Committee on Labor and Public Welfare will proceed with this record without further public hearings unless requested to do so by any of the interested parties.

ADDITIONAL STATEMENTS SUBMITTED JULY 21, 1975

PAEAN TO WOMEN

Mr. MATHIAS. Mr. President, in 1776, Abigail Adams wrote to John:

> If particular care and attention are not paid to the ladies we are determined to foment a rebellion and will not hold ourselves bound to obey any laws in which we have no voice or representation.

Two hundred years later, in our Bicentennial of freedom, historians are beginning to rethink our revolutionary history with a view toward the contributions of American women. They admit that history books have not done an adequate job describing the actual activities of women like Abigail Adams, Molly Pitcher, and in general, the women who were obviously involved in the Revolution through the mere fact of their numbers and their family influence. Judd Arnett in this morning's Baltimore Sun thinks it is an appropriate time to give credit to women's difficult and trying struggles of building a country, many times without their husbands or fathers or brothers. We can only agree. I am proud that the Maryland Bicentennial Commission has contracted with women historians to write the story of prominent feminine contributors to Maryland's history. More needs to be said and written as Mr. Arnett suggests, and I ask unanimous consent that his article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A PAEAN TO WOMEN, PAST AND PRESENT

(By Judd Arnett)

This is going to be about, and in favor of, the women of America, past and present, whether some of them like it or not. Quite often what a chauvinist curmudgeon admires in the opposite sex does not jibe with the pronouncements of the leaders of the so-called "liberation movement," and this inspires nasty rebuttals. So be it. One has learned to live with the slings and arrows of adversity even when he is convinced that he does not deserve them.

Alistair Cooke recently made a speech to the Writers Guild of America, West. Mr. Cooke, a naturalized citizen, is one of the blessings of immigration, perhaps the finest gift we have received from England since King George let go of his grip on the Colonies under extreme duress. His knowledge of our history puts most of us natives to shame, and it therefore follows that he is concerned about how we are going to celebrate the Bicentennial.

All that is "fatuous, gaudy, childish, frivolous, vulgar, idiotic has already been done," he told the Writers Guild, and then he listed some of the individuals and events worthy of the honor of reflection. Listen:

"I think of Mark Twain and Lincoln and Henry and William James and Tecumseh and Mr. Justice Holmes and Brandeis and Father Serra and Adlai Stevenson—what you might call the failed saints, the people who failed.

"And mostly I think—especially when I'm out in the middle of the country—of those numberless wives who, 100 years ago on the prairie, made a home against the Arctic winds and rancid summers and drunken husbands and disease and the steady winds and the ghastly loneliness. And I would like to think that we would write, without sentimentality, about these women, most of whom were deaf, and a great many of whom went mad from the wind. . . ."

Now that is a subject mighty enough to warrant Bicentennial favor—the story of the women, past and present, who held the home front together while their husbands, or lovers, or brothers, or fathers went galloping off in pursuit of adventure, or fortune, or glory, or whatever it was that motivated them. As to the prairies, it was the men who had the better part of the experience. And it is still that way in what we consider the age of enlightenment.

For the truth is that there is more freedom, or perhaps romance, in life for the average man than for the average woman. Even if the man goes off to a job which does not tax all of his capacities, there is the prospect that the day will provide at least a small change of pace.

Amidst the din and clangor, someone may tell a hilarious story. The foreman may semichoke on his coffee. There will be the rumors and half-truths which punctuate the management of an industry. Women, talk of Sports. Something happens, although of slight consequence. There is variety. There is the sense of "being out in the world," of at least sharing in the fantasy of its rollings and tossings. You are there, if only on the outermost fringes. You are not alone.

Quite often this feeling of participation does not apply to the woman at home. She is isolated, left with countless small chores which do not change. And yet she must share the faceless fears of society. Will his job last? Will the bills be paid? Will the children prosper at school? Will everything come out in the wash, to torture an old expression? The winds of uncertainty may be as persistent as the century-old winds of the prairie, but too often she is the only one who recognizes their presence.

There is scarcely a family that does not have a heroic, albeit unsung, woman in its background. My mother embraced the children while my father railroaded as a near-pioneer throughout the South and Southwest. He was a romantic, in the sense that something better was bound to occur in Texas or Arkansas. So the family moved hither and yon, nomadics long before it became an American trend. Who has the adventure of it, the feel of participation? He did. It has always been so, no less in Michigan than in Nebraska or California. There is acquaintance with a family that has moved 13 times in 8 years.

Written history is grossly unfair simply because it does not record the monumental contribution of women to the winning of the Republic. Alistair Cooke says we should do something about this as part of the Bicentennial observance, and from this outpost there is the acknowledgement: It is about time.

EAST-WEST RELATIONS

Mr. BENTSEN. Mr. President, in the near future the heads of State of this Nation and some 30 others from both sides of the Atlantic will sit down in Helsinki, Finland, to approve an agreement resolving a broad range of political, military, economic, and social irritants in East-West relations.

Mr. President, the approaching summit of the Conference on Security and Cooperation in Europe will be an effort to strengthen détente by broadening East-West cooperation in a number of areas. But the harmony resulting from that conference will be marred by the turmoil and acrimony produced by recent developments in Portugal.

Democratic elements in that nation are struggling to overcome the forces of extremism on both right and left. The United States, indeed the whole of Europe, has significant political, strategic, and psychological interests in seeing democracy take firm root in Portugal, an integral part of NATO and the Atlantic community.

But democracy will not be allowed to take firm root in Portugal if charges by the press and by academic experts on Europe, of Kremlin interference in Portugal, are true. The Soviet Union is reportedly supplying the Portuguese Communists with millions of dollars a month to support their efforts to destroy the fledgling democracy in that nation.

If true, then Soviet leaders are not only violating Portuguese law but also making a mockery of efforts at the European Security Conference to affirm the principle of nonintervention and noninterference in the internal affairs of other nations.

I have been in contact with the Department of State to determine whether these reports are true, but they have no solid information on the matter, only unconfirmed "allegations" that it might amount to $2 million a month.

The CIA estimates differ from that provided by the State Department. Although the CIA said they have no conclusive evidence, a spokesman told me the level of aid may well exceed $10 million a month. The CIA also said that, in all likelihood, the level of aid to Portuguese Communists is far in excess of the aid Russia provides Communist Parties in other countries of Western Europe.

I find it incredible that the State Department seems willing to proceed with plans to have our President sit down with Soviet leaders to discuss nonintervention when they have so little information on what appears to be massive Soviet intervention in the affairs of Portugal. The issue of Soviet meddling in Portugal and the questions it raises of Soviet intentions to comply with the Helsinki agreement should be resolved before President Ford attends the summit conference. If these reports are true he should be prepared to decline to participate or insist that the issue be aired in full debate.

Mr. President, I support efforts to resolve the irritants that continue to plague East-West relations. To the extent these efforts succeed, they strengthen détente. As Secretary Kissinger has pointed out, what alternative is there to a policy of easing relations with former adversaries? I am convinced the American people do not wish to return to a period of sterile cold war confrontation. A policy of seeking realistic agreements with former adversaries is certainly far more in the interests of U.S. national security.

But I believe that we must approach détente with caution. We must remember that significant differences in strategic, political, economic, and moral values still exist between the United States and its former adversaries. They will not be easily contained or resolved.

World peace hangs in the balance and there must be mutual efforts to address them. I say, "mutual," for we must insist that détente be a two-way street. It must be mutually advantageous. I support efforts to strengthen détente as long as those efforts are matched by concessions from the other side. We have far more to lose from a crumbling of détente that from a strengthening of it, but I believe we should stop and take a good, hard, long look at how we are going about pursuing the goal of détente.

Meaningful détente will be built on positive accomplishments. The Russian wheat deal in 1972 is a good example of what détente should not be. The frantic efforts to negotiate a second-stage disengagement agreement in the Middle East recall the Russian failure to advise us, as they agreed to, of the impending Arab attack on Israel in 1973.

And I do not need to remind this Chamber of the administration's efforts to provide hundreds of millions of dollars' worth of loans to the Soviet Union at low interest rates when the average American citizen was paying interest rates twice as high as those the Soviets were paying.

Mr. President, there have been and will be, I trust, important achievements as a result of our policy of détente. But the Congress and the American people should be aware of the appearance of détente; that is, a policy of détente which is not accompanied by positive steps toward a relaxation of tensions and mutual cooperation; a policy in which there is no quid pro quo, a policy which is not matched by concessions from the other side.

A YOUNG LADY WRITES TO PRESIDENT FORD ABOUT COMMUNISM

Mr. HELMS. Mr. President, a letter came to me one day last week that, in an ironic sort of way, gave me encouragement. Actually, it is a copy of a letter written to the President of the United States by Miss Sarah Simms, of Alexandria, Va.

Miss Simms was born in Raleigh, N.C., and lived there until a year or so ago when her parents moved to Alexandria. She is a brilliant and charming young lady. She is an active Christian. In September, she will return to Duke University to continue her graduate work. She also will be doing some teaching at Duke University.

And that, Mr. President, is the encouraging part of it. The academic world needs more students and teachers with the awareness and forthrightness of Miss Simms. There are too few of her kind. Somehow, it has become fashionable to lead our young people to believe that communism is "just another political system," and that détente is a great and wonderful thing, and that communism is "mellowing" and, therefore, no longer a threat to the freedoms of mankind.

It may be that earlier in her educational process, Miss Simms was subjected to that sort of nonsense. It may even be that she accepted it, to some degree, without questioning its validity. But the important thing, Mr. President, is that Miss Simms now knows better. During the past year, she has been in confrontation with Communists; she has witnessed how they operate; she has examined their warped, twisted techniques. She is alarmed at what she has seen.

She discusses this, Mr. President, in her letter to President Ford. For that reason, I want to share her letter with my colleagues, and with others who read the Congressional Record.

Therefore, I ask unanimous consent that the letter written by Miss Sarah Simms to President Ford be printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

July 13, 1975.

Hon. Gerald R. Ford,
The White House,
Washington, D.C.

Dear Mr. President: I am writing with regard to your refusal to see Alexander Solzhenitsyn. This was a decision for which I, on my part, can find absolutely no understanding. I believe firmly that you were horribly ill-advised on this matter.

This past year I was a student at the Free University in Berlin, West Germany. During this time, I was in daily contact with Communist propaganda through personal association with Communist students. It was an eye-opening experience, and one which I would prescribe for every citizen of the free world.

Communists are dedicated to nothing less than the total destruction of personal freedom, of the individual pursuit of happiness, and of all those rights which we hold to be inalienable. Anyone who does not support the Communist line is termed, by the Communists, not merely uneducated or unenlightened, but in fact is degraded to the status of an animal whose slaughter is justified.

The Communist goal, Mr. President, is world conquest—not detente. If detente were indeed uppermost in the minds of Communist leaders, why do they still brainwash their young members in a discipline and rhetoric which is geared for all-out confrontation and destruction?

Mr. President, these people cannot be swayed from their task. They are totally possessed and caught up in their roles as the "vanguards of the Communist revolution"—a revolution which is still being waged.

It is an ominous occasion when the leader of the free world refuses to recognize a man who was and is willing to risk his reputation and life to defend freedom and expose Communism. Why is it, Mr. President, that Lenin said confidently that the bourgeoisie will supply the rope with which to hang itself?

Sincerely,

Miss Sarah Simms.

S. 66—THE HEALTH BILL

Mr. CANNON. Mr. President, Congress has recently approved the conference report on the health bill, S. 66, and sent it to the President. Earlier legislation to provide for these health programs was vetoed. I hope that will not be the case again. I am concerned about the possible decline of health services.

Title IX of S. 66, for example, extends Federal support for nursing schools and students.

Last year, Nevada received $714,000 in funds under the Nurse Training Act. Many fine programs could go by the wayside if this bill is not enacted.

One such program is COGEN—which stands for cooperative graduate education in nursing. It involves 12 schools, 10 in California and 2 in Nevada, that share faculties and facilities to promote regional development of graduate education in nursing. Programs like COGEN help to reduce the severe shortage of nurses prepared to teach, administer, research, and practice in more isolated areas such as rural areas in Nevada. Such programs also make the most efficient and effective use of facilities. Many innovative projects of this kind have been fostered under the Nurse Training Act. Yet many programs of this kind would have to be terminated—let alone starting any new ones—if this Federal support is discontinued.

Another program vital to Nevada is the rural nurse practitioner program. The purpose of the RNP program is to improve the delivery and accessibility of health care to rural residents—a program of inestimable value to a State such as Nevada.

The program directs three qualified faculty members from the Orvis School of Nursing to spend time in such places as Elko, Wells, Winnemucca, and Carson City. The response from nurses wishing to enroll in the course has been overwhelming.

Federal funds through the Nurse Training Act in Nevada are also being directed toward attracting disadvantaged or ethnic minority students to the field of nursing. Currently, the Orvis School of Nursing has submitted a 1-year feasibility study to HEW to develop a curriculum study that would allow such students to complete an academic program at a decelerated rate. This same study would seek to establish a curriculum which will assist registered nurses to return to school to pursue a bachelor of science degree in a baccalaureate program.

The end result of these programs is better nursing care for people, and I am sure the benefits in Nevada are being duplicated in other States.

The funding authorizations in S. 66 have been considerably reduced from those in the legislation which the President vetoed. I think it is a realistic bill and I think it is a needed bill. I urge the President to sign it.

MOTHER CLARKE

Mr. MATHIAS. Mr. President, on Saturday, July 26, the Edwin C. Creeger, Jr., Post 168 of the American Legion in Thurmont, Md., will honor one of Maryland's most outstanding citizens. Mrs. Ambrosia E. Clarke, known to all as Mother Clarke, will be feted on her 80th birthday at a dinner that also commemorates her 32 years of devoted service to hospitalized service personnel from World War II, Korea, and Vietnam.

Mother Clarke is truly a noteworthy woman. A native of Maryland, she raised 24 children. She was Frederick County's first blood donor, and over the years she has given 59 pints of blood to help others. And her efforts to brighten the lives of hospitalized servicemen and women have brought her the love and respect of countless persons who have been the beneficiaries of her kindness.

As Mother Clarke's family, friends, and admirers prepare to honor her, I know my colleagues in the Senate join me in a tribute to this outstanding Maryland lady. One of Mother Clarke's children, Paul A. Clarke, wrote some years ago, while he was in the military service himself, of his mother's rich life. I ask unanimous consent that his article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

A Modern Mother of Mercy

(By Paul A. Clarke)

A mother of 24 children who has donated 47 pints of blood dedicates her life to help our hospitalized veterans

The quiet gentle lady stopped at the bedside of the hospitalized serviceman. A few reassuring words, the flash of a kind smile wreathed by silvered hair, and she was off to the next bed. Beside the patient lay a gaily wrapped gift box, and in his heart was a feeling of warmth and happiness.

This thoughtful lady, "Mother" Clarke, makes giving her business. As a modern Florence Nightingale since 1942 she has worked tirelessly to cheer the lives of thousands of hospitalized servicemen and veterans she calls "her boys".

The advent of World War II convinced Mrs. Clarke that everyone should do something to help his country. She was to be no exception. Each morning she brought sandwiches and hot soup and coffee to the soldiers who guarded the long convoys that streamed endlessly by her home.

The boys got to know her well. They called her "Mother" Clarke.

She still receives visits and letters from the boys she befriended and likes to show you what a typical letter of thanks from a serviceman's mother looks like. It would read something like this: "May I thank you for the kindness shown to my son. It is so nice to know that someone was kind to him when he was so far from home."

This one-woman USO did not stop here. She decided that she still was not doing enough for "our boys" and started a personal crusade to acquire needed blood plasma for our wounded servicemen. She became her county's first blood donor during World War II. When the county blood chapter was closed, Mrs. Clarke began twice-monthly 78-mile pilgrimages to a Baltimore hospital to make her contributions.

Mother Clarke has a personal reason for maintaining her blood record. "I have my own sons in the service," she says, "and anyone of them could need blood sometime. I pray God not!"

It was on one of her trips to Fort Howard Veterans Hospital in Baltimore, Maryland that this amazing woman began another one of her tireless feats which has won her recognition all over the country. She says, "I could not get over how many of our boys were lying wounded in the hospital. I had to help them—someway."

On her next visit to the hospital, Mrs. Clark brought a number of gifts, and passed them out in the wards. Since that visit in 1942, she has been a self-appointed "mother" to ill and wounded veterans in hospitals throughout the country. "I could not help seeing how happy my gifts made the boys and I decided then and there to make regular visits to the hospitals bringing gifts and cheering them up," she explains.

"My biggest worry is that there is so much to do and so little to do it with. There are so many boys and so few gifts. I remember when I ran out of gifts in the middle of a ward one day. I had to cry when I told the boy in the next bed that I did not have any presents left."

Where do her gifts come from? "I had plenty of faith in the good will of others," explains this remarkable woman, "and I began to comb my home town of Thurmont asking for donations of gifts for my boys. Not wanting to ask the same people for gifts all the time, I began going into Frederick, Baltimore, and Washington to ask for help."

In later years as her gift collecting increased, she started writing letters to hundreds of companies asking for help in her work. Her gifts became so numerous that the various hospital authorities sent a car for her to help carry the cartons of presents she would accumulate between each visit.

It is only through the generosity of the kind-hearted people, says Mother Clarke, that she is able to bring happiness to the boys when she presents these gifts. "I wish you were along to see the boys—how they jump up and sit in bed. They wait for that visit. If they can smile when handed a gift I will walk miles and write hours for more such gifts for them. That smile is worth thousands of times more to me than the miles I walk or the hours I write."

This lady of mercy reminisced on her experience as a mother of two dozen children, 12 of whom are living. "I have had a lot of trouble," she says, smiling, "but I would not have had it any other way. I have always prayed and burned a candle. God has always answered my prayers."

The high cost of living was no joke when her 12 children were living at home. Cooking potatoes by the peck and serving breakfast on an assembly-line system was routine housework for her. She measured her laundry by the bushel basket—ten baskets was a normal washday in those days.

A typical day for Mrs. Clarke would not be complete without her ten-minute walk to Our Lady of Mt. Carmel church in Thurmont for daily Mass. "Rain, snow, or shine, my day begins with my visit to the Lord. He has been so good to me."

Many honors have come to Mother Clarke since her mission of mercy began in 1942. She treasures many different awards and certificates, all of which she uses in her campaign for gifts for her "adopted" boys. Asked about her citations she says, "I would rather have gifts for the boys than any citations."

Mother Clarke is Mrs. Ambrosia Clarke Sr. of Thurmont, Maryland. She is the mother of 24 children of whom 12 are living. She has donated 47 pints of her blood to soldiers and ex-soldiers. Four of her sons are in the service.

This "Mother of Mercy" was born Ambrosia Derwart, daughter of Mr. and Mrs. Michael Derwart, in Baltimore, Maryland. She attended Our Lady of Good Counsel and Holy Cross Schools there and in 1917 became the bride of Charles H. Clarke Sr., who died in 1954 at the age of 72. She and her husband settled in the attractive Frederick County town of Thurmont, Maryland, and it was there that Mother Clarke bore her 24 children before she began "adopting" servicemen in the hospitals.

In 1948 she traveled to Hollywood, California, to be chosen "Honorary Queen for a Day" on Jack Bailey's "Queen for a Day" program. Fort Howard Veterans Hospital, Baltimore, Maryland, not to be outdone by Jack Bailey, declared Mrs. Clarke "Fort Howard's Queen for a Day" and presented her with a loving cup which holds the inscription: "To Mother Clarke in appreciation from the boys."

The Second Army's Certificate of Achievement, highest honor given to a civilian, was awarded to her "for unselfish and outstanding service rendered to former members of the armed forces in the Veterans Administration Hospital, Fort Howard, Maryland." Harold Russell and the AMVETS awarded a certificate of merit to her "for outstanding service to the organization and to the welfare of our Nation."

In 1949, Thomas D'Alesandro, Mayor of the City of Baltimore, Maryland, presented Mother Clarke with a certificate and award of merit. The Catholic War Veterans of Maryland and Illinois duplicated this honor by awarding two certificates of merit to her "for your many acts of kindness rendered our veterans and members of our armed forces."

NBC's "Portia Faces Life" honored this mother as "Mother of the Year" on May 9, 1951 as star Lucille Ball had this to say about her: "Your tenderness and devotion to your family are a wonderful thing, but showing love to all the "human" family typifies the true meaning of motherhood."

Bob Hope, star of NBC's Radio Network, presented her with the Bob Hope "Woman of the Week" Citation on May 22, 1953 "for outstanding citizenship and individual achievement for home and community."

It was in 1951 that His Eminence Cardinal Spellman of New York summoned Mother Clarke to his residence and presented her with the Francis Cardinal Spellman Medal. This was in recognition of her fine work in bringing joy to the various veterans hospitals. As she knelt to kiss his ring, His Eminence said to her, "Stand up, Mother. I should kneel to you."

One commendation Mother Clarke treasures is a scroll and prayer awarded her by Pope Pius XII. She has also received a medal from the Pope. "My life would be complete," she says, "if I could only go to Rome and get the blessing of the Holy Father."

Mother Clarke expresses her faith in God to answer her prayers in this simple manner. "There is nothing that God won't do to help us. Don't expect His Help in the way you always look for it. God acts in strange and mysterious ways. I had to pray 14 years before He gave me twins."

Mrs. Clarke's repute as a "Mother of Mercy" has spread. She has appeared at different times on radio and television programs in New York City, Baltimore, Washington, Hollywood, Chicago, and other cities in behalf of her wounded servicemen. Various firms and factories continue to send her a wide variety of articles—bedside radios, toilet sets, fountain pens, mechanical pencils, stationery, chocolates and candy bars, book, cigarettes, handkerchiefs, harmonicas, clothes, souveniers—and with each such gift she hands over to a hospitalized serviceman goes cheering words based on her own experience as a mother.

Father Edward A. Curran, an United States Army chaplain at Walter Reed Hospital, Washington, D.C., wrote a letter to the editor of this mother's hometown paper. "What a noble spirit, what a real American citizen!" the latter exclaimed. "Truly she has fulfilled the command, 'Love thy neighbor as thyself'! "

What of Mother Clarke's spare time? Housework and the numerous letters she writes to various firms take up most of her free time. Last Christmas she sent out 200 letters and acknowledged their gifts with a same amount of thank-you letters. Every letter is written in her own handwriting since she says, "I write as I feel and that is why I have been so successful."

"The boys are my work and I hope that they will always think of me as their adopted mother. But even if they do not always remember me," she adds, "they are still my boys and I will keep on working for them because God has made this the happiness in my life."

And that is how it goes with Mother Clarke—a solid citizen with a heart for giving. Certainly the hospitals are more cheerful places because she came . . . and cared.

INFLATION REPORT NO. 3: HIGH CAR PRICES INCREASE UNEMPLOYMENT

Mr. HUMPHREY. Mr. President, in the past few weeks I have addressed this Chamber several times about a subject the administration would like to think is its pet domain of activity: inflation. But instead of saying, as the administration has been, that the cure to rising prices is to limit people's purchasing power and keep them from finding jobs, I have examined specific instances of price increases and offered plausible, widely accepted reasons why they have occurred. In no case has the working man or woman been to blame. In no case has Government's fiscal efforts to end the recession been to blame. What has been to blame is profit-push and cost-push price increases.

Today, in a continuing attempt to spread light on this subject, I would like to look at what is happening to automobile prices.

One of those layout quirks which often conveys its own message occurred recently in the Wall Street Journal. On page 4 a story was headlined, "New Car Sales Fell 5 Percent in June From 1974 Level," and on page 5 there was another entitled, "GM Signals '76 Model Pricing Intentions by Setting up to 6 Percent Rise for Fleet Buyers."

It makes one wonder. Did not the old Econ 101 professor tell us that when demand falls, so should prices? But then the real world seldom works like simple models, hard experience has taught us.

The auto industry is down if not quite out. Chrysler, for example, has permanently reduced its salaried work force by 30 percent. Only recently have some worker recalls suggested an effort to support inventories, but this is only due to tenuous and risky guesses about future market conditions. And for the laid off, supplemental unemployment benefits, SUB, have been running low. June volume of U.S.-made auto sales was down 11 percent from a year earlier, the worst performance in 13 years.

Then why the price rise? The classical case of decreasing demand during a recession has hit the auto industry and, in this worst of all recessions, it has been hit harder than the rest of the economy. But despite this, recent price history has been, quite bluntly, a very dismal story.

Rebates earlier this year were temporary palliatives to correct previous extravagant price jumps, and liquidate bloated and expensive inventories. But now with inventories down, the target pricers are at it again. For 1974 models, price rose an average $500 per car; the price increase for 1975 models was another $450, or almost 9 percent. And today we are talking about another 6 percent for 1976 models.

We all recognize that auto companies, like other businesses, face the continued anomaly of inflated costs, along with decreased demand, but the extent of these price increases should raise at least a few eyebrows. The Wall Street Journal cited one Detroit record keeper who noted that "rises of that magnitude have been imposed only twice in the 15 years prior to the introduction of the 1974 models."

Each percentage of price increase, according to the Journal, represents an addition to auto company revenue of $360 million—but only if they do not create another consumer revolt with further disastrous results for the industry, the work force, and the consuming public. Albert Sindlinger, the pollster was quoted in the Journal as saying:

> If inflation is abating as we're being told, consumers don't understand why new-car prices aren't coming down.

Frankly, neither do I.

Perhaps most disturbing, much of the increase is likely to be in disguised forms: Increases in shipping charges not itemized on the bill of sale, and increased wholesale costs to dealers. Wholesale price changes will be passed through to the customer by changes in the discount off list price typically agreed to in new car deals.

Mr. President, if the indications of forthcoming price hikes in automobiles are emerging correctly, they foreshadow untold detrimental consequences to the economy. I do not hesitate to say I am worried; the news is not good.

Inflation is a generalized increase in prices. It is indeed ironic that when demand is at an all-time low since the Depression, the Ford administration should blame the Federal Government's attempt to pick up the slack and keep the country moving for inflation. While this could happen with unwise deficit spending under very different economic circumstances, it is clearly not happening now.

Rather, we find much of today's inflation resulting from cost-induced price increases, and administered prices as I have related here in the case of the auto industry. Is this not where our attention should be drawn?

I have written Dr. Albert Rees, Director of the Wage and Price Stability Council. In my letter, I strongly urged him to seriously investigate the automobile price situation, and take all necessary steps, including public hearings, to inform the public and prevent any unjustified price boosts.

Mr. President, I ask unanimous consent that a copy of my letter to Mr. Rees be printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

JOINT ECONOMIC COMMITTEE,
July 16, 1975.

Hon. ALBERT REES,
Director, Council on Wage and Price Stability, New Executive Office Building,
Washington, D.C.

DEAR MR. REES: Many factors contribute to today's inflation, and the control of this economic ill requires remedies from several directions. The Council on Wage and Price Stability is charged with the responsibility to administer the Government's wage and price program and to develop anti-inflation policies. Even with the rate of inflation dramatically lower than six months ago, it is still unreasonably high, and it is therefore important to vigorously pursue efforts to prevent unjustified increases in prices or wages. This approach is especially vital at a time when an alternative "cure" for inflation calls upon the Federal Government to perpetuate unacceptably high unemployment.

Therefore, in light of new information concerning the imminent pricing intentions of the automobile industry, I am asking you to seriously investigate the underlying justification for price increases in automobiles for the 1976 model year. As Chairman of the Joint Economic Committee of Congress, this developing situation greatly concerns me because I believe it will aggravate inflation and impede economic recovery.

The first announcement suggesting suspiciously high auto price increases came from General Motors on July 6, when they boosted prices to fleet buyers 6%. This may serve as a precursor of events to come, and it worries me, as well as the millions who hope to purchase cars this year.

I urge you to investigate these price increases and schedule hearings on this matter to determine why a severely depressed industry is now charging more for its output instead of reducing prices to stimulate buying. The public deserves an answer. And if it should be found that the price increases are not justified, the stage will be properly prepared for correcting the problem.

I also notice with interest and special concern the fact that farm machinery prices have increased 22% from May of last year. My State of Minnesota is a farm state. Farmers are good capitalists and believe in free enterprise. But they have so often in recent history operated at such incredibly narrow margins that other businessmen must wonder why they keep at it. A huge increase in the cost of their major capital equipment is a harbinger of more hard times for farmers. Consequently, as soon as the data from manufacturers is summarized, I would like you to forward a copy of it to the Joint Economic Committee staff, attention Jerry Jasinowski, for internal study.

Thank you for your cooperation.

Sincerely,

Hubert H. Humphrey,
Chairman.

MANY OF VIRGINIA'S LEADERS ARE ACTIVE IN MASONRY

Mr. HELMS. Mr. President, I have at hand the text of a splendid address delivered on June 16, 1975, by the distinguished Lieutenant Governor of the Commonwealth of Virginia, the Honorable John Dalton.

Governor Dalton addressed the George Wright Masonic Lodge No. 346 at Chesapeake, Va. Mr. Dalton himself is a distinguished Mason; he is Chief Rabban of Kazim Temple, AAONMS, Roanoke, Va.

In his address, Governor Dalton made the point that many leaders of Virginia are Masons, including our two distinguished colleagues from Virginia, Senator Harry F. Byrd, Jr., and Senator William L. Scott; also the distinguished Governor of Virginia, Mills Godwin.

Mr. President, many Members of the Senate are Masons, and I feel that they, and others, will be immediately interested in the address by Mr. Dalton. For that reason, I ask unanimous consent that it be printed in the Record.

There being no objection, the address was ordered to be printed in the Record, as follows:

Remarks of Hon. John Dalton

Among the leadership of Virginia today, I meet so many brother Masons. Men from every part of Virginia who are carrying the principles of Masonry into the service of their Commonwealth and their state.

Both Governor Godwin and Senator Scott are 33 degree Masons. Senator Harry Byrd is a Mason and a Shriner. His father, Harry Flood Byrd, Sr., was a 33 degree Mason, a Grand Cross and a Shriner.

The leadership of Virginia today are the heirs of an historic tradition, an illustrious line of Virginia Masons who have led our Commonwealth and the nation through the past two centuries.

In March, I attended the Mid Atlantic Shrine Association meeting at Roanoke. George Stringfellow made a wonderful speech on the contributions of Virginia Masons to American government and to American freedom. Senator Harry Byrd was greatly impressed by that speech as we all were. He asked that it be printed in the Congressional Record and he sent me a copy of those remarks.

George Stringfellow has done an impressive job of scholarship in showing Masonic contributions to the founding of our country, and I would like to share some of his scholarship with you tonight, because it is something that every Mason in Virginia can take pride in and be inspired by.

I believe that one of the most inspiring periods in American history is the years immediately following our War for Independence. That is the time when we were trying to keep the victory that we had won. We were trying to show the world that representative, free government could be made to work. The first four Grand Masters of Virginia each played a part in the founding of the American system of government.

John Blair, Virginia's first Grand Master, became an associate justice of the Supreme Court of the United States.

James Mercer, our second Grand Master, was a member of Congress under the Articles of Confederation.

Virginia's third Grand Master was Edmund Randolph, and he was not only a member of Virginia's Constitutional Convention but he was the first Attorney General of the United States and also served as Secretary of State under George Washington.

Virginia's fourth Grand Master was the greatest Chief Justice in the history of our country, John Marshall.

George Washington himself was the first of many Presidents who were Masons. He was initiated into Masonry in Fredericksburg Lodge No. 4 on November 4, 1752 and he later became Master of his lodge in Alexandria.

George Washington's courage, his love of his country and of freedom, were surely strengthened by the fellowship of his brother Masons. For there were many of them in the outnumbered, badly equipped, often hungry army which drove back the greatest military power of the 18th Century and established a truly American nation upon this continent.

Surely one of the most brilliant of Washington's commanders was "Lighthorse" Harry Lee, a Virginia Mason whose name is in every American history book as a symbol of military courage and daring. His cousin, also a Mason, was Francis Lightfoot Lee, a Delegate to the Continental Congress and a signer of the Declaration of Independence.

We do not know when some of the early Masonic Lodges were founded in Virginia, but one of the earliest of them was the Royal Exchange Lodge of Norfolk, chartered on December 22, 1733.

The oldest building in the United States erected for and used by Masons for Masonic purposes is in Richmond.

While we were building lodges, we were also serving our fellow Virginians. The first school for deaf children was sponsored by Virginia Masons, by Manchester Lodge No. 14 in Richmond.

We have a great heritage as Virginia Masons and great challenges to meet in the coming years. Among the great contemporary Masons, certainly George Stringfellow is outstanding for his service. He is a Virginian who moved to New Jersey in his younger days. He once worked as an assistant to Thomas Edison. He later became Imperial Potentate of the Shrine of North America and is a past Chairman of the Board of Directors of the Shriners Hospital for Crippled Children. After an outstanding career, George Stringfellow has come home to Virginia and is living in Arlington, and I know the Masons of Virginia are delighted to have him back home with us.

I would hope that we would look at the inspiring record of Virginia Masons over the past 200 years as a challenge to us also to do our best and give our best to our communities, to this Commonwealth and this nation.

I want to see every citizen take part in our great system of government, by voting, by working in one of our two political parties, by being informed citizens. But I have a particular reason for wanting the Masons to be involved. Masonry represents a great cross section of our people: Many kinds of businesses and professions, many skills, many political views, much experience in leadership. Masons do not all hold the same political view, but hey do share the view that citizenship is a high privilege and serious responsibility.

There are many special interest groups who get in politics these days. These special interest groups get involved in the political process because they want government to do some particular thing for them. There is nothing wrong with that in itself, so long as we have a counter balance to special interests. The nation and this Commonwealth need people who just want fair, honest, responsible government and no special favors for themselves. I hope you will always be counted among those people.

90 years ago James Russell Lowell, the great American poet, was asked: "How long will the American Republic endure?" Mr. Lowell answered: "Only so long as the ideals of the men who established it continue to be dominant in each succeeding generation."

Now more than ever before we need people of high ideals and strong character who will come forward and accept the responsibilities of leading this Commonwealth and this nation. I would say to each of you that you have a part to play in that future. You have a gift to give to our country: that is to keep our ideals alive as we seek to meet the challenges of the 1970s and 80s and beyond.

Those of us who have chosen careers in public service will always be grateful for the strength which comes from your fellowship and your example.

GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, today I intend to continue by examination of arguments in opposition to the Genocide Convention.

As originally drafted, the Genocide Convention included "political groups" as well as "national, ethical, racial and religious groups" in article II, but this inclusion was deleted during negotiations of the treaty. Many opponents of the convention claim that the omission was a "major concession" to the Communists and the convention had lost its effectiveness as a result.

Ernest A. Gross, a U.S. Representative in 1949, rebuffs this claim:

> It is exceedingly difficult to understand the legal, political or moral justification for the contention that an exclusion of political groups from the scope of the Convention renders the Convention useless. Surely the physical extermination of human groups by killing members of the group by reason of race, religion, or culture, should be defined as a crime under International Law. Recent history surely has not so completely faded from the mind and conscience of civilized mankind that one could rationally characterize as a "useless piece of paper" a Convention aimed at outlawing the type of conduct exemplified by Nazi savagery.

With this clarification, I urge the U.S. Senate to ratify the Genocide Convention immediately.

NATIONAL SCIENCE LEADERSHIP

Mr. MATHIAS. Mr. President, the dramatic joint space venture of Apollo and Soyuz demonstrates once again the capabilities of technology. While activity in space is a spectacular display and result of great technological effort, it really is but one example of what can be achieved. Across this country and around the world, in laboratories, libraries, classrooms, hospitals, offices—wherever men and women dedicate themselves to the task—research and technological advancement are underway in virtually every area of endeavor known to man. Much of it is done quietly, out of the public view. On occasion, as with our space missions and certain modern medical breakthroughs, the results of this work are brought to our attention.

Research and technological development are in our best national interests. Last year, I introduced legislation in the Senate to stimulate a new high-level governmental interest in a national science effort by establishing a Science and Technology Board as an independent mechanism in the executive branch. I have renewed my proposal in the current Congress.

This proposal was developed from an address that Dr. Robert Sarnoff, chairman and chief executive officer of the RCA Corp., gave in February 1974 at the Johns Hopkins University in Baltimore. Dr. Sarnoff, a man of great distinction and accomplishment, must rank as one of our country's foremost authorities on activities in research and technology.

Dr. Sarnoff addressed himself again to this subject in a commencement day address that he delivered June 5 at the University of Southern California. His comments should receive attention beyond the academic community in which they were offered, and I ask unanimous consent that his address be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

REMARKS BY ROBERT W. SARNOFF

I greatly appreciate the honor you do me today, both in awarding this degree and in giving me the opportunity to address this distinguished gathering. Almost by definition, a commencement is an occasion for looking ahead. There can be no better vantage point than California, which is not only a state but a forward-looking state of mind. Many Americans believe that as California goes, so goes the future. It is probably no accident that one of the country's finest institutions for research on the future flourishes on this campus.

Like it or not—today's accelerated pace of change makes all of us futurists. If we hope to influence the future, we must work at it, because nothing else is catching up with us so fast. A philosopher once noted that the "future is a dangerous business." I would only add that I see no acceptable alternative.

Our nation in particular is looking to the future these days with special concern. This post-Vietnam period is a time of soul-searching examination of our place in the global community. To be sure, it is a time to review our commitments and our priorities. But it is also a time to reflect on the deepest roots of our strength as a nation, and to act vigorously to nourish those roots. That is the best way to renew our own confidence and the respect of other nations for our strong role as a good neighbor in a stable and prosperous world.

The sources of our greatness are woven together. Our land has been blessed by an abundance of natural resources, including talented, venturesome people from all parts of the world drawn by the opportunities inherent in our climate of freedom. At the same time, our economic system has provided the incentive and the capital to develop these resources.

No less indispensable has been our ability to create and manage modern technology. This ability has enabled us—in a relatively short time to raise the quality of life for the mass of our people to the highest level in human history. It has also enabled us to build awesome defenses for ourselves and our friends. Our technology and our "know-how" are eagerly sought by both industrial and underdeveloped nations—by the free world, the socialist world, and the Third World.

To a vital degree, what this nation becomes in the future rests on the attitudes we hold and the policies we implement to advance science and technology. Despite the enormous changes now taking place in the world—indeed, because of such changes—we must remain committed to this wellspring of our greatness.

Yet for all our scientific and technological achievements, and the promise of significant advances ahead, there is a lingering skepticism, even hostility, toward technology, scientific research, and even the discipline of rational thinking itself. Ironically, much of this mistrust has stemmed from the campus and from young people. Although there are hopeful signs that this attitude is now changing, there are still those who would reject the era into which they were born.

Fear and distrust of science, of course, go back a long way. Goethe is supposed to have distrusted Newton's optics on the ground that the microscope and telescope distorted the human scale and confused the mind. Our literature is replete with images of dangerous men of science, from Dr. Faustus to Dr. Frankenstein to Dr. Strangelove. The benign vision of a technological utopia has been replaced by the nightmares of Orwell and Huxley.

Such attitudes toward science and technology have also been shaped by more modern influences. Among them are the environmental and consumer movements. In focusing increased attention on the problems of pollution and product safety, they have sometimes created hostility toward modern technology. And the military application of technology in Southeast Asia has done much to influence in the views of an entire generation.

Clearly, we can and should manage our technology better to fulfill social needs and serve human ends. But beware of those who would discard not just the dirty bath water, but the very plumbing as well. It has been fashionable for quite a while for some self-styled philosophers to set a rather low value on plumbing in the total scheme of things. I can offer them no wiser counsel than the words of John Gardner:

> "The society which scorns excellence in plumbing because plumbing is a humble activity and tolerates shoddiness in philosophy because it is an exalted activity will have neither good plumbing nor good philosophy. Neither its pipes nor its theories will hold water."

While some individuals may seek a personal salvation free of the real or imagined abuses of technology, those concerned with the continuing health of society cannot afford the luxury of such withdrawal. We are not talking about utopia, or even growth, but rather about survival.

C. P. Snow put it plainly enough some years back when he pointed out that the scientific revolution is the only method by which most people can gain the primal things—years of life, freedom from hunger, survival for children. These are the very things many of us now take for granted, having had our own scientific revolution.

Today, thanks to technological breakthroughs, we are witnessing significant innovations in such fields as education, communication, transportation, health care, and natural resources—innovation that will help solve social and economic problems and enrich the lives of millions of individuals. Let me cite several examples from my own area of interest—electronics.

A major development—of particular importance to the underdeveloped nations—is the use of satellite technology. Information transmitted from satellites in space to computers on the ground can reveal valuable data enabling us to monitor the growth and condition of crops, disclose the existence of water sources and mineral deposits, and predict world-wide weather patterns. This technology gives us an indispensable tool in planning for the future.

Satellites will also make possible direct telephone and television transmission to remote villages in underdeveloped areas, thus leapfrogging the need for a costly infrastructure of conventional communications. These techniques open an effective means of bringing information and education to people now beyond the range of existing communication facilities.

Technological innovation is making great progress in another important area—energy conservation. Through a tiny solid-state electronic device called a microprocessor, we will be able to achieve substantial fuel economies in our automobiles, homes, offices, and factories. This device, which acts as the heart of a miniature computer, will have a multitude of other applications. In fact, it holds promise of becoming a universal tool of the future.

The filed of health care is also benefitting increasingly from electronics. The use of lasers for both diagnostic and surgical purposes has resulted in significant advances. Body scanners, many time more sensitive than X-rays, can take detailed pictures of all types of body tissue and reproduce them in minutes. Electronic devices, long established as aids to hearing, are being developed to help the blind by bringing images directly to the brain, bypassing the eye.

Rather than determining our destiny, technology is increasing our ability to master it. It is giving us the means to shape our future, and the capacity—if not always the will—to act, not merely react.

The issue, as I see it, is whether our nation, with such opportunities and responsibilities, is willing to neglect our hard-won position in technology and permit our leadership to pass to others. Whatever the reasons—and they range from the attitudes of a narrow-minded coterie to a lack of public awareness to sheer drift on the part of our government officials—there is some highly disquieting evidence of slippage in our position.

America's national expenditure—Federal and private—for basic scientific research declined by 10 per cent in constant dollars during the period 1970–1974. During the same five years, outlays for basic research by the Federal government alone decreased by 15 per cent in constant dollars. Our national expenditure for applied research also declined, although to a somewhat lesser degree. Taking all of our research and development spending as a percentage of gross national product, we have witnessed a decline from 3 per cent in 1965 to 2.2 per cent last year.

While this slippage has been taking place, other nations have been moving ahead—and these trends go back to the Sixties. It is disturbing, yet instructive, to compare research and development spending over that period for non-military and space purposes by different countries as a ratio of their gross national product.

By that yardstick, the United States commitment was only 80 per cent of Japan or the Common Market nations, and only 60 per cent as great as the United Kingdom. By another yardstick—the number of professionals employed in these research and development programs—our effort was almost 30 per cent smaller than the Common Market countries, less than half the United Kingdom and only about 35 per cent of the comparable program in Japan.

Take still another index of creativity in science and technology—the number of foreign applications for U.S. patents. Representing about 20 per cent of the total number back in 1961, it rose to almost 36 per cent in 1973. Meanwhile, the share of U.S. patents actually awarded to foreign investors has been climbing steadily from about 17 per cent in 1961 to 30 per cent in 1973.

Despite these trends, our technology still leads the world. But in failing to provide continuing and steady support for our basic and applied research and development programs, we may be crippling our ability to maintain this leadership. If current trends are permitted to continue, the United States will face a serious technology gap in the critical years ahead.

To prevent such an alarming eventuality, our research and development efforts need not only funding, but also an adequate supply of skilled manpower. Although reductions in our space program have eliminated employment of many highly-trained scientists, we may see serious shortages of specialized professionals in other fields.

One critical area involves the national effort to meet our vital energy needs. It is now estimated that the Federal Government's program alone for energy research and development will eventually require about 40,000 scientists, engineers, and technicians. The manpower requirements of the private sector are even greater. It is anticipated that by 1985 industry will need more than 80,000 scientists to develop our domestic fuel sources. The number of engineers—electrical, mechanical, and chemical—needed in this field will reach 225,000 over the next ten years. The latest available head-count suggests that we will have to double our existing supply of these skilled specialists to meet all these projected needs.

Increased support for research and development and an adequate supply of trained scientists and engineers will be of little consequence unless what happens in the laboratories can be implemented in factories and transplanted into actual goods and services. That entails raising vast amounts of capital to expand and renew our industrial plant.

Here again, the signs are troubling. For the past fifteen years our nation has been allocating only about 15 to 18 per cent of our gross national product to capital investment, a percentage substantialy smaller than those of Japan, West Germany or France. One result of our failure to put enough money into modernizing our industrial plant has been an erosion of American productivtiy in recent years.

Our capital needs through 1985 have been estimated at about $4.5 trillion, a staggering sum to be sure, but one closely linked to more comprehensible matters such as jobs, inflation, and a high standard of living. Unless appropriate economic and tax measures are instituted to enable business to accumulate the vast sums required to improve industrial capability, we may witness a continuing decline in productivity, with serious consequences to our domestic well-being and our competitive position overseas.

From laboratory to factory to ultimate use, the tack of effectively employing science and technology in achieving our national goals is so complex and difficult that it requires a degree of comprehensive planning that simply does not exist today. Last year, speaking at another great university, Johns Hopkins, I recommended the establishment of a U.S. Science and Technology Board. I urged its creation as the focal point for planning and coordinating the broad variety of governmental activities in this field into a unified policy framework based on long-term national needs. A number of bills are now pending in the Congress, including an excellent one by Senator Charles Mathias of Maryland, that would implement this proposal.

Two weeks ago, President Ford announced that he is requesting Congress to establish a White House Office of Science and Technology much like the one dismantled in 1973 by the previous Administration. Congressional hearings on the President's proposal are to begin soon. They offer a much-needed opportunity to consider the whole range of pending legislation in this area. I hope that whatever bill emerges will be broad and effective enough to help the nation move more urgently to replenish a major source of our national power.

If our future performance in science and technology is to be equal to our expanding requirements, at home and abroad, we face an enormous task—one that will take the dedicated efforts of government, the private sector, and the academic community. We must act to increase our support of public and private research and development programs; we must insure that we will have an adequate supply of skilled scientists and engineers in those fields in which they are needed; we must allocate sufficient sums of money to modernize our industrial plant and guarantee its future health, and finally, we must institute effective planning mechanisms at the highest Federal level to coordinate this massive effort.

Alfred North Whitehead once pointed out that the business of philosophers, students, and practical men is to recreate and reenact a vision of the world, a vision penetrated through and through with unflinching rationality. I deeply hope that there are enough rational visionaries out there to help us meet the future head-on, and to make it our own.

RELIVING VIETNAM

Mr. **CLARK**. Mr. President, in reassessing U.S. foreign policy following the Vietnam war, it is important that we also try to relive that experience. Vietnam was, after all, an important event in the personal lives of most Americans—policymakers and citizens alike. The changes it brought in national morale reflected changes in individuals' perceptions of government and of this country's role in the world. The divisions it created in the society reflected divisions within families and among friends. The questions it poses about future American international commitments are questions that are being asked by millions of Americans as taxpayers, voters, and contributors to private international relief agencies.

In their recent article, "Coming of age through Vietnam," Antonia and Anthony Lake have made an invaluable contribution to American understanding of the Vietnam war and of the questions it poses for future U.S. foreign policy. The Lakes were closer to the Vietnam involvement than most Americans, arriving in Vietnam shortly before the first Buddhist priest burned himself in protest against the Diem regime, and Anthony being assigned to the National Security Council as an aide to Henry Kissinger until his resignation over the invasion of Cambodia. Yet what they saw first-hand was seen through the media by all Americans. The unavoidable facts of U.S. involvement in the Vietnam war—the high human costs, the deceptive reports by the Government that the war was being won when the situation on the ground clearly indicated otherwise, the reality that the United States could not force reform on a foreign country, the fact that "only the Vietnamese could fight their war"—these were brought home to every American in newspaper, radio, and television reports. And public opinion reflected many of the same responses to these realities that the Lakes have expressed in their article: An initial conviction that the United States was a positive, constructive force in the world; growing disillusionment and cynicism not only about U.S. policy but also about policymakers; an increasing awareness of the human suffering involved in the Vietnam war and at the same time of governmental insensitivity to this human dimension; realization that Vietnam and the United States were not working together but using each other and frustration that this country could not bring about reform in Vietnam; and finally questioning if it would be possible for the United States after Vietnam to be a constructive force in the world.

In sharing their "dialog" on Vietnam, the Lakes have provided a model for the kind of serious rethinking and reliving of that experience that must be the foundation for charting American foreign policy for the future.

Mr. President, I ask unanimous consent that the article by Antonia and Anthony Lake, "Coming of age through Vietnam," from the New York Times Magazine, July 20, be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Coming of Age Through Vietnam

(By Antonia and Anthony Lake)

Anthony Lake is a former Foreign Service officer who spent part of the early nineteen-sixties in Vietnam, returned to the State Department in Washington to work on Far Eastern affairs, became a White House aide to Henry Kissinger and, eventually, resigned over the U.S. invasion of Cambodia. His wife, Antonia, went to Vietnam with him and was, in many ways, as caught up in the war as he. Today, he is director of the International Voluntary Services, a private agency in Washington that sends technicians to the less developed countries; she is a photographer; they have three children. They wrote the following dialogue at the request of this Magazine.

Antonia. In the past weeks, we have spent a lot of time in thought and conversation about Vietnam, our part in it and its part in our lives. Sometimes I am overwhelmed by feelings of anguish, grief and guilt; at other times, I feel only relief that it is over.

Certainly, you and I have not always agreed on the experience. At times it has been a very divisive issue for us. At other times, it has been a strong bond between us. Our perceptions and our reactions have been influenced by differences in sex, situation and temperament. But for 13 years the war dominated our life together, just as it has dominated the life of America.

Our first years together—the end of college, my first job, your fellowship at Cambridge University, our wedding—are very vivid still. How we felt we could learn and do everything! Remember the letters you wrote the year before we were married, about service, adventure and the chance to change things in the world? I was not nearly as political or as activists as you were. Yet I shared all your goals and wanted to learn with you. The things I was doing, and enjoying, I was quite willing to put aside. I was not a bit liberated in the meaning of the word today. Yes, I had had a very good education; yes, I had worked and planned to have a career. But, although we had attended college together, it never occurred to me that my "career" was not something to be fitted in when it did not interrupt yours. I wanted to join you on an adventure in life; my role in it I never really thought through.

ANTHONY. I find it difficult to recall how readily I, too, assumed that my professional career was more important. I wrote you constantly from Cambridge about what career I might pursue, but the decision was mine. Why did I decide, during that year of study in England (1961–1962) that I wanted to join the Foreign Service and go, specifically, to Vietnam? I knew next to nothing about the country, and my reasons had little to do with Vietnam itself.

Partly, I suppose, it was ambition—the Foreign Service seemed an interesting and rewarding career. But more, it offered a chance to serve, to take part in an exciting national effort. In 1960, I had stood briefly next to Senator Kennedy's open car as it forced its way through the election-eve crowds in Boston. His confident smile and the almost hysterical adulation of the people (which I shared) produced an incredible sense of power—and the feeling that it could be harnessed to serve great purposes. As the car moved off, I desperately wanted to follow it.

I wrote home that I wanted to concentrate on Asia because that was where the human problems were most intense, and I hoped to contribute in a small way to their alleviation. If I was confronted with the draft, I would join the Marines. I saw no contradiction in this: All the strands of American foreign policy seemed then to be joined, and service in the Marines would serve the same vision of a powerful, active, constructive America.

At the Foreign Service Institute, in 1962, our "Basic Foreign Service Officers Course" taught us, in addition to "social usage in the Foreign Service" and other subjects, something called "counterinsurgency tactics." (It included one afternoon session in "Counterinsurgency Tactics: The Peace Corp.") As a training exercise, we put on a skit representing subversive Communist guerrilla planners and the American "country team" that would foil their plots through military action and economic progress. An odd bit of official guerrilla theater, it was called "Modernizing at the Mekong." It was revealing that the skit had no role for a representative of the Government or the people we were saving.

If "modernization" would not provide a solution in Vietnam, military force would. Bernard Fall, the most impressive writer on Indochina at the time, gave a lecture at the institute. He had recently been in North Vietnam, and was impressed with how fearful its leaders were of American bombing. Even a serious threat of bombing, he said, would have a tremendous impact.

ANTONIA We arrived in Saigon on a steamy night in April, 1963. I remember the drive from the airport through the silent and tree-lined streets, looking for Vietcong. I was afraid. The next morning, with you gone for your first day at the embassy, I sat on the musty bed in our room in the old Hotel Majestique watching the heat and glare seeping through the shuttered windows, the slowly revolving ceiling fans, the red and white patterned tile floor. Finally, in the afternoon, I ventured out, to be startled by the bustle and everydayness of a scene I had thought so threatening.

For me the early days in Saigon passed with getting settled, learning the city, and adjusting my Vietnamese from the classroom to the real thing. We moved to our permanent quarters, a beautiful, white French villa with a romantic tropical garden. We had two enormous rooms on the ground floor—high ceilings, tall, shuttered windows and the same red and white, cool tile floors.

The memories of that green and open city, those early days when the smells, the colors and sounds were so new and intense, are very strong. We used to drive down to the Saigon docks at night and watch the ships unload—the heat and humidity muted by the darkness, the smell of charcoal, fish sauce, and diesel, the half-naked dockworkers scurrying by pushing carts or guiding the netloads of cargo off the ships. We spent long evenings in little restaurants, French, Vietnamese or Chinese, and in smoky, steamy nightclubs where Vietnamese chanteuses crooned. We visited the Saigon zoo where our puppy played with a 4-month-old baby lion and the setting for the veterinarian's office looked like something out of "Green Mansions." We drove around seeking evidences of Vietnamese history and ancient Buddhist culture.

But there were disturbing elements even to our early days there. We were issued a booklet called "Bend With the Wind," with instructions for dealing with emergencies, evacuations and the like. Shortly after our arrival the Buddhists began their protest against Diem and the first bonze burned himself.

There were many contradictions in my letters home. There was so much that was new, strange and conflicting. There was a new culture, a new language, a war and an explosive local situation. I was frequently bewildered, so most of the time I went along. I went along because I believed our Government told the truth and had high ideals. I went along because I had been brought up to be against Communism. I went along because I was newly married and wanted to believe that what my husband was doing was right.

And there was an enemy and he was real. He killed Vietnamese and Americans. The threat of death kept me from being neutral. Once I walked within 10 feet of a can filled with plastique in front of the American Embassy. Another time I was in the central market when a bomb exploded. Friends were killed and badly injured in the bombing of the embassy in March, 1965. After we moved to a ground-floor apartment in Hue, I would lie in bed at night and think how easily a grenade could be thrown through our unbarred, unshuttered bedroom windows. The day-to-day fear and uncertainty grew with time. After we had been in Saigon a year, I went to the gate of our garden to admit a cycle driver. In his hand I saw a round object, with a pin protruding from it. I fled, screaming hysterically. It was the only time I lost control. The object was his pipe.

There was another aspect to my reactions to Vietnam in that first year. It was the fact that I had no role there—no role that had anything to do with what I thought important. Our marriage had begun with the idea that we were going to go through life together, working toward our goals and our ideals together, or at least side by side. But it was clear that this was not going to happen from the very first day, when you left for the embassy and I remained behind in the hotel. I became the Foreign Service wife, teaching English and third grade at the American School. Dinner parties and receptions, whether all-American or diplomatic dos, were tedious and frustrating. Women were routinely and automatically excluded from shop talk—which for every man there was the war. Female opinions were never sought, and certainly not considered if offered, because we were not involved.

In the end, I found refuge in a very natural place—motherhood. What an irony to have a baby in a hospital where my obstetrician was a captive—under house arrest for alleged corruption as Minister of Health for Ngo Dinh Diem. What irony also to feel safe and secure in this Vietnamese hospital for three weeks (with you also sleeping there, à la the Vietnamese) as terrorist attacks on Americans occurred almost nightly.

Increasingly, my letters home were concerned with domestic matters—our baby, our dog and her nine puppies, my singing and music. Less and less did I try to analyze and interpret the events that were occurring with staggering intensity around me.

ANTHONY. It was often a frightening place to be. The evenings in Saigon during a particularly bad period of terrorism, hearing occasional, muffled thumps of *plastique* explosions . . . constant rumors about new terrorist teams in the city . . . reports of imminent attacks, during field trips, on the military compounds in which I was staying . . . the shooting nearby . . . the incredibly lonely drives through contested areas.

But, in truth, it was exhilarating as well. Driving at high speed along a road on which there had been ambushes, vaguely secure in the knowledge that they were nonetheless rare, one felt a heightened sense of being alive.

I found myself responding in ways I did not understand. Once, in a jeep with some military men in an ambush area, I was handed a carbine. With the gun came the hope that someone would fire at us from the clumps of trees lining the road, so I could fire back. Usually doubtful that I could shoot another person, at that moment I was emotionally prepared to do so.

There was also the exhilaration of being present at great events, watching men make decisions that were reported in the newspapers, or, more glamorous still, that were hidden carefully from reporters. And it was the only place in the world where Foreign Service officers in their early 20's could gain real responsibility. Two were placed in charge of all American civilian-aid programs for whole provinces. A few years later, as Parkinson's Law added its own force to the American build-up, these jobs were held by men 20 or 30 years their senior. I enjoyed my own work—first in the consular section, then as the Ambassador's staff assistant, and finally as a vice consul in Hue, reporting on events in three provinces.

With relatively unusual responsibility for junior officers came career advancement. We won awards and promotions. We met the high officials who streamed through Saigon; we were occasionally "noticed." We learned how to suggest to our superiors that things were not going as well as others were telling them—while neither appearing to doubt the importance of the American effort nor giving the impression that we were not on the team. It was heady stuff. But, increasingly, the reality of the war intruded on the romance.

A few months after our arrival, you and I saw what the war could mean to the people caught in its crossfire. During the coup against Ngo Dinh Diem on Nov. 1, 1963, much of the fighting took place around our house, a few doors from the Presidential Guard barracks. We spent 12 hours in a closet. Occasionally, I would crawl to a window to see what was happening and report to the embassy. The noise was deafening, the house was hit by a stray bullet and shrapnel. We were shaken by the experience. It made us think, as we wrote home, "of the poor people in the countryside who may go through this at any moment on any night all through the year." And we got some idea of what it meant for the soldiers who had to fight the war.

I was once invited to visit a battlefield outside Hue on which a Government armored unit had just destroyed an enemy platoon. The entrance to the scene was marked by two chalky-faced bodies in their undershirts lying by the side of Route 1, south of the city. Crowds of people from Hue streamed across the half mile of hilly battlefield crisscrossed with the treadmarks of the Government's armored personnel carriers. They seemed to be enjoying the sight of little clusters of fallen soldiers of the National Liberation Front. Someone had put a lighted cigarette between the lips of one; another, badly burned, had a vegetable placed between his legs to replace a charred organ.

An old woman sat on her haunches next to one body, without expression on her face, staring at the people walking by. She was still there half an hour later, as I left.

I walked on, horrified but fascinated, to the centerpiece of the show: a ditch where eight or nine soldiers had almost made it to the safety of a river. They had been ripped apart by .50-caliber machine guns mounted on an armored personnel carrier. All but one had died facing the end of the ditch at which the carrier had appeared. At the other end was a young man, almost around a bend that would have saved him, his back to the guns. His thin, scholarly face seemed terribly out of place in the bloody mud of that ditch. He seemed about my age.

Just as the human reality of the war became more apparent during our two years in Vietnam, so did the reality of how the war was going. At first there was incredibly naive optimism. One of our first evenings in Saigon was spent with a neighbor who had been working with AID in Vietnam for a year or so. Inevitably we discussed the terrorism in Saigon. We hadn't seen anything yet, our neighbor warned. Wait until we really had the Vietcong on the ropes. In the final spasm of their defeat they would lash out in a rage of *plastique* against the American victors. I found myself hoping we wouldn't win too suddenly.

It took a while in Vietnam before the nagging signs of failure had as strong a psychological effect as the constant official optimism and reports of success. How, logically, could we be "destroying" the same enemy unit over and over again, as the military were reporting. Why was it becoming more difficult to drive over roads in areas that were becoming "more secure"? One afternoon in early 1964, the point was rammed home. A military report from the Delta crossed my desk outside the Ambassador's office—an enemy battalion had been smashed by South Vietnamese fighter bombers after a bitter firefight with a Government unit. Within a few hours, Neil Sheehan, then a U.P.I. reporter, appeared for an interview with the Ambassador. He had just returned from the scene of the fight, and the interview became a briefing by Sheehan on what had actually happened. After ambushing and mauling the Government troops, the N.L.F. soldiers had disappeared into a wooded area. The planes had dumped their bombs on these woods. There was no "body count" to confirm the claimed casualties.

I became increasingly suspicious, then cynical, about claims of progress. But I could never quite believe then that to persist was wrong. For that would have meant admitting that we were wrong, and everything in Vietnam emphasized this sense of being part of an American effort. No matter how cynical I became about that effort, it enveloped me. It also enveloped visitors from Washington. Combined with the fact that they were only able to see "secure areas," it meant that such visitors became, almost without exception, more hawkish during their stays in the country. The most accurate of all official analysts of the situation, Louis Sarris in the State Department's Bureau of Intelligence and Research, made a point of never going to Vietnam.

My own sense of foreignness in Vietnam came not only from the actions of the enemy, but my difficulty in understanding our allies. So many encounters with Vietnamese I thought I knew still frustrate or embarrass me. One had been a Vietminh in the late nineteen-forties, briefly a Diem supporter and then a non-Communist opponent in the fifties, and had then been jailed by Diem in 1963.

In the course of this career he had been tortured by assorted captors. When he admitted to me that he had also done his share of torturing, I asked why there was so much torture when everyone on all sides suffered by it. He paused, smiled and said, "Bad habit, I guess." I couldn't think how to respond.

Another was a Government official in Hue who showed extraordinary bravery in working, alone, in insecure areas. I asked him why he took such risks. "Because we will win," he said. "If things get still worse, the Americans will come in and drive the Communists away." And there were the students who came to dinner at our house the same day that they had burned the U.S. Information Agency library in Hue, and had thrown rocks at me when I tried, in an excess of zeal and anger, to put the fire out.

I felt close to some Vietnamese, but, always, the war defined the context of our relations; it made them the more Vietnamese and me the more American. We were trapped in the roles our nations were playing, and I never broke out of that pattern.

I watched other Americans suffer the same defeats. Often, they did not know that they were being used just as we were using the Vietnamese. In my first assignment as a consular officer, I certified the weddings of a number of young American soldiers to older Vietnamese women near the end of their careers. The women were clearly leaping at the chance to find security. One couple had never had a real conversation, the husband admitted, until I acted as an interpreter for them at their wedding.

Secretary of Defense McNamara made a triumphal tour of Vietnam in the spring of 1964. A huge crowd gathered for his departure at Tan Son Nhut airport. I had arrived early, to work on some arrangements, and watched the Saigon Government's cheer leaders take their positions throughout the crowd. The Secretary's speech was constantly applauded. I don't know if he noticed that the organized cheers came at the intervals before his remarks were translated into Vietnamese.

ANTONIA. The move to Hue in August, 1964, was, for me, both a happy one and an influential one. Here in that lovely city with wide streets lined by paddy fields and frequented by bicycling schoolgirls in white *ao dais* or boys sitting on grazing water buffaloes, I found Vietnamese who became my friends and a life that was peaceful and productive. Pushing Timothy in a stroller, I walked all over, exploring the old, decaying but spectacular imperial Citadel. I taught English to a group of medical students who were likeable, intelligent and strongly political. I also taught in a school for Montagnards and learned about their threatened traditions. The diplomatic life was informal. At first it seemed as if we'd rediscovered the old city of the Vietnamese mandarins with its culture and charm.

But even here the war and the political situation could not be forgotten. I began to study the *dan tran*, the traditional 16-string Vietnamese instrument, at the Hue Conservatory of Music. Once or twice a week I would go over to the Citadel, where the conservatory was located, for my lesson. I was making good progress until the Hue students, strongly protesting the American-supported regime in Saigon, forced the university to close. My music teacher was clearly afraid to continue teaching an American. First he proposed coming to our house, but after one visit it was obvious that I could not ask him to come again.

Shortly after this, the situation in Hue became very tense. Much of the time at the consulate was spent worrying about how the local people would express their disapproval of American "interference." At one point we 30 or so American civilians in Hue were the object of a demonstration of 20,000 people. Our house was guarded by a Vietnamese soldier and for a few weeks I never left it without taking our son and our dog with me for fear I might be unable to go home again. It was a relief to both of us when President Johnson ordered the evacuation of all dependents from South Vietnam.

Although uneasiness, uncertainty and doubt had set in some time before, the timing and fact of my evacuation in February, 1965, were the major turning point in my feelings about Americans and the Vietnam war. The incidents in the last weeks in Hue made me feel that something was surely awry in the American role there. I still believed, as I said when interviewed for the "Today" show as the first evacuee to arrive in New York, that "the problem in Vietnam is the Vietcong." At first I felt very defensive before critical liberal Americans who questioned me closely. But as increasing numbers of American troops were sent, I became very disturbed. I did not believe that direct American military involvement was right or had a chance of success. I had written home a year and a half before that I thought only the Vietnamese could fight their war. My student friends had recently plastered Hue with signs reading, "Vietnam for the Vietnamese to solve." I believed they were right. And as I myself was no longer involved in the day-to-day threat from an "enemy," I felt this more and more strongly. We were creating an enemy which was not really ours. And we were forcing Vietnamese to choose sides among their own people.

The years that followed our return to Washington in June, 1965, were difficult ones for us both. I was very much tied to home with two small children and isolated from friends and contemporaries by your long and constant working hours. Increasingly appalled by the killing and the lying, I put a ban on the television evening news; the horrors shown there nightly were too painful for me and certainly for our 3-year-old son who had no way of understanding what kind of reality he was seeing.

The workings of our Government, which formerly I had trusted, were now the object of distrust and disillusionment. Your loyalty to the Department of State in the face of inhuman working hours and inhuman policies increased the strain. And your work seemed consistently to have precedence over personal and family matters. So my resistance to the Vietnam involvement became one of personal resentment as well as one based on convictions.

What did I do about this resistance? Less and less did I try to hide my true feelings as a Foreign Service wife should. Gradually, I became outspoken, even with your colleagues and superiors. At length I became openly a dove.

I never became an antiwar activist, but I did begin by 1967 to go to some demonstrations. On Oct. 1, 1969, I marched with a friend around the White House. A guard did not believe me when I told him you were inside, working for Henry Kissinger. A photographer followed us for about a block. I suppose my picture is in some official file.

But I never felt comfortable with the antiwar people. I admired most of what they were doing and agreed with their aims. But I did not completely share their certainty, and the occasional violence frightened me. Some of the scenes of demonstration confrontations reminded me only too vividly of the Vietnamese crowds I had seen armed with knives, clubs, and stones to fight their Buddhist vs. Catholic battles or to burn down the house of an unpopular official. The Vietnam issue could not be a simple one for me. I knew Vietnamese who were sincerely on the Government side. I knew it was not only the Americans who killed and maimed. And for a long time you had been working on Vietnam policy.

Anthony. My two years (1965–1967) of intense staff work on Vietnam in the State Department, as a staff assistant in the Far Eastern bureau and then for the Under Secretary of State, did nothing to clarify my own confusions, similar to yours and shaped also by the fact that I was caught up in loyalties to the Government and the men for whom I was working. Doubtful of claims of progress, and enjoying ironic jokes with friends in the department about the excesses of the arguments used to justify the war, I still quite unambiguously pulled for Secretary Rusk in his televised encounters with Senator Fulbright. After all, I had worked on the Secretary's briefing books.

My father shocked me by raising his voice in a restaurant to announce, during a discussion on Vietnam, that I sounded "like Dean Rusk." Others tell me that I used to fall back at such moments into a superior silence, sometimes with a reference to official information I could not share. I do not remember this; I am sure it happened. I only recall the intense, defensive discomfort of such moments. Occasionally, I would reveal my doubts to friends or others outside the Government, but only occasionally. Usually I was evasive, argumentative or silent in conversations on the subject.

At the same time, I was increasingly open in stating my cynicism to other officials. After an argumentative lunch with a Navy captain assigned to the State Department, I received a letter from him stating that I had sounded "like Senator Fulbright." The President and Secretary of State knew more than we did; didn't I owe them my complete loyalty?

My growing despair about the war was undoubtedly fueled by the way it dominated personal relationships, literally separating me from you and the children as work dominated my life, figuratively separating me from the friends whose views on politics and foreign policy I generally shared. But, also, I was increasingly bothered by the gap between the Vietnam I remembered and the Vietnam that was treated as an abstract object of American interest and debate. In Washington, we lost sight of Vietnam as a real place, with real people.

Occasionally a human incident would surface, to sink again in the welter of generalized reporting. A report reached the Vietnam desk of the State Department that American troops had blown up the entrance to a cave, entombing a group of Vietnamese civilians. Enemy soldiers inside the cave had barred entrance by our troops, and tear gas had failed to force them out. It was a kind of Vietnamese Masada, writ small. Some of us on the Vietnam desk were disturbed. I believe one of my superiors complained to the Defense Department. But the event was quickly put behind us as we turned again to the daily flood of paper. It would have seemed hysterical and therefore ineffective for anyone to have pursued the case, to have used it as an example of why the war was wrong.

Like the great majority of Americans and their politicians, few in the bureaucracy argued that we should accept defeat and get out. The game then, for most bureaucratic doves, was to argue tactics, to oppose sending more troops, to show senior officials that we were not winning and could not win on the course we were pursuing and must find some other. We desperately sought a way either to win the war through different methods or to get out of it without losing.

In 1966, three of us went to a senior official at his house, to argue for more aggressive American efforts to make the Vietnamese reform. If only the honest young Vietnamese majors and colonels could be brought to the top; if only the Vietnamese bureaucracy could be purged; if only competent Vietnamese sergeants without much education could be made officers; if only . . . The senior official, himself critical of American policy, was not impressed. Perhaps he knew what we did not realize, that we could not impose nationalistic reform on a foreign society. The more we meddled and spent, the more we made it impossible for honest non-Communist Vietnamese nationalists to emerge. Some of the best American newsmen and advisers, from David Halberstam in the early and mid-nineteen-sixties to John Paul Vann until his death in 1972, were trapped in the illusion that counterinsurgency through American-style reform could work.

Many of us believed that bombing could not force Hanoi to give up. And it was becoming apparent by the late sixties that the American Government would not, could not force reform on the Vietnamese. How, then, to get out without losing? The answer for some of us, as for many liberal Congressmen, was through negotiations. I was one of a group of five or so officials who met occasionally for dinner, in 1966–67, to discuss informally proposals the United States might make that would serve this end. The American negotiating position at the time was clearly unacceptable to Hanoi. It called, in effect, for their surrender. The dinners were fun, and we talked and talked among ourselves. But we never found a magic alternative formula that we could sell to our superiors. The goals of Saigon and Hanoi were irreconcilable; Hanoi was stronger than Saigon; there was no way we could make concessions and withdraw from Vietnam that would not leave Saigon to defeat.

Our two years of academic leave at Princeton (1967–69) took me out of this trap. In the State Department, the conventional wisdom was that the war was right, even if, to some, we were fighting it the wrong way. At Princeton, the wrongness of the war was the pervasive assumption. I found the ease with which my fellow students accepted this assumption irritating. But in this totally new atmosphere and encouraged by my conversations with you, I came to accept the view that the war was fundamentally in error.

The Tet offensive in 1968 and the months thereafter also had a tremendous impact on my thinking. For many, it came as proof we could not win. Already convinced of that, I took it as a sign that the war would never end. Enemy troops everywhere, the country in flames: surely the two sides would be so drained that peace would come. But, again, more war. And television, which blows up a particular event until it looks like a general condition, made the human suffering I could recall from my own experiences still less tolerable.

Thus, in 1969, when I was assigned to the office of Henry Kissinger in the White House, I was sick of a war that defied termination. Believing this, how could I become his Special Assistant, working intensively on Vietnam as well as other issues? Partly, of course, it was the fascination and potential career rewards of such a job. Partly, the hope that a new Administration and, especially, Kissinger himself could cut the Vietnam knot. And, largely, because you and friends agreed that I might be able to have some measure of influence.

I decided that I would have to change my approach. Just before I joined the National Security Council staff, a friend told me of a remark by one of my former superiors in the State Department. "Tony Lake," he had said, "had his doubts. But he was a good soldier." Clearly, my harping on tactics had merely reinforced this man's confidence. He could take satisfaction in his broadmindedness in having someone with doubts on his staff, and yet my arguments had not suggested a re-examination of his assumptions. So with Kissinger I argued premises: We could not win; the human costs were terribly high; the stakes involved had been created by the United States itself; it was wrong. We should get whatever concessions we could through secret talks, get out, and let the war end. It would end badly for us and our friends, but perpetual bloodshed was worse.

Kissinger never shut me off. He had me off. He had me work with him on the secret negotiations with the North Vietnamese, and listened to my suggestions. But they had no effect. Considering his own assumptions about the dangers in the world, Kissinger could never agree. A few days before the invasion of Cambodia, in late April, 1970, he told me, after I and others had pleaded against such a move, that he knew what I was going to say. If so, what point was there in saying it any more? The invasion would extend the war and demonstrated a continuing refusal to give the pointless agony of Vietnamese and Americans priority over abstract notions of national prestige. Tired, unhappy with the atmosphere and policies of the White House, and planning to leave in a year or less in any case, I could not go on working on speeches for the President attacking critics with whom I agreed. It was surprisingly easy to turn in a letter of resignation on the morning of the invasion.

Leaving the Forest Service was harder than leaving the White House. It meant abandoning the ideal I held of Government service. I was angry and depressed that the adventure I had sought in 1962 had ended so bitterly.

The three of us who resigned decided, after much discussion, not to try to make a public splash. Weeks later, as it came out that we were leaving, we were frank in telling reporters that it was because of policy disagreements. (The Times reported our resignations on the obituary page.) But we were inhibited by our fears and hopes. We were afraid of appearing publicity-conscious or too emotional (a cardinal sin in the Government), afraid of unnecessarily hurting Kissinger, to whom we still felt some personal loyalty; and we hoped that by going quietly but openly we could make a last effort at affecting Kissinger's views.

One day, before my resignation took effect, I went out between the parked buses encircling the White House and joined you and friends at a demonstration protesting the invasion. As we sat listening to the songs and speeches, an AID acquaintance who had, apparently, been arguing with protesters, came bustling through the crowd. "I'm not getting through to them," he complained. "How are you doing?" I told him I was doing all right.

It took me over a year to bring myself to write publicly about Vietnam. I wrote and pushed for speeches on Vietnam while working in Senator Muskie's campaign for the Presidency, but found it hard, at first, to put in writing under my own name what I had been willing to say directly to Kissinger. This changed, as my anger grew during the five years that the war continued after the invasion of Cambodia.

To the end, American policy denied the reality of events in Indochina. To the end, the war colored my attitude toward American foreign policy by souring my attitude toward its makers. To the end, the Administration labeled anyone who wrote or spoke against the war a "neoisolationist." To be against propping up the Saigon Government any longer was to be against American commitments everywhere. The Administration thus encouraged Americans to equate the mess in Vietnam with our commitments in the rest of the world. What could encourage isolatism more?

Now, so many years after you and I went to Vietnam in 1963, the war is over. I am not sure yet of all the ways the experience changed me.

Most important, I have begun to learn a great deal about our life together, about living.

And like you, like most, I hope I have learned something about the limits of American power. As much as a feeling of omnipotence, I think, it was a sense of omniresponsibility—a fear that if anything went wrong anywhere in the world it was somehow our fault—that drove us into Vietnam. We need a national debate now, not on how to abandon our dream of a better world, but on the limits of our responsibilities, so we can build support again for those that make sense and are within our capabilities.

But that is almost a technical question. More generally, I come away from Vietnam with an intense feeling that our principal mistake was to lose touch with reality: the actual consequences of the war for human beings in Vietnam and the United States. The gulf between Washington where personally decent men made policy about people as if they were merely playing chess, and Vietnam, where so many Americans and Vietnamese died their individual deaths, still upsets me. In foreign as well as domestic policy, the only purpose and measure is the effect on people's lives. Different approaches may be called for by different situations, but that fact remains constant.

I was trained to think of foreign policy as a bloodless, intellectual exercise. Identify national interests, formulate policies to serve them, manage them. Find the Aristotelian mean between extreme alternatives. The smartest official will do his best. I still find such kinds of analysis interesting, and am attracted instinctively to "middle" options." But I am as interested now, in the values held by our foreign policy makers as I am in how intelligent they are.

The world is besieged by human crisis—in food, energy, the environment and too many other areas. I retain the belief that I found so attractive in the Kennedy years, that problems created by man can at least be ameliorated by man, and that we must try. But this can happen only if the United States plays a progressive role, and thus only if our leaders have values that will lead them, and us, in that direction.

ANTONIA. I am more doubtful about the future, both because of the war and from our personal experience. During those years after our return to the States, the conflicts about what was most important to me were at times almost beyond bearing. You encouraged me to express my convictions about the war and to protest and demonstrate. I think you saw in my doing so one outlet for your own misgivings. But my uncertainty about antiwar protest, my loyalty to you and my question about whether we, as a couple, could withstand these contradictions were not easy to live with. It was all very well for me to know that you were as angry and discouraged as I was, but it was much harder to explain that to friends who thought of you as part of Vietnam policymaking. It was hard even to persuade myself when I hardly saw you, when work and (I often felt) prestige came before me and your children.

As my views about Vietnam changed, so did my views about myself. As I gained the confidence to accept my own reactions about our Government and Vietnam, so I gained the confidence to accept myself as having a role in life independent of and as important as yours. My interests in education and my work with schools have resumed. My photography work gives me enormous personal satisfaction and fulfillment (as well as an acceptable answer these days when asked that irritating dinner party question—by men and women—"Do you do anything?"). And I enjoy and value my family as I know you do.

There is no question that I have been scarred by the last 15 years, and by Vietnam. My faith in our country and her leaders—which may have been too naive to begin with—has turned to distrust and skepticism. I have always been an optimist about people. But I am not an optimist about the ability of people to handle the kind of power that is possible in America today.

This is where I think we still differ. I am fearful of power even when it is used with the best of intentions, with the highest of moral values. We went to Vietnam with great idealism, and yet we now know how misguided we were, how easily led by the currents of the times. I don't feel that the question is so much what is our responsibility in the world, as it is, how much is our business? The assumption that we can deal with or even ameliorate the crises of the world when we have so much division among ourselves, is wrong to me.

I wish I had your faith. But I am skeptical about the possibility of a progressive American role. We Americans do not know ourselves. We don't know or agree on what we should do ourselves; so how can we begin to show others? Vietnam has numbed us and divided us, and divided us without making us wiser.

I have a 77-year-old aunt, a dear gentle lady who has been a pacifist all her life. In January, 1973, she came to Washington to demonstrate with the Friends and many others against the Christmas bombing of Hanoi. I went with her. We marched and we sang and we grieved over the devastation of the city and its people. We nearly got arrested as we demanded to be seen and heard by Senator Hugh Scott. We knew what we had to do and we knew we were right.

This January, my aunt returned to Washington to "celebrate" the second anniversary of the signing of the Paris accords and to make protest against the sending of more aid to Vietnam. Again I joined her. On the following day we were to meet for another rally on the steps of the Capitol. But when I arrived I found I was too early. Instead of the American anti-aid group, I watched an emotional group of South Vietnamese, standing and pleading for a chance for their people to continue fighting, to save their children. The cynics around me said they were students who wanted to keep their visas. There was perhaps some truth in this.

Nearby, also, was another group: Americans who were demonstrating for continued aid, for the restoration of America's "credibility" in the eyes of the world. There was no communication between these two groups.

Something in the atmosphere, in my mood and in the situation left me shaken. I still believed that American aid should cease, as it would only prolong the killing on both sides. But I could not stay and watch these people, to be followed by another group of Americans who would also be sure they knew what was right.

I left. My aunt, in her clearer convictions, had to demonstrate alone that day.

THE MARIANA ISLANDS

Mr. GARY W. HART. Mr. President, on the anniversary of our independence, the Rocky Mountain Daily News published a column by Don Graff commenting on the fact that "Manifest Destiny, the irresistible force that devoured a continent," is "alive and twitching out there in the Pacific." The point at issue is the White House's plan to take over the Mariana Islands as a new territory of the United States.

Perhaps our almost two hundred years of national experience has taught us that conquest is not the best way to absorb foreign lands. Lands once conquered are now mostly given over to their citizens, but we are now beginning a new type territorial acquisition. We do not plan to gather in the Marianas through force or even purchase. Instead, the administration has decided it best to buy the population of the islands with promises of U.S. taxpayer-financed prosperity.

While this approach cannot be faulted as particularly unethical, it can and should be criticized because the White House has already made all the arrangements for absorbing the Marianas without consulting the American people or their elected representatives. Only now will Congress be asked what it thinks of the principles and the costs involved. Unfortunately, we may be given very little choice apart from rubberstamping what the President's men have done. We will be told, no doubt, that we now have a commitment that must be honored.

Perhaps in the matter of Marianas acquisition Congress will do the thorough analysis of military diplomatic and economic factors such a drastic change of policy requires. If it does not, once more the White House will be using Congress instead of recognizing it as a partner in policymaking as the Constitution provides.

I ask unanimous consent that the Rocky Mountain News article on the Marianas be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

"MANIFEST DESTINY" IN THE WESTERN PACIFIC

(By Don Graff)

With most of us not even looking, the United States is in the process of picking up a few additional square miles.

Not many—246, to be exact. And these divided among 14 islands stretching across 500 miles of open Western Pacific.

They are the Northern Marianas, since World War II a United Nations Trust Territory under U.S. administration whose voters—4,000-plus of them—have now opted in a plebiscite for commonwealth status "in political union with the United States."

The Marianas people may have spoken, but the vote is only a first step in what could still be a lengthy and complicated process of ratification. Next must come presidential and congressional approval and, eventually, U.N. Security Council agreement to dissolution of the trusteeship and transfer of full sovereignty to the U.S. When and if all this comes to pass, around 1980 as expected, it will mark the first major U.S. territorial acquisition since purchase of the Virgin Islands in 1917.

A glance at the state of the islands today might raise questions as to why the Marianas would want closer association. Claimed by Magellan for Spain in 1521, the Marianas (with the exception of Guam, a U.S. possession since the Spanish-American war) were held successively by Germany and Japan before passing to the U.S. through conquest in the closing months of the Pacific war.

The names of the major islands—Saipan, taken by storm in 1944, and Tinian, base for the saturation bombing of Japan—still evoke the island-hopping course of that conflict.

Liberation, U.S. style, has turned out to be something less than happiness ever after for the 14,000 Marianans, however. Under previous rulers, the islands at least had a functioning if primitive economy, based on sugar cane and copra. Under U.S. administration, agriculture has deteriorated and the economy is fueled primarily by $10-million-plus that Washington pumps into the islands annually. Saipan has been described by some resident Americans as "an island slum."

Washington's pump-priming is probably what most voters had in mind in favoring commonwealth. Once legally inside the Union, the islands will be eligible for a full range of federal aid programs from Medicaid to mortgage insurance. Direct U.S. expenditure in the islands is also expected to go up to $14 million annually, a clear dollars-and-cents gain for the Marianans. On paper, at least.

This raises the question, however, of why the U.S. should want to shell out even more on an existing economic liability. The answer is geography. Five thousand miles from California, the Marianas are only 1,500 miles from the coast of Asia. Tinian, already openly earmarked for major troop facilities and potentially an air base, would replace Okinawa and various U.S. footholds in allied countries on Asia's fringe. There would be no question of a host government changing heart and policy and kindly asking U.S. forces to depart.

The military advantages are cheap at many times the price in Pentagon eyes. They are also obvious to other eyes. Which may make Security Council acquiescence, necessarily including the Soviet Union and the People's Republic of China, something more than an automatic formality.

Nevertheless, with the prize in question already firmly under U.S. control, opposition is unlikely to develop into an immovable object.

And if anyone should ask whatever became of Manifest Destiny, the irresistible force that once devoured a continent, it seems to be alive and twitching out there in the far Pacific.

THE MARIANAS TAKEOVER

Mr. GARY W. HART. Mr. President, although the White House and a selected circle of its friends in Congress have hoped to conceal from the American people the significance of plans to dismember our Trust Territory in the Pacific and to create an expensive military colony in the Mariana Islands, the nation's press has done its jobs of alerting us to the real problems we face.

Yet another example of responsible journalism on the subject of the possible pitfalls awaiting the taxpayer appeared on the editorial page of the New York Times on Sunday, June 29, 1975. The commentary contains a warning that the Congress should not be stampeded into allowing the White House and the Pentagon to make new Pacific policies. If Congress is serious about its Constitutional responsibilities, the Marianas takeover is a perfect opportunity to ask the questions that should have been asked in respect to the many worldwide "commitments" this and earlier administrations have made in our name and at our expense but without our participation.

I trust that the Senate will accept its Constitutional responsibilities and carefully examine the military, diplomatic, and economic aspects of Micronesian dismemberment in the appropriate committees.

I ask unanimous consent that the Times editorial be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Planting the Flag

The United States is poised on the verge of a questionable new economic and military commitment thousands of miles overseas, without as yet even a semblance of serious Congressional consideration.

By executive branch decision and planning, the Mariana Island chain of the western Pacific has been offered commonwealth status under the formal sovereignty of the United States. If carried through, this would become the first territorial annexation by this country since 1925.

Even if such a historic transaction were straightforward and without controversy, it would have seemed proper for the Congress to be consulted and involved from the early planning stages. As it happens, the proposed annexation of the Marianas is far from straightforward and it is surrounded by controversy.

The United States may already be in defiance of the United Nations in drawing a political separation between the Northern Marianas and the broader Micronesia Trust Territory, which the U.N. assigned as a single unit to United States administration in 1948. As local authorities across Micronesia began to agitate for eventual independence, the United States singled out the more docile Marianas for special treatment. American negotiators agreed to provide some $140 million in development funds annually for seven years, announced plans for a lucrative new naval base and presented the islands' 15,000 residents with a take-it-or-leave-it choice. A plebiscite this month produced the expected result, a vote of nearly 80 per cent in favor of commonwealth status and the prospect of becoming United States citizens.

The strategic reasons for extending United States sovereignty deep into the Pacific, 3,300 miles west of Hawaii and alongside the established base at Guam, may have merit—but this may well be vitiated by the increased responsibilities and exposure. That is a decision which the Pentagon or the White House cannot be allowed to make on their own.

When all the relevant decisions are finally submitted to Congress, as President Ford said they will be soon, legislators need feel no obligation to give the rubber-stamp approval that is apparently expected of them. Here is one opportunity for the Congress to consider carefully a possible new American commitment in all its implications—political, economic and military—before discovering a *fait accompli*.

DISSENTING VOICES FROM THE MARIANAS

Mr. GARY W. HART. Mr. President, it has been reported in the press on Saipan and Guam that President Ford's special Ambassador, Hayden Williams, who negotiated the acquisition of the Marianas by the United States with a hand-picked group of islanders, has said both before and after last month's plebiscite that the covenant, basically a list of commitments for money to be put up by the American taxpayer, cannot and will not be changed. Of course, Ambassador Williams' comments can be taken as evidence of his belief that Congress will act as a rubberstamp for another White House arrangement, but they are disturbing for other reasons.

I have been receiving complaints from Marianas citizens who value their traditions and who hope for their independence that Mr. Williams' no-change promise should not be uncritically accepted by Congress. Some point out that the plebiscite on the covenant was a rush job, that the "education campaign" paid for by the American people was far from impartial and that many islanders have no idea of what their acquisition as an American colony will mean to them and their children.

One example of the type of letter I have been receiving from the Marianas is from Egredino M. Jones, a member of the Saipan Municipal Council. I ask unanimous consent that it be printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

Twenty-Fifth Saipan
Municipal Council,
Saipan, Mariana Islands, June 30, 1975.

Senator Gary W. Hart,
U.S. Congress,
Washington, D.C.

Dear Senator Hart: As a concerned elected leader from the Northern Marianas District I take this opportunity to discuss the signed Covenant which took place on February 15, 1975. It establishes the political relationship between the Northern Marianas District and the United States. A plebiscite was conducted four (4) months later following the signing of the Covenant. The result reveals that 78.9% of the total votes cast voted in favor of the Covenant.

The plebiscite was conducted in a very rush manner giving us very limited time to conduct a good and impartial political education. In addition, the provisions of the Covenant are very technical in view of the level of education which very few of us are readily equipped to understand the terms and their implications.

In spite of the plebiscite's result there are indications from our younger generation that renegotiation should take place. Such major concerns for renegotiation are Articles I, II, IV, and VIII in the signed and approved Covenant.

Many of us here don't see any reason at all why should there be no renegotiation as stated by Ambassador Franklin Hayden Williams and the Marianas Political Status Commission over the news media here prior to the plebiscite on June 17. We agree to what many of your constituents there indicated in their letters to me that "In order to establish a good political relationship between the Northern Marianas District and the U.S. the door for renegotiation should never be closed."

My constituents joined me in respectfully requesting that you kindly and favorably consider our request for a renegotiation on the signed Covenant.

In conclusion, my constituents joined me in extending a big appreciation for your time you provide us today. I appreciate very much any reply at your earliest convenience.

Sincerely yours,
Egredino M. Jones.

EDITOR RETURNS REBATE CHECKS TO UNCLE SAM

Mr. HELMS. Mr. President, my friend, David Dear, is a citizen who understands arithmetic, economics, and sound business practices. Therefore, he knows the folly of the Federal deficit financing which, during the past 4 decades, has pushed the Federal debt far beyond the half-trillion-dollar mark.

Mr. Dear is president of Dear Publication & Radio, Inc., which owns and operates eight newspapers around the country, two of which are in my State. They are the Elizabeth City, N.C., Daily Advance and the Hartford, N.C., Perquimans Weekly.

The other day, Mr. Dear sent me a copy of a column, written by Mr. Alex H. Washburn, entitled "Our Daily Bread" in the Hope, Ark., Star. When Senators read Mr. Washburn's column, many of us will join in saluting him.

I ask unanimous consent, Mr. President, that Mr. Washburn's comments be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Editor Returns Rebate Checks to Uncle Sam

I am taking a long last look at two U.S. Treasury checks in my name totaling $163.67. One is for $113.67, being the rebate on my income tax; the other is the $50 special payment to citizens drawing Social Security (I am 75).

I am taking a last look at these checks because today I am returning them to the Internal Revenue Service at Austin, Texas, along with a copy of this editorial.

Call it conscience if you will, but having flayed our prodigal and immoral federal government ever since the second F. D. Roosevelt administration for running up a monstrous public debt, I feel that to accept these checks would make me a party to an impending bankruptcy of America.

My gesture may be a futile one. But I stand on the same principle that caused me, more than a decade ago, to attack, and circulate a petition against the construction of Hope's $400,000 federal building and post office. I held up construction for a year, but the federals finally built it anyway—and America still owes the $400,000.

If mine be a study in futility, then let it be said that I told the truth to our people when the truth was harsh and unpopular.

Today the Congress is preparing to raise the debt limit to $577 billion. Congress has to do this, because otherwise the limit would revert to its permanent level of $400 billion—and the public debt is already far above that.

To spend money—particularly government money—is popular. But the so-called "liberals" who are running up a big debt are actually selling out our country to the rich.

Who holds the big portion of the public debt? Why the rich of course. Who else has that kind of money to lend when government comes a-borrowing?

Therefore, as a spokesman for the forgotten middle class of our nation I am returning to government the ill-gotten loot they sent me—a reminder that in our United States there are still some citizens who can't be "bought."

THE WORLD FUTURE SOCIETY CONFERENCE

Mr. HUMPHREY. Mr. President, I report today the highlights of a conference held recently in Washington at which 3,000 people gathered to discuss, probe, analyze, and argue about the future, more specifically, the last quarter of this century. The forum was the Second General Assembly of the World Future Society, an organization which has grown in the 9 years to over 16,000 members.

Part of the reason for this rapid growth in membership and attendance at the assembly—the first assembly in 1971 drew only 7 people—was summed up by Edward Cornish, the Society's President:

> This shows that people are becoming increasingly aware that we must deal with the future in a serious, thoughtful and creative way. We cannot go on letting the future just happen to us.

I like that statement. It captures the spirit in which I introduced with Senator Javits the Balanced Growth and National Economic Planning Act of 1975. People today are aware that many rapidly changing trends and forces directly affect their lives, forces whose consequences need to be analyzed and better anticipated so that plans can be made to avoid recurring crises. This is why I applaud the work of the World Future Society which was established to support the work of those whose life's work is both forecasting future trends and discussing the implications, as well as those helping to establish the specific ways in which this can better be done.

One point was made dramatically clear at the assembly: there is no lack of ideas on what the future will be like or what it should be like. Some may view this as the inevitable result when a society attempts to peer into the future and conclude: "What's the use of doing this when so many conflicting viewpoints result?" I do not take this attitude. I view the diversity of opinions and forecasts as a healthy and necessary first step in the emerging debate on the future of the United States. In a country so historically diverse as ours, one would not expect to find unanimity in views on future developments.

This diversity will come through quite strongly as I point out some of the major points raised at the conference. I am presenting these so that my colleagues in the Congress and others may be informed of some viewpoints which are quite challenging in their portrayal of a future much different than the last quarter century. With an assembly that had more than 300 speakers, obviously all, not even most, views can be represented. My apologies go to those whose views are not adequately captured in the following summary.

The opening plenary session consisted of a panel of leading futurists. Certainly among the most well-known futurists is Herman Kahn, director of the Hudson Institute. Kahn expounded his well-known optimistic view of the future. Being known as an optimist myself, I share many of his opinions. However, I do take exception with his economic perspective. He dismisses the present economic situation as not being a "murderous" recession and claims that "10 others have been worse." His support, he says, is that the American people by a 3 to 1 margin feel that inflation is worse than recession.

He did admit that there were two exceptions to his optimistic world view: nuclear war and misunderstood technology. He quickly accentuated the positive, however, by saying that we could get through a random list of 50 problems simply by our enormous surplus of technology and money. This is, of course, an area of great debate and one which the Joint Economic Committee is carefully studying.

Willis Harman, the director of the Social Policy Research Center at the Stanford Research Institute, presented quite a different perspective. He first cited three fundamental characteristics of industrial society: the industrialization process itself; the interconnections between science, knowledge, and technology; and the fact that the future is unplanned. These characteristics have led to five conditions of present American society: First, a new scarcity—of space, water, habitable land, and the environment's assimilative capacity, and so forth; second, we no longer need full employment for production because production needs can be met by such a small percentage of the work force; third, a dependence on institutions instead of the family or the individual—with a major consequence being the impotence of the poor; and fifth, alienation. Because of these conditions, he said that two basic principles of future research which must be followed are that we must view society as a whole organism, and that goals must be established and subjected to dilemma resolution.

Daniel Bell, the Harvard sociologist and author of the very popular book "The Coming of Post-Industrial Society," stated at the very outset of his talk that society is not an organism or whole system. Rather, society should be viewed as a composite of different realms, each with different rhythms of change. Three principal realms he cited are the technical-economic, the political, and the cultural.

The changeover to a postindustrial society he said, takes place in the first of these. For example, the changes involved in moving from a railway age to an auto age to a telecommunications age are not changes in all of society, but in this realm. The emphasis here is on organizational forms which stem from what he terms the "axial principles" of efficiency and maximization. The main constraint to these principles are the demographic resource ratios.

After briefly mentioning the realm of culture, he addressed the political realm where he claimed a very fundamental change had taken place. His thesis, which is quite provocative but important enough to be subject to carefully reasoned debate, is that we have experienced the end to American exceptionalism. This included the notion that the United States was different from other past major powers because we had ushered in a "new order of the ages," which by the way is printed on the back of our dollar bill. He went on to cite three areas which had set the United States apart, but are now gone: our insulation by space from other countries, our unique political system and our powerful economic machine. I trust that these three areas, and their implications to the extent they are true, will be closely examined.

Roy Amara, president of Institute for the Future took a more global perspective, which again was quite challenging to traditional thought. He stated that there would arise three new groupings of countries. One is the "haves," which will be quite independent and therefore conservative in drawing back into their nests, so to speak. Included in this group are such countries as the United States, the Union of Soviet Socialist Republics, Australia, Canada and Brazil.

The second group are the "havesomes." They will be characterized by interdependence and could join in many economic alliances. They will have an increasing world influence as they exploit efficiencies from economies of scale and specialization. Amara includes in this group such countries as Iran, France, Germany, Japan, Nigeria, the West African states, Venezuela, Peru, Chile, et cetera.

The final group is the "have littles." These countries, poor in resources and experiencing rapid population growth, are the most unstable and the countries where the most drastic changes are likely to occur. Such countries as Bangladesh, Pakistan, Ethiopia, Uganda and Chad fit into this category.

John McHale, sometimes referred to as the futurists' futurist, and director of the Center for Integrative Studies at the State University of New York at Binghamton, had as an essential theme that human constraints could prove to be more influential than physical constraints. Human arrangements rather than physical means will be important in meeting the major crisis we will be facing in the area of distribution and equity. Thus, our overall new future crisis will be an institutional crisis.

The plenary session on the second day followed up on these "prospects for humanity during the next quarter century" by examining the theme: "strategies for achieving a desirable future." Leonard Lecht, the director of the Special Projects Research for The Conference Board, said that all problems ultimately raise the question of priorities and that there has been a shift in our priorities with three major developments: first, areas concerned with our international posture are receiving less emphasis; second, we are moving backward in our urban development; and third, social services are escalating rapidly. I was glad to hear that he pointed out that the area of priorities raises the question of national planning and the need to focus on a national agenda for the future. Important components of such an agenda would be a look at what resources are likely to be, what the gaps are, what we can afford to do that we did not think we could and finally, where bottlenecks exist to prevent action.

Another of the six speakers during this session was Hazel Henderson, a freelance author and social critic. Her talk, which received the only standing ovation, was a focal point of the conference for it reflected the deep, underlying feelings of many of the delegates. These feelings were in reaction to the facets of the conference structure, which was criticized for being dominated by American, white, male experts who told the delegates their thoughts with little direct interaction. The result of this viewpoint was the formation of an alternative plenary session the following day which focused on incorporating human values into futures research and which utilized small group participation to obtain the delegates' opinions.

I view this dissent and resulting action as a healthy sign, first that many individuals are deeply concerned about how human values will shape our future, and second, that the conference was flexible enough to allow this alternative development to occur in the midst of the assembly. The fundamental contention that technocrats must not be allowed to direct our future is a critical one that must be critically addressed during the upcoming debate on national economic planning. Certainly we need the work of the experts, but the limits on their role must be carefully prescribed.

A key speaker at the final plenary session was Alvin Toffler, author of "Future Shock" and other works. He said that in his travels, he has noticed two fundamental shifts occurring. One is that Americans are tired of "lurching" into the future, sometimes referred to as management by crisis. He felt that there was a definite shift taking place from antiplanning to proplanning and that in this area, the people were ahead of the politicians.

The second shift is the emergence of a profound dissatisfaction stemming from the fact that people do not feel in control of the major institutions and more basically, feel quite alienated from them. Certainly, those in government are well aware of this lack of confidence, but it is also true in many cases for big businesses and even big labor unions.

These shifts would not lead to the breakdown of capitalism, but are part of the "general crisis of industrial society." By this he means that the structure we now have for stabilizing the economy is outdated, for it was designed at a time when such things as Eurodollars and multinational corporations did not exist and when traditions were more uniform. A fundamental feature of the crisis is the shift from industrialized standardization and homogeneity to superindustrial diversity and heterogeneity.

Toffler's principal answer is that we need planning, but of a radically different nature. Rather than an emphasis on national planning, we need to look more closely at subnational planning which would allow for much greater participation, as well as providing for transnational inputs into the process in an increasingly interdependent world. Second, he feels that planning should not be just economic planning, for economics is not an airtight discipline. This does not mean we do not need experts, simply more peripheral vision. This would involve a shift from bureaucratic, pyramidal forms into a network system which he calls "anticipatory democracy."

I am sure that the spirit of diversity which characterized the conference has by now been adequately conveyed. Many of the viewpoints given have been quite provocative and I certainly do not subscribe to all of them. However, I do feel that some of the trends cited above do contain important elements of truth and that some of the prophecies cited will come to pass. Thus, it is very important that the task of analyzing and debating these points quite carefully continue and that policymakers become increasingly aware of the long-term implications of their policies and how these can be guided to better serve future generations.

NEW U.S. STRATEGY FOR NUCLEAR WAR

Mr. GRAVEL. Mr. President, on Sunday, July 20, 1975, an article appeared in the Washington Post concerning the changing nature of U.S. strategy with regard to nuclear war. George C. Wilson, the well-respected and informative author, notes that the shift in U.S. military strategy may very well bring the likelihood of nuclear war closer to reality. The article raises serious questions as to the current direction of U.S. foreign policy and defense planning.

I commend it to the attention of my colleagues, and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

NEW U.S. STRATEGY FOR NUCLEAR WAR

(By George C. Wilson)

The Congressman from Michigan took the floor of the House on Jan. 19, 1951, to demand that the White House and State Department let the U.S. Air Force bomb deep inside China to help American troops "pressed to the breaking point" in Korea.

"First and foremost," he said, "we must bomb the Chinese Communist supply bases in China itself . . . The fallacy of fighting the hordes of Asia on the ground is obvious. We are bleeding ourselves to death, which is just what Stalin wants us to do. It is utter stupidity to continue such a policy when we are not fighting with both fists."

Back then, in 1951, he was Rep. Gerald R. Ford, an obscure Republican from Grand Rapids, Mich. Today he is President Ford—commander-in-chief of military forces that could incinerate the world in half an hour. He talked about Korea and the use of American power again, as President, just a few weeks ago.

"Mr. President," a reporter asked him at his June 25 press conference, "let me just ask you this question point blank: If North Korea attacked South Korea, would you use nuclear weapons to stop that?"

After some verbal fencing, the President responded: "I am not either confirming it or denying it. I am saying we have the forces and they will be used in our national interest, as they should be."

While Congressman Ford in the 1950s was complaining about restraints on American power, a Harvard professor was calling for more imaginative use of our A-bombs and H-bombs. In 1957, the professor set down his thoughts in a book entitled "Nuclear Weapons and Foreign Policy." He argued that nuclear weapons could be used without crossing the firebreak separating little wars from world holocaust.

"With proper tactics, nuclear war need not be as destructive as it appears when we think of it in terms of traditional warfare," he wrote.

"Without damage to our interest," he argued, "we could announce that Soviet aggression would be resisted with nuclear weapons if necessary; that in resisting we would not use more than 500 kilotons explosive power unless the enemy used them first; that we would use 'clean' bombs with minimal fallout effects for any larger explosive equivalent unless the enemy violated the understanding; that we would not attack the enemy retaliatory force or enemy cities located more than a certain distance behind the battle zone . . .

"A limited nuclear war does not guarantee success by itself," he wrote, "but it would use the sociological, technological and psychological advantages of the United States to best effect . . ."

Back then, in 1957, he was Prof. Henry A. Kissinger, executive director of the Harvard International Seminar and a strategist confined to consulting the government. Today he is Secretary of State Kissinger, maker and implementer of government policy, staff boss of the President's National Security Council. In those jobs, he has signed off on changes in American nuclear war strategy—with some concepts reminiscent of the ideas he set down in his 1957 book and amended in a subsequent study.

Another college professor—this one an associate professor of economics at the University of Virginia—joined Kissinger in the 1950s in theorizing about how America could use its power in the world more effectively.

"We have not reconciled ourselves emotionally to the need for the continual exercise of power to protect our interests," this professor wrote in a book published in 1960 and entitled "The Political Economy of National Security."

He contended that "we must become adjusted to the heavy costs of limited warfare as a condition of life . . ."

This same professor later devoted full time to analyzing military strategy as director of strategic studies of the Rand Corp. from 1963 to 1969. He never served in any military service himself and thus was denied the chance to see what happens to many theories in actual combat.

Today he is Secretary of Defense James R. Schlesinger—civilian head of the world's mightiest military establishment and adviser to President Ford, both as defense secretary and member of the National Security Council.

Mr. Ford, Kissinger and Schlesinger—who came together by a series of political accidents—are now this nation's civilian triad for making military policy. Their past statements portray them as hawks, believers in using American military power forcefully—including setting off nuclear weapons on a battlefield, under some circumstances, in the common belief this would not necessarily lead to uncontrolled incineration of the world.

THINKING THE UNTHINKABLE

The extraordinary willingness of these three top government executives to think and talk about the unthinkable—nuclear war, including firing the first "nuke"—has aroused concern among arms control specialists in this country and drawn fire from Soviet spokesmen over the last several weeks.

The public perception has been that nuclear weapons would be used only if everything else had failed—the American or NATO cause appeared almost lost or Russia had hit us first. But the Ford-Kissinger-Schlesinger willingness to consider nuclear war controllable has resurrected some of the old scenarios about using nukes like conventional artillery on the battlefield. Army theoreticians—to the disgust of some battle-hardened officers who know that actual combat is often mass confusion—are holding secret meetings in the Pentagon these days, for example, to sing the praises of the new nukes that destroy only the target—nothing else. "Zero collateral damage" is one of the buzz phrases used by this once "out" group that now finds itself "in."

Strategic Air Command bomber crews, to cite another reaction to this "nuclear was can be small" theory, are being trained to swing their sights to smaller targets in Russia, such as a single refinery or factory, rather than a big target like an airfield or missile base or city.

The first question one might ask about all this is whether there is anything really new in what our government's hawkish triad is saying and doing about American nuclear strategy? Secondly, if there are changes being made in long-standing American strategy, are they anything to worry about? The main source for the answer to the first question is Schlesinger, whom President Ford has let explain administration policy in this area.

There is indeed something new—as Schlesinger himself has said publicly on a number of recent occasions. These are a few of his specific statements on this first question of newness and change, listed in chronological order:

"There has taken place . . . a change in the strategies of the United States with regard to hypothetical employment of central strategy as it were . . ." Jan. 10, 1974, before the Overseas Writers Association.

"The main point of this change in strategic doctrine is to introduce flexibility and options for the national command authorities so they may deal with a set of events without being forced by prior planning to make a decision that would bring about a degree of devastation that neither the Soviet Union nor the United States, nor our allies around the world, would find palatable . . ." April 4, 1974, before two subcommittees of the Senate Foreign Relations Committee.

"The change in targeting doctrine is, of course, both broader and more limited than counterforce attacks." (Counterforce is the term for weapons shot at the other side's missiles and bombers—his military force as distinguished from his cities.) ". . . The purpose of our changing our targeting doctrine has been to enhance deterrence . . . A major change which results from the change in targeting doctrine is that we are paying much more attention than previously to planning for the possibility of these kinds of selective strikes we have been talking about . . ." Sept. 11, 1974, before the Senate Foreign Relations Arms Control subcommittee.

So we have Schlesinger's own word that there is something new in American nuclear doctrine—that there have been changes made, even though some Pentagon officials are still reluctant to admit it.

TO WOUND, NOT KILL

The basic objective of the changes is to let the President aim for the enemy's ear lobe, leg or arm with the nation's nuclear gun—not just the heart or other vitals. The President under this changed strategy could merely wound his adversary—not necessarily kill him.

This option to wound rather than kill could mean that in a war the President would give an Army colonel permission to set off nuclear mines to stop Soviet troops marching toward West Germany; order a B-52 bomber pilot to fire one of his SRAM nuclear-tipped missiles at a single Russian refinery or factory; radio a submarine skipper to shoot a missile at a Soviet airfield; approve the launch of a few Minuteman ICBMs to knock out the communications center for Soviet rocket forces without hitting cities in the process.

Without such an option to wound, Schlesinger argues that the American President might be afraid to fire the nuclear gun at all. Schlesinger has made that point in the complex phrases of the nuclear strategist—a specialist sometimes hard to understand:

"The point is that we should deter nuclear attacks on the United States across the spectrum" by preparing for a limited nuclear conflict as well as an all-out war. "If an opponent were to decide that we would be self-deterred because the President of the United States lacked adequate response options, and if an opponent were a risk taker, then such a selective nuclear attack becomes conceivable."

Having sold this strategy to President Ford, with the help of Kissinger or at least his compliance, the defense secretary is now trying to give America's nuclear forces more of a wounding capability than they have had in the past as well as a killing one. For the moment, this requires tinkering with the missiles and bombers we already have rather than building new ones. The idea is to make these weapons more selective, more accurate and more responsive to the President's commands.

For example, before Schlesinger started to implement the changes, it would take up to 24 hours to go inside a Minuteman III long-range missile targeted on Russia and tinker with its brain—a computer—so it would shoot at a different target than the one previously programmed. The Air Force is now installing what it calls a command data buffer system so the missile's mechanical brain can be washed of its old targets and re-instructed within 36 minutes to hit new ones. The men making the change would no longer have to go inside the missile silo itself.

Such tinkering and research on ways to make our nuclear weapons more surgical will cost about $300 million in this year's Pentagon budget, but that is just the beginning unless the United States and Soviet Union find a way to call off this pursuit of precision.

The second question, about whether changes in American nuclear strategy are anything to worry about, is the tougher and more important one. Certainly, respected members of the arms control community and of Congress are worried about the changes, even if Ford, Kissinger and Schlesinger are not.

THE KING'S NOSE

Critics of the new targeting doctrine recall the age-old warning about never hitting a king in the nose unless you intend to kill him. They contend that there is no such thing as a little nuclear war—that once either the United States or Russia hits the other's homeland with a nuke there will be no way to control the nuclear incineration. Schlesinger escalated their concern by recently asserting that the United States might fire a nuclear-tipped Trident submarine missile at Russia before the Soviet Union had resorted to nukes in a war in Europe. This willingness to threaten "first use" of a big strategic missile like Trident—as distinguished from smaller battlefield nuclear missiles like mines or short-ranged missiles which would not reach Russia from Germany—is considered provocative by some arms control specialists.

Sen. Stuart Symington (D-Mo.), a former Air Force secretary and member of the Senate Armed Services, Foreign Relations and Joint Congressional Atomic Energy Committees heard Schlesinger explain the new targeting strategy in top secret briefings and came to this conclusion:

"The new targeting program lowers the nuclear threshhold and increases the possibility of the beginning of nuclear weapons use in war . . . The more you lower the kilotonnage of these weapons, the more you disperse them around the world, the more you make them common practice for utilization of our services and those of our allies, the greater the chance of their going off and the world blowing up."

Sen. Edmund Muskie (D-Maine), chairman of the Senate Foreign Relations Arms Control Subcommittee, is worried that the unthinkable idea of using nuclear weapons has already become thinkable by virtue of officials in the United States and Soviet Union portraying them as legitimate arms for battle. Said Muskie to Schlesinger:

"Whether or not this new strategy is designed to lower the nuclear threshold, it seems to me at the very least to reflect the fact that perhaps the nuclear threshold has already been lowered; that both sides now are less horrified by the prospect of nuclear war; that both sides are now more willing to consider the use of tactical nuclear weapons."

"What concerns me," Muskie said in another exchange with Schlesinger, "is that in building these limited responses we cloak the possibility of massive exchanges" of H-bombs and thus erode the deterrent value of "massive retaliation" which has kept the United States out of a nuclear war so far.

"If we add evidence to our doubts upon our willingness to go the full route," Muskie argued, "it seems to me that we add assurance to the other side's belief that we will be self-deterred. Therefore, you encourage the development of limited war as an acceptable kind of conventional military involvement. And when you escalate the possibilities to that level, it seems to me you escalate the possibility for ultimate nuclear war."

In rebuttal of such fears, Schlesinger has cited the desires of earlier Presidents to have something besides "an all or nothing at all" option; stressed that the United States would only fire nukes in response to aggression, and that even then it would be an agonizing decision; said filling in the gaps in our nuclear deterrence, while strengthening conventional forces, will make nuclear war less—not more—likely.

Schlesinger has translated his theory about the possibility of selective nuclear warfare into a Soviet missile attack on the Whiteman Air Force base outside St. Louis, Symington's hometown. Whiteman is a big launching pad for Minuteman missiles targeted on Russia and thus might be selected by Kremlin leaders trying to hit military targets instead of cities—a so-called "selective" strike.

If Russia, said the Pentagon, hit each of the 150 Minuteman II silos at Whiteman with two, big dirty nukes and attacked Strategic Air Command bomber bases as well, as many as 750,000 people in St. Louis would die and another 210,000 would be injured by the radioactive fallout carried to the city by the wind after what the Pentagon called a "worst case comprehensive counterforce attack." Russia would not aim at cities in such a counterforce attack, but at American missiles and bombers.

The Pentagon said it figured those casualties on the basis of the average fallout protection in U.S. metropolitan areas. It did another calculation figuring the shelter St. Louis itself actually has available, estimating the fallout casualties from the "dirty" attack would be 51,000 deaths, and 540,000 injuries.

If the Kremlin's leaders concentrated on precision and aimed a single "clean" one-megaton bomb at each of Whiteman's missiles, the casualties from fallout would be much less in St. Louis but still not comforting. The Pentagon figured 26,000 people in St. Louis would die from fallout coming from a selective, clean attack and 130,000 would be injured—using the national average of fallout protection. With what the Pentagon called "effective" use of shelter available in St. Louis, the Pentagon said deaths in St. Louis from fallout might be brought under 1,000 and injuries would go down to about 3,000.

If the wind were blowing from east to west, said the Pentagon, the fallout from such a precision attack on Whiteman would hit Kansas City—killing 216,000 and injuring 477,000 people there, using the national average of city protection. Those figures would be lowered to 1,500 deaths and 8,000 injuries if Kansas City's shelters were used effectively, the Pentagon added.

Thus, if the Ford administration pursues this new selective targeting doctrine to its logical conclusion, it will have to re-issue the politically unpopular call for spending more money on fallout shelters.

With rhetoric which Hollywood might put into a Dr. Strangelove movie, the Pentagon has put together a slide show on the new targeting doctrine to help congressmen and others understand it. Slide 17, for example, makes the argument this way:

"The Soviets have a capability to conduct limited nuclear strikes on U.S. military targets. The country attacks will be by their nature be limited in the foreseeable future.

"Although the probability of nuclear war is extremely remote, a limited strike scenario—as contrasted with a full exchange scenario with the Soviet Union—may be the more likely way a nuclear war could start.

"By: Developing pre-planned options for less than SIOP (Single Integrated Operation Plan)—level strikes. Investing in C3 (command, control and communications) and retargeting flexibility to provide improved ad hoc response capability.

"We can contribute to deterrence of such attacks by improving our capability to deny the hypothetical attacker his objectives.

"To do otherwise would result in unacceptable alternatives in the face of such an attack—no response or holocaust.

"The likelihood of limited nuclear attacks cannot be challenged on the assumption that massive civilian fatalities and injuries would result."

KEEPING UP WITH MOSCOW

In plain language, the Pentagon is arguing that the Soviet Union is pushing ahead with nuclear weapons that could be used for selective as well as all-out attacks; that the United States must keep up with Russia in this endeavor unless both sides agree to call off the development and fielding of more precise nuclear weapons.

But how will such neat theories about nuclear warfare stand up if they ever have to be tested in battle? The Vietnam experience is hardly comforting in this regard. Before that war got out of hand and required the presence on the ground of a 500,000-man American expeditionary force, the theorists were talking about keeping the war manageable through a strategy of graduated response—tit-for-tat.

Ironically, Kissinger himself—despite his support of the new targeting doctrine today—warned against expecting limited nuclear war to remain limited. In his 1960 book, entitled "The Necessity for Choice," he wrote the following:

"While it is feasible to design a theoretical model for limited nuclear war, the fact remains that 15 years after the beginning of the nuclear age no such model has ever won general agreement. It would be next to impossible to obtain a coherent description of what is understood by 'limited nuclear war' from our military establishment.

"The Air Force thinks of it as control over a defined air space. The Army considers it vital to destroy tactical targets which can affect ground operations, including centers of communications. The Navy is primarily concerned with eliminating port installations.

"Even within a given service, a detailed, coherent strategy is often lacking. The Strategic Air Command and the Tactical Air Force almost surely interpret the nature of limited war differently.

"Since disputes about targets are usually settled by addition—by permitting each service to destroy what it considers essential to its mission—a limited nuclear war fought in this manner may well become indistinguishable from all-out war."

A CALL FOR GOVERNMENTAL ACTION

Mr. HOLLINGS. Mr. President, I have received what I think to be a resolution which is indicative of the feelings of every American. It comes from the city council in Gaffney, S.C. and expresses concern over the possibility of another winter of energy shortage, more unemployment, and even higher prices. It further urges governmental action be taken to provide relief in these distressing areas.

I know that every one of my distinguished colleagues here today have received similar statements of alarm and join with me in the fight to enact forceful and conclusive legislation to deal with these problems.

I therefore ask unanimous consent that this resolution sent by the city of Gaffney be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION

Whereas, the Nation is faced with a critical natural gas shortage; and

Whereas, the Piedmont Section of South Carolina, and especially the City of Gaffney in Cherokee County, South Carolina, faces a natural gas shortage that could cause curtailment and possible closing of industrial plants; and

Whereas, this curtailment and/or closing would cause grave economic and unemployment conditions that would further depress our City and its citizens; and

Whereas, a strong Energy Bill that would contain some relief from this situation would be desirable;

Now therefore be it resolved by the City Council that the South Carolina Congressional Delegation immediately support any Energy Legislation that would give an increase in natural gas allocation to residential, commercial and industrial users in Gaffney and Cherokee County, South Carolina and support other measures of a Bill that would provide relief to an already existing depressed economic and unemployment situation.

Be it further resolved that a copy of this Resolution be furnished to each member of the South Carolina Congressional Delegation representing Gaffney and Cherokee County.

BILLY GRAHAM PRESENTED "MAN OF THE SOUTH" AWARD

Mr. TALMADGE. Mr. President, Dixie Business magazine, published by Hubert Lee of Decatur, Ga., each year confers a "Man of the South" award in recognition of outstanding service and leadership.

This year, the award went to the Rev. Dr. Billy Graham, one of the Nation's, and indeed the world's, most outstanding spiritual leaders. The award was presented in Charlotte, N.C. by William H. Barnhardt, also a recipient of a "Man of the South" award.

I ask unanimous consent that there be printed in the Record the article from Dixie Business magazine on these awards.

There being no objection, the article was ordered to be printed in the Record, as follows:

Billy Graham Presented "Man of the South" Award by Wm. H. Barnhardt in Charlotte as 105,000 Watch

(By Hubert F. Lee)

William H. Barnhardt, the 28th "Man of the South," made history in Charlotte May 20th when he presented the 29th "Man of the South" award to Billy Graham before a multitude of 105,000 who had come to Freedom Park to hear Billy Graham and President Gerald Ford as part of the three day Bicentennial Celebration of the Mecklenburg Declaration of Independence.

Barnhardt has attended Billy Graham Crusades in Peru, Dallas and Charlotte and has been a contributor of time and money to his Crusades.

Barnhardt attended the "Man of the South" dinners for Reuben B. Robertson in Asheville in 1950—25 years ago—the dinner at the Charlotte Country Club for David Ovens in 1951 and for Norman Cocke in 1959 and is one of the Architects of the "Flowers for the Living" program.

Others given the "Man of the South" awards from North Carolina were: Louis V. Raleigh, 1966; Luther H. Hodges, Raleigh, 1969.

WORSHIP OF GOD

Billy Graham's address climaxed the Worship of God services, participated in by Charles Hunter, The Rev. Joseph S. Showfety, Bishop Herbert Spaugh, Rev. Phaethon Constantinides, Rev. Bryant Clancey, Rev. Henry Crouch, Rabbi Richard Rocklin, Billy Graham, William H. Barnhardt, Rev. Jim Gilland, Robert Stigall, Joyce Helms and Rev. Robert Freeman.

On the platform were Grady and T. W. Wilson, of Charlotte, members of the Billy Graham team for 40-years, who have been named to the South's "Hall of Fame for the Living," the honor group, limited to 200 living leaders, from which the Man of the South is named each year.

BILLY GRAHAM THRILLS 205,000

Billy Graham thrilled the 205,000 patriotic citizens when he called for the dedication to the "principles and religious faith for which our forefathers lived . . ."

"It is a great privilege to be here today because I came from the Sharon community of Charlotte, and especially to be a native of Charlotte and Mecklenburg County as we observe one of the most memorable events in the land and proud history of Charlotte-Mecklenburg.

"The story of the Mecklenburg Declaration is a high-water mark in American history," Billy Graham declared.

"The history of Mecklenburg County needs no distortion to make it sound better than it actually was.

"The fact that several presidents have participated in these celebrations, and that the President is here today, is indicative that America has always taken seriously the symbol of the Mecklenburg Declaration of Independence, whether it was fact or fiction.

"The signers were a tough minded and independent people.

"They were Scotch-Irish for the most part . . . they believed in personal freedom.

"I feel a real kinship with William Graham, who was born in Ulster, Ireland, one of the founders of the Hopewell Presbyterian Church, father of 9 sons . . . and a kinship with all of the signers of the Declaration.

"Fourteen of the signers were elders of their churches, and two were clergy. In their declaration they proclaimed their intentions of becoming a sovereign and self-governing people under the power of God.

"The bible was their blueprint of freedom, their charter of liberty.

"When they fought, they fought to win.

"Pointing to the flag behind the vast crowd, Billy Graham exclaimed: I would die for my faith in God and I would die for that flag there.

"The real significance of what we do here today is that we rededicate ourselves to the principles for which our forefathers died . . .

"God Bless Mecklenburg.

"God Bless Charlotte.

"God Bless North Carolina.

"God Bless America."

"MAN OF THE SOUTH" AWARD

William H. Barnhardt, chairman of Barnhardt Brothers Company and a dozen other companies, an elder of Meyers Park Presbyterian Church and one of the finest Christian laymen I have ever known, presented the "Man of the South" award to Billy Graham.

Mr. Barnhardt was introduced by Ty Boyd, Master of Ceremonies for the May 20th Celebration, who said:

"May I present Mr. William H. Barnhardt, the recipient of the 'Man of the South' award for 1973."

RELIGION GREATEST BUSINESS

Mr. Barnhardt said in presenting the award to Billy Graham:

"Each year for the past 29 years Dixie Business magazine, which is published in Atlanta, Ga. by Colonel Hubert F. Lee, has conducted a poll among their readers to vote for their choice for the "Man of the South."

"Now this is a business magazine and you may say:

Why would a business magazine choose Billy Graham as the "Man of the South" for 1974?

"Well, the answer is obvious.

"Religion is the Greatest business in the South and in the world, and not only is it the greatest business . . . it is the most important business . . . . and I think it is most appropriate that this honor is presented to our native son on this occasion who . . . and his team . . . have carried the gospel to the far corners of the earth and we are grateful to Almighty God for his team and for Billy Graham.

"And, Billy will you come forward, please.

"On behalf of the people of the South, we are honored to show you that a Prophet Is With Honor in his own country.

Applause. "We love you, and God Bless You.

CHARLOTTE OBSERVER REPORTS

The Charlotte Observer, in a story reported by Jerry Shinn, Bobby Calhoun and Bob Hodierne, and written by Shinn, reported:

After the religious services, a Charlotte textile executive, Wm. H. Barnardt, gave Graham the annual "Man of the South" award, given by "Dixie Business" a magazine published in Georgia. Barnhardt was last year's recipient.

Barnhardt called the award appropriate because "religion is the greatest business in the South.

BAND SHELL DEDICATED

After Billy Graham had received the "Man of the South" award and responded, the band shell was dedicated in memory and honor of Alan Newcomb, anoted Charlotte leader and executive with WBTV.

Mrs. Alan Newcomb responded, saying how proud she and her family were that the name of her late husband was being given to the Alan Newcomb Band Shell in Freedom Park.

WBTV went all out in covering the speeches delivered with the Alan Newcomb Band Shell in Freedom Park.

WSOC–TV covered intermittently until President Gerald Ford arrived.

PRESIDENT FORD SPEAKS

At 12:30, the Independence High School Band played "Ruffles and Flourishes" and Ty Boyd shouted:

"Ladies and Gentlemen, the President of the United States, and A. Grant Whitney."

Grant Whitney, executive vice president of Belk Stores Insurance Reciprocal, is chairman of the Bicentennial and the man who made the historical event a grand success.

The band played "Hail to the Chief" and swung into "Nothing Could Be Finer than to be in Carolina, In The Morning," as the President and Grant Whitney marched down the hill between rows of flag-bearing Eagle Scouts.

Grant Whitney introduced John Belk, the "Merchant Prince" who heads Belk's and has served three terms as Mayor of Charlotte. Belk is a direct descendent of John McNitt Alexander, one of the 27 signers of the Mecklenburg Declaration.

"The Good Lord has taken care of the weather and such fine people," Mayor Belk said, beaming with pride.

DIGNITARIES SPEAK

Brief remarks were made by Mrs. Liz Hair, chairman of the board of Commissioners; Capt. John Dobbs, of North Ireland, grandson of Arthur Dobbs, a colonial governor of North Carolina; Gov. John E. Holshouser, Jr. and U.S. Senators Robert Morgan and Jesse Helms.

Rep. Jim Martin introduced Ford.

President Ford, an Eagle Scout, who beat Georgia Tech in the only game the Wolverines won in 1934, has played in the Kemper Open Pro-Am Golf Tournament at Charlotte's Quail Hollow Country Club for the past four years.

William H. Barnhardt is a founder of famed Quail Hollow Country Club, where he plays golf with Billy Graham from time to time.

"I am delighted to be in Charlotte today to enjoy the spirit of this unique observation of the nation's bicentennial," Ford declared.

"I congratulate Mecklenburg County and all of North Carolina on the Bicentennial enthusiasm demonstrated here.

"I see this gathering (105,000) as a symbol of pride of Americans in their community, in their state and in their nation.

"Our destiny in this year of our Bicentennial is to emerge as an even greater republic.

"When the United States celebrated its first 100 years in 1876, the South was still recovering from the tragic war Between the States.

"This was America's most terrible ordeal. Yet America—and the South—have risen again.

"North Carolina is a showcase of a state that reveres the values of the past while leading the way toward a progressive future.

"This state, and the rest of the South, knows at first hand the changes of which I speak.

"I am proud of the great breakthroughs in education and industry in the South, a region which today numbers more than 67 million people, nearly a third of the American population.

"This is an area where family income has increased more in the past quarter of a century than in any other part of the United States.

"Today, personal income is rising more rapidly here than in the rest of the country.

"Southerners—including Tar Heels—must be doing something right.

"I join in working with all Southerners, and all Americans, to build a better tomorrow.

"Together we can do it."

Applause and Cheers from the crowd.

BILLY GRAHAM CALLED ON

Ty Boyd, the Master of Ceremonies called on Billy Graham, saying:

"One of our country's most distinguished citizens and a person known throughout the world. Charlotte's own Dr. Billy Graham will lead us in the benediction.

GRAHAM GIVES BENEDICTION

"Shall we pray?

"Our father, we thank you for this historic occasion and the challenge that our President has brought us.

"We pray that Americans will always love freedom and hate tyranny as those early Mecklenburgers did 200 years ago.

"Once again we need to believe in ourselves as a nation.

"Once again we need the courage and the dedication of those brave men who dared revolt against tyranny and injustice.

"Once again we need to believe in freedom as much as they did, so that we would be willing to die as they did for it.

"Once again we need the faith in God that inspired, gave courage to, and helped those revolutionaries whose brave deeds we remember today.

"Bless our President, we pray thee.

"Give him courage, wisdom, strength and faith.

"Bless all of those in authority and may this be a moment of rededication for us all. God Bless America, we pray in the name of our Lord and Savior, Jesus Christ. Amen."

FORD FOURTH PRESIDENT

President Ford was the fourth President to help celebrate the Mecklenburg Declaration of Independence. President Howard Taft was rained out on May 20, 1909.

President Woodrow Wilson had only a few minutes left to speak on May 20, 1916 when Charlotte's Mayor T. L. Kirkpatrick took an hour to introduce Governor Locke Craig.

When President Dwight D. Eisenhower came May 20, 1954, he had with him Dr. Norman Vincent Peale and Fred Waring.

AWARD TO WILLIAM H. BARNHARDT

One of the most unique and colorful "Man of the South" ceremonies since 1946 marked the "Man of the South" award presentation to William H. Barnhardt on Sunday afternoon May 18, 1975 in the beautiful Barnhardt Chapel at Boy Scout Camp John J. Barnhardt overlooking Lake Badin at New London, North Carolina.

Camp John J. Barnhardt, named for William H. Barnhardt's deceased brother, became the World's Most Memorable Boy Scout Camp when the Elbeetian Legion of old-timer Lone Scouts selected it as the site for the Lone Scouts Memory Lodge, so that the Boy Scouts in future years can perpetuate it as a shining light of Scouting Through Eternity.

The Lone Scout Memory Lodge is located near the Barnhardt Chapel.

May 18th was rally day for the Catawaba Tribe of old-timer Lone Scouts.

As Mr. Barnhardt was to present the 29th "Man of the South" to Billy Graham in Charlotte on May 20th, the officers and members invited Mr. Barnhardt to receive his 28th "Man of the South" award at Camp Barnhardt.

Scout Executive John J. Bush, dynamic scout leader, praised Mr. Barnhardt and his family for all they have done for scouting and for their generous financial support.

"Miss Maggie Barnhardt, Mr. Barnhardt's 90-year-old sister from Concord is here today, Scouter Bush exclaimed with pride.

"It seems that God has halted the rain so that she can be here at the place she loves and where she is loved by scouters for her devotion and her work for scouting.

Bush succeeded Scout Executive Joe Woodall, who did so much to help build the Lone Scout Memory Lodge.

Charles J. Little, president of Little Cotton Mfg. Co., Wadesboro, N.C. Chairman of Investments of the North Carolina Central NC Council, praised Mr. Barnhardt for his great leadership in raising money for the camp and Barnhardt Chapel and unselfish service over a lifetime.

Frank Liske, of Concord, Vice-President of the Central NC Council, told of his pride in knowing Barnhardt for many years and related some of his work for scouting, colleges, backing Billy Graham and as a Christian Layman, who went about doing good. "We are proud of all his family who have done much for scouting."

"MAN OF THE SOUTH"

William H. Barnhardt had a heart attack last year so he was to ill for his friends to give him a "Man of the South" for 1973 dinner at the Charlotte Country Club, as planned.

As scouting has been one of his chief interests and since I was a Lone Scout and a Boy Scout in my own youth, I suggested that we do something different and present the "Man of the South" award at Camp John J. Barnhardt, named for his deceased brother.

He agreed and liked the idea.

The rain was pouring down most of the way to New London.

The rain stopped and the sun came out and was shining when William M. Barnhardt drove into Camp Barnhardt.

He drove to the W. D. Boyce Building, which houses the Lone Scout Memory Lodge. We all got out and visited with the old-timer Lone Scouts and the Boy Scout leaders.

Then we drove over to the Great Ampitheater, where hundreds of Boy Scouts hold worship services.

Barnhardt Chapel stands at the foot of the hill on the shore of Lake Badin.

It reminds me of the Alan Newcomb Band Shell in Freedom Park. Mr. Barnhardt helped raise the money to buy the land for Freedom Park.

I was introduced by Lone Scout Hank (Henry G.) Goforth, trustee, who said I joined the Lone Scouts in 1915, wrote an article for Lone Scout magazine in 1917 and had made a 650 mile hike as Patrol Leader of Boy Scout Troop 31 in 1918 and each year present the W. D. Boyce award "For Distinguished Service to Scouting."

HONORING ONE TO HONOR MANY

In presenting the 28th "Man of the South" award to Bill Barnhardt, I outlined some of the history of the "Flowers for the Living" program whereby One Man is Honored each Year to honor many.

I have known Bill Barnhardt since 1950, when he attended the dinner in Asheville honoring Reuben B. Robertson as the "Man of the South."

He attended the dinner at the Charlotte County Club honoring David Ovens as the "Man of the South" for 1951 and again when Norman Cocke was given the 1959 award.

Bill Barnhardt has been an inspiration to me over the years, just as he has been to Billy Graham, whom he nominated for "Man of the South" 1974.

Billy Graham says Bill Barnhardt "must be among the most wonderful friends God gave me."

I reprinted Mr. Barnhardt's sketch from "Who's Who in America in my report on as "Man of the South," as he has done so much for others, headed so many campaigns to raise money for so many good causes, headed so many successful businesses that it would take a book to list them all.

One of his sons, William M. Barnhardt, who drove us over from Charlotte, served as General Chairman of the successful drive to raise $1,500,999 for a Boy Scout Camp near Charlotte. Mayor John Belk served as the Chairman of the Fund Steering Committee.

Charlotte is one of the Great Cities of America and its future is in good hands with young leaders as John Belk and William M. Barnhardt.

FOUR EAGLE SCOUTS

Bill is regional commissioner of the Boy Scouts, member advisory Council Mecklenburg Council and has received the Silver Beaver Award, 1947, the Silver Antelope award, 49, and the W. D. Boyce award "For Distinguished Service to Scouting" in 1970 the year the Lone Scouts Memory Lodge was dedicated.

Bill Barnhardt is proud that he has four grand sons who are Eagle Scouts.

He shares this enthusiasm with President Ford who earned his Eagle Scout Award in 1927 . . . says.

So, Mr. Barnhardt, on behalf of the past 'Men of the South' since 1946, the South's "Hall of Fame Council, the readers and editors of Dixie Business, I take pleasure in presenting to you the "Man of the South" award for 1973.

You have been the kind of a man I wish the Youth of America would pattern their lives after.

May God Bless you and yours.

REED GOLD MINE

On the drive back to Charlotte, Mr. Barnhardt wanted to stop by the nation's first gold mine—the John Reed Gold Mine in Cabarrus County, then part of Mecklenburg, that Conrad Reed, the 12 year old son of John Reed discovered in 1799 while fishing one Sunday morning.

The Reed Gold Mine was once owned by Mr. Barnhardt's great grandfather, Colonel George Barnhardt, according to the Winter 1975 issue of The N.C. Historical Review.

Next to agriculture, gold mining became the major industry.

So much gold was produced that in December 1837, the first branch of the U.S. Mint was opened in Charlotte.

The 830 acre site of the Reed Gold Mine was acquired by the State in 1971 and is being turned into a State Park. It will be open in 1976.

Because of the heavy rains, we did not risk driving to the old mining operations, but listened as Mr. Barnhardt talked with the young engineer in charge of the operations.

GARDEN OF EDEN

Bill and Mrs. Barnhardt live on a five acre "Garden of Eden" on Queen Road West that is a showplace of Charlotte.

"Given to hospitality, they are two of best liked and gracious people I have ever known.

They have adventured together in more than a hundred countries over the world . . having a wonderful time.

They brought back souvenirs, pictures, books and memories for years of happy memories.

Behind their large two-story home much of the five acres is used for their beautiful flower garden, with a cross of roses to make it the delight of flower lovers.

Every day, Mr. Barnhardt cut a new rose bud for my lapel.

One of the gardners has been with him for 37-years and is looked upon and treated as a friend.

It is one of the finest farms anywhere, with no commercial fertilizer used.

Bill gets his manure from Melvin Graham, the farming brother of Billy Graham, and duck manure from his brother who raises ducks in Virginia.

It has been a long time since I have seen so many farm tools, tractors and equipment.

They get vegetables the year around.

Most of the five acre estate has been donated to Queens College for use when he and Mrs. Barnhardt no longer wish to live there.

Mr. Barnhardt has been trustee, member of the executive committee and chairman of the investment committee of Queens College for more than 25 years.

In 1953, Queens College presented him with the Algernon Sydney Sullivan award and one of the dormitories is named Barnhardt Hall.

On the Alan Newcomb Band Stand on May 20th Bill Barnhardt introduced me to Bishop Herbert Spaugh who gave me a

Bishop's Dollar, inscribed on one side—verse side—"God Loves Us—Let Us Love One Another."

Later Bill Barnhardt gave me an autographed copy of Barbara Harding's biography, "The Boy, The Man, and The Bishop."

Billy Graham, in the Forward, wrote:

"Bishop Herbert Spaugh has been a blessing, influence and counselor to me since my conversion to Christ and in my entire ministry. I am glad Barbara Harding has written this biography of Bishop Herbert Spaugh, distinguished and dedicated Moravian Bishop, who by the grace of God, became a legend in his own time.

Bishop Spaugh has been named to the South's "Hall of Fame for the Living," taking the place made vacant by the death of Bishop Arthur Moore, the "Man of the South" for 54.

On the band stand, Bill Barnhardt introduced me to the fabulous James Edgar Broyhill, furniture manufacturer of Lenoir, N.C.

Later, Bill sent me a copy of the biography of Ed Broyhill, "Anvil of Adversity," by William Stevens.

I sent Mr. Broyhill a page from my October 1931 issue of Dixie Business featuring an article by the late J. J. Haverty, "Haverty Making Furniture History" and how he opened a 25-foot store in Atlanta in 1885, etc.

"I started Lenoir Chair Co., from which our business has expanded, in November 1926," Mr. Broyhill wrote. "It was nothing like the building that Haverty and Rhodes started out with." "It was a Blacksmith Shop, And I borrowed $5,000 on my house, which was about the full value, to start the business. I was determined to make good and it took hard work to survive the '30's.

The editors of Dixie Business are adding Ed Broyhill to the South's "Hall of Fame for the Living."

At the dinner for the Grahams that evening at the Quail Hollow Country Club, I met the great Rev. W. Cameron Townsend, who founded the Wycliffe Bible Translators in 1918.

More than 3,000 Christians are at work translating the bible into many languages that have no bibles.

Bill Barnhardt gave me a book telling of a couple who went to Peru and translated the bible for a tribe. It was the exciting "God's City in the Jungle," with Foreward by Billy Graham.

The University of N.C. at Charlotte has started a course teaching how to translate the bible.

Uncle "Cam" Townsend is being named to the South's "Hall of Fame for the Living," along with Grady and T. W. Wilson, member of Billy Graham's Team, and Bishop Herbert Spaugh all of whom attended the dinner.

Others named to the honor group will include Rawson Haverty, Haverty's, Atlanta; Col. Ted R. Osborn, president of Kiwanis International, Lexington, Ky.; Don Carter, president and publisher of the Lexington (Ky) Herald Leader; Spurgeon P. Gaskin, retiring Southeastern Regional Director, Boy Scouts of America, Atlanta, and O. B. "Country" Gorman, retired Boy Scout Executive, Atanta.

Also Leighton Ford, of Billy Graham Team, and Gene Bracewell, Imperial Outer Guard, Imperial Shrine Divan, and P. P. of my Yaarab Temple, Atlanta.

INTERIOR OFFICIAL WARNS DEEP SEA BED MINERALS COULD BE CONTROLLED BY INTERNATIONAL CARTEL

Mr. METCALF. Mr. President, among the concerns of those Members of Congress, who seek to assure that these United States will continue to have minerals basic to our economy, is that out of the United Nations Law of the Sea Conference will come a treaty which would deny us access to minerals which we need and can find and recover under existing international law.

Until recently, this was a concern not shared by the executive branch of our Government.

The situation changed with the creation within the Department of the Interior of the Ocean Mining Administration.

The Administrator of that Agency, Mr. Leigh S. Ratiner, also is the U.S. negotiator for deep seabed minerals issues.

In the recent past, he has been testifying before congressional committees on progress, or lack of it, toward international agreement in the United Nations. His office has issued a press release on his appearance before the Senate Committee on Foreign Relations.

I commend that release to my colleagues, and ask unanimous consent that it be printed in the Record.

There being no objection, the press release was ordered to be printed in the Record, as follows:

Interior Official Warns That Deep Sea Bed Minerals Could Be Controlled by International Cartel

Raw materials, including nickel, copper, cobalt and manganese mined from the deep seabed beyond the limits of national jurisdiction, could fall under the control of an international organization with power to deny the United States access to the minerals and regulate the amount of mineral production from the seabed, if poorer nations have their way at the Law of the Sea Conference. That warning was sounded today in testimony submitted to the Senate Foreign Relations Committee by the Administrator of the Ocean Mining Administration (OMA), a part of the Department of the Interior.

Leigh S. Ratiner, OMA Administrator who also is United States negotiator for deep seabed minerals issues, reported to the Senate Foreign Relations Committee on the recently concluded Geneva Session of the Conference which, he said, made progress on many aspects relating to seabed mineral resources but could not compromise on basic politico-economic issues.

Ratiner set forth three areas of fundamental disagreement between developed and developing countries. He noted that spokesmen for developing countries insist that the International Authority must have power to exploit the seabed resources, even to the exclusion of States and private companies. They support ultimate policy decision-making in a one-nation, one-vote U.N. General Assembly-style forum. They demand power to dictate the terms and conditions of any exploitation contracts.

Ratiner told the Committee that in certain major areas the negotiations were moving ahead in a constructive manner. Support from developed and developing countries appears forthcoming on such questions as:

Early entry into force of a treaty, allowing ocean mining to proceed without delay;

Investment protection for companies that have commenced mining activity;

An international Tribunal for settlement of disputes;

Adequate representation for highly industrialized countries on a policy-making council within the proposed International Authority; and

A treaty guarantee of security of tenure of operators.

According to Ratiner, "Industrialized countries are acutely aware of the dependence on raw materials supply and cannot be expected to agree that—in an area comprising two-thirds of the earth's surface— . . . they will surrender rights of access . . . by agreeing to a system in which an International Authority could limit or exclude their access."

Although noting that the developing countries have yet to show willingness to accommodate industrialized country interests in the resources of the seabed, Ratiner referred to the so-called "banking system" proposal by the United States in which nations or private companies can get a contract to mine an area if they donate another equivalent area to the seabed Authority for negotiated exploitation contracts, as a serious effort to bridge the gap and find a final compromise. He urged development and developing countries to seek solutions that do not jeopardize access to resources for industrial nations but, at the same time, address developing country problems with development and use of raw materials.

BUREAUCRACY AT WORK

Mr. FANNIN. Mr. President, many of us applaud the dedication of the President to unshackling America's economy and relieving America's business of unnecessary regulatory restrictions so that it can produce more, provide more job opportunities, and improve the quality of life for our people. He is taking positive steps in that direction by calling for an appraisal of current regulatory practices of all departments and agencies of the Federal Government.

But, Mr. President, a recent editorial in the Wall Street Journal revealed the difficulty that he faces in undertaking this task. This article points out that the President's recent policy statements on regulatory reform have failed to slow down the momentum of the bureaucracy at HEW in planning another layer of regulations for the drug industry, which places HEW in the position of not only policing drug quality but also controlling drug prices. Although these regulations would apply only in the case of drugs purchased under a Federal program, the lessons of the past several decades indicate that once a bureaucracy establishes a footing in a category of business, its authority begins gradually to spread like thorny weeds overtaking a flower garden.

The Wall Street Journal has made a strong case raising questions about the so-called maximum allowable cost regulations and its article deserves the attention of the Senate and the President. Therefore, Mr. President, I ask unanimous consent that it be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Bureaucracy at Work

We really don't have anything personal against bureaucrats, pointy-headed or otherwise. It's not the people but the system, which is currently on display in the Food and Drug Administration's recent proposal to test the quality of generic drugs.

It's not that there ever has been a particularly serious problem with the quality of generic drugs, which are the chemical equivalents of brand-name drugs. Brand names are given to a drug by the company that develops and patents it. Naturally, the patent protection allows a company to establish its drug as standard. After the patent protection runs out, other firms are free to bring out generic versions. But doctors have tended to continue to prescribe by brand name. They knew what they were getting, and somehow the quality of generic drugs never arose as an issue.

The FDA has discovered, however, that a problem with the quality of generic drugs is now upon us. The problem is caused by the FDA's parent bureaucracy, the Department of Health, Education and Welfare, which frowns on brand-name prescriptions, The brand-name drugs typically cost more than the generic-name equivalents, and HEW is setting out to protect the consumer with something called Maximum Allowable Cost. In brief, under Medicare and Medicaid, it will reimburse for the cost of generic drugs, not for brand ones.

HEW estimated that its new rules would save $88.8 million of the $1.2 billion spent for drugs under federal programs. But it turns out that this includes savings from other proposals, such as limiting the retail markup. The substitution of generic for brand-name drugs will save, it says, $48 million. This is about 4% of the federal drug bill.

Now, lo and behold, the FDA announces that, just as brand-name manufacturers have always contended, generic drugs are not necessarily the same as brand-name ones. The active ingredients are the same, but sometimes the binders and fillers do make a difference. So the FDA will require makers of generic drugs to demonstrate that their versions are as effective as the "reference" (read "brand-name") drugs. In some cases the FDA will accept laboratory tests on dissolution rates, but for about half of the 137 drugs immediately involved it will require human tests to measure the concentration of drugs in the blood stream.

We do not recall noticing how much this new FDA program will cost, but we assume it is well under $48 million, since the entire FDA payroll is some $200 million. Of course, the generic drug manufacturers will have to pay for extra testing, thus somewhat cutting the $48 million savings. The real catch is that the FDA has yet to face the big problem, which is not fillers and binders, but quality control in the factories.

When HEW campaigns against brand-name prescriptions, it in effect takes upon itself the responsibility for quality control formerly exercised by prescribing physicians. If the source of the drug is decided not by the physician but by a pharmacist officially encouraged to use the lowest-cost source, someone has to worry about the quality of drugs made in every chemical shop in the nation capable of cooking up a recipe already spelled out in an expired patent. This implies an army of government inspectors, all devoted to solving a problem the doctors formerly handled with a stroke of a pen.

And for what? Any true saving for the consumer is hightly problematical. The drug companies need to get enough return to justify their research, and if they cannot get it through market position after patents expire they will have to get it through higher prices while the patents apply. New tests for generic drugs will represent additional costs, which someone has to pay. And if the FDA gets deeply into quality control, as it almost certainly must, most of any envisioned savings would merely be shifted from the consumer's drug bill to his taxes, over which he has even less control.

The likelihood is that the drug companies will maintain their profits, and that the salaries of extra bureaucrats will represent merely an increase in the total cost to the consumer. But assume for a moment that the consumer breaks even, that the bureaucrats' salaries are offset by lower drug company profits. What have you then done? You have taken money that would go into drug research and other capital investments, and paid it instead to bureaucrats hired to solve a problem that didn't exist until the bureaucrats caused it.

CRISIS ON CYPRUS: ONE YEAR AFTER THE INVASION

Mr. KENNEDY. Mr. President, yesterday was the first anniversary of the Turkish invasion of Cyprus—a military action which has had both a profound repercussion at the international level and, even more, a devastating impact upon the population of the island.

Since Turkey's invasion and occupation of Cyprus 1 year ago, tragically little has changed for the beleaguered people of the island. A year later, a third of the population—mostly Greek Cypriots—remain in need of humanitarian assistance as refugees, as people in distress or as families torn apart by the effects of war and partition.

The cruel, unchanging facts of life on Cyprus are made clear in a report prepared for the Subcommittee on Refugees, which I serve as chairman, and which was released today.

Among other things, the report to the subcommittee reminds us again of the continuing humanitarian needs among the 200,000 Greek refugees—none of whom have yet been able to return to their lands, their homes, or their sources of livelihood since July-August last year.

The report also documents the continuing intransigence of the Turkish Government in negotiations, and notes a series of fait accomplis by Turkey to consolidate its position and partition of the island. The report notes as well persistent reports over a strengthened Turkish military presence on Cyprus, and the increasing settlement of mainland Turks on the island.

Mr. President, I believe this report is timely, not only because it serves to remind us forcefully of the continuing humanitarian crisis on Cyprus, but also because Congress is still considering the issue of renewed military assistance to Turkey.

I strongly believe that the United States should not resume military aid to Turkey unless progress is made simultaneously toward resolving the plight of 200,000 Greek refugees. Our national leadership cannot sweep aside the desperate plight of these refugees when making its case for lifting the embargo on military assistance to Turkey.

This humanitarian crisis, created by Turkey's invasion of Cyprus a year ago, was—and remains—the fundamental cause which led to the arms ban by Congress. Turkey and the administration can make no valid claim to a resumption of military aid at the expense of the people of Cyprus.

Mr. President, I ask unanimous consent that the Subcommittee on Refugees report's recommendations on Cyprus, 1 year after the invasion, be printed in the Record, together with my preface to the report.

There being no objection, the material was ordered to be printed in the Record, as follows:

Preface by Senator Edward M. Kennedy, Chairman

Since Turkey's invasion and occupation of Cyprus one year ago, tragically little has changed for the beleaguered people of the island—politically, diplomatically, and most importantly, in human terms. One year after the invasion of Cyprus, over 200,000 people—a third of the population—mostly Greek Cypriots, remain in need of humanitarian assistance as refugees, as people in distress or as families torn apart by the effects of war and partition.

The purpose of this report is to up-date the findings and recommendations of a Subcommittee Study Mission dispatched to the region last autumn to assess, first hand, the human and political tragedy created by the Turkish invasion and occupation of the island. It is sad proof of the total lack of progress over the Cyprus issue, as well as a tragic comment on the failure of American diplomacy, to note—one year later—that the essential findings of the Study Mission's report stand as true and as real today as they did when they were written many months ago. It is hoped that this up-dated report will serve as another reminder to the Congress and the American people as to how little things have really changed for the unfortunate people of Cyprus.

As I wrote in the preface to the Study Mission's report last October:

"The Turkish invasion turned the island into shambles. In political terms, it violated the integrity of an independent state. In economic terms, it shattered the island's flourishing economy. And in human terms, it brought personal tragedy to thousands of families—and turned half the population into refugees, detainees, or beleaguered people caught behind ceasefire lines.

"In too many quarters—including our own Government—the human dimensions of the Cyprus crisis, and the plight of Cypriot civilians, has taken second place to the political and military issues at stake—and to the special interests of those who have much to lose or to gain by the outcome of the conflict. But the civilians of Cyprus—both Greeks and Turks—also have interests. And for hundreds of thousands, recent weeks have been a nightmare of death and tragedy and grief."

Regrettably, during the many months since these words were written, the plight of the Cypriot people continues to take second place to political and military issues. Once again, the President is asking Congress to provide more military aid to Turkey, rather than asking for the return of refugees to their homes. Once again we are being asked to "compromise" with Turkey, despite the recognized lack of progress in negotiations, and despite any sign of goodwill or flexibility from Turkey in responding to basic humanitarian issues—such as allowing the free movement of people—let alone the resettlement of refugees to their homes. Indeed, senior officials at the Department of State continue to admit that nothing has really changed on Cyprus one year later.

Despite the continuing and almost total absence of progress toward reaching a settlement, we have repeatedly, over the past many months, been assured by Department of State spokesmen of optimistic signs for "moving the parties involved on Cyprus to early negotiations." Those were, for example, the words written in a letter to me by the Department on November 22, 1974. Several weeks later, on January 6th, Secretary Kissinger echoed similar optimism in a letter responding to an inquiry by four members of the Refugee Subcommittee. The Secretary stated: "Fortunately, some progress has been made in recent weeks toward getting substantive negotiations underway."

Yet, today, on the first anniversary of the Turkish invasion, we have yet to see any meaningful negotiating posture on the part of Turkey nor any new developments in the field to match the continuing optimism of Administration spokesmen. If "progress" means the shuttling of our diplomats around the globe, the occasional meeting of Turkish and Greek and Cypriot diplomats, or even the regular contacts of the two Cypriot communities in Nicosia and Vienna—then such "progress" is hollow, since it has not brought positive developments in the field, such as the return of some refugees to their homes as the beginning of a return to economic normalcy. These are the true indicators of progress—not more talk that leads nowhere. And these indicators of progress on Cyprus, must also be our benchmarks in assessing whether military assistance to Turkey should be resumed.

Instead, we no longer hear but incidental reference made by the highest leaders of our nation to the problems on Cyprus. In fact, we rarely hear Cyprus mentioned at all in the context of the renewed debate over our nation's policy toward Turkey—as if the crisis on Cyprus had no relationship to the original action of Congress, or to the original concern of the American people.

We no longer hear reference made to over two hundred thousand refugees and others displaced from their lands, their homes, or their sources of livelihood, many of whom lack employment and subsist on government hand-outs.

We no longer hear much concern over the restoration of the full independence and sovereignty and territorial integrity of Cyprus.

We no longer find Administration spokesmen speaking of the need for "gestures of goodwill" on the part of Turkey.

We no longer see much effort to secure the implementation of United Nations resolutions on Cyprus—resolutions supported and voted for by our government.

In fact, we rarely hear the President, the Secretary of State, or other high Administration officials speak of the problems on Cyprus—much less about the urgent plight of tens of thousands of Cypriot refugees. Rather, we hear only about Turkey—of U.S. bases, of strategic concerns in the Eastern Mediterranean, and about Turkish sensitivities.

These strategic concerns are clearly important, as are our relations with Turkey. But what of our relations with our other NATO ally in the Eastern Mediterranean—Greece? And what of the plight of homeless people? And what about respect for law and our nation's long-standing opposition to military intervention and blatant aggression?

Are we to condone the invasion and occupation of Cyprus by simply forgetting about it? Are we to condone the nibbling away of an independent state simply by no longer speaking of it? Are we to condone the human tragedy brought about by the illegal use of American supplied weapons by sending more? And are we to stand silent in the face of our continued failure to condemn the Turkish invasion, unrelenting occupation, and de facto partition of an independent nation?

I believe the American people expect better of their government, and this is clearly reflected in the renewed debate in Congress. The time is long overdue for the President and members of the Administration to show greater evidence of concern and action over the human and political tragedy of Cyprus.

The people and nation of Cyprus—and, indeed, of Greece and Turkey—still remain on the brink of new conflict and even greater tragedy. Our government's policy bears a special responsibility. This is so not only because of past omissions in our diplomacy, and our consistent support of the Turkish position, but also because of the President's insistence on maintaining a business-as-usual attitude toward military shipments to Turkey. It is so because we have let our diplomacy ignore the urgent and legitimate right of refugees to return to their homes in safety, and in peace.

There is still time for us to rescue our foreign policy from a course that is disastrous to our best traditions and interests in the Eastern Mediterranean—if only we are to act.

RECOMMENDATIONS

Over the coming weeks and months—as they have since the beginning of the Cyprus crisis—the Chairman and members of the Subcommittee will continue to be as tenacious in their concern and suggestions for action as they feel the important situation on Cyprus warrants.

For the purposes of this report, however, the Chairman makes the following recommendations, relating to humanitarian needs on Cyprus, and diplomatic and political problems.

1. Restoring the full independence and sovereignty and territorial integrity of Cyprus:

Despite the continuing occupation of Cyprus by Turkish forces and the pronounced drift toward *de facto* partition, restoring the full independence and sovereignty and territorial integrity of Cyprus must be a clearly understood and primary objective of American policy and diplomacy over the island. Numerous United Nations Resolutions over the past year clearly point the way toward accomplishing this end, and no other goal better satisfies justice or the bringing of peace and relief to the people of Cyprus.

However, there can be little doubt today that the Turkish invasion and occupation of the island—and Ankara's series of *fait accompli*s to consolidate its position and partition of the island over the past year—have forever destroyed the past political structure and the present constitutional framework of the Government of Cyprus. Given a negotiated settlement of the Cyprus problem, the future clearly includes new arrangements and governmental structures within an independent and sovereign state.

Responding to Cypriot aspirations for maintaining a free and independent country should be central to the policies and actions of all parties concerned. New guarantees for the future independence and territorial integrity of a free Cyprus must be achieved through the early resumption of the U.N. sponsored negotiations in Vienna, or appropriate alternative arrangements.

2. U.N. resolutions and the Geneva declaration on withdrawal of foreign troops:

The United States Government, and all parties concerned, must renew active support for the repeated calls by the United Nations—as well as the Geneva Declaration of July 30, 1974, agreed to by Greece and Turkey—for the orderly reduction and withdrawal of foreign troops from Cyprus. As events over the past year suggest, a viable solution to the Cyprus problem, much less peace on the island, cannot be imposed by the force of arms. Steps must be taken to disarm Cyprus—especially in light of persistent, but unofficial, reports of Turkey's strengthened military presence on the island.

3. Return of refugees to their homes:

The plight and fate of the refugees is central to the Cyprus issue, and to any meaningful negotiations over the future of the island. A viable solution to the Cyprus problem, much less peace for all people on the island, will not be accomplished unless and until a substantial number of Greek Cypriot refugees are permitted to return safely—under U.N. auspices—to their lands and homes in areas currently occupied by Turkish forces.

Over the past year, the issue of returning Greek Cypriot refugees to their lands and homes has been seriously complicated by the mass movement of Turkish Cypriots to the occupied areas in the north. Many of these Turkish Cypriots have moved into houses formerly occupied by Greek Cypriots who fled to the south following the Turkish invasion.

This thorny issue is further complicated by the increasing settlement in the occupied areas of Cyprus by Turks from mainland Turkey. This movement from Turkey threatens to alter dramatically the demographic patterns of Cyprus, and gravely compounds the problem of seeking a solution to the Cyprus issue.

In this regard, over the past year, the national policy of the United States has been remiss in its responsibilities toward the people of Cyprus. Strong representations must be made to Ankara over the movement of Turkish nationals to the island.

More generally, the President must finally use our country's important influences and good offices with Turkey to persuade Ankara of the need for accommodations which include the withdrawal of occupation forces and the orderly return of refugees to their homes.

4. Continued humanitarian relief and rehabilitation needs on Cyprus:

Our government—both the Executive Branch and the Congress—must continue his efforts on behalf of the relief and rehabilitation of refugees and others in need on Cyprus.

Over the past year, the United States has responded commendably to international appeals from the International Committee of the Red Cross (ICRC) and the United Nations High Commissioner for Refugees (UNHCR). We must sustain this record of assistance.

However, with the passage of time, requests for humanitarian assistance from Cypriot authorities have increasingly included measures and proposals to assist displaced persons in regaining a degree of economic self-sufficiency, as well as to provide support for on-going relief activities. The shattering effect the invasion and occupation have had on the economy of Cyprus is well documented, and so too are its needs for budgetary and economic support.

Although the UNHCR remains available to facilitate the channeling of such assistance from the international community, given its traditional mandate for acting in emergency situations, there is discussion in some quarters over the winding down of UNHCR activities and finding alternative arrangements for channeling international assistance to Cyprus.

In this connection, particular attention should be paid to: Shifting the UNHCR's on-going relief activities to U.N. Secretary General Waldheim's Special Representative on Cyprus; involving the U.N. Development Program or the World Bank in programs to reactivate the Cypriot economy; and concluding bilateral agreements for rehabilitation and development purposes with the Government of Cyprus.

U.S. funds allocated for relief and rehabilitation purposes on Cyprus should reflect the changing patterns of need on the island, and should be used flexibly to assist people of Cyprus.

5. Military aid to Turkey and progress on Cyprus:

Turkey's strategic position and her armed forces are important for western security interests. But such considerations alone cannot obscure or condone her massive invasion and occupation of nearly half of Cyprus—in violation of U.S. laws regarding the supply of military equipment—which has turned a third of the population of that island into refugees. It is evident that our diplomacy should attempt to move Turkey toward making some major accommodations in order to permit the creation of conditions allowing for a return to stability and normality on Cyprus. To make a valid claim to a resumption of military aid, Turkey and the Administration should indicate a clear willingness to contribute to the settlement of this central humanitarian problem. The compelling need is to establish a framework that would include both progress over Cyprus and the resumption of arms aid to Turkey.

6. Cyprus issue and other problems in Greek-Turkey relations:

There is an increasing tendency in many quarters to "link" the problem of Cyprus with negotiations over problem areas in Greek-Turkish relations. However, there is a grave danger that in doing so, the issue of Cyprus—of people in need—will be lost in the rush of other concerns, both political and economic.

Tens of thousands of refugees cannot be allowed to sit homeless on Cyprus, because of unrelated bi-lateral problems between Turkey and Greece. Every effort must be made in our diplomacy to separate the thorny problems of the Aegean Sea, oil rights and related issues from the quest for a solution on Cyprus and the restoration of its independence, sovereignty and territorial integrity.

S. 1800—ART AND ARTIFACTS INDEMNITY ACT

Mr. JAVITS. Mr. President, today the Committee on Labor and Public Welfare, of which I am the ranking minority member, filed its report on S. 1800, the Arts and Artifacts Indemnity Act. I commend this legislation to my colleagues. Recognition should first be given to the distinguished Senator from Rhode Island, Senator PELL, the chairman of the Arts and Humanities Subcommittee, for his leadership. Senator PELL and I had the pleasure of cosponsoring S. 1800.

As reported to the Senate, S. 1800 includes only those sections dealing with indemnity of exhibits in the United States of foreign art and artifacts. Other provisions of S. 1800 as originally introduced will remain before the Arts and Humanities Subcommittee for consideration later this year.

EXPAND AVAILABILITY

The Arts and Artifacts Indemnity Act of 1975 will expand opportunities for citizens throughout our country to enjoy foreign art in the United States. Specifically, the indemnity authority will provide insurance coverage against damage of such generally priceless art treasures. Without such indemnity provided by the Federal Government with its full faith and credit, insurance premium costs have prohibited many of such exhibits. This act will be particularly meaningful to smaller museums which do not have the resources to acquire on loan and display foreign art objects which appropriately demand full insurance coverage or indemnity as a prerequisite to their being loaned by foreign museums.

Often in the past, major art treasures were available for view only by persons who could afford international travel, or those living in a major metropolitan center. It is these large cities which traditionally have been the site for such exhibits. This circumstance has often meant that Americans living in smaller communities or rural areas were deprived of this opportunity for cultural enrichment.

Previous statutory authority for indemnity of foreign exhibitions has been by ad hoc statutes which authorized Federal indemnity for a single exhibit. S. 1800 will create a permanent authority which will grant indemnity for those exhibitions which are certified by the Department of State to be in the national interest. A usual prerequisite for granting of this indemnity will be that nations which are sending their art objects to the United States will provide reciprocal coverage for exchange American art visiting their countries. While it may be possible that unusual circumstances could prohibit such reciprocal indemnity, this would be a very unusual case. The British and Australian Governments have shown leadership in this field of indemnifying for damage to foreign art, and much of the research supporting our bill has been based on their experience. With permanent legislation in place permitting an American indemnity, nations not yet having such programs will be encouraged to do so.

LIMITED PURPOSES

I would like to stress that S. 1800 is a very limited bill and will not involve any cost to the Federal Government aside from small administrative costs unless major damage occurs to an indemnified object. The tight application of this authority is assured by the following:

First. The Department of State must certify that an exhibit is in the national interest of the United States.

Second. The first $25,000 worth of damage is not covered, and indemnity on a single exhibition is limited to $25 million. Thus a role for private insurers is preserved both for amounts over $25 million and amounts less than $25,000.

Third. Actual experience shows that damage to art treasures is very rare, due to highly developed procedures of packing and security for art treasures during shipment.

Fourth. Because American items being shipped overseas are not covered, but rather rely on encouragement for reciprocal indemnity, cost again is limited in terms of Federal liability for indemnity.

To cite a specific example of the narrow liability incurred by the Federal Government by this authority, the experience of the New York Metropolitan Museum of Art is useful. Since 1970, nine major international exhibits with an aggregate value of $261.8 million have been exchanged for exhibition at the Metropolitan Museum of Art. Insurance for these exhibits totaled $818,000, but no major loss has ever occurred. Thus, not a single claim has ever been made by "the Met" on this large expense of insurance premium cost. Under S. 1800, those foreign exhibits which are certified to be in the national interest will not have to pay these insurance premium costs, and consequently the number of such exhibits and their geographic distribution should be increased. As Federal, State, and local governments often support directly the cost of exhibits, including insurance premiums, it is likely that S. 1800 will result in an overall cost saving by Government.

Mr. President, S. 1800 is a limited purpose bill which will expand the availability of foreign art exhibits to all Americans. Only those exhibits which are certified by the Department of State to be in the national interest will be covered. The appropriate participation of private insurance companies is preserved, and a permanent piece of legislation replaces the need for individual acts of Congress to provide indemnity for specific exhibits. I believe this is sound legislation which will bring benefits to all Americans throughout the Nation by advancing their knowledge of foreign cultures. I am hopeful that the Senate will act promptly to enact this important legislation.

BUREAU OF OCEANS AND INTERNATIONAL ENVIRONMENTAL AND SCIENTIFIC AFFAIRS

Mr. PELL. Mr. President, the recent resignation of Dr. Dixy Lee Ray, after having served only 5 months as Assistant Secretary of State for Oceans and International Environmental and Scientific Affairs, has created widespread concern over the role of the Bureau she headed. As chairman of the Subcommittee on Oceans and International Environment, I have written Secretary Kissinger expressing my deep concern over the status of the new Bureau.

Established in October 1973, by section 9 of the Department of State Appropriations Authorization Act of 1973 (Public Law 93-126), the Bureau was assigned the task of developing an overall American policy in the fields of oceans, international environmental and scientific affairs. In addition, it was intended that the Bureau advise the Secretary of State in the formulation of foreign policy, besides coordinating policy between the State Department and other agencies.

Yet, as testimony by Dr. Ray before the Foreign Relations Subcommittee on Oceans and International Environment on June 26, 1975, indicated, the Bureau's role as mandated by Congress has not been realized. The Bureau appears to have hardly been advised of foreign policy initiatives, much less consulted prior to policy formulation. Moreover, the Bureau has been woefully understaffed, and consequently unable to fulfill its functions adequately.

It is essential that this situation be rectified by the State Department, and the Bureau of Oceans be permitted to fulfill its congressionally assigned place in foreign policymaking. Additional positions are required, while decision-making must be rearranged to include the Bureau's perspective. Furthermore, high priority should be given to the task of finding a strong and qualified individual to succeed Dr. Ray. There is little time for delay in these reforms, for the Bureau's input is urgently required as the United States increasingly finds itself involved both bilaterally and multilaterally in issues falling within its purview.

The National Advisory Committee on Oceans and Atmosphere, or NACOA, has written the Secretary of State stressing the need for additional positions so the Bureau can perform its vital functions. I ask unanimous consent that the NACOA letter to Secretary Kissinger, dated June 26, 1975, be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

National Advisory Committee
On Oceans and Atmosphere,
Washington, D.C., June 26, 1975.

Hon. Henry A. Kissinger,
Secretary of State,
Washington, D.C.

Dear Mr. Secretary: For some time the National Adivsory Committee on Oceans and Atmosphere (NACOA), which is a presidentially appointed group, has been concerned about the adequacy of staffing of the office now under Dr. Dixy Lee Ray, which deals with ocean affairs. This office, before the recent reorganization, reported directly to your office. According to information available to us, it was understaffed to the extent, according to its former director, that the quality of its work was affected thus adversely affecting U.S. ocean interests.

With the reorganization called for by Congress, a number of offices within the Department of State were combined and the well-known and respected former chairman of the Atomic Energy Commission, Dr. Dixy Lee Ray, was named Assistant Secretary for the Bureau of Oceans, Atmosphere and Science. Professor Thomas Clingan, an expert on law of the sea and ocean matters was named Deputy Assistant Secretary for the Oceans and is very well qualified for that position.

This Committee views with favor the reorganization made within the Department of State, but as has been remarked above, we are greatly disturbed by the failure of the Department to adequately staff the important component dealing with fish, wildlife, and the oceans. This functional unit within State must negotiate all disputes relating to foreign fishing off our coasts and disputes arising from our fishermen fishing off the coasts of other countries. In addition, with some 23 bilateral and multilateral agreements in which the U.S. is involved, with major responsibilities in the fisheries and other areas of the Law of the Sea, and with obligations of a major nation for overview of ocean activities of specialized agencies of the UN, such as FAO, UNESCO, IMCO, and others, as well as important international wildlife problems such as marine mammals and endangered species of plants and animals, it is small wonder that the small staff of this unit is overworked and incapable of keeping up with the many tasks.

We wish to remind you that the tasks of your department in the field of the oceans and fisheries, especially, are bound to increase as we and other nations accept increased jurisdiction over resources and areas lying off our respective coasts, and as the world turns increasingly to the sea for food, energy, minerals, and as an avenue of convenience. It is imperative that our nation and its government be prepared to meet the challenge with competent and adequate professional expertise. Furthermore, the Law of the Sea efforts are likely to continue for some time and the Committee believes it is now time to consider the integration of this function into the Office of Oceans and Fisheries Affairs.

Congress obviously saw this crisis appearing when it set up the ocean bureau within the Department of State. However, it has been about two years since that action and as yet the Department has not responded, to the best of our knowledge, to increase the staff of the oceans department to a point where it can adequately cope with its increasing tasks.

We have been observing carefully the activities of this unit since its formation, and it is our considered opinion that it is so greatly understaffed for the tasks assigned it to a point where it cannot effectively protect the U.S. interest in fisheries and ocean affairs.

Our Committee recommends that, in view of the increasing possibilities for conflict among nations over the use of ocean space and ocean resources, and the tremendous increase in value of goods and services from ocean use within the past decade, that the Department reorder its priorities so as to staff the oceans and fisheries unit so that it can effectively carry out its responsibilities.

To fail to do so, in our view, means that to a large degree the reorganization of the resource and services of your Department will not be effective in protecting the U.S. interests in the oceans and will place the U.S. in an increasingly less favorable position to develop, with other nations, rational management plans for the use of the oceans and its resources.

Sincerely,

William J. Hargis, Jr.,
Chairman.

EUROPEAN SECURITY

Mr. ROTH. Mr. President, just before and after the Second World War, the Soviet Union forced Poland, Czechoslavakia, Romania, and Finland to cede it large chunks of their territories. The three small Baltic nations—Estonia, Latvia, and Lithuania—were entirely absorbed, and the German territory of East Prussia was divided between the Soviet Union and what remained of Poland. These acquisitions were accompanied by policies to Russify the conquered lands by expelling many of the original inhabitants and settling Russian people in their place. The victims were, of course, in no position to protest, nor are they today.

At the end of this month, the summit meeting of the Conference on Security and Cooperation in Europe will issue a document endorsing the principle of the "inviolability of frontiers." As the New York Times pointed out editorially today, this meeting will symbolically ratify the present territorial status quo and will undoubtedly be used by Soviet propagandists to the maximum advantage. What the West is getting in return is very meagre indeed.

Like the Times, I would have preferred that the United States had participated at a lower level or demanded more. In any event I hope that the President will use this occasion for a very strong endorsement of America's continued interest in the plight of those in the Communist lands of Eastern Europe and a very clear warning to the Soviet Union not to meddle in the domestic affairs of Portugal or any of the other nations of non-Communist Europe.

Mr. President, I ask unanimous consent that the New York Times editorial be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

European "Security" . . .

The 35-nation Conference on Security and Cooperation in Europe, now nearing its climax after 32 months of semantic quibbling, should not have happened. Never have so many struggled for so long over so little as the conference's 100-page declaration of good intentions in East-West relations. So little, and yet so much.

So little, because after hundreds of diplomats drafted this document, they specified that it will not be legally binding on anyone. So much, because it commits the United States, Canada and 33 nations of Europe to the "inviolability of frontiers," symbolically ratifying the territorial status quo, including the division of Germany and Europe and the Soviet Union's huge annexations of East European territory, including all three independent Baltic states plus large chunks of Poland, Czechoslovakia and Rumania.

What the West gets out of the C.S.C.E. declaration is a reference to the possibility of border changes by peaceful agreement—meaningless except to protect the West German Government from its domestic critics—and some vague Soviet pledges to permit freer movement of persons and information.

The only military item in what originally was to be an all-European security treaty is a promise by the Russians (and everyone else) to give three weeks notice, and to admit observers, for military maneuvers that involve more than 25,000 men within some 150 miles of their frontiers. But it does not cover other military movements such as a reinforcing move or an actual invasion of Eastern or Western Europe!

If this document now were to be signed by the diplomats who negotiated it, or even by foreign ministers, and then consigned to history as an effort to humor a Soviet propaganda exercise, the damage might be modest. The problem is that Soviet leader Leonid Brezhnev has maneuvered all the major leaders of the Western world one by one into the commitment to sign the C.S.C.E. declaration at a euphoric 35-nation summit conference in Helsinki, now tentatively scheduled for July 30, less than ten days away.

. . . And Real Détente

It is true, as Secretary Kissinger has just repeated, that there is no alternative to coexistence of East and West in the nuclear era and that détente—real rather than illusory—must be pursued. But the Helsinki carnival, like the Soviet-American handclasp in space, could mislead many into believing that peace already has arrived. Very limited forms of arms control and East-West cooperation are still accompanied by intensified repression within the U.S.S.R. heightened Soviet rivalry with the West in the Middle East, South Asia and the Indian Ocean and little real sign of progress in strategic or conventional arms reduction talks.

If it is too late to call off the Helsinki summit—or even to delay it for a more propitious moment—every effort must be made there, publicly as well as privately, to prevent euphoria in the West. Equally important the Soviet Union must be put on notice that a Communist takeover by force or subversion of Portugal's democratic revolution will not be accepted by the Western world even if the West may now have acknowledged Soviet domination of its immediate Eastern neighbors.

CALIFORNIA'S STATE OFFICE ON AGING'S NEW DIRECTOR

Mr. TUNNEY. Mr. President, one of the prime-movers in establishing California's State Office on Aging has recently taken her place as director of that office. I am delighted that Janet J. Levy, one of the strongest proponents of senior citizen rights, and a former consultant to the California State Legislature's Joint Committee on Aging, has been nominated by Gov. Jerry Brown to assume the crucial job as director, to coordinate the State's efforts on behalf of older Californians.

Always concerned about the plight of those beyond the retirement years, Ms. Levy has demonstrated a marked facility for pioneering legislative priorities in behalf of senior citizens. As a consultant to the State Legislature, she informed assemblymen and senators and the people of California as a whole about those legislative requisites to ameliorate much of the suffering felt by senior citizens in my home State.

Today, I understand that in her new capacity, she is working hard, often long into the night, to whip the State office's budget and spending priorities into shape for the new fiscal year. Despite long hours, she still finds time to hear about new and inventive programs being developed in the State, and to seek funding avenues for these programs. She brings a warmth and compassion to the directorship—a caring all too often lost at the higher echelons of State and Federal bureaucracies.

I commend Ms. Levy for her untiring efforts in behalf of California's senior citizens, and wish her continued success in her new and challenging position as the voice of California's senior citizens.

I ask unanimous consent that Ms. Levy's biographical sketch and résumé be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

Biographical Sketch of Janet J. Levy

A native Californian, born and educated in Oakland and the bay area, Janet Levy attended and graduated from Oakland High School, Sacramento State College and received her B.A. and M.S. at San Francisco State University. Post graduate work in rehabilitation and gerontology at Columbia and New York Universities.

Following the death of her 8½ year old daughter of a then fatal kidney disease, Ms. Levy concentrated her efforts on legislation providing fiscal assistance for kidney disease victims, and the field of aging from 1955 to 1959.

In 1960 Janet Levy was assigned by the California Citizens Advisory Committee on Aging to complete a study of state programs for the aging in preparation for the first White House Conference on Aging in 1961.

In September, 1962 she left state service to become the Executive Director of the Little House Senior Activity Center in Menlo Park in order to expand her experience and knowledge of the needs and potential of older men and women.

Following two years at Little House, Janet Levy was consultant and later Executive Director of the State Commission on Aging until 1968. From 1968 to 1971 she served as Assistant Director of the California Association of Homes for the Aging, the non-profit association of residential care facilities.

When the Joint Committee on Aging was established by the Legislature in 1971, Ms. Levy was selected by Assemblyman Leo McCarthy to be the Chief Consultant for that committee.

Ms. Levy lives in Sacramento with her mother, Mrs. Jessie A. Jacobs, also a native of California born and educated in Merced County. A brother, Herbert A. Jacobs of San Rafael, his wife Marie and four daughters, completes Ms. Levy's immediate family.

Biographical Résumé of Mrs. Janet J. Levy

Present position June, 1975 from November 1, 1971.—Consultant to the Joint Legislative Committee on Aging to provide specific legislative source of study, evaluation and support or opposition to programs and services affecting the later years of development of hearings, studies, committee participation, legislative bulletins, publications and the provision of a major referral point for legislative suggestions, community requests and general information.

July, 1971–November, 1971.—Employed by the Sacramento Housing Authority to establish Senior Service Centers located in new public housing facilities for aging, disabled and blind residents. Established programs in education, preventive health care, retirement planning, leadership training and volunteer services for both residents and nonresidents in the community. Served on various boards and community councils.

May, 1968–June, 1971.—Assistant to the Executive Director of the California Association of Homes for the Aging with responsibilities for: the development of community service programs supported, or cosponsored, by member-Homes of the Association throughout California; assistance in communities with the development of local Committees on Aging and their related activities and services; assistance with the compilation and editing of the bimonthly publication of the Association; responsibility for comprehensive planning with state agencies working with programs for the aging; assisted the Executive Director in whatever areas of responsibility he was unable to attend or be involved with.

March, 1967–April, 1968.—Special Consultant on Staff of California Commission on Aging with responsibilities for: comprehensive planning with community public and nonprofit resources for the development and expansion of programs and services designed to improve the later years of all older men and women in California. The areas of concern included adult education; economic security; employment opportunities; health care; housing and living arrangements; social services; recreation and transportation. In fulfilling her responsibilities, Janet Levy provided consultant services to local activities for the aging; cooperated with other state agencies to conduct studies; compiled data and assisted in the provision of information when requested by individuals, agencies and organizations serving older people.

1965–1967.—Executive Director of the Citizens Advisory Committee on Aging during which time, as the only professional staff member, Mrs. Levy was responsible for the publications, a survey, an inventory and reports; the development and implementation of a State Plan; legislation which changed the Citizens Advisory Committee on Aging to the California Commission on Aging, thereby authorizing the Commission as the administrative agency for the Community Grants (Title III) under the Older Americans Act; a budget formula which included a Southern California regional office, 5 new consultant and 2 new clerical positions; and 2 public hearings.

October, 1962–1965.—Special Consultant on staff of the Citizens Advisory Committee on Aging, during which period Mrs. Levy wrote materials for publications; was responsible for public hearings on "Community Services," and "Leisure-Time Activities for Older Persons"; acted as consultant to the projects under the state matching grants program, "Community Service for Older Persons," enacted by the 1961 State Legislature; and participated in Inter-Departmental Activities for the Aging.

October, 1960–1962.—Executive Director of the Little House Senior Activity Center, Menlo Park, which is the most successful and innovative center of its kind in the nation. With the full cooperation of the sponsoring Peninsula Volunteers, Inc., and the 1700 membership of older adults, Mrs. Levy initiated a visiting program of senior volunteers to the geriatric ward at Agnes State Hospital; a foster grandparent program in conjunction with a nursery school; a noonday "dinner" for center members prepared and served by members under the direction of a professional chef; a cooperative lip-reading class for the deaf and hard-of-hearing, conducted by Stanford graduate students; an annual Easter Egg Hunt and party given by the center members for the physically handicapped and mentally retarded children; and developed employment counseling and placement services for older workers in conjunction with the state employment services.

January, 1960–October, 1960.—Special Consultant to the California Citizens Advisory Committee on Aging, a position created by a $15,000 Congressional grant for the purpose of conducting a statewide survey for a publication to be presented at the White House Conference on Aging in January, 1961. During the ten months as a consultant, Janet Levy visited unlimited numbers of individuals, agencies and resources in 58 counties to gather information for publication. While collecting this data, Mrs. Levy worked with local public and nonprofit agencies and organizations to stimulate and support the development of all types of programs and services for older residents.

July, 1959–December, 1959.—A tour and study of European countries to observe and evaluate programs in social security, housing, health services, education and employment for their older citizens.

1957–1959.—Completed academic training, internship and thesis for a Master's Degree in the field of Rehabilitation (M.S.) with a focus on Gerontology and Community Organization. During this period, Mrs. Levy also attended summer sessions at Columbia University, New York University, and the Institute for the Crippled, Disabled and Aged. Field work in San Francisco included practice counseling at the Vocational Rehabilitation Center, the Little House Senior Activity Center in Menlo Park, and Crystal Springs Rehabilitation Center, San Mateo.

1955–1957.—Completed undergraduate studies in economics, government, psychology and social work, thereby obtaining a B.A. degree. Field work in community organization and group work resulted in the development of community group activities in newly developed areas of the San Mateo County coast, and the successful enactment of social and medical legislation relating to kidney disease.

PUBLICATIONS AND REPORTS

"California's Legislature Acts for the Aging," *Congressional Record* (Washington, September 26, 1974, No. 145b).

"California's Legislature Acts for the Aging," *Perspective on Aging*, National Council on the Aging, Vol. III, No. 4 (July–August 1974).

"Social Action for the Aging," Presented at Mayor Tom Bradley's Council on Aging (Los Angeles, July 1974).

"California Legislation in Behalf of the Older American," Presented at San Mateo County Mayor's Conference on Older Americans, (February 14, 1974).

"Aging and Social Action," Presented to Senior Citizens Protective League, Inc. (Seal Beach, November 6, 1972).

"Changing Needs and Interests of Older Adults," Presentation to the Western Region Jewish Welfare Institute (May 1970).

"Nonprofit Homes Respond to Community Needs: A Network of Person-Centered Programs," California Association of Homes for the Aging (Sacramento, March 1969).

Editor, *Maturity*, quarterly publication, Citizens Advisory Committee on Aging (1965–67 Sacramento).

"Ten Years of Progress for Older Californians," California Commission on Aging (1956–66 Sacramento).

"Directory of Senior Centers and Special Services for Senior Californians," California Commission on Aging (June 1965).

"Federally Financed Retirement Housing in California," In Response to Senate Resolution 26, 1963.

"Community Leisure-Time Activities for Older Persons," Presented to 1961 White House Conference on Aging.

"The Employment of the Older Worker," California State University, (San Francisco, 1959).

AFFILIATIONS

Allied Senior Clubs, Inc.
American Association of Retired Persons.
American Kidney Foundation.
California Specialists on Aging.
Easter Seal Society for Crippled Children & Adults.
International Senior Citizens Association, Inc.—Board Member.
Gerontological Society, Inc.
Meals-a-la-Car Inc.—Board Member.
National Council on the Aging.
National Council of Senior Citizens.
Western Gerontological Society, Inc.
Sacramento Commission on Aging—Vice-Chairman.

ZERO GOVERNMENT GROWTH

Mr. FANNIN. Mr. President, recently, Young Americans for Freedom published a series of interesting articles concerning the threat posed to America's system of individual liberty and free enterprise by Government planners, regulators and Big-Brother bureaucrats. These articles appeared in the June issue of the publication New Guard under the general title "Zero Government Growth."

The "ZGG" project includes a series of brief, but penetrating analyses of Government overregulation written by several of the Nation's most emminent scholars in the fields of economics, education, business and politics. To summarize the purpose and content of these articles, I quote the New Guard editors:

> Zero Government Growth is more than a slogan for a YAF project: it represents a sincere and ongoing critique of the ominous threat to the individual which sprawling government poses. While local and state governments are not to be dismissed, it is at the federal level that our concern is greatest. Here, the decisions of as little as five men can affect the lives and fortunes of millions of Americans.
>
> Americans are waking up to the fact that more and more areas of their private lives are susceptible to review and restriction, from the mandatory seatbelts fiasco to the proposed sterilization of women who have had two or more children. Judges decide where children shall attend school, outlaw public prayer, and legalize abortion. Legislators would prohibit citizens from possessing the constitutional right to bear arms; the same legislators seek to impose compulsory socialized medicine, child "development," wage and price controls, and intrude themselves into the process of dying via such campaigns as Death with Dignity. Bureaucrats strangle small businesses with OSHA regulations, fund research projects that explore everything from the perspiration of aborigines to the sex lives of college students, and effectively decide the fate of the nation's transportation systems.
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> These are but an indication of the overweening power and insatiable reach of the federal government. There is some degree of security in the system of checks and balances ingeniously implemented by the Framers of the Constitution as applied to the three branches, although the carefully constructed system of dispersed power is becoming increasingly undermined. But this fourth branch of government, the bureaucracy, constitutes the most severe threat. Members of this branch are not elected, and thus are responsible, not to an electorate but to their bureau chief or department head. Their interest is in preserving their job; or if they are idealogues, with furthering the role and authority of government in the lives of the citizens. Either way, the nation and the people lose.
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> The primary control which can be exercised over these groups within the bureaucracy is budgetary; since Congress, in most cases, still possesses the power of the purse, it can refuse to authorize or appropriate the funds necessary to the functioning of a particular program or department. The option, then, to ever more interference lies with a Congress and President willing to brave the wrath of the fourth branch, willing to expose the labyrinth of programs for the boondoggles and/or intolerable threats that they are.

Mr. President, it has long been my contention that the primary responsibility for overhaul of our regulatory system lies with the Congress which established and oversees that system. I recommend this ZGG series of essays in the June 1975 New Guard to my Senate colleagues who share by interest in regulatory reform.

In particular, I call attention to two articles—"The Consequences of Economic Regulation" by Yale Brozen, the University of Chicago economist, and "The Crisis of Regulation" by Hal C. Gordon of the U.S. Industrial Council.

Critics of Government regulation contend that the regulatory agencies have become subservient to the industries and special interest groups that they are supposed to regulate, to the detriment of the general public. Professor Brozen analyzes the cozy relationship between big labor and big business, specifically the airlines and trucking industries. Dr. Brozen observes:

> As long as entry to industry is barred by the regulatory authorities and competition with the industry is regulated, unions in the industry can have a field day.

He goes on to argue that bureaucratic restrictions on entry into the regulated industries have been "one of the great bars to the flowering of minority entrepreneurs."

Professor Brozen's conclusion:

> What black entrepreneurs and other minority entrepreneurs need is not subsidized low interest loans or grants from the federal government. What they need is freedom—freedom from government interference and from government blockades to entry into a business.

Mr. Gordon shows how regulation has generated unfortunate consequences for both consumers and businessmen. He states:

> Established corporations are allowed to grow smug and lethargic, innovation and progress are discouraged and, most importantly, the public is denied the price-cutting benefits which would accrue from a truly competitive, open market situation. Insofar as it is posible to put a price tag on these things, the National Committee on Productivity has estimated that the total cost to consumers of the anti-competitive practices now condoned by the ICC, the CAB, and the Federal Maritime Commission is somewhere between $8 billion and $16 billion a year. And this, of course, represents only part of the total picture.
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> But there are many ways in which regulation causes higher prices. . . . Ironically enough, the enforcement of many of the proportedly "consumerist" legislation enacted in recent years has been a major factor in pushing up prices. Unreasonable and often unnecessary standards demanded by overzealous bureaucrats have ended up costing the consumer literally billions of dollars with few apparent benefits resulting from the expense.

The remedy for our regulatory ills, in the opinion of these two commentators, is a healthy dose of deregulation. As Professor Brozen points out, deregulation has worked well already in certain U.S. industries and in other countries. In addition, repeal of outmoded regulatory agencies may, in some instances, be the most appropriate solution.

As Mr. Gordon indicates, regulatory reform will be difficult to achieve since "some regulated industries fear the loss of protection, and all bureaucrats fear the loss of power." If, however, the people are made aware of how much regulation costs them, perhaps they will pressure the Congress into action. The signs are already encouraging; let us hope that the rhetoric will soon give way to meaningful positive reform.

Mr. President, New Guard should be commended for publishing these timely articles. It is hoped that YAF will continue this worthwhile project on "Zero Government Growth" and will provide us with additional studies on the practical problems, economic and social issues, and fundamental principles associated with regulatory reform.

Mr. President, I ask unanimous consent that the articles by Yale Brozen and H. C. Gordon to which I have referred be printed in the RECORD.

There being no objection, the article were ordered to be printed in the RECORD, as follows:

THE CONSEQUENCES OF ECONOMIC REGULATION

(By Yale Brozen)

This seems to be the year that we are finally mobilizing to lynch some of our regulators. The slaves are rebelling. Economists are retreating from their old standard textbook position that preventing monopolists from extracting their pound of flesh is the raison d'etre for regulation.[1]

Fifty years after we passed an act giving the Interstate Commerce Commission the power to set minimum prices, economists began waking up to the fact that this is hardly consistent with the notion that this agency was designed to prevent greedy, rapacious, monopolistic railroads from overcharging. Sixty years after we began granting utilities the exclusive right to serve certain territories or certain groups of buyers and barring would-be competitors from bidding for their business on the grounds that it is inefficient to have more than one firm providing certain services, economists dimly began perceiving the fact that we do not need to use the force of government to bar less efficient firms from

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Footnotes at end of article.

competing with more efficient firms to obtain the economies of large scale efficiency.[2] Free markets have always resulted in the more efficient winning the market without the aid of monopoly franchises from government.[3]

Of course, when more efficient, large scale firms win a large share of the market without the aid of government, we then attack these firms under the antitrust laws for giving buyers such bargains that these firms succeed in winning large amounts of business.[4] It is no wonder that schizophrenia is as prevalent as it is when we erect it into a national policy in our economic regulation.

We are now launching governmental studies of regulation to find the consequences that dozens of studies have already found.[5] The Senate Commerce Committee is spending $150,000 for studies of the ICC, the CAB, and the FMC (Federal Maritime Commission). The National Science Foundation is about to parcel out grants "to evaluate the effects of regulation on productivity and other aspects of performance."

Some past studies have produced a few changes in regulation under the urgent press of recent problems. In 1973, I did a back-of-the-envelope calculation of the amount of waste in gasoline and diesel fuel consumption caused by ICC regulation of the trucking industry. I managed to track down an annual waste of more than 1,000,000,000 gallons of gasoline and diesel fuel resulting from ICC gateway and commodity restrictions plus the prohibition of the solicitation of traffic by non-common-carrier trucks to fill empty backhauls. As a result of the publication of my findings by a nationally syndicated columnist and pressure from other sources, the ICC moved to allow some relaxation of gateway and route restrictions. This relaxation, it now says, has saved 300,000,000 gallons of gasoline.

For those of you not familiar with gateway restrictions, this is the instance where a trucker has a certificate that allows him to operate, let us say between Philadelphia and Pittsburgh. He has another certificate, let us say, which allows him to operate from Pittsburgh to Washington. If he gets a load to be shipped from Philadelphia to Washington, he cannot go directly between the two. He must first haul the load from Philadelphia to his Pittsburgh gateway, then from Pittsburgh to Washington—hardly the most direct route.

Last year, the ICC began allowing truckers to petition for the removal of such gateway restrictions in order to shorten routes—provided the route shortening did not decrease mileage by more than 20 percent. The ICC now allows truckers some flexibility in routing if it saves a little gasoline or diesel fuel, but not if it saves a lot. It still retains commodity restrictions which prevent some truckers from obtaining full loads to fill their trucks. The ICC continues to prop the OPEC oil cartel by maintaining an unnecessary and uneconomic demand for oil.

I could also go through a description of how the Federal Power Commission, the Civil Aeronautics Board, the Federal Energy Administration, and the Environmental Protection Agency also help prop up the OPEC oil cartel through their regulation,[6] but I want to take the rest of my time to direct your attention to a neglected area in the studies that have been done of the economic consequences of regulation. It is an area that continues to be neglected in all the governmentally financed studies that have been proposed.

LABOR AND REGULATED INDUSTRIES

The effect of economic regulation on which I propose to dwell is that on labor relations and labor costs in the regulated industries. One of the major asymmetries of regulation is that regulatory agencies restrict the rate of return to the providers of capital—presumably to prevent investors from collecting monopoly prices from those purchasing the regulated service—but they do not restrict the return collected by the providers of labor services to prevent the collection of monopoly prices. The net consequence is that monopoly prices *are* exacted from the buyers of the services of most of our regulated industries. What portion of this monopoly exaction—which would be imposible to extract without the regulation which prevents competition [7]—is not dissipated in inefficiency goes to the providers of labor services.

Airline pilots' average pay is at least 60 percent higher than it would be if the CAB did not operate a cartel in the airline industry. And fares on some routes are as much as 70 percent higher than they would be if we abolished the CAB.[8] To give one example, PSA operating between Los Angeles and San Francisco, thus managing to escape the motherly clutches of the CAB by not crossing any state lines, charged $16 for this intrastate flight while CAB regulated interstate airlines charged $27 for the same service on the same route when the ticket was purchased as a leg of an interstate flight. With the help of the CAB, 747 pilots will soon be collecting $100,000 a year for a 70 hour month under current labor agreements. And I should tell you that an hour on a 747 is not 60 minutes. It is 54 minutes. No wonder TWA is selling its 747's to Iran.

The average annual pay of air transportation personnel—including clerks, baggage handlers, sweepers, etc., in the average—is the *highest* of any industry in the United States. And very close behind is the average pay in the highway freight and warehousing industry. Air transportation personnel pay is 56 percent higher than the average rate of pay in all private industry. The motor freight average rate of pay is 53 percent higher.[9] Add to this list of providers of labor services collecting monopoly returns the average railroad worker whose pay is 52 percent above the average pay rate in all private industry (see Table 1). Part of the reason the Penn Central is bankrupt is the labor agreement its foolish management signed with unions whose overpaid and underutilized members continue to get increases in pay, some for performing no work, while its creditors' assets are being wasted away and taxpayers are called upon to subsidize the road.

Table I—Average annual earnings per full time employee

[By industry in industries exceeding $12,000—1973]

All private industries	$8,900
Air transportation	13,936
Motor freight and warehousing	13,594
Railroad transportation	13,526
Motor vehicles and equipment	13,479
Petroleum refining	13,084
Pipeline transportation	13,063
Federal government civilians	12,984
Water transportation	12,292

Source: *Survey of Current Business*, July 1974, p. 37.

Now what does economic regulation have to do with the monopoly returns extracted from users of transportation services by providers of labor services? Let's begin with the fact that no one can enter the interstate airline industry or interstate non-agriculture commodity trucking without a certificate of public convenience and necessity from the CAB or the ICC. The CAB has not issued a certificate in continental U.S. since the day of its founding in 1938. The only airlines permitted to fly continental U.S. are those which had grandfather rights. Petitioners for CAB certificates with FAA certificated pilots and equipment equal to those of the certificated airlines have clamored in vain for the right to carry passengers in interstate carriage.[10]

Essentially, this has meant that the Airline Pilots Association can demand and get almost any price it wants for pilots. It knows that as it forces up the cost of operation, the airlines will get from the CAB a rise in the floor for fares to cover the increased cost of pilots. The airlines have little reason to resist mightily since they know the CAB will not only raise the minimum charge for fares and prevent any maverick regulated carrier from charging less or offering more by way of a piano lounge but will also prevent any new entrant with non-union pilots from coming into the industry to undercut them.

As a matter of fact, the CAB even brings pressure on airlines to accede to union demands. Southern Airways continued to fly for nine months while its pilots were on strike. Despite a no-accident record, the CAB finally dropped a hint that operation under such conditions appeared unsafe. That hint to Southern Airways led to a settlement the following week.

As long as entry to an industry is barred by the regulatory authorities and competition within the industry is regulated, unions in the industry can have a field day. ALPA is probably the most successful monopolist in U.S. history—because of all the power granted to it by the U.S. government. Like any monopolist, ALPA discriminates in pricing its wares. A DC–3 pilot, who has the toughest job in the industry putting in twice as many duty hours as a 747 pilot with four or five times as many nerve straining landings and takeoffs on air fields frequently lacking instruments or ground crews to assist him is paid a quarter of what a 747 pilot gets. The job is priced no higher by ALPA because any higher rate of pay would price DC–3s right out of the air. If there are qualified men with the skills required to operate a DC–3 willing to take this very tough job at $20,000 a year, we can get as many highly qualified and responsible pilots as anybody could wish for for a great deal less than the $80 to $100,000 per year that we are and will be paying 747 bus drivers.

TRUCKING INDUSTRY

The Teamsters show the same sort of behavior in the trucking industry as ALPA in the airline industry and are successful for the same reasons. With these overpaid drivers and high freight rates, a great many people would like to get into the trucking industry. Some petition the ICC for certificates. If they prove that they will provide a service that no certificated trucker is now providing and will compete with no ICC client, the ICC will grant a certificate. But if they simply offer to provide better service or a lower price than is already being offered, the certificate will be denied. The ICC sees no reason why shippers should get better service or lower prices.[11]

The Teamsters have won bigger wage increases than any unions other than the Rail Brotherhoods and ALPA because their employees know that no one will be allowed to compete using lower cost drivers and that any wage increase is a sufficient excuse to get an increase in the *minimum* rate from the ICC. The only restraint is that they lose business because some firms find it less expensive to buy their own trucks and hire their own drivers, even though the trucks have to return empty after an outbound haul since the ICC prevents private carriers from soliciting freight to fill the empty backhaul. So most over-the-road drivers are paid only about 30 percent more than they would get absent regulation, their union not having as much monopoly power as ALPA.

What would happen without regulation in trucking, for example, is an improvement in service and a reduction in rates. This was demonstrated in 1952 when the courts ruled that frozen chickens came under the exemption from regulation of the carriage of agricultural goods written into the Motor Trans-

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Footnotes at end of article.

portation Act of 1935. That provision was written in because farmers learn from experience. They were strong supporters of the Act to Regulate Interstate Commerce of 1887. They thought they were being gouged by railroads, whose average freight rate had dropped only 50 percent in the decade before the act was passed, and they were going to stop the gouging. Their experience with the ICC demonstrated to them that with a friend like a regulatory agency, they needed no enemies. So they opted out in 1935 from the regulation of the providers of the truck services they purchased.

But to come back to the 1952 experience with frozen chickens—when carriage of frozen chickens was deregulated, rates dropped by 30 percent. Processors who had been complaining about the quality of service they had been getting found that service improved greatly with the removal of regulation along with the drop in the cost of the service.[12]

Similar experiences occurred in Australia when regulation of trucking was abolished.[13] Rates dropped, service improved, and efficiency improved so greatly, that truck operators were just as profitable after deregulation with lower rates as they had been before under regulation with higher rates. That same experience was repeated in Britain when trucking was deregulated there.[14] Nothing but good came out of abolishing regulation in both countries. It is about time we permitted ourselves the same luxury by repealing the Motor Transportation Act of 1935—and the Act to Regulate Interstate Commerce of 1887.

Incidentally, if the Office of Minority Enterprise wants to really do something for minority entrepreneurs, it should join in this endeavor. One of the great bars to the flowering of minority entrepreneurs is the restrictions on entry into the regulated industries by the regulatory agencies. I was struck by this very forcibly when Dan Walker was elected governor of Illinois with the support of the Teamsters and the Truckers Association. To pay off these supporters, Dan Walker assigned state troopers to set up road blocks to enforce Illinois Commerce Commission certification requirements. On the first day at a road block outside Chicago, 57 truckers were arrested for lacking Illinois Commerce Association certificates for their operations. Of the 57, the majority were black entrepreneurs operating their own trucks.

What black entrepreneurs and other minority entrepreneurs need is not subsidized low interest loans or grants from the federal government. What they need is freedom—freedom from government interference and from government blockades to entry into a business.

FOOTNOTES

*Presented before the ACU-YAF Conference, Washington, D.C., Feb. 15, 1975.

[1] The new conventional—if those words can be combined in a phrase—wisdom is displayed in Chapter 5 of the 1975 Annual Report of the Council of Economic Advisers in *Economic Report of the President, February 1975* (Washington: U.S. Government Printing Office, 1975).

[2] Harold Demsetz, "Why Regulate Utilities?," *Journal of Law and Economics* (1968); John Haldi, *Postal Monopoly* (Washington: American Enterprise Institute for Public Policy Research, 1974).

[3] The monopoly franchises granted by government have not only been unnecessary to insure efficient operation; they have prevented efficiency by barring more efficient firms from entering the market. George Hilton and Ross Eckert, "The Jitneys," *Journal of Law & Economics* (October 1972).

[4] Yale Brozen, "Antitrust Out of Hand," 11 *Conference Board Record* 14 (March 1974).

[5] See Thomas G. Moore, *Freight Transportation Regulation* (Washington: American Enterprise Institute for Public Policy Research, 1972) and the references provided therein.

[6] See Edward J. Mitchell, *U.S. Energy Policy: A Primer* (Washington: American Enterprise Institute for Public Policy Research, 1974); Robert B. Helms, *Natural Gas Regulation: An Evaluation of FPC Price Controls* (Washington: American Enterprise Institute, 1974).

[7] Paul W. MacAvoy, *Economic Effects of Regulation: The Trunk-Line Railroad Cartels and the ICC before 1900* (Cambridge: MIT Press, 1965).

[8] T. E. Keeler, "Airline Regulation," 3 *Bell Journal of Economics and Management Science* 399 (Autumn 1972); W. A. Jordan, *Airline Regulation in America* (Baltimore: Johns Hopkins Press, 1970).

[9] Both the air and motor transportation industry annual earnings figures include the non-regulated portions of these industries, reducing the apparent impact of regulation. If we look at average annual earnings in scheduled domestic airline operation in 1973, it is over $15,000, more than $1,000 higher than the average for all air transportation. Regulated domestic air transportation employees earn nearly 70 percent more annually than the average private employee.

[10] Sam Peltzman, "CAB: Freedom from Competition," *New Individualist Review* (Spring 1963).

[11] The ICC did finally acknowledge that services to shippers were poor and something should be done in Ex Parte MC-77, which "admonishes" carries to operate to the full extent of their authority. ICC chairman George Stafford, at a February 1975 trucker's meeting, said, in effect, that the ICC was getting concerned about service because if it does not improve, Congress might "do . . . something . . . drastic."

[12] George Hilton, *The Transportation Act of 1958*

[13] Stewart Joy, "Unregulated Road Haulage: The Australian Experience," 16 *Oxford Economic Papers* 275 (July 1964).

[14] Thomas G. Moore, *Transportation Regulation Abroad* (Washington: American Enterprise Institute, forthcoming).

THE CRISIS OF REGULATION

(By H. C. Gordon)

> Perhaps, in general, it would be better if Government meddled no farther with trade than to protect it, and let it take its course. Most of the statutes, or acts, edicts and placards of Parliaments, princes, and states for regulating and directing of trade, have, we think, been either political blunders or jobs obtained by artful men for private advantage under the pretense of public good.
>
> Benjamin Franklin
> *Principles of Trade*

The economic crisis confronting this country today is in large measure a crisis of regulation. After decades of relentless government expansion—the proliferation of alphabet soup agencies, the widening network of official controls, and the growing power of non-elected bureaucrats—the cumulative results are finally being thumped home to the American people in the form of inflation, stunted economic development and diminished consumer sovereignty.

Considering the gravity of our present circumstances, it is no exaggeration to say that we now stand at a crossroads: if we continue to move in the direction of big government, we shall shortly witness the perversion of a once free economy into a socialist one by the simple process of expanding state power. If, however, we are able to reverse the trend and restore a measure of competition and economic freedom, we will be able to breathe new life into our free enterprise system and bring about a return to prosperity.

Reform of our regulatory apparatus is the first esential step toward this end. Whatever motives may have impelled the creation of the regulatory agencies, however fondly it may have been expected that the restriction of private enterprise would somehow promote the public welfare, experience has proved rather the opposite.

Increasingly, the effects of regulation are being perceived as counter-productive. In some cases, it has resulted in government price fixing and suppression of competition. In others, it has directly increased the price of good and interfered with consumer preferences. In still others, it has decreased the efficiency and raised the operating costs of businesses through the imposition of arbitrary controls, blizzards of nonessential paperwork and other forms of harassment. In short, no matter what the presumed benefits of regulation may be, they would appear to be more than outweighed by its drawbacks.

To begin with the anticompetitive aspects of regulation: these are due partly to the cosy relationships that have developed between certain agencies and the industries that they are supposed to regulate, and partly to federal policies committed to preventing "predatory" price cutting "unwarranted" expansions of service and other so-called "destructive" aspects of competition. The idea that aggressive competition can benefit the consumer by encouraging lower prices and better service does not seem to have occurred to those regulators who, it seems, are more or less programmed with a view toward maintaining the status quo.

As might be expected, this state of affairs naturally tends to favor the established "fat cats" of an industry at the expense of emerging challengers and the public. Not only is it common for some agencies to shield entrenched firms from competition, but the regulatory process is itself frequently used as a device to circumvent the antitrust laws. Such illegal practices as price fixing, division of markets, and exclusion of competitors may be indulged in with impunity if carried on behind the facade of regulation.

Examples of such abuses are commonplace and tend to prevail in precisely those areas where the regulatory machinery has been longest in operation. Not surprisingly, the worst offenses are to be found in the transportation field where federal regulation began with the establishment of the Interstate Commerce Commission in 1887. The ICC, it will be remembered, was set up in response to Populist demands for protection from the great railroad trusts. With the rise of alternative transport systems—notably interstate trucking—and the corresponding decline of the threat of railroad monopoly, one might think that the ICC has outlived whatever usefulness it may have originally had and that it should be abolished as superfluous. Nevertheless, it continues to function even though its primary role at present appears to be protecting the railroads and the now-dominant trucking industry from the abrasive effects of real competition.

An amusing incident will serve here to illustrate the point. A few years ago, an enterprising trucker applied to the ICC for permission to transport large quantities of yak fat from Omaha to Chicago at a rate of 45 cents per 100 pounds. Ultimately, of course, the trucker in question admitted that his request had been a hoax—but only after major railroads throughout the Midwest had protested that the rate was too low and the ICC had solemnly denied the application on that account.

Much the same conditions are to be found in the related maritime and aviation industries—particularly the latter. Indeed, the abuse by the Civil Aeronautics Board of its power to determine commercial air routes, rates, and market entry has assumed the proportions of a major scandal. In a recent speech, Lewis A. Engman, Chairman of the Federal Trade Commission, wittily expounded on the shortcomings of the CAB as a prime example of federal regulation gone haywire:

> [F]or all intents and purposes, there is no competition at all. Competition, where it exists, is concentrated on the one unregulated aspect of the airline activity—customer service. That is why the average airline commercial looks like an ad for a combination bawdy house and dinner theatre.

Certainly no interstate carrier need be excessively concerned about new competition. The CAB has not approved the entry of a new trunk carrier to the market since 1938. And just last month, the CAB rejected an application by Laker Airways, a privately owned British airline, to fly regularly scheduled New York/London flights for $125 each way. That price, by the way, is little more than one third of the economy fare charged now by Pan Am, TWA and the other members of the international rate-fixing cartel. Levity aside, there is nothing funny about the consequences of such goings-on. Established corporations are allowed to grow smug and lethargic, innovation and progress are discouraged and, most importantly, the public is denied the price-cutting benefits which would accrue from a truly competitive, open market situation. Insofar as it is possible to put a price tag on these things, the National Committee on Productivity has estimated that the total cost to consumers of the anticompetitive practices now condoned by the ICC, the CAB, and the Federal Maritime Commission is somewhere between $8 billion and $16 billion a year. And this, of course, represents only part of the total picture.

REGULATIONS AND HIGHER PRICES

But there are many ways in which regulations causes higher prices. In the circumstances outlined above, it maintains them at artificially high levels; under different circumstances it gives them a boost. Ironically enough, the enforcement of much of the purportedly "consumerist" legislation enacted in recent years has been a major factor in pushing up prices. Unreasonable and often unnecessary standards demanded by overzealous bureaucrats have ended up costing the consumer literally billions of dollars with few apparent benefits resulting from the expense.

A current publication by the American Enterprise Institute is most revealing in this respect. In Government-Mandated Price Increases—A Neglected Aspect of Inflation, Murray Weidenbaum, a Washington University economist, takes a critical look at the cost of excessive government regulation and uncovers a number of startling examples. The following, from his chapter on the Consumer Product Safety Commission, is typical:

> The first suit filed in St. Louis by the Consumer Product Safety Commission in January 1974 may indicate the extent of the "overkill" in the commission's approach to safeguarding the consumers from potential hazards. The offending items were 1,494, container of windshield washer solvent which were without child-proof caps and were not labeled with the required statement, "Cannot be made nonpoisonous." What remedy did the commission seek? That the caps be changed and the necessary four words of bureaucratese be posted on each of the bottles? Hardly. Instead it ordered that each and every one of the 1,494 containers of windshield washing material be destroyed—thereby no doubt contributing to the nation's pollution problem. And those of us who use that kind of solvent in our cars (and drink more conventional fluids) of course wind up paying the higher price that results from this federally mandated waste.

Given their druthers, most consumers would doubtless be willing to dispense with such fanatical safety measures in exchange for lower prices—even at the risk of assuming greater personal responsibility for their own health and well being. Unfortunately, it would appear that consumer preferences are carrying little weight these days with the new regulatory guardians of the public welfare.

The most notorious indications of this are of course to be found in the areas of automotive safety and pollution control. The mandatory seatbelt-interlock system—a government-imposed nuisance which the consumer didn't want and yet was obliged to pay for—was a clear abomination which a massive public outcry succeeded in eliminating.

However, not all the regulatory boomerangs have been that obvious. The catalytic converter, for instance, which the environmentalists so ardently championed as a means of controlling automobile emissions, may turn out to be a real sleeper. After requiring that the auto industry adopt this costly "improvement," the Environmental Protection Agency has belatedly discovered that its pet device can in fact contribute to air pollution by releasing platinum and sulphuric acid mists into the air. (The EPA incidently, is now spending $6 million of the taxpayers' money to study the adverse environmental impact of its own hasty decision.)

In all, Mr. Weidenbaum calculates that federally mandated costs increased the price of 1974 passenger vehicles on an average of $320 a car. Given the 9 million new car purchases for that year, the total cost of government-imposed price increases was $3 billion.

That figure, however, is small potatoes compared with the effects of government paperwork and bureaucratic harassment of private enterprise. These problems have grown alarmingly more acute in recent years and are becoming the subject of widespread comment and concern.

Recently, the Senate Select Committee on Small Business warned Congress that this country's 10,000,000 small businesses are drowning "in a sea of red ink imposed by a mountain of red tape." The committee has estimated that businesses must cope with over 5,000 federal forms each year—not counting the 64 different tax forms presently used by the Internal Revenue Service.

The cost of this paperwork has been put at $30 billion a year. As may be easily imagined, the time and expense involved in filling out federal forms not only makes for sharp increases in the operating costs of the larger concerns but can literally force many of the smaller ones to go out of business entirely.

Bureaucratic harassment in the shape of arbitrary directives, investigations and penalties has the same effect. Although (as has already been discussed) some of the older agencies have tended to cultivate relations with the businesses they regulate, the newer agencies—particularly those set up within the past few years—have tended to be militantly anti-business both in concept and in operation. Such agencies include the aforementioned: Consumer Product Safety Commission, the Environmental Protection Agency, the Equal Employment Opportunity Commission, and the Occupational Safety and Health Administration.

Armed with sweeping powers and wide latitude in their application, these agencies have become a scourge to private enterprise and even a threat to basic constitutional liberties. This is especially true in the case of the Occupational Safety and Health Administration, whose inspectors are authorized to enter any business establishment in the country—unannounced and without a search warrant—to demand access to corporate files and records, to conduct investigations and to issue on-the-spot penalties for alleged violations.

Inasmuch as the OSHA orders and regulations are unbelievably detailed and comprehensive, (amounting to thousands of pages of technical language in small print and extending to such minutiae as the proper style and maintenance of cuspidors) and inasmuch as OSHA officials are not permitted to assist businessmen in complying with them before inspections, is is scarcely possible to avoid some sort of violation. The total effect, therefore, can only be described as Kafkaesque.

But if the more high-handed tactics of the federal agencies may be questioned on constitutional grounds, the sheer volume of abuses makes it impossible to challenge all of them. Even the largets corporations are incapable of parrying all threats at once and, since it is usually cheaper to comply with federal directives than to fight them, there is little incentive to do so. There thus exists the very real possibility that expanding bureaucratic power may lead—almost by default—to some form of state socialism.

SOLUTIONS

In summing up, it must be admitted that this discussion has scarcely been adequate to convey even a general idea of the total problem, much less to allow for consideration of specific solutions. Nevertheless, it would seem clear that if excessive government regulation has been the source of so many chronic difficulties, the obvious answer surely lies in an appropriate measure of deregulation.

In some instances, this would probably mean the outright abolition of certain agencies. That is in fact the very solution which such diverse individuals as Ronald Reagan, Ralph Nader and Senator William Proxmire have recommended for the ICC, and it would appear equally sound in the case of the CAB and other similarly outmoded regulatory bodies.

For the rest, it would seem only logical to eliminate those wasteful and expensive forms and procedures that serve no significant purpose, and only prudent to curtail the sweeping powers which the federal agencies now have to interfere both in the legitimate operation of private enterprise and the essential directing function of our economy. In a free society, the proper decision-makers are the consumers, expressing their preferences through their own individual economic choices. To restrict that right of choice, for whatever reason, confers no real benefit.

To be sure, regulatory reform will not be easy to achieve. Some regulated industries fear the loss of protection, and all bureaucrats fear the loss of power. Nevertheless, if the public can be made to realize just how much regulation is costing us in so many respects, there will exist a real possibility for meaningful reform.

President Ford has already proposed the establishment of a National Commission on Regulatory Reform; it only remains to galvanize Congress into acting on the President's proposal.

Nearly seventy years ago, during what were perhaps his better days, a professor of government named Woodrow Wilson had this to say of our first steps toward federal regulation: Regulation by commission is not regulation by law, but control according to the discretion of government officials. Such methods of regulation, it may be safely predicted, will sooner or later be completely discredited by experience.

For once, at least, it would appear as if Mr. Wilson has been proved to be an extraordinarily reliable prophet. It is to be sincerely hoped, for the sake of our national liberty and prosperity, that his prescience will not be lost on his countrymen of today.

REGIONALIZATION OF MILITARY DISCHARGE REVIEW BOARDS

Mr. McGOVERN. Mr. President, in response to a recent announcement by the

Department of Defense that the military discharge review system is being expanded to include geographical areas outside Washington, D.C., I issued a joint statement with Representative Ed Koch, Democrat of New York, commending the Department for this action. However, I wish to point out now, as I did in that statement, that this is only a first step—and that the Department of Defense still has a long way to go in their efforts to significantly improve the discharge review system.

On March 20 of this year, I introduced legislation, S. 1254, designed to improve the appeal procedure for the thousands of young veterans who were released without honorable discharges. This proposal was similar to one introduced in the House by Congressman Koch earlier this year and to companion legislation which we introduced during the first session of the 93d Congress.

One of the provisions of our legislation is to set up a number of regionalized boards across the country to make it more convenient for veterans to appear personally before the boards. In addition, the legislation would give these panels the ability to travel to and conduct hearings in other areas where a review board is not permanently located. While the Department of Defense plans to expand the boards to some areas, other regions of the country will still be completely ignored. For instance, the closest Air Force Discharge Review Board to my home State of South Dakota will be located in St. Louis. Navy veterans in Florida will have to travel all the way to Louisiana. And ex-servicemen in New England will still have to come to Washington if they wish to appear before any of the boards. So while some effort is being made to remedy the situation, the problem of transportation costs will not be solved.

Furthermore, with the exception of the Army panels, none of the expansion boards will be permanent. The Navy and Air Force will send representatives from their Washington, D.C., boards to the newly assigned areas to hold hearings at only certain times of the year. It seems to me that this plan stops short of offering a complete remedy to the problem of non-accessibility. I would like to see more boards headquartered in sites which would better serve all areas of the United States.

In addition, I hope that this one minor reform will not be used to warrant a refusal to deal with other problems of the existing discharge review procedure. There are several other areas in need of change.

For example, my bill would provide peer representation, insuring that at least one member of each board would be equal in age or experience to most of the veterans applying for review. Also, it would provide a much needed measure of consistency between the boards and services by setting out specific standards and circumstances which would be considered by all boards in determining whether discharges should be upgraded. It would also make sure that whenever one board makes a decision on a case, that ruling would be published and made available to other boards and counsels so that it could be applied to other cases.

Another important feature of S. 1254 is that it insures that any applicant unable to afford counsel of his choice will have military counsel made available to him for assistance in presenting his case. Under the existing system, the applicant has to pay not only the cost of traveling to the hearing, but all the expenses connected with the hearing, including the fees of private counsel. It is true that the applicant is offered the aid and services of a representative of an accredited veterans' organization. However, this is often misleading because the application itself refers to such representatives as "counsel." And while these representatives may have significant experience in these matters, they are not lawyers and cannot offer the expert legal advice the veteran may require.

So there is much room left for improvement in the discharge review procedure beyond this one step just announced by the Department of Defense. It is ironic to note that in a letter written by an assistant secretary of defense to Representative Koch in October 1973, the Army opposed regionalization of review boards because it would mean inequities and inconsistencies in decisions and results of review and because it would raise problems regarding the use of counsel outside Washington, D.C. Now DOD has reversed their position on expansion of boards, but without offering remedies to any of the problems they themselves foresaw just a short time ago. To me, it seems even more necessary now to enact the measures that Representative Koch and I and other concerned individuals have recommended.

Mr. President, I ask unanimous consent that my bill, S. 1254, the Department of Defense letter to Congressman Koch, and the article appearing on the first page of the July 17 issue of "Stars and Stripes" be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

S. 1254

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1553 of title 10, United States Code, is amended to read as follows:

" §1553. Review of discharge or dismissal

"Establishment and Organization of Discharge Review Boards

"(a) (1) The Secretary of Defense shall establish a number of boards of review (hereinafter in this section referred to as 'review boards'). The headquarters of review boards shall be located, for administrative purposes only, in the Department of Defense.

"(2) The Secretary of Defense shall have authority—

"(A) to determine the number of review boards in session at any time;

"(B) to determine the locations where the review boards shall conduct their business, such locations to be geographically disbursed on the basis of population concentrations of discharge applicants; and

"(C) to convene or dissolve review boards in accordance with the number of discharge and dismissal applications pending at any time.

In any area in which a review board is not permanently located and a substantial number of applications for review are filed from such area, a review board shall conduct hearings in such area from time to time for the convenience of the applicants.

"(3) Each review board shall be composed of five members to be appointed by the Secretary of Defense. The term of office for members shall be three years, except that the terms of office of members first appointed to any review board shall expire, as designated by the Secretary of Defense at the time of appointment, two at the end of three years and three at the end of four years. The terms of office of all successors shall be for three years, but any person appointed to fill a vacancy occurring before the expiration of the term for which his predecessor was appointed may be appointed only for the unexpired term of his predecessor. At least one member of each review board shall be a veteran of the Vietnam era only (as defined in section 101 (29) of title 38) and who was a noncommissioned officer during his period of active service. For the purposes of maintaining a board of five members at all times, as many additional members as are deemed necessary may be appointed by the Secretary of Defense to the board to serve as deputy members and to participate in the board's proceedings during the absence of a regular member. In any proceeding before the board, a regular member or deputy member who has not been present at a prior session of the board may participate thereafter if that member has read or has read to him the record of proceedings held during his absence or prior to his participation.

"(4) Each review board shall meet at least four times during each calendar year, unless a majority of such board determines that fewer sessions will be adequate for the expeditious performance of its duties.

"(5) Members of review boards appointed from private life shall receive compensation at a rate comparable to that received by the military members of the board, and shall be reimbursed for travel expenses, including per diem in lieu of subsistence, as authorized by law for persons in Government service who are employed intermittently. Members of review boards who are officers or employees of the United States or who are entitled to retired pay from the United States shall serve without additional compensation, but shall be reimbursed for travel, subsistence, and other necessary expenses incurred in the performance of the official duties of the review boards.

"(6) A vacancy in a review board shall not affect its powers, and shall be filled in the same manner as the original appointment.

"(7) The Secretary of Defense shall appoint a President for each review board and shall fix his compensation at a level not in excess of the maximum rate for GS–18 of the General Schedule under section 5332 of title 5, United States Code. The president of each review board, with the approval of the board, may—

"(A) employ and fix the compensation of such additional personnel as may be necessary to carry out the functions of the review board, but no individual so appointed may receive compensation in excess of the maximum rate for GS–17 of the General Schedule under section 5332 of title 5, United States Code,

"(B) procure temporary and intermittent services to the same extent authorized by section 3109 of title 5, but at rates for individuals not to exceed $75 per diem.

"(8) The head of any executive department or agency of the Federal Government may detail, on a reimbursable basis, any of its personnel to assist review boards in carrying out their work.

"Duties of Discharge Review Boards

"(b) (1) Notwithstanding any other provision of this title and regardless of any decision previously made by any board for the correction of military records, the review boards shall, upon application filed in accordance with regulations prescribed by the Secretary of Defense, review any discharge of dismissal from the armed forces granted under less than honorable conditions to any person who served on active duty as a member of the armed forces. In reviewing the discharge or dismissal of any former member of the armed forces, a review board shall determine whether such discharge was fair and equitable, taking into consideration all of the circumstances of the case. In making such determination a review board shall specifically consider as mitigating circumstances—

"(A) the applicant's inability to know and understand, because of a lack of education or otherwise, his rights and obligations under the law;

"(B) personal or family hardship that may have contributed to the grounds on which the less than honorable discharge or dismissal was issued;

"(C) any mental or physical illness that may have contributed to the grounds on which the less than honorable discharge or dismissal was issued;

"(D) any service-connected disability of the applicant, any injury or disease incurred in combat, any special decorations or commendations received by the applicant while in military service;

"(E) any tour of service in a combat zone, including any meritorious and faithful performance of hazardous duty assignments;

"(F) any substantial evidence of personal or procedural unfairness which may have contributed to the decision to grant a less than honorable discharge or dismissal;

"(G) the denial, on procedural, technical, or improper grounds or on grounds which subsequently have been held by the courts to be unlawful, of a valid claim or request made under military law, regulation, or custom for a hardship discharge, compassionate reassignment, emergency leave, or other relief;

"(H) any evidence that the applicant acted as a matter of conscience and not for selfish or manipulative reasons;

"(I) the applicant's voluntary submission to authorities;

"(J) behavior which reflects or reflected physical or mental stress caused by combat or hazardous duty or inability to cope with military life;

"(K) volunteering for combat duty or voluntary extension of service in a combat zone;

"(L) any evidence that the applicant was discharged or dismissed from service because of sexual preference, sexual orientation, or homosexual behavior;

"(M) any evidence that the applicant was discharged or dismissed from service because of possession or use of a narcotic drug or marijuana, or for dependency on a narcotic drug;

"(N) successful completion of alternative service and receipt of clemency or pardon under a presidential clemency program, without regard to the offense or offenses for which the clemency or pardon was granted; and

"(O) any other facts, circumstances, or information the review board deems appropriate to consider.

"(2) A review board may, subject to review by the Secretary of Defense, change a discharge or dismissal, or issue a new discharge, to reflect its findings.

"Procedures and Conduct of Hearings

"(c)(1) A review board may review the discharge or dismissal of any former member of an armed force upon its own motion or upon the written request of the former member, or if the former member is dead, his surviving spouse, next of kin, or legal representative. A motion or request for review must be made within fifteen years after the date of the discharge or dismissal. Applications for review must be submitted in accordance with such rules and regulations as the Secretary of Defense may prescribe.

"(2) After an application has been submitted to a review board for the review of a discharge or dismissal, the review board shall notify the applicant in writing, as soon as practicable, of the date and place of the hearing to be conducted in connection with the requested review.

"(3) In any case in which the applicant requests an opportunity to appear in person before a review board, the board shall do everything practicable to insure the applicant such opportunity. However, an applicant who requests a personal appearance before the board and fails to appear at the appointed time and place, without previous satisfactory arrangement with the board, shall be considered to have waived his right to a personal appearance and his case shall be reviewed on the evidence contained in his military records and such other evidence as may be presented on behalf of the applicant.

"(4) An applicant may appear before a review board in his own behalf or may be represented by counsel of his choice or by an accredited representative of a veterans' organization recognized by the Administrator of Veterans' Affairs under chapter 59 of title 38. Applicant may be represented by a judge advocate (as defined in section 801 (13) of this title) of the military department of which the person whose discharge or dismissal is being reviewed was a member if the Secretary concerned determines a judge advocate is reasonably available for such purposes.

"(5) An applicant and his counsel shall be given access to all records relating to the case. The testimony of witnesses may be presented either in person, by deposition, or by sworn affidavits. If a witness testifies in person he shall be subject to examination by members of the review board.

"(6) A review board may continue a hearing on its own motion. A request for continuance by or on behalf of an applicant may be granted, at the discretion of a review board, if a continuance appears necessary to insure a full and fair hearing.

"(7) An applicant may withdraw his request for a review under this section at any time without prejudice.

"(8) After all testimony and evidence has been received by a review board in any case it may assemble in private to make its findings and recommendations. Cases in which no request was made for a personal appearance by the applicant shall be decided on the basis of all documentary evidence presented to the board of review. The board shall make a determination whether the nature of the discharge or dismissal under review should be changed or a new discharge issued. Such determination together with such findings and recommendations as the review board deems appropriate, shall be submitted to the Secretary of Defense for his review and approved or disapproved in whole or in part.

"(9) A review board shall promptly notify the applicant with respect to the decision in his case after the board has received the decision of the Secretary of Defense.

"(10) Whenever a review board has reviewed the discharge or dismissal of any person as provided in this section and its recommendations have been approved or disapproved by the Secretary of Defense, no rehearing shall be granted unless the basis of the request is the availability of material evidence that was not reasonably available at the time of the regular hearing and such evidence would likely result in a decision contrary to the one reached at the original hearing, or unless the review board determines there was a legal error which would likely change the decision reached at the original hearing.

"Effect of Decisions on Other Cases

"(d)(1) Whenever a decision by a review board (as approved by the Secretary of Defense) is of such a nature that the board feels it will have general application to other cases identical to the one in which the decision was reached, it shall notify the Secretary of Defense to that effect and, if approved by the Secretary, shall apply the ruling to all other such cases on its own motion or to any specific case at the request of an appropriate party.

"(2) The review board concerned in any ruling referred to in paragraph (1) shall take all appropriate action to notify former members of the armed forces who would be affected by such ruling.

"General Powers of Review Boards

"(e) Review boards shall have the power to—

"(1) administer oaths;

"(2) require by subpena the attendance and testimony of witnesses and the production of all documentary evidence relating to the execution of their duties;

"(3) in the case of disobedience to a subpena or order issued under this subsection, invoke the aid of any district court of the United States to require compliance with such subpena or order;

"(4) order testimony to be taken by deposition before any person who they may designate for that purpose and who has the power to administer oaths, and in such instances to compel testimony and the production of testimony in the same manner as authorized under paragraphs (2) and (3) of this subsection;

"(5) require directly from the head of any executive department or agency of the Federal Government available information which the board deems useful in the discharge of its duties, and all such departments and agencies shall cooperate with the review boards and furnish relevant information to the extent permitted by law; and

"(6) prescribe such regulations and procedures as may be necessary to carry out the purposes of this section.

"Enforcement of Subpena

"(f) Any district court of the United States with requisite jurisdiction may, in case of a refusal to obey a subpena or order of any review board issued under this section, issue an order requiring compliance therewith, and any failure to obey the order of the court may be punished by the court as contempt thereof.

"Finality of Decision

"(g) A decision under this section is final and is not subject to further administrative or judicial review, with the exception of the provisions established under 10 U.S.C. 1552."

SEC. 2. The Secretary of Defense shall formulate and carry out a public information program designed to inform former members of the armed forces of the new discharge review program provided for in the amendment made by this Act. In formulating and carrying out such program the Secretary shall consult with the Administrator of Veterans' Affairs. The Administrator shall utilize the personnel, services, and facilities of the Veterans' Administration to assist the Secretary of Defense in contacting veterans' service organizations, former members of the armed forces, and other persons and organizations that would have an interest in such new program.

EFFECTIVE DATE

SEC. 3. The amendment made by section 2 of this Act shall become effective ninety days after date of enactment. Any cases pending before any board of review under section 1553 of title 10, United States Code, prior to such effective date shall be transferred by the Secretary of Defense to a new review board established under such section as amended by this Act.

Assistant Secretary of Defense,
Manpower and Reserve Affairs,
Washington, D.C., October 4, 1973.
Hon. Edward I. Koch,
House of Representatives,
Washington, D.C.

Dear Mr. Koch: This is in reply to your letter of 25 September to Secretary Schlesinger concerning the operation of Discharge Review and Correction Boards.

The suggestion that the Military Departments establish regional Discharge Review Boards has been considered on several prior occasions. The establishment of such Boards would require legislation inasmuch as Section 1553, title 10, United States Code, provides for the creation of a single board of five members for each Military Department. The Secretaries of the Military Departments could establish additional Boards for the Correction of Military Records under existing legislation, but the problems of securing adequate staff, and administrative and logistic support at a variety of regional locations are substantial. In addition, the creation of geographically separated boards would result in a complete decentralization of administrative control and also raises the possibility of an inequitable variance in the results of reviews conducted in the separate regions. The regional concept is not presently viewed as an equitable, practical or efficient approach.

It is believed to be more appropriate to concentrate our efforts on measures designed to increase the efficiency of existing procedures rather than take steps which would be both costly and lead to a diffusion of effort. This is particularly true in view of current efforts to reduce defense manpower expenditures.

The case loads before the various Boards are heavy and the processing time is lengthy. Nevertheless, over the past year, we have increased the number of personnel supporting the Boards, and have increased emphasis on the importance of these procedures. These actions have resulted in the completion of more cases, a reduction in average processing time, and a reduction in backlog, despite a substantial increase in the number of new applications for review. The average processing time before the Discharge Review Board is 11½ months in the Army, 4 months in the Navy, and 3 months in the Air Force.

The increase in applications coupled with a 90-day shutdown in normal operations at the National Personnel Records Center due to the fire at the facility in July of this year may temporarily suspend the trend toward reduced processing time. It is expected, however, that improvements will continue. As a result of a recent review of Board procedures, we are presently considering the need to increase the staff of the Boards further, and to establish processing time goals for each of the Boards.

I trust that the information provided will be of assistance to you. Your continuing interest in matters pertaining to the Military Services is appreciated.

Sincerely,

Leo E. Benade,
Lieutenant General, USA, Deputy Assistant Secretary of Defense.

[From the Stars and Stripes, July 17, 1975]

Review Boards To Be Expanded

DOD TO REGIONALIZE DISCHARGE REVIEW BOARDS: M'GOVERN-KOCH

Senator George McGovern (D–SD) and Congressman Edward I. Koch (D/L-NY) both sponsors of legislation to improve the military's discharge review procedure, today commended the Department of Defense for taking significant action to help thousands of Vietnam veterans who have been discharged from the Armed Forces with non-punitive, less-than-honorable discharges and are applying to have them upgraded. McGovern and Koch issued their statements in response to today's announcement of a DoD plan to expand the Discharge Review Boards to be effective November 1, 1975.

Under the existing system, service men who receive less than honorable discharges—except those resulting from general court martials—may file applications before the appropriate service's review boards to have their discharges upgraded. At present, the Boards are all located in Washington, DC, which makes it extremely difficult for veterans from other parts of the country to plead their own cases. Regional review panels will make the procedure more accessible.

While he commended this step, Senator McGovern argued that the Defense Department has still not gone far enough. He said DoD should provide peer representation on the panels and establish new standards for determining the equitability of these discharges and dismissals.

Rep. Koch said, "I'm delighted that one small measure which will alleviate great hardships and which should have been put into effect a long time ago will now be implemented by the first of November. There are so many more things that the Pentagon should be doing—changing the entire discharge system, allowing court review of denied veterans' claims, and changing their policy on the automatic discharge of homosexuals."

The two legislators introduced companion legislation in 1973 calling for the establishment of regional review boards and again this year seeking these and other changes in the review procedure.

The four Army boards will be located at Fort McPherson, GA, Fort Benjamin Harrison, IN; Ft. Carson, CO and The Presidio of San Francisco. The three Navy boards will be at Great Lakes, IL; New Orleans, LA and Treasure Island, San Francisco. The Air Force boards will be located at the Veterans' Administration facilities in St. Louis, MO; Houston, TX; and San Francisco, CA.

CAPTIVE NATIONS

Mr. HRUSKA. Mr. President, last week marked the 17th observance of Captive Nations Week. This year's observance was a particularly bitter one for those of us in the free world. As the American people prepare for the celebration of the 200th anniversary of the founding of our great Republic, two more countries, South Vietnam and Cambodia, have fallen under the oppressive rule of communism.

As a direct result of that disaster in Southeast Asia, it is now questionable how long Laos and Thailand will remain as free nations. Furthermore, South Korea, one of our closest allies, is increasingly threatened with invasion by the brutal forces of North Korea. In the meantime, half way around the world and much closer to the American mainland, Portugal, a NATO ally, is in immediate danger of falling into the Communist camp. Such an event would constitute a severe blow to NATO and the security of the free world.

These tragic events clearly demonstrate that today the forces of communism are as dangerous to our own well-being as they were in 1959, when the first Captive Nations Week was observed. The only difference between then and now is that countless millions of additional people are now forced to live under this evil ideology.

The lessons of the past year shows that while "détente" is a desirable policy if it leads to a relaxation of tensions, it must not be used as an excuse to allow the Communists to gobble up the remaining weak but free nations of the world.

As the elected representatives of the most powerful nation in the world, the Members of Congress have a moral obligation to work for the preservation of freedom. This is not to say that the United States should be the world's policemen, but neither should it refuse assistance to countries under attack simply because their system of government is not entirely to our liking. An imperfect democracy is far more preferable than a Communist dictatorship. For those who doubt this fact, I offer the following advice: I say go to Czechoslovakia, go to Hungary, go to the Ukraine, go to the Baltic States, go to Berlin, go and see how people live in the "workers' paradise."

Mr. President, despite the losses suffered in the last year the struggle for man's freedom has not been lost. The Communists will never win that struggle as long as the captive peoples whom they rule maintain the hope of their future freedom. This is a fact which the Communists fully understand. Therefore, it is critical that the United States at the European Security Conference not agree to permanent Russian hegemony over Eastern Europe. We must not break faith with the countless millions who look to the United States as the leader of the free world for their ultimate salvation.

PROPOSED SALE OF ARMS TO JORDAN

Mr. MONDALE. Mr. President, in light of the administration's proposal to sell a $350 million system of mobile Hawk and Vulcan antiaircraft weaponry to Jordan, I call the Senate's attention to George Will's editorial in this morning's Washington Post. Mr. Will's article, entitled "Selling Arms to Jordan," points out that the transfer of this weaponry would allow King Hussein to participate in a joint Jordanian-Syrian war against Israel. Coming shortly after the formation of a Syrian-Jordanian military command, the present proposal can only serve to destabilize further the military balance in the Middle East. If approved, therefore, the sale would make the prospects for conclusion of an Arab-Israeli peace agreement more remote.

The scale of the proposed transfer of arms to Jordan is excessive. I am not opposing consideration of whether the United States should supply King Hussein with adequate weapons for the defense of his kingdom. However, the presently proposed sale is of a size and nature as to provide Jordan with a new level of offensive capability. It is my understanding that the United States also intends to sell Jordan so-called Redeye shoulder-fired anti-aircraft missiles. Should they fall into the hands of terrorists, such missiles pose the greatest imaginable threat to civil aviation. Congress must carefully consider the implications of such a sale.

Senator Case has introduced Senate

Concurrent Resolution 50 disapproving the sale to Jordan of 14 batteries of Hawk missiles and a considerable quantity of Vulcan radar-directed antiaircraft guns. A similar resolution has been introduced by Congressman Bingham. I support both resolutions.

Mr. President, I ask unanimous consent that the article by George Will be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Selling Arms to Jordan

(By George F. Will)

Congress, pursuant to its constitutional duty to keep the Executive branch on a short leash, has given itself power to veto, within 20 days of notification, any arms sale exceeding $25 million. It has until July 30 to veto the administration's proposal to sell Jordan a $350 million anti-aircraft missile system.

Jordan's King Hussein has said that one reason Jordan refused to join the Arab war against Israel in October 1973 was that Jordan lacked an air defense system. The proposed arms sale would eliminate that inhibition, and would enhance Hussein's offensive capability against Israel.

Hussein has told a Beirut magazine that he wants the weapons so he can help Syria in any future war against Israel. Equally alarming, the administration's proposal has about it a certain deviousness which, considering the lameness of administration arguments for the proposal, compels this suspicion: one purpose of the sale may be to make Israel more vulnerable.

The administration, which has been fanning war fears, may believe, contrary to experience and reason, that Israel will become more compliant to Arab (and U.S.) pressures as it becomes more vulnerable to Arab weapons.

In May the administration indicated that the sale would involve only three Hawk missile batteries and 36 Vulcan units. The Vulcan is a radar-guided anti-aircraft gun designed to cope with aircraft flying low enough to elude Hawks.

Even a three-battery system might have the destabilizing effect of diminishing the inhibitions Jordan felt in October 1973. But a three-battery system could be considered merely defensive: It could defend Amman, Jordan's capital, and could not be moved toward Israel without denuding Amman.

Now the administration wants to sell Jordan 14 Hawk batteries with 532 missile (about the number of Israel aircraft) and 100 Vulcans. Such a system would be useful to Hussein in the contingency for which he says he wants it—a joint Jordanian-Syrian war effect against Israel.

Israel, unable to match her enemies man-for-man or tank-for-tank, relies on air power. Fourteen anti-aircraft batteries on the east bank of the Jordan River could provide cover for Jordanian and Syrian ground forces advancing 22 miles into Israeli territory. And the batteries can be moved quickly with advancing forces.

The 1973 war revealed a fragile modus vivendi between Israel and Jordan. Evidently Israel will not attack Jordan unless Jordan first attacks Israel, which Jordan is only apt to do if it has the sort of anti-aircraft system the administration suddenly wants to sell.

The administration's primary argument for the sale is, predictably, that if the U.S. doesn't sell Jordan the anti-aircraft system, Jordan will get an equivalent system from the Soviet Union. This argument is implausible, and it is inharmonious with the administration's secondary argument, which is that Hussein is moderate and pro-Western but the weapons sale is necessary to keep him that way.

In fact, Hussein is not anxious to change his reliance on U.S. arms, in part, no doubt, because he is not anxious to receive the Soviet technicians who would come with any comparable Soviet missile system.

If Hussein is as moderate as advocates of the arms sale say he is, then he does not mean what he says about wanting the missiles for a joint war effort with Syria. In that case Israel will not strike at Jordan, and Hussein will not need 14 anti-aircraft batteries. If Hussein is not that moderate, he cannot be trusted with the offensive advantage 14 batteries would give him.

Anyway, why does Jordan need 14 batteries of the newest version of the Hawk to defend itself against Israel, while Israel has only 10 batteries of an older version of the Hawk to defend itself against all its Arab enemies?

Unfortunately, it is possible that the proposed sale of anti-aircraft weapons to Jordan, and the current delays of aircraft and other weapons to Israel, are aspects of the same policy. It is a reckless and ignoble policy of U.S. pressure designed to achieve a Mideast settlement by extorting endless concessions from Israel.

Fortunately, Congress can veto this folly at no risk other than that of an admittedly tedious but otherwise unimportant recurrence of Secretary Kissinger's laments about congressional incursions into process of government.

THE BUSINESS OF THE NUCLEAR REGULATORY COMMISSION IS REGULATION

Mr. RIBICOFF. Mr. President, last week I wrote a letter to William A. Anders, Chairman of the Nuclear Regulatory Commission, to make clear that the legislative intent of last year's Energy Reorganization Act was "to separate the regulatory and developmental responsibilities of the AEC and to give NRC exclusive and separate jurisdiction over nuclear regulation."

The letter was in response to a memorandum submitted to members of the Nuclear Regulatory Commission by former Representative Craig Hosmer, now president of the American Nuclear Energy Reorganization Act as requiring the Commission to be as concerned with the "development, use, and control of atomic energy" as with regulation in the interest of public health and safety, safeguards and environmental protection.

I stress in my letter to Chairman Anders that—

> The Commission should not be insensitive to the national need for the development of a strong, reliable nuclear industry in the United States.

At the same time, however, I thought it is important, speaking from the perspective of having been the Senate manager of the Energy Reorganization Act, to make clear in my letter that the NRC was intended to be a "truly independent regulatory agency that would place public health, safety, and security considerations above the developmental needs of the nuclear industry." I also noted that—

> Responsibility for the continued development of the nuclear industry rests with the Energy Research and Development Administration, as provided in the Reorganization Act.

Mr. Hosmer, in his memorandum to the Commission, is mistaken as to how the word "regulatory" appeared in the title of the Nuclear Regulatory Commission. He states that the House version of the Energy Reorganization Act called it the Nuclear Safety and Licensing Commission, while the Senate terminology was Nuclear Energy Commission.

In fact, the reverse was true. It was the Senate bill that called for the establishment of a Nuclear Safety and Licensing Commission, to emphasize the regulatory responsibilities of the new Agency. The compromise of the Senate-House conference designated the agency as the Nuclear Regulatory Commission at the insistence of the Senate conferees that the regulatory role of the Agency be emphasized in its title. Therefore, Mr. Hosmer is not correct in stating that the title of the Agency "was hardly a compromise on substance," but rather was "plainly the choice of NRC as a more euphonius acronym than NSLC or NEC."

I wish to emphasize that the choice of "regulatory" in Nuclear Regulatory Commission was substantive, not euphonius.

I ask unanimous consent that my letter to Chairman Anders, Mr. Hosmer's memorandum to the Commission, and an article in the July 3 issue of Nucleonics Week describing Mr. Hosmer's memorandum all be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

July 15, 1975.

William A. Anders,
Chairman, Nuclear Regulatory Commission,
Washington, D.C.

Dear Chairman Anders: I noted with interest an item in the July 3 issue of *Nucleonics Week* reporting that Craig Hosmer, President of the American Nuclear Energy Council, has sent a letter to you and other members of the Commission, interpreting the intent of the Energy Reorganization Act of 1974 as giving NRC as much responsibility for the development, use and control of atomic energy as for regulatory control in the interest of public health and safety, safeguards and environmental protection.

I think it would be useful to make clear that it was our intent in drafting and managing the Energy Reorganization Act, to separate the regulatory and developmental responsibilities of the AEC and to give NRC exclusive and separate jurisdiction over nuclear regulation. I can find nothing in Section 103 of the Atomic Energy Act that "clearly indicates" that the NRC's licensing function shall effectuate the "development," "use," and "control responsibilities" set forth in the first chapter of the Atomic Energy Act, as Mr. Hosmer contends.

Rather, I find the following paramount provision in Section 103 of the Atomic Energy Act: "In any event, no license may be issued to any person within the United States if, in the opinion of the Commission, the issuance of a license to such person would be inimical to the common defense and security or to the health and safety of the public." This provision appears to place health, safety and security considerations above those of development, use and control of atomic energy, so far as the regulatory responsibility of the Commission is concerned.

I am sure you agree the Commission should not be insensitive to the national need for the development of a strong, reliable nuclear industry in the United States. But the question raised by Mr. Hosmer's letter is one of balance and priority.

In that context, I can state unequivocally that the intent of the Energy Reorganization Act was to establish a truly independent regulatory agency that would place public health, safety and security considerations above the developmental needs of the nuclear industry. Responsibility for the continued development of the nuclear industry rests with the Energy Research and Development Administration, as provided in the reorganization act.

While obviously the Act provides for appropriate relationships between NRC and ERDA—even to the extent that NRC is now authorized to license certain ERDA facilities—the Act clearly intends to keep regulation and development of nuclear power separate and distinct. This was made clear in the purposes section of the Act (Section 2 (c)) in which Congress found that "it is in the public interest that the licensing and related regulatory functions of the Atomic Energy Commission be separated from the performance of the other functions of the Commission . . ."

I hope this information is useful. I will be pleased to provide any further information you may request on the intent of the Act.

Sincerely,

ABE RIBICOFF.

Hosmer Tells NRC It Is Responsible for Nuclear Power "Development"

The NRC's conception of its own role as being primarily regulatory may be a bit narrower than what Congress intended, Craig Hosmer, a former member of the Joint Committee on Atomic Energy, told the commission this week. Communicating with NRC for the first time since becoming president of the recently formed American Nuclear Energy Council, Hosmer told each of the five commissioners that a little legislative research had produced fairly substantial evidence that the Energy Reorganization Act did in fact give NRC just as much responsibility for the development, use and control of atomic energy as for public health, safety, safeguards, and environmental protection.

The basis for this interpretation, he said, is to be found in a memorandum prepared by the former AEC office of general counsel on the applicability of various provisions of the original Atomic Energy Act to both Erda and NRC. The memorandum, which subsequently was cited in both the House and Senate reports on the Energy Reorganization Act, says that those portions of the Atomic Energy Act that deal with licensing clearly apply to NRC's activities. Since section 103 of the Atomic Energy Act "clearly indicates that the licensing function shall effectuate the purpose of the Atomic Energy Act," Hosmer concludes that NRC is fully responsible for the "development," "use," and "control" duties set forth in the first chapter of that act.

"This language should not be confused with 'promoting' atomic energy, the separation of which from licensing and regulation everyone understands was a purpose of the Energy Reorganization Act," Hosmer says. "Rather," he continues, "it is to be read as establishing the priority to be accorded the subject by those in government who deal with it in whatever way. The development, use, and control of atomic energy is accorded a paramountcy not given for the four other functions routinely ascribed as primary charges of the Nuclear Regulatory Commission. Thus it is that this function ought to be regarded as no less than the first amongst equals."

In a separate, but related vein, Hosmer told the commissioners not to neglect their equally great responsibility to reflect national energy policies in their actions: ". . . a commission established by the Congress to deal with a particular subject area ought also to take cognizance of basic policies of the government relating to that subject area. This commission does not exist as an abstraction. Government policies are part of the real world in which and for which it functions. Therefore, it seems compelling that energy policies enunciated by the Government of which NRC is part, as a matter of course, ought to be taken into account by NRC in arriving at its judgments. One of the most explicit of these policies is that the United States shall achieve energy independence at the earliest possible date."

In a covering letter that was sent to each of the five commissioners, Hosmer said that his memorandum "places a perspective on the NRC's duties and responsibilities somewhat larger than some of its critics have seen. Realizing that during the early months of its existence the commission has had some rather pressing matters of first concern, and therefore first emphasis, I have tried to lay out reasons why it is possible that first reactions by some in industry may not do full justice to the full body of NRC concerns," the letter says. Hosmer concludes: "Whether or not you agree that the commission occupies as wide a window as possibly the memo implies, I hope it will contribute constructively to a fair and enlightening discussion of the subject."

Nuclear Regulatory Commission—Duties and Responsibilities

Commissioner Edward A. Mason has declared that the establishing legislation "makes it clear that the business of the Nuclear Regulatory Commission is regulation only." He adds that NRC "must maintain a posture of strict impartiality and not permit itself to be either an apologist for or an antagonist of nuclear power."[1] NRC Chairman William A. Anders states that his commissioners should function as "tough but fair judges or referees of nuclear issues" and that their "primary charge is public health and safety, safeguards, environmental protection, and anti-trust".[2]

This narrow emphasis has raised criticism, that the Commission embraces a timid, detached from the real world, concept of its responsibilities, and assumes an ivory tower viewpoint of its functions. Industry unhappiness over some Commission decisions (and with the fact that others have not been made) also play a part in these harsh assessments. But they may be premature and unwarranted.

The four basic statutes that direct the NRC are the Energy Reorganization Act,[3] Atomic Energy Act,[4] National Environmental Policy Act[5] and the Administrative Procedures Act.[6] The Chairman and his colleagues early felt an understandable need to forge a public image of "credible regulation" based on "independent, open, effective and efficient implementation of these laws that direct us".[7] This thrust—for that purpose—could temporarily delay unfolding of a wider concept of NRC's role. Already the Commission has gone far toward establishing its integrity and impartiality. Once the several statutes that govern it are reconciled and matters of judicial notice taken fully into account, a richer NRC role seems likely to emerge.

It is unlikely that the Commission considers the word "regulatory" in its title to confine its business to "regulation only." The House version of the Energy Reorganization Act called it the Nuclear Safety and Licensing Commission. The Senate terminology was Nuclear Energy Commission. The name last emerging from the Joint House-Senate Conference on differing versions of the bills was hardly a compromise on substance. It was plainly the choice of NRC as a more euphonious acronym than NSLC or NEC.

The House and Senate Reports accompanying these bills[8] help identify the NRC responsibilities laid down by the Reorganization Act. Both cite and reprint a memorandum by the Office of General Counsel, Atomic Energy Commission, specifying the applicability of various provisions of the Atomic Energy Act to ERDA, to NRC, or to both.

Provisions applicable to NRC include Chapter 10 of the Atomic Energy Act covering atomic energy licenses. Thus whether, incorporated in the word "regulation" or a subject deserving distinctive characterization, atomic energy licensing is very much the business of the new Nuclear Regulatory Commission and it is actively going about it.

Section 103 of the Atomic Energy Act governing NRC's licensing business requires the issuance of commercial licenses subject to such conditions as the Commission may by rule or regulation establish to effectuate the purposes of that Act. As a matter of practice, the license itself is in the nature of a rule. Section 103 clearly indicates that the licensing function shall effectuate the purposes of the Atomic Energy Act. These purposes are set forth in Chapter One of the Act which the General Counsel's memorandum also cites as applicable to NRC. This Chapter is in three sections.

Section 1 declares it the policy of the United States that the development, use and control of atomic energy shall be directed—

a. so as, subject to the paramount objective of making the maximum contribution to the common defense and security, to make the maximum contribution to the general welfare; and

b. so as to promote world peace, improve the general welfare, increase the standards of living and strengthen free competition.

Section 2 makes the Congressional finding that development, utilization, and control of atomic energy for military and for all other purposes are vital to the common defense and security.

Section 3 recites that it is the purpose of the Act "to effectuate the policies set forth above by Government control of the possession, use and production of atomic energy and special nuclear materials" and other programs.

Thus, according to the statutory law governing NRC, the "development, use and control of atomic energy" is as much its function as "public health and safety," "safeguards", "environmental protection", or "antitrust". The Commissioners are bound by their oath to carry forward all five functions so as, amongst other things—

To make the maximum contribution to the common defense and security;

To make the maximum contribution to the general welfare;

To promote world peace; and

To increase the standard of living.

The language of Chapter One is not precatory language. It lays upon servants of the Government, whether they be operators, regulators, or licensors, a clear, clean policy guideline for the execution of responsibilities. Their specific duty in relation to atomic energy may be its "development" or "use" or "control" but they are obliged to carry forward the "development, utilization and control of atomic energy" in the context that for all purposes it is vital to the United States.

This language should not be confused with "promoting" atomic energy, the separation of which from licensing and regulation everyone understands was a purpose of the Energy Reorganization Act. Rather, it is to be read as establishing the priority to be accorded the subject by those in government who deal with it in whatever way. The development, use and control of atomic energy is accorded a paramountcy not given the four other functions routinely ascribed as primary charges of the Nuclear Regulatory Commission. Thus it is that this function ought to be regarded as no less than first amongst equals.

There are, of course, considerations other than those of statute law which the Commission will take into account in arriving at its judgements. These are all other matters

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Footnotes at end of article.

of which courts take judicial notice in arriving at their decisions. This is because Commissioners of the Nuclear Regulatory Commission, no less than Federal judges, are part of the real world they govern and regulate.

That being the case, it follows that a commission established by Congress to deal with a particular subject area ought also to take cognizance of basic policies of the Government relating to that subject area. This commission does not exist as an abstraction. Government policies are part of the real world in which and for which it functions.

Therefore, it seems compelling that energy policies enunciated by the Government, of which NRC is part, as a matter of course ought to be taken into account by NRC in arriving at its judgments. One of the most explicit of these policies is that the United States shall achieve energy independence at the earliest possible date.

The motivation for any government action—judicial, quasi-judicial, regulatory, legislative or executive—is not remote or ethereal. It relates to wants and needs and preferences of living people. It is to resolve practical issues, to weigh costs versus benefits and risks versus rewards. It is to compromise competing values fairly. It is to achieve justice and equity in those situations which are beyond the capabilities of people by themselves to achieve them.

These are the purposes of the Nuclear Regulatory Commission. It is believed that NRC has set about to achieve them. And, with respect to the specific nature of its licensing responsibility, testimony of Dean David F. Cavers to the Joint Committee on Atomic Energy in 1962 hearings on the regulatory process is instructive. The Harvard Law School savant described it this way:

"Essential to a judgment concerning the most suitable machinery and process for reaching a decision in these licensing proceedings is a recognition of the problem the decisionmaker has to resolve. As I see it, the basic question the decisionmaker has to answer is this: Is the proposed reactor design, or the completed reactor itself, so safe that, given the national interest in the development of atomic power, the Government is justified in exposing the communities near the reactor site to the residual hazards that cannot be eliminated whenever a power or test reactor is built and operated?"[9]

FOOTNOTES

[1] Edward A. Mason, address to Northeastern Section, American Nuclear Society Boston, Mass., May 22, 1975. NRC S–7–75.

[2] William A. Anders, address to 43rd Convention, Edison Electric Institute, Denver, Colorado, June 4, 1975. NRC S–8–75.

[3] Energy Reorganization Act of 1974. 88 Stat. 1233.

[4] Atomic Energy Act of 1964, as amended, 42 USC 2001, et seq.

[5] National Environmental Policy Act of 1970, as amended, 42 USC 4321, et seq.

[6] Administrative Procedure Act of 1966, as amended, 5 USC 551 et seq.

[7] See footnote [2].

[8] House Report 93–707 to accompany H.R. 11510, Energy Reorganization Act of 1973, December 7, 1973, pp. 25–28; Senate Report 93–980 to accompany S. 2744, Energy Reorganization Act of 1974, June 27, 1974, pp. 34, 82–85.

[9] Hearings of the Joint Committee on Atomic Energy Subcommittee on Legislation, "Atomic Energy Commission Regulatory Problems" (H.R. 12336 and S. 3491) April 17, 1962, p. 40.

ENERGY: BAD MATH AND BAD ADVICE

Mr. MUSKIE. Mr. President, last Thursday the Federal Energy Administration released a report entitled "The Economic Impact of the President's Proposed Program of Phased Decontrol."

The report was disturbing on two accounts.

First of all, it failed to provide a full and accurate assessment of the overall impact of the President's decontrol plan. Not only did it underestimate the adverse economic consequences on inflation, on jobs and on the Nation's chances for recovery, but it overestimated the positive aspects of the program for conservation and increased energy production.

A second, and equally disturbing, aspect of the report is what this gross deficiency in economic analysis says about the competence of those currently advising the President in the whole energy and economic policymaking area.

The FEA report considerably underestimates the burden to be placed on the average household, not only by the oil price increase itself but by the indirect impact this price increase would have on the cost of other energy sources, particularly coal and natural gas.

The FEA maintains that decontrol of "old" oil would raise the annual energy cost of the average American household by $114. An objective look at the data would suggest a figure twice that amount when controls were removed.

The FEA figure of $114 assumes that the Nation's 70 million households would pay a total of $8 billion in higher energy costs as a result of decontrol. Such a figure, however, accounts for only half of the total price impact. What we are talking about here is an annual volume of some 2 billion barrels rising from a controlled price of $5.25 to an international market price, which is now $13.50—$16 billion all together. Where is the additional $8 billion in increased energy cost to be absorbed if not by consumers?

The FEA's assumptions concerning the impact of oil price decontrol on the cost of other energy sources is equally questionable. It maintains that increased oil prices will result in a decrease in coal prices of some 1.2 percent. Why, then, we might ask, have coal prices more than doubled during the past 2 years, the same period that has witnessed a major increase in the price of crude petroleum? Oil and coal are substitutes for each other. Raising the price of one of these fuel commodities increases the price which producers of the others can charge. Rather than reducing the price of coal by 1.2 percent, oil decontrol would likely cause an increase of 30 to 50 percent.

The impact on gas prices would be in the same range. Rather than leaving the price of natural gas unaffected as the FEA report has suggested, oil decontrol is more likely to increase the cost of uncontrolled natural gas by at least one-third.

In addition to underestimating the adverse impacts of the President's decontrol policy, the FEA has failed totally to demonstrate its positive results in terms of increased production. Arguing that phased increases in "old" oil prices will serve as an incentive for greater levels of production, FEA ignores the likelihood that the phased decontrol plan will itself serve as an incentive actually to withhold crude petroleum from the market. Yet this is what the logic would indicate. Assuming that OPEC increases its price by $3 per barrel over the next 30 months, and the President retains the $2 tariff, the price of imported oil could be $17.50 by February of 1978, the time that the phased decontrol plan has run its course. At that time domestic oil producers will be able to take advantage of a world crude petroleum price of $17.50 per barrel. Why pump more now when it will be worth more later?

In addition to the gross deficiencies in its economic assumptions, the FEA compared the President's 30-month phased decontrol program with a 60-month decontrol plan rather than comparing it with continued controls. This comparison was apparently made as a result of sheer error—asking the computer the wrong questions and getting an answer with no relevance to the issue at hand.

The combined impact of the FEA report's unreasonable assumptions and inappropriate simulations has been a gross underestimation of the adverse economic consequences of the President's phased decontrol policy. The FEA maintains that such a policy would increase the unemployment rate by only 0.1 percent, the inflation rate by only 0.5 percent. A recent study by the Congressional Budget Office, however, estimates a similar program would have an employment and inflationary impact five times as great next year and more thereafter.

FEA's evaluation simply does not square with the facts of the energy situation. For this reason, its analysis, like the President's program which it is based upon, is simply wrong. This week the Budget Committee continues hearings on energy-related economic subjects at which competent economists will attempt to determine what careful analysis suggests is the likely result of alternative energy programs.

I strongly suggest that the Congress reject the President's decontrol program, and that the President sign the bill to extend the current controls for another 6 months. Certainly the economy and energy situation require prompt action by the Congress and the administration, but not programs developed in bewildered haste and sold on the basis of suspect information.

THE GROWING COMPLEXITY AND DANGER OF NUCLEAR PROLIFERATION

Mr. RIBICOFF. Mr. President, in recent days three articles have appeared which point up the growing complexity and danger of global nuclear proliferation.

In the current issue of Science magazine, Robert Gillette reports that an American company, the Bechtel Power Corp., was secretly seeking to sell a uranium enrichment process to the Brazilian Government at the same time our State Department negotiators were trying to talk the West Germans out of their plans to export such a process to Brazil.

Our efforts were unsuccessful, and West Germany has announced that it will export an entire nuclear fuel cycle—that is, facilities for enriching uranium and producing plutonium as well as reactors for generating electricity—to Brazil, which is not a party to the nuclear nonproliferation treaty.

Although safeguards of the International Atomic Energy Agency will apply to the facilities exported by West Germany to Brazil, Brazil will be free to copy this technology and build its own facilities, outside of IAEA safeguards, to produce nuclear weapons materials.

The article makes clear that neither the State Department nor the Arms Control and Disarmament Agency—ACDA—were aware of Bechtel's efforts to sell a rival uranium-enrichment process to Brazil. The article states:

> The timing of Bechtel's gambit, State Department officials say, lent itself to the interpretation that the U.S. government spoke with forked tongue—encouraging American industry in a last resort effort to recapture the Brazilian nuclear market with its own fuel facilities as "sweetenners" while, at the same time, urging Bonn to stop the sale of fuel technology in the interest of international security.

The article also makes clear that there is a growing split within the State Department and other Federal agencies as to whether the United States ought to engage in the same dangerous nuclear trade that such competitors as France and West Germany are now involved in, or whether we ought to exercise leadership in banning nuclear exports that would give recipient nations nuclear weapons capability.

It appears, for example, that Dixy Lee Ray, who recently resigned as Assistant Secretary of State for Oceans, International Environmental and Scientific Affairs, supported Bechtel's plans to sell a uranium enrichment facility to Brazil, while others in the State Department opposed it. It is still unclear, however, whether former Assistant Secretary Ray was aware of Bechtel's involvement in Brazil before our State Department negotiators in Bonn learned of it from the West Germans.

The article concludes:

> Perhaps the fairest assessment would be to say that it pointed up poor coordination within government, and between government and industry, in a critical area of foreign policy.

This very problem has been a matter of concern to the Government Operations Committee in considering a bill, S. 1439, the Export Reorganization Act of 1975, which was introduced by Senator Percy to establish better interagency coordination in the executive branch with respect to controlling nuclear and other strategically sensitive exports.

The proliferation problems addressed in the bill was the subject of another article which appeared in the July 20 issue of Parade magazine in the Sunday Washington Post and other newspapers across the country. The article "Intelligence Report" by Lloyd Shearer, notes:

> The world's nuclear sales market is growing rapidly out of control. There are fewer restrictions attached to what recipient nations can and cannot do with their nuclear hardware.

The article also quotes from a floor statement of mine last month in which I note:

> There is an urgent need to require entire fuel-cycle safeguards as a condition of nuclear sales. There is also an urgent need to ban the export of reprocessing plants in order to prevent non-weapons states from gaining the individual capability to produce material for nuclear explosives.

The question of how to control nuclear exports in such a way that prevents nonnuclear weapons countries from obtaining the capability to develop their own nuclear explosives is the central problem discussed in another article which appeared in the Sunday, July 20, 1975 New York Times, "A Nuclear Peace-Profit Motive" by Paul Lewis, Washington correspondent for the Financial Times of London.

The article discusses U.S. diplomatic efforts to arrive at an agreement on export controls with other nuclear suppliers at a conference which began last spring and will be continued in the fall in London. It also discusses the Ford administration's proposal to end the Government monopoly over the secret process of uranium enrichment and permit private companies to develop facilities that will provide enriched uranium fuel for power reactors in the United States and around the world.

The article explores the need for placing nuclear fuel facilities under international control to prevent non-nuclear weapons nations from developing their own stockpiles of nuclear explosives, and whether the Ford administration plan to place uranium enrichment under private control would help or hinder that effort.

Some formula must be found at the suppliers conference to establish international control over uranium enrichment and plutonium reprocessing while permitting individual nations to import power reactors as a cheap, reliable source of energy.

I ask unanimous consent that the above-cited articles from Science magazine, Parade magazine and the New York Times be printed in the Record.

There being no objection, the articles were ordered to be printed in the Record, as follows:

[From Science Magazine, July 1975]

NUCLEAR EXPORTS: A U.S. FIRM'S TROUBLESOME FLIRTATION WITH BRAZIL

(By Robert Gillette)

The American failure to stop West Germany from selling sensitive nuclear technology to Brazil may have been inevitable even under the best of circumstances. For Washington to suggest that Bonn withdraw its unprecedented offer of uranium enrichment and plutonium processing technology to Brazil was, from the German point of view, a bit like General Motors asking Volkswagen to steer clear of South America. The predictable German response was that the Americans were suffering from sour grapes, and the deal was signed on 27 June.

The State Department's difficult task of convincing Bonn that the paramount U.S. concern was nuclear proliferation—not the protection of American commercial interests—was complicated, moreover, by an odd episode in Brazil last March involving an American corporation in the uranium enrichment business. The episode, repercussions of which continued in mid-April, seems to have resulted from poor communications between government and industry, as well as within the government, in the sensitive area of nuclear export policy.

The company in question is the Bechtel Power Corporation, a subsidiary of the huge Bechtel engineering and construction firm and a major builder of nuclear power plants. The parent firm is also one of about 20 U.S. companies to which the Energy Research and Development Administration (ERDA) has granted access to classified enrichment technology in the hope of bringing private enterprise into the enrichment business.

According to State Department sources, a sales representative of Bechtel Power held discussions last March with Brazilian government officials that left the clear impression the United States might allow construction of an enrichment plant in Brazil, one that Bechtel Power could build. In fact, the advisability of building enrichment plants in foreign countries—even without actually sharing classified details of the technology—is still under debate in the Ford Administration.

As it happened, Bechtel's gambit came just as Brazil and West Germany were moving into final negotiations on the sale of some $5 billion to $8 billion worth of nuclear reactors and fuel facilities—a deal that the Westinghouse Corporation had sought and lost. The timing of Bechtel's gambit, State Department officials saw, lent itself to the interpretation that the U.S. government spoke with forked tongue—encouraging American industry in a last resort effort to recapture the Brazilian nuclear market with its own fuel facilities as "sweeteners" while, at the same time, urging Bonn to stop the sale of fuel technology in the interest of international security.

To make matters worse, German officials may have had an inkling of the Bechtel approach (though how accurate an inkling is hard to tell) weeks before such key elements of the State Department as the Arms Control and Disarmament Agency (ACDA) learned of it. Moreover, a four-man delegation the State Department sent to Bonn on 8 April to convey official American concern is said to have heard about the flap only after returning; the last of several clarifying cables sent to U.S. embassies in Bonn and Brasilia did not go out until 17 April.

Not surprisingly, some arms control officials were deeply angered at what appeared to be an American company's blunder into a foreign policy issue of extreme sensitivity. One official, still smoldering, described Bechtel's Brazilian maneuver as "totally unauthorized" and "way out of line." Asked whether it contributed to German intransigence in the matter, he replied brusquely: "Draw your own conclusions."

Another State Department official familiar with the affair said, however, that no one seriously regarded the Bechtel matter as "decisive" in influencing the Germans to conclude their deal with Brazil. Rather, he said, it played into German hands as a piece of "hard evidence" to support a predictable claim that U.S. criticism of the deal stemmed from commercial interests. By this view, the episode was more embarrassing than damaging.

PROGRESSIVE MISUNDERSTANDING?

The prevailing view among State Department officials familiar with the Bechtel episode is that it arose from a gradual misunderstanding of U.S. enrichment policy as that policy trickled down the corporate chain of command, ending with an overzealous salesman in Brazil. This explanation, however, is not entirely consistent with others.

The misunderstanding may have begun with a 28 January briefing ERDA held for companies with access to enrichment technology; the companies were told they could hold general discussions with potential foreign investment partners as long as they divulged no classified information. According to an official of the State Department's bureau of oceans, environment, and scientific affairs—the office formerly headed by Dixy Lee Ray—a Bechtel salesman "apparently got wind of this second- or third-hand, and seeing the nuclear deal slipping away to the Germans, pulled things out of context and essentially offered Brazil an enrichment plant."

This official added that no restricted information was disclosed and that he believed Bechtel headquarters, in San Francisco, was "honest" in saying that it had no prior knowledge of the salesman's offer: "They probably would have had the political sensitivity to check with us before proceeding."

THE VIEW FROM BECHTEL

This explanation, however, conflicts with that of a Bechtel corporation official in California who watched the controversy develop. The official, who asked not to be named, said the company's "offer" consisted of a proposal to study the feasibility of building a uranium enrichment plant in the northern Amazon basin, where enormous hydroelectric power potential exists far from Brazil's major industrial area of São Paulo. To avoid having to string transmission lines 2500 miles across the trackless Amazonian forest, Bechtel proposed to study the possibility of using the power on the spot in an enrichment plant and shipping the uranium fuel to nuclear power plants near the populous coastal cities.

"That's a little different from saying we're going to come in next week or next year and build a plant," the Bechtel man said, although he conceded that the proposal could have been interpreted as a first step in that direction.

He also dismissed as implausible the idea that one of the company's salesmen acted without the knowledge of the San Francisco headquarters. "These guys aren't selling used cars, you know. They're very, very cautious." In this case, he said, Bechtel headquarters was kept fully informed. He added that "I'm sure the State Department knew what we were doing every step of the way. . . My impression is that Dixy Lee Ray was kept apprised, totally."

Reached by telephone at her home on Fox Island in Puget Sound, Ray said her bureau had been generally aware of Bechtel's uranium enrichment activities but that she recalled nothing about the company's proposed feasibility study in Brazil. She added, however, that it didn't seem like the sort of thing a company would necessarily feel obliged to tell the government about.

Ray also had some harsh words for the basic approach to nuclear technology export policy taken by the arms control agency and by Secretary Kissinger's policy planning group, and she said this philosophical disagreement—which intensified with the debate over the West German-Brazilian deal—was one of the "last straws" that led to her resignation in June. Her position was that it ought to be possible for U.S. companies to build an enrichment plant in Brazil while preserving the secrecy of essential technology. She denied, however, encouraging Bechtel to propose such an arrangement: "They don't need to be told how to run their business."

Ray also contended that ACDA simply doesn't belong in the field of nuclear export policy. 'They're meddling in areas where they don't belong, and they've made a real mess of things. They're trying to cover up their ineffectiveness in controlling conventional arms. It's conventional arms that are killing people, not nuclear exports."

Basically, the State Department has been trying quietly for the past year—ever since India's first nuclear explosion—to persuade other exporter nations to place more stringent conditions on the uses of all nuclear exports and to prevent the unilateral export of such sensitive technology as uranium enrichment and plutonium processing. In effect, the State Department seeks to establish a cartel-like arrangement, not to control price but to ensure the peaceful application of nuclear know-how.

Some progress has been made. According to William O. Doub and Joseph M. Dukert, writing in the July issue of *Foreign Affairs*, the United States, the Soviet Union, and 8 other supplier nations filed letters with the International Atomic Energy Agency last August agreeing to tighten controls on nuclear exports to nations that are not parties to the Non-Proliferation Treaty (NPT). The suppliers agreed to require that receiving countries accept IAEA safeguards, provide assurances that fuel and equipment provided will not be used to make nuclear explosives, and agree not to re-export such items so as to evade the NPT. West German officials say that such assurances were obtained from Brazil. While the State Department considers this an "important step," arms control analysts still believe that enrichment and plutonium technology should under no circumstances be exported unilaterally, although they do favor multinational nuclear fuel centers under international control and serving an entire region such as South America. In the meantime, in the hope of setting an example, the State Department has discouraged companies from exporting fuel facilities and technology, whereas the United States' chief competitors in the world nuclear market, West Germany and France, have not.

Ray, like many in the nuclear industry, regards this policy as "simplistic" and self-defeating. "They're trying to bottle up nuclear technology and make every new nuclear program out to be the beginning of a military operation." The United States has turned aside entreaties, for example, from Zaire, which is looking for enrichment technology. As for Brazil, Ray noted that last summer, when she was still chairman of the Atomic Energy Commission, the AEC had received clear indications that Brazil was looking for a supplier of enrichment technology and was growing impatient with U.S. reluctance to provide it. Far from preventing the West German deal, Ray said, "we drove the Brazilians into it. I blame ACDA."

NECESSARY SACRIFICE

State Department officials say her point of view is legitimate but short-sighted. "We may have to sacrifice a sale or two along the way," one official said. "But what we're trying to do is create a climate of responsibility." Another official compared the nuclear export problem to that of the conventional arms trade: "You get the same arguments, but there the industry has largely prevailed. And there are essentially no controls."

The practical effect of this debate last spring seems to have been poor communication between Ray's bureau and arms control officials concerned with the impending West German-Brazilian deal. As Ray puts it, "They knew my position and they made every effort to keep me and my bureau out of it."

Perhaps the fairest assessment would be to say that it pointed up poor coordination within government, and between government and industry, in a critical area of foreign policy. Seemingly with this in mind, Fred C. Iklé, the director of ACDA and still a dominant voice in the setting of nuclear export policy, has spoken recently with officials of U.S. supplier companies and with ERDA administrator Robert C. Seamans, Jr., in an effort to clarify the government's position and improve communications. "More will be done," Iklé said in a brief interview. "U.S. companies are entitled to be kept fully informed of the constraints on nuclear technology exports."

[From Parade magazine, July 20, 1975]

Nuclear Powder Keg

(By Lloyd Shearer)

The world's nuclear sales market is growing rapidly out of control. There are fewer restrictions attached to what recipient nations can and cannot do with their nuclear hardware.

Do you remember how deeply much of the World was shocked in May, 1974, when India detonated an atom bomb? From which country did India get its nuclear plant and knowhow? From Canada.

The U.S. has sold South Korea a nuclear power plant. South Korea claims it has nuclear bomb knowhow.

The Soviet Union has reportedly agreed to sell Libya a nuclear power plant. Suppose Libya tests an atomic bomb someday? How far can the world be from nuclear holocaust?

In 1968 when the Nuclear Non-Proliferation Treaty was signed, its critical flaw was that it did not bar nuclear trade between non-NPT nations. As a result such non-NPT states are free to build or generate nuclear materials outside the supervision of the International Atomic Energy Agency (IAEA).

Of the 25 countries which at this writing possess nuclear technology, only 15 have signed the Nuclear Non-Proliferation Treaty. And even some of those who have signed are selling nuclear technology without requiring a full nuclear fuel cycle to be placed under IAEA safeguards.

"There is an urgent need," insists Sen. Abraham Ribicoff (D., Conn.), "to require entire fuel-cycle safeguards as a condition of nuclear sales. There *is also* an urgent need to ban the export of reprocessing plants in order to prevent non-weapons states from gaining the individual capability to produce material for nuclear explosives."

This business of unconditional nuclear sales stands a very good chance of eventually blowing up the whole world.

[From the New York Times, July 20, 1975]

A Nuclear Peace-Profit Motive

(By Paul Lewis)

Washington.—It's not every day that the United States can strike a blow for world peace and consolidate a commercial advantage at the same time. But President Ford is trying at least, with his recent moves on nuclear energy.

Last month, the White House disclosed its plans to step up American uranium enrichment capacity to help meet the world's growing demand for nuclear reactor fuel. But almost simultaneously there came authoritative word of a secret American initiative to prevent the spread of this technology to other countries, lest the technology lead to spreading ability to make nuclear explosives.

In April and again in June, the world's principal exporters of nuclear equipment—the United States, Britain, West Germany, Canada, France and the Soviet Union—met behind closed doors in London. Another session is planned for September. The aim of the talks is to limit sales to other countries of both enrichment plants and plants for reprocessing spent reactor fuel, which yields explosive plutonium.

If an accord is reached, the world may well become a safer place. But at the same time, the members of the London group would be reinforcing their present virtual monopoly of the enrichment trade—and the new capacity President Ford wants to see built should ensure that the United States retains its dominant, although recently eroded, position among them.

The Administration has made no bones about the commercial advantages of sharply stepping up domestic enrichment capacity. Last year enriched uranium exports brought in some $421-million and in the 1980's some estimates suggest they could reach $5-billion, as the increased cost of oil makes nuclear reactors more attractive as a source of electrical power.

But there is the shortage of capacity. The United States has been unable to accept (future supply) contracts since June, 1974. And although the European Economic Community countries still get 80 per cent of their enriched materials from America, they are increasingly turning to the Soviet Union as they wait for their own newly planned capacity to come into production in the 1980's.

To make sure it does hang onto a big slice of the reactor fuel market, the Administration has made three broad proposals. The main one is to end the Federal Government's traditional monopoly on uranium enrichment by allowing private companies to construct three plants by 1983 (there are three existing Government-owned ones). By the end of the century more than 10 new plants may be needed—all privately run.

But the Administration doubts whether private industry would be willing or able to shoulder the risks of working with hitherto secret Government technology involving huge outlays (each plant costs about $3.5-billion) without some guarantee against unexpected trouble.

So it is asking Congress to give it the right to buy back the first three plants at least, should problems develop paying the constructors up to $8-billion in compensation if the fault is not their own.

Finally, the Administration is seeking to put the whole enrichment process on a more commercial basis. The technology is to remain secret and be confined to American hands. And the Government is to make sure all sales are for peaceful purposes. But foreign interests would be able to invest in the new plants and pricing policies would be freed up.

If Congress agrees to these suggestions, then the Administration believes that Uranium Enrichment Associates (a consortium of the Bechtel Corporation and Goodyear Tire and Rubber) will build the first of the three new plants at Dothan, Ala., using the gaseous diffusion method.

Other groups, including Centar (Exxon Nuclear and the Garrett Corporation) have shown interest in the newer centrifuge technique, which is likely to be used in all subsequent plants.

Environmentalists are expected to attack the Administration's enrichment plans as unsafe. But in Congress the major battle is likely to be over the wisdom of allowing private interests to enter the enrichment industry.

Security is bound to be one concern. Senator Abraham A. Ribicoff, Democrat of Connecticut has just introduced a bill, for example, that would further tighten export controls on enriched materials.

The main question, however, is, whether the Government would be better advised to itself reap the benefits of an enrichment technology developed at vast public expense, rather than hand it over to private industry and even throw in a guarantee against unexpected problems.

At the moment, the three functioning United States Government enrichment plants are all run under contract by private companies. Goodyear Aerospace is responsible for the plants at Portsmouth, Ohio and Paducah, Ky. Union Carbide runs the plant at Oak Ridge, Tenn.

The technology was originally devised at Government expense largely for military purposes, but today the plants' main customers are civilian—private utility companies in the United States, and foreign reactor owners. The Administration therefore believes that any further capacity would be more appropriately built by private interests than by the Government.

It also argues that the total cost of its recommended program—an estimated $30-billion during the remainder of the century—is too high for the public purse. Also, there are assertions that foreign purchasers would feel more secure dealing with a private supplier than with Washington, whose attitude might be influenced by political factors.

In contrast with the ambitious enrichment plans, the Administration remains uncertain about the outlook for the reprocessing of spent reactor fuels—although the London group is particularly concerned about the spread of this technology since it provides an easy source of plutonium that can be used for weaponry.

At the moment, commercial reprocessing is still in its infancy, both from the technical point of view and because no one is yet sure how to dispose of reactor waste products, which stay radioactive for centuries.

The Government has no functioning commercial reprocessing plant at the moment. General Electric has run into serious technical problems with its plant at Morris, Ill., and Nuclear Fuel Services, Inc. (a subsidiary of the Getty and Skelly Oil companies has closed its facility for modifications and will not be back in business for another year or so.

If the London talks produce a ban on the export of enrichment and reprocessing technology from any of the countries involved, these countries may well reserve themselves a large slice of the market—but they would not have a complete monopoly.

Brazil, for one, has just bought enrichment and reprocessing plants from West Germany and India and China have developed their own technology.

The members of the London group might also deliberately undercut their own reprocessing industries by fostering a worldwide chain of regional plants under international supervision. The United States has suggested this as one way of stopping the spread of national owned plants without appearing to discriminate against small reactor-owning countries.

But until this becomes economically feasible, an alternative approach is for reactor-exporting countries to undertake the reprocessing of spent fuel themselves.

An effective agreement will not come easily.

Nations like France and Russia are traditionally suspicious of international cooperation in this field and there is a general determination not to allow the United States to monopolize the trade in the name of nuclear-nonproliferation.

Finally, the participating countries are embarrassed that they might appear to be forming an energy cartel on the lines of the Organization of Petroleum Exporting Countries.

MEMORANDUM OF UNDERSTANDING ON MISSOURI RIVER

Mr. McGOVERN. Mr. President, there is considerable confusion over the impact of the Memorandum of Understanding between the Department of the Army and the Department of Interior in relation to marketing of water stored in the main stem reservoirs of the Missouri River.

For that reason, I was pleased that the Subcommittee on Energy Research and Water Resources of the Senate Committee on Interior and Insular Affairs has held hearings on this matter and is continuing to look into the various ramifications of the agreement.

Mr. President, I ask unanimous consent that my statement and that of South Dakota Gov. Richard F. Kneip to the subcommittee be printed in the RECORD.

There being no objection, the statements ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR GEORGE McGOVERN

Mr. Chairman. I am pleased that you have called these hearings to take testimony in relation to the "Memorandum of Understanding" that was signed by the Secretary of the Army and the Secretary of the Interior earlier this year for the purpose of marketing water for industrial purposes from six main stem reservoirs of the Corps of Engineers on the Missouri River.

It seems to me that the central issue that must be resolved is whether the Congress should continue to exercise control over the disposition of these waters or if that authority should now reside in the Executive Branch through devices such as this "Memorandum of Understanding".

Although this agreement was under consideration by the Department of Army and Interior for several years, no information was provided to the South Dakota Congressional Delegation in relation to it until after the agreement was executed. We had no opportunity for comments, no administrative hearings were held, the people of our State were not asked for recommendations and the entire matter was handled in such a way that the interests, wishes and opinions of the citizens of South Dakota and their elected representatives were never solicited.

We assumed, quite rightfully, I believe, that the mandate of the Congress and the pledge of successive national Administrations under the Pick-Sloan Act of 1944, as amended, in relation to Missouri River waters would be implemented.

That legislation was supported by upper Midwestern Congressional Delegations because it met the specific needs of the entire area. Essentially, the large dams on the Missouri were constructed to prevent downstream flood damage which amounted to billions of dollars over the years and to provide those associated with the Bureau of Reclamation's grid system with a source of hydro-electric power generation. Those promises have been kept.

In exchange for giving up substantial amounts of land for reservoir use, the upstream water storage states were promised that the waters behind the great Missouri River impoundments would be utilized for beneficial purposes within the states themselves. These included irrigation, municipal and industrial water use and recreation.

South Dakota relinquished over 500,000 acres of rich river bottom land and wildlife habitat for the Missouri Reservoirs. We did so in recognition of the pledge of the federal government that we could use the water.

At the present time, the Oahe Irrigation Project, which envisions the irrigation of some 600,000 acres of land, is under construction. A pipeline in the northern portion of Lake Oahe to provide water supplies for the counties of Walworth, Edmunds and Brown is under study, a pipeline from Lake Francis Case running east to serve the City of Sioux Falls and intermediate municipalities along the route is now the subject of a feasibility study. A pipeline running west from Lake Francis Case to the Black Hills of

South Dakota to provide water and possible use for a Wyoming coal/slurry operation is under consideration. Various smaller irrigation districts and rural water systems are being developed. Municipal governments, chiefly in the James Riven Basin, are relying on Missouri River water to stabilize and improve their supplies.

All of this activity is predicated on the continuing pledge of the federal government that South Dakota would have the full use of this water. It is important to note that at this point in these developments we do not know—the federal government does not know—and there are no realistically reliable estimates—of the full extent to which these projects will require water from the Missouri mainstream reservoirs.

The "Memorandum of Understanding" seeks to market "surplus water" from the Missouri throughout a nine-state area for industrial purposes. It should be noted that at this critical time of energy shortage, the memorandum proposes that the industrial marketing of water "should take precedence over hydro-electric power generation".

At this point, we do not know the full extent of what "surplus" water may be available. The Memorandum has a declared life of two years, but the Memorandum states that "contracts executed pursuant to this ... shall not be affected by such termination". It is not realistic that any official would commit public or private funds to construct water access, storage and transport facilities without the guarantee of a long term contract under the terms of the memorandum.

It is my view that this Memorandum is premature. That it has not been prefaced with sufficient consultation with the Congress or with officials in the States most directly concerned. Certainly, we in South Dakota recognize that federal tax dollars were used to construct these reservoirs and that, to a degree, there is a national claim on this water. But the pledge and the commitment of the federal government to South Dakota and other upstream water storage states is clear.

Let us, therefore, determine through orderly, open and public procedures, approved by the Congress, the extent of any water that may be surplus to the needs of the water storage states in accordance with the long-standing commitment of the federal government. Such surplus water can then be marketed by the federal government in an effort to recover part of the costs of the impoundment construction and as envisioned under the Pick-Sloan Act of 1944. But let us not by some covert agreement among executive agencies attempt to sell off water that may be required to meet legitimate needs previously committed.

Mr. Chairman, I am requesting that the Subcommittee take appropriate action to set aside this "Memorandum of Understanding" and to call upon the agencies concerned to submit to the Congress such documentation as may be necessary to account for the water in the Missouri main stem reservoirs and then permit the Congress to determine what allocation shall be made.

STATEMENT OF GOV. RICHARD F. KNEIP OF SOUTH DAKOTA

Mr. Chairman and Members of the Committee, I thank you for the opportunity to appear before you today and speak to an issue which I believe is of concern to all of us.

I hereby submit to you this statement expressing extreme reservations about the current memorandum of understanding between the Departments of Army and Interior regarding marketing of water for industrial uses from the six main stem Missouri River reservoirs. I would like to explain my concerns and doubts about the memorandum. Further, I hope to explain why this important and complex issue of allocation and use of Missouri River water is of such concern and interest to the State of South Dakota.

SOUTH DAKOTA'S CONCERN

Inasmuch as four of the main stem Missouri River dams are located in South Dakota and some 32 million acre feet of storage are behind these dams, the State is vitally concerned with the management and use of this water. I am told that at the 1970 level of depletions, some 21.8 million acre feet of water annually flows through the State. This is a tremendous volume of water for a dry state such as South Dakota. The management and future use of this great resource will directly affect each and every person in South Dakota. The people of my State, as throughout the upper Missouri River Basin, are very sensitive to any moves that may affect the development and use of water from the Missouri River. Thus we are quite concerned upon learning of unilateral moves on the part of administrative departments in the Executive Branch of the federal government to significantly control and manage the use of Missouri River water without consulting the states or requesting Congressional authorization.

PRIOR ACTIONS

In order to understand our concern, one must recall some of the prior actions on the part of the federal government and state government concerning development of the Missouri River. In the early 1940's Congress directed the Corps of Engineers and the Bureau of Reclamation to prepare comprehensive plans for the development of water and related resources in the Missouri River Basin. Out of this planning came what is known as the Pick-Sloan Missouri Basin Program. The basic plans for the main stem reservoirs and for the use of water for irrigation, for power generation, for downstream navigation, and to reduce downstream floods was authorized in the 1944 Flood Control Act.

Anyone who has studied the records in developing the 1944 Flood Control Act recognizes the extreme conflicts between upstream and downstream states. In addition, there existed an extreme conflict between states' interests and federal interests as was defined at that time. As a result of these conflicts, the Congress drafted special sections into the 1944 Flood Control Act that provided protection for the use of water for future beneficial consumptive use to those states lying wholly or partly west of the 98th meridian. This would include South Dakota. The western governors and legislative leaders at that time were quite insistent upon retaining the right to use and control water in accordance with state interests and rights. These early leaders were farsighted enough to recognize that the future of many of the states of the Missouri River basin would depend upon the beneficial use of water. That same dependence exists today, and even more so.

In 1944 the major consumptive use was anticipated to be irrigation. As the main stem reservoirs were constructed through the 50's and early 60's, agriculture production increased at such a rate that crop surpluses became the norm. As a result, irrigation as was promised to the upstream states in the 1944 Flood Control Act was not pursued as vigorously as anticipated. It is my opinion that now and in the next few years the agriculture crunch will hit this nation as it has hit other parts of the world. Increasing agricultural production, in my state as throughout much of the upper Missouri River Basin, will occur in large part through increased irrigation. At the same time the need for increased energy production has hit the nation. The Northern Great Plains area has a tremendous quantity of coal resources. In order to develop these energy resources, water will be necessary.

It is my belief that the region itself, speaking through its local elected officials must determine how the conflict between water for energy and water for agriculture will be resolved.

As industry moves into the area, demands for the necessary water supplies have been created. This is evidenced in the requests and applications that have come before state and federal officials for the use of Missouri River water. The federal agencies, primarily the Corps of Engineers and Bureau of Reclamation, were uncertain as to how to handle these major industrial water requests. Thus a year and a half ago, the Department of Army and Department of Interior officials in Washington requested that an "Ad Hoc Committee on Water Marketing" be established in the region to explore these issues. A special Ad Hoc Committee composed of the Chairman of the Basin Commission, the Army Corps of Engineers representative, the Department of Interior representative, and the Vice-Chairman of the Basin Commission was established. Unfortunately, the questions addressed to the Ad Hoc Committee were insufficient in meeting the total issue. The Ad Hoc Committee tried to develop adequate answers and make recommendations on issues involving municipal and industrial water marketing from the six main stem federal reservoirs on the Missouri River.

In developing these recommendations, the wishes of the states were not, in my opinion, adequately considered. Therefore, I wish to bring to the attention of this committee a list of six points prepared by representatives of each of the ten basin states on June 5, 1974, which were submitted to the Ad Hoc Committee.

Some of these points were included in the recommendations of the Ad Hoc Committee but not necessarily all. Also several important sub-issues were not resolved in the Ad Hoc Committee's report. Among these sub-issues were the designation of a marketing agent; the specification of the marketing authority; and the exact water charges that would be made for industrial purposes. The important point here is that agreement could not be reached on what authority the federal government was exercising in approaching the marketing issue nor what agency could take the lead.

Subsequently, and over eight months later, the Secretary of Army and the Secretary of Interior unilaterally agreed in a memorandum of understanding dated February 24, 1974, that the Department of Interior would be the marketing agency for a two-year period. I am sure each of the Committee Members have seen the memorandum of understanding and will recognize that the memorandum goes far beyond the matter of designating a marketing agency.

The memorandum states that the Secretary of Interior shall determine how much water from the main stem reservoirs that had been allocated to irrigation is in excess of that needed for present irrigation and for the probable extent of future irrigation. In addition, the Secretary of Army shall determine how much of the water determined by the Secretary of Interior to be excess to present irrigation needs can be made available for industrial uses. Note that in these two instances the states are completely ignored with regard to making this determination. In view of the states' interests and rights in water utilization and control for beneficial consumptive use as guaranteed by the 1944 Flood Control Act, it seems strange that the Secretary of Interior and the Secretary of Army can arbitrarily make these decisions. It also appears strange that in view of the several recommendations coming out of the Missouri River Basin Ad Hoc Committee which included deliberations by the ten Missouri River Bason states, that these decisions would be made unilaterally by the federal agencies without state input or Congressional authorization.

MODIFICATION OF MEMORANDUM

It is believed Congress, acting through this or other Committees, should direct the Department of Interior and Department of Army to modify the memorandum of agreement in order to meet clearly the needs of the states in the Missouri River Basin. While it is recognized that assignment of responsibility in issues of this magnitude is desirable, I would certainly urge that such assignment be on a more formal basis and that such assignment be on an extended period of time rather than the limited two-year period.

It is also recommended that any modification of the memorandum should recognize other recommendations of the Ad Hoc Committee and should recognize the needs and the desires of the affected states. In determining the extent of allocations of water necessary should be carried out through the Missouri River Basin Commission. South Dakota, like many of the Upper Basin States, is currently working on identifying its needs for agriculture, municipal, and industrial uses in view of changing conditions.

The Missouri River Basin Commission carries all of the necessary authorities and responsibilities in reaching a concensus position on these matters. The states' destiny must be recognized in matters as important as the basic allocation and use of water supplies of its area.

I would hereby call upon the Executive Branch to modify the current memorandum of understanding to reflect the following:

(1) Constrain the agreement to heavy industrial water uses only;

(2) Include consultation with the several states involved in determining the amounts of water available for heavy industrial uses;

(3) That use of water for industrial purposes shall follow state law and obtain the necessary state water permits;

(4) That a pricing policy be adopted that reflects the necessity to compensate the basin's account for revenue foregone due to reduced power generation in downstream power plants; and

(5) Allow the states to determine the ultimate user charges to reflect the states interest.

If we are to have meaningful federal, state, local relationships in planning and developing the water for the good of our people and of our nation, then the needs and desires of the states and of the local people must be taken into consideration.

I respectfully request the Members of this Committee to review this matter very closely and to develop the necessary policies and actions that will allow the states to meet the needs now and in the future for our area of the nation.

Again, I thank you for the opportunity to appear before you and I wish you success in your deliberations in these matters.

PROPOSED AMENDMENT TO VOTING RIGHTS ACT OF 1965

Mr. STONE. Mr. President, I wish to alert the Senate as to my intention to join the senior Senator from Florida (Mr. Chiles) in offering two amendments to H.R. 6219, an act to amend the Voting Rights Act of 1965. Senator Chiles and I intend to discuss these amendments in detail at the appropriate time, but for the moment I merely want to state that our amendments are designed to remove certain Florida counties which would otherwise be brought within the coverage of the new proposed provisions.

H.R. 6219, as passed by the House of Representatives, would extend the Federal Government's authority as outlined in the present Voting Rights Act to States and political subdivisions which are alleged to have engaged in discrimination in registration or voting with respect to language minorities. This extension is brought about through application of a formula which includes not only States and political subdivisions with respect to which there have been serious allegations of discrimination against language minorities, but also includes a number of counties and political subdivisions for which there is absolutely no evidence of such discrimination.

Because the Senate does not have the benefit of the Senate Judiciary Committee's review of the rather complicated formula which the House has adopted in H.R. 6219, it is difficult for the Senator from Florida to know exactly how many and which Florida counties may be brought within the coverage of H.R. 6219. However, it is my understanding that at least five, and possibly seven Florida counties—Collier, Dade, Glades, Hardee, Hendry, Hillsborough, and Monroe—would be covered by title II and title III of H.R. 6219.

Mr. President, I respectfully submit that there is absolutely no basis for applying the Voting Rights Act to Florida or to any of its counties. Neither the House nor Senate Judiciary Committees have collected one scintilla of evidence or even allegations of discrimination by Florida or any of its counties against language minorities. The U.S. Commission on Civil Rights in its most recent and exhaustive report on discrimination in voting makes no reference whatsoever to Florida or to its political subdivisions in this connection. My office has received not one letter or complaint of any kind alleging discrimination against language minorities in registering or voting in Florida. Yet H.R. 6219, as passed by the House of Representatives, would impose the legislative presumption of discrimination and apply the sanctions of the Voting Rights Act to five to seven Florida counties.

This would not be wise policy. The bill in its present form would not be justified by its legislative factfinding. Indeed, to apply the Voting Rights Act to jurisdictions with respect to which there is no evidence of discrimination would be to undermine the effectiveness of a law which has been widely praised as contributing to the right of Americans regardless of race to participate in our political process.

Mr. President, both Senators from Florida have already voted for cloture on this bill and therefore shown ourselves to be without desire to delay its consideration. We hope for adoption of our amendments in the best interests of the legislative intent of the bill.

ANNOUNCEMENT OF POSITION ON VOTES

Mr. STEVENS. Mr. President, while necessarily absent from my Senatorial duties on Friday and Saturday, June 20 and 21, I was unable to participate in the rollcall votes on Senate Resolution 166, the New Hampshire Senatorial election contest, and H.R. 6900, unemployment compensation. For the Record, I hereby indicate how I would have voted had I been present:

Votes on S. Res. 166, New Hampshire Senatorial Contest

Vote No. 234—Helms unnumbered amendment, yea.

Vote No. 235—Weicker unnumbered amendment, yea.

Vote No. 241—Bartlett unnumbered amendment, yea.

Vote No. 242—Motion to table Brock amendment No. 603, nay.

Vote No. 243—Weicker unnumbered amendment, yea.

Votes on H.R. 6900, Unemployment Compensation

Vote No. 236—Curtis unnumbered amendment, nay.

Vote No. 237—Motion to table Chiles unnumbered amendment, nay.

Vote No. 238—Chiles unnumbered amendment, yea.

Vote No. 239—Long unnumbered amendment, yea.

Vote No. 240—Final passage of H.R. 6900, unemployment compensation, yea.

RECESS UNTIL 11 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in recess until 11 o'clock tomorrow morning.

The motion was agreed to; and at 7:22 p.m. the Senate recessed until tomorrow, Tuesday, July 22, 1975, at 11 a.m.

NOMINATIONS

Executive nominations received by the Senate July 21, 1975:

In the Marine Corps

The following-named temporary disability retired officer for reappointment to the grade of major in the Marine Corps, subject to the qualifications therefor as provided by law:

Donnelly, Thomas E.

The following-named (Naval Reserve Officer Training Corps) graduates for permanent appointment to the grade of second lieutenant in the Marine Corps, subject to the qualifications therefor as provided by law:

Blehm, Michael R.
Reuter, James M.

In the Navy

The following named officers of the U.S. Navy for temporary promotion to the grade of chief warrant officer, W-3, subject to qualification therefor as provided by law:

Abbruzzese, William Charles
Abele, Robert
Adams, James Paul, Jr.
Adams, Orland Irving
Adkins, Edward James
Albertin, James Marcellus, Jr.
Allen, Charles Edward
Allen, Duke Duane
Allum, Arthur Eugene
Alston, Moses Donald
Altman, Kenneth Bruce, Jr.
Amber, Lawrence Wayne
Anderson, Charles Leroy
Anderson, David Jarvis
Anderson, Edward William

Anderson, Jeffrey Lee
Anderson, Robert Kirby
Angel, Russell Bennie
Anisko, Stanley Ronald
Armstrong, Thomas Lee
Arnold, Charles David
Arnold, David William
Asbury, Virgil Wayne
Ascione, Raymond Armond
Atchison, Laurence Joseph H.
Attebury, Ervel Earl
Aultman, William Ronald
Axelrod, William Harold
Ayers, David George
Azzole, Peter Joseph
Baca, Eduardo Flavio
Bacon, William Fritz
Bailey, Bruce
Bailey, Dallam
Baker, Charles Samuel
Baker, Raleigh Duncan, Jr.
Bakken, Merle Wesley
Baldwin, John Bernard
Baldwin, Robert Earl
Balkit, Edwin Francis
Bargelski, Michael Joseph
Barker, Loyd Nolan
Barnett, Otis
Barrick, Ronald Eugene
Barry, Michael James
Bates, William Arthur, Jr.
Baylor, Edward Kirk
Bean, Wilfred James
Beatty, Ralph Lewis
Beck, Donald Dean
Beck, Harold Robert
Becker, William Elliott
Beckman, John Walter
Bell, Dennis Edward
Bellflower, James Alvin
Bellflower, Robert Jerome
Benacci, John Louis
Berkheimer, Thomas Eugene
Best, Jackie Howard
Betancourt, Alberto Lino
Bigelow, Jerry Blaine
Bigelow, Johnathan Michael
Biles, Richard Carey
Bissonnette, John Raymond
Blackmore, Thomas Orlin
Blackstone, Franklin Arthur
Blair, Richard
Blake, Ronald Joseph
Bliss, Robert Eugene
Boatright, Thomas Eugene
Boehl, Richard William
Boggs, Donald George
Bolton, Frederick A.
Bookwalter, James Monroe
Boon, Gene Roland
Booz, Charles Glacken, Jr.
Boozel, Lee Hall
Borner, Wesley Francis
Borno, Louis Michael, Jr.
Bottorff, Jerry L.
Botwright, Richard Edward
Boycourt, Ivon George, Jr.
Boyd, Woody Don
Boyden, John Parker
Boyles, Ronald Edward
Braddy, James Roger
Bradley, Frederick Charles
Brady, William Elliott, Jr.
Bragg, Noel Warren
Brandon, George Aaron
Branson, Jack Randall
Brant, James Lee
Braswell, Macarthur Delano
Breslin, Joseph James, III
Brice, Gerald Thomas
Briggs, Frederick Lane
Briggs, L. J.
Briley, Earl D.
Brink, John Heath
Brissette, Richard James, Jr.
Brittain, William Gordon, Jr.
Brittingham, Robert Peter
Brooks, James Alden
Brooks, Richard Darnell
Brown, Gregory Francis
Brown, Leroy Allen

Brown, Lynn Boyce
Brown, Richard Earl
Brown, Tommy Albert
Brownhill, Lloyd Douglas
Bryant, Harold Wayne
Buckhold, Fred, Jr.
Bunosso, Anthony Thomas
Burgess, Thomas Charles
Burns, John Francis
Burns, Joseph Henry
Burr, Eugene Watson
Burris, William Andrew
Burrows, Gerald Eugene
Buzzell, Ralph Coley
Byrne, Paul Michael
Cage, Benjamin Leroy
Cahoon, Doyle Edwin
Calabrese, Geoffrey James
Calhoun, Michael Alan
Cameron, Robert Ellis
Campbell, David Miles, II
Campbell, John Joseph, Jr.
Campbell, John Robert, Jr.
Campbell, Keith
Campo, Milton Peter
Cantrell, Eddie Jay
Carlson, Morris Edward
Carlson, Murl Norman
Carnes, David Franklin
Carpenter, Jeffery Robert
Carpenter, Robert Wayne
Carpenter, Russell Raleigh
Carter, Lee Deforest
Casey, Paul John
Cass, Arthley Delbert
Cassoutt, James Melvin
Catchpole, Frederick Ray
Cavanaugh, Thomas William J.
Cearley, Virgil Richard
Chandler, Susan Adair
Chartier, John Henry
Chase, Bruce Lane
Chase, Gilbert Paul
Chauddin, Thomas Joseph
Cheatham, Grady Kelvin
Chelgren, Karl Wood
Chesla, Frank John
Childress, G. H.
Chisholm, Van Edward
Christensen, Bo Gunnar
Christensen, Erick Thomas
Christnot, Edward Franklin
Clark, James Hamilton
Clark, William Phil, Jr.
Clayborne, Earl Kenneth
Cockrell, James Edward
Coleman, Richard Lyle
Coley, Anthony Allen
Collins, Jerry Ivan
Combs, Charles Richard
Combs, Russell Wayne
Concepcion, Apolinario T.
Conger, Cary Alan
Conklin, Kenneth Joseph
Conner, Roger Allan
Conners, Edwin James, Jr.
Connors, Daniel
Cook, Richard Dennis
Cooper, Charles Tarleton
Cooper, Charles Winford
Cope, Nathan James, Jr.
Corradi, Edward Bruno
Cox, Evan Duane
Cox, Travis Brian
Cozzolino, Andrew
Craigie, George Seater, Jr.
Crawford, Michael Wayne
Crowder, Joseph Henry
Crowl, Edward Allen
Cumings, Kenneth Wilfred, Jr.
Curtis, Harold Roger
Curtis, Ronald Warren
Dalton, Merrill Albert
Daly, James
Daugherty, Duane Lee
Davidson, Richard Charles
Davis, Francis Peter
Davis, Gerald Holt
Davis, Joseph Charlton
Davis, Levi
Davis, William George

Davis, William Harry
Dean, Thomas Derald
Delaney, Darrel Dwayne
Demarco, Jimmy Wayne
Dempsey, James Patrick
Denam, Harvey Elbert
Deneen, Brian Michael
Detmer, Charles Anthony, Jr.
Devlin, Donald Francis
Dewald, Bruce Frederick
Dickherber, Irby Joseph
Dickinson, Bruce Rae
Dickson, Lee Alan
Dillingham, John Morgan
Dinnel, David Lee
Dixon, James Wiley
Dixon, Loren Kenneth
Doan, Carl Edwin
Dodson, Doyle Wayne
Doherty, Patrick Dennis
Donnawell, Denis Joseph
Donnelly, John Patrick
Dooling, Franklin Joseph
Doran, Frank Edward, Jr.
Dote, Michael Kenneth
Dougherty, Patrick Joseph
Dove, Henry Frank, Jr.
Dowty, Bobby Leon
Doyle, David Michael
Dozier, Carroll Dean
Drane, Robert Louis
Driscoll, Michael Brian
Duff, William Harold
Dukes, Donald Carl
Duncan, Danny Ray
Dunn, Jerry Allen
Dunn, John Paul
Eccleston, John Milton
Edmonds, Franklin Andrew
Eighmey, Louis Wayne
Ekdahl, Matthew Michael
Ellfry, George Gordon
Emerick, Donald Neal
Engdahl, Craig Albert
Engelman, Robert H.
Englebracht, Frank James
English, James Truman
Eno, James Michael
Enos, Russell William, Jr.
Erickson, Alvin Bernard
Erickson, Edwin Edgar
Eshleman, Joe Kenneth
Eubanks, Vernon Ray
Evans, David John, Sr.
Evans, Gary Wayne
Evans, James Marvin
Fahner, Richard Byron
Faircloth, John B.
Fairweather, Bruce Arthur
Faltisek, Dale Wallace
Farley, David Edward
Faulk, Robert Leon
Ferguson, James Henry, Jr.
Fichte, Siegfried
Fichter, Paul Harold
Field, Philip Howard
Fisher, Charles Jonah, III
Fisher, Roy Francis
Fitzhugh, Gary Lowell
Flaherty, Gerry Allen
Fleet, George Barry
Flores, Pablo Jimenez
Fluck, John Denton
Foley, James Robert, Jr.
Ford, Terrance Jay
Formby, Roy Gene
Fortier, Charles Henry
Fox, Ronald Gene
Fraker, Jackie Paul
Frederick, Herbert Edward
Frese, David John
Fuller, James Russell
Fuller, William James
Furst, David Eugene
Gaffey, John Anthony Arthur
Gaffrey, James Thomas
Gailes, Thomas James
Gaines, Eugene
Gancel, John Edward
Garon, Norman Gordon
Gates, Franklin Charles

Gay, Vurgel Isham
Gee, James Truft
Genin, Louis Paul
Gentry, Ronald Earl
German, William Edgar
Gestalter, Rolf Jurgen
Gibson, Leighton Scott, II
Gibson, Walter
Giersch, John Lloyd
Gilbert, Jon Charles
Glidden, Eric Stanley
Glow, Dennis Norbert
Golden, Larry Frederick
Golden, Richard Ford D.
Golembiowski, Ronald Francis
Gonzalez, James
Good, Steve Harold
Goodner, William Fleming
Goodnough, David Gene
Goracke, Mickiel Richard
Gorday, Vivian Wyndell, Jr.
Gordon, Harry Jay, III
Gott, William Truman
Gracia, Javier
Graham, Thomas Hugh
Grant, John Donald
Greer, Arthur Wesley
Greve, Kenneth Rudolph
Griemsmann, Robert Richard
Grutta, Frank Terrence
Guest, Lyman Hinckley
Gullixson, Dean Richard
Gundersen, Edward Merlees
Gustin, Bruce Albert, III
Hafer, Larry Ernest
Hale, John Frederick
Hall, Allen Eugene
Hall, Jackie Ray
Hall, Richard Thomas
Hall, Terry Allen
Hamler, Walter Earl
Hammontree, James Don
Hanson, Peter J.
Haraldson, Ronald Frank
Harless, Larry James
Harris, Gerald Wesley
Harris, Robert Ray
Harrison, Paul Walker
Hart, Ronald Lee
Hartman, Keith Eugene
Harvey, Fred Seldon, Jr.
Haskell, Brian Stillman
Haskell, Charles Warren, Jr.
Haskins, James Harold
Hasting, Robert Thomas
Hatch, John Michael
Hawk, Billy Wayne
Haynes, Arthur Dean
Haywood, Louis Frank
Hearn, George Henry
Hedelund, Richard Donald
Henderson, Harold Dean
Henry, Eldon Paul, Jr.
Herron, Delmar Clarence, Jr.
Hieber, Raymond Arthur
Highlander, Lucian P., Jr.
Hinen, Norman Leo
Hines, William Joseph
Phipps, Frank Patrick
Hitchcock, James Oran
Holland, Richard Aaron
Holloway, Wilmer Wayne
Honer, John Garland
Hood, Sam Otis
Hoover, Adrian Edgar
Howard, John Allen
Howard, John Leon
Hudek, Franklin Robert
Huffman, Arthur Earl
Hughes, Arthur Francis, Jr.
Hulse, Reynold Nelson
Hunsinger, Arnold Lee
Hunt, Douglas Leon
Hunt, Roy Lee
Hunter, Thomas Dorsey
Hussey, George Owen
Hutchins, George Ralph
Hutchins, Robert Thomas
Hyster, David Robert
Ingram, John Edward, Jr.
Innella, Michael James
Ireland, John Alfred, Jr.
Jacks, Curtis Dana
Jackson, Bernard Thomas
Jackson, Charles Richard
Jackson, Daniel Franklin
Jackson, Robert Dennis
Jacobs, Harold Lawrence
James, Joseph David
Jennings, Gary Harold
Johnson, Jack Monroe
Johnson, James Daniel
Johnson, Lester
Johnson, Patrick Henry
Johnson, Paul Roald, Jr.
Johnson, Troy Rollen
Johnson, William Stanley
Johnston, Larry Sherman
Jones, Arthur Hunt
Jones, Buck Perry
Jones, Howard Lee
Jones, Preston Leon
Jones, Thomas Edward
Joriman, Michael Louis
Joyce, Richard Caleb
Joye, Jerry Harris
Judisch, Carl Winchester
Julian, Thurman J.
Justet, Patrick Kelly
Juszkiewicz, Walter
Kaye, Donald D.
Kea, John William
Keawf, John Kealohapoinaole
Keesling, Robert Alfred
Kempa, Aloysius Francis
Kennedy, John Patrick
Kern, Phillip Edward
Kerns, Harold Earl, Jr.
Killen, Leo John
Kirby, James Colin, Jr.
Kirby, Wayne Edward
Kirkland, James Robert
Kirkland, Ronald Eugene
Kisslinger, John Lawrence, Jr.
Klinehoffer, Larry Bruce
Knapp, Frank Charles, Jr.
Knight, Cletius Delaine
Knueppel, Wolfgang Werner
Koch, Harry George
Koder, Thomas James
Koehler, Gerald Dean
Kowalski, James Anthony
Kraft, Michael Joseph
Krauss, Donald Juan
Kroeger, Daniel Robert
Kruger, Frederick Leo, II
Kuenzinger, James Robert
Lacambra, Joseph Louis
Lachance, Dennis Robert
Lafleur, William John
Laib, Duwaine Leroy
Lambert, Carlton Dewey
Lambing, Edward Wagner
Lambky, Max Oliver
Lancharic, James Vincent
Lane, Jerry Paul
Lane, Robert Thomas, Jr.
Lanzner, Richard Charles
Laporte, Charles Richard
Larson, Jerome Gilbert
Lathrop, Bobby Gerald
Lavigne, David Edgar
Law, George Louis
Lawler, Glenn Hamilton
Lawrence, Thomas Michael
Leach, John Walter
Lebert, David Lewis
Lemcool, Richard Joseph
Lemere, Dean Joseph
Lemley, John Irby
Ligon, Thomas Michael
Lindholm, Glenn Roger
Llewellyn, Ronald Alexander
Locke, Edward Stephen
Loftus, William Michael
Logan, Howard Lucas
Long, Gary Allen
Long, Tommy, Sr.
Look, Richard John, Jr.
Lord, James Marion
Love, James Joseph
Lovejoy, Paul Gordon
Lovering, George Randall
Lovett, Joel Dyane
Lovett, Woodrow Wilson, Jr.
Luce, Loran Loraine
Lucey, James William
Lukens, Frank Alan
Lunt, Robert Thomas
Luper, Kenneth Dale
Luther, Edward Morris, Jr.
Lynch, Ronald
Mack, James Elmer, Jr.
Mack, Judson Claude
Madson, Jerome William
Maguire, Thomas Francis
Mahoney, John Michael
Malin, Leslie William
Malone, Henry Billy
Maney, Timothy Joseph
Mangrum, Willie Ray
Manley, John Joseph, Jr.
Manogue, Edward M.
Maples, Dero Matthew, Jr.
Marchi, Joseph Arthur
Marinacci, Charles Rudolph
Marquis, Wesley Holmes
Marshall, Robert George
Matula, Melvin George
Maurer, Paul Michael
May, Robert Allen
McAllister, Archibald A.
McCarstle, Richard Wayne
McCarthy, Edward Joseph
McClendon, Edward Earl
McCluskey, Arthur Pete
McClymonds, Samuel Lyman, Jr.
McCollum, James Wayne
McConville, Brian Sean
McDaniel, Eldon Leroy, Jr.
McDermott, Kenneth Robin
McElhinney, William James
McGlothen, James Benjamin
McKay, Conlon Gabriel
McKenzie, Thomas Harrison
McKinney, George Richard
McManus, Floyd Lanier
McManus, Michael Paul
McManus, Roger Thomas
McMullen, John William
McNabb, Donald George
McWilliams, George Randolph
Meadows, John Randolph
Meeks, John Dennis
Mercy, Richard Alton
Mergen, William Lynnwood
Merriman, Gerald Eugene
Merritt, Ronald James
Messer, Mitchell Franklin
Messinger, Joseph Leo
Metcalf, Robert William
Metzger, Ronald Earl
Miles, David
Millard, Ronald Eugene
Miller, Earl Yonts
Miller, Edward Lee
Miller, Harry Francis, Jr.
Miller, Paul Elliott
Miller, Richard Edwin
Millwood, William
Minnick, Hubert Wayne
Minnis, Jessie Clifford, Jr.
Mixson, Frank Lee
Moilanen, Thomas Edward
Monday, James Arthur
Montoya, Kenneth Edward
Mooney, Jerry Dale
Moore, Donald Ray
Moore, Gilbert Jennings
Moore, Johnnie Clifton, Jr.
Moore, Richard Allen
Morris, Erwin Carl, Jr.
Morris, Louis Everett
Morris, Thomas William
Morrison, James Samuel
Morrison, Ronald Gene
Mosher, Robert Dean
Moss, Curtis
Mow, Warren Charles
Mowery, Kenneth Lee
Muir, John Charles
Mullinax, Roger George
Mundy, Charles Thomas, Jr.

Murphy, Patrick Joseph
Mutch, John Russell
Nagy, Francis
Nance, Roger Allan
Naugle, Herbert
Navarro, Ernest Lee
Neal, Robert Allan
Neeley, Carl Eugene
Neil, Robert Howard
New, R. E., Jr.
Nicholson, Jerry David
Nocon, Wenceslad Ordonez, Jr.
Noonan, John Jefferson
Norman, Carl Glenn
Nuti, Fred Tony
Oakes, Robert Paul
O'Connor, Gerald John
Odom, Phillip Marshall
Olivieri, Carl Michael
Olsen, Harvey Edward, Jr.
Olszewski, Richard Ted
O'Neil, James Roger
Opseth, Don Everet
Orr, Wayne Kenneth
O'Sullivan, John
Otto, Willmer Jerome
Ovsak, Gary Anthony
Owen, Harry Wilbert
Owens, Earl Virgil, Jr.
Owens, Richard Andy
Page, Mitchael Barry
Palmer, William Russell
Parker, Kenyon Brent
Parsons, Robert Mebane
Parsons, Walter Paschall
Patterson, Dale Francis, Jr.
Paulikonis, John Felix
Paulis, Foster William, Jr.
Paulsen, Howard Nicklas
Pavlidis, Jackie Anesty
Payne, Ronald Leroy
Pearce, Johnny Lee
Pearson, Richard Andrew
Peay, Larry Gene
Pedersen, James Nelson
Pennington, Tyrone Paul
Perry, William Furman
Petersen, John Steven
Peterson, Leon Cordell
Petska, Lyle Raymond
Petty, Marion Alfred
Peadenhauer, John Joseph, Jr.
Pfranger, Delavan Emmert
Pfuhl, John Francis
Phillips, Frankie Lenair
Phillips, Thomas Russell
Piccini, Peter Guy
Piccirillo, John Frank
Piepenhagen, Ulrich Guenthe
Pierce, Billie Joe
Pierce, James Arnold
Pierce, Lomes Lee
Pierson, Robert Gene
Pimm, Bruce Bernard
Pisano, Angelo Joseph
Pittman, Adrain Ray
Poch, Richard Roger, Sr.
Porter, Donald Lee
Poston, Charles Bernal
Potts, James Ellington
Powell, Wendell Samuel
Power, Jerry Ruel
Prewitt, Choyce Aulton, Jr.
Pribesh, John William
Proctor, Danny Lee
Puckett, Roy Donald
Querry, Calvin Harvadean
Rader, Samuel Walter
Ramsey, John Clifford
Ramsey, John Olan
Rand, Larry Lee
Randall, Bobby Lee
Randolph, George Harrison
Ratliff, Ruben Mitchel
Ray, David George
Rea, Jerry Ford
Reeves, Thomas Earl
Rehfield, Rooney Overton
Reilley, Miles Lee
Reilly, William Vincent, Jr.
Reitz, Richard David
Remer, James Wesley
Reynolds, Herbert Arlin
Rhine, Russell Leroy
Rhodes, John Albert
Rickard, Wayne Ellicott
Richards, Daniel Robinson
Richards, Jack, Jr.
Richards, Jerry Roger
Richards, Walter Dale
Riggs, Marvin James
Rivera, Edmond Roger
Roach, Frank Ellis, Jr.
Roberts, Donald Rae
Robinson, James Edward
Robinson, Robert Lenard
Rodeffer, Ronnie Lee
Rogers, Russell Edward
Roe, Paul Joseph
Rosenberg, Leo Charles
Roskoph, James Edward
Ross, Steven Scott
Rossfield, William Lloyd
Rotruck, Robert Rhett
Rouse, James William, Jr.
Rowe, James Frederick
Rowell, William Howard
Royster, David Michael
Rucker, Steven Warren
Ruddy, Charles Louis, Jr.
Rundgren, Conrad Leonard
Russell, Robert Donald
Ruston, Chuck Norman
Rutledge Samuel C., III
Ruybal, George Nifi
Rylander, Jon Leslie
Salavejus, James Leroy
Salka, Michael Stephen
Sanders, Thomas Allan
Saunders, Charles Michael
Sawyer, Thomas Eugene
Schander, Lawrence Elwin
Scheiner, Edward Charles
Schlomer, Gary Lee
Schmidt, William Allen
Schmitt, Geral William
Schneider, Charles Vaughn
Schneider, Richard Clarence
Schneider, Robert Thom
Schoenberg, William David
Schroeder, Kenneth Richard
Schropp, John Truman
Schuhl, Peter Charles
Schultz, Edward Joseph
Schultz, William Louis
Scott, Charles Byron
Seal, Warren George
Seaman, James Richard
Seaman, Kenneth John
Seitz, Gary Lee
Sewell, William John, Jr.
Seymour, Lyle Mark
Sgueglia, Alphonse Michael
Shank, John
Shappee Rudolph Terry
Sharkey, Edward Richard
Sharpe, Larry Robert
Shaw, Donald Francis
Sheffield, Robert Colton
Sheridan, Dennis Duane
Shermer, Thomas Gray
Shipley, Thomas Edward
Shoaf, Charles Wayne
Shuck, Ronald Glenn
Siar, Richard Kenneth, Jr.
Sides, John Elvin
Siedschlag, John Arthur
Siguenza, Emmanuel Steele
Simmons, James Arthur
Simpson, Halley Lee
Sirmans, Lance David
Slack, Robert Hazeltine
Sloan, Robert Crafton
Smallwood, James Victor
Smeltzer, Lowell Lamar
Smith, Danny Francis
Smith, Don Phillip
Smith, Donald Murl
Smith, Harold J. Frank
Smith, Henry Benjamin
Smith, Jeffrie Herman
Smith, Jerry Clifton
Smith, Randall Charles
Smith, Thomas Phillip
Smothers, Curtis Jerry
Snyder, Howard Robert
Snyder, Jerry Marvin
Solomon, Robert
Sontag, Alvin Jack
Sooy, Richard Allen
Sorensen, Ralph Milton
Spangler, Ralph Graham
Spann, Robert Westley
Spencer, Saundra Kay
Stahl, David Marfield
Stanbridge, Robert Edward
States, Michael Lloyd
Stauffenberg, Alfred W., Jr.
Stearns, Wesley Emory
Stefle, Terry Scott
Stegeman, Ronald Adam
Stephan, Herbert Adam
Stephenson, Van Carl
Stevenson, Billy Wayne
Stewart, William James
Stimpson, Gerald Neil
Stokes, Jerry Varnold
Stomboli, James Ralph
Storms, Richard Cole
Stout, Chester Henry
Stricklen, James Olen
Stuntz, Richard Lewis
Suchland, Everett Burdett J.
Sullivan, Mickey Don
Sulman, Bernard Ira
Svensson, Ike Lennart
Swagert, Lee
Swanlund, Donald Frederick
Swarner, David Miles
Swartz, Clinton Carl
Swayne, Richard Eugene, Jr.
Swepston, Carl Eugene
Szydlowski, Chester Peter
Talley, James Arthur, Jr.
Tanner, Richard Frederick
Taskoski, Joseph Leon
Taylor, Robert Eugene
Tewey, Lawrence Leo
Tharp, Burton Pollard
Thaxter, John Gordon
Thomas, Edmund K.
Thomas, Richard Tugh
Thompson, Clarence Elmer
Thompson, Danny Kent
Thompson, Robert Allen, Jr.
Thrift, Henry Samuel, Jr.
Thurman, Curtis Wayne
Tidd, Thomas Joseph
Timmermann, Arthur Leroy
Tindell, Joseph Thomas
Todd, Jerry Lee
Tomlinson, Johnny Stephen
Tompkins, Donald Noyes
Towkach, Paul
Trammel, David Grounds
Treubel, Craig Richard
Treziok, Walter Carl
Trimble, Charles Joe
Trimmer, Thomas Arthur
Truelove, Joseph Anton
Truitt, Benjamin
Tuckler, Mack Henry
Urben, Bruch Leroy
Vaden, Don Reese
Vannoy, Richard Thomas, II
Vasta, Alfio Joseph
Veatch, Otis Marshall
Vecek, Ralph Marlen
Vonfuchs, Stephen Herman
Vongehr, Kurt Joachim
Wagner, Michael Jerome
Walker, John Mont
Walloch, Adam Stanley
Walsworth, Danny Lee
Walter, Mervyn David
Wardean, John Francis
Warner, Douglas Eugene
Weatrowski, William John

Weaver, Lloyd Peter
Weavil, Richard Lawrence
Webb, John Allen
Webster, Charles Clayton
Weckerle, Richard Steven
Weeder, Courtland Craig
Welsh, Kenneth Henry
Werbiskis, James Joseph
West, Louis Frederick
West, Spencer Thomas, Jr.
Westphal, Warren Russell
Wetmore, Walter Gilbert
Wheelbarger, William Leon
White, Allen Eugene
White, Frank Charles
White, Kenneth Dewan
White, Ronald Gordon
Whiteley, Ronald Richard
Whittle, Ralph Duane
Wickham, Larry Ross
Wicks, Richard Harry
Widerburg, Oliver Leroy
Wiggins, James Dennis
Wilcox, William Lee
Wiley, John Edward
Wilhelm, Wallace Wayne
Willard, Jimmy Wayne
Williams, George Bruce
Williams, Luray Merle
Williams, Stephen Parker
Williams, Terrell Winston
Williams, Thomas Edward
Wilson, Harold Kirk
Wilson, James Harold
Wilson, John Edward
Wilson, Larry Lavon
Wise, Carlton Jerry
Wise, Herbert Frankferd
Wither, Mark Huntington
Wolff, Albert George
Wolford, Earl Lee
Wolstenholme, Albert Hayes
Wood, Albert Wayne
Wood, Donald Eugene
Wood, Kenneth Harold
Woodbury, John Searles
Woodring, Kenneth Duane
Woods, Ronald Wayne
Woodward, William Cleve
Woolnough, William Clark
Wright, James Homer
Wysocki, Ronald John
Yano, Laurence Akira
Yeatman, Richard Walter
York, Gerald Wayne
Young, Billy Darrell
Young, Donald Ray
Yount, Richart Fulton
Zabielski, Robert Allen
Zakrajsek, Michael Jerome
Zimmerman, Ralph Kendall
Zumbaugh, Charles Arthur

The following named officers of the United States Navy for temporary promotion to the grade of chief warrant officer, W–4 subject to qualification therefor as provided by law:

Abretski, Paul Robert
Acre, Clifton Harold
Adams, George Manley
Adams, James Leo
Alderman, Charles David
Allen, Benjamin Franklin
Allen, James David
Anderson, Charles Edward
Anderson, Charles William
Anderson, Merlin Francis
Arion, Ellsworth Eugene
Armour, Warren Thomas
Arnold, Arlen Elmo
Ashlock, Edward Lee
Avenson, Jerome Harvey
Backus, Irving Daniel
Bailey, Robert Chalmers
Baker, Clyde Ernest
Ball, Gary Edward
Banister, Robert Lee
Barber, James Walter
Barger, William Ray
Bargy, Philip Mason
Barnett, Francis Eugene
Barnhart, Edward Eugene
Barrett, Haskell Paul, Jr.
Barrows, Ray Lee
Bartley, James Arnold
Beabout, Robert Franklin
Beagle, Charles Blaine
Beck, Allen Earl
Becker, John David
Becker, Raymond Herbert
Beckley, Charles Dan
Berry, Thomas Monroe
Bertelsen, Duane Leland
Biernesser, James Carr, Jr.
Black, James Douglas
Black, Montie Duane
Board, George Robert
Bolton, Harold Leslie, Jr.
Bondurant, Curtis Charnell
Booker, Robert Sylvester
Boor, Leo John
Boorom, Robert Francis
Booth, Robert Walter
Boring, George Thomas
Boswell, William Stanley, Jr.
Bowers, William Edward
Boyd, Henry Lee
Brackett, John Woodburry
Brackett, Vincent George
Brantly, John Paul
Brasil, Robert Frank
Brisby, Richard Lee
Brooks, George Edward
Brophy, John Richard
Brown, Donald Claudean
Brown, Leonard Harrison, Jr.
Brown, William David, Jr.
Bryden, Kenneth Chester
Bucher, Hugh Alan
Buist, Andrew Robertson
Bureker, Robert Joseph
Busseno, Henry William
Butler, James Daniel
Byrd, Alwyn Millard
Cameron, Robert Murdoch
Capodilupo, Chester
Carlson, Robert Stanley
Carlton, Norman Lee
Carnell, John, Jr.
Carson, Allison Ledford, Jr.
Carter, Arthur Edward
Carter, Harry McClain
Carter, John George
Caspary, Kenneth Allen
Catter, Peter Baldwin
Chalmers, James Douglas
Chavez, Angelo Enrique
Chernegie, Michael Alexande
Chisholm, Leonard Marby
Clark, Harry Eugene
Cloutier, Lawrence Paul, Jr.
Coats, Daniel Michael
Cobb, Dwight Leroy
Cohl, Duane Edward
Comeau, Thomas Anthony
Converse, Charles Albert
Cook, Thomas Morriss
Cooper, James Oliver
Courtney, Walter Edward
Cousins, Jack William
Crawford, Charles Henry
Creel, Cecil Doyle
Culver, Louis Jean, Jr.
Curry, Samuel Grayson, II
Dailey, Leroy
Dallman, Roger Anthony, Sr.
Dame, Joseph Thomas, Sr.
Darr, Sammy Lee
Daughton, Gary Lee
Davenport, Eugene
Davis, Claude Wesley, Jr.
Davis, Edward Lyle
Davis, Robert Lee
Deal, Robert Edford
Dean, David Bennett
Deese, David Shannon
Deffenbaugh, Dale Chester
Detwiler, Donald Vernon
Deutsch, Joseph King
Dionne, Roger William
Doerrer, William, Jr.
Dominicci, Felix Blanco
Downie, Donald Arnold
Duchesneau, Robert Edward
Duke, Arnold Lowell
Edwards, Raymond Lewis
Eilenfield, Richard Lee
Enevoldsen, Jack
Ensminger, Gerald David
Epley, Ernest Hugh
Erskine, Robert Sageley
Escajdea, Ruben
Fawcett, Peter Formanek
Fetter, Norman Leonard
Finch, Herbert
Finfrock, Patrick
Flahiff, Daniel Edward
Forbes, Clarence
Ford, John Robert
Forde, Clifford William
Foutch, Argyle Wayne
Frame, Daniel Alva
Freeman, Bobby Jack
Freeman, George
Frial, Ernesto Fabillon
Gackenback, Henry August
Gann, Virgil Eugene
Gardiner, John Peter
Garnett, Claude, Jr.
Garrett, Charles Edward
Garrison, Rolland Roy
Gaudreau, Valmore Ernest
Gault, Harry Stewart, Jr.
Gay, Billy Thomas
Gepford, Richard Donald
Gerhard, John Robert
Germany, Charles Joseph
Gibson, Bernard Edward
Gillespie, Lindsay Moore
Glaser, Leland Leonard
Glover, Thomas James
Goode, Eugene Francis
Goodrich, Boyd Larry
Goodrum, Daniel Joseph
Graham, Dennis Loring
Graves, Harold Wade
Green, Marion Wendell
Greenberger, David
Greer, James Nelson
Greeson, Gordon Van
Grigsby, Leon Thomas
Guerra, Manuel William, Jr.
Guevarra, Larry Nocon
Gunhouse, Ramon Francis
Hagenbruch, Robert Henry
Halsten, Fennie Carlton
Hall, Charlie Hermond
Hall, Clifford Richard
Haller, Bernard Joseph
Halpern, Herbert
Hambley, James Gilbert
Hamilton, Jerry Allen
Hamm, Walter Nolan
Hammock, Charles Raymond, Jr.
Hand, John Milton
Harder, Thomas John C.
Hardin, Larry Kenneth
Harold, Charles Paul
Harper, James Edward
Harris, Bobby Lynn
Harris, Wendell, Jr.
Harrison, Robert Leroy
Hartman, David Lee
Harvey, Julian Tobey
Haus, David Stauffer
Havner, Jerry Glen
Hayes, James Patrick
Hearn, James Robert
Heidecker, William August
Helvie, Lawrence Eugene
Hennegan, Dennis Stephen
Henry, Joseph Edward
Hermann, Albert Joseph
Herning, Robert Eugene
Hickey, Raymond John, Jr.
Hinson, William Phillip
Holden, Hugh Frederick
Holder, J D
Holiway, Weldon Yvonne
Holliday, Donald Ainsley
Hollinger, Gerald Spickler
Holzendorf, William Frank
Hornby, Joseph George

Howard, Jimmy Earl
Howell, Robert Dale, Sr.
Howery, Ronald Edwin
Hubert, David Leroy
Hudson, James E.
Humphreys, Leslie Charles
Huston, Kenneth Dale
James, Charles Rayburn
James, Edwin Clarence
Jefferies, William Pettit, Jr.
Joel, Noble Fred, Jr.
Johns, George Kenneth
Johnson, Clara Belle
Johnson, Horace Albert
Johnston, Darrell Edwin
Johnstone, Robert James
Joiner, Charles William
Jones, Carl Melvin
Jones, David Lee
Jones, Isaiah John
Jones, Rodney Richard
Joyner, James Adron
Kanaski, Richard Stephen
Kay, Raymond Erwin
Kearns, Thomas Owen
Keaton, William Creath
Keeth, Edward Wayne
Keisel, William Arthur
Keith, Donald Rae
Keith, William Brett, Jr.
King, Robert Otto
Kirst, Gordon, Jr.
Kundtzon, George Norman
Kornman, Jerald Stephen
Kuginskie, Joseph, Jr.
Kuzel, Norman Emil
Laing, Thomas Walter
Lardner, Thomas Paul
Larson, Marvin Leigh
Lauerman, James Don
Lemaster, Joe Henry
Long, Beauford Aldon
Long, Thomas Pressly
Loranger, Richard George
Lord, Don
Loria, Louis Charles
Losui, Gerald Grant
Lovett, Cecil W., Jr.
Lowe, Michael Baxter
Lowe, William Richard
Luce, Robert Emmett
Lutrario, Albert
Lutze, Robert Gerald
Mackin, Thomas James
Maddock, James Fairweather
Maiden, Jesse Joe
Malmborg, Charles Leroy
Manahan, Fred Verlin
Mango, Albert Francis
Mann, Elmer Heath
Marino, Raffaele
Marr, William Leonard
Marshall, Raymond Lee
Masler, John George, Jr.
Matthews, Billie Joe
Mauro, Richard Fay
May, Harlin Conrad
McCowan, Kenneth Edwin
McDaniel, John Oliver
McElhaney, Paul Raymond
McGee, Carl Edwin
McGowan, Eugene Edward
McKay, Roy Curtis
McKinzie, Joe Edward
McLean, Angus Laughton, Jr.
McMaster, Timothy Richard
McNutt, Jerry Wayne
Mercer, Laurie Wayne
Merrill, Wayne Rucker
Meuchel, Frank Tony
Miller, John Edwards, Jr.
Miller, Kenneth Ray
Miller, Lapel
Miller, Phillip Edson
Milroy, Donald Eugene
Minzenmayer, Hiram Carl
Mitchell, Jimmy Lee
Mitchell, William Newton
Moaney, Phillip Bernard
Moon, William Monroe, Jr.
Morales, Vicente
Morris, Phillip Gail
Morris, Robert Allen
Moschette, Charles John
Mueller, John William
Mullen, Joseph Michael
Mulligan, Charles Howard
Mundy, William Edward
Murphy, John Thomas
Naples, Thomas Joseph
Nash, Ronald Edwin
Nichols, Joseph Franklin
Nicholson, Gerald Norman
Nitschke, Karl William
Njaa, John Roger
Nolon, Robert
Normandin, Raymond Henry
Nowicki, Marvin Ernest
Nyman, Keith Oscar
Oehler, James Christ
Ohlman, Douglas Herman
Ohm, Robert Lee
Olander, Raymond Edward
Olsson, John Phillip, Jr.
Onfal, Floyd Wendell
Oneal, Jim Franklin
Oshell, Robert Lewis
Ottesen, James Joseph
Otts, Ralph Haston
Owens, Richard Lee
Oxrider, James Penfield
Oyler, John Matthew
Padgett, Ralph Wayne
Paquin, Joseph Russell
Parkhurst, Lyman Edward
Parsons, Robert Eugene
Parsons, William Gilbert
Payton, John Dewfy
Pearrell, Larry William
Perkins, David Eugene
Pettigrew, Charles Sumner, Jr.
Pfleckl, Paul Joseph
Piper, Leon Tracy
Pirozzoli, David Paul
Pletcher, Thomas Ray
Pokrywka, James Michael
Pond, Louis Valentine
Popikas, Charles Frederick
Porter, Joel
Potter, Leroy Irving
Poynter, Charles Ray
Prather, Luverne
Price, Earl Junior
Prinz, Gerald Henry
Prothero, Glen, Jr.
Raggo, Charles Joseph
Rawls, Robert Sherwood
Raymond, James Burr
Reardon, Robert Joseph
Reese, Robert Wayne
Reeves, Donald Ray
Reid, Louis Lee
Renwick, David
Reuter, Kenneth Earl
Rezabek, Richard Joseph
Rhoden, Lawrence Bernard
Richardson, Billy Earl
Ridener, Linville Lee
Ritchie, Coy Doyle, Jr.
Rizek, Paul Herman
Robbins, Donald Dean
Robbins, Robert Justin
Roberts, Robert Edward
Rodgers, William Kenneth
Roe, James Paul
Romas, Gregory George
Romito, Vincent Anthony
Rooks, John T.
Rule, George Gilbert
Rumer, William Harry
Ruryk, Mirian Eugene
Russell, Richard Leon
Ryder, Gene Burnett
Sauls, Aubrey Plowden
Sauls, Herbert Mitchell
Saunders, Frankie Noel
Scaringella, Charles Thomas
Scherzer, James David
Schley, Ramon Monroe
Schwaeble, Harry Miester
Scott, Leroy
Scott, Wayne Alexander
Scott, William Edward
Sharp, Robert Leroy
Shaul, Michael C.
Shaw, Richard Alan
Sheehan, Donald Francis
Shelton, Lynn Dale
Sherman, Richard Floyd
Shields, Joseph Carl
Shumpert, Harold Corbett
Siegel, Allan Ray
Siverly, John Edward
Sliger, Ronald Wilburn
Smith, Floyd Harold
Smith, Walter Junior
Snipes, Carl Landon
Snyder Ray Lewis, Jr.
Sockell, Edward Joseph
Sokol, Richard
Southerland, Macy James
Sprey, Douglas
Stafford, Jimmy Dale
Stephenson, Thomas Richard
Stevens, William David
Stone, Ernest Ralph, Jr.
Stout, Arling George, Jr.
Stowe, Dorothy Jean
Sturgill, Cleveland Henry
Sturm, Jackie Lee
Stutler, Frank Otley, Jr.
Sullivan, Joseph Edward
Sutton, Morris Lee
Sweet, John Lawrence
Tarvin, William Byrd
Taylor, Stanley Carl
Thames, Charles Melvin
Thomas, David Owen
Thomas, Eugene
Thomason, William Rex
Thums, Robert Ferdinand
Toon, Norbert Leo
Tourigny, Leonard Robert
Tucker, Claude Thomas, Jr.
Tudor, Tommy Neal
Turk, Joseph
Turnbow, Grady William, Jr.
Turner, Jack Eugene
Turpin, Thomas Richard
Tyler, Warner Russell
Vandyne, Leroy Thomas
Vanhoose, Ronald
Vollbrecht, Melville W., Jr.
Vsetecka, Leonard John
Wales, Richard Allan
Walker, Joe Bryon
Wall, Liberty Roy
Walsh, Myles Edward
Wall, Lee Lucas
Watford, Qube Gene
Watson, Jimmy David
Watson, Tannis Robert
Webb, Rufus Willis
Wells, Cecil Eugene
Wells, Harold Adolph
Werling, Robert
Westcott, John Henry
Westhoff, Dennis Anthony
Wheeler, Sidney Wayne
Wilkerson, Garland Warren
Will, George Frederick
Williams, David
Williams, Richard Wallace, Jr.
Williamson, Harry Rittenhou
Wilson, Jerrold Bradley
Wilson, Millard Joseph
Wilson, Philip Barry
Wolchko, David Michael
Woodiel, James Claude
Woods, Gerald Bishop
Woody, Guy Willard
Worley, Robert Allen
Wray, Donald Milford
Ymzon, Ramon Almeda
Young, Donald Edgar
Young, Neal Ronald
Youngblood, Jimmy Bramlitt
Zakrajsek, Henry Joseph
Zeigler, Hagood Atticus
Zerbe, Alton Richard
Zogimann, Paul Samuel

In the Navy

The following-named naval enlisted scientific educational program candidates to be permanent ensigns in the line or staff corps of the Navy, subject to the qualifications therefor as provided by law:

William R. Adams
Michael H. Allen
John D. Anderson
Robert W. Aniba
Donald L. Avery
John W. Ball
Daniel A. Bath
Albert E. Bathel
James G. Bohon
Douglas M. Bolton
Gary L. Boyce
Jerry W. Boykin
Don D. Bradley
George A. Bratton
Jerry L. Brock
David L. Brueck
Dennis M. Bryant
Scott F. Buck
Kevin J. Burke
Steven W. Callahan
Michael P. Casey
William E. Cashman
Ronald E. Causey
Larry A. Chmiel
Vincent Ciarlante
Ramsey C. Clark
Robert L. Clark
John F. Cole
Terry L. Colton
William R. Conaway
John W. Conner
Walter F. Corliss
Edward M. Covney
Michael D. Crocker
Thomas W. Curry
William L. Dale
Frederick Davenport
Lester M. Davis
Carl J. Drucker
Mark H. Dye
Jon B. Eggers
Richard D. Elgart
Lawrence A. Elliott
Todd A. Erickson
John T. Etheridge
Alan R. Fedele
Gerald P. Fields
John C. Fletcher
Daniel L. Forkel
Barry A. Frew
Leon V. Galecki
Larry M. Gant
John R. Gary
Stephen M. Grey
Steven Guzy
Bernard Hamm
Larry T. Hanson
Randall G. Harmon
Michael C. Harper
John G. Hegeman
Alex S. Hill
Chris A. Hilliard
Roger C. Hine
Walter T. Hoch
John S. Hoefel
Dale S. Hollen
Charles K. Hopkins
Earl C. Hughes
James M. Hunn
Michael L. Hunt
Vlademar Johnson
Charles A. Jones
Dennis W. Jones
Steven N. Jurey
Ralph E. Kahn
Douglas L. Kelleigh
Joseph L. Kendrick
Paul A. Kershner
Mark I. Kimball
Stephen T. Knouse
Stephen J. Kolek
John E. Lampas
Richard M. Larsen
Stephen E. Larson
Patrick E. Little
Kenneth A. Lively
Carey J. Logan
Roy M. Loweothal
Lloyd Luallin
Chester J. Malins
Lynn A. Matoush
Robert B. Maufroy
Edward L. McCutcheon
Steven J. Mead
Blaise L. Merchlewitz
Posey E. Miller
Max E. Mills
Arthur P. Minar
Anthony G. Miranda
Michael R. Mittleider
Van E. Moir
William M. Moore
James C. Moreland
Robert W. Morris
Jonathon P. Muir
Don F. Murray
Charles R. Newman
Claude R. Newton
Donald L. Nitzel
George A. Nuttleman
Daniel B. Oakey
Lee L. Oliphant
James D. Pace
Allan L. Paddack
David A. Pate
Kenneth C. Pavic
August F. Pellin
Lane A. Phillips
Jorge T. Pizarro
Tony L. Porter
Richard Prendergast
Robert A. Reese
Roger Reichel
Donald Rich
Kenneth C. Riesz
Leslie F. Romano
Rene Ruesch
Steven Schuh
George V. Scott
Storm Shearon
William D. Shelton
Charles F. Shultheis
Gregory A. Simmons
Neal F. Smith
Robert M. Smith
Timothy Spence
David A. Stark
John V. Stivers
Paul H. Stoeberl
Robert C. Stolle
Arthur I. Strong
Gary P. Stussie
Kevin W. Sullivan
Dennis H. Taylor
Ronald P. Testa
Tommy Thigpen
John R. Thomas
Michael R. Tillery
Julius W. Tomaski
James M. Tucker
William C. Tucker
William R. Tucker
Edward R. Turner
William S. Ullom
Stephen W. Vandenbosk
George M. Vermillion
Charles M. Vining
Carl A. Wales
Sheldon M. Walgren
George D. Walker
Michael N. Ward
Robert S. Warner
Danny L. Waterman
Harry Watkins
James E. Watson
Gary L. Werner
Lawrence A. Wessing
Charles Williams
Richard D. Willson
John S. Witherspoon
John B. Woodbury
William S. Woody
Randolph D. Wooley
Samuel B. Word
William D. Wornick
William L. Wright
John C. Yeakley
Benjamin H. Youell
Harry Zellman

Jerry L. Manthei, U.S. Air Force Cadet, to be a permanent ensign in the line of the U.S. Navy, subject to the qualifications therefor as provided by law.

John L. Meisenheimer, U.S. Navy officer, to be reappointed from the temporary disability retired list as a permanent commander in the line of the U.S. Navy, subject to the qualifications therefor as provided by law.

Carlton J. Wise, a chief warrant officer to be a lieutenant (jg) in the Navy, limited duty, for temporary service, in the classification (Deck) and as a permanent chief warrant officer, subject to the qualifications therefor as provided by law.

Kenneth C. Castor, Jr. (Naval Reserve officer) to be appointed a temporary lieutenant commander in the medical corps of the U.S. Navy, subject to the qualifications therefor as provided by law.

C. Victor Romano (civilian college graduate) to be appointed a permanent commander in the medical corps in the reserve of the U.S. Navy, subject to the qualifications therefor as provided by law.

Robert D. Caney and David G. Harper (civilian college graduates) to be appointed temporary commanders in the medical corps in the reserve of the U.S. Navy, subject to the qualifications therefor as provided by law.

John M. Casey and Marshall W. White, Jr. (U.S. Navy officers) to be appointed temporary commanders in the medical corps in the reserve of the U.S. Navy, subject to the qualifications therefor as provided by law.

Martin R. Plaut (Naval Reserve officer) to be appointed a permanent captain in the medical corps of the U.S. Navy, subject to the qualifications therefor as provided by law.

Craig K. Wallace (Naval Reserve officer) to be appointed a permanent commander and temporary captain in the medical corps of the U.S. Navy, subject to the qualifications therefor as provided by law.

The following-named (Naval Reserve officers) to be appointed permanent lieutenants and temporary lieutenant commanders in the medical corps of the U.S. Navy, subject to the qualifications therefor as provided by law.

Paul A. Bostrom
Ivan D. Franklin
John J. Geren
James R. Milne
Edward D. Thalman

Brian G. McCaughey and August L. Reader, III (Naval Reserve officers) to be appointed permanent lieutenants in the medical corps of the U.S. Navy, subject to the qualifications therefor as provided by law.

The following-named (Naval Reserve officers) to be appointed permanent lieutenants (jg) and temporary lieutenants in the medical corps of the U.S. Navy, subject to the qualifications therefor as provided by law:

Charles W. Everhart, Jr.
Fred E. Patrick, III
John E. Seibel, Jr.

Stevan K. Forney and Dennis D. Woofter (Naval Reserve officers) to be appointed permanent lieutenants in the dental corps of the U.S. Navy, subject to the qualification therefor as provided by law.

Donald E. Boye (ex-USNR officer) to be appointed a permanent commander in the medical corps in the reserve of the U.S. Navy, subject to the qualifications therefor as provided by law.

Allan J. Rosenberg (ex-Air Force officer) to be appointed a temporary commander in the medical corps in the reserve of the U.S. Navy, subject to the qualifications therefor as provided by law.

Alfonso A. Mannarelli (civilian college graduate) to be apppointed a permanent captain in the medical corps in the reserve of the U.S. Navy, subject to the qualifications therefor as provided by law.

Steven J. Summers (Naval Reserve Officers Training Corps candidate) to be a permanent ensign in the line or staff corps of the Navy, subject to the qualifications therefor as provided by law.

In the Air Force

The following-named officers for promotion in the Regular Air Force, under the appropriate provisions of chapter 835, Title 10, United States Code, as amended. All officers are subject to physical examination required by law:

LINE OF THE AIR FORCE

Lieutenant colonel to colonel

Acker, William P., [redacted]
Adams, Christropher S., Jr., [redacted]
Adams, William R., [redacted]
Agre, Oscar W., Jr., [redacted]
Aikman, James H., [redacted]
Akers, George S., [redacted]
Albritton, James P., [redacted]
Alcorn, Troy G., [redacted]
Aldrich, Theodore B., [redacted]
Allison, James M., [redacted]
Amodt, Paul W., [redacted]
Anderson, Melvin H., Jr., [redacted]
Anderson, Raymond E., [redacted]
Anderson, Robert D., [redacted]
Andrews, Stuart M., [redacted]
Ardisana, Bernard, [redacted]
Austin, Joseph C., [redacted]
Baggett, William D., [redacted]
Baily, Carl G., [redacted]
Baker, Merton W., [redacted]
Balcer, Raymond L., [redacted]
Banaszak, Merle E., [redacted]
Barnes, Fred D., [redacted]
Barnett, Earl S., III, [redacted]
Barry, Robert P., [redacted]
Bauman, Wendall C., [redacted]
Beaudoin, David K., [redacted]
Beaver, Charles R., [redacted]
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Cheatham, Daniel W., Jr., [redacted].
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Edwards, Kenneth W., [redacted].
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Falgoust, Jean B., [redacted].
Ferguson, Alonzo L., [redacted].
Filliman, Michael G., [redacted].
Fischer, George F., [redacted].
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Fix, Oliver W., [redacted].
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Flippo, Charles W., [redacted].
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Fondren, John H., [redacted].
Ford, William, [redacted].
Forsman, Billy B., [redacted].
Foster, William B., [redacted].
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Fulcher, Martin C., [redacted].
Fulgham, Dan D., [redacted].
Gale, Mark D., [redacted].
Gardner, Robert E., [redacted].
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Garner, Clyde H., [redacted].
Garrison, Lawrence D., [redacted].
Gast, Philip C., [redacted].
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Gottuso, Robert M., [redacted].
Gower, Perrin W., Jr., [redacted].
Granger, James I., [redacted].
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Greynolds, Orville L., [redacted].
Gunter, Virginia L., [redacted].
Hackley, William A., [redacted].
Haggard, Gordon M., [redacted].
Haley, Robert D., [redacted].
Hall, Titus C., [redacted].
Hamilton, Frcell C., Jr., [redacted].
Hardy, Alton D., [redacted].
Harper, Jack H., Jr., [redacted].
Harris, William M., IV., [redacted].
Harrison, James W., Jr., [redacted].
Hartman, William B., [redacted].
Hartney, James C., [redacted].
Hartwig, Robert D., [redacted].
Hastler, Russell C., Jr., [redacted].
Haymaker, Ralph W., [redacted].
Heinlf, Leon C., [redacted].
Henderson, William S., Jr., [redacted].
Henkel, Francis B., [redacted].
Hense, Frank F. E., Jr., [redacted].
Herhold, Kenneth J., [redacted].
Hester, Harold H., [redacted].
Hilden, Jack G., [redacted].
Hildreth, James R., [redacted].
Hill, Rex A., [redacted].
Hilland, Carl R., [redacted].
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Hocken, Robert W., [redacted].
Hodges, Paul H., [redacted].
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Hoyt, Norman W., [redacted].
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Huhn, Arthur E., [redacted].
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Hyslop, Jack L., [redacted].
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Johnson, Julian C., Jr., [redacted].
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Lay, James O., [redacted].
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Thigpen, John H., Jr., [redacted].
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Thompson, James S., Jr., [redacted].
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Trayer, George T., [redacted].
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Vallejo, Adam C., [redacted].
Vanergriff, Burley O., II, [redacted].
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Vining, Robert W., [redacted].
Voils, Cecil C., [redacted].
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Willis, Howard G., [redacted].
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Wilson, William J., [redacted].
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Winne, Clinton H., Jr., [redacted].
Wise, Lucien D., [redacted].
Wortman, Joseph B., [redacted].
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Wuerz, Albert H., Jr., [redacted].
Wylan, John F., [redacted].
Yates, Ralph A., [redacted].
York, Charles A., [redacted].
Yost, William R., [redacted].
Young, David D., [redacted].
Youree, Charles D., Jr., [redacted].
Zeigen, Robert S., [redacted].
Ziluca, Paul G., [redacted].
Zinkan, Gerald W., [redacted].

CHAPLAINS

Barstad, Stuart E., [redacted].
Carr, Richard, [redacted].
Porter, Edwin A., [redacted].
Posey, Charles R., [redacted].
Rickards, James P., [redacted].
Schroder, Peter C., Jr., [redacted].
Sheppard, Henry S. G., [redacted].
Spencer, Henry L., [redacted].
Stuller, Joseph F., [redacted].
Viise, Michael G., [redacted].

DENTAL CORPS

Christen, Arden G., [redacted].
Coons, George F., [redacted].
Furman, Terence H., [redacted].
Gilliam, Robert H., [redacted].
Klinger, Roger E., [redacted].
Marano, Philip D., [redacted].
Podlin, Bernard F., [redacted].
Reiner, Peter R., [redacted].
Salimeno, Thomas, Jr., [redacted].
Solinski, Robert T., [redacted].

JUDGE ADVOCATES

Ruehler, Paul W., [redacted].
Friedman, Stanley A., [redacted].
Martin, William A., [redacted].
Norris, Basil S., [redacted].
Raymond, Vincent J., Jr., [redacted].
Smith, Allan C., [redacted].

MEDICAL CORPS

Barrett, John W., [redacted].
Bradley, Edwin M., [redacted].
Cargill, Louis H., [redacted].
Coltman, Charles A., Jr., [redacted].
Culpepper, Burford W., [redacted].
Dewitt, Harvey J., [redacted].
Doppelt, Fredric F., [redacted].
Enders, Lawrence J., [redacted].
Halki, John J., [redacted].
Hoch, John R., [redacted].
King, Dana G., Jr., [redacted].
Lancaster, Malcolm C., [redacted].
Nyborg, Lester P., [redacted].
Phillippi, Paul J., [redacted].
Smith, Robert R., [redacted].
Zick, Herbert R., [redacted].

NURSE CORPS

Alena, Virginia M., [redacted].
Burner, Olive Y., [redacted].
Vino, Jane M., [redacted].

MEDICAL SERVICE CORPS

Hadley, Neil B., [redacted].
McPhee, Jack C., [redacted].
Urquia, Alfred P., [redacted].

VETERINARY CORPS

Heidelbaugh, Norman D., [redacted].
Menning, Edward L., [redacted].

BIOMEDICAL SCIENCES CORPS

Dominguez, Abel M., [redacted].
Nicholas, Nicholas C., [redacted].
Stuckman, Lorraine E. [redacted].

EXTENSIONS OF REMARKS

BEARING THE COSTS OF GOVERNMENT

Hon. Theodore M. (Ted) Risenhoover

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 21, 1975

Mr. RISENHOOVER. Mr. Speaker, the problems of a representative democracy continually confront Members of this body. I am pleased that, judging from the self-evident successes of our country, we have a rich history of somehow making this system of self-government succeed.

But the challenges remain. It is our daily responsibility to solve our country's troubles as well as to prudently take the action to make our institution—the U.S. House of Representatives—more functional.

Our distinguished colleague from Ohio (Mr. HAYS), chairman of the House Administration Committee, has taken bold actions to bridge some of our shortcomings.

In an article in the July 19 issue of the Washington Post, our colleague most adroitly addresses these issues. I ask unanimous consent that the article be included in the RECORD.

Bearing the Costs of Government

(By Wayne L. Hays)

The auto industry has better resources to determine whether a new compact car will sell than the House of Representatives has when deciding on a declaration of war.

If the auto industry wants to find a new color scheme to capture the youth market, it has unlimited resources to call upon. Corporate executives commission expensive marketing surveys. The top brass fly to a secluded resort on the company's fleet of planes for a week of high level meetings until the proper decision is made. The entire extravaganza is at industry expense, which is, of course, passed on to consumers.

When General Motors makes the wrong decision, only money is lost. But if the Congress fails, it can cost millions of lives.

A congressman is confronting issues that affect the well-being of the entire nation, yet in his effort to arrive at the proper decision, his resources are limited.

Recent news accounts about the members' allowance system have been misleading at best. The average reader is led to believe that a member of Congress has a vast wealth of material assets. Yet, there are members of Congress who are forced to pay communication, travel and office expenses from their own pockets because the allowance system is inadequate for their needs.

News accounts have portrayed the allowance system as being personally beneficial to individual members of Congress, yet there are congressmen who cannot do as complete a job of serving the public as they would like because they lack financial resources.

The president of a major cosmetics firm earned enough in salary last year to pay the basic allowance for five congressmen.

The entire House of Representatives runs on an annual budget that is just slightly more than the $233 million Proctor and Gamble spent on radio, television, newspaper and magazine advertising during 1973.

While there has been a lot of information bandied about lately concerning the expense of running Congress, the fact is that it costs a mere $1.25 per man, woman and child in this country to operate the House of Representatives for a year.

Taken in proper perspective, the price tag is less than one tenth of one per cent of the entire federal budget.

At the same time, the responsibilities of the Congress have grown. The workload has increased markedly over the past few years. In addition to overseeing an enormous federal bureaucracy, a member of Congress is often the only person that half a million constituents back home can turn to for help.

In its battle to make the executive branch of government more responsive, the Congress remains at a disadvantage. A bureaucrat in any federal agency can call every city in the nation without cost. A member of Congress has limited telephone time.

The executive branch of government operates more than 6,000 computers, while the House of Representatives owns just three.

President Ford requested a staff budget increase of $2.2 million for the coming fiscal year, while a congressman can receive an additional $22,500 for his employees.

On an average day recently, no fewer than 70 congressional committees or subcommittees scheduled meetings on issues ranging from oversight of the National Aeronautics and Space Administration's budget to an investigation of Arab pressure on American businessmen.

The legislative calendar for a typical week will range from the complicated foreign aid appropriations bill to intricate and often confusing tax proposals.

At the same time, a member of Congress is called upon to travel back home and meet with local groups, advise cities on how to obtain federal grants, or assist an elderly constituent in retrieving a lost Social Security check.

It is vital that members of Congress have the tools to be effective legislators and representatives.

There are two schools of thought on how a member of Congress can go about serving his constituency.

The first holds that a congressman bear the full cost of representing his district himself. That is, he must be wealthy enough to pay for his office equipment, stationery, telephone service, trips between the district and Washington, staff and communications with constituents. Or, if he is not of the wealthy class and aspires to be in Congress, he must solicit private contributions to pay for these expenses.

The trouble with requiring a member of Congress to pay personally, however, is that it would surely pave the way for an exclusive club of rich representatives, or worse, open the door for rampant corruption.

The second school of thought, to which I subscribe, holds that the people ought to bear the cost of representative government.

NOT ONE DIME FOR HANOI

HON. JAMES ABDNOR

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 21, 1975

Mr. ABDNOR. Mr. Speaker, there are indications that serious attention might be paid to providing reconstruction assistance from this country to North Vietnam. A view which I think is prevalent among the people in South Dakota is contained in an editorial from the Sioux Falls Argus-Leader. I am pleased to bring it to the attention of my colleagues.

The article follows:

Not One Dime in Aid to Hanoi

Once again the North Vietnamese have linked their cooperation in looking for Americans listed as missing in action in Vietnam to aid for reconstruction.

Premier Pham Van Dong wrote a letter to 21 U.S. congressmen and said the matter of American missing persons should be resolved as soon as possible. The letter was read in a broadcast of Radio Hanoi monitored in Bangkok.

Pham said in the letter that there must be a total end to what he said was American "interference into the internal affairs of South Vietnam" and the contribution to the postwar reconstruction. Pham said such action by the United States would open the door for reestablishment of normal relations between North Vietnam and the U.S.

If the congressmen ever get their letters, they should turn them over to the State Department.

It is regrettable that the North Vietnamese have again put the families of Americans missing in action through the emotional trauma of hope that they will be provided information about their loved ones. This is blackmail. The United States should not rush to recognize the North Vietnamese.

As for reconstruction aid, not one dime! The North Vietnamese won the war. Let them do the reconstruction.

HUMANE METHODS OF SLAUGHTER ACT OF 1975

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 21, 1975

Mr. BROWN of California. Mr. Speaker, I am introducing legislation today that clarifies and strengthens the Humane Slaughter Act of 1958 by imposing penalties on domestic livestock slaughterers that use inhumane slaughter and preslaughter tactics and by amending the Federal Meat Inspection Act to include humane slaughter as a prerequisite for importing foreign meat.

The Humane Slaughter Act of 1958 encouraged most of our domestic slaughterhouses to switch over to the designated humane methods of handling and killing animals, the cost of which is nominal, but there are still a few federally inspected plants that slaughter livestock with inhumane methods. It is not difficult, nor expensive, for a slaughtering house to change its methods to the ones designated by the Secretary of Agriculture as humane. It entails the use of either a simple, electrical stunning instrument, carbon dioxide, or gunshot, and proper care in handling the animals so they remain as calm as possible.

My purpose in imposing a fine of $1,000 for those violating the Humane Slaughter Act, as amended by this bill, is to encourage the remaining federally inspected slaughterhouses that do not use humane methods to do so within 90 days of enactment of this act. This will not penalize any slaughterhouse involved in intrastate commerce.

In the area of foreign meat imports, there has been little incentive offered by our Government to prompt foreign slaughterhouses to conduct this simple change to humane methods of handling and slaughtering livestock. My legislation would provide that U.S. overseas meat inspectors must include humane slaughter and preslaughter methods as a requirement for certification. If a plant does not use such humane techniques, their meat will not be certified, and if it is sent to the United States it will be stopped at Customs inspection and returned to the country. The meat inspection service has indicated that this procedure would be simple to comply with. The number of meatpacking plants this would affect is small.

At the present time, all foreign meatpacking plants that conduct business with us are equipped with the necessary humane stunning equipment, except in the case of sheep in some plants in Australia and New Zealand. All commercial plants in Denmark, Holland, and Yugoslavia, as well as in northern Europe generally, already use humane slaughter methods. This bill would affect those plants that slaughter sheep with inhumane methods, and would insure humane handling of livestock during the slaughtering process.

Many people across the country are distressed over the use of inhumane slaughter practices in a few plants here in the United States and in the foreign plants I have referred to above. They are justifiably distressed over the terror and pain that these animals experience and I feel that we should end these inhumane practices entirely.

I cannot take complete credit for this bill. Dr. Frederick L. Thomsen, president of the National Association for Humane Legislation and president of Humane Information Services, made me realize the need for such a bill and gave me the encouragement and information I required. Dr. Thomsen has witnessed the horror of inhumane slaughter methods and consequently has dedicated his time to eliminating such procedures. His knowledge of the subject, and of agriculture in general, is sizable for he spent many years in the USDA as head of the Division of Marketing and Transportation Research, as associate head of the Division of Statistical Research, and as Director of the Marketing Research Branch. After such a life of service to the furtherance of agricultural efficiency and dedication to principles of humanity, I feel it is time for this Congress to reward his efforts by passing the "Humane Methods of Slaughter Act of 1975."

COUNCIL GROVE, KANS., CELEBRATES SIGNING OF TREATY IN 1825 THAT OPENED SANTA FE TRAIL

HON. JOHN J. RHODES

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 21, 1975

Mr. RHODES. Mr. Speaker, in the history of the old West the Santa Fe Trail has been preserved in song and legend. As we approach our Bicentennial year and Americans everywhere are rekindling their pride in our Nation's great heritage, the observance of this anniversary is a stirring reminder of the sacrifices, courage, and indomitable spirit that settled America.

I am especially proud that my hometown, Council Grove, Kans., was the site of the signing of the treaty, August 10, 1825, between our Government and the chiefs of the Great and Little Osage Nations. This pact opened the West to settlement, and made Council Grove an important stopover as the pioneers made their way toward the setting Sun, new horizons, and new lives. They came, saw, and stayed, and the West became a part of a growing nation. It is fitting that we pay tribute to their accomplishments. It is also important that we remember that independent, self-sufficient spirit that motivated them and carried them through the hardships and challenges of pioneering a new land.

I am proud to have this opportunity to join my friends and neighbors in Council Grove in commemorating a significant event in our country's history—the signing 150 years ago of a treaty that began the glorious saga of the Santa Fe Trail.

OIL PRICES AND THE PRESIDENT'S PROPOSAL

HON. HAMILTON FISH, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 21, 1975

Mr. FISH. Mr. Speaker, few issues ever presented for congressional consideration posed more complex questions than the present energy dilemma. Consequently, it is not surprising that there has been no consensus reached between the legislative and executive branches as to the best approach to this problem. The result is an impasse between the Congress and President Ford which this country can ill afford.

Obviously, a compromise must be reached or the results will be catastrophic for the American people. This necessity for compromise is cogently explained in today's Washington Post editorial page, which I have included in the RECORD for the benefit of my colleagues. The article follows:

[From the Washington Post]

THE OIL PRICE IMPASSE

The President and Congress are riding off in opposite directions in a wild search for a solution to the high price of oil, and to the threat of far higher prices in the fall. It is a recklessly irresponsible way for grownups to govern—although it does seem to us that more than half of the blame for the extraordinary divergency in the U.S. government's current approach to the oil crisis belongs with Congress. The situation is roughly as follows: The existing law granting authority for a $5.25 a barrel ceiling on that part of our oil which is subject to controls is due to expire Aug. 31. Congress itself is due to expire for a month-long summer recess on Aug. 1, which means that it has less than two weeks to do something about extending oil price control authority beyond the expiration date. Congress' preference, obviously, is not only to extend the controls, but to toughen them considerably, with an eye to rolling back prices. Legislation to do just that was sent to the White House last week. On Saturday the President announced he will veto this bill. His preference is to phase out controls, allowing gradual, step-by-step increases in the ceilings over a period of 30 months. But his proposal for doing this, which went to Congress on Thursday, is subject to a congressional "veto" by a majority vote of either chamber within five working days. This is also considered a certainty. What appears to be in the offing, in other words, is an impasse.

And yet it does not seem possible that the President and the legislative leaders can afford to leave it at that, because the consequences would be unacceptable to both parties to this dispute—and to both political parties. The consequences, if price controls are simply allowed to expire, could be a staggering increase in oil prices during the period from Sept. 1 to Christmas, and a stunning blow to prospects for economic recovery just as these prospects are beginning to brighten. As things now stand, about two-fifths of our oil is under price controls. Another fifth, derived from domestic production, is not under controls and tends to match the rising price of imported oil, which makes up the remaining two-fifths of our supplies and now costs something in excess of $13 a barrel (with the President's $2 barrel tariff included). This works out to an average price of $9.75 a barrel for all the oil this country consumes.

But the average price per barrel is not likely to stay at that level for the reason that the oil producers cannot be counted on not to raise prices still further. A decision by OPEC to increase its prices by another $2 a barrel would not be surprising. If such an increase were accompanied by a lifting of controls, all domestic prices would swiftly rise toward an imported oil price level which would have reached $15 a barrel. In short, there would be something close to a 50 per cent increase in the average price of oil in this country this fall and winter, and the crippling impact of this on industrial consumers alone—leaving aside the impact on gasoline prices—would inevitably slow production, seriously aggravate unemployment, and fuel inflation.

Plainly, the situation cries out for compromise. Just as plainly, it is difficult to see exactly how a compromise can be struck between two parties so diametrically opposed in their approach, with one wishing to tighten oil price controls and one wishing to loosen them. In our view, the President has the best of this particular argument. While seeking to soften the impact of further increases in the price of oil, he would adhere to some discipline in consumption of oil in furtherance of a sensible, long-range effort to free this country from a dangerous over-dependence on foreign suppliers. By contrast, the Democrats in Congress are offering a permissive quick fix in the form of temporary relief from higher prices for oil products at the cost of heightening consumption and thus increasing American reliance on the whim of foreign oil producers.

The Democrats do not have to accept the President's formula. But they should seek a compromise on this question within the framework of his general approach. The President, for his part, is going to have to take into account congressional concern over the assorted economic ill-affects of even modest, gradual increases in domestic oil prices as a result of easing off the controls. In short, the best way to find room for compromise is to widen the area of the negotiation beyond the narrow question of oil prices. When the issue is seen in broader economic terms it becomes possible to visualize a trade-off that would permit the President to slack off oil price controls but require him to come forward with positive measures, centering on tax relief of one form or another, in order to cushion the economic shock of more expensive oil. There is probably no perfect formula that will entirely satisfy either side. Without some urgent and constructive efforts to find some accommodation, however, inexorable events will make the decision for both Congress and the President and the predictable consequences of that could be calamitous for both.

A TIME TO DEMAND TRUTH

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 21, 1975

Mr. HARRINGTON. Mr. Speaker, one of the major reasons why our intelligence agencies have gotten so out of control is that Congress has shown a remarkable willingness to put up with administration lying, even when spokesmen have testified under oath and in secret session. Anthony Lewis put his finger on the problem last week in two very fine articles in the New York Times. With intentions of pursuing this matter in the days ahead, I commend Mr. Lewis' timely observations to the attention of my colleagues.

The articles follow:

LYING IN STATE: I

(By Anthony Lewis)

In 1972 Cambridge Survey Research, public opinon analysts, asked people whether they agreed with this statement: "Over the last few years this country's leaders have consistently lied to the American people." Of those asked, 38 per cent agreed. A similar poll was taken in 1974, and 55 per cent agreed with the statement. This spring, 68 per cent agreed.

Those figures illuminate the obvious: To a dangerous degree, Americans have lost confidence in the word of their government. Such distrust may be endemic in other countries, but it is a relatively new phenomenon in the United States, and a corrupting one. Moreover, it persists after the replacement of a President who made lying a way of life by one thought of as candid.

It is not hard to find reasons for the public feeling. One is that high officials who are caught out in crude deceptions so seldom pay any penalty. On the contrary, they remain in office and continue to be treated by much of official Washington as if they deserved respect.

An outstanding example of survival by deceivers is that of Richard Helms, the former director of Central Intelligence, now United States Ambassador to Iran. Reading back over some of the things Mr. Helms has said over the years arouses a feeling of awe for such mastery of the misleading.

On Feb. 7, 1973, Mr. Helms appeared before a closed session of the Senate Foreign Relations Committee for a hearing on his nomination as Ambassador. The transcript, subsequently published, includes the following exchanges with Senator Stuart Symington of Missouri.

Symington: "Did you try in the Central Intelligence Agency to overthrow the government of Chile?"

Helms: No sir."

Symington: "Did you have any money passed to the opponents of Allende?"

Helms: "No sir."

Since the testimony, it has become known that the Nixon Administration authorized the C.I.A. to spend more than $5 million on covert activities in Chile between Allende's election as president in 1970 and his fall in 1973. The cash went to anti-Allende civic groups, newspapers, radio stations and others, with the aim of making it impossible for Allende to govern.

Mr. Helms has explained that he took Senator Symington's second question to refer to Allende's two actual "opponents" in the 1970 election—and the C.I.A. gave them no money. That is a strained argument, to put it mildly, since the first question was so clearly about the post-election period. And in any event, the C.I.A. did give $500,000 to opposition party personnel during the 1970 election.

In the confirmation hearings, Senator Clifford Case of New Jersey mentioned the known use of Army intelligence to report on the anti-war movement. This exchange followed:

Case: "Do you know anything about any activity on the part of the C.I.A. in that connection? Was it asked to be involved?"

Helms: "I don't recall whether we were asked, but we were not involved because it seemed to me that was a clear violation of what our charter was."

The Rockefeller Commission has just reported that the C.I.A. under Mr. Helms set up a Special Operations Group to "collect information on dissident Americans." It ran Operation Chaos, infiltrating the anti-war movement and collecting on a computerized index "the names of more than 300,000 persons and organizations." Even by recent standards of official untruth, Mr. Helms's "not involved" must set a record.

In the confirmation hearings Mr. Helms was also asked about any C.I.A. connection with E. Howard Hunt and G. Gordon Liddy, the convicted Watergate burglars. He said there had been no connection since Hunt retired from the agency in 1970. Later it was learned that the C.I.A. had supplied Hunt and Liddy with equipment for their burglary of Daniel Ellsberg's psychiatrist in 1971. Mr. Helms explained that he thought the questions had related only to the Watergate break-in.

No one has called Mr. Helms effectively to account for his testimony. The Senate Foreign Relations Committee, the immediate victim of his deception, recalled him but asked unfocused and deferential questions. The Rockefeller Commission, comprehensive as its report was, said nothing about the lies that had allowed all those illegalities it found to flourish.

As for President Ford, at whose pleasure ambassadors serve, he has not been heard to murmur a critical word about Mr. Helms. The Government's failure to bring a particular perjury case may always be explained by technical or evidentiary problems. But anyone who wonders why Americans have grown cynical about those who govern them might think about this question: Why does Richard Helms still hold the rank of ambassador?

LYING IN STATE: II

Ron Nessen, the President's press secretary, complained recently that the White House press was not treating his word with due respect. Some reporters had even accused him of lying. President Ford had been in office for ten months, he said, and it was time for an end to "this blind, mindless, irrational cynicism and distrust."

If Mr. Nessen sincerely wants, as they say, to know the reasons for cynicism and mistrust of what he says, he might consider a single episode. That was the disclosure last April that President Nixon had made secret commitments in writing to Saigon at the time the Vietnam peace agreement was signed in 1973.

A one-time assistant to President Thieu of South Vietnam disclosed a number of letters from Nixon to Thieu. In one, dated Jan. 5, 1973, Mr. Nixon wrote: "You have my assurance . . . that we will respond with full force should the settlement be violated by North Vietnam."

Now what did Mr. Nixon have to say about that startling disclosure of a secret commitment to military intervention? He said it was old stuff; it did not go beyond what had been said publicly at the time. Was it really possible that we had forgotten such a thing? No, it was not. When checked, the 1973 public statements turned out to have been vague generalities of support for our noble ally.

Anyone who dealt as Mr. Nessen did with that episode has forfeited the right to have his word taken seriously. To tell us that when direct American involvement in the Vietnam war ended in 1973 we all knew of a solemn pledge to re-enter it, insulted the public intelligence. One must be a fool or a knave to say such things. Or a hireling, carrying out orders from above.

The last is really the point about Ron Nessen. He did not invent that particular feeble evasion of the truth. President Ford said about the same thing when he was asked about the secret Nixon commitment. And the original falsifier in this case, as in so many others over the last six years, was Secretary of State Kissinger.

In March, 1974, Mr. Kissinger was asked by Senator Edward Kennedy to state American commitments to South Vietnam. He replied by letter of March 25: "The U.S. has no bilateral written commitment to the Government of the Republic of Vietnam." When he wrote that, he of course knew all about the Nixon promise to Thieu; Mr. Kissinger had probably drafted it.

The example of the Nixon letter makes clear that official concealment and deception do damage to more than moral sensibilities or an abstract concern for truth. They profoundly injure the premises of democracy. The Constitution made Congress an equal partner in the Federal Government, but how can it be effective if the basic facts of policy are withheld from it or covered over with lies? And our system assumes not only an effective legislature but an informed public.

Official falsehood has become so serious a problem, so corrupting of our constitutional process, that there are now numerous proposals for corrective legislation. An interesting one is set out in a recent paper by Peter D. W. Heberling, a law student at Columbia University and researcher at the Center for Policy Research in New York, and Amitai Etzioni, professor of sociology at Columbia and director of the Center.

This proposal is for a statute making it a felony for any employe of the executive branch to make "a materially false statement" to Congress or one of its committees. The law would also apply to an employe who orders another to falsify. And the plea that one was told by a superior to testify falsely would not be a defense.

The Heberling-Etzioni draft, like others, would give a permanent Special Prosecutor responsibility for enforcing the law. He would be chosen by Congress.

Clarifying the difficult existing statutes on perjury and false statements in a law focused squarely on Government officials is an idea worth exploring. The principle that obeying superior orders is no excuse for official crimes was followed in the Watergate trials but could usefully be re-emphasized in a statute. Congress may need a new mechanism to help enforce its right to truthful information, whether or not it is a Special Prosecutor.

The criminal law, when it is enforced, is a power engine for making respectable people comply with a society's standards. If just one high-ranking official of the many who have lied to Congress in recent years was prosecuted and convicted, attitudes in the executive branch would be very different.

But we need not wait for reform of the law to begin rebuilding public faith in the word of Government. A Congressional committee that expressed its outrage at a deceptive witness and forced his resignation would do wonders. And of course we might also have a President who detested official untruth and made his outrage felt.

EDWIN RAY WILLIAMS RETIRES FROM SOCIAL SECURITY ADMINISTRATION

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 21, 1975

Mr. LAGOMARSINO. Mr. Speaker, I would like to bring to the attention of my colleagues the dedicated effort and step-by-step achievement of a constituent in my congressional district in California in the field of social security administration.

Mr. Edwin R. Williams is retiring from a continuous career in the SSA, beginning after his honorable discharge from the Army of the United States in 1944, and service in the active reserve as Warrant Officer, Junior Grade, in the Army from January 1944 to December 1945. His first appointment in the SSA was as a clerk in the San Francisco office—the city of his birth—in January 1941. In 1948 he was promoted to Field Assistant in the Oakland office and from that time on ladder promotions took him to the cities of Stockton and San Diego, finally concluding in a transfer to Santa Barbara where he has since resided and worked.

In the administration of my congressional office in Santa Barbara County, many constituents present problems which relate to the Social Security Administration and, naturally, much contact is necessary with the local office where Mr. Williams served as assistant district manager. His knowledge of the various facets of his office was vast. Since his transfer to Santa Barbara, many additional services have been added to SSA through legislation and he is aware of the facts and quick to act on any problem presented to him by my office. My staff and I have many reasons to be indebted to him for his cooperativeness and facility in finalizing pending matters in his field, and wish to express our appreciation.

His plans for the future will include travel which he and Mrs. Williams have enjoyed worldwide. Locally, he plans to keep busy in the community, possibly with activities such as Red Cross counseling and other civic interests.

Mr. Speaker, Mr. Williams deserves commendation by this House for his fine work in a branch of the Federal Government devoted to service to the people of the United States.

JULY 20, 1974: ANOTHER DAY OF INFAMY

HON. EDWARD J. PATTEN

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, July 21, 1975

Mr. PATTEN. Mr. Speaker, it is my understanding that this week, a vote will be taken on whether to restore U.S. military aid to Turkey. I hope the bill is defeated, for such restoration would give the world the impression that America wants to reward aggression.

Based on press reports, the Ford administration is supporting the compromise bill passed by the House Committee on International Relations—a compromise I believe is ridiculous and insulting. As one who several months ago cosponsored a House resolution that cut off military aid to Turkey after its troops ruthlessly invaded Cyprus, I believe that the so-called compromise is pathetic.

Because of that outrageous and uncivilized invasion, the present armed forces of Turkey control about 40 percent of Cyprus, even though the Turkish population on the island is only an estimated 18 percent. In addition 5,000 Greek Cypriots were killed, 15,000 were wounded, and 200,000 persons are homeless. I am greatly concerned about the refugee problem and the apparent lack of interest Turkey has in resolving it.

Mr. Speaker, Turkey's invasion of July 20, 1974, violated the Foreign Assistance Act, which specifies that military equipment supplied by the United States could be used only for self-defense or for internal security—but not for aggression. Turkey deliberately violated this law—and violated it with impunity. How incredible.

Turkey has also broken its word to Washington that poppies would not be produced there for 2 years, despite the United States-Turkish agreement that poppies would not be grown. The United States has paid Turkey $35.7 million not to grow poppies in order to try and reduce the supply of heroin, which kills hundreds of young Americans every year.

It is obvious that Turkey is using blackmail tactics to try and pressure the United States into accepting the "compromise" measure—that if Congress does not accept it, the Turks will close NATO bases in Turkey. I do not want to see America yield to this naked blackmail, so I strongly hope that the restoration bill is defeated. What I would like to see is military aid to Turkey cut off by the United States—until Turkish troops leave Cyprus and the 200,000 refugees are returned to their homes.

Mr. Speaker, not only is justice at stake in the coming restoration vote. So is the honor of the United States. July 20, 1975, marked the first anniversary of the invasion of Cyprus by Turkish armed forces, and will be remembered as another "day of infamy." It is a sad and bitter memory, not only for the people of Cyprus, but for all people who cherish freedom, peace and reason.

Lord Byron was one of the world's greatest poets—and he loved Greece, because it was devoted to freedom. In one of his finest works, he wrote:

"The mountains look on Marathon—
And Marathon looks on the sea;
And musing there an hour alone,
I dream'd that Greece might still be free."

Mr. Speaker, I dream and hope that Cyprus "might still be free," but it will never regain its lost freedom unless the U.S. House of Representatives takes action this week that will prove that America is really "the land of the free and the home of the brave." It is easy to talk about freedom and courage, but it is hard to practice it. I hope with all my heart that our deeds will match our words, for the world will be watching us carefully.

One of the most interesting and enlightening weekly newspapers I read—the Hellenic Times of New York City—recently published a moving editorial on the Cyprus tragedy. I hereby insert it, because it covered the Cyprus problem with clarity and with eloquence.

The article follows:

JULY 20, 1974: ANOTHER DAY OF INFAMY

Cyprus is an American problem. It is not simply a Greek-Turkish dispute over Cyprus. Key issues involved are:

(1) The Rule of Law. Turkey massively violated our laws—the Foreign Military Sales and Assistance Acts—and agreements under those laws, including a specific agreement not to use U.S. military arms on Cyprus, by its brutal aggression on July 20, 1974, against Cyprus, a small defenseless island nation. Kissinger and the Executive Branch, in a shocking example of an "international Watergate" also violated these laws and agreements by refusing to "immediately" stop military sales and aid to Turkey as required by these laws and agreements.

The Administration's failure to enforce the Foreign Military Sales and Assistance Acts and our bilateral agreements with Turkey under those laws shows contempt for the rule of law and shows:

that the United States does not consider other nations bound by bilateral agreements with us,

that the United States does not consider itself bound by its laws or its bilateral agreements, and

that aggression pays and all defenseless and weak nations are at the mercy of stronger ones.

Turkey's aggression against Cyprus also violated the U.N. Charter, the NATO Charter, the London-Zurich Agreements and basic international law.

(2) Opposition to Aggression. Even if Turkey had not used U.S. arms in its brutal aggression against Cyprus, it is a basic principle of U.S. foreign policy to oppose aggression. Resuming arms sales and aid to Turkey would make our nation an open co-aggressor with Turkey. Incredibly, Kissinger's policy seeks to overturn fundamental U.S. foreign policy against aggression and the basic moral position of the U.S. in world affairs.

The Secretary of State agrees with Ankara and has cast his lot in favor of restoring arms to Attila. The Kissinger bill seeks to reward the Turkish militarists and war criminals. This, after the brutal invasion last year of Cyprus, an independent, defenseless island republic half the size of New Jersey; this after 5,500 Greek Cypriots were murdered and 15,000 wounded by napalm bombs, machine guns, armored vehicles and airplanes made in the United States; this while 2,500 Greek Cypriots are missing in the Turkish and unacknowledged by Turkish authorities;

this while 200,000 Greek Cypriots remain refugees in their own country; this while Turkey continues to occupy 40 per cent of Cyprus with 42,000 troops.

We cannot have a double standard—one for our opponents and another for our alleged friends.

(3) The Role of Congress. The role of Congress in foreign affairs is at stake in this issue. Congress has a clear constitutional role in the formulation of U.S. foreign policy and has oversight responsibility to see to it that congressional policy is carried out. The cut-off of arms to Turkey was required under existing law, however, the Executive Branch's continuing violation of these laws, and agreements under these laws, forced Congress to enact a specific prohibition against arms to the Turkish aggressor.

The Congress acted as the conscience of the nation and met its constitutional foreign policy-making and oversight roles. Kissinger is trying to remove the Congress from foreign policy. It is now up to the House of Representatives to preserve and strengthen Congress' role in foreign affairs by defeating the Administration's bill to resume illegal military sales and aid to Turkey.

(4) Support of the Greek Democracy—The strategic key to the Eastern Mediterranean and the only Democracy in Eastern Europe.

General James A. Van Fleet strongly opposes resumption of military sales or aid to the Turkish aggressor and has strongly urged the Congress and the Executive Branch to reject Turkey's blackmail threats. General Van Fleet points out that "Greece is the strategic key to the Eastern Mediterranean and clearly more important than Turkey to the strategic interests of the U.S. and NATO," and urged the House of Representatives to "stick by its guns and not allow an erosion of its position in upholding the rule of law;" and that "the U.S. and NATO must stand against aggression whether by friend or foe or we renounce the very essence of our foreign policy and basic beliefs."

INFLATION—A 5-CENT CUP OF COFFEE—AND WELCOME TO SOUTH DAKOTA

HON. JAMES ABDNOR

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 21, 1975

Mr. ABDNOR. Mr. Speaker, as we move into the final 10 days or so of congressional activity before the August recess when we return to our home States for meetings with our constituents, I would like to mention an item which may encourage some of you to make South Dakota a stopping place on your way home. Or for those of you east of South Dakota who may be looking for a pleasant place to spend some time, I also bring this to your attention.

We are, of course, in the midst of high inflation. Prices have shot up to unbelievable margins. But one price in one place has not increased.

That is the price of a cup of coffee. It still is 5 cents at the Wall Drug in South Dakota. And for a real bargain, ask for a glass of ice water to go with the coffee. The ice water is free which is what made Wall Drug what it is today, a highly popular tourist haven of which we have many in South Dakota.

During the dry 1930's, Ted and Dorothy Hustead hit on the idea of advertising free ice water for the dusty traveler going across western South Dakota. The idea was a real lightning strike, resulting in a tremendously successful tourist business.

The imagination and enterprise that made this venture successful continues to prosper in South Dakota, not only at Wall Drug, but across our State.

So when the Congress recesses, if you are heading west, we welcome you to South Dakota, for a 5-cent cup of coffee, and most of all, a genuinely delightful vacation among friendly people.

RESUMPTION OF ARMS TO TURKEY

HON. JOHN L. BURTON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 21, 1975

Mr. JOHN L. BURTON. Mr. Speaker, the House will soon consider legislation to resume the shipment of arms to Turkey.

In view of the importance of this matter, I would like to call the attention of all Members to a letter written by Mr. George Christopher, former mayor of San Francisco. In addition, I would like to insert in the extention of remarks copies of two newspaper editorials that deal with this situation.

The text of the material follows:

CYPRUS RELIEF FUND OF AMERICA, INC.,
New York, N.Y., July 18, 1975.

DEAR CONGRESSMAN: **The writer is the** former Mayor of San Francisco and presently serves as National Chairman of the Greek Orthodox Archdiocese Cyprus Relief Fund, representing 3,000,000 American Citizens of Greek origin.

We respectfully ask that you vote against any resumption of arms to Turkey—by sales or otherwise—until that country removes its invasion forces from Cyprus and allows the 200,000 refugees to return to their homes. America must not become a partner in this continued aggression.

Enclosed are editorials from the St. Petersburg Times and the New York Post which are a sampling of opinion throughout the country and tell the story well. In the interest of the rule of law, America's international integrity and justice, please vote against Kissinger's so-called "compromise" bill—and against all shipments of arms to Turkey until it honors international laws and our laws and bilateral agreements with the United States.

Thanking you, I am
Very truly yours,
GEORGE CHRISTOPHER,
National Chairman, Greek Orthodox Archdiocese, Cyprus Relief Fund.

Enclosures.

[From the New York Post, July 11, 1975]

FRENZY OVER TURKEY

To each Administration its own obsession, but what is there in Henry Kissinger's and Gerald Ford's deep dark pasts—otherwise so dissimilar—that gives them this "thing" about Turkey?

It's as if the sun rose and set on the necessity of restoring the flow of American armaments to that not notably kindly country. Worse, as if the sun should not be *allowed* to set until a foolish, feckless U.S. Congress reverses the cut-off of arms it instituted during last year's primitive Turkish "solution" to the Cyprus problem.

Lyndon Johnson in his prime never twisted so many elbows at one sitting as President Ford did when he had 140 members of the House in to breakfast the other day—while Mr. Kissinger was separately cozening 100 others. (The vote of Dec. 11 they are seeking to be upset was a whopping 297 to 98.) It is the Secretary of State's apparent if unspoken thesis—or blackmail, to use a plainer word for it—that peace for the Middle East can only be bought at the price of hold-your-nose-and-vote-for-palship with our poppy-growing ally at the far end of the Mediterranean.

On the table now is a "compromise," lifting the arms embargo while reaffirming friendly U.S. relations with both Greece and Turkey and requiring bimonthly White House progress reports on an equitable settlement for Cyprus. Will it wash? Not according to Rep. John Brademas (D-Ind.), who believes he speaks for his 3 million fellow Greek-Americans—and many other citizens—in calling the deal "fraudulent."

Brademas has perhaps special personal provocation. He was not invited to the President's breakfast. While enemies lists may be things of the past, heavy-handedness isn't. The tilt toward Turkey is becoming an absurd spectacle.

[From the St. Petersburg Times, July 12, 1975]

FAULTY COMPROMISE

The trouble with the compromise proposal that President Ford now accepts to allow renewed shipments of United States arms to Turkey is that what appears to be most compromised is U.S. integrity.

Congress closed the weapons pipeline to Turkey last year after the Turks violated their obligation not to use offensively against allies arms intended solely for defense. Turkey attacked Greek troops—NATO allies—in the Turkish invasion of Cyprus.

Although almost no progress has been made on the Cyprus conflict, Mr. Ford first urged an unconditional lifting of the arms ban. Congress balked. This week, he agreed to a plan drafted by key lawmakers that would let $78-million worth of arms already paid for by Turkey be released, that would free Turkey to buy more American military goods but not be eligible for grants of military aid, and would require the President to report to Congress every 60 days on arms sales to Turkey and on progress toward a Cyprus settlement.

That would fulfill this country's obligations to Turkey, the plan's backers say. But it wouldn't require Turkey to fulfill its obligations to obey the law under which it received the arms. It wouldn't fulfill U.S. obligations to enforce its own laws. It wouldn't fulfill U.S. obligations to other allies that they can count on Washington not to tolerate abuses of U.S.-supplied weapons.

Administration officials argue that a continued arms ban will create new tension and unrest in that part of the Mediterranean, and that the U.S. needs its intelligence-gathering bases near the Soviet border in Turkey.

But Turkey created tension and unrest in the Mediterranean by violating the arms agreement and invading Cyprus. Spy satellites can assume much of the intelligence gathering that is necessary, should Turkey expel U.S. forces. That, however, is questionable; it seems clear Turkey needs this country as much as the U.S. needs Turkey.

The House International Relations Committee voted 16 to 11 yesterday to release arms already arranged by Turkey, but to continue the ban on new aid at least for several months. Congress might approve the arms compromise in the next few weeks. But to do so will tell the world that our own laws don't mean much to us, that anyone buying arms from us can use them as they wish, and that when pressed on even important principles, we are willing to compromise.

PETER BENT BRIGHAM HOSPITAL SAYS ADMINISTRATION OF KIDNEY DISEASE MEDICARE PROGRAM MUST BE IMPROVED

HON. CHARLES A. VANIK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, July 21, 1975

Mr. VANIK. Mr. Speaker, on June 24, the Oversight Subcommittee of House Ways and Means Committee held the first in a number of hearings into the administration of section 299I of the Public Law 92-603, the end-stage renal disease benefits program. The subcommittee is concerned about the increasing cost of this program—soon to be a billion dollars per year—as well as the failure of this provision to provide truly catastrophic health care coverage.

In an effort to obtain advice from hospitals and clinics which are involved in kidney transplants and renal dialysis, in early June, I sent a survey to some 700 kidney disease treatment facilities. The answers to that survey—which are available to interested parties in the subcommittee's offices—reveal deep concern about the administration of this program by the Social Security Administration.

Among the most extensive comments which the subcommittee received was a letter from the world-famous Peter Bent Brigham Hospital in Boston, a teaching hospital of the Harvard Medical School. I was particularly pleased to receive the benefit of the expert knowledge of this facility, since the hospital has had the lengthiest experience of any hospital in the world in the treatment of end-stage renal disease. The world's first successful dialysis treatment was performed at the hospital in 1949. The hospital also undertook the world's first kidney transplant between identical twins and the first transplant between unrelated individuals.

Basically, the kidney disease treatment staff at the hospital feel that the "Bureau of Health Insurance has simply not been up to the task of effectively administering this somewhat awkward law. I would suggest, therefore, that our unhappy experience with this program be seriously considered before embarking on the 10,000-fold larger program of National Health Insurance." Benjamin C. Locke, technical and administrative director, renal division, department of medicine.

Following are some of the hospital's responses to my questionnaire. First, despite the many problems involved in the kidney program, the mortality from this disease has shown a dramatic decline:

Question: Approximately what is the mortality rate percentage from this disease among your patients?

a. All kidney diseases 4.8 percent in 1974.

b. ESRD on dialysis 8 percent first year, 6 percent thereafter.

c. ESRD on transplantation:

1. Living related donor transplant, first year, 5 percent.

2. Cadaver donor transplant, first year, 20 percent.

3. After the first year, the combined mortality of transplant patients is about 3-5 percent per year.

Approximately what was the mortality rate five years ago?

a. All kidney diseases data not available.*

b. ESRD on dialysis 15 percent first year, 10 percent thereafter.

c. ESRD on transplantation:

1. Between 1968-1973, living related transplant first year mortality was about 10 percent and each subsequent year was about 6 percent.

2. Between 1968 and 1973, cadaver transplant first-year mortality was about 28 percent, and for each subsequent year was about 8 percent.

Mr. Speaker, we should remember that despite the 299I program not all of our citizens are covered by the social security program:

Question: Why do some people with end-stage renal disease not receive assistance under the program?

a. Medical reasons only if not suitable because of co-existing diseases (e.g. certain terminal cancers).

b. Gaps in coverage under Medicare?

Most Federal, State and Municipal employees, many of the self-employed and unemployed are not eligible.

Also, certain medical supplies and pharmaceuticals, which are necessary for dialysis, as well as the 20% co-insurance requirement for home and center dialysis costs, physicians fees and all other Part B costs, can add up to a considerable expense to the patient. Immunosuppressive drugs used regularly by transplant patients to prevent rejection are particularly expensive.

In addition, there are limitations on when dialysis coverage begins for a patient and there is a termination date for coverage of transplant patients. Neither limitation has any medical basis and in fact both can create enormous hardships on the patient:

The three month waiting period is the most difficult and inequitable way of rendering acute renal failure patients ineligible for benefits. It is not difficult, medically, to separate chronic, or end-stage, renal failure patients from the acute patients, or to specify adequate norms, standards, and criteria for effective peer review of such diagnostic classifications.

There is really no valid or even optional cut-off point. All transplant recipients need to be monitored and/or treated for life. Even identical twin transplanted kidneys have been lost (due to recurrence of the original disease). At 2 years after transplantation, costs (which are still considerable) may begin to approximate those of any other chronic disease, but should rejection occur or dialysis be necessary, costs would immediately become catastrophic again.

There should at least be no second three-month pre-eligibility waiting period after the one year post-transplant limit has occurred, and it would be much better if the one year limit were eliminated also.

The Hospital's experts were particularly critical of local and national administration of the program:

Question: Are local medical providers and local Social Security offices adequately aware of the program?

Tremendous ignorance exists at the local Bureau of Health Insurance and local intermediaries and carriers, and little timely support from Baltimore seems available to them.

Question: From the beneficiary's point of view, what is the single most important step the Congress could take to improve the End-stage Renal Disease Program?

Ease the red tape, and end the 'pre-and post-' eligibility limits. These limits cause incredible amounts of paperwork, and necessitate extraordinarily cumbersome bookkeeping methods. The problems created by a kidney for transportation becoming available during the preeligibility period are particularly horrendous. In addition, the 20% co-insurance requirements of Medicare Part B cause unnecessary hardship to home and center dialysis patients, and tremendously complicate the preparations for transplantation. In fact, the 20% co-insurance requirement for home dialysis costs may well discourage significant numbers of patients from opting for this more difficult but far less expensive (overall) mode of therapy.

In addition, Medicare has implemented a reimbursement classification scheme which is almost totally at variance with that used by Blue Cross/Blue Shield, Medicaid, and commercial insurers, making coordination of benefits and co-insurance assistance profoundly difficult, resulting in considerable delays by these payors, and an extraordinary administrative effort on our part to educate these third parties. SSA should provide support for such training of other third parties, if they are going to take so radically different attack."

Question: What is the most important step the Congress could take to hold down costs in the program?

Much paperwork could be eliminated through effective peer review and post-audit mechanisms. That is, instead of trying to control costs through complex reimbursement regulations, costs could be controlled much more cheaply through effective peer review of the necessity and adequacy of services, and through thorough post-audits of costs.

Mr. Speaker, the comments which the subcommittee received from Peter Bent Brigham Hospital were repeated by facilities throughout the Nation. It is obvious that the end stage rental disease program is facing a number of serious problems. The Oversight Subcommittee intends to continue to examine this issue until there is an improvement in what will soon be a billion dollar a year program.

FORD VETO HANGS OVER NURSE BILL

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, July 21, 1975

Mr. DINGELL. Mr. Speaker, pursuant to permission previously granted I submit the following article as it appeared in the State Journal, Tuesday, July 8, 1975:

[From the State Journal, July 8, 1975]

FORD VETO HANGS OVER NURSE BILL

Local and state nurses groups say Michigan stands to lose about $4.6 million in federal revenue, if the federal Nurse Training Act is vetoed.

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*Among the general public during the period 1950 to 1969, mortality for most kidney diseases has gone from 16.6 to 3.9 deaths per 100,000 population (age adjusted), or down 76.5 percent (according to the National Center for Health Statistics), due presumably to the artificial kidney machine and transplantation.

President Ford last December vetoed similar legislation, and nurses organizations are worried he will do the same with the latest bill, which is now awaiting final Congressional action.

Shortages of professional nurses in hospitals, nursing homes and other health agencies exist now in Michigan, and the loss of federal funding would aggravate the situation, the Capitol District Nurses Association said.

Michigan now ranks in the lower 40 per cent of all states in the number of registered nurses (RNs) to population. The most recent statistics available to show Michigan has 277 RNs per 100,000 population compared to the national average of 313 per 100,000 population.

The Nurse Training Act would provide grants, loans and scholarships for students, and fellowships and trainee programs.

THE REALITIES OF THE GASOLINE PRICE INCREASES

HON. JAMES R. JONES

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 21, 1975

Mr. JONES of Oklahoma. Mr. Speaker, during the July 4 recess, I was back in Oklahoma with my constituents. It was during this time that the price of gasoline increased 3 cents per gallon. I share the concern of my constituents, and my colleagues over the amount and the timing of these increases.

However the knee-jerk reactions of many individuals blur the realities resulting from a more indepth analysis.

I believe the blame for the amount and the timing can be laid to rest at the doorstep of the Federal Government.

The first reason is the $2 per barrel tariff on imported oil that the President has put in place. This tariff has not only affected the price of imported oil, but it has also increased the market price of new domestic oil by $2 per barrel.

The second reason is the Federal Energy Administration. The regulations imposed by FEA, not to mention the paperwork burden and the redtape, have grievously affected competition and pricing. I would like to call to the attention of my colleagues the July 15 lead editorial of the Wall Street Journal, which shatters the myth of a great gasoline conspiracy:

[From The Wall Street Journal, July 15, 1975]

THE GREAT GASOLINE CONSPIRACY

The sudden sharp rise in the demand for gasoline, plus the decline in gasoline stocks, plus the almost simultaneous announcement of gasoline price boosts by most refiners on July 1—all this adds up, in the minds of some Washington politicos, to a great gasoline conspiracy. Senator Henry Jackson, who wants to be President, and Senator Adlai Stevenson, who wants to be President, have announced Senate subcommittee investigations to find out what's going on.

Before they've heard the first witness, though, both gentlemen have announced their findings. Senator Jackson says, "Clearly the oil companies have manufactured a shortage." Senator Stevenson says this is "a classic study in the power of the major oil companies to reverse the normal rules of supply and demand." The prejudgments are a pity, for if the Senators could blot them out of their minds, their hearings would surely prove illuminating and educational.

Take the first question: Why were the price boosts simultaneous? Because under FEA regulations companies can increase prices to pass through costs, but "non-product" costs may be recovered only in the month following the one in which they are incurred. Unlike the cost of crude oil, they cannot be "banked" for recovery in future months when market conditions may be more favorable. In fact recently the companies have been having trouble making price increases stick, so if they are to have any chance to recover non-product costs they have to start as soon as possible. They need no collusion to arrive at the first of the month as the date to post increases. In short, the answer to question one is: The FEA.

On to question two: Why have gasoline stocks dropped so suddenly? Well, the FEA has an obscure rule that requires an oil company to charge everyone in a "class" of customers the same price regardless of geographical location. Before formation of the FEA, a company short on gasoline in California would call other companies and try to buy some, or perhaps swap some for fuel oil. For the right price, a company long in gasoline would sell some to the company that was short.

This no longer happens, because if the second company sold California gasoline at a premium price, it would have to raise its price to similar customers nation-wide. This would mean a loss of market share in other areas, and the premium sale is not worthwhile. So the telephone calls have stopped. It was in these calls, when someone started to find that no one else was long on gasoline, that oil men got the first warning of an impending shortage. Without the calls, the shortage can come as a surprise. So to question two, the answer is: The FEA.

On to question three: Why aren't the nation's refiners, who are operating at less than 90% of capacity, importing more crude oil to make more gasoline? Well, imported crude costs $13, and the FEA will not allow refiners to pass along this cost until the next month. If the refiner is making gasoline from a mix of $5.25 price-controlled oil and $13 imported oil, more imported oil will push up unit costs without any immediate increase in the selling price. Perhaps it would be able to "recover" these costs by higher prices later, but then again maybe not. So the answer to question three is: The FEA.

Now, to give credit where it's due, the FEA runs around frantically writing new regulations trying to undo the damage its past regulations have done. Last week, for example, FEA head Frank Zarb was talking about allowing geographical differentials. But by now, we should be learning that the next regulation will only do something else, that the oil industry cannot be run from Washington without benefit of price signals. That the way to have the oil industry produce gasoline most efficiently, which is to say at the lowest price, is for the government to get out of its way.

Senators Jackson and Stevenson will find, if they conduct fair and honest hearings, that the spot gasoline shortages the nation now faces result not from conspiracy, but from the very controls they and their congressional colleagues created. Once they make this discovery, there no doubt will be public apologies all around to the oil companies and no further attempt to extend controls past the August 31 expiration date. The great gasoline conspiracy was unwittingly concocted on Capitol Hill.

AN ASSESSMENT OF OUR PETROLEUM SITUATION

HON. BILL ARCHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 21, 1975

Mr. ARCHER. Mr. Speaker, I recently read an article in the Philadelphia Inquirer which I thought was one of the best I have read on our petroleum situation. My colleagues in Congress, I believe, should read it carefully.

The article follows:

JACKSON'S OIL PROFITS PITCH

(By John D. Lofton, Jr.)

WASHINGTON.—From time to time over the past several months, I have received a packet of news clips from Sen Henry Jackson's office detailing the progress of his Presidential campaign. The material usually includes such things as polls showing how he is rapidly gaining ground on Milton Shapp; or surveys indicating that the percentage of his fellow Democrats who would like to see him in the White House now almost outnumbers those who would prefer "all others."

But the other day, I received a letter directly from Sen. Jackson himself. And since he asks for my "personal views about some tough current issues," I am more than happy to oblige.

What I would really like to see you do, Scoop, since you are an expert in the field of energy, is talk some sense to the American people and quit grandstanding on the subject of oil company profits.

I notice in your fund-raising appeal to me you denounce the blackmail of foreign oil, saying, however: "I will not stand for our nation being bled while oil companies grow rich beyond belief."

Now the fact is that the oil companies are not doing all that great profit-wise. The Chase Manhattan Bank's "Petroleum Situation" report notes that the profits of a representative group of oil companies declined an average of 38 percent in the first quarter of this year, compared to the year-earlier period. For example, Gulf's profits are down 32.8 percent; Standard of Indiana declined 33.2 percent; and Texaco dropped 66 percent.

"The combined profits of the group of companies in the first quarter amounted to $2.7 billion—$1.6 billion less than the same period last year," the Chase Bank's report says. "Since the group's ability to invest was reduced by the loss of the depletion allowance as well as by the decline in profits, the impact is particularly severe."

Because of the capital intensive nature of the oil industry and the worldwide scope of its operations, the report continues, its capital and other essential financial needs are enormous. Furthermore, they are rapidly becoming larger because of the world's growing petroleum requirements and also as a result of continuing inflation. "A decline in profits," says Chase, "is a very serious matter."

Indeed it is, senator, and you know this.

It is ironic that unless we have larger oil company profits—which you deplore—to produce more petroleum domestically, we are going to be even more vulnerable to that foreign oil blackmail, which you also attack.

The only way to reduce the 37 percent of our oil and petroleum products which we now import from those extortionists you so rightly criticize is to encourage our oil companies to amass the capital they need to sharply increase production.

If you feel it would simply be too damaging politically for you to level with the American people about the real way to solve our energy problems, Scoop, then so be it. But could you at least stop saying all those things that aren't so?

Sorry to be so blunt, but this subject is one of those "tough current issues" you asked for a comment on. I'd just like to see you face up to it.

THE SS "CATALINA," A SPECIAL SHIP FOR A SPECIAL TRIP

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 21, 1975

Mr. ANDERSON of California. Mr. Speaker, there are a few places in our country whose names conjure up an image of sunshine and happy times. Say the word "Catalina" and you can be transported to a "Magic Isle."

If you are lucky enough to go in reality, not just in your imagination, you can go on the SS *Catalina*. And getting there is at least half the fun.

Santa Catalina, San Clemente, and San Nicolas islands off the coast of Los Angeles County were called "Mountain Ranges that are in the Sea" by the ancient, peaceful Indians who lived there so long ago. The sea otters and black seals that were once plentiful lured many early hunters to the islands. San Clemente and San Nicolas are now military property, and Santa Catalina is the only one which has been developed into a vacation and recreation area. The islands remained sparsely settled until 1919 when William Wrigley, Jr., bought Santa Catalina Island with plans to develop it into a vacation and recreation area.

In order to implement his plans, Mr. Wrigley bought the *Virginia* in Boston and had it brought through the new Panama Canal to the West coast, and began service as business boomed on the "Magic Isle." Soon the need for a new ship became evident. Mr. Wrigley commissioned the building of a boat especially for service between San Pedro and Avalon Bay.

And so the S.S. *Catalina*, was created. A very special ship was designed by Bruce Newby, and built by the Los Angeles Shipbuilding and Drydock Co. in Wilmington. She was pure white from her waterline to the bridge, except for the guards which presented a fine black stripe almost her full length. The two tall, graceful masts and the huge funnel were a smart buff with black trim, and there was a large melodious steam whistle of gleaming brass that emitted an endearing tone, along with clouds of billowing steam. The latest in navigating equipment was included, along with a powerful wireless radio transmitter and receiver. The passenger accommodadations were particularly spacious and included a lunch counter with a completely equipped galley and a ballroom with a live orchestra. The middle deck was the parlor, called the "Saloon Deck," although it was the time of prohibition, and it contained luxurious leather upholstered settees and chairs. On the Promenade Deck was a deluxe stateroom fitted out for Wrigley's exclusive use when he traveled to and from his impressive Mt. Ada mansion overlooking Avalon.

The outward appearance of the ship was just as impressive and unusual as the interior. Originally designed to carry 1,950 passengers and a crew of 71 on her three passenger decks, the *Catalina* is over 301 feet long and 52 feet wide. To carry her across the 26 miles of ocean between San Pedro Bay and Avalon Bay, she was equipped with two massive steam engines, the steam provided by four oil-fueled boilers. The huge steel rudder was turned by a steam engine controlled by the helmsman. It was a majestic sight to see her pull away from the dock and head out into the open sea.

The SS *Catalina* made her first voyage on June 30, 1924, with 600 guests and officials enjoying the music of the orchestra on board while receiving the salutes of all the ships in the harbor. She was called the "Million Dollar Ferryship to Fairyland."

In those days, travelers from southern California, and indeed, the whole country, flocked to Catalina for weekends and vacations. The historical "Red Car Line" provided quick access to the new Catalina Terminal in Wilmington. In 1929, Wrigley built the famous circular Casino in Avalon, adding another attraction to the already fabulous island.

The depression had its effect on the numbers of people who were to travel across the sea to Santa Catalina. But the lure was great, and the price was small, and so, with the first easing of the slump, traffic again increased and the island remained a favorite tourist attraction. The SS *Catalina* sailed proudly with a full complement of passengers.

The shock of events on December 7, 1941, had an immediate impact on the ships that sailed out of San Pedro Bay. It was considered too great a risk to allow tourists to continue across the channel, where there was a constant danger of enemy action. Furthermore, the island of Catalina was closed to the public and became a training area during the war. With a great need for ships in the San Francisco Bay, which was the major West coast staging area, the *Catalina* was requisitioned by the War Department and innumerable troops sailed on her decks while being ferried between docks and ships on their way to the war zone. Painted a standard gray, and stripped of her luxurious furnishings, the proud ship served her country well in its years of war.

The veteran ship was welcomed back to southern California in 1946, where she was fully restored to her gleaming white and buff glory. Once again, she traveled the blue Pacific with her happy load. However, things had changed. Tourists now found other places to go, and other ways to travel. What were boom years for the airlines became "bust" years for the water transportation business. The fabulous SS *Catalina* was sold to another operator and sailed only in the summer months. There are many loyal travelers who continue to sail the channel on the *Catalina* each summer, but the number of passengers who answer her welcoming whistle and board her bright white decks has severely declined from the exciting days of the twenties and thirties.

The future always brings change, and the SS *Catalina* may enter a new era of grandeur for the historians and steamship buffs who travel from all over the world to experience the thrill of sailing to the "Magic Isle" on the proud old lady, *Catalina*.

GRADUAL DECONTROL BEST ENERGY POLICY

HON. WILLIS D. GRADISON, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, July 21, 1975

Mr. GRADISON. Mr. Speaker, in the continuing debate over national energy policy, a considerable controversy has arisen over the potential effect of decontrol of oil prices. I believe the current price control system has seriously disrupted the oil industry by promoting imports and discouraging development of domestic sources. A review of the basic facts of this issue will show the effects of price controls.

The detrimental impact of this system is clear. From a high of 9.6 million barrels per day in May 1972, domestic production has declined to 8.5 million barrels. As a result, crude oil imports have nearly doubled from 2.16 million barrels per day to 4.06 million barrels per day.

Finally, domestic demand for oil, which has been reduced during the oil embargo and immediately after, has begun to rise again to over 17 million barrels per day. Therefore, we are faced with decreasing domestic supplies and increasing reliance on foreign sources as a result of the pricing system.

Under the current controls, "old" oil which comes from properties producing at or below 1972 levels, is fixed at $5.25. New domestic oil and imported oil are not regulated and sell for more than twice the price of old oil.

Phased decontrol of old oil would reconcile the price disparity by releasing a portion of the old oil from controls every month, until all old oil is decontrolled. This decontrol plan must be coupled with a windfall profits tax to prevent excessive profits by producers. Adding a tax credit provision for plowing back these profits into exploration and production will provide a powerful incentive to producers to increase our domestic supplies of oil. The Federal Energy Administration has estimated that domestic oil production will be increased by 1.4 million barrels per day due to the incentives provided by decontrol.

If we are serious as a nation about developing our energy sources and avoiding undue reliance upon foreign supplies, decontrol of old oil is an urgently needed action.

Gradual decontrol over a period of time minimize the immediate impact. Indeed, recent studies have concluded that the increase will be considerably less than previously projected. My colleague, Clarence Brown of Ohio, has calculated that in a 4-year decontrol plan the per gallon increase for gasoline will be 6.7 or 1.7 cent per year. The FEA has estimated that the President's 30-month decontrol plan will result in a 1 cent per gallon increase this year with a total increase of 7 cents.

The reason for this small incremental increase is the mix of old oil with new domestic and imported oil. Old oil constitutes only 36 percent of the total consumed last year. Thus releasing old oil from controls actually increases the price of a little over a third of our crude oil demand.

While phased decontrol will reduce the immediate impact of higher oil prices, its primary effect will be to assure an adequate domestic supply of oil. Continuation of price controls and allocation schemes will only legislate shortages and do nothing to decrease dependence on foreign oil.

Indeed, any rollback of new oil prices fails to recognize the actual costs of producing a barrel of new oil. Economist Robert Nathan has calculated the cost of producing a barrel of new oil in 1974 to be $12.73, which even exceeds the market price of domestic new oil, currently around $12.60.

Decontrol will allow producers to make the substantial capital investment necessary to develop our domestic reserves. Developing American sources will ultimately reduce OPEC's ability to dictate the market price of oil.

I believe it is time for the Congress to take a positive step to promote the development of our energy resources, rather than continue indefinite price controls which do nothing to solve the energy crisis, but merely cover it up.

THE GREAT GRAIN ROBBERY II

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 21, 1975

Mr. ROSENTHAL. Mr. Speaker, first there was "Godfather II," then "French Connection II"—now the biggest ripoff spectacular of them all is in the making: The Great Grain Robbery II.

This weighty spectacular is being produced by the same folks who brought us the 1972 disaster epic, the U.S. Department of Agriculture and the international grain dealers.

If we are to avoid witnessing another round of excessive inflation and enormous increases in U.S. food prices, the administration must immediately clamp a ceiling on the amount of wheat and other U.S. grains to be sold to the Soviet Union this year.

Since rumors began in early July that the Soviets were in the market for U.S. wheat, the price of that grain alone has gone up nearly 25 percent. It's only a matter of time before this will be reflected in the price of retail bread, milk, meat, and nearly every other food we eat.

Agriculture Secretary Earl Butz, who tragically underestimated the impact of the 1972 Soviet grain deal, now says the 1975 grain sales will have a negligible impact on U.S. food prices. All the evidence, however, shows he is wrong again.

Between July 1 and 16, prices of major commodities on the Kansas City grain market have all posted big increases as a result of rumors and uncertainty over the magnitude of Soviet and other foreign purchsaes. In addition to wheat, flour is up 16.1 percent, soy beans up 14.4 percent, soybean meal up 7.3 percent, soybean oil 19.4 percent, corn 8 percent, milo 7.6 percent, and sugar, which had just begun coming down, was up 21.2 percent.

It the administration establishes a ceiling on foreign grain sales, it will discourage the kind of speculation that causes soaring prices and inflation. American consumers are choking on the Butz brand of détente. They are tired of subsidizing bread on Soviet tables while seeing their own grocery bills soar as a result.

The Soviets already have bought about 3.5 million tons of U.S. wheat costing about half a billion dollars. They are expected to buy about 15 million tons of grain, and probably much more, on international markets this year, most of it from the United States. And they are not the only one. India is expected to buy 6 million metric tons of wheat abroad this year. Japan and our other regular customers also will be buying.

The danger lies in the fact that the United States crop is not in yet, and we do not really know how much we will have available for foreign sales. We had better know what we are doing before we empty the pantry. Bad weather or other unexpected events could drastically cut the size of the crop and send domestic prices soaring to unheard of levels. This is a classic case of counting chickens before they are hatched, or counting grain before it is harvested.

Making matters worse is the fact that the present U.S. stock of wheat is only 8 million tons, which is considerably lower than at the beginning of 1972. World inventories of wheat and other grains are at their lowest levels in years.

The United States needs a strategic grain reserve, but these sales will give us a zero inventory. Any kind of sizable crop shortage due to bad weather, insect infestation, or disease would bring us face to face with disaster.

In 1972 the Soviets purchased 19 million tons of U.S. grains. This caused dramatic increases in all domestic food prices, the impact of which is still being felt. Wheat went from $1.62 a bushel in early 1972 to $5.08 on November 4, 1974. It was down to nearly $3 at the beginning of this month when the news of the new Soviet purchase started it climbing again. It was over $3.80 by July 16, 1975.

STRATEGIC ISLAND OF GUAM

HON. JOHN J. RHODES

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 21, 1975

Mr. RHODES. Mr. Speaker, on the global map of the world, the island of Guam appears as a tiny dot in the South Pacific. For the people of the United States it is an outpost of freedom and evokes memories of the great conflict that raged across this broad ocean during World War II.

As the largest of the Marianas, located 5,000 miles from our shores, Guam has had a colorful history. It has flourished during the 25 years it has been a territory of the United States, and its native population of Chamorros became American citizens.

Discovered by Magellan in 1521, it has seen colonization originally by the Spanish. It was ceded to the United States in 1898, and finally became a territory on August 1, 1950. It had been seized in 1941 by the Japanese, and liberated in 1944 by U.S. forces. Today it is a strategic military base for the Navy and Air Force.

Guam is more than a strategic island. It is an example of a republic at work. In 1970 the people there began electing their own Governor. He had previously been appointed. In 1972 Guam elected a Representative to the U.S. Congress, our colleague ANTONIO B. WON PAT. Under self-rule, Guam is making rapid progress in education and economically.

It is with great pleasure that I join my colleagues in the House in saluting Guam on its quarter of a century as a part of the United States—a partner in progress and self-determination.

ZARB SPEAKS ON NUCLEAR ENERGY

HON. FRANK HORTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 21, 1975

Mr. HORTON. Mr. Speaker, I wish to bring to the attention of my colleagues an excellent address delivered by Frank Zarb, Administrator of the Federal Energy Administration, before the Commonwealth Club of California on July 11.

Mr. Zarb's statement concerning our present energy dilemma is, in my view, "must" reading for everyone responsible for doing something to help solve the problem.

Mr. Zarb very orderly lists the contradictory suggestions he receives as solutions to our energy problem, depending on who makes them. Mr. Zarb makes the plea for a balanced approach between our energy and environmental needs and for going ahead and exercising the limited realistic choices we have to get control of the energy problem.

The failure to recognize our limited choices and the failure to make the decision to make maximum use of them is confusing the public. The recent report to Congress by the Administrator of ERDA on a plan for energy development I am convinced is adding to the confusion Nearly everything that has a modicum of a potential as an energy source is recommended as an objective. This cannot be true. To solve any real problem,

choices must be made and priorities set. We have a real problem and time and resources are limited.

I also highly commend Mr. Zarb's statement to my colleagues for the excellent review he presents concerning the long period of effort this nation has carried out to put us in a position of having a nuclear option.

Mr. Zarb's address follows:

Nuclear Power—A Time for Decision

Thank you for inviting me to speak to you today.

Not long ago I gave a speech before the National Coal Association in which I argued for a balanced approach to energy decisions. After describing the truly staggering economic impact of continued dependence on imported oil, I related a succession of personal experiences that illustrated the problem of achieving that approach.

First, I have been told by some people that we should avoid accelerated development of the Outer Continental Shelf, and instead rely on coal, the Naval Petroleum Reserves and Nuclear Energy.

Then, during a congressional hearing I was told that we should avoid accelerated coal development, and instead rely on the Outer Continental Shelf.

And then I was told by other members of Congress that we should avoid developing the Naval Petroleum Reserves now, and instead rely on nuclear energy, the Outer Continental Shelf and coal.

This explains why it is so hard to put together a balanced energy program that provides enough energy to reduce our dependence on imported oil. Everybody tends to approach the problem from his own viewpoint.

Industry people become locked into the belief that their industry alone can assure the Nation's energy salvation. People with sincere environmental concerns get locked into a stance in opposition to development of a particular resource, be it coal, nuclear power, or offshore oil, because of concern that insufficient measures will be taken to safeguard public health and the environment.

The answer has got to be balance: between our energy and our environmental needs; between efforts to conserve energy and efforts to develop new supplies; and, finally, between the various, abundant sources that the Nation has at its disposal.

The United States possesses extensive resources of fossil fuels—oil, natural gas and coal—and each must contribute to our energy needs in the years and decades ahead.

When our proved and potential reserves of crude oil and natural gas are added together, estimates compiled recently by the U.S. Geological Survey for FEA indicate that we have from 35 to 50 years' supply of gas and from 19 to 32 years' supply of oil—at current consumption rates.

We must provide adequate incentives to maintain and hopefully to increase domestic production. At the same time, increasingly, we must turn to coal and nuclear power, the fuels we have in most abundance.

Estimates by the U.S. Bureau of Mines indicate that we have 434 billion tons of coal—enough to maintain current coal production for well over 700 years. And, even if we achieve our aim of doubling coal production by 1985, we would still have more than 350 years' supply.

But, although we can use more coal for many purposes, it alone can't fill our needs.

Fortunately, our energy resources of uranium are largely untapped, so we have yet another major energy source to help fill future demand. In fact, assuming successful implementation of breeder reactors, these reserves are at least ten times as great as the energy available from coal.

Tapping these resources—both coal and uranium—requires that we solve the many problems that are now hampering their use.

This afternoon, I would like to focus on one of those two resources—nuclear power. Nuclear power can be and should be one of the major keystones of our energy supply strategy in the years to come. At the same time, it must be one of our safest and cleanest sources of energy.

The debate between advocates and opponents of increased development of nuclear power appears, in some respects, to be even more emotional, even more heated, than debates on other energy sources, such as coal and offshore oil. Perhaps this is because the potential hazard in the case of nuclear power—namely, radiation—is newer to us and less tangible than the hazards of air and water pollution from coal and oil.

Certainly it's true that, for more than a quarter of a century, nuclear energy has been most closely associated in the public mind with two devastating bomb blasts that brought World War II to an end and opened the door to the so-called nuclear age. And it's true that, in the years of atmospheric testing and political uncertainty that followed, the nuclear age, for most people, meant, simply, the threat of nuclear war. So, from the outset nuclear energy has been laden with popular emotion.

But we can't base our energy policy on emotion—we must base it on hard facts. And these are the facts:

One—the risk-to-benefit ratio of nuclear power in regard to public health is favorable, and like other forms of advanced technology will be publicly viewed as such, as we go forward with its development.

Two—there is *no* way we can continue to provide the electricity needed by our Nation in the coming years without the responsible expansion of our nuclear resources; and

Three—electricity from nuclear power is a bargain compared to other sources of electricity, even with *all* costs included, such as insurance and *safe* disposal of radioactive waste.

Today—in the second year of the energy crisis—the second year of buying foreign oil at an annual rate of more than 25 billion dollars—it is high time to set aside emotion and examine rationally these and the other facts of energy life. Based on those facts, in regard to nuclear power, we should determine to get on with the job of utilizing this vital, clean and abundant energy resource.

In short, it's time for reasonable and competent people to work out any remaining questions in the development of nuclear power and get on with its productive use.

Now, some people argue that the question of nuclear power is beyond the comprehension of the average citizen—that we should leave consideration of it to the scientists who understand and deal with its technicalities. Yet these same people then seem to want only a minority of scientists to be heard. This is the argument of many proponents of nuclear delay.

These proposals would halt construction of new nuclear plants while various committees of scientists and other experts study and debate and draft reports for another two to five years, and then, presumably, educate the rest of us so that we could then make a responsible decision.

This approach ignores two basic facts. *First*, that we already have *behind us* 20 years of successful experience, demonstrating that civilian nuclear power is safe, clean, and represents an important and vital dimension of this nation's energy future.

And, *second*, we have *in place today* one of the most comprehensive sets of laws and regulations to assure that nuclear power continues to be one of our safest, cleanest and most reliable sources of energy; and the recent separation of the regulatory and developmental functions of the Atomic Energy Commission and establishment of the independent Nuclear Regulatory Commission should asure continued and effective enforcement of these laws and regulations.

I think a judgment on these matters *is* within the understanding of the average citizen, and further that it can be made now—without waiting 2 to 5 more years. A decision to *stop* further development—to go through more studies, debates and reports—is a decision to ignore these facts, to turn the clock back two decades, and to start all over again where we were 20 years ago.

In my opinion, the U.S. Govrenment's program to develop nuclear power has been one of the greatest technological achievements ever fostered by the American system—under both Democratic and Republican Administrations. Some of the milestones are worth considering:

The Truman Administration's basic decision in 1945 placed development of atomic energy under civilian control with a charter to make its benefits available for peaceful use.

The Eisenhower Administration's policies led to the succesful construction of the world's first commercial nuclear plant at Shippingport, sponsored jointly by the Federal Government and private industry.

The Kennedy and Johnson Administrations' policies helped to develop, in cooperation with industry, more advanced reactor concepts. As you know this has been continued by succeeding Administrations.

And most recently, the Ford Administration's decisions can be cited: to set a goal of at least 200 nuclear power plants on line by 1985; to encourage the production of enriched uranium by private industry, and to endorse recommendations made by the President's Labor-Management Committee aimed at accelerating the construction of both coal and nuclear power plants, encouraging research and development to improve the reliability and availability of plants.

During all of this 30-year period, the laws regulating the use of civilian nuclear power have been continually strengthened and improved—by both the executive and legislative branches of government—so that we now have one of the safest and most thoroughly regulated technologies ever. And we are continuing to improve it.

Let's look for a minute at the question of nuclear plant safety and try to put it in perspective. Despite the tremendous amount of adverse publicity given to hypothesized accidents and their potential consequences for the health and safety of the public, the safety of the nuclear power industry is without parallel.

No radiation injury or death has resulted from the operation of any licensed U.S. nuclear power plant.

The unprecedented safety record of the nuclear industry—covering many types and designs of nuclear facilities dispersed among many organizations throughout America—was not achieved by chance.

From the start, we recognized and faced up to the high level of standards for working with nuclear power. As a result, the nuclear industry is one of the safest in the world to be employed in.

Achievement of this safety record depended on formal and rigorous regulatory and public surveillance programs that are without parallel in the history of any technology.

There are more assessments involving safety—more factual data on actual and potential problems—in the nuclear industry than in any other energy industry. Nuclear hazards are far better understood than those of thousands of widely used chemical and biological agents.

Each year a United States citizen is exposed to an average of 182 units of radiation. Natural radiation—both cosmic and terrestrial—accounts for 109 units. Another 73 units come from medical x-rays and therapeutic radiation. As of today, the operation of all of our nuclear powerplants—55 operating installations—and all of their supporting activities add less than one-tenth of a single radiation unit to that average.

Of all pollutants our society introduces into the environment, none is so thoroughly monitored—nor are the consequences of any so well understood—as radiation.

The environment is being observed and checked constantly and extensively to guarantee that our food, air, soil and water are kept free of harmful radioactive contamination. The results of these surveys are published monthly by the Environmental Protection Agency.

In all nuclear facilities, people with potential exposure to radiation wear exposure-measuring devices to assure that their cumulative exposure is limited to permissible levels. From its inception, the nuclear industry in this country has maintained exposure records for every person who has worked in a nuclear facility—the equivalent of a record of the number of cigarettes smoked by every smoker in the nation, or a record of all the carbon monoxide, carbon dioxide and sulfur every American has breathed over the past quarter of a century.

Not only do we have better records of our exposure to radiation than to other pollutants, but our knowledge of radiation's biological effects probably exceeds that of almost every chemical or physical agent. And that knowledge is constantly expanding—with a Federal research budget of some $90 million per year.

All this is not to suggest that we should rest on our laurels. We must continue to be vigilant so that the procedures and methods that have been so effective in the past will be equally successful in the future. The likelihood of serious reactor accidents is very small and will continue to decrease as the benefits of design standardization, improving quality assurance, and continuing safety research are realized.

Despite this record and these facts, popular doubt persists about nuclear power—doubt fed by criticisms that, though generally sincere and well-intentioned, are all too frequently ill-founded in substance and hysterical in tone.

In other words, the obstacles to a rational public dialogue on nuclear power are difficult to overcome. But dialogue *must* proceed, and it requires that we deal with those aspects of nuclear power that have become focal points of concern, such as disposal of waste products from nuclear powerplants.

Again, the fact—as opposed to the fiction—is reassuring. There is much confusion in the public mind on this point. The *spent fuel* discharge from reactors is not waste—it is chemically processed to extract the uranium and plutonium, which represent a large energy resource. The *waste* remaining from the chemical separation is extremely small. A single aspirin tablet has the same volume as the waste produced in generating seven thousand kilowatt hours—which is about one person's share of the country's electric output for an entire year.

Compared to large quantities of other harmful materials, the volume of nuclear waste is minuscule. Of course, we must guarantee that this waste is safely and responsibly stored, over extended periods of time.

Some people argue that we must have an ultimate means of waste disposal before proceeding to build any more plants. But the record of the past twenty years shows that nuclear wastes can be handled with an excellent record of public health and safety.

Right now, the Energy Research and Development Administration, has a major program underway to determine even more permanent ways to store it.

Improved waste disposal methods utilizing waste concentration and solidification are in use today. And still better processes are under development and expected to be in commercial use in the 1980's. The important thing is that we have adequate, safe storage methods that meet reasonable requirements, while we explore the best means for ultimate disposal of wastes.

Another subject that has recently moved up on the nuclear "worry list" is plutonium safeguards.

Although adequate safeguards are certainly necessary for more widespread use of nuclear power, they've still been the subject of a lot of misinformation.

During the past 30 years, thousands of pounds of plutonium and highly enriched uranium have been in widespread use in research reactors, experimental facilities, nuclear powerplants and weapons programs. It has been produced, shipped, fabricated, processed and stored safely without diversion.

Still, in view of the increased frequency of terrorist activities and the proliferation of nuclear weapons capability among the nations of the world, public concern is understandably aroused. The Nuclear Regulatory Commission and ERDA are conducting a comprehensive study of current safeguards and of possible changes to improve their effectiveness for the future. Obviously, such improvements will be pursued and implemented.

However, this does *not* mean we should stand still while even more effective systems of safeguards are being studied.

Providing proper safeguards has major international implications. Large quantities of plutonium already are deployed throughout the world in nuclear weapons, and increasing quantities are coming into commercial use. A ban on plutonium recycling within the United States would not guarantee us protection against its illicit use, because the material could be obtained abroad.

Another aspect of safeguards that concerns some people is the medical hazards of plutonium. Now there is no doubt that plutonium, because of its radioactivity, must be handled with great care, as must other hazardous substances such as arsenic and mercury. However, the evidence of more than 30 years of plutonium processing in U.S. civilian and military facilities convinces us that the need for care in handling should not prevent us from extracting the enormous energy in plutonium.

Indeed, when one hears the frequent claim that "plutonium is the most toxic substance known to man," he ought to ask: "How many recorded deaths are attributable to the toxic nature of plutonium?" The answer is: *none*.

I've been talking up until now primarily about the risks of nuclear power, as compared to other risks. Let's spend a few minutes on its *benefits*.

The basic benefit, of course, is that it uses a largely untapped domestic fuel resources and hence helps free us from dependence on foreign imports. A second benefit, especially important in these times of rising prices, is that electricity generated by nuclear power is cheaper than that generated by burning coal, oil or gas.

In 1974, Northeast Utilities in New England reported $140 million in savings to its customers from operation of its nuclear powerplants. Commonwealth Edison in the Chicago area reported a $100 million saving, and Florida Light and Power a $140 million saving. The Atomic Industrial Forum reports that, in 1974, nuclear power saved the American consumer more than $800 million in electric bills.

Some critics claim that nuclear powerplants are unreliable, and are out of service so much of the time that customers are paying for a lot of idle capacity. Nuclear plants, in fact, are not as productive as had been expected, but they will become more productive with experience, improved quality control and design standardization. It is important to note that the majority of downtime of nuclear power plants has been due to problems primarily in the non-nuclear parts of their systems.

A Federal Energy Administration study of nuclear and fossil powerplant productivity has identified many actions that can be taken by industry and government to improve productivity of both nuclear and fossil plants.

One of our top priority programs at FEA is to implement these actions on a timely basis so that utilities and their customers will reap the benefits of improved productivity in this decade. However, even if *no* improvement were made in nuclear plant productivity, nuclear power would still be a bargain for the consumers.

We must continue to resolve public issues in a manner that preserves our essential freedoms. The issues involved in nuclear power are vital to this Nation, and they must be resolved. But there is a real danger that we will wind up studying them to death—that by direct or indirect action, or inaction, we will wind up with an unnecessary and counterproductive moratorium on building nuclear powerplants.

In our judgment, a moratorium, despite intentions to limit it to a brief span of years, could well weaken the country's capacity to produce nuclear powerplants to the extent that nuclear power would be foreclosed as a major energy option in this century.

The effect of such a course on our overall energy situation and on the economy—on employment, on our level of oil imports, on balance of payments and so forth—could be devastating.

And we should be mindful that, regardless of the course we choose to take in the United States, other members of the world community will move ahead in their increasing use of nuclear power. Given this fact, can we afford not to proceed ourselves? And would our own best interests not be served, in the increasingly nuclear-powered world of the future, by maintaining the technological lead which other nations will follow?

We are satisfied that the excellent public health record of nuclear power in America reinforces the decision taken by this Administration to move forward promptly—*but with care and control*—toward an expanded use of nuclear power.

We have, after all, only a few practical options in our lifetime for sustaining essential supplies of reliable, economic and clean energy, even for the most urgent of our needs. Elimination of grossly wasteful energy consumption practices and employment of maximum conservation efforts will help, but we still must satisfy almost all of our energy needs from oil, gas, coal and nuclear sources.

Unfortunately, less than 5% of our total energy comes from the 55 nuclear plants that are now operating, although nearly 188 others are being built or have been planned.

Despite the vital need, many new plants have been delayed or cancelled outright by the utilities over the past two years, primarily because of shortage of capital and uncertainty as to projected load growth and the energy policies of the State and Federal governments.

The President and leaders of both labor and industry have urged that immediate steps be taken to expedite completion of these nuclear plants. They know that each plant represents a *real savings* equal to *12 million barrels* of oil a year—or, at current rates, about $144 million of imports.

They know that the price of those imports is American jobs and American productivity and American security from another, more devastating embargo.

Beyond this, they know that the ready

availability of domestic energy at reasonable costs is necessary if the United States is to realize its great goals for the last quarter of the Twentieth Century: to seek full employment, to sustain and improve our standard of living, to extend the benefits of a productive Nation to its less fortunate citizens, to preserve our finite resources for their most useful purposes, and to restore, sustain and enhance our environment.

And they know that attaining those goals—or even making meaningful progress toward them—requires commitment to the continued development of the nuclear power industry.

That commitment must be made by all segments of American society—by business leaders, by labor leaders and by public officials at every level. We in the Federal Government must demonstrate *our* commitment to this goal by developing a coherent and coordinated *national* policy for the safe, clean use of nuclear power. In a recent speech before the Edison Electric Institute in Denver, Colorado, Bill Anders, Chairman of the Nuclear Regulatory Commission called for the establishment of a focal point for all Federal efforts in this regard.

We at the FEA anticipate that, in conjunction with the Commission and the Energy Research and Development Administration, we will provide such a focal point—assuring the policy analysis and coordination necessary at the federal level to see that nuclear power plays its proper role in our energy future.

But ultimately, if that role is to be realized, the commitment to the use of nuclear power must engage the American people as a whole.

By rigorously applying tough health and safety standards and by fostering technological developments that will enable us to meet ever rising standards, government must guarantee the public that nuclear power remains the safe source of energy that it has proven to be thus far in its history.

Our national commitment on nuclear power cannot coexist with the myths of fear that have too often surrounded questions of nuclear energy in the past. Rather, it depends upon an accurate perception of the *facts* of nuclear power and a clear-sighted view of the contribution it can, and *must*, make to this Nation's future.

It will be a vital part of our job in government to see to it that those myths are *rightly* dispelled and that the true facts of nuclear power fully justify the role we envision for it in the years ahead.

Thank you.

CAPTIVE NATIONS WEEK

HON. DOMINICK V. DANIELS

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 16, 1975

Mr. DOMINICK V. DANIELS. Mr. Speaker, last week marked the 17th annual commemoration of Captive Nations Week. Every year at this time, we pause to reflect upon the plight of the millions of people still living under the yoke of Communist oppression. Yet, despite all the eloquent statements that have been made in the Congress condemning this oppression, it still exists as a grim reality. And, I fear that many Americans have been lulled into a sense of false security about the Soviets by the illusion of détente. I find it almost ironic that the joint United States-Soviet space mission was timed to coincide with the Captive Nations Week commemoration. Perhaps this is merely coincidental, or perhaps it has an underlying secondary purpose of diverting our attention away from the official remembrance of Soviet brutality.

The juxtaposition of détente and the ever-present reality of Soviet oppression is disturbing to me. How can we possibly, as moral men, reconcile these two divergent factors? How can we hold out the hand of friendship to those who imprison, torture, and, indeed, even kill, those who dare to speak out against totalitarian brutality?

Modern-day political realities demand that this Nation maintain an open line of communication with the Soviets. However, this does not mean that we should mask our sense of outrage when they trample upon the most basic human values—those of right versus wrong. Nor does it mean that we should lend any economic support that allows them to perpetuate the oppression of those millions enslaved under their rule.

Alexandr Solzhenitsyn recently delivered an eloquent and moving speech in New York at the invitation of the AFL–CIO which underscores my own views on the subjpect of détente. Let us continue to negotiate with the Soviets, but let us also bear in mind the very relevant comments of one who personally suffered under their oppression, as do the millions of people in captive nations that we remember this week.

Mr. Speaker, I include Mr. Solzhenitsyn's speech at this point in my remarks:

SOLZHENITSYN REPLIES TO HIS CRITICS

(Alexandr Solzhenitsyn, in a speech at New York delivered at the invitation of the AFL-CIO:)

Communism is as crude an attempt to explain society and the individual as if a surgeon were to perform his delicate operations with a meat-axe. All that is subtle in human psychology and in the structure of society (which is even more delicate), all of this is reduced to crude economic processes. This whole created being—man—is reduced to matter. It's characteristic that communism is so devoid of arguments that it has none to advance against its opponents in our Communist countries. It lacks arguments and hence there is the club, the prison, the concentration camp, and insance asylums with forced confinement. . . .

Communism has never concealed the fact that it rejects all absolute concepts of morality. It scoffs at any consideration of "good" and "evil" as indisputable categories. . . . Communism has managed to instill in all of us that these concepts are old-fashioned concepts and laughable. But if we are to be deprived of the concepts of good and evil, what will be left? Nothing but the manipulation of one another. We will decline to the status of animals.

Both the theory and practice of communism are completely inhuman for that reason. There is a word very commonly used these days: "anti-communism." It's a very stupid word, badly put together. It makes it appear as though communism were something original, something basic, something fundamental. Therefore, it is taken as the point of departure, and anti-communism is defined in relation to communism.

Here is why I say that this word was poorly selected, that it was put together by people who do not understand etymology: the primary, the eternal concept is humanity. And communism is anti-humanity. Whoever says "anti-communism" is saying, in effect, anti-anti-humanity. A poor construction. . . .

Not to accept, to reject this inhuman Communist ideology is simply to be a human being. It isn't being a member of a party. It's a protest of our souls against those who tell us to forget the concepts of good and evil.

After my first address, as always, there were some superficial comments in the newspapers, which did not really get to the essence. One of them was as follows: that I came here with an appeal to the United States to liberate us from communism. Anyone who has at all followed what I have said and written these many years, first in the Soviet Union and now in the West, will know that I've always said the exact opposite. I have appealed to my own countrymen—those whose courage has failed at difficult moments, and who have looked imploringly to the West—and urged them: "Don't wait for assistance, and don't ask for it. We must stand on our own feet. . . ."

I said the last time that two processes are occurring in the world today. One is a process of spiritual liberation in the U.S.S.R. and in the other Communist countries. The second is the assistance being extended by the West to the Communist rulers, a process of concessions, of detente, of yielding whole countries. And I only said: "Remember, we have to pull ourselves up—but if you defend us, you also defend your own future. . . ."

In my last address I only requested one thing, and I make the same request now: When they bury us in the ground alive (I compared the forthcoming European agreement with a mass grave for all the countries of East Europe)—as you know, this is a very unpleasant sensation: your mouth gets filled with earth while you're still alive—please do not send them shovels. Please do not send them the most modern earth-moving equipment.

I said in my last address and would like to repeat it again, that we have to look at every event from the other point of view—from the point of view of the Soviet Union. Our country is taking your assistance, but in the schools they're teaching and in the newspapers they are writing and in lectures they are saying, "Look at the Western world, it's beginning to rot. Look at the economy of the Western world, it's coming to an end. The great predictions of Marx, Engels and Lenin are coming true. Captalism is breathing its last. It's already dead. And our socialist economy is flourishing. It has demonstrated once and for all the triumph of communism."

I think, gentlemen, and I particularly address those of you who have a socialist outlook, that we should at last permit this socialist economy to prove its superiority. Let's allow it to show that it is advanced, that it is omnipotent, that it has defeated you, that it has overtaken you. Let us not interfere with it. Let us stop selling to it and giving it loans. If it's all that powerful, then let it stand on its own feet for 10 or 15 years. Then we will see what it looks like.

I can tell you what it will look like. I am being quite serious now. When the Soviet economy will no longer be able to deal with everything, it will have to reduce its military preparations. It will have to abandon the useless space effort, and it will have to feed and clothe its own people. And the system will be forced to relax. . . .

Another distortion appeared in your press with respect to my last address. Someone wrote that "one more advocate of the Cold War has come here. One more person has arrived to call on us to resume the Cold war." That is a misunderstanding. The Cold War—the war of hatred—is still going on, but only on the Communist side.

What is the Cold War? It's a war of abuse, and they still abuse you. . . . In sources which you can read, and even more in those which are unavailable to you, and which you don't hear of, in the depths of the Soviet Union, the Cold War has never stopped. It hasn't stopped for one second. . . .

Do I call upon you to return to the Cold War? By no means, Lord forbid! What for? The only thing I'm asking you to do is to give the Soviet economy a chance to develop. Do not bury us in the ground, just let the Soviet economy develop, and then let's see. . . .

Relations between the Soviet Union and the United States of America should be such that there would be no deceit in the question of armaments, that there would be no concentration camps, no phychiatric wards for healthy people. Relations should be such that the throats of our women would no longer be constricted with tears, that there would be an end to the incessant ideological warfare waged against you, and that an address such as mine today would in no way be an exception.

QUESTIONNAIRE RESULTS

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Monday, July 21, 1975

Mr. BONKER. Mr. Speaker, the results of my recent opinion poll have been tabulated, giving me views on energy, economic, and fiscal policies from a broad range of my constituents in Washington State's Third Congressional District.

Among the most interesting statistics produced was an apparent quandray regarding Federal spending. Program-cutting to balance the budget proved vastly more popular as a general concept than it did when reduced to choices involving specific programs.

Only with foreign military aid and foreign economic aid were the percentages favoring cuts equal to at least half the percentage urging "cut programs to balance the budget."

Unfortunately, for those who expect major budget savings through foreign aid cuts, the projected outlay for international affairs—after a $1.4 billion congressional reduction—is $4.9 billion, which is only about 1.3 percent of the overall budget. In every other specific spending priority, however, clear majorities favored expenditures equal to or greater than current levels.

An analysis of the responses also indicated particularly strong support for:

Income tax reform that will benefit low- and middle-income taxpayers.

Energy conservation and expanded development of omestic oil reserves to reduce our growing dependence on foreign oil.

A strong shift in federal spending priorities by decreasing foreign military and economic aid and increasing funds for domestic needs, especially aid to the elderly an energy development.

The results of the poll follow:

WHAT FEATURES SHOULD FEDERAL ECONOMIC POLICY INCLUDE?

[In percent]

	Yes	No	No response
Close tax loopholes	94.0	3.8	2.2
Low- and middle-income tax relief	73.6	18.2	8.2
Cut programs to balance the budget	78.2	14.6	7.2
Control wages profits and prices	49.2	43.3	7.5
Expand public works jobs	48.1	41.4	10.5
Raise taxes to balance the budget	11.6	79.1	9.3
Aid economy via deficit spending	15.9	68.0	16.1

WHAT DO YOU THINK FEDERAL SPENDING PRIORITIES SHOULD BE?

[In percent]

	More	Same	Less	No response
Foreign military aid	1.7	7.1	87.5	3.7
Foreign economic aid	1.9	9.3	84.5	4.3
Energy Development	74.1	14.2	6.2	5.5
Aid to the elderly	61.3	31.1	3.5	4.0
Public transportation	54.2	22.3	18.0	5.5
Roads and highways	14.5	42.0	38.1	5.4
Health services	48.9	32.1	14.2	4.8
Job programs	47.3	24.4	21.7	6.6
Natural resources	44.5	37.0	9.2	9.3
Housing	38.1	33.4	21.9	6.6
Aid to the poor	30.2	36.9	26.4	6.5
Education	28.6	39.0	26.6	5.8
Environmental quality	26.3	31.0	34.6	8.1
Military	25.3	34.1	34.8	5.8
Revenue sharing	26.4	33.8	26.6	13.2

WHAT POLICIES SHOULD BE PART OF A FEDERAL ENERGY PROGRAM?

[In percent]

	Yes	No	No response
Develop Alaska oil reserves	88.5	5.9	5.6
Expand off-shore oil drilling	77.2	16.4	6.4
Develop other U.S. oil reserves	87.4	7.1	5.5
Promote energy conservation	80.6	9.4	10.0
Restrict oil imports	44.4	40.5	15.1
Relax air quality standards	44.5	45.8	9.7
Ration gasoline	31.5	58.2	10.3
Raise oil products taxes	20.1	65.7	14.2

Some respondents noted that the options offered by the poll were too limited or too restrictive to reflect fully their views. Significant numbers, for example, wrote that solar, wind, geothermal, and other alternative energy sources must be an energy option for the future. Many also opposed further promotion of nuclear energy. Severe space limitations forced some restrictions on the poll format. Future polls will attempt to explore various issues in greater detail. And every effort will be made to provide spaces for at least two sets of responses in households that have more than one respondent.

QUINN-TESSENCE OF DEMOCRACY

HON. MATTHEW J. RINALDO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, July 21, 1975

Mr. RINALDO. Mr. Speaker, I would like to call my colleagues' attention to an editorial appearing in a New Jersey newspaper, The Courier-News, on July 11, 1975.

This editorial comments on a series of articles written by John C. Quinn, vice president-news of The Gannett Co., relating to a visit he made to China with a group of fellow members of The American Society of Newspaper Editors.

It underscores a point I have been making frequently—the point that advancing technology and burgeoning government must not be allowed to impinge on basic rights of the people.

The editorial reads:

SOME VIEWS ABOUT CHINA—AND FREEDOM

The China unveiled recently to 20 members of the American Society of Newspaper Editors is a society struggling—and apparently succeeding—to catch up with the highly developed industrial democracies.

Although the industrial goals are essentially the same in both political and economic systems, the means used to achieve these goals are vastly different.

The approaches of China and the United States, for example, to petroleum self-sufficiency offer striking contrasts, as shown in articles in this week's Courier-News by John C. Quinn, vice president-news of Gannett Co., Inc., and a member of the ASNE group.

In the United States, attempts to achieve energy self-sufficiency through a partnership of government and industry have been limited and of modest achievement. In China, however, the search for oil became a top priority in 1960, and just three years later Premier Chou En-lai proclaimed that China was self-sufficient in petroleum. Today, the country looms as a major exporter of oil.

But China's success was achieved through methods that would not even be considered, much less tolerated, in a democratic society. One cannot imagine construction of the Alaskan pipeline taking place in the paramilitary atmosphere of China's Taching oil field, where the great leap forward in production was accomplished in the '60s, and where doctrine and discipline are the watchwords.

As Quinn pointed out, doctrine and discipline extend well beyond China's petroleum industry to maintain much of the government's all-encompassing ideological control over the masses.

China's concept of its press as an arm of the government and the ruling Communist party is totally alien to American principles. The use of the press as a prime force to carry out the government's plans and policies and to achieve Communist goals must be repugnant to all those who value individual freedom.

As one Chinese official told the American editors, "The policy of the party is a very important matter to us, and we feel it is important news that the people of the whole country and of the world would like to know. In our view, it is hard to distinguish between news and propaganda."

Equally chilling to readers of a free press is the observation that in China "newspapers and the press are all tools of class struggle and all serve a political entity."

It's indeed chilling to see how closely those words and ideas parallel those of some critics of the press in this country who oppose exposure of government problems and errors because they endanger the image of that government in the eyes of the public or of the world.

The Chinese government and the Communist party are not content, however, with exerting ideological control through the press. Thought control is augmented through an all-pervasive barrage of propaganda: booklets, slogans, loudspeakers, billboards and posters continually exhort the Chinese people to achieve production and revolutionary goals mandated by government and party.

The American oil industry, the American press and indeed the country certainly are not without fault.

But even such a fleeting and largely controlled look inside a China ruled by its own brand of communism helps us all realize the benefits that no statistical chart or propaganda blast can conceal—the meaning of freedom. Coping with our own imperfection is often hard. But even with the economic gains apparent there over recent years, our way appears far preferable to that mind-stifling regime.

The editorial serves as a timely reminder, Mr. Speaker, that the basic freedoms of a democracy like ours need to be valued and protected.

With modern technology encouraging

data bank growth and data bank sharing, there has been a disturbing tendency toward improper Government access to, and use of, personal records. Electronic eavesdropping by governmental agencies has also been a cause for concern.

At the same time there has been a tendency in some Government quarters to restrict public access to public records and to affairs of Government. Even the judicial branch of Government and some law enforcement agencies have been at fault in this respect.

Government interference in the public right-to-know, improper suppression of public information, governmental attempts to manipulate public thinking, and governmental snooping in the private domain are dangerous and deplorable activities.

Fortunately they are not prevalent. But they exist, and need to be stamped out wherever and whenever they surface.

Government, Mr. Speaker, must learn to trust the people. Only in this way can Government expect the trust of the people.

THE ADMINISTRATION HELPS TO ESCALATE THE MIDDLE EAST ARMS RACE—THE HAWK SALE TO JORDAN

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 21, 1975

Mr. SOLARZ. Mr. Speaker, earlier this month the administration notified the Congress of its intention to sell a rather sophisticated antiaircraft weapons system to Jordan. Although the sale itself had been anticipated for several weeks, the size and scope of the deal was completely unexpected and has sweeping ramifications for the future of the very delicate balance in the Middle East.

According to news reports which have yet to be denied by the administration, the sale to Jordan will involve 14 batteries of the Hawk missile and 100 Vulcan antiaircraft guns, amounting to some $350 million. In addition, the administration intends to sell a sizable quantity of the Redeye shoulder-fired, heat-seeking missile as well.

This sale has significant strategic implications and will result in an important qualitative change in the Middle East balance of military power. It is a well-known fact that Jordan refrained from opening a third front against Israel in 1973 because it lacked air cover and an effective air defense against Israel. With this very sophisticated weapons system King Hussein will no longer have any excuse for failing to open another front should open warfare again occur in the Middle East. Furthermore, efforts are reportedly underway to create a joint military command between Syrian and Jordanian forces and this additional equipment will give Syria a military superiority which it has not previously possessed.

Clearly this sale will needlessly exacerbate tensions in the Middle East and place Israel in a much more difficult negotiating position. While Jordan has a right to make purchases of military arms and materiel from the United States, the sale currently pending before the Congress is entirely out of proportion to Jordan's needs and to the interests of a meaningful peace in the Middle East. Accordingly, I have worked with my two distinguished colleagues from New York—JONATHAN BINGHAM and BENJAMIN ROSENTHAL—in spearheading the effort to disapprove these sales.

Mr. George Will has written a very timely and perceptive article on the proposed sale to Jordan. Appearing in this morning's Washington Post, the article raises some very valid questions about the administration's motives in supporting this sale. Arguing against the sale, Mr. Will aptly observes that:

> It is a reckless and ignoble policy of U.S. pressure designed to achieve a Mideast settlement by extorting endless concessions from Israel.

Mr. Speaker, I believe that Mr. Will's article gets to the very heart of the issue and I commend it to our colleagues' attention. I insert the article herewith for inclusion in the RECORD:

[From the Washington Post, July 21, 1975]

SELLING ARMS TO JORDAN

(By George F. Will)

Congress, pursuant to its constitutional duty to keep the Executive branch on a short leash, has given itself power to veto, within 20 days of notification, any arms sale exceeding $25 million. It has until July 30 to veto the administration's proposal to sell Jordan a $350 million anti-aircraft missile system.

Jordan's King Hussein has said that one reason Jordan refused to join the Arab war against Israel in October 1973 was that Jordan lacked an air defense system. The proposed arms sale would eliminate that inhibition, and would enhance Hussein's offensive capability against Israel.

Hussein has told a Beirut magazine that he wants the weapons so he can help Syria in any future war against Israel. Equally alarming, the administration's proposal has about it a certain deviousness which, considering the lameness of administration arguments for the proposal, compels this suspicion: one purpose of the sale may be to make Israel more vulnerable.

The administration, which has been fanning war fears, may believe, contrary to experience and reason, that Israel will become more compliant to Arab (and U.S.) pressures as it becomes more vulnerable to Arab weapons.

In May the administration indicated that the sale would involve only three Hawk missile batteries and 36 Vulcan units. The Vulcan is a radar-guided anti-aircraft gun designed to cope with aircraft flying low enough to elude Hawks.

Even a three-battery system might have the destabilizing effect of diminishing the inhibitions Jordan felt in October 1973. But a three-battery system could be considered merely defensive: It could defend Amman, Jordan's capital, and could not be moved toward Israel without denuding Amman.

Now the administration wants to sell Jordan 14 Hawk batteries with 532 missiles (about the number of Israeli aircraft) and 100 Vulcans. Such a system would be useful to Hussein in the contingency for which he says he wants it—a joint Jordanian-Syrian war effort against Israel.

Israel, unable to match her enemies man-for-man or tank-for-tank, relies on air power. Fourteen anti-aircraft batteries on the east bank of the Jordan River could provide cover for Jordanian and Syrian ground forces advancing 22 miles into Israeli territory. And the batteries can be moved quickly with advancing forces.

The 1973 war revealed a fragile modus vivendi between Israel and Jordan. Evidently Israel will not attack Jordan unless Jordan first attacks Israel, which Jordan is only apt to do if it has the sort of anti-aircraft system the administration suddenly wants to sell.

The administration's primary argument for the sale is, predictably, that if the U.S. doesn't sell Jordan the anti-aircraft system, Jordan will get an equivalent system from the Soviet Union. This argument is implausible, and it is inharmonious with the administration's secondary argument, which is that Hussein is moderate and pro-Western but the weapons sale is necessary to keep him that way.

In fact, Hussein is not anxious to change his reliance on U.S. arms, in part no doubt, because he is not anxious to receive the Soviet technicians who would come with any comparable Soviet missile system.

If Hussein is as moderate as advocates of the arms sale say he is, then he does not mean what he says about wanting the missiles for a joint war effort with Syria. In that case Israel will not strike at Jordan, and Hussein will not need 14 anti-aircraft batteries. If Hussein is not that moderate, he cannot be trusted with the offensive advantage 14 batteries would give him.

Anyway, why does Jordan need 14 batteries of the newest version of the Hawk to defend itself against Israel, while Israel has only 10 batteries of an older version of the Hawk to defend itself against all its Arab enemies?

Unfortunately, it is possible that the proposed sale of anti-aircraft weapons to Jordan, and the current delays of aircraft and other weapons to Israel, are aspects and ignoble policy of U.S. pressure designed to achieve a Mideast settlement by extorting endless concessions from Israel.

Fortunately, Congress can veto this folly at no risk than that of an admittedly tedious but otherwise unimportant recurrence of Secretary Kissinger's laments about congressional incursions into process of government.

PUBLIC ASSISTANCE FOR PRIVATE COLLEGES AND UNIVERSITIES

HON. JOEL PRITCHARD

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Monday, July 21, 1975

Mr. PRITCHARD. Mr. Speaker, private colleges and universities have had a profound influence on our Nation's history and have often been the creative leaders in the development of American higher education.

Today many of these outstanding institutions are being threatened with closure or loss of excellence as declining birth rates lead to declining enrollments and economic problems plague the educational community.

It is my opinion that we must assist private colleges and universities to remain open. In this respect I wish to bring to the attention of my colleagues an address delivered to the Seattle Rotary Club, June 25, by Edmund G. Ryan, S.J., president of Seattle University.

The article follows:

SPEECH GIVEN BY EDMUND G. RYAN, S.J.

Thank you. I am very happy to be here today. I feel at home in Seattle, in the Northwest, in Rotary.

As the United States moves towards its Bicentennial, I, from the East coast, can see many of our revolutionary ideals alive in the Northwest, especially in Rotary, where your motto is "Service Above Self." As a Jesuit priest my vocation is to live your motto, which is a summary of the Christian ethic that we take from Christ, our Lord, in his life which he summed up at the Last Supper on the night before he died: "I stand in the midst of you as one who serves." In his death, which was summed up "Greater love than this no man hath that He lay down his life for his friends."

As an educator, especially as the President of a University, Seattle University, I can say that in the 1970's and beyond, the University must serve is constituencies—the State, the Church and the local neighborhood. The University must be a place where these constituencies "do their thinking." A place from which comes creative change and adaptation giving continued life to organisms and organizations.

My pledge as President of Seattle University is that Seattle University will become in the Northwest, THE foremost private university in the public service. It is a great challenge, but one that calls for an even greater response.

Paradoxically, this State of Washington in 1975 is 86 years old. Seattle University is 84 years old. Rotary is 70 years old. I am happy to accept the four-way test of Rotary as a test to judge the continuation of Seattle University and of other private colleges and universities in the United States. Those four questions are: (one) Is it the truth? ; (two) Is it fair to all concerned?; (three) Will it build good will and will it better friendship?; (four) Will it be beneficial to all concerned?

Today, here at Rotary in Seattle, we will apply the test of those four questions to the proposition: American History has shown that private colleges and universities have aided the United States in most important ways and their continuation in existence is a priority for this nation as we enter our bicentennial. This is the wisdom of the dualistic system of higher education.

We apply the four question test to that proposition fully cognizant of the problems facing private higher education in the United States. Our biggest problems are: the dropping birth-rate and the consequent shrinkage of the 18- to 22-year old age group that usually went on to college; the falling enrollments in our institutions; extreme financial pressures due to inflation and our unused spaces.

Some History: Most of you can name the nine colleges and universities that existed prior to July 4, 1776 on the North American continent within the land mass that today comprises the United States of America. Harvard, William and Mary, Yale, Princeton, Columbia, The University of Pennsylvania, Brown, Rutgers and Dartmouth. They shared two characteristics: (one) They were formed as jointly-shared social enterprises between private or church-related groups and the colonial governments, and (two) They met a need perceived in the colonies for the education of ministers for the churches and of leaders for business and government.

If you examine those facts, you will not be surprised to see that after the Treaty of Paris in 1789 and the adoption of the United States Constitution, public funds and assets went to these private colleges and universities as they did prior to 1776. They received grants of money and of land. In 1863 the Morrill Act—or the land-grant college act—continued this policy. It is not surprising to learn that Cornell, a private university, was named a land-grant university and still is such in 1975.

Nor should we be surprised that private colleges and universities in 1975 are recipients of contracts and grants paid from the public treasury. Of course, among the prime recipients of these contracts and grants are some of the nine institutions mentioned earlier. Some have remained private institutions; others became public institutions. You recognize their prestige and influence.

The second characteristic and fact deduced from a study of the origin of colleges prior to the American Revolution is that colonial legislatures chartered them to meet the needs of the people. My friends from Harvard might smile were we to examine the relationship between the Old Satan Deluder Act of the Massachusetts Bay Colony and John Harvard's decision to open a school for ministers in 1636. Benjamin Franklin's own temperament and interests led him to admire the dissenting academies and the new scientific schools of Europe. As a man of action, Franklin campaigned for funds to open a new type of school that would replace Latin and Greek with practical—dare we say, 'vocational'—subjects such as bookkeeping and would concentrate on courses in the natural sciences and mathematics.

The College of Philadelphia, which we know today as the University of Pennsylvania, admitted its first students in 1755. I wonder whether we have any of Franklin's revolutionaries and innovators in the audience today. The Dartmouth graduates among us can fill us in on how the New Hampshire legislature chartered their institution in 1769 to educate the local Indian tribes. The interplay of progressive ideas and community needs generated these first institutions of higher learning in the United States.

History shows that our state and federal legislatures followed colonial legislatures in not making a complete precision between public and private colleges and universities. Institutions under either sponsorship play the same essential role and engage in similar activities—teaching, research and service to the community. They admit students from every state in the Union. Their funds for operating expenses originate from a mixture of student fees, private gifts and tax money. The weight of factors in the mix varies according to the institution's sponsorship by a governmental or non-governmental group. But the citizens see and acknowledge that both kinds of institutions provide benefits to the public and respond to public needs.

As a person born, brought up and educated on the East coast and in the mid-West, this concept of a duality of types of institutions in the United States serving this nation doesn't startle me. On the Eastern seaboard, and particularly in the Northeast, private institutions of higher education antedated public ones and enrolled more students than the public sector up until the 1960's. Your experience on the West coast of course is different. These states are newer—California came into the Union in 1850 and Washington gained statehood as late as 1889.

The younger states didn't have the history of institutions opened before the American Revolution. The territories or states usually answered the educational needs of their citizens by opening a state college or university. But private institutions also opened to respond to those needs. Thus the University of San Francisco and the University of California at Berkeley serve the residents of the Bay area and the University of Washington and Seattle University offer education to persons in Seattle. The graduates of both types of institutions become doctors, lawyers, nurses, businessmen, legislators and teachers and serve their fellow citizens in these and other professional and business occupations.

A closer look at the history of American higher education might provide some surprises for you, even as members of Seattle Rotary. At the mid-point in this twentieth century, in the year 1950, the percentage of enrollment of students in the private and public colleges and universities was divided equally—50% in each sector. By 1960, the percentage was 59% in the public institutions and 41% in private ones. The percentage changed to 73% and 27% in 1970 and in 1974 to 78% in public and 22% in private institutions. The dramatic shifts are attributable to a great increase in the number of persons seeking higher education—a fourfold increase since 1950—and the establishment of state systems of public higher education, especially through the proliferation of junior and community colleges.

Until the 1960's many Eastern states such as Massachusetts, New York, New Jersey and Pennsylvania had no public system of higher education. The creation of that system in the Eastern states and an expansion of the state system in the mid-West and South did open places in higher education for many millions—enrollments today are almost 10 million as against 2 million in 1950. At a time of a rising birth-rate all institutions experienced enrollment increases. But in planning for classes the norm for traditional college-going students is to add 18 to the year of birth. The birth-rate in the United States has dropped every year since 1961. That means that by 1979 fewer 18-year olds will be available for higher education than in the 1960's. Our data allows us to predict that the downward spiral will continue through 1992—the last full year, 1974, showed the continued downturn of births.

As an educator, I wonder out loud today what will happen to private higher education in the years ahead and how will future events affect public higher education and our nation? My views are not idle speculation, but have a basis in fact. The erosion of the percentage of enrollments in private colleges and universities will continue, and to such an extent that some pessimists predict that by the end of this century, private institutions will enroll about 5% of all students in post-secondary education. The dropping birth-rate is one determinant. The other factor is the cost differential to the student. Most studies have shown that it costs about the same or even less to educate a student at a public or private four-year college or a public or private law school. The biggest difference is how much of that cost is passed on to the student by way of tuition and fees.

In 1927–28 the rate of tuition at private institutions was three times that at public ones. In 1951 tuitions at public institutions averaged $150 and private institutions averaged $450. The dollar gap was $300. By 1961 it was $218 to $906; private institutions charged 4.2 times greater tuition, and the dollar gap increased to $688. By 1971 it was $367 to $1,781, a differential of 4.9 times and a dollar gap of $1,414. By 1975 it is estimated to be $400 at public institutions; $2,025 at private ones; a differential of 5 times and a dollar gap of $1,625. Economists foresee no abatement in this escalation of tuition and the progressive widening of the dollar gap.

Let me pose the problem that gives nightmares to administrators of private colleges and universities. Will the prospective students in the 1970's and 1980's and 1990's be able financially to choose to enroll at our institutions? Inflation and regular cost increases push up the cost of education at colleges and universities. Public educators go to the legislature for increased subsidies to meet the cost increases.

But what costs do the taxpayers cover at public colleges and universities? John Silber, the President of Boston University, recently published a fascinating article in the *Atlantic Monthly* magazine entitled "Paying the Bill for College." His research has shown that in terms of the cost of education—all costs except interest and amortization on facilities—the 50 states on an average pay $2,625 per student in a public college or university. (The cost varies from $1,500 at a Community College to $16,000 at a Medical School.) Interestingly enough, that is $600 more than the average tuition at private colleges and universities. But the actual costs are even higher. How much is the cost, if the cost to the state for amortizing facilities (buildings and equipment) is added to the cost of education?

Dr. Silber uses the new campus of the University of Massachusetts in Boston as a case in point. The new campus was built for 6,000 students at a cost of $135 million. The annual interest and amortization is over $11 million. Priced and divided among 6,000 students, the average cost of covering the debt service is $1,850 per student. Add $1,850 to $2,625 and you see that the average cost is nearly $5,000 per student. Yet the student in a state college or university is paying on the average only $400—the taxpayer is subsidizing each student to the extent of $4,600 annually. It is also necessary to recall that the average tuition at private colleges and universities is $2,025.

Let me conclude this section and introduce the next section by quoting from a recent report of the prestigious Carnegie Commission on Higher Education. The report notes: The special contributions and problems of private institutions must be seen in the light of their role as an essential component of a diverse, complex, diffuse, and yet highly responsive system of higher education, a system whose value to the nation has been amply demonstrated. In this context, private institutions appear in private perspective as a precious set of "assets in being." They help to promote freedom, diversity and excellence. If their effectiveness is impaired, American higher education as a whole will suffer.

Let me now apply Rotary's four questions to my proposition: American History has shown that private colleges and universities have aided the United States in most important ways and their continuation is a priority for this nation as we enter our bicentennial. This is the wisdom of the dualistic system of higher education.

One—Is it the Truth? Let's look at the record. There are over 1,500 private colleges and universities in the United States. They have contributed greatly to U.S. history. Look at their alumni, their research and their public service. They enroll over 2,100,000 students. They vary in size from New York University's 30,000 to Fort Wright College in Spokane with 374 students. They include a spectrum of institutions from simple liberal arts colleges such as Earlham and Holy Cross to complex universities such as Stanford, Georgetown, Chicago and Texas Christian. They vary from commuter colleges such as the University of Scranton to international campuses such as Princeton and Johns Hopkins. They have existed since 1636—predating our American revolution and educating our founding fathers. There were no public colleges and universities prior to 1790. They are an important asset of the United States. That is the truth.

Two—Is it fair to all concerned? Fairness forces us to consider the subsidy issue. The states are subsidizing each student in a public college or university to the extent of $4,600 annually. In fact that figure is a combination of the annual subsidy for the cost of education, $2,625, and the annual cost of amortizing the buildings and equipment on State or public campuses. Perhaps in the question period following my talk you might want to discuss how subsidies to public colleges and universities vary from about $2,000 at a community college to $25,000 annually per student at a public medical school (about $15,000 for the cost of education and $10,000 for the cost of amortization), or you may want to discuss how much the cost of education subsidy is at our military service academies (in the neighborhood of $15,000 annually per student). My proposal and that of presidents of other private colleges and universities is two-fold:

First, contract with us for students to fill our empty spaces. Don't build new public campuses. We have the facilities and will amortize them without charging you. We do expect to charge you for the cost of education. This contract arrangement will save the states hundreds of millions of dollars.

Second, give some tuition-offset grants to students in private colleges and universities and thereby increase our enrollment. By tuition offset, I mean a percentage of the annual subsidy for the cost of education that is given for every student in a public college or university. Not a 100% subsidy—students should pay from their own resources to come to private colleges and universities—75%, 50% or 25%. Realize that the average tuition at public colleges and universities is $400. The subsidy for the cost of education in the same institutions is $2,225. Our students in private colleges and universities are paying $2,025. We propose a tuition-offset voucher, either at 75% (or in round figures, $1,650), 50% (in round figures, $1,110), or 25% (in round figures, $550).

Let the taxpayer and the voters decide; at a time of financial stringency, the 25% offset, or $550 annually, would probably be chosen.

CONTRACTS AND TUITION-OFFSET VOUCHERS ARE FAIR TO ALL CONCERNED

Three—Will it build good will and better friendship? Private higher education has fostered excellence and diversity in the United States; they have produced good will and good citizens. What would this nation be without the scholarship and research of Harvard, Stanford, Yale, Princeton, Johns Hopkins, Chicago, Duke, Baylor, Rice, Vanderbilt and other prestigious private universities? The Universities of Washington, Michigan, Minnesota, Wisconsin, California, New York and other great state universities need these complementing private universities to protect their own academic freedom and to be challenged by the results of their research.

Independent colleges and universities have the freedom to offer innovative curriculum changes such as shortening the time requirement needed for a student to complete work on a baccalaureate degree. Seattle University has just received word of a large grant from a prominent, prestigious foundation, to be announced on July 1st, as funding for Matteo Ricci College, which will award a baccalaureate degree to students only six years after completion of the eighth grade. Independent Universities are free to innovate.

I don't make the claim that every private college and university is of the highest academic quality. They range from the highest excellence to a level so poor as to embarrass us, as colleagues. But it should be noted that public institutions fall into the same grid.

In the question period I could touch on the question of academic freedom and how the quality—public and private institutions—in the United States fosters academic freedom which is an absolute prerequisite to American education and political philosophy.

In the question period also I could share with you my personal experiences regarding Soviet and Czech higher education and why in my opinion our dualistic system of higher education in the United States proves that non-political education, free of government control, is an attainable ideal. Why? In the U.S. we have already achieved it.

The existence of a dualistic system of higher education in the United States—public and private; two-year, four-year, university; technical schools—does build good will and foster friendship. It produces good persons, good alumni, men of good will.

Four—Will it be beneficial to all concerned? The dualistic system of higher education is beneficial to public colleges and universities because it represents a protection of academic freedom.

A good case to cite from my personal experience is the case, in 1966, of Professor Genovese from Rutgers University, a professor of U.S. History. During the New Jersey gubernatorial election in that Vietnam year, Governor Richard Hughes was 15 percentage points ahead of State Senator Wayne Dumont. Professor Genovese attacked the U.S. involvement in Vietnam on television and accused the White House and the Pentagon of lying. In a subsequent interview, he admitted that he was a professed Marxist and that he taught U.S. History from a Marxist viewpoint. Dumont grabbed this as his single campaign issue during the last two weeks of the campaign. He favored dismissing Prof. Genovese from Rutgers, and many legislators jumped on the bandwagon. Gov. Hughes and Rutgers President, Mason Gross, defended the right to speak and to hold a point of view, as academic freedom. Other state college and university presidents remained silent. Educators in the 16 private colleges and universities issued joint statements in support of Dr. Gross. Administrators at State and Community Colleges remained silent because they feared that legislators on the appropriations committees who had attacked Prof. Genovese and Dr. Gross would use their influence to slash the budgets of any public institutions whose administrators defended Dr. Gross and Prof. Genovese. Administrators at private institutions whose budgets are not controlled by the state did not fear that hostile reaction would jeopardize their budgets. Academic freedom is vigorous in the United States and our dualistic system provides at least one protection that colleges and universities in other countries that have only state-supported institutions of higher education do not have. In fact, education free of political control is possible in the United States. Why? Because we have it. Incidentally Governor Hughes was re-elected and academic freedom was defended by the voters of New Jersey in the subsequent election. Senator Dumont remained the head of the education committee in the state senate and was one of the principal backers of a plan to give aid to independent institutions of higher education and to the students attending them.

Don't build new facilities. Use the existing ones. Private colleges are already built—"Assets in-being" or "Assets-in-place." We are amortizing them. Why should the state build additional facilities from 1975-to-1980, knowing full well that from 1970 onward fewer and fewer 18-year olds will be available to fill the seats constructed at these new facilities? The state would only be adding unneeded facilities and increasing its debt service.

The dualistic system is beneficial to students. Tuition offsets give students, the young traditional student and the older new student appearing in colleges and universities today, a needed ingredient to the exercise of their freedom of choice. Five-hundred and fifty dollars, or come, so that they can afford the higher tuition at private colleges and universities that we charge because we receive no subsidy from the State treasury . . .

The use of contracts by the state to secure educational services at private colleges and universities is beneficial to all concerned.

ARMY JUDGE ADVOCATE GENERAL'S CORPS OBSERVES BICENTENNIAL ANNIVERSARY

HON. JOE L. EVINS

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Monday, July 21, 1975

Mr. EVINS of Tennessee. Mr. Speaker, the American Bar Association Journal in its current issue contains an excellent article highlighting the 200th anniversary of the Judge Advocate General's Corps of the U.S. Army.

Certainly it is fitting and appropriate to honor this distinguished corps during the Bicentennial observance of the American Revolution.

It is significant to note that the Office of the Judge Advocate General Corps was authorized July 29, 1775, by the Continental Congress—a year before the Declaration of Independence was signed.

It was on July 29, 1775, that the first Judge Advocate General, William Tudor, was elected. He was the first in a succession of able, outstanding and distinguished Judge Advocates—an office which became known as Judge Advocate General.

It was my honored privilege to serve in World War II in the Judge Advocate General's Corps under Maj. Gen. Myron C. Cramer.

It has been said of the Corps that a defendant who was guilty was more sure of conviction than in civilian courts—and that a man who was innocent was more likely to be found innocent in a court of military justice than in a civilian court.

In any event, the Judge Advocate General's Corps of the U.S. Army has a long and historic record of assuring justice for servicemen through the years—and I am pleased to join in commending and congratulating Maj. Gen. George S. Prugh, the present Judge Advocate General, and his staff during this Bicentennial anniversary month.

Because of the interest of my colleagues and the American people, I place in the RECORD herewith the article from the American Bar Association Journal.

The article follows:

JUDGE ADVOCATE GENERAL'S CORPS IS 200 YEARS OLD

Saturday, July 29, 1775, was a sultry summer day as the delegates to the Continental Congress filed into Philadelphia's Carpenter Hall to resume business. The first item was the issue of pay for the Continental Army. As they sat perspiring in the hot meeting room, spokesmen had to raise their voices above the noise of carts clattering through the cobblestone streets outside. When the question of pay was settled, the delegates turned to matters of military law. And, as recorded by Charles Thomson, who kept the journals of the congress, "William Tudor, Esq., was elected Judge Advocate of the army." Thus marked the beginning of the 200-year history of the Judge Advocate General's Corps, United States Army.

The following day—July 30—George Washington issued a general order from his Cambridge headquarters noting the appointment of John Adams's former Boston law pupil as judge advocate of the Continental Army. General Washington ordered that Mr. Tudor was "in all things relative to his office to be acknowledged and obey'd as such.'

The office of judge advocate, later known as judge advocate general, was the first legal position to be established under the authority of what was to become the United States government, predating the offices of chief justice and attorney general. Since those early days thousands of army lawyers of the Judge Advocate General's Corps have given proud service to their country. Their ranks have included such noteworthy lawyers as Chief Justice John Marshall, Prof. Henry Wheaton, Prof. John Chipman Gray, Justice Felix Frankfurter, Prof. Edmund M. Morgan, Dean John H. Wigmore, House Speaker Carl Albert, and Leon Jaworski.

Military law has grown in scope and intensity since the early beginnings of the corps. Today's judge advocate officer must be skilled in the law of nations, environmental law, federal labor-management relations, and contracts as much as in the law of military criminal justice. He also must be prepared to render advice on the legal problems involving military installations, personnel administration, patent and tax matters, and claims by and against the government, as well as to provide legal assistance to individual service members.

As part of its bicentennial observances, the Army's Judge Advocate General's Corps has programed a special 200-year history of the corps in book form and a compilation of important military legal writing to appear in a commemorative edition of its *Military Law Review*. Local bicentennial programs by staff judge advocate offices at the various army field installations also are planned. Scheduled in Washington, D.C., for July 29 is a dining-in, a formal military dinner of British regimental custom and a fitting reminder of the corps' own English ancestry. During Law Day observances, Great Britain's director of Army Legal Services, Maj. Gen. John C. Robertson, visited the United States as part of a bicentennial speaker exchange program, touring the United States Military and Naval academies and the Army's Judge Advocate General's School.

OBJECTIONS TO H.R. 7217

HON. JOHN J. RHODES

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 21, 1975

Mr. RHODES. Mr. Speaker, I have today received a letter from the Secretary of Health, Education, and Welfare indicating his objections to portions of H.R. 7217, the Education for All Handicapped Children Act of 1975.

For the information and enlightenment of my colleagues, I am inserting the text of the letter from Secretary Weinberger at this point in the record:

THE SECRETARY OF HEALTH,
EDUCATION, AND WELFARE,
Washington, D.C., July 14, 1975.

Hon. JOHN J. RHODES,
Minority Leader,
U.S. House of Representatives,
Washington, D.C.

DEAR MR. RHODES: As the House of Representatives moves toward consideration of H.R. 7217, the "Education for All Handicapped Children Act of 1975," I would like to share with you the Administration's views concerning this measure.

As you know, the Federal effect in improving educational services to the handicapped has increased rapidly in the past decade. Not only has the obligation level risen over ten times, but the scope of programs has broadened considerably. From a narrow program in 1964 spending $20 million on traditional education, primarily for the blind and deaf, Office of Education programs for the handicapped have grown to a level of more that $338 million in fiscal 1976.

Office of Education funds currently support a broad measure of activities directly related to education of the handicapped, including training for teachers and administrators; demonstration and dissemination of exemplary programs; identification and diagnosis of handicapped, deaf-blind, and children in State institutions.

In addition, the Office of Education distributed $100 million in FY 1975 under the provisions of Part B of Education of the Handicapped Act, as amended in 1974 by P.L. 93-380. This provision, popularly known as the "Mathias Amendment," offers funds to States for the initiation, expansion and improvement of *their own* special education programs.

Historically, the responsibility for the education of children has rested with the States. A substantial body of litigation continues to clarify the State role in the financing and administration of education, including the education of the handicapped. Accordingly, it is clear to us that the ultimate responsibility for education rests with the States, not the Federal government.

There appears to be every evidence to indicate that States are currently planning to meet that responsibility. State plans received by the Office of Education indicate that the majority of States have established a goal of providing full educational opportunities for handicapped children by 1980 or earlier.

While the Federal role in *financing* the education of the nation's children remains secondary, prohibiting discrimination against handicapped children in education is a specific Federal responsibility. Legislation passed by the Congress in the past two years gives the Executive Branch authority to enforce both the elimination of all discrimination against the handicapped in Federally assisted programs and activities (Section 504 of the Vocational Rehabilitation Act of 1973) and specific requirements for approving State plans to provide special education (Sections 612 and 615 of the Education Amendments of 1974).

I want to emphasize that both the Department and the Office of Education are taking these responsibilities seriously. Regulations to ensure State compliance with these statutes will be issued in the near future.

H.R. 7217 would extend the Federal government's responsibilities for the education of handicapped children far beyond the current areas of capacity building and insurance of equality of opportunity. The authorization for State "entitlements" under H.R. 7217 for FY 1977 is estimated to be about $680 million; this figure could increase to $3.9 billion in FY 1978.

As I noted above, the FY 1975 appropriation level for Part B of the Education of the Handicapped Act was $100 million. To hold out the promise of "entitlements" which are many times as great as the current appropriation level is simply unrealistic and will falsely raise the expectations of the parents of millions of handicapped children.

In addition, funding formulas which are based on the number of handicapped children served, while creating incentives for States to attempt to serve more children, may also encourage States to classify many children as handicapped too freely in order to qualify for funding. While this problem is partially met by the 12 percent ceiling on the number of children in any State who may be counted for the purposes of the formula contained in the bill, there may well be local education agencies which will too liberally identify children if they happen to have less than 12 percent who are handicapped. Previous reports of widespread mislabeling of (and consequent damage to) disadvantaged and bilingual children by labeling them as mentally retarded or emotionally disturbed must be carefully weighed in judging the merits of this approach to increased funding.

Our objections to H.R. 7217 as reported by the Education and Labor Committee are not limited to the possible new burden on the Federal Treasury.

This bill would impose major new administrative burdens on Federal, State, and local education officials which might create a situation where a significant percentage of any increased allocation may go, not to handicapped children, but to meet the administrative demands built into the proposal.

For example, while we certainly favor meetings between teachers, parents, and children, when appropriate, to discuss objectives and the process of education, this legislation as revised would still *order* the development of as many as eight million individualized education programs, complete with evaluation procedures. These conferences would be required for all handicapped children, although there is little evidence to indicate that these sessions are the most effective way to provide services to handicapped children. The cost of conducting and recording these conferences will inevitably be great and will reduce the funds otherwise available to provide educational services.

Similarly, while we agree that evaluation is critical to the long-term success of any education program, H.R. 7217 calls for the Commissioner to review this program on the basis of data which are difficult to obtain. Not only would a uniform accounting procedure for special education (necessary to compute excess costs as required by this law) be an unwelcome Federal intrusion, it would be difficult to implement and may cost several billion dollars before it is operative. In any case, at least three years' lead time would be necessary in order for local education agencies to compile and verify such data.

Further, since Federal funds can only be spent on excess costs, it is essential to define this term precisely. Does the total cost of a Braille textbook fit into the excess category or just that portion of the cost above that of a normal text? Should the Federal government pay the cost of the additional physical education instructor needed to adequately serve a small number of handicapped children? As presently constructed, we believe that the excess cost provisions of H.R. 7217 would be exceedingly hard, if not impossible, to audit.

In addition, H.R. 7217 proposes to solve problems in the area of special education with remedies which have not yet been proven successful for all children. For example, the assumption that mainstreaming children always represents the most effective means of educating handicapped children has not yet been shown, and so care must be used in insisting that progress means more placements in regular education programs.

These are our specific objections to H.R. 7217. I want to be clear, however, on the question of our continuing commitment to the education of the handicapped. Our argument with H.R. 7217 is one related to the respective roles of Federal, State, and local government.

We believe that the provisions of Part B of the EHA, which became effective on July 1 of this year, properly set out the responsibilities of the Federal government in this area.

Sincerely,

CASPAR W. WEINBERGER,
Secretary.

BOOTH MOONEY ON THE LBJ LIBRARY

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 21, 1975

Mr. PICKLE. Mr. Speaker, in a recent article in the Washington Post, Mr. Booth Mooney presented a vivid portrait of the institution which President Lyndon Johnson created to enable scholars for years to come to fathom the great events of his many, many years of public service.

The L.B.J. Presidential Library is meant to be a living place where scholars can learn of the past and all visitors can find inspiration for the future.

I would like to share Booth Mooney's article with my colleagues by placing it in the CONGRESSIONAL RECORD as follows:

[From the Washington Post, July 13, 1975]

A LARGER-THAN-LIFE MEMORIAL TO LBJ AND THE GREAT SOCIETY

(By Booth Mooney)

Lyndon B. Johnson has been characterized as "larger than life," which he was, and the term applies with full force to the monumental presidential library bearing his name.

Located on 14 acres of the University of Texas campus in Austin, just across the way from a stadium that can seat 80,000, the Lyndon Baines Johnson Library, outside and in, accurately reflects the personality of the 36th President. It speaks to the visitor with more than a hint of the hyperbole with which LBJ frequently expressed himself.

The eight-story building, which some unkind observers have said resembles an Egyptian Pharoah's tomb, stands upon a promontory-like podium projecting forward from a sloping hillside. Two parallel concrete and stone walls—200 feet long, 65 feet high and 90 feet apart—define the main mass of the structure. The walls, as well as the podium upon which the building stands, are faced in travertine. They curve inward and upward from a base thickness of eight feet, their tapering shape delineating the vertical cantilevered thrust of the closely spaced columns they enclose. On one side of the building is an attractive campus setting of fountains, lawns, flowers, shrubs and trees. On the other side is a farflung paved parking lot.

Officials underestimated public interest in the library. They expected 250,000 visitors in 1971, the first year it was open, but the facility has had more than 2½ million visitors over the first four years.

Inside, show-and-tell museum exhibits are featured on the first two floors. Bemused visitors can view a stunningly variegated collection of documents, photographs, art objects and memorabilia. surrounding the presidency. There is a wall mural of LBJ etched in metal (sure enough, larger than life and in five different poses); short film showings present summaries of his Great Society programs.

On the second floor is, naturally, a Great Hall with a ceiling four stories high. The archives housing the widely advertised 31,000,000 documents in the library are visible behind glass on the four floors. The papers are stored in 36,000 boxes, 4,200 of which can be seen from the Great Hall. Each of the bright red buckram-covered boxes on the front row is embossed with a gold presidential seal, which Mr. Johnson was fond of having placed on everything from cigarette lighters to cowboy boots. These ornate boxes cost about $5 each, according to library officials, but the remaining, out-of-sight boxes, are standard archival issue and considerably less expensive.

The matter of the 31,000,000 papers requires some clarification. Many of them can be called presidential papers only through an excess of courtesy. A large number of the copies of letters so painstakingly tucked away begin something like this: "The President has asked me to thank you for your recent letter recommending . . ." And apparently every letter or note which one presidential assistant wrote to another or to Mr. Johnson made its way into the White House files.

Says Charles E. Corkran, chief archivist of the library, "I don't think they ever threw anything away."

Furthermore, copies of materials customarily were placed in several White House files for cross-reference purposes. So there are not truly 31,000,000 separate letters, reports and memos available or to become available to scholarly researchers. What the library has is 31,000,000 pages or approximately that many, no one having troubled to count them individually.

Few scholars and historians have taken a look at any of these pages. So far, only 397 persons have registered as researchers, which must be done in order to gain access to the archival materials. Most of them were connected with academic institutions, although such a connection is not a requirement for getting into the library files.

Prior to the opening of the library Dean John A. Gronouski of the adjacent Johnson School of Public Affairs predicted that his students would "mine the LBJ Library for the historic background on development of government programs." That has not happened. Only a handful of students have come from the school, which prides itself on producing practitioners, not academics. Its functional purpose is to move the students into direct contact with current government officials, not to have them pore over accounts of what officials have done in the past.

Subjects studied by researchers who have visited the library range from the infinitely complex to the quite simple. A British professor gave as his topic "Origins, Establishment and Implementation of Poverty Programs 1964–69 and Implications for the Political System with Special Reference to Presidential Power." A University of Texas student wrote that he was there to study urban renewal. A Russian registered to bone up on civil rights in the United States, and the official historian for the National Aeronautics and Space Administration came from Washington to dig into the library's files on the space program.

Most of the materials housed in the library are not yet open to researchers. After three years of operation, none but the archivists themselves was privileged to study more than 10 per cent of the presidential papers. This situation does not result from a secrecy syndrome. Everybody on the staff is eager to open up the remaining 90 per cent to the public.

Before all the papers can be thrown open they must be reviewed by an archivist, arranged in logical sequence, and cataloged. It is a time-consuming procedure.

"We're a bureaucracy," concedes chief archivist Cockran, who formerly was an archivist with the Herbert Hoover Presidential Library in West Branch, Iowa, "and we have to operate like one."

Presidential papers are here, nevertheless, and the story of the Johnson career is told by them.

The staff of 15 archivists is concentrating now on reviewing the papers that came from the White House central files. After that task is completed attention will be turned to processing the non-presidential files, including 1,675,000 documents from the years LBJ served in the Senate. Priority is at present given in both groups to materials pertaining to education and civil rights.

One element of the review process is studying the documents to make sure that public access to them would not violate Mr. Johnson's deed of gift. His 1965 letter of intent to deposit the papers in the library placed a "seal of restriction" on three categories of materials: (1) those containing statements which might be used "to injure, embarrass or harass any person"; (2) anything which would be prejudicial to the foreign relations of the United States; and, (3) statements made "by or to me in confidence."

Before anything is held back for reasons of personal embarrassment or injury, five or six persons, including Cockran and in some cases Library Director Harry Middleton, must agree to the restriction. The embarrassing pages are then removed and a pink form alluding briefly to their contents is placed in the file to note their absence. It is anticipated that time eventually will eliminate the need for the restriction and the potentially offending pages then will be returned to the file.

The locked-up National Security File contains 1,500,000 pages of documents. Stamped "Secret" and "Top Secret," most of them have not yet been cataloged and likely will become available for public use slowly and on a piecemeal basis. This is the case even though an executive order signed by President Nixon in May 1972 was designed, at least in theory, to reduce secrecy in government.

Mr. Johnson himself, according to Middleton, was working at the time of his death to have secret government papers on the Vietnam war made public. In 1972 he told Middleton, who had been on the White House staff for two years, that he wanted all the documents relating to Vietnam to be opened as soon as possible. The library director started preparing a plan for their declassification not only in the Johnson Library but also in the Kennedy Presidential Library.

Middleton pursued the plan after Mr. Johnson's death, meeting in 1973 with several White House officials, including H. R. (Bob) Haldeman, then Nixon's chief of staff. White House approval of the plan was essential inasmuch as it would have involved a number of federal departments and agencies.

The library director thought he was making some headway until, he says delicately, "Everybody in the White House whose name I knew left." So the project is in limbo for the present, but the situation could change.

To one who knew Mr. Johnson and saw him plan, the oral history collection in the library holds unending fascination. Friends and foes alike were interviewed, in a project which began when LBJ still occupied the White House. They remembered and told many things that had never been put in writing about the 36th President, his programs and his personality.

A total of 933 tapes record interviews with 555 persons, including Cabinet members, senators and representatives, governors and other public officials, newsmen, former employees, longtime friends and old political enemies.

LBJ was a man who liked to have the last word and he has it in his library. On the eighth floor is a reproduction of the Oval Office in the White House, scaled down only one-eighth in size. It contains Mr. Johnson's old desk from the Senate, paintings and photographs from the Oval Office as it was when he worked there, his many-buttoned telephone console, and the three-screen television set on which he could view all network programs simultaneously. And by pushing a button on the wall the visitor activates a recording:

"Most people come into this office with great dreams and they leave it with many satisfactions and some disappointments—and I am no exception," the familiar Texas voice intones. "But I am so grateful and so proud that I had my chance."

The Johnson Library, all of it, is most impressive, even overpowering. Recently, some third-graders being shown through the building on a guided tour were obviously impressed. One turned to another halfway through the tour and asked in an awed tone. "What is a President, anyway?" His schoolmate replied without hesitation, "Why, he's the principal of the whole world."

LBJ probably would not have quibbled at that definition. It was what he wished to be.

The writer, who worked six years for Lyndon Baines Johnson when he was Senate Majority Leader, is an author and free-lance writer. He lives in Maryland.

FOR A FULL EMPLOYMENT ACT BY 1976

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 21, 1975

Mr. HAWKINS. Mr. Speaker, the attached article written by Mr. Leon H. Keyserling, chairman of the Council of Economic Advisers under President Truman, astutely traces the long-term retreat from full employment and full production in the United States over the past two decades.

Emphasizing the imperative need for economic planning, Mr. Keyserling provides us with a clear picture of how this country can move from its present State of economic stagnation to full employment and full production by the end of 1976. I believe Mr. Keyserling's article deserves the attention of every Member of Congress and at this point I would like to insert a copy of the text in the RECORD:

FOR A FULL EMPLOYMENT ACT BY 1976

(By Leon H. Keyserling)

It's time we ended our twenty-year retreat from full employment. Passage of the Hawkins-Humphrey bill can open the gate to planning for the full economy.

The current efforts, most recently through massive tax reduction, to lift us out of the worst economic recession by far since the Great Crash, are inadequate in size, deficient in composition, and substantially improvised and disconnected. This is especially true when account is also taken of the President's declaration of intent with respect to new federal spending. What is now in the works will, in due course, but probably too slowly, check the decline and spark an upward movement. But the clear prospect under these "tries" is that the forthcoming "recovery," like the four previous "recoveries" from recessions since 1953, will leave us at its peak with more unused manpower and other productive resources than at the peak of the immediately previous recovery, and on the way toward another stagnation and then another recession. The fact is that for about twenty-two years we have been engaged in a long-term retreat from full employment.

Indeed, we have never been within hailing distance of full employment or full production since early 1953. In May 1975, we were about 225 billion 1974 dollars and about 6.7 million jobs short, and we would need to lift GNP by about 395 billion in 1974 dollars and increase employment by about 9.2 million by 1977 as a whole to achieve a full economy by the end of 1977. We have almost continually witnessed a tragic neglect of the most urgent of our domestic needs requiring public outlays. We have not achieved the degree of improvement in the distribution of income which is essential on both economic and social grounds; in the most recent years, this distribution has worsened. We have suffered a degree of inflation that is intolerable in its effects upon the most vulnerable groups. This has not been because employment and production have been too high (the common theory). It has been because stagnations and recessions, with unemployment too high and production too low, deliberately brought on by national policies designed to "fight inflation," have actually caused much more inflation than normally occurs in a healthy economy.

From the start of 1953 through the end of 1974, the long-term retreat from full employment and full production caused us to forfeit more than 2.6 trillion dollars (measured in 1974 dollars) of total output and enjoyment of goods and services; under the present tax structure we have forfeited enough public revenues at all levels of government to enable us to make an additional 760 billion of public outlays to service the starved priorities of our domestic public needs; and we have lost more than 54 million man-years of employment opportunity. If the larger economy performs no better from now through 1980—and nothing more seems in prospect without vast changes in national economic policies and programs under planning—we will forfeit during 1975–80 more than another 1.2 trillion 1974 dollars of total output and another 460 billion of needed public outlays, and forfeit 16.5 million man-years of employment opportunity.

THE IMPERATIVE NEED FOR PLANNING

Instead of muddling through the current economic crisis toward such results, we must remedy the errors of commission and omission that have prevailed, in varying degree to be sure, during the entire period under review. We must analyze, as we have not, the essentially similar disequilibrating causes of the four previous recessions, instead of designating the latest downturn as "novel" or even "insoluble." We must discard forever the recurrent application of national policies which have done so much damage on all scores in a misdirected and unsuccessful effort to overcome inflation.

And when we start to do these things, we will at once perceive the feasibility and necessity of attaining a reasonably full economy by the end of 1977, and the immense and dangerous costs of not doing so.

To improve our performance as much as we should and can, we need at once to develop an increased reliance upon short-range and long-range planning for the public good; planning by democratic rather than totalitarian means; planning which substitutes cooperation for conflict, unity for discord, and coherent and integrated policies for disconnected and conflicting policies; and which promotes the harmonious and complementary efforts of responsible free government and responsible free enterprise.

This course is not at all inconsistent with what we need to do at once to work our way out of the current economic troubles more satisfactorily than we are now doing. Entirely to the contrary, every element in this effort is of immediate and primary importance in overcoming these current difficulties on a fuller and more enduring basis than at any time in the past. "Short-range" and "long-range" problems merge in their entirety; our shortfalls to date result from short-range thought and action only.

The Hawkins-Humphrey Equal Opportunity and Full Employment bill, a most comprehensive planning proposal, was introduced last year, with many other sponsors in the Senate and the House. Hearings have commenced on the House side on a greatly improved and much broader bill, and there are excellent prospects for hearings soon on the Senate side.

The main elements in this planning measure, HR 50, which is rapidly gaining important support, are the following.

EMPLOYMENT GOALS

1. The measure, if enacted, would write into law the responsibility of our federal government to create an economic environment in which, with private enterprise, voluntary associations, and state and local governments doing their full share, the federal government would recognize its bedrock and ultimate responsibility to guarantee the right to useful employment at appropriate pay for all those able and willing to work, plus those who can be brought up to this level. The President, under the Employment Act of 1946, would be mandated to bring forth and send to the Congress immediate policies and programs (allowing for nonfederal efforts) to reduce full-time unemployment as officially measured to 3 percent—less than 3 million—within eighteen to twenty months after enactment of the legislation, and much more later on. (We reduced unemployment to 1 percent in 1944.) The measure also provides that immediate efforts be started, through supplementary reservoirs of private and public employment projects, to help all others to whom the guarantee of the right to work would apply, even when unemployment has reached the 3 percent level. Scarcity of workers is better than scarcity of jobs.

DISTRIBUTIVE GOALS

2. The President would also be required under the Employment Act to transmit to the Congress from year to year an updated set of policies and programs as part of a Full Employment and National Purposes Budget. In addition to specified quantitative goals for full employment, production, and purchasing power, the Purposes Budget would include goals for the composition and distribution of income and output conducive to sustained full employment, production, and purchasing power. To date, this equilibrium analysis has been grossly neglected and, without it, national policies and programs are flying blind.

3. A salient defect in action under the Employment Act of 1946 has been excessive concentration upon general or aggressive fiscal policies, as well as upon the same kinds of monetary policies. This approach has severely neglected, at the individual or structural level, the wide range of priority programs which, under the impact of technological trends, are absolutely essential to sustained full employment, production, and purchasing power. They are equally essential to the extirpation of poverty and other excessively low incomes, to the servicing of urgent national needs, and to the attainment of distributive and social justice. And this oversight has usually been accompanied by the refrain that such programs "cannot be afforded" and are not of major concern to economists serving under the Employment Act. The Hawkins-Humphrey bill mandates that such priority programs be budgeted and proposed to the Congress under the Purposes Budget.

The Purposes Budget would therefore include short-range and long-range goals for conservation and development of natural resources and raw materials and energy supply; decent housing for all; improvement of the environment; adequate medical care for all; full educational opportunity for all, accompanied by adequate day care and nursery and kindergarten facilities; mass transportation; a full-economy production level of food and fibers; nationwide equalization efforts with respect to incomes and public services; development of basic and applied science; artistic, aesthetic, cultural, and recreational activities; federal aid to state and local governments for needed public goods and services; virtual liquidation of poverty, substandard wages, and substandard conditions of employment in the United States, and substantial income progress among low-income families above the poverty level who still live in deprivation; needed increases in income transfer expenditures and related services for those unable to work and their dependents; promotion of small business and competitive enterprise; and action against practices by businesses of any size which are clearly inimical to the public interest; appropriate national defense, space exploration, international cooperation, and aid to the underdeveloped countries; and substitute activities to facilitate or adjust for reductions in military and other industrial activities.

Obviously, all of these goals, on both a short-range and a long-range basis, would be integrated and balanced in terms of our growing needs and capabilities. This is the hallmark of planning. Clearly, the measure does not define the desirable size of most of these programs; that is left to the President and the Congress to specify and help to achieve under a continuous planning process at the highest levels of public responsibility.

4. The practice of national policy under the Employment Act has not only been to neglect these priority programs grievously in the long run, but also to restrain them first and foremost whenever the economy is deemed (usually erroneously) to be "under too much pressure." This restraint exists even today, when the economy is suffering from tremendous slack. The Hawkins-Humphrey measure would mandate that these priority programs be budgeted continuously at the appropriate level of our full employment and production capabilities. When the economy is very slack, such action would also have powerful restorative effects. When the economy is too tight—which is unlikely in the foreseeable future—these priorities should not be sacrificed; instead, progressive tax policies should be used to cut back on superfluous or deferrable demand elsewhere in the economy. This is how Keynesian economics should really be applied.

FEDERAL BUDGET POLICIES AND CONTROL OF INFLATION

5. HR 50 also proposes a legislative finding that attempts to balance the federal budget at the expense of the national economy and the people, and are sure to result in stupendous federal deficits. The stated objective is to balance the budget at full employment, or even to have a "full-employment surplus" budget.

6. In addition to primary reliance upon reasonably full resource use to restrain inflation, this "full-employment surplus" budget would be used as the primary weapon against classical or excess-demand inflation, and the measure prohibits contrived unemployment and economic slack in the effort to curb inflation. However, the bill specifies certain counter-inflation devices, including controls when needed, to deal with other, more usual manifestations of inflation, such as those in "administered price" areas.

MONETARY POLICY

7. Since 1953, the policies of the "independent" Federal Reserve Board have brought on recurrent recessions, have stunted priority programs, and have redistributed more than 800 billion dollars regressively through excessively high interest rates. The Hawkins-Humphrey measure provides means whereby FRB policies would be brought into accord with the purposes of the bill, including enlarged congressional and presidential participation in monetary policy. It is a strange anachronism for our central banking system to be entirely "independent."

RESERVOIRS OF EMPLOYMENT PROJECTS

8. To supplement the overall program for full employment and priorities as defined above, the Hawkins-Humphrey measure would assure full employment to all eligible and willing to work through a nationwide and reasonably decentralized reservoir of public and private employment projects, carefully integrated with the priority public investments referred to above. This would utilize such instrumentalities as a new U.S. Full Employment Service (expanding the responsibilities of the U.S. Employment Service), a Job Guarantee Office, and a Standby Job Corps, plus enlarged use of local planning councils. However, the Purposes Budget would serve to guide the preponderance of public investment toward high priority programs of enduring value which reflect long-range needs. The increased success of action under the Purposes Budget would guard against the proliferation of hastily devised supplementary employment programs.

ORGANIZATION FOR THE EFFORT

9. The Hawkins-Humphrey bill would fix concentrated responsibility with the President, under the Employment Act, to perform the tasks set forth above, including recommendations to the Congress. We need, I believe, mandated purposes and programs under a planned effort more than we need additional federal agencies. However, the working relationships between a properly restaffed Council of Economic Advisers and the specialized federal agencies of large size are broadened and specifically defined, so that these agencies may effectively perform their share of the required tasks. Correspondingly, the measure would enlarge the responsibilities of the Joint Economic Committee in the Congress, so that it may be restored to its originally intended function of providing guidelines to the Congress at large and to the various legislative and budget committees with respect to national action under the Hawkins-Humphrey measure. A broadly representative Advisory Council on Full Employment and National Purposes would be established, with a membership not limited to economists, to meet and consult with the President and the Council of Economic Advisers. For the purpose of annual conferences, an appropriately constituted advisory group would be attached to the Joint Economic Committee as well. This group would be mandated to hold public hearings in various labor market areas.

We must start at once to lift the floor of "political feasibility" to the level of what we must do to prosper and live in domestic tranquillity. If those dedicated to this course play their part in a nationwide educational effort, many of us believe that the Hawkins-Humphrey bill, further improved, can become law before the end of 1976. And this would be a splendid way to increase the meaningfulness of celebrating our 200 years as a great and aspiring nation and people.